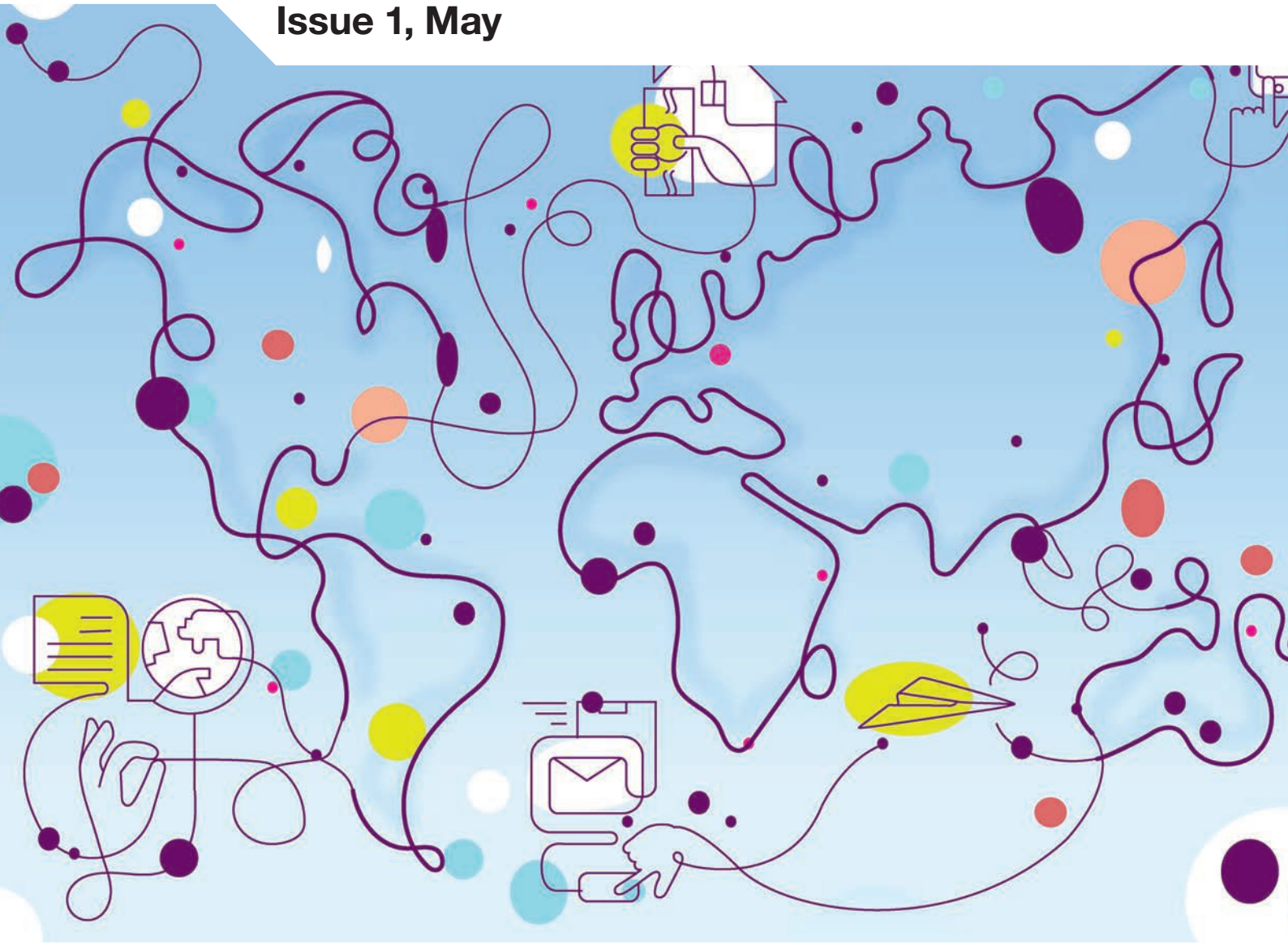
OECD Economic Outlook 2018

Issue 1, May



OECD

OECD ECONOMIC OUTLOOK

103

MAY 2018

OECD
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Please cite this publication as:
OECD (2018), *OECD Economic Outlook, Volume 2018 Issue 1*, OECD Publishing, Paris.
http://dx.doi.org/10.1787/eco_outlook-v2018-1-en

ISBN 978-92-64-30006-4 (print)
ISBN 978-92-64-30007-1 (PDF)

Series: OECD Economic Outlook
ISSN 0474-5574 (print)
ISSN 1609-7408 (online)

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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

STRONGER GROWTH, BUT RISKS LOOM LARGE

After a lengthy period of weak growth, the world economy is finally growing around 4%, the historical average of the past few decades.

This is good news. And this news is even better knowing that, in part, the stronger growth of the world economy is supported by a welcome rebound in investment and in world trade. The recovery in investment is particularly worth emphasising, since the fate of the current expansion will be highly dependent on how investment will perform.

Although long anticipated, the pick-up in investment remains weaker than in past expansions. The same is true for global trade, which is expected to grow at a respectable, albeit not spectacular, rate, unless it is derailed by trade tensions.

However, contrary to previous periods, 4% world growth is not due to rising productivity gains or sweeping structural change. This time around the stronger economy is largely due to monetary and fiscal policy support.

For many years, monetary policy was the only game in town. During the international financial crisis, central banks cut interest rates aggressively, injected funds into the economy and purchased assets at a record pace in an attempt to boost the economy.

In contrast, in most countries, fiscal policy remained prudent or even became contractionary. Still, historically low interest rates provided an opportunity for governments to use their available fiscal space to help foster growth, as the OECD argued forcefully in 2016. Many OECD governments are now following this advice. At first, the resources enabled by lower interest payments were used by governments to avoid cutting expenditures or raising taxes. With the improving economic situation, many governments have started to undertake additional fiscal easing.

Now that monetary policy is finally starting to return to normal, governments are stepping in to provide fiscal policy support. We can say that **fiscal policy is the new game in town**: three quarters of OECD countries are now undertaking fiscal easing. The fiscal stimulus in some countries is very significant, while it is less ambitious in other countries. Still, this fiscal easing will have important repercussions for the world economy. In the short run, it will add to growth. However, countries that have been experiencing longer expansions might find that this fiscal stimulus (where it is large) will also add to inflationary pressures in the medium term. Only time will tell if these short-run gains

might be offset by some medium-term pain. What matters is that, in making these choices, governments are fully aware of the medium-term impact of their policies, and do not focus only on the short-term benefits from fiscal stimulus.

The strong growth we are witnessing is also associated with robust job creation in many economies. In fact, it is particularly satisfying to see that **in the OECD area, unemployment is set to reach its lowest level since 1980**, even though it remains high in some countries. Thanks to this robust job creation and the related intensifying labour shortages, we are now projecting a rise in real wages in many countries. This increase is still somewhat modest. However, there are clear signs that **wages are finally on the way up**. This is an important development, since the global crisis had a severe impact on household incomes, particularly for the unskilled and low-income workers.

In spite of all this good news, risks loom large for the global outlook. What are these risks? First and foremost, an escalation of trade tensions should be avoided. It is worth remembering that, in part, the rise in trade restrictions is nothing new. After all, more than 1200 new trade restrictions have been implemented by G20 countries since the outset of the global financial crisis in 2007. Still, as outlined in Chapter 2, since the world economy is much more integrated and linked today than in the past, a further escalation of trade tensions might significantly affect the economic expansion and disrupt vital global value chains.

Another important risk going forward is related to the rise in oil prices. Oil prices have risen by close to 50% over the past year. Persistently higher oil prices will push up inflationary pressures and will aggravate external imbalances in many countries.

In the past few years, very low interest rates have encouraged borrowing by households and corporations in some countries and led to overvaluation of assets (e.g. houses, equities) in many others. In this context, rising interest rates might be challenging for highly indebted countries, families and corporations. Of course, this rise in interest rates has been widely anticipated and should thus not cause any major disruptions. Nevertheless, if inflation rises more than expected and central banks are forced to raise rates at a faster pace, it is likely that market sentiment could shift abruptly, leading to a sudden correction in asset prices.

A swifter rise in interest rates in advanced economies might also continue to lead to significant currency depreciation and volatility in some emerging market economies (EMEs) that are highly reliant on external financing and facing internal or external imbalances. Geopolitical tensions might also contribute to sudden market corrections or a further rise in oil prices. Brexit and policy uncertainty in Italy could add pressures to the expansion in the euro area.

What does this all mean for policy? Since private and public debt remain high in some countries, improving productivity, decreasing debt levels and building fiscal buffers is key to strengthen the resilience of economies. As monetary and fiscal policies will not be able to sustain the expansion forever and might even contribute to financial risks, it is absolutely essential that structural reforms become a priority. In the past couple of years, few countries have undertaken substantial structural reforms. Most of the countries that reformed are large EMEs, such as Argentina, Brazil and India. In the advanced economies, important labour reforms were introduced in France and a sweeping tax reform was implemented in the United States. However, as the 2018 *OECD Going for Growth* points out, these important exceptions do not counter the rule that reform efforts have been lagging.

Why is this important? Because the only way to sustain the current expansion and to make growth work for all is to undertake productivity-enhancing reforms. As many *OECD Education Policy Reviews* and OECD *National Skills Strategies* show, it is crucial to redesign curricula to develop the cognitive, social and emotional skills that enable success at work, and to improve teaching quality and the resources necessary to deliver those skills effectively. In many countries, investment in quality early childhood education and vocational education and apprenticeships are of particular importance. Skills-enhancing labour-market reforms are also crucial. Reforms to boost competition, improve insolvency regimes, reduce barriers to entry in services and cut red tape are also key for making our economies more dynamic, more inclusive and more entrepreneurial. Investment in digital infrastructure will also be essential in this digital age. In addition, there are significant opportunities to reduce trade costs in both goods and, in particular, services, boosting growth and jobs across the world.

In spite of stronger growth, there is no time for complacency. Structural reforms are vital to sustain the current expansion and to mitigate risks. Therefore, at this juncture of the world economy, **it is truly crucial to give reforms a chance**. After monetary and fiscal policies have done their jobs, it is time for reforms to sustain the expansion, to improve well-being, and to make growth work for all.

30 May 2018



Alvaro Santos Pereira
OECD Acting Chief Economist

OECD Economic Outlook, Volume 2018 Issue 1
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Chapter 1

GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

Introduction

The expansion is set to persist over the next two years, with global GDP projected to rise by close to 4% in 2018 and 2019. Growth in the OECD area is set to remain around 2½ per cent per annum, helped by fiscal easing in many economies, and will strengthen to close to 5% elsewhere (Table 1.1). Although job growth is likely to ease in advanced economies, the OECD-wide unemployment rate is projected to fall to its lowest level since 1980, with labour shortages intensifying in some countries. Wage and price inflation are accordingly projected to rise, but only moderately, given the apparent muted impact of resource pressures on inflation in recent years and the scope left in some economies to strengthen labour force participation and hours worked. Global investment and trade rebounded last year, and are projected to continue to expand steadily in the next two years, provided trade tensions do not escalate

Table 1.1. **Global growth is set to remain close to 4% in the next two years**

OECD area, unless noted otherwise

	Average 2010-2017	2016	2017	2018	2019	2017 Q4	2018 Q4	2019 Q4
				Per cent				
Real GDP growth[1]								
World[2]	3.5	3.1	3.7	3.8	3.9	3.8	3.9	3.9
G20[2]	3.7	3.2	3.8	4.0	4.1	4.1	4.1	4.0
OECD[2,8]	2.0	1.8	2.5	2.6	2.5	2.7	2.5	2.4
United States	2.1	1.5	2.3	2.9	2.8	2.6	2.8	2.7
Euro area[8]	1.1	1.7	2.5	2.2	2.1	2.8	2.0	2.0
Japan	1.1	1.0	1.7	1.2	1.2	1.8	1.3	0.6
Non-OECD[2]	4.8	4.2	4.6	4.8	5.1	4.7	5.0	5.1
China	7.6	6.7	6.9	6.7	6.4	6.9	6.6	6.3
India[3]	6.8	7.1	6.5	7.4	7.5			
Brazil	0.4	-3.5	1.0	2.0	2.8			
Output gap[4]	-2.0	-1.5	-0.7	0.1	0.6			
Unemployment rate[5]	7.3	6.3	5.8	5.4	5.1	5.5	5.3	5.1
Inflation[1,6]	1.6	1.1	2.0	2.2	2.3	1.9	2.3	2.4
Fiscal balance[7]	-4.6	-2.9	-2.0	-2.6	-2.7			
World real trade growth[1]	4.0	2.6	5.0	4.7	4.5	4.7	4.6	4.4

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

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729097

further. Even so, the prospects for strong and sustained improvements in living standards in the medium term remain weaker than prior to the crisis in both advanced and emerging market economies, reflecting less favourable demographic trends and the consequences for potential output growth of the past decade of sub-par investment and productivity outcomes.

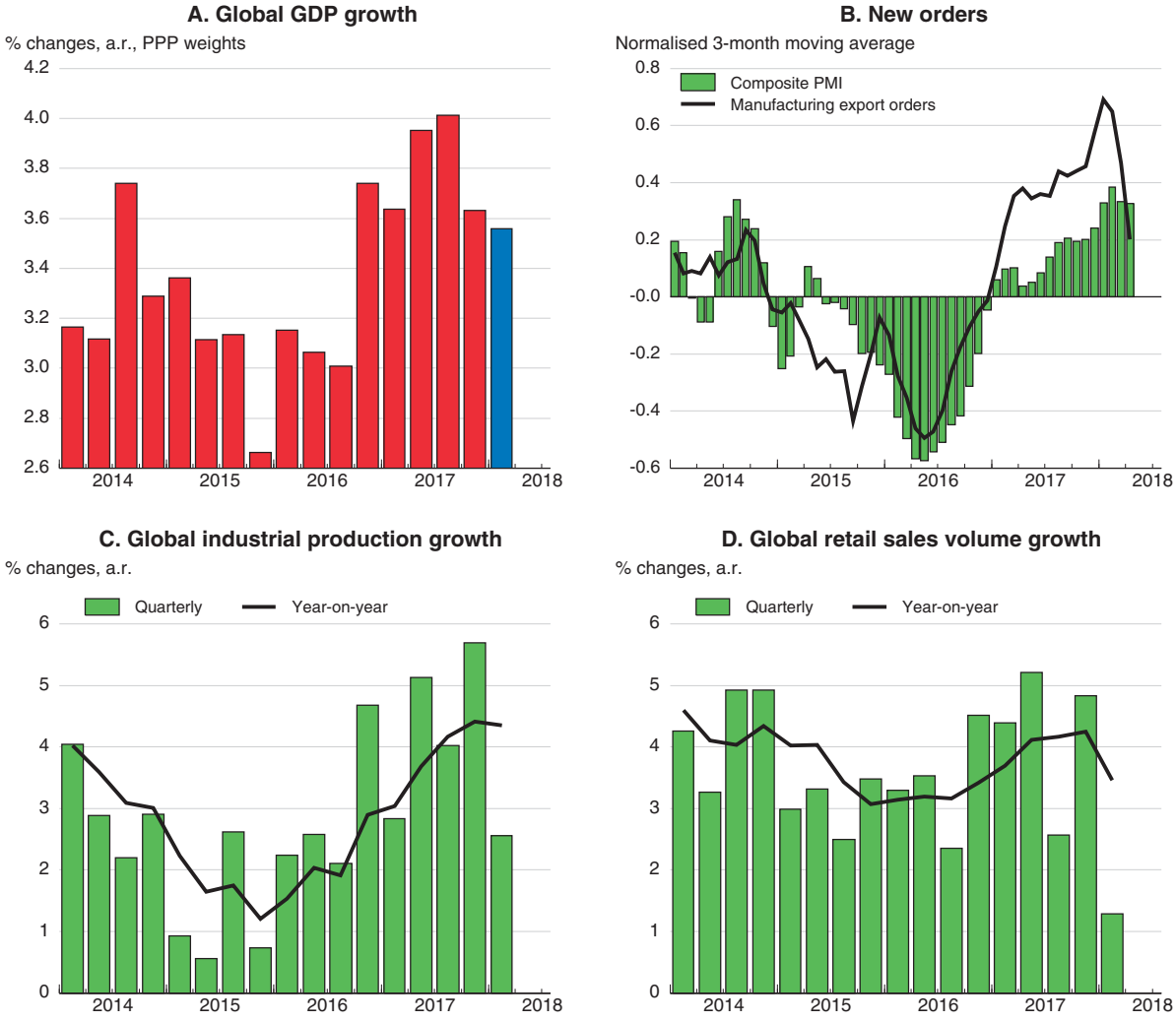
While the short-term outlook remains favourable, downside risks prevail. The projected global growth rate of close to 4% is in line with the long-term average rate prior to the crisis, but the current expansion is still being supported by very accommodative monetary policy in the advanced economies and, increasingly, fiscal policy easing. This suggests that strong self-sustaining growth has yet to be attained. Trade protectionism has already begun to adversely affect confidence, and a further escalation would harm investment, jobs and living standards. Geopolitical concerns have contributed to the substantial further rise in oil prices in recent weeks; if sustained, higher oil prices would add to inflation and soften household real income growth. Geopolitical risks also remain in Europe, with bond spreads widening recently in the euro area. Risks also remain that the normalisation of interest rates in some economies, especially if it were to proceed rapidly and be accompanied by strong US dollar appreciation, could further expose financial vulnerabilities and tensions created by elevated risk-taking and high debt. Financial market pressures have already appeared in some emerging market economies (EMEs), on the back of higher US bond yields and an appreciation of the US dollar, particularly in ones with large and rising domestic and external imbalances or sizeable US dollar-denominated external debt.

Against the backdrop of the stronger global economy, policy needs to focus on securing a more robust and resilient recovery of productivity, investment and living standards. A gradual normalisation of monetary policy is needed, but to a varying degree across the major advanced economies. Continued clear communication about the path to normalisation is essential to minimise the risk of financial market disruptions. An active and timely deployment of prudential and supervisory policies is also necessary to avoid an intensification of the risks from financial vulnerabilities in both advanced and emerging market economies. Fiscal policy choices should avoid being excessively pro-cyclical and be clearly focused on measures that help to strengthen medium-term growth and ensure that the recovery yields widespread benefits. Any margins from stronger growth should be used to rebuild fiscal buffers, given high government debt and deficit levels in many countries and the limited room for policy manoeuvre if significant downside risks materialise. Structural reform efforts should be revived in both advanced and emerging market economies to help sustain growth and allow the benefits of growth to be distributed more widely. The current upswing, with strong job growth, provides an opportune moment to rekindle structural reform efforts. Favourable cyclical conditions help to maximise the benefits of reforms, whereas acting in crisis periods, which is often when reforms are implemented, can accentuate short-term costs. Safeguarding the rules-based international trading system, avoiding an escalation of trade tensions, and enhancing multilateral co-operation are essential to prevent the harm to longer-term growth prospects that would result from a retreat from open markets (see Chapter 2).

Policy support will help to sustain global growth

The global expansion remains solid and broad-based, even though global GDP growth eased in the first quarter of 2018 (Figure 1.1, Panel A). Investment and trade growth have picked up, contributing to widespread job creation. Amongst the advanced economies, fiscal and monetary policy support continues to help underpin activity, with the effects of still-accommodative monetary policy being reinforced by an easing of the fiscal stance in

Figure 1.1. **Global activity indicators have eased recently from robust levels**



Note: Data in Panel D are for retail sales in the majority of countries. Monthly household consumption is used for the United States and the monthly synthetic consumption indicator is used for Japan. Data for India are included in Panel C, but are unavailable for Panel D. The aggregations are based on purchasing power parity (PPP) weights.

Source: OECD Economic Outlook 103 database; OECD Main Economic Indicators database; Thomson Reuters; Markit; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933728546

the majority of countries. Activity in the EMEs has also rebounded, boosted by improved global trade, higher commodity prices, and strong infrastructure investment in China and other Asian economies. Financial conditions largely remain supportive, but have begun to tighten in recent months (see below) with declines in equity prices from elevated peaks, rising long-term interest rates and volatility picking up from the unusually low levels seen in recent years. Some EMEs have begun to experience increasing financial market pressures, particularly those with large and rising domestic and external imbalances or substantial US-dollar-denominated debt (see below).

Oil prices have recently risen to around USD 80 per barrel, around 15% higher than at the start of the year, and USD 25 per barrel above their average level in 2017. Despite strong US production of oil, prices have been pushed up by continued robust global demand, supply restraints from agreed production restrictions by OPEC and selected non-OPEC countries, severe production cutbacks in Venezuela, and expectations that geopolitical

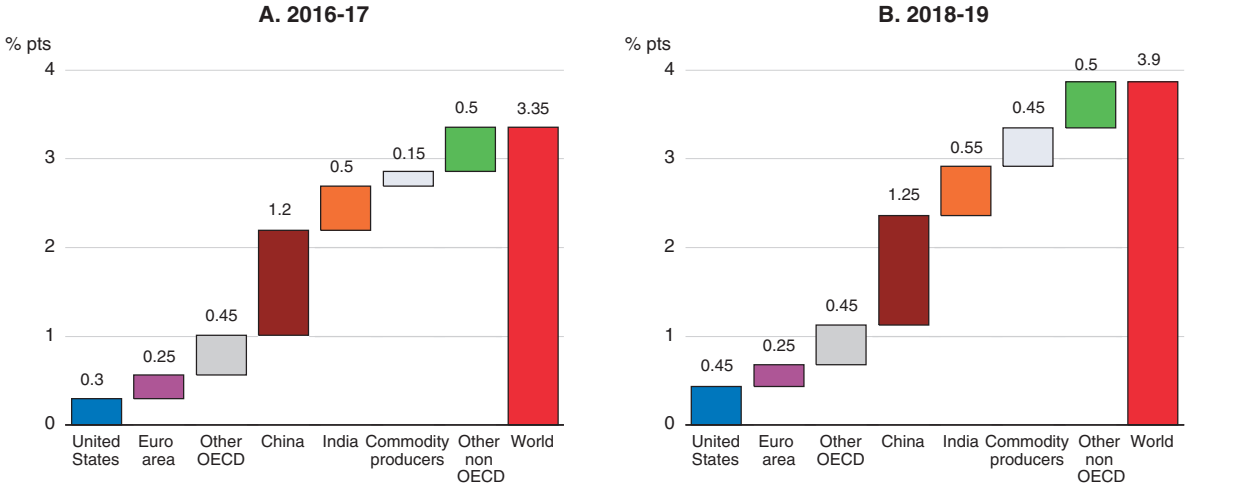
tensions will limit supply from Iran.[1] In the projections set out below, oil prices are assumed to be USD 70 per barrel over the remainder of 2018 and 2019 (Annex A.1), broadly consistent with average futures prices for 2019 over the month to mid-May this year. If the subsequent increase is sustained, it will be a significant downside risk, further adding to headline inflation and reducing real income growth in oil importing economies.[2]

Recent high-frequency indicators of global growth have been mixed, but have generally eased, in line with the slowdown in GDP growth in the first quarter of 2018 (Figure 1.1, Panels B to D). Overall business confidence appears to have stabilised in recent months, but some trade indicators, such as export orders and container port traffic, have continued to moderate. The slowdown in GDP growth in the first quarter of the year was concentrated largely in the advanced economies, especially in Europe and Japan. In part this reflects temporary factors, including unusually adverse weather conditions. However, concerns about global trade disruptions may have created uncertainty, leading firms to postpone investment temporarily. Higher oil prices may also have contributed to the recent softness of consumer spending (Figure 1.1, Panel D) by pushing up headline inflation and providing a temporary drag on household real income growth. Such effects fade quickly in the projections set out below, not least because of the support that macroeconomic policies continue to provide, but remain significant downside risks, particularly if geopolitical tensions push up oil prices further.

Despite the slow start to 2018 in some countries, global GDP growth is projected to reach almost 4% in both 2018 and 2019, helped by stronger growth in the United States, India and commodity-producing economies (Figure 1.2). While this would bring global

Figure 1.2. **Global GDP growth is set to strengthen further in 2018-19**

Contributions to global GDP growth



Note: Non-OECD commodity producers include Argentina, Brazil, Colombia, Indonesia, Russia, Saudi Arabia, South Africa and other non-OECD oil-producing economies. Contributions have been rounded to the nearest 0.05.
Source: OECD Economic Outlook 103 database; and OECD calculations.

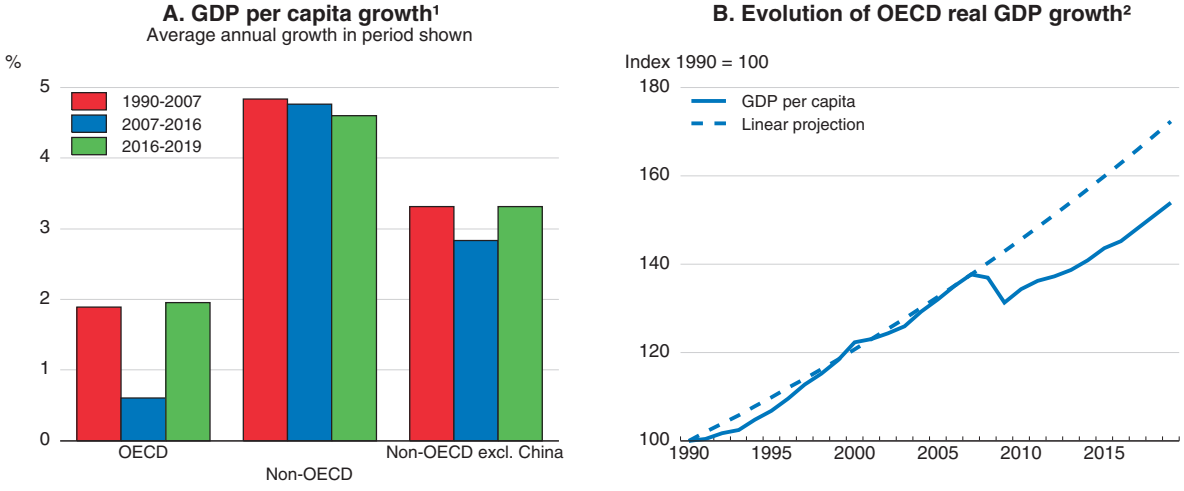
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1. Estimates from the Federal Reserve Bank of New York suggest that recent price rises have been driven largely by supply restrictions and risk factors. These two factors are each estimated to account for around two-fifths of the cumulative increase in Brent prices since the start of January, with stronger demand accounting for around one-fifth of the price rise (Federal Reserve Bank of New York, 2018).
2. The rise in oil prices from the average level of 2017 to USD 80 per barrel would represent an ex-ante transfer from oil consumers to oil producers of around USD 0.9 trillion (1% of world GDP in current US dollars), based on global production in 2017.

growth back to the average rates observed in the two decades prior to the crisis, a significant difference from past expansions is that the current one is still being supported by highly accommodative macroeconomic policies. On a per capita basis, growth is now improving in the majority of OECD and non-OECD economies, and has finally returned to pre-crisis rates in most, but the shortfalls in the years after the crisis have yet to be overcome (Figure 1.3). By 2019, real per capita incomes in the OECD economies as a whole are projected to still be over 10% lower than they might otherwise have been if they had risen since 2007 at the same average annual pace as in the two decades prior to the crisis (Figure 1.3, Panel B).

In the advanced economies, supportive macroeconomic policies, strong job growth and a recovery in investment underpin growth prospects, with GDP growth averaging close to 2½ per cent per annum over the projection period. Fiscal easing in the United States is helping to support investment and output growth in 2018-19, but fiscal tightening is set to begin from 2020 under current legislation and higher government debt levels will add to medium-term challenges (Box 1.1). Tax reductions and higher spending could still add between ½ and ¾ percentage point to US GDP growth both this year and next, taking it close to 3% in both years. This provides positive demand spillovers for other economies (Box 1.1), but higher US interest rates, and associated US dollar appreciation as interest-rate differentials widen, could raise financial pressures in some countries, especially EMEs. Growth in the euro area is set to remain robust and broad-based at between 2 and 2¼ per cent over 2018-19, with the additional fiscal easing projected in many European countries, including Germany, adding to the boost provided by accommodative monetary policy and improving labour markets. Additional spending announced in the recent supplementary budget will help to support demand in Japan in the remainder of 2018 but fiscal headwinds are set to strengthen somewhat in 2019.

Figure 1.3. **Per capita income growth has picked up in the OECD economies**



1. The OECD and non-OECD aggregates are calculated with moving nominal GDP per capita weights using purchasing power parities. The non-OECD aggregate is based on data for Argentina, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, Russia, Saudi Arabia, South Africa and the Dynamic Asian Economies (Chinese Taipei, Hong Kong - China, Malaysia, the Philippines, Singapore, Thailand and Vietnam). The 1990-2007 data for the non-OECD excluding China refer to 1993-2007.
2. The dotted line shows a linear projection from 1990 based on the average annual growth rate of OECD GDP per capita in the 1990-2007 period.

Source: OECD Economic Outlook 103 database; UN database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933728964

Box 1.1. **An assessment of the impact of US fiscal policy changes**

The US Tax Cuts and Jobs Act, and the decision of Congress to raise spending limits over the next two years, imply a significant easing of US fiscal policy of around 1% of GDP in both 2018 and 2019. (In comparison, the November 2017 *Economic Outlook* projections had assumed an easing of 0.5% of GDP in 2018 and unchanged policy in 2019.) This box provides an assessment of the effects on growth prospects of these fiscal measures.[1]

- The main tax measures include a permanent reduction in the marginal corporate income tax rate to 21%, a decrease in personal income tax rates that expires in 2025, and an increase in the rate of bonus depreciation to 100% in 2018-22 after which it is phased out by 2026. The measures also push the United States towards a more territorial tax system, consistent with most major economies. Overall, the direct costs of the Tax Cuts and Jobs Act raise the federal government deficit by around 0.7% of GDP in 2018 and an additional 0.7% of GDP in 2019 according to estimates from the Congressional Budget Office. Thereafter, the impact on the annual budget deficit is set to fade to around zero by 2026-27, on the basis of current legislation, implying some fiscal tightening in the first half of the 2020s.
- The new two-year budget bill voted in early February provides a higher spending ceiling in both 2018 and 2019 than previously expected. The assumed withdrawal of this additional spending in 2020 adds to the implied fiscal tightening from the tax increases set to occur in the next decade (in line with the ex-ante costing of the tax act).

In the model-based scenario these fiscal measures were incorporated as follows:

- A reduction in the effective corporate tax rate of 8 percentage points in 2018 and 7 percentage points in 2019, before slowly easing thereafter. This reduces corporate tax receipts by around 0.5% of GDP in 2018 and 0.8% of GDP in 2019, approximating the impact of the collective changes to the corporate tax system being undertaken. Other tax changes are assumed to occur via reductions in the effective rate of personal income taxes, reducing revenue by around 0.6% of GDP by 2019, before slowly fading thereafter.
- The increase in spending limits was assumed to result in an increase in government consumption of 0.3% of (baseline) GDP in 2018 and 0.6% of GDP in 2019.

The short-term impact of the combined fiscal measures is estimated to raise US GDP growth by between ½ and ¾ percentage point in both 2018 and 2019 (see figure below). Around two-thirds of this boost is accounted for by the collective impact of the tax changes. Business investment rises relatively rapidly, helped by a sustained decline in the cost of capital of around 10% and expectations of higher future output. The boost to US final demand also strengthens import growth and adds to labour market pressures, with the unemployment rate declining by ½ percentage point over 2018-19 and real wages rising above baseline by around 1% by 2019. Strong demand growth in the United States contributes to the widening of the US current account deficit, by around ¾ per cent of GDP in 2019. As stronger short-term activity feeds back into the budget balance, the overall increase in the deficit is closer to 1½ per cent of GDP in 2019. Monetary policy is tightened in the near term, with policy interest rates around ¾ percentage point above baseline in 2019, resulting in an appreciation of the US dollar effective exchange rate.

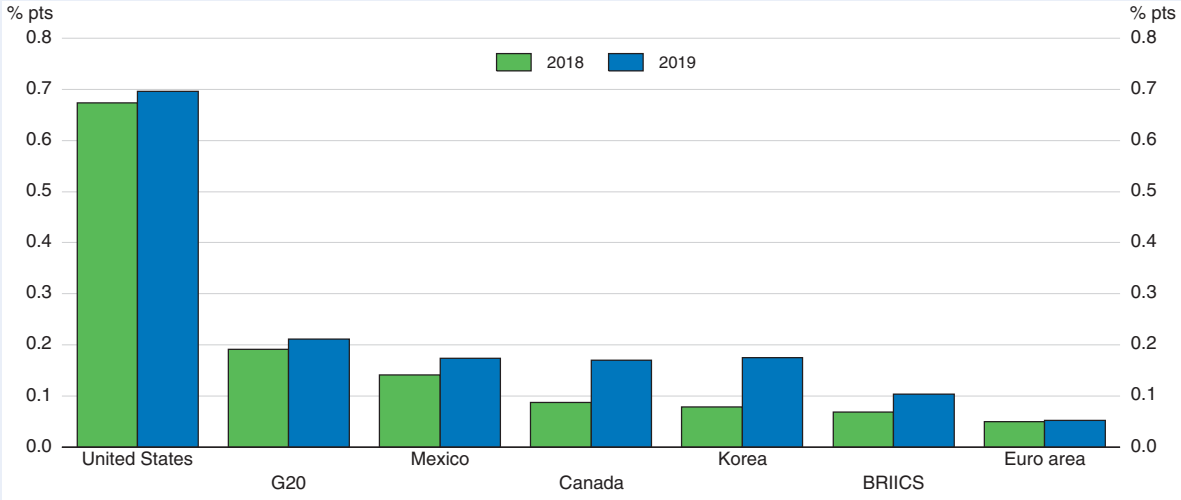
Other countries benefit from stronger external demand in the United States (on an assumption of unchanged trade policies), especially close trading partners such as Canada and Mexico. However, this is offset in part by somewhat tighter domestic monetary policy than otherwise in many countries, due to higher import price inflation stemming from currency depreciation against the US dollar.

The assumption of forward-looking behaviour in the analysis limits the near-term boost to output somewhat, as consumers anticipate higher taxes in the future and start to accumulate savings now to pay for these. It also serves to check the extent to which monetary policy is tightened in 2018-19. In an alternative scenario in which consumers' do not anticipate higher future taxes, the boost to GDP growth in 2018-19 would be somewhat higher, at over ¾ percentage point per annum on average, but inflationary pressures would be stronger and the external deficit would widen further.

Box 1.1. **An assessment of the impact of US fiscal policy changes** *(cont.)*

The US fiscal stimulus is set to strengthen short-term GDP growth

Difference from baseline, percentage points



Source: OECD calculations.

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In the medium term, the full impact of the US tax act, and the extent to which any gains are widely shared, is difficult to estimate and model (Barro and Furman, 2018). There is a lot of uncertainty about the changes in underlying incentives and behaviour that may result, including about investment location decisions and the extent to which the personal direct tax reductions that benefit high-income households are saved rather than spent. The permanent reduction in the marginal corporate tax rate implies that the real user cost of capital will be lower than otherwise, bringing about a long-lasting increase in the business capital stock that boosts supply.[2] All told, economy-wide potential output is up by around ¾ per cent by the mid-2020s in the scenario considered, and around 1% by 2030. However, higher interest rates have begun to check the medium-term effects by this time, with the government debt-to-GDP ratio estimated to rise by around 6-7 percentage points by the mid-2020s, pushing up risk premia on government debt and long-term interest rates.

1. The assessment uses the NiGEM global macroeconomic model, maintained by the UK National Institute of Economic and Social Research. The model was run with forward-looking expectations, so that businesses and households have full knowledge of future fiscal changes. Monetary policy was allowed to be endogenous in all economies, with the exception of the euro area and Japan, where policy interest rates were kept unchanged before 2020. The budget solvency rule was used from 2020 to bring the US deficit-to-GDP ratio back to baseline by the mid-2020s, implying gradual increases in the effective tax rate on household incomes.
2. Changes in the household income taxes might also impact on labour supply decisions, but these are not modelled here.

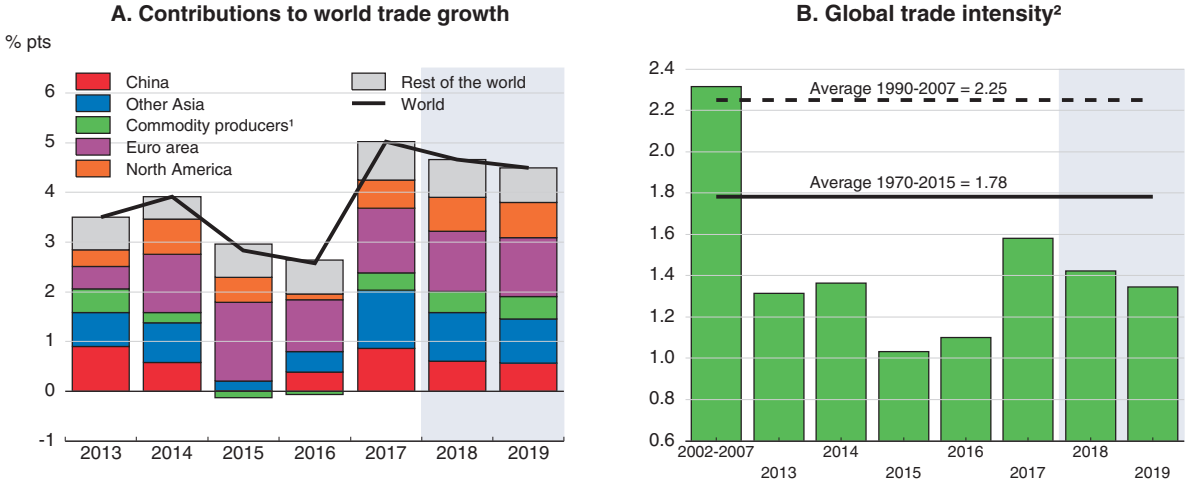
Growth prospects in the emerging and developing economies collectively appear solid for 2018 and 2019, but this masks diverging developments across the major economies. After a strong start to 2018, growth in China is set to ease slowly, to below 6½ per cent by 2019. Macroeconomic and regulatory policies are gradually becoming more restrictive as fiscal policy is now broadly neutral and credit conditions are less expansionary, and the working-age population is now declining. In contrast, robust domestic demand growth is projected to help GDP growth strengthen in India, to around 7¼ per cent and 7½ per cent in FY 2018 and FY 2019 respectively, with past reforms helping to drive a strong rebound in private investment growth. Strong infrastructure investment spending should also continue to support growth in Indonesia and a number of the Dynamic Asian Economies over 2018-19. Growth outcomes are also projected to strengthen in a number of other

commodity-producing economies, particularly Brazil and South Africa, with activity supported by monetary policy easing and improved sentiment. Higher oil prices and lower interest rates should also help to sustain growth in Russia, despite tight fiscal policy.

Global trade growth strengthened to 5¼ per cent in 2017, helped by the recovery in Europe, the pick-up in electronics trade in Asia, and the shift in the composition of demand towards investment. Import growth has also increased in many commodity-exporting economies. Over 2018-19, trade growth is projected to ease, but remain broad based, rising by between 4½-4¾ per cent per annum on average, on the assumption that trade tensions do not worsen significantly further (Figure 1.4). At this pace, trade intensity would remain mild by pre-crisis standards, but would be marginally higher than the average pace achieved over 2012-17. Global current account imbalances are projected to rise modestly during 2018-19, with the US external deficit increasing by around ¾ per cent of GDP (driven in part by the fiscal easing taking place) and rising deficits in a number of EMEs, especially those with relatively strong domestic demand growth. The current account surpluses in Japan, the euro area and China are projected to be broadly stable over 2018-19, at around 4% of GDP (Japan and the euro area) and 1¼ per cent of GDP respectively. Higher oil prices also result in improving external positions in the major oil-producing economies (including Russia).

Steady employment growth is projected to continue in most of the advanced economies over 2018-19, with OECD-wide employment rising by 1¼ per cent per annum on average. The OECD-wide unemployment rate has finally fallen below the pre-crisis level and is projected to decline further to 5% by the end of 2019. This would be the lowest area-wide rate since 1980, and over ½ percentage point below the estimated long-term sustainable unemployment rate. Corporate surveys also point to signs that labour shortages have begun to intensify in some major economies (Figure 1.5), especially in Germany and several Central and Eastern European economies, possibly reflecting emerging skill shortages (EIB, 2017).

Figure 1.4. **A broad-based upturn in trade growth, but trade intensity remains lower than before the crisis**

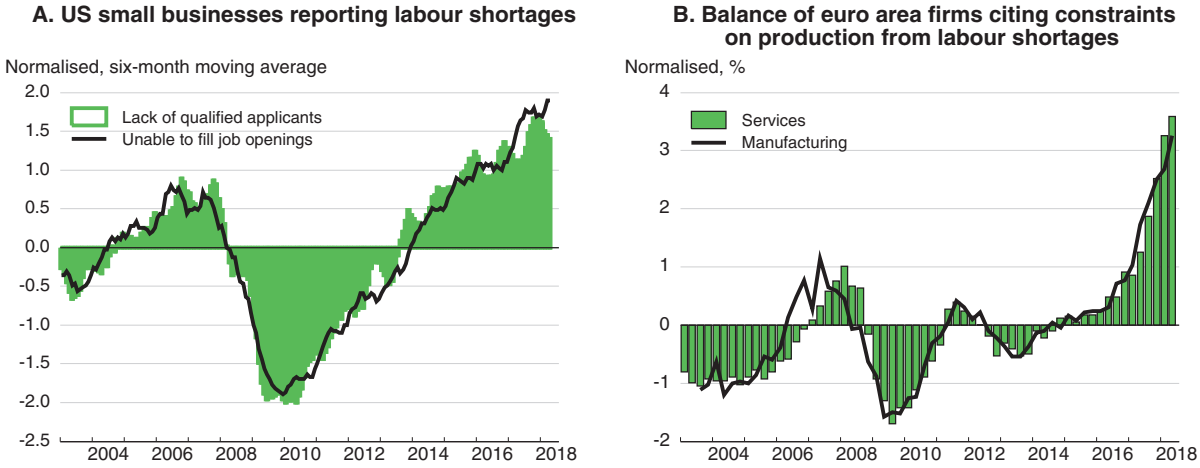


1. Commodity producers include Argentina, Australia, Brazil, Chile, Colombia, Indonesia, Norway, New Zealand, Russia, Saudi Arabia, South Africa and other oil-producing countries.
2. World trade volumes for goods plus services; global GDP at constant prices and market exchange rates. Ratio of average annual world trade growth to average annual GDP growth in the period shown.

Source: OECD Economic Outlook 103 database; and OECD calculations.

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Figure 1.5. **Survey evidence is now pointing to labour shortages in some economies**

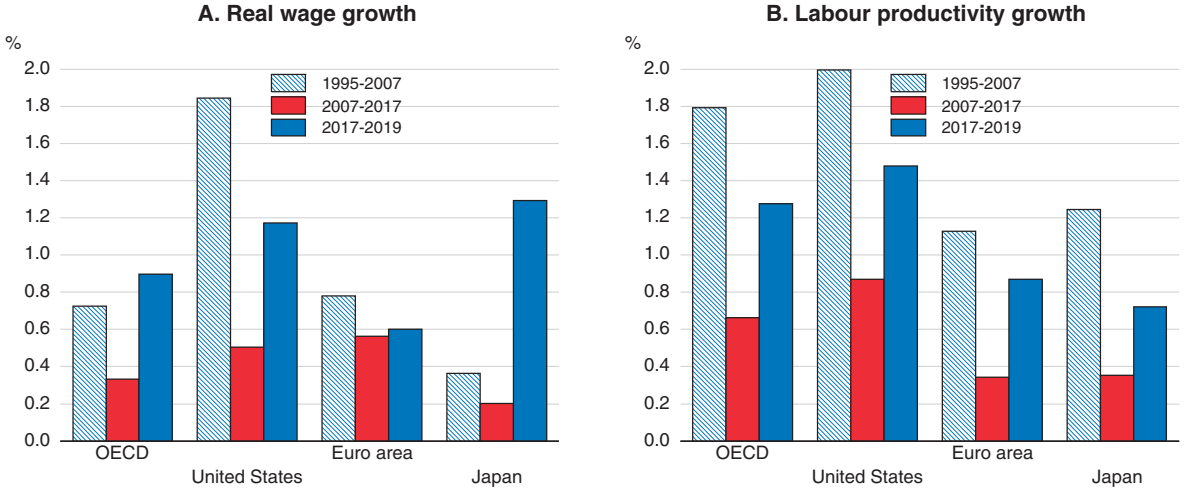


Note: Normalised values over the period 2003-2018, expressed in standard deviations.
Source: National Federation of Independent Business; European Commission; and OECD calculations.

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There are now signs that wage pressures have begun to strengthen, especially in the United States, Canada, Germany and several smaller European economies, including the Czech Republic, Hungary and Poland, where labour markets are becoming increasingly tight. In Japan, where labour shortages are also particularly acute, wage growth is still modest, but new corporate tax credits for companies that raise wages by 3% or more could help to foster stronger compensation growth. Overall, in the OECD economies, real wages are projected to rise by around 0.9% per annum on average over 2018-19, up from around 0.3% per annum on average in 2014-17 (Figure 1.6). Around three-quarters of this pick-up can be accounted for by somewhat stronger labour productivity growth, so that unit labour cost inflation rises only modestly in many economies.

Figure 1.6. **Real wage growth is projected to pick up, helped by improving productivity growth**



Note: Labour productivity growth is the average annual growth rate of output per person employed. Real wage growth is calculated from nominal wage growth and the GDP deflator. 2018-2019 are projections.
Source: OECD Economic Outlook 103 database.

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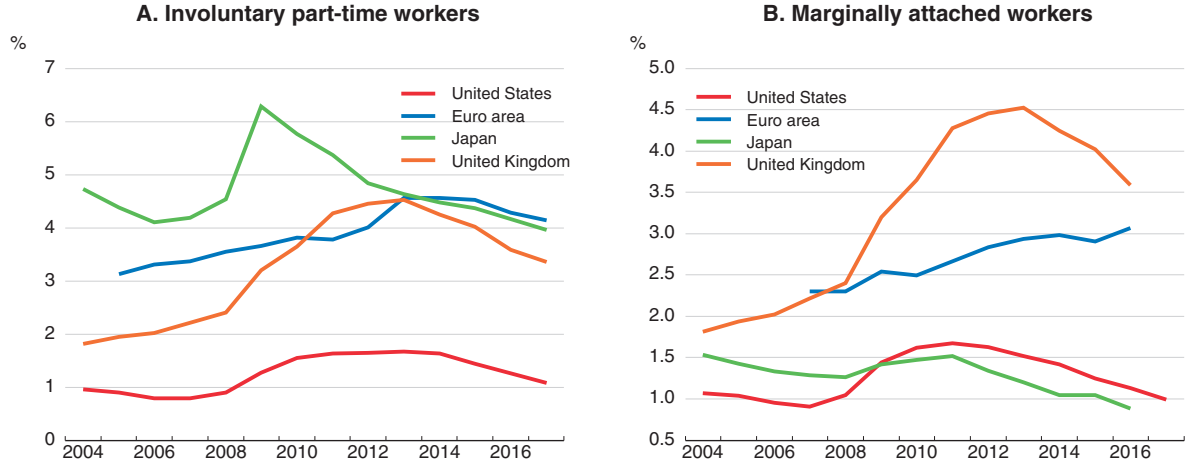
Wage growth nevertheless remains softer than might be anticipated given the decline in unemployment and growing signs of skill shortages. This suggests that conventional headline measures of unemployment may understate the extent of current cyclical slack in OECD labour markets, with scope remaining in some economies to further strengthen labour demand without giving rise to substantial wage pressures.

Margins of slack differ across the major economies, but include comparatively-high involuntary part-time work rates in some countries and a sizeable number of people only marginally attached to the labour market but who are available for work. Such factors appear relatively important in Europe, but less so in the United States and Japan (Figure 1.7). There are also marked differences across countries in the activity rates of different age groups (Figure 1.8). Participation rates are generally rising in most countries, particularly for older workers, adding to available supply, with the United States a notable exception. In part, improvements in participation rates reflect the cumulative impact of past labour market reforms to boost job creation, reduce pathways to early retirement, and lower barriers to female labour force participation. Inflows of asylum seekers are also providing a modest boost to labour force growth in some European countries. Diminished labour force participation of prime-age workers (in the 25-54 age group) in the United States is associated in part with an increased incidence of poor health and disability, including high opioid prescriptions (CEA, 2018). Renewed efforts to implement structural reforms to boost skills, job availability and foster additional labour force participation are required in all countries to improve labour market opportunities and help sustain the present expansion.

The improvement in job growth and incomes remains uneven. The employment rates of older workers (aged 55 and above) have risen sharply in recent years, but prime-age and youth employment rates are only at, or still below, pre-crisis levels in many countries. Many households have seen little growth in real disposable incomes over the past decade, particularly those with low incomes (Figure 1.9). Soft wage growth is also contributing to popular dissatisfaction with economic performance.

Figure 1.7. **There are high numbers of involuntary part-time and marginally attached workers in some countries**

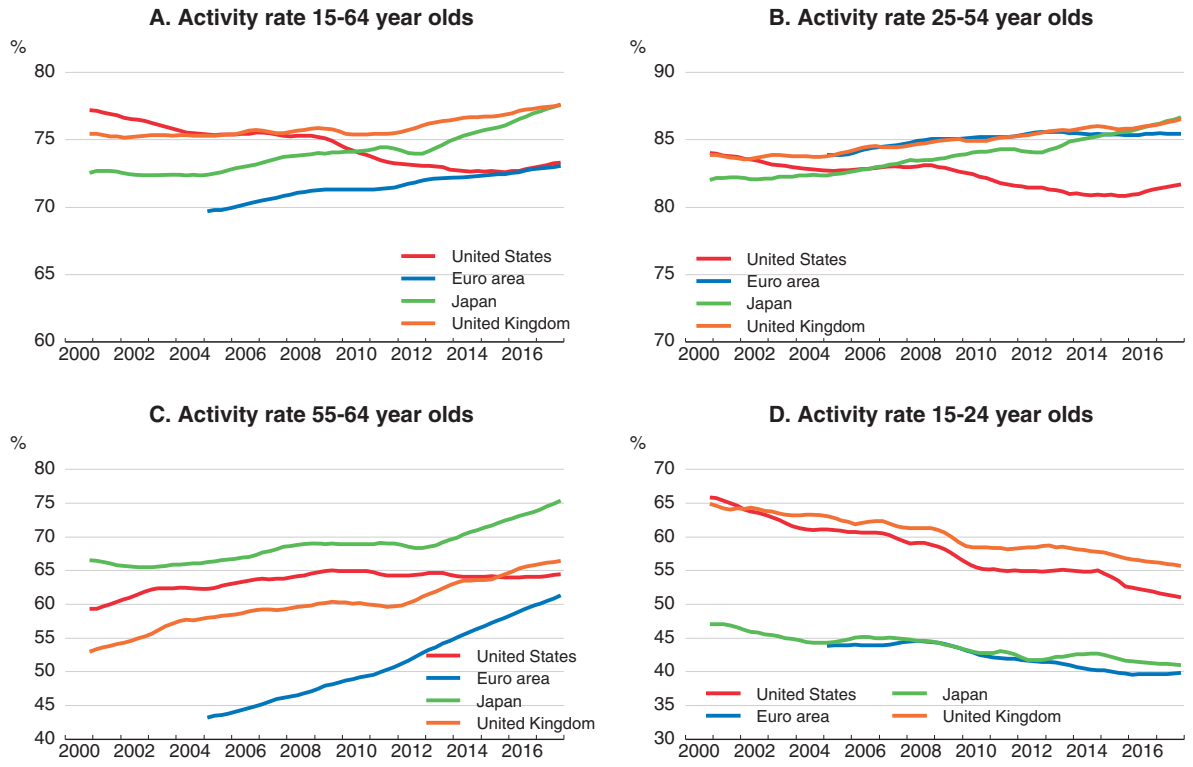
As a percentage of labour force



Note: Involuntary part-time workers are people working less than 30-usual hours per week because they could not find a full-time job. Marginally attached workers are persons aged 15 and over, neither employed or in the labour force, nor actively looking for work, but who are willing to work and available to take a job. Additionally, when this applies, they have looked for work during the past 12 months.
Source: OECD Labour Market Statistics; Eurostat; Bureau of Labour Statistics; Statistics Bureau of Japan; and OECD calculations.
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Figure 1.8. **Substantial differences remain in activity rates across countries**

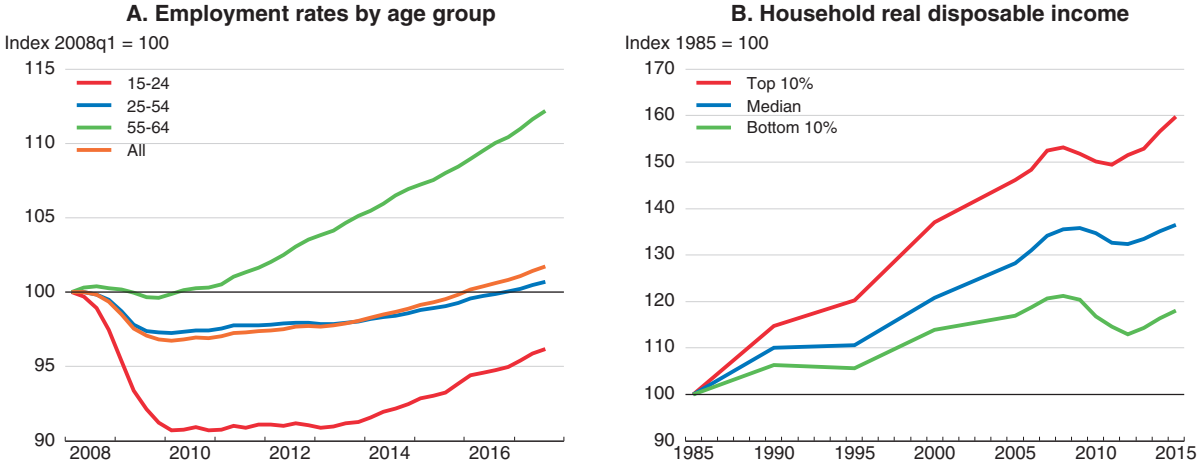
In per cent of the working age population in each age group; four-quarter moving average



Source: OECD Short-Term Labour Market Statistics; and OECD calculations.

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Figure 1.9. **Income and employment gains remain uneven in the OECD**



Note: The OECD employment rate of each age group is the ratio of the number of employed people to the working age population in the age group. The income series are averages of the 17 OECD member countries for which data are available over the full period.
Source: OECD Short-Term Labour Market Statistics; OECD Income Distribution database; and OECD calculations.

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Key issues and risks

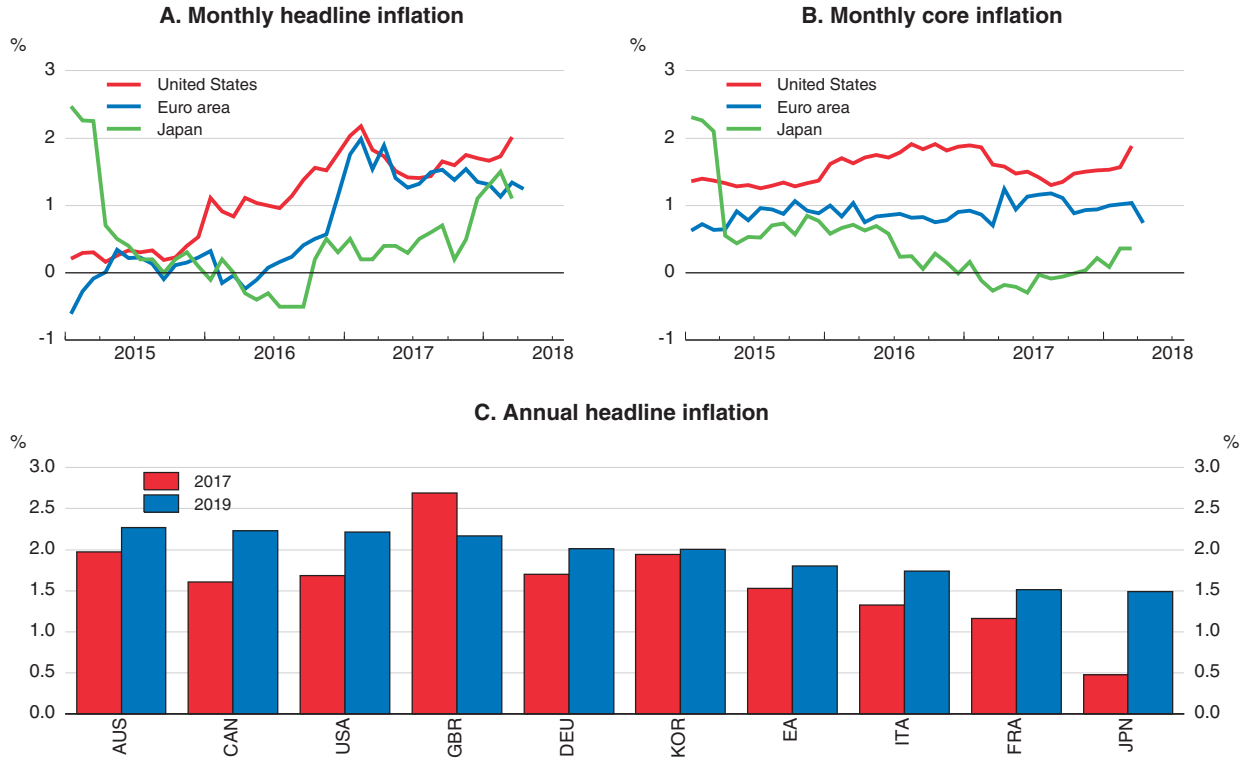
Will inflation pick up?

Higher commodity prices have already pushed up headline inflation in many advanced economies, including in the euro area, Japan and the United States. At the same time, underlying inflation remains mild, in part due to the slow pace of the recovery from the crisis (Figure 1.10). Inflation also generally remains modest in EMEs. However, past currency declines and stronger commodity prices are currently adding to inflation pressures in some countries, including Argentina, Mexico and Turkey (Figure 1.11).

Inflation expectations, including by companies, have ticked up in the euro area and the United States (Figure 1.12). This, together with higher oil prices and slightly higher labour costs (see above), will boost consumer price inflation to just above the inflation target in the United States but still leave it below objectives in the euro area and Japan (Figure 1.10). In view of the experience of the past few years, diminishing economic slack

Figure 1.10. **Inflation is projected to approach, or slightly exceed, inflation objectives in the main OECD areas**

Year-on-year percentage changes



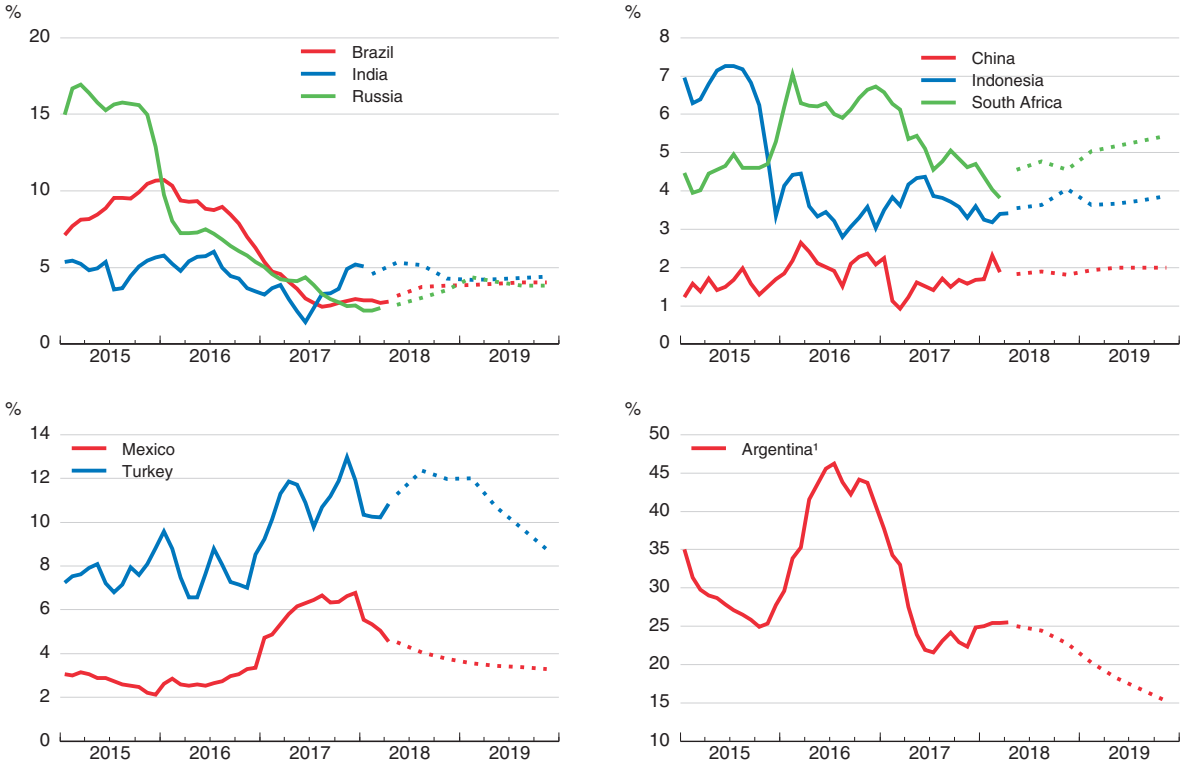
Note: Headline and core inflation are measured by the harmonised consumer price index for the euro area, the euro area countries and the United Kingdom; the national headline consumer price series for Canada and Japan; and the personal consumption deflator for the United States. Core inflation excludes prices of food and energy, including in Japan. In Japan, headline and core inflation in 2019 are affected by the expected increase in the consumption tax rate.

Source: OECD Economic Outlook 103 database; OECD Main Economic Indicators database; and OECD calculations.

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Figure 1.11. **Inflation remains modest in some large emerging market economies**

Year-on-year percentage changes



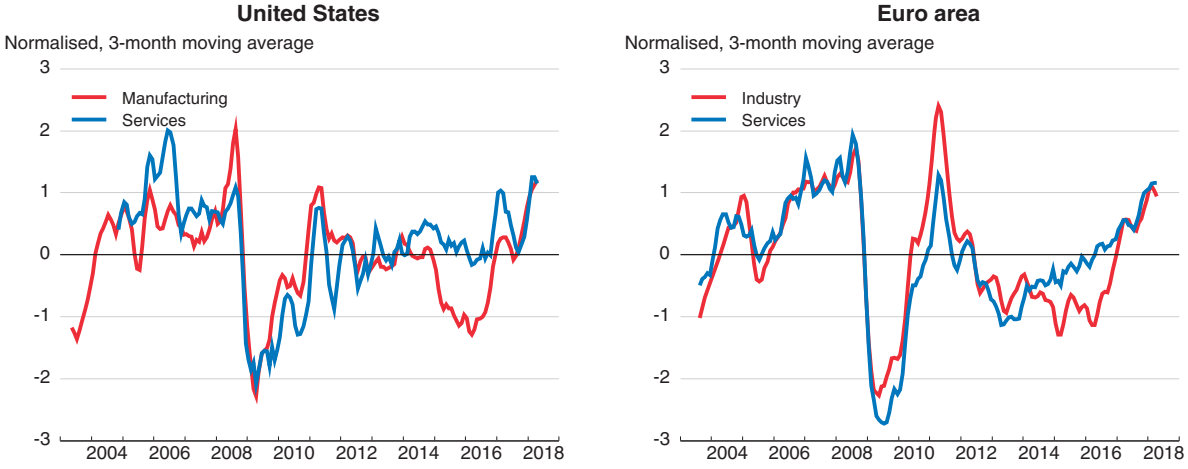
Note: Historic data are at monthly frequency, projections are at quarterly frequency.

1. Based on unofficial data until March 2017 (Congressional Inflation Index). Coverage is for the Greater Buenos Aires area until November 2017, nationwide thereafter.

Source: OECD Economic Outlook 103 database; OECD Main Economic Indicators database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933728584

Figure 1.12. **Corporate expectations of selling prices have strengthened**



Note: The percent balance of the number of firms reporting expectations of higher prices compared with the number of firms reporting expectations of lower prices. Normalised values over the period 2003-2018, expressed in standard deviations.

Source: US Federal Reserve; European Commission; and OECD calculations.

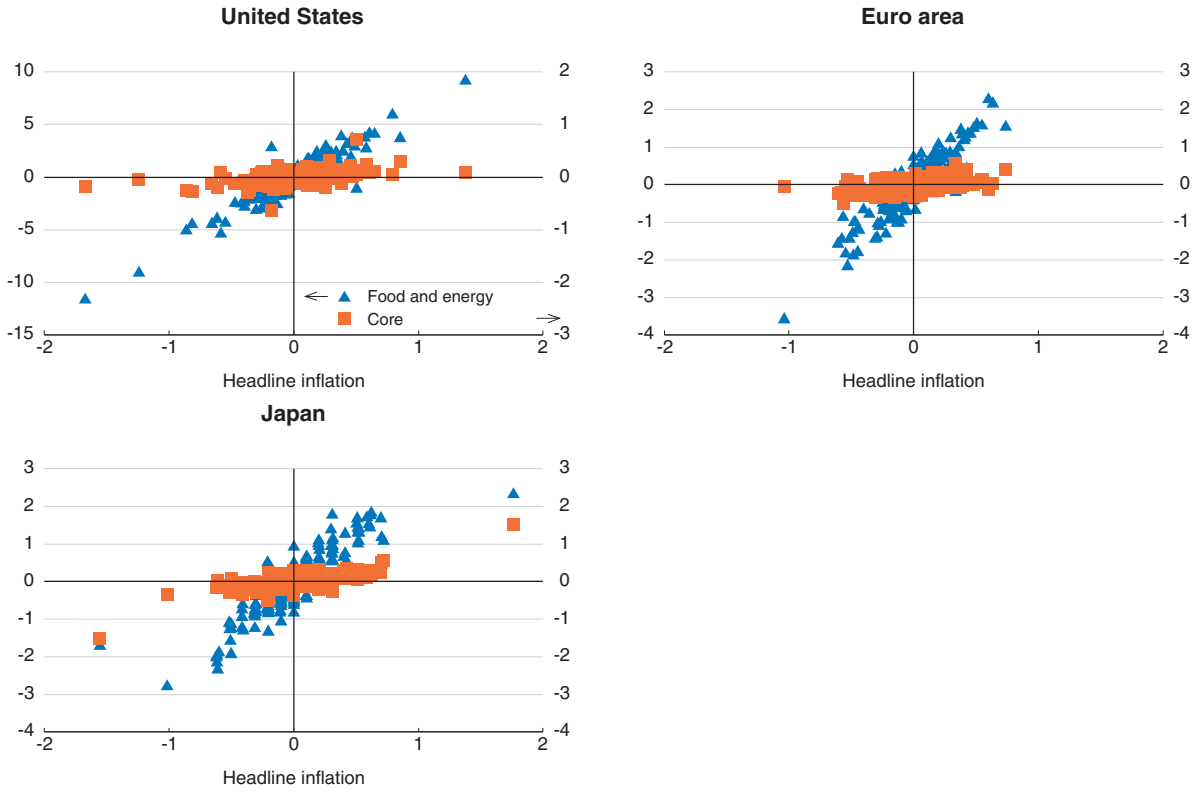
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may not lead to significantly higher inflation immediately. Indeed, the link between inflation and economic slack seems weak in most advanced economies.[3]

Upside risks to inflation, at least in the short run, stem from a possible larger increase in commodity prices, particularly oil. Risks will be especially high if geopolitical concerns persist or escalate. In recent weeks these concerns have already helped to push oil prices up by more than 10% relative to the level of USD 70 per barrel assumed in the baseline projection (see above). Historically, big changes in energy and food prices have driven the largest swings in inflation in recent decades (Figure 1.13; Choi et al., 2017). Moreover, with

Figure 1.13. **Large changes in inflation rates have frequently been driven by big changes in energy and food prices**

Change in the year-on-year inflation rates over the year, in percentage points



Note: Horizontal axes show the change in the annual headline inflation rate over the 12-month period using monthly series between 2002 and early 2018. Vertical axes show the equivalent changes for core inflation and food and energy price inflation, respectively. Core inflation excludes prices of energy and food, and in Japan it differs from the domestic definition.
Source: Ministry of Internal Affairs and Communications, Japan; Bureau of Economic Analysis; Eurostat; and OECD calculations.
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3. Standard empirical frameworks (the so-called Phillips curve models), that are used to assess inflation, do not always have a very good explanatory power and are not very robust (Stock and Watson, 2010). Across advanced economies the Phillips curve flattened from the mid-1970s to the early 1990s and has stabilised since then (IMF, 2013a; Rusticelli, 2014; Rusticelli et al., 2015; Blanchard et al., 2015). However, there is some recent evidence suggesting a modest steepening of the Phillips curve in the euro area (Giannone et al., 2014; Riggi and Venditti, 2015; Ciccarelli and Osbat, 2017). Also, the relationship between nominal wage growth and unemployment appears to be strengthening in some European countries (Bulligan and Viviano, 2017). In the United States, this relationship is expected to strengthen with the recovery, as its recent weakness is judged to be driven primarily by cyclical factors (Leduc and Wilson, 2017).

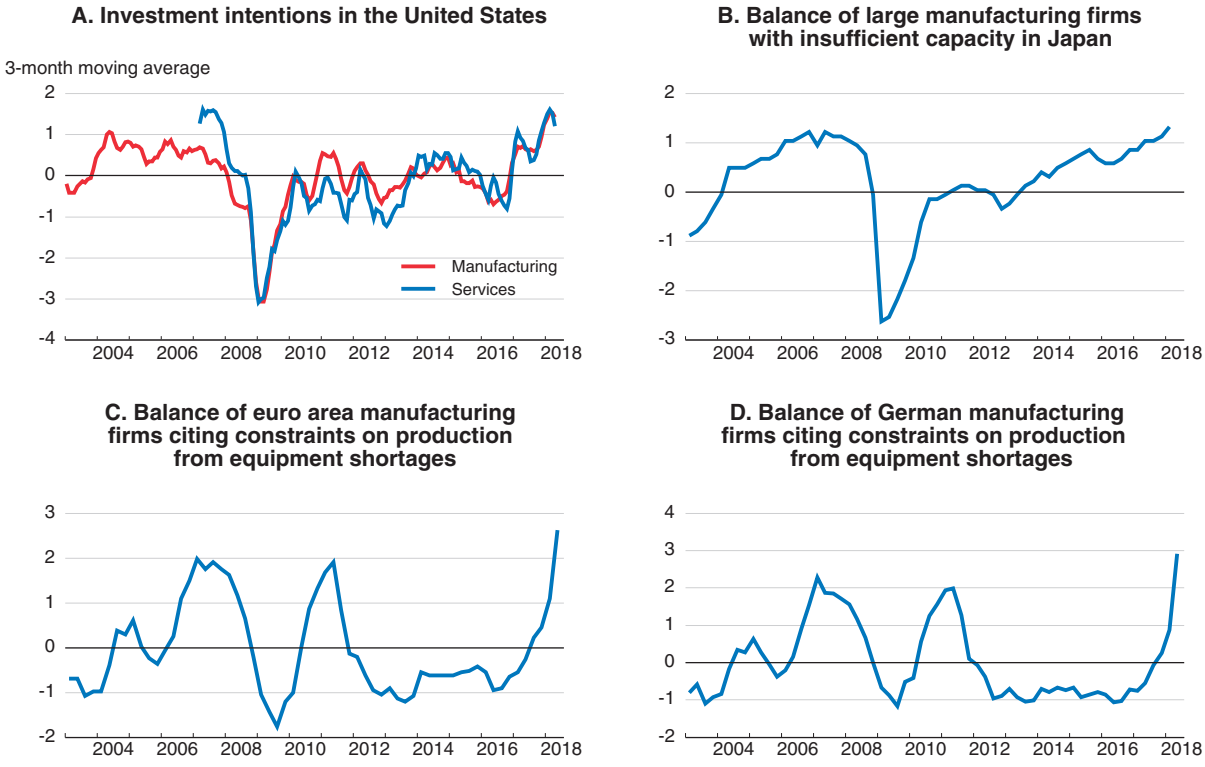
signs of narrowing spare capacity, the pass-through of rising energy and food prices to overall inflation may be relatively strong, also affecting non-energy and non-food prices. In EMEs, especially the vulnerable ones (see below), inflation is likely to be higher if the recent depreciation of domestic currencies persists.[4]

Investment growth has recovered but remains softer than in past expansions

Investment growth picked up in most economies during 2017, helped by stronger domestic and global demand and fading financial constraints. Capital goods production has strengthened over the past year and corporate surveys point to improved investment intentions in many large economies (Figure 1.14), although concerns about trade protectionism have begun to adversely affect confidence in some.[5] However, the upturn remains weaker than seen in past cyclical expansions, and the growth of the productive net capital stock remains below the pre-crisis pace (OECD, 2017a). This is a key factor limiting prospects for productivity and potential output growth in the medium term.

Figure 1.14. **Survey evidence points to stronger investment intentions**

Normalised



Note: Normalised values over the period 2000-2018, expressed in standard deviations.
Source: Bank of Japan; European Commission; US Federal Reserve; and OECD calculations.

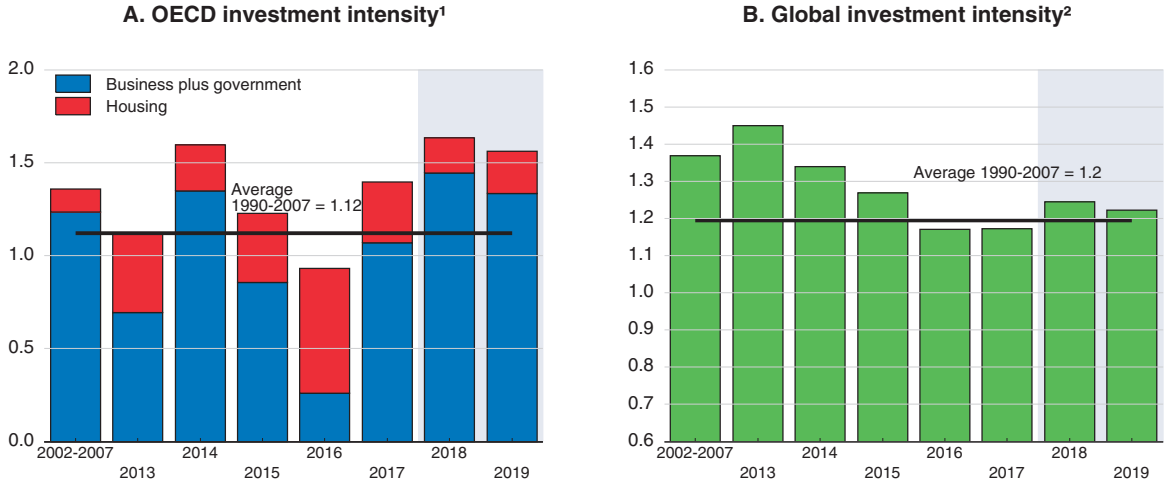
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4. Inflation projections are based on fixed exchange rates as of 26 April (Annex A.1), and thus do not necessarily take full account of the recent depreciation of currencies in many EMEs.
5. Uncertainty created by ongoing restrictive trade policy announcements could hold back business investment if firms have the option of postponing investment spending, both in the countries imposing barriers and elsewhere (Handley and Limão, 2015).

The pace of business investment growth in the advanced economies is projected to average between 3½ and 3¾ per cent per annum over 2018-19. Business investment is projected to be particularly robust in the United States, rising by 5½ per cent per annum on average in 2018-19, helped by the impact of the tax reforms and favourable financial conditions. Continued strong investment growth is also projected in many Central and Eastern European economies. Nonetheless, in the median OECD economy, gross fixed investment spending in 2018-19 is projected to be around 12% below the level required to ensure the productive net capital stock rises at the same average annual pace as in the decade prior to the crisis. This reflects the rise in the depreciation rate of capital over time (OECD, 2017a). Strong investment is expected in a number of EMEs, especially India, Indonesia and Turkey, but overall global investment intensity (including China) is projected to be only marginally above longer-term averages (Figure 1.15).

Potential obstacles to a sustained recovery include diminished long-term growth expectations, a lack of business dynamism in some economies, and uncertainty, including about global trade policy. Resources trapped in unproductive firms (Andrews et al., 2017), and the slowdown in reform efforts to tackle regulations that impede product market competition (OECD, 2018b) have also held back incentives to invest. Corporate hurdle rates for investment also remain well above the cost of capital, and have been high and relatively sticky over time despite underlying fluctuations in the cost of finance (OECD, 2017a). Consequently, the average pre-tax rate of return on capital assets has stabilised or even recovered in some countries since the crisis (Figure 1.16; Weale, 2015). This suggests that firms are not undertaking all the marginal, but profitable investments that low interest rates should encourage. At the same time, the numbers and value of corporate mergers and acquisitions are high, particularly in the United States, with resources being used to purchase existing capital assets from other companies, rather than to add to the aggregate capital stock.

Figure 1.15. **Global investment intensity has picked up**



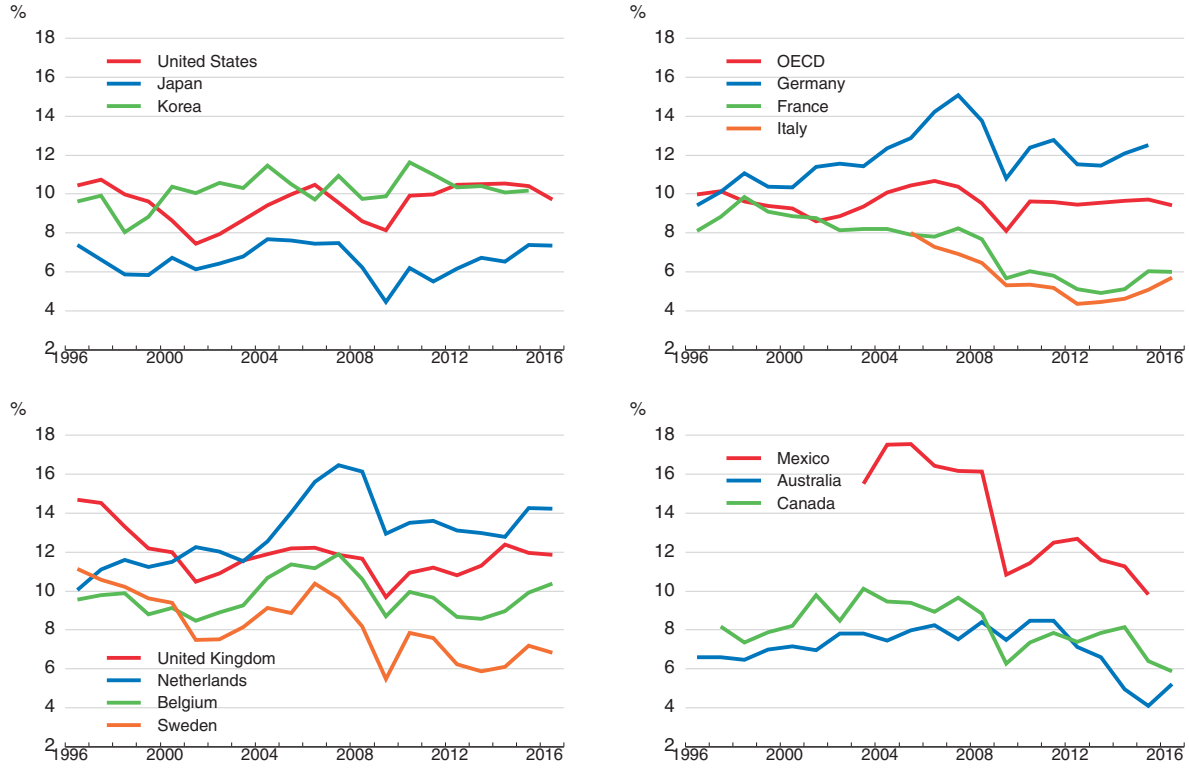
Note: Ratio of average annual investment growth to average annual GDP growth in the period shown.

1. Ratio of OECD investment growth to OECD GDP growth in period shown.
2. Fixed capital investment and GDP growth in the OECD, Brazil, China, Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, the Philippines, Russia, Singapore, South Africa, Thailand and Vietnam, at constant prices.

Source: OECD Economic Outlook 103 database; IMF World Economic Outlook database; Consensus Economics; and OECD calculations.

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Figure 1.16. **The rate of return on fixed assets remains high in some countries**



Note: The return on capital is calculated as the net operating surplus relative to net fixed assets in all countries apart from Canada, Australia and Mexico where it is the net operating surplus relative to net non-financial assets. Non-financial assets include the value of natural resources. The OECD series is a PPP-weighted average of the rate of return on net fixed assets in 18 OECD countries.
Source: OECD Annual National Accounts; and OECD calculations.

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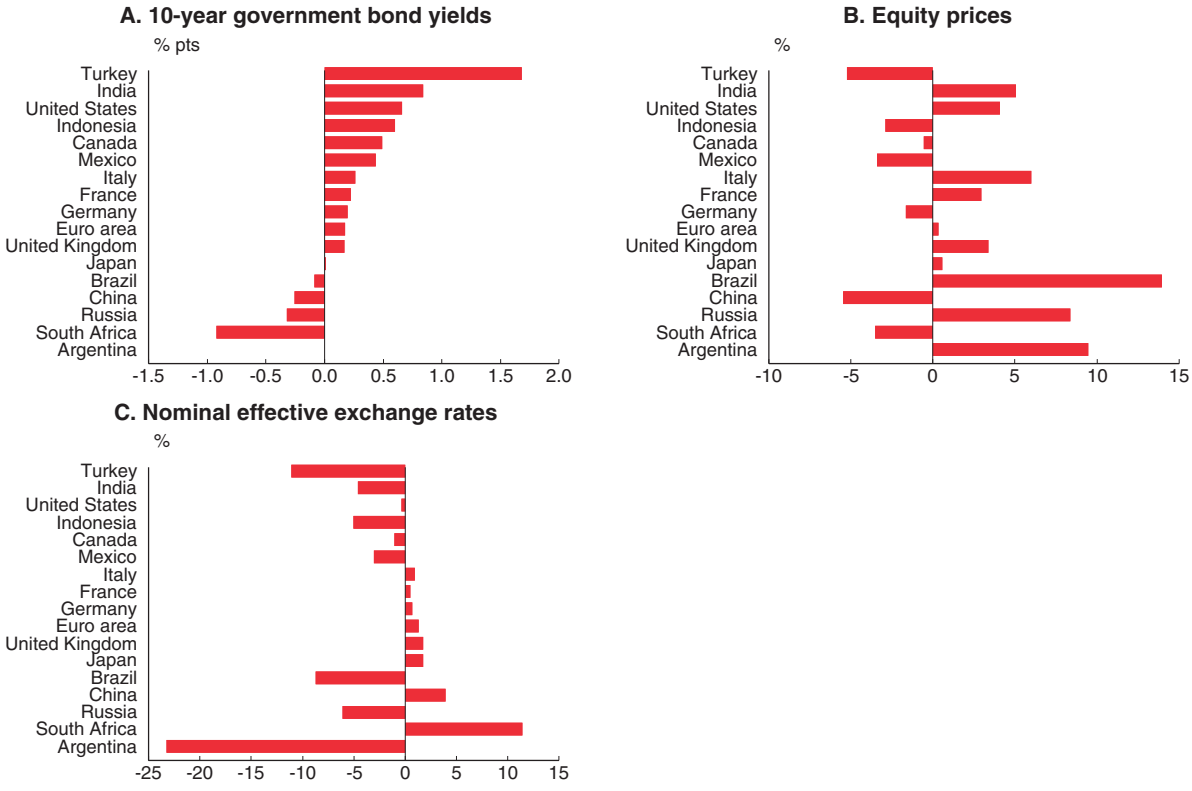
Higher interest rates could lead to tensions and expose financial vulnerabilities

Financial conditions remain supportive for growth but have tightened in many major countries since November 2017, when the last OECD *Economic Outlook* was published. Higher long-term interest rates largely reflect a stronger economic outlook than markets had previously expected, and the associated expectations of somewhat higher inflation and less accommodative monetary policy (Figure 1.17). Equity prices in the major economies have declined from their recent elevated peaks and stock market volatility has picked up from the unusually low levels seen last year, which should help to reduce excessive risk-taking (Figure 1.18). Credit markets have, however, largely been calm and corporate and EMEs' bond spreads generally remain low, even if they have started to rise recently (Figure 1.18).

To the extent that recent developments reflect a necessary adjustment in bond yields due to expectations of less accommodative monetary policy, the direct impact on growth may be modest. However, significant vulnerabilities remain, with implications for growth prospects. The prolonged period of low interest rates and volatility has encouraged borrowing by corporations and households in some countries, with highly leveraged positions making them vulnerable to higher borrowing costs, especially where borrowing has taken place at variable interest rates. It has also prompted greater risk-taking, making

Figure 1.17. **Financial conditions have tightened in many large economies**

Changes between the November 2017 average and the May 2018 average



Note: A 10-year government bond yield is not available for Argentina. An increase in the nominal effective exchange rate implies its appreciation.

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

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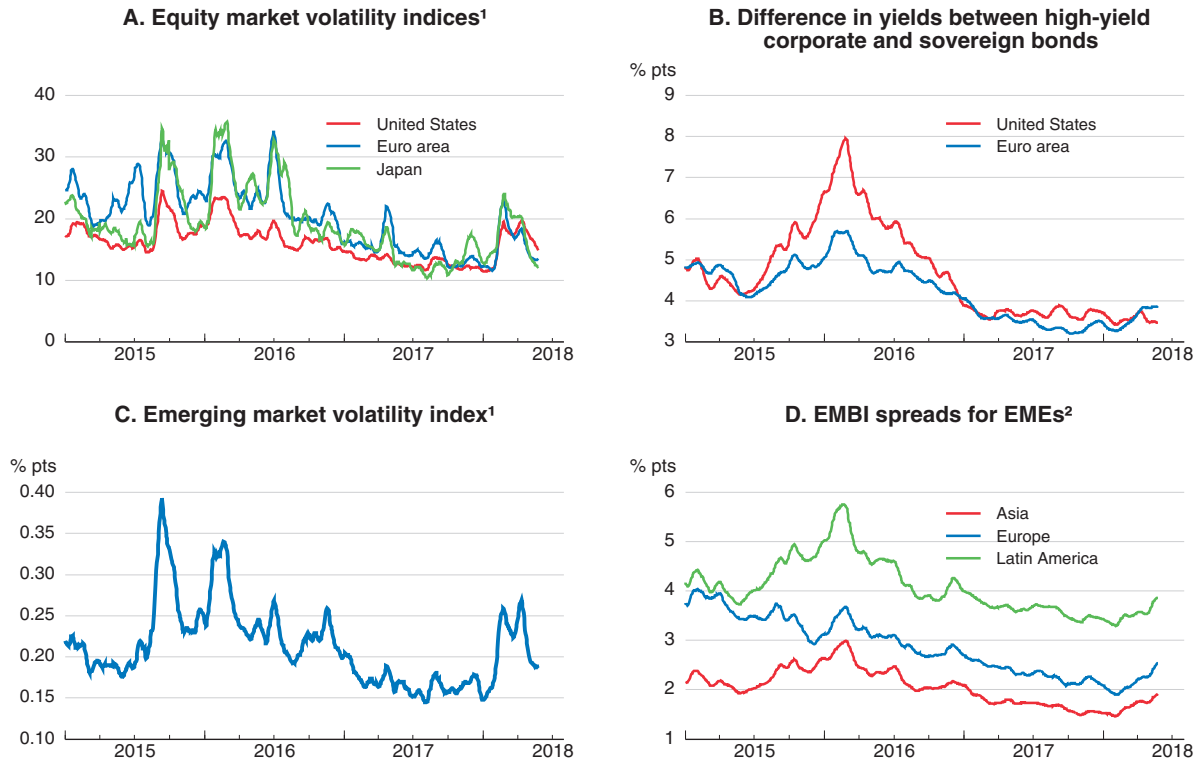
the global financial system more exposed to shifts in market sentiment as monetary policy normalises, as evident in the widespread stock market correction in early 2018 (OECD, 2017b).[6] New tensions are particularly likely in the event of an upside inflation surprise, which could prompt markets to expect abrupt increases in policy rates. More generally, further corrections in asset prices remain possible as monetary policy normalises, given still-high valuations in some markets (including equity markets in the United States; housing markets in Australia, Canada, New Zealand, Norway and Sweden; and corporate bonds), and market-based expectations of US policy rates that are still below the likely path communicated by the US Federal Reserve.

Financial stability concerns also arise from still-low credit risk spreads, and high private and public debt. Debt in many countries and sectors remains above pre-crisis levels (Figures 1.19 and 1.28). Moreover, in recent years, bond issuance by the private sector has been high and the quality of covenants that protect the interest of holders of non-investment-grade bonds, including in the United States, has declined. High

6. The equity price correction and the spike in volatility were amplified by risk management practices based on value-at-risk or volatility control strategies and to the termination clauses on volatility-driven investment products that permitted underwriters to liquidate the product in event of extreme volatility.

Figure 1.18. **Risk-taking in financial markets has abated somewhat**

15-day moving average

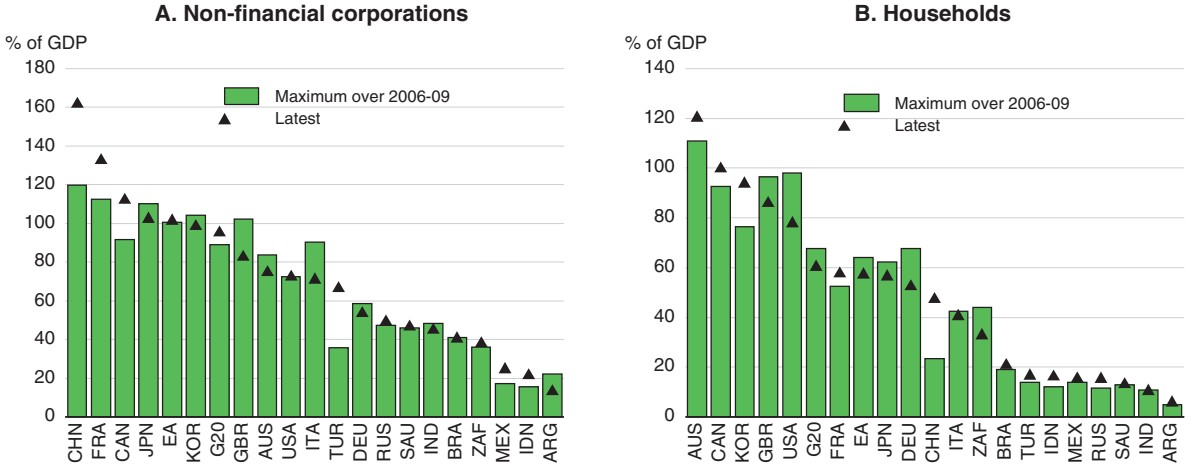


1. The equity market volatility indices measure an expected symmetric range of movements derived from options in the main equity indices over next 30 days for advanced economies and the iShares MSCI Emerging Markets Index for emerging market economies (EMEs).
2. EMBI stands for J.P. Morgan Emerging Market Bond Index, which measures the yield spread between EMEs' government bonds denominated in US dollars and US Treasuries.

Source: Thomson Reuters; and OECD calculations.

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Figure 1.19. **Private sector credit liabilities remain high in many large economies**



Note: Credit liabilities are on a non-consolidated basis.
Source: Bank for International Settlements.

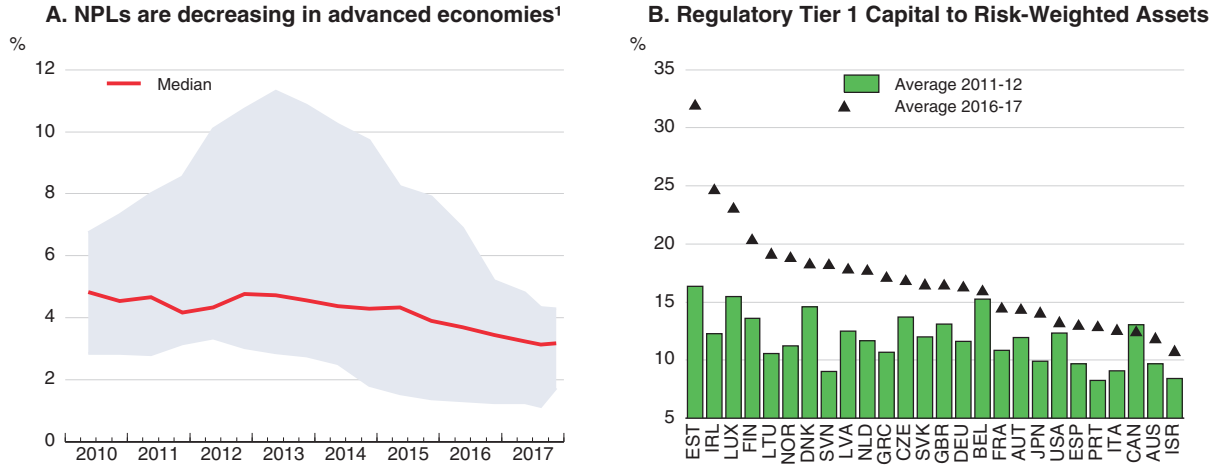
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indebtedness could amplify the impact of any further correction in asset prices and bond yields, with a risk of rising defaults, higher debt-service burdens and a retrenchment in private sector spending.

Since the global financial crisis, stricter prudential regulation, such as higher capital requirements, and a general improvement in credit quality have strengthened the ability of banks to withstand adverse shocks. In advanced economies, non-performing loans are on a downward trend, especially in those countries (such as Italy and Ireland) that were severely hit by asset losses in the aftermath of the global financial crisis, but remain relatively high (Figure 1.20). However, during the past decade, credit provision has expanded in the shadow bank system and in bond markets, shifting risks from the banking system to other financial institutions and credit intermediaries (OECD, 2017b). This raises risks, as the ability of non-bank financial intermediaries, notably investment funds and rapidly-expanding exchange-traded funds, to absorb shocks is untested.

In EMEs, vulnerabilities also arise from a possible abrupt deterioration of investor confidence, resulting in the weakening of domestic currencies and asset prices. Some EMEs, in particular Argentina and Turkey, have already experienced sizeable currency depreciations and rising interest rates in recent weeks, but a widespread market correction in EMEs similar to the taper tantrum in 2013 or at the beginning of 2016 has been avoided so far. Many EMEs are now less vulnerable than in the late 1990s. This reflects lower foreign debt, better domestic macroeconomic fundamentals (including lower inflation and public debt and budget balances), better institutions, more flexible exchange rate arrangements and higher foreign exchange reserves. Nevertheless, a few EMEs with large government budget and current account deficits, small foreign currency reserves and a large share of foreign currency-denominated debt remain exposed to

Figure 1.20. **Banks in advanced economies are stronger**



1. Gross non-performing loans (NPLs) to total gross loans. The red line shows the median, the shadow the bottom and top 25th percentile for a set of advanced economies. A few countries are excluded at the beginning and the end of the sample due to missing data. Advanced economies include Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, France, Greece, Ireland, Italy, Lithuania, the Netherlands, Norway, Portugal, Slovenia, Spain, the United Kingdom and the United States.

Source: IMF Financial Soundness Indicators database; and OECD calculations.

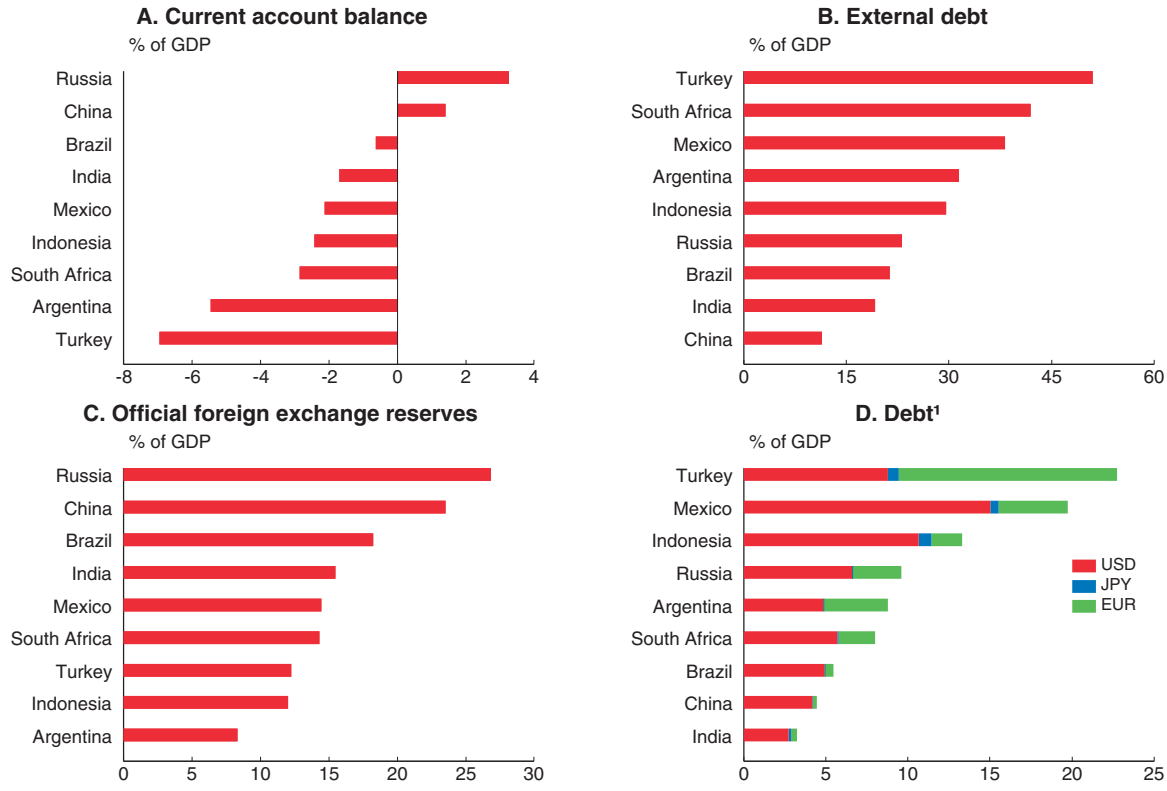
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sudden changes in market sentiment (Figures 1.19 and 1.21). Moreover, the rapid increase in private debt in several EMEs over the past decade, particularly in China for non-financial corporations, poses risks to financial stability and adds to the overall vulnerabilities of EMEs (Figure 1.19).

Financial stability concerns also persist in China and some other East Asian economies, as rapid property price growth has coincided with a pick-up in property developers' borrowing. Recently, larger property developers have started to shift away from traditional bank loans to debt securities, often in foreign currency.[7] In China, developers will face mounting refinancing needs until 2020 (Figure 1.22). This, alongside new stricter lending rules, might hamper a quick switch-back to bank credit, and exposes the Chinese real estate sector to significant rollover and liquidity risks. Chinese real estate developers also face exchange rate risk, as a significant share of maturing debt securities are in foreign currency, and currency hedging appears to be relatively uncommon in the industry.[8]

Figure 1.21. **Some emerging market economies are vulnerable to external shocks**

Latest available



1. Debt of non-bank borrowers in the form of bank loans and debt securities denominated in foreign currencies.

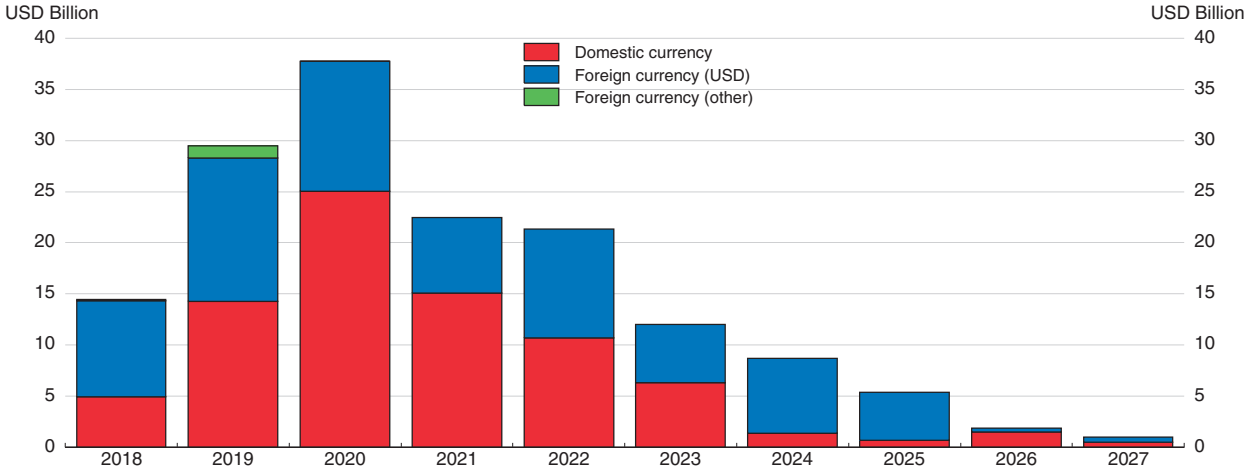
Source: Bank for International Settlements Global Liquidity Indicators database; OECD Economic Outlook 103 database; OECD Resilience database; and OECD calculations.

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7. The share of debt securities in property developers' debt in 2016 was 20% in Singapore, 30% in Hong Kong and Indonesia, 40% in mainland China and close to 50% in Thailand (Chui et al., 2018).
8. Only 12 of the 34 Hong-Kong-listed Chinese real estate companies that had issued foreign currency-denominated bonds over the past few decades reported hedging their exposures (Chui et al., 2018).

Figure 1.22. **Risks for Chinese property developers are mounting**

Debt maturity schedule



Source: Chui et al. (2018), "Mortgages, developers and property prices", *BIS Quarterly Review*, March.

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Trade policy is becoming more uncertain

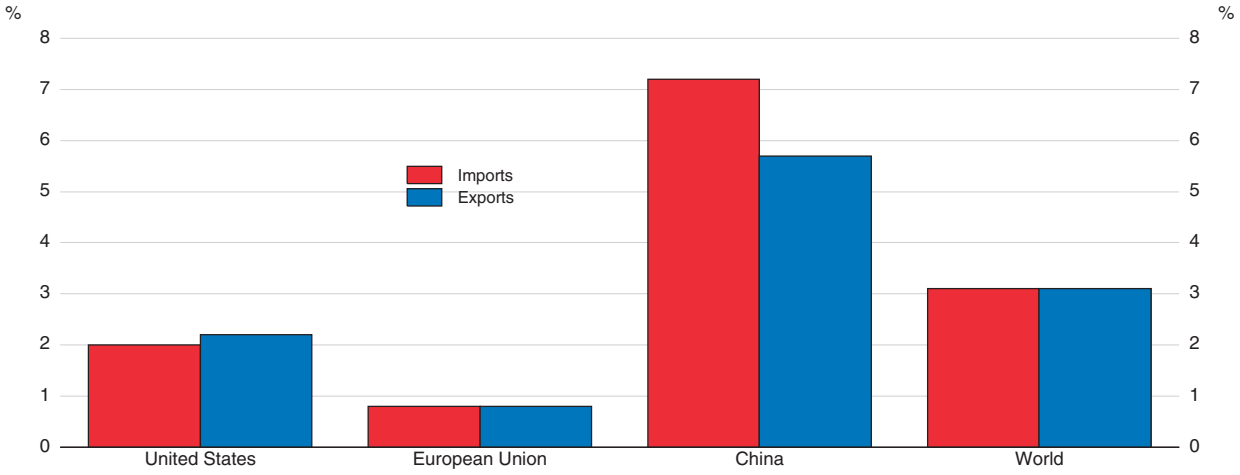
The announcement of new restrictive trade policy measures has already begun to adversely affect business sentiment in some countries (Bank of Canada, 2018). Following a framework agreement between China and the United States in mid-May, whereby China agreed to import more energy and farm products from the United States, restrictive trade policy measures announced earlier by both countries have been put "on hold" while a more comprehensive agreement is negotiated. Nevertheless, the explicit threat of implementing restrictive measures remains, should either of the parties become dissatisfied with this arrangement. Implementation of the previously announced measures could increase the total trade costs of China and the United States by around 0.7% and 0.5% respectively. This could have significant sectoral and local consequences, and add to the effects of additional restrictions on steel and aluminium imports in the United States, but the macroeconomic consequences would be muted. Nonetheless, the likely increase in trade costs would adversely impact living standards for consumers and add to production costs for businesses. Any steps to further raise tariff barriers or add to non-tariff barriers would also raise the prices of traded products, lower the quantity traded, or both (OECD, 2018a).[9]

Enhanced trade integration, including the large expansion of global value chains (GVCs), implies that steps to further liberalise international trade could offer benefits to many countries, even ones in which tariff barriers to trade are relatively low (see Chapter 2). In a hypothetical scenario in which tariffs in each sector are reduced to the lowest level applied across G20 economies (equivalent to a weighted average reduction in costs of 2% for all economies), global trade would expand by more than 3% in the medium term, based on estimates from the OECD METRO model (Figure 1.23). China would see the largest rise in trade, reflecting relatively higher initial tariffs, with imports rising more

9. In a stronger hypothetical scenario, with China, Europe and the United States each raising trade barriers against all partners on all goods (but not services) by 10 percentage points, global trade and output could decline by around 6% and 1½ per cent respectively in the medium term relative to baseline (OECD, 2016). The regions imposing trade restrictions would suffer the biggest loss in this scenario, but there would be negative spillovers for the rest of the world as well.

Figure 1.23. **The benefits to trade from multilateral tariff reductions**

Percentage difference



Note: Effects of a reduction in tariff levels in the G20 economies to the lowest level applied across them for each sector. Simulation results are from the OECD METRO model, a global computable general equilibrium model of trade with a high degree of sectoral disaggregation OECD (2015), METRO v1 Model Documentation, *TAD/TC/WP(2014)24/FINAL*.
Source: OECD calculations.

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strongly than exports. Beyond tariffs, policy levers with even more potential to boost trade and incomes are actions to reduce the trade costs of non-tariff measures and barriers to services trade. Such reforms would help to strengthen competition and lead to productivity and income gains in the economies concerned, both in the sectors being liberalised and in downstream sectors in local and global value chains.

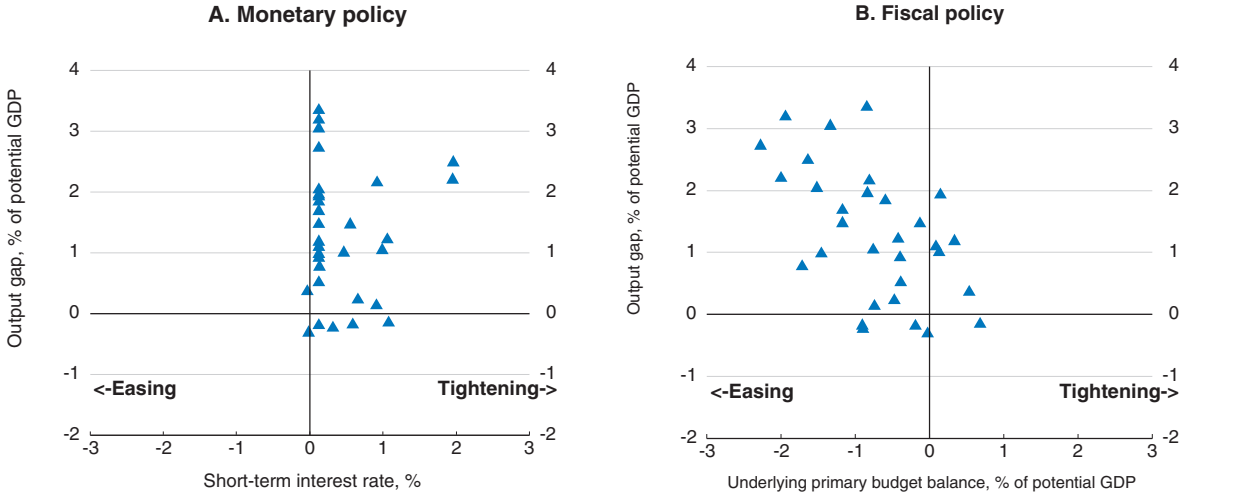
More generally, countries should seek to strengthen efforts to increase international trade and their participation in GVCs, as this remains an important avenue to raise productivity and living standards, particularly for small countries (IMF, 2013b; OECD, 2013). This reinforces the case for undertaking further reforms to improve the skill mix of workers (see below). Cognitive skills, ICT skills, management and communication skills and readiness to learn are all correlated with both higher productivity and greater international integration across industries (Grundke et al., 2017a, 2017b).

Policy needs to focus on achieving a durable and inclusive improvement in living standards

Against the backdrop of the stronger global economy, the priorities for policy are to foster productivity, make growth more inclusive, and enhance resilience against possible risks, especially financial vulnerabilities. Monetary policy support can be eased gradually as economic slack is being used up and fiscal support strengthens (Figure 1.24). Fiscal policy choices should avoid excessive pro-cyclicality and be clearly focused on addressing structural challenges and ensuring that the benefits from growth are distributed more widely, with any margins from stronger growth used to build up fiscal buffers. Structural reform efforts should be revived, seizing the opportunity of the stronger economy to help secure a more robust recovery of productivity, investment and living standards. An active and timely deployment of prudential and supervisory policies would help avoid an intensification of the risks from financial vulnerabilities in both advanced and emerging market economies, including high debt in some countries and sectors.

Figure 1.24. **Monetary policy will tighten while fiscal policy will ease**

Change between 2017 and 2019, in percentage points



Note: OECD countries for which data are available. A positive change implies that the 2019 value is higher than the 2017 value. Changes in short-term interest rates are calculated based on fourth quarter averages.
Source: OECD Economic Outlook 103 database; and OECD calculations.

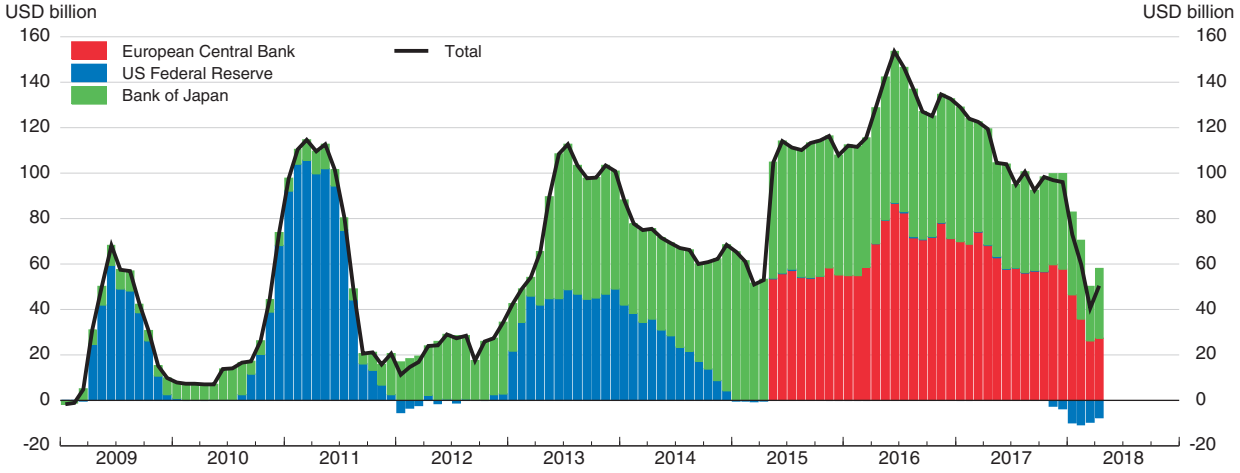
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Monetary policy stances are set to diverge

The normalisation of monetary policy in some advanced economies has so far been smooth. The rise in US policy interest rates has been well communicated in advance and, until recently, has not caused turbulence in financial markets. With the US dollar having recently begun to appreciate, consistent with widening interest rate differentials, financial market pressures for EMEs in particular have started to appear. However, the start of asset reduction by the US Federal Reserve has generally progressed smoothly and asset purchases by the ECB have slowed considerably (Figure 1.25).[10]

Figure 1.25. **Net purchases of government bonds by the main central banks have declined**

Three-month moving average



Note: For the US Federal Reserve and the Bank of Japan, net purchases are approximated by monthly changes in the stock of government bond holdings. Net asset purchases in the euro area and Japan are converted into US dollars using monthly exchange rates.
Source: Bank of Japan; European Central Bank; Federal Reserve Bank of New York; and OECD calculations.

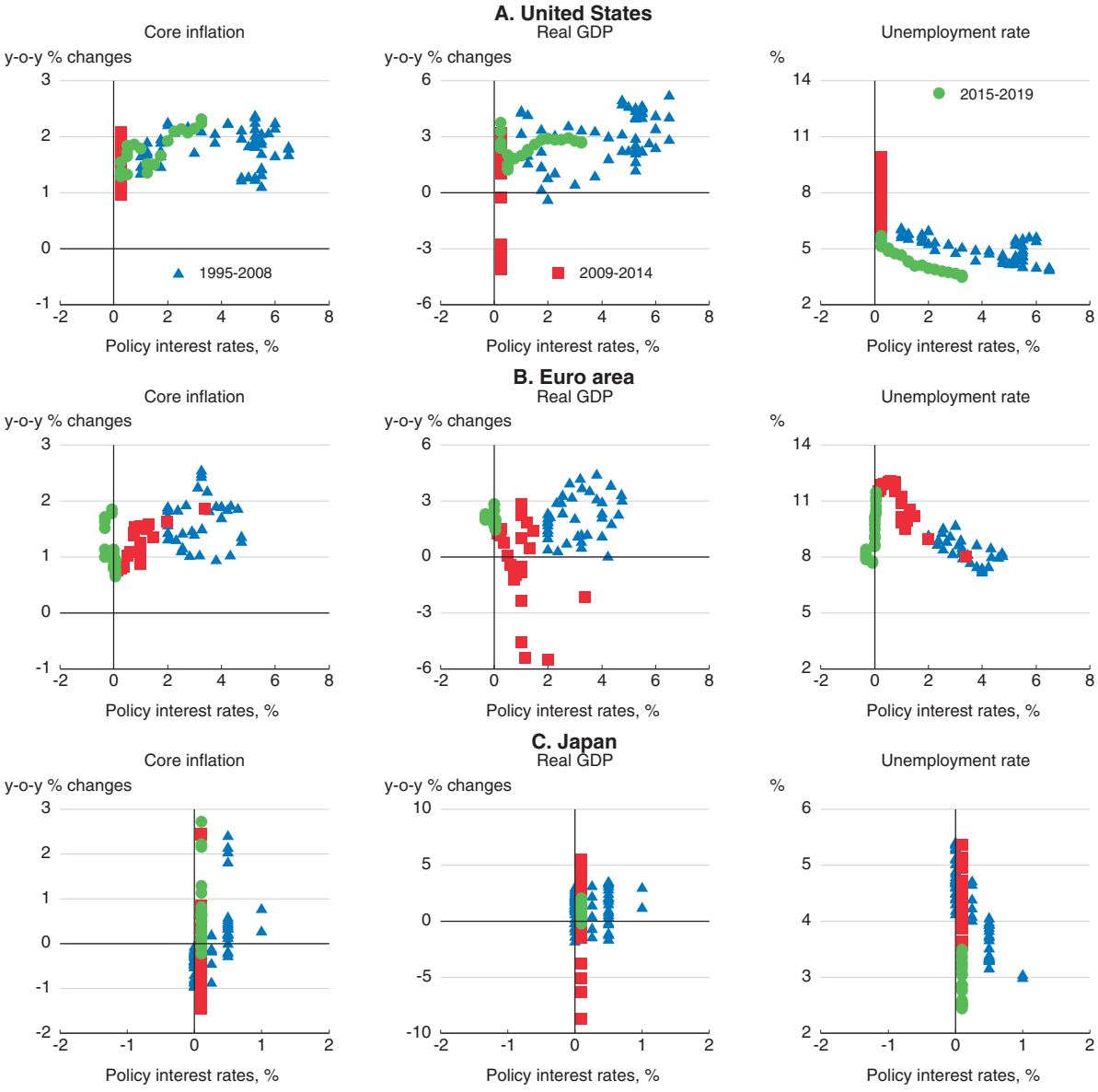
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10. Asset purchases have also declined in Japan, as fewer purchases were required in the context of the policy of controlling 10-year government bond yields.

A further gradual normalisation of monetary policy is needed in most of the major advanced economies, but to a varying degree, reflecting the different outlooks for growth and inflation. The monetary policy stance would remain very accommodative in the euro area and Japan (Figure 1.26).

- In the United States, the Federal Reserve should continue to increase policy rates gradually and progress with balance sheet reduction, especially given stronger growth and inflation due to the fiscal stimulus in both 2018 and 2019, bringing the upper bound of the target range of the federal funds rate to 3¼ per cent by the end of 2019.

Figure 1.26. **Monetary policy is expected to remain very accommodative in the euro area and Japan**



Note: Core inflation excludes food and energy prices, including in Japan. In Japan, headline and core inflation in 2014 and 2019 are affected by the realised and expected increase in the consumption tax rate.
Source: OECD Economic Outlook 103 database; Thomson Reuters; and OECD calculations.

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- In the euro area, an upturn in actual and expected inflation would allow the ECB to cease asset purchases, possibly by the end of 2018, and subsequently start phasing out the negative interest rate policy in the second half of 2019.
- In Japan, where underlying inflation and inflation expectations remain low, current stimulus measures need to be continued to help achieve the inflation target. However, a rethinking of the monetary policy strategy would be needed if the inflation target is not met for a prolonged period and if the control of long-term yields comes under pressure.

In most economies, moderately higher-than-expected inflation should not merit an abrupt increase in policy rates, even if there is a mild overshooting of medium-term objectives. In this context, continued clear communication about the path towards monetary policy normalisation is essential to minimise financial market disruptions.

The prolonged undershooting of inflation targets, despite massive monetary policy stimulus and stronger economic growth and lower unemployment, raises issues about the appropriateness of current inflation targeting frameworks. Several alternative approaches are possible (Box 1.2). While none of them is without drawbacks, and it is not clear if they would provide substantial improvements from those used at present, periodic reviews of the frameworks would be useful.

Box 1.2. **Modifications of, and alternatives to, current inflation targeting frameworks**

Monetary policy frameworks of central banks in advanced economies, although differing in detail and implementation, are principally based on medium-term inflation targets of 2%. In the context of the prolonged undershooting of inflation and low economic growth in recent years, despite the extraordinarily easy monetary policy stance, various modifications of, and alternatives to, inflation targeting frameworks have been advocated to make monetary policy more effective and credible. This box briefly discusses pros and cons of some of these propositions, highlighting their robustness to different assumptions about expectations formation and the transmission mechanisms of monetary policy.

Raising the inflation target

Raising the inflation target has been suggested as a way to increase inflation by boosting inflation expectations and in turn inflation outcomes (Blanchard et al., 2010; Ball, 2014; Baker et al., 2017). This recommendation is based on theoretical models with credible monetary policy, where forward-looking inflation expectations are the key determinant of inflation.

Higher inflation targets, if effective in raising actual inflation, are estimated to lower the probability of hitting an effective zero lower bound (ZLB) and thus reduce the potentially large economic costs of stagnations.[1] They offer a way to raise nominal interest rates, especially when neutral interest rates are estimated to have declined. Although the economic costs caused by the ZLB could be mitigated, in principle, by adopting unconventional measures (such as quantitative easing, forward guidance, negative interest rates and yield curve control), the overall effectiveness of these measures remains debatable, partly reflecting their possible side-effects.

However, higher target and actual inflation could also entail economic costs, though estimating the level of inflation where costs start to dominate is difficult. Higher inflation tends to be associated with greater inflation volatility and hence a higher risk premium, raising real financing costs for firms and households and thus putting downward pressure on economic activity. Moreover, higher inflation may be unpopular, especially as it may have negative distributional effects (Romer and Romer, 1998; Easterly et al., 2000). Also, if a central bank changes its inflation target once, further revisions may be expected, leading to de-anchoring of inflation expectations and undermining the effectiveness of the inflation targeting framework.

Box 1.2. **Modifications of, and alternatives to, current inflation targeting frameworks** *(cont.)*

While low inflation targets helped to reduce inflation in the 1990s (and its subsequent stabilisation), it is uncertain if the opposite would work. Indeed, Japan's experience with increasing the inflation target from 1% to 2% in 2013 followed by massive quantitative and qualitative monetary policy easing, after the prolonged period of subdued inflation, demonstrates the practical challenges. Even if realised and expected inflation have increased, they remain below the target and inflation expectations appear to be backward-looking.

Price level targeting

Under price level targeting, a period of lower inflation should be followed by a period of higher inflation so as to neutralise the impact on the price level. In the current context, it is equivalent to committing to adopt a higher inflation target temporally, but with the benefit of avoiding the cost of higher inflation, since the average inflation rate will not change. The Bank of Japan's "inflation-overshooting commitment" since September 2016 can be regarded as a similar policy initiative, although it does not commit to a specific price level. As with raising inflation targets, the benefits of this framework depend on the ability of central banks to affect inflation expectations and outcomes. If this is the case, the framework will help to raise inflation expectations and avoid the ZLB in the future. If this is not the case, or if the economy experiences persistent positive supply-side shocks, it could result in prolonged periods of very easy monetary policy with risks to future financial stability.[2]

Symmetric operation of inflation targeting

A milder variant of price level targeting is central banks' commitment to symmetric operation of monetary policy around their inflation targets. While the major central banks have symmetric price stability objectives in the medium term, some of them are believed to have a bias in operating their monetary policy to maintain inflation close to but below their targets (Evans, 2017). This bias might have weakened their ability to raise inflation expectations and to achieve the target. This concern arguably prompted the US Federal Reserve and the ECB to emphasise the symmetric inflation goal in their communication.[3] In the current context, central banks with symmetric targeting would be expected to tolerate above-target inflation after a period of below-target inflation. By doing so, central banks may be able to enhance moderately their ability to raise inflation expectations without causing the drawbacks related to price level targeting.

Nominal GDP level targeting

Nominal GDP level targeting, if effective, shares the advantages of price level targeting while it can avoid central banks' overreacting to supply shocks (Bean, 2013). In spirit, it is similar to the dual mandate of the US Federal Reserve.[4] It is expected to work well in the situation where maintaining short-term price stability is not enough to achieve stable growth of the economy in the medium to long run. Nominal GDP level targeting, however, shares drawbacks with the above propositions, and adds complications as nominal GDP is even more difficult to control than inflation. Moreover, GDP data tend to be revised substantially and are not available at a high frequency.

Inflation target range

An inflation target range, as employed by the Reserve Bank of Australia since the early 1990s, with the upper band above 2%, would have some similarity to the arrangements discussed above in the current context. This is especially the case with respect to the symmetric operation of inflation targeting, by signalling that higher inflation could be tolerated. However, it is fundamentally different in a sense that this framework allows the authorities to operate monetary policy more flexibly but it may weaken their commitment to their future conduct of monetary policy. Its motivation stems from the fact that monetary authorities have only a limited ability to predict inflation and control inflation expectations and outcomes (Andersson and Jonung, 2017).[5]

Box 1.2. **Modifications of, and alternatives to, current inflation targeting frameworks** *(cont.)*

An inflation target range gives central banks more flexibility in operating their monetary policy, especially when the persistence and size of idiosyncratic shocks are uncertain or when changes in the monetary policy stance could aggravate financial stability risks. As long as inflation is expected to stay within the range, monetary authorities would not need to change their stance, while – as with point inflation targeting – they would be expected to act when inflation risks deviating from the range. And with a relatively narrow and low range, it could still be consistent with the price stability objective and would not involve negative welfare effects, justifying a less active monetary policy stance. Consequently, it might help to lower the risk of hitting the ZLB, as central banks over time could keep their powder dry. This framework could also improve central banks' credibility, as there will be a higher probability of inflation staying within a range rather than at a point target. Inflation target ranges could be motivated also by the weak impact of unemployment gaps on inflation, as trying to stabilise inflation at a particular target might require large shifts in the unemployment gap (Blanchard et al., 2015).

On the other hand, the inflation targeting framework based on a range could potentially lower central banks' influence on inflation expectations. The target range could make it difficult to understand the reaction function of central banks. Indeed, a point inflation target may be easier to communicate and may be more effective in influencing inflation expectations of households and businesses, although, in practice, even small deviations of inflation from the target point tend to be interpreted as a failure of monetary policy and raise expectations of monetary authorities' reacting.

1. Kiley and Roberts (2017) estimate that in the United States a decline in neutral nominal interest rate from 5% to 3% would increase the frequency of hitting the ZLB from 3.2% to 17.4% or from 5.1% to 31.7%, depending on the model. Similarly Dorich et al. (2018) estimate that a decline in the neutral nominal interest rate would increase the frequency of hitting the ZLB from around 2% to around 12% in the Canadian economy. Ball (2014) estimates that, if the Federal Reserve had avoided the ZLB by targeting 4% inflation during the 2000s, real US output would have been higher by 16.4% cumulatively during 2010-13, although this does not account for potential negative effects of higher inflation in normal times. Kiley and Roberts (2017) found that the US output would be, on average, 1.3 percentage points below potential with the neutral nominal interest rate at 3%, while it would be 0.1 percentage point below potential with the neutral nominal interest rate at 5%.
2. On the flip side, the framework could lead central banks to over-react to negative supply shocks, when higher inflation coincides with slower economic activity, by tightening monetary policy aggressively to offset higher inflation.
3. The US Federal Reserve has stated that its inflation goal is symmetric in FOMC statements since March 2017. The ECB aims at inflation rates of below, but close to, 2% over the medium term and has communicated that it would operate its monetary policy symmetrically (Draghi, 2016).
4. The Bank of Japan Act also stipulates its monetary policy "shall be aimed at achieving price stability, thereby contributing to the sound development of the national economy."
5. The Sveriges Riksbank adopted 1-3% for its "inflation variation band" in September 2017, but expressed that it would seek a 2% target, regardless of whether inflation was inside or outside the variation band. The purpose of introducing the band was to better communicate to the public that inflation normally varied from one month to another and would not stay at 2% all the time.

Amongst the major EMEs with projected lower inflation, there is scope for future policy easing in Mexico and South Africa; this is also the case in Russia if the rouble exchange rate stabilises. Monetary policy tightening may be needed in Brazil, India, Indonesia and Turkey over the projection horizon, to tackle high or rising inflation. In China, with projected stable inflation, monetary policy should help address financial stability risks, in particular high corporate debt.

Risks of spillovers via exchange and interest rates arise from the likely further divergence in policy rates across the major economies over the next two years. Given the importance of financial developments in the United States and other major economies for global financial markets, there is a risk of repricing in other asset markets and more volatile capital flows if monetary policy is tightened more abruptly than expected. As discussed in Chapter 2, US financial conditions have strong spillover effects given the dominance of the US dollar in international trade and finance. An appreciation of the US

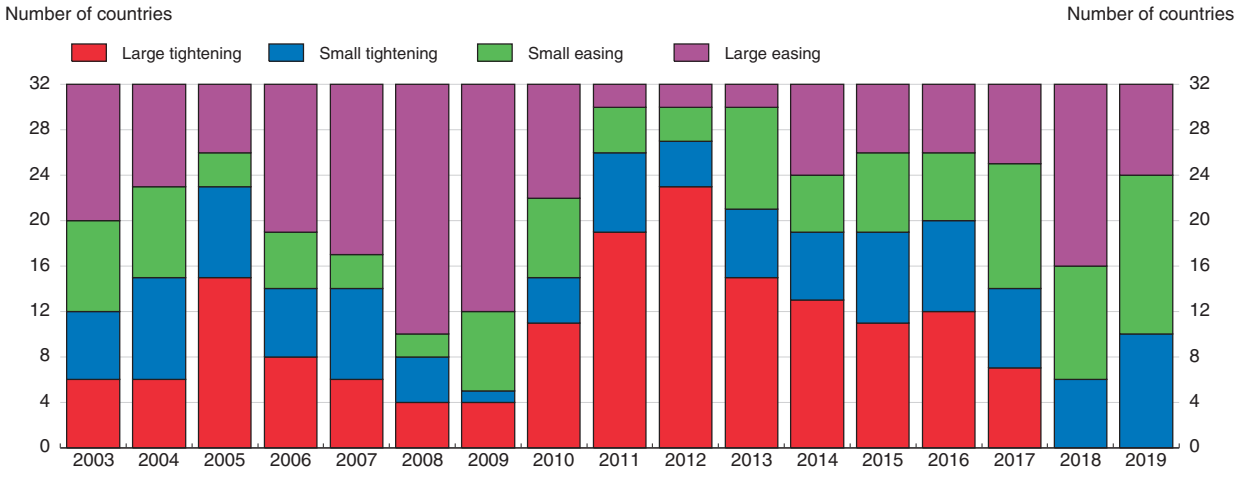
dollar also raises servicing costs on dollar-denominated foreign debt in many EMEs. At the same time, it would also improve net foreign assets in relation to GDP of many countries, with the exception of Turkey and few other large EMEs, while reducing them in the United States. Domestic currency weakness could also necessitate an earlier monetary policy tightening in some countries than would otherwise be warranted.

Fiscal policies need to be focused on medium-term challenges

Supportive fiscal measures put in place by several countries over the past two years, as recommended by the OECD, have helped to boost economic activity after years of sub-par global growth. The fiscal stance will be eased in around three-quarters of OECD economies in 2018 and 2019 (Figure 1.27), with the median economy reducing its underlying primary balance by around ¾ per cent of GDP. The largest cumulative fiscal expansion is projected in the United States and several small European countries. Despite the widespread fiscal stimulus, the ratio of gross public debt to GDP is set to inch down in the majority of OECD countries. This reflects stronger GDP growth and, in many of them, a cyclical improvement in headline budget balances that frequently offsets fiscal easing. Moreover, despite rising market interest rates, net interest payments in relation to GDP are projected to fall or remain constant due to the issuance of debt at low interest rates in recent years. Amongst large EMEs, fiscal policy is becoming broadly neutral in China, but is being tightened modestly in many other countries.

Given the broad-based recovery, it is important that fiscal policy should avoid excessive pro-cyclicality and be focused on medium-term challenges. Opportunities remain for fiscal policy to help improve prospects for solid and more inclusive growth in the medium term, but any margins from stronger near-term growth need to be used to help build fiscal buffers for the future. Government debt and deficits remain high, in several countries higher than prior to the global financial crisis, limiting the room for policy responses in event of a future downturn (Figure 1.28). Spending and tax policy measures

Figure 1.27. **The fiscal stance is expected to ease in many OECD countries**

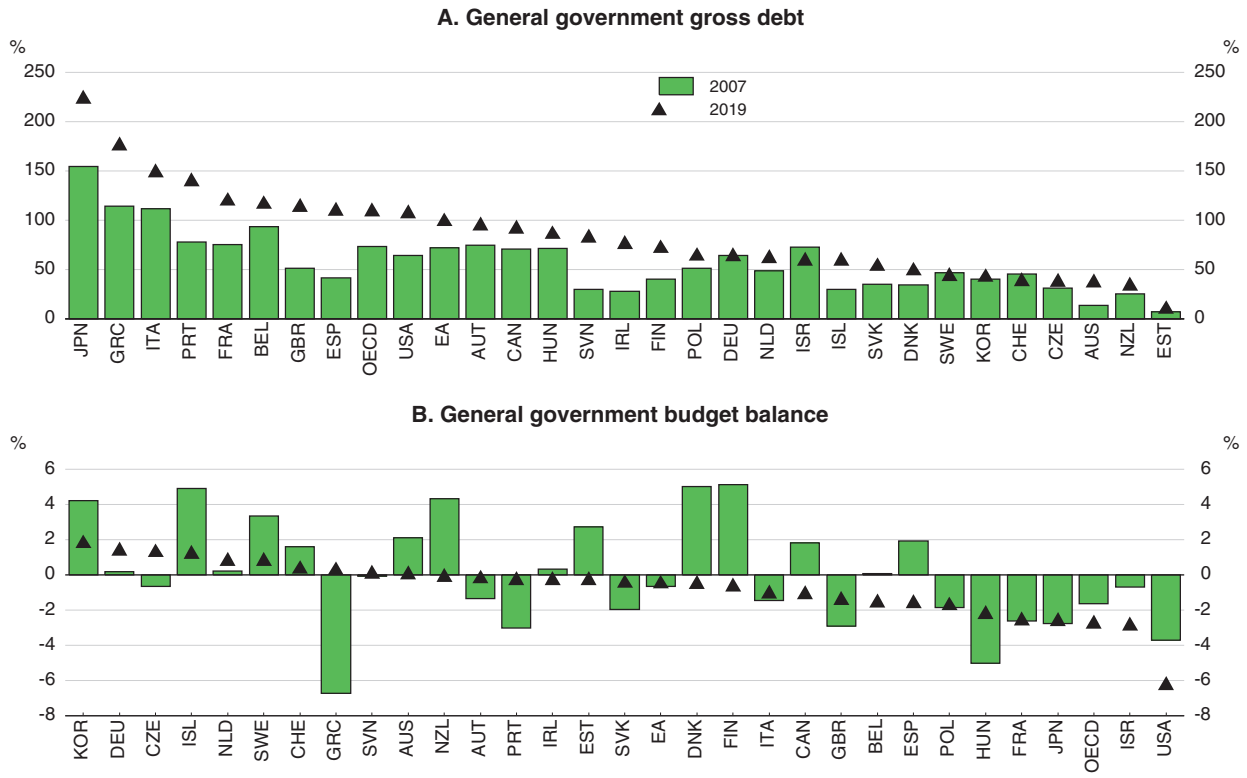


Note: The fiscal stance is calculated based on changes in the underlying primary balance as a percent of potential GDP. A large fiscal easing is when the balance deteriorates by more than 0.5% of potential GDP and a small easing is when the change is between -0.5% and 0% of GDP. Large and small fiscal tightening are defined analogously. Chile, Mexico and Turkey are excluded due to the lack of data.
Source: OECD Economic Outlook 103 database; and OECD calculations.

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Figure 1.28. **Fiscal buffers are projected to remain limited in a number of OECD countries**

In per cent of GDP



Source: OECD Economic Outlook 103 database.

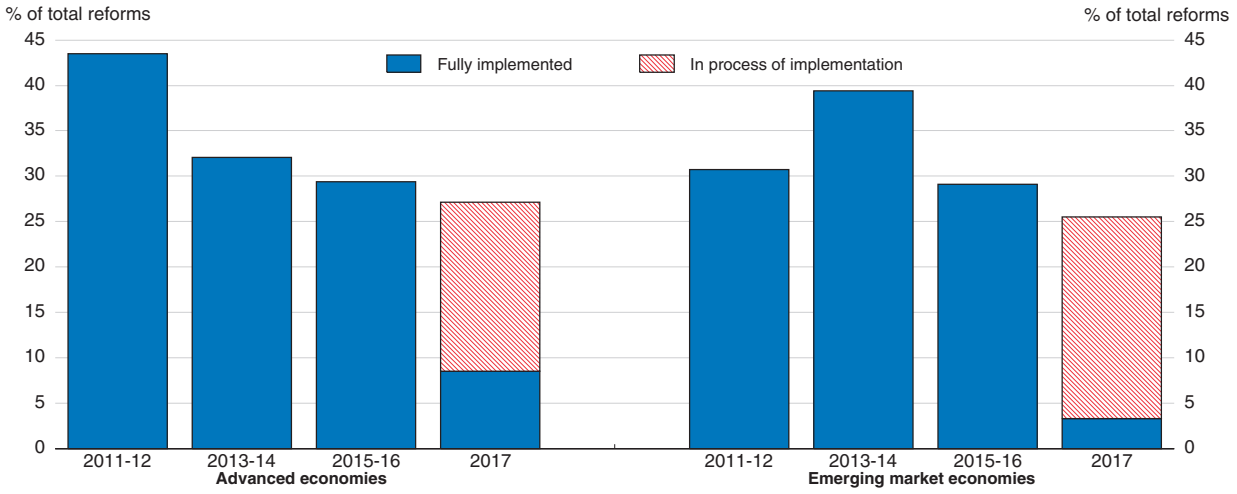
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need to be well-targeted, enhance incentives to invest and participate in the labour market, and ensure that increases in incomes and living standards are shared more widely. Improved growth potential can in turn do much to underpin fiscal sustainability by helping reduce public debt-to-GDP ratios.

Structural policy ambition needs to be stepped up to achieve stronger medium-term inclusive growth

The much improved economic outlook provides an opportune moment to implement more ambitious structural policy reforms. Benefits from reforms may appear more quickly when demand and job creation are stronger, whereas undertaking reforms in crisis periods, as has been usual in the past, is more likely to accentuate short-term costs. Intensified reform efforts are needed in advanced and emerging market economies to improve the medium-term prospects for investment, trade and productivity, and to ensure that the recovery yields benefits for all. However, as highlighted in OECD *Going for Growth* 2018, structural reform efforts have slowed in both advanced and emerging market economies, including in 2017, despite major actions in some G20 countries including Italy, France, Japan, India and Argentina (OECD, 2018b; Figure 1.29). A continuation on this path, with weak productivity and wage outcomes, raises the risk of larger shortfalls from past performance in the growth of living standards, further diminishing trust in the capabilities of policymakers. A widespread retreat from open markets and common multilateral frameworks and standards would also harm prosperity.

Figure 1.29. **The slow pace of structural reform is a risk to medium-term inclusive growth**



Note: The estimated take-up of reforms is captured by the Going for Growth indicator of reform responsiveness. For 2017, reforms in the process of implementation are shown to ensure comparability with previous two-year periods. Emerging market economies include Argentina, Brazil, Chile, China, Colombia, Costa Rica, Indonesia, India, Mexico, Russia, South Africa and Turkey. Advanced economies include all non-emerging OECD member countries and Lithuania.
Source: OECD, *Going for Growth* 2018.

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Stronger reforms are needed to promote business dynamism and knowledge diffusion, enhance skill acquisition and innovation capacity and help workers benefit from fast-changing labour markets. Coherent reform strategies are crucial to reap synergies across these broad categories of reforms, manage trade-offs and ensure that the benefits are broadly shared over time. More can be done to exploit opportunities to combine measures to boost competition, either in domestic product markets or through lower barriers to international trade and investment, with specific labour reforms that help workers transition to new jobs and acquire new skills (Box 1.3). Improved skill acquisition would also enhance the benefits of actions to foster the greater investment in digital infrastructures that is essential if workers, households and firms are to benefit from the opportunities provided by the ongoing digital transformation.[11] Other reforms needed to enhance opportunities, such as improving the participation of under-represented groups in the labour market, are also more likely to have durable benefits if implemented at a time of job-rich growth. Improved redistribution through tax and transfer policies is also an integral part of well-designed policy packages, to make work pay, provide support for vulnerable groups, and help strengthen real income growth amongst poorer households.

In advanced economies, modest medium-term growth prospects also point to a widespread need for renewed efforts to implement competition-friendly regulations, including via trade policy. These would enhance incentives to invest and help revive the diffusion of innovations between frontier firms and the rest of the economy. Moving towards more reallocation-friendly insolvency regimes would free resources trapped in higher-debt low-productivity firms, improving the ability of more productive firms to attract additional capital. Progress in enacting other reforms to enhance growth and

11. Key digital infrastructures include efficient, reliable and widely available broadband communication networks, data, software and hardware, as well as the services provided over such networks (OECD, 2017c,d)

Box 1.3. **Reforms to improve educational attainment and skills acquisition**

Reforms to improve educational attainment and skill acquisition account for around one-fifth of the full set of reform recommendations in OECD *Going for Growth* 2018. Such reforms are particularly necessary to help address growing signs of skills shortages in many economies (see main text) and to strengthen human capital and improve the prospects for medium-term growth. Helping current and future workers to acquire, or improve, their skills would also help mitigate the impact of stronger global integration on vulnerable workers and regions (Chapter 2) and allow all people to obtain the necessary skills (cognitive and non-cognitive) to deal with and benefit from new digital technologies.

Yet recent progress in undertaking new reforms in this area has been modest (see figure below). Key areas where more could be done to address current skill shortages include further support to help migrants participate fully in labour markets (particularly in Europe), expanding vocational training and apprenticeships, facilitating life-long learning, and aligning university and training courses more closely with labour market needs. Reforms to primary and secondary education are particularly important to help improve medium and longer-term growth prospects and opportunities. Key challenges in these areas for many advanced and emerging market economies are to improve teaching quality and incentives, provide additional support for disadvantaged schools and students, and (in emerging market economies) reforms to raise enrolment.

Progress in enacting reforms to improve education and skill acquisition has been modest



Note: The chart summarises the share of recommendations made in Going for Growth 2018 by the status of their implementation. Fully implemented or in the process of implementation refers to the adoption of relevant laws or equivalent measures. Values in parenthesis represent the share in total recommendations.
Source: OECD, *Going for Growth* 2018; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933728527

opportunities, such as improving the efficiency of the tax structure and skill acquisition, has been only modest.

Renewing economic dynamism in EMEs is also essential to improve prospects for further convergence in living standards across economies. Better performance could be achieved by lowering barriers to foreign trade, investment and firm entry. Tackling structural bottlenecks, expanding public investment in infrastructure and human capital, and strengthening resilience by addressing potential financial vulnerabilities would help to foster long-term investments. Improving education and tackling labour market informality would also help make growth more inclusive.

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ANNEX A.1

Policy and other assumptions underlying the projections

Fiscal policy settings for 2018 and 2019 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. Where there is insufficient information to determine budget outcomes, 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. In Japan, it is assumed that a consumption tax rise is implemented in the fourth quarter of 2019.

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 the stated path 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 3.25% in December 2019, up from the current level of 1.75%.
- In Japan, the deposit 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 2019 and the negative deposit interest to be increased by 0.25 percentage point in the second half of 2019.
- In China, monetary policy is assumed to be neutral, with a tightening bias to address financial stability risks.
- In India, the repo rate is assumed to be increased from the current level of 6% to 6.25% in 2018 and then remain constant.
- In Brazil, the policy rate is assumed to be kept at the current level until the first quarter of 2019 and then gradually increased to 7.5% by the end of 2019.

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, it is assumed that the Federal Reserve reduces, as announced, the stock of asset holdings. In Japan, the Bank of Japan's asset purchases and yield curve control are assumed to last until the end of 2019, maintaining the 10-year government bond yield at 0%. In the euro area, it is assumed that the ECB will gradually taper asset purchases in 2018, keeping long-term interest rates fairly constant until end-2018.

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 26 April 2018: one US dollar equals JPY 109.3, EUR 0.83 (or equivalently one euro equals USD 1.21) and 6.33 renminbi.

The ***price of a barrel of Brent crude oil*** is assumed to remain constant at USD 70 throughout the projection period. Non-oil commodity prices are assumed to be constant over the projection period at their average levels from April 2018.

The projections for the United Kingdom assume little disruption to trade in 2019 given the transition agreement between the United Kingdom and the European Union.

The cut-off date for information used in the projections is 25 May 2018.

OECD Economic Outlook, Volume 2018 Issue 1
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Chapter 2

POLICY CHALLENGES FROM CLOSER INTERNATIONAL TRADE AND FINANCIAL INTEGRATION: DEALING WITH ECONOMIC SHOCKS AND SPILLOVERS

Introduction and summary

Global economic integration has been a powerful driver of increased economic efficiency and improved living standards around the world, and has contributed to sizeable economic gains in emerging market economies (EMEs). In spite of these gains, enhanced integration has also raised concerns about the costs it has imposed on vulnerable groups and its potential impact on inequality in advanced economies. These issues have been analysed extensively by the OECD, with a comprehensive review provided in the Key Issues Paper for the 2018 Ministerial Council Meeting (OECD, 2018e). This chapter focuses on particular consequences of deeper global economic integration: the impact of closer trade and financial linkages on the propagation of economic shocks and on the transmission channels and effectiveness of macroeconomic policies.

The main findings reported in the chapter can be summarised as follows:

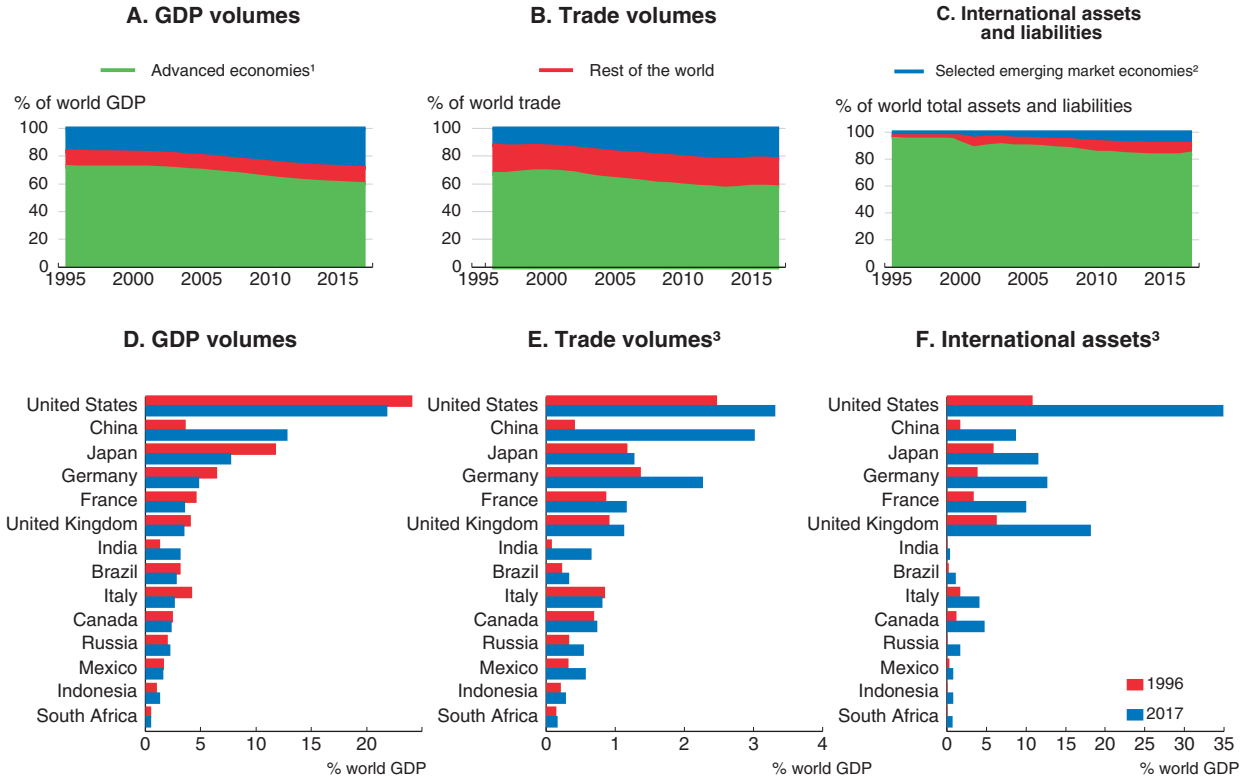
- Closer trade and financial integration since the mid-1990s has made economies more dependent on developments abroad. Trade intensity has increased, helped by the expansion of global value chains (GVCs), and cross-border asset and liabilities have risen considerably relative to GDP. Integration is particularly apparent in financial markets, with a common global factor increasingly determining domestic equity and government bond prices. Global factors tend to have a smaller impact on economic growth and inflation than on financial variables. Large economies or regions remain relatively closed, despite increased openness in recent decades.
- Increased international integration has changed the strength and transmission channels of external shocks and macroeconomic policies. The impact of external shocks, especially from EMEs, has become stronger with increased openness. Single country fiscal policy multipliers have become marginally smaller, all else equal, as the leakage through imports has risen. Correspondingly, the additional gains from collective fiscal actions have risen. The transmission channels of monetary policy to demand via exchange rate movements have changed: the impact on trade volumes appears to have lessened with the expansion of global value chains (GVCs), while the impact on profit margins and from currency-induced revaluation changes to large cross-border financial assets and liabilities, and hence wealth, have become more important. The global transmission of shocks from the United States has arguably strengthened, reflecting the large extent of US dollar invoicing of international trade and the dominance of US-dollar-denominated assets and liabilities in international portfolios.
- Increased economic integration raises challenges for domestic and international policy given the need to adjust to new sources of spillovers, and because policy choices affect other economies more strongly in a more interconnected world. While collective and more effective policy co-ordination could mitigate some of the trade-offs and result in better global outcomes, especially if there are large common shocks or common objectives, it is often difficult to achieve in practice. Thus, establishing and fostering global standards and rules of conduct, along with continued multilateral dialogue,

including via the G20, is essential. Resilience to potential adverse shocks from abroad needs to be strengthened and the build-up of vulnerabilities needs to be avoided. Structural reforms and improved social safety nets are necessary to help countries to adjust to global changes and ensure that the benefits of globalisation are widely shared.

The global economy has become more integrated

Aggregate trade and financial linkages are now stronger and more complex than in the mid-1990s, but are expanding more slowly than prior to the global financial crisis.[1] The geographical composition of trade flows has changed substantially, with EMEs becoming more important compared with advanced economies (Figure 2.1). Global trade intensity

Figure 2.1. **The role of emerging market economies in the global economy has been rising**



Note: GDP and trade shares in world GDP are based on volumes at market exchange rates. Trade volumes refer to the average of imports and exports.

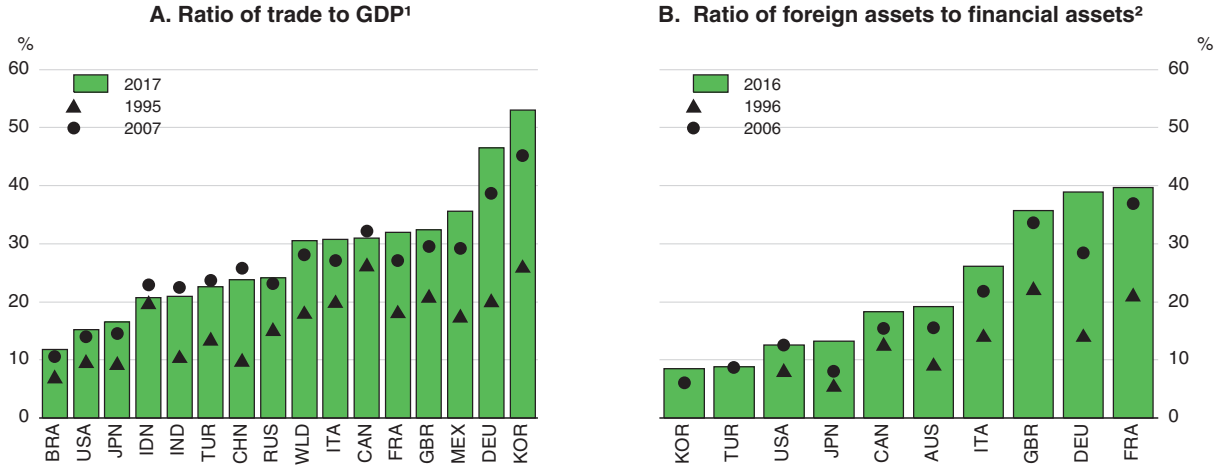
1. Advanced economies include Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.
2. Selected emerging market economies include Argentina, Brazil, China, Chile, Colombia, Hungary, India, Indonesia, Mexico, Poland, Russia, South Africa and Turkey.
3. In panel E, data for 1996 refer to 2001 for India. In panel F, data for 1996 refer to 2001 for Brazil, India and Mexico, and 2004 for China; data for 2017 refer to 2016 for Finland, Indonesia and Sweden.

Source: OECD Economic Outlook 103 database; IMF World Economic Outlook; IMF Balance of Payments Statistics; and OECD calculations.

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1. Developments over the past decade reflect both cyclical factors, due to the slow recovery from the global financial crisis, and structural changes. The latter include China's transition from export to domestic demand-led growth and the slowing of GVC expansion (Haugh et al., 2016; Timmer et al., 2016), as well as changes in trade policies and financial regulation.

Figure 2.2. **Trade intensity and ownership of foreign assets have increased**



1. The 1995 data refer to 1996 for Brazil and 1997 for India. Trade is the average of exports and imports in a given year. Both trade and GDP are measured in volumes in US dollars at market exchange rates.
2. The ratio of foreign assets excluding reserves to total financial assets of the private sector. The 2006 data refer to 2008 for Korea and to 2010 for Turkey.

Source: IMF Balance of Payments Statistics; OECD Economic Outlook 103 database; OECD National Accounts database; and OECD calculations.

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has also risen significantly (Figure 2.2, Panel A). Trade linkages between the main trading regions have expanded, but these regions still remain relatively closed, with the ratio of extra-regional trade to GDP in the European Union, NAFTA and Asia below 15% of GDP. The home bias in the financial asset holdings of the private sector has declined (Figure 2.2, Panel B), but financial integration of EMEs has lagged behind their trade integration.

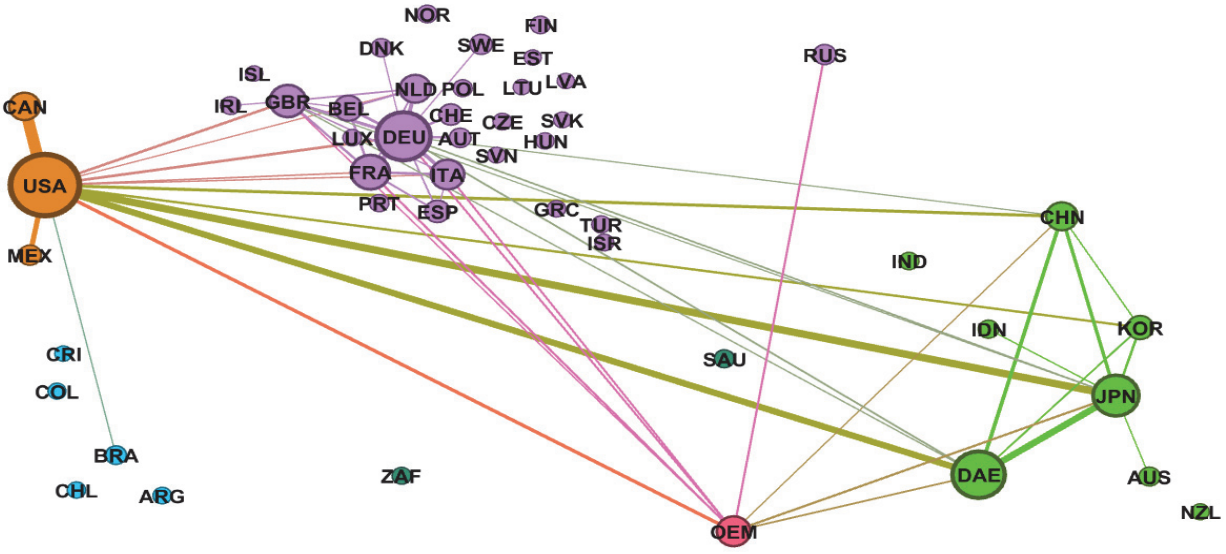
Trade linkages have increased

Trade policy liberalisation, advances in technology and the increased participation of EMEs in the international division of production and labour have brought about large structural changes in global trade over the past 20 years (Figure 2.3). Advances in communication technologies and the reduction of trade barriers have facilitated the expansion of GVCs, with large shares of manufacturing being moved from the G7 economies to selected EMEs, notably China and South East Asia, Mexico, and Central and Eastern Europe (Amador and Cabral, 2016; Baldwin, 2016). The relative importance of the G7 countries in global trade, and bilateral trade flows between them, has declined, while the relative weight of China has increased markedly (Figure 2.2). Non-OECD economies now account for roughly two-fifths of world trade, from less than one-third in the decade after 1995.

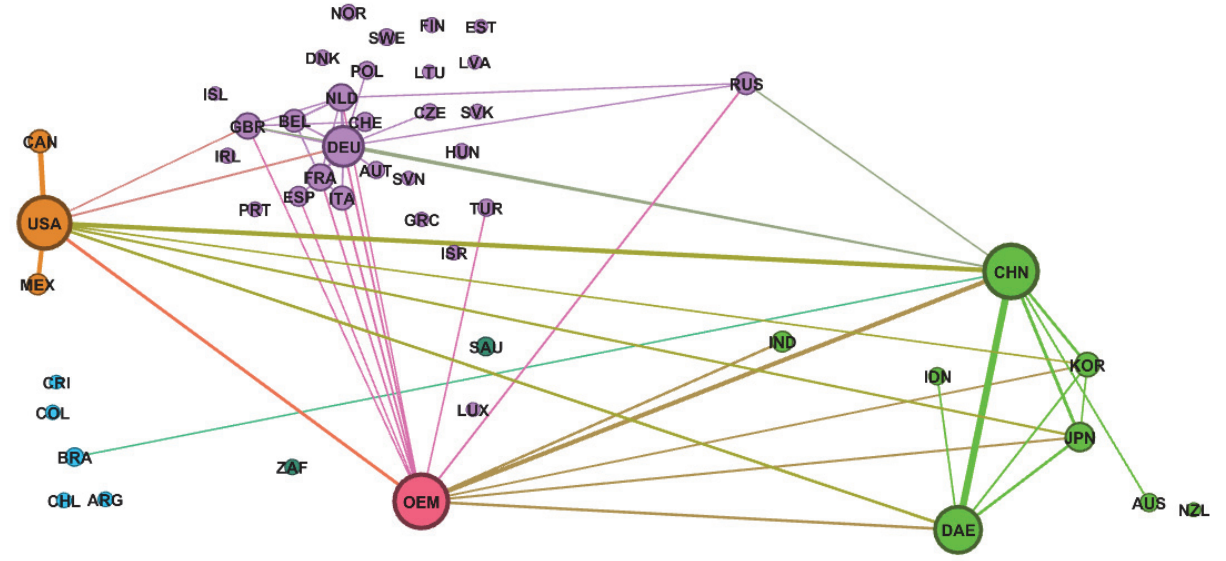
GVC expansion and the integration of EMEs have also changed the composition of trade. Trade in goods is increasingly dominated by intermediates, raising the share of value added that originates in other economies in exports. Rapid industrialisation in China and other EMEs has helped to boost demand for raw materials, increasing the share of primary commodities in world trade. At the same time, a rising share of advanced economies' total trade is in services, which increases effective trade protection, since services trade policies are less liberalised than those for goods.

Figure 2.3. **World trade connections have been transformed**

A. Exports and imports of goods, value, 1995



B. Exports and imports of goods, value, 2013



Note: The size of the bubbles and their labels represents the share of world trade (exports plus imports) of that country or economic area. The thickness and colour intensity of the lines between two bubbles measures the amount of bilateral trade (exports plus imports) between two trading partners. The relative size of bubbles is determined by share of world trade in that year so they can be compared across countries within a year (1995 and 2013), but the bubble of a country cannot be compared across the two years shown. There are bilateral trade flows between all countries shown but those below approximately 0.2% of total world trade flows are not shown. Dynamic Asian Economies (DAE) comprise Chinese Taipei, Hong Kong China, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Other emerging markets (OEM) are the group of the remaining 129 countries in the world that account for around 10% of world trade. The figure is produced using "Gephi: An Open Source Software for Exploring and Manipulating Networks".

Source: IMF Direction of Trade Statistics; OECD Economic Outlook 103 database; OECD calculations.

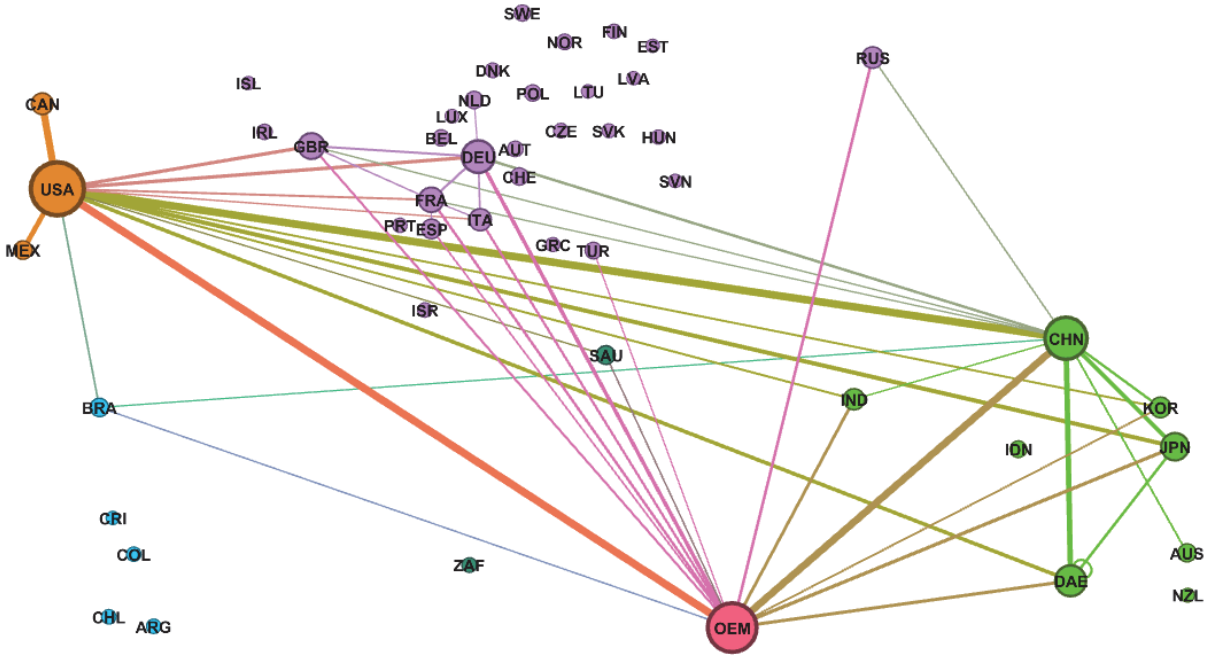
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While gross trade flows give a strong indication of physical trading activity, trade in value added (Figure 2.4) gives a better picture of the income flows associated with trade. The two metrics can differ. For instance, total merchandise trade flows between China and the Dynamic Asian Economies are smaller when measured in value-added terms than in gross terms due to strong GVC linkages and sizeable trade in intermediates (Figures 2.3 and 2.4). In contrast, trade flows for Japan and Korea are relatively larger in value-added terms, as are flows between the United States and China.

There is still substantial room to reduce barriers to trade (Box 2.1) and stimulate trade integration, but there is also a possibility that technological advances could reduce trade intensities, at least for goods, and change trade patterns in the future. International trade is now starting to be affected by developing digital technologies, including the internet of things, big data, the cloud, autonomous robotics and 3D printing, all of which may act as a brake on GVC expansion (Baldwin, 2016). Such technologies will facilitate higher-quality, more bespoke and lower-cost production in advanced economies, making labour costs less important, and hence offshoring less attractive. At the same time, the ongoing digitalisation of economies, and the enhanced flows of data across borders this enables, may facilitate stronger international trade in services. OECD analysis suggests that digitalisation has the largest potential impact among the many forces that affect GVCs,

Figure 2.4. **Trade in value-added linkages**

Exports and imports of value added, goods and services, 2014



Note: The size of a bubble represents the share of world trade in value-added terms (exports plus imports of value added) of that country or economic area. The thickness of the lines between two bubbles measures the amount of bilateral trade of value added in final demand between two trading partners. There are bilateral trade flows between all countries shown but those below approximately 0.2% of total world trade flows are not shown. Dynamic Asian Economies (DAE) comprise Chinese Taipei; Hong Kong China; Indonesia; Malaysia; the Philippines; Singapore and Thailand. Other emerging markets (OEM) are the group of the remaining 129 countries in the world that account for around 10% of world trade. The figure is produced using "Gephi: An Open Source Software for Exploring and Manipulating Networks".

Source: IMF Direction of Trade Statistics database; OECD Economic Outlook 103 database; and OECD calculations.

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Box 2.1. **Trade policy: Progress and potential**

Progress in trade liberalisation since the 1947 General Agreement on Tariffs and Trade (GATT) has been impressive, particularly in reducing tariffs. While advanced countries made much progress in the early years of GATT, substantial reductions in tariff levels and in tariff dispersion occurred in emerging market and developing economies after the GATT Uruguay Round was completed in 1995, which led to the creation of the World Trade Organisation (WTO) (Caliendo et al., 2017).

Despite this progress, there is still substantial room to reduce trade barriers to boost economic growth and employment. Applied tariffs on industrial products have approximately halved since the mid-1990s to a simple average of 5.5% across all countries (table below). However, the average WTO Most Favoured Nation (MFN) bound rate, i.e. the negotiated maximum tariff a country can levy on a non-discriminatory basis on imports from another WTO member, is roughly five times as high. This is both a risk and opportunity. Countries still have substantial room to raise their tariffs considerably from their applied rates to the bound rates, although that distance is smaller in OECD countries. It also implies that a significant amount of "water" between bound and applied rates could be squeezed out without impacting actual market access.

Applied and bound tariff rates

In per cent of ad valorem tariffs

	1995	2000	2005	2010	2015
All countries					
Agricultural - applied rates	12.7	14.5	11.8	11.3	8.7
Agricultural - WTO bound rates	49.0	58.7	51.9	56.9	52.3
Industrial - applied rates	11.0	9.9	7.5	6.9	5.5
Industrial WTO bound rates	26.5	29.8	26.3	30.2	26.2
OECD countries					
Agricultural - applied rates	8.7	9.7	7.5	9.8	7.4
Agricultural - WTO bound rates	26.1	27.9	28.0	23.4	28.7
Industrial - applied rates	7.0	4.7	3.7	2.9	2.2
Industrial WTO bound rates	11.9	11.2	11.2	11.4	11.2

Note: Average ad valorem tariffs underestimate the amount of border protection in agriculture, as sector specific (levied per unit of product) and mixed tariffs, as well as tariff-rate quota are frequently applied and are not included in the calculation of ad valorem averages.
Source: WITS-TRAINS database.

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A return to broader-based trade agreements would also help to lower tariffs. The implementation period of the Uruguay Round Agreement ended in 2004 and since then the role of multilateral discipline in reducing tariffs has been limited, with more tariff reductions being implemented through preferential and regional trade agreements. Preferential trade agreements, by design, enhance trade between members and tend to inefficiently divert trade away from non-members. Thus, even though average tariffs have been reduced considerably over the past decades, there still exists considerable variation in tariffs across countries and industries, and tariff spikes persist on some products. Indeed, simulations of multilateral and regional trade agreements with the OECD METRO model show that positive effects are higher when more countries participate in trade integration because it broadens market opportunities, widens the range of products at lower prices, and reduces trade diversion (OECD, 2018b). Smaller economies benefit especially.

Box 2.1. **Trade policy: Progress and potential** *(cont.)*

With lower tariffs globally, the so-called non-tariff measures (NTMs) have become a relatively more important source of trade barriers. They comprise all policy measures other than tariffs and tariff-rate quotas that have an effect on international trade by influencing the price of traded products, the quantity traded, or both. Generally, such measures relate to regulations that aim to achieve other policy goals, such as reducing the risks for human, animal or plant health, or information asymmetries. However, they also tend to increase production costs and trade barriers and can affect, positively or negatively, the development of new technologies or production methods. NTMs can also lead to various fixed and variable trade barriers that disproportionally hamper the participation of small and medium-sized enterprises in international trade. Estimates of the effects of NTMs on import prices and import volumes suggest that they impose significant trade barriers in many cases (OECD, 2018a).

Unlike tariffs, however, an abolition of such measures is not generally optimal, as they can help achieve other desirable outcomes and their economic effects differ in many respects from those of tariffs. Regulatory impact assessments to quantify the costs and benefits of such regulations rarely take into account the associated trade costs. While such quantification is notoriously difficult, it remains vital that international regulatory co-operation efforts take into account the level of actionable trade barriers in each case and how regulations differ between trade partners. A greater similarity in measures put in place reduces the trade barriers from NTMs, with OECD countries showing relatively more similarity between them, and hence lower trade barriers, than non-OECD countries (OECD, 2018a).

The reduction of services trade barriers also remains relatively neglected. Services generate more than two-thirds of GDP in advanced economies and account for an increasing share of their trade, but impediments to global services trade remain pervasive. There is a substantial scope to reduce trade costs in major services sectors by scaling back measures that discriminate against foreign services providers (OECD, 2017c). Many services trade barriers restrict the movement of people or commercial presence, and result from regulatory differences across countries. Regulatory co-operation accordingly makes doing business easier for exporters of services and goods (OECD, 2017d).

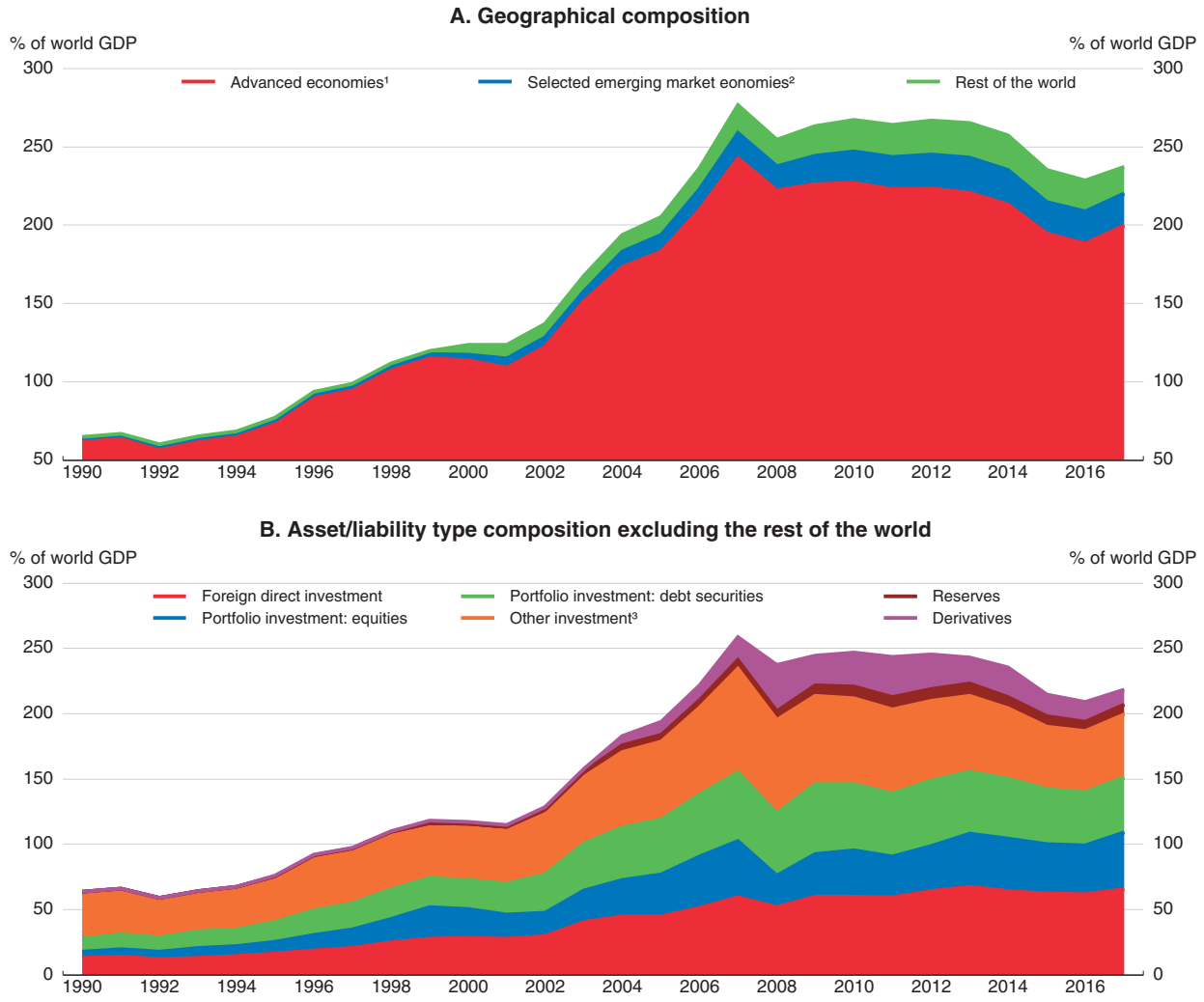
and that it could reduce the ratio of world trade to GDP by a similar amount to the increase that took place in the 2000s, when GVCs were booming (De Backer and Flaig, 2017). However, empirical evidence suggests that so far this has only slowed offshoring to a limited extent. The effect on reshoring to the OECD is even smaller, and confined to boosting investment rather than employment (De Backer et al., 2016). Indeed, the largest robot investments in absolute terms are occurring in China (International Federation of Robotics, 2016).

International financial linkages have expanded rapidly since the mid-1990s

Cross-border financial positions expanded rapidly between the mid-1990s and the global financial crisis, more than tripling as a share of world GDP (Figure 2.5). Subsequently, they have slipped back slightly, but remain close to their historical peak. The pre-crisis wave of financial globalisation was driven by a progressive removal of capital and exchange controls, improvements to cross-border payment and settlement systems, financial deregulation and falling communications costs.

In the run-up to the global financial crisis, the expansion of cross-border positions was led by the advanced economies, reflecting their generally-low level of restrictions on capital flows and deeper domestic financial markets (Figure 2.5, Panel A). However, EMEs

Figure 2.5. **International financial assets and liabilities have expanded rapidly and their composition has changed**



Note: Both panels refer to the sum of external assets and liabilities. Country coverage within each group may vary over time reflecting the availability of series for individual economies.

1. Advanced economies include Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.
2. Selected emerging market economies include Argentina, Brazil, China, Colombia, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Russia, South Africa and Turkey.
3. Other investment contains primarily loans, in addition to trade credits and advances.

Source: IMF Balance of Payments Statistics; OECD Economic Outlook 103 database; and OECD calculations.

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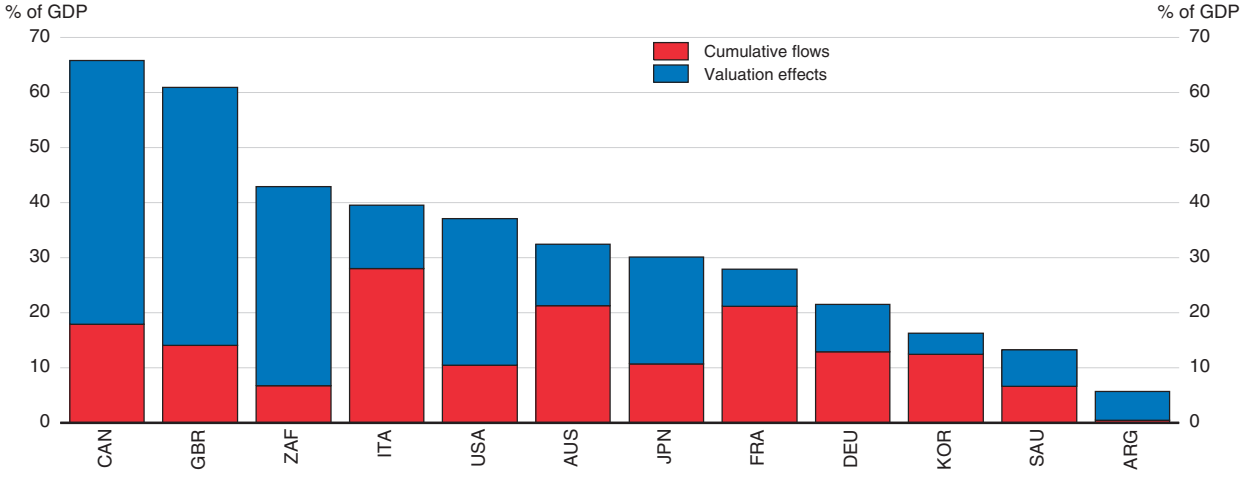
have become more important in international financial markets over the past decade or so. This reflects less restrictive financial regulation, improved macroeconomic fundamentals (including robust growth, and lower inflation and external imbalances), better institutions, and, in the aftermath of the global financial crisis, higher risk-taking given low interest rates in advanced economies (Fratzscher, 2012; Ghosh et al., 2014; Hannan, 2017).

The nature of international financial linkages has changed over time (Figure 2.5, Panel B):

- An expansion of international portfolio assets and liabilities has contributed significantly to the increase in cross-border financial positions. In the run-up to the global financial crisis, international portfolio investment positions surged, helped by the development of financial markets that brought about a significant rise in securitisation. After the global financial crisis, low interest rates in advanced economies and investors' search for yield favoured the development of market-based finance (Cerutti and Hong, 2018). These developments increased the importance of non-financial corporations in international financial intermediation, impacting on financial conditions and credit growth, especially in EMEs (Bruno and Shin, 2017; Caballero et al., 2016; OECD, 2017h). Valuation effects from price gains have become a significant factor behind the increase in the US dollar value of portfolio equity stocks in several large economies (Figure 2.6).
- The banking sector of advanced economies contributed to the pre-crisis wave of financial globalisation via operations through foreign affiliates and cross-border lending (Figure 2.7).[2] However, international bank activities have retrenched in the aftermath of the global financial crisis, especially for European banks, reflecting a large reduction in intra-euro area positions (Bouvatier and Delatte, 2015; McCauley et al., 2017; Gori, 2018).[3] This stems from greater risk aversion and the need to boost capital positions due to tighter banking regulation and financial losses.

Figure 2.6. **Equity price gains largely explain rising external portfolio equity assets**

Change in portfolio equity stocks between 2002 and 2017

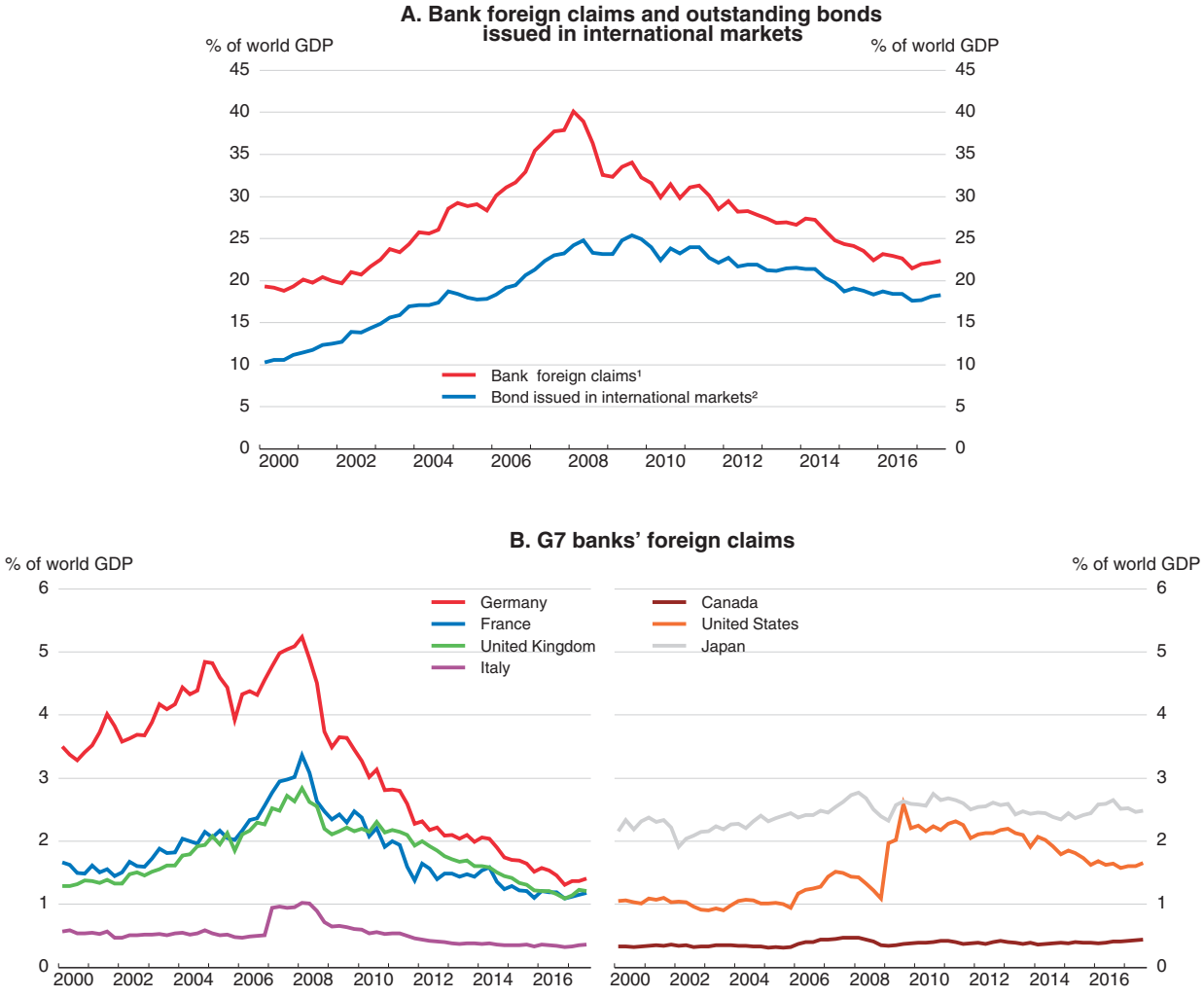


Note: Valuation effects are calculated as the difference between the overall change in the stocks and the cumulative sum of flows. They are expressed as a per cent of 2017 nominal GDP.
Source: IMF Balance of Payments Statistics; OECD Economic Outlook 103 database; and OECD calculations.

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2. Foreign loans are the main part of the other investment category in Figure 2.5, Panel B.
3. The retrenchment is also evident in the drop in the notional value of over-the-counter derivatives (an alternative indicator of bank cross-border financial linkages) from USD 586 trillion in the second half of 2007 to USD 542 trillion in the first half of 2017 (OECD, 2018c).

Figure 2.7. **International banking integration has reversed, especially in Europe**



Note: Banks' foreign claims are on an immediate counterparty basis excluding domestic positions. They are not adjusted for changes in exchange rates and breaks in the series.

1. Total foreign claims for all BIS reporting countries.
2. Bonds issued in international markets are debt securities issued in any market by a non-resident.

Source: Bank for International Settlements Banking Statistics and Debt Securities database.

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- The importance of direct investment has increased steadily in the last two decades.[4] The acceleration of direct investment flows in the early 2000s is partly explained by the rise in cross-border mergers and acquisitions (M&A).[5] Global M&A activity slowed after 2008 but has resumed in recent years. Its regional composition has also changed. The EU countries have shifted from being net outward investors to becoming the world's largest net recipient of cross-border M&A, and Asia – in particular China – has become one of the

4. Global FDI flows in US dollars are provisionally estimated to have declined by 18% in 2017, to 1.8% of global GDP, compared to 2.3% in 2016 and 2.5% in 2015 (OECD, 2018d).
5. In 2005-07, the value of international mergers and acquisitions (M&A) is estimated to have been 80% of global FDI flows; this share declined to under 60% over 2008-14 (OECD, 2014a). More recently, the share has picked up, with some large individual cross-border deals (UNCTAD, 2017).

main net outward investors in the world (OECD, 2017b), as well as a key location for inward FDI investment (OECD, 2018d).

- The increase in the outstanding stock of gross financial derivatives reflects financial innovation and increasingly complex financial products. Such products could magnify financial spillovers and volatility. Due to the netting of gross positions, which is permitted by prevailing reporting conventions,[6] they may also hide significantly larger exposures (Blundell-Wignall and Atkinson, 2011; Borio et al., 2017).

Financial centres have become more important intermediaries for cross-border capital flows, facilitating international financial transactions and improving access to finance for firms and investors in developing and emerging market economies (Lane and Milesi-Ferretti, 2011).[7] However, growing gross asset and liability positions make financial centres vulnerable to shocks, and complicate the identification of ultimate international exposures. International and offshore financial centres, due to their size, reputation and connectedness, may also facilitate base erosion and profit shifting (Box 2.3 below) and are exposed to the risk of illicit financial flows – such as money-laundering, tax evasion and international bribery – issues at the forefront of the international agenda (OECD, 2013a; OECD, 2013b; OECD, 2014b).

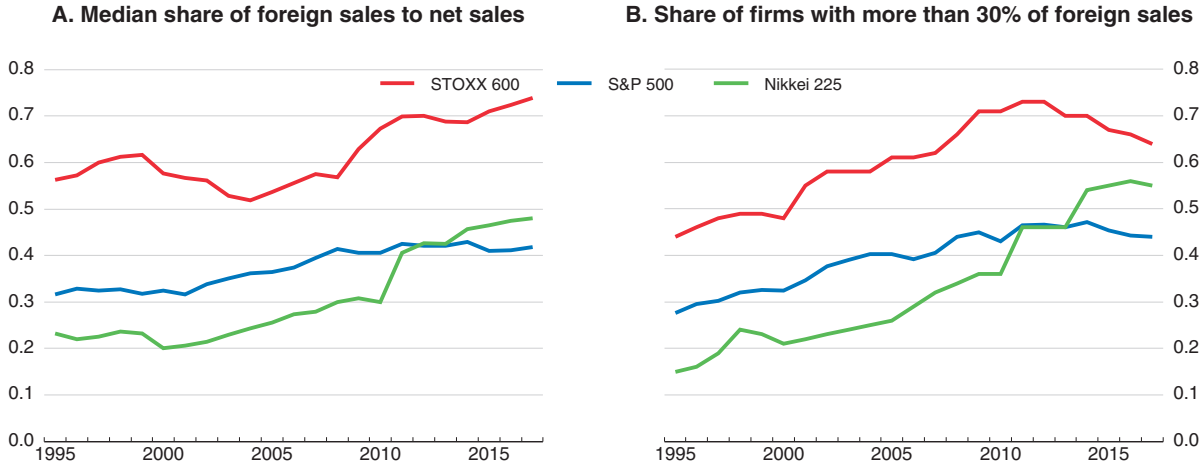
Increased linkages through production abroad

Cross-border investment has also enhanced the exposure of companies to the global economy. In the majority of OECD economies, fixed tangible capital investments by foreign-owned firms now represent between 1 and 2½ per cent of domestic GDP, and considerably more in some small open economies (OECD, 2015a). A growing number of listed companies engage in foreign sales through operations in foreign countries, with the median share of foreign sales in total sales rising over the past two decades in Europe, Japan and the United States (Figure 2.8). Increasingly, this is an important channel for the transmission of economic shocks across borders. Moreover, in the largest advanced and emerging market economies, the stock of foreign direct investment (FDI) assets and investment income from FDI in relation to GDP have doubled or tripled over the past two decades, though they remain smaller in EMEs than in advanced economies (Figure 2.9).

This geographical diversification helps expand markets and diversify risks, allowing companies to grow, undertake investment where the rate of return is highest, and mitigate negative domestic shocks. However, it also strengthens the risk of negative spillovers from abroad. Corporate earnings, and in turn domestic investment and employment decisions, may have become more susceptible to changes in economic conditions abroad. Consequently, domestic economic policies may now have less influence on companies' domestic investment and employment decisions. Greater geographical diversification

6. Both the US Generally Accepted Accounting Principles (GAAP) and the International Financial Reporting Standards (IFRS) allow balance sheet offsetting of derivative positions. Although both IFRS and US GAAP focus on similar criteria for offsetting to take place (primarily the existence of the legal right to offset), the detailed requirements of each set of guidance create significant differences in the amounts presented in balance sheets between US and European companies.
7. For example, one study found that a substantial fraction of Italian portfolio assets were reported as equity claims on Ireland and Luxembourg in the form of mutual fund shares, but they tended to be invested outside the euro area and in debt rather than equity instruments (Felettigh and Monti, 2008). In 2007 and 2008, the Cayman Islands were the largest foreign holder of private-label US mortgage-backed securities (Lane and Milesi-Ferretti, 2011).

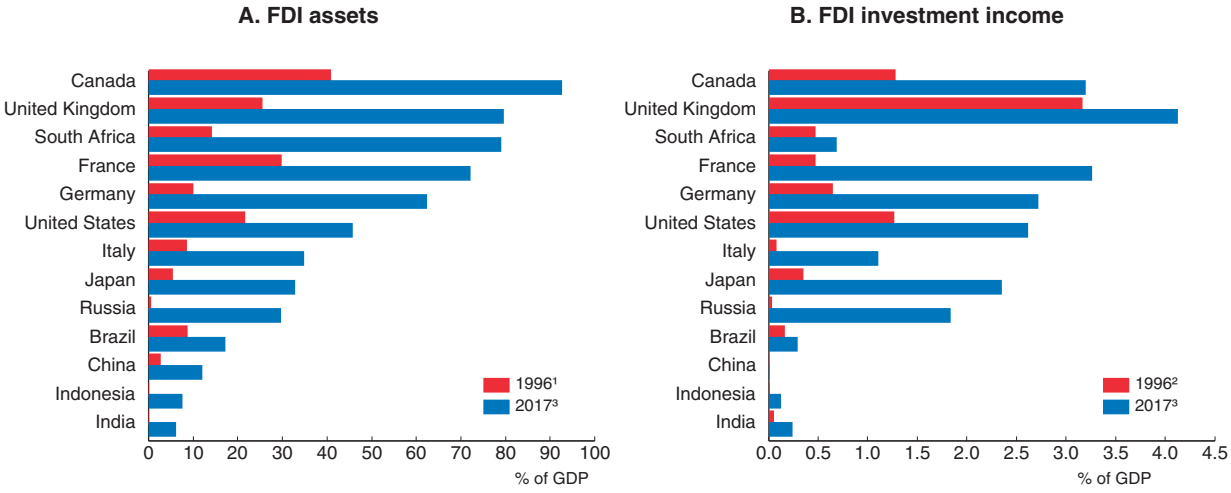
Figure 2.8. **The importance of foreign sales has been rising for the largest listed companies**



Note: The shares are based on changing constituencies of the stock indices. For Nikkei 225 (Japan) the constituents from 2011 are used for the period 1995 to 2011 and for STOXX 600 (Europe), the constituents from 1999 are used for the period 1995 to 1999. For the firms considered as national within the euro area, foreign sales are sales outside the national area.
Source: Thomson Reuters Worldscope; and OECD calculations.

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Figure 2.9. **The importance of foreign direct investment has increased in the largest economies**



1. 2001 for Brazil and Indonesia, and 2004 for China.
2. 2001 for China and Indonesia, and 2004 for India.
3. Or latest available year for emerging market economies.

Source: IMF Balance of Payments Statistics; and OECD Economic Outlook 103 database.

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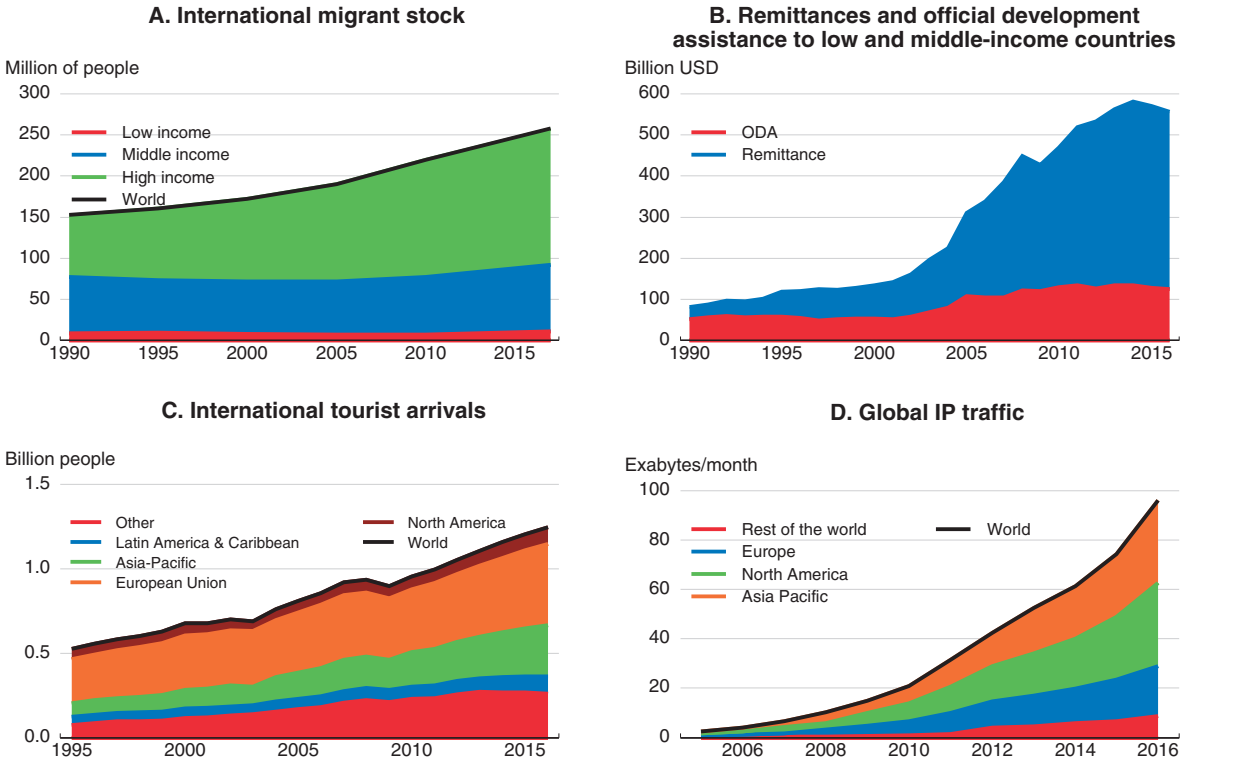
could be one of the explanations for the important role of global factors in equity price developments (see below).

Other measures of global integration

Besides flows of goods, services and capital, global integration has been strengthened over the past two decades by many other developments, including increasing flows of people and data across borders (Figure 2.10). These change the structure of national economies and strengthen trade and financial linkages across borders.

Between 1990 and 2017, the number of international migrants worldwide rose by over 100 million, reflecting in part demographic developments and persistent differences in living standards and opportunities (Figure 2.10, Panel A). The migrant stock remains small as a share of the world population, at under 3½ per cent in 2017, but it has become increasingly important in OECD economies. On average, the foreign-born population accounted for 13% of the population in OECD countries in 2015, up from 9½ per cent in 2000 (OECD, 2017f).[8] Sizeable migration can create adjustment challenges, but also helps to strengthen medium-term labour force growth in host economies and can also facilitate new trade opportunities between host and home countries (Ottaviano et al., 2018). Remittances from migrants to their home countries are also an important source of income for many low and middle-income countries (Figure 2.10, Panel B). In addition to long-term migration, trade and knowledge flows can also be affected by rising flows of international students (OECD, 2017f) and growing international tourist traffic (Figure 2.10, Panel C).[9] Data flows provide a particularly striking example of rising interconnectedness. The rapid spread and increased usage of new digital technologies around the world are reflected in

Figure 2.10. **Global integration has been strengthened by rising flows of people and data**



Note: High-income, middle-income and low-income are as classified by the World Bank. Russia is included in the data for Europe in Panel D.

Source: United Nations; World Bank, World Development Indicators; Cisco; OECD (2015c), *Digital Economy Outlook*; and OECD calculations.

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8. Around 5 million people migrated permanently to OECD countries in 2016, well above the pre-crisis previous peak in 2007. There was also a surge in asylum applications in 2015-16.
9. Global international tourist arrivals rose by over 4% per annum on average in the two decades to 2016.

the rapid growth of global internet traffic (Figure 2.10, Panel D).[10] Such technologies have the potential to create new economic opportunities, allow firms to access new markets, and offer consumers a wider choice of goods and services (OECD, 2017g).

Economic implications of greater global interconnectedness

Greater interconnectedness changes the strength of financial and business cycle linkages and creates externalities: what happens in one country, including policy choices, can have much larger effects on what happens in other countries. It raises questions about the extent to which economic and financial developments can differ across countries and how shocks from abroad affect the domestic economy. It also has implications for the effectiveness and transmission channels of domestic macroeconomic policy instruments and exchange rates.

The importance of global factors for domestic economic and financial developments

The increasing interconnectedness of the global economy raises issues about the extent to which economic and financial developments across countries are linked and driven by common factors. A priori, stronger trade and financial integration has an ambiguous impact on business cycle synchronisation. Trade linkages can strengthen output co-movements if traded goods are complements, or connected through GVCs, while the opposite can happen when they are substitutes (Ng, 2010). A higher level of openness to trade, and the growing role of multinational enterprises in national economies, also raises the potential exposure to foreign shocks, all else equal. At the same time, a higher degree of trade specialisation could increase the role of country and industry-specific shocks. Financial integration can weaken business cycle synchronisation if it improves risk sharing and countries are affected by idiosyncratic real shocks. It could, however, also strengthen synchronisation when it leads to heightened financial contagion.

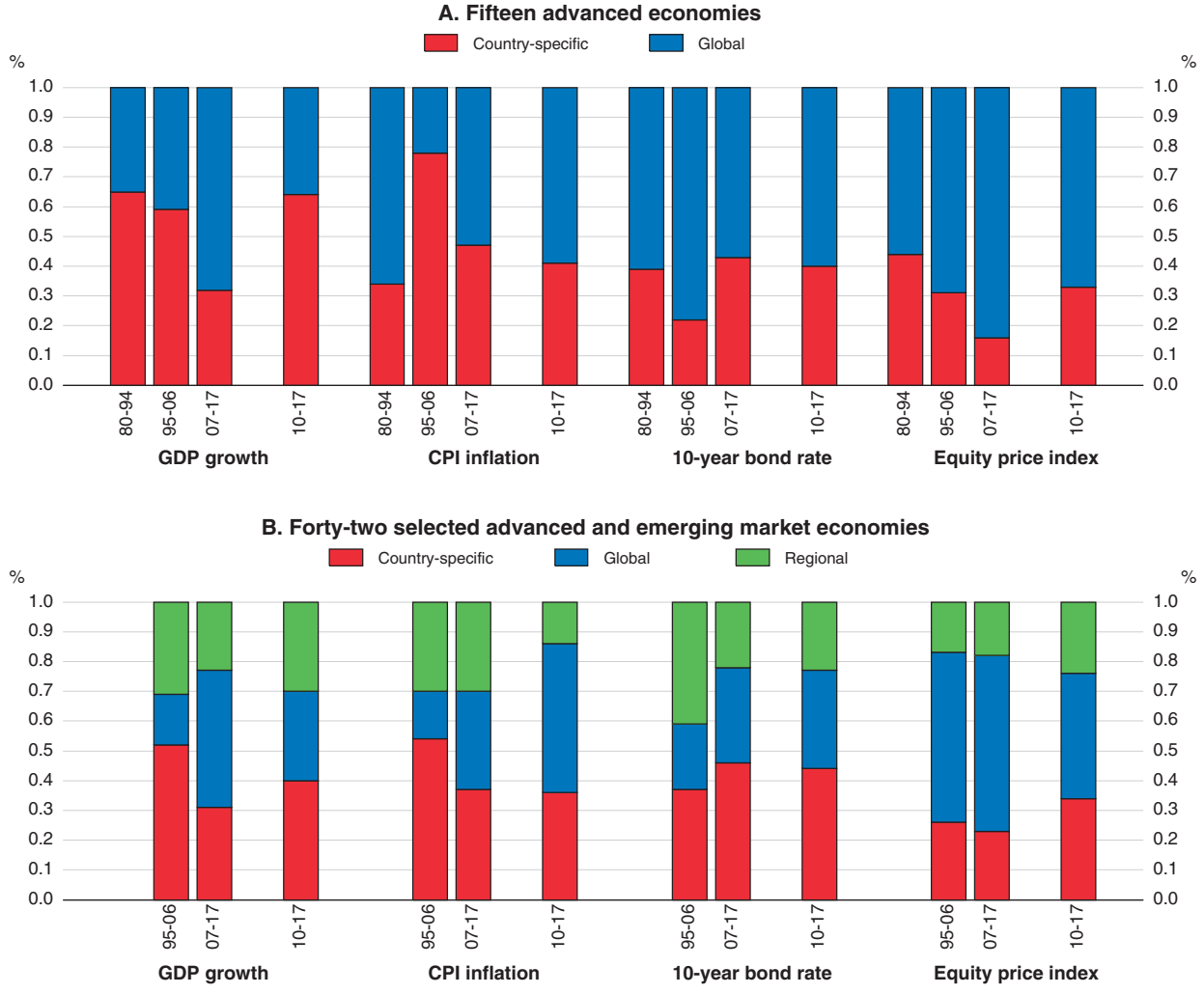
New OECD analysis assesses the role of global factors in domestic financial and macroeconomic conditions by using dynamic factor models to identify the contributions of country-specific and global/regional factors to fluctuations of particular variables (Maravalle and Rawdanowicz, forthcoming).[11] The estimated factors capture all unobservable features driving the co-movements of a given variable across a group of countries. A global factor affects all countries, a regional factor affects only a subset of countries within a region, and a country-specific factor captures everything not accounted by global and regional factors. Given data limitations, models identifying all three factors are estimated only since 1995 for a group of 42 countries using annual data. To get more insights about variation over time, a model with only global and country-specific factors is also estimated for a group of 15 advanced economies over a longer sample starting in 1980.[12]

10. There is a lack of information about global cross-border data flows. Estimates based on cross-border bandwidth (a measure of capacity rather than of traffic) suggest that global cross-border data flows may have been 45 times larger in 2014 than in 2005 (MGI, 2016). Global IP traffic (Figure 2.10, Panel D) is estimated to have been 25 times larger in 2014 than in 2005.
11. Factors are unobservable and thus they are estimated using the "data augmentation" Bayesian methodology developed by Otrok and Whiteman (1998) and Kose et al. (2003, 2012).
12. The main findings about the direction of changes in the role of global and regional factors remain broadly unchanged if using quarterly data, though the contribution of the country-specific factors is higher when using annual data. This reflects more erratic movements and more acute measurement errors for quarterly data.

The OECD analysis confirms that the contribution of global factors to fluctuations in equity prices and long-term government bond yields has risen since the 1980s to high levels for the group of 15 advanced economies, with a corresponding decline in the country-specific factor (Figure 2.11). High contributions from non-country-specific (i.e.

Figure 2.11. **The role of global factors in driving macroeconomic variables has changed**

Average contribution of factors to fluctuations of variables shown below



Note: Factors are estimated in dynamic one-factor (global – panel A) and two-factor (global and regional – panel B) models at annual frequency. All variables are transformed to ensure stationarity: annual growth is computed for real GDP and for consumer and equity prices, while 10-year bond yields are first differenced. In panel A, the 15 advanced economies include: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Switzerland, the United Kingdom and the United States. In panel B, the 42 countries (the 5 regions) include: Canada, Chile, Mexico and the United States (Americas); Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Turkey, Switzerland and the United Kingdom (Europe); Japan and South Korea (Asia); Australia and New Zealand (Oceania); and Brazil, China, India, Indonesia, Russia and South Africa (BRIICS). For technical details, see Maravalle and Rawdanowicz (forthcoming).

Source: OECD Economic Outlook 103 database; and OECD calculations.

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global and regional factors) are also observed for the wider group of 42 advanced and emerging market economies in the past decade.

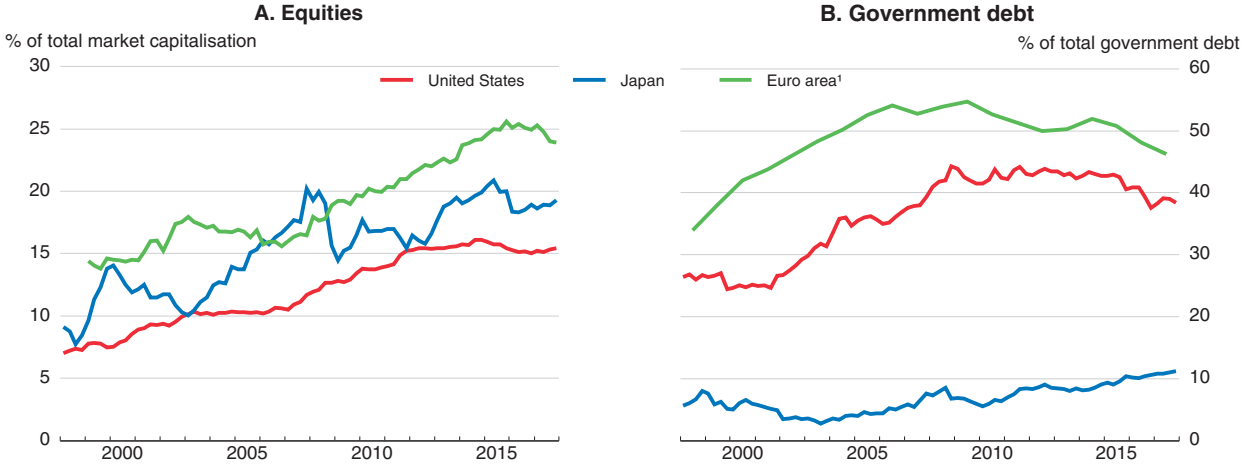
- The rising importance of global factors for equity prices likely reflects common shocks related to risk aversion and the increasing role of foreign investors (Figure 2.12) and investment funds, including exchange-traded funds. The drop in the contribution of country-specific factors over the past decade, especially for the advanced economies, seems to be partly related to the global financial crisis – it is smaller for a subsample excluding the crisis years.
- Greater monetary policy synchronisation, including from the creation of the euro area, and a rising non-resident ownership of government bonds can help explain the rising contribution of the global factor for government bond yields for the group of 15 advanced countries before the global financial crisis. Afterwards, the increase in the importance of country-specific factors is likely due to the euro area crisis, as government bond yields increased substantially in a number of vulnerable euro area countries, in contrast to safe-haven countries. In addition, quantitative easing has been undertaken at different times and to differing extents in the major economies.

The contribution of global and regional factors to fluctuations in equity prices is slightly higher than the contribution to changes in government bond yields, for the group of 42 countries. This might be explained by a greater role of the "fear" factor for equity investors rather than by a generally higher participation of foreign investors. In some advanced economies, including the United States, foreign investors hold a greater share of outstanding domestic government debt securities than domestic equities (Figure 2.12).

The findings on the importance of global factors for domestic financial variables are in line with other evidence on the global financial cycle, suggesting that a common global factor (the time-varying risk aversion of investors) can account for a substantial share of

Figure 2.12. **Non-resident ownership of domestic financial assets has been increasing in the main advanced economies**

Assets held by non-residents as a share of domestic assets



1. In Panel B, non-residents' holdings of government debt includes bonds held by residents of other euro area countries. The Maastricht definition of government debt is used in the denominator.

Source: Bank of Japan; European Central Bank; US Federal Reserve; and OECD calculations.

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the variance of asset prices and capital flows across economies (Rey, 2015). This common factor is typically found to be correlated with widely-used indicators of risk aversion, such as the VIX index, and also with US monetary conditions (Forbes and Warnock, 2012; Miranda-Agrippino and Rey, 2017; Barrot and Serven, 2018). Common regional factors can also affect financial conditions. One example is the influence of banking sector conditions in Europe on cross-border bank flows, reflecting the importance of European banks in global banking prior to the global financial crisis (Cerutti et al., 2017a). Some studies suggest, however, that there has been little change in the role of global factors since the global financial crisis (Arregui et al., 2018) or that their importance has actually declined (Barrot and Serven, 2018). A possible explanation of the latter finding is that it reflects the decline in the cross-border banking sector flows in recent years, as discussed above.

The OECD analysis suggests that the role of global and regional factors in GDP fluctuations is generally weaker than for financial variables, although it has risen somewhat since the 1980s. It increased significantly during the global financial crisis (Figure 2.11), though this seems to be a temporary effect, largely related to the common recession in advanced economies.[13] The finding that the role of common global factors in GDP fluctuations has increased over time is in line with many empirical studies, suggesting that trade integration strengthens business cycle synchronisation.[14] Similar patterns are observed for fluctuations in inflation since 1995, with a higher contribution of global and regional factors in the 2007-17 period compared with the previous decade, possibly reflecting large swings in energy prices as well as sizeable global economic slack. However, global factors also played an important role also in the 1980s, possibly also as a result of oil price shocks at that time.

Country-specific factors remain important, suggesting that economic and financial conditions in individual countries can still deviate from global trends. Financial variables are generally more affected by global factors than real GDP growth and inflation, though the importance of the global common factor varies across different studies; in many it accounts for between one-quarter and one-half of the overall variation in capital flows and financial conditions (Cerutti et al., 2017b; Arregui et al., 2018; Barrot and Serven, 2018). Taken with the new results set out above, this suggests that global financial linkages or/and common financial shocks are stronger than real ones.[15]

There are several reasons to expect that the role of global factors will differ across time and countries, especially on the financial side (Guichard, 2017). For instance, changes in the composition of capital flows can result in differences in the overall exposure to global factors across countries and over time. Banking and portfolio capital flows, particularly in foreign currency, are more heavily affected by global factors than FDI flows, with the latter

13. To test the impact of the global financial crisis on the results, the factor models were also estimated using a 2010-17 sample. The contribution of the global and regional factors to GDP growth fluctuations is lower than for the 2007-17 sample, especially for the group of 15 advanced economies (Figure 2.11). For inflation and financial variables, the results do not change much compared with the 2007-17 sample. However, given the shorter sample, these results are likely to be less reliable.
14. These include Frankel and Rose (1998), Clark and van Wincoop (2001), Duval et al. (2016), Di Giovanni and Levchenko (2010), and Karadimitropoulou and Léon-Ledesma (2013).
15. This is in line with evidence that business cycle synchronisation between the United States and other OECD countries decreased prior to the crisis despite stronger financial integration (Heathcote and Perri, 2004) and that banking integration can have a negative impact on output synchronisation (Kalemli-Ozcan et al., 2013a,b).

more likely to reflect local "pull" factors (Rey, 2015; Hoggarth et al., 2016; Eichengreen et al., 2017). The composition of investors may also affect the overall sensitivity to global factors. In particular, the growth of exchange-traded funds has helped to raise the overall sensitivity of portfolio flows to global risk factors, especially for EMEs (Converse et al., 2018).

Changes in responsiveness to shocks

The strengthening of cross-border trade and financial linkages implies that macroeconomic shocks in a given country or region are likely to have a larger impact on other economies over time. Equally, the rising share of the EMEs in global activity implies that macroeconomic developments in the OECD economies are likely to be increasingly affected by those in the non-OECD economies.

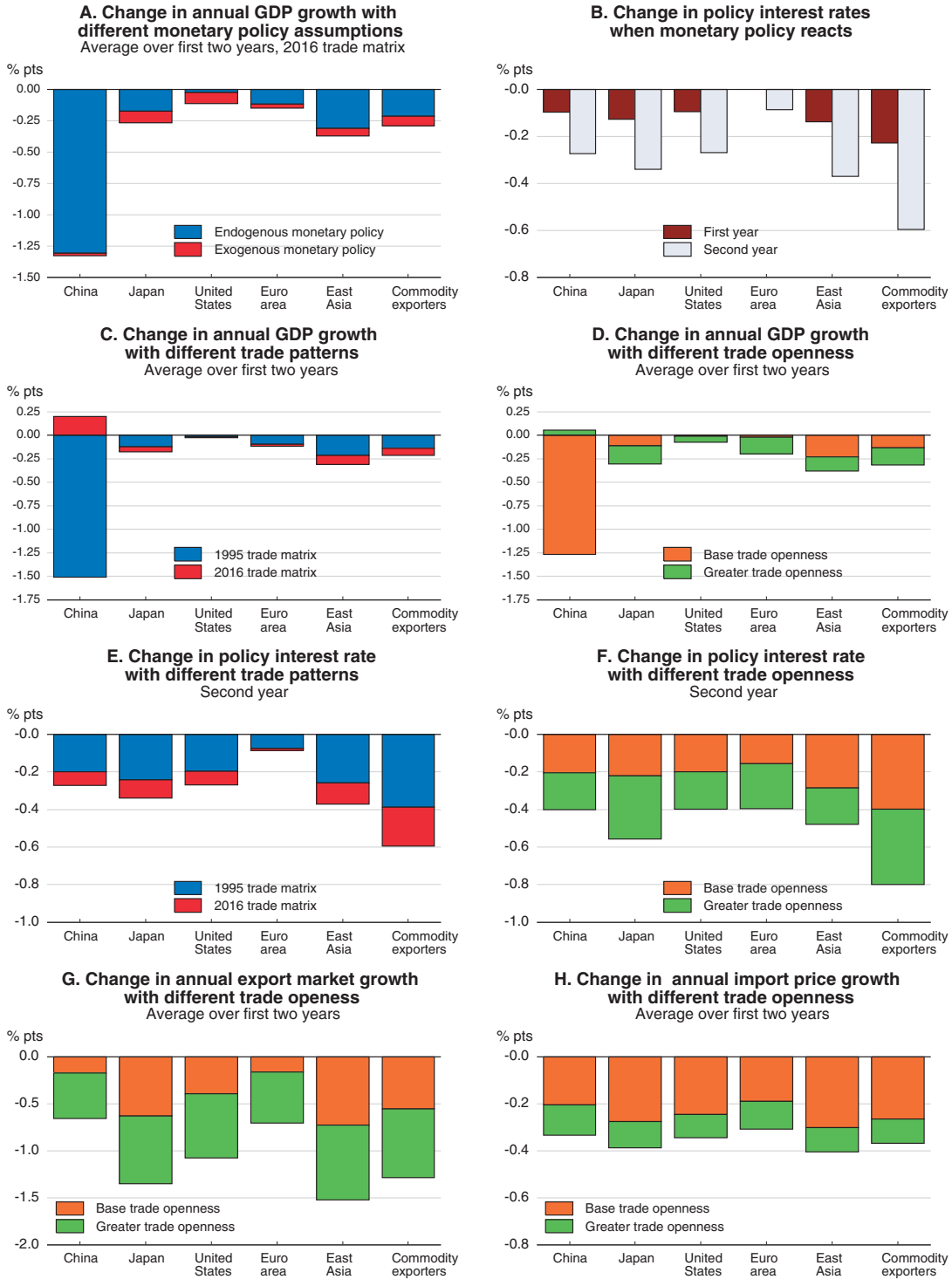
Three scenarios are used to explore the importance of these issues, using simulations on the NiGEM macro-model, with the first two based on variants of shocks discussed in past *OECD Economic Outlooks*. The first simulation considers the impact of a 2-percentage point decline in Chinese domestic demand growth for two years, focusing in particular on how cross-border effects via trade evolve as the structure of trade changes and as trade integration rises (OECD, 2015b). The second considers a collective sustained expansion in public investment in the G7 economies and the extent to which spillover effects vary according to different macroeconomic policy settings (OECD, 2016). The third illustrates some of the implications of the increasing strength of the global common factor in equity markets over time (see above). Each simulation illustrates particular aspects of changes in global integration, but does not seek to cover all possible channels of interaction across countries. All the simulations incorporate monetary and fiscal policy reactions, based on the standard policy rules in NiGEM, unless otherwise stated.[16]

The global impact of weaker demand growth in China

The direct trade-related effects on other economies from a 2-percentage point decline in Chinese domestic demand growth for two years are generally modest (Figure 2.13, Panel A). Growth in the OECD economies would be reduced by 0.1-0.2 percentage point per annum, with a somewhat stronger impact in Japan, as well as in other economies in East Asia and commodity exporters, both of whom are relatively exposed to China via strong GVC linkages.[17] Overall, global trade growth is reduced by around 0.7 percentage point per annum over the first two years of the simulation. Spillovers from the shock would be larger if monetary policy in other countries did not react. Policy interest rates are reduced by over 25 basis points by the second year of the shock in the major OECD economies, and by more in the most heavily exposed economies (Figure 2.13, Panel B), helping to limit the negative effects on domestic activity. A range of additional factors could broaden the spillover effects from the negative demand shock in China, including potential adverse reactions in financial markets and declines in commodity prices (OECD, 2015b; Dieppe et al., 2018). Although multinational enterprises are not separately identified within NiGEM, part of the

16. The monetary policy rule in NiGEM is a two-pillar rule, with policy interest rates responding to the deviation of inflation and nominal GDP from their target (baseline) levels. The fiscal rule is that the effective direct tax rate on households adjusts so as to bring the general government budget balance back to its target (baseline) level.
17. In China, imports fall sharply given the initial decline in domestic demand, reducing the overall impact of the shock on China to a decline of around 1¼ percentage point per annum in GDP growth. The Chinese current account surplus rises by around 1% of GDP by the second year of the shock, with a corresponding rise in net capital outflows.

Figure 2.13. **Trade patterns and spillovers from a negative domestic demand shock in China**



Note: Based on a decline of 2 percentage points in the growth rate of domestic demand in China for two years. Policy interest rates are endogenous in all areas, unless otherwise stated. The shocks with different trade matrices begin in 2018 and use 1995 or 2016 bilateral trade flows of goods and services. The shocks with different trade openness begin in 2009 (i.e. base trade openness) and 2031 (i.e. greater trade openness) respectively. East Asia comprises Korea, Singapore, Vietnam and the NiGEM bloc for East Asia. Commodity exporters comprise Australia, Brazil, Indonesia, Russia, South Africa and the NiGEM bloc for the Middle East.

Source: OECD calculations.

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adjustment to weaker demand in China is likely to occur through the impact on the sales of foreign affiliates in China, and the consequential impact on domestic equity markets in their home locations (Figure 2.8).

To assess how changes in trade patterns and trade intensities affect the size of spillovers, and the implications for the responsiveness of policy, two different versions of the basic simulation are undertaken. The first considers the impact of changes in the pattern and structure of trade by implementing the same shock to demand in China with an alternative version of the model using a bilateral goods plus services trade matrix based on 1995 data.[18] This lowers the overall importance of China in global trade developments.[19] The second considers the same shock to demand in China at two different points in time, using the same underlying bilateral trade matrix. This provides an indication of the importance of greater trade integration for the propagation of the shock to other countries.[20]

The overall pattern of results from changes to the trade matrix and from changes in trade integration remains broadly similar to the original results (Figure 2.13, Panels C and D). In both cases, the results shown are with endogenous monetary policy in all economies. The impact on GDP growth in China is smaller as China becomes more integrated into global markets, due to more of the initial shock being felt in other economies. Changes in the extent of trade integration have a slightly larger impact on the spillovers to other countries than changes in the structure of trade, at least in this particular example.[21]

- The direct spillover effects to other countries via trade are offset by the greater responsiveness of monetary policy when using either the most recent trade matrix or when the economy is more open to trade (Figure 2.13, Panels E and F). In particular, the shock with greater trade integration is met with a more active monetary policy response to offset adverse spillovers.
- Changes in trade volumes and trade prices both affect the size of spillovers from China. This is illustrated for the two scenarios with different degrees of trade integration (Figure 2.13, Panels G and H). Export market growth is hit more heavily in the scenario with higher trade integration, with the economies that trade most intensively with China again being most affected. However, all economies also benefit from lower import prices, reflecting their higher level of import penetration. In turn, the greater downward pressure on prices helps to prompt a larger reduction in policy interest rates.[22]
- China also experiences spillback effects from the shock. Weaker demand in the rest of the world lowers the demand for Chinese exports and also lowers import prices into China.

18. The underlying bilateral trade matrix affects the weights on different economies in measures of export market size, import prices and the competitors' prices facing exporters. The matrix used in the current version of NiGEM is based on data for 2016.
19. The sensitivity of Chinese import demand to changes in domestic demand was also lowered in the model, by around 20%, reflecting the less open and integrated nature of the Chinese economy in the mid-1990s. In principle, this adjustment would not be required if the simulation using the 1995 matrix could be undertaken from 1995. Technically this is not possible using the current version of NiGEM.
20. In the median economy in the NiGEM baseline, trade openness (the ratio of trade to GDP) rises by 11 percentage points between the two different starting points, broadly comparable with the increase experienced in the decade or so prior to the global financial crisis.
21. In the scenario with the higher degree of trade openness, global trade growth is reduced by around 1 percentage point per annum over the first two years of the simulation.
22. In NiGEM, import prices reflect a weighted average of costs in the exporting economies and domestic prices in the importing economy. If prices were set solely in US dollar terms, there would be a smaller reduction in prices than in these simulations and, most likely, slightly larger negative spillover effects on growth in the importing economies.

The global impact of a sustained public investment stimulus in the G7 economies

The short-run domestic multiplier effects of a shock to public expenditure, and the spillover effects to other economies, depend on a variety of country-specific factors, such as the degree of openness, and the setting of monetary and fiscal policies. The simulation exercises shown here, building on those undertaken in OECD (2016), are all based on a permanent increase in public investment by the equivalent of ½ per cent of GDP in each of the G7 economies.[23] Private sector agents and financial markets are both assumed to be forward-looking, so that expectations of a higher future public capital stock begin to boost private investment immediately, and monetary policies and exchange rates are endogenous in all economies.

For a single country shock, the first-year output multipliers are greater for countries that are less open to trade; multipliers are therefore higher in the United States and Japan, at around 0.8, compared with the major European countries (Figure 2.14, Panel A). A corollary of this is that fiscal multipliers in individual economies may have declined somewhat over time as economies have become more open, all else equal. With globalisation bringing tighter links between countries, collective action has become more powerful than taking individual actions. If all G7 economies implement the stimulus simultaneously, the first year GDP impact rises on average by over one-quarter, and by more in the countries which are more open to trade (Figure 2.14, Panels A and C).[24]

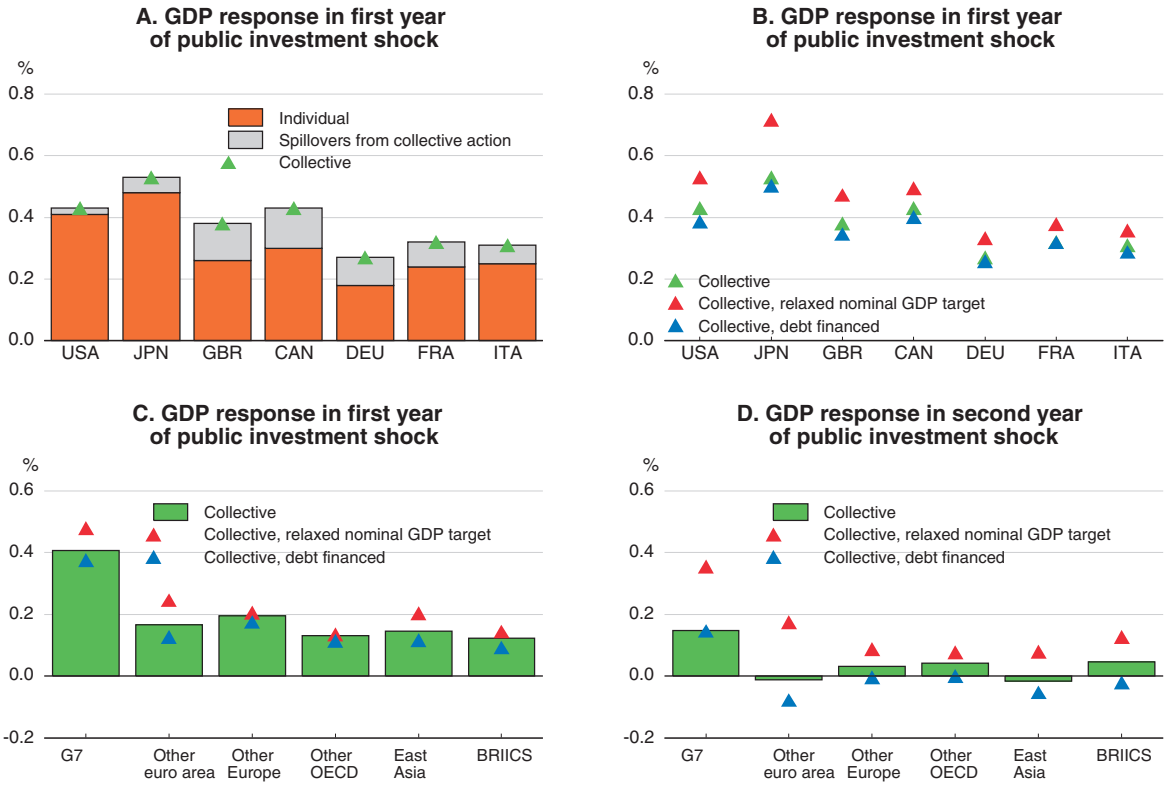
The stimulus to demand in the G7 economies provides a boost to growth in other economies, particularly those in Europe that are strongly linked to demand in the major euro area economies, and also in East Asia, where exposure to trade is relatively high (Figure 2.14, Panel C). By the second year, these gains generally fade. In part, this fading reflects the reaction of monetary policy. Policy interest rates rise by around 30 basis points in the United States, Japan, the United Kingdom and Canada in the first 2-3 years of the collective simulation, reflecting the near-term stimulus to demand, before fading thereafter. Outside the G7 economies, policy interest rates generally rise by between 10 and 20 basis points. Higher interest rates contribute to the gradual crowding out of the short-term demand effects of the stimulus, but do not prevent the emergence of the longer-term supply-side benefits in the G7 economies of a higher public and private capital stock.

The policy rules being used in the countries from which the shocks originate (the G7 economies in this case) can have an important bearing on the size and persistence of short-term multipliers and spillovers to other countries.

- If monetary policymakers perceive and react to the long-term improvement in supply from the higher public capital stock, policy interest rates (and accordingly long-term interest rates) rise by less than otherwise.[25] This raises the first-year multipliers from the collective shock, especially outside the euro area countries (where policy is set for

23. In practice, achieving a large immediate increase in public investment may be challenging, as for the typical OECD country it represents an increase in the volume of government investment by about 15%. The permanent shock to investment also implies a large long-term rise in the public sector capital stock, of between 10-20% in the typical G7 economy, though this takes many years to accumulate.
24. If interest rates are held exogenous for the first three years of the simulation, the first-year GDP impact would rise by over two-fifths on average compared to the individual action simulation.
25. The monetary policy rule in NiGEM is a two-pillar rule, with policy interest rates responding to the deviation of inflation and nominal GDP from their target (baseline) levels. The alternative scenario allows for a 1% rise in the nominal GDP target.

Figure 2.14. **Multipliers and spillovers from a collective public investment stimulus in the G7 economies**



Note: Based on a permanent increase of 0.5% of GDP in public investment in the G7 economies. All countries and regions weighted together using purchasing power parities.
Source: OECD calculations.

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the euro area as a whole), and allows the demand benefits from the shock to persist for longer (Figure 2.14, Panels C to D).

- Financing the fiscal stimulus by debt rather than by taxes leads to higher long-term interest rates and reduces the short and long-run benefits of the stimulus (Figure 2.14, Panels B to D).[26] This results in the ratio of government debt to GDP rising by around 6-7 percentage points in each of the G7 economies over the medium term. Risk premia on government debt are higher, contributing to a permanent rise of around 25 basis points in long-term interest rates in the G7 economies. With integrated global financial markets, this persistent increase in long-term interest rates is reflected in other economies as well, reducing the spillover benefits of the stimulus.

26. The default scenarios shown are with unchanged budgetary targets in all economies, so that the higher level of spending in the G7 economies is offset by an increase in the effective tax rate on households which brings about an adjustment in consumer spending. In the short term, private consumption is stronger in the debt-financed fiscal stimulus than in the tax-financed one (reflecting higher direct taxes on households), but this is more than offset by weaker private investment due to higher interest rates, so that the overall impact on GDP is smaller.

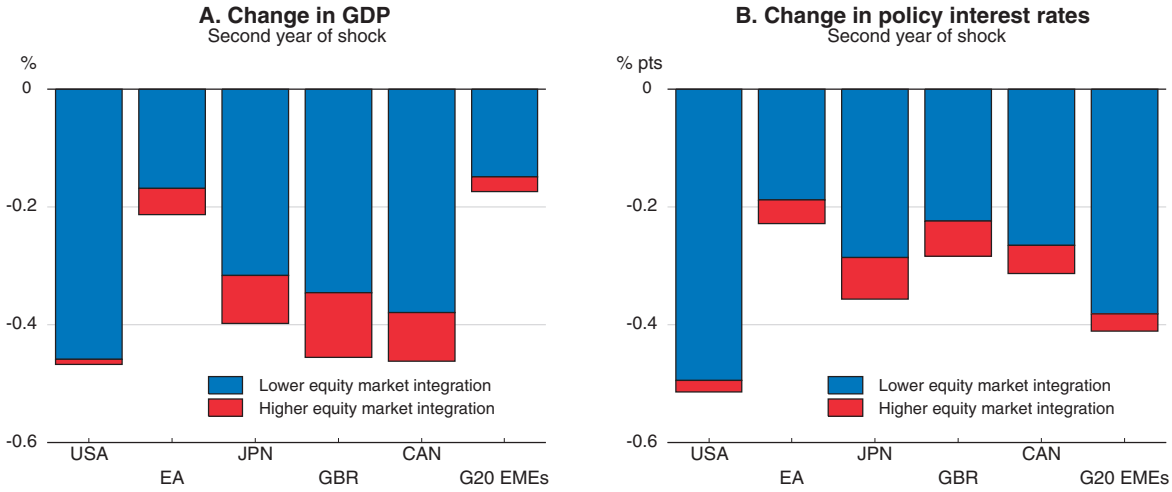
The impact of a rise in the US equity risk premium

The scenarios below illustrate the short-term impact of a rise of 1 percentage point in the US equity risk premium for two years, using different assumptions about the strength of interlinkages between global stock markets.[27] The rise in the risk premium reduces US equity prices by around 10%. The extent to which it is reflected in equity prices and risk premia in other countries will vary over time according to the importance of the (US-driven) global factor in national stock market developments (see above).

In a lower integration scenario, equity risk premia in other countries change in line with the strength of linkages prior to 1995, so that premia rise by around 60 basis points in the major advanced countries, and 40 basis points elsewhere. In a higher integration scenario, reflecting the strength of linkages over 2007-17, risk premia rise by around 80 basis points in the major advanced countries and 60 basis points elsewhere. Both scenarios are undertaken at a common point in time; in practice, the higher level of financial openness and development over time should also mean that any given shock to risk premia will have a larger economic impact now than in the past.

Stronger financial market integration increases the adverse spillovers from the US shock on output in all economies, but particularly so in Canada, the United Kingdom and Japan (Figure 2.15, Panel A). If there were no direct spillovers across equity markets at all, so that the equity risk premium rises only in the United States, the output effects would be much smaller in the other advanced economies, with the GDP level typically declining by only 0.1% by the second year of the shock.

Figure 2.15. **Spillovers from a rise in the US equity risk premium**



Note: Based on a rise of 1 percentage point in the US equity risk premium for two years. The strength of the associated spillover into equity risk premia in other countries changes over time according to the importance of global factors in equity markets. The scenario with lower equity market integration is based on linkages prior to 1995, and the scenario with higher equity market integration on linkages over the past decade. Policy interest rates are endogenous in all areas. All shocks begin in 2018. The G20 emerging market economies (EMEs) are weighted together using purchasing power parities.
Source: OECD calculations.

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27. The rise of 1 percentage point is a relatively modest shock, corresponding to a change of 1 standard deviation in the US equity risk premium over 1960-2017, based on the estimates by Damodaran (2018). The equity risk premium is the excess return of investment in equities over a risk-free rate (usually the government bond yield), which compensates investors for taking higher risks by investing in equities.

In both scenarios, the spillovers from the financial shock are cushioned by monetary policy easing, with interest rates declining by around ¼ percentage point in the major advanced economies by the second year and by ½ percentage point in the United States (Figure 2.15, Panel B). In practice, this could raise challenges for monetary policy if the shock were to occur at a time when policy interest rates are very low. If monetary policy did not respond to the shock at all, the GDP impact by the second year would be more negative, increasing by between one-quarter and one-half relative to that shown.

Changes in shock transmission mechanisms due to trade and financial market developments

Higher trade and financial integration and its changing nature are affecting the standard transmission mechanisms of shocks, by amplifying the impact of external shocks, raising the relative size of GDP effects of exchange rate changes working through financial channels compared with trade flow channels, and strengthening the role of bilateral US dollar exchange rates.

Aggregate demand and inflation effects of shocks with stronger and more complex trade linkages

Stronger trade integration has increased the importance of cross-border demand for domestic economic conditions. In particular, the growing importance of EMEs as a destination of advanced economies' production, and vice versa, has raised their mutual dependence. This stronger interdependence has occurred mostly within the three regional trading blocks, as discussed above.

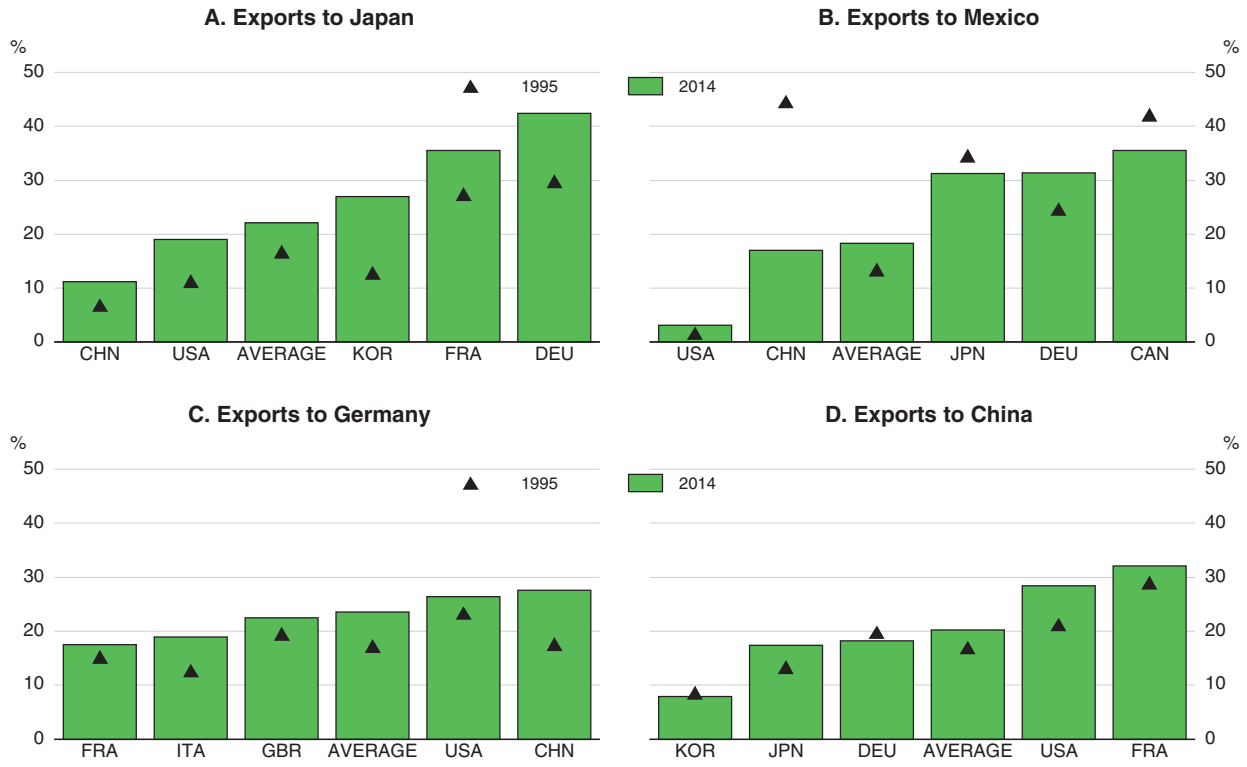
Extensive GVCs bring well-known economic benefits[28] but can also amplify downturns. During a crisis, uncertainty prompts producers to revise down their forecasts for future demand, leading to a cut in their production, and also inventories and orders to their intermediate suppliers (Gangnes et al., 2012). The amplification of the initial demand shock to upstream suppliers is stronger when production is fragmented across borders. This is because firms that rely on imported supplies typically hold higher inventories than those that rely on domestic supplies alone, and order less frequently (Escaith et al., 2010). However, outside a crisis period, there is only limited evidence of this effect.

Higher participation in GVCs can also increase the risk of cross-border supply disruptions. Experience shows that local events in one country (e.g. the Great East Japan Earthquake in 2011) can easily spill over via supply chains to other countries (OECD, 2011b). As GVCs have expanded, countries have become more vulnerable to supply disruptions, due to more complex, lengthy and inter-dependent supply chains. The increasing share of exports measured in value-added terms that passes via at least one third market before it reaches its final destination is a simple indicator of the growing complexity and vulnerability of supply chains (Figure 2.16). It often amounts to a third of the total value added exported from the source to the final destination. In some cases, for example Korean exports to Japan, this share has increased significantly from 1995 to 2014 (the latest available data). This indicates that Korean producers are exporting a greater share of their

28. Participation in GVCs facilitates greater specialisation, which increases economic efficiency and helps economies reap the benefits of trade without having to develop entire industries. GVCs are also crucial to the diffusion of knowledge. Exposure to more productive foreign firms can help local firms increase productivity through learning about advanced technologies or beneficial organisational and managerial practices (Criscuolo and Timmis, 2017).

Figure 2.16. **Manufacturing supply chains have become complex**

In per cent of manufactured exports of value added passing via third markets to the final destination



Note: The five largest sources of value added exports in rank order are shown for each of the four final destinations of Japan, Mexico, Germany and China. The average for the countries shown is weighted by value added exports in 2014.
Source: OECD TiVA Database; and OECD calculations.

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value added via third markets, including China, the United States and Indonesia, rather than directly to Japan. Consequently, Japanese and Korean trade has become exposed to local disruptions in these markets.

Rising import penetration means that domestic prices are more strongly influenced by imported inflation than previously. With the ensuing rise in the share of domestic demand sourced from abroad, combined with a switch to imports from low-cost countries, globalisation has reduced consumer price inflation in the OECD countries (Pain et al., 2006; Borio and Filardo, 2007), although this is offset to some extent by the upward pressure on global commodity prices from moving production to more commodity-intensive economies. Participation in GVCs is also found to be associated with lower growth of value-added deflators and unit labour costs at the sectoral level, notably before the financial crisis (Andrews et al., 2018). The latter effect is particularly significant for GVC participation with low-wage countries.

The impact of exchange rate changes on trade flows may have weakened

The expansion of GVCs has made trade volumes less reactive to exchange rate changes, particularly in the aftermath of the global financial crisis (Ollivaud et al., 2015). With the expansion of GVCs, the increased cost-competitiveness of exports from exchange

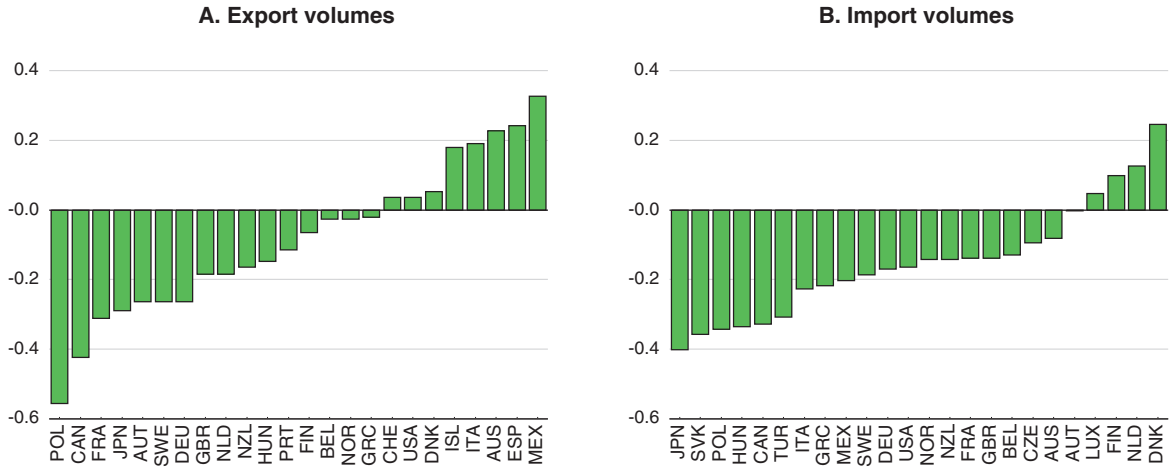
rate depreciation is increasingly offset by the rising cost of intermediate imports, and vice versa. Corroborating this, a comparison of the responsiveness of export and import volumes to a change in relative prices in the OECD's trade equations estimated in Pain et al. (2005) and Morin and Schwellnus (2014) shows a decline in the long-run relative price responsiveness of import volumes and, to a lesser extent, export volumes for the majority of OECD countries (Figure 2.17).[29] Firms are still affected by exchange rate moves, but increasingly this may occur via the impact of currency fluctuations on profit margins, as pricing-to-market becomes more prevalent (see below).

The US dollar remains an important invoicing currency in international trade, with the growing shares of merchandise trade involving EMEs and commodities tending to raise the share of trade invoiced in US dollars (Box 2.2). This has potential implications for trade responses to exchange rate changes. Euro invoicing has also risen over time, but this is mostly confined to regional trade within the euro area. The evidence also suggests that invoicing currency prices tend to be sticky with respect to changes in nominal exchange rates (Gopinath, 2015). The implications of these invoicing practices include:

- Changes in the US exchange rate may have a stronger impact on non-US trade. One recent study suggests that a 1% US dollar appreciation against all other currencies might reduce the volume of total trade between countries in the rest of the world by 0.6-0.8% (Boz et al., 2017). This is because the appreciation makes the imports from all countries invoicing in US dollars more expensive, not just those from the United States, thereby reducing import demand for them all (Casas et al., 2016).
- There may be cross-country differences in the impact of exchange rate fluctuations on inflation (Gopinath, 2015). In the United States and the euro area, the exchange rate pass-through to domestic prices increases as the local currency invoicing share falls, controlling for standard determinants of the pass-through (Gopinath, 2015; Özyurt, 2016).

Figure 2.17. **The response in trade volumes to relative prices has declined**

Difference in the long-run relative price elasticity of trade volumes between the 2014 and 2005 estimates



Source: OECD calculations.

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29. In the median OECD economy, relative price elasticities declined by between 0.1 to 0.2 percentage point between the two sets of estimates.

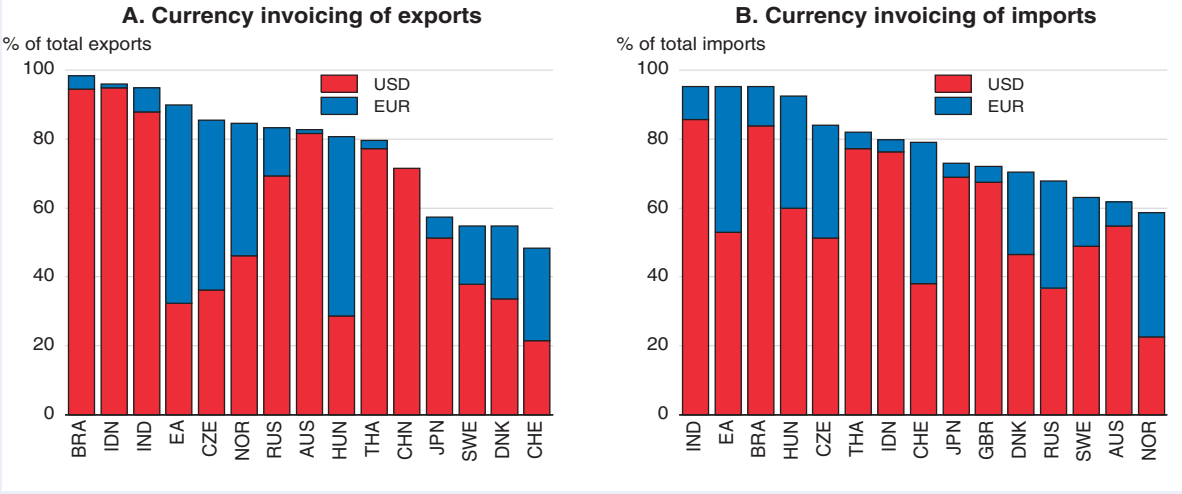
Box 2.2. **The dominance of the US dollar in international trade and financial transactions**

The US dollar has been the main international currency and the dominant currency in international transactions for many years (Auboin, 2012). Using a sample of countries representing around 60% of world trade, Gopinath (2015) estimates that the invoicing currency share of the US dollar is between four and five times higher than the United States' share of world imports, and over three times higher than its share of exports. Some 90 countries in the world have a currency that is explicitly or implicitly pegged to the US dollar (Auboin, 2012). This further encourages the US dollar denomination of trade. Taking into account both pegs to the US dollar and market-driven co-movements, some estimates suggest that the US dollar zone may represent more than half of global GDP (Ito et al., 2015).

The US dollar is used extensively in the trade of emerging market economies (EMEs) and for exports from commodity producers (first figure below). Elsewhere, the US dollar is relatively more important for imports than for exports. The rising share of EMEs in global trade has tended to push up the role of the US dollar in international trade over time. However, this is not the case for all countries. In China, the share of exports invoiced in US dollars is estimated to have declined in recent years, from around 80% in 2014 to 72% in 2016.

The introduction of the euro increased the invoicing of trade in the common currency in the euro area at the expense of the US dollar (Kamps, 2006). However, over the past decade, the euro share of extra euro-area exports and imports of goods from the euro area has been largely stable (ECB, 2017). There are few countries outside the euro area that invoice their exports primarily in euros, with the exception of some small open EU member states with strong GVC trade linkages with euro area countries (first figure below).

Invoicing of exports and imports in US dollars and euros in 2016



Note: The data refer to 2016 for all countries apart from Australia (2015-16), Indonesia (2010 to 2015), India (2012 to 2013) and Brazil (2011). Merchandise trade for all countries apart from Russia (goods plus services). Data for all EU member states are for extra-EU trade only.

Source: Australian Bureau of Statistics; Central Bank of Brazil; Central Bank of Russia; Eurostat; Japan Customs; Ministry of Finance of the Republic of Indonesia; Reserve Bank of India; and OECD calculations.

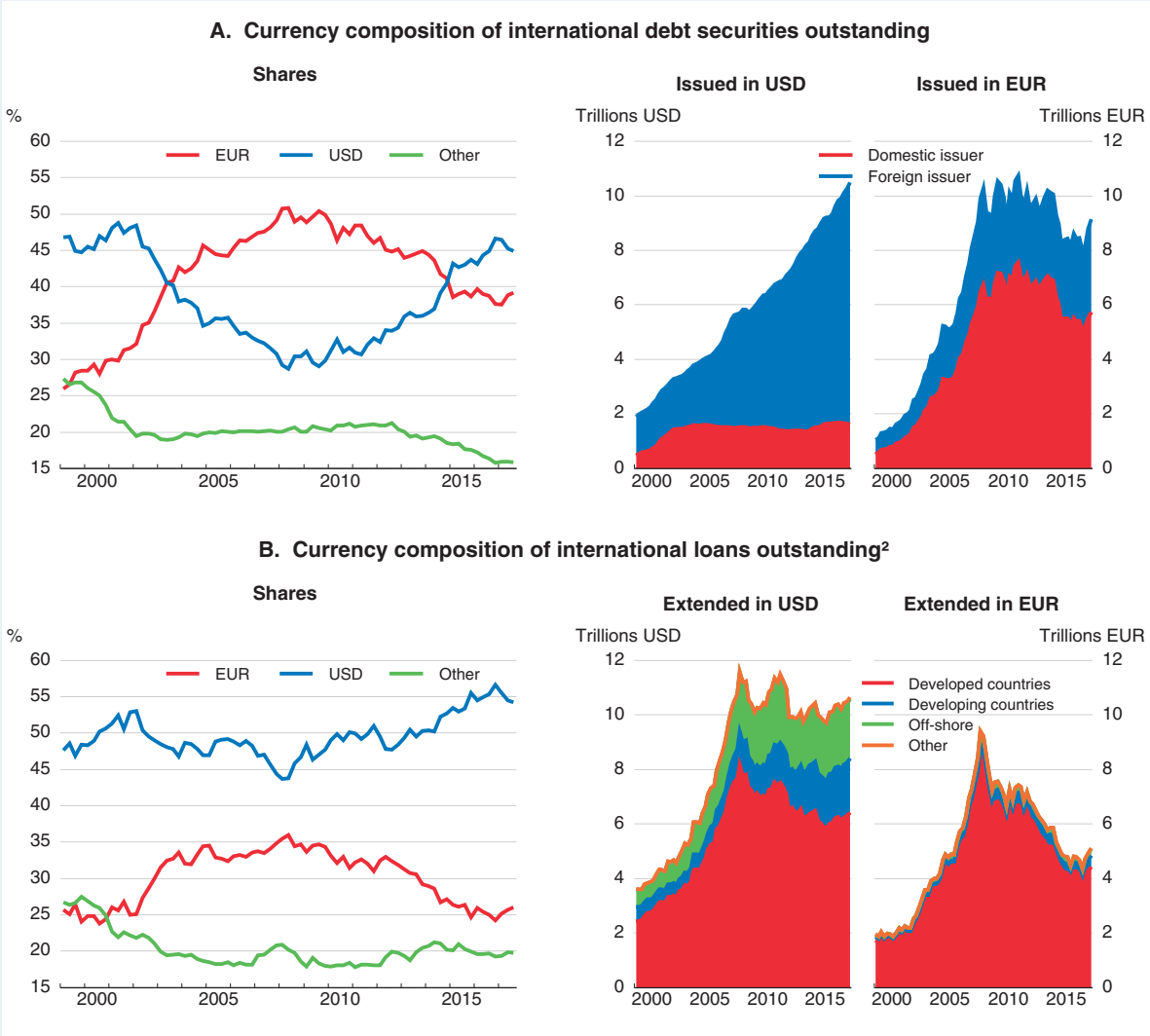
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The US dollar has also continued to dominate international financial transactions, despite the introduction of the euro (figure below). Based on SWIFT data, the US dollar remains the predominant currency for international and domestic payments. Its use increased from 30% to 40% of transactions

Box 2.2. **The dominance of the US dollar in international trade and financial transactions** *(cont.)*

between 2012 and 2017. In comparison, despite strong growth in 2017, the share of the Chinese RMB remains less than 2% (SWIFT, 2018). The share of the euro in international debt securities and loans increased significantly prior the global financial crisis but declined afterwards, mainly driven by borrowers within the euro area. The euro has become more important in international financial transactions but its usage has been largely limited to euro area countries. In contrast, US-dollar-denominated international financing has increased due to borrowers outside the United States, especially EMEs in recent years.

The US dollar dominates international finance[1]



1. The latest observation is for 2017Q3.
2. Data on loans includes inter-bank loans.

Source: Bank for International Settlements; and OECD calculations.

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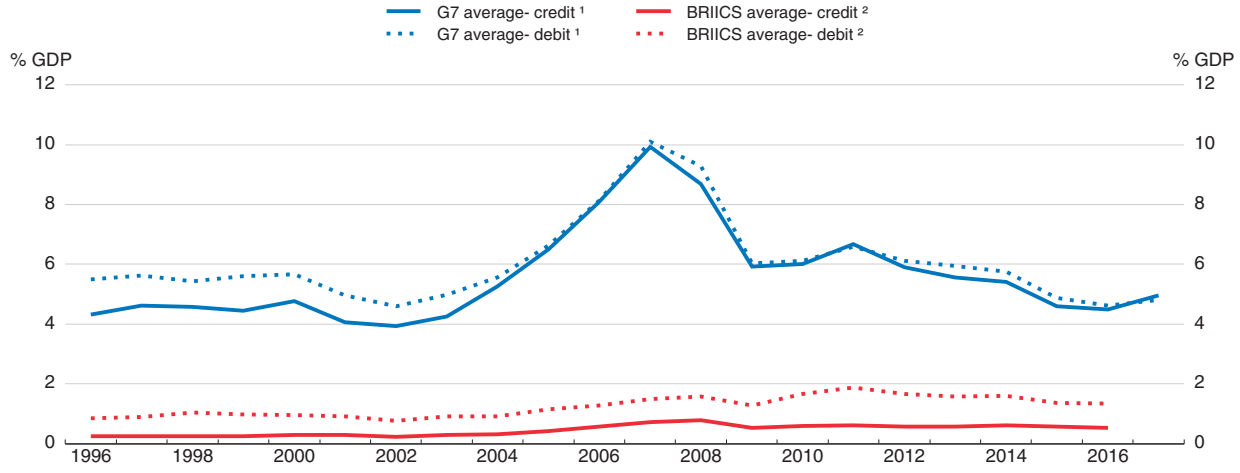
In the United States, where almost all of its imports are invoiced in US dollars, domestic inflation is more insulated from exchange rate shocks than other countries (Chahrour and Valchev, 2017). As a result, US monetary policy and associated exchange rate moves have stronger spillover effects on other countries' inflation than vice versa (Goldberg and Tille, 2008), although US monetary policy is only one of many influences on global financial conditions (Powell, 2018).

Wealth and income effects from international investment positions have strengthened

Higher international asset and liability positions expose countries to stronger investment income flows and wealth effects from international investment positions, including from exchange rate moves, even if there are no active changes in investment portfolios:

- Income streams from foreign assets and liabilities have been rising since the early 2000s and account for on average at least 3-4% of GDP in the G7 economies (Figure 2.18). Thus, changes in the returns on foreign financial assets (reflecting also exchange rate moves) are increasingly important for the income of investors in these economies. Given relatively high cross-country correlations in financial asset price fluctuations, common negative shocks could reduce the income streams from both domestic and foreign financial investments. This lowers the benefits of international investment diversification, unless moves in exchange rates offset income losses denominated in foreign currencies.
- Similarly, changes in exchange rates can give rise to wealth effects on international investment positions (Bénétrix et al., 2015). For instance, based on asset and liability holdings in 2017, a 10% appreciation of the US dollar against all other currencies increases the value of net assets by around 7% of GDP in Canada and the United Kingdom, and by around 3% of GDP in Argentina, China, Japan and Korea (Figure 2.19). In contrast, the appreciation lowers net assets by around 6% of GDP in the United States. In

Figure 2.18. **Primary investment income flows are sizeable in advanced economies**



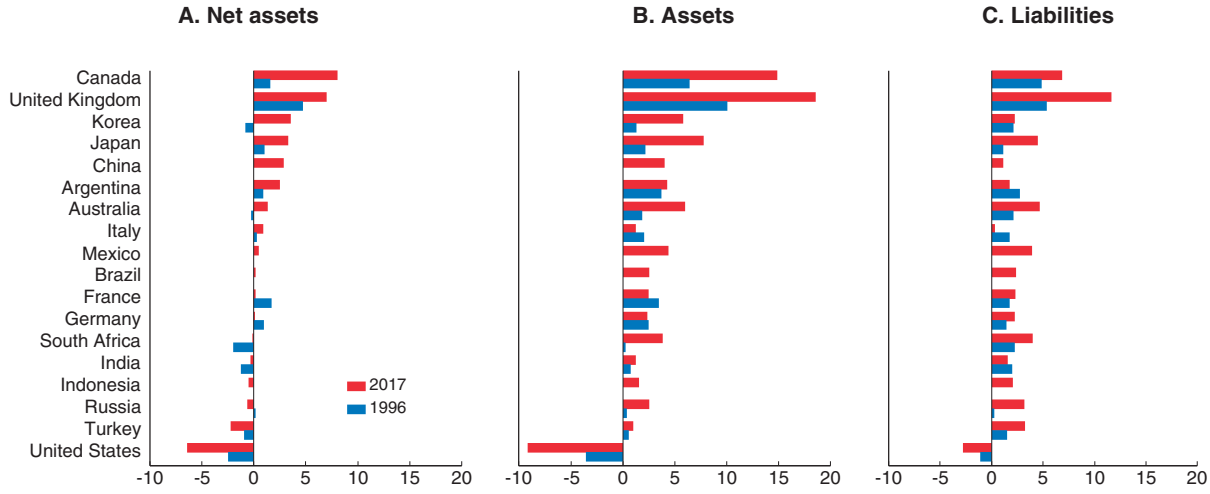
1. G7 countries include Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.
2. BRIICS include Brazil, Russia, India, Indonesia, China and South Africa.

Source: IMF Balance of Payments Statistics; OECD Economic Outlook 103 database; and OECD calculations.

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Figure 2.19. **Exchange rate changes can have sizeable revaluation effects on international investment positions**

Effects of a 10% appreciation of the US dollar against all other currencies, % of GDP



Note: The reported effects, due to 10% appreciation of the US dollar against all other currencies, are calculated with assets, liabilities and GDP expressed in US dollars, and thus account for changes in nominal GDP expressed in US dollars. They are based on international investment position data (excluding derivatives when the data are available) for 1996 and 2017 and the currency composition of assets and liabilities as of 1996 and 2012 estimated by Bénétrix et al. (2015).

Source: IMF Balance of Payments Statistics; Bénétrix et al. (2015), "International Currency Exposures, Valuation Effects and the Global Financial Crisis," *Journal of International Economics*, 96(S1), 98-109; and OECD calculations.

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many of these countries, the effects are between two and three times bigger than two decades ago. In other G20 economies, the effects on net assets are much smaller but gross effects on international assets and liabilities are still sizeable, implying potentially large fluctuations in net financial worth for individual investors.

While the above simulations use aggregate data for the whole economy, the macroeconomic implications of income and wealth effects stemming from international investment positions depend largely on the distribution of assets and liabilities within the economy. Negative shocks to the liability side (rising liabilities and payments on them) are likely to be more consequential in aggregate than positive shocks to the asset side of the same magnitude, if households and businesses with foreign debt do not hold any foreign assets, and vice versa. This is because the marginal propensity to consume from income and wealth is usually higher for debtors than savers. This may be relevant for EMEs, where net international assets of the private sector are smaller than overall net assets given large central bank reserves.

Policy implications of greater and changing interconnectedness

Closer global trade and financial integration can bring substantial benefits for economic growth and long-term living standards around the world. It also poses policy challenges by enhancing the risk of negative shocks and spillovers that can have adverse consequences for particular firms, workers and regions. Countries – individually and collectively – can deal with some of the consequences of such shocks through macroeconomic policy adjustment, putting in place framework conditions (such as exchange rate arrangements and prudential rules for the financial sector) that make them more stable and resilient to adverse spillovers, and making active use of structural reforms

and improved social safety nets to help adjust to global changes and make the most of globalisation. But in many cases, common shocks and spillovers can be more effectively dealt with by collective policy co-ordination to help mitigate some of the trade-offs. While this can result in better global outcomes, it is often difficult to achieve in practice. Thus, it is essential to establish and foster global standards and rules of conduct, and continue multilateral dialogue, including via the G20.

Implications for domestic policy

Macroeconomic policy and exchange rate arrangements can help to buffer shocks

Whilst globalisation has altered the impact of domestic monetary policies in the OECD economies, and the effectiveness of different policy channels, it has not removed the capacity to eventually stabilise economies. As shown in the simulation analyses above, stronger trade and financial linkages across countries imply that shocks originating in one location have a larger impact on activity in other economies over time. This implies that national policymakers need to respond more promptly and more vigorously to foreign economic shocks in order to limit their impact on domestic policy objectives. The extent of these effects depends on the respective strength of cross-border linkages with the rest of the world. At the same time, policymakers may need to respond less to domestic country-specific shocks, since enhanced integration means that a greater share of the effects of such shocks is likely to be absorbed by other countries.

The extent to which domestic policy can adjust to an adverse shock from outside the country depends on the policy space available. Spillovers may be particularly difficult to deal with if they occur at a time when policy space is limited, as it is in many countries at present. In such cases, it may be easier for macroeconomic policy to respond when the negative shock is common to the majority of countries, most likely if it is a financial one (Figure 2.15). Trade spillovers may be more challenging to deal with, given the extent to which supply chains and final markets differ across countries. For instance, commodity-exporting economies may need to ease policy more vigorously following an adverse shock in China (Figure 2.13).

A floating or a flexible exchange rate remains the best arrangement to help limit external shocks affecting the domestic economy, even though its aggregate impact has changed over time, with wealth effects and changes in profit margins on traded products becoming more important relative to changes in trade volumes. Advanced economies, and the euro area as a whole, typically operate with freely floating currencies which help to buffer shocks from abroad. Flexible exchange rate arrangements are also found to reduce external shocks in EMEs. For example, domestic financial conditions in EMEs operating with flexible exchange rates seem to be less prone to respond to global financial conditions than EMEs pegging their exchange rate (Obstfeld et al., 2017). Although exchange rates should be allowed to adjust flexibly to changing fundamentals, transparent and temporary interventions may still be required on occasion to help reduce short-term currency volatility and financial instability. While considering interventions, their possible limited effectiveness should be taken into account.

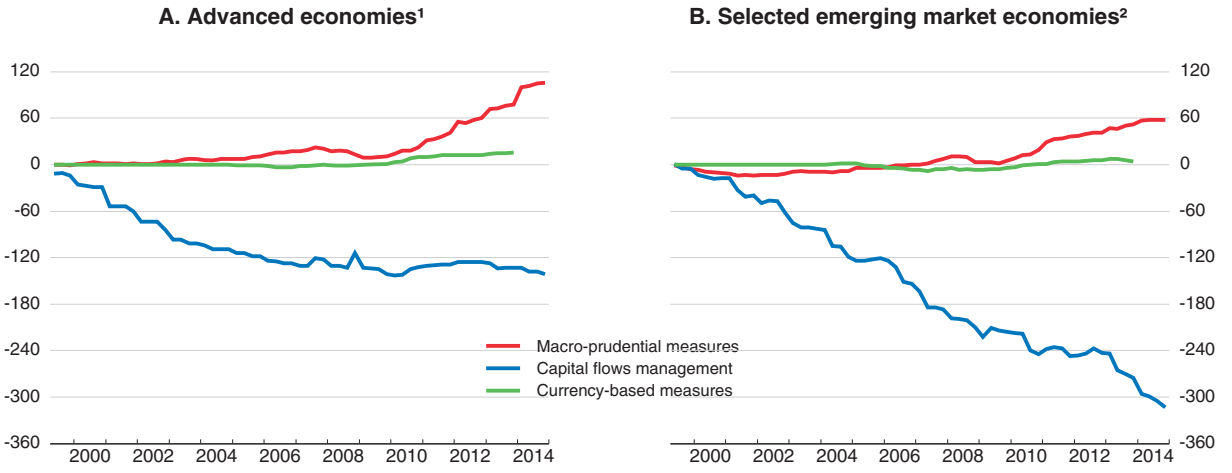
Strengthening domestic resilience to adverse external shocks

Given strong international financial spillovers, countries also need to improve their resilience to external financial shocks (Caldera Sánchez et al., 2017). Authorities should

ensure adequate regulation and supervision to secure sufficient capital and liquidity buffers of banks and other financial institutions. Prudential policies are particularly useful for helping to prevent a build-up of financial vulnerabilities in specific markets, in particular credit growth.[30] Such measures remain important in the current environment of still low interest rates and abundant liquidity. Prudential measures could also focus on alleviating risks of currency and maturity mismatches and credit risks, though the evidence of their effectiveness is mixed. In this context, the expansion of macro-prudential policy and currency-based measures since the global financial crisis reflects increased efforts by regulators in advanced and emerging market economies to increase the resilience of the financial system (Figure 2.20).

As inward FDI investments tend to be more stable than inward portfolio capital and debt-related investments, a safer structure of foreign liabilities and a reduction of the risk of volatile capital flows can be promoted by reducing regulatory burdens on foreign direct investment, easing strict product market regulation and removing tax incentives for debt over equity financing (Ahrend et al., 2012). Structural reforms to boost potential growth and help ensure fiscal sustainability, and thereby improve general macroeconomic fundamentals and investors' confidence, should also strengthen resilience.

Figure 2.20. **Cumulative changes in financial policies**



Note: The easing or the removal of a financial policy is coded as -1; the tightening or introduction of a financial policy is coded as +1.

1. Advanced economies include Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.
2. Selected emerging market economies include Argentina, Brazil, China, Colombia, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Russia, South Africa and Turkey.

Source: OECD calculations based on the IMF AREAER for capital flow measures; Cerutti et al. (2016), "Changes in Prudential Policy Instruments – A New Cross-Country Database", *IMF Working Paper Series*, No. WP/16/110; and Kuttner and Shim (2016), "Can Non-Interest Rate Policies Stabilize Housing Markets? Evidence from a Panel of 57 Economies", *Journal of Financial Stability*, 26, 31-44, for macro-prudential measures; and de Crescenzio et al. (2015), "Currency-based Measures Targeting Banks - Balancing National Regulation of Risk and Financial Openness", *OECD Working Papers on International Investment*, No. 2015/03, for the currency-based measures.

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30. Akinci and Olmstead-Rumsey (2015) find that macro-prudential measures, especially directly targeted at limiting housing credit growth, are associated with lower house price inflation. However, Cerutti et al. (2017c) suggest that macro-prudential measures are less effective in more developed and open economies as their usage comes with greater cross-border borrowing.

Integrated domestic policy packages are needed to make the effects of globalisation more inclusive

Increased trade intensity, GVCs and offshoring have all raised concerns about their potential impact on employment and inequality (OECD, 2017a). The evidence suggests, however, that increased trade has played a less prominent role in overall employment and inequality developments than other factors, particularly technology (OECD, 2011a; Lopez Gonzalez et al., 2015; OECD, 2017a). Even so, increased international competition can have significant adverse effects at the local level (Autor et al., 2013, 2016) and for lower-skilled workers.[31]

As stressed in the June 2017 *OECD Economic Outlook*, mitigating the negative effects on vulnerable regions and workers requires broad and integrated policy packages. Improving the capacity of regions to cope with the dislocation of economic activities requires increasing human capital, upgrading physical capital and raising industrial diversification at the local level and improving transport connections to other regions (OECD, 2017a). To help vulnerable workers adjust to new circumstances and move to expanding activities, active labour market measures to assist displaced workers should be enhanced, barriers to occupational and geographical mobility need to be lowered, including in housing markets, and workers should be provided with the opportunities to develop new skills needed in the labour market (see Chapter 1).

Collective global policy requirements

Although individual countries can take measures on their own to reduce the impact of external shocks, a collective response is more efficient in many cases and essential in some. Collective action is particularly important when countries are simultaneously hit by adverse common shocks or to strengthen financial safety nets to deal with potential crisis-related foreign currency shortages. An effective global rules-based system is indispensable to harness the efficiency-raising potential of international trade and finance. It is also needed to ensure that particular actions taken by individual countries to strengthen their own resilience to external shocks do not impose excessive cross-border costs or add to global imbalances, and to limit the scope to take advantage of free movement of products and finance to reduce domestic taxes and engage in illicit activities.

Macroeconomic policy co-ordination and global financial safety nets

International macroeconomic policy co-ordination has often been difficult to achieve outside crisis periods.[32] This may reflect the statutory focus on domestic goals of national economic authorities, as well as differing assessments about the extent and direction of spillovers and hence the need for co-ordination. Views may also differ about the effectiveness and the appropriate use of particular macroeconomic policy instruments. In

31. While participation in GVCs tends to increase regional employment in manufacturing (Rusticelli et al., forthcoming), the opposite is true of regions subject to greater exposure to final goods imports. Also, the loss of manufacturing jobs is associated with lower overall regional employment and earnings (Autor et al., 2013; Malgouyres, 2016; OECD, 2017a) and has tended to widen inequality between regions. Moreover, displaced manufacturing workers tend to be lower-skilled, older, less geographically mobile, and have more job-specific skills than workers who find themselves unemployed for other reasons (OECD, 2005; 2017a). In many OECD countries, regional disparities persist in large part due to poor geographical mobility (OECD, 2017a).
32. In theory, international policy co-ordination is beneficial when there are large cross-border policy spillovers as they are internalised (Hamada, 1976, 1985; Canzoneri and Henderson, 1991).

addition, there may be an inherent bias for large countries to act unilaterally, given that their trade and financial integration is still comparatively small.

In crisis periods, however, there has been stronger consensus about objectives and needs, and international co-ordination has been put in place swiftly. This was the case at the start of the global financial crisis, when G20 economies jointly implemented a massive fiscal stimulus, and monetary authorities provided emergency US dollar liquidity. Given the large economic and social costs of global recessions, such co-ordination, even if not formalised, is more urgent than during normal times. Besides, the multipliers of concerted fiscal stimulus during recessions tend to be higher than in normal times. With continuous monitoring of, and dialogue about, the health of the global economy in the context of the G20 since the onset of the global financial crisis, the institutional arrangements for rapid co-ordination of macroeconomic policies, if needed, have become stronger than before.

Global financial safety nets could be enhanced. Establishing international currency swap lines among monetary authorities could be useful to limit short-lived foreign currency liquidity problems and to mitigate their effects on economic conditions. The conversion of temporary bilateral liquidity swap arrangements among six key central banks to standing arrangements in October 2013 was a welcome development in the aftermath of the global financial crisis.[33] Similar agreements could be considered between EMEs and advanced economies and between individual EMEs, though asymmetric information and moral hazard complicate reaching such agreements in practice.[34] Regional financing arrangements, which have expanded strongly since the global financial crisis, can also provide further assistance.

The increased international activity and mobility of businesses, and the associated rise in opportunities for profit shifting and base erosion, call for common standards on corporate taxation to safeguard domestic tax bases and avoid fiscal imbalances. The OECD has contributed to developing and producing global standards in this domain, with its *Base Erosion and Profit Shifting (BEPS) Project* (Box 2.3). Currently, more than 110 countries and jurisdictions have joined the global fight against base erosion and profit shifting through their membership of the Inclusive Framework on BEPS. The OECD and partner organisations also provide technical assistance to developing countries to support the implementation of the BEPS package.[35]

Collectively minimising negative spillovers from domestic policies to strengthen resilience and safety nets

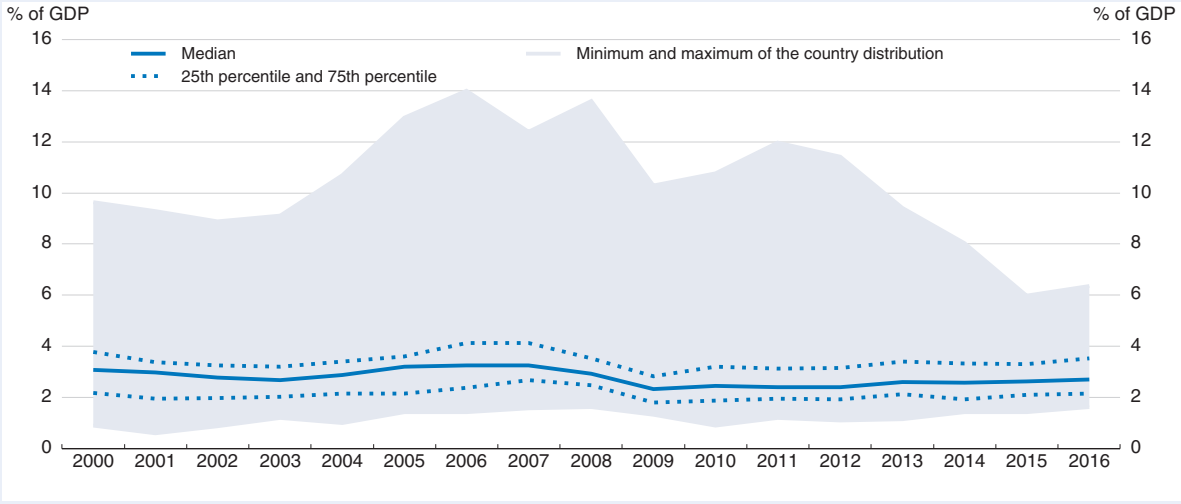
The use of domestic prudential measures can lead to cross-border spillovers and regulatory arbitrage across jurisdictions. The spillovers could be positive, with improved

33. The arrangement was agreed on 31 October 2013 between the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the US Federal Reserve and the Swiss National Bank.
34. For instance, China, Japan, Korea and the Association of Southeast Asian Nations countries have established a multilateral swap agreement (the Chiang Mai Initiative) that enables member countries to exchange their local currencies against US dollars up to their contribution to the scheme. This is supported by various bilateral swap agreements, for instance, between Japan and the Philippines and between Japan and Singapore.
35. This includes assistance through the Platform for Collaboration on Tax, which is a joint effort of the OECD, the International Monetary Fund, the United Nations and the World Bank Group. In addition, support is provided to tax administrations through the Tax Inspectors Without Borders Initiative (TIWB), which is a joint initiative of the OECD and the United Nations Development Programme (UNDP).

Box 2.3. **The OECD Base Erosion and Profit Shifting (BEPS) Project**

Prior to the financial crisis, globalisation, with its increased levels of international economic activity, contributed to high corporate tax revenues in many jurisdictions. In the OECD, over the past 20 years, the peak for the median country was registered in 2007 with corporate tax revenue amounting to 3.6% of GDP (figure below).

Corporate income tax revenues in OECD countries



Source: OECD (2017), *Revenue Statistics: 1965-2016.*

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Nonetheless, globalisation has also strained the functioning of the international tax system as it was conceived in the first half of the twentieth century. In particular, the growing importance of intangible assets and the interconnectedness of global value chains have allowed companies to shift profits from high to low or zero tax jurisdictions at negligible costs. The ease of moving income flows and intangible assets from one jurisdiction to another has allowed some firms to exploit mismatches in the international tax system and to achieve very low effective rates of taxation and to erode the tax bases of many countries. OECD analysis has estimated the global corporate income tax revenue losses to be in the range of 4% to 10% of corporate income tax revenues (i.e., USD 100 to 240 billion annually at 2014 levels).

Key features and participation

While tax sovereignty is a core feature of a sovereign state, the scale of interconnectedness and the extent of cross-border activity mean that when governments act alone, this sovereignty may be only nominal. With this in mind, the OECD/G20 Project to address Base Erosion and Profit Shifting (BEPS) was launched following a request by G20 Leaders in June 2012 to identify the key issues that lead to BEPS. It was followed by the 15-point BEPS package in October 2015. It was developed by 44 countries, including all OECD and G20 members participating on an equal footing, as well as through widespread consultations with more than 80 other jurisdictions and stakeholders including business, academics and civil society.

The package sets out a variety of measures: new minimum standards, the revision of existing standards, common approaches that will facilitate the convergence of national practices, and guidance drawing on best practices. In particular, the four minimum standards - fight harmful tax practices; prevent tax treaty abuse, including treaty shopping; improve transparency with country-by-country reporting; and enhance effectiveness of dispute resolution - were agreed to tackle cases where no action by some jurisdictions would have created negative spillovers (including adverse impacts of competitiveness) on others.

Box 2.3. **The OECD Base Erosion and Profit Shifting (BEPS) Project** *(cont.)*

The Inclusive Framework on BEPS was created in 2016 to ensure the consistent implementation of the BEPS package across different countries. It now brings together over 110 countries and jurisdictions on an equal footing to collaborate on the implementation of BEPS measures.

Important steps were reached in June 2017 and in January 2018, on the occasion of the first and second signing ceremonies of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, also known as the "BEPS Multilateral Instrument". With 76 jurisdictions having joined to date, it already covers over 1,200 bilateral tax treaties that will be updated to implement several of the BEPS measures. With a sufficient number of countries having ratified it, the BEPS Multilateral Instrument will enter into force on 1 July 2018, with effect as from 1 January 2019. More jurisdictions are expected to sign and ratify the instrument in the coming period, with an overall objective to modify up to 2,500 existing bilateral treaties.

Implementation

The implementation of the BEPS package is now well underway. Countries are taking action on many fronts, including on BEPS actions that go beyond the four minimum standards. For example, the international provisions of the recent tax reform in the US include measures that implement BEPS actions on interest deductibility and anti-hybrid rules.

The peer review processes of the four BEPS minimum standards have started or will start shortly:

- Fight harmful tax practices. In-depth evaluations have been completed to assess the implementation of this BEPS area. They cover the exchange of tax ruling information, with over 11,000 rulings already identified and now being exchanged. They also identify harmful preferential regimes. Over 160 regimes have already been reviewed, many of which have been amended or are in the process of being amended or abolished.
- Improve transparency with country-by-country (CbC) reporting. Over 60 jurisdictions already have put in place a comprehensive domestic legal framework for CbC reporting, and around 55 jurisdictions required or permitted the filing of CbC reports in 2016. This included the headquarter jurisdictions of substantially all MNE groups with global revenue above EUR 750 million, implying that over 1,400 exchange relationships have been activated.
- Enhance effectiveness of dispute resolution. This deals with the improvement of mutual agreement procedures (MAP) across jurisdictions taxing the same multinational groups. 21 jurisdictions have already been subject to peer reviews, eight are currently underway, and 43 more have been scheduled through December 2019.
- Prevent tax treaty abuse, including treaty-shopping. This BEPS action point can be implemented by participating in the BEPS multilateral instrument or through bilateral treaties. As many jurisdictions will only ratify the BEPS multilateral instrument or bilateral treaties implementing the minimum standard in 2018, the review of the implementation of the minimum standard on treaty-shopping will only begin in 2018. The terms of reference and methodology for these reviews have already been agreed.

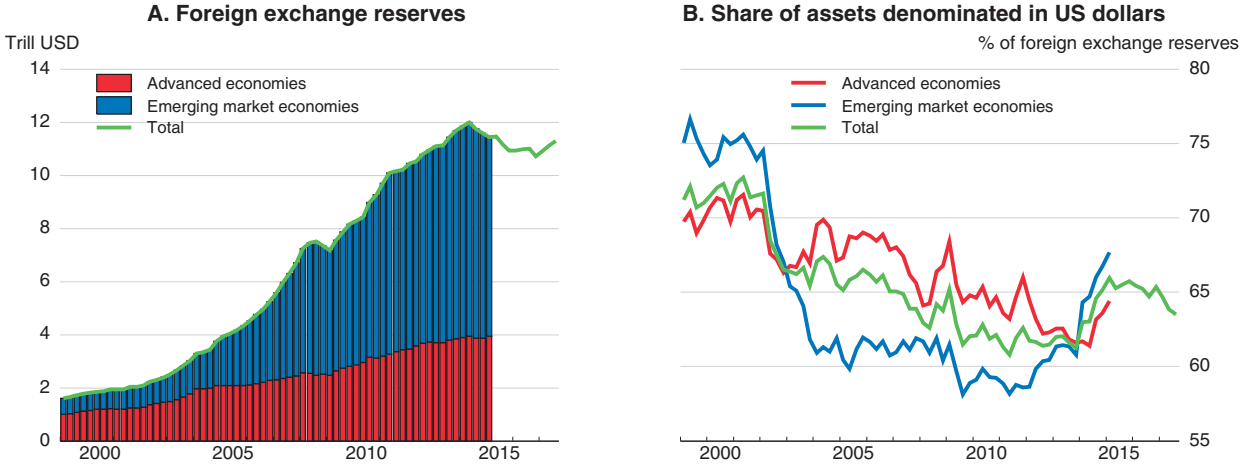
stability in one country reducing risks of instability in other countries. They could be also negative, with tighter measures in one country generating credit leakage or reallocation effects (IMF/FSB/BIS, 2016). For instance, empirical evidence suggests that cross-border bank credit spillovers may arise from measures that aim to raise liquidity and target the composition of banks' funding, as well as from sectoral instruments that target indebtedness (Buch and Goldberg, 2017; Kang et al., 2017). Similarly, the adoption of capital flow control measures may generate spillovers by diverting the flow of capital to other countries acting as substitute destinations (Forbes et al., 2016). Such measures are often

implemented on a temporary basis to curb surges of capital inflows that may generate financial fragilities or to limit the appreciation of overvalued currencies.

Steps to enhance resilience by building up buffers in one country can have adverse effects on other countries, or complicate necessary adjustments between groups of economies. For instance, steps to accumulate large-scale foreign exchange reserve buffers by EMEs, which provides one means of protecting themselves from adverse shocks from abroad, can sometimes lead to negative international spillovers. Some EMEs in Asia, notably China, have accumulated large foreign exchange reserve assets (Figure 2.21). These are predominantly invested in US assets and thus can affect prices of financial assets, in particular US government bonds.[36] Global financial safety nets could help to reduce the incentives for reserve accumulation. Moreover, to the extent that reserve asset accumulation has reflected a policy of restraining domestic demand and limiting exchange rate appreciation, it has contributed to current account surpluses in these economies, with adverse effects on trading partners and global growth.

To reduce the risk of adverse spillovers, the international community has put in place agreements that specify the appropriate use of instruments that influence capital flows. The *OECD Code of Liberalisation of Capital Movements* is an example of an established and tested process of transparent international dialogue and co-operation on capital flow management issues and policies (OECD, 2017e). The Code has provided a balanced framework for countries to progressively remove barriers to the movement of capital, while providing flexibility to cope with situations of economic and financial instability. As "beggar-thy-neighbour" approaches can have negative collective outcomes, the adherent countries have agreed under the Code to well-tested principles, such as transparency, non-discrimination, proportionality and accountability, to guide their recourse to controls.

Figure 2.21. **Central banks in emerging market economies have accumulated large foreign exchange assets**



Note: Advanced and emerging market economies as defined by the IMF.
Source: IMF Currency Composition of Official Foreign Exchange Reserves (COFER) database.

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36. Warnock and Warnock (2009) show that foreign official investors pushed down US nominal government bond yields by 80 basis points from the mid-1980s to around 2005.

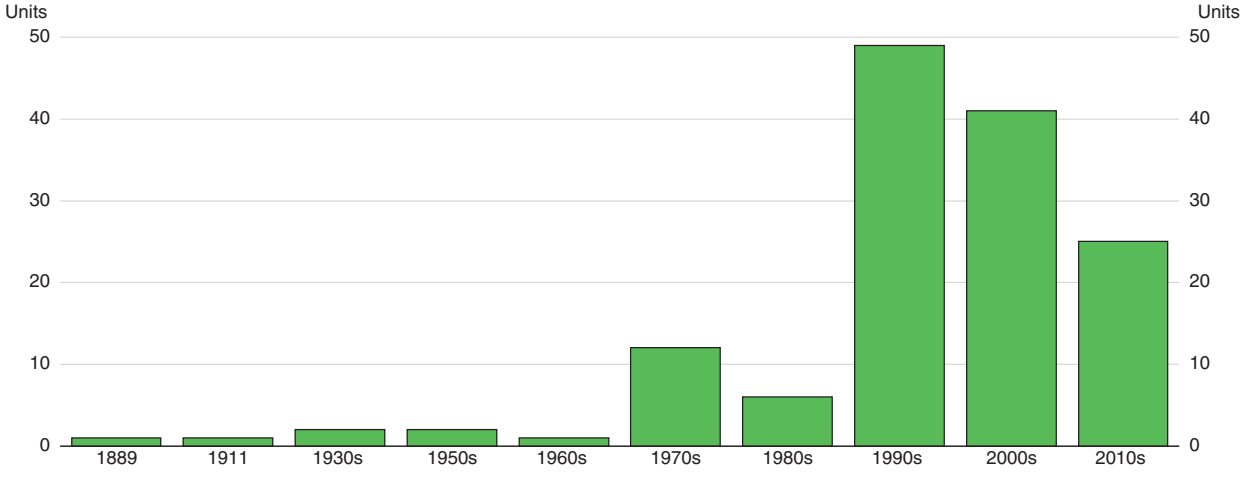
This agreement and continued discussion help to prevent welfare-reducing retaliation among countries and to ensure a fair and transparent response to capital flow volatility. The review of the Code and on-going adherence reviews of major non-OECD G20 members further raises opportunities for greater international co-operation.

Regulatory co-operation can help address global challenges

The international community needs to co-ordinate its efforts to develop global standards to ensure inclusive and sustainable growth and to address global challenges such as the protection of the environment, malicious cyber activity, illicit trade and corruption (OECD, 2018e). The OECD contributes to dealing with some of these challenges, in particular through the Oslo dialogue on fighting tax crimes and other financial crimes, the OECD Anti-Bribery Convention, the OECD Task Force on Countering Illicit Trade, the recently created Global Forum on Digital Security for Prosperity and its work on International Regulatory Co-operation. Regulatory co-operation is necessary to ensure effective regulations and prevent gaps or scope for arbitrage in these fields.

There is a long history of international regulatory co-operation to try and develop common and better rules and regulations in several specific domains (OECD, 2013c), and there has been a rapid expansion in trans-governmental networks of regulators (Figure 2.22; OECD, forthcoming). Countries have adopted various approaches in co-operating, including information exchange, soft law, joint standard setting through inter-governmental organisations and binding treaties. International co-operation has strengthened over time. As OECD work has shown, improved harmonisation of regulations can do much to bolster the prospects for cross-border trade and investment flows (Fournier, 2015), and thereby help strengthen the potential gains from enhanced cross-border integration.

Figure 2.22. **Trans-Governmental Networks have increased in number over the past three decades**



Note: The figure indicates the number of Trans-Governmental Networks (TGNs) from the sample of 140 TGNs.
Source: OECD (forthcoming), "The contribution of trans-governmental networks of regulators to international regulatory co-operation".
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OECD Economic Outlook, Volume 2018 Issue 1
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Chapter 3

DEVELOPMENTS IN INDIVIDUAL OECD AND SELECTED NON-MEMBER ECONOMIES

ARGENTINA

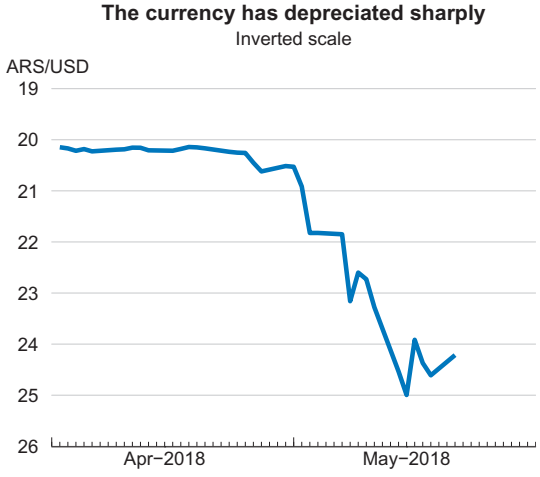
Economic activity is set to rebound later in the year and growth is projected at 2% in 2018 and 2.6% in 2019, supporting further declines in unemployment. However, recently, the exchange rate has depreciated significantly amidst declining confidence and capital flight. The authorities have reacted with higher interest rates, exchange rate interventions, an accelerated fiscal adjustment and negotiations with multilateral lenders. Inflation has rebounded due to hikes in administered prices, currency depreciation and higher inflation expectations. This limits household real income growth and, together with weather-related declines in agricultural output, will dent growth in 2018.

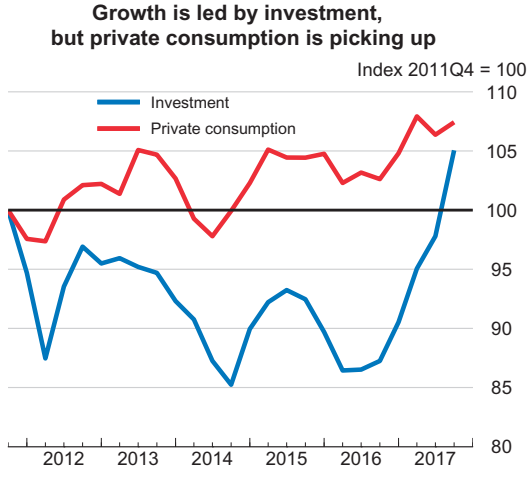
The gradual reduction of the high fiscal deficit is being accelerated to restore confidence. Recent structural reforms, such as a tax and capital market reforms, a new competition law, improvements in administrative procedures and lower trade barriers in selected sectors are welcome steps to strengthen inclusive growth. Further reforms to foster the integration into the global economy, enhance competition and improve access to quality education could build on this progress.

The currency has depreciated abruptly

Recent developments in international financial markets have brought the vulnerabilities associated with Argentina's gradual fiscal adjustment and the reliance on external debt financing to the fore, although there have been no major changes in economic fundamentals and policies. Investor confidence declined abruptly in early May, setting off a substantial currency depreciation. Possible triggers may have included higher interest rates in the United States, higher inflation expectations following an increase in inflation targets in late 2017, lower dollar inflows due to a bad harvest, and a new tax on non-resident investors. The authorities reacted by raising interest rates, strengthening the commitment to fiscal adjustment, intervening in currency markets and initiating negotiations with multilateral lenders. On the real side, growth has increased and become

Argentina





Source: BCRA; INDEC; CEIC; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933729610

Argentina: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices ARS billion	Percentage changes, volume (2004 prices)				
GDP at market prices	4 579.1	2.7	-1.8	2.9	2.0	2.6
Private consumption	2 993.9	3.7	-1.0	3.6	1.6	2.2
Government consumption	776.1	6.9	0.3	2.0	0.0	0.8
Gross fixed capital formation	731.7	3.5	-4.9	11.0	13.7	8.8
Final domestic demand	4 501.8	4.2	-1.4	4.3	3.1	3.0
Stockbuilding[1]	58.7	0.2	0.2	1.7	1.2	0.0
Total domestic demand	4 560.6	4.2	-1.3	6.3	5.1	3.2
Exports of goods and services	659.6	-2.8	5.3	0.4	-0.1	4.9
Imports of goods and services	641.1	4.7	5.7	14.7	12.0	6.2
Net exports[1]	18.5	-1.1	-0.1	-1.9	-1.7	-0.3
Memorandum items						
GDP deflator	_	26.6	40.1	25.3	23.9	15.8
Current account balance (% of GDP)	_	-2.8	-2.7	-4.9	-5.6	-5.5

1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730731

more broad-based. Investment has been outpacing consumption and a rising share of investment is in infrastructure, with likely long-term productivity dividends. Private consumption has been gaining support from expanding credit. Agricultural exports will be significantly affected by a drought in 2018, but external demand, including from Brazil, remains buoyant. Combined with an increase of import demand, lower exports imply a widening current account deficit. Inflation rose to 25% year-on-year in March 2018, well above the year-end inflation target of 15%.

Fiscal adjustment is making progress, but reducing inflation has become more challenging

Fiscal outcomes have shown continuous improvements, including an over-achievement of the 2017 primary deficit target. In light of strong revenue collection and improving control of primary expenditures, meeting the recently tightened primary deficit target for 2018 (2.7% of GDP, from the previous one of 3.2%) appears feasible. The first half of 2018 saw significant progress in reducing regressive subsidies for public utilities. The external financing of the gradual fiscal deficit adjustment reflects shallow domestic financial markets and the relatively lower cost of external funds so far. Such a strategy creates vulnerabilities and entails liquidity risks, but without a major additional depreciation, it does not pose solvency risks. Public debt held outside the public sector is below 30% of GDP.

Bringing down inflation is proving challenging in light of necessary subsidy withdrawals, but core inflation has also risen. Managing inflation expectations has become more complicated since the upward revision of inflation targets for 2018-2020 in December 2017 and the subsequent monetary easing, which cast doubt about the independence of the central bank. More recently, the central bank has reacted with resolve to market pressures and tightened monetary policy by 12.75 percentage points. Maintaining tight

monetary policy will remain necessary for some time in light of the currency depreciation, to ensure a continuous decline in inflation and contain volatility in capital markets.

Structural reforms accelerated markedly after the October 2017 elections, but more needs to be done to strengthen productivity and inclusive growth. Competition remains weak in many sectors due to domestic restrictions and high trade barriers. With exports and imports amounting to only 30% of GDP, the economy has ample scope for more integration into the global economy. Further reducing the cost of imported inputs and consumer goods would improve households' purchasing power, create new growth opportunities and allow more people to move into better paying jobs. Improving access to quality education and training would help workers prepare for these new opportunities.

Growth will be lower in 2018 but regain strength in 2019

Growth is projected to slow down during 2018 due to financial market turbulence and the drought. As these effects fade and policy reforms continue to bear fruit, growth will strengthen again during 2019. Disinflation will resume in the second half of 2018 but inflation will remain well above current targets during 2018 and 2019. Private consumption is projected to gradually contribute more to growth as unemployment and inflation recede further. External risks remain substantial in light of the continuous dependence on foreign funding for financing the gradual fiscal adjustment. However, the overwhelming majority of 2018 financing needs is already covered. Further depreciation of the currency or unexpected increases in interest rates in advanced economies would raise the cost of servicing foreign-currency debt. The recent surge in inflation-indexed loans could lead to higher default rates if inflation outpaces wage growth, although household debt levels remain low.

AUSTRALIA

The economy will continue growing at a robust pace, around 3%. Business investment will pick up, with exports boosted as new resource sector capacity comes on stream. Public infrastructure investment will also support growth. A stronger labour market and rising household incomes will sustain private consumption. Inflation and wages will pick up gradually.

Monetary policy is appropriately supportive, with the central bank projected to start gradually tightening towards the end of 2018, when the pick-up in wages and prices gathers pace. Risks from the housing market and high household indebtedness warrant continued vigilance. The fiscal position is sound. In the event of a downturn, fiscal policy should be used to support activity and protect the incomes of the most vulnerable.

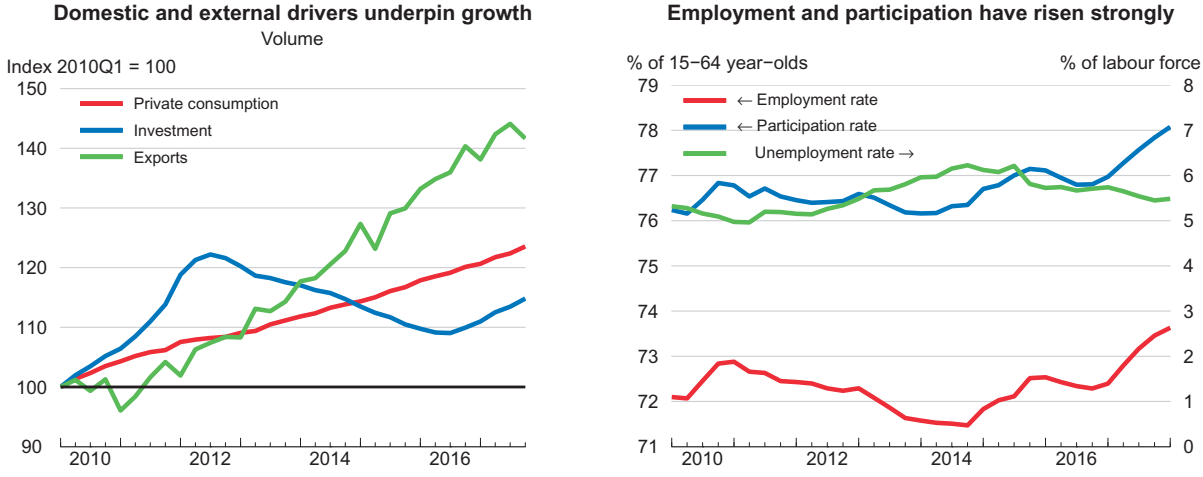
Domestic and external drivers underpin growth

Improved terms of trade, strong global economic growth and additional resource exports are supporting the economy. Resource sector investment is bottoming out, while other business investment is picking up. Government consumption and infrastructure investment also support the economy. Rising employment is boosting incomes and consumption. Employment has risen quickly, with many jobs filled by rising participation in the labour market, in particular among women and older workers. Rising participation has slowed further declines in unemployment and kept inflation pressures in check. Wage increases are picking up only gradually and inflation remains below the target range.

Policy support can be gradually withdrawn

Monetary policy remains supportive; the policy rate has been 1.5% since August 2016. Withdrawal of stimulus is projected to begin towards the end of 2018, as wage and price growth are expected to pick up further on account of a continued strengthening of activity and labour market performance. The resulting boost to household incomes should mitigate risks associated with Australia's very high household indebtedness.

Australia



Source: OECD Economic Outlook 103 database; and OECD Labour Force Statistics database.

StatLink http://dx.doi.org/10.1787/888933729629

Australia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices AUD billion	Percentage changes, volume (2015/2016 prices)				
GDP at market prices	1 611.4	2.5	2.6	2.3	2.9	3.0
Private consumption	913.1	2.4	2.9	2.7	2.0	2.0
Government consumption	285.4	4.3	4.2	3.8	2.9	2.0
Gross fixed capital formation	424.0	-3.4	-2.3	3.2	3.3	3.9
Final domestic demand	1 622.6	1.2	1.8	3.0	2.5	2.4
Stockbuilding[1]	- 0.3	0.0	0.1	-0.1	-0.4	0.0
Total domestic demand	1 622.3	1.3	1.9	2.9	2.1	2.4
Exports of goods and services	332.1	6.3	6.8	4.0	4.3	3.8
Imports of goods and services	343.0	1.7	0.4	7.7	4.2	6.1
Net exports[1]	- 10.9	0.9	1.3	-0.8	0.0	-0.5
Memorandum items						
GDP deflator	_	-0.8	1.2	3.4	0.6	0.8
Consumer price index	_	1.5	1.3	2.0	2.1	2.3
Core inflation index[2]	_	2.1	1.5	1.7	1.9	2.2
Unemployment rate (% of labour force)	_	6.1	5.7	5.6	5.4	5.3
Household saving ratio, net (% of disposable income)	_	6.7	4.9	3.0	2.4	2.0
General government financial balance (% of GDP)	_	-1.1	-1.5	-0.5	-0.2	0.2
General government gross debt (% of GDP)	_	40.6	42.2	43.0	41.3	39.2
Current account balance (% of GDP)	_	-4.7	-3.0	-2.4	-2.6	-3.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730750

Housing markets already show signs of easing. House price growth has slowed markedly and housing loan approvals have edged down, partly thanks to macro-prudential measures. Regulators have taken steps to limit growth of investor lending and have discouraged loans with high loan-to-value ratios. Aggregate indicators of household financial stress are low, although some areas – mining regions in particular – remain a concern. Macro-financial risks from leveraged households and the housing market remain elevated, and the central bank and supervisors should therefore maintain vigilance.

Public debt in relation to GDP has risen in recent years, but remains relatively low and is projected to start falling given the government's proposed goal to reduce the annual deficit by around ½ percentage point of GDP per year over the four-year budget horizon. In the federal budget proposals for 2018-19, the government notably proposes various reductions in personal taxation over the short and medium term, with a strong economy, expenditure control and revenue integrity measures helping to deliver the commitment for deficit reduction. The pace of deficit reduction is ample given projected growth. In addition, measures to combat social exclusion, for instance strengthening access to education and improving activation policy, could generate continued broad benefits from growth and trade.

Growth will remain robust

Economic growth is projected to continue at a robust pace. Exports and investment will have a positive impact, while consumption growth will be more subdued. Inflation will pick up only gradually. Strong global commodity markets remain an important source of income gains and growth, but also of uncertainty and risk. The slowdown and rebalancing in China could be a larger drag on growth than expected. High indebtedness of households remains a risk. Unexpectedly large corrections in house prices would reduce household wealth, and could cut consumption and damage the construction sector. The combination of strong employment growth and rising labour market participation raises questions about how much slack there is left in the economy and creates uncertainty surrounding when economic growth will translate into stronger increases in wages and incomes.

AUSTRIA

Economic activity is set to remain buoyant through 2018 and, to a lesser extent, 2019, boosted by strong rebounds in investment and exports. Solid job creation and dynamic wages underpin private consumption. Inflation remains higher than in other euro area countries, mainly driven by prices in sectors that are little exposed to international merchandise trade.

The public deficit is declining albeit less than strong growth would imply. An improvement of public spending efficiency would free up funds for the extension of full-day schooling and childcare in rural areas, the upgrading of digital infrastructure and investments in life-long learning programmes. A more equity-capital-friendly business environment and further improvements in digital infrastructure would benefit both businesses and households.

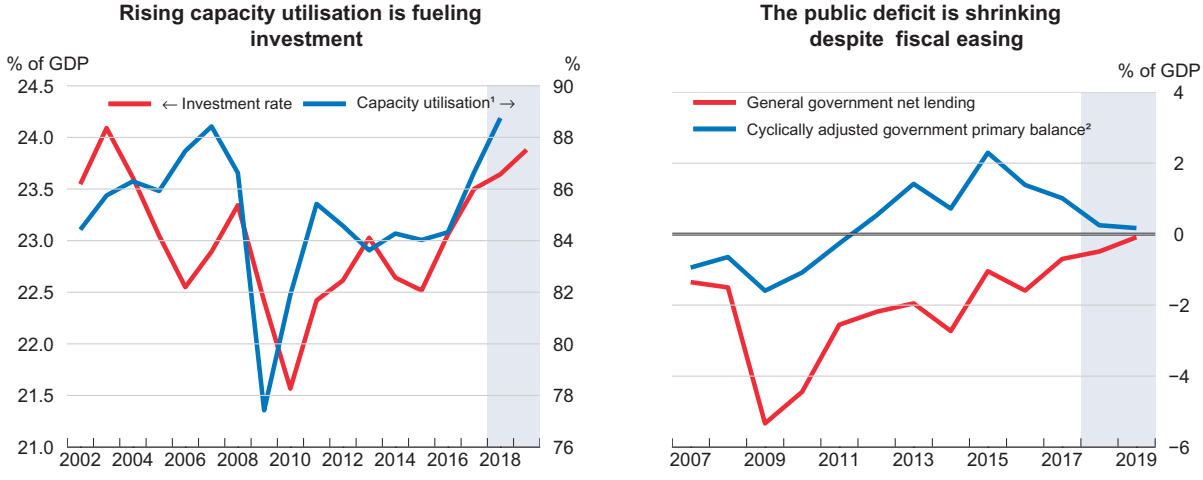
Strong demand, both domestic and foreign, underpins growth

A virtuous combination of domestic and international drivers has pushed Austria's growth to heights not seen since the vigorous recovery from the global financial crisis. While the growth cycle seems to have peaked in late 2017, underlying growth remains solid. Labour market participation continues to increase, in particular for women and older workers. Private consumption continues to support growth buoyed by job creation and increasingly strong wage gains. Following some fluctuations in the wake of the 2016 tax reforms, the household saving rate is set to stabilise. Core inflation remains higher than in the euro area partly driven by higher and more dynamic prices in activities related to the vibrant tourism industry.

Building on the cyclical upturn to prepare for the future

Investment is set to remain a strong driver of growth, given high and rising capacity utilisation. Financing of investment relies strongly on internal resources and external

Austria



1. Current capacity level of utilisation in manufacturing industry. First semester for 2018.
2. In percentage of potential output.

Source: OECD Economic Outlook 103 database ; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933729648

Austria: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices*	333.2	1.1	1.5	3.1	2.7	2.0
Private consumption	177.9	0.4	1.6	1.5	1.6	1.6
Government consumption	66.0	1.4	2.1	1.3	1.8	1.2
Gross fixed capital formation	75.4	1.2	3.6	5.0	3.3	3.2
Final domestic demand	319.3	0.8	2.2	2.3	2.0	1.9
Stockbuilding[1]	2.7	0.4	-0.1	0.4	0.2	0.0
Total domestic demand	322.0	1.2	2.1	2.7	2.2	1.9
Exports of goods and services	178.2	2.9	2.2	5.9	5.1	5.0
Imports of goods and services	167.0	3.1	3.2	5.7	4.0	5.0
Net exports[1]	11.2	0.0	-0.4	0.3	0.7	0.2
Memorandum items						
GDP deflator	_	2.3	1.1	1.6	1.9	2.4
Harmonised index of consumer prices	_	0.8	1.0	2.2	2.1	2.3
Harmonised index of core inflation[2]	_	1.7	1.6	2.1	2.2	2.4
Unemployment rate (% of labour force)	_	5.7	6.0	5.5	5.1	4.9
Household saving ratio, net (% of disposable income)	_	6.9	7.9	6.4	6.6	6.2
General government financial balance (% of GDP)	_	-1.0	-1.6	-0.7	-0.5	-0.1
General government gross debt (% of GDP)	_	107.5	108.3	101.0	99.0	96.9
General government debt, Maastricht definition (% of GDP)	_	84.6	83.5	78.2	76.3	74.1
Current account balance (% of GDP)	_	1.9	2.1	1.9	2.1	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. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730769

funding is dominated by bank loans, in particular for SMEs. The government should step up its efforts to foster venture capital and other forms of equity financing including, for instance, through equity capital allowances with a view to reduce the debt-equity bias in corporate taxation, but also by reducing barriers to entry. The accumulation of knowledge-based capital could be accelerated by a swift implementation of Austria's "Digital Roadmap", with timelines and quantitative targets.

The fiscal policy stance will ease in 2018, reflecting the new government's policy agenda to reduce tax pressure. To offset the effects on the structural balance, the government should contain public spending, notably by abolishing redundancies in public administration, streamlining the expenses of federally-owned entities and, as announced, using spending reviews more extensively. Thanks to the cyclical upturn and the winding down of bad banks' assets, the public debt-to-GDP ratio is set to decline faster than stipulated by institutional fiscal rules. Available funds should be used to improve the growth potential of the economy. Female labour force participation is still hindered by insufficient full-day schools and childcare facilities, in particular in rural areas. The adaption of digital technologies by businesses and households could be nurtured by subsidising dedicated life-long learning solutions.

Economic activity is projected to remain buoyant

Following the strong rebounds of investment and exports, which pushed growth beyond the euro area average in 2017 and early 2018, growth is projected to slow somewhat as the investment cycle matures and trade decelerates. Starting from the second half of 2018, Austria's economy is set to grow at a pace similar to that of the euro area as a whole. Household incomes will continue to benefit from robust job creation and real wage growth will turn positive. Inflation is projected to remain above 2% throughout the projection horizon. Performance may surprise on the upside if export market shares rise further, leading to more buoyant investment and growth. Conversely, export performance could resume its trend decline on the back of market share losses in global value chains due to increased competition with eastern European countries. Furthermore, growth could disappoint if reform efforts were to lose momentum, but investment and consumption could be stronger than foreseen if the current high level of confidence holds up.

BELGIUM

Economic growth is projected to continue at 1.7% in 2018 and 2019. Domestic demand will be an important driver of growth, thanks notably to further declines in unemployment. Growth in 2018 will be supported by strong government and private investment. Inflation will ease in 2018 as past pressures dissipate and electricity prices are reduced.

Public debt is projected to decline in 2018 and 2019, despite planned reductions in labour taxation. Re-orientating public spending towards education and transport infrastructure investment to relieve bottlenecks, as well as strengthening competition in various professions and making it easier to start a business, would enhance productivity and inclusiveness. Raising skills and work opportunities for disadvantaged groups is also key to make growth more inclusive.

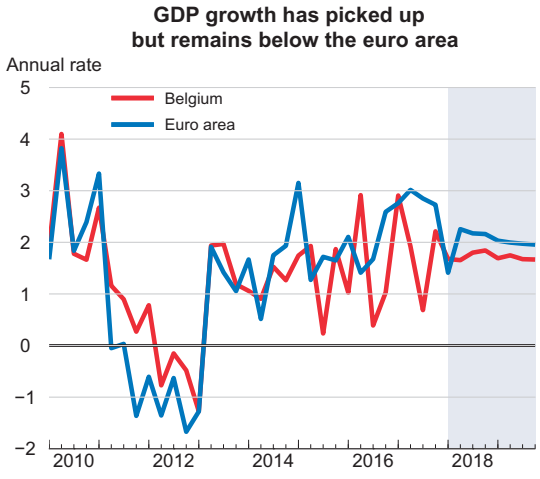
Growth has strengthened

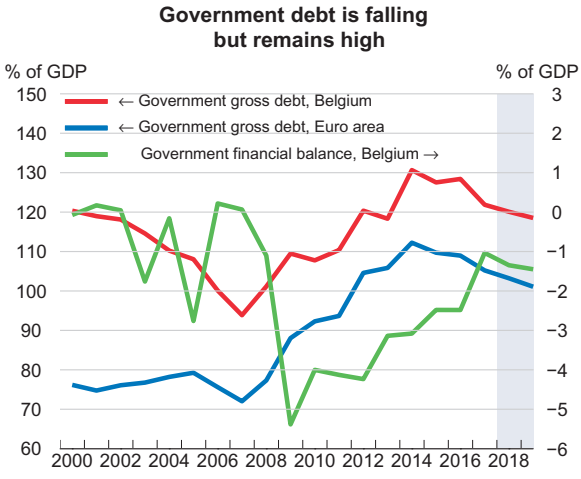
Economic growth remains below that of the euro area. Despite high levels of consumer confidence, private consumption has eased somewhat, while government investment has increased. Employment growth has continued, supported by expanding output, labour tax cuts and past wage moderation. Wage growth has risen since 2017, notwithstanding recent reforms of the wage-setting system designed to allow the framework to better take into account international cost competitiveness. Inflation has increased, partly driven by oil prices.

Medium-term growth needs to be raised

The budget deficit fell to 1% of GDP in 2017 and is projected to remain low in the coming two years. As public debt remains high over the projection period, it is important that the government adheres to its medium-term fiscal targets to permit a steady reduction of the debt-to-GDP ratio. The authorities should increase public investment,

Belgium





Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729667

Belgium: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2015 prices)				
GDP at market prices	400.1	1.4	1.4	1.7	1.7	1.7
Private consumption	206.9	0.9	1.7	1.3	1.4	1.8
Government consumption	97.4	0.4	0.2	1.3	1.2	0.9
Gross fixed capital formation	92.1	2.7	3.8	0.7	3.1	2.7
Final domestic demand	396.4	1.2	1.8	1.2	1.7	1.8
Stockbuilding[1]	1.2	0.2	0.2	0.1	0.0	0.0
Total domestic demand	397.5	1.4	2.0	1.3	1.7	1.8
Exports of goods and services	330.7	3.3	7.5	4.9	4.7	4.3
Imports of goods and services	328.2	3.3	8.4	4.4	4.8	4.4
Net exports[1]	2.5	0.0	-0.6	0.5	0.0	0.0
Memorandum items						
GDP deflator	_	1.1	1.6	1.7	2.0	1.8
Harmonised index of consumer prices	_	0.6	1.8	2.2	1.8	1.8
Harmonised index of core inflation[2]	_	1.6	1.8	1.5	1.3	1.8
Unemployment rate (% of labour force)	_	8.5	7.9	7.1	6.4	6.1
Household saving ratio, net (% of disposable income)	_	4.4	3.7	3.9	4.2	4.2
General government financial balance (% of GDP)	_	-2.5	-2.5	-1.0	-1.3	-1.4
General government gross debt (% of GDP)	_	127.5	128.4	121.9	120.1	118.5
General government debt, Maastricht definition (% of GDP)	_	106.1	106.0	103.4	101.6	100.1
Current account balance (% of GDP)	_	-0.1	0.1	-0.2	-0.8	-0.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730788

which has been low for several decades, to boost productivity growth. Given the need for fiscal consolidation, these investments should be more than offset by reductions in inefficient public spending, user fees or through tapping private sources of finance.

Productivity and external cost competitiveness would benefit from strengthened competition in professions that provide services to exporting industries and from simplified administrative procedures and requirements to start a business. Growth would be made more inclusive by further enhancing the labour market performance of immigrant, low-skilled and older workers. Improving the capacity of the education system to provide disadvantaged students with necessary skills, on-the-job training and increased use of flexitime are particularly important. Recent pension and wage formation reforms are also likely to have improved labour market outcomes, but should be monitored. To make growth greener, transport infrastructure around major urban areas should be improved, congestion charges extended and the favourable tax treatment of company cars reduced.

Growth is projected to remain relatively stable

GDP growth is projected to be 1.7% in 2018 and 2019. Inflation will ease due to a deceleration in oil price growth. Private consumption will be an important driver of growth, supported by past and further announced reductions in labour taxation. Government

investment will contribute to economic activity in 2018 in the lead up to local elections. Private investment will be robust over the projection period and support growth. Export growth is projected to slow as export market growth declines, leading to a deterioration of the current account. Employment growth is projected to continue and lead to further declines in the unemployment rate, to 6.1% in 2019. Continued uncertainty associated with Brexit could dampen trade. On the upside, economic growth could be stronger if tax reductions enhance private consumption more than expected.

BRAZIL

The recovery is strengthening and growth will reach 2.8% in 2019. Solid investment growth reflects improving confidence thanks to recent reform efforts, including in financial markets. Surprisingly low inflation has enhanced the room for monetary easing, which has improved financial conditions. Growth is expected to gain momentum on the basis of further improvements in investment and a recovery of private consumption on the back of lower inflation.

Fiscal sustainability, and hence investor confidence, remains at risk without a pension reform. Strengthening the focus of social spending towards those most in need and scaling back ineffective regressive tax breaks and subsidies for specific economic sectors can make public expenditures more effective and more inclusive, and rein in opportunities for corruption. Maintaining strong growth will require further efforts to strengthen productivity, including via greater integration into the global economy.

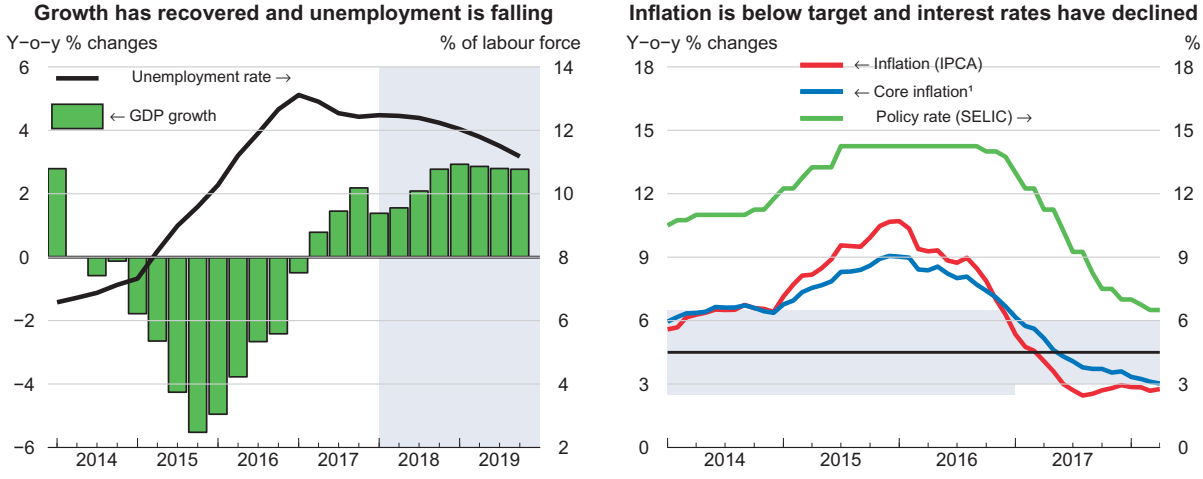
The economy has recovered from the recession

The deep recession is over, and year-on-year growth is now above 2%. Investment has supported the recovery, helped by lower interest rates and reforms that improved confidence. These include measures to contain credit subsidies and deepen private financial markets, as well as a labour market reform. However, consumption has been moderate, and the benefits of the recovery have yet to materialise for many Brazilians. The unemployment rate has fallen below its peak of over 13%, but much job growth has been in informal employment rather than in quality jobs. Inflation has fallen below the target range and has been particularly low for low-income households. The quality of fiscal policy has shown some incipient improvements on the back of lower discretionary expenses, but also lower subsidies.

Structural reforms will be crucial to sustain the recovery

Low inflation is supporting household real incomes and has opened space for significant interest rate reductions, both of which are likely to support stronger private

Brazil



1. Core inflation is defined as the average of the three core inflation measures published by the Central Bank of Brazil.
Source: Central Bank of Brazil; IBGE; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729686

Brazil: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices BRL billion	Percentage changes, volume (2000 prices)				
GDP at market prices	5 779.0	-3.5	-3.5	1.0	2.0	2.8
Private consumption	3 638.4	-3.2	-4.4	0.9	2.3	3.1
Government consumption	1 106.9	-1.4	0.0	-0.6	0.7	0.7
Gross fixed capital formation	1 148.5	-13.9	-10.4	-1.9	4.8	3.8
Final domestic demand	5 893.7	-4.9	-4.6	0.2	2.3	2.7
Stockbuilding[1]	39.0	-1.3	-0.4	0.8	-0.3	0.0
Total domestic demand	5 932.8	-6.1	-5.0	1.0	2.0	2.7
Exports of goods and services	636.4	6.7	1.6	5.7	5.5	5.5
Imports of goods and services	790.2	-14.0	-10.2	5.5	6.5	4.7
Net exports[1]	- 153.8	2.7	1.6	0.0	-0.1	0.1
Memorandum items						
GDP deflator	_	7.6	8.1	3.8	4.1	4.3
Consumer price index	_	9.0	8.7	3.4	3.4	4.0
Private consumption deflator	_	8.9	9.2	2.9	3.6	4.4
General government financial balance (% of GDP)	_	-10.2	-9.0	-7.8	-7.6	-7.1
Current account balance (% of GDP)	_	-3.1	-1.3	-0.5	-0.9	-0.9

1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 103 database.

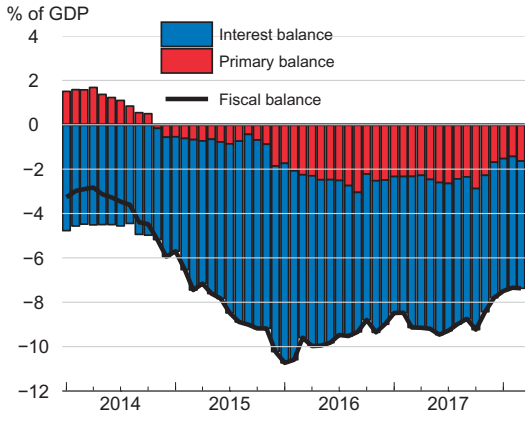
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consumption going forward. The current mix of easy monetary policy and fiscal restraint is appropriate given subdued inflationary pressures and significant fiscal challenges.

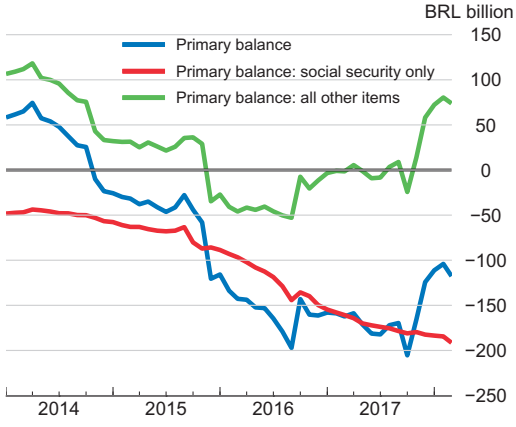
The sustainability of public debt and compliance with existing fiscal rules will require structural changes in public expenditures, as the current primary balance of -1.6% of GDP is significantly below the estimated +2% required to stabilise the public debt ratio in the

Brazil

Fiscal outcomes are recovering gradually after a significant deterioration



Pension expenditures have contributed to the deterioration of fiscal outcomes[1]



1. Accumulated over 12 months.
Source: Central Bank of Brazil; and National Treasury.

StatLink http://dx.doi.org/10.1787/888933729705

medium term. Gross public debt has reached 75% of GDP, an increase of 20 percentage points over 3 years. Without reforms, public debt is set to rise even further. A rising social security deficit has driven the deterioration of the primary balance, and pension reform hence remains a key priority to maintain investor confidence in sound public finances and management of the economy.

Recalibrating public expenditures holds strong potential to make growth more inclusive and reduce corruption. A large and rising share of the 15% of GDP spent on social benefits is paid to households that are not poor. In the pension system, the life-time difference between benefits and contributions is skewed towards those with higher incomes. At the same time, poverty is concentrated among children and youth. Limiting future increases in social benefits that mostly reach the middle class could finance more social transfers to the poor, children and youth, with a strong inequality-reducing impact. A very successful example is the conditional cash transfer programme *Bolsa Família*, which represents only 0.5% of GDP. Spending more on this programme by raising eligibility thresholds and benefit levels would reduce poverty and inequality. The attached conditionalities regarding school attendance and medical check-ups also help to reduce inequalities with respect to education and health, which in turn strengthens productivity. Tax expenditures and credit subsidies for private-sector enterprises have created fertile grounds for corruption and political kick-backs, without any discernible benefits for either well-being or productivity. Recent efforts to reduce these subsidies should be continued.

Looking forward, stronger productivity growth will have to become the main engine of growth in the longer term. This will require more competition in many sectors to allow labour and capital to move to those activities and firms with strong potential. Closer integration into the global economy would raise efficiency by exposing more firms to foreign competition and improving access to lower cost intermediate and capital goods. Efficiency would also be enhanced by reducing domestic barriers to entry and implementing policies to reduce costs, such as easing tax compliance or improving contract enforcement. In particular, a substantial overhaul of the fragmented indirect tax system, with a view towards a unified value added tax, could raise the competitiveness of firms across the country.

Growth is projected to accelerate

As private consumption recovers, growth is expected to accelerate. Assuming favourable prospects for the continuation of reforms, confidence and easier credit conditions will continue to support investment. Unemployment is projected to decline further, including through the creation of more formal sector jobs. In light of remaining slack, inflation is projected to rise to the target only gradually. In the run-up to the general elections in October 2018, uncertainty regarding the continuation of the reform agenda, including the much-needed fiscal adjustment, remains substantial. In particular, a successful implementation of the pension reform, which is key for compliance with the expenditure rule in the medium term, will be a litmus test for the ability of the authorities to ensure fiscal sustainability and implement further structural reforms. Otherwise, confidence could decline and trigger a return to recession. Bouts of volatility on financial markets could re-emerge as a result of political developments or interest rate increases in advanced economies, but such episodes have been well managed by the Central Bank in the past. Reserves and the strong FDI component of inflows would cushion related exchange rate risks.

CANADA

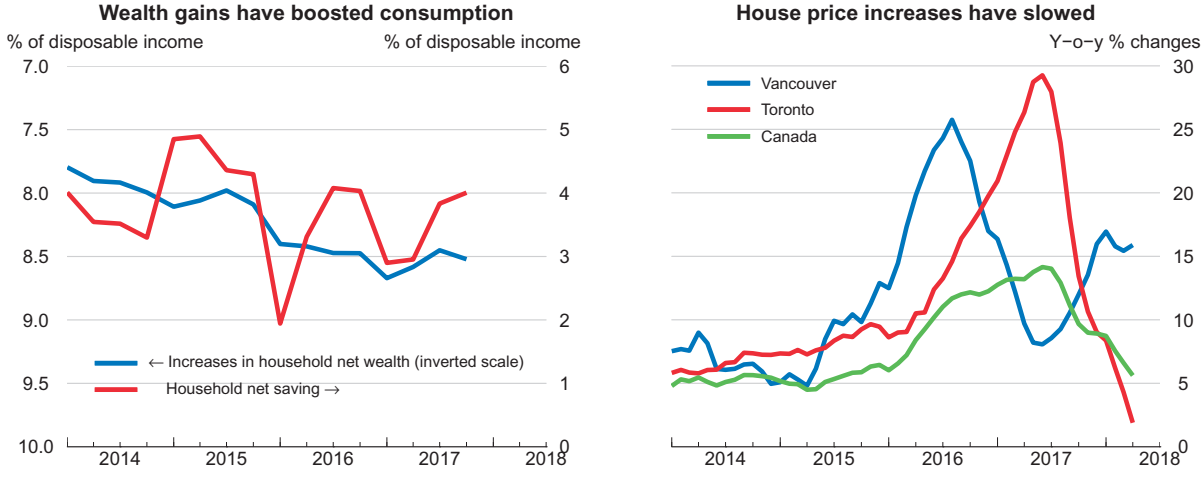
Slower growth since the second half of 2017 is projected to give way to growth of over 2% from mid-2018. The uplift will be export-led, reflecting gradual restoration of oil pipeline capacity and strong US growth. Business investment is projected to strengthen to ease tightening capacity constraints. Unemployment should decline further to record lows.

The Bank of Canada is projected to gradually withdraw monetary stimulus, and the inflation rate is set to remain slightly above 2%. Further rate increases will be required to meet the Bank's (medium-term) inflation target. Fiscal policy is also projected to tighten somewhat, creating room to support the economy during the next downturn and reducing the extent to which interest rates need to rise. Macro-prudential policy has been gradually tightened, and there are signs that housing markets are stabilising. Nevertheless, further adjustments may prove necessary should the balance of risks change. Government funding for childcare should be increased further in a fiscally neutral way to raise female employment, reduce the gender earnings gap and make growth more inclusive.

Economic growth has eased to more sustainable rates

Economic growth has slowed to more sustainable rates since mid-2017, driven by slower increases in private consumption and exports. The removal of some monetary stimulus and smaller wealth gains from house price appreciation have curbed consumption. Export weakness on the other hand reflects an anticipated adjustment in automobile production and the outage of an oil and gas pipeline, from which full recovery is expected to occur only by mid-2018. Business investment has picked up, supported by high levels of capacity utilisation outside the oil and gas sector, but upstream oil and gas investment is being held back by pipeline capacity constraints and regulatory barriers to expansion. Forward-looking indicators suggest that business investment will remain firm.

Canada



Source: OECD Economic Outlook 103 database; and Teranet and National Bank of Canada, House Price Index.

StatLink http://dx.doi.org/10.1787/888933729724

Canada: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices CAD billion	Percentage changes, volume (2007 prices)				
GDP at market prices	1 990.2	1.0	1.4	3.0	2.1	2.2
Private consumption	1 109.9	2.2	2.3	3.4	2.4	1.8
Government consumption	404.3	1.6	2.2	2.2	2.1	1.8
Gross fixed capital formation	486.5	-5.1	-3.0	2.8	4.2	3.2
Final domestic demand	2 000.7	0.3	1.1	3.0	2.8	2.1
Stockbuilding[1]	9.0	-0.2	-0.2	0.8	0.0	0.0
Total domestic demand	2 009.8	0.1	0.8	3.8	2.7	2.1
Exports of goods and services	627.6	3.5	1.0	1.0	1.7	4.4
Imports of goods and services	647.2	0.7	-1.0	3.6	3.7	3.9
Net exports[1]	- 19.6	0.9	0.7	-0.9	-0.7	0.1
Memorandum items						
GDP deflator	_	-0.8	0.6	2.3	2.7	2.3
Consumer price index	_	1.1	1.4	1.6	2.3	2.2
Core consumer price index[2]	_	1.9	1.9	1.6	1.9	2.2
Unemployment rate (% of labour force)	_	6.9	7.0	6.3	5.7	5.5
Household saving ratio, net (% of disposable income)	_	4.6	3.4	3.4	3.2	3.4
General government financial balance (% of GDP)	_	-0.1	-1.1	-1.0	-1.0	-1.0
General government gross debt (% of GDP)	_	97.5	97.8	93.8	93.6	93.5
Current account balance (% of GDP)	_	-3.6	-3.2	-3.0	-2.7	-2.5

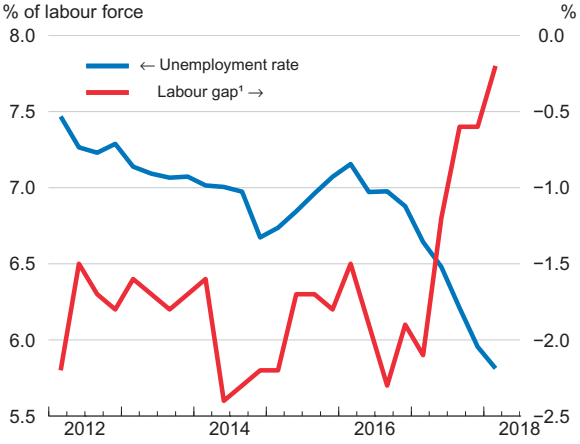
1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

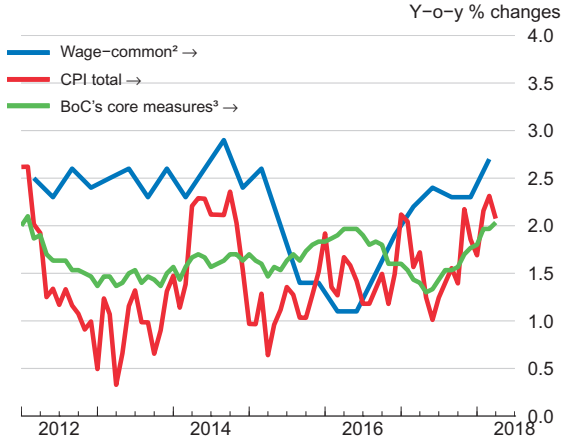
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Canada

The labour market is still tightening



Wage and price growth have picked up



1. Deviation of aggregate hours worked from their estimated potential level.
2. Composite measure of wage pressures summarising data from the Labour Force Survey, National Accounts, Productivity Accounts, and Survey of Employment, Payrolls and Hours. For more detail, see Brouillette et al. (2018).
3. Average of the Bank of Canada's three preferred core inflation measures (CPI-trim, median and common).

Source: OECD Economic Outlook 103 database; D. Brouillette et al. (2018), "Wages: Measurement and Key Drivers", *Staff Analytical Note* 2018-2, Bank of Canada; Bank of Canada (2018), *Monetary Policy Report*, April; and Statistics Canada, Tables 326-0022 and 326-0023.

StatLink http://dx.doi.org/10.1787/888933729743

Employment growth has been strong, reducing the unemployment rate to a 40-year low and below the OECD's (albeit uncertain) estimate of the structural rate. Hourly wage growth has picked up for full and part-time employees. Wages will be boosted over the next few years by changes in provincial minimum wages. Consumer price inflation has risen to slightly above the mid-point of the Bank's 1-3% annual medium-term target band. The average of the Bank's preferred underlying inflation measures has reached 2.0%. Inflation expectations have picked up but remain well anchored, with almost all firms expecting inflation to fall within the target band.

Macroeconomic policies are becoming less accommodative

Some monetary policy stimulus has already been withdrawn through three official interest rate increases since mid-2017. With core inflation already at the mid-point of the target band and excess capacity projected to be used up by late 2018, the Bank of Canada is projected to increase its official rate by a further 75 basis points, to 2%, by late 2019. This is below its estimate of the neutral rate (2.5-3.5%). Further rate increases will be required to keep the inflation rate close to the mid-point of the inflation target band over the medium term. Rising global long-term interest rates will push up their Canadian counterparts, further tightening monetary conditions. Sensitivity to interest rate increases is likely to be greater than usual owing to the high level of household debt. Recently, mortgage underwriting requirements for uninsured loans were also tightened considerably. This measure and tax increases on non-resident owners in British Columbia have reduced house price appreciation and, together with higher mortgage rates, should continue to deliver subdued price increases. Even so, house prices and household debt will remain high, especially in Toronto and Vancouver where important affordability challenges remain.

The overall pace of fiscal easing has slowed, which is appropriate for this stage of the business cycle. The underlying primary balance is estimated to have fallen by 1.8 percentage points of GDP between 2015 and 2017 but may drop only 0.5 points over the next two years. The slightly expansionary stance over 2018-19 reflects budget developments in Ontario. The federal government's stance is slightly contractionary, despite the delay of around one half of Budget 2016's infrastructure stimulus. That stimulus supported the economy during the weak patch caused by the fall in oil prices but, with adjustment now complete and the economy back around potential, such support is no longer needed.

Uncertainty about the future of NAFTA and other aspects of US trade policy are weighing on the outlook and damping business investment. The Bank of Canada estimates that trade policy uncertainty could reduce the level of business investment and exports by 2% and 0.7%, respectively, by the end of 2019. The Bank also estimates that the US corporate tax cut will reduce investment in Canada by 0.5% by the end of 2019.

Growth is projected to strengthen

Following slower economic growth since mid-2017, growth is projected to rise to somewhat over 2% from mid-2018, led by exports and business investment. Restoration of oil and gas pipeline capacity and strong US demand growth will boost exports. Business investment will be supported by capacity constraints, high profitability and still low financing costs. The unemployment rate is projected to fall to 5.5% in 2019, a record low, and wage pressures to intensify. As a result, inflation is projected to remain slightly above

the midpoint of the target range in 2019. A major downside risk is that access to the US market becomes less favourable, including through termination of NAFTA. Another is that inflation rises more than projected, necessitating sharper interest rate increases that together with the associated weakening in growth would impair many households' ability to service their mortgages, leading to a housing market correction. On the other hand, growth would be higher if uncertainty over access to the US market were to be resolved on no less favourable terms or regulatory barriers to increasing pipeline capacity were to be resolved.

CHILE

Growth is projected to accelerate to around 3.6% in the coming years supported by an improving external outlook and favourable financial conditions. Real wages will grow as salaried employment recovers, lifting private consumption and reducing income disparities. Increasing aggregate demand, a supportive monetary stance and a stable exchange rate will raise inflation.

Government spending and debt have increased but the planned fiscal consolidation should be gradual enough to leave room for needed investments in health, education and infrastructure. Streamlining licencing and regulations, raising public support for R&D and improving infrastructure would boost stalled productivity. Building on recent reforms in the education system, developing apprenticeships, and assuring relevant skills at all levels of education and activation policies, would boost productivity and inclusiveness.

The economy is at a turning point

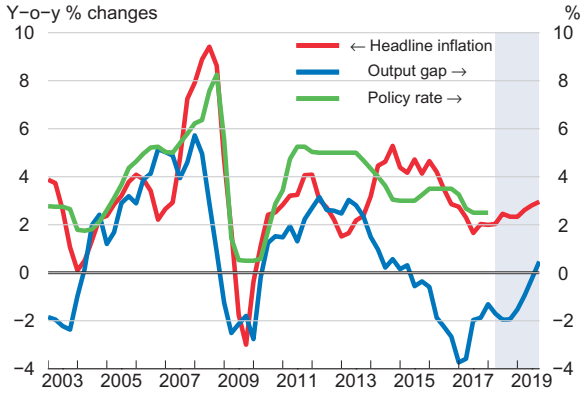
Growth started gaining momentum in the second half of 2017. Business and household confidence and exports have surged, helped by historically low interest rates, higher external demand and firmer global copper prices. Investment is rebounding as mining investment is stabilising. Employment and wage gains are increasing, supporting real disposable income and private consumption. Consumer price inflation has been in line with expectations, remaining at around 2%, the lower limit of the central bank's 2-4% target band.

Structural reforms would support medium-term growth

Monetary policy is expected to remain appropriately supportive as medium-term inflation expectations remain well anchored. The central bank reacted to the growth and inflation slowdown by cutting the policy rate, which is now well below historical norms. As

Chile

Inflation will return to the middle of the target range as the economy strengthens



Productivity and investment growth need a boost



1. Four-quarter moving average.

Source: OECD Economic Outlook 103 database; and Central Bank of Chile.

StatLink http://dx.doi.org/10.1787/888933729762

Chile: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices CLP billion	Percentage changes, volume (2013 prices)				
GDP at market prices	148 623.7	2.3	1.2	1.6	3.6	3.6
Private consumption	93 803.9	2.1	2.1	2.5	3.6	3.8
Government consumption	18 873.6	4.7	6.3	4.1	2.5	2.8
Gross fixed capital formation	35 444.7	-0.4	-0.7	-1.1	4.5	4.4
Final domestic demand	148 122.2	1.8	2.0	1.9	3.6	3.8
Stockbuilding[1]	- 908.6	0.7	-0.7	1.2	1.5	0.0
Total domestic demand	147 213.6	2.7	1.5	3.3	5.2	3.8
Exports of goods and services	49 202.4	-1.8	-0.2	-1.0	6.3	5.4
Imports of goods and services	47 792.3	-1.2	0.2	4.7	8.9	6.1
Net exports[1]	1 410.1	-0.2	-0.1	-1.6	-0.6	-0.1
Memorandum items						
GDP deflator	_	5.0	4.8	4.5	1.7	2.5
Consumer price index	_	4.3	3.8	2.2	2.2	2.7
Private consumption deflator	_	5.7	3.4	2.1	2.5	2.7
Unemployment rate (% of labour force)	_	6.2	6.5	6.7	6.6	6.2
Central government financial balance (% of GDP)	_	-2.1	-2.7	-2.7	-1.9	-1.6
Current account balance (% of GDP)	_	-2.2	-1.2	-1.4	-1.8	-1.8

1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730845

the economy strengthens and the effects of the strong currency appreciation dissipate, inflation is set to return to the middle of the target range by the second half of 2019. As price pressures increase, the central bank is projected to start gradually increasing the policy interest rate.

The new government has pledged to pare down the fiscal deficit. The fiscal stance is broadly appropriate with a gradual consolidation in line with the fiscal rule. A decline in infrastructure investment could weigh on long-term growth if the planned increase in public-private partnership projects fails to materialise. Broadening public revenues, notably by increasing green or property taxes or broadening the personal income tax, would spread the benefits of the recovery more widely. Simplification of the tax system would help bolster medium-term growth.

Reforms to boost investment and productivity are needed to sustain high medium-term growth. Proposed recent measures that simplify regulations and licensing procedures will likely boost investment. More public-private research collaboration, better transport and logistic infrastructure and direct support for R&D are needed to strengthen innovation. Higher competition in key sectors, such as telecommunications, maritime services and railways, would raise investment. Further expansion of childcare facilities would boost the still low female employment in paid jobs. Easing regulations on open-ended labour contracts while extending unemployment insurance would tackle labour-market segmentation and reduce inequalities. The planned reform to improve pensions by increasing the low contributions and the solidarity pillar could raise equity.

Progressively increasing and aligning the retirement age of women and men would further improve pensions for the elderly.

Growth is projected to gather pace

Growth is taking root as a more dynamic global outlook and still low interest rates are stimulating economic activity. Domestic demand will play an important role in the pick-up of growth, and will be driven by good financing conditions and rising business and consumer confidence. In particular, the recovery in investment growth is expected to provide a positive impulse, although it will remain low by historical standards. Stronger job creation will support household consumption. Still, the economy will remain vulnerable to faster-than-expected normalisation of US monetary policy and escalating global protectionism. Stronger copper prices would raise investment and government revenues. Labour disputes at key mines and other big enterprises could limit growth.

CHINA

Growth is set to soften somewhat in 2018-19, as exports ease and investment slows. The current account surplus is projected to stabilise. Infrastructure investment, a major growth driver in recent years, is projected to slow further amid tightening monetary conditions and a more rigorous approval process for local government investment.

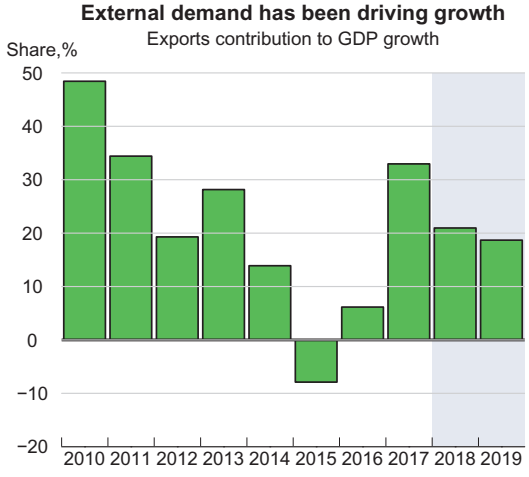
The monetary policy stance will remain neutral with a tightening bias, as mitigating financial risks has appropriately become a key policy priority. Shadow banking activities are increasingly being reined in and credit growth is slowing, while capital outflows moderated in early 2018 following a surge and the exchange rate has stabilised. Fiscal policy will remain supportive, but less so than in recent years as unauthorised local government investment is subject to increased scrutiny, which will strengthen fiscal sustainability. A series of new tax cuts have been announced, but the headline fiscal deficit will be kept under control by streamlining government organisations to contain public spending. Imminent risks stemming from trade frictions have receded, but the large number of unresolved issues will keep tensions high.

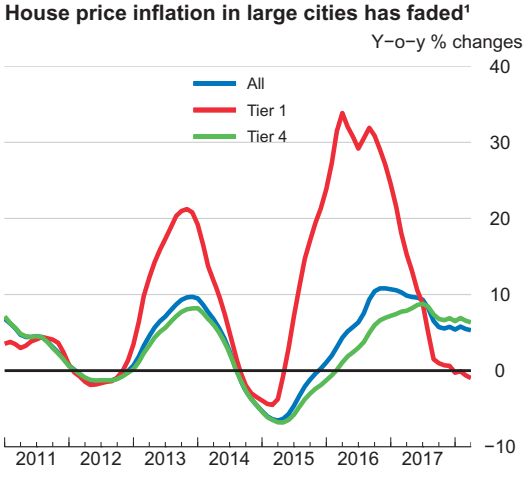
Growth has strengthened

Growth remained robust in 2017. Export growth surged, against the backdrop of the firming global recovery. Investment slackened amid greater scrutiny of infrastructure investment projects at the local level. Private investment, in contrast, surged in early 2018 as it is penetrating into new areas.

In early 2018, consumption strengthened on the back of rising real incomes and a low unemployment rate. E-commerce sales in particular have expanded very rapidly. Producer price inflation continued to moderate and consumer price inflation remains subdued.

China





1. Housing prices are calculated from the 70 cities residential property price index. Chinese cities are commonly classified into six tiers according to their economic and administrative importance. Tier 1 comprises four cities (Beijing, Shanghai, Shenzhen and Guangzhou), Tier 2 eight, Tier 3 11 and Tier 4 47.

Source: OECD Economic Outlook 103 database; and CEIC database.

StatLink http://dx.doi.org/10.1787/888933729781

China: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices CNY trillion	Percentage changes, volume (2015 prices)				
GDP at market prices	64.4	6.9	6.7	6.9	6.7	6.4
Total domestic demand	63.0	8.3	7.7	6.0	6.5	6.4
Exports of goods and services	15.2	-2.3	1.9	11.1	6.5	5.6
Imports of goods and services	13.8	2.6	6.2	6.9	5.5	5.5
Net exports[1]	1.4	-1.0	-0.7	1.0	0.4	0.2
Memorandum items						
GDP deflator	_	0.1	1.1	4.1	3.1	3.5
Consumer price index	_	1.5	2.1	1.5	1.9	2.0
General government financial balance[2] (% of GDP)	_	-1.3	-3.0	-3.0	-3.0	-3.2
Headline government financial balance[3] (% of GDP)	_	-2.4	-2.9	-2.9	-2.6	-3.2
Current account balance (% of GDP)	_	2.8	1.8	1.3	1.2	1.2

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

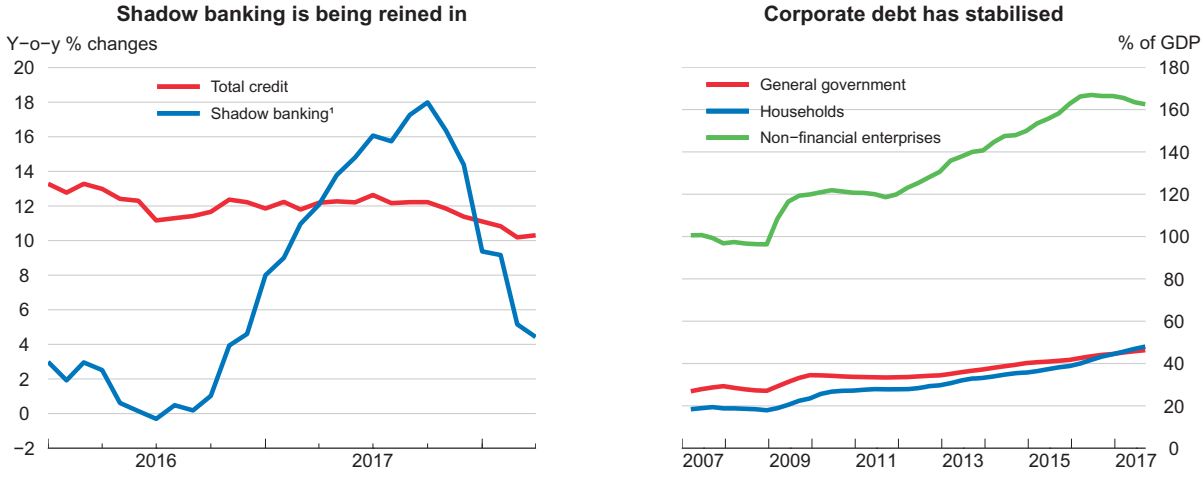
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730864

Tightening monetary and expansionary fiscal policies aim at stabilising growth while addressing risks

Monetary policy retains a tightening bias and financial stability has become a major objective for the coming years. The new and high-level Financial Stability and Development Committee under the State Council is expected to better safeguard financial

China



1. Shadow banking includes entrusted loans, trusted loans and undiscounted bankers' acceptance.
Source: Bank for International Settlements (BIS) ; and CEIC database.

StatLink http://dx.doi.org/10.1787/888933729800

stability, thanks to enhanced coordination. Its major task is to address potential areas of systemic risk. Shadow banking is shrinking due to the extension of the macro-prudential policy framework to cover such activities. Implicit guarantees for asset management products will be phased out, which will reshape the landscape of this booming industry. More stringent regulations are being applied to interbank certificates of deposit, bringing down interbank activity sharply and enhancing financial stability. Corporate debt has stabilised, albeit at a high level of around 160% of GDP. Deleveraging needs to continue and will be spurred by a tightening of funding conditions. On the household side, debt continues to rise fast, notably in the form of credit card and other consumer loans. However, monetary tightening alone will not suffice to restore financial stability. Implicit guarantees to state-owned enterprises and public entities need to be removed to create a level playing field, instil greater market discipline and achieve better credit risk pricing.

A series of capital control measures and the introduction of a new exchange rate fixing formula have arrested the trend of renminbi depreciation. Ahead of the new approval process effective from March 2018, capital outflows surged in late 2017, before moderating in early 2018. The rigorous process will cover sectors, such as real estate, hotels, sport clubs and entertainment, which have been major investment targets for Chinese firms in recent years. In addition, expectations of a stronger currency have reduced incentives to get funds out of the country by other innovative means.

Fiscal policy remains expansionary, following the announcement of a series of tax cuts, though less so than last year. Consumption will be boosted by a lower VAT rate across a wide range of products and a higher personal income tax threshold. The headline fiscal deficit is not projected to expand owing to efficiency gains as a result of the streamlining of government agencies. The overall deficit, in contrast, will expand slightly. Local government debt will be put under greater scrutiny, containing the increase of spending at the local level and strengthening sustainability. Controlling spending at the local level, however, is unlikely to be effective in the longer term as long as implicit guarantees to public entities prevail and sub-national governments, in particular at the lowest levels, are burdened by unfunded spending mandates.

In addition to tax cuts, employment creation, helped by incentives to start a business, will also support consumption growth. However, without structural reforms to reduce precautionary saving, such as the provision of a better social safety net and higher-quality public services, rebalancing will advance only gradually. Business investment will slow as funding conditions tighten and firms deleverage. The Belt and Road Initiative will keep infrastructure investment and exports strong. Recent measures to further open up to foreign investment will attract more foreign capital, contributing to greater efficiency in many industries, notably in the service sector. Restrictions on house purchases and sales as well as on mortgage lending have started to impact the housing market, but prices will remain elevated as long as supply is constrained.

Growth has picked up but more sustainable drivers are needed

GDP growth is projected to slow in the next two years as exports moderate and greater emphasis is put on the quality rather than the pace of growth. Inflation is expected to remain subdued as producer price growth is moderating and there is no imminent pressure on consumer prices either. Reining in shadow banking will enhance financial stability and transparency, but may cause funding difficulties for smaller banks. Corporate deleveraging is necessary to restore balance sheets amid rising debt service costs. Slower

deleveraging would result in stronger growth in the short term but larger imbalances later. Moderating house price inflation may hold back housing investment somewhat, but is necessary to reduce imbalances. A weaker fiscal stimulus might adversely affect growth, but would reduce the risk of a further build-up of implicit government liabilities. A faster-than-expected roll-out of projects under the aegis of the Belt and Road Initiative would boost Chinese exports of goods and services, and hence, growth. Trade frictions may adversely affect some export-oriented sectors and firms, in particular those highly exposed to affected markets. A shrinking bilateral trade surplus alone is unlikely to resolve all contentious issues, which require further dialogue.

COLOMBIA

Growth is projected to pick up to about 3%, as lower interest rates, stronger infrastructure spending, lower corporate taxes and higher oil prices all boost investment. Private consumption will also strengthen, as falling inflation lifts real wages. Exports will improve on the back of a stronger outlook for trading partners. Unemployment will start to fall. Social indicators are improving, but informality and inequality remain high.

The current monetary policy stance is appropriate given current inflation, but a somewhat more accommodative monetary policy would be needed if inflation and inflation expectations continue to fall. Fiscal policy strikes an adequate balance and will need to remain moderately prudent so that the deficit declines gradually, in line with the fiscal rule. Significant social spending needs may require raising more revenue over time. Productivity would be boosted by reforms to improve the business environment and the quality of education. Further efforts to reduce labour market informality, such as by reducing non-wage labour costs, and to reduce gender gaps, by expanding the provision of childcare, would make growth more inclusive.

Growth is gathering pace

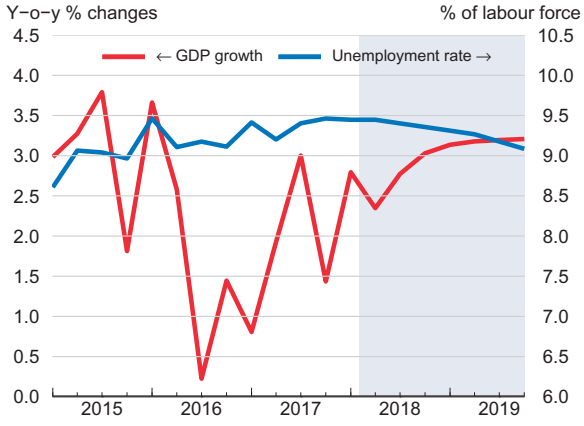
The economy showed signs of revival in the second half of 2017, as the headwinds from the oil price shock started to fade. Economic growth is strengthening, albeit at a gradual pace. Inflation will fall further in 2018 towards the 3% target, as the effect of the VAT hike in early 2017 dissipates. The current account deficit has narrowed markedly. Imports slowed along with domestic demand, and exports, boosted by higher oil prices, started to grow. The labour market remains subdued, as labour market participation declined, the unemployment rate rose to 9.4% in 2017, and employment weakened.

Structural reforms would boost inclusive growth

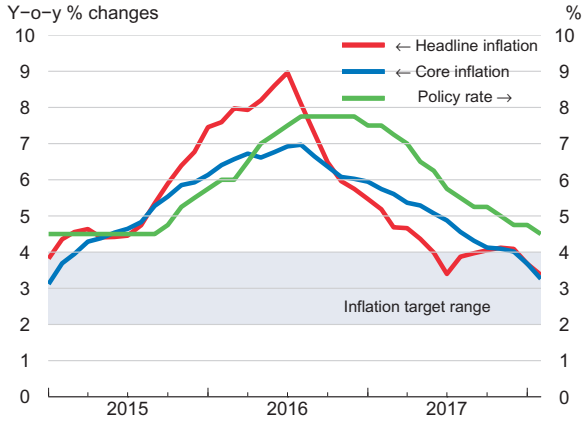
With inflation decelerating sharply over 2017, the central bank has gradually and appropriately eased its policy rate since December 2016. Inflation is projected to fall

Colombia

Growth is picking up and unemployment will fall



Inflation has come down



Source: OECD Economic Outlook 103 database; and Central Bank of Colombia.

StatLink http://dx.doi.org/10.1787/888933729819

Colombia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices COP trillion	Percentage changes, volume (2015 prices)				
GDP at market prices	762.9	3.0	2.0	1.8	2.7	3.2
Private consumption	503.3	3.1	1.4	1.8	2.2	3.0
Government consumption	108.7	4.9	1.8	4.0	5.7	1.5
Gross fixed capital formation	196.9	1.7	-2.7	0.1	0.2	5.7
Final domestic demand	808.8	3.0	0.5	1.7	2.3	3.3
Stockbuilding[1]	- 13.8	-0.7	0.8	0.1	0.0	0.0
Total domestic demand	795.1	2.4	1.2	1.8	2.2	3.2
Exports of goods and services	126.9	1.7	-1.4	-0.7	3.6	4.9
Imports of goods and services	159.1	-1.1	-4.0	0.3	0.6	4.2
Net exports[1]	- 32.2	0.5	0.7	-0.2	0.4	-0.1
Memorandum items						
GDP deflator	_	2.4	5.3	5.5	3.7	3.1
Consumer price index	_	5.0	7.5	4.3	3.1	3.0
Core inflation index[2]	_	4.7	6.5	4.9	2.9	2.9
Unemployment rate (% of labour force)	_	8.9	9.2	9.4	9.4	9.2
Current account balance (% of GDP)	_	-6.3	-4.3	-3.3	-3.2	-2.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding primary food, utilities and fuels.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730883

further, and a slightly more accommodative monetary policy would be appropriate. Fiscal policy is projected to be moderately contractionary to reduce the central government deficit to 1% of GDP by 2022, in line with the fiscal rule. This strikes an appropriate balance between social needs, the gradual recovery and the need to ensure debt sustainability. Oil-related fiscal revenues will increase in 2018, but further measures to raise revenues may be needed in the coming years as social spending needs will increase.

Stronger and more inclusive growth requires boosting productivity through structural reforms, which would also support regional development and the peace transition. Improving road and ports infrastructure and reducing regulatory burdens would make firms more competitive and create better paying jobs. Improving education and active labour market policies would support workers in acquiring new skills, thereby raising productivity and reducing economic disparities.

Informality has fallen in recent years, but nearly half of all workers in the main cities still work in the informal sector. This calls for stronger efforts to reduce labour market informality, such as further reducing the tax burden on wages and simplifying procedures for the registration of companies and workers' affiliation to social security. Expanding early childhood education would improve school outcomes and allow more women to take up paid work. Increasing the coverage and benefit levels of the public minimum income-support programme would make the pension system more progressive and help to reduce poverty and inequality.

Growth is set to rise

Growth is projected to strengthen, supported by rising domestic demand. Investment will be a key driver of growth, aided by low interest rates and higher oil prices. Declining inflation will push real incomes up and support consumption. Upside risks include stronger oil or coal prices, which would boost investment further. Thanks to the end of the armed conflict, the tourism sector also holds potential for upside surprises. Downside risks include a faster-than-expected normalisation of US monetary policy, which could increase volatility and the risk of lower capital inflows. An escalation of migratory flows from Venezuela may imply higher spending needs in short-term, particularly in health and education, but, if well managed, it can also boost growth prospects.

COSTA RICA

Growth is projected to remain solid, supported by strong exports and inflows of foreign direct investment. Domestic investment is set to rebound, driven by public infrastructure projects. Despite robust output growth, unemployment will remain high, reflecting persistent skill mismatches. Inflation will increase, but is projected to stay below 3%.

Restoring sustainable public finances has become more urgent. The continuation of the current piecemeal fiscal consolidation measures will result in a modest improvement in the primary balance but will fail to halt the deteriorating public debt trajectory. This will put upward pressure on interest rates and hurt private investment and growth prospects. As public debt grows, so does the risk that the government becomes unable to meet its financing needs through debt issuances, which would force damaging cuts to the welfare system and threaten macroeconomic stability. Structural reforms to reduce informality, improve education, address infrastructure gaps and strengthen competition would boost productivity and inclusive growth.

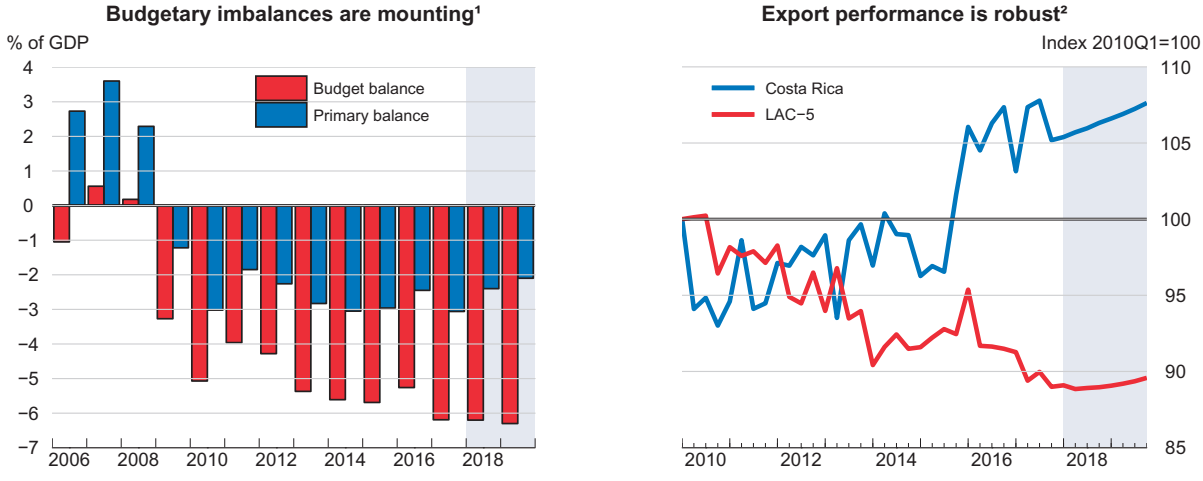
Broad-based growth continues

While output growth remains above 3%, it was lower than expected in the second half of 2017 as adverse weather conditions, including tropical storm Nate, disrupted agricultural production and ongoing construction projects. This disruption, along with rising interest rates, resulted in contracting private investment. Robust output growth has not translated into a strong labour market, with the unemployment rate remaining above 9% and more than 40% of workers holding informal jobs.

The fiscal outlook has deteriorated

After a period of deceleration, core and headline inflation have picked up to within the 2-4% target range. The central bank has started to withdraw its accommodative stance and

Costa Rica



1. Refers to the central government.
2. Ratio between export volume and export market of total goods and services. LAC-5 is a simple average of Argentina, Brazil, Chile, Colombia and Mexico.

Source: Ministry of Finance; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729838

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

	2014	2015	2016	2017	2018	2019
	Current prices CRC trillion	Percentage changes, volume (2012 prices)				
GDP at market prices	27.2	3.6	4.2	3.2	3.7	3.7
Private consumption	18.0	4.6	3.5	2.6	3.3	3.9
Government consumption	4.8	2.3	2.4	2.9	2.4	2.3
Gross fixed capital formation	5.3	3.1	3.8	-2.8	2.7	4.3
Final domestic demand	28.1	3.8	3.3	1.7	3.1	3.6
Stockbuilding[1]	- 0.2	0.3	0.0	0.8	0.2	0.0
Total domestic demand	27.9	4.2	3.5	2.5	3.4	3.7
Exports of goods and services	8.8	2.8	11.4	5.0	4.9	6.0
Imports of goods and services	9.5	4.4	8.7	3.1	4.2	5.7
Net exports[1]	- 0.7	-0.7	0.5	0.6	0.2	0.0
Memorandum items						
GDP deflator	_	3.7	1.8	2.0	2.1	3.0
Consumer price index	_	0.8	0.0	1.6	2.9	3.0
Core inflation index[2]	_	1.8	0.1	1.2	2.5	3.0
Unemployment rate (% of labour force)	_	9.6	9.5	9.1	9.6	9.3
Current account balance (% of GDP)	_	-3.8	-2.6	-3.0	-3.0	-3.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730902

increased the policy rate in several steps between April 2017 and February 2018. Fiscal performance continues to deteriorate. The central government budget deficit was 6.2% of GDP in 2017, the worst performance in almost two decades, and the primary deficit rose to 3.1% of GDP, from 2.4% in 2016. Central government debt soared from 24% of GDP in 2008 to 49% in 2017, and as a result interest payments now account for almost half of the deficit.

Political gridlock has prevented the enactment of legislation to address the fiscal situation, and the current piecemeal consolidation will fail to halt further increases in the deficit. While a bill to strengthen public finances is currently going through a fast-tracked approval process in Congress, there is uncertainty about whether it will pass into law. Moreover, even if this reform is implemented, further fiscal consolidation will be necessary to reduce public debt to prudent levels. Given that the fiscal multiplier appears low, fiscal consolidation efforts are likely to have only a limited effect on growth in the near term, but could improve investor and consumer confidence.

Unemployment is projected to remain high, reflecting structural mismatches between the supply of and demand for skills as the economy has moved towards more knowledge-intensive activities. This highlights the need for educational reforms to improve outcomes and strengthen linkages with the labour market. While inflation expectations remain well anchored, they are in the upper end of the target range, which together with the closing output gap and growing pressures exerted by the fiscal situation, will necessitate further increases in the policy rate.

The fiscal situation represents a downside risk to the outlook

Growth is projected to pick up due to stronger external demand supporting exports, including tourism and skill-intensive professional services, which will also help improve the current account. Investment is also projected to strengthen, owing to stronger public infrastructure spending and reconstruction related to hurricane Otto and tropical storm Nate. The major domestic risk to the outlook is the persistently high fiscal deficit and rapidly growing public debt, which, if left unaddressed, will threaten macroeconomic stability and Costa Rica's successful development model. In international markets, disorderly corrections in asset prices that create financial turbulence, and faster-than-expected monetary policy normalisation in advanced economies, could trigger capital outflows that would lead to unanticipated currency depreciation. This would in turn weaken Costa Rica's fiscal position even more and threaten financial stability, as the Costa Rican banking sector is still heavily dollarised and a high share of dollar-denominated loans are extended to unhedged borrowers.

CZECH REPUBLIC

Economic growth will remain robust in 2018 and 2019. Increasing wages and employment will keep household consumption growth high. Private investment growth is also projected to increase thanks to favourable credit conditions. External demand will remain high, driven by growth in trading partners.

Inflation will stay slightly above the target of the central bank, driven by accelerating wages. Following the interest rate increase in February 2018, monetary policy should raise interest rates only gradually as inflation remains close to its target and avoid creating a gap vis-à-vis the euro area rate. Fiscal space is ample to boost infrastructure investment and address spending needs in education, R&D, vocational training and ageing related spending to prepare for the future.

Demand is driving growth

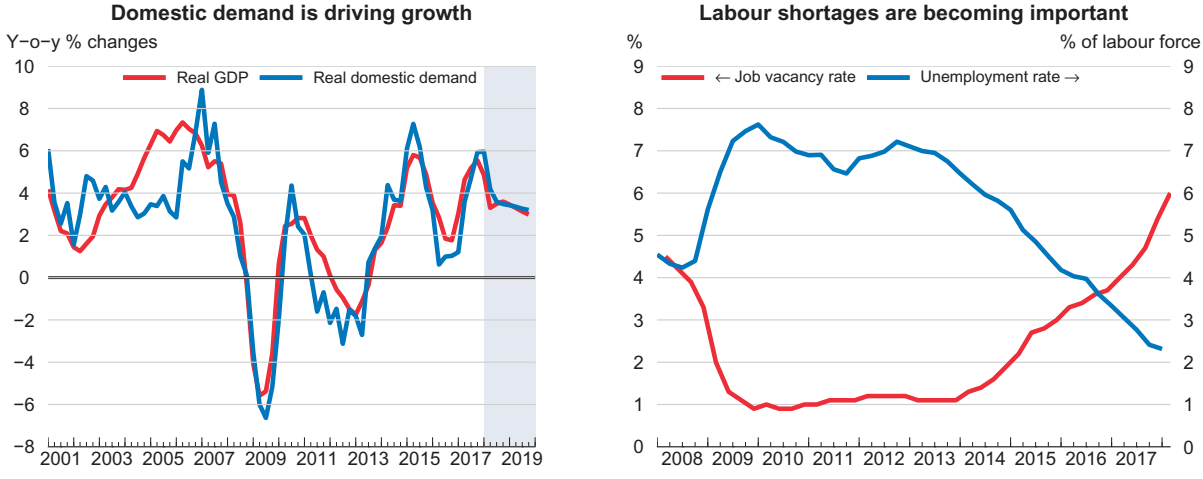
The growth increase in 2017, driven by both internal and external demand, was more balanced than in previous years. Household consumption is high, supported by income growth and a declining saving rate as confidence and credit have been rising. Private investment also increased markedly, driven by manufacturing and ICT investment (which also raised imports of investment goods) and a continued recovery in profits. Exports also kept expanding thanks to improved growth in trading partners.

The unemployment rate has continued to decline up to 2018 and is among the lowest in the OECD. Indeed, labour shortages are becoming the main constraint to growth. Job vacancies have increased and businesses are reporting difficulties in recruiting. Wages rose at a rate of 7% in 2017 leading to increasing unit labour costs and contributing to a pick-up in inflation. In addition, increasing oil prices raised inflation temporarily.

Tensions in the labour market could limit growth

Labour shortages, accelerating wages and its effect on inflation are the main forces behind current economic developments. Wage increases will continue in 2018 and

Czech Republic



Source: OECD Economic Outlook 103 database ; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933729857

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

	2014	2015	2016	2017	2018	2019
	Current prices CZK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	4 312.5	5.4	2.5	4.6	3.8	3.2
Private consumption	2 073.4	3.7	3.5	4.0	3.8	3.3
Government consumption	849.2	1.9	2.0	1.5	1.8	1.6
Gross fixed capital formation	1 083.4	10.4	-2.5	5.9	5.3	4.8
Final domestic demand	4 006.0	5.1	1.5	4.0	3.8	3.4
Stockbuilding[1]	32.3	0.8	0.0	0.0	0.5	0.0
Total domestic demand	4 038.3	5.9	1.4	3.9	4.3	3.3
Exports of goods and services	3 558.6	6.2	4.3	6.9	5.3	5.4
Imports of goods and services	3 284.3	7.0	3.1	6.2	6.1	5.7
Net exports[1]	274.3	-0.2	1.1	1.0	-0.2	0.1
Memorandum items						
GDP deflator	_	1.2	1.2	1.4	1.2	1.4
Consumer price index	_	0.3	0.7	2.5	2.0	2.1
Core inflation index[2]	_	1.3	1.6	2.0	2.0	2.1
Unemployment rate (% of labour force)	_	5.0	3.9	2.9	2.3	2.2
Household saving ratio, net (% of disposable income)	_	6.8	6.0	5.4	4.8	3.9
General government financial balance (% of GDP)	_	-0.6	0.7	1.6	1.6	1.4
General government gross debt (% of GDP)	_	52.0	47.7	43.9	41.7	39.8
General government debt, Maastricht definition (% of GDP)	_	39.9	36.8	34.6	32.4	30.5
Current account balance (% of GDP)	_	0.2	1.6	1.1	0.5	0.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730921

contribute to maintaining inflation above the central bank's target. However, following the decision in April 2017 to abandon the exchange rate floor, the koruna has appreciated, tempering inflationary pressures, particularly for imported goods and services. As these effects fade out, inflation will remain slightly above the target. Indeed, the transmission of wage growth to prices remains limited and growth of food prices is expected to moderate. Monetary policy should raise interest rates progressively and monitor closely the inflation impact of the developments in the labour market.

The stance of fiscal policy has been appropriately restrictive in 2017 in the context of strong growth and inflation. Public investment will increase further in 2018 with the acceleration of the EU funds disbursement. Government spending is increasing slightly faster than GDP, boosting domestic demand but the primary surplus remains large. The government should use the available fiscal space to invest in education, vocational training, R&D and innovation to reduce skills mismatch and stimulate labour productivity.

Persistent employment growth and increasing wages have attracted many inactive people into the labour market, helping to cushion the decline of the working-age population. Higher participation of women in the labour market, especially women with young children, would further increase labour supply and inclusiveness. In particular, part of the high spending in cash benefits for families could be directed toward formal childcare services and pre-school facilities.

Growth is projected to slow but will remain above potential

Economic growth is projected to slow in 2018 and 2019, but remain above that in more advanced European countries. Strong household consumption growth supported by rising wages and employment will remain the main driver. Exports are expected to remain high but the growth rate will slow compared to 2017. Inflation is projected to fall and stabilise around 2% as the transmission of wage growth to prices remains limited. Risks stem equally from internal and external factors. Labour market developments could drive a bigger slowdown of growth than expected. Further increases in loans for house purchases and in house prices are a risk for the banking sector. On the external side, the Czech economy is particularly exposed to any disruption on trade given its high inclusion in global value chains.

DENMARK

GDP is projected to grow at close to 2% in 2018 and 2019, supported by accelerating private consumption and an improved external environment. While rising labour force participation will partly help to meet growing labour demand, wage and price inflation are expected to rise as labour shortages increase. A decreasing trade balance will slowly reduce the considerable current account surplus.

The fiscal policy stance is expected to support growth. A tighter fiscal stance would be prudent, given continued very accommodative monetary policy conditions and intensifying supply-side constraints. The buoyant economic conditions and solid housing market present a welcome opportunity to further shift the tax structure from labour towards immovable capital and ease rent regulation to reduce the price pressure on owner-occupied dwellings.

Strong economic growth is driven by domestic demand

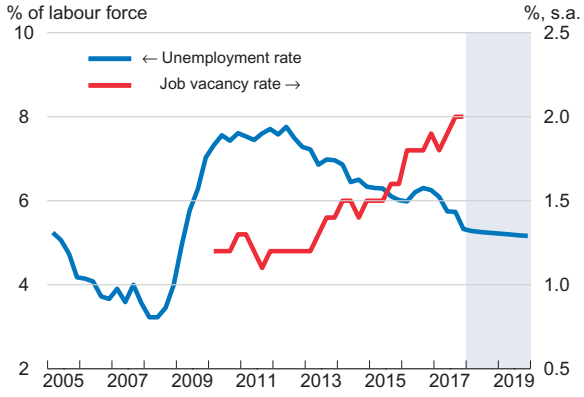
The economy has reached full potential and GDP growth is increasingly supported by strong domestic demand. The unemployment rate has fallen below the estimated structural level and labour shortages are reported in the construction sector and are intensifying more broadly. Consumer price inflation has lately been subdued, reflecting lower contributions from food and rent. Public investment remains high and business investment has recovered.

Tighter fiscal policy would be welcome to ease capacity constraints

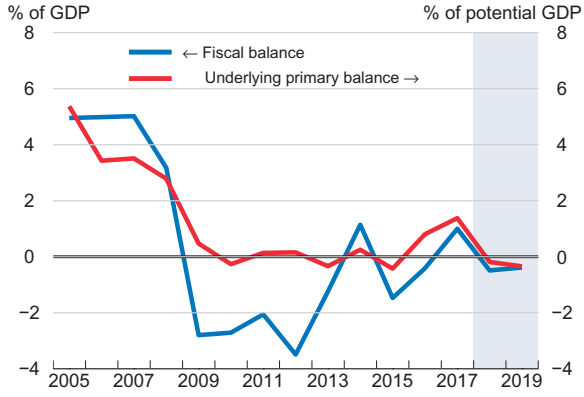
Fiscal policy will support growth in 2018 and 2019, partly due to personal income tax cuts, and some one-off transfers related to recent property tax and early retirement reforms. The underlying primary balance is expected to be negative. With economic activity above or close to potential, a tighter fiscal stance would be welcome, especially since monetary conditions will likely remain very accommodative due to the central bank's objective of keeping the krone pegged to the euro.

Denmark

The labour market is tightening



Underlying fiscal deficits are projected despite strong growth



Source: OECD Economic Outlook 103 database; and Statistics Denmark.

StatLink http://dx.doi.org/10.1787/888933729876

Denmark: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices DKK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 981.2	1.6	2.0	2.2	1.7	1.9
Private consumption	934.3	1.6	2.1	1.5	2.5	2.6
Government consumption	510.9	1.1	0.3	1.2	0.8	0.6
Gross fixed capital formation	379.7	3.1	6.0	3.7	3.5	4.1
Final domestic demand	1 824.9	1.7	2.4	1.9	2.3	2.4
Stockbuilding[1]	18.4	-0.4	0.0	0.1	-0.2	0.0
Total domestic demand	1 843.2	1.3	2.4	2.0	2.1	2.3
Exports of goods and services	1 082.0	2.3	2.8	4.4	3.0	3.6
Imports of goods and services	944.0	1.9	3.8	4.1	4.0	4.6
Net exports[1]	137.9	0.4	-0.3	0.4	-0.2	-0.2
Memorandum items						
GDP deflator	_	0.7	0.0	1.6	1.1	1.7
Consumer price index	_	0.5	0.3	1.1	0.6	1.5
Core inflation index[2]	_	1.3	0.7	0.9	0.3	1.5
Unemployment rate (% of labour force)	_	6.2	6.2	5.7	5.3	5.2
Household saving ratio, net (% of disposable income)	_	4.7	5.0	5.6	5.9	6.0
General government financial balance (% of GDP)	_	-1.5	-0.4	1.0	-0.5	-0.4
General government gross debt (% of GDP)	_	53.8	52.4	50.3	50.7	51.1
General government debt, Maastricht definition (% of GDP)	_	39.9	37.9	36.4	36.9	37.2
Current account balance (% of GDP)	_	8.8	7.3	7.6	7.4	7.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730940

The recent personal income tax reform will improve incentives for labour market participation and underpin employment growth in the projection period. Shifting the tax burden further away from labour and corporate income by raising taxes on immovable property and reducing the tax deductibility of mortgage interest further would support productivity growth and increase incentives to work longer hours.

Low financial market risk perception and ample liquidity can lead to a repetition of the previous credit cycle, the strong real-estate price increases in Copenhagen pointing already to some risks of asset price bubbles. Following a recommendation by the Systemic Risk Council, the countercyclical capital buffer has been activated to bolster the financial sector with capital to be released in a future recession, which is welcome. Further increases should be considered if the risk build-up continues and would help to stabilise the financial cycle.

The economic upturn will continue and intensify labour market pressures

The economy is projected to continue growing at close to 2% on the back of rising private consumption and private investment growth. Private consumption growth is expected to increase in line with income, with household saving rates staying high by historical standards through the projection period as households are expected to reduce high gross debt levels further. Regarding private non-residential investment, capital

intensity has decreased leaving room for pent-up investment needs by businesses. As in many euro area countries, increased labour market tightness will fuel wage growth, with consumer price inflation rising to 1.5% in 2019. The main domestic risks are higher-than-projected private consumption stimulated by increasing housing wealth or larger-than-expected private investments spurred by capacity constraints that could significantly boost demand and wage pressures, which would undermine competitiveness. Owing to Denmark's openness to trade, Brexit continues to be the main external uncertainty for the outlook.

ESTONIA

Economic growth will remain solid, but slow to 3.7% in 2018 and 3.2% in 2019 as labour resources become scarcer. Private consumption is projected to strengthen, boosted by personal income tax reductions and wage growth. Investment is projected to continue to support activity. Improved euro area growth will stimulate exports despite increases in unit labour costs.

The fiscal stance is broadly neutral in 2018 and will be mildly expansionary in 2019. While this is appropriate given accommodative euro area monetary policy, fiscal space is available to foster inclusive growth and address societal issues once risks of overheating ease. Measures to support innovative activities in domestic firms and improve access to lifelong education should be prioritised.

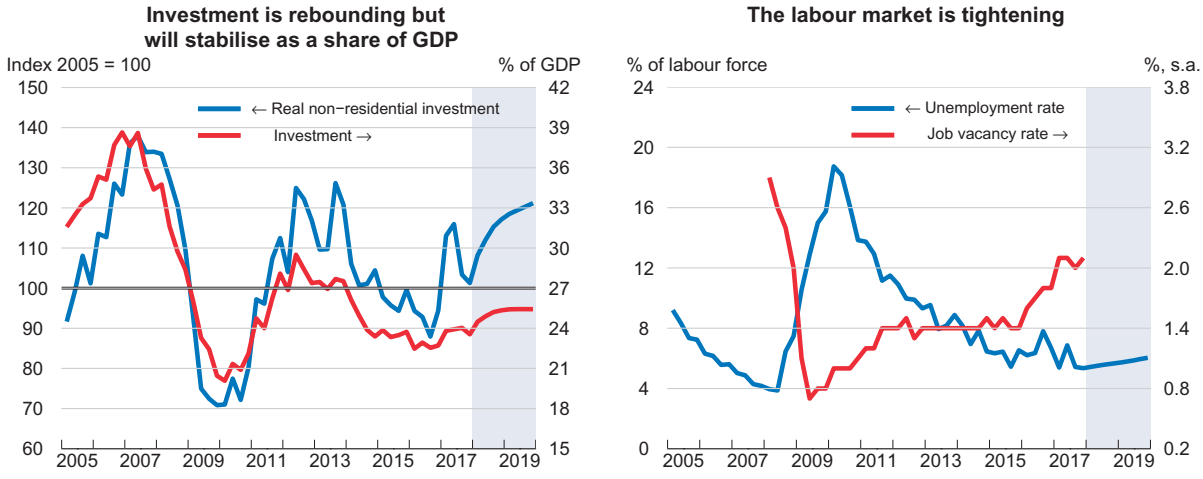
An investment recovery is boosting growth

Economic activity maintained a strong momentum in the second half of 2017. GDP growth is broad-based with notable contributions from construction and ICT sectors. Private and public investment have recovered firmly on the back of increased disbursement of EU funds. Improving consumer confidence points to a pick-up in private consumption after its relatively low contribution to growth in 2017. The unemployment rate has fallen well below its estimated structural level and labour shortages are starting to spread. Accelerating labour productivity is closing the gap to real wage growth. Exports have recently regained momentum after a sharp drop in mobile equipment exports in 2017.

Tax reforms are supporting demand

Fiscal policy is projected to be broadly neutral in 2018 and mildly expansionary in 2019, as the government's budget strategy targets structural balance over the next four years. Strong economic activity will boost taxes and generate a budget surplus in 2018 as government consumption growth is curtailed. Spending pressures from ageing will

Estonia



Source: OECD Economic Outlook 103 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933729895

Estonia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	19.8	1.8	2.2	4.8	3.7	3.2
Private consumption	10.1	4.6	4.1	2.3	4.7	3.9
Government consumption	3.8	3.3	2.0	0.8	0.8	0.8
Gross fixed capital formation	4.9	-3.1	-0.9	13.3	4.4	5.5
Final domestic demand	18.8	2.4	2.5	4.7	3.9	3.7
Stockbuilding[1]	0.4	-1.3	0.7	-0.4	0.6	0.0
Total domestic demand	19.2	1.1	3.4	4.3	4.5	3.7
Exports of goods and services	16.3	-0.6	4.1	2.9	4.9	4.3
Imports of goods and services	15.8	-1.8	5.2	3.6	6.0	5.0
Net exports[1]	0.6	0.9	-0.7	-0.4	-0.6	-0.4
Memorandum items						
GDP deflator	_	1.2	1.5	4.1	2.4	2.9
Harmonised index of consumer prices	_	0.1	0.8	3.7	2.8	2.5
Harmonised index of core inflation[2]	_	1.2	1.2	2.0	1.5	2.5
Unemployment rate (% of labour force)	_	6.2	6.8	5.8	5.6	5.9
Household saving ratio, net (% of disposable income)	_	7.4	7.3	7.5	7.7	7.6
General government financial balance (% of GDP)	_	0.1	-0.3	-0.3	0.4	-0.2
General government gross debt (% of GDP)	_	13.0	13.1	12.6	12.3	12.2
General government debt, Maastricht definition (% of GDP)	_	10.0	9.4	9.0	8.6	8.5
Current account balance (% of GDP)	_	2.0	1.9	3.2	2.7	2.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730959

intensify in the medium term and shift spending towards transfers and health care. Nevertheless, decreasing and very low public debt leaves ample scope to step up public expenditure on measures to boost growth potential and welfare, notably by enhancing incentives for labour market participation of mothers and promoting skilled immigration.

In 2018, changes to the tax system are shifting taxation further away from labour to consumption. Progressivity in the personal income tax system is being introduced by significantly increasing the tax-free allowance for low incomes. While this is welcome, the inequality-reducing effect of the tax and transfer system remains weak. The corporate tax rate on distributed dividends is being reduced to improve the business environment. While this is expected by the authorities to generate a spike in tax revenue in the short term by encouraging companies to distribute profits, it will decrease revenues in the longer term. Combined revenue effects from the tax changes are uncertain and should be carefully monitored.

Potential growth over the medium-term is constrained by a shrinking working-age population and still weak productivity growth. The ongoing implementation of the Work Ability reform is expanding labour supply, but is also expected to increase unemployment moderately in the coming years as it brings increasing numbers of people with reduced work capacity into the labour force. Strengthening the quality of adult education and

co-operation between the private sector and public R&D institutions would enhance innovation and productivity.

Growth is projected to decline as the economy reaches full capacity

Growth is projected to decline to a more sustainable pace. Headline inflation is expected to flatten out as the effect of excise duty increases fades. It will nevertheless stay well above the euro area average as the labour market tightens. Strong domestic demand will lift imports partly due to a relatively high import content of investment. An upside surprise in euro area growth would boost exports. Conversely, prospects are clouded by geo-political risks. Intensified labour shortages could also stoke wage pressures and undermine competitiveness.

EURO AREA

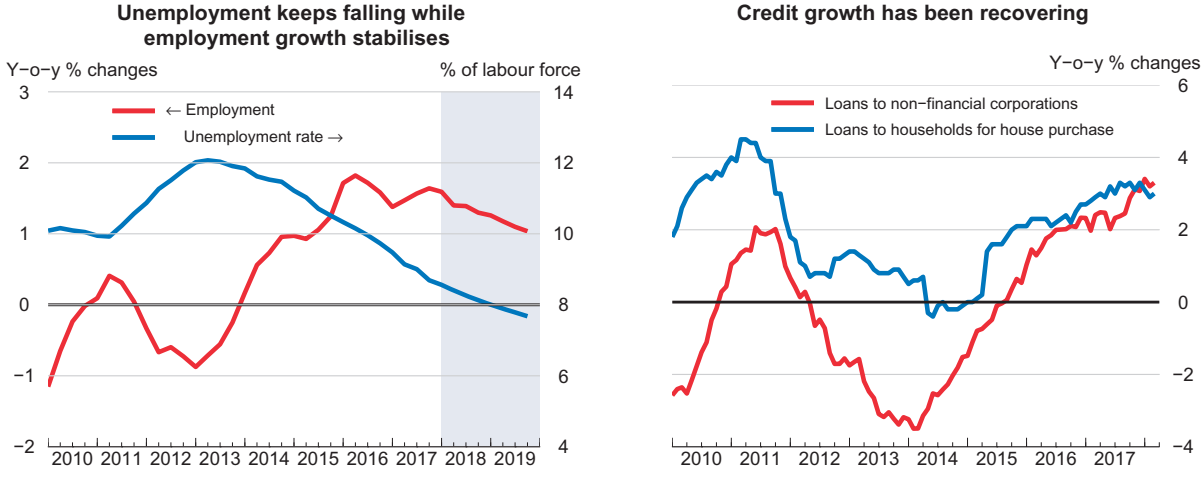
Economic growth in the euro area is set to continue at a relatively dynamic pace of just above 2 per cent over 2018-19. Accommodative monetary policy, fiscal support and improving labour markets are supporting domestic demand, notably through dynamic private consumption. Investment is strengthening, on the back of favourable financing conditions, strong global demand and the need to expand capacity. Inflation is expected to strengthen gradually, as slack disappears.

Monetary policy should be firmly committed to remaining accommodative as long as needed to attain the inflation objective, while preparing for a gradual normalisation. The euro area fiscal stance is projected to be slightly expansionary in both 2018 and 2019. As the expansion consolidates, governments should improve their fiscal positions and reduce debt ratios. Improving skills, reforming product markets, completing the single market for goods and services, and progress with banking union, are the best guarantee for stronger and more inclusive growth.

The expansion continues

Dynamic domestic and external demand are supporting robust growth. Private consumption has slowed, as inflation has picked up, but remains resilient thanks to strong employment growth. Capital spending remains dynamic, supported by favourable financing conditions, robust demand and the need to replace obsolete capital. The recovery in residential investment is supported by favourable financing conditions and rising incomes. Despite a strengthening euro, trade growth was very strong in the second half of 2017 on the back of robust growth in Europe and the rebound in world trade, and has continued at a solid, even if slower, pace in the beginning of 2018. However, in the first quarter of 2018, high frequency indicators and quarterly GDP growth have softened, suggesting that the pace of growth has moderated somewhat from the high levels seen at the end of 2017.

Euro area



Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729914

Euro area: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2014 prices)				
GDP at market prices	10 105.3	2.0	1.8	2.6	2.2	2.1
Private consumption	5 597.5	1.7	1.9	1.7	1.4	1.5
Government consumption	2 118.8	1.3	1.8	1.2	1.3	1.3
Gross fixed capital formation	1 988.9	3.0	4.5	3.2	4.2	4.1
Final domestic demand	9 705.3	1.9	2.4	2.0	2.0	2.0
Stockbuilding[1]	30.0	0.0	-0.1	0.0	0.0	0.0
Total domestic demand	9 735.3	1.9	2.3	2.0	2.0	2.0
Net exports[1]	370.0	0.1	-0.5	0.6	0.3	0.1
Memorandum items						
GDP deflator	_	1.4	0.8	1.1	1.5	1.8
Harmonised index of consumer prices	_	0.0	0.2	1.5	1.6	1.8
Harmonised index of core inflation[2]	_	0.8	0.8	1.0	1.2	1.7
Unemployment rate (% of labour force)	_	10.9	10.0	9.1	8.3	7.8
Household saving ratio, net (% of disposable income)	_	6.0	5.8	5.5	5.3	5.2
General government financial balance (% of GDP)	_	-2.0	-1.5	-0.9	-0.6	-0.4
General government gross debt (% of GDP)	_	109.7	109.0	105.2	103.2	101.1
General government debt, Maastricht definition (% of GDP)	_	92.4	91.4	88.9	87.0	84.9
Current account balance (% of GDP)	_	3.8	3.7	4.0	4.0	3.9

Note: Aggregation based on euro area countries that are members of the OECD, and on seasonally-adjusted and calendar-days-adjusted basis.

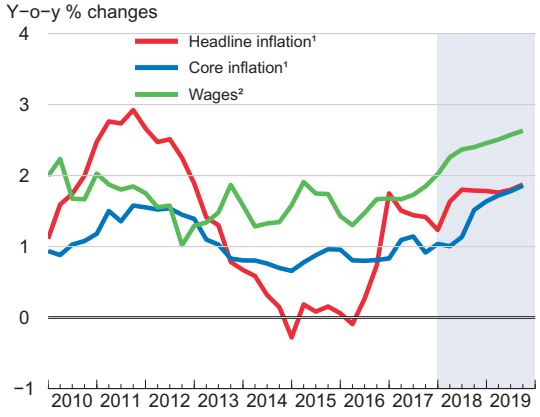
1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 103 database.

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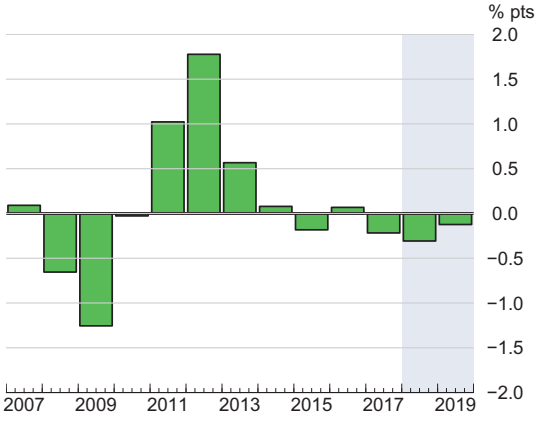
Euro area

Inflation is below target but will gradually rise



The fiscal stance will be slightly expansionary

Annual change in the underlying primary balance³



1. Harmonised consumer price indices, net of energy and food products as for core inflation.
2. Nominal wages per employee.
3. Measured in per cent of potential GDP.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729933

Labour market conditions keep improving. Unemployment has fallen to a nine-year low. Labour force participation has increased in a number of countries, pointing to a healthy recovery in the labour market. Nonetheless, there have not yet been signs of strong real wage growth, despite improving labour markets. Despite dynamic growth, headline consumer price inflation remains moderate, held in check by the euro appreciation, as well as still remaining slack in labour markets. Core inflation remains soft.

Reforms are needed to generate sustained improvements in living standards and strengthen resilience

In March, the ECB removed the explicit pledge to increase or extend asset purchases in its communication, which is appropriate given that deflation risks have receded and monetary policy will have to gradually shift to a less accommodative stance as the recovery continues. As inflation is set to progressively return to the objective of below, but close, to 2%, the ECB is projected to gradually reduce its monetary support. A cautious and gradual reduction of support is warranted in an environment of below-target inflation and continuing labour market slack in many countries, and to avoid potential disruptions in financial markets. An upturn in inflation, as projected, will allow the ECB to reduce asset purchases from October 2018 and end them in December 2018, and then to increase the deposit rate by 25 basis points in the second half of 2019.

In the euro area as a whole, the fiscal stance is expected to remain slightly expansionary in 2018 and 2019. Public debt-to-GDP ratios remain above historical averages in many countries. As the recovery continues, governments should ensure that debt-to-GDP ratios fall significantly by improving fiscal positions further and by introducing structural reforms to strengthen growth. The credibility and effectiveness of the EU fiscal governance should also be strengthened with simplified fiscal rules. Continued progress to complete the banking union by creating a common fiscal backstop to the Single Resolution Fund, as well as an agreement on the European Deposit Insurance Scheme, remains key to strengthen the financial stability of the euro area banking sector and to enhance the resilience of the euro area.

Sustained improvements in living standards are held back by weak productivity growth and investment in many countries. There is ample scope for product market reforms to boost competition and enhance diffusion of new technologies in many countries. Faster implementation of Europe's digital single market and the swift completion of the single market in network sectors and services would foster investment and productivity growth. Investment needs are particularly important in trans-European transport and energy networks.

Growth will remain strong

GDP growth is projected to average just over 2% per annum in 2018-19, supported by accommodative monetary policy, some fiscal support and a recovering global economy. Private consumption growth will expand at a moderate, but robust, pace, benefiting from rising employment and stronger disposable income growth, as wages are expected to rise faster than in the past. The recovery in business investment is expected to continue, supported by favourable financing conditions and robust demand. Euro area export growth is expected to ease as foreign demand moderates. Inflation will gradually strengthen in an environment with higher oil prices, disappearing slack and higher wage growth. Policy uncertainty is high and could increase further. An escalation of trade tensions would

undermine confidence, and eventually investment and trade. Brexit is not a major macro-economic risk for the euro area as a whole; nonetheless, countries with the closest trade links to the United Kingdom could be severely impacted if the United Kingdom left the European Union without any trade agreement. High-debt countries may have difficulties coping with higher borrowing costs if inflation surprises on the upside and monetary support is rapidly reduced. On the upside, the cyclical recovery in world trade or stronger confidence generated by on-going momentum in solving euro area institutional weaknesses could lead to stronger than expected growth. On the other hand, calls to review and weaken the architecture of the European Union could undermine trust among member states, slowing down or blocking growth-enhancing reforms in the EU.

FINLAND

Robust output growth is projected on the back of a rebound in exports and continued strength in domestic demand. Private consumption will keep growing steadily in 2018, thanks to a rise in earnings and employment. Inflation is expected to rise as spare capacity shrinks.

The economic recovery and past consolidation measures have stabilised the public finances. Nevertheless, rising ageing-related costs and tax cuts to alleviate the impact of the Competitiveness Pact on household income prevent the budget deficit from shrinking further. Increasing employment by enhancing work incentives and increasing efficiency in public services is essential to boost growth and maintain the government debt-to-GDP ratio on a downward trend.

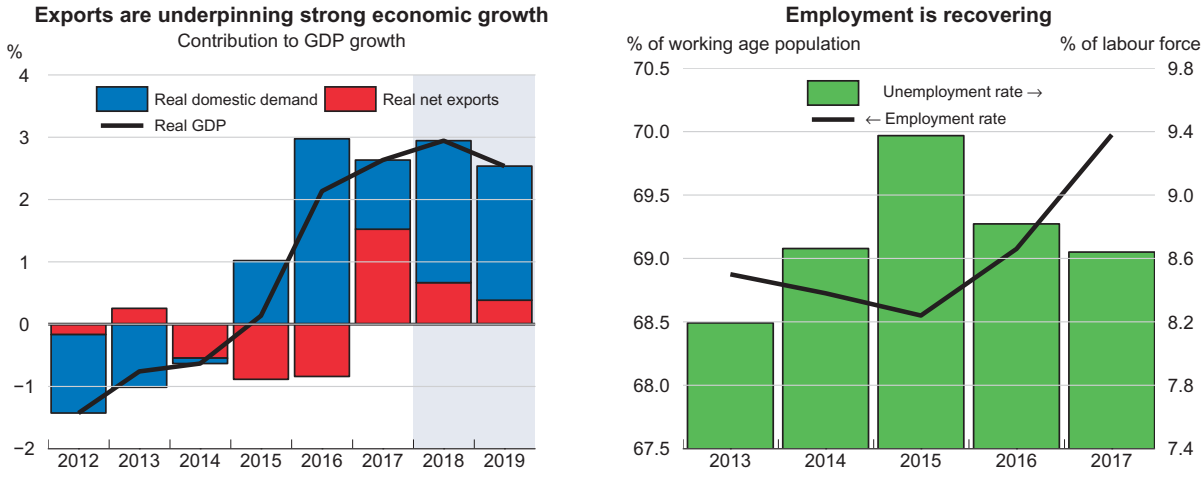
Exports are underpinning growth

The economy is growing strongly, as expanding foreign demand and competitiveness gains boost exports. The current account balance returned to surplus in 2017 for the first time since 2011. Higher demand and low interest rates contribute to strong investment. Private consumption is healthy, thanks to employment gains and low inflation. Consumer confidence has increased steadily for over two years, and business confidence is well above its long-term average in all major sectors. Employment is expanding, unemployment has fallen and discouraged workers have returned to the labour market.

Structural reforms are key for sustainable public finances

The budget deficit has shrunk and general government debt has stabilised on the back of the pick-up in output growth and consolidation efforts. Nevertheless, tax cuts to compensate wage moderation agreed in the Competitiveness Pact and rising ageing-related costs prevent the budget deficit from shrinking further. As ageing will continue to put pressure on public finances by narrowing the tax base and increasing social

Finland



Source: OECD Economic Outlook 103 database; and OECD Labour Market Statistics.

StatLink http://dx.doi.org/10.1787/888933729952

Finland: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	205.5	0.1	2.1	2.6	2.9	2.5
Private consumption	113.6	1.7	1.8	1.6	2.2	1.7
Government consumption	50.7	0.2	1.8	1.3	1.2	1.4
Gross fixed capital formation	42.2	0.7	7.4	6.3	4.0	4.0
Final domestic demand	206.6	1.1	2.9	2.5	2.4	2.2
Stockbuilding[1,2]	0.8	0.2	-0.2	-0.4	0.3	0.0
Total domestic demand	207.4	1.4	2.8	2.1	2.7	2.2
Exports of goods and services	76.5	0.9	3.5	7.8	5.3	4.9
Imports of goods and services	78.4	3.2	5.7	3.5	3.6	4.0
Net exports[1]	- 1.9	-0.9	-0.8	1.5	0.7	0.4
Memorandum items						
GDP deflator	_	1.9	0.8	0.9	1.0	1.5
Harmonised index of consumer prices	_	-0.2	0.4	0.8	1.2	2.1
Harmonised index of core inflation[3]	_	0.8	1.1	0.6	1.2	2.1
Unemployment rate (% of labour force)	_	9.4	8.8	8.6	8.0	7.7
Household saving ratio, net (% of disposable income)	_	-0.5	-1.4	-1.5	-0.2	-0.2
General government financial balance (% of GDP)	_	-2.8	-1.8	-0.6	-0.8	-0.5
General government gross debt (% of GDP)	_	74.5	75.4	73.9	74.0	73.7
General government debt, Maastricht definition (% of GDP)	_	63.5	63.0	61.4	60.8	60.2
Current account balance (% of GDP)	_	-0.7	-0.3	0.7	1.7	1.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statiscal discrepancy.
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730997

costs, future growth and well-being will require enhancing the efficiency of public services, in particular in health and long-term care, as well as boosting employment. A pension reform entered into force in 2017 and a health care and social services reform is underway, with the new system due to start operating in 2020.

Raising employment is crucial to address long-term fiscal challenges. The employment rate is still lower than in any other Nordic country and structural unemployment remains relatively high. To increase work incentives, the earnings-related unemployment insurance benefit duration has been shortened in 2017 and a revised labour activation model, with heavier financial sanctions, entered into force in the beginning of 2018. However, further reforms to boost employment are needed, as high tax rates upon return to work and complex benefit rules still undermine work incentives. A real-time income register, expected to be in place in 2020, should be used to streamline the administration of benefits and thereby remove bureaucratic disincentives to employment.

Robust economic growth will continue

GDP growth is projected to remain strong in 2018 and 2019. Export buoyancy, driven by growth in export markets and improving competitiveness, is set to diminish somewhat as spare capacity shrinks. Private consumption will keep growing steadily in 2018, thanks to

rising incomes and improved employment, but will weaken somewhat in 2019, as rising inflation weighs on household real income. Growth in non-residential investment will slow in 2018 after the completion of several large projects. Housing construction is expected to continue growing in 2018 and 2019. Even though recent measures to enhance work incentives will lift labour supply, unemployment will decline. The main downside risk to the outlook is a slowdown in demand, notably from abroad. On the upside, private consumption and investment could prove stronger than projected given high consumer and business confidence.

FRANCE

Economic growth is set to return to a solid pace of close to 2% over 2018-19 thanks to strong external demand and robust business confidence. Gradual corporate tax cuts and supportive financing conditions will underpin business investment growth. Lower labour taxes and labour market reforms should encourage job creation and boost household consumption and inclusiveness. Inflation is projected to pick up, supported by the firming of the economy and an increase in wages.

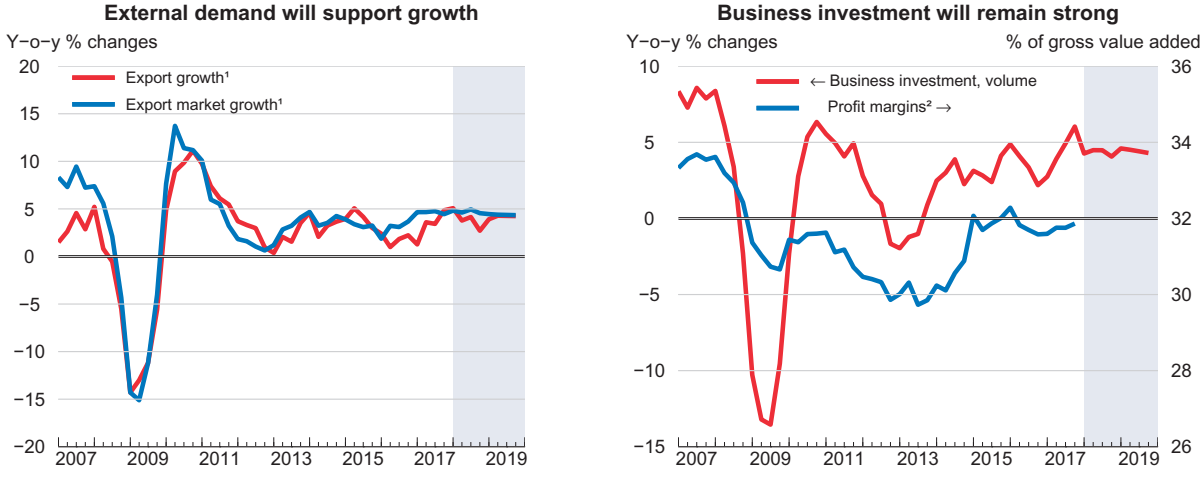
The fiscal stance is projected to be broadly neutral. High growth, lower wage and housing subsidies, as well as tighter controls on sub-central government spending, should broadly compensate a decline in household and business taxes. However, further cuts in non-priority spending and an improved effectiveness of social expenditures and infrastructure investment will be needed to sustainably finance lower taxes. At the same time, medium-term growth will depend on continuing to implement structural reforms to improve skills, reduce labour market segmentation and raise competitive pressures in services sectors.

Growth has strengthened

France is benefitting from a sustained expansion, as improving external conditions, labour and business tax cuts and ongoing labour market reforms are supporting exports and business investment. Exports accelerated during 2017 on the back of stronger world trade, high aircraft deliveries and a rebound in agricultural exports and tourism. Business profit margins have improved, and financing conditions remain favourable. Though activity softened at the beginning of 2018, investment loans continue to rise, and business surveys point to robust investment spending, as capacity bottlenecks emerge in some sectors.

Services employment has increased vigorously, and the unemployment rate has declined. Older workers' labour-force participation has risen steadily, and dependence on

France



1. Goods and services, volume.
2. Non-financial corporations.

Source: INSEE; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729971

France: **Demand, output and prices**

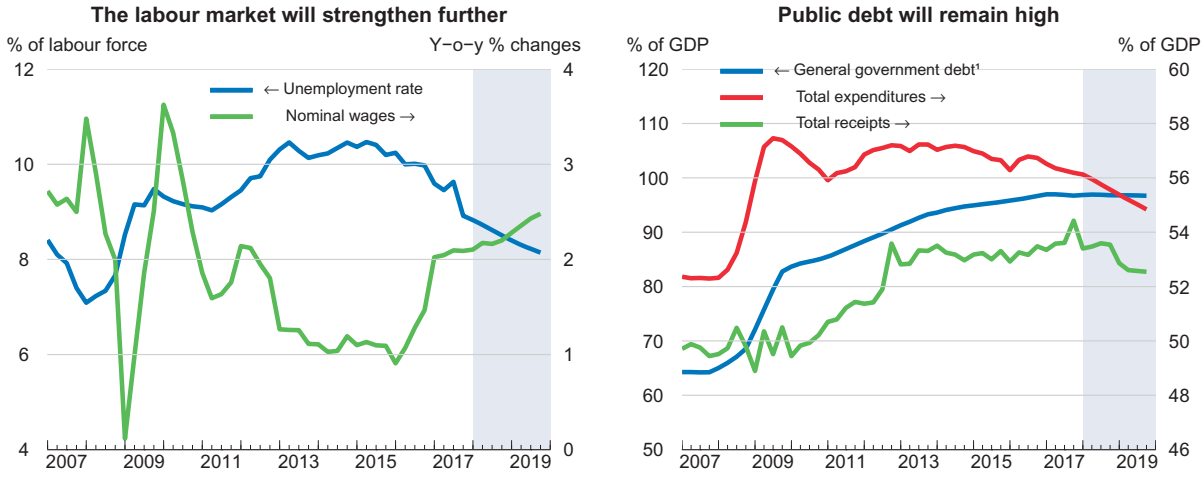
	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	2 153.3	1.0	1.1	2.3	1.9	1.9
Private consumption	1 186.9	1.4	2.1	1.3	1.2	1.6
Government consumption	515.8	1.1	1.2	1.6	1.4	0.7
Gross fixed capital formation	469.7	0.9	2.7	3.8	3.7	4.0
Final domestic demand	2 172.4	1.2	2.0	1.9	1.8	1.9
Stockbuilding[1]	23.5	0.3	-0.1	0.4	-0.3	0.0
Total domestic demand	2 195.8	1.5	1.9	2.3	1.5	1.9
Exports of goods and services	621.8	4.0	1.9	3.3	3.9	4.2
Imports of goods and services	664.4	5.5	4.2	4.1	2.6	3.9
Net exports[1]	- 42.6	-0.5	-0.8	-0.3	0.3	0.0
Memorandum items						
GDP deflator	_	1.1	0.2	0.7	1.2	1.5
Harmonised index of consumer prices	_	0.1	0.3	1.2	1.9	1.5
Harmonised index of core inflation[2]	_	0.6	0.6	0.6	1.1	1.4
Unemployment rate[3] (% of labour force)	_	10.4	10.1	9.4	8.7	8.3
Household saving ratio, gross (% of disposable income)	_	13.9	13.6	13.8	13.5	13.4
General government financial balance (% of GDP)	_	-3.6	-3.4	-2.6	-2.3	-2.5
General government gross debt (% of GDP)	_	120.3	123.5	121.9	122.0	121.9
General government debt, Maastricht definition (% of GDP)	_	95.6	96.7	96.7	96.8	96.7
Current account balance (% of GDP)	_	-0.4	-0.8	-0.6	-0.5	-0.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
3. National unemployment rate, includes overseas departments.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731016

France



1. Maastricht definition.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933729990

subsidised jobs has diminished. However, unemployment remains high, and new hires are mainly on short-term contracts. Skills shortages for high-skilled jobs are increasing, while lower-skilled workers face higher unemployment, under-employment and worse access to training, resulting in unexploited opportunities for productivity, income and well-being gains.

Private consumption has increased steadily on the back of strong job creation, even though it weakened somewhat in early 2018 largely due to exceptional circumstances, including a weather-related fall in energy use. After two years of strong growth, housing investment is decelerating. Existing-home prices and sales continue to increase, but new construction starts have slowed. Rising manufactured imports have worsened the trade balance further, despite a pick-up in exports.

The effects of the recent oil price increases and gradual tax hikes on tobacco and energy temporarily raised inflation at the beginning of 2018. Though wage growth remains contained, the strengthening of the economy and the declining unemployment rate, as well as second-round effects from higher energy prices, will support a gradual pick-up in core inflation.

Fiscal and structural reforms will support more inclusive growth

The fiscal stance is projected to be broadly neutral. The government intends to finance a gradual reduction of business and labour taxes by lowering current public expenditures. Reduced labour, business and capital taxes and lower costs of employing low-skilled workers will support the recovery and make it more inclusive. The economic expansion, tighter controls on public spending and cuts in housing and labour subsidies will maintain the deficit below 3% of GDP.

The planned expenditure-based consolidation is welcome, but additional efforts to cut inefficient and non-priority spending will be needed to finance the tax reductions in a sustainable way, while making room for planned productivity-enhancing investments. The announced targeted expenditure reviews will be particularly important to reduce overlap in sub-central governments' responsibilities and identify areas where there is room not to replace every retiring civil servant. The planned reforms of adult training, health care and pensions could also foster inclusiveness and long-term growth. In particular, increasing the retirement age in line with life expectancy, while improving access to training and facilitating gradual retirement for older workers, would limit public spending growth and increase employment opportunities.

Ongoing labour market reforms will help raise inclusiveness, skills and job quality. The 2017 labour reforms will facilitate firm-level negotiations, secure economic dismissals, simplify workers' representation and better take into account the situation of smaller firms in branch-level agreements. These could better align firm-level wage and productivity developments and encourage hiring on open-ended contracts. The rapid implementation of the training system overhaul and the increased focus on apprenticeships could also improve skills and ensure better job matches. Lightening the regulatory burden and increasing services-sector competition will strengthen the longer-term effects of these reforms.

Growth is projected to be robust

Economic growth is set to pick up again by mid-year. The global trade recovery and ongoing labour market and fiscal reforms should sustain business investment and exports. Public investment will continue to recover, though residential investment growth will moderate. Employment gains and favourable financing conditions, as well as lower taxes on households, will raise private consumption. In turn, the tight labour market is projected to result in some pick-up in wage and price inflation. Consumption growth might turn out stronger than expected if consumer confidence and growth reduce unemployment and the household saving rate faster than projected. An ambitious reform of business regulations could also further support investment and exports. On the other hand, the government might find it politically difficult to implement all its envisaged reforms. Persistent strikes with strong mobilisation could lower growth.

GERMANY

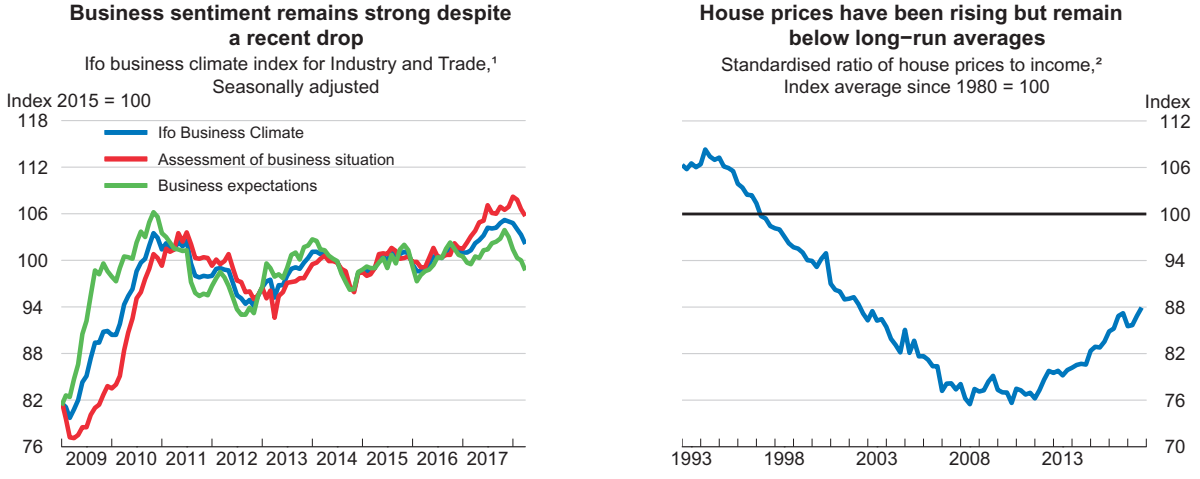
Economic growth is projected to remain solid, backed by robust world trade, investment and a booming labour market. Consumption growth has slowed somewhat, as higher inflation has curbed real wage growth. Low interest rates, high capacity utilisation and growing housing demand are supporting strong residential and business investment. The current account surplus is projected to fall somewhat on the back of strong domestic demand that fuels imports.

Fiscal policy is mildly expansionary, but strong cyclical revenue growth will keep the budget balance in surplus. Reductions in social security contributions and higher subsidies for families are expected, although their timing remains uncertain. Fiscal space is available to increase spending on education, broadband and low-emission transport infrastructure, all of which would strengthen productivity in the long run. Tax reductions for low-wage and second earners along with higher environmental and real estate taxes would promote greener and more inclusive growth.

Economic growth has been strong

With its specialisation in capital goods, Germany has benefitted from the broad-based global upswing. In the context of high capacity utilisation and easy credit, this has promoted strong machinery and equipment investment. However, in the first quarter, strikes and an outbreak of influenza lowered manufacturing production temporarily. Government spending also slowed before the new government took office in March. Business sentiment remains high notwithstanding a recent decline related to concerns about rising protectionism. Immigration, rising household incomes and low interest rates have boosted housing demand and construction. However, the construction sector has now reached capacity constraints, limiting faster growth going forward. House prices have

Germany



1. Manufacturing, construction, wholesaling and retailing.
2. The nominal house price is divided by the nominal disposable income per head. It is standardised by being divided by the long-term average as a reference value over post-1980.

Source: Ifo Business Survey, May 2018; and OECD Housing Prices database.

StatLink http://dx.doi.org/10.1787/888933730009

Germany: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	2 937.0	1.5	1.9	2.5	2.1	2.1
Private consumption	1 595.5	1.6	1.9	2.1	1.0	1.6
Government consumption	563.9	2.9	3.7	1.6	1.3	2.0
Gross fixed capital formation	588.4	1.0	2.9	3.9	3.5	3.9
Final domestic demand	2 747.9	1.7	2.5	2.4	1.6	2.2
Stockbuilding[1]	- 15.3	-0.3	-0.1	0.0	0.2	0.0
Total domestic demand	2 732.6	1.5	2.4	2.4	1.8	2.2
Exports of goods and services	1 344.2	4.7	2.4	5.3	4.5	4.5
Imports of goods and services	1 139.9	5.2	3.8	5.6	4.3	5.1
Net exports[1]	204.4	0.1	-0.3	0.3	0.4	0.1
Memorandum items						
GDP without working day adjustments	2932.5	1.7	1.9	2.2	2.1	2.1
GDP deflator	_	2.0	1.3	1.5	1.6	2.1
Harmonised index of consumer prices	_	0.1	0.4	1.7	1.7	2.0
Harmonised index of core inflation[2]	_	1.1	1.1	1.3	1.3	2.0
Unemployment rate (% of labour force)	_	4.6	4.2	3.8	3.4	3.3
Household saving ratio, net (% of disposable income)	_	9.6	9.7	9.9	9.9	10.0
General government financial balance (% of GDP)	_	0.8	1.0	1.3	1.5	1.5
General government gross debt (% of GDP)	_	79.2	76.5	71.7	68.4	65.6
General government debt, Maastricht definition (% of GDP)	_	71.1	68.4	64.0	60.7	57.9
Current account balance (% of GDP)	_	9.0	8.5	8.1	8.3	7.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

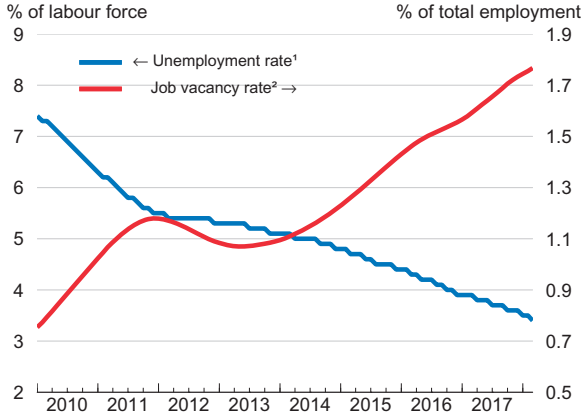
Source: OECD Economic Outlook 103 database.

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Germany

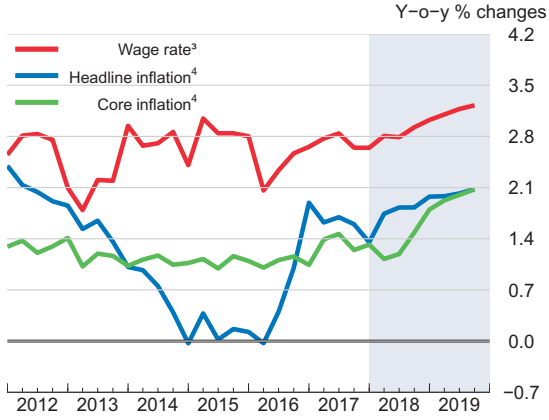
The labour market is tight

Seasonally and working-day adjusted



Wage and price inflation are projected to rise

Seasonally adjusted



1. Population aged 15-74 years. Based on the German labour force survey.
2. Percentage of unfilled job vacancies relative to total employment.
3. Average nominal wage per employee.
4. Harmonised consumer price index (HICP). Core HICP excludes energy, food, alcohol and tobacco. Projection from 2018Q2 for HICP and core HICP.

Source: OECD Economic Outlook 103 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933730028

risen markedly, especially in urban areas, where the supply of buildable land is scarce. Access to affordable housing is increasingly difficult for lower and middle-income households. But prices are still below long-run averages and mortgage lending has been in line with income growth, suggesting that financial risks remain limited.

Vigorous employment gains have pushed the unemployment rate to a record low, while the number of vacant jobs has continued to rise, in particular in long-term care and construction. The booming labour market underpins consumption and helps improve job quality and equality, as the number of full-time permanent contracts is growing strongly and broad-based wage growth benefits particularly lower-income earners. Employment growth has been strongest for low-pay jobs with the lowest skill demands in recent years, mostly in health care as well as personal and administrative services, moderating aggregate wage growth. Strong immigration, mostly from other EU countries, has also kept wages from rising more vigorously. Recent collective bargaining outcomes suggest a modest increase in wage growth. Unions and employers have negotiated non-wage benefits, such as a better work-life balance through more possibilities to reduce their working time temporarily.

Fiscal policy is addressing some key structural priorities

The fiscal stance is projected to be expansionary in 2018 and 2019. The new government has announced plans to reduce unemployment insurance contributions by 0.3 percentage point and to shift about 0.5 percentage point of health insurance contributions from employees to employers. Child tax allowances and benefits will also rise. The government also plans substantial tax rebates and grants for families with children who want to buy a home. All of these measures will boost household demand. Government spending to better integrate refugees, improve childcare provision, upgrade schools' digital equipment and spur the rollout of high-speed broadband is expected to rise. Most of these measures were announced in the government's coalition agreement. Overall tax reductions and spending increases are projected to amount to 0.5% of GDP between 2017 and 2019. Nonetheless, strong cyclical tax revenue growth is likely to increase the government surplus to 1½ per cent of GDP by 2019.

The fiscal stance is appropriate, as most of the envisaged fiscal measures promote long-term growth and inclusiveness, and there is little sign of overheating. However, the subsidies for owner-occupied housing could push up house prices further, given capacity constraints and overall relatively inelastic housing supply. Higher house prices risk further reducing access to affordable housing for lower-income households. Using more of the fiscal space for education and infrastructure investment would be preferable. Providing opportunities to enrol more young children from disadvantaged socio-economic backgrounds in high-quality childcare and increasing places in full-day primary schooling should be spending priorities. These steps would also make it easier to reconcile family life and full-time employment, especially for women. The new government has committed to introducing a legal guarantee of full-day primary schooling by 2025 and to develop a national life-long learning strategy with the social partners.

Growth is projected to remain robust

Economic growth is projected to slow slightly on account of decelerating external demand and capacity constraints, which together with a tight labour market will raise consumer price inflation. The current account surplus is expected to edge down, as the

past euro appreciation and moderating world demand should slow export growth from an exceptionally fast pace. At the same time, strong domestic demand should continue to contribute to dynamic import growth. Rising protectionism in trade and investment could disrupt world trade and global value chains, which are key for the success of German exports. This would weigh on economic growth and employment. On the other hand, 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 strengthen confidence and boost the attractiveness of Germany as a location to invest.

GREECE

GDP growth is projected to rise to 2.3% in 2019. Exports will be the main driver of growth, benefitting from rising external demand and improved competitiveness. Investment and private consumption will recover as confidence rebuilds, following improved fiscal crediblity. Continuing high excess capacity will limit price and wage pressures.

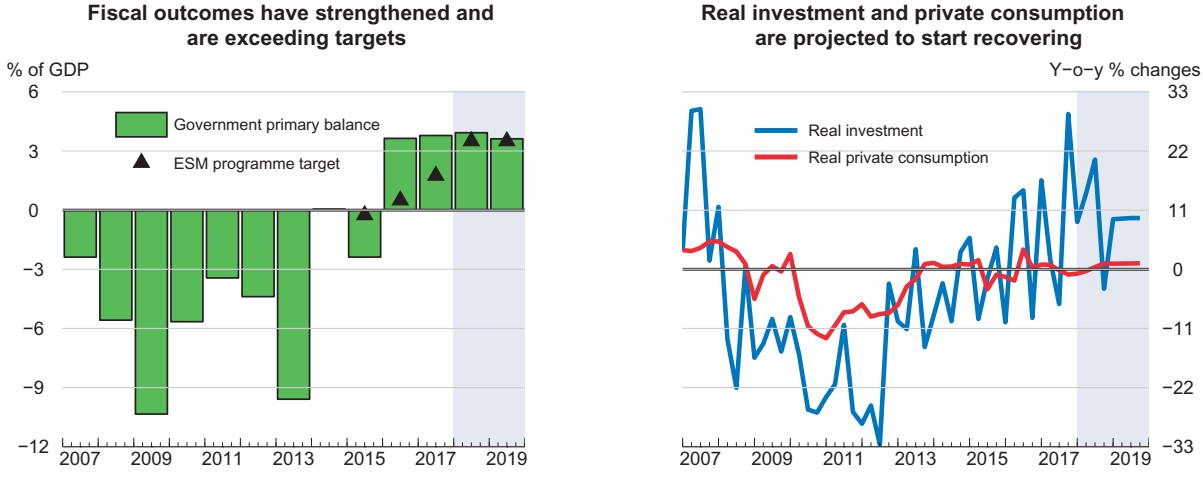
In 2018, the budget surplus will out-perform the medium-term target, through restrained expenditure and improved tax collection, but then decline towards the target in 2019. Still, public debt remains high. Reducing it will require sustained pro-growth reforms, high primary surpluses and additional debt restructuring. Full reform implementation and keeping the momentum are key to strengthening inclusive growth. Ongoing reforms to better administer and target social protection will relieve high poverty, especially among children.

The recovery is gaining traction

Economic growth is the strongest since the onset of the economic crisis. Confidence has been improving, supported by the successful completion of the European Stability Mechanism (ESM) programme reviews. Exports are driving the recovery. Investment rose considerably in late 2017, but its growth remains volatile and low. Employment has kept growing, but private consumption growth continues to be subdued, partly because many new jobs are part-time or temporary and paid at the minimum wage rate. Excess capacity is still exceptionally large, dampening consumer price pressures.

Tight access to finance continues to constrain business investment. Loan demand for fixed investment remains depressed. The stock of non-performing loans is diminishing rapidly though it remains high. The roll-out of e-auctions is key to meeting banks' reduction targets for such loans. In May 2018 the ECB updated its stress tests of Greece's systemic banks. It found that banks' capital bases would cover the capital lost (EUR 15.5

Greece



Source: OECD Economic Outlook 103 database; and European Commission, Compliance Report ESM Stability Support Programme for Greece, Third review.

StatLink http://dx.doi.org/10.1787/888933730047

Greece: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	178.4	-0.3	-0.3	1.3	2.0	2.3
Private consumption	125.4	-0.5	0.1	0.1	0.1	1.1
Government consumption	36.3	1.1	-1.4	-1.2	0.7	1.3
Gross fixed capital formation	20.5	-0.3	1.5	9.7	9.1	9.4
Final domestic demand	182.2	-0.2	0.1	0.9	1.3	2.2
Stockbuilding[1,2]	0.4	-1.0	0.5	0.5	0.0	0.0
Total domestic demand	182.6	-1.1	0.4	1.6	1.4	2.3
Exports of goods and services	57.7	2.9	-1.9	6.9	5.9	4.7
Imports of goods and services	61.9	0.4	1.2	7.5	4.1	4.5
Net exports[1]	- 4.2	0.8	-1.0	-0.3	0.6	0.1
Memorandum items						
GDP deflator	_	-1.0	-0.9	0.5	0.5	0.7
Harmonised index of consumer prices	_	-1.1	0.0	1.1	0.6	1.1
Harmonised index of core inflation[3]	_	-0.4	0.6	0.3	0.3	1.1
Unemployment rate (% of labour force)	_	24.9	23.5	21.5	20.4	19.4
Household saving ratio, net (% of disposable income)	_	-15.6	-17.1	-17.1	-16.4	-16.9
General government financial balance[4] (% of GDP)	_	-5.7	0.6	0.8	0.5	0.4
General government gross debt (% of GDP)	_	185.8	190.4	185.1	182.0	177.9
General government debt, Maastricht definition (% of GDP)	_	177.1	181.1	179.2	176.1	171.9
Current account balance[5] (% of GDP)	_	-0.2	-1.1	-0.8	-0.1	-0.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statiscal discrepancy.
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
4. National Accounts basis. Data also include Eurosystem profits on Greek government bonds remitted back to Greece. For 2015-2019, data include the estimated government support to financial institutions and privatisation proceeds.
5. On settlement basis.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731054

billions) in a hypothetical negative scenario. As in other EU economies, recapitalisation decisions would consider a range of other supervisory information and be decided on a case-by-case basis.

Maintaining the reform momentum is key for a sustained and inclusive recovery

Public finances are outperforming ESM Stability Support programme targets, helping to restore fiscal credibility, as tax collections and spending controls improve. In 2017, the primary budget surplus reached 3.7% of GDP, or 4.2% of GDP according to the ESM programme definition. Under current policies, it is projected to be well above the target of 3.5% of GDP in 2018, before declining to just above the target in 2019 in the context of fiscal easing. Broadening the tax base and further encouraging electronic payments would reduce informality and further improve tax collection. In March 2018, Greece completed the ESM programme's third review, allowing funds to be disbursed for debt repayment and rebuilding cash reserves.

Supporting domestic and foreign investment will require sustaining recent reforms to improve product markets, professional services and competitiveness. The government's

National Growth Strategy provides a post-programme reform framework that will be key to maintaining the reform momentum. It outlines actions to improve the business environment, public sector effectiveness, and the inclusiveness and sustainability of growth.

Family benefit reforms, a planned housing allowance, and expanded school meals are important new measures to lower high poverty rates, and complement the Social Solidarity Income. Social protection administration remains complex, and needs to be simplified to improve equity and cost effectiveness. The extension of compulsory early childhood education and care to four-year-olds would raise long-term learning outcomes, and caregivers' ability to seek work.

Improving confidence will support the recovery

GDP growth is projected to strengthen in 2018 and 2019 as the recovery broadens to private consumption and investment, supported in 2019 by a reduced structural budget surplus. Softer regional demand will moderate export growth in 2019. Recovering employment and continued low inflation will support private consumption. Among the risks to the outlook, slower progress than expected in addressing non-performing loans would lower confidence and investment. A shock to public debt service costs, after the ESM Stability Support Programme concludes in August 2018, could weaken public finances and confidence, and thus growth. Slower trading partner growth would weaken exports and could lower confidence. Additional public debt restructuring would reduce vulnerabilities, improve access to finance and boost activity. Stronger progress on the reform programme would raise productivity, investment and exports faster than projected.

HUNGARY

Economic growth is projected to remain strong but to slow somewhat in 2019 as capacity constraints bite. Real wage gains and employment increases will support private consumption, while investment will be stimulated by private firms and the disbursement of EU structural funds. Exports will benefit from robust external demand and new capacity expansion, although gains in market share will slow. Wage increases resulting from tighter labour market conditions will raise inflation, which is projected to exceed the central bank's 3% target in early 2019.

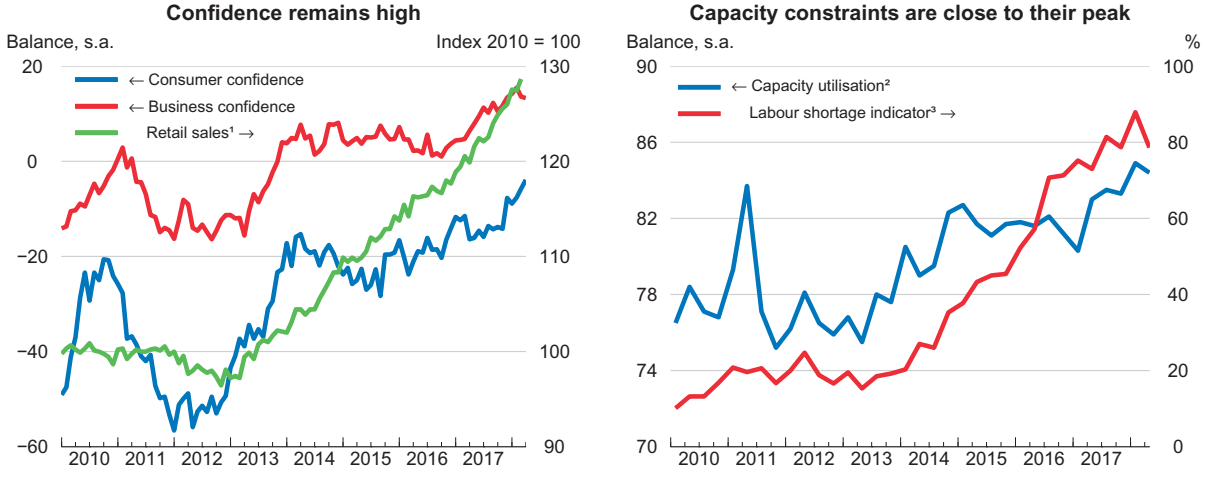
Fiscal and monetary policies are expansionary. In 2018, there have been tax reductions alongside widespread spending increases. Statutory minimum wages have also been raised sharply, with further increases scheduled. Prudent policies are needed to prevent overheating. Furthermore, with strong economic growth, a faster reduction of the budget deficit would allow the government to finance higher future age-related spending.

Domestic demand is the main economic driver

Robust domestic demand is driving growth. Private consumption is being supported by large increases in minimum wages, fast rising employment and buoyant consumer confidence, which has reached its highest level since 2002. Investment growth is continuing on the back of EU structural funds, a pick-up in residential construction and the need to expand capacity. Such expansions and strong external demand are boosting exports.

Unemployment has fallen sharply as employment has continued to increase. The tightening of the labour market and continued large minimum wage increases led to annualised wage growth of 13% in early 2018. Headline inflation has risen slightly, to 2.3%, but this reflects price increases for food, tobacco and alcohol, rather than underlying wage pressures.

Hungary



1. In volume.
2. Data refer to the manufacturing sector.
3. Percentage of firms in the industrial sector pointing to labour shortage as a factor limiting production.

Source: OECD Main Economic Indicators database; Thomson Reuters; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933730066

Hungary: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices HUF billion	Percentage changes, volume (2005 prices)				
GDP at market prices	32 591.7	3.4	2.2	4.0	4.4	3.6
Private consumption	16 406.2	3.6	4.3	4.7	5.9	4.9
Government consumption	6 504.5	1.1	0.8	0.3	2.5	0.9
Gross fixed capital formation	7 223.4	1.9	-10.6	16.8	13.5	10.7
Final domestic demand	30 134.2	2.7	-0.1	6.3	6.9	5.5
Stockbuilding[1]	376.6	-1.3	1.5	-0.3	-1.8	0.0
Total domestic demand	30 510.8	1.3	1.6	5.9	4.9	5.5
Exports of goods and services	28 568.1	8.5	3.4	7.1	6.3	5.9
Imports of goods and services	26 487.1	6.4	2.9	9.7	7.2	8.2
Net exports[1]	2 081.0	2.2	0.7	-1.4	-0.3	-1.5
Memorandum items						
GDP deflator	_	1.9	1.0	3.7	3.1	3.8
Consumer price index	_	-0.1	0.4	2.3	2.6	3.4
Core inflation index[2]	_	2.0	1.5	1.8	2.0	3.3
Unemployment rate (% of labour force)	_	6.8	5.1	4.2	3.6	3.4
Household saving ratio, net (% of disposable income)	_	6.3	7.1	7.7	7.2	6.1
General government financial balance (% of GDP)	_	-1.9	-1.7	-2.0	-2.6	-2.1
General government gross debt (% of GDP)	_	97.6	97.5	91.8	90.4	88.0
General government debt, Maastricht definition (% of GDP)	_	76.7	76.0	73.6	72.2	69.8
Current account balance (% of GDP)	_	3.5	6.0	2.9	2.5	0.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731073

A tighter policy stance is needed

The overall macroeconomic policy stance and higher statutory minimum wages are adding considerable stimulus, despite clear signs of labour-market overheating. The central bank is maintaining its policy rates close to zero and expanding liquidity to lower longer-term rates. It has signalled its intention to maintain the current monetary stance for some time. Fiscal policy is also expansionary, with cuts in business taxes and VAT on selected items, combined with growth-supporting measures, including spending on education, social services and law enforcement, and subsidies for house purchases. Despite rapid economic growth, only a marginal decline in the general government deficit is projected in 2019 compared with 2017. Both macroeconomic policy levers should become more restrictive, but this is unlikely to happen until 2019 at the earliest. To sustain low inflation expectations interest rates will need to be increased.

The strong upswing represents a window of opportunity to reduce the large number of participants in public works schemes, which, if combined with effective training measures, could make additional resources available for the primary labour market. In addition, deregulation and a variety of competitiveness-enhancing measures would contribute to an improved business environment and could bolster productivity growth, facilitating Hungary's integration into global supply chains.

Labour shortages may hold back further expansion

Economic activity is projected to accelerate in 2018 before moderating in 2019 as labour supply tightens. Demand will increasingly be met through imports. Nonetheless, the positive output gap will widen, and inflation will rise, absent a tightening of macroeconomic policies. Private consumption will drive growth, as real incomes surge and household savings fall. Business investment will stay strong in response to increasing capacity pressures, and housing construction will continue to expand. Exports will be supported by strong external demand and new industrial capacity, but rising costs will slow gains in export market shares. Downside risks are centred on a faster-than-expected pick-up in wages, further eroding cost competitiveness and unhinging inflation expectations. On the other hand, faster-than-expected productivity gains from capital spending would bolster the economy's capability to absorb rapid wage gains. Hungary also remains vulnerable to any shock to demand for vehicles in its main export market, Germany.

ICELAND

After expanding strongly in recent years, the economy is projected to gradually approach its potential growth rate. Household consumption will remain robust on the back of strong wages and continuing immigration. Business investment is set to start rising after its recent slump, while residential investment will decelerate. The growth of manufacturing exports will slow as competitiveness declines, while tourism demand will remain strong.

Inflation is picking up. The central bank is projected to raise interest rates to contain price increases. Although a budget surplus is planned for 2018, fiscal policy should be more prudent than projected since the economy still runs way above its potential. Public spending in particular should grow less. A more vigorous competition policy would improve the business climate and spur productivity.

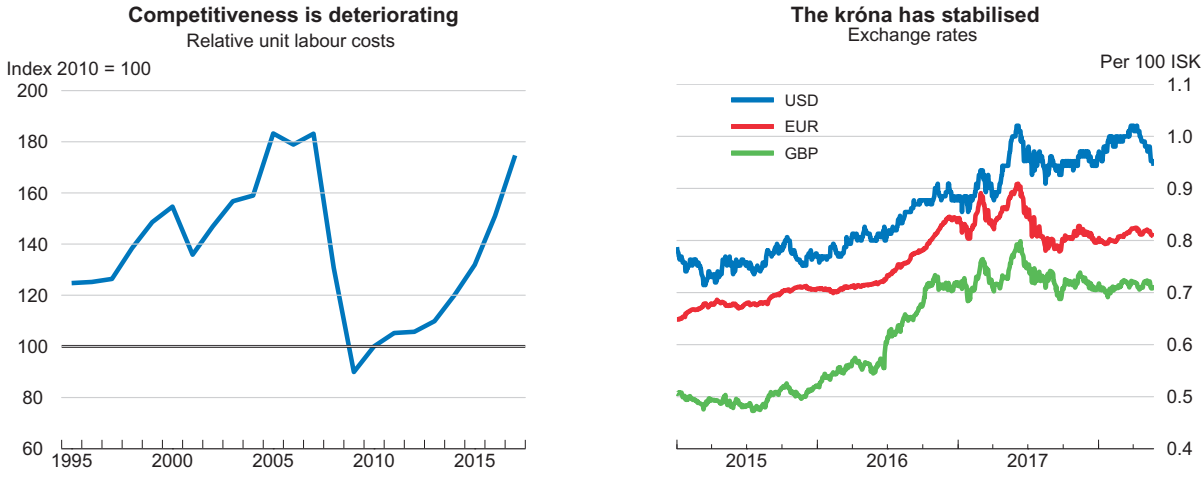
Growth is slowing gradually

Growth continues to slow, although the economy still operates at capacity limits. House price inflation has eased markedly. Tourism is turning to a more sustainable path, while exports of manufactured goods declined, partly as a result of deteriorating competitiveness. Business investment is slowing as a result of lower external demand. Capital inflows have eased and become less volatile. Household consumption remains robust on the back of strong wage increases and continued immigration. The current account remains positive.

Monetary and fiscal policy should be tight

Inflation is below the central bank's target but edged up at the beginning of 2018, mainly as a result of house price increases outside the capital region. The inflation-dampening effect of the krona's past appreciation is tapering off. The policy interest rate is projected to be raised gradually to around 5% until 2019, in particular to contain domestic demand and inflation. The result of wage settlements is still unclear, adding uncertainty to the inflation outlook.

Iceland



Source: OECD Economic Outlook 103 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933730085

Iceland: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices ISK billion	Percentage changes, volume (2005 prices)				
GDP at market prices	2 020.5	4.3	7.5	3.6	2.8	2.6
Private consumption	1 061.0	4.7	7.1	7.8	4.9	3.7
Government consumption	484.9	1.0	2.3	2.6	2.4	2.2
Gross fixed capital formation	347.2	18.7	22.5	9.3	1.1	3.4
Final domestic demand	1 893.1	6.3	9.0	6.8	3.4	3.3
Stockbuilding[1]	2.0	-1.0	-0.6	-0.6	-0.3	0.0
Total domestic demand	1 895.1	5.3	8.3	6.3	3.1	3.3
Exports of goods and services	1 068.3	9.2	10.9	4.8	4.8	2.7
Imports of goods and services	942.9	13.8	14.5	11.9	5.5	4.0
Net exports[1]	125.4	-1.6	-0.8	-2.7	-0.1	-0.4
Memorandum items						
GDP deflator	_	6.0	2.1	0.5	4.6	1.9
Consumer price index	_	1.6	1.7	1.8	3.7	3.1
Core inflation index[2]	_	2.1	2.2	2.2	2.8	3.0
Unemployment rate (% of labour force)	_	4.0	3.0	2.8	2.8	2.8
General government financial balance (% of GDP)	_	-0.8	12.6	1.5	1.4	1.3
General government gross debt[3]	_	72.5	66.4	64.5	62.6	61.0
Current account balance (% of GDP)	_	5.3	7.7	3.7	4.3	3.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
3. Includes unfunded liabilities of government employee pension plans.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731092

Fiscal policy is too expansionary. The projection foresees considerable spending increases, in particular for transport and social infrastructure, and cuts in taxes, as planned by the government. Although the budget remains in surplus and fosters inclusive growth, fiscal policy should be overall tighter as the economy still runs close to capacity limits. Less expansionary fiscal policy could also help reduce inflationary pressure.

Labour productivity is low compared to other Nordic countries, but living standards are kept high by high labour force participation. The small size of the economy limits the scope for economies of scale and for effective competition among firms. Still, competition is often weak due to artificial barriers to entry. As a consequence, a vigorous competition policy would improve the business climate and spur productivity growth.

Growth is projected to slow

Growth is projected to slow to 2.8% in 2018 and 2.6% in 2019, which is closer to its potential rate, owing to weaker business investment and lower exports. Investment in public infrastructure will partially offset the decline in business investment and help increase economic capacity in the longer term. Tourism will continue to slow to more sustainable growth. Large wage increases following collective agreements could undermine competitiveness. Given its small size, the economy remains subject to high volatility.

INDIA

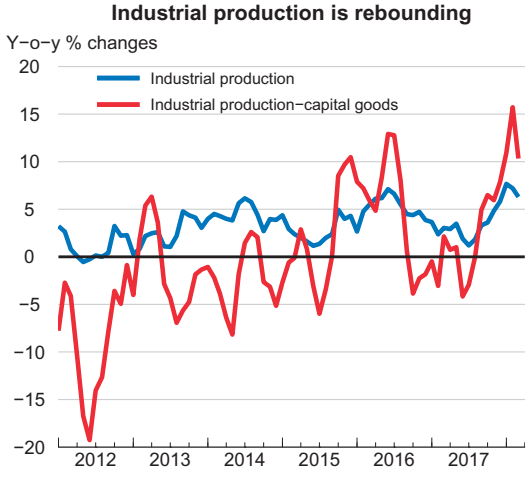
Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new goods and services tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees. The current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

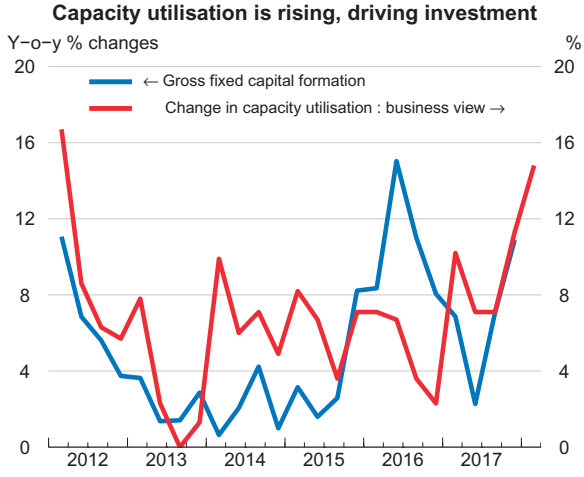
Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernisation of labour laws, would help create better jobs and make growth more inclusive.

The economy is rebounding after the transitory negative impacts of demonetisation and GST

Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilisation rising, corporate earnings recovering and the recapitalisation of public banks, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetisation. However, a recovery is underway as suggested by the recent rebound in two-wheelers sales and other vehicles. The number of employees eligible for social security benefits has been boosted by an amnesty scheme for companies, but still stands below 10% of total employees. Employment data are partial but suggest that overall job creation has been lacklustre.

India





Source: Central Statistics Office; and Reserve Bank of India.

StatLink http://dx.doi.org/10.1787/888933730104

India: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	124.7	8.2	7.1	6.5	7.4	7.5
Private consumption	72.5	7.4	7.3	6.4	6.8	7.4
Government consumption	13.0	6.8	12.2	8.0	7.0	8.1
Gross fixed capital formation	37.5	5.2	10.1	7.8	8.5	8.8
Final domestic demand	123.0	6.7	8.6	7.0	7.3	7.9
Stockbuilding[1]	5.4	-0.1	-0.3	0.1	0.1	0.0
Total domestic demand	128.4	7.9	6.9	7.8	7.5	7.5
Exports of goods and services	28.6	-5.6	5.0	4.5	5.4	6.5
Imports of goods and services	32.4	-5.9	4.0	10.8	6.2	6.4
Net exports[1]	- 3.7	0.2	0.1	-1.4	-0.3	-0.1
Memorandum items						
GDP deflator	_	2.1	3.5	3.9	4.5	4.3
Consumer price index	_	4.9	4.5	3.6	4.7	4.4
Wholesale price index[2]	_	-3.6	1.7	2.9	4.4	3.6
General government financial balance[3] (% of GDP)	_	-6.3	-6.3	-6.5	-6.3	-6.0
Current account balance (% of GDP)	_	-1.1	-0.7	-1.8	-2.5	-2.7

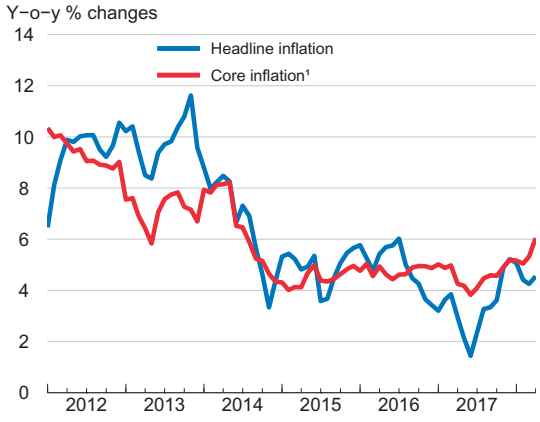
Note: Data refer to fiscal years starting in April.
1. Contributions to changes in real GDP, actual amount in the first column.
2. WPI, all commodities index.
3. Gross fiscal balance for central and state governments.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731111

The drag on growth from exports is vanishing as foreign demand is rising and procedures to comply with the new GST have been adjusted to ease liquidity constraints faced by exporters. Pressures on the current account deficit are stemming from the rapid increase in imports, accompanying the recovery in import-intensive investment, and oil

India

Core inflation is picking up



The credit cycle is reviving

Non−food credit outstanding



1. Excludes food, beverage and fuel prices.
Source: Central Statistics Office; and Reserve Bank of India.

StatLink http://dx.doi.org/10.1787/888933730123

prices. Core inflation is slightly above target, but relatively stable despite large price shocks associated with demonetisation and the GST implementation.

Structural reforms are key to make economic growth stronger and more inclusive

The central government pursues a medium-term fiscal consolidation strategy, though the deficit target for FY 2018/19 at 3.3% of GDP has been slightly loosened to support the ongoing recovery. At the state level, the aggregated deficit has failed to adjust down, burdened by the increase in employees' compensation and in debt-service from ailing state electricity boards. The overall fiscal stance is appropriate as India's public debt is sustainable over the medium run. However, the quality of public finance could be improved and support better inclusive growth if more resources were devoted to health, education and transport. Financing better quality public services would require broadening the base for property and personal income taxes to raise more tax revenue, securing more fiscal discipline at the state level and better risk management in public enterprises.

Strengthened credibility and effectiveness of monetary policy has kept inflation moderate. There is, however, little scope for monetary policy to ease as expectations have failed to adjust fully to the new low inflation environment and risks are on the upside, including from commodity prices and the proposed adjustment in agricultural prices.

The government launched a national health protection scheme in 2018 to provide insurance coverage to 100 million poor and vulnerable families, i.e. about 500 million beneficiaries, for secondary and tertiary care. It also envisages the creation of wellness and primary care centres to provide affordable and equitable health care through the country. The initiative is commendable but should be accompanied by efforts to train more doctors and nurses and by communication campaigns on lifestyle diseases, including those related to smoking and excess consumption of fat and sugar.

Bringing the banking system back to health is vital to support the recovery in investment. Recapitalisation of public banks is supporting loan revival. Recent measures to speed up the recognition of stressed assets will help improve the resolution of non-performing loans which are large by international standards. Still, the effectiveness of bankruptcy laws and newly created debt recovery tribunals should be assessed. Reforms to improve bank governance are also needed to avoid a new build-up of non-performing loans. Better protecting the interest of minority stakeholders would put pressure on banks to take more prudent and independent decisions. Better risk management and auditing in public banks would contribute to the quality of banks' portfolio. Public banks should also be given the ability to attract and retain talents, including through more freedom in setting employee compensation.

The new competitive and co-operative approach to federalism is supporting reforms to improve the business climate and modernise labour laws. Benchmarking is emulating competition. Better assessing outcomes, in particular in terms of job creation, would be key to identify best practices and spur the modernisation of laws. Recent initiatives to improve the quality and timeliness of labour data should continue.

Growth is projected to accelerate

Growth will be supported by an acceleration in private investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. Exports will strengthen thanks to competitiveness gains resulting from the

implementation of the GST. Higher agricultural prices will raise rural incomes and consumption but put pressures on the fiscal deficit. Delays in cleaning banks' balance sheets would risk weighing on investment, as would a faster-than-projected increase in interest rates in OECD countries. An increase in commodity prices would create pressures on inflation, the current account and the fiscal deficit while depressing private consumption. On the other hand, the modernisation of labour laws at the central government or state levels would promote job creation and make growth more inclusive.

INDONESIA

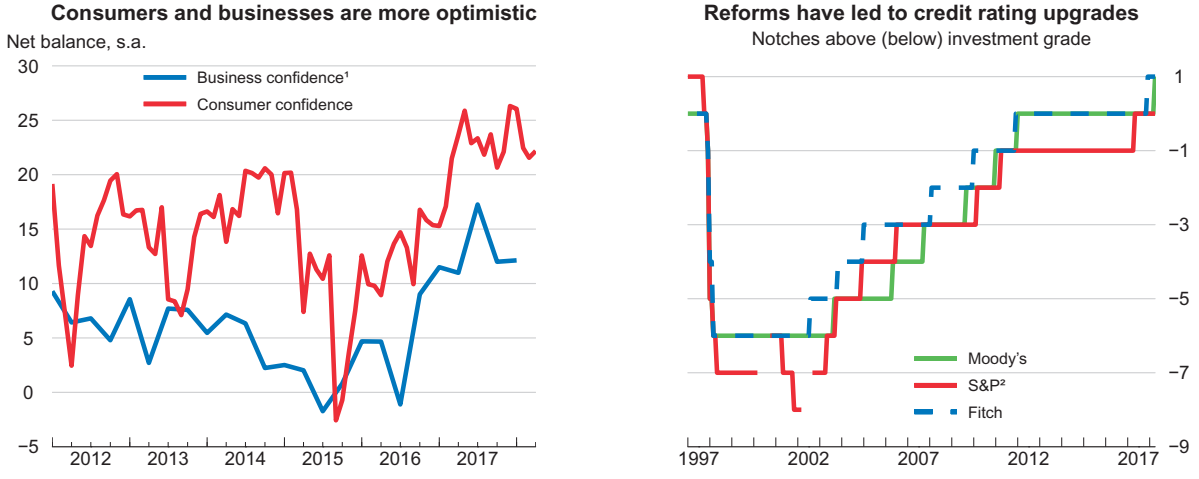
Economic growth remains robust and is projected to edge higher in 2018 and 2019. Stronger consumer confidence and real income growth will lift private consumption. Infrastructure investment will remain high. Improvements in licensing and transport connectivity will support private investment and export performance. Inflation has been subdued, but the effects of higher commodity prices and currency depreciation will generate some upward pressure.

Bank Indonesia raised interest rates in May to contain exchange rate pressure. Some further tightening is assumed over the projection horizon as US interest rates rise. A steeper path may be needed if capital outflows persist. The budget deficit is projected to narrow slightly, which is prudent given rising uncertainty. Continued reforms to the tax administration and strengthened compliance will provide the means for higher infrastructure and social spending that promote inclusive growth. Reducing structural and administrative bottlenecks and fighting corruption remain crucial to strengthen growth.

The expansion is continuing

GDP growth remains robust, supported by easier borrowing conditions, greater confidence, stronger external demand and higher commodity prices. Investment has been particularly buoyant, driven by infrastructure and rebounding machinery and equipment spending. Capital goods imports have been strong, and manufacturing firms are more optimistic than in recent years. However, the cost of servicing unhedged foreign-currency debt has risen. Reforms to ease administrative burdens have improved the business environment, and credit rating agencies have upgraded sovereign debt ratings. But other new regulations will impose costs on firms. Growth in household spending has been stable at fairly high levels. Consumer confidence is high, and retail sales and household credit

Indonesia



1. Manufacturing sector.
2. In 2000 and 2002 S&P set Indonesia's credit rating as 'selective default'.

Source: CEIC; OECD Main Economic Indicators database; Trading Economics; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933730142

Indonesia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices IDR trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	10 569.7	4.9	5.0	5.1	5.3	5.4
Private consumption	6 039.4	4.8	5.0	5.0	5.1	5.4
Government consumption	996.2	5.3	-0.1	2.1	4.4	3.6
Gross fixed capital formation	3 436.9	5.0	4.5	6.2	6.9	6.0
Final domestic demand	10 472.6	4.9	4.4	5.1	5.6	5.5
Stockbuilding[1]	176.2	-0.9	0.5	-0.4	-0.2	0.0
Total domestic demand	10 648.8	4.0	5.0	4.8	5.4	5.4
Exports of goods and services	2 501.4	-2.1	-1.6	9.1	8.4	5.9
Imports of goods and services	2 580.5	-6.2	-2.4	8.1	9.1	6.4
Net exports[1]	- 79.1	0.9	0.2	0.3	0.0	0.0
Memorandum items						
GDP deflator	_	4.0	2.5	4.2	3.2	3.9
Consumer price index	_	6.4	3.5	3.8	3.6	3.7
Private consumption deflator	_	4.6	3.1	3.5	3.1	3.3
General government financial balance (% of GDP)	_	-2.8	-2.4	-2.5	-2.3	-2.2
Current account balance (% of GDP)	_	-2.0	-1.8	-1.7	-1.8	-1.7

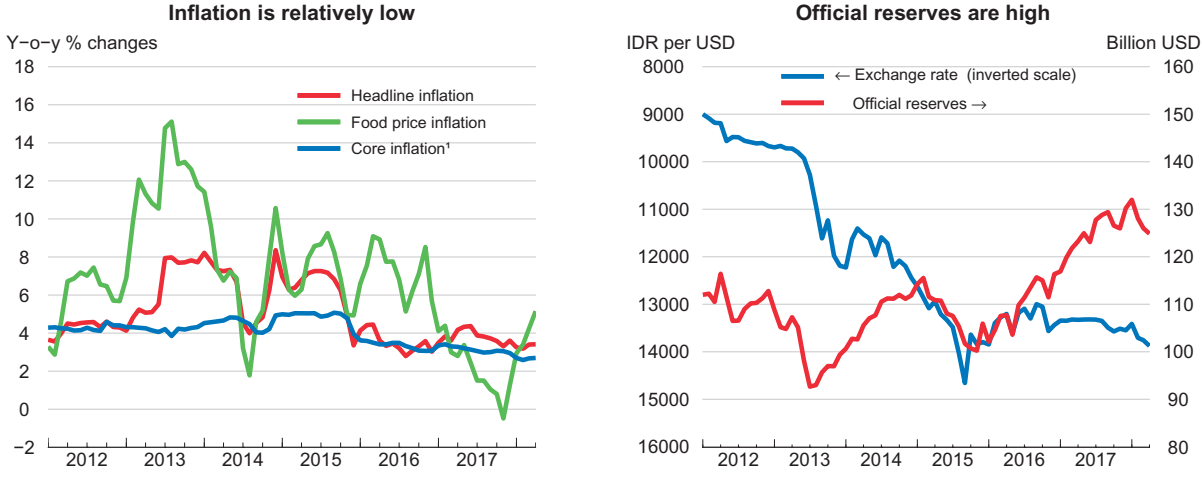
1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731130

growth may have troughed. Stronger external demand and past commodity price rises have boosted exports.

Inflation is around the mid-point of the new target range of 3.5% +/- 1%, which is ½ percentage point lower than in 2017. Core inflation is subdued, reflecting a relatively soft retail trading environment. Food price inflation is picking up, partly driven by some

Indonesia



1. Excludes administered and volatile food prices.
Source: OECD Main Economic Indicators database; CEIC; Thomson Reuters; and Bank Indonesia.

StatLink http://dx.doi.org/10.1787/888933730161

temporary shortages. However, prices of some products, such as rice, are capped. The government has announced plans to contain inflation by freezing administered energy prices for 2018-19. The current account deficit has widened, partly due to higher oil imports, but is relatively moderate. In the early months of 2018, prospects of higher US interest rates led to capital outflows and rupiah depreciation.

Macroeconomic policies are balancing growth and resilience

The fiscal deficit is projected to narrow in 2018 and 2019, as the central government prudently focuses on creating more distance from the legislated 3%-of-GDP ceiling. Social spending is becoming more effective overall. However, energy subsidies are increasing anew. Steps to contain non-subsidised energy prices are increasing financial pressure on state-owned enterprises (SOEs). Public infrastructure investment, including by SOEs, will raise current and potential growth. The sustainability of this strategy depends on good governance at, and monitoring of, SOEs. Strengthening compliance, building on the 2016-17 tax amnesty, and investing in the tax administration are crucial for raising revenues meaningfully and sustainably.

Monetary policy is also contributing to macroeconomic stability. After easing during 2016 and 2017 Bank Indonesia raised its key policy rates by 25 basis points in May to support the rupiah and has used foreign exchange swaps to add liquidity to the local money market. Official reserves are high relative to history but are below their February 2018 peak due to interventions to limit currency depreciation. Credit growth has been relatively low despite declining lending rates, though non-bank financing has flourished. Banks' reserve requirements will be adjusted again in July and October 2018 to give banks greater flexibility to manage their liquidity, which is expected to lower funding costs.

The central bank is therefore projected to raise interest rates, although by less than US rates, to help maintain the current exchange rate, which the projections assume unchanged. This would let the bank conserve its reserves for intervening to limit volatility during bouts of heightened uncertainty. Further measures to deepen financial markets and increase liquidity would improve resilience.

Prudent macroeconomic policies and structural reforms have been recognised in credit rating upgrades and higher rankings in measures of competitiveness and the business environment. Further regulatory simplification and enhanced regulatory certainty would help Indonesia attract foreign investment and capitalise on those upgrades. Recent regulatory changes to facilitate the hiring of foreign workers should ease skills shortages and foster knowledge transfer. Tackling informality and improving education outcomes would raise incomes and medium-term growth and broaden the tax base. In education, there is a need to raise enrolment and quality, including through regular teacher assessment and professional development.

Growth is projected to rise modestly

Tailwinds from relatively low lending rates, recent commodity price increases and greater optimism are expected to support the economic expansion. Inflation is projected to stay within Bank Indonesia's target range, with inflationary pressures rising but remaining contained. Consumption is projected to accelerate thanks to income gains and low inflation. Investment growth will remain high, supported by the need to finish infrastructure projects ahead of major events, such as the Asian Games and elections (at the subnational level in 2018 and presidential and national levels in 2019). A key downside

risk to the projections is that continued capital outflows or significant current account deterioration could require tighter monetary policy than assumed, which would slow growth. The elections create upside and downside risks: additional spending may boost consumption, but higher uncertainty would weigh on private demand. Improved logistics and improvements in competitiveness of non-commodity exports will maintain robust export growth even as trading partner growth slows somewhat. Further increases in commodity prices would raise nominal export growth and government revenues more than projected.

IRELAND

Economic activity in Ireland is projected to remain robust, but to ease gradually. Abstracting from volatile activities of multinational enterprises (MNEs), domestic demand will remain robust with solid employment growth and consumption. As the labour market tightens, wage pressures will be strong, feeding into higher inflation. Business investment will slow after its strong rebound, while the construction sector will retain its momentum.

The stance of fiscal policy will be mildly contractionary in both 2018 and 2019. The government should remain committed to improving the fiscal position, thus making room to use fiscal policy against potential negative shocks, notably that of Brexit. The implementation of a new development plan aiming at economic, environmental and social progress should be conditional on this commitment to improve the fiscal position, requiring projects to be carefully prioritised.

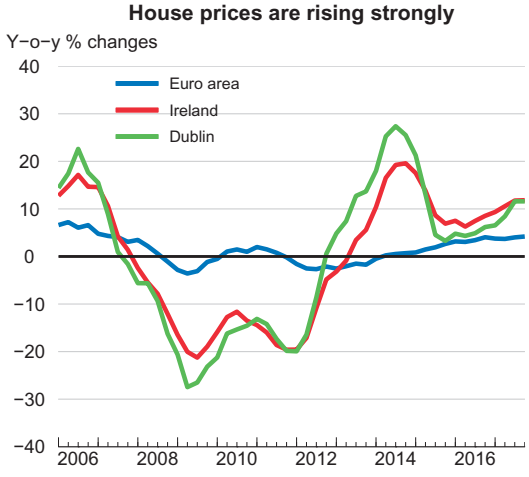
Strong expansion continues

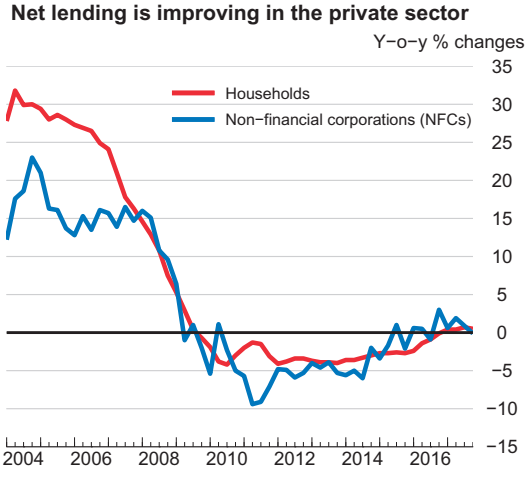
Underlying domestic demand grew by 3.9% in 2017 and remains solid, underpinned by employment growth, supporting private spending. With the unemployment rate having declined rapidly, wage pressures have risen. In contrast, inflation remains low, largely thanks to the appreciation of the euro against the pound sterling. An improvement in business conditions is widely spread across sectors, but activities are visibly stronger in some sectors, notably, construction.

Some signs of over-heating are emerging

The property market is buoyant, as house prices and construction investment are rising strongly. Notwithstanding high bank lending rates, new mortgage loans and SME loans (largely driven by construction-related ones) are increasing sharply, albeit from a very low base. Macro-prudential policy tools currently in place, such as the loan-to-value and loan-to-income caps, have reduced the share of risky loans, and should be extended if necessary.

Ireland





Source: Eurostat; Central Statistics Office; and Central Bank of Ireland.

StatLink http://dx.doi.org/10.1787/888933730180

Ireland: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2015 prices)				
GDP at market prices	194.2	25.5	5.1	7.8	4.0	2.9
Private consumption	83.4	4.2	3.2	2.0	2.2	2.1
Government consumption	31.4	2.1	5.1	1.9	1.9	1.9
Gross fixed capital formation	40.3	27.9	60.0	-21.8	5.9	5.5
Final domestic demand	155.1	10.0	21.1	-7.8	3.5	3.3
Stockbuilding[1]	5.1	-0.3	0.4	-0.3	0.0	0.0
Total domestic demand	160.2	9.0	19.4	-9.8	3.5	3.1
Exports of goods and services[2]	219.4	38.4	4.7	6.8	5.3	4.4
Imports of goods and services	185.4	26.0	16.4	-6.2	7.1	5.0
Net exports[1]	34.0	18.6	-9.2	14.5	0.0	0.6
Memorandum items						
GVA[3], excluding sectors dominated by foreign-owned multinational enterprises	_	7.3	5.1	5.1	4.5	3.4
GDP deflator	_	7.3	0.0	-0.3	0.2	2.8
Harmonised index of consumer prices	_	0.0	-0.2	0.3	1.2	2.1
Harmonised index of core inflation[4]	_	1.6	0.7	0.2	0.9	2.1
Unemployment rate (% of labour force)	_	9.9	8.4	6.7	5.8	5.3
Household saving ratio, net (% of disposable income)	_	2.3	2.1	4.0	3.9	3.7
General government financial balance[5] (% of GDP)	_	-1.9	-0.5	-0.3	-0.3	-0.2
General government gross debt (% of GDP)	_	89.8	84.5	82.2	80.4	77.8
General government debt, Maastricht definition (% of GDP)	_	77.1	72.9	68.1	66.3	63.7
Current account balance (% of GDP)	_	10.9	3.3	12.5	11.6	12.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. So called "contract manufacturing" (exports of goods produced abroad under contract from an Irish-based entity) by multinational enterprises is assumed to remain at the 2017 level in 2018 and 2019.
3. Gross value added. Data for 2016-2019 are OECD 's estimates.
4. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
5. Includes the one-off impact of recapitalisations in the banking sector.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731149

Fiscal policy is projected to be mildly contractionary in 2018 and 2019. Given uncertainties to the outlook, the government should remain committed to improving the fiscal position, thus leaving room to use fiscal policy to support growth if needed, in particular, against a potentially strong negative impact of Brexit at the end of the transition period in 2021. The authorities are planning to increase public investment further with the National Development Plan, amounting to EUR 116 billion over the next 10 years. The Plan should be implemented conditional on pursuing the target of further reducing public debt, ensuring that only those projects that are cost-effective are implemented. This will benefit fiscal sustainability, while avoiding over-heating the economy.

Despite strong growth, employment ratios remain low by historical standards. The government should assess up-skilling and re-skilling programmes provided by SOLAS, a government agency, and expand those that are effective and wind down those that are not. This will help the long-term unemployed return to work, while alleviating cost pressures in the labour market.

The economy will face capacity constraints and uncertainties

The economy will grow robustly, though gradually at a more moderate pace. Firms are projected to expand at a slower pace due to high labour costs and high external uncertainty, including the final outcome of the Brexit negotiations. With the effects of the pound sterling depreciation dissipating and wage pressures feeding through, inflation is projected to rise strongly. Risks to the outlook are elevated, the most immediate one being Brexit. Property prices may increase more strongly, which would boost further construction activity in the near term but may induce another property bubble associated with a strong surge in credit growth. Persistently high private indebtedness also poses a downside risk, as it leaves the economy sensitive to rising interest rates.

ISRAEL*

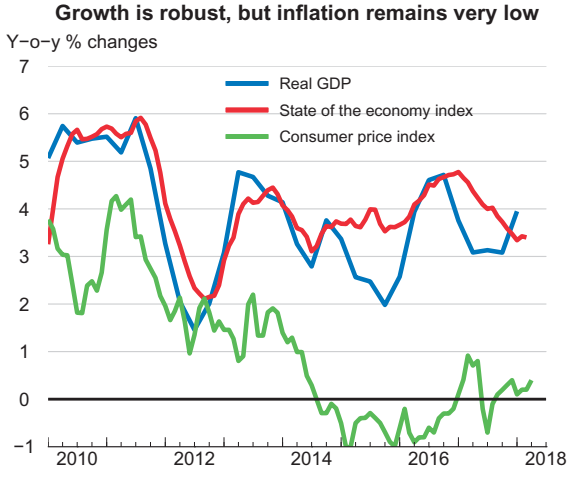
Growth is projected to strengthen to over 3½ per cent in 2018 and 2019. Support from fiscal easing, very low interest rates and a stronger external environment will boost demand and employment. In a tight labour market, rising wage pressures are projected to lead to a steady increase in inflation.

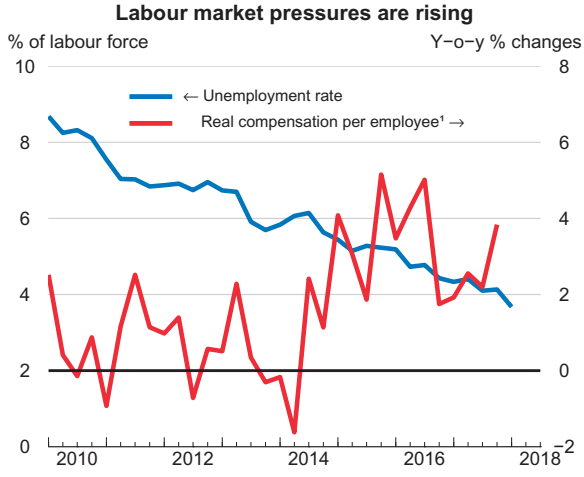
The monetary authorities must stand ready to gradually raise interest rates once inflation is sustainably back in the 1-3% targeted range. Higher social spending and expenditure on education and health care are welcome to foster more inclusive growth. The financing of these expenses with sufficient revenues would preserve budgetary room for manoeuvre and lower the risk of overheating. Reducing the existing large social disparities will be beneficial for growth, but will also requires intensifying structural reforms that improve the skills and productivity of disadvantaged groups.

Activity remains vigorous

GDP growth accelerated to around 4¼ per cent year-on-year in the last quarter of 2017 and first quarter of 2018. Despite a decline in residential investment, activity remained solid at the beginning of 2018, with strong public consumption and good export performance, particularly of services. Although partly offset by imports, household spending and business investment were exceptionally vigorous due to a sharp rise in car sales in advance of a programmed change in vehicle taxation in January 2019. The unemployment rate fell to 3.6%, and the vacancy rate is rising in most sectors, fuelling wage pressures. Prices edged up 0.4% year-on-year in April 2018, but inflation remains low

Israel





1. Deflated by the private consumption deflator.
Source: Bank of Israel; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730199

* 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**

	2014	2015	2016	2017	2018	2019
	Current prices NIS billion	Percentage changes, volume (2015 prices)				
GDP at market prices	1 103.5	2.6	4.0	3.3	3.7	3.6
Private consumption	614.3	4.1	6.1	3.3	5.1	3.0
Government consumption	250.6	3.1	3.9	3.2	5.1	2.4
Gross fixed capital formation	219.3	-0.8	11.9	2.7	8.2	8.8
Final domestic demand	1 084.2	2.9	6.7	3.1	5.8	4.1
Stockbuilding[1]	3.7	0.6	-0.6	0.5	-0.4	0.1
Total domestic demand	1 087.9	3.5	6.0	3.6	5.4	4.2
Exports of goods and services	355.5	-2.4	2.5	3.6	6.1	4.7
Imports of goods and services	339.9	0.0	9.4	4.8	12.3	6.8
Net exports[1]	15.6	-0.8	-1.9	-0.3	-1.6	-0.7
Memorandum items						
GDP deflator	_	2.7	1.0	0.2	0.2	1.9
Consumer price index	_	-0.6	-0.5	0.2	0.9	1.6
Core inflation index[2]	_	0.4	0.0	0.0	0.9	1.5
Unemployment rate (% of labour force)	_	5.3	4.8	4.2	3.6	3.6
General government financial balance[3] (% of GDP)	_	-2.1	-2.1	-2.1	-2.8	-2.8
General government gross debt (% of GDP)	_	64.1	62.3	60.8	61.4	61.1
Current account balance (% of GDP)	_	4.9	3.5	3.0	0.9	0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
3. Excluding Bank of Israel profits and the implicit costs of CPI-indexed government bonds.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731168

due to reductions in public-sector tariffs and various measures stimulating import competition, including cuts in customs duties.

Prudent fiscal policy must be maintained while promoting more inclusive growth

The Bank of Israel has kept its policy rate at 0.1% since March 2015. The shekel stopped appreciating in early 2018 and has stabilised in nominal effective terms around its average 2017 level. Despite these still accommodative monetary conditions, demand for housing has declined due in part to higher taxation of residential investment. This has resulted in a stabilisation in property prices in early 2018, as against an increase by 5.4% a year before, a trend which is likely to continue if monetary stimulus is withdrawn, as projected.

With a budget deficit target set at 2.9% of GDP in 2018 and 2019, up from an outcome of 2.1% of GDP in 2017, fiscal policy will support activity. This fiscal loosening, which results from increased spending in the social, education and health spheres, could be even more pronounced if new tax cuts mooted by the authorities are introduced. Yet, Israel must preserve ample fiscal margins, given heightened regional geopolitical tensions, and avoid pro-cyclical injections of extra spending power, which weaken its public accounts, while the economy is at full employment. In such an environment, reforms that improve the training of disadvantaged groups, especially in the Israeli-Arab and Ultra-Orthodox communities, the functioning of product markets and public transport infrastructure should be favoured to strengthen both supply conditions and social cohesion.

Growth should strengthen

With a favourable external context and expansionary macroeconomic policies, growth is projected to accelerate to over 3½ per cent in 2018 and 2019. Low unemployment will continue to spur wages and household consumption. In addition, capital spending will be underpinned by planned investments in the high-tech sector and the development of new offshore gas fields in 2019. Due to higher wage increases, inflation is expected to reach 1¾ per cent by the end of 2019. A deterioration of the already tense geopolitical situation or the external environment would, however, weaken these projections. Conversely, the economy could be stronger, and even overheat, if demand, supported by a better-than-expected global environment, is more robust and the central bank is slow to withdraw stimulus or the government follows through with tax cuts.

ITALY

Growth is projected to edge down to 1.4% in 2018 and 1.1% in 2019. Exports and business investment are increasingly driving the recovery. Private consumption growth will moderate due to waning job growth and weaker household purchasing power due to rising inflation. Consumer price inflation is edging up as excess capacity narrows and will accelerate in 2019. The current account surplus is projected to remain high.

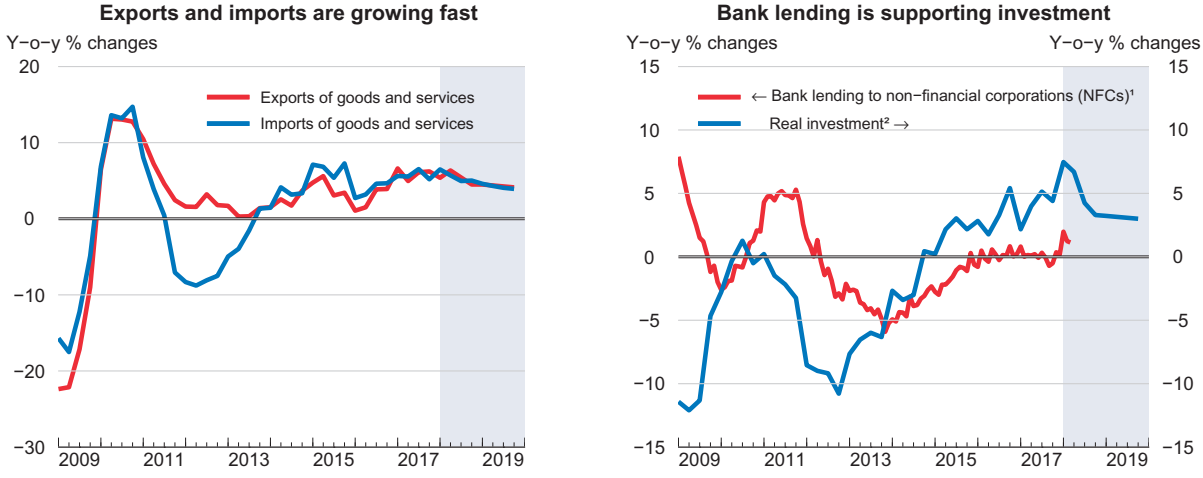
The stock of non-performing loans in the banking system has declined markedly from its peak thanks to policies put in place. In 2018, the fiscal stance is projected to be slightly expansionary. Reflecting perceived increased policy uncertainty, government bond yields have risen recently. Possible policy changes by the incoming government are not incorporated in the projection. Priorities should be given to shifting the spending mix towards infrastructure and enhancing targeted anti-poverty programmes to tackle large social and regional divides while boosting growth.

Stronger investment and exports are sustaining growth

Business investment is expanding solidly, supported by tax incentives, linked to the Industry 4.0 plan, and the revival of bank lending to firms. Banks' credit standards have eased and demand for loans to finance fixed investment is rising. According to surveys, a growing share of firms plan to further increase their investment in 2018. Residential investment is edging up and demand for mortgages by households has been expanding for some time. House prices may have finally stopped falling and construction is picking up. However, public investment continues to stagnate, hampered by problems related to the implementation of the new public procurement code and spending restraints.

Global growth is buttressing exports. Increasing specialisation in sectors less exposed to competition from low-cost producers and quality upgrading are resulting in higher market shares, despite rising relative unit labour costs. The unemployment rate is declining gradually but job growth has lost some vigour. Also, the quality of job creation

Italy



1. Adjusted for effect of securitisation.
2. Real gross fixed capital formation.

Source: OECD Economic Outlook 103 database; and Bank of Italy.

StatLink http://dx.doi.org/10.1787/888933730218

Italy: **Demand, output and prices**

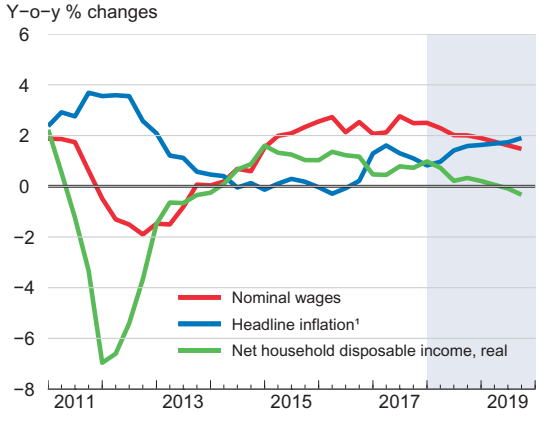
	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 622.6	0.8	1.0	1.6	1.4	1.1
Private consumption	985.9	1.9	1.4	1.4	0.9	0.6
Government consumption	313.3	-0.6	0.6	0.1	0.5	0.2
Gross fixed capital formation	271.8	1.9	3.3	3.9	5.4	3.1
Final domestic demand	1 571.0	1.4	1.6	1.6	1.6	1.0
Stockbuilding[1]	5.3	0.0	-0.3	-0.2	-0.3	0.0
Total domestic demand	1 576.2	1.4	1.3	1.3	1.3	1.0
Exports of goods and services	475.0	4.2	2.6	6.0	5.4	4.3
Imports of goods and services	428.6	6.6	3.8	5.7	5.5	4.2
Net exports[1]	46.4	-0.5	-0.3	0.3	0.1	0.1
Memorandum items						
GDP deflator	_	0.9	0.8	0.6	1.3	1.6
Harmonised index of consumer prices	_	0.1	-0.1	1.3	1.2	1.7
Harmonised index of core inflation[2]	_	0.7	0.5	0.8	0.9	1.7
Unemployment rate (% of labour force)	_	11.9	11.7	11.2	11.0	10.8
Household saving ratio, net (% of disposable income)	_	3.2	3.1	2.4	1.7	1.1
General government financial balance (% of GDP)	_	-2.6	-2.5	-2.3	-1.8	-0.9
General government gross debt (% of GDP)	_	159.1	157.5	154.6	153.0	150.5
General government debt, Maastricht definition (% of GDP)	_	131.6	132.0	131.7	130.0	127.6
Current account balance (% of GDP)	_	1.5	2.6	2.8	2.2	2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

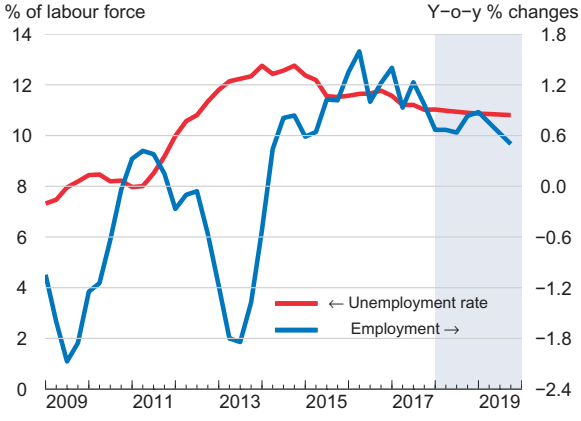
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Italy

Rising price inflation and moderate wage growth curb household purchasing power gains



Unemployment is gradually declining but employment growth has slowed



1. Harmonised consumer price index (HICP).
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730237

has worsened as temporary contracts account for most of the new jobs. Public-sector wages will increase in 2018 for the first time in 10 years, but ample slack in the labour market is curbing private-sector wage growth, which, along with rising inflation, is curtailing real household disposable income growth. Leading economic indicators suggest that the economy may be losing momentum.

Tackling regional and social divides requires policy actions

Progress on structural and social policy reforms and continuing prudent fiscal policies are key to boosting growth and tackling social and regional divides. The employment rate has reached 58%, close to its historical high, but it is still one of the lowest among OECD countries. In southern regions, the employment rate is more than 20 percentage points lower than in northern ones and poverty is substantially higher. Joblessness and poverty are particularly high among women and young people. Shifting the spending mix towards infrastructure to better connect southern regions with the north and the rest of Europe, and enhancing targeted anti-poverty programmes would contribute to reduce such divides while boosting growth. The recent steps to encourage decentralised wage bargaining hold the promise of better aligning wages to productivity and encouraging hiring in low-productivity and high-unemployment regions. A permanent cut in social security contributions would further boost job creation. Reforming the personal income tax system should aim at fighting tax evasion simplifying tax expenditures and lowering tax rates for low-income earners, without diminishing tax revenues.

The strategy of stabilising the banking sector through a mix of recapitalisation and resolution is paying off. The stock of non-performing loans in banks' balance sheets has declined by about 20% from its peak, following large sales in the secondary market. Banks' governance reforms along with the ongoing economic expansion are improving loan quality. The ratio of new non-performing loans to outstanding loans has fallen to below pre-crisis levels.

The cost of the government intervention in the banking sector has been limited and led to a revision of the 2017 headline budget deficit from 1.9% to 2.3% of GDP. Public debt as a share of GDP remains high but has finally started to decline, despite the assumption of some contingent liabilities related to the intervention in the banking sector.

In 2018, the fiscal stance will be weakly expansionary and the budget deficit will fall to 1.8% of GDP. Based on legislated measures, in 2019 the hike in indirect taxes – for about 0.7% of GDP – will turn the fiscal stance contractionary and the budget deficit will diminish to 0.9% of GDP. These projections are based on legislated measures and do not take into account the policies envisaged by the incoming government.

Growth is projected to edge down

Economic growth is projected to decelerate as investment growth will abate, though remain robust, while subdued employment and wage growth will mitigate private consumption growth. Exports growth is projected to decline due to slackening external demand, while slowing investment and private consumption will lessen import growth. Policy uncertainty could have an impact on the economic expansion. Investment could prove more resilient than projected if firms expand capacity further and residential investment rebounds. If international tensions in the Mediterranean region were to diminish, social strains due to the large influx of refugees would ease, boosting confidence and exports towards trade partners in the region. The expansionary fiscal stance in Germany could support exports more than expected.

JAPAN

Economic growth is projected to reach 1¼ per cent in 2018 and 2019, supported by exports, business investment and private consumption. In addition to buoyant international trade, firms facing labour shortages will increase business investment and employment. Wages are projected to edge up, although the gains to households will be partially offset by higher inflation, which is expected to rise to 1½ per cent in 2019. The current account surplus is projected to remain close to 4% of GDP through 2019.

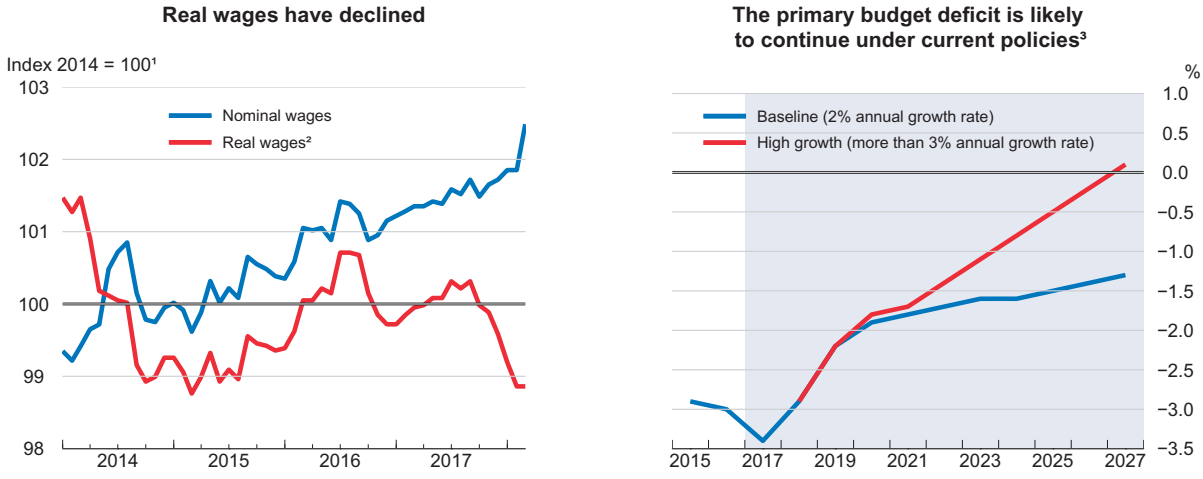
Government debt relative to GDP is the highest ever recorded in the OECD area, which poses serious risks. Achieving fiscal sustainability requires a detailed consolidation programme that includes measures to control spending in the face of rapid ageing, and gradual hikes in the consumption tax rate, beginning with the planned increase in 2019. The Bank of Japan is expected to maintain its expansionary monetary policy until the 2% inflation target is achieved, which is appropriate. Continued structural reforms to boost productivity and sustain employment are also a priority to achieve fiscal sustainability and improve well-being.

Growth has picked up and intensified labour shortages

The rebound in international trade since mid-2016 has boosted exports and business investment. The upturn has also been driven by a surge in the number of international visitors, which nearly tripled from 10 million in 2013 to 29 million in 2017, and by preparations to host the 2019 Rugby World Cup and the 2020 Olympic and Paralympic Games. A series of supplementary budgets have also supported growth.

With the working-age population (15-64) declining at an annual rate of 1.1% since 2013, labour shortages are becoming more severe. The unemployment rate has fallen

Japan



1. Seasonally-adjusted data (three-month moving average) based on establishments with 30 or more workers.
2. Deflated by the consumer price index, excluding rent.
3. Government projections in January 2018. It assumes that the hike in the consumption tax rate from 8% to 10% is implemented as planned in 2019. The primary balance is central and local governments, as a percentage of GDP on a fiscal year basis.

Source: Ministry of Health, Labour and Welfare; and Cabinet Office.

StatLink http://dx.doi.org/10.1787/888933730256

Japan: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices YEN trillion	Percentage changes, volume (2011 prices)				
GDP at market prices	513.9	1.4	1.0	1.7	1.2	1.2
Private consumption	300.1	0.0	0.1	1.0	0.7	0.9
Government consumption	103.6	1.5	1.3	0.2	0.5	0.7
Gross fixed capital formation	123.1	1.7	1.1	2.5	1.2	0.6
Final domestic demand	526.8	0.7	0.6	1.2	0.8	0.8
Stockbuilding[1]	- 0.2	0.3	-0.2	-0.1	0.1	0.0
Total domestic demand	526.5	1.0	0.4	1.1	0.9	0.8
Exports of goods and services	90.1	2.9	1.7	6.7	5.0	4.5
Imports of goods and services	102.8	0.8	-1.6	3.4	3.3	2.3
Net exports[1]	- 12.7	0.4	0.6	0.6	0.3	0.4
Memorandum items						
GDP deflator	_	2.1	0.3	-0.2	0.1	1.0
Consumer price index[2]	_	0.8	-0.1	0.5	1.2	1.5
Core consumer price index[3]	_	1.0	0.4	-0.1	0.4	1.5
Unemployment rate (% of labour force)	_	3.4	3.1	2.8	2.5	2.5
Household saving ratio, net (% of disposable income)	_	0.8	2.6	2.6	2.7	2.3
General government financial balance (% of GDP)	_	-3.6	-3.4	-3.5	-3.0	-2.5
General government gross debt (% of GDP)	_	216.6	222.4	224.1	225.5	225.2
Current account balance (% of GDP)	_	3.1	3.8	4.0	3.7	4.1

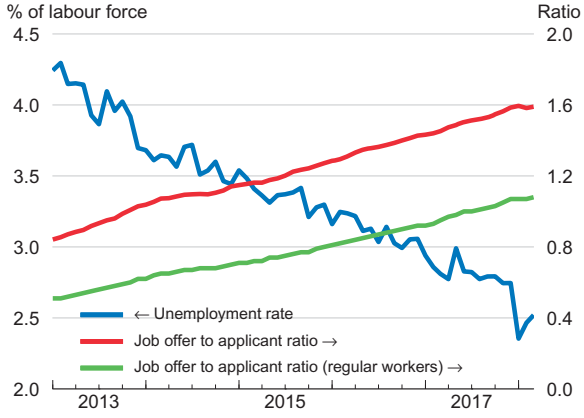
1. Contributions to changes in real GDP, actual amount in the first column.
2. Calculated as the sum of the seasonally adjusted quarterly indices for each year.
3. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

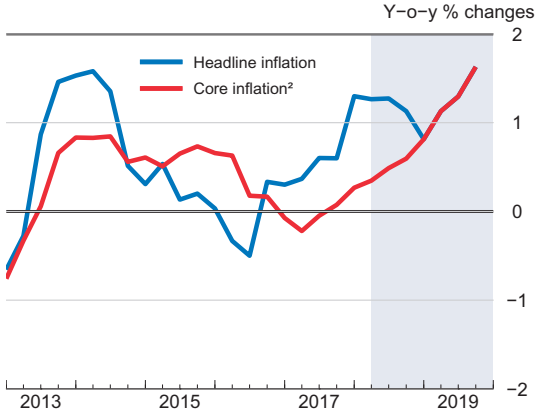
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Japan

Labour market conditions have tightened



Consumer price inflation remains below the 2% target[1]



1. Excluding the effects of the April 2014 consumption tax hike, which added 2 percentage points to inflation in FY 2014 according to a government estimate. It also excludes the scheduled October 2019 consumption tax hike, which would add 1.1 percentage points to inflation in the fourth quarter of 2019, according to an OECD estimate.
2. OECD measure, which excludes food and energy.

Source: OECD Economic Outlook 103 database; and Ministry of Health, Labour and Welfare.

StatLink http://dx.doi.org/10.1787/888933730275

to about 2½ per cent, while the ratio of job openings to applicants has risen to its highest level since 1974. A number of firms are cutting back services and operating hours to cope with labour shortages. Despite tight labour market conditions, wage growth remains sluggish and began falling in real terms in the second half of 2017 as headline inflation, led by rising food and energy prices, picked up. Nevertheless, private consumption has rebounded, reaching its highest level since 2013. The contraction in output in the first quarter of 2018 was a temporary correction, followed by a resumption of growth.

Structural reforms and fiscal consolidation are priorities

Japan's shrinking and ageing population makes it important to further remove obstacles to the labour force participation of women, whose employment rate is still 16 percentage points below that of men in Japan. There are also wide gender gaps in job quality. In Japan's dual labour market, about two-thirds of the relatively low-paid non-regular employees are women, contributing to the gender wage gap, which is the third highest in the OECD. Raising the female employment rate requires improving work-life balance and encouraging a shift to flexible employment and wage systems based on ability rather than seniority. The New Economic Policy Package, launched at end-2017, will help by further expanding childcare capacity and introducing free childcare for children between the ages of 3 and 5. It also aims to double labour productivity growth to 2% by 2020 through a range of measures, including corporate governance reforms, financial support for investment in ICT by SMEs and tax incentives for wage and investment increases. In addition, the package will increase flexibility in regulation to facilitate the creation of innovative start-ups.

Japan's gross government debt has risen to 224% of GDP. With a primary deficit (central and local governments) of more than 3% of GDP in 2017, the official target of a primary surplus by FY 2020 is out of reach. The failure to reach the target reflects lower-than-expected output growth, the postponement of the second consumption tax hike (from 8% to 10%), originally planned for 2015, to 2019, and the decision to use half of the revenue from the hike for additional spending. The government will announce a new fiscal strategy around mid-2018 that includes a target date for a primary surplus. The new plan should go further by laying out a detailed and concrete consolidation plan to reduce the debt ratio and ensure confidence in Japan's fiscal sustainability. Measures to raise revenues should rely primarily on taxes that are less distortive, notably the consumption tax and environmentally-related taxes. The 2019 consumption tax hike should be followed by gradual further increases to bring it towards the OECD average of 19%. On the spending side, the key is to contain social spending, which is driven by population ageing. The new fiscal plan should also include local governments.

The impact of high government debt has been mitigated by low interest rates resulting from large-scale government bond purchases by the Bank of Japan, which now owns 43% of the outstanding stock of government bonds. The central bank is keeping the yield on 10-year government bonds close to zero. The Bank of Japan's "inflation-overshooting commitment" promises to continue expanding the monetary base until CPI inflation (excluding fresh food) exceeds the 2% target and stays above it in a stable manner. The projection assumes that the supportive monetary stance continues until the inflation target has been sustainably achieved, which is important to ensure a definitive removal of deflationary risks.

The expansion is projected to continue

Growth is projected to remain above 1% per year through 2019. Sustained growth above Japan's estimated potential rate is projected to underpin a gradual rise in inflation to nearly 1½ per cent (excluding the impact of the consumption tax hike). The New Economic Policy Package could lead to even faster growth, although its full benefits may take longer to be realised. Growth will also depend on wage developments. This year's wage agreements might not provide the real wage gains needed to sustain strong private consumption growth. Trade protectionism is another risk, although the recently signed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) is a positive development. Japan’s unprecedentedly high level of public debt is a key risk. A loss of confidence in Japan's fiscal sustainability could destabilise the financial sector and the real economy, with large negative spillovers to the world economy.

KOREA

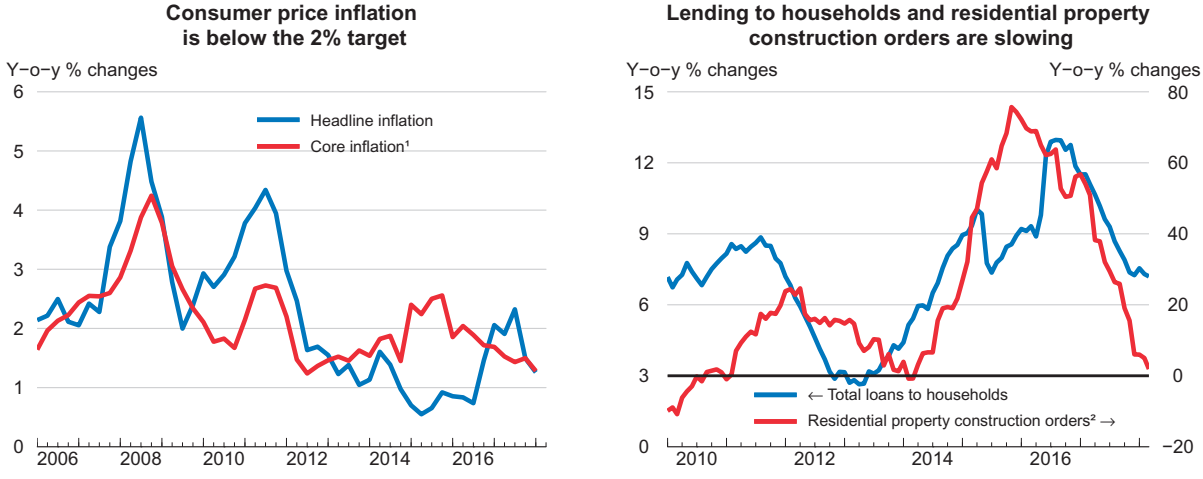
Economic growth is projected to remain around 3% through 2019, supported by stronger export growth and fiscal stimulus that offset the impact of tighter regulations on housing and mortgage lending, which will slow construction investment. Inflation is projected to rise toward the 2% target, while the current account surplus narrows to around 4% of GDP.

The government's "income-led growth" strategy, driven by increased public employment, a sharp rise in the minimum wage and higher social spending, needs to be supported by structural reforms to narrow large productivity gaps between manufacturing and services, and large and small firms. The fiscal stimulus planned for 2018 is appropriate to support growth, but should be accompanied by a long-term fiscal framework to cope with population ageing, which will be the most rapid among OECD countries. With inflation below target, monetary accommodation should be withdrawn gradually.

Domestic demand is underpinning growth

A rebound in business investment and the continued strength of residential investment increased output growth to 3.1% in 2017, in line with Korea's potential rate. Private consumption also strengthened as employment gains in 2017 offset a drop in real wage growth to 1.0%. Wages will pick up in 2018, given the 16.4% rise in the minimum wage. However, employment growth slowed markedly in the first quarter of 2018. In addition, the tightening of loan-to-value and debt-to-income regulations on mortgage lending has reduced the rise in residential property construction orders from a peak of 76% (year-on-year) to below 2%. Inflation, which surpassed 2% in mid-2017 as food and energy prices surged, slowed to 1.3% in early 2018.

Korea



1. Excludes food and energy. The central bank's target is for CPI inflation.
2. A 24-month moving average.

Source: OECD Economic Outlook 103 database; and Bank of Korea.

StatLink http://dx.doi.org/10.1787/888933730294

Korea: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices KRW trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 486.1	2.8	2.9	3.1	3.0	3.0
Private consumption	748.2	2.2	2.5	2.6	2.9	2.7
Government consumption	224.7	3.0	4.5	3.4	6.0	3.9
Gross fixed capital formation	433.3	5.1	5.6	8.6	4.0	2.3
Final domestic demand	1 406.2	3.2	3.8	4.7	3.8	2.7
Stockbuilding[1]	1.8	0.7	0.0	0.4	0.2	0.0
Total domestic demand	1 408.0	3.9	3.8	5.1	3.9	2.7
Exports of goods and services	747.1	-0.1	2.6	1.9	3.5	4.3
Imports of goods and services	669.1	2.1	4.7	7.0	5.5	3.7
Net exports[1]	78.1	-1.0	-0.7	-1.7	-0.6	0.4
Memorandum items						
GDP deflator	_	2.4	2.0	2.3	1.0	2.3
Consumer price index	_	0.7	1.0	1.9	1.6	2.0
Core inflation index[2]	_	2.4	1.9	1.5	1.5	2.0
Unemployment rate (% of labour force)	_	3.6	3.7	3.7	3.8	3.7
Household saving ratio, net (% of disposable income)	_	9.3	8.7	8.9	8.9	8.9
General government financial balance (% of GDP)	_	1.3	2.4	2.8	2.1	1.9
General government gross debt (% of GDP)	_	45.7	45.1	44.5	44.2	44.5
Current account balance (% of GDP)	_	7.7	7.0	5.1	4.0	4.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731225

Structural reforms and fiscal measures are needed for inclusive growth

Raising labour productivity, which is 46% below that in the top half of OECD countries, is increasingly important as the working-age population peaked in 2017 and the government cut the statutory limit on weekly working hours from 68 to 52. The priority is regulatory reform, focusing on services, where labour productivity is less than half of that in Korean manufacturing. Policies to promote entrepreneurship and raise productivity in SMEs are also needed to sustain growth and reduce income inequality. Improving programmes that support SMEs to encourage higher productivity and reforming the insolvency framework to reduce the personal costs for failed entrepreneurs are priorities.

Fiscal policy is playing a key role in Korea's income-led growth strategy. The government aims to boost public employment by 34% during its five-year mandate and shift the composition of spending away from public investment and R&D and towards social welfare. While public employment is low compared to other OECD countries, job creation in the public sector should respond to clearly defined needs and be weighed against its long-term cost. Although government spending is set to increase more than 7% in 2018, the highest since 2011, the budget surplus is projected to remain above 2% of GDP.

The Bank of Korea raised its policy interest rate from a record low 1¼ per cent to 1½ per cent in November 2017. With consumer price inflation running below 2%, monetary policy accommodation can be withdrawn gradually. Monetary policy needs to take into account

potential risks to financial stability, including those stemming from household debt, which rose to 180% of net household disposable income in 2016. The high debt is a headwind to private consumption. The government announced a comprehensive strategy in late-2017 that aims to slow the growth of household debt to less than 8.2% per year, notably by tightening regulations on lending to households.

Korea is projected to maintain stable growth

Growth is projected to remain close to Korea's 3% potential rate, while inflation converges toward the 2% target. The rapid growth of government spending, in part to expand public employment, will help support domestic demand and reduce the current account surplus. The easing of geo-political tension related to North Korea is a positive development, although trade protectionism remains a concern. Another risk to the projection is the planned 54% hike in the minimum wage during the President's five-year term. The higher minimum wage could lead to a faster increase in private consumption to the extent that it is enforced, but it could also slow employment growth and weaken Korea's competitiveness if not accompanied by productivity gains. The measures to slow mortgage lending could turn the slowdown in housing investment into an outright decline.

LATVIA

Following an exceptionally strong 2017, economic growth will moderate somewhat in 2018, to around 4%, as investment decelerates due to the slower pace of disbursements of EU funds. Emigration and low domestic labour mobility lead to skills shortages and mismatches, contributing to strong wage growth and rising inflationary pressures. Strong domestic demand will keep import growth high.

Fiscal policy will remain expansionary following tax reforms and welcome spending increase on health care. Reallocating spending toward higher minimum income support, better access to health care, more generous financial support for poor students, and policies to improve access to affordable housing in regions with strong employment growth would reduce poverty and boost productivity growth.

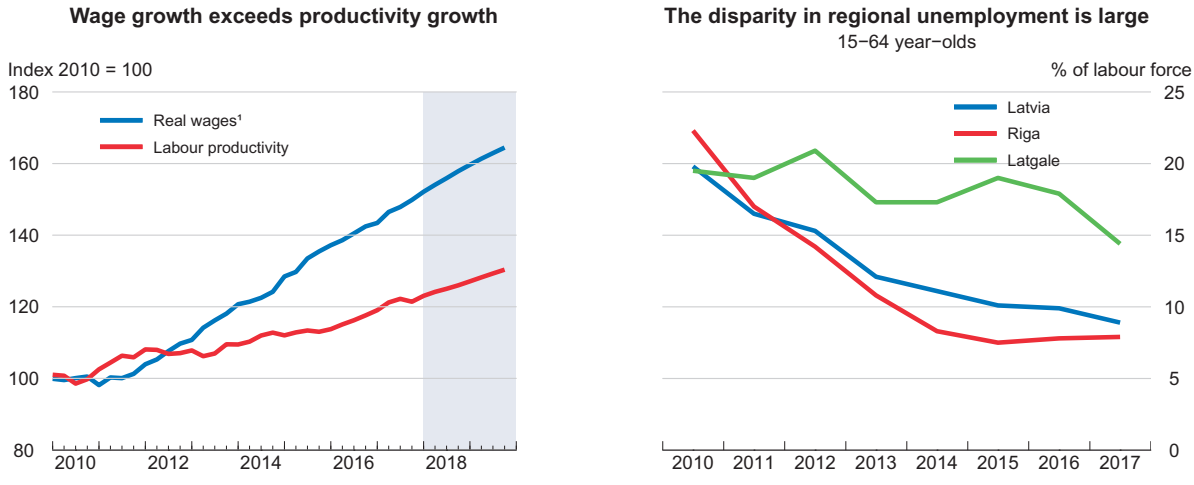
Strong economic growth is driven by investment and exports

Economic growth rose sharply in 2017, reflecting the disbursement of EU funds and a pick-up in business investment. The economic recovery of the euro area and Russia also boosted exports and investment. The current account balance turned into deficit on the back of strong domestic demand for imported capital goods. Unemployment has declined but remains very high in some regions due to low domestic labour mobility, contributing to high poverty. Inflationary pressure is building up as wage growth remains high, owing to emigration and skills shortages. The financial market remains sound in spite of the liquidation of a large bank and the on-going reduction of foreign deposits.

Reallocating spending to poverty relief, health care, education and housing would boost inclusive growth

Fiscal policy is expansionary. The increase in healthcare spending, improvement in pension adequacy and the gradual rise in non-taxable income are welcome steps to reduce large health and income inequalities. A 2017 law introduced a progressive personal income

Latvia



1. Real wages refer to average real labour compensation per employee (deflated by the harmonised consumer price index).
Source: OECD Economic Outlook 103 database; and Central Statistical Bureau of Latvia.

StatLink http://dx.doi.org/10.1787/888933730313

Latvia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	23.6	3.0	2.2	4.5	4.1	3.6
Private consumption	14.5	2.5	3.3	5.1	5.1	4.2
Government consumption	4.1	1.9	2.7	4.1	3.4	2.8
Gross fixed capital formation	5.3	-0.5	-15.0	16.0	10.6	7.5
Final domestic demand	23.9	1.7	-0.8	6.9	5.9	4.6
Stockbuilding[1]	0.0	0.7	3.2	0.5	-0.6	0.0
Total domestic demand	24.0	2.4	2.5	7.4	5.2	4.6
Exports of goods and services	14.3	3.0	4.1	4.8	4.7	3.6
Imports of goods and services	14.7	2.1	4.5	9.5	6.5	5.3
Net exports[1]	- 0.3	0.5	-0.3	-2.7	-1.1	-1.1
Memorandum items						
GDP deflator	_	0.0	0.3	3.1	2.9	2.6
Harmonised index of consumer prices	_	0.2	0.1	2.9	2.6	2.6
Harmonised index of core inflation[2]	_	1.5	1.2	1.7	2.1	2.6
Unemployment rate (% of labour force)	_	9.9	9.6	8.7	7.9	7.7
Household saving ratio, net (% of disposable income)	_	-9.9	-7.6	-7.2	-5.6	-4.5
General government financial balance (% of GDP)	_	-1.4	0.1	-0.5	-0.9	-0.9
General government gross debt (% of GDP)	_	46.6	50.5	48.4	48.1	47.9
General government debt, Maastricht definition (% of GDP)	_	36.8	40.5	40.1	39.8	39.6
Current account balance (% of GDP)	_	-0.5	1.4	-0.8	-0.9	-1.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731244

tax rate schedule and exempted undistributed corporate profits from taxation. However, an increase in minimum income support is also needed to improve well-being of the poorest households. Decrease in personal and corporate income tax will be partly offset by an increase in social security contributions and excise taxes as well as new measures to enhance tax collection. Overall, the government estimates that the tax reform package will reduce revenues by 0.6% of GDP, when fully implemented by 2020.

Increasing the supply of affordable housing in areas with strong employment growth would enhance labour mobility, promote a better match of workers' skills with jobs and help unemployed or low-income individuals find better-paid jobs. Providing more generous grants for students from low-income families attending vocational schools and universities would also alleviate skills shortages and enhance inclusiveness. Latvia has made significant progress in upgrading its vocational education and training. The government should guarantee steady financing for further improvement in the quality of vocational education, such as curriculum reforms. Promoting innovation co-operation between firms and research institutions would help Latvia diversify its exports toward technology intensive goods and services and boost productivity.

Economic growth will moderate

Economic growth will moderate to 4% as the exceptionally fast pace of disbursement of EU funds is expected to slow down. Inflation will rise as the output gap closes and wage growth remains high. The intensification of geopolitical risks related to Russia or weaker-than-expected euro area growth could dampen exports and investment. On the other hand, recent reforms that improved the quality of vocational and higher education, tax collection and the transparency of the insolvency regime could encourage investment and raise productivity more than expected by alleviating skills shortages, reducing informality and increasing business dynamism.

LITHUANIA

Growth is projected to moderate but remain solid at just above 3% in 2018-19. Strong investment on the back of increased EU funds disbursements and growing business spending will support activity, mitigating the impact of skills shortages and a shrinking labour force. Underlying price pressures are set to continue, driven by buoyant demand and increasing wages as the economy operates above capacity.

The fiscal stance is poised to remain appropriately broadly neutral over the projection period. Budget measures to boost productivity and reduce high inequality and poverty, including increases in social benefits and tax incentives for innovation, are welcome. Making growth more inclusive further requires reducing informality and increasing the labour-market relevance of the education system to ensure appropriate skills. Effective activation schemes and upskilling, through lifelong learning programmes, would help job seekers to find new, quality jobs.

Growth is broad-based

The economy has been growing at a firm pace. Investment strengthened, fostered by a faster absorption of EU funds and high capacity utilisation. Private consumption continued to be supported by rapid wage increases and credit expansion, with the recent increases in social benefits boosting household incomes further. On the other hand, export growth weakened, partly reflecting an end to strong exports to Russia to rebuild inventories. Real wages grew faster than productivity in recent years without bearing, so far, on competitiveness and export performance. Inflation has receded as the impact of last year's hikes in some excise duties is abating; service price inflation remains elevated, however, reflecting strong wage and domestic demand growth.

Further reforms are needed to make growth stronger and more inclusive

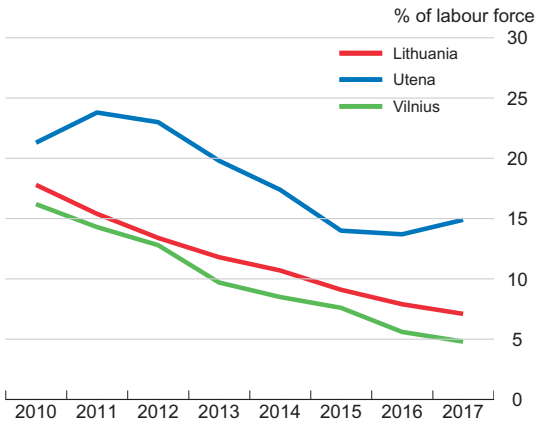
Interest rates are low as euro area monetary policy remains accommodative and credit to the private sector is growing, fuelling house market activity and prices. As private sector

Lithuania

Investment[1] is expected to remain strong



Regional disparities in unemployment are large



1. Non-residential and government fixed capital formation, volume.
Source: OECD Economic Outlook 103 database; and Statistics Lithuania.

StatLink http://dx.doi.org/10.1787/888933730332

Lithuania: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	36.6	2.0	2.3	3.8	3.3	2.9
Private consumption	22.8	4.0	4.9	3.9	3.8	3.6
Government consumption	6.1	0.2	1.3	1.2	1.1	1.0
Gross fixed capital formation	6.9	4.8	-0.5	7.3	7.6	5.2
Final domestic demand	35.8	3.5	3.3	4.0	4.1	3.5
Stockbuilding[1]	0.1	3.8	-0.8	-0.7	-0.5	0.0
Total domestic demand	35.8	7.2	2.3	3.4	3.7	3.6
Exports of goods and services	29.7	-0.4	3.5	13.2	7.2	4.1
Imports of goods and services	28.9	6.2	3.5	12.8	7.8	4.9
Net exports[1]	0.8	-5.2	-0.1	0.5	-0.3	-0.6
Memorandum items						
GDP deflator	_	0.3	1.0	4.3	3.1	2.8
Harmonised index of consumer prices	_	-0.7	0.7	3.7	2.8	2.6
Harmonised index of core inflation[2]	_	1.9	1.7	2.6	2.0	2.5
Unemployment rate (% of labour force)	_	9.1	7.9	7.1	6.6	6.2
Household saving ratio, net (% of disposable income)	_	-3.9	-4.3	-4.2	-4.0	-3.9
General government financial balance (% of GDP)	_	-0.2	0.3	0.5	0.5	0.5
General government gross debt (% of GDP)	_	53.8	51.8	48.0	43.1	41.7
General government debt, Maastricht definition (% of GDP)	_	42.6	40.1	39.7	34.8	33.4
Current account balance (% of GDP)	_	-2.9	-1.2	0.4	-0.3	-0.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731263

indebtedness and house prices remain modest compared to historical highs, risks to financial stability appear contained. Even so, if signs of overheating emerge, the authorities will have to use macro-prudential measures.

The 2018 budget aims to reduce poverty and inequality by increasing social benefits and raising further the non-taxable income threshold. The budget also includes tax incentives to promote entrepreneurship and innovation. The fiscal stance is projected to be broadly neutral in 2018-19. This is appropriate, despite strong activity, given the necessity for structural fiscal measures to address social needs and boost productivity.

Fostering inclusive growth requires additional reforms to reduce large skills mismatches by increasing the labour-market relevance of the education system and improve the employability of low-paid workers by lowering social security contributions and ensuring more effective activation and life-long learning programmes. Reducing informality is key to well-being and inclusiveness. Reforms should also focus on promoting business dynamism by widening the financing options and simplifying bankruptcy procedures. A more co-ordinated innovation system and increased collaboration between business and research sectors would yield better innovation outcomes.

Growth will remain brisk

Supportive financial conditions and solid investment will keep activity robust in 2018-19. Firms are projected to increase their investments in advanced technologies to offset the impact of the declining labour force. Increased roll-out of EU-funded projects and solid exports will also spur investment. Tightening labour market conditions will continue supporting private consumption but constraints on labour supply will weigh on growth. Unemployment is set to fall further in the projection period, while core inflation will keep rising as wage and demand pressures persist. The outlook could be affected adversely by a lower-than-expected growth in the euro area, while Brexit may lower emigrants' remittances. Declining labour supply could dent employment growth more than anticipated, and unit labour costs could grow faster, impacting competitiveness. On the upside, structural reforms in key areas such as labour and education, could lead to stronger productivity and growth.

LUXEMBOURG

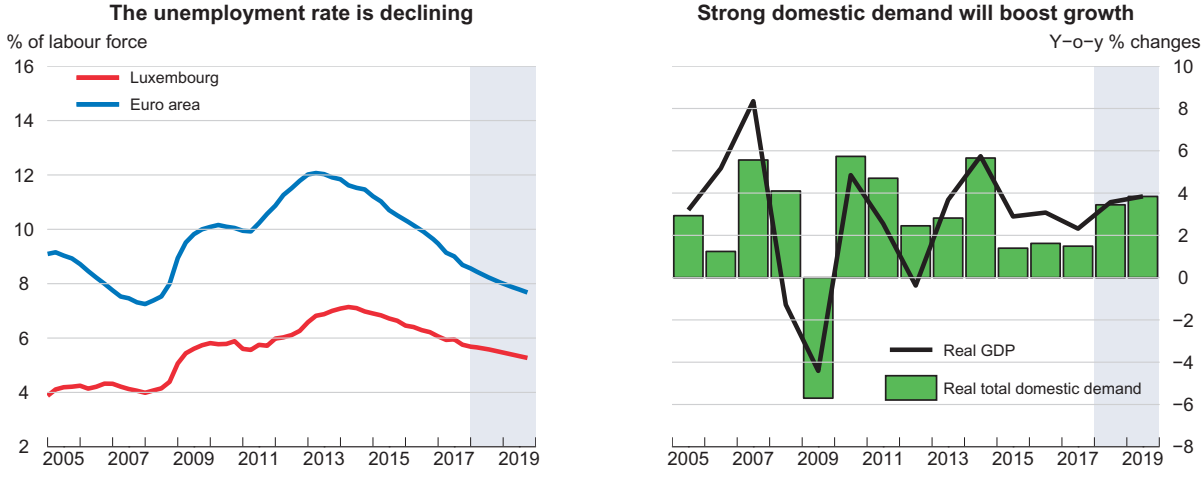
Growth is projected to remain strong, as domestic demand, notably private consumption, is boosted by strong wages and exports of financial and other business services. The accommodative monetary policy stance in the euro area will support access to credit and valuations of financial assets. Continued strong job creation, even though partly benefitting cross-border workers, is projected to reduce unemployment further to 5½ per cent.

Fiscal space is being used for a welcome tax reform incentivising labour market participation. In addition, increases in taxes on transport fuels could be used to further promote green growth. The financial sector remains the main engine of growth and the efforts to diversify the economy, focussing on digital technology and renewable resources, are thus welcome. Diversification policies should be complemented by policies facilitating the relocation of labour, including measures to increase the supply of housing.

Resilient domestic demand is driving growth

Economic growth remains robust on the back of resilient household consumption. The financial sector's, performance has been mixed; the weaker performance of banks is being offset by the investment funds, benefitting from accommodative monetary policy supporting inflows into investment funds through portfolio rebalancing, search for yield and positive valuation effects. As a result, assets under the management of investment funds continue to grow. The unemployment rate is declining thanks to strong job creation. But a persistent rise in the vacancy rate is raising concerns about constraints in the supply of skilled labour. The external position remains strong, with financial services trade making up for the deficit in goods and non-financial services. The general government budget is in surplus, gross public debt is low at 20.8% of GDP, and net public debt is negative, reflecting assets held by the social security administration.

Luxembourg



Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730351

Luxembourg: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	50.0	2.9	3.1	2.3	3.6	3.8
Private consumption	15.2	3.3	2.4	2.6	3.9	3.6
Government consumption	8.3	2.6	2.0	1.8	2.6	3.1
Gross fixed capital formation	9.5	-8.0	0.5	2.0	-3.6	5.3
Final domestic demand	33.1	-0.2	1.8	2.3	1.6	3.9
Stockbuilding[1]	- 0.2	1.0	-0.1	-0.5	1.2	0.0
Total domestic demand	32.9	1.4	1.6	1.5	3.4	3.8
Exports of goods and services	104.0	6.6	2.1	4.6	4.8	4.6
Imports of goods and services	87.0	7.1	2.1	3.9	4.7	4.7
Net exports[1]	17.1	1.4	0.8	2.7	1.9	1.4
Memorandum items						
GDP deflator	_	1.3	-1.3	2.1	1.6	1.8
Harmonised index of consumer prices	_	0.1	0.0	2.1	1.8	1.9
Harmonised index of core inflation[2]	_	1.7	1.0	1.4	0.9	1.8
Unemployment rate (% of labour force)	_	6.8	6.3	5.9	5.6	5.4
Household saving ratio, net (% of disposable income)	_	14.6	14.9	14.3	13.6	13.9
General government financial balance (% of GDP)	_	1.4	1.6	1.5	0.5	0.6
General government gross debt (% of GDP)	_	28.8	27.4	29.0	31.1	33.1
General government debt, Maastricht definition (% of GDP)	_	22.0	20.8	23.0	25.0	27.1
Current account balance (% of GDP)	_	5.1	5.1	5.0	5.1	4.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731282

Structural reforms are needed to enhance green growth and improve housing supply

The ongoing tax reform will lower the marginal tax rate for second earners by introducing the option of individual taxation for married and co-habiting workers and possibly make the tax system more gender neutral. Non-residents will by default be taxed individually, but could benefit from joint taxation, if they meet certain income thresholds. In addition, corporate income tax rates will be reduced further in 2018. The tax reforms are welcome and projected to encourage private consumption and, to a lesser extent, also business investment, at the cost of an affordable reduction in the general government fiscal surplus. However, to enhance green growth, recent changes in the tax treatment of in-kind benefits that incentivise firms to invest in fleets of low polluting and hybrid vehicles should be complemented by higher taxes and excise duties on transport fuel.

House prices have been growing strongly. On the demand side, the main driver of growth is net immigration, while the supply of housing is constrained by limited availability of building land, resulting in protracted under-investment. Weak incentives for owners and developers to use the land available for construction should be strengthened by the introduction of time-limited building permits and increased taxation of non-used constructible land.

Growth is projected to stay robust

Growth is projected to rise toward 4% by 2019, well above the euro area average. Private consumption will benefit from the continuing reduction in personal income taxes and firming wage growth, while private investment will be boosted by the reduction in the corporate income tax. A new round of wage indexation, projected to take place toward the end of 2018, will lift both inflation and disposable incomes. Activity will also be supported by continuing accommodative monetary conditions in the euro area that contribute to strong financial services exports. The main downside risk to the projection is an earlier and stronger rise in euro area inflation that could lead to an earlier end of the accommodating monetary policy measures. On the upside, Luxembourg's established financial sector may become even more attractive in the wake of Brexit, especially if Luxembourg keeps its attractiveness to the international labour force.

MEXICO

Growth is set to pick up, underpinned by private consumption and exports. Uncertainty will continue to restrain private investment, although earthquake-related reconstruction activities are expected to take place in 2018. However, private investment could accelerate if the NAFTA negotiations end favourably. Public investment will remain subdued. Unemployment is projected to remain at historic low levels. Inflation will continue to decline from its high level to closer to the central bank's target.

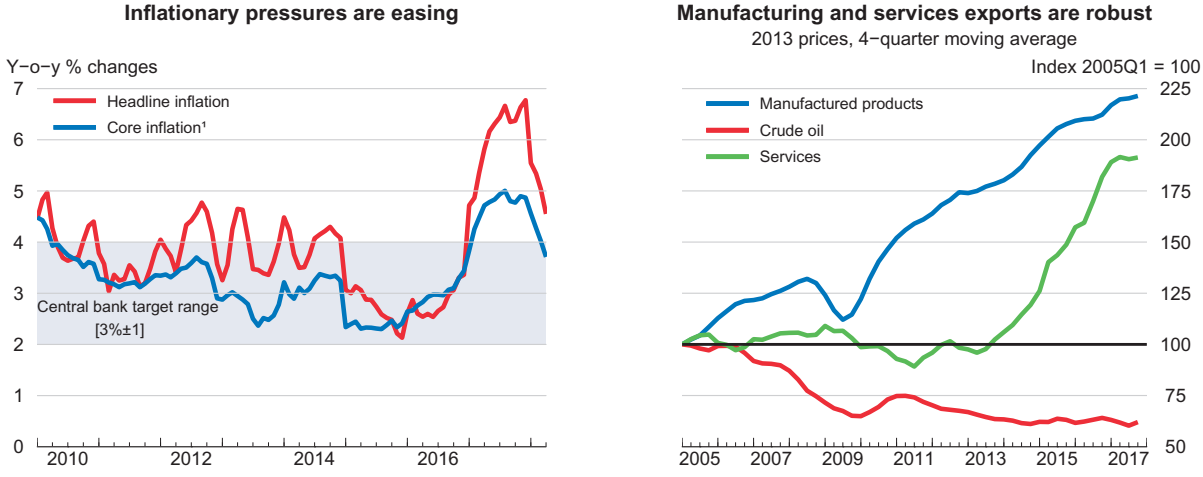
Structural reforms have already visible effects but challenges persist, including high levels of violence and corruption, poverty, inequality, informality and slow productivity growth. Reaping the full benefits of structural reforms will require keeping the momentum for successful implementation nationwide, complemented by a new wave of reforms to strengthen the rule of law and improve institutional quality.

Private consumption and manufacturing exports are underpinning growth

Growth has been resilient, in spite of the several idiosyncratic shocks that have hit the Mexican economy. Private consumption has supported growth, even though inflation eroded real wages in 2017. Household income has benefitted from strong remittances, job formalisation and credit expansion. More robust external demand and currency depreciation have led to an acceleration of manufacturing exports and to a non-oil trade surplus. Investment continued to be constrained by high uncertainty about the outcome of ongoing NAFTA negotiations and the government's fiscal consolidation.

Inflation has receded from its high level, as the effects of temporary domestic shocks have started to wane. The labour market continues to be buoyant as job formalisation remains robust and the unemployment rate at historically low levels. However, wage pressures are absent.

Mexico



1. Consumer price index excluding volatile items: agricultural, energy and tariffs approved by various levels of government.
Source: OECD Economic Outlook 103 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933730370

Mexico: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices MXN billion	Percentage changes, volume (2013 prices)				
GDP at market prices	17 476.2	3.3	2.7	2.3	2.5	2.8
Private consumption	11 514.4	3.3	3.4	3.3	2.3	2.7
Government consumption	2 132.3	1.9	2.4	0.1	0.6	0.4
Gross fixed capital formation	3 669.8	5.1	1.1	-1.5	0.7	2.6
Final domestic demand	17 316.5	3.5	2.8	1.8	1.7	2.4
Stockbuilding[1]	371.3	-0.1	0.1	0.0	-0.1	0.0
Total domestic demand	17 687.8	3.4	2.8	1.7	1.6	2.3
Exports of goods and services	5 570.3	8.5	3.5	3.9	4.4	5.0
Imports of goods and services	5 781.9	5.9	2.4	7.0	3.5	3.6
Net exports[1]	- 211.6	0.7	0.3	-1.3	0.3	0.5
Memorandum items						
GDP deflator	_	2.7	5.4	6.1	4.7	4.4
Consumer price index	_	2.7	2.8	6.0	4.4	3.4
Core inflation index[2]	_	2.4	3.0	4.7	3.9	3.4
Unemployment rate[3] (% of labour force)	_	4.3	3.9	3.4	3.5	3.5
Public sector borrowing requirement[4]	_	-1.6	-0.5	-1.1	-2.5	-2.5
Current account balance (% of GDP)	_	-2.5	-2.1	-1.6	-1.9	-2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding volatile items: agricultural, energy and tariffs approved by various levels of government.
3. Based on National Employment Survey.
4. Central government and public enterprises. In 2016 and 2017, the public sector borrowing requirement includes the operating surplus of the central bank.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731301

Successful reform implementation is key to raising medium-term growth

The government has implemented a fiscal consolidation plan which has led to a primary surplus for the first time since 2008, and to a decline in the public debt-to-GDP ratio. Fiscal consolidation is projected to continue, albeit at a slower pace, which will allow for a mild recovery in public investment. While satisfying public investment and social spending needs, fiscal discipline should continue to lower the public debt-to-GDP ratio. There is room to increase tax revenue by reducing tax exemptions, notably on VAT and income taxes. In addition, revenue could be enhanced by improving tax collection, raising property and green taxes, and introducing an inheritance tax. Higher taxes revenues from these sources could also allow a cut to the corporate income tax rate, which is amongst the highest in the OECD, thus moving to a more growth-friendly tax mix. Coordinating the collection of income taxes and social security contributions would reduce tax evasion.

Heightened uncertainty is delaying private investment and the effects of recent structural reforms from materialising fully. Given the current path of inflation and barring any additional shocks, and while staying vigilant regarding inflation path, inflation determinants and expectations, monetary policy should have room to reduce its high policy rate, thus contributing to more favourable credit and investment conditions.

Although some recent structural reforms, such as those in the telecommunication sector, are already contributing to growth, accelerating implementation across the country

in key areas, such as judicial reform, is crucial to reap the full benefits. Raising women's participation in the labour market, improving access to good quality education, reducing informality and alleviating poverty are key to lift employment and productivity growth as well as well-being.

Growth is projected to pick up

Growth is projected to pick up owing to continued resilient consumption and a favourable external environment, but the economy continues to be highly exposed to external shocks. Once uncertainty regarding the outcome of NAFTA negotiations dissipates, investment will also add to growth. Financial market turbulence associated with prospective changes in monetary policy in the United States or an uncertain business environment, including delayed ratification of NAFTA negotiations, could however lead to exchange rate volatility, tighter financial conditions and capital outflows. On the other hand, further reforms to improve the rule of law and the quality of institutions would boost productive investment, reduce pervasive informality and put the Mexican economy on a stronger growth path.

NETHERLANDS

GDP growth is projected to remain robust at 3.3% in 2018 and close to 3% in 2019, supported by strong private consumption and investment. Wage growth and inflation are projected to rise as economic slack disappears. The current account surplus is set to remain at a high level.

To ensure more inclusive growth, labour market reforms should be implemented to enhance mobility and improve the employment opportunities of vulnerable groups. Housing market vulnerabilities should be reduced by lowering loan-to-value caps for new mortgages. Reforms to the occupational pension system should focus on improving the transparency and solidarity of the system.

Strong domestic and external demand are driving growth

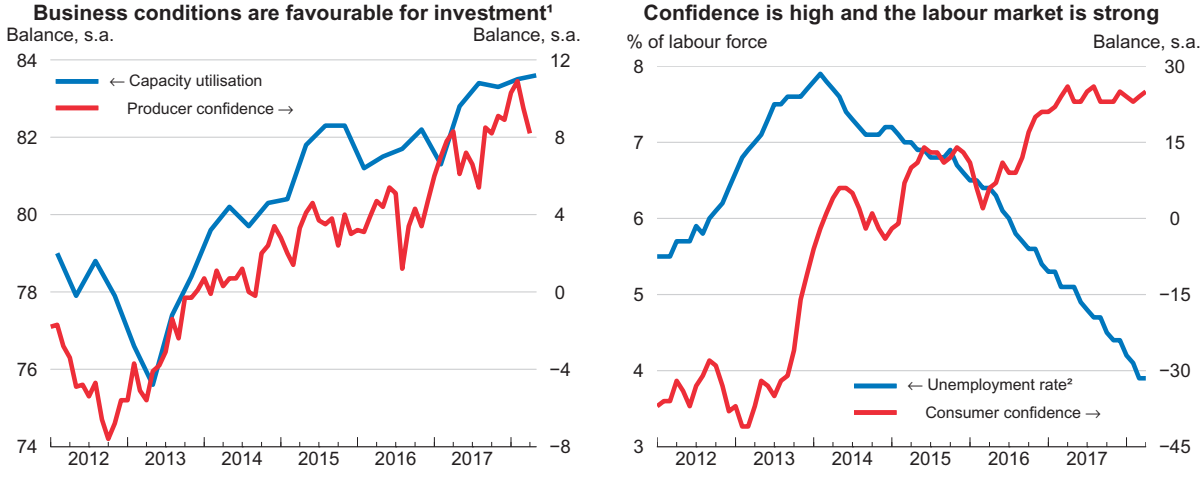
Economic growth continues to be firm, driven notably by consumption growth and solid business investment, both supported by favourable financial conditions. Solid external demand, particularly from other euro area countries, underpins rapid export growth which has also benefited from recent gains in competitiveness. Growth in residential investment remains very dynamic.

The low unemployment rate and emerging labour-market shortages are putting upward pressure on wages and leading more companies to hire workers on permanent contracts. This has limited somewhat the rise in the share of self-employment in total employment. Tight labour and product markets are raising inflation, but from very low levels.

Policies should target long-run growth and address financial vulnerabilities

The fiscal stance is projected to ease significantly based on measures announced in the recent coalition agreement. The accommodative stance is appropriate given the

Netherlands



1. Data refer to the manufacturing sector.
2. Data are seasonally adjusted and refer to the population aged between 15 and 75.

Source: Statistics Netherlands (CBS).

StatLink http://dx.doi.org/10.1787/888933730389

Netherlands: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	663.1	2.3	2.1	3.3	3.3	2.9
Private consumption	296.7	2.0	1.5	1.9	2.7	2.5
Government consumption	172.0	-0.2	1.1	1.2	3.0	2.6
Gross fixed capital formation	119.5	11.0	5.2	5.7	6.1	5.4
Final domestic demand	588.2	3.2	2.2	2.6	3.6	3.2
Stockbuilding[1]	3.0	0.1	-0.4	-0.2	0.1	0.0
Total domestic demand	591.2	3.3	1.7	2.4	3.7	3.2
Exports of goods and services	547.7	6.5	4.1	6.4	4.0	3.8
Imports of goods and services	475.8	8.4	3.9	5.7	4.7	4.3
Net exports[1]	71.9	-0.7	0.6	1.2	0.0	0.1
Memorandum items						
GDP deflator	_	0.8	0.6	1.1	2.0	2.3
Harmonised index of consumer prices	_	0.2	0.1	1.3	1.6	2.4
Harmonised index of core inflation[2]	_	0.9	0.6	0.8	1.2	2.1
Unemployment rate (% of labour force)	_	6.9	6.0	4.9	3.9	3.5
Household saving ratio, net[3] (% of disposable income)	_	6.5	6.4	6.1	6.1	6.1
General government financial balance (% of GDP)	_	-2.1	0.4	1.1	0.7	0.9
General government gross debt (% of GDP)	_	77.5	75.3	68.7	66.2	63.6
General government debt, Maastricht definition (% of GDP)	_	64.6	61.8	56.7	54.2	51.6
Current account balance (% of GDP)	_	8.7	8.5	10.2	10.5	10.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
3. Including savings in life insurance and pension schemes.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731320

healthy state of public finances and despite being mildly pro-cyclical. The structure of tax and spending should continue to be adjusted to improve long-run growth. Labour activation policies can be better targeted and the waiting period before newly unemployed individuals can access re-integration services through the public employment services provider should be shortened. More direct government funding of R&D, to complement the existing tax relief for private R&D spending, would bolster the capital stock as would reducing SMEs' barriers to access finance, in particular the relatively high cost of securing bank loans. Reforms of the second-pillar pension system should focus on improving its clarity with regards to individual contributions and expected benefits. They should also facilitate further the transferability of pension entitlements to allow for greater labour market mobility.

Low interest rates continue to support rapid house price growth in major cities. At the same time, high levels of household debt and a high exposure to mortgage lending by domestic banks make the economy and financial system vulnerable to a sharp correction in house prices. The government should further lower the maximum loan-to-value ratio for new mortgages, and aim to improve the supply of housing and slow price growth in overheating markets, by easing strict regulations associated with the private rental market.

Growth will remain robust

Growth will remain elevated throughout the projection period, reflecting both strong external and domestic economic momentum. Consumption growth is projected to gain pace and business investment is set to increase rapidly. Capacity pressures will continue to contribute to price pressures, with rates of inflation projected to rise above 2%, in part reflecting a rise in the lower VAT rate, and rapid wage growth. The main downside risk to the projections is the Brexit negotiations between the United Kingdom and the European Union. Potential overheating in the housing market, related to a possible broadening of rapid price growth to all cities, or a disconnection from fundamentals like income and rental price growth, could represent a risk to financial stability. On the upside, reduced levels of uncertainty, compounded with the near-record high levels of business and consumer confidence, could lead to stronger-than-expected growth.

NEW ZEALAND

Solid economic growth is projected to continue at 3% in 2018 and 2019. Private consumption will slow with lower net immigration and moderation of wealth gains from house price increases. Residential investment will be supported by demand in Auckland and government funding through the KiwiBuild programme. Government infrastructure spending will also rise, while business investment should recover from weakness in late 2017 as capacity remains tight.

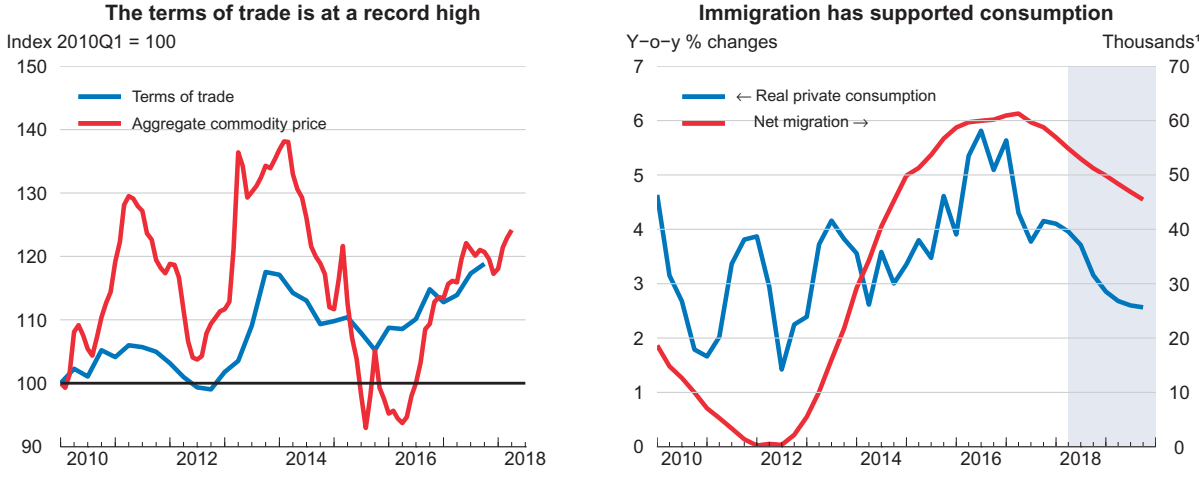
Projected increases in interest rates and government spending will improve the macroeconomic policy balance. Both should also serve to reduce housing market pressures, but resolution of infrastructure and planning constraints in Auckland is critical to easing affordability challenges, boosting weak productivity and avoiding a further house price breakout.

Strong growth is tightening capacity constraints

Economic growth was solid in 2017, underpinned by consumption and international tourism. Private consumption has been supported by population growth, income gains from record terms of trade, wealth effects from house price increases, a strong labour market and accommodative monetary policy. Net immigration, which has been the major driver of population growth, has begun to moderate, with a small fall in arrivals (in part reflecting tighter eligibility for work visas) and an increase in departures as temporary immigrants return home. House price appreciation has also slowed due to higher mortgage rates, tightening lending standards and affordability pressures. Exports were temporarily weak in late 2017 and early 2018 following a dry period that affected agricultural and related exports.

Business investment intentions have recovered somewhat following resolution of uncertainty around the general election result. Survey measures of capacity utilisation are high. The unemployment rate is at a nine-year low, and participation has increased, but

New Zealand



1. Moving four-quarter total.

Source: ANZ Bank; Statistics New Zealand; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730408

New Zealand: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices NZD billion	Percentage changes, volume (2009/2010 prices)				
GDP at market prices	240.5	4.2	4.1	3.0	3.0	3.0
Private consumption	138.5	3.8	5.0	4.5	3.7	2.7
Government consumption	44.8	2.7	1.7	4.7	3.3	2.1
Gross fixed capital formation	53.4	4.3	6.4	3.3	5.2	5.1
Final domestic demand	236.6	3.7	4.7	4.2	4.0	3.2
Stockbuilding[1]	1.3	-0.5	0.0	-0.2	-0.1	0.0
Total domestic demand	237.9	2.2	4.7	4.3	3.9	3.2
Exports of goods and services	67.9	6.9	1.6	2.5	0.9	3.7
Imports of goods and services	65.3	3.7	3.4	6.6	4.5	4.1
Net exports[1]	2.6	0.9	-0.5	-1.0	-0.9	-0.1
Memorandum items						
GDP deflator	_	0.2	1.8	3.4	2.6	2.2
Consumer price index	_	0.3	0.6	1.9	1.7	2.1
Core inflation index[2]	_	1.2	1.3	1.4	1.2	2.1
Unemployment rate (% of labour force)	_	5.4	5.1	4.7	4.3	4.2
Household saving ratio, net (% of disposable income)	_	-1.3	-2.8	-3.2	-2.5	-2.0
General government financial balance (% of GDP)	_	0.2	1.2	0.9	0.2	0.0
General government gross debt (% of GDP)	_	40.2	37.7	36.0	35.7	35.6
Current account balance (% of GDP)	_	-3.0	-2.3	-2.7	-2.8	-2.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731339

labour market tightness has not translated into strong wage growth. In part this is due to migratory flows of workers into sectors facing labour shortages. The almost 5% increase in the hourly minimum wage from 1 April 2018 will support income growth but directly affects only around 3% of the labour force.

Fiscal and monetary policy settings are supporting growth

Fiscal policy is projected to shift to an expansionary stance. Spending increases result from the provision of free tuition for the first year of tertiary education, a substantial pick-up in infrastructure and health spending and increased transfer payments to students and families. Additional spending does not threaten fiscal sustainability, with government debt still declining as a share of GDP. The Kiwibuild programme will provide around NZD 0.5 billion per year (0.2% of GDP) for constructing affordable homes, which is expected to boost housing investment from mid-2019. A proposed ban on foreign housing purchases could constrain housing investment by increasing compliance costs and uncertainty for foreign developers who would be required to divest after completion. High barriers to foreign direct investment already contribute to low labour productivity.

Withdrawal of some monetary policy stimulus is projected in 2019 in order to slow inflation, which will be underpinned by capacity constraints and increasing import prices from New Zealand's main trading partners. These interest rate increases are expected to stabilise inflation close to the 2% midpoint of the Reserve Bank's target range.

Growth is projected to remain solid

Growth is set to continue above the OECD average, at close to potential rates, as activity shifts away from consumption toward investment. However, if net immigration does not fall to the extent assumed consumption gains will be larger. A sharp housing correction is the biggest downside risk, as household debt has risen to high levels relative to income, and most mortgagees have interest rates that are floating or will be repriced within two years. Conversely, short-term growth could be higher if housing shortages in Auckland trigger further price rises and associated wealth effects.

NORWAY

Mainland output growth will remain robust in the first half of 2018, boosted by the increase in the global oil price but held back by a slowdown in housing construction. Output growth will then moderate. The unemployment rate will decrease further, while price and wage inflation will rise.

The switch from an expansionary to a neutral fiscal stance as implied by the adjusted fiscal rule is appropriate given the economy's cyclical position. Achieving the switch will bolster policy credibility. The central bank has signalled that it will increase the policy rate in autumn this year, which is appropriate. Structural reforms should remain focused on improving the business environment, including lighter taxation financed by greater public-spending efficiency.

The pick-up in activity continues, except for housing

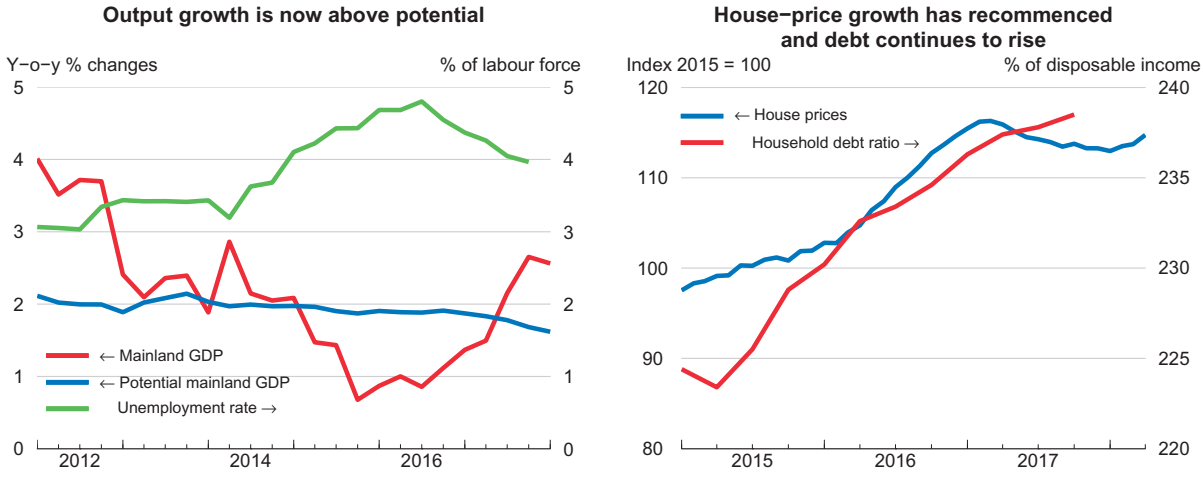
Mainland output growth (that is, growth abstracting from oil and gas production) continues to gather momentum. Monetary and fiscal policy support and currency depreciation have been bolstering demand. Also, the oil-price pick-up has encouraged resource-related activity. Employment growth is increasing and the unemployment rate continues to decline. Consumer-price inflation remains low and the negotiated benchmark wage increase for 2018 is moderate, at 2.8%.

A house-price correction began in early 2017 and construction activity has started shrinking. Past macro-prudential measures curtailing housing credit growth, and adjustment of banks' safety margins via the counter-cyclical capital buffer, assisted the housing-market cooldown. Recent data, however, show a country-wide resurgence in prices, suggesting that the price correction may be over.

Fiscal and monetary support is set to lessen

Finalisation of the government budget for 2018 saw welcome retention of a move towards a neutral stance, reflecting improved economic growth and the adjustment to the

Norway



Source: OECD Economic Outlook 103 database; Statistics Norway; and Real Estate Norway (Eiendom Norge).

StatLink http://dx.doi.org/10.1787/888933730427

Norway: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices NOK billion	Percentage changes, volume (2015 prices)				
Mainland GDP at market prices[1]	2 539.6	1.4	1.0	1.9	2.5	2.1
Total GDP at market prices	3 146.7	2.0	1.1	1.9	1.8	1.6
Private consumption	1 288.4	2.6	1.5	2.5	2.3	2.0
Government consumption	692.0	2.4	2.1	2.2	2.1	2.0
Gross fixed capital formation	749.5	-4.0	-0.2	4.9	-0.8	3.2
Final domestic demand	2 729.8	0.7	1.2	3.0	1.5	2.3
Stockbuilding[2]	133.7	0.0	1.4	-0.3	1.1	0.0
Total domestic demand	2 863.5	0.7	2.7	2.5	2.5	2.2
Exports of goods and services	1 220.4	4.7	-1.8	1.1	-0.1	1.4
Imports of goods and services	937.2	1.6	2.3	2.8	2.0	3.0
Net exports[2]	283.2	1.3	-1.4	-0.6	-0.7	-0.5
Memorandum items						
GDP deflator	_	-2.8	-1.1	3.8	3.2	2.1
Consumer price index	_	2.1	3.6	1.9	1.9	1.9
Core inflation index[3]	_	2.6	3.3	1.7	0.9	2.0
Unemployment rate (% of labour force)	_	4.3	4.7	4.2	3.7	3.6
Household saving ratio, net (% of disposable income)	_	10.3	7.1	7.3	8.0	8.3
General government financial balance (% of GDP)	_	6.1	4.0	4.4	4.9	5.1
General government gross debt (% of GDP)	_	38.9	42.8	42.4	50.9	52.1
Current account balance (% of GDP)	_	8.0	4.9	5.1	5.9	5.7

1. GDP excluding oil and shipping.
2. Contributions to changes in real GDP, actual amount in the first column.
3. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731358

fiscal rule – that the structural deficit over time should equal 3% (previously 4%) of the value of the oil fund (the Government Pension Fund Global). In March, Norges Bank's inflation target was reduced from 2.5% to 2%, on the basis that this aligns better with targets elsewhere. The Bank's policy-rate forecasts have been signalling a start to policy tightening, projecting an increase from the current rate of 0.5% in autumn this year.

The switch to a more neutral fiscal stance increases the importance of improving value-for-money in public spending while retaining the comprehensive welfare support and public services that are integral to Norway's socio-economic model. A recent OECD assessment points to cost-efficiency issues in transportation infrastructure, for instance. Greater public-spending efficiency can also help accommodate tax reform, such as the proposed reduction from 24% to 23% in the “ordinary” rate of taxthat applies to both household and business incomes.

Norway's high-cost, high-tax economy means business competitiveness relies on strong attributes in other dimensions of the business environment. In this regard, the priority given to strengthening the education system and reducing red-tape exemplify good policy direction. Agreement to reduce early-retirement bias in the public sector will help to reduce the drain on the skills pool. Similarly, renegotiation of the tripartite

"inclusiveness agreement" this year provides an opportunity to better contain early retirement via sick-leave and disability-benefit systems.

Strong output growth will continue

Mainland output will follow a similar trajectory to most other Nordic economies, with 2.5% growth projected for 2018. Growth will moderate somewhat in 2019 as capacity constraints begin to bite. Oil-related investment will return to growth, accompanied by expanding non-oil investment and robust household consumption growth. Employment growth will gather strength, lowering the unemployment rate further. Consumer price inflation and wage growth will gradually increase as spare capacity diminishes. A critical uncertainty is whether the recent housing market adjustment will prove sufficient to avoid a larger correction in the future that brings substantial consequences for the economy. Global oil price developments pose both upside and downside risks to the economy.

POLAND

GDP growth is projected to remain strong in 2018, before softening somewhat in 2019. Investment will pick up owing to faster disbursements of EU structural funds, and private consumption will grow strongly thanks to a buoyant labour market. Accelerating wages will underpin rising inflationary pressures.

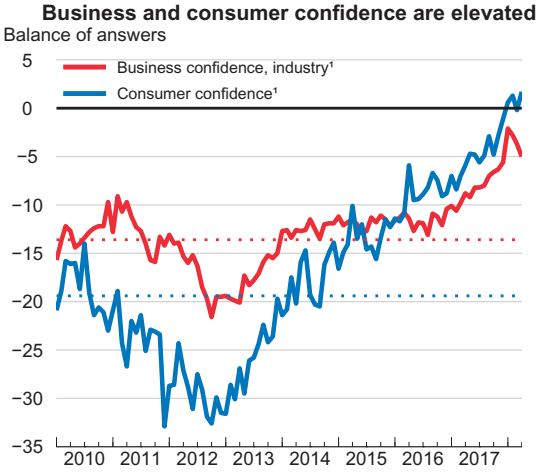
Fiscal policy is projected to be supportive of growth, reflecting rising social transfers and an increase in public investment, but cyclical revenue gains will keep a lid on the budget deficit. Implementing a tighter fiscal stance through revenue-raising reforms or greater spending prioritisation would be welcome to sustainably finance the government's spending plans. To counter rising price pressures, monetary stimulus is projected to be removed gradually beginning in late 2018.

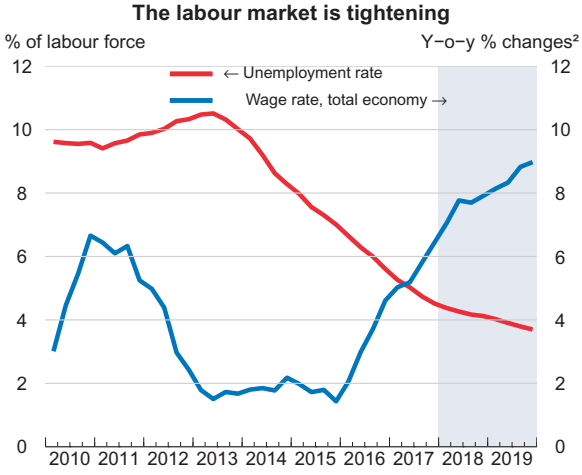
Domestic demand is driving growth

GDP is expanding at a rapid pace, supported by strong domestic demand. Consumption is growing strongly thanks to a booming labour market and the recent child benefit programme, which has buttressed households' disposable income. Investment is picking up thanks to a rebound in public investment as the disbursements of EU funds has accelerated. Business and consumer confidence are elevated. Export performance is improving owing to the rapid increase of business and transport services exports.

The labour market is tightening, with the unemployment rate reaching a record low. Labour shortages are spreading throughout the economy, particularly in the manufacturing and construction sectors. Annual core inflation is still subdued, at slightly below 1%, as the pass-through from the tighter labour market to prices seems to have weakened. Wages are accelerating as job vacancies reach historically high levels, but a large inflow of Ukrainian, supposedly temporary, workers is holding down wage increases.

Poland





1. Long-term averages are displayed as dotted lines.
2. Four-quarter moving averages.

Source: Eurostat; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730446

Poland: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices PLN billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 719.8	3.8	3.0	4.6	4.6	3.8
Private consumption	1 032.6	3.0	3.9	4.7	4.8	4.0
Government consumption	312.1	2.4	1.8	3.4	3.7	3.3
Gross fixed capital formation	339.4	6.1	-8.2	3.4	9.1	7.1
Final domestic demand	1 684.1	3.5	1.0	4.2	5.4	4.5
Stockbuilding[1]	10.9	-0.2	1.1	0.6	-0.1	0.0
Total domestic demand	1 695.0	3.3	2.2	4.8	5.1	4.3
Exports of goods and services	818.4	7.7	8.8	8.2	7.7	6.3
Imports of goods and services	793.6	6.6	7.6	8.7	9.6	7.6
Net exports[1]	24.8	0.6	0.8	0.1	-0.6	-0.4
Memorandum items						
GDP deflator	_	0.8	0.3	1.9	1.7	2.8
Consumer price index	_	-0.9	-0.7	2.1	2.2	2.7
Core inflation index[2]	_	0.5	-0.2	0.7	1.2	2.6
Unemployment rate (% of labour force)	_	7.5	6.1	4.9	4.2	3.9
Household saving ratio, net (% of disposable income)	_	-0.4	1.7	1.8	2.5	3.6
General government financial balance (% of GDP)	_	-2.6	-2.3	-1.7	-1.5	-1.6
General government debt, Maastricht definition (% of GDP)	_	51.1	54.2	50.6	49.8	49.2
Current account balance (% of GDP)	_	-0.6	-0.3	0.3	-0.5	-0.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731377

Medium-term growth prospects need to be raised

The headline budget deficit shrank markedly in 2017 thanks to higher tax revenues, reflecting strong economic growth and measures to improve tax compliance. Fiscal policy is projected to be supportive of growth in 2018-19, as the lowering of the retirement age will raise public spending. Given the strength of the economy, implementing a tighter fiscal stance through revenue-raising tax reforms would be appropriate. Giving a stronger role to the progressive personal income tax, limiting the reliance on reduced VAT rates and strengthening environmentally-related taxes would increase revenues, while promoting more inclusive and greener growth. Monetary policy has been appropriately accommodative given subdued inflation. Yet, inflation is projected to increase, reflecting accelerating wages and demand pressures on capacity. In the wake of a further increase in price pressures, the central bank is projected to gradually raise interest rates from late 2018 to ensure inflation remains well within its target range.

The recent lowering of the statutory retirement age may accentuate the challenges of an ageing population and risks increasing old-age poverty, particularly among women. Strengthening efforts to make pensioners aware of the benefits of working longer for their pension income would be beneficial. Facilitating the combination of work and family life by investing further in childcare facilities would help increase female employment and mitigate the growth-inhibiting impact of demographic change. Raising skills and ensuring

a continuous increase in funding for tertiary education would boost Poland's innovative capacity.

Growth is projected to remain strong

Output growth is projected to remain strong and the unemployment rate to decline further, boosting incomes and contributing to a more inclusive society. Inflation will gradually increase in line with accelerating wages as the labour market tightens further. However, investment may grow less strongly than projected if labour shortages intensify due to a reduction in immigration, or lower labour force participation resulting from the cut in the statutory retirement age and the adverse effects on female labour supply from the large child benefit programme. Rising geopolitical and protectionism risks could hurt exports and investment. On the other hand, Poland's exports could benefit from stronger-than-projected growth in the euro area.

PORTUGAL

GDP growth is projected to remain above 2% in 2018 and 2019. The recovery will continue to be supported by past reforms, favourable external trade and domestic demand conditions. Investment activity will be underpinned by an increase in the absorption of EU structural funds in 2018. Consumption growth will remain solid, reflecting strong employment growth.

The stance of fiscal policy will be mildly expansionary in 2018 before becoming broadly neutral in 2019. This is appropriate given the need to maintain medium-term fiscal sustainability while not impeding the economic recovery. Productivity-enhancing reforms that improve skills can reinforce the strength of the recovery. These include further measures to improve the efficiency of the vocational education system and support skill accumulation in general education. The latter would benefit from improved teacher training and better support to students at risk of falling behind.

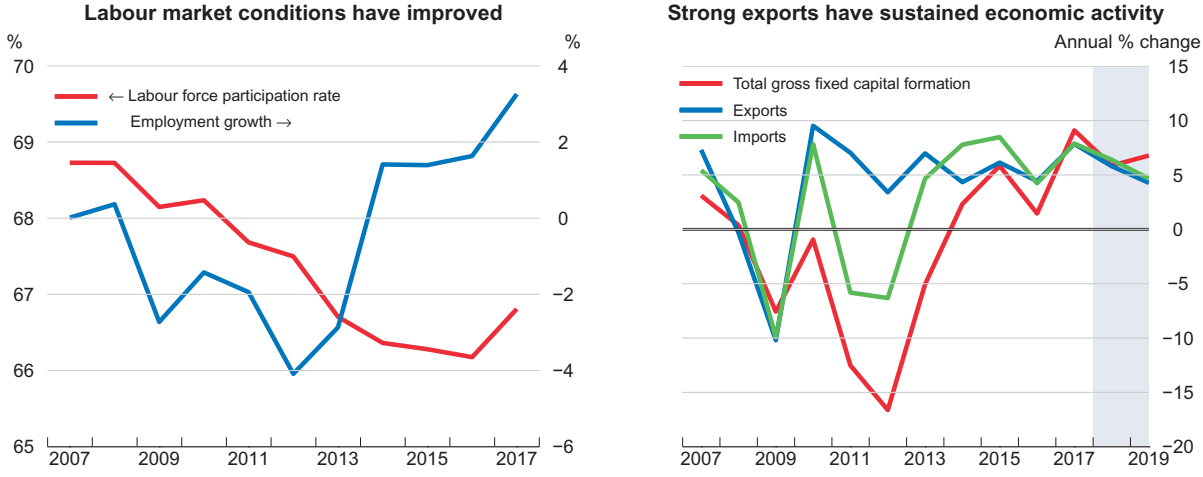
Domestic and external economic conditions have improved

Economic growth rose in 2017, driven by a rise in both domestic demand and exports. Private consumption activity has been supported by strong employment growth in both manufacturing and services sectors. Improved employment conditions have also contributed to a notable rise in labour force participation. External trade and investment activity have been buoyed by better economic conditions in major Portuguese export markets, especially those within the European Union. Both have also been boosted by recent capacity upgrades in the car manufacturing industry. Abstracting from one-off factors (including the recapitalisation of a large public bank), fiscal policy exerted a broadly neutral influence on economic activity in 2017.

Sluggish productivity growth undermines the sustainability of the recovery

Public investment will support economic growth in 2018, with the stance of fiscal policy being mildly expansionary and EU structural fund absorption expected to rise

Portugal



Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730465

Portugal: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2011 prices)				
GDP at market prices	173.1	1.8	1.6	2.7	2.2	2.2
Private consumption	114.1	2.3	2.1	2.3	1.9	1.9
Government consumption	32.2	1.3	0.6	-0.2	0.7	-0.1
Gross fixed capital formation	26.0	5.8	1.5	9.1	5.9	6.8
Final domestic demand	172.3	2.6	1.7	2.9	2.4	2.4
Stockbuilding[1]	0.5	0.1	-0.1	-0.1	0.1	0.0
Total domestic demand	172.8	2.7	1.6	2.8	2.4	2.4
Exports of goods and services	69.4	6.1	4.4	7.8	5.8	4.3
Imports of goods and services	69.0	8.5	4.2	7.9	6.4	4.7
Net exports[1]	0.3	-0.9	0.1	0.1	-0.2	-0.1
Memorandum items						
GDP deflator	_	2.0	1.5	1.4	1.4	1.3
Harmonised index of consumer prices	_	0.5	0.6	1.6	1.1	1.7
Harmonised index of core inflation[2]	_	0.6	0.9	1.2	0.5	1.7
Unemployment rate (% of labour force)	_	12.4	11.1	8.9	7.5	6.6
Household saving ratio, net (% of disposable income)	_	-3.2	-2.2	-2.6	-4.0	-4.5
General government financial balance[3] (% of GDP)	_	-4.4	-2.0	-3.0	-0.7	-0.2
General government gross debt (% of GDP)	_	150.7	147.6	148.1	145.0	141.6
General government debt, Maastricht definition (% of GDP)	_	128.8	129.9	125.7	123.1	120.0
Current account balance (% of GDP)	_	0.1	0.6	0.5	-0.3	-0.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
3. Based on national accounts definition.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731396

notably. While budget deficits have fallen substantially since 2010, public debt remains very high. In this context, the projected narrowing budget deficit is appropriate.

Household consumption has benefitted from improvements in labour market conditions and a slight easing in the pace of private sector deleveraging. Nevertheless, both consumption and investment continue to be constrained by weak labour productivity growth. The education system could do more to raise skill levels and reduce the link between learning outcomes and socio-economic backgrounds. For example, there is scope to increase the efficiency of the vocational education system and provide more and individualised support to those students at risk of falling behind.

The government has signalled an intention to undertake tax reforms over the coming years. To the extent that lower-income households have a higher marginal propensity to consume, mooted reforms that make the income tax schedule more progressive and provide a salary supplement for low income households could support economic activity. Such measures would also promote inclusiveness. Nevertheless, there is scope to increase the share of less distortionary forms of taxation in the tax mix: property taxes play only a small role and there are substantial revenue losses from preferential consumption tax rates.

Growth will ease but remain solid

Growth is projected to ease slightly, but to remain high. Consumption growth will be supported by continued improvements in labour market conditions. A gradual further reduction in economic slack will prompt a moderate increase in inflation over the coming years. A rise in geopolitical tensions that results in significant and sustained upward pressure on oil prices would adversely impact the Portuguese economy given it is a net oil importer. Reversing some aspects of earlier labour market reforms, such as the individual bank of hours, could negatively impact job growth. Negative economic or financial developments could hit the economy especially hard at present given that the high stock of public debt limits the capacity of fiscal policy to respond.

RUSSIA

Growth is projected to continue at a moderate pace. Private consumption and investment will benefit from a boost to confidence from higher oil prices and sound macroeconomic policies which have improved financial conditions. Limits on oil production from the OPEC+ agreement will constrain export growth. Modest income growth keeps inequality and poverty high. Oil price uncertainty, international sanctions, and the post-presidential election agenda weigh on the outlook.

Fiscal policy has been tight due to financing constraints on account of sanctions and the exhaustion of the Stabilisation Fund. Consolidation is enforced by a new fiscal rule, which sets spending and deficit based on revenue corresponding to a USD 40 per barrel oil price. Over time, spending on education, health and infrastructure should be increased to reduce inequality and poverty. Monetary easing will support demand as inflation expectations are contained. Fiscal and pension reforms are needed to boost potential growth given a declining labour force and low productivity.

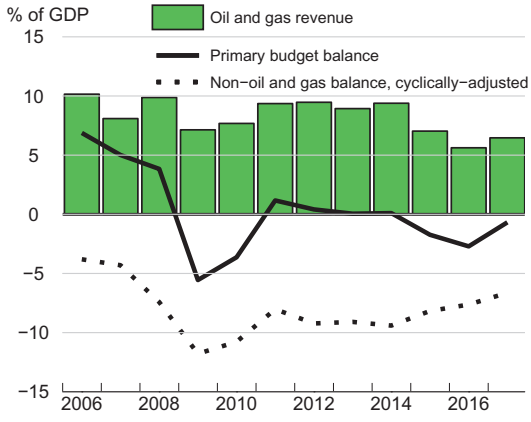
Household consumption is supporting growth

Growth is driven by stronger domestic demand. With improved business confidence and financial conditions, private investment has rebounded. Private consumption was boosted by exceptional increases in public sector wages and better household expectations. The upcoming soccer world cup has temporarily lifted public spending. Oil production limitations set in the OPEC+ agreement have restricted export growth. After a large downward adjustment to real wages in the wake of global oil price declines, real incomes have started to rise again. However, they remain 12% below their 2013 level and large parts of the population have incomes below or close to the subsistence minimum, contributing to large inequality. Thanks to the rouble appreciation and lower food prices, inflation stands at 3.5%, below the 4% target. Unemployment is at a historical low.

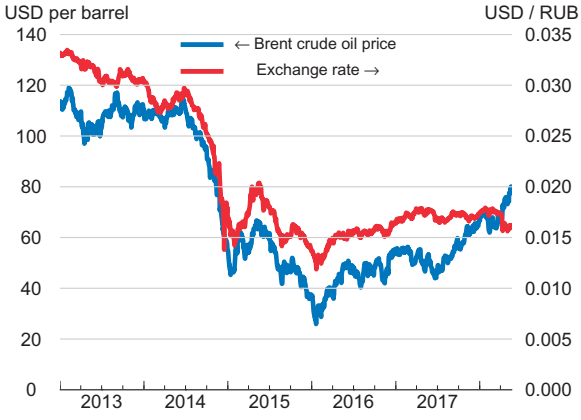
Sanctions and countersanctions have had mixed effects on the economy. Import substitution is growing, but mostly in the agrofood sector, while dependence on foreign

Russia

Consolidation efforts and higher oil prices have reduced the federal budget deficit



The exchange rate has become less dependent on oil prices



Source: Ministry of Finance of the Russian Federation; OECD Economic Outlook 103 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933730484

Russia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices RUB trillion	Percentage changes, volume (2016 prices)				
GDP at market prices	79.2	-2.8	-0.1	1.5	1.8	1.5
Private consumption	42.3	-9.7	-2.3	3.3	3.5	2.1
Government consumption	14.2	-3.1	0.8	0.4	-0.8	-1.1
Gross fixed capital formation	16.2	-10.4	1.7	4.3	3.6	2.0
Final domestic demand	72.7	-8.6	-0.8	2.9	2.7	1.5
Stockbuilding[1]	1.4	-0.8	-0.5	0.3	-0.3	0.0
Total domestic demand	74.1	-9.3	-1.4	3.1	2.3	1.4
Exports of goods and services	21.4	3.7	3.2	5.2	3.9	3.1
Imports of goods and services	16.4	-25.8	-3.8	15.1	8.2	2.9
Net exports[1]	5.1	6.3	1.7	-1.8	-0.7	0.2
Memorandum items						
GDP deflator	_	8.4	3.4	5.6	4.1	3.1
Consumer price index	_	15.5	7.0	3.7	2.9	4.0
Private consumption deflator	_	14.3	6.2	3.7	2.9	3.9
General government financial balance[2] (% of GDP)	_	-1.5	-3.6	-1.5	0.3	0.3
Current account balance (% of GDP)	_	4.9	1.9	2.1	3.0	3.1

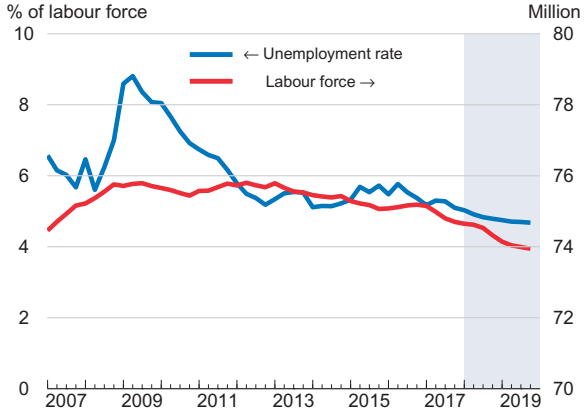
1. Contributions to changes in real GDP, actual amount in the first column.
2. Consolidated budget.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731415

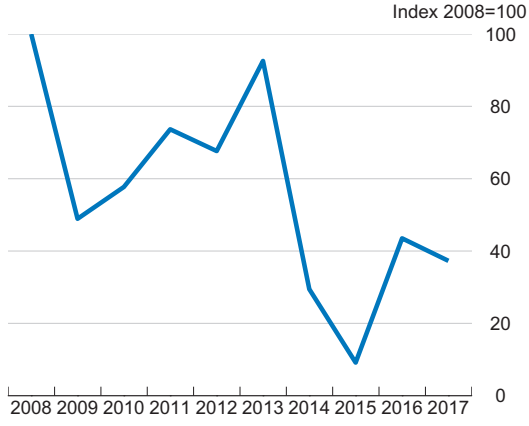
machinery and equipment is high and imports recovered swiftly after the 2015 drop. The cost of finance is higher as links to international financial markets have been severed. Foreign investment has declined, in particular in key export-oriented sectors such as oil and gas and metallurgy.

Russia

Unemployment is at a record low and the labour force is declining



FDI inflows have fallen[1]



1. Index based on foreign direct investment(FDI) in USD.
Source: Central Bank of the Russian Federation; OECD Economic Outlook 103 database; and Rosstat.

StatLink http://dx.doi.org/10.1787/888933730503

Monetary policy can support activity while fiscal adjustment will restore sustainability

The central bank has gradually lowered interest rates as actual inflation and inflation expectations have declined. While room for further loosening to support investment exists, the tight job market, volatile food prices, the recent decoupling of the rouble exchange rate from the oil price, and uncertainty around international sanctions call for caution. The central bank will also need to monitor closely the continuing restructuring of the banking sector, and resolve failing banks to maintain confidence in the Russian banking system.

With the exhaustion of the reserve fund and severed access to external finance due to sanctions, fiscal consolidation was necessary to maintain confidence in public finances. Fiscal policy is governed by a new fiscal rule anchoring the 2018 and 2019 budgets to an oil price of USD 40 per barrel. Beyond this threshold extra oil and gas revenues are saved in the National Welfare Fund. In addition, foreign exchange interventions by the Ministry of Finance are meant to reduce rouble volatility and stabilise oil and gas fiscal revenue. With the current oil price well above the USD 40 per barrel threshold and strict limits on spending, the 2018 budget is expected to reach a surplus. Consolidation supports budget sustainability and confidence, but should be gradual and weighed against its potential adverse impact on the ongoing recovery and long-term growth.

Future growth will be affected by a declining labour force and low productivity gains, calling for structural reforms and investment in education, health and infrastructure. The ongoing reforms to increase efficiency in the energy sector are welcome and should be continued. Tax reforms, including a shift from high social security contributions to a higher value-added tax, could support productivity and investment and boost work incentives. Improving the business environment with better protection of entrepreneurs' rights and greater competition, with a reduction in the share of government activity in the economy, would boost investment and productivity. A reform of the pension system to raise the very low pension level – a third of the average wage – would reduce old-age poverty and make growth more inclusive.

Growth will be moderate

Growth is projected to reach 1.8% in 2018 and to slow to 1.5% in 2019 as investment continues to recover only slowly following sanctions. Real income growth and improved access to credit will continue to raise household consumption. Growth of non-oil exports will remain moderate as uncertainty around sanctions remains considerable. Foreign exchange interventions set by the fiscal rule will contain rouble appreciation and maintain competitiveness, at least partially. Fiscal consolidation will weigh on GDP growth, especially in the second half of 2018 when the spending boost related to the soccer world cup fades. Poverty will decline as social transfers and real wages rise, but moderately, and the share of vulnerable households will remain high. A key risk to the outlook stems from oil price developments, with a potential breakdown of the OPEC+ agreement in the face of rebounding shale gas production in non-OPEC countries bringing down oil prices. The recent tightening of international sanctions and expected counter-sanctions pose a downside risk. Lastly, the fiscal stance and the reform agenda envisaged in the outlook might change with the new presidential cycle, with risks to growth being balanced on the upside and the downside.

SLOVAK REPUBLIC

The economy is projected to grow at a strong pace. Private consumption will continue to benefit from the increasingly robust labour market. Intensifying labour shortages will boost wage growth and, thereby, inflation. Exports will move up vigorously, as new automotive production capacity comes on stream. Business investment will remain strong, while public investment should pick up with the launch of new infrastructure projects.

The government should continue with consolidation, given strong growth and the absence of spare capacity. It should also enhance public-sector efficiency in order to finance much needed structural reforms. In particular, measures to improve efficiency in education and enhance Roma integration are important to improve well-being and make growth more inclusive and sustainable.

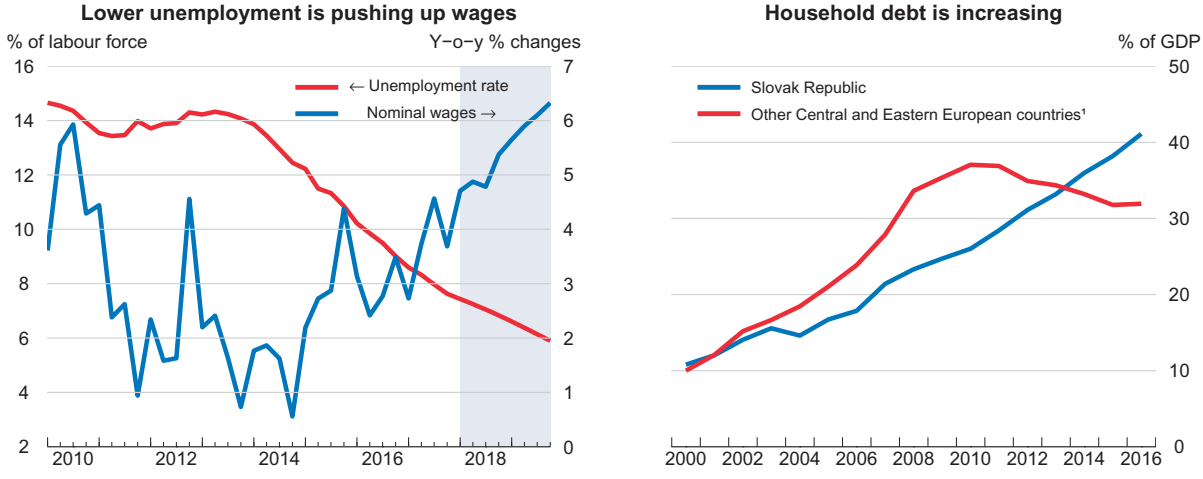
Economic growth is strong

A broad-based and rapid expansion has continued. In line with strengthening external demand and the launch of new products, export performance has improved considerably. Investment activity has been subdued due to a fall in public investment related partly to weaker EU funds disbursement, but business investment has kept up. Labour market buoyancy and strong credit growth are fuelling domestic demand. The unemployment rate has declined to historic lows. Labour shortages and rising wages, particularly for skilled workers, are attracting foreign workers, women of child-bearing age and older people into the labour market. Inflation has risen above 2% due to rising demand pressures and associated higher wages, and to higher food prices.

Fiscal policy will remain prudent

The budget deficit was 1% of GDP in 2017, better than budgeted, and modest tightening should continue as the government intends to reach a balanced budget by 2020.

Slovak Republic



1. Includes the Czech Republic, Hungary and Poland.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730522

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

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	76.1	3.9	3.3	3.4	4.0	4.5
Private consumption	42.3	2.2	2.7	3.6	3.6	4.0
Government consumption	14.4	5.4	1.6	0.2	1.8	1.9
Gross fixed capital formation	15.8	19.8	-8.3	3.2	6.0	6.5
Final domestic demand	72.5	6.7	-0.2	2.8	3.7	4.1
Stockbuilding[1]	1.0	-1.0	1.1	-0.1	-0.6	0.0
Total domestic demand	73.5	5.6	0.9	2.7	3.0	4.1
Exports of goods and services	69.9	6.4	6.2	4.3	8.5	8.8
Imports of goods and services	67.3	8.4	3.7	3.9	7.2	8.5
Net exports[1]	2.6	-1.5	2.4	0.5	1.6	0.6
Memorandum items						
GDP deflator	_	-0.2	-0.4	1.3	2.1	2.2
Harmonised index of consumer prices	_	-0.3	-0.5	1.4	2.5	2.4
Harmonised index of core inflation[2]	_	0.5	0.9	1.4	2.0	2.3
Unemployment rate (% of labour force)	_	11.5	9.6	8.1	7.1	6.3
Household saving ratio, net (% of disposable income)	_	3.2	3.8	3.8	3.8	3.8
General government financial balance (% of GDP)	_	-2.7	-2.2	-1.0	-0.8	-0.3
General government gross debt (% of GDP)	_	60.0	60.0	58.4	57.5	55.6
General government debt, Maastricht definition (% of GDP)	_	52.3	51.8	50.9	49.9	48.1
Current account balance (% of GDP)	_	-1.7	-1.5	-2.1	0.5	1.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731434

The consolidation is broadly appropriate, given an absence of spare capacity and efforts to build up buffers against possible future shocks. Strong growth, coupled with a still accommodative euro-area monetary policy stance, provides room for faster consolidation. In order to ease medium-term fiscal pressures from population ageing the 2012 pension reform must be fully implemented. Very low interest rates together with strong growth have led to rapid increases in bank loans, particularly for housing, and household indebtedness is now twice as high as prior to the crisis. While the banks are well capitalised and profitable, higher overall household indebtedness implies greater vulnerability to any economic deterioration. The National Bank has appropriately taken several pre-emptive macro-prudential measures and should stand ready to tighten its settings if risks continue to increase.

The government should continue its efforts to improve tax collection and enhance public-sector efficiency in order to create room to finance much needed structural reforms. Measures are required to upgrade Slovakia's role in global supply chains by improving education policies, thereby fostering knowledge diffusion as well as talent retention and attraction. At the same time, enhancing the integration of disadvantaged groups, especially Roma, into society is crucial for social cohesion and mitigating the labour market effects of population ageing. This requires a multi-faceted approach, including

increasing their participation in early childhood education, access to health services, and improving housing and infrastructure in Roma settlements.

Growth is projected to rise

Growth is projected to exceed 4%, benefitting from new production lines in the car industry, which will contribute to robust export gains that exceed export market growth. Private consumption will continue to be an important growth driver, supported by rising wages and lower unemployment. Supportive financial conditions and new public infrastructure projects will boost investment. Inflation is projected to remain above 2% throughout the projection horizon. External developments pose both upside and downside risks. There is also a risk of higher inflation, should capacity limits prove to be more binding than assumed. At the same time, economic growth could be even stronger, if financial conditions and lower saving result in additional private consumption.

SLOVENIA

The economy is projected to continue its strong expansion in 2018, growing at 5% in 2018 and nearly 4% in 2019. Private consumption will be boosted by strong real income growth from the buoyant labour market. Favourable financial conditions and EU structural funds will underpin business and public infrastructure investment. Exports will decelerate as higher wages undermine external competitiveness. Imports will be bolstered by higher domestic demand and tighter capacity constraints.

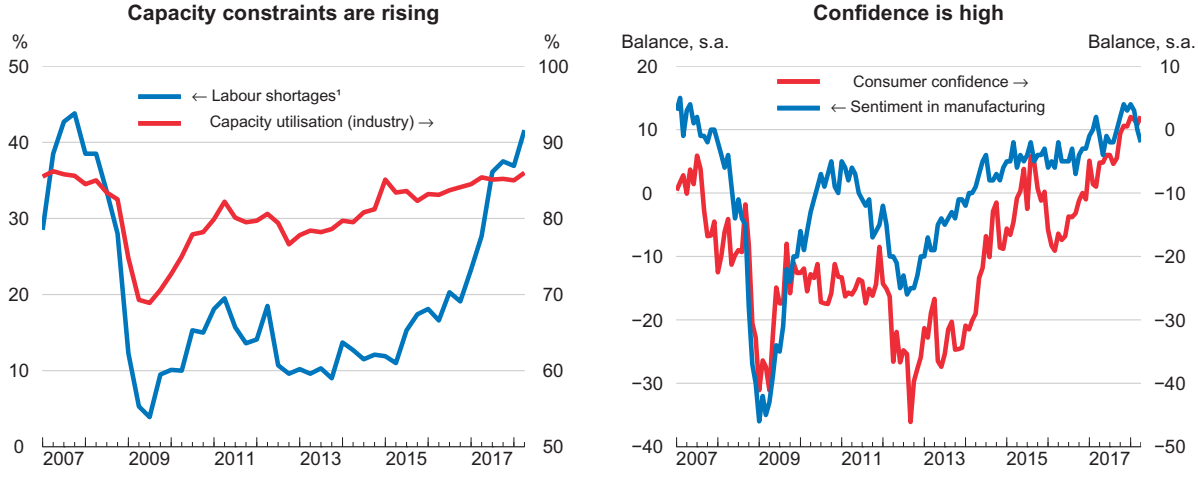
The fiscal stance is projected to remain expansionary, even though rapid growth will secure a higher budget surplus. Nonetheless, a still higher surplus is needed to contain inflationary pressures as monetary conditions will remain highly accommodative. In addition, greater privatisation efforts would boost jobs and growth.

Growth is broadly based

Robust private consumption growth is being boosted by real labour income gains and a decade-high level of consumer confidence. The expansion of government consumption is continuing, reflecting the relaxation of previous austerity measures. Investment remains strong, driven by the need for expanding production capacity and EU structural funds, all supported by favourable financial conditions and still optimistic business sentiment. Exports are benefiting from stronger growth in trading partner economies and market share gains from past improvements in competitiveness.

A strong employment expansion has reduced unemployment to its lowest level in a decade and increased labour shortages, leading firms to progressively recruit from abroad. So far, wage growth has remained moderate. Consumer price inflation has started to increase on the back of higher food and energy prices, although prices of durable goods are declining. At the same time, core inflation has remained stable at around 1% per year.

Slovenia



1. Percentage of manufacturing firms pointing to labour shortages as a factor limiting production.

Source: Statistical Office of the Republic of Slovenia; Eurostat, industry database; OECD, Main Economic Indicators database; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730541

Slovenia: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	37.6	2.3	3.1	5.0	5.0	3.9
Private consumption	20.5	2.1	4.2	3.2	4.2	3.2
Government consumption	7.0	2.7	2.5	2.3	2.3	1.4
Gross fixed capital formation	7.3	-1.6	-3.6	10.3	12.6	8.7
Final domestic demand	34.8	1.5	2.2	4.4	5.6	4.1
Stockbuilding[1]	0.1	0.3	0.7	-0.2	0.0	0.0
Total domestic demand	34.8	1.8	2.9	4.1	5.6	4.0
Exports of goods and services	28.5	5.0	6.4	10.6	8.8	6.8
Imports of goods and services	25.7	4.7	6.6	10.1	9.8	7.1
Net exports[1]	2.8	0.6	0.5	1.3	0.1	0.3
Memorandum items						
GDP deflator	_	1.0	0.9	2.0	1.9	2.5
Harmonised index of consumer prices	_	-0.8	-0.2	1.6	2.3	2.7
Harmonised index of core inflation[2]	_	0.3	0.7	0.7	1.3	2.6
Unemployment rate (% of labour force)	_	9.0	8.0	6.6	5.3	4.8
Household saving ratio, net (% of disposable income)	_	4.6	4.9	3.9	3.9	4.4
General government financial balance (% of GDP)	_	-2.9	-1.9	0.0	0.4	0.2
General government gross debt (% of GDP)	_	102.8	97.6	88.6	86.3	84.5
General government debt, Maastricht definition (% of GDP	_	82.6	78.6	73.6	69.3	68.3
Current account balance (% of GDP)	_	4.4	5.2	6.4	5.7	5.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731453

Fiscal policy should be more forward-looking

Fiscal policy is highly expansionary, implying little progress in securing fiscal sustainability. Public investment will continue to benefit from the disbursement of EU structural funds. With the expected continuation of the accommodative euro-area monetary policy, macroeconomic policies are too stimulatory in the present conjuncture and fail to address future ageing-related fiscal challenges.

Continued strong growth depends on structural reforms, including more intense privatisation efforts to free up available resources and improve their allocation. This should be supported by equipping the competition authority with more resources and expertise and the implementation of simplified judicial procedures in competition cases. Moreover, boosting the low activity rate of older workers through additional pension reform would expand the labour supply, especially if combined with improved incentives for life-long learning. These measures would also help deepen the inclusiveness of the labour market.

Growth will moderate under tightening capacity constraints

Economic growth is projected to remain strong in 2018 before moderating in 2019 as demand is progressively satisfied by higher imports due to the increasing capacity pressures in the domestic economy. Solid real income gains on the back of expanding

employment and faster wage growth will continue to support private consumption and housing investment. Business investment will be bolstered by the need to augment production capacity and maintain competitiveness through higher productivity. Exports will be buoyed by faster trading partner growth, although market share gains will diminish as cost pressures and capacity constraints build progressively. The strong labour market will push inflation to above 3% during 2019. Upside risks include faster export growth if the recovery in export markets is stronger than projected or if more intense privatisation releases resources to more dynamic exporting firms. On the other hand, if fiscal policy fails to counter labour market overheating and address fiscal sustainability, investor confidence could deteriorate and wage growth accelerate, harming external competitiveness, potentially requiring significantly tighter policies later.

SOUTH AFRICA

Economic growth is set to strengthen in 2018-19, driven by increased business and consumer confidence. A favourable outlook in trading partners will benefit exports. Private consumption will expand, albeit at a slightly lower rate than in 2017 due to tax increases. Employment trends remain a concern.

Inflation is projected to remain in the target range, reflecting an assumed stable strong exchange rate, which lessens the effect of higher international oil prices and thus the upward pressure from the VAT hike. Monetary policy is projected to be moderately expansionary, which is appropriate to support growth. The government budget for 2018-19 remains tight, but tax reforms will create some fiscal room for much needed investment in higher education and social benefits. Once the fiscal situation improves, government debt reduction needs to be advanced. Network regulation reforms aimed to broaden competition can further support growth.

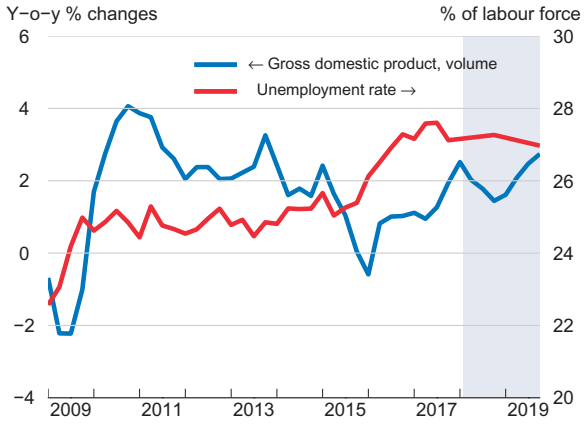
Growth is improving against a more stable political environment

A change in the political environment marked a positive turning point for business and consumer confidence. Investment is picking up after three years of decline. The currency has stabilised following an initial period of strengthening after the change of power in the ruling party. In addition, the agricultural sector rebounded from the severe drought in 2016, leading to an upward revision of growth in 2017. The budget for 2018/19 reversed past fiscal slippage. Rating agencies, acknowledging the favourable political developments, have refrained from further downgrades since November 2017.

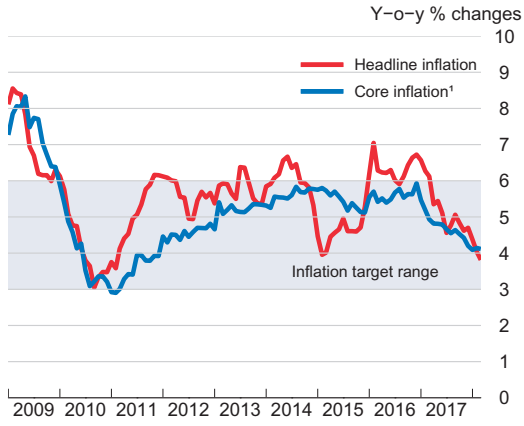
Recent economic improvements have not yet translated into higher employment. Unemployment remains high at 27%, weighing on household consumption. Inequalities in income and opportunities continue to be high. Young people are especially vulnerable to unemployment, reflecting the low quality of the education system, which contributes to skill shortages and low productivity.

South Africa

Growth is picking up but unemployment remains high



Inflation has remained within the target range



1. Consumer price index in urban areas, excluding food, non-alcoholic beverages, fuel and energy.

Source: OECD Economic Outlook 103 database; and Statistics South Africa.

StatLink http://dx.doi.org/10.1787/888933730560

South Africa: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices ZAR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	3 796.5	1.3	0.6	1.3	1.9	2.2
Private consumption	2 282.0	1.8	0.7	2.2	2.0	2.1
Government consumption	791.3	-0.3	1.9	0.6	0.8	1.0
Gross fixed capital formation	775.9	3.4	-4.1	0.4	4.6	4.7
Final domestic demand	3 849.3	1.7	0.0	1.5	2.2	2.4
Stockbuilding[1]	4.1	0.4	-0.8	0.4	0.3	0.0
Total domestic demand	3 853.5	2.1	-0.9	1.9	2.6	2.4
Exports of goods and services	1 197.5	2.8	1.0	-0.1	3.0	3.8
Imports of goods and services	1 254.5	5.4	-3.8	1.9	5.2	4.3
Net exports[1]	- 57.0	-0.8	1.5	-0.6	-0.7	-0.2
Memorandum items						
GDP deflator	_	5.2	7.2	5.7	5.5	5.1
Consumer price index	_	4.6	6.3	5.3	4.5	5.2
Core inflation index[2]	_	5.6	5.7	4.6	4.1	4.4
General government financial balance (% of GDP)	_	-3.8	-3.5	-4.0	-3.7	-3.6
Current account balance (% of GDP)	_	-4.6	-2.8	-2.4	-2.8	-3.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731472

As fiscal policy tightens, monetary easing should support activity

The budget released in February 2018 proposes several measures to contain the deficit. The VAT rise from 14% to 15% and the partial freezing of personal income tax brackets will increase revenues. Increases in social benefit and the introduction of fee-free higher education for new students will temper the effect of the VAT increase on incomes. However, budget reallocation towards these measures may outbalance the added revenues and weigh on the public finances in the future.

Inflation fell to around 4% at the beginning of 2018 following a slowdown in price increases for food and transport. The VAT increase is likely to have only a small effect on inflation. Inflation is projected to stabilise in the middle of the 3%-6% target range, providing room for some monetary easing to support the economic rebound. In March 2018, the Reserve Bank reduced the repurchase rate from 6.75% to 6.5%. A further reduction in the policy rate is projected to follow.

Investment in infrastructure and structural reforms would support growth in the medium to long term. The budget proposes important structural reforms, including reducing barriers to competition in several network sectors. Timely implementation would sustain improved levels of business confidence and increase investment. Higher investment will be crucial for growth to translate into lower unemployment and, thereby, greater inclusiveness.

Growth is projected to stabilise but remains exposed to internal and external risks

Growth remains fragile and exposed to policy uncertainty and external risks. Investment and the service sector will be main drivers of growth. Despite the favourable political environment, policy uncertainties remain, such as the governance of state enterprises. In addition, a potential land reform allowing land expropriation without compensation raises uncertainty about property rights, which could lead to a significant decline in investment. External downside risks relate to an increase in oil prices and to foreign trade tensions, in particular on commodities. In addition, higher interest rates in Europe and the United States could affect the financial market and the exchange rate through capital outflows. On the upside, a quick implementation of proposed structural reforms could reduce remaining policy uncertainties and stimulate domestic demand through higher-than-expected investment.

SPAIN

After expanding at over 3% in the past three years, the economy is projected to grow at a robust, but more moderate, pace in 2018 and 2019. Favourable financial conditions and strong job creation will continue to support private domestic demand. Net exports will also contribute positively to GDP growth. Inflation will remain moderate as unemployment remains high.

Public debt is gradually declining, but remains high. As the recovery continues, public debt is projected to fall in relation to GDP, but the government will have to ensure further significant declines in the years ahead, by further improving its fiscal position and introducing additional reforms to strengthen long-term growth. The implementation of the pension reform will be key to ensure long-term fiscal sustainability. More effective labour market policies and re-skilling are needed to further reduce unemployment and inequalities, and make growth more inclusive.

The recovery remains robust and balanced

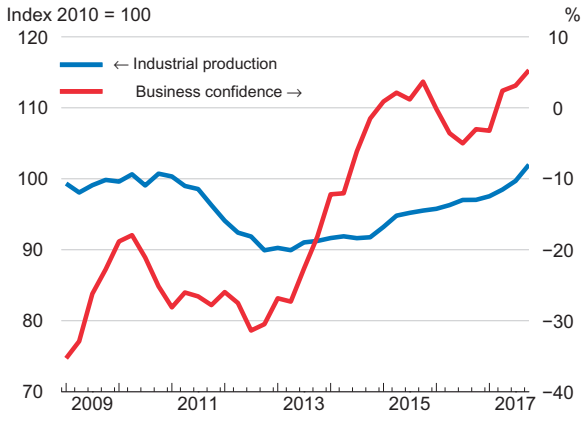
Private consumption continues to be the main driver of growth, with strong employment creation and favourable credit conditions offsetting moderate wage growth. Business investment has picked up due to supportive financing conditions, lower corporate indebtedness and stronger confidence. The housing market is recovering and residential investment has increased strongly. Exports have benefitted from improved competitiveness and favourable external conditions, and continue to contribute positively to GDP growth. The economic consequences of the political uncertainty in Catalonia have been contained so far.

Further structural reforms are needed to sustain growth

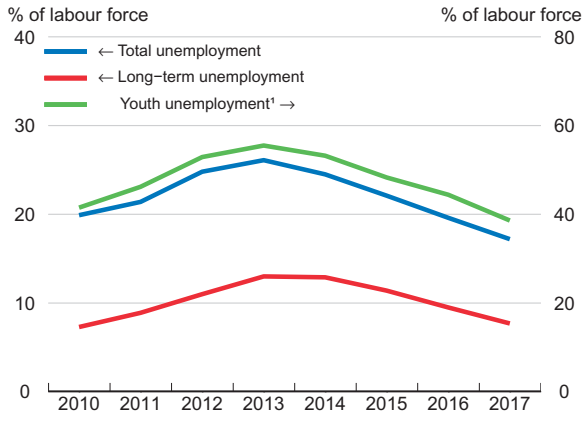
Monetary policy in the euro area will remain accommodative, boosting consumption and investment. The budget deficit is projected to decrease further, supported by

Spain

Economic activity and confidence continue to strengthen



Unemployment is declining but remains high



1. As a percentage of 15-24 year-olds labour force.
Source: OECD Main Economic Indicators; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933730579

Spain: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 037.8	3.4	3.3	3.1	2.8	2.4
Private consumption	608.7	3.0	3.0	2.4	2.3	1.8
Government consumption	202.0	2.1	0.8	1.6	1.2	1.1
Gross fixed capital formation	200.3	6.5	3.3	5.0	4.4	4.3
Final domestic demand	1 011.0	3.5	2.6	2.8	2.6	2.2
Stockbuilding[1]	1.6	0.4	0.0	0.1	0.1	0.0
Total domestic demand	1 012.6	4.0	2.6	2.9	2.6	2.2
Exports of goods and services	339.5	4.2	4.8	5.0	4.6	4.5
Imports of goods and services	314.3	5.9	2.7	4.7	4.2	4.2
Net exports[1]	25.2	-0.4	0.7	0.3	0.3	0.2
Memorandum items						
GDP deflator	_	0.6	0.3	1.0	2.0	1.5
Harmonised index of consumer prices	_	-0.6	-0.3	2.0	1.6	1.5
Harmonised index of core inflation[2]	_	0.3	0.7	1.2	1.3	1.5
Unemployment rate (% of labour force)	_	22.1	19.6	17.2	15.5	13.8
Household saving ratio, net (% of disposable income)	_	2.8	1.7	-0.6	-1.3	-1.4
General government financial balance (% of GDP)	_	-5.3	-4.5	-3.1	-2.4	-1.5
General government gross debt (% of GDP)	_	116.4	116.6	114.8	113.5	111.9
General government debt, Maastricht definition (% of GDP)	_	99.4	99.0	98.3	97.1	96.0
Current account balance (% of GDP)	_	1.1	1.9	1.9	1.7	1.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731491

favourable macroeconomic conditions. Fiscal policy is supporting growth this year, but the broadly neutral fiscal stance planned for 2019 is appropriate, as it balances the need for continued growth with the sustainability of public debt. To ensure a steady reduction of the high ratio of public debt to GDP, the government should stick to its medium-term fiscal targets.

Improving job opportunities for the unemployed and facilitating their return to work is key to further lowering inequalities. Increasing the effectiveness of active labour market policies and decreasing labour market duality, by better supervision of abuse of temporary jobs, would help address the challenges rising from high long-term and youth unemployment. Improved access to vocational education and training, and adult education programmes would also enhance the labour market prospects of vulnerable groups.

The structure of taxation remains tilted towards labour income, which penalises growth and employment. Reforming taxation by phasing out exemptions and further improving VAT administration would improve the efficiency of the tax system. Moreover, making more use of environmental taxes would strengthen green growth. Further reducing barriers in service sectors would bring employment and productivity gains, a necessary condition for sustainable medium-term growth and higher living standards. Continuing

the reduction of early school leaving rates and increasing the share of the workforce with at least secondary education are also essential in this regard.

The pace of the recovery will moderate

GDP growth is set to slow gradually to 2.8% in 2018 and 2.4% in 2019. Private consumption is projected to slow down as the pace of job creation moderates, but will remain the main driver of growth. Business investment is set to ease gradually, as the effect of pent-up demand subsides. Exports are expected to continue growing dynamically, but at slightly lower rates than in 2017, as export market growth decelerates slightly. The unemployment rate is projected to further edge down to 13.8% in 2019. Risks stem from internal and external factors. Persistent uncertainty in Catalonia could lower confidence, hampering domestic demand. A minority government could face difficulties in pushing the national reform agenda further. An increase in oil prices would create pressures on inflation. Conversely, higher construction investment and stronger demand from Europe, Spain's main export destination, would boost growth more than projected.

SWEDEN

Growth will remain strong as global demand and a weaker krona continue to boost exports. Exporting sectors will invest further to meet rising demand, but housing investment will contract against the backdrop of house price declines. The labour force will expand more slowly and unemployment will level off, as difficult-to-hire low-skilled workers make up a rising share of jobseekers. Households will remain cautious, with the saving rate staying high.

Both fiscal and monetary policies are expansionary during a strong upturn, and risk amplifying the business cycle. Expansionary monetary policy has succeeded in bringing inflation close to 2% and expectations are well-anchored. The Riksbank is projected to begin withdrawing monetary stimulus towards the end of 2018, which is needed to balance inflation risks against those of resource misallocation and financial imbalances, notably connected to property prices. Reforms aimed at improving the functioning of the housing market are also needed.

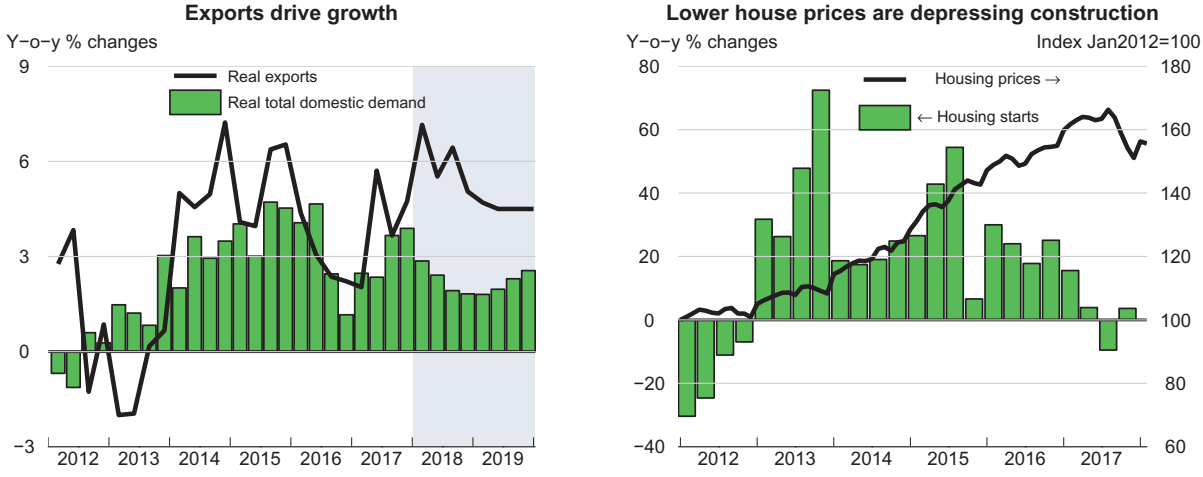
Exports maintain their strong growth as domestic demand softens

The economy continues to grow strongly, but the composition of growth is changing. Exports are being boosted by international demand and a weaker krona, but consumption growth is slowing due to still modest wage growth, high saving and falling housing prices. Shortages of qualified labour persist, but unemployment is declining only gradually, as the unemployed increasingly consist of harder-to-employ individuals, including recently arrived immigrants. Business investment is buoyed by growing export demand. In contrast, housing investment is contracting. Households have not cut consumption, but are expected to remain somewhat cautious in the near term. Employment continues to expand, but at a slower pace.

Monetary and fiscal policies are expansionary

Inflation is projected to stay close to target going forward, but monetary policy is set to remain highly expansionary, notwithstanding signs of high capacity utilisation. The bond

Sweden



Source: OECD Economic Outlook 103 database; Statistics Sweden; and Valueguard.

StatLink http://dx.doi.org/10.1787/888933730598

Sweden: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices SEK trillion	Percentage changes, volume (2016 prices)				
GDP at market prices	3 943.0	4.3	3.0	2.7	2.8	2.2
Private consumption	1 817.4	3.0	2.1	2.4	2.1	2.6
Government consumption	1 030.9	2.1	2.6	0.8	1.4	1.5
Gross fixed capital formation	909.5	6.5	5.3	6.5	2.5	2.2
Final domestic demand	3 757.9	3.6	3.1	3.0	2.0	2.2
Stockbuilding[1]	15.1	0.4	0.0	0.1	0.2	0.0
Total domestic demand	3 773.0	4.1	3.1	3.1	2.3	2.2
Exports of goods and services	1 779.3	5.2	3.0	4.0	6.0	4.5
Imports of goods and services	1 609.3	4.8	3.1	5.3	4.9	4.8
Net exports[1]	169.9	0.4	0.1	-0.3	0.7	0.1
Memorandum items						
GDP deflator	_	2.1	1.7	2.0	1.8	2.2
Consumer price index[2]	_	0.0	1.0	1.8	1.6	2.2
Core inflation index[3]	_	0.9	1.4	2.0	1.8	2.1
Unemployment rate[4] (% of labour force)	_	7.4	6.9	6.7	6.1	5.9
Household saving ratio, net (% of disposable income)	_	15.1	16.6	15.9	16.6	16.1
General government financial balance (% of GDP)	_	0.2	1.2	1.3	1.0	0.9
General government debt, Maastricht definition (% of GDP)	_	44.2	42.2	40.6	38.1	35.8
Current account balance (% of GDP)	_	4.5	4.3	3.2	4.3	4.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. The consumer price index includes mortgage interest costs.
3. Consumer price index with fixed interest rates.
4. 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.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731510

purchasing programme has been put on hold, and the first hikes in the repo rate, which has remained at -0.5% since February 2016, are expected in the second half of 2018. A gradual tightening of monetary policy is welcome to balance the risks of inflation undershooting against those of overshooting, financial imbalances and resource misallocation.

Together with easy access to credit, and rapid income and population growth, low interest rates have fuelled strong house price growth until recently. Household debt has grown to exceed 180% of disposable income, but macro-prudential measures seem to have started to have some effect. Favourable tax treatment of housing and mortgages, rental regulations and a lack of competition in construction have contributed to imbalances in the housing market, where an overall shortage of dwellings coincides with excess supply in some market segments. House prices are undergoing a welcome correction. They fell by 3.7% in the year to February 2018, and by 6.5% from their peak in August 2017, but now show signs of stabilising.

Fiscal policy is expansionary, with new discretionary spending measures exceeding structural increases in government revenue. Even though investments are needed in the areas of education, immigrant integration, health, defence and environment protection, fiscal initiatives fuel already solid growth, and are financed by temporarily high tax

revenues. However, fiscal sustainability is not threatened, with gross public debt below 40% of GDP and the headline fiscal surplus around 1% of GDP.

Growth will soften somewhat and housing market risks remain

GDP growth is set to slow down somewhat, as capacity constraints bind. Exports and business investment will continue to drive growth, as external demand, notably from the European Union, holds-up. Household consumption will still expand at a measured pace, as labour market tightness only gradually feeds through to wages and the housing price correction instils cautiousness. Residential investment will contract further. Key risks to the outlook include further house price falls, which could weigh on consumption. A downturn could be exacerbated by imbalances resulting from excessively loose macroeconomic policies during the upturn.

SWITZERLAND

Growth is projected to become more broad-based during the projection period as the weak domestic economy gradually accelerates. The worldwide recovery will continue to support exports. Inflation will remain subdued and is projected to exceed 1% only at the end of 2019. The large current account surplus will persist.

Monetary policy remains accommodative. With rising consumer price inflation, currently negative policy rates are projected to start to be raised in 2019. The fiscal surplus will gradually decrease as exceptional revenues unwind. Pension reform is becoming increasingly urgent to ensure the system's financial sustainability. Increasing childcare affordability and availability would remove some constraints on women's full participation in the economy.

The manufacturing sector has supported the recovery

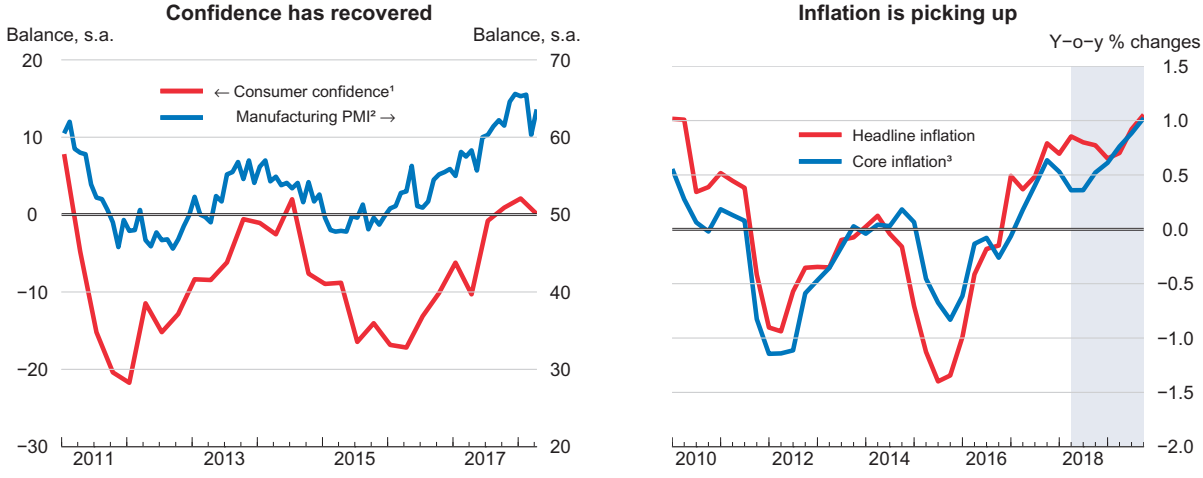
After years of subdued growth, the manufacturing sector gained momentum in 2017. The rebound in global growth, especially in the European Union, contributed to the recovery. Exporters also benefited from the ongoing depreciation of the exchange rate. Business and consumer confidence are high relative to recent years.

Inflation has risen following energy price increases, but the core measure continues to point to modest underlying price pressures. The unemployment rate has barely decreased, which has prevented household saving from falling from its currently high level. Real employee earnings have declined, weighing on private consumption. The current account surplus reached nearly 10% of GDP in 2017, boosted by investment income gains.

Finding the right policy mix is key to ensuring economic stability

The Swiss National Bank has maintained negative policy interest rates since December 2014. The resulting search for yield can affect resource allocation, generating

Switzerland



1. The balance is the difference between positive and negative answers and is centred around 0.
2. The manufacturing Purchasing Managers Index is a survey-based leading indicator. An index above 50 indicates an overall increase and below 50 an overall decrease.
3. Excluding fresh and seasonal food products, energy and fuels.

Source: OECD Main Economic Indicators database; Thomson Reuters; and OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730617

Switzerland: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices CHF billion	Percentage changes, volume (2010 prices)				
GDP at market prices	649.8	1.2	1.4	1.1	2.3	1.9
Private consumption	345.1	1.8	1.5	1.2	1.3	1.6
Government consumption	77.8	1.2	1.6	1.0	1.1	1.1
Gross fixed capital formation	155.1	2.3	3.0	3.1	3.0	3.4
Final domestic demand	577.9	1.8	1.9	1.7	1.7	2.0
Stockbuilding[1]	- 4.6	0.5	-1.3	-1.3	-0.3	0.1
Total domestic demand	573.3	2.4	0.3	0.2	1.3	2.2
Exports of goods and services	418.1	2.3	6.6	-0.7	4.7	4.0
Imports of goods and services	341.6	4.6	6.0	-2.5	3.7	4.8
Net exports[1]	76.5	-0.9	1.0	0.9	1.1	0.0
Memorandum items						
GDP deflator	_	-0.6	-0.6	0.3	0.6	1.0
Consumer price index	_	-1.1	-0.4	0.5	0.9	0.9
Core inflation index[2]	_	-0.5	-0.3	0.3	0.4	0.8
Unemployment rate (% of labour force)	_	4.8	4.9	4.8	4.6	4.5
Household saving ratio, net (% of disposable income)	_	17.6	18.8	18.7	18.5	18.2
General government financial balance (% of GDP)	_	0.6	0.3	1.1	0.7	0.5
General government gross debt (% of GDP)	_	43.3	42.6	41.5	40.8	40.4
Current account balance (% of GDP)	_	10.9	9.4	9.8	10.7	10.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731529

risks of financial distortions. Moreover, house prices have started to rise again, and mortgage loan growth by some bank categories is increasing. Higher inflation will allow the central bank to raise interest rates, and it is projected to begin doing so in mid-2019. A plan for the gradual withdrawal of stimulus should be communicated well in advance to avoid a potentially disruptive market surprise.

Public debt is low, and some fiscal easing in 2018 and 2019 will help smooth the transition away from unconventional monetary policy. Budget revenue has surprised on the upside, public spending has come in slightly below target, and Switzerland has long recorded a budget surplus. However, the latter will gradually shrink as exceptional revenues wane. Because the population is ageing and the pension system's financial position is deteriorating, a pension reform is becoming urgent, notably by removing disincentives to work longer, thereby increasing the effective retirement age.

To meet long-term challenges, productivity needs to accelerate, including by improving inclusiveness. Reinforcing competition and lowering restrictions on trade, notably for agricultural products, would help sustain high living standards. Facilitating immigration from non-EU countries and increasing the participation of women and immigrants in the labour force would help satisfy labour market needs. In particular, full-time female employment would be facilitated by increased childcare affordability and availability.

Domestic demand is expected to expand more strongly

Growth is projected to pick up strongly in 2018 largely due to buoyant activity at the turn of the year. Exports will continue to support growth in the context of the recent exchange rate depreciation and renewed momentum in global growth. In addition, domestic demand will pick up, broadening sources of economic growth. Private consumption will recover as unemployment edges down and real wages increase again. Heightened geopolitical tensions could be particularly damaging to Switzerland's very open economy if the Swiss franc were to appreciate sharply. Domestic tensions around the finalisation of the corporate tax reform, which is expected to be implemented in 2020 but could be subject to a referendum, could exacerbate uncertainty, depressing investment. Conversely, households' optimism may lead to a more substantial decline in their saving ratio and higher consumption growth, narrowing the current account surplus.

TURKEY

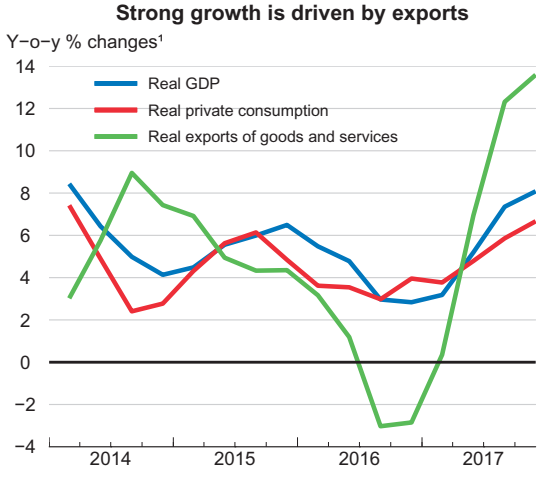
Following a strong recovery in 2017 and turbulence in spring 2018, economic growth is set to slow but to stay around 5% in 2018 and 2019. The uncertainties surrounding the early elections in June, as well as persisting regional geopolitical tensions, create risks. The exchange rate remains highly volatile, with the lira depreciating substantially recently despite a significant increase in the policy interest rate, and consumer price inflation is far above target. Disinflation is projected to be slow.

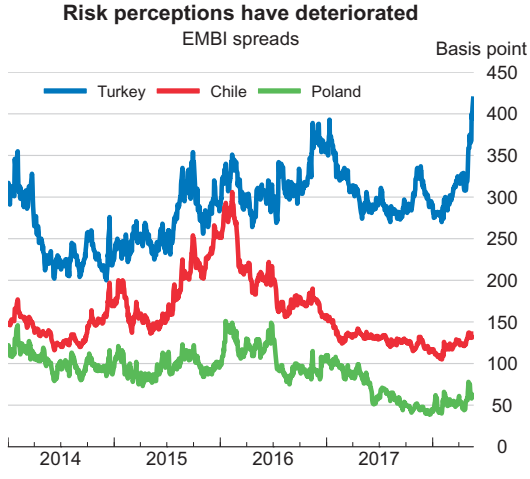
A credible macroeconomic framework is of utmost importance to uphold confidence in this sensitive environment. The Medium-Term Economic Programme provides a prudent fiscal framework, and recent monetary tightening should be backed with stronger institutional credibility of monetary policy. Structural reforms to align the business environment with international good practices should be stepped up as soon as possible to rebalance growth and make it more inclusive.

Growth has been backed by strong exports and government support

Real GDP growth in 2017 and early 2018 exceeded both market expectations and official projections. Robust foreign demand and real exchange rate depreciation have supported exports. Fiscal and quasi-fiscal stimulus, including a massive extension of the government credit guarantee scheme, have boosted domestic demand. Stimulated by new employment incentives, 1.6 million net new jobs were created in 2017, but strong labour force growth kept unemployment close to 10% as of early 2018. Private investment was subdued over most of the recent period, reflecting "wait and see" attitudes of investors amid various domestic, regional and international uncertainties. Yet, on the back of brightening export prospects and hefty government incentives, investment picked up in late 2017 and the share of machinery and transport equipment investment in GDP returned to its long-term average of around 13%, one of the highest rates in the OECD.

Turkey





1. Three-quarter moving average.
Source: OECD Economic Outlook 103 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933730636

Turkey: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices TRY billion	Percentage changes, volume (2009 prices)				
GDP at market prices	2 044.5	5.9	3.2	7.4	5.1	5.0
Private consumption	1 242.2	5.3	3.7	6.1	5.9	5.3
Government consumption	288.1	2.9	9.8	4.4	6.9	5.2
Gross fixed capital formation	590.7	9.3	2.2	7.3	8.1	7.6
Final domestic demand	2 121.1	6.1	4.1	6.2	6.7	5.9
Stockbuilding[1]	2.8	-1.6	0.0	-0.7	0.2	0.0
Total domestic demand	2 123.9	4.6	4.2	5.7	6.9	5.8
Exports of goods and services	485.9	4.3	-1.9	12.0	8.7	6.6
Imports of goods and services	565.3	1.5	3.8	10.1	13.2	6.0
Net exports[1]	- 79.4	0.6	-1.4	0.1	-1.7	-0.2
Memorandum items						
GDP deflator	_	8.0	8.1	10.9	11.3	9.8
Consumer price index	_	7.7	7.8	11.1	11.5	10.3
Core inflation index[2]	_	8.0	8.5	10.1	12.7	10.4
Unemployment rate (% of labour force)	_	10.3	10.9	10.9	10.5	10.3
Current account balance (% of GDP)	_	-3.7	-3.8	-5.6	-6.4	-6.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731548

Increased imbalances and uncertainties call for a credible macroeconomic framework

Strong growth has amplified Turkey's longstanding imbalances, which arise from excessive reliance on domestic demand. The current account deficit is estimated to have surpassed 6% of GDP in early 2018 and foreign financing needs are projected to reach 25% of GDP in 2018. Oil price increases have put additional pressure on the current account and external funding will become less abundant and more costly as advanced OECD economies normalise monetary policy. Fiscal policy has added to the imbalances. Spending pressures increased strongly in spring 2018, owing to new business incentives and further social transfers. Early elections in June 2018 create room for post-electoral consolidation in line with the government's Medium-Term Economic Programme. The fiscal position should be reported fully and transparently, with timely quarterly general government accounts according to international standards.

The commitment of the central bank to the official 5% inflation target is in question after several years of overshooting and five consecutive quarters of double-digit inflation. This exacerbated exchange-rate depreciation and volatility, considerably increased the country's risk premia, and heightened risks associated with external debt. Against this backdrop, the central bank increased its lending rate by a cumulative 375 basis points in April and May this year. To strengthen monetary policy credibility, the commitment to the central bank's independence and to the inflation target should be reinforced. Monetary policy should be simplified, and forward guidance should be provided on how the authorities plan to hit the 5% inflation target in the foreseeable future.

Growth is set to slow and could further decline if tensions intensify

On the back of strong positive carry-over from late 2017 and early 2018, absent any further severe tensions on exchange rates and risk premia, and assuming no new disturbances in international capital flows as advanced economies normalise economic policies, GDP growth is projected to stay around 5% in 2018 and 2019. If the electoral process concludes without major tensions, fiscal and monetary policies do not remain pro-cyclical, and ambitious but delayed structural reforms are phased in after the elections, consumer and investor sentiment may improve and growth may be stronger. If confidence weakens following additional uncertainties regarding the macroeconomic policy stance or the outlook for structural reform after the elections, or as a result of further tensions in financial markets and exchange rates, capital movements and domestic sentiment may weaken investment, consumption and growth.

UNITED KINGDOM

Economic growth is projected to remain modest at 1.4% in 2018 and 1.3% in 2019, owing to high uncertainties about the outcome of Brexit negotiations. There is little slack in the economy following years of strong growth, and unemployment is projected to remain below 5%. Inflation is projected to fall gradually to slightly above the 2% target of the central bank by the end of 2019.

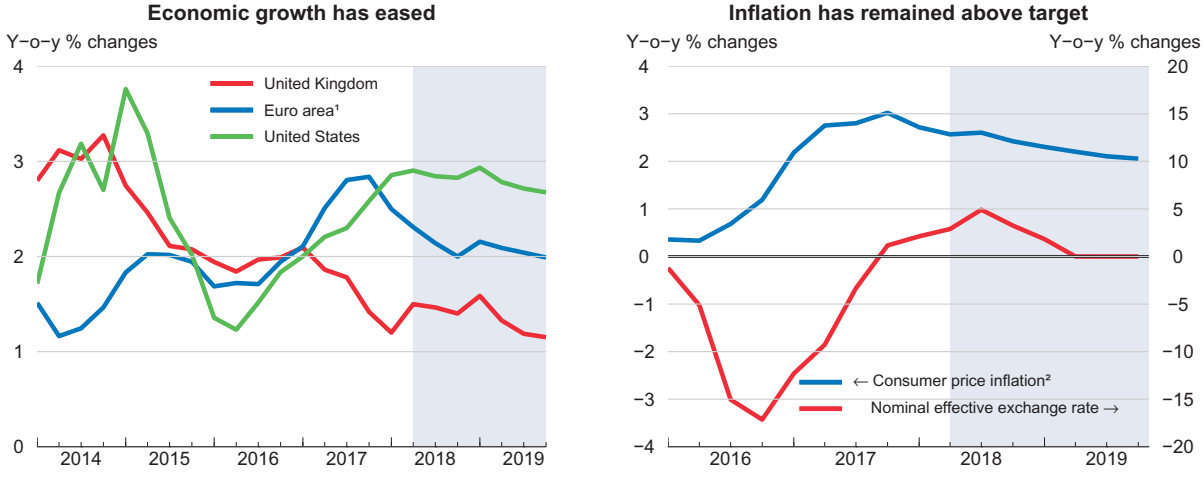
With inflation above target but still large uncertainties, monetary policy is projected to normalise at a very gradual pace. Additional fiscal consolidation is planned for this year and next. While this is appropriate given the economic outlook, the authorities should stand ready to further increase productivity-enhancing measures on investment if growth weakens significantly ahead of Brexit. Greater spending on education and training of low-skilled workers would increase productivity and enhance inclusiveness. From an economic point, Brexit negotiations should aim at preserving open trade with the European Union and high access for financial services to EU markets.

Economic growth remains constrained by Brexit-related uncertainties

The pace of domestic activity has been moderate, despite stronger export growth on the back of faster world trade growth. The current account deficit has narrowed somewhat, as the sterling depreciation automatically increased the sterling value of income earned on UK's foreign currency assets.

Inflation has fallen in recent months, but has remained persistently above target since February 2017. This reflects the lingering effects of sterling's past depreciation and rising global commodity prices, which have been passed into retail sales prices. Wages have lately grown at a slower pace than productivity. The main explanation of weak domestic demand is elevated inflation that has continued to damp real household income growth and consumer spending. Despite high profitability and limited spare capacity, business

United Kingdom



1. Covers 16 countries that are both euro area and OECD members.
2. Harmonised measure.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730655

United Kingdom: **Demand, output and prices**

	2014	2015	2016	2017	2018	2019
	Current prices GBP billion	Percentage changes, volume (2015 prices)				
GDP at market prices	1 837.1	2.3	1.9	1.8	1.4	1.3
Private consumption	1 200.5	2.6	2.9	1.7	1.1	0.7
Government consumption	359.0	0.6	0.8	0.1	1.4	1.0
Gross fixed capital formation	301.0	2.8	1.8	4.0	2.8	0.7
Final domestic demand	1 860.5	2.2	2.4	1.8	1.4	0.7
Stockbuilding[1]	13.4	0.2	-0.2	-0.4	0.0	0.0
Total domestic demand	1 873.9	2.4	2.2	1.4	1.4	0.8
Exports of goods and services	518.9	5.0	2.3	5.7	1.4	3.3
Imports of goods and services	555.8	5.1	4.8	3.2	1.0	1.5
Net exports[1]	- 36.8	-0.1	-0.8	0.6	0.1	0.5
Memorandum items						
GDP deflator	_	0.5	2.0	2.0	1.7	1.8
Harmonised index of consumer prices	_	0.1	0.6	2.7	2.6	2.2
Harmonised index of core inflation[2]	_	1.1	1.2	2.3	2.2	2.1
Unemployment rate (% of labour force)	_	5.4	4.9	4.4	4.5	4.6
Household saving ratio, gross (% of disposable income)	_	9.2	7.1	5.1	5.3	5.3
General government financial balance (% of GDP)	_	-4.3	-3.3	-1.8	-1.4	-1.3
General government gross debt (% of GDP)	_	112.3	121.1	118.0	116.8	115.5
General government debt, Maastricht definition (% of GDP)	_	88.2	88.2	87.7	87.7	87.5
Current account balance (% of GDP)	_	-5.2	-5.8	-4.1	-3.1	-2.5

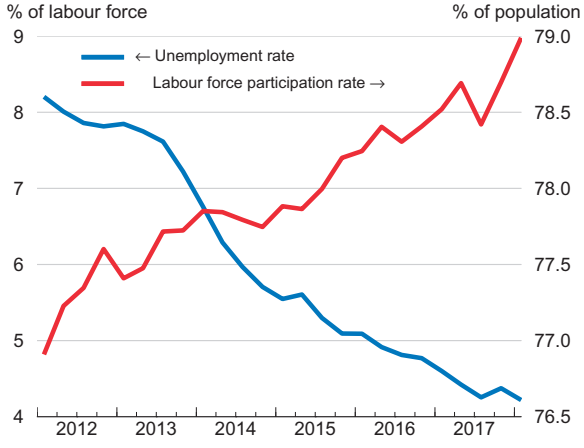
1. Contributions to changes in real GDP, actual amount in the first column.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 103 database.

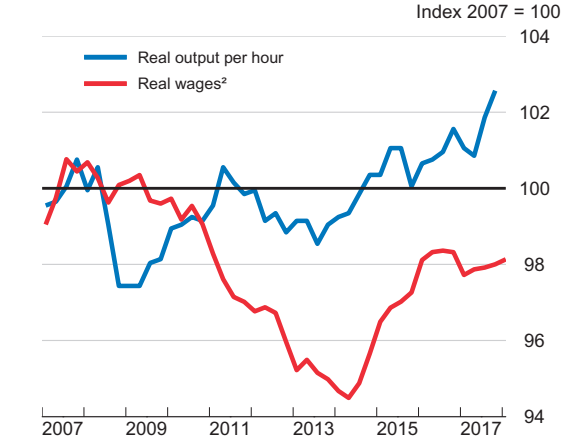
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United Kingdom

The labour market is strong[1]



Wages have grown at a slower pace than productivity



1. Data for the unemployment rate refer to the population aged 16 and over. Data for the labour force participation rate refer to the population aged between 16 and 64.
2. Real average weekly earnings excluding bonuses. Earnings have been deflated by the consumer prices index including owner occupiers' housing costs.

Source: Office for National Statistics.

StatLink http://dx.doi.org/10.1787/888933730674

investment growth has been held back by Brexit-induced economic and political uncertainty. Housing transactions, mortgage approvals and house prices have slowed slightly.

Despite weaker growth, the unemployment rate, at 4.2%, is at its lowest level since 1975 and labour force participation has increased. Survey measures of recruitment difficulties are above their past averages, which may be explained by the steep fall in immigration from EU countries and long standing labour-market trends such as skill shortages. Wages have picked up, even though less than could be expected given the tight labour market.

A gradual normalisation of monetary policy is warranted, with fiscal policy providing needed flexibility

The Monetary Policy Committee increased interest rates for the first time in a decade in late 2017 as inflation was running well above the target. With inflation still above target and wage pressures emerging, the Bank of England is projected to continue to raise its policy interest rate and start shrinking its balance sheet, but only very gradually, as significant uncertainties remain. Clear communication is essential to prevent financial turbulence.

The structural budget deficit is expected to decline to around 2.3% of GDP this year and further consolidation of just over 0.5% of GDP is planned over 2018 and 2019 (based on changes in the underlying primary balance). Fiscal targets are expected to be met with large margins. After a peak during this fiscal year, the public debt-to-GDP ratio is projected to edge down gradually over 2018 and 2019. The authorities should keep identifying productivity-enhancing fiscal initiatives on investment that could be implemented swiftly, such as spending on repair and maintenance, should growth weaken significantly ahead of Brexit. Priority should also be given to greater spending on education and lifelong learning, as adults have lower literacy and numeracy skills than the OECD average and the percentage of young people with weak basic skills is particularly high. This could boost productivity, wages and job quality.

Growth is projected to stabilise at a weak rate

Economic activity is set to grow at less than 1½ per cent in 2018-19, as the March 2018 agreement on the transition period only partially dissipates the uncertainty about the final outcome of Brexit negotiations. A tighter monetary stance and the unwinding of last year's sterling depreciation are expected to help bring inflation closer to target, despite higher growth in pay settlements this year. The unemployment rate is anticipated to edge up gradually, in the context of projected slow economic growth. The major risk for the economy is the uncertainty surrounding Brexit. If high uncertainty persists, the drag on capital expenditure could intensify as businesses delay plans further. By contrast, deferred plans may be brought forward if businesses gain clarity about future trading arrangements, pushing up investment growth in the short run. In addition, prospects of maintaining the closest possible economic relationship with the European Union would lead to stronger-than-expected economic growth.

UNITED STATES

Economic growth is strengthening to about 3% largely due to a substantial fiscal boost. Employment growth remains robust which, coupled with buoyant asset prices and strong consumer confidence, is sustaining income and consumption growth. Business investment is projected to strengthen as a result of major tax reform and supportive financial conditions. A pick-up in the world economy is underpinning export growth, although tensions have emerged on how best to reduce barriers to trade.

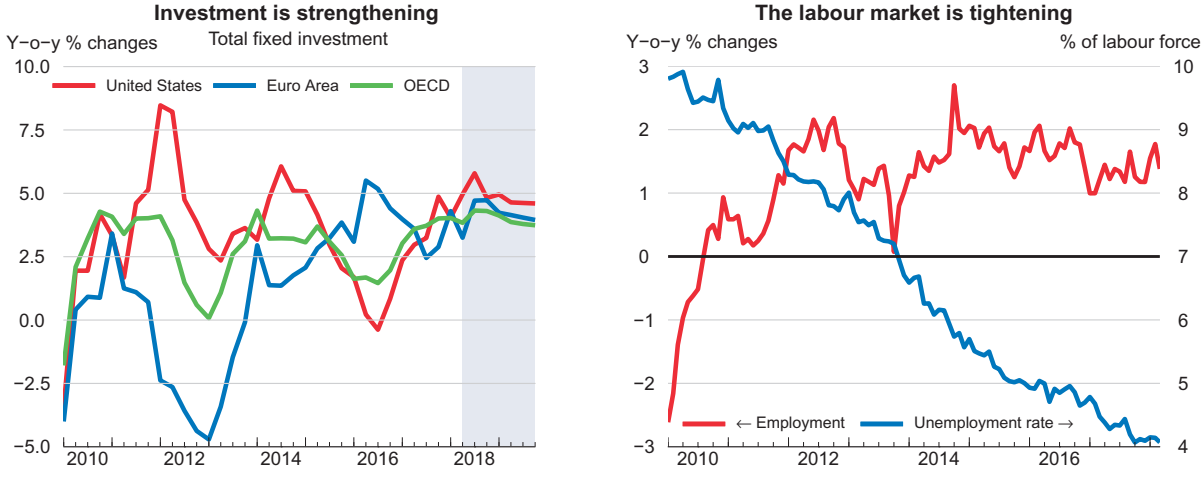
Fiscal policy is set to loosen substantially. As spending appropriations are determined, they should prioritise boosting the productive capacity of the economy, such as by supporting infrastructure investment. Fiscal policy combined with structural policies can also help those on the margins of the labour force into employment. As macroeconomic policy rebalances, the projected gradual withdrawal of monetary accommodation is needed to ensure that inflation returns to target and inflation expectations rise to their historical norms. Heightened risks in the non-financial corporate sector have emerged.

Fiscal policy is fuelling the expansion

The expansion is now one of the longest on record, though it has been relatively weak in comparison with the past. Jobs have been created at a healthy pace, but, in comparison with many other OECD countries employment remains relatively low as a share of the working age population. Productivity growth has been weak since the start of the expansion, which has been a feature across the OECD.

Job growth coupled with buoyant asset prices, consumer confidence and the effects of the tax reforms are supporting strong consumption growth. The fiscal boost should increase labour force participation and push down unemployment rates further. Wage growth remains lacklustre notwithstanding unemployment rates falling below estimates of the structural rate, even as other indicators of labour market slack suggest limited spare

United States



Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730693

United States: **Demand, output and prices**

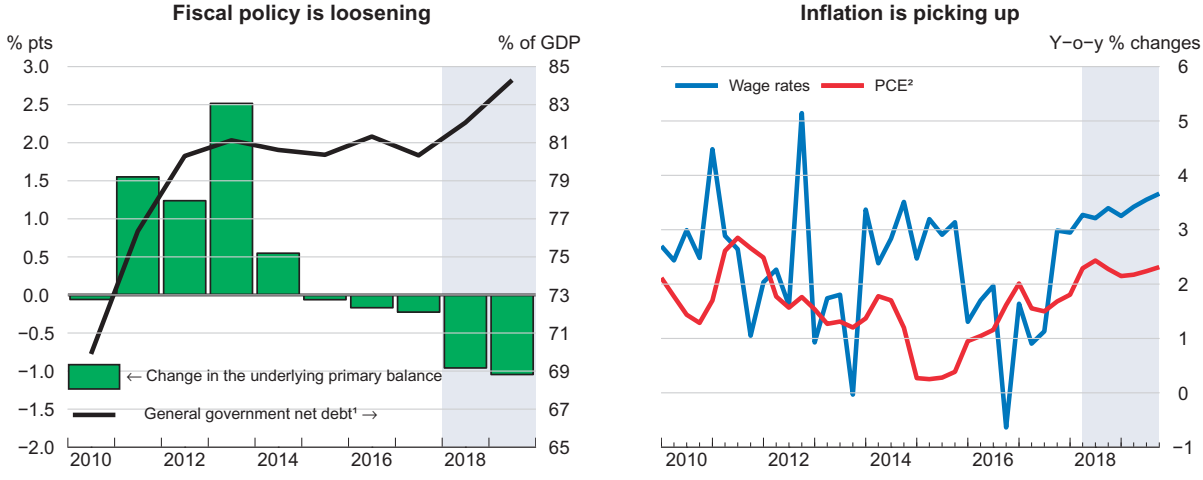
	2014	2015	2016	2017	2018	2019
	Current prices USD billion	Percentage changes, volume (2009 prices)				
GDP at market prices	17 427.6	2.9	1.5	2.3	2.9	2.8
Private consumption	11 863.7	3.6	2.7	2.8	2.5	2.2
Government consumption	2 562.7	1.3	1.0	0.1	2.2	4.3
Gross fixed capital formation	3 432.8	3.5	0.6	3.4	4.9	4.7
Final domestic demand	17 859.1	3.3	2.1	2.5	2.9	3.0
Stockbuilding[1]	78.0	0.2	-0.4	-0.1	0.1	0.0
Total domestic demand	17 937.1	3.5	1.7	2.4	3.0	3.0
Exports of goods and services	2 373.6	0.4	-0.3	3.4	4.8	4.4
Imports of goods and services	2 883.2	5.0	1.3	4.0	5.3	5.3
Net exports[1]	- 509.5	-0.8	-0.2	-0.2	-0.2	-0.3
Memorandum items						
GDP deflator	_	1.1	1.3	1.8	2.0	2.2
Personal consumption expenditures deflator	_	0.3	1.2	1.7	2.2	2.2
Core personal consumption expenditures deflator[2]	_	1.3	1.8	1.5	2.0	2.2
Unemployment rate (% of labour force)	_	5.3	4.9	4.3	3.9	3.6
Household saving ratio, net (% of disposable income)	_	6.1	4.9	3.4	3.7	4.7
General government financial balance (% of GDP)	_	-4.3	-5.0	-3.6	-5.5	-6.1
General government gross debt (% of GDP)	_	105.1	107.0	105.4	107.1	109.3
Current account balance (% of GDP)	_	-2.4	-2.4	-2.4	-2.8	-3.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. Deflator for private consumption excluding food and energy.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933731586

United States



1. General government shows the consolidated (i.e. with intra-government amounts netted out) accounts for all levels of government (central plus State/local) based on OECD national accounts. This measure differs from the federal debt held by the public, which was 76.5% of GDP for the 2017 fiscal year.
2. Personal Consumption Expenditures price index.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933730712

capacity. However, underlying demographic trends suggest labour force growth will eventually decelerate, although the effect on household income will be offset by stronger wage growth in a tight labour market. Investment began to recover in 2017, driven by surging investment in oil and gas exploration and production as the oil price rose. As investment in the oil and gas sector stabilises, the impact of December's tax reform will sustain healthy business investment in the near term.

Policy to sustain the expansion

Macroeconomic policy is rebalancing with fiscal policy set to loosen substantially over the next two years. Tax reform and increases in spending will see the general government deficit rise by around 2 percentage points of GDP during the projection, pushing up government debt levels. While the tax reforms have an effect immediately, the spending increases have not been translated into appropriations and there is likely to be some slippage from 2018 appropriations into the 2019 fiscal year. Ensuring long-term fiscal sustainability is a concern and efforts to restrain spending growth and raise revenue from more growth-friendly sources will be important in this regard.

Monetary policy is gradually becoming less accommodative. Although price inflation has continued to run below target, inflation is set to rise to modestly above target over the course of the projection. With the substantial projected fiscal easing, the Federal Reserve is projected to raise interest rates to 3.25% by the end of 2019. Determining the path of interest rates is complicated by the uncertainty about the future fiscal stance. If higher spending ceilings are not adopted for 2020, the fiscal impulse would become contractionary and policy tightening may pause until there is greater clarity. After a sustained period of monetary policy accommodation a number of financial risks have emerged, notably in the non-financial corporate sector, where leverage is high by historical standards.

With little apparent labour market slack remaining, sustaining future growth in living standards will require bringing more people into the labour force and strengthening productivity growth. The employment-to-population ratio appears low in comparison with many other OECD countries and policies that help people into employment, such as greater assistance in job search and training, would underpin stronger activity and reduce inequality. Deregulation and government support of investment in infrastructure would help mitigate bottlenecks that have emerged in ageing and often poorly maintained infrastructure assets. Strengthening competitive pressures, such as by reducing restrictions on tradeable services, easing occupational licensing, and restricting the use of non-compete contracts, would help lift productivity.

Growth is projected to remain robust

The fiscal boost will contribute to investment and labour market tightening. This will support income growth and consumption, offsetting some of the demographic pressures that will slow employment growth. The fiscal boost will lead to sizeable budget deficits and rising debt levels. Against the backdrop of widespread improvements in external demand export growth is expected to strengthen, though this is offset by rising imports of investment goods. These developments coupled with a decline in national saving due to the fiscal loosening will contribute to a rising current account deficit.

Trade represents a risk to the outlook. Addressing trade-related concerns multilaterally would minimise the risk of retaliatory measures undermining global trade

growth. Financial risks have built up in some areas, particularly in the non-financial corporate sector where leverage is high. Reform efforts to reduce regulatory burdens in the financial sector should be careful to avoid exacerbating vulnerabilities. After a long period of quiescent wage and price inflation, the fiscal stimulus could support an acceleration that would boost incomes and price inflation.

STATISTICAL ANNEX

This annex contains data on key economic series which provide a background to the recent economic developments in the global economy described in the main body of this report. Data for 2018 and 2019 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

2017 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	11.9	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	0.4
Canada		3.0	1.4	Turkey		3.8	1.7
Chile		0.8	0.4	United Kingdom		5.0	2.3
Czech Republic		0.7	0.3	United States		34.2	15.3
Denmark		0.5	0.2	Euro area	100.0	25.9	11.6
Estonia	0.3	0.1	0.0	Total OECD		100.0	44.8
Finland	1.7	0.4	0.2				
France	19.5	5.0	2.3			**Non-OECD**	**World**
Germany	28.3	7.3	3.3				
Greece	2.0	0.5	0.2	Argentina		1.4	0.7
Hungary		0.5	0.2	Brazil		4.7	2.6
Iceland		0.0	0.0	China		34.1	18.8
Ireland	2.5	0.6	0.3	Colombia		1.1	0.6
Israel		0.6	0.3	Costa Rica		0.1	0.1
Italy	16.3	4.2	1.9	India		13.6	7.5
Japan		10.1	4.5	Indonesia		4.8	2.6
Korea		3.6	1.6	Lithuania		0.1	0.1
Latvia	0.4	0.1	0.0	Russia		5.6	3.1
Luxembourg	0.4	0.1	0.0	Saudi Arabia		2.5	1.4
Mexico		4.3	1.9	South Africa		1.1	0.6
Netherlands	6.1	1.6	0.7	Dynamic Asian Economies		8.5	4.7
New Zealand		0.3	0.2	Other major oil producers		10.6	5.9
Norway		0.6	0.3	Rest of non-OECD		11.8	6.5
Poland		2.0	0.9				
Portugal	2.2	0.6	0.3	Total non-OECD		100.0	55.2
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 2017. 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 103 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:	Algeria; Angola; Azerbaijan; Bahrain; Brunei; Chad; Republic of Congo; Ecuador; Equatorial Guinea; Gabon; Iran; Iraq; Kazakhstan; Kuwait; Libya; Nigeria; Oman; Qatar; Sudan; Timor-Leste; Trinidad and Tobago; Turkmenistan; United Arab Emirates; Venezuela and Yemen.

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 (1993-2017)	..	2004
Australia	SNA08 (1959q3-2017q4)	SNA08 (1959q3-2017q4)	2015/2016
Austria	ESA10 (1996q1-2018q1)	ESA10 (1995-2017)	2010
Belgium	ESA10 (1995q1-2017q4)	ESA10 (1999-2017)	2015
Brazil	SNA08 (1996-2017)	..	2000
Canada	SNA08 (1982q1-2017q4)	SNA08 (1981q1-2017q4)	2007
Chile	SNA08 (1996q1-2018q1)	..	2013
China	SNA93 (1992-2017)	..	2015
Colombia	SNA08 (2005-2017)	..	2015
Costa Rica	SNA08 (1991-2017)	..	2012
Czech Republic	ESA10 (1996q1-2017q4)	ESA10 (1999-2016)	2010
Denmark	ESA10 (1995q1-2017q4)	ESA10 (1995-2017)	2010
Estonia	ESA10 (1995q1-2017q4)	ESA10 (1995-2016)	2010
Finland	ESA10 (1990q1-2017q4)	ESA10 (1999-2016)	2010
France	ESA10 (1949q1-2018q1)	ESA10 (1980q1-2017q4)	2010
Germany	ESA10 (1991q1-2017q4)	ESA10 (1991-2017)	2010
Greece	ESA10 (1995q1-2017q4)	..	2010
Hungary	ESA10 (1991q1-2017q4)	ESA10 (1995-2016)	2005
Iceland	SNA08 (1997q1-2017q4)	..	2005
Indonesia	SNA08 (2000-2017)	..	2010
India	SNA93 (2011-2017)	..	2011/2012
Ireland	ESA10 (1995q1-2017q4)	ESA10 (1999-2017)	2015
Israel	SNA08 (1995q1-2018q1)	..	2015
Italy	ESA10 (1996q1-2017q4)	ESA10 (1995-2017)	2010
Japan	SNA08 (1994q1-2018q1)	SNA08 (1980-2016)	2011
Korea	SNA08 (1960q1-2018q1)	SNA08 (1975-2017)	2010
Latvia	ESA10 (1995-2017)	ESA10 (1995-2016)	2010
Lithuania	ESA10 (1995-2017)	ESA10 (1995-2016)	2010
Luxembourg	ESA10 (1995q1-2017q4)	ESA10 (1995-2016)	2010
Mexico	SNA08 (1993q1-2017q4)	..	2013
Netherlands	ESA10 (1996q1-2018q1)	ESA10 (1995-2017)	2010
New Zealand	SNA08 (1987q2-2017q4)	SNA08 (1986-2016)	2009/2010
Norway	ESA10 (1978q1-2018q1)	ESA10 (1995-2017)	2015
Poland	ESA10 (2002q1-2017q4)	ESA10 (2000-2016)	2010
Portugal	ESA10 (1995q1-2017q4)	ESA10 (1995-2017)	2011
Russia	SNA08 (2003-2017)	..	2016
Slovak Republic	ESA10 (1997q1-2017q4)	ESA10 (1995-2016)	2010
Slovenia	ESA10 (1995q1-2017q4)	ESA10 (1995-2017)	2010
South Africa	SNA08 (2010-2017)	..	2010
Spain	ESA10 (1995q1-2017q4)	ESA10 (1999-2017)	2010
Sweden	ESA10 (1995q1-2017q4)	ESA10 (1993-2017)	2016
Switzerland	ESA10 (1980q1-2017q4)	ESA10 (1995-2016)	2010
Turkey	SNA08 (1998q1-2017q4)	..	2009
United Kingdom	ESA10 (1995q1-2018q1)	ESA10 (1987q1-2017q4)	2015
United States	NIPA (SNA08) (1947q1-2018q1)	NIPA (SNA08) (1947q1-2018q1)	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 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 (1994-2017)	Argentina
SNA08 (1988-2017)	SNA08 (1959q3-2017q4)	BPM6 (1959q3-2017q4)	Australia
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (2006q1-2017q4)	Austria
ESA10 (1998-2017)	ESA10 (1995-2017)	BPM6 (2003q1-2017q4)	Belgium
..	..	BPM6 (1995-2017)	Brazil
SNA08 (1990q1-2017q4)	SNA08 (1981q1-2017q4)	BPM6 (1981q1-2017q4)	Canada
..	..	BPM6 (2003q1-2018q1)	Chile
..	..	BPM6 (1998-2017)	China
..	SNA08 (2000-2016)	BPM6 (2000-2017)	Colombia
..	..	BPM6 (2009-2017)	Costa Rica
ESA10 (1999-2017)	ESA10 (1995-2017)	BPM6 (1993q1-2017q4)	Czech Republic
ESA10 (1994-2017)	ESA10 (1995-2017)	BPM6 (1995q1-2017q4)	Denmark
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1993q1-2017q4)	Estonia
ESA10 (1995-2017)	ESA10 (1975-2016)	BPM6 (1995q1-2017q4)	Finland
ESA10 (1995-2017)	ESA10 (1978-2017)	BPM6 (2008q1-2018q1)	France
ESA10 (1991-2017)	ESA10 (1991-2017)	BPM6 (1991q1-2017q4)	Germany
ESA10 (1995-2016)	ESA10 (1995-2017)	BPM6 (2002-2017)	Greece
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1995q1-2017q4)	Hungary
SNA08 (2003-2013)	SNA08 (1998-2017)	BPM6 (1995q1-2017q4)	Iceland
..	SNA08 (2010-2016)	BPM6 (2004-2017)	Indonesia
..	..	BPM6 (2010-2017)	India
ESA10 (1998-2016)	ESA10 (1995-2017)	BPM6 (2002q1-2017q4)	Ireland
SNA08 (1995-2016)	SNA08 (1995-2016)	BPM6 (1995q1-2017q4)	Israel
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1995q1-2017q4)	Italy
SNA08 (1994-2016)	SNA08 (1994-2016)	BPM6 (1996q1-2018q1)	Japan
SNA08 (2008-2016)	SNA08 (1970-2017)	BPM6 (1980q1-2018q1)	Korea
ESA10 (1998-2017)	ESA10 (1995-2017)	BPM6 (2000q1-2017q4)	Latvia
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (2004q1-2017q4)	Lithuania
ESA10 (1999-2017)	ESA10 (1995-2017)	BPM6 (2002q1-2017q4)	Luxembourg
..	..	BPM6 (2010q1-2017q4)	Mexico
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (2003q2-2017q4)	Netherlands
SNA08 (1994-2016)	SNA08 (1986-2016)	BPM6 (1971q2-2017q4)	New Zealand
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1981q1-2017q4)	Norway
ESA10 (1998-2017)	ESA10 (1995-2017)	BPM6 (2004q1-2017q4)	Poland
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1996q1-2017q4)	Portugal
..	..	BPM6 (2000-2017)	Russia
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (2004q1-2017q4)	Slovak Republic
ESA10 (2001-2017)	ESA10 (1995-2017)	BPM6 (1994q1-2018q1)	Slovenia
..	SNA08 (2008-2017)	BPM6 (1990-2017)	South Africa
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1995q1-2017q4)	Spain
ESA10 (1995-2017)	ESA10 (1995-2017)	BPM6 (1982q1-2017q4)	Sweden
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (2000q1-2017q4)	Switzerland
..	..	BPM6 (1992q1-2017q4)	Turkey
ESA10 (1987-2017)	ESA10 (1987q1-2017q4)	BPM6 (1998q1-2018q1)	United Kingdom
NIPA (SNA08) (1952q1-2017q4)	NIPA (SNA08) (1947q1-2018q1)	BPM6 (1960q1-2017q4)	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 6.

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Annex Table 1. **Real GDP**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	0.8	8.9	8.9	8.0	9.0	4.1	-5.9	10.1	6.0	-1.0	2.4	-2.5	2.7	-1.8	2.9	2.0	2.6	..	..	..
Australia	3.8	4.1	3.0	2.8	4.4	2.5	1.9	2.5	2.7	3.9	2.2	2.5	2.5	2.6	2.3	2.9	3.0	2.4	3.3	2.9
Austria	2.4	2.5	2.4	3.8	3.7	1.0	-3.4	1.8	3.0	0.6	0.0	0.9	1.1	1.5	3.1	2.7	2.0	3.6	2.3	2.0
Belgium	2.3	3.6	2.1	2.5	3.4	0.8	-2.3	2.7	1.8	0.2	0.2	1.3	1.4	1.4	1.7	1.7	1.7	1.9	1.7	1.7
Brazil	..	5.8	3.2	4.0	6.1	5.1	-0.1	7.5	4.0	1.9	3.0	0.5	-3.5	-3.5	1.0	2.0	2.8	..	..	..
Canada	3.4	3.1	3.2	2.6	2.1	1.0	-2.9	3.1	3.1	1.7	2.5	2.9	1.0	1.4	3.0	2.1	2.2	2.9	2.2	2.1
Chile	5.1	7.2	5.8	6.3	4.9	3.5	-1.6	5.9	6.0	5.4	4.1	1.8	2.3	1.2	1.6	3.6	3.6	3.3	2.4	4.9
China	9.5	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	6.9	6.7	6.4	6.9	6.6	6.3
Colombia	2.1	5.3	4.7	6.8	6.8	3.3	1.2	4.3	7.4	3.9	4.6	4.7	3.0	2.0	1.8	2.7	3.2	..	..	..
Costa Rica	4.1	4.3	3.9	7.2	8.2	4.6	-1.0	5.0	4.3	4.8	2.3	3.5	3.6	4.2	3.2	3.7	3.7	..	..	..
Czech Republic	..	4.7	6.6	7.0	5.6	2.5	-4.7	2.1	1.8	-0.7	-0.5	2.7	5.4	2.5	4.6	3.8	3.2	5.5	3.6	3.0
Denmark	2.5	2.7	2.3	3.9	0.9	-0.5	-4.9	1.9	1.3	0.2	0.9	1.6	1.6	2.0	2.2	1.7	1.9	..	..	..
Estonia	..	6.4	9.1	10.5	7.2	-5.0	-14.2	1.6	7.5	4.3	2.0	2.8	1.8	2.2	4.8	3.7	3.2	5.3	2.8	2.8
Finland	4.0	3.9	2.8	4.1	5.2	0.7	-8.3	3.0	2.6	-1.4	-0.8	-0.6	0.1	2.1	2.6	2.9	2.5	2.4	3.4	2.1
France	2.3	2.6	1.7	2.5	2.4	0.1	-2.9	1.9	2.1	0.2	0.6	1.0	1.0	1.1	2.3	1.9	1.9	2.9	1.6	1.9
Germany	1.5	0.7	0.9	3.9	3.4	0.8	-5.6	3.9	3.7	0.7	0.6	1.9	1.5	1.9	2.5	2.1	2.1	2.9	2.0	2.1
Greece	..	4.8	0.8	5.6	3.2	-0.2	-4.3	-5.5	-9.2	-7.3	-3.2	0.8	-0.3	-0.3	1.3	2.0	2.3	1.9	2.4	2.3
Hungary	3.2	5.0	4.4	3.9	0.4	0.9	-6.6	0.7	1.7	-1.6	2.1	4.2	3.4	2.2	4.0	4.4	3.6	4.7	4.1	3.4
Iceland	3.6	8.1	6.4	5.0	9.4	1.7	-6.5	-3.6	2.0	1.3	4.3	2.2	4.3	7.5	3.6	2.8	2.6	1.3	1.6	3.0
India[1]	7.2	8.3	9.3	9.3	9.8	3.9	8.5	10.3	6.6	5.5	6.4	7.4	8.2	7.1	6.5	7.4	7.5	..	..	..
Indonesia	..	5.0	5.7	5.5	6.3	6.0	4.7	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.3	5.4	..	..	..
Ireland	7.7	6.8	6.0	5.5	5.2	-3.9	-4.7	1.8	2.9	0.0	1.6	8.3	25.5	5.1	7.8	4.0	2.9	7.8	-0.3	3.1
Israel	..	5.0	4.1	5.5	6.2	3.1	1.4	5.4	5.4	2.2	4.2	3.5	2.6	4.0	3.3	3.7	3.6	3.1	3.5	3.6
Italy	1.7	1.4	1.1	2.1	1.3	-1.0	-5.5	1.6	0.7	-2.9	-1.7	0.2	0.8	1.0	1.6	1.4	1.1	1.6	1.4	1.0
Japan	1.1	2.2	1.7	1.4	1.7	-1.1	-5.4	4.2	-0.1	1.5	2.0	0.4	1.4	1.0	1.7	1.2	1.2	1.8	1.3	0.6
Korea	6.1	4.9	3.9	5.2	5.5	2.8	0.7	6.5	3.7	2.3	2.9	3.3	2.8	2.9	3.1	3.0	3.0	2.8	3.5	3.0
Latvia	..	8.3	10.7	11.9	10.0	-3.5	-14.4	-3.9	6.4	4.0	2.4	1.9	3.0	2.2	4.5	4.1	3.6	4.2	4.3	3.6
Lithuania	..	6.6	7.7	7.4	11.1	2.6	-14.8	1.6	6.0	3.8	3.5	3.5	2.0	2.3	3.8	3.3	2.9	..	..	..
Luxembourg	4.3	3.7	3.2	5.2	8.3	-1.3	-4.4	4.8	2.6	-0.4	3.7	5.7	2.9	3.1	2.3	3.6	3.8	1.6	4.0	3.8
Mexico	2.5	3.7	2.5	4.5	2.3	0.9	-5.1	5.1	3.7	3.4	1.6	2.8	3.3	2.7	2.3	2.5	2.8	1.5	3.1	2.7
Netherlands	3.0	1.8	2.2	3.7	3.7	1.7	-3.8	1.3	1.7	-1.1	-0.1	1.4	2.3	2.1	3.3	3.3	2.9	3.3	3.4	2.7
New Zealand	3.9	4.4	2.6	2.8	3.9	-0.4	0.3	2.0	1.9	2.6	2.2	3.2	4.2	4.1	3.0	3.0	3.0	3.2	3.1	2.9
Norway	3.2	4.0	2.6	2.4	3.0	0.5	-1.7	0.7	1.0	2.7	1.0	2.0	2.0	1.1	1.9	1.8	1.6	1.5	2.0	1.4
Poland	4.5	5.1	3.5	6.2	7.0	4.2	2.8	3.6	5.0	1.6	1.4	3.3	3.8	3.0	4.6	4.6	3.8	4.4	4.4	3.6
Portugal	2.7	1.8	0.8	1.6	2.5	0.2	-3.0	1.9	-1.8	-4.0	-1.1	0.9	1.8	1.6	2.7	2.2	2.2	2.4	2.1	2.2
Russia	..	7.2	6.4	8.2	8.5	5.2	-7.8	4.5	4.1	3.7	1.8	0.7	-2.8	-0.1	1.5	1.8	1.5	..	..	..
Slovak Republic	4.3	5.3	6.8	8.5	10.8	5.6	-5.4	5.0	2.8	1.7	1.5	2.8	3.9	3.3	3.4	4.0	4.5	3.5	4.5	4.4
Slovenia	..	4.4	4.0	5.7	6.9	3.3	-7.8	1.2	0.6	-2.7	-1.1	3.0	2.3	3.1	5.0	5.0	3.9	5.8	4.0	3.9
South Africa	3.0	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.2	2.5	1.8	1.3	0.6	1.3	1.9	2.2	..	..	..
Spain	3.6	3.2	3.7	4.2	3.8	1.1	-3.6	0.0	-1.0	-2.9	-1.7	1.4	3.4	3.3	3.1	2.8	2.4	3.1	2.7	2.2
Sweden	3.2	3.8	2.8	4.9	3.5	-0.7	-5.1	5.7	2.7	0.0	1.2	2.7	4.3	3.0	2.7	2.8	2.2	3.3	2.2	2.5
Switzerland	1.5	2.6	3.2	4.1	4.1	2.1	-2.2	2.9	1.8	1.0	1.9	2.5	1.2	1.4	1.1	2.3	1.9	1.9	2.1	2.0
Turkey	2.7	9.4	8.9	7.3	5.0	0.9	-4.8	8.9	10.7	4.7	8.9	5.0	5.9	3.2	7.4	5.1	5.0	7.4	3.2	6.6
United Kingdom	3.1	2.4	3.1	2.5	2.4	-0.5	-4.2	1.7	1.5	1.5	2.1	3.1	2.3	1.9	1.8	1.4	1.3	1.4	1.4	1.2
United States	3.4	3.8	3.3	2.7	1.8	-0.3	-2.8	2.5	1.6	2.2	1.7	2.6	2.9	1.5	2.3	2.9	2.8	2.6	2.8	2.7
Euro area[2]	2.3	2.0	1.8	3.3	3.0	0.3	-4.5	2.0	1.6	-0.8	-0.2	1.3	1.6	1.7	2.5	2.2	2.1	2.8	2.0	2.0
Total OECD[2]	2.8	3.2	2.8	3.1	2.6	0.2	-3.5	3.0	2.0	1.3	1.5	2.2	2.4	1.8	2.5	2.6	2.5	2.7	2.5	2.4

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

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

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727311

Annex Table 2. **Nominal GDP**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	4.7	19.1	20.1	22.9	25.3	28.2	8.5	33.2	31.1	21.1	26.9	36.8	30.0	37.5	28.9	26.4	18.8	..	..	..
Australia	6.2	7.6	7.9	7.9	9.0	9.2	2.1	8.0	7.7	3.3	3.5	2.9	1.7	3.9	5.7	3.5	3.8	3.4	4.0	3.9
Austria	3.7	4.3	5.0	5.7	6.0	2.9	-1.6	2.8	4.9	2.7	1.7	2.9	3.4	2.6	4.7	4.7	4.4	5.5	4.4	4.5
Belgium	3.8	5.7	4.3	4.9	5.5	2.7	-1.5	4.7	3.8	2.2	1.2	2.0	2.6	3.0	3.4	3.7	3.6	3.3	4.0	3.6
Brazil	..	14.0	10.9	11.0	12.9	14.3	7.2	16.6	12.6	10.0	10.7	8.4	3.8	4.4	4.8	6.2	7.2	..	..	..
Canada	5.3	6.5	6.4	5.3	5.4	5.0	-5.2	6.0	6.5	3.0	4.1	4.9	0.2	2.0	5.3	4.8	4.6	4.9	5.0	4.4
Chile	9.8	15.6	13.8	19.2	10.5	3.5	3.0	15.3	9.4	6.5	6.1	7.8	7.4	6.1	6.2	5.3	6.2	6.6	4.2	7.8
China	14.4	17.8	15.7	17.1	23.1	18.2	9.3	18.3	18.5	10.4	10.2	8.2	7.0	7.9	11.2	10.0	10.2	11.2	10.0	10.0
Colombia	17.6	13.0	10.5	13.0	12.3	11.3	5.5	8.3	13.8	7.7	7.2	6.9	5.5	7.4	7.4	6.1	6.2	..	..	..
Costa Rica	17.6	18.4	17.5	21.3	19.5	16.6	8.8	11.8	9.0	9.3	6.4	9.5	7.5	6.0	5.3	5.8	6.8	..	..	..
Czech Republic	..	8.8	6.7	7.8	9.3	4.6	-2.2	0.7	1.8	0.7	0.9	5.3	6.6	3.8	6.1	5.1	4.6	8.1	3.9	5.1
Denmark	4.5	4.8	5.3	6.1	3.4	3.6	-4.4	5.2	2.0	2.6	1.8	2.7	2.3	1.9	3.8	2.8	3.7	..	..	..
Estonia	..	11.5	15.9	20.0	20.1	1.8	-14.2	3.9	13.3	7.6	5.6	4.4	3.0	3.7	9.0	6.2	6.2	8.7	5.9	5.6
Finland	5.9	4.6	3.7	5.0	8.1	3.8	-6.5	3.4	5.2	1.5	1.8	1.1	2.0	2.9	3.6	4.0	4.1	3.5	4.5	3.9
France	3.6	4.3	3.6	4.8	5.0	2.5	-2.8	3.0	3.1	1.4	1.4	1.6	2.1	1.3	3.0	3.1	3.5	3.6	3.2	3.4
Germany	2.4	1.8	1.5	4.2	5.1	1.7	-3.9	4.7	4.8	2.2	2.6	3.8	3.5	3.2	4.1	3.8	4.3	4.6	3.9	4.1
Greece	..	8.3	2.9	9.3	6.8	3.8	-1.7	-4.6	-8.6	-7.7	-5.7	-1.2	-1.3	-1.2	1.9	2.4	3.0	2.5	3.1	3.3
Hungary	17.9	10.2	6.9	7.5	5.9	5.9	-2.8	3.0	4.0	1.7	5.1	7.8	5.3	3.2	7.8	7.7	7.6	9.2	7.1	8.0
Iceland	7.5	11.0	9.1	13.8	14.1	13.7	3.1	1.7	5.0	4.6	6.3	6.4	10.6	9.8	4.1	7.6	4.6	3.4	6.3	2.4
India[1]	13.8	14.3	13.9	16.3	16.1	12.9	15.1	20.2	15.7	13.8	13.0	11.0	10.4	10.8	10.7	12.2	12.2	..	..	..
Indonesia	..	14.0	20.8	20.4	18.3	25.3	11.0	14.2	14.1	10.0	10.8	10.7	9.1	7.6	9.5	8.7	9.4	..	..	..
Ireland	12.4	7.3	9.0	8.7	6.6	-4.8	-9.4	-1.5	2.6	2.1	2.6	7.9	34.7	5.2	7.5	4.2	5.7	3.9	3.4	5.4
Israel	..	5.1	5.3	7.3	7.0	5.5	5.3	7.1	7.2	6.0	6.5	4.5	5.4	5.0	3.5	3.9	5.6	3.2	4.7	5.6
Italy	4.9	3.9	3.0	4.0	3.8	1.4	-3.7	2.0	2.2	-1.5	-0.6	1.1	1.8	1.8	2.2	2.8	2.8	2.5	2.6	2.8
Japan	0.4	1.1	0.6	0.5	0.9	-2.1	-6.0	2.2	-1.8	0.7	1.7	2.1	3.5	1.2	1.4	1.3	2.2	1.9	1.4	2.5
Korea	10.1	8.0	5.0	5.0	8.0	5.9	4.3	9.9	5.3	3.4	3.8	4.0	5.3	5.0	5.4	4.0	5.4	4.6	5.7	5.3
Latvia	..	15.7	23.1	25.8	32.1	7.8	-22.7	-4.7	13.2	7.8	4.1	3.6	3.0	2.5	7.7	7.2	6.2	8.0	6.8	6.2
Lithuania	..	9.4	15.2	14.6	20.6	12.6	-17.6	4.1	11.6	6.6	4.8	4.6	2.3	3.3	8.2	6.5	5.8	..	..	..
Luxembourg	6.4	6.7	7.5	12.6	10.0	2.6	-3.1	8.6	7.5	2.2	5.4	7.5	4.2	1.7	4.5	5.2	5.7	4.9	5.5	5.9
Mexico	17.6	12.0	8.5	11.2	8.2	7.2	-1.3	9.9	9.7	7.7	3.1	7.3	6.1	8.2	8.5	7.3	7.3	6.6	7.8	7.2
Netherlands	5.6	3.3	4.1	6.2	5.9	4.2	-3.4	2.2	1.8	0.3	1.2	1.6	3.1	2.8	4.4	5.3	5.3	4.6	5.7	5.2
New Zealand	5.5	8.0	5.1	5.2	8.4	3.5	1.2	5.0	4.8	2.2	5.6	5.5	4.4	6.0	6.5	5.7	5.3	6.2	5.1	5.2
Norway	6.6	10.0	11.6	11.4	6.1	11.0	-6.8	6.7	7.8	6.2	3.6	2.3	-0.9	0.0	5.8	5.0	3.7	4.9	4.4	3.6
Poland	17.3	10.3	6.2	8.0	11.0	8.3	6.7	5.3	8.4	4.0	1.7	3.8	4.6	3.3	6.7	6.4	6.7	6.6	6.8	6.8
Portugal	6.7	4.3	4.1	4.8	5.5	1.9	-1.9	2.6	-2.1	-4.4	1.1	1.7	3.9	3.2	4.1	3.5	3.5	4.0	3.2	3.7
Russia	..	28.9	26.9	24.6	23.5	24.2	-6.0	19.3	20.9	13.1	7.3	8.3	5.3	3.3	7.3	5.9	4.7	..	..	..
Slovak Republic	11.4	11.3	9.4	11.6	12.1	8.6	-6.5	5.6	4.5	2.9	2.0	2.6	3.7	2.9	4.7	6.2	6.9	5.4	6.8	6.8
Slovenia	..	7.8	5.6	8.0	11.4	8.0	-4.7	0.2	1.8	-2.2	0.5	3.8	3.2	4.1	7.1	6.9	6.5	8.2	5.9	6.7
South Africa	11.7	11.4	11.0	12.2	14.7	12.3	5.9	9.6	10.0	7.4	9.1	7.2	6.5	7.8	7.1	7.5	7.4	..	..	..
Spain	7.2	7.2	8.0	8.3	7.2	3.3	-3.3	0.2	-1.0	-2.9	-1.4	1.2	4.1	3.6	4.0	4.8	3.9	4.3	4.5	3.9
Sweden	5.1	4.4	3.6	6.8	6.5	2.6	-2.8	6.8	3.9	1.0	2.3	4.5	6.5	4.7	4.7	4.7	4.5	4.5	4.3	4.8
Switzerland	2.0	2.9	4.0	6.2	6.6	4.1	-1.7	3.2	2.1	0.8	1.9	1.8	0.6	0.8	1.4	3.0	3.0	2.3	3.0	3.2
Turkey	67.3	23.3	16.8	17.1	11.6	13.0	0.4	16.1	20.2	12.6	15.3	13.0	14.4	11.5	19.0	17.0	15.2	18.9	14.0	16.5
United Kingdom	5.0	4.9	5.8	5.6	5.0	2.3	-2.7	3.3	3.5	3.1	4.0	4.8	2.8	3.9	3.8	3.1	3.2	3.1	3.3	2.9
United States	5.3	6.6	6.7	5.8	4.5	1.7	-2.0	3.8	3.7	4.1	3.3	4.4	4.0	2.8	4.1	5.0	5.0	4.5	4.9	5.0
Euro area	4.3	4.0	3.7	5.3	5.5	2.3	-3.5	2.7	2.7	0.4	1.0	2.3	3.4	2.5	3.7	3.8	3.9	4.0	3.8	3.9
Total OECD	6.9	5.9	5.4	5.7	5.2	2.6	-2.5	4.3	3.9	3.0	3.0	4.0	4.1	3.3	4.7	4.7	4.9	4.7	4.7	5.0

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727330

Annex Table 3. **Real private consumption expenditure**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	0.3	9.5	7.4	11.0	9.3	7.2	-5.4	11.2	9.4	1.1	3.6	-4.4	3.7	-1.0	3.6	1.6	2.2	..	..	..
Australia	3.9	5.8	3.1	4.4	6.0	2.1	1.9	3.7	3.5	2.5	1.9	2.5	2.4	2.9	2.7	2.0	2.0	2.9	1.4	2.2
Austria	1.8	2.1	2.4	2.2	1.1	0.7	0.9	1.0	1.5	0.7	-0.2	0.3	0.4	1.6	1.5	1.6	1.6	1.4	1.6	1.6
Belgium	1.6	1.6	1.2	1.5	1.8	1.7	0.5	2.7	0.3	0.6	0.7	0.6	0.9	1.7	1.3	1.4	1.8	1.3	1.8	1.9
Brazil	..	3.9	4.4	5.3	6.4	6.5	4.4	6.2	4.8	3.5	3.5	2.3	-3.2	-4.4	0.9	2.3	3.1	..	..	..
Canada	3.3	3.0	3.9	4.2	4.4	3.0	0.0	3.6	2.3	1.9	2.6	2.6	2.2	2.3	3.4	2.4	1.8	3.4	1.9	1.8
Chile	..	8.2	7.7	7.5	7.1	4.2	-0.9	10.6	8.3	6.0	4.7	2.7	2.1	2.1	2.5	3.6	3.8	3.1	3.4	4.4
Colombia	..	3.9	4.1	6.4	7.2	4.1	0.9	5.1	6.6	5.3	4.0	4.6	3.1	1.4	1.8	2.2	3.0	..	..	..
Costa Rica	3.1	2.5	4.7	5.3	7.5	5.7	0.9	5.0	6.2	6.0	3.0	4.2	4.6	3.5	2.6	3.3	3.9	..	..	..
Czech Republic	..	3.4	3.3	3.9	4.2	2.8	-0.5	1.0	0.3	-1.2	0.5	1.8	3.7	3.5	4.0	3.8	3.3	4.3	3.9	3.0
Denmark	1.9	4.6	3.7	2.9	1.8	0.5	-3.4	0.8	0.3	0.5	0.3	0.9	1.6	2.1	1.5	2.5	2.6	..	..	..
Estonia	..	7.8	9.4	12.9	8.8	-4.8	-14.9	-2.3	3.7	4.5	3.5	3.5	4.6	4.1	2.3	4.7	3.9	2.4	5.4	3.2
Finland	3.5	3.6	3.2	4.1	3.5	2.1	-2.7	3.1	2.9	0.3	-0.5	0.8	1.7	1.8	1.6	2.2	1.7	2.1	1.9	1.5
France	2.3	1.9	2.5	2.4	2.4	0.4	0.3	1.8	0.4	-0.2	0.6	0.8	1.4	2.1	1.3	1.2	1.6	1.3	1.2	1.6
Germany	1.3	0.4	0.5	1.6	0.0	0.5	0.3	0.3	1.3	1.3	0.8	1.0	1.6	1.9	2.1	1.0	1.6	1.5	1.5	1.5
Greece	..	3.6	3.2	2.8	4.0	3.4	-1.6	-6.4	-9.9	-7.9	-2.7	0.8	-0.5	0.1	0.1	0.1	1.1	-1.0	1.0	1.1
Hungary	2.7	2.1	2.9	1.6	1.1	-1.2	-6.6	-2.7	0.7	-2.3	0.2	2.8	3.6	4.3	4.7	5.9	4.9	5.4	5.7	4.6
Iceland	4.2	7.1	11.4	3.8	6.6	-6.7	-12.6	-0.3	2.6	2.0	0.8	3.2	4.7	7.1	7.8	4.9	3.7	6.7	4.3	3.4
India[1]	..	5.2	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.5	7.3	6.4	7.4	7.3	6.4	6.8	7.4	..	..	..
Indonesia	..	5.0	4.0	3.2	5.0	5.3	4.7	4.1	5.1	5.5	5.5	5.3	4.8	5.0	5.0	5.1	5.4	..	..	..
Ireland	6.4	4.2	7.6	7.1	7.1	0.6	-4.8	0.8	-1.6	-1.2	-0.2	2.1	4.2	3.2	2.0	2.2	2.1	1.9	1.8	2.3
Israel	..	5.1	3.4	5.0	8.1	1.8	0.9	4.9	3.8	2.8	3.9	4.4	4.1	6.1	3.3	5.1	3.0	3.8	4.7	3.0
Italy	1.7	1.0	1.3	1.4	1.2	-1.1	-1.5	1.2	0.0	-4.0	-2.4	0.2	1.9	1.4	1.4	0.9	0.6	1.2	1.0	0.4
Japan	1.3	1.3	1.2	1.0	0.9	-1.0	-0.7	2.4	-0.4	2.0	2.4	-0.9	0.0	0.1	1.0	0.7	0.9	0.8	1.1	-0.1
Korea	5.2	0.3	4.4	4.6	5.1	1.4	0.2	4.4	2.9	1.9	1.9	1.7	2.2	2.5	2.6	2.9	2.7	3.4	2.4	2.8
Latvia	..	10.5	10.0	19.4	10.2	-7.9	-16.0	2.8	3.0	3.1	5.1	1.4	2.5	3.3	5.1	5.1	4.2	5.5	4.6	4.1
Lithuania	..	10.9	11.6	9.1	12.4	3.9	-17.4	-3.4	4.6	3.1	4.3	4.0	4.0	4.9	3.9	3.8	3.6	..	..	..
Luxembourg	3.4	0.9	-0.1	2.8	2.3	1.3	1.2	1.2	1.5	2.9	2.0	2.3	3.3	2.4	2.6	3.9	3.6	2.7	3.8	3.5
Mexico	3.6	4.5	3.0	4.1	2.5	0.5	-6.0	3.6	3.4	2.1	2.0	2.1	3.3	3.4	3.3	2.3	2.7	2.5	2.5	2.7
Netherlands	3.1	0.5	0.9	-0.3	1.9	0.9	-2.1	0.0	0.2	-1.2	-1.0	0.3	2.0	1.5	1.9	2.7	2.5	1.3	2.9	2.9
New Zealand	3.9	6.1	4.4	3.2	4.0	1.0	-0.6	3.0	2.7	2.6	3.5	3.2	3.8	5.0	4.5	3.7	2.7	4.2	3.2	2.6
Norway	3.6	5.4	4.4	5.0	5.3	1.7	0.0	3.8	2.3	3.5	2.8	2.1	2.6	1.5	2.5	2.3	2.0	3.0	2.2	1.4
Poland	4.5	4.2	1.8	4.8	5.6	6.8	3.6	2.7	3.1	0.7	0.3	2.4	3.0	3.9	4.7	4.8	4.0	4.6	4.6	3.7
Portugal	2.4	2.6	1.6	1.5	2.5	1.4	-2.3	2.4	-3.6	-5.5	-1.2	2.3	2.3	2.1	2.3	1.9	1.9	2.1	1.7	1.9
Russia	..	11.9	11.7	12.0	14.2	10.4	-5.1	5.5	6.7	7.9	5.2	1.9	-9.7	-2.3	3.3	3.5	2.1	..	..	..
Slovak Republic	4.5	5.0	5.8	6.0	7.5	6.0	-0.5	0.4	-0.6	-0.4	-0.8	1.4	2.2	2.7	3.6	3.6	4.0	3.7	3.6	4.1
Slovenia	..	3.0	2.2	1.2	6.4	2.4	0.9	1.3	0.0	-2.4	-4.1	1.9	2.1	4.2	3.2	4.2	3.2	3.0	3.8	3.0
South Africa	3.5	6.2	6.1	8.8	6.5	1.2	-2.6	3.9	5.1	3.7	2.0	0.8	1.8	0.7	2.2	2.0	2.1	..	..	..
Spain	3.1	4.0	4.0	3.8	3.3	-0.7	-3.6	0.3	-2.4	-3.5	-3.1	1.5	3.0	3.0	2.4	2.3	1.8	2.5	2.1	1.6
Sweden	2.6	2.6	2.8	2.8	3.9	0.2	0.4	3.8	1.9	0.9	1.9	2.2	3.0	2.1	2.4	2.1	2.6	2.6	2.2	2.6
Switzerland	1.4	1.7	1.6	1.5	2.3	1.4	1.3	1.7	0.8	2.3	2.6	1.3	1.8	1.5	1.2	1.3	1.6	0.8	1.5	1.7
Turkey	2.5	9.1	6.2	3.9	5.2	0.4	-4.0	12.0	10.3	3.4	9.6	2.7	5.3	3.7	6.1	5.9	5.3	6.8	3.4	6.3
United Kingdom	3.8	3.3	3.0	1.7	2.6	-0.5	-3.0	0.6	-0.7	1.6	1.7	2.1	2.6	2.9	1.7	1.1	0.7	1.2	1.1	0.5
United States	3.8	3.8	3.5	3.0	2.2	-0.3	-1.6	1.9	2.3	1.5	1.5	2.9	3.6	2.7	2.8	2.5	2.2	2.8	2.1	2.1
Euro area	2.1	1.6	1.9	2.1	1.8	0.3	-1.0	0.8	-0.1	-1.2	-0.6	0.9	1.7	1.9	1.7	1.4	1.5	1.5	1.6	1.5
Total OECD	3.0	3.1	2.9	2.8	2.5	0.2	-1.4	2.2	1.6	1.0	1.4	1.9	2.7	2.4	2.5	2.2	2.1	2.5	2.0	2.0

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727349

Annex Table 4. **Real public consumption expenditure**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	0.7	2.7	9.9	3.7	7.8	5.0	5.6	5.5	4.6	3.0	5.3	2.9	6.9	0.3	2.0	0.0	0.8	..	..	..
Australia	3.2	4.8	2.1	4.0	2.4	4.1	2.3	3.0	3.9	1.5	1.9	0.1	4.3	4.2	3.8	2.9	2.0	5.0	2.0	1.9
Austria	1.8	1.4	2.2	3.2	1.5	3.6	2.5	0.1	0.1	0.1	0.7	0.8	1.4	2.1	1.3	1.8	1.2	0.8	1.6	1.2
Belgium	1.7	1.6	0.6	0.9	1.9	2.9	1.1	1.0	1.2	1.4	0.3	0.6	0.4	0.2	1.3	1.2	0.9	1.4	0.8	0.9
Brazil	..	3.9	2.0	3.6	4.1	2.1	2.9	3.9	2.2	2.3	1.5	0.8	-1.4	0.0	-0.6	0.7	0.7	..	..	..
Canada	1.1	1.9	1.1	2.8	2.4	3.8	2.7	2.3	1.3	0.7	-0.7	0.5	1.6	2.2	2.2	2.1	1.8	2.9	1.7	1.8
Chile	..	5.9	5.9	6.4	7.2	0.3	8.4	3.8	2.4	3.8	3.1	3.8	4.7	6.3	4.1	2.5	2.8	3.8	2.6	3.6
Colombia	..	6.4	5.2	5.2	4.6	4.7	4.8	5.2	6.5	4.8	8.9	4.7	4.9	1.8	4.0	5.7	1.5	..	..	..
Costa Rica	2.2	1.0	0.8	3.2	2.3	5.2	6.0	4.1	1.0	0.2	3.2	2.9	2.3	2.4	2.9	2.4	2.3	..	..	..
Czech Republic	..	-1.8	1.0	0.6	0.6	1.1	2.8	0.5	-3.2	-2.0	2.5	1.1	1.9	2.0	1.5	1.8	1.6	1.9	0.7	2.2
Denmark	2.1	1.5	1.2	2.5	1.2	3.3	3.0	1.6	-0.6	0.8	-0.1	1.9	1.1	0.3	1.2	0.8	0.6	..	..	..
Estonia	..	2.9	3.2	5.6	6.5	4.6	-3.1	-0.4	1.4	3.0	2.7	2.5	3.3	2.0	0.8	0.8	0.8	1.3	0.3	0.8
Finland	2.0	1.5	1.9	1.1	1.3	1.6	1.6	-0.1	-0.1	0.5	1.1	-0.5	0.2	1.8	1.3	1.2	1.4	-1.1	2.4	0.8
France	1.1	2.1	1.3	1.4	1.8	1.1	2.4	1.2	1.1	1.6	1.5	1.3	1.1	1.2	1.6	1.4	0.7	1.8	1.1	0.5
Germany	1.5	-0.8	0.5	1.0	1.5	3.4	3.0	1.3	0.9	1.1	1.4	1.5	2.9	3.7	1.6	1.3	2.0	1.6	1.3	2.0
Greece	..	4.0	4.1	6.8	5.4	-2.3	2.1	-4.2	-7.0	-7.2	-5.5	-1.2	1.1	-1.4	-1.2	0.7	1.3	2.1	1.1	1.4
Hungary	-0.1	2.3	3.2	1.3	-6.7	3.1	1.4	-0.4	0.2	-1.5	4.1	5.1	1.1	0.8	0.3	2.5	0.9	4.7	0.5	1.0
Iceland	3.4	2.4	3.4	4.1	4.5	4.9	-1.1	-3.7	-0.1	-1.8	1.0	1.7	1.0	2.3	2.6	2.4	2.2	2.4	2.4	2.0
India[1]	..	3.6	8.9	3.8	9.6	10.4	13.9	5.8	6.9	0.6	0.6	7.6	6.8	12.2	8.0	7.0	8.1	..	..	..
Indonesia	..	4.0	6.6	9.6	3.9	10.4	11.2	4.0	5.5	4.5	6.7	1.2	5.3	-0.1	2.1	4.4	3.6	..	..	..
Ireland	5.2	0.5	3.3	4.0	5.3	0.4	-3.6	-5.3	-1.8	-2.6	-1.0	4.1	2.1	5.1	1.9	1.9	1.9	1.9	1.3	2.3
Israel	..	-1.6	2.0	3.5	2.5	2.0	2.8	2.7	2.2	3.7	3.6	3.5	3.1	3.9	3.2	5.1	2.4	3.9	3.6	2.7
Italy	0.8	1.0	0.6	-0.4	0.4	1.0	0.4	0.6	-1.8	-1.4	-0.3	-0.7	-0.6	0.6	0.1	0.5	0.2	0.2	0.7	0.1
Japan	2.8	1.2	0.8	0.1	1.2	-0.1	2.0	1.9	1.9	1.7	1.5	0.5	1.5	1.3	0.2	0.5	0.7	0.5	0.6	0.8
Korea	4.1	4.5	4.5	7.4	6.1	5.1	5.2	3.8	2.2	3.4	3.3	3.0	3.0	4.5	3.4	6.0	3.9	4.2	6.3	3.3
Latvia	..	3.6	3.0	6.1	3.3	2.4	-10.7	-8.1	3.0	0.3	1.6	1.9	1.9	2.7	4.1	3.4	2.8	3.4	3.3	2.6
Lithuania	..	4.2	3.6	2.1	1.9	0.2	-1.3	-3.2	-0.4	1.3	0.7	0.3	0.2	1.3	1.2	1.1	1.0	..	..	..
Luxembourg	4.4	3.5	2.8	1.8	3.7	1.4	3.7	1.4	0.8	3.5	3.7	2.0	2.6	2.0	1.8	2.6	3.1	1.8	3.0	3.2
Mexico	1.4	-1.0	2.2	2.7	1.8	2.9	3.0	2.3	3.1	3.4	0.5	2.9	1.9	2.4	0.1	0.6	0.4	-0.2	0.6	0.3
Netherlands	2.8	-0.5	1.6	9.4	3.1	3.3	4.7	1.0	-0.2	-1.3	-0.1	0.3	-0.2	1.1	1.2	3.0	2.6	1.2	4.2	1.2
New Zealand	2.2	4.9	7.1	4.6	4.3	4.3	0.9	0.5	2.8	-0.4	1.4	3.2	2.7	1.7	4.7	3.3	2.1	4.8	2.8	1.8
Norway	2.5	1.3	1.9	1.9	2.0	2.4	4.1	2.2	1.0	1.6	1.0	2.7	2.4	2.1	2.2	2.1	2.0	2.5	2.1	2.0
Poland	2.5	3.8	3.5	5.5	3.0	4.4	3.5	3.1	-1.8	-0.3	2.5	4.1	2.4	1.8	3.4	3.7	3.3	4.5	3.4	3.3
Portugal	3.3	2.9	2.7	-0.2	0.6	0.4	2.6	-1.3	-3.8	-3.3	-2.0	-0.5	1.3	0.6	-0.2	0.7	-0.1	0.0	1.0	-0.7
Russia	..	2.1	1.4	2.3	2.7	3.4	-0.6	-1.5	1.4	2.6	0.9	-2.1	-3.1	0.8	0.4	-0.8	-1.1	..	..	..
Slovak Republic	2.2	-2.8	7.0	9.2	0.3	6.5	6.2	1.7	-1.8	-2.1	2.2	5.2	5.4	1.6	0.2	1.8	1.9	1.6	1.8	1.9
Slovenia	..	2.7	2.7	3.1	1.9	4.9	2.4	-0.5	-0.7	-2.2	-2.1	-1.2	2.7	2.5	2.3	2.3	1.4	5.5	-0.6	2.6
South Africa	1.5	5.2	5.1	4.9	4.0	5.8	4.6	3.0	2.8	3.5	3.1	1.7	-0.3	1.9	0.6	0.8	1.0	..	..	..
Spain	3.1	6.3	5.6	5.0	6.2	5.9	4.1	1.5	-0.3	-4.7	-2.1	-0.3	2.1	0.8	1.6	1.2	1.1	2.4	0.9	1.2
Sweden	0.7	-0.9	0.2	1.8	0.7	1.1	2.4	1.0	0.9	1.6	1.3	1.7	2.1	2.6	0.8	1.4	1.5	1.1	1.5	1.5
Switzerland	1.3	1.0	1.8	0.3	0.7	1.2	3.0	1.1	1.7	1.5	2.3	2.2	1.2	1.6	1.0	1.1	1.1	1.0	0.8	1.2
Turkey	3.7	6.6	3.6	10.2	7.0	3.5	8.1	1.7	1.1	6.8	8.0	2.9	2.9	9.8	4.4	6.9	5.2	10.3	2.2	7.0
United Kingdom	2.5	4.2	2.4	1.8	1.0	1.9	1.1	0.5	0.2	1.3	0.2	2.5	0.6	0.8	0.1	1.4	1.0	0.6	1.5	0.8
United States	1.8	1.5	0.8	1.1	1.4	2.5	3.7	0.1	-2.7	-0.9	-2.4	-0.5	1.3	1.0	0.1	2.2	4.3	0.4	3.3	4.4
Euro area	1.7	1.3	1.6	2.1	2.1	2.4	2.4	0.7	-0.1	-0.4	0.4	0.7	1.3	1.8	1.2	1.3	1.3	1.4	1.4	1.1
Total OECD	2.0	1.7	1.5	1.9	1.9	2.3	3.0	1.0	-0.4	0.3	0.1	0.8	1.6	1.9	1.0	2.0	2.3	1.6	2.1	2.4

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727368

Annex Table 5. **Real total gross fixed capital formation**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	-2.0	34.4	15.8	14.5	20.5	8.7	-22.6	26.3	17.4	-7.1	2.3	-6.8	3.5	-4.9	11.0	13.7	8.8	..	..	..
Australia	6.3	7.2	8.4	4.0	8.1	7.2	-2.3	4.3	7.1	10.0	-1.9	-2.3	-3.4	-2.3	3.2	3.3	3.9	4.4	2.7	4.6
Austria	2.0	0.9	0.3	1.3	4.7	1.5	-7.2	-2.7	6.6	0.9	1.6	-0.6	1.2	3.6	5.0	3.3	3.2	4.7	3.3	3.0
Belgium	1.8	8.9	6.1	2.0	6.8	1.9	-6.6	-0.8	4.2	0.2	-1.5	5.7	2.7	3.8	0.7	3.1	2.7	2.2	3.5	2.2
Brazil	..	8.4	2.0	6.7	11.9	12.2	-2.2	18.1	6.9	0.8	5.8	-4.2	-13.9	-10.4	-1.9	4.8	3.8	..	..	..
Canada	4.7	8.4	9.1	6.3	3.2	1.6	-11.3	11.5	4.6	4.9	1.3	2.4	-5.1	-3.0	2.8	4.2	3.2	6.3	3.0	3.1
Chile	6.1	12.4	23.7	6.1	10.3	18.8	-13.3	12.7	16.3	11.0	4.1	-5.0	-0.4	-0.7	-1.1	4.5	4.4	2.5	4.4	5.2
Colombia	-1.1	11.1	13.2	18.0	14.5	9.6	-1.7	5.2	19.8	4.6	6.5	10.2	1.7	-2.7	0.1	0.2	5.7	..	..	..
Costa Rica	5.1	0.9	4.4	7.7	19.0	10.0	-12.7	4.2	3.1	10.0	-0.3	3.1	3.1	3.8	-2.8	2.7	4.3	..	..	..
Czech Republic	..	3.5	6.6	6.3	13.5	2.2	-9.8	1.0	0.9	-2.9	-2.5	3.9	10.4	-2.5	5.9	5.3	4.8	8.4	5.1	4.5
Denmark	4.5	3.5	5.9	13.7	0.7	-2.5	-13.0	-5.7	0.4	3.7	2.7	3.1	3.1	6.0	3.7	3.5	4.1	..	..	..
Estonia	..	5.2	15.0	22.9	10.9	-12.8	-36.6	-4.0	33.8	12.9	1.4	-7.9	-3.1	-0.9	13.3	4.4	5.5	6.6	13.4	3.4
Finland	5.6	4.7	3.2	1.3	10.0	0.3	-12.5	1.1	4.1	-1.9	-4.9	-2.6	0.7	7.4	6.3	4.0	4.0	3.2	5.0	3.6
France	2.8	3.1	3.0	3.9	5.5	0.7	-9.0	1.8	2.2	0.3	-0.7	0.0	0.9	2.7	3.8	3.7	4.0	4.7	3.6	3.9
Germany	0.5	-0.9	1.0	8.1	4.3	0.9	-10.0	5.0	7.4	-0.1	-1.2	3.7	1.0	2.9	3.9	3.5	3.9	4.6	4.4	3.8
Greece	..	2.9	-11.9	19.1	15.8	-7.0	-13.8	-19.3	-20.7	-23.4	-8.3	-4.5	-0.3	1.5	9.7	9.1	9.4	28.9	-3.6	9.5
Hungary	5.7	7.6	3.6	0.7	4.2	1.0	-8.3	-9.5	-1.3	-3.0	9.8	12.3	1.9	-10.6	16.8	13.5	10.7	16.2	12.9	9.1
Iceland	5.7	26.7	32.0	23.4	-11.2	-19.0	-47.8	-8.6	11.6	5.3	2.2	16.5	18.7	22.5	9.3	1.1	3.4	3.9	1.2	3.7
India[1]	..	18.9	16.2	13.8	16.2	3.5	7.7	11.0	12.3	4.9	1.6	2.6	5.2	10.1	7.8	8.5	8.8	..	..	..
Indonesia	..	14.7	10.9	2.6	9.3	11.9	3.9	6.7	8.9	9.1	5.0	4.4	5.0	4.5	6.2	6.9	6.0	..	..	..
Ireland	11.1	9.8	17.1	6.9	-0.2	-11.7	-16.8	-15.0	-0.2	16.4	-3.5	17.8	27.9	60.0	-21.8	5.9	5.5	-40.9	22.0	5.4
Israel	..	1.6	1.9	7.0	11.1	3.8	-2.8	9.7	13.6	4.3	3.6	0.7	-0.8	11.9	2.7	8.2	8.8	1.8	9.9	9.5
Italy	3.3	1.7	2.0	3.4	1.3	-3.2	-10.0	-0.6	-1.7	-9.4	-6.6	-2.2	1.9	3.3	3.9	5.4	3.1	4.4	3.3	3.0
Japan	-0.6	0.1	3.1	0.4	-1.9	-3.8	-9.7	-1.6	1.7	3.5	4.9	3.1	1.7	1.1	2.5	1.2	0.6	2.0	1.5	-0.4
Korea	4.3	2.9	2.0	3.6	5.0	-0.9	0.3	5.5	0.8	-0.5	3.3	3.4	5.1	5.6	8.6	4.0	2.3	5.1	4.9	2.3
Latvia	..	28.9	20.4	15.1	22.5	-9.1	-33.3	-19.8	24.0	14.4	-6.0	0.1	-0.5	-15.0	16.0	10.6	7.5	12.6	14.8	6.1
Lithuania	..	15.8	11.5	19.6	22.3	-4.0	-38.9	1.5	20.1	-1.8	8.3	5.8	4.8	-0.5	7.3	7.6	5.2	..	..	..
Luxembourg	3.2	5.9	-1.0	3.2	12.5	11.9	-12.5	3.6	13.7	6.2	1.3	4.3	-8.0	0.5	2.0	-3.6	5.3	-13.5	7.4	5.2
Mexico	1.3	7.0	6.1	9.3	5.8	6.7	-11.7	4.7	7.8	5.1	-3.3	3.0	5.1	1.1	-1.5	0.7	2.6	-2.3	2.8	2.7
Netherlands	3.5	0.0	3.1	7.3	6.5	4.1	-9.2	-6.6	5.6	-6.3	-4.2	2.3	11.0	5.2	5.7	6.1	5.4	7.5	6.5	5.5
New Zealand	6.6	13.7	3.7	-1.2	7.7	-3.0	-12.7	0.7	6.4	6.1	7.9	9.5	4.3	6.4	3.3	5.2	5.1	4.9	4.4	5.1
Norway	3.4	10.0	12.0	9.1	12.2	1.1	-6.8	-6.4	7.5	7.6	6.3	-0.3	-4.0	-0.2	4.9	-0.8	3.2	4.1	0.7	1.9
Poland	7.0	6.7	8.3	15.4	19.0	8.8	-2.7	0.0	8.8	-1.8	-1.1	10.0	6.1	-8.2	3.4	9.1	7.1	5.7	9.7	6.4
Portugal	3.9	0.1	0.1	-0.8	3.1	0.4	-7.6	-0.9	-12.5	-16.6	-5.1	2.3	5.8	1.5	9.1	5.9	6.8	5.5	8.1	5.9
Russia	..	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	9.2	5.9	1.3	-2.7	-10.4	1.7	4.3	3.6	2.0	..	..	..
Slovak Republic	2.6	4.7	16.5	9.1	8.9	1.6	-18.7	7.2	12.7	-9.0	-0.9	3.0	19.8	-8.3	3.2	6.0	6.5	7.6	7.7	5.7
Slovenia	..	5.4	3.5	10.2	12.0	7.0	-22.0	-13.3	-4.9	-8.8	3.2	1.1	-1.6	-3.6	10.3	12.6	8.7	11.6	11.7	8.3
South Africa	5.0	12.9	11.0	12.1	13.8	12.8	-6.7	-3.9	5.5	2.6	7.2	0.7	3.4	-4.1	0.4	4.6	4.7	..	..	..
Spain	6.2	5.1	7.5	7.4	4.4	-3.9	-16.9	-4.9	-6.9	-8.6	-3.4	4.7	6.5	3.3	5.0	4.4	4.3	5.6	4.8	4.1
Sweden	4.6	5.0	5.2	9.6	8.3	0.3	-13.3	5.6	5.8	0.2	0.6	5.6	6.5	5.3	6.5	2.5	2.2	6.4	1.5	3.7
Switzerland	2.1	5.0	3.4	4.7	4.9	0.9	-7.4	4.6	4.3	3.4	0.6	3.0	2.3	3.0	3.1	3.0	3.4	2.9	3.9	3.4
Turkey	2.1	31.9	19.6	15.4	5.5	-2.7	-20.5	22.5	23.8	2.7	13.8	5.1	9.3	2.2	7.3	8.1	7.6	8.1	8.2	8.0
United Kingdom	1.8	2.3	5.0	2.7	5.2	-5.1	-13.8	4.5	2.2	2.1	3.4	7.1	2.8	1.8	4.0	2.8	0.7	4.0	1.6	0.6
United States	5.3	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.7	6.3	3.0	4.8	3.5	0.6	3.4	4.9	4.7	4.9	4.8	4.6
Euro area	2.8	2.2	3.0	5.8	4.7	-0.9	-11.1	-0.5	1.6	-3.2	-2.4	1.9	3.0	4.5	3.2	4.2	4.1	2.9	4.7	3.9
Total OECD	3.3	4.5	5.1	4.2	2.4	-1.9	-11.1	1.9	3.9	2.3	1.7	3.5	3.1	1.7	3.6	4.2	3.9	4.0	4.3	3.7

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727387

Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Australia	6.9	7.4	12.2	7.9	10.3	7.3	-3.6	-0.2	12.4	17.1	-2.4	-6.0	-6.4	-8.8	2.6	3.8	5.3	6.5	1.5	6.9
Belgium	2.7	11.0	2.9	2.3	6.5	3.4	-7.5	-2.1	6.5	0.0	-0.2	6.1	3.5	5.2	0.6	3.2	3.4	2.6	3.7	3.4
Canada	5.7	9.1	11.2	9.0	2.5	4.0	-20.2	14.0	11.6	7.1	4.3	4.1	-11.0	-9.0	2.4	5.5	4.3	8.5	4.7	3.9
Denmark	4.5	-0.9	3.6	15.3	2.2	3.9	-13.3	-8.1	-6.1	6.2	7.7	0.8	3.9	5.8	5.7	4.9	4.9	..	..	..
Finland	6.9	2.1	5.4	2.2	16.6	4.9	-15.5	-6.1	3.1	-3.1	-7.3	-1.8	2.3	6.4	10.3	4.6	4.5	5.5	5.6	4.0
France	3.3	2.7	2.6	5.1	8.0	3.8	-11.7	3.0	4.9	0.9	-0.8	2.9	3.1	3.6	4.4	4.3	4.5	6.0	4.1	4.3
Germany	1.3	1.6	3.7	8.5	7.8	2.1	-15.5	6.2	7.3	-1.8	-0.8	4.9	1.4	2.5	4.0	4.5	4.4	6.1	5.0	4.3
Iceland	9.3	32.1	53.7	25.7	-22.4	-22.0	-50.5	-0.4	24.1	7.7	-1.8	17.8	29.8	26.2	4.0	-4.4	3.0	2.1	-2.0	4.1
Japan	0.8	3.8	8.5	2.1	1.0	-2.8	-13.4	-0.9	4.0	4.1	3.7	5.4	3.4	0.6	2.9	2.6	2.7	3.0	2.6	2.1
Korea	4.9	3.2	2.0	6.4	7.6	0.9	-3.7	14.2	3.3	0.2	0.9	3.3	2.4	1.9	7.7	1.7	2.7	3.9	3.5	2.6
Netherlands	3.7	-0.4	3.2	7.3	8.8	6.1	-10.5	-3.2	12.8	-3.9	-2.2	2.8	10.1	3.1	3.9	3.2	5.6	5.1	5.6	5.9
New Zealand	6.5	15.0	7.6	1.2	11.8	-0.3	-21.3	-0.3	14.1	9.6	4.2	11.8	1.5	7.8	7.0	3.5	4.8	5.3	3.8	5.0
Norway	2.4	10.7	16.7	10.9	16.2	2.4	-10.4	-8.5	6.3	9.3	5.2	-1.3	-7.9	-6.0	4.0	0.2	4.1	4.2	2.5	2.2
Sweden	7.1	4.7	5.1	9.5	10.2	3.9	-15.2	3.4	7.2	3.0	0.8	4.3	5.3	1.8	4.5	3.9	6.2	5.5	6.2	6.2
Switzerland	3.1	5.8	4.8	6.7	7.0	1.3	-11.0	5.1	5.1	4.2	0.4	3.1	1.9	2.8	3.1	3.1	3.7	2.9	4.1	3.8
United Kingdom	3.5	-4.2	19.1	-6.7	9.1	-2.9	-16.4	5.6	4.5	7.3	3.0	5.1	3.7	-0.5	2.4	1.3	0.8	2.6	1.0	0.4
United States	6.1	5.2	7.0	7.1	5.9	-0.7	-15.6	2.5	7.7	9.0	3.5	6.9	2.3	-0.6	4.7	6.0	5.0	6.3	5.7	4.9

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727406

Annex Table 7. **Real gross residential fixed capital formation**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Australia	4.4	5.7	-2.9	-5.5	1.0	1.2	-5.0	4.4	0.7	-5.9	3.8	10.0	9.5	8.5	-2.4	-2.1	-2.2	-5.8	-1.5	-1.5
Austria	0.1	1.0	1.8	0.8	2.5	0.7	-5.8	0.5	2.9	-1.3	-0.1	-0.4	1.0	0.3	2.4	1.4	1.6	1.8	2.3	1.3
Belgium	-0.3	3.9	15.6	4.8	4.7	-2.2	-10.4	1.8	-2.5	-0.1	-3.9	5.7	1.0	2.6	-0.2	0.8	1.9	-0.5	1.7	2.0
Canada	3.7	8.3	4.9	2.4	2.6	-4.1	-5.8	7.7	1.3	5.8	0.0	2.6	3.5	3.3	2.9	1.8	1.1	4.5	0.0	1.2
Denmark	6.4	12.1	16.7	11.4	-5.5	-16.7	-20.4	-8.9	15.8	-5.5	-7.8	6.8	8.2	7.1	6.2	2.9	4.2	..	..	..
Finland	4.3	11.2	5.0	3.8	-0.3	-10.6	-13.9	24.1	5.3	-3.5	-5.3	-6.5	2.0	10.6	5.1	4.4	4.1	4.2	4.3	4.1
France	3.3	4.0	4.3	4.9	2.6	-3.9	-11.9	1.6	1.1	-2.0	-0.3	-2.7	-1.8	2.4	5.2	2.5	2.5	4.6	2.2	2.7
Germany	-0.3	-4.2	-4.1	6.8	-1.5	-4.0	-3.2	4.1	10.1	4.2	-0.7	3.2	-1.1	3.8	3.6	2.6	3.1	2.5	3.8	3.0
Greece	3.0	16.6	-9.1	17.6	15.1	-24.0	-19.7	-26.3	-14.4	-38.0	-31.3	-53.2	-25.7	-12.4	-8.7	-1.3	2.0	-11.6	2.0	2.0
Iceland	3.3	14.2	11.9	16.5	13.2	-21.9	-55.7	-18.0	5.4	6.9	10.8	15.4	-3.2	26.4	21.6	15.6	4.3	-3.1	7.2	4.1
Ireland	12.2	11.1	16.3	2.7	-12.1	-17.2	-39.9	-34.0	-16.4	-19.3	9.4	21.9	4.9	13.7	14.3	12.8	12.6	8.3	16.7	12.6
Italy	1.1	2.5	6.2	5.2	1.0	-1.9	-9.3	-0.2	-6.4	-7.7	-4.5	-6.8	-1.7	2.9	2.2	1.9	1.0	2.9	1.0	1.0
Latvia	..	62.0	17.8	34.4	41.4	-11.9	-52.4	-28.9	1.3	13.8	-1.3	9.7	7.6	-23.2	-8.4	-1.3	6.7	-3.7	20.6	5.0
Japan	-2.2	1.7	-0.5	0.7	-9.5	-6.6	-16.4	-3.7	4.9	2.5	8.0	-4.3	-1.0	5.7	2.7	-3.8	1.8	-2.4	0.0	-1.1
Korea	1.7	3.1	2.1	-2.3	-3.5	-9.4	-2.5	-12.0	-8.0	-2.9	23.4	11.1	18.9	20.3	14.9	4.0	0.6	9.2	3.6	0.6
Netherlands	1.5	4.6	5.5	5.8	5.1	0.4	-14.9	-16.0	-4.4	-12.9	-12.2	6.1	20.9	19.0	12.7	8.8	6.9	12.3	6.8	6.2
New Zealand	4.9	3.7	-4.0	-2.1	3.1	-18.1	-14.1	1.2	-0.1	18.0	16.9	8.4	7.4	12.5	0.7	3.3	3.5	1.2	2.6	4.7
Norway	7.4	16.3	9.7	4.0	2.7	-9.0	-8.1	-1.6	17.0	10.9	5.3	-1.4	3.2	9.0	7.1	-6.9	0.7	-1.0	-3.6	1.0
Spain	8.3	4.9	6.5	6.7	1.3	-9.2	-20.3	-11.6	-13.3	-10.3	-10.2	11.3	-1.0	4.4	8.3	6.4	4.3	9.5	5.6	4.1
Sweden	-0.7	12.8	10.0	14.5	6.6	-13.3	-18.8	12.6	8.0	-11.7	0.9	15.6	17.9	14.4	14.2	-3.3	-10.3	13.0	-11.9	-4.3
Switzerland	0.0	7.0	1.1	-1.6	-3.0	-4.2	1.8	3.5	2.2	1.5	1.7	2.3	3.8	3.8	3.8	2.7	2.4	3.9	3.1	1.9
United Kingdom	0.3	6.6	2.4	1.1	0.6	-19.2	-22.9	5.5	3.6	-2.1	9.5	10.6	4.3	7.0	7.4	2.7	-0.3	4.2	2.2	-0.5
United States	4.6	10.0	6.6	-7.6	-18.8	-24.0	-21.2	-2.5	0.5	13.5	11.9	3.5	10.2	5.5	1.8	2.9	4.2	2.6	3.4	4.0

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727425

Annex Table 8. **Real total domestic demand**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	-0.7	13.7	9.1	9.3	11.3	6.9	-7.9	14.2	10.2	-1.3	4.0	-3.9	4.2	-1.3	6.3	5.1	3.2	..	..	..
Australia	4.4	6.4	4.2	3.7	6.7	3.4	0.3	4.1	5.0	4.2	0.4	0.9	1.3	1.9	2.9	2.1	2.4	3.0	1.8	2.7
Austria	1.9	2.1	2.0	2.3	2.8	1.0	-1.5	0.6	2.7	-0.1	0.1	0.4	1.2	2.1	2.7	2.2	1.9	2.8	2.2	1.9
Belgium	1.9	3.6	2.9	1.9	3.3	2.1	-1.8	2.1	2.2	0.0	-0.3	2.1	1.4	2.0	1.3	1.7	1.8	1.4	1.9	1.7
Brazil	..	5.1	2.6	5.4	7.6	7.2	-0.3	9.8	4.6	2.0	3.5	0.3	-6.1	-5.0	1.0	2.0	2.7	..	..	..
Canada	3.1	4.0	5.0	4.2	3.6	2.8	-3.0	5.3	2.2	2.1	3.4	1.8	0.1	0.8	3.8	2.7	2.1	4.9	2.1	2.1
Chile	..	9.0	11.8	9.1	7.1	8.9	-6.7	13.9	9.8	7.5	4.1	-0.4	2.7	1.5	3.3	5.2	3.8	4.3	4.7	4.5
China	9.3	9.6	9.2	10.7	12.6	8.9	14.0	8.8	9.6	8.1	8.0	8.3	8.3	7.7	6.0	6.5	6.4	5.3	6.8	6.4
Colombia	..	6.1	6.4	8.8	8.3	4.9	0.2	5.9	9.1	4.9	5.1	6.2	2.4	1.2	1.8	2.2	3.2	..	..	..
Costa Rica	3.7	2.7	4.2	7.2	9.0	6.2	-4.8	7.8	5.6	5.6	1.7	3.5	4.2	3.5	2.5	3.4	3.7	..	..	..
Czech Republic	..	3.3	3.5	5.1	6.6	1.9	-5.3	1.7	0.0	-2.1	-0.6	3.4	5.9	1.4	3.9	4.3	3.3	5.9	3.5	3.2
Denmark	2.6	4.3	3.4	5.2	1.8	-0.2	-6.1	0.7	1.0	0.9	0.8	1.9	1.3	2.4	2.0	2.1	2.3	..	..	..
Estonia	..	6.5	7.3	17.4	9.3	-8.7	-20.8	0.2	9.2	8.7	1.4	3.9	1.1	3.4	4.3	4.5	3.7	4.0	4.1	2.8
Finland	3.8	3.6	4.1	2.4	4.8	0.9	-6.3	3.6	4.1	-1.2	-1.1	-0.1	1.4	2.8	2.1	2.7	2.2	1.8	2.7	1.9
France	2.3	2.8	2.3	2.6	3.2	0.4	-2.5	1.9	2.1	-0.3	0.7	1.5	1.5	1.9	2.3	1.5	1.9	2.2	1.7	1.8
Germany	1.2	-0.6	0.3	3.0	1.8	1.0	-3.1	2.9	3.0	-0.8	1.0	1.3	1.5	2.4	2.4	1.8	2.2	2.0	2.1	2.2
Greece	..	2.7	0.2	7.9	5.3	-0.7	-6.2	-6.5	-11.2	-10.0	-3.9	1.0	-1.1	0.4	1.6	1.4	2.3	2.3	2.7	2.3
Hungary	2.9	5.3	1.7	1.7	-1.0	0.3	-9.5	-0.6	-0.3	-3.0	2.3	5.5	1.3	1.6	5.9	4.9	5.5	4.9	6.7	5.0
Iceland	4.2	9.9	13.9	9.6	1.2	-7.0	-17.0	-3.2	2.8	1.2	1.7	4.0	5.3	8.3	6.3	3.1	3.3	4.1	3.1	3.2
India[1]	..	7.7	10.5	9.7	10.7	6.1	8.5	9.7	8.5	5.3	1.8	7.1	7.9	6.9	7.8	7.5	7.5	..	..	..
Indonesia	3.1	7.0	5.9	5.3	6.4	6.1	3.0	6.5	6.1	7.7	5.0	5.3	4.0	5.0	4.8	5.4	5.4	..	..	..
Ireland	7.2	4.3	9.9	6.9	3.9	-3.7	-8.3	-3.1	-0.4	2.0	-1.6	9.0	9.0	19.4	-9.8	3.5	3.1	-20.1	8.0	3.2
Israel	..	3.0	3.4	4.9	6.5	1.8	0.2	5.4	5.6	3.8	3.0	4.0	3.5	6.0	3.6	5.4	4.2	3.6	4.8	4.3
Italy	1.9	1.1	1.0	2.0	1.2	-1.2	-4.2	1.9	-0.5	-5.7	-2.7	0.3	1.4	1.3	1.3	1.3	1.0	1.2	1.4	0.8
Japan	1.0	1.4	1.4	0.6	0.6	-1.3	-4.0	2.4	0.7	2.3	2.4	0.4	1.0	0.4	1.1	0.9	0.8	1.6	1.0	0.0
Korea	4.9	2.0	3.8	5.1	5.0	1.1	-2.7	8.3	3.0	0.7	1.4	3.0	3.9	3.8	5.1	3.9	2.7	4.8	3.7	2.7
Latvia	..	12.0	9.2	18.3	12.5	-8.8	-23.2	-4.0	11.9	1.7	2.0	-0.9	2.4	2.5	7.4	5.2	4.6	5.4	6.3	4.2
Lithuania	..	11.9	9.0	8.9	15.3	3.3	-21.7	2.4	6.0	-0.4	3.2	3.5	7.2	2.3	3.4	3.7	3.6	..	..	..
Luxembourg	3.6	2.8	2.9	1.2	5.6	4.1	-5.7	5.7	4.7	2.5	2.8	5.7	1.4	1.6	1.5	3.4	3.8	-0.6	4.9	3.8
Mexico	2.9	4.7	2.8	5.4	3.0	1.8	-6.5	4.2	4.0	3.1	0.9	2.1	3.4	2.8	1.7	1.6	2.3	1.2	2.3	2.4
Netherlands	3.2	0.4	1.7	3.7	3.5	1.9	-2.5	-0.1	0.8	-2.3	-1.3	0.8	3.3	1.7	2.4	3.7	3.2	2.4	4.2	3.0
New Zealand	4.2	7.8	4.6	1.5	5.2	1.1	-4.9	3.7	3.3	2.8	3.6	4.2	2.2	4.7	4.3	3.9	3.2	3.7	3.4	3.0
Norway	3.2	6.8	5.4	6.2	6.2	1.6	-3.4	3.2	2.7	3.4	3.5	1.6	0.7	2.7	2.5	2.5	2.2	4.0	1.5	2.1
Poland	4.6	6.3	2.5	7.4	9.5	5.4	-0.2	4.3	4.2	-0.4	-0.5	4.7	3.3	2.2	4.8	5.1	4.3	4.8	5.4	4.1
Portugal	3.1	3.0	1.3	0.9	2.2	1.1	-3.6	1.9	-5.7	-7.3	-2.0	2.2	2.7	1.6	2.8	2.4	2.4	2.4	2.6	2.2
Russia	..	10.2	9.3	11.4	14.0	9.8	-14.1	8.5	9.0	5.9	1.5	-0.8	-9.3	-1.4	3.1	2.3	1.4	..	..	..
Slovak Republic	3.9	5.8	8.6	6.7	6.8	6.5	-7.1	4.5	1.1	-4.0	0.3	3.5	5.6	0.9	2.7	3.0	4.1	1.2	5.0	4.0
Slovenia	..	4.9	1.9	4.7	9.0	3.1	-9.5	-0.8	-0.7	-5.7	-2.0	1.7	1.8	2.9	4.1	5.6	4.0	4.4	4.8	4.1
South Africa	3.2	7.9	5.7	8.5	5.8	3.6	-1.4	3.7	5.6	3.2	2.8	0.6	2.1	-0.9	1.9	2.6	2.4	..	..	..
Spain	3.8	4.8	5.1	5.1	4.1	-0.4	-6.0	-0.5	-3.1	-5.1	-3.2	2.0	4.0	2.6	2.9	2.6	2.2	3.3	2.4	2.1
Sweden	2.6	1.9	2.6	4.4	4.8	-0.1	-4.3	5.7	3.0	-0.2	1.6	3.0	4.1	3.1	3.1	2.3	2.2	3.9	1.8	2.6
Switzerland	1.5	-0.2	4.2	2.2	0.6	2.5	2.2	-0.6	3.9	-1.4	-0.7	2.7	2.4	0.3	0.2	1.3	2.2	-0.8	5.4	2.1
Turkey	3.1	14.4	12.3	9.0	6.1	-0.3	-7.4	13.3	10.1	1.9	9.9	2.8	4.6	4.2	5.7	6.9	5.8	7.6	4.7	6.7
United Kingdom	3.6	2.9	2.8	2.2	2.3	-1.0	-4.6	2.5	0.0	2.3	2.7	3.6	2.4	2.2	1.4	1.4	0.8	1.9	1.0	0.6
United States	3.8	4.3	3.5	2.6	1.1	-1.3	-3.8	2.9	1.6	2.1	1.3	2.7	3.5	1.7	2.4	3.0	3.0	2.6	2.9	2.9
Euro area	2.2	1.7	1.9	3.2	2.7	0.2	-3.8	1.4	0.7	-2.3	-0.6	1.4	1.9	2.3	2.0	2.0	2.0	1.6	2.3	2.0
Total OECD	3.0	3.4	3.1	3.1	2.4	-0.2	-3.9	3.1	1.8	0.8	1.3	2.1	2.7	2.0	2.4	2.6	2.5	2.6	2.6	2.4

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727444

Annex Table 9. **Foreign balance contributions to changes in real GDP**

Percentage points

	Average 1991-2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017 Fourth quarter[1]	2018 Fourth quarter[1]	2019 Fourth quarter[1]
Argentina	0.5	-3.5	0.4	-0.6	-1.5	-2.3	1.3	-2.4	-2.7	0.0	-1.1	0.7	-1.1	-0.1	-1.9	-1.7	-0.3	..	..	..
Australia	-0.6	-2.5	-1.3	-1.2	-2.2	-1.4	2.4	-2.2	-2.3	0.1	1.6	1.7	0.9	1.3	-0.8	0.0	-0.5	-1.9	-0.2	-1.0
Austria	0.4	0.2	0.9	1.4	1.1	0.3	-1.7	0.8	0.4	0.4	-0.2	0.2	0.0	-0.4	0.3	0.7	0.2	2.8	0.2	0.2
Belgium	0.6	0.3	-0.7	0.7	0.2	-1.2	-0.4	0.7	-0.3	0.2	0.5	-0.8	0.0	-0.6	0.5	0.0	0.0	0.6	0.0	0.0
Brazil	0.8	0.8	0.7	-1.4	-1.4	-2.0	-0.1	-2.6	-0.7	-0.1	-0.6	0.2	2.7	1.6	0.0	-0.1	0.1	..	..	..
Canada	..	-0.8	-1.6	-1.4	-1.5	-1.8	-0.4	-2.2	-0.3	-0.3	0.3	1.1	0.9	0.7	-0.9	-0.7	0.1	-1.1	0.1	0.0
Chile	0.4	-0.8	-4.4	-1.7	-0.9	-3.9	4.8	-6.6	-2.8	-1.7	0.5	2.2	-0.2	-0.1	-1.6	-0.6	-0.1	-3.6	-0.7	0.7
China	0.3	0.7	2.4	2.5	2.4	1.5	-3.4	2.2	0.5	0.2	0.2	-0.5	-1.0	-0.7	1.0	0.4	0.2	3.0	0.5	0.1
Colombia	0.1	-0.6	-1.5	-2.3	-1.8	-1.9	1.0	-1.7	-1.9	-1.0	-0.6	-1.6	0.5	0.7	-0.2	0.4	-0.1	..	..	..
Costa Rica	0.3	1.6	-0.3	0.0	-0.9	-1.6	4.0	-2.8	-1.4	-1.0	0.5	-0.1	-0.7	0.5	0.6	0.2	0.0	..	..	..
Czech Republic	-0.9	1.4	3.2	2.0	-0.8	0.7	0.5	0.5	1.8	1.3	0.1	-0.5	-0.2	1.1	1.0	-0.2	0.1	-0.5	0.3	0.0
Denmark	..	-1.3	-0.9	-1.0	-0.9	-0.3	1.1	1.2	0.4	-0.7	0.2	-0.2	0.4	-0.3	0.4	-0.2	-0.2	..	..	..
Estonia	-2.6	-0.4	0.5	-8.6	-1.7	4.9	8.1	3.0	-0.7	-3.6	0.6	-0.8	0.9	-0.7	-0.4	-0.6	-0.4	-0.3	-0.9	0.3
Finland	0.7	0.7	-1.0	1.6	1.0	-0.2	-2.1	0.0	-1.5	-0.2	0.3	-0.5	-0.9	-0.8	1.5	0.7	0.4	1.8	0.4	0.2
France	0.1	-0.2	-0.7	0.0	-0.8	-0.3	-0.3	-0.1	0.0	0.5	-0.1	-0.5	-0.5	-0.8	-0.3	0.3	0.0	2.4	0.1	0.0
Germany	0.3	1.3	0.6	1.1	1.6	-0.1	-2.6	1.2	0.9	1.4	-0.4	0.7	0.1	-0.3	0.3	0.4	0.1	2.0	0.1	0.2
Greece	-0.9	2.2	0.0	-2.8	-2.3	0.5	3.0	1.9	2.5	3.4	1.6	-0.2	0.8	-1.0	-0.3	0.6	0.1	-5.5	0.0	0.0
Hungary	..	-0.3	2.7	2.2	1.5	0.7	2.6	1.3	2.0	1.3	0.0	-0.8	2.2	0.7	-1.4	-0.3	-1.5	7.9	-1.5	-1.0
Iceland	-0.6	-2.2	-8.7	-5.6	8.4	9.7	13.1	-1.3	-1.1	-0.2	3.7	-2.5	-1.6	-0.8	-2.7	-0.1	-0.4	7.8	-0.5	0.7
India[2]	-0.1	0.5	-1.3	-0.6	-1.2	-2.4	-0.5	0.0	-2.2	-0.2	4.5	0.2	0.2	0.1	-1.4	-0.3	-0.1	..	..	..
Indonesia	0.1	-1.8	-0.1	0.2	-0.1	-0.1	1.7	0.0	0.2	-1.5	0.6	-0.2	0.9	0.2	0.3	0.0	0.0	..	..	..
Ireland	..	4.1	-4.0	-1.5	0.4	-1.1	5.2	5.0	0.9	-0.6	2.5	2.2	18.6	-9.2	14.5	0.0	0.6	1.7	0.7	0.8
Israel	0.6	1.9	0.6	0.8	-0.2	1.3	1.1	0.3	-0.2	-1.5	1.3	-0.6	-0.8	-1.9	-0.3	-1.6	-0.7	1.0	-0.8	-0.7
Italy	..	0.3	0.2	0.1	0.2	0.2	-1.3	-0.2	1.2	2.9	0.9	-0.1	-0.5	-0.3	0.3	0.1	0.1	1.3	0.1	0.1
Japan	0.1	0.9	0.3	0.9	1.1	0.2	-1.4	1.8	-0.8	-0.8	-0.4	0.0	0.4	0.6	0.6	0.3	0.4	-0.4	0.4	1.3
Korea	1.2	3.0	0.3	0.2	0.5	1.7	3.2	-1.4	0.8	1.5	1.5	0.4	-1.0	-0.7	-1.7	-0.6	0.4	-5.0	0.5	0.4
Latvia	-1.3	-5.3	0.0	-9.1	-5.0	7.1	11.5	0.2	-5.7	2.3	0.4	2.8	0.5	-0.3	-2.7	-1.1	-1.1	7.1	-1.1	-0.7
Lithuania	-1.4	-6.1	-1.3	-1.9	-5.4	-0.9	11.9	-0.2	0.0	4.1	0.7	0.2	-5.2	-0.1	0.5	-0.3	-0.6	..	..	..
Luxembourg	1.6	-0.6	2.5	5.1	4.7	-4.8	0.1	-0.4	0.2	-1.4	2.3	3.9	1.4	0.8	2.7	1.9	1.4	-9.1	1.5	1.4
Mexico	-0.6	0.9	0.0	-0.4	-0.8	-1.1	1.7	1.2	0.6	0.4	-0.4	0.3	0.7	0.3	-1.3	0.3	0.5	3.3	0.7	0.3
Netherlands	0.1	1.5	0.6	0.2	0.5	-0.1	-1.5	1.4	1.0	1.1	1.1	0.6	-0.7	0.6	1.2	0.0	0.1	1.4	-0.2	0.1
New Zealand	-0.2	-3.1	-2.0	1.2	-1.4	-1.3	5.3	-2.0	-1.1	-0.2	-1.5	-1.3	0.9	-0.5	-1.0	-0.9	-0.1	-4.0	-0.1	-0.1
Norway	0.2	-2.0	-2.0	-2.8	-2.2	-0.9	1.1	-2.1	-1.4	-0.2	-2.0	0.5	1.3	-1.4	-0.6	-0.7	-0.5	-9.3	-0.6	-0.6
Poland	-0.3	-1.3	1.1	-1.1	-2.5	-1.3	3.1	-0.6	0.7	2.1	1.9	-1.3	0.6	0.8	0.1	-0.6	-0.4	-0.7	-0.4	-0.3
Portugal	-0.6	-1.4	-0.6	0.6	0.1	-1.1	0.9	-0.1	4.3	3.6	0.9	-1.3	-0.9	0.1	0.1	-0.2	-0.1	2.1	-0.3	0.2
Russia	0.3	-1.2	-1.3	-1.8	-3.1	-2.8	4.8	-3.0	-3.8	-1.5	0.5	1.6	6.3	1.7	-1.8	-0.7	0.2	..	..	..
Slovak Republic	0.3	-0.9	-2.1	1.5	3.8	-0.5	2.1	0.5	1.7	5.7	1.2	-0.6	-1.5	2.4	0.5	1.6	0.6	12.7	0.5	0.6
Slovenia	-0.7	-0.5	2.1	1.0	-2.0	0.2	1.9	2.0	1.3	3.0	0.8	1.4	0.6	0.5	1.3	0.1	0.3	0.4	0.5	0.3
South Africa	..	-3.0	-0.6	-2.9	-0.6	-0.4	0.5	-0.8	-2.3	-1.0	-0.4	1.2	-0.8	1.5	-0.6	-0.7	-0.2	..	..	..
Spain	-0.3	-1.7	-1.6	-1.2	-0.6	1.6	2.8	0.5	2.1	2.2	1.5	-0.5	-0.4	0.7	0.3	0.3	0.2	0.3	0.3	0.2
Sweden	0.8	2.1	0.4	0.8	-0.9	-0.7	-1.1	0.3	-0.1	0.3	-0.3	-0.2	0.4	0.1	-0.3	0.7	0.1	2.4	0.1	0.1
Switzerland	0.1	2.9	-0.7	2.0	3.6	-0.2	-4.3	3.3	-1.6	2.2	2.5	0.2	-0.9	1.0	0.9	1.1	0.0	20.5	-0.1	0.2
Turkey	0.0	-2.1	-1.2	-0.5	-0.9	1.5	3.1	-4.5	-0.4	2.9	-2.7	1.9	0.6	-1.4	0.1	-1.7	-0.2	-5.2	0.0	-0.6
United Kingdom	-0.4	-0.6	0.2	0.2	0.0	0.6	0.6	-0.9	1.5	-0.8	-0.7	-0.6	-0.1	-0.8	0.6	0.1	0.5	-1.5	0.5	0.6
United States	-0.5	-0.6	-0.3	-0.1	0.6	1.1	1.3	-0.4	0.0	0.1	0.3	-0.2	-0.8	-0.2	-0.2	-0.2	-0.3	-1.2	-0.3	-0.3
Euro area	0.1	0.4	-0.2	0.2	0.3	0.1	-0.6	0.6	0.9	1.5	0.4	0.1	0.1	-0.5	0.6	0.3	0.1	1.6	0.1	0.1
Total OECD	-0.1	0.0	-0.2	0.0	0.2	0.4	0.6	-0.1	0.2	0.5	0.2	0.1	-0.1	-0.2	0.0	-0.1	0.0	-0.3	0.0	0.1

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Contributions to per cent change from the previous period, seasonnally adjusted at annual rates.
2. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727463

Annex Table 10. **Quarterly demand and output projections**

Percentage changes, seasonally adjusted at annual rates, volume

	2017	2018	2019	2017 Q4	2018 Q1	2019 Q2	2019 Q3	2019 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2017	2018 Q4 / Q4	2019
Private consumption															
Canada	3.4	2.4	1.8	2.1	2.1	2.0	1.9	1.8	1.8	1.8	1.8	1.8	3.4	1.9	1.8
France	1.3	1.2	1.6	0.9	0.6	0.9	1.7	1.7	1.6	1.6	1.6	1.6	1.3	1.2	1.6
Germany	2.1	1.0	1.6	0.0	1.2	1.5	1.6	1.6	1.6	1.6	1.5	1.4	1.5	1.5	1.5
Italy	1.4	0.9	0.6	0.3	1.2	0.9	0.9	0.9	0.4	0.4	0.4	0.4	1.2	1.0	0.4
Japan	1.0	0.7	0.9	0.9	0.0	1.9	1.7	1.0	0.7	0.7	3.8	-5.4	0.8	1.1	-0.1
United Kingdom	1.7	1.1	0.7	1.0	0.8	1.4	1.3	0.7	0.5	0.5	0.5	0.5	1.2	1.1	0.5
United States	2.8	2.5	2.2	4.0	1.1	2.8	2.4	2.3	2.2	2.1	2.0	2.0	2.8	2.1	2.1
Euro area	1.7	1.4	1.5	0.7	1.6	1.4	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.5
Total OECD	2.5	2.2	2.1	2.9	1.6	2.3	2.2	2.0	2.2	2.0	2.3	1.4	2.5	2.0	2.0
Public consumption															
Canada	2.2	2.1	1.8	2.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	2.9	1.7	1.8
France	1.6	1.4	0.7	1.5	1.3	1.2	1.0	0.9	0.8	0.6	0.3	0.2	1.8	1.1	0.5
Germany	1.6	1.3	2.0	2.0	-0.5	1.8	1.9	1.9	2.0	2.0	2.1	2.1	1.6	1.3	2.0
Italy	0.1	0.5	0.2	0.3	1.0	0.8	0.4	0.4	0.1	0.1	0.1	0.1	0.2	0.7	0.1
Japan	0.2	0.5	0.7	0.0	0.1	1.4	0.6	0.2	0.6	0.9	0.9	0.9	0.5	0.6	0.8
United Kingdom	0.1	1.4	1.0	1.8	2.2	1.3	1.2	1.2	0.8	0.8	0.8	0.8	0.6	1.5	0.8
United States	0.1	2.2	4.3	1.3	1.2	3.4	4.3	4.3	4.3	4.4	4.4	4.4	0.4	3.3	4.4
Euro area	1.2	1.3	1.3	1.2	0.7	1.8	1.6	1.4	1.2	1.2	1.1	1.0	1.4	1.4	1.1
Total OECD	1.0	2.0	2.3	2.4	1.5	2.3	2.3	2.2	2.5	2.4	2.4	2.3	1.6	2.1	2.4
Business investment															
Canada	2.4	5.5	4.3	7.0	5.0	4.8	4.6	4.6	4.5	4.0	3.7	3.6	8.5	4.7	3.9
France	4.4	4.3	4.5	6.3	2.4	4.7	4.6	4.6	4.5	4.4	4.2	4.1	6.0	4.1	4.3
Germany	4.0	4.5	4.4	3.2	6.0	4.7	4.7	4.7	4.3	4.3	4.2	4.2	6.1	5.0	4.3
Japan	2.9	2.6	2.7	2.6	-0.3	4.8	3.2	2.8	2.6	2.5	1.9	1.5	3.0	2.6	2.1
United Kingdom	2.4	1.3	0.8	1.0	-0.9	2.0	1.6	1.2	0.6	0.4	0.3	0.3	2.6	1.0	0.4
United States	4.7	6.0	5.0	6.8	6.1	6.9	4.9	4.9	4.9	4.9	4.9	4.9	6.3	5.7	4.9
Total investment															
Canada	2.8	4.2	3.2	9.6	2.0	3.2	3.3	3.3	3.3	3.1	2.9	2.9	6.3	3.0	3.1
France	3.8	3.7	4.0	4.7	2.4	3.9	4.0	4.0	4.0	3.9	3.9	3.9	4.7	3.6	3.9
Germany	3.9	3.5	3.9	0.1	5.5	4.1	4.1	4.1	3.9	3.9	3.8	3.8	4.6	4.4	3.8
Italy	3.9	5.4	3.1	7.2	3.3	3.3	3.3	3.3	3.0	3.0	3.0	3.0	4.4	3.3	3.0
Japan	2.5	1.2	0.6	-0.1	-1.2	5.0	2.0	0.2	0.5	0.3	-0.6	-1.6	2.0	1.5	-0.4
United Kingdom	4.0	2.8	0.7	4.4	3.8	1.0	0.9	0.8	0.7	0.6	0.5	0.5	4.0	1.6	0.6
United States	3.4	4.9	4.7	8.6	4.1	5.9	4.7	4.7	4.6	4.6	4.6	4.6	4.9	4.8	4.6
Euro area	3.2	4.2	4.1	4.2	6.0	4.3	4.3	4.3	4.0	4.0	3.9	3.9	2.9	4.7	3.9
Total OECD	3.6	4.2	3.9	3.9	4.9	4.8	3.9	3.8	4.0	3.8	3.7	3.6	4.0	4.3	3.7

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727482

Annex Table 10. **Quarterly demand and output projections (cont.)**

Percentage changes, seasonally adjusted at annual rates, volume

	2017	2018	2019	2017 Q4	2018 Q1	2019 Q2	2019 Q3	2019 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2017 Q4 / Q4	2018 Q4 / Q4	2019 Q4 / Q4
Total domestic demand															
Canada	3.8	2.7	2.1	3.2	2.0	2.2	2.2	2.1	2.1	2.1	2.0	2.0	4.9	2.1	2.1
France	2.3	1.5	1.9	0.3	1.1	1.6	2.0	2.0	1.9	1.9	1.8	1.8	2.2	1.7	1.8
Germany	2.4	1.8	2.2	0.4	1.8	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.0	2.1	2.2
Italy	1.3	1.3	1.0	-0.1	1.6	1.7	1.2	1.3	0.8	0.8	0.8	0.8	1.2	1.4	0.8
Japan	1.1	0.9	0.8	1.0	-0.9	2.6	1.6	0.6	0.6	0.6	2.1	-3.3	1.6	1.0	0.0
United Kingdom	1.4	1.4	0.8	3.1	0.3	1.7	1.2	0.8	0.6	0.6	0.5	0.5	1.9	1.0	0.6
United States	2.4	3.0	3.0	4.0	2.1	3.4	3.1	3.0	2.9	2.9	2.8	2.8	2.6	2.9	2.9
Euro area	2.0	2.0	2.0	0.6	2.6	2.1	2.2	2.1	2.0	2.0	1.9	1.9	1.6	2.3	2.0
Total OECD	2.4	2.6	2.5	2.7	2.5	2.8	2.6	2.4	2.6	2.5	2.6	2.0	2.6	2.6	2.4
Exports of goods and services															
Canada	1.0	1.7	4.4	3.0	1.5	4.0	6.0	5.0	4.0	4.0	4.0	4.0	0.2	4.1	4.0
France	3.3	3.9	4.2	10.3	-0.5	2.8	4.3	4.3	4.2	4.2	4.2	4.2	4.9	2.7	4.2
Germany	5.3	4.5	4.5	11.4	-1.5	4.6	4.5	4.5	4.5	4.5	4.5	4.4	7.4	3.0	4.5
Italy	6.0	5.4	4.3	8.2	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	6.2	4.5	4.1
Japan	6.7	5.0	4.5	9.1	2.6	4.5	4.5	4.5	4.5	4.5	4.5	4.5	6.3	4.0	4.5
United Kingdom	5.7	1.4	3.3	-3.4	-2.0	3.2	3.2	3.2	3.4	3.4	3.4	3.4	2.7	1.9	3.4
United States	3.4	4.8	4.4	7.0	4.8	5.0	4.8	4.5	4.5	4.3	4.0	4.0	5.0	4.8	4.2
Total OECD[1]	4.8	4.7	4.6	6.6	3.6	4.8	4.7	4.5	4.6	4.5	4.5	4.5	5.0	4.4	4.5
Imports of goods and services															
Canada	3.6	3.7	3.9	6.3	2.4	3.7	4.5	4.3	3.8	3.6	3.6	3.6	6.6	3.7	3.7
France	4.1	2.6	3.9	1.6	-0.2	3.8	3.9	3.8	4.0	4.0	4.0	4.0	3.6	2.8	4.0
Germany	5.6	4.3	5.1	8.2	-1.0	5.0	5.1	5.2	5.2	5.2	5.0	4.9	6.1	3.5	5.1
Italy	5.7	5.5	4.2	4.2	5.7	5.0	4.9	4.5	4.0	3.9	3.9	3.9	5.2	5.0	3.9
Japan	3.4	3.3	2.3	12.8	1.2	2.5	2.8	2.2	2.2	2.3	4.3	-2.3	5.1	2.2	1.6
United Kingdom	3.2	1.0	1.5	1.4	-2.3	1.7	1.6	1.6	1.5	1.5	1.4	1.4	3.1	0.6	1.5
United States	4.0	5.3	5.3	14.1	2.6	5.8	5.4	5.4	5.4	5.4	5.0	4.8	4.7	4.8	5.1
Total OECD[1]	4.9	5.0	4.6	7.7	4.6	4.7	4.6	4.5	4.7	4.7	4.7	4.3	5.4	4.6	4.6
GDP															
Canada	3.0	2.1	2.2	1.7	1.7	2.3	2.6	2.3	2.2	2.2	2.1	2.1	2.9	2.2	2.1
France	2.3	1.9	1.9	2.9	1.0	1.3	2.1	2.1	2.0	1.9	1.8	1.8	2.9	1.6	1.9
Germany	2.5	2.1	2.1	2.5	1.3	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.9	2.0	2.1
Italy	1.6	1.4	1.1	1.3	1.3	1.6	1.2	1.3	1.1	0.9	1.0	1.0	1.6	1.4	1.0
Japan	1.7	1.2	1.2	0.6	-0.6	2.9	1.9	1.0	1.0	1.0	2.2	-2.0	1.8	1.3	0.6
United Kingdom	1.8	1.4	1.3	1.6	0.4	2.2	1.7	1.3	1.1	1.2	1.2	1.2	1.4	1.4	1.2
United States	2.3	2.9	2.8	2.9	2.3	3.3	2.9	2.8	2.7	2.7	2.6	2.7	2.6	2.8	2.7
Euro area	2.6	2.2	2.1	2.7	1.4	2.3	2.2	2.2	2.0	2.0	2.0	2.0	2.8	2.0	2.0
Total OECD	2.6	2.6	2.5	2.5	2.1	2.8	2.5	2.4	2.5	2.4	2.5	2.1	2.7	2.5	2.4

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Includes intra-regional trade.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727482

Annex Table 11. **Contributions to changes in real GDP in OECD countries**

	2016	2017	2018	2019		2016	2017	2018	2019
Australia					**Germany**				
Final domestic demand	1.9	3.0	2.5	2.4	Final domestic demand	2.3	2.2	1.5	2.0
Stockbuilding	0.1	-0.1	-0.4	0.0	Stockbuilding	-0.1	0.0	0.2	0.0
Net exports	1.3	-0.8	0.0	-0.5	Net exports	-0.3	0.3	0.4	0.1
GDP	2.6	2.3	2.9	3.0	GDP	1.9	2.5	2.1	2.1
Austria					**Greece**				
Final domestic demand	2.1	2.2	1.9	1.8	Final domestic demand	0.1	1.0	1.4	2.3
Stockbuilding	-0.1	0.4	0.2	0.0	Stockbuilding	0.5	0.5	0.0	0.0
Net exports	-0.4	0.3	0.7	0.2	Net exports	-1.0	-0.3	0.6	0.1
GDP	1.5	3.1	2.7	2.0	GDP	-0.3	1.3	2.0	2.3
Belgium					**Hungary**				
Final domestic demand	1.8	1.2	1.7	1.8	Final domestic demand	-0.1	5.7	6.3	5.1
Stockbuilding	0.2	0.1	0.0	0.0	Stockbuilding	1.5	-0.3	-1.8	0.0
Net exports	-0.6	0.5	0.0	0.0	Net exports	0.7	-1.4	-0.3	-1.5
GDP	1.4	1.7	1.7	1.7	GDP	2.2	4.0	4.4	3.6
Canada					**Iceland**				
Final domestic demand	1.1	3.1	2.8	2.2	Final domestic demand	8.3	6.4	3.3	3.1
Stockbuilding	-0.2	0.8	0.0	0.0	Stockbuilding	-0.6	-0.6	-0.3	0.0
Net exports	0.7	-0.9	-0.7	0.1	Net exports	-0.8	-2.7	-0.1	-0.4
GDP	1.4	3.0	2.1	2.2	GDP	7.5	3.6	2.8	2.6
Chile					**Ireland**				
Final domestic demand	2.0	1.9	3.5	3.7	Final domestic demand	13.9	-6.0	2.4	2.2
Stockbuilding	-0.7	1.2	1.5	0.0	Stockbuilding	0.4	-0.3	0.0	0.0
Net exports	-0.1	-1.6	-0.6	-0.1	Net exports	-9.2	14.5	0.0	0.6
GDP	1.2	1.6	3.6	3.6	GDP	5.1	7.8	4.0	2.9
Czech Republic					**Israel**				
Final domestic demand	1.4	3.6	3.5	3.1	Final domestic demand	6.5	3.0	5.6	4.1
Stockbuilding	0.0	0.0	0.5	0.0	Stockbuilding	-0.6	0.5	-0.4	0.1
Net exports	1.1	1.0	-0.2	0.1	Net exports	-1.9	-0.3	-1.6	-0.7
GDP	2.5	4.6	3.8	3.2	GDP	4.0	3.3	3.7	3.6
Denmark					**Italy**				
Final domestic demand	2.2	1.8	2.1	2.2	Final domestic demand	1.5	1.5	1.6	1.0
Stockbuilding	0.0	0.1	-0.2	0.0	Stockbuilding	-0.3	-0.2	-0.3	0.0
Net exports	-0.3	0.4	-0.2	-0.2	Net exports	-0.3	0.3	0.1	0.1
GDP	2.0	2.2	1.7	1.9	GDP	1.0	1.6	1.4	1.1
Estonia					**Japan**				
Final domestic demand	2.4	4.5	3.7	3.6	Final domestic demand	0.6	1.2	0.7	0.8
Stockbuilding	0.7	-0.4	0.6	0.0	Stockbuilding	-0.2	-0.1	0.1	0.0
Net exports	-0.7	-0.4	-0.6	-0.4	Net exports	0.6	0.6	0.3	0.4
GDP	2.2	4.8	3.7	3.2	GDP	1.0	1.7	1.2	1.2
Finland					**Korea**				
Final domestic demand	2.9	2.6	2.4	2.2	Final domestic demand	3.6	4.4	3.6	2.6
Stockbuilding	-0.2	-0.4	0.3	0.0	Stockbuilding	0.0	0.4	0.2	0.0
Net exports	-0.8	1.5	0.7	0.4	Net exports	-0.7	-1.7	-0.6	0.4
GDP	2.1	2.6	2.9	2.5	GDP	2.9	3.1	3.0	3.0
France					**Latvia**				
Final domestic demand	2.0	1.9	1.8	1.9	Final domestic demand	-0.8	6.7	5.9	4.6
Stockbuilding	-0.1	0.4	-0.3	0.0	Stockbuilding	3.2	0.5	-0.6	0.0
Net exports	-0.8	-0.3	0.3	0.0	Net exports	-0.3	-2.7	-1.1	-1.1
GDP	1.1	2.3	1.9	1.9	GDP	2.2	4.5	4.1	3.6

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.
Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727501

Annex Table 11. **Contributions to changes in real GDP in OECD countries (cont.)**

	2016	2017	2018	2019
Luxembourg				
Final domestic demand	1.1	1.5	1.0	2.5
Stockbuilding	-0.1	-0.5	1.2	0.0
Net exports	0.8	2.7	1.9	1.4
GDP	3.1	2.3	3.6	3.8
Mexico				
Final domestic demand	2.8	1.8	1.7	2.4
Stockbuilding	0.1	0.0	-0.1	0.0
Net exports	0.3	-1.3	0.3	0.5
GDP	2.7	2.3	2.5	2.8
Netherlands				
Final domestic demand	2.0	2.3	3.2	2.9
Stockbuilding	-0.4	-0.2	0.1	0.0
Net exports	0.6	1.2	0.0	0.1
GDP	2.1	3.3	3.3	2.9
New Zealand				
Final domestic demand	4.7	4.2	4.0	3.1
Stockbuilding	0.0	-0.2	-0.1	0.0
Net exports	-0.5	-1.0	-0.9	-0.1
GDP	4.1	3.0	3.0	3.0
Norway				
Final domestic demand	1.1	2.8	1.4	2.1
Stockbuilding	1.4	-0.3	1.1	0.0
Net exports	-1.4	-0.6	-0.7	-0.5
GDP	1.1	1.9	1.8	1.6
Poland				
Final domestic demand	1.0	4.0	5.1	4.2
Stockbuilding	1.1	0.6	-0.1	0.0
Net exports	0.8	0.1	-0.6	-0.4
GDP	3.0	4.6	4.6	3.8
Portugal				
Final domestic demand	1.7	2.8	2.3	2.3
Stockbuilding	-0.1	-0.1	0.1	0.0
Net exports	0.1	0.1	-0.2	-0.1
GDP	1.6	2.7	2.2	2.2
Slovak Republic				
Final domestic demand	-0.2	2.7	3.6	3.9
Stockbuilding	1.1	-0.1	-0.6	0.0
Net exports	2.4	0.5	1.6	0.6
GDP	3.3	3.4	4.0	4.5
Slovenia				
Final domestic demand	2.0	3.9	5.0	3.7
Stockbuilding	0.7	-0.2	0.0	0.0
Net exports	0.5	1.3	0.1	0.3
GDP	3.1	5.0	5.0	3.9
Spain				
Final domestic demand	2.6	2.7	2.5	2.1
Stockbuilding	0.0	0.1	0.1	0.0
Net exports	0.7	0.3	0.3	0.2
GDP	3.3	3.1	2.8	2.4
Sweden				
Final domestic demand	2.9	2.8	1.9	2.1
Stockbuilding	0.0	0.1	0.2	0.0
Net exports	0.1	-0.3	0.7	0.1
GDP	3.0	2.7	2.8	2.2
Switzerland				
Final domestic demand	1.7	1.5	1.5	1.8
Stockbuilding	-1.3	-1.3	-0.3	0.1
Net exports	1.0	0.9	1.1	0.0
GDP	1.4	1.1	2.3	1.9
Turkey				
Final domestic demand	4.3	6.5	6.9	6.1
Stockbuilding	0.0	-0.7	0.2	0.0
Net exports	-1.4	0.1	-1.7	-0.2
GDP	3.2	7.4	5.1	5.0
United Kingdom				
Final domestic demand	2.4	1.8	1.4	0.7
Stockbuilding	-0.2	-0.4	0.0	0.0
Net exports	-0.8	0.6	0.1	0.5
GDP	1.9	1.8	1.4	1.3
United States				
Final domestic demand	2.1	2.6	3.0	3.1
Stockbuilding	-0.4	-0.1	0.1	0.0
Net exports	-0.2	-0.2	-0.2	-0.3
GDP	1.5	2.3	2.9	2.8
Euro area				
Final domestic demand	2.3	1.9	1.9	1.9
Stockbuilding	-0.1	0.0	0.0	0.0
Net exports	-0.5	0.6	0.3	0.1
GDP[1]	1.7	2.5	2.2	2.1
Total OECD				
Final domestic demand	2.1	2.5	2.6	2.5
Stockbuilding	-0.2	0.0	0.1	0.0
Net exports	-0.2	0.0	-0.1	0.0
GDP[1]	1.8	2.5	2.6	2.5

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

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

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727501

Annex Table 12. **Output gaps**

Deviations of actual GDP from potential GDP as a per cent of potential GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	0.1	-0.2	0.7	0.1	0.9	0.7	0.2	1.4	0.8	0.0	-0.5	-1.0	-0.4	-1.3	-1.6	-1.8	-1.9	-2.0	-1.5	-1.0
Austria	2.5	1.1	0.3	-0.9	-0.7	-0.4	1.4	3.2	2.4	-2.6	-2.0	-0.3	-0.9	-2.1	-2.4	-2.5	-2.2	-0.5	0.9	1.5
Belgium	1.6	0.0	-0.4	-1.6	0.0	0.1	0.7	2.3	1.3	-2.4	-0.9	-0.3	-1.3	-2.1	-1.8	-1.6	-1.3	-0.8	-0.3	0.2
Canada	3.2	1.9	2.1	1.3	1.9	2.6	2.7	2.4	1.1	-3.6	-2.5	-1.5	-1.9	-1.6	-0.9	-1.9	-2.2	-0.8	-0.2	0.4
Chile	-1.4	-1.8	-2.4	-2.1	0.9	2.3	4.0	4.6	3.6	-1.9	0.0	1.7	2.8	2.7	0.8	-0.1	-1.8	-2.8	-1.7	-0.6
Czech Republic	0.0	-0.5	-2.6	-3.0	-2.4	-0.3	2.4	4.3	3.8	-2.6	-1.5	-0.4	-1.8	-3.3	-2.4	0.4	0.2	2.0	2.9	3.1
Denmark	2.6	1.4	0.1	-0.9	0.3	1.4	4.0	3.7	2.1	-3.6	-2.4	-1.7	-2.2	-2.2	-1.7	-1.3	-0.6	0.2	0.5	1.0
Estonia	-1.6	-1.7	-2.2	-1.4	-1.1	2.5	8.3	12.0	4.2	-10.7	-9.1	-3.3	-1.0	-1.2	-0.8	-1.4	-1.6	0.3	0.9	0.8
Finland	2.2	1.2	-0.3	-1.2	0.2	0.7	2.8	6.2	5.2	-4.6	-2.3	-0.3	-2.3	-3.4	-4.5	-4.8	-3.4	-1.7	0.1	1.5
France	2.5	2.2	1.3	0.4	1.3	1.3	2.3	3.1	1.6	-2.5	-1.7	-0.8	-1.6	-2.1	-2.1	-2.2	-2.3	-1.1	-0.6	0.0
Germany	0.0	0.4	-0.6	-2.0	-1.9	-1.7	0.6	2.1	1.4	-4.8	-1.8	0.6	0.2	-0.3	0.3	0.2	0.4	1.3	1.8	2.2
Greece	-1.5	-1.1	-0.4	2.2	4.5	3.4	7.6	9.8	8.7	4.0	-0.9	-8.8	-14.1	-15.4	-13.7	-13.2	-13.0	-11.6	-10.1	-8.6
Hungary	-0.5	-0.2	1.0	1.6	3.4	5.0	6.4	4.5	3.5	-4.2	-4.3	-3.5	-6.1	-5.6	-3.2	-1.9	-1.7	0.1	2.0	2.6
Iceland	1.5	1.8	-0.7	-1.4	2.9	4.8	4.6	9.3	7.2	-1.9	-6.9	-6.4	-6.7	-4.3	-4.0	-2.2	2.2	2.9	2.9	2.6
Ireland	4.5	3.5	3.6	1.2	2.8	4.3	6.0	8.0	1.4	-4.8	-4.6	-3.7	-6.2	-7.9	-4.4	5.0	0.5	2.6	2.6	2.4
Israel	3.9	0.2	-3.1	-5.2	-3.6	-2.9	-0.9	1.6	1.2	-0.7	0.9	2.1	0.3	0.8	0.5	-0.3	0.1	0.0	0.2	0.1
Italy	1.9	2.4	1.6	0.9	1.3	1.7	3.1	3.8	2.3	-3.5	-1.9	-1.3	-3.9	-5.4	-5.0	-4.2	-3.2	-1.7	-0.5	0.3
Japan	-2.4	-3.1	-3.9	-3.2	-1.8	-0.8	0.0	1.2	-0.3	-5.9	-2.2	-2.6	-1.5	-0.1	-0.4	0.1	0.2	0.8	1.0	1.2
Latvia	-3.8	-4.6	-4.6	-2.5	-0.6	2.5	7.8	14.5	7.6	-8.2	-10.5	-4.8	-3.1	-2.9	-3.2	-2.9	-2.9	-1.0	0.2	0.7
Luxembourg	4.0	1.8	1.3	-0.8	-0.7	-0.7	1.4	6.9	2.8	-3.9	-1.5	-1.6	-4.9	-4.4	-2.0	-2.2	-1.8	-2.1	-0.9	0.7
Mexico	3.1	0.2	-2.0	-2.4	-0.7	-0.2	2.3	2.6	1.6	-5.1	-2.0	-0.6	0.3	-0.6	-0.3	0.3	0.3	0.2	0.3	0.7
Netherlands	3.3	2.6	0.3	-1.4	-1.3	-0.8	1.2	3.3	3.5	-1.5	-1.1	-0.4	-2.3	-3.3	-3.0	-2.3	-1.8	-0.5	0.8	1.6
New Zealand	0.4	-0.8	0.8	1.9	2.6	1.8	1.5	2.6	-0.3	-1.6	-1.5	-1.7	-1.4	-1.8	-1.7	-0.7	0.1	0.0	-0.2	-0.2
Norway[1]	0.6	-0.5	-2.0	-3.8	-1.9	-0.3	1.5	4.1	2.7	-1.7	-2.2	-2.4	-0.8	-0.5	-0.3	-0.8	-1.7	-1.6	-0.7	-0.1
Poland	-0.9	-3.9	-6.1	-6.0	-4.5	-4.8	-2.7	0.1	0.2	-0.8	-0.6	1.0	-0.6	-2.0	-1.8	-1.4	-1.4	0.3	1.8	2.5
Portugal	4.6	3.9	2.3	-0.3	0.0	-0.5	0.0	1.5	0.7	-2.8	-1.3	-3.2	-6.8	-7.7	-7.1	-5.9	-5.1	-3.6	-2.7	-1.8
Slovak Republic	-4.0	-4.3	-4.4	-3.7	-3.8	-2.9	-0.7	3.6	4.1	-4.8	-2.5	-2.1	-2.7	-3.4	-3.2	-2.1	-1.4	-0.6	-0.1	0.6
Slovenia	-0.2	-1.3	-1.2	-1.7	-0.7	0.4	3.2	7.4	8.1	-2.0	-1.8	-1.8	-5.1	-7.0	-5.4	-4.7	-3.3	-0.2	2.7	4.5
Spain	1.6	2.6	2.3	2.2	2.1	2.5	3.4	4.0	2.3	-3.4	-4.8	-6.8	-10.1	-11.9	-10.9	-8.1	-5.5	-3.1	-1.1	0.3
Sweden	1.2	-0.1	-0.7	-0.8	0.6	0.9	3.4	4.4	1.4	-5.4	-1.6	-0.7	-2.4	-3.0	-2.4	-0.4	0.3	0.6	1.1	0.9
Switzerland	1.7	1.0	-0.6	-2.4	-1.7	-0.7	1.1	2.9	2.6	-1.7	-0.9	-1.0	-1.9	-1.8	-1.2	-1.6	-1.8	-2.2	-1.3	-0.7
Turkey	-0.5	-9.3	-6.1	-3.5	1.5	5.5	7.5	6.8	2.1	-7.5	-4.3	0.0	-1.2	1.4	0.3	0.0	-2.7	-1.5	-2.3	-3.3
United Kingdom	0.5	0.1	-0.1	0.8	0.9	1.9	2.4	3.0	1.2	-3.9	-3.0	-2.6	-2.4	-1.9	-0.6	0.0	0.3	0.5	0.5	0.4
United States	2.5	0.5	-0.3	0.1	1.5	2.5	2.8	2.3	-0.3	-4.8	-4.0	-4.1	-3.6	-3.6	-2.8	-1.7	-1.8	-1.1	0.1	1.2
Euro area	1.5	1.6	0.7	-0.3	0.2	0.5	2.1	3.4	2.2	-3.3	-2.1	-1.4	-2.9	-3.7	-3.3	-2.5	-2.1	-0.7	0.2	0.9
Total OECD	1.3	0.1	-0.6	-0.6	0.5	1.2	2.2	2.7	0.9	-4.1	-2.7	-2.3	-2.5	-2.6	-2.1	-1.5	-1.5	-0.7	0.1	0.6

Note: For methodological details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm*).

1. Mainland Norway.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727520

Annex Table 13. **GDP deflators**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	3.9	9.3	10.3	13.7	14.9	23.2	15.4	20.9	23.7	22.3	23.9	40.3	26.6	40.1	25.3	23.9	15.8	..	..	..
Australia	2.3	3.4	4.7	4.9	4.4	6.5	0.3	5.4	4.9	-0.6	1.2	0.4	-0.8	1.2	3.4	0.6	0.8	1.0	0.7	0.9
Austria	1.3	1.7	2.5	1.9	2.3	1.9	1.9	0.9	1.8	2.1	1.6	2.0	2.3	1.1	1.6	1.9	2.4	1.8	2.1	2.5
Belgium	1.5	2.0	2.1	2.3	2.0	1.9	0.8	1.9	2.0	2.0	1.0	0.7	1.1	1.6	1.7	2.0	1.8	1.3	2.2	1.9
Brazil	..	7.7	7.4	6.8	6.4	8.8	7.3	8.4	8.3	7.9	7.5	7.8	7.6	8.1	3.8	4.1	4.3	..	..	..
Canada	1.9	3.3	3.1	2.6	3.3	4.0	-2.3	2.9	3.2	1.2	1.6	2.0	-0.8	0.6	2.3	2.7	2.3	1.9	2.7	2.2
Chile	4.6	7.9	7.6	12.2	5.3	0.0	4.6	8.9	3.2	1.1	1.9	5.9	5.0	4.8	4.5	1.7	2.5	3.2	1.8	2.7
China	4.6	6.9	3.9	3.9	7.8	7.8	-0.1	6.9	8.2	2.4	2.2	0.8	0.1	1.1	4.1	3.1	3.5	4.0	3.2	3.5
Colombia	15.1	7.3	5.6	5.8	5.1	7.7	4.2	3.7	6.0	3.7	2.5	2.1	2.4	5.3	5.5	3.2	3.0	..	..	..
Costa Rica	13.0	13.5	13.2	13.1	10.5	11.4	9.9	6.5	4.5	4.3	4.0	5.8	3.7	1.8	2.0	2.1	3.0	..	..	..
Czech Republic	..	3.9	0.1	0.7	3.5	2.1	2.6	-1.4	0.0	1.5	1.4	2.5	1.2	1.2	1.4	1.2	1.4	2.4	0.3	2.0
Denmark	1.9	2.1	2.9	2.1	2.4	4.1	0.5	3.2	0.6	2.4	0.9	1.0	0.7	0.0	1.6	1.1	1.7	..	..	..
Estonia	..	4.8	6.2	8.7	12.0	7.1	0.0	2.2	5.3	3.1	3.5	1.6	1.2	1.5	4.1	2.4	2.9	3.2	2.9	2.8
Finland	1.8	0.6	0.9	0.9	2.8	3.1	1.9	0.4	2.6	3.0	2.6	1.7	1.9	0.8	0.9	1.0	1.5	1.1	1.0	1.7
France	1.3	1.6	1.9	2.2	2.6	2.4	0.1	1.1	0.9	1.2	0.8	0.6	1.1	0.2	0.7	1.2	1.5	0.8	1.6	1.5
Germany	0.9	1.1	0.6	0.3	1.7	0.8	1.8	0.8	1.1	1.5	2.0	1.8	2.0	1.3	1.5	1.6	2.1	1.7	1.9	1.9
Greece	..	3.3	2.1	3.5	3.5	4.1	2.7	0.9	0.7	-0.4	-2.6	-1.9	-1.0	-0.9	0.5	0.5	0.7	0.6	0.7	1.0
Hungary	14.3	5.0	2.4	3.5	5.4	5.0	4.0	2.3	2.3	3.4	2.9	3.4	1.9	1.0	3.7	3.1	3.8	4.3	2.9	4.5
Iceland	3.8	2.7	2.6	8.4	4.3	11.9	10.2	5.5	3.0	3.3	1.9	4.1	6.0	2.1	0.5	4.6	1.9	2.0	4.7	-0.6
India[1]	6.2	5.6	4.2	6.4	5.8	8.7	6.1	9.0	8.5	7.9	6.2	3.3	2.1	3.5	3.9	4.5	4.3	..	..	..
Indonesia	..	8.6	14.3	14.1	11.3	18.1	6.0	7.3	7.5	3.8	5.0	5.4	4.0	2.5	4.2	3.2	3.9	..	..	..
Ireland	4.4	0.5	2.8	3.0	1.4	-0.9	-5.0	-3.2	-0.4	2.0	1.0	-0.4	7.3	0.0	-0.3	0.2	2.8	-3.6	3.7	2.2
Israel	..	0.1	1.2	1.7	0.8	2.3	3.8	1.6	1.7	3.7	2.2	1.0	2.7	1.0	0.2	0.2	1.9	0.1	1.2	1.9
Italy	3.1	2.5	1.9	1.9	2.4	2.5	2.0	0.3	1.5	1.4	1.2	1.0	0.9	0.8	0.6	1.3	1.6	0.9	1.2	1.8
Japan	-0.7	-1.1	-1.0	-0.9	-0.7	-1.0	-0.6	-1.9	-1.7	-0.8	-0.3	1.7	2.1	0.3	-0.2	0.1	1.0	0.1	0.1	2.0
Korea	3.8	3.0	1.0	-0.1	2.4	3.0	3.5	3.2	1.6	1.0	0.9	0.6	2.4	2.0	2.3	1.0	2.3	1.7	2.1	2.3
Latvia	..	6.8	11.2	12.4	20.1	11.8	-9.7	-0.8	6.4	3.6	1.6	1.8	0.0	0.3	3.1	2.9	2.6	3.7	2.4	2.6
Lithuania	..	2.7	6.9	6.7	8.6	9.7	-3.3	2.4	5.2	2.7	1.3	1.0	0.3	1.0	4.3	3.1	2.8	..	..	..
Luxembourg	2.0	3.0	4.2	7.1	1.5	3.9	1.4	3.6	4.8	2.6	1.7	1.7	1.3	-1.3	2.1	1.6	1.8	3.3	1.5	2.0
Mexico	14.7	8.0	5.8	6.4	5.8	6.2	3.9	4.6	5.8	4.1	1.5	4.4	2.7	5.4	6.1	4.7	4.4	5.0	4.6	4.3
Netherlands	2.5	1.5	1.9	2.5	2.1	2.5	0.4	0.9	0.1	1.4	1.3	0.2	0.8	0.6	1.1	2.0	2.3	1.2	2.2	2.4
New Zealand	1.6	3.4	2.5	2.3	4.3	3.9	0.9	2.9	2.9	-0.3	3.3	2.3	0.2	1.8	3.4	2.6	2.2	2.9	2.0	2.2
Norway	3.3	5.8	8.8	8.8	3.1	10.4	-5.2	6.0	6.8	3.4	2.5	0.3	-2.8	-1.1	3.8	3.2	2.1	3.4	2.3	2.2
Poland	12.2	4.9	2.6	1.7	3.7	3.9	3.8	1.7	3.2	2.3	0.3	0.5	0.8	0.3	1.9	1.7	2.8	2.1	2.3	3.0
Portugal	3.9	2.4	3.3	3.2	3.0	1.7	1.1	0.6	-0.3	-0.4	2.3	0.8	2.0	1.5	1.4	1.4	1.3	1.6	1.1	1.5
Russia	..	20.3	19.3	15.2	13.8	18.0	2.0	14.2	16.1	9.1	5.4	7.5	8.4	3.4	5.6	4.1	3.1	..	..	..
Slovak Republic	6.8	5.8	2.4	2.9	1.1	2.8	-1.2	0.5	1.6	1.3	0.5	-0.2	-0.2	-0.4	1.3	2.1	2.2	1.8	2.2	2.3
Slovenia	..	3.3	1.6	2.2	4.2	4.5	3.4	-1.0	1.1	0.5	1.6	0.8	1.0	0.9	2.0	1.9	2.5	2.2	1.8	2.7
South Africa	8.5	6.5	5.4	6.3	8.8	8.8	7.5	6.4	6.5	5.0	6.4	5.3	5.2	7.2	5.7	5.5	5.1	..	..	..
Spain	3.5	3.9	4.1	4.0	3.3	2.1	0.3	0.2	0.0	0.1	0.4	-0.2	0.6	0.3	1.0	2.0	1.5	1.2	1.7	1.6
Sweden	1.8	0.6	0.8	1.8	2.8	3.4	2.4	1.1	1.2	1.0	1.1	1.7	2.1	1.7	2.0	1.8	2.2	1.2	2.1	2.2
Switzerland	0.5	0.3	0.8	2.1	2.5	1.9	0.5	0.3	0.3	-0.2	0.0	-0.6	-0.6	-0.6	0.3	0.6	1.0	0.3	0.9	1.2
Turkey	62.8	12.7	7.2	9.2	6.2	11.9	5.6	6.6	8.6	7.5	5.9	7.6	8.0	8.1	10.9	11.3	9.8	10.7	10.5	9.3
United Kingdom	1.8	2.5	2.6	3.0	2.6	2.8	1.5	1.6	2.0	1.6	1.9	1.7	0.5	2.0	2.0	1.7	1.8	1.6	1.9	1.7
United States	1.8	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	1.8	2.0	2.2	1.9	2.1	2.3
Euro area	2.0	1.9	1.9	1.9	2.4	2.0	1.0	0.7	1.0	1.3	1.2	0.9	1.4	0.8	1.1	1.5	1.8	1.1	1.7	1.8
Total OECD	4.0	2.6	2.5	2.5	2.5	2.4	1.0	1.3	1.8	1.6	1.4	1.8	1.5	1.5	2.0	2.1	2.3	1.9	2.2	2.5

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727539

Annex Table 14. **Private consumption deflators**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	3.5	8.1	9.6	11.2	13.3	20.5	14.6	22.1	19.9	21.0	24.5	41.7	26.5	38.9	23.7	23.5	17.5	..	..	..
Australia	2.2	1.5	2.2	3.6	3.1	3.2	2.6	2.2	2.4	2.4	2.4	1.9	1.5	0.9	1.2	1.6	1.9	1.4	1.8	2.0
Austria	1.5	1.8	2.4	2.1	2.5	2.1	0.5	1.7	3.1	2.4	2.1	2.0	1.4	1.2	2.0	2.1	2.5	2.2	2.2	2.6
Belgium	1.7	2.4	2.7	3.1	2.9	3.2	-0.4	1.7	3.0	2.0	0.8	0.6	0.6	1.5	2.1	1.7	1.8	2.2	1.8	1.8
Brazil	..	6.8	6.7	5.3	5.1	7.1	6.5	6.7	7.5	8.3	7.5	8.1	8.9	9.2	2.9	3.6	4.4	..	..	..
Canada	1.6	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	1.1	1.9	2.1	1.0	2.2	2.1
Chile	..	1.9	4.8	3.2	4.0	8.1	1.7	3.5	4.1	3.1	3.0	5.7	5.7	3.4	2.1	2.5	2.7	1.8	3.1	3.0
Colombia	..	5.8	4.4	4.7	4.5	5.9	4.2	2.4	4.6	2.6	2.6	3.4	6.2	6.8	3.3	2.9	3.0	..	..	..
Costa Rica	13.2	14.5	15.3	13.7	11.6	12.6	1.4	5.1	4.6	2.4	3.5	4.9	0.9	0.9	2.5	2.7	3.1	..	..	..
Czech Republic	..	3.1	1.1	1.8	2.9	4.7	0.9	0.5	1.7	2.2	0.8	0.6	0.1	0.5	2.6	2.3	2.1	2.9	1.8	2.1
Denmark	2.0	1.2	1.7	2.2	1.7	2.9	1.3	2.5	2.3	2.4	0.8	0.6	0.7	0.5	1.3	0.7	1.5	..	..	..
Estonia	..	4.0	4.4	5.9	7.8	8.2	-0.3	3.9	5.5	3.8	3.0	0.5	-0.2	1.1	3.6	2.6	2.5	3.9	2.4	2.5
Finland	1.5	0.3	1.0	1.3	1.9	3.4	1.8	1.4	3.2	2.8	2.5	1.3	0.3	0.9	0.9	1.3	1.9	0.5	1.7	2.0
France	1.1	2.2	1.8	2.2	2.1	2.8	-1.4	1.1	1.8	1.4	0.7	0.1	0.3	0.0	0.9	1.7	1.5	1.0	1.9	1.5
Germany	1.2	1.0	1.5	1.1	1.6	1.7	-0.4	2.0	2.0	1.5	1.0	0.9	0.6	0.6	1.7	1.7	2.1	1.6	1.9	2.1
Greece	..	3.3	2.9	3.2	3.7	4.3	1.0	3.6	2.3	0.4	-1.8	-2.6	-1.4	-0.9	1.1	0.1	0.3	0.9	0.1	0.5
Hungary	14.1	5.4	3.6	3.2	6.6	5.7	4.1	3.7	3.7	6.2	1.8	0.9	-0.2	-0.2	2.3	2.4	3.4	2.4	2.8	3.7
Iceland	3.1	3.4	1.3	7.2	4.8	14.4	14.7	1.9	3.4	5.7	3.2	3.0	0.9	0.9	-1.4	2.9	2.2	0.2	3.8	0.7
India[1]	..	2.9	3.3	6.1	4.9	6.7	6.2	8.2	8.0	8.4	7.5	5.2	3.9	3.8	3.1	3.5	4.3	..	..	..
Indonesia	..	6.4	12.1	13.6	14.2	13.4	6.0	7.9	7.1	6.1	5.9	5.7	4.6	3.1	3.5	3.1	3.3	..	..	..
Ireland	3.2	1.3	1.1	2.1	2.6	1.3	-6.7	-2.5	1.0	1.6	1.7	1.1	0.4	0.8	1.2	1.4	2.3	1.4	2.3	2.3
Israel	..	0.5	1.6	2.3	1.3	5.3	1.9	2.9	3.2	1.8	1.4	0.4	-0.5	-0.4	0.1	0.9	1.5	0.1	1.5	1.6
Italy	3.3	2.4	2.1	2.6	2.3	3.1	-0.4	1.4	2.9	2.7	1.2	0.3	0.2	0.1	1.2	1.3	1.8	1.0	1.7	2.0
Japan	-0.4	-0.6	-0.4	0.0	-0.4	0.7	-2.2	-1.4	-0.6	-0.6	-0.1	2.0	0.4	-0.5	0.2	0.9	1.3	0.3	0.9	2.2
Korea	5.3	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	1.5	1.5	2.0	1.3	1.9	2.0
Latvia	..	7.0	9.7	10.0	11.7	13.4	-3.7	-2.5	6.1	3.4	0.2	1.7	-1.0	1.0	3.0	2.6	2.7	2.6	3.0	2.6
Lithuania	..	-0.2	2.4	4.7	5.9	10.9	4.3	1.3	4.1	3.1	1.0	0.1	-0.9	0.9	3.8	3.0	2.6	..	..	..
Luxembourg	1.9	1.4	3.9	2.6	2.2	2.9	-0.5	1.1	3.3	1.8	2.1	0.7	-0.4	0.0	1.9	1.7	1.8	2.1	1.5	1.9
Mexico	13.7	4.1	6.0	4.7	5.4	6.2	3.4	5.3	5.3	5.2	3.9	4.2	2.1	4.4	5.3	3.7	3.3	4.1	3.6	3.2
Netherlands	2.4	1.6	1.5	2.6	2.3	2.1	-1.0	1.0	2.1	1.5	2.4	0.8	0.2	0.8	1.6	1.9	2.3	1.4	2.4	2.4
New Zealand	1.5	1.3	1.9	2.9	1.6	3.8	2.6	1.2	2.9	0.8	0.6	0.9	0.7	0.6	1.4	1.6	1.9	1.4	1.8	1.9
Norway	2.1	1.2	1.1	1.8	1.3	3.5	2.5	2.1	1.1	1.1	2.1	2.2	2.4	3.2	1.5	1.6	1.8	1.8	1.5	2.0
Poland	12.7	4.6	2.2	1.5	2.2	4.1	2.7	2.5	4.9	3.3	0.4	-0.1	-1.1	-0.4	1.9	2.3	2.7	2.3	2.3	3.0
Portugal	3.5	2.3	3.8	3.5	3.4	2.8	-1.9	1.8	1.7	1.8	0.8	0.3	0.9	1.0	1.3	1.1	1.3	1.2	1.1	1.5
Russia	..	14.7	12.5	8.6	8.2	12.7	10.7	6.6	7.8	6.8	6.0	7.2	14.3	6.2	3.7	2.9	3.9	..	..	..
Slovak Republic	7.0	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	1.4	2.0	2.3	1.6	2.3	2.3
Slovenia	..	3.0	2.2	2.4	4.1	5.6	0.9	1.4	1.8	1.7	2.1	-0.1	-0.6	-0.3	2.6	2.8	2.7	3.0	2.7	2.9
South Africa	7.8	7.1	4.8	3.0	7.0	8.3	7.7	4.6	5.6	6.2	6.0	5.6	4.0	6.2	4.6	4.8	4.9	..	..	..
Spain	3.3	3.6	3.4	3.6	3.3	3.6	-0.9	2.0	2.4	2.4	1.0	0.2	-0.1	-0.1	1.8	2.0	1.6	1.4	2.0	1.7
Sweden	1.6	0.8	1.1	1.2	1.4	3.1	2.2	1.5	1.7	0.5	0.7	1.1	0.9	1.0	1.7	1.8	2.2	1.5	2.0	2.3
Switzerland	0.6	0.6	1.1	1.2	1.3	1.9	-0.6	0.4	-0.1	-1.1	-0.5	-0.2	-0.6	-0.2	0.2	0.6	0.9	0.4	0.7	1.0
Turkey	63.5	11.3	8.4	9.6	6.6	10.7	5.2	5.4	9.2	7.5	4.4	7.9	7.9	6.6	10.9	9.0	8.0	10.5	8.8	7.4
United Kingdom	1.4	1.5	2.1	2.8	1.9	4.0	0.9	1.8	3.8	2.1	2.4	1.9	0.6	1.4	2.0	2.0	2.3	1.8	2.3	2.1
United States	1.8	2.4	2.9	2.7	2.5	3.1	-0.1	1.7	2.5	1.9	1.3	1.5	0.3	1.2	1.7	2.2	2.2	1.7	2.3	2.3
Euro area	2.1	2.0	2.1	2.2	2.3	2.7	-0.7	1.6	2.3	1.9	1.1	0.5	0.3	0.4	1.4	1.6	1.8	1.4	1.8	1.9
Total OECD	4.2	2.2	2.4	2.5	2.3	3.2	0.2	1.7	2.6	2.0	1.4	1.7	0.8	1.1	2.0	2.2	2.3	1.9	2.3	2.4

Note: For information on the national accounts reporting systems, base years and latest data updates, see table at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727558

Annex Table 15. **Consumer price indices**

Percentage changes

	Average 1993-03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018 Q4 / Q4	2019
Argentina	4.2	4.4	9.6	10.9	8.8	8.6	6.3	10.5	9.8	10.1	10.6	38.4	27.7	40.7	28.6	24.3	17.5	..	..	..
Australia	2.6	2.3	2.7	3.6	2.4	4.3	1.8	2.9	3.3	1.7	2.5	2.5	1.5	1.3	2.0	2.1	2.3	2.0	2.2	2.4
Austria	1.6	2.0	2.1	1.7	2.2	3.2	0.4	1.7	3.6	2.6	2.1	1.5	0.8	1.0	2.2	2.1	2.3	2.4	2.1	2.4
Belgium	1.7	1.9	2.5	2.3	1.8	4.5	0.0	2.3	3.4	2.6	1.2	0.5	0.6	1.8	2.2	1.8	1.8	2.0	1.8	1.8
Brazil	..	6.6	6.9	4.2	3.6	5.7	4.9	5.0	6.6	5.4	6.2	6.3	9.0	8.7	3.4	3.4	4.0	..	..	..
Canada	1.8	1.8	2.2	2.0	2.1	2.4	0.3	1.8	2.9	1.5	0.9	1.9	1.1	1.4	1.6	2.3	2.2	1.8	2.4	2.3
Chile	5.4	1.1	3.1	3.4	4.4	8.7	0.4	1.4	3.3	3.0	1.9	4.4	4.3	3.8	2.2	2.2	2.7	2.0	2.3	3.0
China	4.3	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	1.5	1.9	2.0	1.6	1.8	2.0
Colombia	14.2	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	4.3	3.1	3.0	..	..	..
Costa Rica	12.9	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	1.6	2.9	3.0	..	..	..
Czech Republic	5.9	2.8	1.9	2.5	2.9	6.4	1.0	1.5	1.9	3.3	1.4	0.3	0.3	0.7	2.5	2.0	2.1	2.6	1.8	2.2
Denmark	2.2	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	0.6	1.5	1.3	0.7	1.8
Estonia	..	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	3.7	2.8	2.5	4.1	2.4	2.5
Finland	1.6	0.1	0.8	1.3	1.6	3.9	1.6	1.7	3.3	3.2	2.2	1.2	-0.2	0.4	0.8	1.2	2.1	0.6	1.7	2.2
France	..	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	1.9	1.5	1.2	2.0	1.5
Germany	..	1.8	1.9	1.8	2.3	2.8	0.2	1.1	2.5	2.1	1.6	0.8	0.1	0.4	1.7	1.7	2.0	1.6	1.8	2.1
Greece	..	3.0	3.5	3.3	3.0	4.2	1.3	4.7	3.1	1.0	-0.9	-1.4	-1.1	0.0	1.1	0.6	1.1	0.8	0.9	1.3
Hungary	14.0	6.7	3.6	3.9	8.0	6.0	4.2	4.9	3.9	5.7	1.7	-0.2	-0.1	0.4	2.3	2.6	3.4	2.3	2.8	3.7
Iceland[1]	3.1	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	1.8	3.7	3.1	1.8	4.7	1.5
India[2]	7.0	4.0	3.7	6.8	5.9	9.2	10.6	9.5	9.3	9.9	9.4	5.9	4.9	4.5	3.6	4.7	4.4	..	..	..
Indonesia	..	6.1	10.5	13.1	6.4	10.2	4.4	5.1	5.4	4.3	6.4	6.4	6.4	3.5	3.8	3.6	3.7	..	..	..
Ireland	..	2.3	2.2	2.7	2.9	3.1	-1.7	-1.6	1.2	1.9	0.5	0.3	0.0	-0.2	0.3	1.2	2.1	0.5	1.8	2.1
Israel	6.1	-0.4	1.3	2.1	0.5	4.6	3.3	2.7	3.5	1.7	1.6	0.5	-0.6	-0.5	0.2	0.9	1.6	0.3	1.3	1.6
Italy	2.9	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	1.3	1.2	1.7	1.1	1.6	1.9
Japan	0.0	0.0	-0.6	0.2	0.1	1.4	-1.4	-0.6	-0.3	0.0	0.3	2.8	0.8	-0.1	0.5	1.2	1.5	0.6	1.1	2.7
Korea	4.1	3.6	2.8	2.2	2.5	4.7	2.8	2.9	4.0	2.2	1.3	1.3	0.7	1.0	1.9	1.6	2.0	1.5	1.9	2.0
Latvia	..	6.2	6.9	6.6	10.1	15.3	3.3	-1.2	4.2	2.3	0.0	0.7	0.2	0.1	2.9	2.6	2.6	2.5	2.8	2.5
Lithuania	..	1.2	2.7	3.8	5.8	11.1	4.2	1.2	4.1	3.2	1.2	0.2	-0.7	0.7	3.7	2.8	2.6	..	..	..
Luxembourg	..	3.2	3.8	3.0	2.7	4.1	0.0	2.8	3.7	2.9	1.7	0.7	0.1	0.0	2.1	1.8	1.9	1.8	1.9	1.9
Mexico	15.0	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	6.0	4.4	3.4	6.6	3.8	3.3
Netherlands	2.4	1.4	1.5	1.6	1.6	2.2	1.0	0.9	2.5	2.8	2.6	0.3	0.2	0.1	1.3	1.6	2.4	1.3	1.8	2.5
New Zealand	2.0	2.3	3.0	3.4	2.4	4.0	2.1	2.3	4.0	1.1	1.1	1.2	0.3	0.6	1.9	1.7	2.1	1.6	2.0	2.1
Norway	2.2	0.5	1.5	2.4	0.7	3.8	2.2	2.4	1.3	0.7	2.1	2.1	2.1	3.6	1.9	1.9	1.9	1.3	2.0	2.2
Poland	12.8	3.4	2.2	1.3	2.5	4.2	3.8	2.6	4.2	3.6	1.0	0.1	-0.9	-0.7	2.1	2.2	2.7	2.4	2.3	3.0
Portugal	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	0.6	1.6	1.1	1.7	1.8	1.2	1.7
Russia	..	10.9	12.7	9.7	9.0	14.1	11.6	6.8	8.4	5.1	6.8	7.8	15.5	7.0	3.7	2.9	4.0	..	..	..
Slovak Republic	..	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	1.4	2.5	2.4	2.0	2.5	2.5
Slovenia	..	3.7	2.4	2.5	3.8	5.5	0.8	2.1	2.1	2.8	1.9	0.4	-0.8	-0.2	1.6	2.3	2.7	1.6	2.7	2.9
South Africa	..	1.4	3.4	4.6	7.2	11.5	6.6	4.3	5.0	5.6	5.8	6.1	4.6	6.3	5.3	4.5	5.2	..	..	..
Spain	..	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	2.0	1.6	1.5	1.6	1.8	1.5
Sweden[3]	1.3	0.4	0.5	1.4	2.2	3.4	-0.5	1.2	3.0	0.9	0.0	-0.2	0.0	1.0	1.8	1.6	2.2	1.8	1.8	2.3
Switzerland	0.9	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	0.5	0.9	0.9	0.8	0.9	1.0
Turkey	66.8	8.6	8.2	9.6	8.8	10.4	6.3	8.6	6.5	8.9	7.5	8.9	7.7	7.8	11.1	11.5	10.3	12.3	12.0	8.8
United Kingdom	1.7	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	2.7	2.6	2.2	3.0	2.4	2.1
United States	2.4	2.7	3.4	3.2	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.6	0.1	1.3	2.1	2.7	2.3	2.1	2.7	2.3
Euro area	..	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	1.5	1.6	1.8	1.4	1.8	1.9

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 103 database.

StatLink http://dx.doi.org/10.1787/888933727577

Annex Table 16. **Oil and other primary commodity markets**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Estimates and assumptions 2018	2019
Oil market conditions[1]	Million barrels per day																			
Demand																				
Total OECD	48.5	48.5	48.5	49.2	50.1	50.4	50.2	50.1	48.3	46.4	47.1	46.5	46.0	46.1	45.8	46.4	46.9	47.4	47.6	..
of which: OECD North America	24.3	24.3	24.3	24.8	25.6	25.8	25.8	25.9	24.6	23.8	24.3	24.1	23.7	24.1	24.2	24.5	24.7	24.9	25.1	..
OECD Europe	15.4	15.6	15.5	15.7	15.8	15.9	15.9	15.6	15.5	14.8	14.7	14.3	13.8	13.6	13.5	13.8	14.0	14.3	14.4	..
OECD Asia and Pacific	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	8.1	8.1	8.2	8.1	..
Total non-OECD	28.7	29.4	30.1	31.0	33.2	34.2	35.5	36.9	38.1	39.1	41.5	42.7	44.3	46.0	47.4	48.6	49.2	50.4	51.5	..
World	77.1	77.9	78.6	80.2	83.2	84.7	85.7	87.0	86.4	85.4	88.6	89.1	90.4	92.1	93.1	95.0	96.1	97.7	99.2	..
Supply																				
Total OECD	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	23.4	24.2	25.9	..
Total OPEC	31.2	30.8	29.3	31.6	33.9	35.5	35.8	35.6	36.7	34.7	35.2	36.1	38.0	37.0	37.1	38.4	39.6	39.2	..	..
Former USSR	8.0	8.7	9.5	10.5	11.4	11.8	12.3	12.8	12.9	13.2	13.5	13.5	13.6	13.8	13.9	14.1	14.2	14.4	14.4	..
Rest of the world	16.3	16.4	16.7	16.9	16.9	17.3	17.6	17.8	18.3	18.7	19.6	19.5	19.2	19.4	19.8	20.1	19.7	19.6	..	..
World	77.3	77.5	77.3	80.4	83.4	84.8	85.4	85.6	86.6	85.4	87.1	88.1	90.5	91.2	93.6	96.5	96.9	97.4	..	..
Trade																				
OECD net imports	26.8	27.2	26.5	28.0	29.1	30.5	30.7	30.5	29.9	27.6	28.3	27.3	26.4	25.0	23.2	23.3	23.5	22.7	..	..
Former USSR net exports	4.3	4.9	5.8	6.7	7.6	8.0	8.3	8.9	8.8	9.3	9.5	9.3	9.2	9.2	9.2	9.5	9.6	9.6	9.6	..
Other non-OECD net exports	22.5	22.2	20.7	21.4	21.5	22.5	22.4	21.6	21.1	18.3	18.8	18.0	17.2	15.7	14.0	13.8	13.9	13.1	..	..
Prices[2]	fob, USD per barrel																			
Brent crude oil price[3]	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	43.7	54.2	69.4	70.0
Prices of other primary commodities[2]	USD indices, 2010 = 100																			
Food and tropical beverages	45	42	46	50	57	56	62	78	103	90	100	129	120	106	104	85	87	85	86	87
Agricultural raw materials	61	53	51	61	68	70	77	92	88	73	100	122	93	85	74	61	60	70	78	78
Minerals, ores and metals	38	34	33	38	50	59	85	95	98	68	100	118	99	96	86	64	61	75	81	81
Total[4]	44	40	41	46	56	59	74	88	99	78	100	123	107	98	91	72	72	78	83	83

1. Based on data published in various issues of International Energy Agency, Oil Market Report.
2. Indices through 2017 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 103 database; and International Energy Agency, Oil Market Report.

StatLink http://dx.doi.org/10.1787/888933727596

Annex Table 17. **Compensation per employee**

Percentage changes from previous period

	Average 1990-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	3.6	4.6	3.6	3.6	5.3	3.6	4.5	6.2	4.0	1.1	5.5	5.7	3.2	1.7	2.7	0.9	0.9	0.6	0.9	1.7
Austria	3.1	1.5	2.1	1.7	2.1	2.0	3.1	2.9	3.3	1.7	1.1	2.1	2.7	2.2	1.9	2.1	2.4	1.6	2.9	3.2
Belgium	3.4	3.6	3.9	2.0	1.7	1.9	3.6	3.5	3.7	1.1	1.4	3.4	3.1	2.5	1.0	0.0	0.1	1.9	1.9	2.2
Canada	3.1	1.9	1.4	1.8	4.0	4.5	4.3	4.1	3.2	1.3	1.4	3.4	3.1	2.8	3.1	2.0	0.8	1.9	3.3	3.6
Czech Republic	..	8.4	7.8	7.7	7.9	3.9	5.9	6.1	4.1	-0.6	3.5	2.7	1.7	-0.3	2.6	3.0	4.6	6.7	5.8	5.3
Denmark	3.3	4.0	3.8	3.5	3.1	3.4	3.5	3.7	3.9	2.8	3.2	1.4	1.8	1.6	1.5	1.7	1.3	1.3	2.9	2.7
Estonia	..	9.9	10.7	11.1	12.2	10.5	14.9	25.6	10.7	-3.0	2.6	0.8	7.7	4.9	6.4	3.4	5.8	5.7	6.0	6.2
Finland	3.2	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	1.4	1.3	-1.1	1.5	2.4
France	2.2	2.8	3.6	2.9	3.5	3.0	3.2	2.5	2.6	1.6	2.8	2.3	2.2	1.6	1.4	0.9	1.0	1.9	2.1	1.4
Germany	..	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	2.7	2.2	2.6	2.8	3.3
Greece	..	5.9	11.0	7.9	3.9	3.5	3.1	4.6	3.7	3.1	-2.0	-3.8	-3.0	-7.5	-2.0	-2.3	-0.9	0.1	0.1	1.2
Hungary	..	15.7	11.3	11.7	10.9	7.9	5.2	5.4	7.2	-1.4	1.4	3.2	1.7	1.8	1.0	-1.6	4.0	7.9	8.1	8.1
Iceland	6.1	7.3	8.8	2.2	10.2	8.8	12.3	7.9	1.9	-3.2	6.2	9.2	5.8	5.0	4.4	7.6	9.3	8.7	3.4	3.3
Ireland	5.8	7.7	5.2	6.5	5.2	5.3	4.4	5.7	4.0	-1.1	-3.6	1.0	0.3	0.1	1.8	2.1	2.2	2.9	3.3	3.3
Israel	..	3.2	0.1	-2.5	0.8	2.3	6.5	2.6	2.9	-0.7	3.9	4.2	2.4	2.1	0.8	3.0	3.2	2.8	3.5	4.1
Italy	3.9	3.0	2.4	3.0	3.2	2.8	2.3	2.1	2.9	0.5	2.3	1.1	-1.1	0.8	0.2	0.9	0.5	0.2	1.3	0.8
Japan	0.9	-1.3	-2.8	-1.0	-0.9	0.6	-0.2	-0.5	0.6	-3.5	-0.1	0.2	0.0	-0.6	0.7	0.5	1.1	0.8	1.1	2.6
Korea	9.5	7.2	6.1	7.1	4.8	6.1	3.3	4.2	3.8	2.3	3.8	3.4	3.2	2.5	1.8	3.2	3.8	2.7	3.3	4.6
Latvia	..	3.4	2.5	12.0	15.0	26.4	22.2	36.7	16.8	-11.5	-6.9	2.6	7.5	5.7	8.2	7.9	6.8	7.7	8.0	7.2
Luxembourg	3.8	3.3	3.9	1.3	3.9	3.8	4.2	4.2	2.8	1.7	1.8	1.9	1.8	2.3	2.3	3.0	0.7	2.8	2.6	2.7
Mexico	18.9	10.4	4.7	5.8	3.9	5.6	4.4	5.4	5.4	3.7	-1.4	6.1	3.2	4.2	4.3	4.2	4.2	4.9	5.1	5.7
Netherlands	3.1	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	-0.3	1.5	1.3	2.9	3.8
Norway	4.4	5.6	4.3	4.1	4.2	4.7	5.5	6.2	6.3	3.4	3.2	4.7	4.6	4.4	3.2	2.7	1.4	2.2	3.3	3.3
Poland	..	10.0	2.5	1.6	1.5	2.0	2.1	5.1	9.0	3.3	6.6	5.3	3.6	1.7	2.2	1.7	4.4	5.7	7.7	8.2
Portugal	..	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	0.4	2.1	1.1	1.0	2.0
Slovak Republic	..	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	3.5	2.3	4.1	4.8	5.9
Slovenia	..	11.6	8.3	7.7	7.5	6.1	5.5	6.2	7.0	1.9	3.9	1.5	-0.9	0.5	1.2	1.4	2.8	2.8	4.7	5.3
Spain	4.9	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	2.2	0.0	0.4	1.3	1.6
Sweden	4.4	4.2	3.2	3.7	4.3	3.1	3.1	5.3	3.7	2.7	2.3	3.2	3.0	2.0	2.2	2.8	2.8	2.1	3.2	3.8
Switzerland	2.7	3.8	1.5	-0.1	0.3	2.5	1.5	3.3	1.6	0.7	1.1	0.7	0.5	1.1	-0.3	-0.3	-0.4	0.1	1.2	1.3
United Kingdom	5.0	5.8	2.5	4.8	4.7	3.5	6.0	5.4	0.5	2.3	3.2	1.1	1.7	2.8	0.5	1.1	3.3	2.9	2.7	2.2
United States	3.9	3.3	2.7	3.9	4.8	3.4	4.0	4.2	2.8	0.7	2.9	2.6	2.4	1.1	2.7	2.7	1.0	1.7	3.0	3.6
Euro area	..	3.0	3.0	2.8	2.4	2.4	2.6	3.0	3.5	1.4	1.8	1.8	1.1	1.3	1.4	1.6	1.3	1.6	2.2	2.4
Total OECD	4.9	3.7	2.4	3.2	3.3	3.1	3.2	3.5	3.1	0.9	2.1	2.5	1.9	1.5	2.0	2.0	1.8	2.1	2.9	3.4

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727615

Annex Table 18. **Labour productivity**

Percentage changes from previous period

	Average 1990-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	2.1	1.3	2.1	0.5	2.3	-0.4	0.3	1.3	-0.3	1.2	0.5	0.9	2.6	1.2	1.7	0.5	0.9	0.0	0.9	1.2
Austria	2.1	0.5	1.6	0.3	1.9	1.1	1.9	1.8	-0.9	-2.9	1.0	1.5	-0.5	-0.4	0.0	0.4	0.3	1.4	1.1	0.7
Belgium	1.6	-0.6	2.0	0.9	2.6	0.6	1.4	1.8	-1.0	-2.1	2.1	0.4	-0.2	0.5	0.9	0.5	0.2	0.3	0.6	0.8
Canada	1.6	0.6	0.7	-0.6	1.4	1.9	0.9	-0.2	-0.4	-1.4	1.6	1.6	0.5	1.1	2.2	0.1	0.7	1.1	0.9	1.4
Chile	4.6	2.1	1.2	0.3	4.4	1.9	4.6	2.1	0.5	-0.9	-1.9	0.9	3.4	1.9	0.2	0.8	-0.1	-0.2	1.6	1.5
Czech Republic	..	3.2	0.9	4.4	4.9	4.6	5.6	3.4	0.3	-2.9	3.2	2.1	-1.1	-0.8	2.2	3.9	1.2	3.0	2.4	2.9
Denmark	2.2	-0.2	0.4	1.3	3.2	0.9	1.6	-1.4	-1.7	-1.8	4.3	1.4	0.9	0.9	0.7	0.2	0.4	0.6	0.5	1.2
Estonia	..	5.8	6.3	5.2	6.7	6.7	5.4	7.0	-4.8	-4.5	7.0	1.0	2.6	0.8	2.0	-1.0	1.9	2.1	2.2	2.7
Finland	3.1	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	0.3	1.9	1.4	1.2	1.2
France	1.3	0.6	0.6	0.9	2.5	1.0	1.4	0.9	-0.4	-1.8	1.8	1.3	-0.1	0.4	0.5	0.8	0.4	1.3	0.6	1.1
Germany	..	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	1.1	0.6	0.5	1.0	0.8	1.2
Greece	..	3.8	1.5	4.4	2.3	-0.1	3.7	1.8	-1.5	-3.8	-3.0	-2.5	-1.1	-0.6	-0.1	-1.1	-0.7	-0.8	0.6	0.6
Hungary	..	4.0	4.7	3.8	6.0	4.7	3.4	0.4	2.9	-4.2	1.8	1.6	-1.8	1.0	-0.6	0.9	-0.4	2.0	2.8	2.5
Iceland	1.3	2.2	2.0	2.2	8.6	3.0	0.0	4.7	0.7	-0.3	-3.3	1.9	0.3	0.8	0.6	0.9	3.6	1.9	0.6	1.4
Ireland	3.3	2.6	4.7	1.3	3.2	1.1	0.9	0.8	-3.3	3.5	6.1	3.5	0.6	-0.9	6.5	22.4	2.3	5.8	1.3	0.7
Israel	..	-1.2	-0.9	-0.1	3.4	0.7	2.7	1.9	-0.4	-0.5	2.4	2.4	-1.7	1.5	0.7	0.3	1.6	0.7	1.5	1.6
Italy	1.5	-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	0.2	-0.3	0.4	0.7	0.4
Japan	1.0	0.9	1.4	1.8	2.0	1.2	0.9	1.0	-0.8	-4.0	4.5	0.0	1.7	1.2	-0.3	0.9	0.0	0.6	0.0	1.4
Korea	5.3	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	1.4	1.8	1.8	2.1	2.1
Latvia	..	4.8	5.6	7.8	8.1	9.7	5.8	5.9	-2.7	-0.1	2.9	4.8	2.6	0.1	3.3	1.5	2.5	4.6	3.0	3.4
Luxembourg	1.5	-3.0	0.9	-0.2	1.3	0.4	1.3	3.8	-5.8	-5.4	3.0	-0.4	-2.7	1.8	3.1	0.3	0.0	-1.0	0.6	1.3
Mexico	..	-0.4	-2.3	0.6	0.2	1.9	1.0	0.6	-1.3	-4.0	-2.8	3.0	-1.0	1.0	3.0	1.0	0.7	0.8	1.3	1.6
Netherlands	1.4	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	1.5	1.3	1.1	1.0	0.9	1.1
New Zealand	1.3	-0.4	2.0	1.8	1.1	-1.7	0.5	2.9	-2.8	2.3	1.5	0.4	2.8	0.3	-0.2	1.9	0.5	-1.7	0.4	1.5
Norway	2.5	1.7	1.0	2.1	3.3	1.3	-1.0	-1.1	-2.7	-1.2	1.2	-0.5	0.6	0.0	0.8	1.6	0.8	0.8	0.3	0.4
Poland	..	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	2.3	2.4	3.2	4.3	3.3
Portugal	1.7	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	0.4	0.0	-0.6	0.2	0.9
Slovak Republic	..	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	1.3	1.8	0.9	1.2	2.7	3.2
Slovenia	..	2.3	2.2	3.2	4.1	4.3	4.1	3.5	0.7	-6.3	3.6	2.2	-1.7	0.0	2.6	1.0	1.2	2.2	2.4	2.5
Spain	1.1	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	0.4	0.7	0.7	0.5	0.6	0.4
Sweden	2.8	-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	2.8	1.3	0.3	1.4	1.3
Switzerland	1.0	-0.4	-0.5	0.4	2.4	2.4	1.8	1.5	-0.3	-2.7	2.6	-0.7	-0.7	0.6	0.6	-0.3	0.0	0.2	1.2	0.8
Turkey	2.1	-6.0	6.7	6.7	7.3	6.6	5.5	3.5	-0.8	-5.1	2.7	4.3	1.6	5.8	-0.2	3.1	1.0	3.6	1.3	1.5
United Kingdom	2.2	1.7	1.6	2.3	1.3	2.0	1.4	1.5	-1.3	-2.6	1.4	0.9	0.4	0.9	0.7	0.6	0.5	0.7	0.4	1.0
United States	1.7	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	0.8	0.8	-0.2	0.8	1.4	1.6
Euro area	..	1.0	0.4	0.5	1.4	0.9	1.7	1.3	-0.5	-2.7	2.5	1.3	-0.5	0.3	0.7	0.9	0.4	0.9	0.8	0.9
Total OECD	1.9	0.8	1.7	1.9	2.2	1.7	1.6	1.3	-0.2	-1.5	2.4	1.3	0.4	0.9	0.9	1.0	0.4	1.0	1.1	1.4

Note: Labour productivity measured as GDP per person employed.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727634

Annex Table 19. **Employment and labour force**

Percentage changes from previous period

	Employment									Labour force								
	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019
Australia	2.1	2.1	1.0	0.8	2.0	1.7	2.2	2.0	1.8	1.5	2.0	1.5	1.2	2.0	1.3	2.1	1.8	1.7
Austria	0.4	0.8	0.5	0.2	0.9	1.7	1.0	1.6	1.2	0.4	0.9	1.0	0.5	1.0	2.1	0.4	1.2	1.0
Belgium	0.8	1.0	-0.3	0.4	0.9	1.2	1.4	1.1	1.0	0.7	1.0	0.6	0.5	0.8	0.5	0.6	0.3	0.7
Canada	2.0	1.2	1.4	0.6	0.9	0.7	1.9	1.2	0.8	1.5	1.2	1.1	0.4	0.9	0.8	1.1	0.5	0.6
Chile	1.2	3.1	2.1	1.5	1.5	1.2	1.9	2.0	2.1	1.6	2.7	1.6	1.9	1.4	1.5	2.1	1.9	1.6
Czech Republic	-0.2	0.4	1.0	0.7	1.4	1.9	1.6	1.3	0.3	0.2	0.3	0.9	-0.2	0.2	0.8	0.5	0.7	0.3
Denmark	0.6	-0.1	0.0	1.0	1.4	3.2	-0.8	1.1	0.8	0.0	0.2	-0.6	0.5	1.0	3.2	-1.3	0.6	0.7
Estonia	..	0.2	1.0	0.6	2.6	0.6	2.2	1.5	0.5	..	0.2	-0.5	-0.8	1.3	1.2	1.1	1.3	0.8
Finland	1.8	0.5	-1.1	-0.4	-0.4	0.5	1.0	1.8	1.3	0.7	0.4	-0.5	0.1	0.4	-0.1	0.8	1.2	0.9
France	0.9	0.5	-0.2	0.1	0.1	0.6	1.1	1.4	0.8	0.7	0.6	0.4	0.2	0.2	0.3	0.4	0.6	0.4
Germany	-0.1	1.1	0.9	0.9	0.8	2.4	1.1	1.1	0.9	0.0	0.5	0.8	0.7	0.4	2.0	0.6	0.8	0.8
Greece	..	-1.8	-4.9	0.7	2.1	1.7	2.2	1.3	1.7	..	0.1	-1.0	-0.7	-0.1	-0.1	-0.5	0.0	0.4
Hungary	0.2	-0.3	1.7	5.4	2.7	3.3	1.6	1.5	1.0	-0.6	0.4	0.8	2.6	1.6	1.5	0.6	0.9	0.8
Iceland	1.5	0.8	3.5	1.6	3.4	3.7	1.8	2.2	1.2	1.3	1.1	2.8	1.1	2.3	2.7	1.5	2.3	1.2
Ireland	4.6	0.0	3.0	2.6	3.5	3.7	2.9	2.8	2.2	3.1	1.3	1.0	0.4	1.2	1.9	1.0	1.8	1.7
Israel	..	3.3	2.6	3.1	2.5	2.7	2.2	2.2	1.9	..	2.5	1.9	2.7	1.8	2.2	1.7	1.5	1.8
Italy	0.5	0.2	-1.5	0.4	0.8	1.3	1.1	0.7	0.7	0.3	0.4	0.1	1.0	0.0	1.0	0.7	0.4	0.6
Japan	-0.2	-0.1	0.7	0.7	0.5	1.0	1.0	1.1	-0.2	0.1	-0.2	0.4	0.2	0.2	0.7	0.7	0.8	-0.2
Korea	1.6	1.3	1.4	2.4	1.1	0.9	1.2	0.9	1.0	1.7	1.3	1.3	2.8	1.2	1.0	1.2	1.0	0.8
Latvia	..	-1.0	2.1	-1.0	1.3	-0.3	0.2	1.2	0.2	..	-0.6	-1.6	-2.2	0.2	-0.6	-0.9	0.3	-0.1
Luxembourg	1.7	1.8	2.0	2.3	2.1	2.3	2.7	2.8	2.5	1.8	2.2	2.8	2.6	1.8	1.8	2.3	2.5	2.2
Mexico	2.3	2.4	1.1	0.4	2.4	1.9	1.4	1.2	1.2	2.3	2.7	1.1	0.3	1.9	1.5	1.0	1.2	1.3
Netherlands	1.9	0.8	-0.8	-0.6	1.0	1.3	2.1	2.2	1.8	1.4	0.9	0.8	-0.4	0.4	0.4	0.8	1.3	1.4
New Zealand	2.4	1.3	1.5	3.5	2.2	4.6	4.1	2.7	1.5	1.8	1.5	0.9	3.1	2.2	4.3	3.7	2.2	1.5
Norway	1.5	1.5	0.6	1.0	0.5	-0.1	0.2	1.3	1.2	1.2	1.4	0.9	1.0	1.4	0.3	-0.3	0.9	1.0
Poland	-0.9	1.8	0.0	1.8	1.4	0.9	1.2	0.7	0.4	-0.1	0.6	0.2	0.3	-0.2	-0.6	-0.1	0.0	0.0
Portugal	1.1	-1.3	-2.6	1.6	1.1	1.2	3.3	2.0	1.3	1.1	-0.1	-1.8	-1.1	-0.6	-0.3	0.8	0.4	0.4
Slovak Republic	..	0.8	0.0	1.5	2.6	2.8	1.5	1.1	1.3	..	0.3	0.3	0.2	0.6	0.7	-0.1	0.1	0.3
Slovenia	..	0.3	-1.9	1.2	0.1	-0.3	4.8	2.5	1.4	..	0.6	-0.6	0.7	-0.7	-1.3	3.2	1.1	0.8
Spain	3.4	0.1	-2.8	1.2	3.0	2.7	2.6	2.2	2.0	2.6	1.9	-1.1	-1.0	-0.1	-0.4	-0.4	0.1	0.0
Sweden	0.8	0.8	1.1	1.4	1.4	1.5	2.3	1.4	0.9	0.2	0.9	1.1	1.3	0.8	1.0	2.0	0.8	0.7
Switzerland	0.7	1.0	0.9	1.7	1.5	1.5	0.7	1.0	1.1	0.5	1.0	1.2	1.8	1.5	1.6	0.6	0.8	1.0
Turkey	1.6	2.7	2.9	5.1	2.8	2.2	3.6	3.7	3.4	1.8	2.5	3.6	6.2	3.2	2.9	3.6	3.3	3.2
United Kingdom	1.1	0.6	1.2	2.4	1.7	1.4	1.0	1.0	0.3	0.5	0.9	0.8	0.8	0.9	0.9	0.5	1.0	0.5
United States	1.4	0.4	1.0	1.7	1.7	1.7	1.3	1.4	1.2	1.3	0.6	0.3	0.3	0.8	1.3	0.7	1.0	0.8
Euro area	0.9	0.4	-0.6	0.6	1.1	1.7	1.5	1.4	1.1	0.8	0.7	0.1	0.2	0.2	0.8	0.4	0.6	0.6
Total OECD	..	0.8	0.7	1.4	1.5	1.6	1.5	1.4	1.1	..	0.9	0.6	0.8	0.8	1.1	0.9	1.0	0.8

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727653

Annex Table 20. **Labour force, employment and unemployment**

Millions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labour force																				
Total of major countries	345.2	347.1	348.7	351.0	352.6	355.8	359.4	362.3	364.6	364.6	364.5	364.9	367.5	369.1	370.7	372.7	376.9	379.4	382.7	384.8
Total of smaller countries	195.1	197.6	200.8	202.5	206.5	210.7	214.1	217.5	221.2	224.4	227.5	230.6	234.0	236.2	239.2	242.3	245.0	247.8	250.8	253.8
Euro area	143.8	145.2	146.7	148.1	149.4	151.3	153.0	154.6	156.2	156.5	156.6	157.0	158.2	158.4	158.7	159.0	160.2	160.9	161.9	162.9
Total OECD	540.4	544.7	549.5	553.6	559.1	566.5	573.5	579.8	585.8	589.0	592.0	595.5	601.4	605.3	609.9	615.0	621.9	627.2	633.5	638.6
Employment																				
Total of major countries	325.9	326.9	326.3	327.8	330.2	333.9	338.7	342.7	343.4	335.4	334.9	337.0	340.4	342.9	347.0	351.1	356.3	360.5	365.0	367.7
Total of smaller countries	181.7	183.6	185.7	187.0	190.5	195.2	200.0	204.4	207.5	205.7	207.8	211.0	213.2	214.5	218.1	222.3	226.2	230.5	234.5	238.1
Euro area	131.4	133.5	134.3	134.8	135.7	137.6	140.3	143.0	144.4	141.5	140.8	141.1	140.3	139.4	140.3	141.7	144.1	146.3	148.4	150.1
Total OECD	507.6	510.5	512.1	514.8	520.7	529.1	538.7	547.2	550.9	541.1	542.7	548.0	553.6	557.4	565.1	573.3	582.5	591.0	599.4	605.8
Unemployment																				
Total of major countries	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	21.7	20.6	18.9	17.7	17.1
Total of smaller countries	13.4	14.0	15.1	15.5	16.0	15.5	14.1	13.0	13.7	18.7	19.6	19.5	20.8	21.7	21.2	20.0	18.8	17.3	16.4	15.8
Euro area	12.4	11.8	12.4	13.3	13.7	13.7	12.8	11.6	11.8	15.0	15.8	16.0	18.0	19.0	18.4	17.3	16.1	14.6	13.5	12.8
Total OECD	32.8	34.1	37.4	38.7	38.4	37.4	34.9	32.6	34.9	47.9	49.3	47.4	47.9	47.9	44.9	41.7	39.4	36.2	34.1	32.8

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727672

Annex Table 21. **Unemployment rates: national definitions**

Per cent of labour force

	2016 Unemployment thousands	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017 Fourth quarter	2018 Fourth quarter	2019 Fourth quarter
Australia	726.0	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	5.6	5.4	5.3	5.4	5.4	5.3
Austria	270.0	5.5	5.6	5.2	4.9	4.1	5.3	4.8	4.6	4.9	5.3	5.6	5.7	6.0	5.5	5.1	4.9	5.4	5.0	4.8
Belgium	403.4	8.4	8.5	8.3	7.5	7.0	7.9	8.3	7.2	7.6	8.4	8.5	8.5	7.9	7.1	6.4	6.1	6.4	6.3	6.0
Canada	1360.1	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	6.3	5.7	5.5	6.0	5.7	5.5
Chile	563.8	10.0	9.2	7.8	7.1	7.8	9.7	8.1	7.1	6.4	6.0	6.3	6.2	6.5	6.7	6.6	6.2	6.8	6.4	6.2
Czech Republic	211.2	8.3	7.9	7.1	5.3	4.4	6.7	7.3	6.7	7.0	6.9	6.1	5.0	3.9	2.9	2.3	2.2	2.4	2.2	2.2
Denmark	187.3	5.5	4.8	3.9	3.8	3.5	6.0	7.5	7.6	7.5	7.0	6.5	6.2	6.2	5.7	5.3	5.2	5.3	5.2	5.2
Estonia	46.8	10.1	8.0	5.9	4.6	5.5	13.5	16.7	12.3	10.0	8.6	7.4	6.2	6.8	5.8	5.6	5.9	5.3	5.7	6.0
Finland	236.7	8.8	8.4	7.7	6.9	6.4	8.2	8.4	7.8	7.7	8.2	8.7	9.4	8.8	8.6	8.0	7.7	8.3	7.9	7.4
France	2972.4	8.8	8.8	8.8	8.0	7.3	9.1	9.2	9.1	9.8	10.3	10.3	10.4	10.1	9.4	8.7	8.3	8.9	8.5	8.1
Germany	1784.2	10.3	11.0	10.0	8.6	7.4	7.6	7.0	5.9	5.4	5.2	5.0	4.6	4.2	3.8	3.4	3.3	3.6	3.4	3.3
Greece	1131.0	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	21.5	20.4	19.4	21.1	20.0	19.0
Hungary	234.0	6.1	7.2	7.5	7.4	7.8	10.1	11.2	11.0	11.0	10.2	7.7	6.8	5.1	4.2	3.6	3.4	3.9	3.5	3.4
Iceland	5.9	3.1	2.6	2.9	2.3	3.0	7.2	7.6	7.0	6.0	5.4	4.9	4.0	3.0	2.8	2.8	2.8	3.1	2.9	2.7
Ireland	194.5	4.7	4.6	4.8	5.0	6.8	12.6	14.6	15.4	15.5	13.8	11.9	9.9	8.4	6.7	5.8	5.3	6.4	5.4	5.2
Israel	187.8	12.9	11.3	10.5	9.1	7.7	9.5	8.3	7.1	6.9	6.3	5.9	5.3	4.8	4.2	3.6	3.6	4.1	3.6	3.6
Italy	3004.0	8.0	7.7	6.8	6.1	6.7	7.7	8.3	8.4	10.7	12.1	12.6	11.9	11.7	11.2	11.0	10.8	11.0	10.9	10.8
Japan	2080.0	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	2.8	2.5	2.5	2.8	2.5	2.5
Korea	1009.5	3.7	3.7	3.5	3.2	3.2	3.6	3.7	3.4	3.2	3.1	3.5	3.6	3.7	3.7	3.8	3.7	3.7	3.8	3.6
Latvia	95.4	11.7	10.0	7.0	6.0	7.8	17.5	19.5	16.2	15.0	11.8	10.8	9.9	9.6	8.7	7.9	7.7	8.3	7.8	7.6
Luxembourg	16.9	3.7	4.1	4.2	4.2	4.2	5.5	5.8	5.7	6.1	6.8	7.1	6.8	6.3	5.9	5.6	5.4	5.8	5.5	5.3
Mexico[1]	2085.2	3.7	3.6	3.6	3.6	3.9	5.4	5.3	5.2	4.9	4.9	4.8	4.3	3.9	3.4	3.5	3.5	3.4	3.5	3.6
Netherlands	538.7	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	4.9	3.9	3.5	4.4	3.8	3.4
New Zealand	132.5	4.0	3.8	3.9	3.6	4.0	5.8	6.1	6.0	6.4	5.8	5.4	5.4	5.1	4.7	4.3	4.2	4.5	4.2	4.3
Norway	129.5	4.2	4.4	3.4	2.5	2.5	3.1	3.5	3.2	3.1	3.4	3.5	4.3	4.7	4.2	3.7	3.6	4.0	3.7	3.5
Poland	1060.3	18.9	17.7	13.8	9.6	7.1	8.1	9.6	9.6	10.1	10.3	9.0	7.5	6.1	4.9	4.2	3.9	4.5	4.1	3.7
Portugal	573.0	6.6	7.6	7.6	8.0	7.6	9.4	10.8	12.7	15.5	16.2	13.9	12.4	11.1	8.9	7.5	6.6	8.0	7.1	6.2
Slovak Republic	266.0	18.1	16.2	13.3	11.0	9.6	12.1	14.4	13.6	13.9	14.2	13.2	11.5	9.6	8.1	7.1	6.3	7.6	6.8	5.9
Slovenia	79.6	6.3	6.5	5.9	4.8	4.4	5.9	7.2	8.2	8.8	10.1	9.7	9.0	8.0	6.6	5.3	4.8	5.9	4.9	4.7
Spain	4481.2	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	17.2	15.5	13.8	16.6	14.7	13.3
Sweden	366.2	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	6.1	5.9	6.5	5.9	5.9
Switzerland	238.1	5.1	5.1	4.6	4.2	3.9	4.8	4.8	4.4	4.5	4.7	4.8	4.8	4.9	4.8	4.6	4.5	4.8	4.5	4.5
Turkey	3329.4	9.7	9.5	9.0	9.2	10.0	13.0	11.1	9.1	8.4	9.0	9.9	10.3	10.9	10.9	10.5	10.3	10.1	10.8	10.1
United Kingdom	1633.5	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	4.4	4.5	4.6	4.4	4.6	4.6
United States	7750.8	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	4.3	3.9	3.6	4.1	3.8	3.5
Euro area	16093.8	9.2	9.1	8.4	7.5	7.5	9.6	10.1	10.2	11.4	12.0	11.6	10.9	10.0	9.1	8.3	7.8	8.7	8.1	7.7
Total OECD	39384.7	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	5.8	5.4	5.1	5.5	5.3	5.1

Note: Labour market data are subject to differences in definitions across countries and to many breaks in series, though the latter are often of a minor nature.

1. Based on National Employment Survey.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727691

Annex Table 22. **Harmonised unemployment rates**

Per cent of civilian labour force

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	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	5.7	5.6
Austria	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	6.0	5.5
Belgium	9.3	8.4	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	7.9	7.1
Canada	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	7.0	6.3
Chile	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	6.5	6.7
Czech Republic	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	4.0	2.9
Denmark	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	6.2	5.7
Estonia	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	6.8	5.8
Finland	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	8.8	8.6
France	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	10.1	9.4
Germany	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	4.1	3.8
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	23.6	21.5
Hungary	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	5.1	4.2
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	3.0	2.8
Ireland	7.6	5.8	4.5	4.2	4.7	4.9	4.8	4.6	4.8	5.0	6.8	12.7	14.6	15.4	15.5	13.8	11.9	10.0	8.4	6.7
Israel	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	4.8	4.2
Italy	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	11.7	11.2
Japan	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	3.1	2.8
Korea	7.0	6.6	4.4	4.0	3.3	3.6	3.7	3.8	3.5	3.3	3.2	3.6	3.7	3.4	3.2	3.1	3.5	3.6	3.7	3.7
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	9.6	8.7
Luxembourg	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	6.3	5.6
Mexico	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	3.9	3.4
Netherlands	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	6.0	4.9
New Zealand	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	5.1	4.7
Norway	3.1	3.0	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.6	2.7	3.3	3.7	3.4	3.3	3.8	3.6	4.5	4.8	4.2
Poland	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	6.2	4.9
Portugal	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	11.2	9.0
Slovak Republic	12.7	16.5	18.9	19.5	18.8	17.7	18.4	16.4	13.5	11.2	9.6	12.1	14.5	13.7	14.0	14.2	13.2	11.5	9.7	8.1
Slovenia	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	8.0	6.6
Spain	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	19.7	17.2
Sweden	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	7.0	6.7
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	4.8	4.4	4.5	4.7	4.8	4.8	4.9	4.8
Turkey	..	..	..	..	..	..	..	9.2	8.8	8.8	9.7	12.6	10.7	8.8	8.2	8.7	10.0	10.3	10.9	10.9
United Kingdom	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	4.8	4.4
United States	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	4.9	4.4
Euro area	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	10.0	9.1
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	6.3	5.8

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/10.1787/888933727710

Annex Table 23. **Quarterly price, cost and unemployment projections**

Percentage changes, seasonally adjusted at annual rates

	2017	2018	2019	2017 Q4	2018 Q1	2019 Q2	2019 Q3	2019 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2017 Q4 / Q4	2018 Q4 / Q4	2019 Q4 / Q4
Consumer price index[1]															
Canada	1.6	2.3	2.2	3.0	2.7	2.6	2.2	2.1	2.2	2.2	2.3	2.3	1.8	2.4	2.3
France	1.2	1.9	1.5	2.0	2.7	2.3	1.4	1.4	1.4	1.5	1.5	1.6	1.2	2.0	1.5
Germany	1.7	1.7	2.0	2.0	1.4	2.0	2.0	2.0	2.0	2.0	2.1	2.2	1.6	1.8	2.1
Italy	1.3	1.2	1.7	0.5	1.7	1.7	1.7	1.2	1.9	1.9	1.9	1.9	1.1	1.6	1.9
Japan	0.5	1.2	1.5	1.9	2.5	0.0	0.7	1.3	1.3	1.3	1.4	7.2	0.6	1.1	2.7
United Kingdom	2.7	2.6	2.2	2.9	2.6	2.5	2.4	2.2	2.1	2.1	2.0	2.0	3.0	2.4	2.1
United States	2.1	2.7	2.3	3.3	3.5	2.6	2.4	2.3	2.3	2.3	2.4	2.4	2.1	2.7	2.3
Euro area	1.5	1.6	1.8	1.7	1.9	1.9	1.7	1.6	1.9	1.8	1.9	1.9	1.4	1.8	1.9
GDP deflator															
Canada	2.3	2.7	2.3	4.7	3.1	3.3	2.2	2.2	2.2	2.2	2.2	2.2	1.9	2.7	2.2
France	0.7	1.2	1.5	0.3	1.3	2.0	1.5	1.5	1.5	1.5	1.5	1.6	0.8	1.6	1.5
Germany	1.5	1.6	2.1	0.3	0.5	2.4	2.5	2.2	2.1	1.7	1.9	2.1	1.7	1.9	1.9
Italy	0.6	1.3	1.6	2.0	0.9	1.2	1.5	1.2	1.9	1.8	1.8	1.8	0.9	1.2	1.8
Japan	-0.2	0.1	1.0	-0.1	-0.9	0.5	0.2	0.5	0.9	0.9	1.1	5.0	0.1	0.1	2.0
United Kingdom	2.0	1.7	1.8	1.2	0.9	2.7	2.2	1.8	1.6	1.7	1.7	1.8	1.6	1.9	1.7
United States	1.8	2.0	2.2	2.3	2.0	2.1	2.1	2.0	2.2	2.3	2.3	2.3	1.9	2.1	2.3
Euro area	1.1	1.5	1.8	0.8	1.4	1.9	1.9	1.8	1.9	1.8	1.8	1.9	1.1	1.7	1.8
Total OECD	2.0	2.1	2.3	2.1	1.9	2.1	2.1	2.5	2.2	2.5	2.2	3.1	1.9	2.2	2.5
Unit labour costs (total economy)															
Canada	0.8	2.1	2.1	4.3	1.0	1.7	1.5	1.9	2.2	2.4	2.5	2.5	1.8	1.5	2.4
France	0.7	1.1	0.4	0.1	2.0	1.8	0.9	1.0	-0.6	-0.5	0.9	1.5	0.2	1.4	0.3
Germany	1.8	1.9	2.1	2.1	2.4	1.8	1.8	2.0	2.6	2.1	2.0	2.0	1.3	2.0	2.2
Italy	0.8	0.8	0.5	0.8	0.7	0.4	0.8	0.6	0.5	0.5	0.5	0.5	0.8	0.6	0.5
Japan	0.3	1.1	1.2	0.2	6.1	-2.1	-1.0	0.6	2.0	2.1	1.0	5.2	-0.2	0.9	2.6
United Kingdom	2.3	2.9	1.8	1.2	7.5	1.0	1.5	1.9	1.9	1.9	1.9	1.9	2.0	3.0	1.9
United States	1.0	1.5	2.0	1.3	2.8	0.3	1.6	2.2	2.0	2.2	2.3	2.3	1.8	1.7	2.2
Euro area	1.0	1.4	1.4	1.4	1.6	1.4	1.4	1.9	0.8	1.3	1.6	2.1	0.9	1.6	1.5
Total OECD	1.4	1.8	2.1	1.6	2.9	1.1	1.6	2.1	2.0	2.3	2.2	2.8	1.8	1.9	2.3
Unemployment							Per cent of labour force								
Canada	6.3	5.7	5.5	6.0	5.8	5.8	5.7	5.7	5.6	5.6	5.5	5.5			
France	9.4	8.7	8.3	8.9	8.8	8.7	8.6	8.5	8.4	8.3	8.2	8.1			
Germany	3.8	3.4	3.3	3.6	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.3			
Italy	11.2	11.0	10.8	11.0	11.0	11.0	10.9	10.9	10.9	10.8	10.8	10.8			
Japan	2.8	2.5	2.5	2.8	2.4	2.5	2.6	2.5	2.5	2.5	2.5	2.5			
United Kingdom	4.4	4.5	4.6	4.4	4.2	4.4	4.6	4.6	4.6	4.6	4.6	4.6			
United States	4.3	3.9	3.6	4.1	4.1	4.0	3.9	3.8	3.7	3.7	3.6	3.5			
Euro area	9.1	8.3	7.8	8.7	8.6	8.4	8.3	8.1	8.0	7.9	7.8	7.7			
Total OECD	5.8	5.4	5.1	5.5	5.5	5.4	5.4	5.3	5.2	5.2	5.1	5.1			

Note: For information on the national accounts reporting systems, base years and latest data updates, see table 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 103 database.

StatLink http://dx.doi.org/10.1787/888933727729

Annex Table 24. **Potential GDP and productive capital stock**

Percentage changes from previous period

	Potential GDP									Productive capital stock[1]								
	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019
Australia	3.6	3.1	3.1	2.9	2.8	2.7	2.4	2.4	2.5	2.8	4.6	4.8	3.8	3.0	2.4	2.2	2.3	2.5
Austria	2.4	1.7	1.2	1.2	1.2	1.2	1.3	1.4	1.4	2.8	2.0	1.4	1.3	1.2	1.2	1.5	1.7	1.8
Belgium	2.3	1.6	1.0	1.1	1.2	1.1	1.2	1.2	1.2	4.0	2.8	1.9	1.9	2.2	2.1	2.1	2.0	2.1
Brazil	2.7	3.4	2.9	2.7	2.2	1.8	1.6	1.5	1.5	0.6	1.2	2.6	2.2	1.3	0.3	-0.1	0.0	0.2
Canada	2.9	2.2	2.2	2.1	2.0	1.7	1.6	1.5	1.5	2.6	3.0	2.9	2.7	2.4	1.8	1.5	1.6	1.8
China	10.0	10.1	8.1	7.6	7.2	6.7	6.4	6.2	6.0	10.5	12.5	11.9	11.2	10.4	9.6	9.0	8.6	8.3
Colombia	..	4.7	4.4	4.0	3.6	3.2	2.8	2.4	2.2	..	5.1	6.3	6.5	6.5	5.5	4.7	4.2	4.2
Costa Rica	..	4.4	3.5	3.5	3.6	3.5	3.2	3.5	3.4	5.1	4.6	4.2	3.9	3.8	3.6	3.2	2.7	2.5
Czech Republic	..	2.6	1.1	1.7	2.4	2.7	2.7	2.9	3.1	..	2.1	0.9	0.9	1.1	1.0	1.0	1.2	1.4
Denmark	2.3	1.0	0.9	1.1	1.2	1.3	1.4	1.4	1.4	2.8	1.6	0.7	0.9	0.9	1.0	1.2	1.3	1.5
Estonia	..	2.7	2.3	2.3	2.4	2.4	2.8	3.1	3.3	..	6.2	4.4	3.2	2.3	1.6	2.1	2.4	2.7
Finland	3.2	1.4	0.4	0.4	0.5	0.7	0.9	1.1	1.1	1.6	1.7	0.7	0.5	0.4	0.5	1.0	1.3	1.4
France	2.1	1.4	1.1	1.1	1.1	1.1	1.1	1.3	1.4	2.1	1.8	1.3	1.2	1.1	1.2	1.3	1.4	1.6
Germany	1.6	1.1	1.1	1.3	1.5	1.7	1.6	1.6	1.7	1.7	0.7	0.3	0.4	0.4	0.6	0.6	0.8	0.9
Greece	3.2	0.4	-1.6	-1.2	-0.9	-0.5	-0.2	0.2	0.6	2.5	2.0	-1.4	-1.3	-1.1	-1.0	-0.7	-0.2	0.3
Hungary	..	1.8	1.6	1.7	2.0	1.9	2.1	2.6	2.9	..	2.6	1.5	2.1	2.2	1.4	1.7	2.5	3.2
Iceland	2.9	3.1	1.7	1.9	2.4	2.8	2.9	2.9	2.9	2.8	2.7	-0.5	0.0	1.2	2.4	2.9	2.8	2.6
India[2]	..	7.8	7.3	7.5	7.6	7.6	7.4	7.4	7.3	..	9.0	8.4	7.6	7.0	7.1	7.1	7.3	7.4
Indonesia	4.2	5.0	5.5	5.4	5.3	5.2	5.1	5.1	5.1	3.8	3.8	5.2	5.0	4.9	4.8	4.7	4.9	5.0
Ireland	7.0	3.0	3.4	4.4	14.2	9.8	5.6	4.0	3.1	5.1	5.8	3.6	4.2	34.7	19.9	6.8	4.5	4.6
Israel	..	3.6	3.7	3.8	3.5	3.5	3.4	3.5	3.6	5.7	2.8	3.3	3.0	2.6	2.9	3.1	3.9	4.6
Italy	1.2	0.4	-0.2	-0.2	-0.1	-0.1	0.0	0.2	0.3	2.0	1.3	-0.4	-0.6	-0.6	-0.6	-0.3	0.0	0.2
Japan	1.4	0.4	0.5	0.7	0.8	0.9	1.0	1.0	1.0	2.9	0.4	-0.1	0.1	0.0	0.0	0.1	0.1	0.2
Korea	6.3	3.9	3.5	3.4	3.3	3.2	3.2	3.2	3.1	9.4	4.8	3.8	3.7	3.5	3.4	3.7	3.8	3.8
Lithuania	..	3.3	2.7	2.7	2.6	2.6	2.5	2.6	2.8	..	5.9	3.2	3.3	3.3	3.1	3.0	3.5	3.7
Latvia	..	3.0	2.2	2.2	2.7	2.2	2.6	2.8	3.1	..	8.2	3.9	3.2	2.8	1.8	2.0	2.8	3.3
Luxembourg	..	2.8	3.1	3.2	3.0	2.7	2.6	2.3	2.2	..	3.3	3.5	3.4	2.8	2.1	2.2	1.7	1.7
Mexico	..	2.0	2.5	2.6	2.7	2.6	2.4	2.4	2.4	..	2.0	2.1	2.0	2.1	2.0	1.7	1.5	1.5
Netherlands	3.0	1.3	0.9	1.1	1.5	1.7	1.9	2.0	2.1	2.3	1.5	0.6	0.6	0.9	1.2	1.0	1.2	1.5
New Zealand	3.3	2.6	2.6	3.0	3.2	3.2	3.2	3.2	3.1	2.6	3.6	2.5	2.9	3.1	3.0	3.0	3.2	3.4
Norway	3.1	2.7	2.0	2.0	1.9	1.9	1.8	1.6	1.5	2.1	2.4	1.8	1.6	1.4	1.5	1.6	1.7	1.8
Poland	..	3.7	2.9	3.1	3.3	3.0	2.9	3.0	3.1	..	4.0	3.4	3.6	4.2	3.5	2.8	3.0	3.3
Portugal	2.7	0.7	-0.2	0.3	0.6	0.7	1.1	1.2	1.3	5.6	3.4	0.5	0.5	0.7	0.7	1.0	1.2	1.5
Russia	..	4.0	1.6	1.2	0.7	0.5	0.5	0.5	0.5	..	5.6	5.3	4.5	3.3	2.7	2.6	2.7	2.7
Slovak Republic	..	4.3	2.3	2.5	2.6	2.6	2.6	3.5	3.8	..	2.8	1.5	1.5	2.4	2.2	1.8	2.0	2.3
Slovenia	..	2.0	0.8	1.3	1.5	1.7	1.7	2.0	2.2	..	2.8	0.2	0.3	0.2	-0.1	0.2	0.8	1.3
South Africa	..	3.1	2.5	2.5	2.5	2.4	2.3	2.3	2.3	0.9	2.7	2.7	2.7	2.7	2.4	2.1	2.1	2.3
Spain	3.0	2.4	0.3	0.2	0.3	0.4	0.5	0.7	1.0	4.3	4.1	1.5	1.4	1.5	1.8	1.9	1.9	2.0
Sweden	2.7	2.1	1.9	2.0	2.2	2.3	2.3	2.4	2.4	2.2	2.1	1.7	1.7	1.9	2.1	2.2	2.4	2.7
Switzerland	1.6	2.1	1.8	1.7	1.7	1.6	1.5	1.4	1.3	2.5	1.5	1.2	1.2	1.2	1.3	1.3	1.4	1.5
United Kingdom	2.8	1.5	1.5	1.7	1.8	1.6	1.5	1.4	1.4	3.2	2.5	2.0	2.3	2.4	2.3	2.3	2.3	2.3
United States	3.1	2.1	1.7	1.7	1.7	1.6	1.5	1.6	1.7	3.1	1.9	1.3	1.3	1.4	1.3	1.3	1.4	1.7
Total OECD	2.7	1.9	1.6	1.7	1.8	1.8	1.7	1.8	1.9	3.7	2.0	1.4	1.4	1.5	1.4	1.4	1.5	1.6

Note: For methodological details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. Total economy less housing.

2. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727748

Annex Table 25. **Structural unemployment and unit labour costs**

	Structural unemployment rate									Unit labour costs								
	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019	Average 1993-02	Average 2003-12	2013	2014	2015	2016	2017	2018	2019
	Per cent									*Percentage changes*								
Australia	7.3	5.3	5.5	5.6	5.6	5.4	5.3	5.3	5.3	2.1	3.7	0.8	0.9	0.3	0.2	0.7	0.1	0.5
Austria	4.0	4.7	5.0	5.1	5.1	5.1	5.1	5.1	5.1	0.2	1.8	2.8	1.8	2.1	2.3	0.4	2.3	2.4
Belgium	8.1	7.5	7.3	7.3	7.3	7.3	7.2	7.1	7.0	1.4	2.0	1.8	0.0	-0.6	-0.1	1.6	0.9	1.0
Canada	8.5	6.9	6.8	6.7	6.6	6.6	6.5	6.5	6.5	1.1	2.6	1.6	1.0	1.8	0.2	0.8	2.1	2.1
Czech Republic	..	6.4	5.9	5.5	5.1	4.6	4.3	4.1	4.1	..	1.8	1.2	0.8	-0.4	3.3	3.6	2.8	2.4
Denmark	6.0	5.6	6.1	6.1	6.1	6.1	6.0	6.0	6.0	1.8	2.3	0.7	0.8	1.5	1.1	0.9	2.8	2.3
Estonia	..	9.5	8.3	8.0	7.7	7.5	7.4	7.3	7.3	..	5.7	3.7	4.5	4.4	3.7	2.7	3.5	3.2
Finland	11.1	8.2	8.1	8.1	8.2	8.2	8.1	8.0	7.9	0.9	2.6	1.6	0.9	1.0	-0.3	-1.7	0.2	0.5
France	9.4	8.8	9.1	9.1	9.2	9.2	9.1	8.9	8.6	1.2	1.8	0.8	0.7	0.2	0.6	0.7	1.1	0.4
Germany	7.7	7.9	5.3	5.0	4.7	4.3	4.1	4.0	3.9	0.3	0.8	2.2	1.9	2.3	1.9	1.8	1.9	2.1
Greece	..	13.0	15.4	15.7	16.0	16.2	16.3	16.3	16.1	..	2.7	-6.7	-1.6	-1.0	0.3	1.0	-0.8	0.9
Hungary	..	8.0	8.4	8.3	8.2	8.2	8.1	8.1	8.0	..	3.3	1.8	1.7	-2.0	4.6	5.8	5.2	5.4
Iceland	3.6	3.8	4.0	4.0	3.9	3.9	3.9	3.8	3.8	5.1	4.9	4.0	3.9	6.7	4.0	6.0	1.9	1.1
Ireland	9.1	8.8	9.9	9.7	9.3	9.0	8.7	8.6	8.5	2.0	0.7	-0.1	-4.5	-16.4	0.4	-2.3	2.1	2.6
Israel	..	9.4	6.4	5.8	5.2	4.8	4.5	4.4	4.3	..	1.5	0.7	0.2	2.5	1.4	2.5	1.6	2.4
Italy	9.4	9.0	9.2	9.2	9.2	9.2	9.3	9.3	9.3	2.0	2.4	0.8	0.2	1.1	1.5	0.8	0.8	0.5
Japan	3.4	4.0	4.1	4.1	4.0	4.0	3.8	3.6	3.4	-0.9	-0.7	-1.6	1.2	0.0	1.7	0.3	1.1	1.2
Korea	3.5	3.4	3.3	3.4	3.4	3.5	3.5	3.5	3.5	2.9	2.4	2.1	1.7	2.8	2.2	1.0	1.5	2.5
Latvia	..	11.8	11.0	10.4	9.5	9.2	8.6	8.3	8.2	..	7.0	5.1	5.2	5.0	3.8	3.5	4.0	3.6
Luxembourg	2.5	4.6	6.1	6.1	6.1	6.0	6.0	5.9	5.8	2.6	3.5	0.5	-0.9	2.7	0.7	3.9	1.8	1.0
Mexico	3.4	4.1	4.6	4.5	4.4	4.2	4.1	4.1	4.0	15.6	4.6	3.5	2.5	2.5	3.0	4.0	3.9	4.2
Netherlands	5.8	5.1	6.0	6.1	6.1	6.0	5.7	5.3	4.9	2.0	1.3	0.7	-0.4	-1.6	0.8	0.6	2.5	3.4
New Zealand	6.9	4.9	5.5	5.3	5.1	5.0	4.9	4.8	4.7	1.4	3.1	1.7	2.4	0.5	0.5	2.0	2.8	2.1
Norway	4.0	3.2	3.3	3.4	3.5	3.5	3.5	3.5	3.4	3.2	5.0	4.7	2.6	1.1	0.6	1.6	3.3	3.1
Poland	..	10.7	7.8	7.4	7.0	6.6	6.2	5.8	5.4	..	2.5	0.7	1.1	-0.5	2.7	2.9	3.5	4.9
Portugal	6.1	8.9	11.3	11.0	10.4	9.8	9.0	8.2	7.5	3.5	0.8	2.5	-0.6	0.9	2.6	1.8	0.7	0.8
Slovak Republic	..	12.5	12.5	11.9	11.2	10.7	10.2	9.7	9.0	6.9	1.6	0.6	1.3	2.1	1.8	3.2	2.6	2.3
Slovenia	..	6.1	7.3	7.3	7.3	7.0	6.6	6.4	6.2	..	2.5	-1.2	-1.2	0.4	2.1	1.0	1.9	2.6
Spain	14.0	14.3	15.4	15.5	15.5	15.6	15.5	15.3	14.8	3.1	2.0	-1.0	-0.1	1.8	-0.4	0.2	0.8	1.2
Sweden	7.4	7.1	7.3	7.3	7.2	7.1	7.0	7.0	6.9	1.7	2.1	1.8	1.1	0.2	1.9	2.0	2.0	2.3
Switzerland	3.7	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.5	0.7	0.9	0.4	-0.7	0.7	-0.2	-0.1	-0.5	0.6
United Kingdom	7.1	6.3	6.8	6.4	6.1	5.8	5.7	5.6	5.6	2.6	2.4	1.9	-0.9	0.7	2.2	2.3	2.9	1.8
United States	5.3	5.0	4.7	4.6	4.5	4.5	4.5	4.5	4.5	1.9	1.8	1.0	2.1	2.0	1.3	1.0	1.5	2.0
Euro area	9.1	9.2	9.0	8.9	8.8	8.7	8.5	8.3	8.1	1.7	1.7	0.9	0.7	0.9	1.1	1.0	1.4	1.4
Total OECD	6.4	6.4	6.3	6.2	6.1	6.0	5.9	5.8	5.7	3.1	1.9	1.1	1.4	1.3	1.6	1.4	1.8	2.1

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 103 database.

StatLink http://dx.doi.org/10.1787/888933727767

Annex Table 26. **Household saving rates**

Per cent of disposable household income

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net saving																				
Australia	0.8	3.5	-0.1	-0.6	0.2	1.2	-0.1	1.2	5.4	7.3	6.8	8.4	7.0	7.3	7.8	6.7	4.9	3.0	2.4	2.0
Austria	10.6	9.0	9.4	9.6	9.5	11.1	11.6	12.4	12.4	11.4	9.6	7.9	8.9	7.1	6.8	6.9	7.9	6.4	6.6	6.2
Belgium	10.4	11.9	11.0	10.6	8.9	8.5	9.2	9.4	10.0	11.3	8.1	6.5	5.7	5.1	4.9	4.4	3.7	3.9	4.2	4.2
Canada	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	4.8	3.6	4.6	3.4	3.4	3.2	3.4
Czech Republic	6.0	6.2	6.3	5.7	4.9	6.1	7.8	7.0	6.3	8.5	7.8	6.0	6.0	5.6	6.6	6.8	6.0	5.4	4.8	3.9
Denmark	-5.7	0.4	1.4	2.2	-1.9	-4.3	-1.5	-3.0	-4.1	0.7	1.8	0.8	0.1	2.3	-2.9	4.7	5.0	5.6	5.9	6.0
Estonia	1.7	-1.9	-9.5	-9.3	-9.7	-8.6	-10.9	-6.9	1.9	7.2	4.2	4.8	5.1	4.4	6.3	7.4	7.3	7.5	7.7	7.6
Finland	3.0	2.7	2.7	2.3	3.0	1.0	-0.4	-0.4	-0.2	3.4	3.2	1.3	0.7	1.5	-0.1	-0.5	-1.4	-1.5	-0.2	-0.2
Germany	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	8.9	9.5	9.6	9.7	9.9	9.9	10.0
Hungary	6.5	7.3	4.4	3.2	6.7	8.0	8.6	4.4	3.7	5.5	6.1	7.0	5.2	7.1	8.2	6.3	7.1	7.7	7.2	6.1
Ireland	-4.0	1.1	-0.7	0.0	0.9	1.5	-0.8	-1.3	4.0	8.4	6.4	3.8	6.7	5.0	2.8	2.3	2.1	4.0	3.9	3.7
Italy	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	3.9	3.2	3.1	2.4	1.7	1.1
Japan	8.9	5.6	4.9	4.4	3.6	3.4	2.5	2.5	2.5	4.0	3.7	4.0	2.7	0.3	-0.3	0.8	2.6	2.6	2.7	2.3
Korea	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	9.3	8.7	8.9	8.9	8.9
Latvia	-9.8	-9.8	-9.2	-7.1	-7.7	-6.5	-11.5	-10.8	3.3	6.3	-3.3	-15.9	-14.5	-15.3	-12.5	-9.9	-7.6	-7.2	-5.6	-4.5
Luxembourg	..	..	..	..	..	..	..	..	11.5	12.5	15.3	13.1	14.4	14.5	14.6	14.6	14.9	14.3	13.6	13.9
Netherlands	5.6	7.1	6.8	6.5	5.8	3.7	2.8	2.6	3.7	7.1	4.9	5.8	7.2	7.3	7.9	6.5	6.4	6.1	6.1	6.1
New Zealand	-2.5	-1.4	-6.7	-4.4	-3.8	-6.0	-4.1	-0.4	-2.2	1.2	2.1	2.4	0.5	0.1	-1.5	-1.3	-2.8	-3.2	-2.5	-2.0
Norway	4.3	3.1	8.2	8.8	6.9	9.7	-0.4	0.9	3.8	5.2	4.0	5.9	7.1	7.4	8.2	10.3	7.1	7.3	8.0	8.3
Poland	10.9	12.3	8.9	7.8	2.7	2.2	2.0	2.1	0.3	2.8	2.4	-1.1	-1.1	-0.1	-0.4	-0.4	1.7	1.8	2.5	3.6
Slovak Republic	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	3.2	3.8	3.8	3.8	3.8
Spain	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	3.5	2.8	1.7	-0.6	-1.3	-1.4
Sweden	4.4	8.4	8.1	7.3	6.0	5.4	7.2	9.5	11.8	11.1	11.8	12.6	14.4	15.0	16.5	15.1	16.6	15.9	16.6	16.1
Switzerland	14.0	14.3	14.0	13.3	12.3	12.8	14.5	16.1	15.4	15.8	15.7	16.8	17.4	17.5	18.9	17.6	18.8	18.7	18.5	18.2
United States	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	5.7	6.1	4.9	3.4	3.7	4.7
Gross saving																				
France	14.4	15.0	15.9	15.3	15.6	14.3	14.3	14.8	14.7	15.9	15.5	15.3	14.8	14.0	14.3	13.9	13.6	13.8	13.5	13.4
Portugal	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	5.3	5.9	5.4	3.6	2.7
United Kingdom	9.3	9.5	9.1	8.1	8.2	7.6	7.6	8.6	7.6	10.8	11.1	9.4	9.3	8.7	8.4	9.2	7.1	5.1	5.3	5.3

Note: For information on the National Accounts Reporting Systems, base years and latest data updates, see table 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 103 database.

StatLink http://dx.doi.org/10.1787/888933727786

Annex Table 27. **Gross national saving**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	21.6	20.6	21.3	21.2	21.5	21.4	21.0	21.8	21.2	21.2	24.0	22.1	23.0	23.7	23.8	23.7	23.1	21.5	20.7	21.1
Austria	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	26.8	27.5	27.7	26.7	26.7	26.5	27.0	27.0	27.6	28.4	27.1	22.5	26.4	24.2	24.7	23.3	23.1	23.1	24.0	..
Canada	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	21.6	22.1	19.9	19.2	20.0
Chile	22.0	21.1	21.1	21.3	21.5	20.8	22.6	23.4	25.4	25.3	22.7	22.9	24.6	23.1	22.5	21.6	21.6	21.4	20.9	20.6
Czech Republic	28.5	26.9	27.8	27.6	25.4	24.6	25.3	26.4	26.2	27.4	26.1	22.7	22.0	22.3	23.9	23.6	24.6	26.4	26.2	..
Denmark	22.0	23.1	24.0	25.0	24.4	24.4	24.8	26.4	27.6	26.7	26.9	22.6	24.6	25.7	25.7	27.4	29.0	28.8	28.3	..
Estonia	22.4	21.2	23.8	23.6	22.1	22.9	21.7	23.6	23.9	23.8	22.3	23.0	23.2	26.5	27.2	27.4	26.9	25.8	24.7	27.0
Finland	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	20.0	20.5	22.6
France	23.1	24.0	23.7	23.5	22.3	21.8	22.3	22.0	22.5	23.0	22.7	19.7	20.1	20.9	19.7	19.4	19.7	20.5	20.4	21.0
Germany	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	26.2	27.1	27.8	27.8	27.7
Greece	..	17.6	16.8	16.4	15.9	16.4	16.6	12.6	13.9	11.5	8.7	5.8	5.7	4.8	8.4	9.3	9.8	10.0	10.0	10.6
Hungary	22.3	19.7	20.4	20.7	19.0	16.5	17.3	16.7	18.2	16.9	17.8	19.5	20.9	21.3	21.2	24.8	24.7	24.6	16.9	..
Ireland	..	24.3	24.9	23.4	22.4	24.5	25.4	25.6	26.2	22.9	17.7	14.0	15.7	15.3	17.2	21.7	24.9	32.2	36.0	36.8
Israel	22.6	22.2	21.4	21.0	19.7	20.2	21.5	23.8	25.0	24.2	21.2	21.9	22.1	22.9	21.9	22.9	24.1	24.9	24.3	..
Italy	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	18.1	17.8	..
Japan	31.5	30.1	30.2	28.2	27.5	27.8	28.3	28.9	29.0	29.6	27.7	24.3	25.3	24.2	23.6	24.1	24.5	26.7	..	..
Korea	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	35.6	36.0	36.1
Latvia	..	12.9	19.1	19.8	20.9	21.6	20.1	22.6	17.8	20.4	22.4	29.9	21.4	22.1	22.6	21.8	20.9	21.8	21.0	20.7
Mexico	26.8	24.9	25.6	23.1	22.4	21.9	22.9	22.5	23.2	24.1	25.7	23.8	23.3	24.4	25.2	24.9	23.7	25.7	25.9	24.8
Netherlands	27.1	28.7	29.2	27.1	25.9	26.9	28.2	27.2	29.9	30.2	27.6	27.2	28.1	29.4	29.3	28.5	27.4	28.3	28.8	30.3
New Zealand	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	17.4	19.9	19.7	20.3	..	..
Norway	..	..	..	..	32.8	31.6	34.0	38.8	40.3	39.5	41.6	35.4	36.2	38.1	38.9	38.1	39.1	36.9	34.0	..
Poland	20.7	19.8	18.6	18.0	16.2	17.1	13.9	17.1	17.5	18.2	18.1	17.1	16.3	17.4	17.5	18.4	18.9	21.2	20.8	..
Portugal	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	14.9	15.6	..
Slovak Republic	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	23.0	23.2	23.0	22.9
Slovenia	..	24.2	24.4	25.1	25.4	24.9	25.4	26.1	28.2	28.5	27.3	22.4	21.5	21.3	20.4	22.7	25.4	23.9	24.0	26.0
Spain	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	19.5	20.2	20.4	21.4	22.4	..
Sweden	25.1	26.3	27.5	27.8	27.2	28.2	28.3	29.1	31.6	33.1	32.5	27.5	29.4	29.0	28.1	27.6	28.1	29.1	30.0	..
Switzerland	32.9	33.4	35.9	33.5	30.7	34.7	34.7	37.7	38.9	34.2	27.3	33.5	38.4	34.6	34.9	34.1	32.0	34.4	32.5	..
United Kingdom	18.0	15.4	16.1	15.7	15.5	15.4	14.7	15.1	14.5	14.3	12.4	10.5	11.9	13.2	11.5	10.8	11.8	11.8	11.6	13.2
United States	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	19.3	19.4	18.0	17.5

Source: National accounts of OECD countries database.

StatLink http://dx.doi.org/10.1787/888933727805

Annex Table 28. **Household wealth and indebtedness**

Per cent of nominal disposable income

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Canada												
Net wealth	694	701	638	682	706	713	743	771	810	819	868	870
Net financial wealth	304	299	243	273	291	286	304	321	350	346	370	377
Non-financial assets	390	402	395	409	415	427	439	451	460	473	498	493
Financial assets	441	444	394	432	452	448	466	484	515	513	542	550
of which: Equities	67	80	56	77	88	79	84	89	94	80	93	94
Liabilities	137	145	150	159	161	162	163	163	165	167	172	173
of which: Mortgages	82	88	91	96	99	101	102	103	105	107	111	112
France												
Net wealth	790	799	727	739	780	788	795	799	791	800	..	..
Net financial wealth	228	226	193	208	217	213	227	237	243	252	267	..
Non-financial assets	562	573	534	530	563	574	567	562	548	548	..	..
Financial assets	321	322	290	312	323	319	329	339	348	360	375	..
of which: Equities	106	104	74	81	84	78	87	91	93	100	99	..
Liabilities	93	96	98	103	106	106	102	103	104	108	108	..
of which: Long-term loans	68	72	75	79	81	84	85	87	88	89	91	..
Germany												
Net wealth	586	611	597	621	626	625	636	656	666	677	..	..
Net financial wealth	176	190	173	186	193	189	197	206	213	221	225	229
Non-financial assets	410	421	423	435	433	436	438	450	453	456	..	..
Financial assets	282	292	273	287	291	285	292	300	307	314	319	322
of which: Equities	68	71	50	54	55	50	53	57	59	63	66	70
Liabilities	106	103	99	100	98	97	95	95	94	93	93	93
of which: Mortgages	71	70	67	68	67	66	65	..	..	..	..	..
Italy												
Net wealth	916	897	894	921	926	907	949	947	940	926	..	..
Net financial wealth	346	306	281	282	272	257	284	299	306	312	308	..
Non-financial assets	570	591	613	639	654	651	665	648	635	613	..	..
Financial assets	410	374	350	356	350	334	363	377	383	388	384	..
of which: Equities	174	140	109	106	100	88	102	121	129	140	133	..
Liabilities	64	68	69	74	78	78	79	78	77	76	76	..
of which: Medium and long-term loans	50	54	55	60	63	63	64	63	62	61	61	..
Japan												
Net wealth	865	845	807	814	809	807	819	856	875	869	866	..
Net financial wealth	462	438	405	424	428	431	450	485	501	502	497	..
Non-financial assets	403	408	402	391	381	375	369	371	374	368	369	..
Financial assets	571	545	513	531	534	539	556	593	611	613	609	..
of which: Equities	101	78	49	55	59	54	63	88	96	100	96	..
Liabilities	108	107	108	107	106	108	106	108	110	111	113	..
of which: Mortgages[1]	61	62	62	62	62	63	63	64	64	64	64	..
United Kingdom												
Net wealth	755	767	660	680	696	718	704	710	771	763	813	..
Net financial wealth	307	300	272	285	298	327	322	317	354	337	369	..
Non-financial assets	449	467	388	395	397	390	382	394	416	426	445	..
Financial assets	470	469	437	443	454	483	470	461	500	479	514	..
of which: Equities	77	77	63	75	77	72	66	70	76	75	79	..
Liabilities	164	169	165	158	156	155	149	145	146	142	146	..
of which: Mortgages	117	122	120	117	116	115	112	109	108	104	106	..
United States												
Net wealth	662	632	512	531	551	534	554	632	639	634	656	687
Net financial wealth	366	365	290	316	346	337	354	414	420	411	426	450
Non-financial assets	295	267	222	215	205	197	200	219	219	222	229	236
Financial assets	501	503	420	445	470	453	465	526	530	518	534	559
of which: Equities	140	137	76	102	118	107	120	153	162	151	161	185
Liabilities	134	137	130	129	123	116	111	112	110	107	108	109
of which: Mortgages	101	103	98	97	91	85	79	78	74	72	72	72

Note: Assets and liabilities are amounts outstanding at the end of the period, in per cent of nominal disposable income. For a more detailed description of the variables, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source: Canada: Statistics Canada; France: INSEE; Germany: Deutsche Bundesbank, Federal Statistical Office (Destatis); Italy: Banca d'Italia; Japan: Economic Planning Agency; United Kingdom: Office for National Statistics; United States: Federal Reserve.

StatLink http://dx.doi.org/10.1787/888933727824

Annex Table 29. **General government total outlays**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	39.9	39.1	37.8	36.8	37.4	37.1	36.3	34.8	34.9	38.3	37.6	37.1	36.9	36.5	36.3	36.6	36.8	36.0	36.5	36.3
Austria	50.9	51.3	51.1	51.3	53.8	51.2	50.3	49.2	50.1	54.2	52.8	50.9	51.2	51.7	52.3	51.0	50.6	48.9	48.3	47.4
Belgium	49.0	49.2	49.5	50.7	48.9	51.6	48.4	48.2	50.3	54.2	53.3	54.5	55.9	55.8	55.3	53.8	53.3	52.4	51.6	51.2
Canada	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	40.1	38.5	39.9	40.7	40.3	40.0	39.9
Czech Republic	40.9	43.2	44.8	49.4	42.6	42.3	41.3	40.4	40.7	44.2	43.6	43.1	44.5	42.6	42.4	41.7	39.5	38.8	38.6	38.4
Denmark	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	55.2	54.8	53.6	51.9	51.5	50.6
Estonia	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	40.2	40.6	40.2	40.6	40.9
Finland	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	57.1	56.0	53.7	52.6	52.0
France	51.3	51.4	52.5	52.9	52.8	53.1	52.6	52.3	53.1	57.0	56.7	56.2	57.0	57.2	57.1	56.8	56.6	56.3	55.9	55.1
Germany	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	44.0	43.7	44.0	43.9	43.7	43.2
Greece	46.3	45.9	45.7	46.5	47.6	45.5	45.1	47.0	50.9	54.1	52.3	54.0	55.7	62.3	50.3	53.9	49.6	48.2	48.3	47.7
Hungary	47.1	47.1	50.8	49.0	48.7	49.3	51.4	49.8	48.6	50.4	49.2	49.4	48.5	49.3	49.4	50.1	46.5	46.5	47.2	46.8
Iceland	41.3	41.9	43.2	44.7	42.9	41.6	41.1	41.0	55.3	48.2	49.1	45.5	45.2	43.7	45.0	42.5	45.2	41.9	40.9	41.0
Ireland	30.9	32.5	33.2	33.0	33.2	33.3	33.8	35.9	41.8	47.0	65.1	46.3	42.0	40.3	37.6	29.0	27.2	26.1	26.0	25.5
Israel	48.0	50.2	51.2	50.6	47.1	46.0	44.7	42.7	42.4	42.3	41.4	40.6	41.6	41.3	40.9	39.8	39.5	40.1	40.8	40.7
Italy	46.5	47.5	46.8	47.2	46.9	47.1	47.6	46.8	47.8	51.2	49.9	49.4	50.8	51.1	50.9	50.3	49.3	48.8	48.1	47.4
Japan	37.5	36.8	37.0	36.6	35.2	35.1	34.6	34.6	35.6	40.2	39.3	40.2	40.2	40.3	39.7	38.8	38.7	38.7	38.2	37.6
Korea	24.7	26.4	26.1	32.6	29.6	29.5	30.1	29.7	32.0	34.9	31.0	32.3	32.7	31.8	32.0	32.3	32.3	32.5	33.6	33.8
Latvia	37.3	34.8	35.1	33.4	34.7	34.2	36.0	34.0	37.6	44.2	45.5	40.5	38.0	37.7	38.1	38.2	37.1	38.0	38.2	37.7
Luxembourg	37.8	38.3	41.4	43.5	43.8	43.6	39.7	37.8	39.7	45.2	44.2	42.4	44.1	43.3	41.8	41.6	42.1	42.9	42.5	42.1
Netherlands	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	44.9	43.5	42.5	42.0	41.7
New Zealand	37.5	37.2	36.5	37.0	36.6	37.7	39.0	38.7	40.7	41.9	48.1	44.9	43.8	42.6	41.4	40.8	40.8	40.4	40.8	40.7
Norway	42.0	43.8	46.7	47.9	45.0	42.1	40.8	41.4	40.2	46.1	44.9	43.8	42.9	44.0	45.8	48.8	50.8	50.0	49.5	49.5
Poland	42.2	44.9	45.4	45.8	43.6	44.4	44.7	43.2	44.3	45.0	45.8	43.9	42.9	42.6	42.3	41.6	41.1	41.2	41.8	42.3
Portugal	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	48.2	44.9	45.9	44.1	43.0
Slovak Republic	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	45.2	41.5	40.4	40.0	39.5
Slovenia	46.1	47.0	45.8	45.8	45.3	44.9	44.2	42.2	43.9	48.2	49.3	50.0	48.5	59.5	49.9	47.7	45.3	43.1	42.2	41.9
Spain	39.2	38.5	38.6	38.3	38.7	38.3	38.3	39.0	41.2	45.8	45.6	45.8	48.1	45.6	44.8	43.8	42.2	41.0	40.5	40.0
Sweden	53.4	52.7	53.9	53.9	52.5	52.5	51.0	49.3	50.1	52.7	50.9	50.4	51.3	52.0	51.0	49.6	49.5	49.1	48.8	48.5
Switzerland	33.7	33.2	35.7	34.8	34.5	33.8	31.9	30.7	31.3	33.2	33.0	32.9	33.2	34.2	33.8	34.0	34.3	34.4	34.0	33.7
United Kingdom	35.4	36.6	37.7	38.9	40.2	41.2	41.0	41.1	44.7	47.8	47.8	46.2	46.0	44.2	43.3	42.4	41.5	40.8	40.2	39.5
United States[1]	33.9	35.2	36.3	36.8	36.5	36.6	36.4	37.2	39.7	43.2	43.2	42.0	40.2	38.9	38.2	37.8	37.9	37.7	37.6	37.9
Euro area	45.9	46.7	47.0	47.4	46.9	46.8	46.1	45.4	46.7	50.8	50.6	49.3	49.8	49.8	49.2	48.4	47.7	47.1	46.6	46.0
Total OECD	38.7	39.5	40.1	39.9	39.3	39.2	38.9	38.9	40.7	44.3	43.9	43.2	42.6	42.0	41.3	40.8	40.6	40.2	39.9	39.7

Note: Data refer to the general government sector, which is a consolidation of accounts for the central, state and local governments plus social security.

1. These data include outlays net of operating surpluses of public enterprises.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727843

Annex Table 30. **General government total tax and non-tax receipts**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	40.9	39.1	39.5	39.4	38.9	39.4	38.9	36.9	34.8	34.1	33.5	33.3	33.9	34.5	34.5	35.4	35.3	35.5	36.4	36.5
Austria	48.5	50.7	49.7	49.5	49.0	48.7	47.8	47.8	48.6	48.8	48.4	48.3	49.0	49.7	49.6	49.9	49.0	48.2	47.8	47.3
Belgium	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	52.2	51.4	50.8	51.3	50.3	49.8
Canada	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	38.6	38.6	39.8	39.6	39.3	39.0	39.0
Czech Republic	37.4	37.7	38.5	42.5	40.2	39.3	39.2	39.7	38.7	38.7	39.4	40.4	40.6	41.4	40.3	41.1	40.2	40.3	40.2	39.8
Denmark	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	54.6	56.4	53.3	53.2	52.9	51.0	50.2
Estonia	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	38.3	39.1	40.3	40.3	39.9	41.0	40.7
Finland	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	54.4	54.2	53.2	51.7	51.5
France	50.0	50.0	49.3	48.9	49.2	49.7	50.2	49.7	49.9	49.8	49.9	51.0	52.1	53.1	53.2	53.2	53.2	53.7	53.5	52.6
Germany	45.6	43.7	43.2	43.6	42.7	42.8	43.0	42.9	43.5	44.4	43.1	43.8	44.2	44.5	44.5	44.5	45.1	45.1	45.2	44.7
Greece	42.3	40.5	39.7	38.7	38.8	39.3	39.1	40.3	40.7	38.9	41.2	43.8	46.8	49.2	46.7	48.2	50.2	49.0	48.8	48.1
Hungary	44.1	43.1	42.0	41.9	42.1	41.6	42.2	44.8	44.9	45.8	44.8	44.0	46.1	46.7	46.8	48.2	44.9	44.5	44.6	44.7
Iceland	42.5	40.9	40.4	41.6	42.6	46.1	47.0	45.9	42.2	38.6	39.4	39.9	41.4	41.9	44.9	41.7	57.8	43.4	42.3	42.3
Ireland	35.8	33.5	32.7	33.4	34.5	35.0	36.7	36.2	34.8	33.2	33.0	33.6	33.9	34.2	34.0	27.1	26.7	25.8	25.7	25.3
Israel	44.8	44.6	44.4	43.0	41.9	42.0	42.9	42.0	39.6	36.6	37.7	37.7	36.8	37.2	37.5	37.7	37.4	38.1	38.0	37.9
Italy	44.1	44.1	43.8	43.9	43.4	43.0	44.1	45.3	45.2	45.9	45.7	45.7	47.9	48.2	47.9	47.8	46.8	46.5	46.3	46.4
Japan	30.2	30.5	29.6	29.1	29.9	30.7	31.6	31.8	31.5	30.5	30.1	31.1	31.9	32.7	34.4	35.3	35.2	35.2	35.1	35.1
Korea	29.1	29.4	29.6	30.6	29.9	31.0	32.4	33.9	34.3	33.6	32.0	33.3	33.7	33.1	33.2	33.6	34.6	35.3	35.7	35.7
Latvia	34.5	32.8	32.8	31.9	33.8	33.8	35.5	33.5	33.4	35.0	36.8	36.2	36.8	36.6	36.6	36.9	37.2	37.5	37.3	36.8
Luxembourg	43.7	44.2	43.8	43.7	42.6	43.7	41.6	42.0	43.0	44.5	43.5	42.9	44.4	44.3	43.2	42.9	43.8	44.4	43.0	42.6
Netherlands	43.6	42.8	41.8	41.7	41.9	42.1	43.2	42.7	43.8	42.7	43.2	42.7	43.2	43.9	43.9	42.8	43.8	43.6	42.7	42.6
New Zealand	39.2	38.6	39.8	40.5	40.5	42.3	44.2	43.0	41.2	39.0	40.7	40.7	41.6	41.9	41.6	41.0	41.9	41.3	41.0	40.7
Norway	57.1	57.0	55.8	55.1	55.9	56.9	58.8	58.5	58.9	56.4	55.9	57.2	56.7	54.7	54.5	54.9	54.8	54.5	54.4	54.5
Poland	39.2	40.1	40.6	39.7	38.5	40.4	41.1	41.4	40.7	37.8	38.5	39.1	39.1	38.5	38.6	38.9	38.8	39.6	40.3	40.7
Portugal	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	43.8	43.0	42.9	43.4	42.9
Slovak Republic	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	42.5	39.3	39.4	39.2	39.2
Slovenia	42.5	43.1	43.4	43.2	43.4	43.6	43.0	42.1	42.5	42.4	43.6	43.3	44.5	44.8	44.3	44.9	43.3	43.1	42.6	42.1
Spain	38.1	37.9	38.2	37.9	38.7	39.5	40.5	41.0	36.7	34.8	36.2	36.2	37.6	38.6	38.9	38.5	37.7	37.9	38.1	38.5
Sweden	56.6	54.2	52.4	52.7	52.9	54.3	53.2	52.7	52.0	52.0	50.9	50.2	50.3	50.6	49.5	49.8	50.7	50.3	49.8	49.4
Switzerland	34.2	33.4	33.9	33.4	33.1	33.1	32.8	32.3	33.2	33.7	33.4	33.6	33.6	33.8	33.6	34.7	34.7	35.5	34.8	34.2
United Kingdom	36.5	36.9	35.7	35.6	36.7	37.8	38.2	38.2	39.8	37.4	38.3	38.6	37.8	38.7	37.6	38.1	38.3	39.0	38.8	38.2
United States[1]	34.7	33.8	31.5	30.9	31.0	32.4	33.3	33.5	32.5	30.4	31.0	31.3	31.2	33.4	33.2	33.4	32.9	34.1	32.1	31.8
Euro area	45.5	44.7	44.3	44.2	43.9	44.1	44.6	44.7	44.5	44.5	44.4	45.0	46.2	46.8	46.7	46.3	46.2	46.2	46.0	45.6
Total OECD	38.2	37.6	36.5	35.5	35.6	36.3	37.1	37.2	36.9	35.8	35.8	36.3	36.6	37.7	37.7	37.9	37.7	38.2	37.3	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 103 database.

StatLink http://dx.doi.org/10.1787/888933727862

Annex Table 31. **General government financial balances**

Surplus (+) or deficit (-) as a per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.0	-0.1	1.7	2.6	1.5	2.3	2.6	2.1	0.0	-4.2	-4.1	-3.8	-3.0	-2.0	-1.8	-1.1	-1.5	-0.5	-0.2	0.2
Austria	-2.4	-0.7	-1.4	-1.8	-4.8	-2.5	-2.5	-1.4	-1.5	-5.3	-4.4	-2.6	-2.2	-2.0	-2.7	-1.0	-1.6	-0.7	-0.5	-0.1
Belgium	-0.1	0.2	0.0	-1.8	-0.2	-2.8	0.2	0.1	-1.1	-5.4	-4.0	-4.1	-4.2	-3.1	-3.1	-2.5	-2.5	-1.0	-1.3	-1.4
Brazil	-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	-10.2	-9.0	-7.8	-7.6	-7.1
Canada	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	-1.5	0.2	-0.1	-1.1	-1.0	-1.0	-1.0
China	-2.7	-2.3	-2.3	-1.9	-0.9	-0.7	0.1	1.7	1.3	-0.4	-0.4	0.2	0.5	-0.3	-0.3	-1.3	-3.0	-3.0	-3.0	-3.2
Czech Republic	-3.6	-5.5	-6.4	-6.9	-2.4	-3.0	-2.2	-0.7	-2.0	-5.4	-4.2	-2.7	-3.9	-1.2	-2.1	-0.6	0.7	1.6	1.6	1.4
Denmark	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	-1.2	1.1	-1.5	-0.4	1.0	-0.5	-0.4
Estonia	-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	-0.3	-0.3	0.4	-0.2
Finland	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	-1.8	-0.6	-0.8	-0.5
France	-1.3	-1.4	-3.1	-4.0	-3.6	-3.3	-2.4	-2.6	-3.3	-7.2	-6.9	-5.1	-5.0	-4.1	-3.9	-3.6	-3.4	-2.6	-2.3	-2.5
Germany	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	-0.1	0.5	0.8	1.0	1.3	1.5	1.5
Greece	-4.1	-5.5	-6.0	-7.8	-8.8	-6.2	-5.9	-6.7	-10.2	-15.1	-11.2	-10.3	-8.9	-13.2	-3.6	-5.7	0.6	0.8	0.5	0.4
Hungary	-3.0	-4.0	-8.8	-7.1	-6.5	-7.8	-9.3	-5.0	-3.7	-4.5	-4.5	-5.4	-2.4	-2.6	-2.6	-1.9	-1.7	-2.0	-2.6	-2.1
Iceland	1.2	-1.0	-2.8	-3.1	-0.3	4.5	5.9	4.9	-13.0	-9.6	-9.7	-5.6	-3.7	-1.8	-0.1	-0.8	12.6	1.5	1.4	1.3
India[1]	-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	-6.7	-6.3	-6.3	-6.5	-6.3	-6.0
Indonesia	..	..	..	..	..	..	..	..	0.1	-1.7	-0.3	-1.0	-1.3	-2.1	-1.9	-2.8	-2.4	-2.5	-2.3	-2.2
Ireland	4.9	1.0	-0.5	0.4	1.3	1.6	2.8	0.3	-7.0	-13.8	-32.1	-12.7	-8.0	-6.1	-3.6	-1.9	-0.5	-0.3	-0.3	-0.2
Israel	-3.2	-5.6	-6.8	-7.6	-5.2	-4.1	-1.7	-0.7	-2.8	-5.7	-3.7	-2.9	-4.8	-4.1	-3.3	-2.1	-2.1	-2.1	-2.8	-2.8
Italy	-2.4	-3.4	-3.0	-3.3	-3.5	-4.1	-3.5	-1.5	-2.6	-5.3	-4.2	-3.7	-2.9	-2.9	-3.0	-2.6	-2.5	-2.3	-1.8	-0.9
Japan	-7.4	-6.2	-7.4	-7.5	-5.3	-4.4	-3.0	-2.8	-4.1	-9.8	-9.1	-9.1	-8.3	-7.6	-5.4	-3.6	-3.4	-3.5	-3.0	-2.5
Korea	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	1.3	2.4	2.8	2.1	1.9
Latvia	-2.7	-1.9	-2.3	-1.5	-0.9	-0.4	-0.5	-0.5	-4.2	-9.1	-8.7	-4.3	-1.2	-1.2	-1.5	-1.4	0.1	-0.5	-0.9	-0.9
Lithuania	-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	-0.6	-0.2	0.3	0.5	0.5	0.5
Luxembourg	5.9	5.9	2.4	0.2	-1.3	0.1	1.9	4.2	3.3	-0.7	-0.7	0.5	0.3	1.0	1.3	1.4	1.6	1.5	0.5	0.6
Netherlands	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	-2.1	0.4	1.1	0.7	0.9
New Zealand	1.7	1.4	3.3	3.5	3.9	4.6	5.2	4.3	0.4	-2.9	-7.3	-4.2	-2.3	-0.7	0.2	0.2	1.2	0.9	0.2	0.0
Norway	15.1	13.2	9.1	7.2	10.9	14.8	18.0	17.1	18.7	10.3	11.0	13.4	13.8	10.8	8.7	6.1	4.0	4.4	4.9	5.1
Poland	-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	-3.6	-2.6	-2.3	-1.7	-1.5	-1.6
Portugal	-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	-2.0	-3.0	-0.7	-0.2
Russia	..	..	-0.6	1.4	5.0	5.0	6.9	4.7	6.1	-3.3	-1.0	3.2	2.0	-0.2	-2.3	-1.5	-3.6	-1.5	0.3	0.3
Slovak Republic	-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	-2.2	-1.0	-0.8	-0.3
Slovenia	-3.6	-3.9	-2.4	-2.6	-2.0	-1.3	-1.2	-0.1	-1.4	-5.8	-5.6	-6.7	-4.0	-14.7	-5.5	-2.9	-1.9	0.0	0.4	0.2
South Africa	-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	-3.8	-3.8	-3.5	-4.0	-3.7	-3.6
Spain	-1.1	-0.5	-0.4	-0.4	0.0	1.2	2.2	1.9	-4.4	-11.0	-9.4	-9.6	-10.5	-7.0	-6.0	-5.3	-4.5	-3.1	-2.4	-1.5
Sweden	3.2	1.4	-1.5	-1.3	0.4	1.8	2.2	3.4	1.9	-0.7	0.0	-0.2	-1.0	-1.4	-1.6	0.2	1.2	1.3	1.0	0.9
Switzerland	0.4	0.3	-1.8	-1.4	-1.4	-0.7	0.9	1.6	1.9	0.5	0.4	0.7	0.4	-0.4	-0.2	0.6	0.3	1.1	0.7	0.5
United Kingdom	1.0	0.3	-2.0	-3.3	-3.5	-3.4	-2.8	-2.9	-4.9	-10.4	-9.5	-7.6	-8.2	-5.6	-5.7	-4.3	-3.3	-1.8	-1.4	-1.3
United States	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	-4.3	-5.0	-3.6	-5.5	-6.1
Euro area	-0.5	-2.0	-2.7	-3.2	-3.0	-2.6	-1.5	-0.7	-2.2	-6.2	-6.2	-4.2	-3.7	-3.0	-2.5	-2.0	-1.5	-0.9	-0.6	-0.4
Total OECD	-0.5	-1.8	-3.6	-4.4	-3.7	-2.8	-1.8	-1.6	-3.8	-8.5	-8.1	-6.8	-6.0	-4.3	-3.6	-3.0	-2.9	-2.0	-2.6	-2.7
General government financial balances excluding social security																				
United States	-0.7	-3.0	-6.3	-7.3	-6.7	-5.5	-4.5	-5.0	-8.4	-13.7	-12.6	-11.2	-9.3	-5.7	-5.1	-4.5	-5.2	-3.9	-5.7	-6.3
Japan	-7.9	-6.5	-7.3	-7.7	-5.8	-4.6	-3.0	-2.6	-3.6	-8.7	-8.1	-8.3	-7.6	-7.2	-5.7	-4.5	-4.6	-4.4	-3.5	-2.6

Note: Financial balances include one-off factors, such as those resulting from the sale of mobile telephone licenses. Data for OECD countries are on a national accounts basis, while data for non-OECD countries are based on country-specific definitions. 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 103 database.

StatLink http://dx.doi.org/10.1787/888933727881

Annex Table 32. **General government cyclically-adjusted balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	0.9	0.1	1.3	2.6	1.0	2.0	2.4	1.4	-0.4	-4.2	-3.8	-3.2	-2.8	-1.3	-1.0	-0.1	-0.5	0.6	0.7	0.7
Austria	-3.9	-1.4	-1.6	-1.2	-4.4	-2.3	-3.3	-3.2	-2.9	-3.7	-3.2	-2.4	-1.6	-0.7	-1.2	0.5	-0.3	-0.4	-1.0	-0.9
Belgium	-1.1	0.2	0.3	-0.7	-0.2	-2.8	-0.2	-1.4	-2.0	-3.7	-3.4	-3.9	-3.3	-1.6	-1.7	-1.3	-1.5	-0.5	-1.1	-1.6
Canada	0.8	-0.6	-1.4	-0.9	-0.3	0.2	0.4	0.5	-0.4	-1.7	-3.3	-2.4	-1.4	-0.6	0.7	0.9	0.2	-0.5	-0.8	-1.2
Czech Republic	-3.6	-5.2	-5.1	-5.4	-1.3	-2.8	-3.2	-2.5	-3.6	-4.3	-3.5	-2.5	-3.1	0.2	-1.0	-0.8	0.7	0.8	0.4	0.1
Denmark	0.2	0.2	-0.1	0.5	1.8	4.0	2.4	2.7	1.9	-0.3	-1.1	-0.9	-1.9	0.3	2.3	-0.5	0.0	0.9	-0.8	-1.0
Estonia	0.7	0.9	1.4	2.4	2.9	0.1	-0.4	-2.2	-4.6	3.6	4.6	2.6	0.2	0.4	1.0	0.7	0.5	-0.4	0.0	-0.6
Finland	5.6	4.3	4.2	3.1	2.1	2.2	2.4	1.9	1.5	0.1	-1.3	-0.9	-0.8	-0.5	-0.5	0.2	0.3	0.5	-0.9	-1.4
France	-2.8	-2.7	-3.9	-4.2	-4.3	-4.1	-3.8	-4.5	-4.2	-5.6	-5.8	-4.7	-3.9	-2.7	-2.5	-2.2	-1.9	-1.9	-2.0	-2.5
Germany	0.9	-3.3	-3.7	-3.2	-2.8	-2.6	-2.0	-0.8	-0.8	-0.8	-3.3	-1.2	-0.1	0.0	0.4	0.7	0.8	0.6	0.6	0.4
Greece	-3.4	-5.0	-5.8	-8.8	-10.8	-7.7	-9.2	-11.0	-14.3	-17.2	-10.7	-5.6	-1.0	-3.9	3.2	1.3	7.0	6.5	5.3	4.4
Hungary	-2.8	-4.0	-9.4	-8.0	-8.4	-10.5	-12.9	-7.6	-5.6	-2.2	-2.2	-3.6	0.7	0.2	-1.0	-0.9	-0.8	-2.0	-3.6	-3.4
Iceland	0.4	-2.0	-2.4	-2.2	-2.0	1.7	3.2	-0.3	-18.1	-8.4	-5.3	-1.5	0.4	0.8	2.5	0.5	11.6	-0.2	-0.3	-0.2
Ireland	3.2	-0.4	-1.9	-0.1	0.2	-0.1	0.4	-3.1	-7.6	-11.1	-28.6	-10.7	-4.9	-2.3	-1.6	-3.7	-0.7	-1.1	-1.2	-0.9
Israel	-5.3	-5.7	-5.1	-4.8	-3.3	-2.5	-1.3	-1.5	-3.3	-5.4	-4.1	-3.9	-4.9	-4.5	-3.6	-2.0	-2.2	-2.0	-2.9	-2.8
Italy	-3.4	-4.6	-3.8	-3.7	-4.1	-4.9	-5.1	-3.4	-3.8	-3.4	-3.2	-3.0	-0.8	0.0	-0.3	-0.4	-0.9	-1.5	-1.6	-1.1
Japan	-6.4	-4.9	-5.8	-6.2	-4.6	-4.1	-3.0	-3.2	-4.0	-7.1	-8.2	-7.9	-7.6	-7.6	-5.2	-3.6	-3.5	-3.9	-3.5	-3.0
Korea	4.5	3.3	3.1	-1.9	0.1	1.4	1.8	3.2	1.7	-0.9	0.4	0.5	1.0	1.6	1.5	1.7	2.9	3.4	2.8	2.6
Latvia	-1.3	-0.3	-0.6	-0.6	-0.7	-1.2	-3.3	-5.5	-7.2	-5.6	-4.2	-2.5	-0.1	-0.1	-0.3	-0.3	1.1	-0.1	-1.0	-1.1
Luxembourg	4.1	5.1	1.8	0.6	-0.9	0.5	1.3	1.1	2.1	1.4	0.1	1.3	2.9	3.2	2.3	2.4	2.5	2.6	0.9	0.2
Netherlands	0.2	-1.7	-2.2	-2.3	-1.0	0.2	-0.4	-1.5	-1.6	-4.6	-4.4	-4.1	-2.6	-0.6	-0.6	-0.8	1.4	1.3	0.3	0.0
New Zealand	1.5	1.7	2.9	2.6	2.7	3.7	4.4	3.0	0.6	-2.1	-6.5	-3.3	-1.5	0.3	1.0	0.5	1.1	0.9	0.3	0.1
Norway[1]	1.2	1.0	-0.6	-1.6	-0.8	-0.3	0.7	1.7	1.1	0.1	0.6	1.0	0.6	0.0	-0.5	0.4	0.8	-0.3	-0.3	-0.4
Poland	-2.6	-3.0	-2.0	-3.2	-3.0	-1.8	-2.3	-1.9	-3.7	-6.9	-7.0	-5.3	-3.5	-3.2	-2.8	-2.1	-1.7	-1.8	-2.3	-2.7
Portugal	-5.5	-6.8	-4.5	-4.2	-6.2	-5.9	-4.3	-3.8	-4.1	-8.2	-10.4	-5.5	-1.9	-0.2	-2.7	-0.9	0.9	-0.9	0.7	0.8
Slovenia	-3.5	-3.3	-1.9	-1.9	-1.7	-1.5	-2.6	-3.2	-4.9	-4.9	-4.8	-5.8	-1.7	-10.9	-3.0	-0.8	-0.5	0.1	-0.7	-1.6
Spain	-2.0	-2.0	-1.8	-1.7	-1.3	-0.3	0.1	-0.6	-5.9	-8.7	-6.1	-5.0	-3.3	1.2	1.4	0.1	-1.0	-1.1	-1.7	-1.6
Sweden	2.4	1.5	-1.0	-0.8	0.0	1.2	0.0	0.5	1.0	2.9	1.0	0.2	0.6	0.6	0.0	0.4	1.0	0.9	0.3	0.4
Switzerland	-0.3	-0.1	-1.5	-0.4	-0.7	-0.4	0.4	0.5	0.9	1.2	0.7	1.1	1.2	0.3	0.3	1.3	1.1	2.0	1.3	0.8
United Kingdom	0.8	0.3	-2.0	-3.7	-4.0	-4.5	-4.2	-4.6	-5.6	-8.0	-7.6	-5.9	-6.7	-4.5	-5.3	-4.3	-3.4	-2.1	-1.7	-1.5
United States	-0.4	-1.7	-4.6	-6.0	-6.2	-5.4	-4.5	-4.9	-7.1	-10.2	-10.0	-8.5	-7.1	-3.6	-3.5	-3.5	-4.1	-3.1	-5.6	-6.7
Euro area	-1.3	-2.9	-3.1	-3.1	-3.1	-2.9	-2.6	-2.5	-3.3	-4.4	-4.9	-3.4	-1.9	-0.8	-0.5	-0.5	-0.3	-0.4	-0.7	-0.8
Total OECD	-1.2	-2.1	-3.5	-4.3	-4.1	-3.6	-3.0	-3.1	-4.5	-6.7	-6.9	-5.6	-4.6	-2.7	-2.3	-2.0	-2.1	-1.7	-2.7	-3.2

Note: For more details on the methodology used for estimating the cyclical component of government balances, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727900

Annex Table 33. **General government underlying balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	0.8	0.2	1.4	2.4	0.9	1.8	2.2	1.2	-0.7	-4.1	-3.6	-3.2	-2.8	-1.6	-1.1	-0.8	-0.6	0.6	0.7	0.7
Austria	-4.2	-1.0	-1.5	-1.3	-0.9	-2.5	-3.5	-3.4	-3.2	-3.3	-3.2	-2.5	-1.5	-1.2	0.0	1.0	-0.1	-0.4	-1.0	-0.9
Belgium	-1.0	0.1	0.1	-0.3	-0.5	-0.7	-0.5	-1.3	-1.8	-3.3	-3.1	-3.0	-2.2	-1.6	-1.4	-1.0	-1.5	-0.5	-1.1	-1.6
Canada	0.7	-0.7	-1.5	-0.9	-0.2	0.3	0.5	0.6	-0.4	-1.6	-3.1	-2.2	-1.2	-0.4	0.8	1.0	0.2	-0.5	-0.8	-1.2
Czech Republic	-5.2	-4.5	-3.8	-7.3	-1.9	-2.5	-3.7	-2.8	-3.6	-5.0	-4.0	-2.9	0.1	0.0	-1.0	-0.6	0.7	0.8	0.4	0.1
Denmark	0.3	-0.2	-0.1	0.6	1.7	3.9	2.2	2.6	2.2	-0.3	-1.1	-0.7	-0.6	-1.1	-0.4	-1.4	0.1	1.0	-0.4	-0.5
Estonia	0.5	0.9	1.4	2.3	2.6	0.1	-0.9	-2.1	-3.3	0.9	1.2	0.6	1.1	0.2	1.4	1.3	0.8	-0.1	0.1	-0.5
Finland	5.6	4.4	4.3	3.0	2.1	2.3	2.4	1.9	1.4	0.2	-1.2	-0.8	-0.8	-0.6	-0.4	0.3	0.3	0.5	-0.9	-1.4
France	-2.9	-2.6	-3.9	-4.4	-4.5	-4.3	-3.8	-4.5	-4.0	-5.4	-5.7	-4.7	-3.9	-2.7	-2.5	-2.3	-1.8	-1.8	-1.7	-1.5
Germany	-1.2	-2.7	-3.1	-2.7	-2.5	-2.3	-1.9	-0.8	-0.5	-0.7	-2.3	-1.2	-0.2	-0.1	0.3	0.5	0.7	0.6	0.6	0.4
Greece	-4.9	-6.1	-6.0	-9.5	-11.2	-9.4	-11.7	-13.0	-15.0	-17.1	-11.3	-6.3	0.4	3.3	1.9	4.6	6.7	6.1	5.3	4.4
Hungary	-2.8	-3.8	-7.9	-8.1	-9.0	-10.9	-12.8	-6.9	-5.0	-2.0	-2.2	-2.3	0.8	0.2	-1.3	-1.3	-1.5	-2.0	-3.6	-3.4
Iceland	0.3	-1.8	-2.4	-2.2	-2.0	1.6	3.0	-0.7	-5.1	-8.3	-2.2	-0.9	0.8	0.5	3.6	1.8	-4.2	-0.2	-0.3	-0.2
Ireland	3.0	-0.3	-2.1	-0.1	0.3	-0.1	0.0	-3.5	-7.1	-8.4	-8.1	-7.0	-4.9	-3.0	-1.9	-3.0	-0.9	-1.0	-1.2	-0.9
Israel	-5.2	-5.5	-4.8	-4.7	-3.1	-2.4	-1.2	-1.3	-3.2	-4.9	-4.2	-4.1	-5.0	-4.6	-3.8	-2.1	-2.2	-2.0	-2.9	-2.8
Italy	-4.6	-4.2	-3.5	-4.7	-4.5	-4.8	-3.8	-3.0	-3.6	-3.5	-3.2	-3.5	-0.6	-0.2	-0.2	-0.1	-0.8	-1.4	-1.6	-1.1
Japan	-6.0	-5.5	-5.9	-5.8	-5.3	-4.0	-4.4	-3.3	-4.8	-7.1	-8.4	-7.7	-7.5	-7.4	-5.7	-4.4	-3.7	-3.9	-3.5	-3.0
Korea	4.2	3.0	2.8	2.5	0.8	1.8	2.3	2.6	1.0	-0.4	0.2	0.8	1.2	1.3	1.6	1.8	2.9	3.4	2.8	2.6
Latvia	-1.1	0.3	0.0	-1.3	-0.8	-1.7	-2.8	-5.3	-7.7	-5.6	-3.0	-2.4	-0.6	-0.3	-0.2	-0.2	1.1	-0.1	-1.0	-1.1
Luxembourg	4.0	3.5	1.9	0.7	-0.6	0.6	1.7	1.0	1.8	1.5	0.2	1.3	2.9	3.3	2.2	2.4	2.5	2.6	0.9	0.2
Netherlands	-0.3	-1.3	-2.0	-2.1	-1.1	0.0	-0.8	-1.6	-1.6	-3.9	-4.0	-4.2	-2.6	-1.2	-0.8	-1.3	1.4	1.3	0.3	0.0
New Zealand	1.5	1.8	3.0	2.6	2.6	3.6	4.4	2.9	0.8	-2.0	-2.5	-1.7	-0.7	0.7	1.1	0.5	1.1	0.9	0.3	0.1
Norway[1]	1.7	0.9	-0.6	-1.6	-0.9	-0.3	0.7	1.6	1.2	0.1	0.5	1.0	0.6	-0.1	-0.5	0.4	0.8	-0.3	-0.3	-0.4
Poland	-2.7	-3.1	-2.1	-2.9	-3.1	-1.8	-2.3	-2.0	-3.5	-6.5	-7.5	-6.3	-4.0	-3.3	-3.0	-2.4	-2.3	-1.8	-2.3	-2.7
Portugal	-5.6	-6.8	-5.3	-4.6	-5.9	-5.9	-4.1	-3.8	-4.5	-8.0	-8.1	-5.5	-3.3	-1.0	0.1	-0.2	0.9	1.0	0.7	0.8
Slovenia	-3.6	-3.4	-2.0	-1.6	-1.8	-1.7	-3.0	-3.3	-4.9	-5.3	-5.4	-5.2	-2.4	-1.8	-3.3	-0.8	-0.5	0.1	-0.7	-1.6
Spain	-2.0	-1.9	-1.7	-1.7	-0.8	-0.1	0.4	-0.1	-5.1	-7.8	-5.5	-4.3	-0.1	1.4	1.3	0.1	-1.0	-1.1	-1.7	-1.6
Sweden	2.3	1.4	-0.9	-0.7	-0.1	1.3	0.0	0.6	1.1	2.9	1.0	0.4	0.4	0.5	0.0	0.3	1.0	0.9	0.2	0.4
Switzerland	1.0	0.2	-0.1	-0.5	-0.7	-0.6	0.1	0.2	1.0	1.0	0.5	1.0	0.7	0.6	0.1	1.1	1.1	1.9	1.2	0.8
United Kingdom[2]	0.6	0.1	-2.2	-3.8	-4.4	-4.0	-4.6	-5.3	-5.7	-7.5	-7.9	-6.6	-7.0	-6.4	-6.7	-5.6	-4.2	-2.8	-2.3	-2.0
United States	-0.5	-1.7	-4.6	-5.9	-6.1	-5.3	-4.6	-4.8	-6.8	-9.5	-9.6	-8.3	-7.0	-3.7	-3.6	-3.7	-4.1	-4.3	-5.6	-6.7
Euro area	-2.2	-2.6	-2.9	-3.1	-3.0	-2.8	-2.5	-2.4	-3.1	-4.1	-4.2	-3.3	-1.5	-0.7	-0.5	-0.4	-0.2	-0.4	-0.6	-0.6
Total OECD	-1.5	-2.1	-3.5	-4.1	-4.2	-3.5	-3.2	-3.1	-4.4	-6.3	-6.6	-5.5	-4.4	-2.9	-2.5	-2.3	-2.2	-2.2	-2.8	-3.2

Note: The underlying balances are adjusted for the cycle and for one-offs. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727919

Annex Table 34. **General government underlying primary balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.6	0.6	1.8	2.5	1.1	1.7	2.0	0.9	-1.2	-4.4	-3.6	-3.1	-2.7	-1.3	-0.7	-0.5	-0.4	0.9	1.0	1.0
Austria	-1.4	1.7	1.1	1.1	1.4	-0.2	-1.2	-1.1	-0.9	-1.1	-1.1	-0.4	0.7	0.8	1.9	2.8	1.6	1.0	0.3	0.2
Belgium	5.3	6.1	5.4	4.5	3.9	3.3	3.3	2.3	1.7	0.0	0.2	0.2	1.0	1.3	1.4	1.7	1.0	1.7	0.8	0.2
Canada	3.8	2.2	1.1	0.9	1.3	1.3	1.1	1.1	-0.1	-0.5	-2.2	-1.6	-0.5	0.1	1.0	1.7	0.9	-0.1	-0.2	-0.6
Czech Republic	-5.1	-4.2	-3.5	-6.9	-1.3	-1.9	-3.0	-2.1	-2.9	-4.1	-3.0	-1.9	1.2	1.0	0.1	0.4	1.4	1.4	1.0	0.7
Denmark	3.1	2.3	2.2	2.6	3.5	5.4	3.4	3.5	2.8	0.5	-0.3	0.1	0.2	-0.3	0.3	-0.4	0.8	1.4	-0.2	-0.3
Estonia	0.6	0.9	1.4	2.1	2.5	-0.1	-1.2	-2.5	-3.8	0.7	1.1	0.5	1.0	0.1	1.3	1.2	0.7	-0.1	0.1	-0.5
Finland	6.5	4.9	4.3	3.0	2.1	2.2	2.2	1.6	0.9	-0.1	-1.2	-0.7	-0.6	-0.5	-0.2	0.5	0.5	0.7	-0.7	-1.2
France	-0.3	0.1	-1.2	-1.9	-1.9	-1.8	-1.4	-1.9	-1.4	-3.2	-3.5	-2.3	-1.5	-0.6	-0.5	-0.5	-0.1	-0.1	-0.2	-0.1
Germany	1.6	-0.1	-0.6	-0.2	-0.1	0.1	0.5	1.6	1.8	1.6	-0.2	0.8	1.5	1.4	1.5	1.4	1.5	1.4	1.2	1.0
Greece	1.5	-0.1	-0.6	-4.6	-6.3	-4.7	-7.1	-8.2	-10.0	-12.2	-5.9	-0.1	4.3	6.3	5.0	7.4	9.4	8.7	8.4	7.4
Hungary	1.9	0.1	-4.3	-4.4	-4.9	-6.9	-8.9	-3.0	-1.3	1.8	1.4	1.2	4.7	4.3	2.4	2.1	1.6	0.7	-1.1	-0.9
Iceland	2.3	-0.2	-1.3	-0.7	-0.7	2.8	3.4	-0.5	-5.2	-5.3	0.4	1.6	3.9	3.8	7.1	5.5	-1.1	3.1	3.2	3.1
Ireland	4.7	0.8	-0.9	1.0	1.3	0.8	0.8	-2.8	-6.4	-7.0	-5.9	-4.5	-1.8	0.3	1.3	-0.5	1.3	0.9	0.7	0.7
Israel	1.4	0.6	0.8	1.6	2.9	3.5	3.7	3.1	0.8	-1.3	-0.5	-0.5	-1.5	-1.4	-0.7	0.8	0.4	0.4	-0.5	-0.3
Italy	1.4	1.7	1.9	0.1	0.0	-0.4	0.5	1.7	1.2	0.5	0.8	0.9	4.2	4.2	4.0	3.7	2.9	2.2	1.9	2.3
Japan	-4.8	-4.6	-5.1	-5.1	-4.9	-3.8	-4.4	-3.2	-4.5	-6.7	-7.8	-7.0	-6.7	-6.8	-5.1	-4.0	-3.2	-3.5	-3.3	-3.0
Korea	3.2	2.2	2.1	2.4	0.7	1.2	1.5	1.7	0.9	-1.2	-0.4	0.3	0.9	0.8	1.5	1.7	2.6	3.0	2.2	2.1
Latvia	-0.6	0.8	0.5	-0.7	-0.2	-1.3	-2.4	-5.1	-7.4	-4.7	-1.8	-1.1	0.8	0.8	0.8	0.8	1.9	0.6	-0.4	-0.6
Luxembourg	2.7	2.2	0.8	-0.2	-1.4	-0.1	0.9	-0.1	0.5	1.0	0.0	1.1	2.7	3.2	2.0	2.2	2.3	2.5	0.8	0.2
Netherlands	2.3	1.0	-0.1	-0.3	0.6	1.5	0.7	-0.3	-0.2	-2.7	-2.8	-3.0	-1.5	-0.1	0.2	-0.4	2.2	2.1	0.9	0.6
New Zealand	3.0	3.2	4.1	3.6	3.5	4.2	4.8	3.0	1.1	-1.4	-1.7	-0.7	0.5	1.5	1.9	1.3	1.8	1.6	0.9	0.7
Norway[1]	-0.1	-1.1	-2.8	-3.7	-3.0	-2.4	-1.6	-1.4	-2.1	-2.4	-1.7	-1.2	-1.5	-2.2	-2.9	-2.4	-1.9	-2.9	-2.9	-3.0
Poland	-0.1	-0.4	-0.1	-0.6	-0.8	0.3	-0.2	-0.1	-1.8	-4.4	-5.4	-4.1	-1.7	-1.2	-1.3	-0.8	-0.7	-0.4	-0.9	-1.2
Portugal	-2.9	-4.2	-2.7	-2.3	-3.6	-3.6	-1.6	-1.1	-1.8	-5.3	-5.4	-1.8	0.7	2.9	4.1	3.8	4.6	4.6	4.2	4.0
Slovenia	-1.8	-1.6	-0.3	-0.2	-0.4	-0.4	-1.8	-2.2	-4.1	-4.4	-4.4	-3.8	-1.0	0.1	-0.7	1.9	2.0	2.2	1.1	-0.1
Spain	0.9	0.7	0.7	0.3	1.0	1.4	1.7	1.0	-4.0	-6.5	-4.1	-2.4	2.1	4.0	3.9	2.6	1.4	1.1	0.4	0.3
Sweden	4.4	3.1	1.0	0.5	0.8	2.2	0.8	1.3	1.6	3.2	1.3	0.7	0.5	0.5	0.0	0.2	0.8	0.7	0.1	0.2
Switzerland	2.0	1.1	0.9	0.4	0.2	0.3	0.9	0.8	1.6	1.5	1.0	1.3	1.1	0.9	0.3	1.3	1.3	2.1	1.4	0.9
United Kingdom[2]	2.7	2.0	-0.6	-2.2	-2.8	-2.2	-2.9	-3.4	-4.0	-6.1	-5.5	-3.8	-4.5	-3.9	-4.4	-3.6	-2.0	-0.4	0.1	0.2
United States	2.4	0.9	-2.0	-3.2	-3.5	-2.6	-2.0	-2.1	-4.2	-6.8	-6.8	-5.3	-4.0	-1.5	-1.0	-1.0	-1.2	-1.4	-2.4	-3.4
Euro area	1.2	0.7	0.2	-0.3	-0.3	-0.2	0.1	0.2	-0.5	-1.7	-1.8	-0.7	1.0	1.6	1.7	1.5	1.6	1.3	1.0	0.9
Total OECD	1.1	0.3	-1.2	-1.9	-2.1	-1.5	-1.3	-1.2	-2.5	-4.4	-4.5	-3.3	-2.2	-1.0	-0.6	-0.5	-0.3	-0.4	-0.9	-1.3

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 103 database.

StatLink http://dx.doi.org/10.1787/888933727938

Annex Table 35. **General government net debt interest payments**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	0.8	0.4	0.4	0.1	0.3	-0.1	-0.2	-0.3	-0.5	-0.3	0.0	0.1	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Austria	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	1.5	1.3	1.1
Belgium	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	2.5	2.2	1.9	1.8
Canada	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	0.5	0.3	0.6	0.7	0.4	0.6	0.7
Czech Republic	0.1	0.3	0.3	0.4	0.6	0.6	0.6	0.6	0.6	0.9	1.0	1.1	1.2	1.1	1.1	0.9	0.8	0.6	0.6	0.5
Denmark	2.8	2.4	2.3	2.0	1.8	1.4	1.2	0.9	0.5	0.8	0.8	0.9	0.8	0.7	0.6	0.9	0.7	0.4	0.2	0.1
Estonia	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	0.0	0.0	0.0
Finland	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	0.2	0.3	0.2	0.2
France	2.5	2.6	2.6	2.5	2.5	2.4	2.4	2.5	2.6	2.2	2.3	2.5	2.4	2.2	2.1	1.9	1.8	1.6	1.5	1.5
Germany	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	1.1	0.9	0.8	0.7	0.6	0.5
Greece	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	3.3	3.0	3.0	3.5	3.2
Hungary	4.7	4.0	3.6	3.7	3.9	3.8	3.6	3.7	3.6	4.0	3.8	3.7	4.2	4.3	3.8	3.4	3.1	2.8	2.5	2.5
Iceland	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	3.4	3.6	3.7	3.1	3.2	3.4	3.2
Ireland	1.6	1.1	1.1	1.1	1.0	0.9	0.7	0.6	0.7	1.4	2.3	2.6	3.2	3.5	3.4	2.4	2.1	1.9	1.8	1.6
Israel	6.4	6.1	5.8	6.6	6.2	6.1	4.9	4.4	3.9	3.7	3.6	3.5	3.5	3.2	3.1	2.9	2.6	2.5	2.5	2.5
Italy	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	3.9	3.8	3.6	3.5	3.4
Japan	1.3	1.0	0.8	0.7	0.5	0.1	0.0	0.0	0.3	0.5	0.6	0.7	0.8	0.7	0.5	0.4	0.5	0.4	0.2	0.0
Korea	-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	-0.3	-0.5	-0.5	-0.6
Luxembourg	-1.2	-1.3	-1.1	-0.9	-0.8	-0.7	-0.8	-1.0	-1.2	-0.5	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1
Netherlands	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	0.7	0.6	0.5
New Zealand	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	0.8	0.8	0.7	0.6	0.6	0.5
Norway	-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	-2.7	-2.7	-2.6	-2.6	-2.6
Poland	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	1.4	1.4	1.5
Portugal	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	4.3	3.9	3.7	3.5	3.3
Slovak Republic	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	1.4	1.2	1.1	1.0
Slovenia	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	2.8	2.8	2.6	2.1	1.8	1.4
Spain	2.9	2.5	2.3	2.0	1.8	1.5	1.3	1.1	1.0	1.3	1.5	2.0	2.5	2.9	3.0	2.7	2.5	2.3	2.1	1.9
Sweden	2.1	1.7	2.0	1.2	0.9	0.9	0.8	0.7	0.5	0.3	0.2	0.3	0.1	0.1	0.0	-0.1	-0.1	-0.2	-0.2	-0.1
Switzerland	1.0	0.9	1.0	0.9	0.9	0.9	0.8	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.1
United Kingdom	2.1	1.8	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.5	2.6	2.8	2.6	2.5	2.4	2.0	2.1	2.4	2.3	2.2
United States	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	3.0	2.9	3.2	3.3
Euro area	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	2.4	2.3	2.0	1.9	1.7	1.6	1.5
Total OECD	2.6	2.4	2.3	2.2	2.1	2.0	1.9	1.9	1.9	2.0	2.1	2.2	2.2	1.8	1.9	1.9	1.9	1.8	1.9	1.8

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727957

Annex Table 36. **General government gross financial liabilities**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	25	25	22	19	17	15	13	14	16	22	25	30	34	36	39	41	42	43	41	39
Austria	71	72	76	74	73	81	78	75	80	92	96	97	105	102	109	108	108	101	99	97
Belgium[1]	120	119	118	115	110	108	100	94	101	109	108	110	120	118	131	128	128	122	120	119
Canada	85	85	84	80	76	76	75	71	72	84	86	89	93	90	92	97	98	94	94	94
Czech Republic	24	28	31	34	33	33	32	31	35	42	46	49	58	58	55	52	48	44	42	40
Denmark	60	58	58	56	52	45	40	35	42	49	53	60	61	57	59	54	52	50	51	51
Estonia	7	7	8	8	9	8	8	7	8	13	12	10	13	14	14	13	13	13	12	12
Finland	51	48	48	49	50	46	44	40	39	50	56	57	64	65	71	74	75	74	74	74
France	72	71	74	78	80	82	77	75	81	93	97	101	110	111	120	120	123	122	122	122
Germany	60	59	61	64	68	70	68	64	68	76	85	84	88	83	83	79	77	72	68	66
Greece	111	115	116	110	114	116	116	114	119	135	127	109	167	183	184	186	190	185	182	178
Hungary	61	59	60	61	64	67	71	72	75	84	86	95	98	96	99	98	97	92	90	88
Iceland	40	45	41	40	35	27	32	30	70	85	90	97	95	87	80	72	66	65	63	61
Ireland	38	36	34	33	32	32	28	28	48	68	85	114	132	133	123	90	84	82	80	78
Israel	80	84	90	93	91	88	80	73	72	75	71	69	68	67	66	64	62	61	61	61
Italy	119	118	117	114	116	119	116	112	115	127	126	120	138	146	159	159	157	155	153	151
Japan[2]	131	137	145	150	156	159	157	155	164	181	187	202	210	213	218	217	222	224	225	225
Korea	..	..	..	..	..	..	..	..	29	32	33	36	38	41	44	46	45	45	44	45
Latvia	14	16	16	17	18	14	14	13	23	41	53	49	48	45	51	47	50	48	48	48
Luxembourg	16	16	16	18	19	17	16	16	24	22	27	27	28	29	29	29	27	29	31	33
Netherlands	60	56	57	58	58	57	51	48	61	64	68	72	78	77	81	77	75	69	66	64
New Zealand	36	34	32	30	28	27	26	25	28	33	37	40	41	40	41	40	38	36	36	36
Norway	32	31	39	48	50	47	58	56	54	48	48	34	35	35	33	39	43	42	51	52
Poland	45	44	53	56	53	55	54	51	53	57	61	61	64	65	70	69	72	68	67	66
Portugal	62	63	67	71	77	80	79	78	83	96	104	108	139	143	153	151	148	148	145	142
Slovak Republic	58	57	49	48	45	38	36	35	34	42	47	50	58	61	60	60	60	58	57	56
Slovenia	..	37	38	37	37	35	35	30	30	44	48	52	62	80	100	103	98	89	86	84
Spain	65	61	59	54	53	50	46	42	47	62	67	78	93	106	118	116	117	115	113	112
Sweden	58	59	59	58	58	58	52	47	47	49	46	47	47	49	56	54	53	50	48	45
Switzerland	55	54	60	59	60	57	51	46	46	44	43	43	44	43	43	43	43	42	41	40
United Kingdom	49	45	48	47	50	51	51	52	64	77	89	104	107	103	113	112	121	118	117	116
United States	53	53	55	58	66	65	64	64	73	87	95	100	103	105	105	105	107	105	107	109
Euro area	76	75	76	77	78	79	76	72	77	88	92	94	105	106	112	110	109	105	103	101
Total OECD	69	69	71	73	77	77	75	73	80	91	97	102	108	109	112	112	113	111	111	111

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.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727976

Annex Table 37. **General government net financial liabilities**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	-15	-13	-15	-19	-21	-22	-25	-26	-26	-23	-19	-12	-9	-10	-8	-10	-12	-12	-12	-11
Austria	35	34	38	36	38	45	43	40	44	50	51	53	58	58	60	57	59	54	52	50
Belgium[1]	101	98	99	96	91	89	81	74	77	83	82	83	92	90	98	95	93	88	87	85
Canada	46	44	44	40	35	31	27	24	23	29	31	34	35	31	31	29	29	25	25	24
Czech Republic	-21	-20	-11	-4	-7	-9	-9	-12	-4	1	9	9	17	18	20	20	17	12	10	8
Denmark	26	22	21	18	14	9	1	-5	-7	-6	-3	1	7	4	5	5	4	1	2	2
Estonia	-30	-29	-29	-29	-32	-32	-31	-28	-26	-29	-36	-33	-31	-31	-31	-42	-40	-39	-37	-35
Finland	-30	-30	-30	-37	-45	-56	-67	-70	-50	-60	-62	-49	-49	-52	-53	-53	-53	-59	-55	-53
France	32	35	39	41	43	41	35	32	43	50	55	59	67	66	74	76	79	76	76	76
Germany	31	33	37	40	44	46	45	40	41	46	48	50	50	46	46	43	41	37	34	31
Greece	85	89	92	84	86	84	86	81	91	102	92	72	105	125	135	147	149	146	142	137
Hungary	33	32	36	37	41	44	51	53	51	58	60	62	69	70	71	67	66	63	61	59
Ireland	15	11	13	11	8	6	1	0	12	25	48	62	79	81	80	58	55	52	50	48
Italy	96	97	97	93	95	96	92	89	92	103	101	96	112	118	130	132	130	127	126	123
Japan[2]	50	57	66	71	74	71	70	72	87	99	108	120	123	120	121	121	126	128	129	129
Korea[3]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Latvia	-8	-11	-11	-8	-6	-5	-4	-4	-1	5	13	15	14	15	18	21	20	19	19	18
Luxembourg	-50	-54	-53	-53	-50	-49	-51	-55	-52	-56	-51	-45	-48	-49	-49	-49	-51	-51	-49	-47
Netherlands	28	28	31	32	33	30	27	24	23	28	32	37	40	40	44	42	41	36	34	31
New Zealand	23	21	17	13	8	4	-1	-5	-5	-1	2	4	7	6	5	5	3	1	1	1
Norway	-71	-87	-82	-96	-104	-122	-135	-140	-124	-154	-164	-160	-169	-207	-249	-285	-289	-308	-299	-293
Poland	15	19	24	26	22	23	21	16	16	21	27	30	35	38	42	42	43	40	39	39
Portugal	38	40	44	47	54	56	55	55	60	70	71	67	91	100	110	110	105	109	106	103
Slovak Republic	13	11	1	2	5	10	15	14	15	22	28	33	31	33	35	35	37	36	35	33
Slovenia	..	-11	-10	-6	-7	-7	-9	-16	-5	0	1	4	11	16	24	28	31	29	27	25
Spain	43	41	39	36	34	29	22	17	22	34	39	48	59	69	81	81	83	81	80	79
Sweden	3	-2	4	1	-1	-7	-16	-21	-16	-24	-25	-26	-29	-29	-28	-27	-31	-33	-33	-32
Switzerland	9	8	14	15	17	15	11	6	9	5	8	7	5	6	0	4	0	-1	-1	-2
United Kingdom	29	27	30	29	31	32	32	33	39	49	56	72	73	71	82	82	91	87	86	85
United States	34	34	36	39	47	46	45	45	51	63	70	76	80	81	81	80	81	80	82	84
Euro area	46	47	49	49	50	50	46	42	46	54	56	58	65	66	72	71	70	67	65	63
Total OECD	36	36	39	40	44	42	40	38	43	52	57	62	66	66	68	68	69	67	67	67

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.
3. Consolidated data on SNA 2008 basis are not available.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933727995

Annex Table 38. **Maastricht definition of general government gross public debt**

Per cent of nominal GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Austria	66.0	66.7	66.8	65.9	65.4	68.7	67.2	64.9	68.9	79.9	82.7	82.4	81.9	81.3	84.0	84.6	83.5	78.2	76.3	74.1
Belgium	108.8	107.6	104.7	101.1	96.5	94.7	91.0	87.0	92.5	99.5	99.7	102.6	104.3	105.5	107.0	106.1	106.0	103.4	101.6	100.1
Czech Republic	17.0	22.8	25.9	28.3	28.6	27.9	27.7	27.5	28.3	33.5	37.4	39.9	44.5	44.9	42.2	39.9	36.8	34.6	32.4	30.5
Denmark	52.4	48.5	49.1	46.2	44.2	37.4	31.5	27.3	33.3	40.2	42.6	46.1	44.9	44.0	44.3	39.9	37.9	36.4	36.9	37.2
Estonia	5.1	4.8	5.7	5.6	5.1	4.6	4.4	3.7	4.5	7.0	6.6	6.1	9.7	10.2	10.7	10.0	9.4	9.0	8.6	8.5
Finland	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	63.5	63.0	61.4	60.8	60.2
France	58.5	58.0	59.9	64.0	65.6	67.1	64.3	64.2	68.6	82.8	85.0	87.7	90.5	93.3	94.7	95.6	96.7	96.7	96.8	96.7
Germany	58.9	57.7	59.3	63.0	65.0	67.1	66.5	63.6	65.2	72.6	81.1	78.7	79.8	77.4	74.6	71.1	68.4	64.0	60.7	57.9
Greece	104.7	106.9	104.7	101.4	102.8	107.3	103.5	103.0	109.5	126.7	145.8	171.9	159.4	177.5	179.1	177.1	181.1	179.2	176.1	171.9
Hungary	55.3	51.9	55.3	57.9	58.7	60.5	64.5	65.5	71.6	77.8	80.2	80.5	78.4	77.1	76.6	76.7	76.0	73.6	72.2	69.8
Ireland	36.1	33.2	30.6	29.9	28.2	26.1	23.6	23.9	42.4	61.5	86.1	110.4	119.7	119.6	104.7	77.1	72.9	68.1	66.3	63.7
Italy	104.9	104.8	102.0	100.4	100.2	101.9	102.4	99.8	102.4	112.6	115.5	116.5	123.4	129.0	131.7	131.6	132.0	131.7	130.0	127.6
Latvia	12.1	13.8	13.0	13.7	14.0	11.4	9.6	8.0	18.2	35.8	46.8	42.7	41.2	39.0	40.9	36.8	40.5	40.1	39.8	39.6
Luxembourg	7.2	7.3	7.1	6.9	7.3	7.4	7.8	7.7	14.9	15.7	19.8	18.7	22.0	23.7	22.7	22.0	20.8	23.0	25.0	27.1
Netherlands	51.7	49.1	48.4	49.6	49.8	49.2	44.7	42.6	54.7	56.8	59.3	61.6	66.3	67.8	68.0	64.6	61.8	56.7	54.2	51.6
Poland	36.6	37.2	41.8	46.6	45.0	46.4	46.9	44.2	46.3	49.4	53.1	54.1	53.7	55.7	50.3	51.1	54.2	50.6	49.8	49.2
Portugal	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	128.8	129.9	125.7	123.1	120.0
Slovak Republic	49.6	48.3	42.9	41.6	40.6	34.1	31.0	30.1	28.5	36.3	41.2	43.7	52.2	54.7	53.5	52.3	51.8	50.9	49.9	48.1
Slovenia	25.9	26.1	27.3	26.7	26.8	26.3	26.0	22.8	21.8	34.6	38.4	46.6	53.8	70.4	80.3	82.6	78.6	73.6	69.3	68.3
Spain	58.0	54.2	51.3	47.6	45.3	42.3	38.9	35.6	39.5	52.8	60.1	69.5	85.7	95.5	100.4	99.4	99.0	98.3	97.1	96.0
Sweden	50.8	52.3	50.3	49.7	49.0	49.3	44.0	39.2	37.8	41.4	38.7	37.9	38.1	40.7	45.5	44.2	42.2	40.6	38.1	35.8
United Kingdom	37.0	34.4	34.5	35.7	38.7	39.9	40.8	41.9	49.9	64.1	75.6	81.3	84.5	85.6	87.4	88.2	88.2	87.7	87.7	87.5
Euro area	68.1	67.1	66.9	68.2	68.6	69.3	67.4	65.1	69.0	79.4	85.0	87.6	91.8	94.1	94.4	92.4	91.4	88.9	87.0	84.9

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728014

Annex Table 39. **Short-term interest rates**

Per cent, per annum

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017	2018	2019
																		Fourth quarter		
Australia	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	1.7	1.9	2.2	1.7	2.1	2.3
Brazil	23.1	16.4	19.1	15.1	12.0	12.5	9.9	10.0	11.8	8.5	8.4	11.0	13.5	14.2	9.9	6.6	7.1	..	..	..
Canada	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	1.1	1.7	2.1	1.3	1.8	2.3
Chile	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	3.5	2.7	2.6	3.4	2.5	2.8	3.8
China	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	4.4	4.4	4.4	4.4	4.4	4.4
Colombia	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	6.0	5.1	5.1	..	..	..
Czech Republic	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	0.9	1.4	0.7	1.0	1.5
Denmark	2.4	2.2	2.2	3.2	4.4	5.3	2.5	1.2	1.4	0.6	0.3	0.3	-0.1	-0.1	-0.3	-0.3	-0.1	-0.3	-0.3	0.0
Estonia	2.9	2.5	2.4	3.2	4.9	6.7	5.9	1.6												
Hungary	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	0.7	0.0	0.4	2.0	0.0	0.9	2.4
Iceland	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	5.1	4.8	5.1	4.7	5.0	5.2
India[1]	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	6.2	6.3	..	..	..
Indonesia	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	6.5	6.1	6.6	..	..	..
Israel	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	0.1	0.2	1.0	0.1	0.4	1.6
Japan	0.1	0.1	0.1	0.3	0.8	0.9	0.5	0.2	0.2	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Korea	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	1.7	2.0	1.5	1.9	2.2
Latvia	3.8	4.2	3.1	4.4	8.7	8.0	13.1	2.0	1.0	0.9	0.4									
Lithuania	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	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	4.3	6.9	7.5	6.8	7.2	7.3	6.3
New Zealand	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	2.0	2.3	1.9	2.0	2.5
Norway	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	0.9	1.0	1.4	0.8	1.2	1.7
Poland	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	1.7	1.9	2.7	1.7	2.2	3.0
Slovak Republic	6.2	4.7	2.9	4.3	4.3															
Slovenia	6.8	4.7	4.0	3.6																
South Africa	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	7.3	7.0	6.7	..	..	..
Sweden	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	-0.3	0.2	-0.6	-0.2	0.3
Switzerland	0.3	0.5	0.8	1.6	2.6	2.5	0.4	0.2	0.1	0.1	0.0	0.0	-0.8	-0.7	-0.7	-0.7	-0.6	-0.7	-0.7	-0.5
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	10.3	12.8	13.8	13.1	13.9	13.6	12.8
United Kingdom	3.7	4.6	4.7	4.8	6.0	5.5	1.1	0.7	0.9	0.9	0.5	0.6	0.6	0.5	0.4	0.7	1.4	0.4	1.1	1.4
United States	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	1.3	2.3	3.2	1.5	2.6	3.5
Euro area	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	-0.2	-0.3	-0.3	-0.1

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728033

Annex Table 40. **Long-term interest rates**

Per cent, per annum

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2017 Fourth quarter	2018 Fourth quarter	2019 Fourth quarter
Australia	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	2.3	2.6	2.8	3.0	2.6	2.9	3.0
Austria	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	0.6	0.8	1.0	0.5	0.9	1.1
Belgium	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	0.7	0.9	1.1	0.6	0.9	1.1
Canada	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	1.3	1.8	2.5	3.6	2.0	2.9	3.9
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	4.2	4.6	4.8	4.5	4.7	4.8
Colombia	15.5	14.6	11.8	9.2	10.0	11.9	9.6	8.5	8.1	6.9	6.4	7.0	7.8	8.0	6.8	6.9	6.9	..	..	..
Czech Republic	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	1.0	2.0	2.5	1.5	2.5	2.5
Denmark	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	0.5	0.7	0.9	0.5	0.7	0.9
Finland	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	0.5	0.8	1.0	0.5	0.8	1.0
France	4.1	4.1	3.4	3.8	4.3	4.2	3.6	3.1	3.3	2.5	2.2	1.7	0.8	0.5	0.8	0.9	1.1	0.7	1.0	1.2
Germany	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	0.3	0.6	0.8	0.3	0.7	0.9
Greece	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	8.4	6.0	4.0	3.8	5.1	3.9	3.7
Hungary	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	3.0	2.8	3.9	2.3	3.2	4.2
Iceland	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	5.6	4.9	5.0	5.3	4.8	5.1	5.4
India[1]	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	7.2	7.0	7.4	7.3	..	..	..
Ireland	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	0.8	1.1	1.3	0.6	1.1	1.3
Israel	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	1.9	2.0	2.7	1.6	2.3	2.8
Italy	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	2.1	2.1	2.3	1.9	2.1	2.3
Japan	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	0.0	0.1	0.1	0.1	0.0	0.1	0.1
Korea	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	2.3	2.8	3.1	2.5	3.0	3.3
Latvia	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	0.8	0.8	1.0	0.7	0.8	1.0
Luxembourg	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	0.5	0.8	1.0	0.5	0.8	1.0
Mexico	9.0	9.5	9.4	8.4	7.8	8.3	7.9	7.2	6.9	6.3	5.9	6.1	6.0	6.1	6.8	6.9	6.6	6.8	6.8	6.5
Netherlands	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	0.5	0.7	0.9	0.5	0.8	1.0
New Zealand	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	2.8	3.0	3.0	3.6	2.9	3.2	3.8
Norway	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	1.6	2.0	2.3	1.6	2.2	2.5
Poland	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	3.4	3.5	4.3	3.3	3.9	4.7
Portugal	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	3.2	3.1	1.9	2.1	2.0	2.0	2.2
Slovak Republic	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	0.5	0.9	1.0	1.2	0.8	1.1	1.3
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	1.1	1.0	1.1	1.5	0.8	1.2	1.6
South Africa	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	9.0	9.1	8.8	8.4	..	..	..
Spain	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	1.6	1.5	1.8	1.5	1.6	1.8
Sweden	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	0.7	1.0	1.5	0.8	1.2	1.7
Switzerland	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	-0.1	0.2	0.5	-0.1	0.4	0.6
Turkey	..	..	..	16.0	16.8	19.3	13.5	9.5	9.4	8.5	7.7	9.2	9.3	9.8	11.2	12.7	12.2	12.3	12.5	12.0
United Kingdom	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	1.2	1.7	2.0	1.3	2.0	2.0
United States	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	2.3	3.1	4.1	2.4	3.5	4.4
Euro area	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	1.0	1.1	1.3	0.9	1.2	1.4

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728052

Annex Table 41. **Nominal exchange rates (vis-à-vis the US dollar)**

Average of daily rates

	Monetary unit	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Assumptions[1] 2018	Assumptions[1] 2019
Argentina	*Argentinean pesos*	3.074	3.116	3.162	3.728	3.910	4.126	4.548	5.478	8.122	9.258	14.767	16.559	20.301	20.535
Australia	*Australian Dollar*	1.328	1.195	1.198	1.282	1.090	0.969	0.966	1.036	1.109	1.331	1.345	1.305	1.307	1.320
Brazil	*Brazilian Real*	2.175	1.947	1.835	2.000	1.760	1.674	1.953	2.158	2.354	3.331	3.489	3.192	3.427	3.497
Canada	*Canadian Dollar*	1.134	1.074	1.068	1.141	1.030	0.989	0.999	1.030	1.105	1.278	1.325	1.298	1.280	1.286
Chile	*Chilean Peso*	530.3	522.2	523.5	558.9	510.0	483.4	486.0	495.3	570.6	654.3	676.5	648.7	602.9	603.5
China	*Yuan Renminbi*	7.972	7.607	6.950	6.831	6.769	6.463	6.309	6.148	6.160	6.284	6.645	6.761	6.335	6.331
Colombia	*Colombian Peso*	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	3 053.9	2 951.3	2 819.7	2 812.6
Costa Rica	*Costa Rican Colon*	511.54	517.24	526.53	570.56	521.89	502.39	503.13	500.96	537.22	534.59	543.96	567.78	566.68	565.475
Czech Republic	*Czech Koruna*	22.59	20.29	17.08	19.05	19.08	17.67	19.54	19.56	20.76	24.59	24.44	23.39	20.85	20.944
Denmark	*Danish Krone*	5.943	5.443	5.099	5.359	5.622	5.357	5.790	5.618	5.619	6.725	6.731	6.602	6.102	6.123
Estonia	*Estonian Kroon*	12.5	11.4	10.7	11.3	11.8									
Hungary	*Forint*	210.4	183.6	172.5	202.1	207.8	200.9	224.8	223.6	232.6	279.2	281.5	274.5	256.0	257.4
Iceland	*Iceland Krona*	69.90	64.07	88.00	123.66	122.24	116.06	125.12	122.17	116.69	131.90	120.84	106.82	100.91	101.00
India	*Indian Rupee*	45.3	41.3	43.5	48.3	45.7	46.6	53.4	58.6	61.0	64.2	67.2	65.1	66.1	66.8
Indonesia	*Rupiah*	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	13 307.6	13 381.5	13 831.9	13 930.0
Israel	*New Israeli Sheqel*	4.46	4.11	3.58	3.93	3.73	3.57	3.85	3.61	3.58	3.89	3.84	3.60	3.55	3.58
Japan	*Yen*	116.4	117.8	103.4	93.6	87.8	79.7	79.8	97.6	105.8	121.0	108.8	112.2	108.9	109.3
Korea	*Won*	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	1 160.6	1 130.6	1 077.1	1 079.7
Latvia	*Lats*	0.555	0.512	0.480	0.508	0.535	0.508	0.543	0.529						
Lithuania	*Lithuanian Litas*	2.752	2.523	2.360	2.485	2.608	2.484	2.687	2.601	2.600					
Mexico	*Mexican Peso*	10.90	10.93	11.15	13.50	12.63	12.43	13.15	12.77	13.31	15.87	18.63	18.87	18.73	18.79
New Zealand	*New Zealand Dollar*	1.542	1.361	1.425	1.600	1.388	1.266	1.235	1.220	1.206	1.434	1.437	1.407	1.402	1.415
Norway	*Norwegian Krone*	6.415	5.858	5.648	6.290	6.042	5.605	5.815	5.877	6.302	8.064	8.400	8.271	7.913	7.950
Poland	*Zloty*	3.103	2.765	2.410	3.119	3.015	2.962	3.252	3.160	3.154	3.770	3.944	3.779	3.457	3.483
Russia	*Russian Ruble*	27.18	25.57	24.87	31.77	30.37	29.40	31.05	31.86	38.59	61.26	67.05	58.33	61.18	62.80
Slovak Republic	*Slovak Koruna*	29.65	24.68												
Slovenia	*Tolar*	191.0													
South Africa	*Rand*	6.770	7.056	8.263	8.417	7.305	7.249	8.202	9.648	10.846	12.765	14.703	13.306	12.288	12.433
Sweden	*Swedish Krona*	7.373	6.758	6.597	7.653	7.202	6.489	6.769	6.513	6.860	8.429	8.556	8.547	8.429	8.548
Switzerland	*Swiss Franc*	1.253	1.200	1.084	1.086	1.043	0.887	0.937	0.927	0.915	0.962	0.985	0.985	0.973	0.984
Turkey	*New Turkish Lira*	1.430	1.300	1.299	1.547	1.499	1.672	1.792	1.905	2.189	2.723	3.022	3.649	4.006	4.071
United Kingdom	*Pound Sterling*	0.543	0.500	0.546	0.641	0.647	0.624	0.631	0.640	0.607	0.654	0.741	0.777	0.717	0.718
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*	0.796	0.730	0.681	0.718	0.754	0.719	0.778	0.753	0.753	0.901	0.904	0.885	0.822	0.826

1. On the technical assumption that exchange rates remain at their levels of 26 April 2018.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728071

Annex Table 42. **Effective exchange rates**

Indices 2010 = 100, average of daily rates

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Assumptions[1] 2018	Assumptions[1] 2019
Argentina	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	35.3	30.7	24.6	24.5
Australia	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	90.7	93.6	89.7	89.0
Austria	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	101.7	103.6	103.6
Belgium	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	101.8	102.5	105.2	105.3
Brazil	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	62.8	68.5	62.4	61.3
Canada	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	85.1	86.9	86.3	86.0
Chile	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	91.4	95.0	99.9	100.2
China	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	117.1	121.8	122.4
Colombia	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	73.9	76.1	78.2	78.6
Costa Rica	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	109.0	104.0	101.9	102.4
Czech Republic	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	96.2	99.0	104.7	104.8
Denmark	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	101.7	102.5	105.5	105.7
Estonia	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	110.4	109.1	113.0	113.5
Finland	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	107.1	106.6	110.6	111.0
France	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	100.4	101.3	103.6	103.6
Germany	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	101.6	102.3	105.2	105.3
Greece	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	106.4	106.8	110.8	111.0
Hungary	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	91.0	91.8	93.1	93.2
Iceland	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	125.6	139.5	140.8	141.5
India	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	80.6	76.9	76.3
Indonesia	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	76.8	76.3	71.0	70.7
Ireland	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	97.7	99.3	102.3	102.2
Israel	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	115.1	122.3	120.2	119.6
Italy	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	103.1	103.6	106.9	107.0
Japan	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	90.9	87.3	87.0	87.0
Korea	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	117.8	119.6	119.8
Latvia	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	120.4	117.1	122.6	123.4
Lithuania	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	113.3	111.4	116.0	116.5
Luxembourg	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	99.6	100.2	101.7	101.8
Mexico	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	72.8	71.7	70.9	70.8
Netherlands	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	102.0	102.7	105.2	105.3
New Zealand	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	111.0	112.6	109.3	108.7
Norway	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	86.5	85.8	85.9
Poland	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	95.7	97.9	101.4	101.3
Portugal	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	102.0	103.9	104.0
Russia	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	54.0	61.5	55.8	54.5
Slovak Republic	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	104.3	104.0	105.7	105.9
Slovenia	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	103.7	103.8	106.1	106.3
South Africa	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	58.2	63.8	66.5	65.9
Spain	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	102.2	103.1	105.7	105.8
Sweden	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	102.1	98.0	97.1
Switzerland	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	127.2	126.3	121.2	120.4
Turkey	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	62.2	50.2	43.8	43.3
United Kingdom	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	105.4	98.8	102.1	102.5
United States	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	121.7	121.3	117.1	117.6
Euro area	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	103.8	104.9	110.0	110.1

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 26 April 2018.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728090

Annex Table 43. **Nominal house prices**

Percentage changes from previous period

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	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	5.5	8.3
Austria	..	..	..	0.9	0.6	0.3	-1.9	5.0	4.1	4.7	1.1	3.9	9.4	6.3	7.3	5.2	3.5	4.9	8.5	5.3
Belgium	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	1.6	2.6	3.7
Canada	-1.3	2.8	4.3	4.7	8.1	8.3	8.2	8.0	11.7	11.6	5.5	-2.8	8.9	5.0	4.8	2.6	5.3	5.4	9.9	12.1
Chile	..	..	..	..	..	2.3	5.1	3.7	-0.5	7.1	-1.0	3.1	7.6	5.4	5.2	8.4	6.3	9.2	2.5	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	-3.8	-1.8	0.0	-1.5	0.0	2.5	4.0	7.2	11.7
Denmark	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	4.7	4.4
Estonia	..	..	..	..	..	..	..	..	49.5	20.8	-9.6	-37.2	5.7	8.5	7.3	10.7	13.7	6.9	4.7	5.5
Finland	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	0.9	1.1
France	2.0	6.9	8.7	7.9	8.6	11.9	15.1	15.4	12.0	6.5	0.9	-7.1	5.1	5.9	-0.5	-2.1	-1.8	-1.9	0.9	3.0
Germany	-0.9	0.1	0.5	0.1	-1.3	0.4	-1.6	1.2	-0.4	-2.1	1.4	0.8	1.0	3.5	3.4	3.1	3.1	4.7	6.0	4.0
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	-5.1	-2.4	-1.0
Hungary	..	..	..	..	..	..	..	..	..	..	2.4	-5.2	-2.4	-3.4	-3.7	-2.6	4.2	13.1	13.4	8.5
Iceland	..	..	..	..	..	..	..	..	16.8	9.4	6.2	-9.7	-3.0	4.6	6.9	5.8	8.4	8.2	9.8	19.5
Ireland	24.1	21.5	20.6	12.4	7.0	14.2	11.2	8.6	14.9	7.5	-6.9	-19.2	-13.5	-17.1	-13.5	1.2	16.5	11.5	7.5	10.9
Israel	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	7.5	3.9
Italy	2.1	5.6	8.3	8.2	9.6	10.3	9.9	7.5	6.4	5.2	1.7	-3.7	-1.0	0.8	-2.8	-5.8	-4.4	-2.6	-0.8	-0.4
Japan	-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	2.2	2.6
Korea	-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	1.6	1.2
Latvia	..	..	..	..	..	..	..	..	..	36.3	1.1	-37.3	-11.0	10.4	3.0	6.8	6.0	-3.4	8.5	8.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	3.3	-1.2	5.4	3.7	4.2	5.0	4.4	5.4	6.0	5.6
Mexico	..	..	..	..	..	..	..	..	6.7	7.6	4.6	5.4	3.9	4.2	4.8	3.8	4.4	6.6	7.5	6.1
Netherlands	10.9	16.4	18.2	11.1	6.4	3.6	4.3	3.8	4.3	4.8	2.2	-4.5	-1.7	-2.0	-6.7	-6.0	0.8	3.6	5.3	8.1
New Zealand	-1.7	2.2	-0.4	1.8	10.2	19.6	17.9	13.5	10.5	10.9	-4.4	-1.6	2.0	1.2	4.7	9.1	6.5	11.8	13.1	6.5
Norway	11.1	11.1	15.9	6.9	5.0	1.7	10.2	8.3	13.7	12.6	-1.1	1.9	8.2	8.0	6.8	4.0	2.7	6.1	7.0	5.0
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	0.1	-3.5	-4.4	1.0	1.5	1.9	3.9
Portugal	4.5	9.0	7.7	5.4	0.6	1.1	0.6	2.3	2.1	0.5	-6.3	0.2	0.8	-4.9	-7.1	-1.9	4.2	3.1	7.1	9.2
Slovak Republic	..	..	..	..	..	..	..	..	16.7	29.0	17.9	-12.8	-4.0	-1.5	-2.7	0.9	1.4	5.4	6.7	5.9
Slovenia	..	..	..	..	..	..	..	..	..	..	7.0	-9.5	0.1	2.7	-6.9	-5.2	-6.6	0.8	3.3	8.0
Spain	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	4.6	6.2
Sweden	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	8.6	6.4
Switzerland	-0.9	-0.1	0.0	0.9	-0.2	1.4	3.6	3.7	6.2	5.9	3.8	0.5	2.8	6.4	4.9	3.0	2.7	2.6	1.6	1.9
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	7.3	9.4	10.5	12.2	14.5	12.2	10.5
United Kingdom	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	7.0	4.7
United States	4.8	6.1	6.7	6.9	7.1	7.7	9.5	10.5	5.9	0.0	-8.1	-5.9	-3.0	-4.2	3.0	7.2	5.1	5.4	6.1	6.7
Euro area	2.9	5.4	6.5	5.8	6.3	7.6	7.4	8.0	6.9	4.4	0.9	-3.8	0.9	1.0	-2.3	-2.0	0.2	1.6	3.4	3.8
Total OECD	3.1	4.6	5.4	4.9	6.2	6.4	6.4	6.9	5.7	3.3	-2.2	-4.1	0.7	-0.4	1.0	3.0	3.7	4.6	5.2	5.4

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933728109

Annex Table 44. **Real house prices**

Percentage changes from previous period

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	5.9	6.1	4.7	7.6	15.4	15.4	4.7	-0.3	3.2	7.2	0.8	1.4	9.3	-4.4	-2.7	4.1	7.0	7.4	4.6	7.0
Austria	..	..	..	-1.5	-0.5	-1.2	-3.6	2.5	2.0	2.1	-1.0	3.4	7.5	3.1	4.8	3.0	1.4	3.4	7.3	3.2
Belgium	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	-1.2	1.1	1.1	1.5
Canada	-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	3.3	4.3	8.8	10.9
Chile	..	..	..	..	..	-0.2	3.2	-1.1	-3.6	3.0	-8.3	1.2	4.0	1.2	2.0	5.2	0.5	3.3	-0.8	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	-4.7	-2.2	-1.7	-3.6	-0.8	1.8	3.9	6.6	8.9
Denmark	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	-3.9	-4.9	3.1	3.1	6.3	4.2	3.1
Estonia	..	..	..	..	..	..	..	..	41.2	12.2	-16.5	-37.1	1.7	2.8	3.3	7.5	13.2	7.0	3.6	1.9
Finland	7.0	5.5	0.8	-4.0	4.3	5.3	7.8	7.0	5.0	3.5	-2.6	-2.1	7.1	-0.5	-1.2	-0.8	-1.9	-1.1	0.0	0.2
France	1.7	7.4	6.3	5.9	7.7	10.0	12.7	13.3	9.7	4.3	-1.8	-5.8	4.0	4.0	-1.9	-2.8	-1.9	-2.1	1.0	2.1
Germany	-1.4	-0.3	-0.3	-1.7	-2.6	-1.4	-2.5	-0.3	-1.4	-3.7	-0.3	1.2	-0.9	1.4	1.9	2.1	2.2	4.1	5.3	2.2
Greece	9.0	5.9	7.1	11.2	11.6	2.8	-1.0	7.7	9.5	2.4	-2.7	-5.2	-7.7	-7.6	-12.2	-9.3	-5.5	-3.7	-1.5	-2.1
Hungary	..	..	..	..	..	..	..	..	..	..	-3.1	-9.0	-5.9	-6.9	-9.3	-4.3	3.2	13.4	13.5	6.1
Iceland	..	..	..	..	..	..	..	..	8.9	4.4	-7.2	-21.2	-5.0	1.2	1.1	2.5	5.3	7.3	8.8	21.2
Ireland	20.1	18.4	15.6	8.3	2.4	10.3	9.8	7.5	12.5	4.8	-8.1	-13.3	-11.2	-17.8	-14.9	-0.5	15.2	11.0	6.6	9.6
Israel	-1.7	-1.3	-6.5	-4.1	0.9	-6.0	-1.2	-1.4	-1.9	-2.8	2.1	11.6	14.3	7.1	1.4	7.5	5.9	6.4	7.9	3.7
Italy	0.2	3.6	4.7	5.4	6.5	7.2	7.3	5.3	3.7	2.8	-1.4	-3.3	-2.4	-2.1	-5.4	-6.9	-4.6	-2.8	-0.9	-1.5
Japan	-1.7	-2.5	-2.9	-3.4	-4.0	-5.2	-5.6	-4.4	-2.9	-0.6	0.0	-3.6	2.9	0.6	-0.3	1.8	-0.5	2.0	2.7	2.4
Korea	-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	0.6	-0.3
Latvia	..	..	..	..	..	..	..	..	..	22.0	-10.7	-35.0	-8.7	4.1	-0.4	6.6	4.3	-2.4	7.4	5.7
Luxembourg	..	..	..	..	..	..	..	..	..	..	0.4	-0.7	4.3	0.4	2.4	2.8	3.7	5.8	6.0	3.7
Mexico	..	..	..	..	..	..	..	..	1.9	2.1	-1.5	2.0	-1.3	-1.0	-0.4	-0.1	0.2	4.4	3.0	0.7
Netherlands	8.8	14.6	14.5	7.4	3.2	1.6	2.7	2.3	1.6	2.5	0.1	-3.5	-2.7	-4.0	-8.1	-8.2	0.1	3.3	4.4	6.3
New Zealand	-3.1	1.3	-2.4	-0.3	8.0	19.0	16.4	11.4	7.3	9.1	-7.8	-4.2	0.7	-1.6	3.9	8.4	5.6	11.0	12.4	5.0
Norway	8.4	8.9	12.7	4.6	3.6	-1.2	8.9	7.0	11.6	11.2	-4.4	-0.6	6.0	6.8	5.6	1.9	0.5	3.6	3.6	3.4
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.6	-6.6	-4.8	1.1	2.7	2.3	2.0
Portugal	2.0	6.3	3.9	1.6	-2.8	-2.4	-1.6	-1.5	-1.4	-2.8	-8.9	2.2	-1.0	-6.5	-8.8	-2.7	3.9	2.1	6.1	7.9
Slovak Republic	..	..	..	..	..	..	..	..	11.3	25.7	13.0	-12.8	-4.9	-5.2	-5.9	-0.4	1.5	5.5	7.0	4.4
Slovenia	..	..	..	..	..	..	..	..	..	..	1.3	-10.2	-1.3	0.9	-8.5	-7.2	-6.5	1.4	3.6	5.3
Spain	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	0.1	3.7	4.7	4.4
Sweden	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	12.1	7.6	4.6
Switzerland	-1.1	-0.4	-1.4	0.3	0.2	0.4	3.1	2.6	4.9	4.5	1.9	1.1	2.3	6.4	6.0	3.5	2.9	3.2	1.8	1.7
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	-1.7	1.7	5.8	4.0	6.1	5.3	-0.3
United Kingdom	9.9	10.3	14.1	7.8	15.5	14.3	10.2	4.8	4.9	7.8	-8.1	-9.8	3.9	-5.0	-1.7	0.2	5.9	5.4	5.5	2.6
United States	4.0	4.6	4.1	4.9	5.6	5.6	6.8	7.4	3.2	-2.4	-10.8	-5.8	-4.6	-6.5	1.0	5.8	3.6	5.1	4.8	4.9
Euro area	1.7	4.4	3.9	3.3	4.3	5.3	5.2	5.8	4.5	2.0	-1.7	-3.1	-0.7	-1.3	-4.1	-3.1	-0.3	1.3	3.0	2.3
Total OECD	2.1	3.5	3.4	3.2	4.9	4.7	4.6	4.7	3.3	1.1	-4.9	-4.1	-0.8	-2.8	-0.9	1.6	2.0	3.8	4.1	3.4

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933728128

Annex Table 45. **House price-to-rent ratio**

Long-term average = 100

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	79.3	82.9	87.1	93.9	108.8	126.1	130.7	130.2	134.8	141.3	136.4	132.8	142.2	133.1	127.4	131.4	139.8	150.0	157.1	169.1
Austria	..	..	101.2	99.3	98.2	94.4	89.4	90.8	92.4	94.9	94.7	94.0	98.9	101.7	104.6	106.7	106.2	106.6	112.3	113.5
Belgium	85.0	89.7	93.2	95.8	99.5	104.0	110.9	121.5	128.8	136.2	139.5	136.0	138.6	142.5	143.5	143.3	139.6	140.5	142.8	146.5
Canada	75.6	76.9	79.3	81.8	86.6	92.5	99.0	106.1	117.3	128.9	133.7	128.0	137.7	143.0	147.8	149.2	154.8	161.3	176.1	196.2
Denmark	91.9	95.6	99.1	102.0	103.1	103.5	109.8	127.1	154.6	155.5	143.6	122.6	122.6	117.1	111.0	113.0	115.2	120.9	124.9	128.4
Finland	95.0	100.5	98.6	93.8	99.9	106.8	114.4	120.3	122.6	121.9	117.6	121.6	132.3	131.5	128.9	127.2	122.7	118.1	116.5	115.4
France	70.0	73.6	80.1	86.1	91.2	99.3	111.2	123.8	134.1	138.6	136.8	124.5	128.9	134.9	132.1	127.3	123.7	120.7	121.4	124.9
Germany	90.9	90.2	89.5	88.6	86.3	85.7	83.7	83.9	82.7	80.0	80.1	79.9	79.7	81.5	83.3	84.8	86.2	89.2	93.3	95.5
Greece	83.8	87.3	92.9	102.2	110.9	111.1	107.9	114.8	124.3	126.3	123.3	113.9	106.3	99.6	89.7	85.8	85.5	84.9	85.1	86.2
Ireland	92.5	135.4	146.0	135.7	148.6	180.2	194.9	194.7	182.6	149.3	123.6	150.3	126.8	92.1	82.1	83.8	98.3	108.8	113.9	121.6
Israel	97.3	93.6	90.8	84.7	79.9	78.1	79.1	80.5	80.3	82.8	90.6	92.1	104.1	110.5	110.1	117.4	122.6	127.7	135.4	138.6
Italy	77.1	78.8	83.3	88.1	94.4	101.3	108.3	113.9	118.3	121.7	120.8	112.6	109.3	108.3	103.1	95.9	92.0	89.5	88.5	88.0
Japan	108.0	104.9	101.0	96.8	91.9	86.4	81.5	77.7	75.4	74.8	75.3	71.2	72.6	72.9	72.6	74.1	75.6	77.6	79.6	81.9
Korea	76.6	78.9	80.6	80.5	88.8	93.5	92.7	93.9	99.7	107.7	112.8	112.1	112.4	113.4	110.2	106.2	105.4	105.6	105.4	105.0
Netherlands	94.1	106.1	122.1	132.2	136.8	137.5	139.1	140.9	143.5	147.5	148.3	138.4	133.0	128.2	116.9	105.9	102.2	102.4	105.6	112.1
New Zealand	71.8	74.2	73.7	82.8	89.6	103.9	118.8	131.6	142.2	153.3	142.2	137.9	138.5	137.7	140.9	150.5	156.9	171.4	189.7	197.6
Norway	81.2	87.8	97.9	100.8	101.3	99.0	106.9	113.5	126.2	139.4	133.9	131.9	138.8	146.6	153.6	155.0	155.0	160.0	168.0	172.7
Portugal	97.4	104.7	110.1	113.0	110.1	108.7	106.6	106.5	106.0	103.7	94.3	92.0	90.8	85.6	78.0	75.6	75.4	76.9	81.0	87.6
Spain	82.7	85.4	88.5	93.0	104.2	119.8	136.3	149.8	163.0	171.6	162.3	147.0	142.8	130.6	110.6	100.7	101.7	105.9	110.9	117.3
Sweden	63.5	69.5	76.9	81.6	85.0	88.3	93.6	99.6	111.0	123.0	121.3	120.9	128.6	128.8	127.0	131.0	140.9	157.1	169.2	178.5
Switzerland	81.7	81.1	79.9	78.5	77.5	78.4	80.3	82.2	85.6	88.6	89.9	88.1	89.5	94.0	97.9	100.4	101.9	103.7	105.0	106.0
United Kingdom	72.4	77.9	86.8	90.8	102.7	117.1	128.2	132.4	138.5	147.6	136.5	122.0	127.3	122.4	118.9	119.0	125.5	129.3	136.0	141.0
United States	91.4	94.3	97.5	100.5	103.6	109.0	116.1	125.1	128.0	123.5	110.7	103.1	100.2	94.4	94.7	98.7	100.6	102.4	104.7	107.6
Euro area	84.1	87.0	91.0	94.2	97.9	102.9	107.8	113.5	117.8	119.3	117.4	111.5	110.8	110.2	106.0	102.6	101.9	102.6	105.3	108.2
Total OECD	88.5	90.9	93.8	95.9	99.2	103.5	107.9	112.9	116.3	116.8	111.5	105.3	105.2	103.0	101.8	102.8	104.5	106.8	110.0	113.3

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933728147

Annex Table 46. **House price-to-income ratio**

Long-term average = 100

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	86.5	88.6	91.3	93.8	109.1	123.3	122.6	118.8	121.3	123.5	119.4	118.0	126.8	117.0	114.7	118.5	124.9	134.4	141.3	152.8
Austria	..	..	96.5	96.0	95.0	92.3	87.8	87.0	86.9	87.1	85.7	89.3	97.1	100.8	104.6	110.6	112.8	117.3	124.1	129.2
Belgium	86.1	90.0	90.4	90.7	96.2	101.8	108.9	118.0	123.8	128.1	127.9	126.3	130.8	134.7	136.3	137.2	135.6	137.3	138.3	139.0
Canada	87.0	85.5	84.3	85.4	89.6	94.6	98.4	102.6	108.4	115.7	116.8	112.9	118.7	120.5	123.0	122.6	126.3	128.7	140.4	152.3
Denmark	94.1	101.3	104.9	105.0	104.1	103.8	109.5	124.6	148.6	151.9	142.4	121.4	118.0	112.5	107.6	109.9	113.1	116.1	116.7	118.6
Finland	96.1	96.3	95.9	90.4	91.9	93.2	96.4	102.2	105.0	105.5	100.9	98.2	102.6	101.6	101.1	100.3	99.7	97.5	96.8	96.0
France	73.3	76.8	79.4	82.0	86.2	94.9	105.6	119.6	129.3	131.8	130.1	121.0	124.8	130.3	129.6	127.0	123.8	120.7	120.3	121.6
Germany	97.4	95.1	94.1	90.1	88.5	86.6	83.7	83.1	80.9	77.7	76.8	78.0	76.7	77.1	78.0	79.6	80.5	82.9	86.0	86.5
Greece	81.6	87.2	94.2	102.0	108.8	104.3	99.6	108.4	112.7	112.6	108.6	102.3	107.0	111.2	107.9	104.6	95.2	93.0	92.5	89.9
Ireland	95.8	107.2	117.3	116.6	118.2	128.1	135.5	137.6	151.9	154.2	135.9	118.7	107.1	92.0	76.9	78.2	90.9	98.2	102.6	110.8
Italy	79.6	81.7	84.9	87.6	92.7	99.4	106.1	111.8	115.3	117.7	118.7	118.2	117.9	116.4	117.4	110.7	105.5	101.1	98.8	96.6
Japan	102.5	100.6	98.2	96.9	92.3	87.9	82.2	78.0	75.7	74.5	75.5	71.8	72.5	72.9	71.9	73.1	74.0	74.4	75.1	76.0
Korea	73.3	69.4	67.5	66.6	72.8	74.8	70.5	67.9	69.5	73.3	74.6	72.9	70.6	70.6	69.2	65.5	64.0	62.5	61.8	60.0
Netherlands	94.1	104.8	118.2	120.7	126.0	130.2	134.8	140.7	141.2	142.8	142.7	137.6	135.5	129.9	120.8	112.7	111.6	114.3	117.3	123.5
New Zealand	86.7	82.3	84.0	81.0	88.7	98.4	110.2	120.6	125.3	129.4	123.4	116.1	114.1	109.5	113.1	120.8	128.9	138.6	154.1	160.9
Norway	82.7	88.2	96.4	101.8	97.9	93.0	98.6	98.2	118.2	125.2	117.3	114.4	120.0	124.8	128.0	127.1	125.5	124.6	132.3	134.6
Portugal	109.7	111.9	114.2	115.0	111.2	110.7	106.2	104.1	102.8	98.7	89.2	89.9	88.1	87.2	83.6	81.6	85.0	84.2	86.5	91.4
Spain	83.9	85.7	84.4	86.8	97.4	111.1	126.1	139.2	152.4	164.5	156.4	144.2	144.5	132.5	116.9	106.5	105.2	106.6	109.5	114.5
Sweden	80.9	84.0	87.6	87.9	89.8	93.8	100.8	106.3	113.8	120.6	115.4	115.2	120.4	118.5	115.9	119.6	127.1	140.6	148.0	153.6
Switzerland	81.5	79.3	76.1	74.7	75.6	77.1	79.1	80.0	81.8	83.1	84.8	84.9	86.9	91.6	94.8	96.3	98.4	102.2	101.7	103.5
United Kingdom	71.9	77.2	83.1	86.9	98.2	111.4	120.6	124.4	129.6	137.1	125.7	111.7	117.7	115.0	110.8	110.6	117.3	118.0	125.2	129.0
United States	91.8	94.0	94.2	97.1	100.5	104.2	108.5	115.8	116.0	111.9	99.3	94.7	90.2	82.9	81.8	88.3	89.0	90.5	94.2	98.3
Euro area	87.3	89.3	91.2	91.8	95.1	99.6	103.8	109.6	113.2	114.4	112.3	109.0	109.4	108.9	106.8	104.5	103.4	103.6	105.2	106.5
Total OECD	90.0	91.5	92.3	93.7	96.9	100.3	102.9	106.9	108.4	108.1	102.2	98.0	97.0	93.7	92.2	94.3	95.0	96.1	98.9	101.6

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933728166

Annex Table 47. **Export volumes of goods and services**

National accounts basis, percentage changes from previous period

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	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	-2.8	5.3	0.4	-0.1	4.9
Australia	11.6	3.0	0.9	-1.5	4.0	3.3	3.5	3.5	4.3	2.3	5.3	-0.4	5.9	5.8	6.9	6.3	6.8	4.0	4.3	3.8
Austria	14.6	5.2	4.1	0.7	7.9	7.3	8.5	7.0	1.4	-13.9	12.7	6.4	1.6	0.3	3.2	2.9	2.2	5.9	5.1	5.0
Belgium	12.4	0.4	3.7	1.6	6.2	5.0	5.3	5.7	1.7	-9.4	10.3	6.7	0.3	0.9	5.2	3.3	7.5	4.9	4.7	4.3
Brazil	13.6	8.6	6.5	11.1	13.4	11.4	4.7	5.6	-0.3	-8.5	11.6	5.3	-0.4	2.8	-1.0	6.7	1.6	5.7	5.5	5.5
Canada	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	2.7	5.9	3.5	1.0	1.0	1.7	4.4
Chile	5.7	6.8	2.3	6.7	14.4	2.8	5.1	7.2	-0.6	-4.3	2.3	5.4	0.2	3.5	0.3	-1.8	-0.2	-1.0	6.3	5.4
China	28.2	6.0	26.5	28.0	24.4	23.5	25.1	20.2	9.7	-10.8	24.9	14.0	6.2	9.1	4.2	-2.3	1.9	11.1	6.5	5.6
Colombia	7.8	2.8	-2.4	7.4	9.8	5.7	9.3	6.7	3.7	-4.3	2.1	12.3	4.9	4.7	-0.3	1.7	-1.4	-0.7	3.6	4.9
Costa Rica	2.2	1.4	2.8	5.8	10.3	6.0	8.1	7.5	2.1	-8.3	9.0	6.8	5.5	3.4	5.0	2.8	11.4	5.0	4.9	6.0
Czech Republic	15.6	9.4	0.8	8.9	29.2	18.4	14.7	11.0	3.8	-9.5	14.2	9.2	4.5	0.2	8.7	6.2	4.3	6.9	5.3	5.4
Denmark	12.6	3.4	4.4	-1.2	3.0	7.8	10.3	3.7	3.9	-9.2	2.9	7.2	1.2	1.6	3.1	2.3	2.8	4.4	3.0	3.6
Estonia	-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	2.7	2.5	-0.6	4.1	2.9	4.9	4.3
Finland	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	-2.7	0.9	3.5	7.8	5.3	4.9
France	13.1	2.9	1.8	-1.0	4.7	3.7	5.9	2.9	0.0	-11.1	8.7	7.1	2.7	1.9	3.4	4.0	1.9	3.3	3.9	4.2
Germany	14.5	6.1	4.3	1.8	10.3	7.0	12.8	9.7	1.3	-14.3	14.2	8.4	3.5	1.9	4.5	4.7	2.4	5.3	4.5	4.5
Greece	21.9	0.0	-7.2	-0.7	18.4	3.4	5.1	10.6	3.7	-18.3	4.6	0.1	1.2	1.6	7.7	2.9	-1.9	6.9	5.9	4.7
Hungary	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	9.1	8.5	3.4	7.1	6.3	5.9
Iceland	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	10.9	4.8	4.8	2.7
India[1]	18.2	4.3	21.1	9.6	27.2	26.1	20.4	5.9	14.6	-4.7	19.6	15.6	6.8	7.8	1.8	-5.6	5.0	4.5	5.4	6.5
Indonesia	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	1.1	-2.1	-1.6	9.1	8.4	5.9
Ireland	21.1	14.1	6.5	-1.8	6.6	5.5	6.1	8.9	-3.8	4.6	5.7	3.2	1.5	3.0	14.4	38.4	4.7	6.8	5.3	4.4
Israel	23.6	-11.1	-2.0	8.2	17.6	5.0	5.3	10.4	5.8	-11.2	15.2	9.6	-1.9	3.3	2.0	-2.4	2.5	3.6	6.1	4.7
Italy	12.9	2.3	-2.5	-1.5	5.4	4.3	8.6	5.5	-3.3	-17.9	11.4	6.1	2.0	0.9	2.4	4.2	2.6	6.0	5.4	4.3
Japan	12.7	-6.7	7.8	9.5	14.3	7.2	10.3	8.7	1.6	-23.4	24.9	-0.2	-0.1	0.8	9.3	2.9	1.7	6.7	5.0	4.5
Korea	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	-0.1	2.6	1.9	3.5	4.3
Latvia	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	6.0	3.0	4.1	4.8	4.7	3.6
Lithuania	14.1	24.1	20.2	9.1	4.2	20.5	12.6	3.2	13.5	-12.8	18.9	15.4	12.4	9.9	3.3	-0.4	3.5	13.2	7.2	4.1
Luxembourg	16.1	6.0	2.6	2.9	9.2	6.4	13.6	8.2	5.1	-11.5	9.6	4.4	3.1	5.4	14.1	6.6	2.1	4.6	4.8	4.6
Mexico	11.6	-0.5	0.4	1.9	9.9	6.2	7.9	1.9	-0.9	-11.0	22.4	7.8	6.5	1.3	7.0	8.5	3.5	3.9	4.4	5.0
Netherlands	13.1	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	6.5	4.1	6.4	4.0	3.8
New Zealand	7.7	3.3	6.9	2.4	5.2	-0.6	1.7	4.9	-1.1	1.9	3.3	2.6	1.8	1.0	3.1	6.9	1.6	2.5	0.9	3.7
Norway	3.2	4.3	-0.3	-0.1	1.0	0.5	-0.8	1.4	0.1	-4.1	0.6	-0.8	1.6	-1.7	3.1	4.7	-1.8	1.1	-0.1	1.4
Poland	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	8.8	8.2	7.7	6.3
Portugal	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	4.4	7.8	5.8	4.3
Russia	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	0.5	3.7	3.2	5.2	3.9	3.1
Slovak Republic	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	3.9	6.4	6.2	4.3	8.5	8.8
Slovenia	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	5.0	6.4	10.6	8.8	6.8
South Africa	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	4.0	3.6	2.8	1.0	-0.1	3.0	3.8
Spain	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	4.3	4.2	4.8	5.0	4.6	4.5
Sweden	11.9	0.9	1.3	4.4	9.8	6.6	9.1	4.7	1.6	-14.3	11.4	6.2	1.5	-0.8	5.4	5.2	3.0	4.0	6.0	4.5
Switzerland	12.6	0.0	-2.1	-1.1	9.0	6.9	6.5	11.2	3.7	-9.9	12.6	5.2	1.1	15.2	-6.1	2.3	6.6	-0.7	4.7	4.0
Turkey	17.4	4.6	7.8	6.7	11.6	8.1	6.5	7.3	3.8	-3.7	1.7	13.4	14.9	1.1	8.2	4.3	-1.9	12.0	8.7	6.6
United Kingdom	9.6	2.1	1.8	2.6	4.8	8.7	12.4	-1.5	0.6	-8.7	5.9	6.2	0.2	0.8	2.7	5.0	2.3	5.7	1.4	3.3
United States	8.6	-5.8	-1.7	1.8	9.8	6.3	9.0	9.3	5.7	-8.8	11.9	6.9	3.4	3.5	4.3	0.4	-0.3	3.4	4.8	4.4
Total OECD	12.0	0.6	1.9	2.3	8.7	6.0	8.7	6.8	1.9	-11.0	11.4	6.3	2.8	2.7	4.5	4.3	2.6	4.6	4.5	4.4

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728185

Annex Table 48. **Import volumes of goods and services**

National accounts basis, percentage changes from previous period

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	-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	4.7	5.7	14.7	12.0	6.2
Australia	7.7	-4.6	11.1	11.0	15.5	9.1	8.7	13.3	10.3	-8.0	15.6	10.6	5.7	-2.0	-1.4	1.7	0.4	7.7	4.2	6.1
Austria	10.2	5.2	0.2	3.2	8.0	5.6	6.0	5.4	0.9	-11.6	11.8	6.0	0.9	0.8	2.9	3.1	3.2	5.7	4.0	5.0
Belgium	13.5	-1.0	0.9	1.5	6.2	6.5	4.6	5.7	3.5	-9.0	9.6	7.3	0.1	0.3	6.2	3.3	8.4	4.4	4.8	4.4
Brazil	11.7	2.8	-13.5	-0.7	9.7	8.8	17.7	18.6	16.5	-7.3	33.9	10.4	0.3	7.0	-1.9	-14.0	-10.2	5.5	6.5	4.7
Canada	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	1.6	2.3	0.7	-1.0	3.6	3.7	3.9
Chile	10.4	5.4	1.9	5.7	19.4	18.4	11.8	13.8	11.7	-16.7	25.5	15.3	5.1	2.1	-6.5	-1.2	0.2	4.7	8.9	6.1
China	24.0	9.3	24.9	32.5	23.3	12.8	16.9	13.7	5.6	4.0	18.1	16.0	7.1	11.0	8.3	2.6	6.2	6.9	5.5	5.5
Colombia	6.7	8.7	0.3	8.2	10.3	11.9	18.8	13.5	12.1	-8.6	10.8	22.0	9.4	7.4	7.8	-1.1	-4.0	0.3	0.6	4.2
Costa Rica	-4.0	-0.1	5.9	4.7	4.8	6.9	8.0	10.1	6.6	-18.8	18.7	10.7	7.9	1.7	5.0	4.4	8.7	3.1	4.2	5.7
Czech Republic	15.4	11.2	4.7	8.6	25.6	13.0	11.9	12.8	2.8	-10.7	14.3	6.7	2.8	0.1	10.1	7.0	3.1	6.2	6.1	5.7
Denmark	13.7	2.4	6.4	-1.0	7.2	11.4	14.0	5.8	4.8	-11.9	0.5	7.4	2.7	1.5	3.9	1.9	3.8	4.1	4.0	4.6
Estonia	-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	2.1	3.5	-1.8	5.2	3.6	6.0	5.0
Finland	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	-1.3	3.2	5.7	3.5	3.6	4.0
France	16.0	2.3	1.8	0.9	5.7	6.4	5.9	5.7	1.0	-9.3	8.5	6.6	0.9	2.2	4.8	5.5	4.2	4.1	2.6	3.9
Germany	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	3.1	3.5	5.2	3.8	5.6	4.3	5.1
Greece	22.5	-1.3	-3.4	7.4	4.1	2.5	13.2	14.3	1.1	-20.2	-3.4	-8.3	-9.4	-3.4	7.7	0.4	1.2	7.5	4.1	4.5
Hungary	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	11.0	6.4	2.9	9.7	7.2	8.2
Iceland	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	9.0	13.8	14.5	11.9	5.5	4.0
India[1]	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	-8.1	0.9	-5.9	4.0	10.8	6.2	6.4
Indonesia	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	2.1	-6.2	-2.4	8.1	9.1	6.4
Ireland	21.7	13.1	5.3	-2.4	1.9	12.8	9.3	9.3	-2.8	-1.7	0.4	2.7	2.5	0.9	14.9	26.0	16.4	-6.2	7.1	5.0
Israel	11.9	-5.5	-1.1	-0.9	11.8	3.4	3.4	11.1	2.4	-13.9	15.5	11.0	2.3	-0.2	4.1	0.0	9.4	4.8	12.3	6.8
Italy	11.3	1.7	0.9	1.3	4.2	3.7	8.2	4.8	-3.9	-12.8	12.1	1.1	-8.2	-2.3	3.0	6.6	3.8	5.7	5.5	4.2
Japan	9.3	1.0	0.7	3.4	8.1	6.1	4.7	2.2	0.7	-15.7	11.2	5.8	5.4	3.3	8.3	0.8	-1.6	3.4	3.3	2.3
Korea	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	2.1	4.7	7.0	5.5	3.7
Latvia	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	0.4	1.2	2.1	4.5	9.5	6.5	5.3
Lithuania	6.6	19.7	20.1	9.6	15.5	20.3	14.3	10.8	12.2	-28.0	18.7	15.0	6.6	9.1	3.1	6.2	3.5	12.8	7.8	4.9
Luxembourg	13.7	6.6	1.1	4.6	11.6	5.7	12.4	6.8	9.4	-13.8	12.2	5.3	4.8	5.0	14.5	7.1	2.1	3.9	4.7	4.7
Mexico	19.8	-0.2	1.1	2.6	5.7	5.9	8.8	4.8	2.8	-15.6	17.1	5.7	4.9	2.6	5.9	5.9	2.4	7.0	3.5	3.6
Netherlands	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	8.4	3.9	5.7	4.7	4.3
New Zealand	-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	3.7	3.4	6.6	4.5	4.1
Norway	2.0	1.7	1.0	1.2	9.0	7.9	9.1	10.0	3.2	-10.3	8.4	3.9	3.0	5.0	2.4	1.6	2.3	2.8	2.0	3.0
Poland	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	7.6	8.7	9.6	7.6
Portugal	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	8.5	4.2	7.9	6.4	4.7
Russia	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	3.5	-7.3	-25.8	-3.8	15.1	8.2	2.9
Slovak Republic	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	4.8	8.4	3.7	3.9	7.2	8.5
Slovenia	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	4.1	4.7	6.6	10.1	9.8	7.1
South Africa	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	-0.6	5.4	-3.8	1.9	5.2	4.3
Spain	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	6.6	5.9	2.7	4.7	4.2	4.2
Sweden	12.0	-1.6	-1.3	4.0	5.8	7.0	8.7	7.9	3.5	-14.0	12.3	7.4	1.1	-0.2	6.5	4.8	3.1	5.3	4.9	4.8
Switzerland	8.1	0.9	-2.2	0.3	3.6	9.8	3.3	5.8	4.9	-3.8	7.9	9.3	-2.5	13.6	-7.7	4.6	6.0	-2.5	3.7	4.8
Turkey	21.2	-24.2	20.8	24.2	20.2	11.9	7.7	9.4	-2.6	-14.6	21.0	12.3	1.3	10.2	-0.4	1.5	3.8	10.1	13.2	6.0
United Kingdom	9.5	5.1	5.4	2.6	6.9	6.9	10.4	-1.3	-1.7	-9.7	8.5	0.9	2.7	3.1	4.5	5.1	4.8	3.2	1.0	1.5
United States	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	4.5	5.0	1.3	4.0	5.3	5.3
Total OECD	12.2	0.1	2.5	4.0	8.7	6.8	8.1	5.5	0.5	-11.8	11.4	5.7	1.3	2.1	4.3	4.8	3.2	4.5	4.7	4.5

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728204

Annex Table 49. **Export prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	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	-0.6	53.5	14.1	7.7	2.5
Australia	12.4	5.9	-2.1	-5.3	4.1	11.8	12.4	1.0	21.8	-11.9	8.1	11.0	-9.5	-0.1	-3.9	-8.5	-2.4	10.6	0.7	1.3
Austria	1.7	0.5	0.1	0.0	1.1	2.0	2.5	1.9	2.6	-2.8	2.9	4.2	1.3	0.0	-0.2	-0.5	-0.7	2.2	1.6	2.0
Belgium	5.8	1.4	-1.1	-1.3	2.1	3.7	2.6	2.2	3.9	-5.4	4.6	3.9	2.7	-0.3	-1.9	-3.0	-1.6	1.1	1.3	2.1
Brazil	3.4	22.7	22.2	10.7	9.5	-8.3	-0.1	-0.9	16.4	-6.1	3.4	14.2	12.7	7.1	3.7	13.9	-0.5	-0.3	-0.2	2.0
Canada	6.3	1.3	-1.8	-1.6	2.1	2.8	0.2	0.8	10.6	-9.7	1.7	6.9	-0.8	1.2	3.5	-3.2	-0.8	4.1	2.9	1.8
Chile	10.3	6.6	5.5	10.9	12.8	11.7	23.7	6.1	-4.3	-3.8	14.8	3.9	-3.9	-3.3	10.4	-3.0	1.9	9.3	-0.5	2.1
China	-0.7	1.4	-3.3	5.1	9.0	2.0	-0.2	0.6	-0.9	-7.9	1.8	4.9	-0.5	-3.3	0.6	0.1	-3.4	0.9	1.9	2.7
Colombia	23.7	1.8	7.1	15.7	4.1	5.0	7.9	-2.4	18.2	-0.3	5.7	19.6	0.2	-1.6	-1.5	-2.4	1.2	8.3	4.4	3.3
Costa Rica	12.2	5.5	7.2	13.1	11.3	14.1	11.6	4.2	9.4	6.0	-2.6	1.0	1.3	0.3	7.3	0.1	1.3	4.5	2.9	2.2
Czech Republic	3.8	0.3	-4.8	0.1	2.7	-2.2	-1.3	0.3	-4.3	0.5	-1.1	0.8	3.1	1.5	4.0	-1.3	-2.5	-0.9	-2.4	0.2
Denmark	8.2	1.6	-1.1	-1.1	2.0	5.5	2.8	1.2	5.0	-8.4	9.5	1.3	3.0	0.6	-0.8	1.9	-4.6	2.5	0.1	2.0
Estonia	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	0.7	-0.3	-1.3	0.0	4.2	2.3	2.2
Finland	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	-0.4	-0.9	-1.8	2.9	2.0	2.4
France	2.6	-0.3	-1.5	-1.6	0.5	1.8	2.1	1.9	3.2	-3.8	2.3	2.9	1.4	-0.2	-0.7	0.6	-1.7	1.4	0.3	1.4
Germany	2.7	0.7	-0.6	-1.3	-0.2	1.2	1.1	0.3	1.0	-2.6	2.3	2.6	1.8	-0.5	-0.2	1.2	-1.0	1.6	1.0	1.4
Greece	7.4	2.6	1.9	1.8	1.8	3.0	3.3	2.3	3.7	-1.9	5.8	6.3	2.6	-2.1	-2.0	-6.1	-3.2	4.7	1.6	0.9
Hungary	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	1.1	-0.1	-1.0	1.3	1.9	2.6
Iceland	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	-10.0	-3.6	4.6	1.9
India[1]	3.3	0.3	1.0	6.9	7.1	-0.7	5.8	6.3	13.7	2.7	9.9	8.9	6.4	8.7	-1.4	0.9	2.9	3.0	4.0	3.6
Indonesia	9.9	12.1	-6.2	-2.7	6.2	9.6	0.2	3.4	15.8	-5.8	1.9	7.7	1.1	3.5	8.4	-0.4	-1.2	7.0	2.5	2.2
Ireland	5.4	-0.4	-0.6	-2.7	0.3	2.1	1.7	0.1	3.1	-4.1	3.1	-0.6	4.2	-1.1	0.5	7.4	-1.9	-0.7	-0.5	3.2
Israel	-1.8	0.9	11.9	-1.9	0.9	4.5	1.9	-3.8	-5.2	2.6	-2.4	0.5	8.2	-4.9	-0.8	4.8	-0.9	-3.7	-2.2	1.4
Italy	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	-0.1	-0.4	-1.1	1.7	1.4	1.9
Japan	-4.0	2.5	-1.4	-3.7	-1.4	1.4	3.2	2.3	-3.9	-11.8	-1.7	-2.3	-1.8	10.4	3.0	0.8	-8.5	4.2	0.3	1.8
Korea	-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	-4.5	5.4	0.0	3.5
Latvia	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	-0.6	-2.1	3.5	2.3	2.2
Lithuania	9.6	-2.2	-4.2	-2.0	7.7	8.6	5.1	5.8	12.5	-14.1	10.1	11.0	3.3	-1.7	-2.3	-4.0	-2.0	4.4	2.0	1.6
Luxembourg	8.0	-3.6	-1.0	-0.8	7.6	6.8	8.0	5.4	0.0	-4.0	5.5	5.0	3.8	2.2	2.9	4.5	-1.0	3.9	2.3	1.7
Mexico	7.9	-5.1	4.3	12.0	8.3	3.5	7.3	6.9	9.1	8.3	-1.8	6.3	5.4	-1.5	2.2	6.1	12.4	6.5	5.9	4.8
Netherlands	5.8	0.7	-1.8	-0.8	0.9	3.4	3.2	1.7	4.3	-6.5	5.4	4.8	2.4	-0.9	-2.1	-2.2	-2.6	3.2	1.8	3.1
New Zealand	13.3	7.3	-6.9	-7.4	0.8	1.1	7.3	1.0	15.3	-8.0	3.0	5.7	-5.3	2.4	1.7	-3.9	-1.5	7.0	3.8	1.7
Norway	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	-8.0	-7.9	8.8	8.7	2.8
Poland	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	0.2	1.9	1.1	2.6
Portugal	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	-1.3	-1.9	3.6	1.5	0.4
Russia	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	-1.6	13.0	7.4	-10.1	3.0	5.9	2.3
Slovak Republic	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	-1.5	2.2	0.7	1.5
Slovenia	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	-1.4	2.5	1.3	1.7
South Africa	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	9.0	5.5	-0.8	8.3	3.8	3.1	2.0
Spain	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	-1.5	0.6	-1.1	2.5	1.2	1.3
Sweden	2.3	2.6	-1.5	-2.0	-0.3	2.6	3.0	2.0	4.0	1.3	-0.6	-1.0	-1.0	-2.5	2.0	2.1	-1.4	3.2	0.3	1.5
Switzerland	3.4	-0.1	-1.9	0.6	0.7	1.8	4.9	3.9	2.5	-0.4	2.3	-0.5	2.2	-5.1	-3.0	-5.0	0.2	1.1	1.8	1.5
Turkey	42.1	87.9	25.1	10.9	13.0	-0.2	13.3	1.9	17.1	3.2	3.4	15.4	4.2	7.3	11.5	7.7	6.9	20.1	9.0	6.8
United Kingdom	1.6	0.9	-1.1	2.1	-0.3	2.5	1.6	-0.8	9.7	3.9	5.3	5.3	0.2	2.9	-2.8	-5.1	4.8	6.1	2.0	3.5
United States	1.8	-0.6	-0.6	2.0	3.5	4.3	3.4	3.2	4.6	-5.5	4.3	6.4	0.9	0.1	0.0	-5.0	-1.9	2.4	3.2	2.0
Total OECD	4.4	2.4	-0.3	0.4	2.3	2.3	3.1	1.9	5.0	-3.1	2.8	4.3	1.3	0.2	0.0	-1.1	-0.8	3.5	1.9	2.4

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728223

Annex Table 50. **Import prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	1.1	-3.0	203.2	-3.8	6.1	6.5	11.4	10.0	13.2	5.2	9.0	12.3	8.4	25.8	47.0	4.5	49.5	14.9	7.6	3.3
Australia	7.6	5.9	-4.1	-8.5	-5.0	0.6	4.2	-4.0	7.4	-2.4	-7.6	-1.4	0.9	3.7	4.1	3.3	-3.1	-0.4	2.1	1.5
Austria	2.7	0.3	-0.6	-0.8	1.7	2.8	3.6	2.3	3.9	-4.6	4.7	6.0	1.9	-0.1	-1.1	-1.5	-1.2	2.7	2.4	2.1
Belgium	7.6	1.3	-1.8	-1.0	3.0	4.4	3.3	2.0	6.6	-8.3	6.3	5.1	2.8	-0.6	-2.1	-3.8	-2.3	2.4	1.0	2.0
Brazil	7.6	24.8	20.3	12.5	5.3	-8.1	-7.1	-2.4	12.6	-5.2	-8.8	5.9	17.1	10.4	8.5	24.0	-0.1	-5.0	0.9	1.9
Canada	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	1.2	4.9	4.0	1.2	1.0	0.8	1.7
Chile	7.7	8.7	4.1	3.2	-5.5	1.0	-0.6	3.8	16.4	-8.0	-1.8	4.4	0.5	-0.3	13.1	0.0	-2.2	0.2	-3.3	2.1
China	7.7	-0.5	-3.0	5.2	9.5	2.2	0.5	1.7	4.6	-15.2	12.5	8.9	-3.0	-4.2	-2.2	-11.2	-3.4	8.3	3.1	3.1
Colombia	19.6	10.1	6.2	12.7	-1.9	-2.8	1.8	-6.7	1.1	2.5	-6.3	5.1	-2.4	-0.9	3.9	16.1	5.3	-1.2	1.7	1.5
Costa Rica	14.7	5.3	9.4	14.2	13.9	16.7	14.2	7.2	13.5	-1.1	-6.5	2.8	-0.4	-0.3	5.7	-6.2	-1.7	6.9	3.7	3.1
Czech Republic	7.0	-2.5	-8.1	0.0	1.6	0.0	0.7	-0.8	-3.1	-1.5	0.9	2.5	3.5	0.5	2.5	-1.7	-3.5	0.1	-1.6	0.7
Denmark	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	-0.4	-2.4	2.0	-3.9	1.4	0.7	2.1
Estonia	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	-0.1	-1.3	-1.9	-0.8	2.8	2.3	2.0
Finland	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	-4.3	-3.2	3.8	2.6	3.3
France	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	-1.9	-2.5	-2.4	2.2	0.8	1.2
Germany	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	-1.5	-2.5	2.6	1.3	1.3
Greece	8.3	2.8	0.8	-0.1	2.1	3.3	3.4	2.0	5.5	-1.4	5.3	6.1	4.2	-2.8	-3.8	-10.6	-3.0	4.6	1.5	1.0
Hungary	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	-2.1	1.7	1.8	2.7
Iceland	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	-3.6	-4.5	-12.1	-5.2	2.4	2.8
India[1]	7.2	1.8	8.7	1.0	17.1	-1.9	5.3	6.2	8.0	4.1	7.9	9.6	8.0	11.9	0.4	0.0	1.3	4.3	6.2	4.7
Indonesia	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	7.1	-1.0	-2.7	6.1	5.8	2.2
Ireland	5.5	-1.7	-2.7	-1.6	6.0	0.4	2.7	-0.4	2.0	-2.6	6.4	-2.4	5.9	-1.0	2.5	2.7	-1.7	1.0	1.4	2.9
Israel	0.8	1.8	12.2	0.5	3.7	6.7	3.2	-1.8	-2.7	-4.2	-0.6	4.2	5.2	-6.9	-1.7	-3.3	-4.3	-3.1	0.6	1.3
Italy	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	-2.6	-2.6	-3.4	3.1	2.5	2.1
Japan	1.6	2.3	-1.0	-0.6	3.0	8.3	11.0	6.6	5.8	-21.4	4.3	5.8	-0.6	11.5	3.5	-7.5	-13.2	8.5	4.2	2.5
Korea	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	-7.5	4.8	2.3	3.3
Latvia	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	-4.8	2.8	1.2	2.2
Lithuania	4.1	-1.8	-4.5	-2.0	-0.8	7.5	8.2	4.9	8.6	-10.7	9.9	11.9	4.1	-1.5	-3.2	-6.9	-4.3	4.0	2.0	1.5
Luxembourg	10.9	-3.1	-1.5	-1.7	6.3	8.0	6.2	6.8	-1.8	-5.3	4.0	4.8	4.2	2.4	3.0	4.8	-1.1	4.7	2.6	1.7
Mexico	1.2	-3.8	2.3	10.3	13.6	2.6	6.1	5.0	7.3	11.8	1.2	8.4	6.5	-2.9	3.3	10.9	13.0	2.8	4.5	5.1
Netherlands	6.0	-0.6	-2.5	-1.1	1.2	3.0	3.0	1.8	4.6	-7.3	6.5	6.5	2.7	-1.2	-2.0	-3.4	-3.2	3.6	1.7	3.1
New Zealand	15.8	2.2	-5.9	-11.4	-4.4	0.8	9.9	-4.9	12.5	-1.4	-4.1	2.6	-1.0	-4.6	-3.3	0.6	-3.5	2.2	1.8	1.8
Norway	7.5	-0.1	-5.0	1.4	4.7	1.5	3.2	3.9	4.2	-0.3	0.8	3.3	0.0	1.6	4.9	5.1	1.3	2.3	3.1	2.1
Poland	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	-0.3	1.5	1.1	2.3
Portugal	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	-4.4	-3.0	4.1	1.1	0.4
Russia	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	4.5	18.2	41.4	7.1	-5.9	1.9	3.0
Slovak Republic	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	-1.1	2.7	0.9	1.5
Slovenia	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	-2.2	3.0	2.0	2.2
South Africa	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	6.8	-0.9	0.9	2.5
Spain	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	-0.7	-0.5	-1.6	4.4	1.0	1.6
Sweden	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	1.3	-1.8	3.9	0.9	1.6
Switzerland	5.5	-0.1	-4.8	-1.0	1.9	3.5	6.2	4.9	3.6	-2.8	2.5	0.0	2.7	-5.1	-3.1	-7.4	2.5	2.8	2.0	1.6
Turkey	57.4	91.9	22.1	6.5	11.4	0.4	18.1	0.3	20.5	1.4	4.5	27.9	4.4	2.7	11.6	5.8	2.9	27.6	7.3	5.9
United Kingdom	2.5	-0.3	-2.4	0.7	-1.3	3.5	2.1	-0.2	12.9	2.8	3.6	6.7	-0.7	0.7	-4.2	-5.9	3.4	5.9	1.6	3.9
United States	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	-0.3	-7.8	-3.1	2.5	4.3	2.5
Total OECD	6.6	2.0	-1.3	0.2	2.8	3.4	4.1	1.8	7.9	-5.7	3.7	6.6	1.9	-0.6	-0.1	-3.0	-1.9	3.9	2.5	2.5

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728242

Annex Table 51. **Indicators of competitiveness based on relative consumer prices**

Indices, 2010 = 100

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	257.0	269.4	114.2	122.3	117.2	116.8	114.8	111.9	109.2	102.6	100.0	95.6	98.5	90.2	78.7	99.5	86.4	90.7	88.2	100.6
Australia	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	99.2	90.3	90.7	93.7	89.7	89.1
Austria	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	102.7	100.5	101.8	102.4	104.5	105.0
Belgium	91.7	92.5	94.1	99.0	100.9	100.6	100.2	100.9	103.5	103.6	100.0	100.9	98.7	100.2	100.6	96.8	99.5	100.2	102.4	102.0
Brazil	69.4	58.8	55.8	53.7	55.9	69.2	77.6	83.6	87.9	87.9	100.0	104.7	94.8	89.9	88.3	73.4	77.2	84.2	77.0	76.6
Canada	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	92.1	84.6	83.1	84.3	83.6	83.2
Chile	94.3	85.5	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	93.8	97.1	102.2	102.5
China	92.7	97.6	95.7	89.3	86.7	85.6	87.0	90.1	97.9	102.0	100.0	102.3	108.1	114.9	117.8	129.0	123.9	119.5	123.6	123.8
Colombia	76.0	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	81.5	79.3	83.0	85.5	86.4
Costa Rica	90.8	94.8	93.0	86.1	83.3	83.1	83.5	84.7	88.0	90.1	100.0	102.4	106.6	111.3	108.5	117.4	116.0	109.8	108.0	109.4
Czech Republic	67.4	71.6	79.8	78.2	79.1	83.4	87.6	89.9	102.9	99.0	100.0	101.9	98.7	96.6	91.5	90.5	92.7	95.9	101.7	101.7
Denmark	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	96.0	97.2	97.6	99.2	98.7
Estonia	82.7	84.3	86.5	89.6	91.2	91.4	92.2	95.8	101.7	103.4	100.0	101.2	100.1	102.8	104.8	104.5	105.5	105.7	109.9	110.4
Finland	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	100.4	98.8	102.0	102.0
France	96.0	95.8	97.6	103.0	104.8	103.4	102.7	103.1	103.8	104.0	100.0	99.3	96.3	97.4	97.8	93.7	94.4	94.4	96.4	95.9
Germany	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	99.1	94.7	96.0	96.1	98.4	98.4
Greece	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	90.9	90.9	90.3	91.8	90.1
Hungary	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	89.3	89.7	90.9	92.6	93.7
Iceland	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	118.0	132.5	147.6	151.4	152.1
India	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	93.2	95.5	103.3	104.3	108.5	106.3	108.3
Indonesia	69.7	66.7	81.0	86.9	82.9	81.6	94.7	94.2	90.4	89.5	100.0	99.8	96.0	92.1	86.3	87.7	91.6	92.9	87.8	89.0
Ireland	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	90.1	91.3	90.7	92.8	92.9
Israel	115.4	114.4	103.5	97.0	90.2	87.7	87.2	87.5	97.5	95.3	100.0	101.1	96.3	102.3	103.7	103.6	105.2	109.7	106.7	105.2
Italy	93.0	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	96.1	96.7	96.2	98.5	98.2
Japan	124.9	112.2	104.9	105.5	106.8	100.4	90.7	83.1	89.7	100.5	100.0	101.2	99.9	80.2	76.1	71.7	80.8	76.6	75.8	75.4
Korea	108.1	101.8	106.8	108.1	109.7	122.6	130.9	129.0	104.9	93.1	100.0	100.0	99.7	103.8	110.2	111.3	109.8	112.6	113.8	114.2
Latvia	98.9	95.3	92.0	87.7	88.2	85.9	88.2	93.8	103.0	109.6	100.0	100.6	99.0	98.0	101.5	103.6	105.0	102.7	107.7	108.3
Lithuania	91.0	89.7	92.1	94.1	93.5	90.8	90.4	93.1	98.9	106.1	100.0	100.7	98.5	99.6	101.8	100.4	102.5	102.4	107.4	107.9
Luxembourg	92.1	92.9	94.3	98.0	99.4	99.1	99.7	100.6	101.5	102.3	100.0	100.5	99.0	100.4	100.8	98.1	98.5	99.2	100.6	100.4
Mexico	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	101.9	91.5	79.8	81.0	81.2	81.9
Netherlands	92.9	95.4	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	97.7	98.8	98.9	101.4	101.7
New Zealand	75.9	74.9	82.2	94.2	101.2	106.6	99.0	105.9	98.9	92.6	100.0	103.8	106.6	109.4	113.2	104.8	105.6	107.1	103.9	103.4
Norway	88.4	91.2	98.8	98.2	93.9	97.3	96.8	96.8	97.4	95.5	100.0	100.6	100.2	98.5	93.8	86.3	87.0	87.3	86.2	86.0
Poland	93.0	104.1	99.6	88.9	88.0	97.8	99.3	102.6	111.7	94.8	100.0	98.2	95.7	96.0	97.1	94.3	90.3	92.7	96.2	96.5
Portugal	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	97.9	98.3	99.5	98.9
Russia	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	107.6	97.1	79.0	77.7	89.9	82.2	81.7
Slovak Republic	59.6	60.0	61.2	69.4	76.1	77.7	81.6	90.0	97.5	104.7	100.0	100.9	100.4	101.8	102.5	99.9	100.0	99.1	100.7	100.8
Slovenia	94.1	93.8	95.8	99.3	99.5	98.4	98.4	100.0	102.3	103.8	100.0	99.0	97.2	98.8	99.5	96.2	96.6	96.8	100.1	100.6
South Africa	97.0	85.4	74.0	97.0	103.8	104.0	98.5	91.6	80.0	87.4	100.0	98.1	92.3	81.8	77.0	75.0	69.8	79.3	85.0	86.6
Spain	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	95.9	96.5	99.0	98.5
Sweden	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	95.4	95.9	94.3	90.5	89.8
Switzerland	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	110.6	108.5	102.8	100.8
Turkey	82.9	67.4	73.7	78.2	80.9	89.6	88.8	96.0	97.0	91.3	100.0	88.4	91.7	90.3	86.1	85.8	84.1	75.1	70.2	73.4
United Kingdom	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	117.8	105.5	99.6	103.3	103.9
United States	117.3	123.9	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	111.4	115.9	115.5	111.8	112.3
Euro area	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	98.8	91.9	93.9	93.9	97.9	97.5

Note: Competitiveness-weighted relative consumer prices in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the 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 103 database.

StatLink http://dx.doi.org/10.1787/888933728261

Annex Table 52. **Indicators of competitiveness based on relative unit labour costs**

Indices, 2010 = 100

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	162.5	168.9	58.2	64.7	74.1	79.5	84.5	88.7	94.5	90.0	100.0	103.7	120.3	116.2	94.0	112.4	84.2	84.7	78.9	90.7
Australia	62.9	59.0	61.8	70.6	77.9	81.5	82.4	90.8	89.6	84.4	100.0	110.1	111.4	105.8	100.2	89.8	89.0	91.3	86.1	84.3
Austria	100.9	99.5	98.6	101.8	101.9	100.5	100.4	100.5	101.2	102.7	100.0	99.2	98.5	101.4	103.2	101.9	103.8	102.5	104.6	104.8
Belgium	92.5	94.9	96.9	101.6	101.4	100.4	101.0	101.7	104.2	104.6	100.0	101.4	99.6	102.3	102.6	97.6	97.8	98.3	99.6	98.5
Brazil	73.9	62.0	58.3	54.0	56.4	70.1	77.1	82.1	88.3	90.4	100.0	108.9	101.3	95.8	95.1	77.3	80.6	91.2	86.0	87.4
Canada	70.0	68.1	67.3	74.8	79.6	85.1	91.5	95.8	94.8	91.7	100.0	101.6	102.7	100.4	93.9	86.2	83.6	84.8	84.5	84.2
Chile	86.0	78.1	82.8	77.3	80.6	84.5	87.3	86.7	89.7	91.7	100.0	102.9	107.0	109.1	101.0	99.7	101.6	106.8	111.9	112.6
China	71.6	80.0	83.5	79.8	78.9	79.3	81.2	83.8	92.7	98.7	100.0	102.6	110.4	118.9	123.8	137.6	133.3	130.9	137.7	139.7
Colombia	72.4	71.6	71.5	60.6	65.7	74.4	74.1	82.8	87.4	87.9	100.0	98.3	106.8	105.4	102.0	82.9	79.3	82.5	86.6	88.8
Costa Rica	236.3	220.8	200.1	170.8	147.9	130.4	117.6	108.7	99.7	93.4	100.0	98.3	97.7	97.4	90.9	97.0	95.9	89.9	86.3	84.7
Czech Republic	66.3	71.0	81.9	81.9	84.6	88.8	92.1	94.7	105.6	99.3	100.0	101.7	98.2	95.9	91.0	89.2	92.9	97.0	103.1	103.1
Denmark	85.0	87.3	89.9	95.1	95.8	95.8	95.9	99.5	102.4	105.7	100.0	97.6	93.1	93.9	95.2	93.3	94.9	94.8	98.0	98.2
Estonia	73.8	73.9	75.4	80.5	82.4	83.3	86.5	96.3	107.5	108.5	100.0	96.4	94.8	97.5	103.3	108.9	112.9	111.8	116.4	117.1
Finland	99.1	99.5	100.2	104.4	104.6	103.4	101.0	98.7	100.6	107.4	100.0	98.6	97.2	98.7	100.9	100.9	100.8	96.4	97.5	95.6
France	92.6	92.7	95.4	100.6	101.8	101.3	101.2	101.7	102.0	102.6	100.0	99.1	96.4	97.8	98.6	94.5	95.3	95.1	96.4	94.8
Germany	112.7	109.0	109.0	114.2	114.1	109.1	104.0	101.6	101.3	105.9	100.0	98.6	96.4	99.6	102.1	100.0	102.4	103.0	105.5	105.3
Greece	74.6	75.0	82.3	87.6	90.2	92.5	91.9	94.4	97.4	101.8	100.0	96.8	89.3	83.5	82.9	80.1	80.7	79.9	80.0	78.8
Hungary	75.3	84.0	93.8	100.2	106.1	109.1	102.9	112.2	112.7	102.0	100.0	98.9	93.9	93.4	91.6	86.7	90.1	94.2	98.2	101.1
Iceland	154.7	135.9	146.9	156.8	159.0	183.3	178.9	183.2	130.7	90.0	100.0	105.2	105.7	109.8	120.1	131.9	150.9	174.6	175.2	173.5
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	75.9	85.8	101.6	106.1	101.5	98.3	112.7	107.3	98.6	92.6	100.0	95.3	89.0	81.5	72.5	69.5	70.3	69.2	63.7	62.7
Ireland	85.3	88.3	89.9	100.9	103.9	106.6	108.9	113.1	121.8	114.2	100.0	97.1	91.1	92.4	88.0	68.4	69.3	67.6	69.7	70.0
Israel	125.5	128.5	111.1	100.8	92.7	91.0	91.7	92.5	101.9	94.6	100.0	100.5	97.6	103.7	105.2	108.4	112.2	119.9	117.1	116.6
Italy	84.6	85.9	89.7	96.6	99.0	99.4	99.8	100.6	102.1	105.1	100.0	98.9	95.4	96.9	97.6	95.0	96.8	96.0	97.5	95.9
Japan	137.9	120.0	108.6	106.8	105.8	99.4	89.8	81.6	89.3	101.7	100.0	103.0	100.0	79.6	74.8	70.0	80.5	76.5	75.8	75.3
Korea	108.9	101.6	106.7	110.9	113.3	128.0	135.1	132.8	106.2	93.2	100.0	99.3	99.4	105.4	113.0	116.7	116.8	118.9	120.3	121.1
Latvia	95.9	89.4	83.2	80.8	81.2	86.4	94.8	115.7	131.7	116.9	100.0	94.2	93.7	96.7	103.8	113.0	117.5	114.4	120.0	120.5
Lithuania	91.3	85.2	87.1	90.1	94.4	96.7	103.2	105.9	113.1	111.9	100.0	98.0	93.6	95.1	99.4	105.1	111.8	112.3	117.8	119.3
Luxembourg	80.6	84.0	86.0	89.0	91.5	92.8	94.3	93.7	99.3	103.7	100.0	100.9	101.1	101.4	100.3	99.5	100.0	102.8	104.3	103.4
Mexico	100.9	111.5	115.3	103.6	99.0	104.2	105.0	104.2	104.9	93.9	100.0	101.2	98.6	104.4	102.0	90.4	79.0	79.9	80.7	82.3
Netherlands	93.8	95.0	99.6	105.6	105.7	102.4	100.2	101.3	102.7	105.9	100.0	99.0	96.5	97.7	97.5	92.3	93.4	92.7	95.3	96.5
New Zealand	68.9	69.1	75.5	87.6	96.0	103.6	96.6	105.1	100.3	92.0	100.0	102.1	104.4	108.9	114.9	106.5	107.3	109.5	107.7	107.6
Norway	70.4	72.7	80.4	79.5	77.0	81.7	85.1	90.9	96.0	93.6	100.0	106.2	109.0	109.9	105.3	95.7	93.1	93.5	93.7	94.6
Poland	101.9	113.7	103.5	90.1	85.4	95.4	97.2	101.6	115.1	92.3	100.0	96.0	92.4	92.4	94.1	92.1	90.5	93.2	97.4	99.6
Portugal	94.0	95.5	98.1	102.4	103.0	104.1	102.9	102.3	102.0	102.4	100.0	97.1	90.8	93.7	93.2	90.8	93.4	94.3	95.0	93.9
Russia	36.0	43.5	48.4	49.6	57.2	64.1	75.9	87.3	97.6	88.5	100.0	112.5	120.2	126.2	116.0	85.2	83.4	99.1	93.6	95.2
Slovak Republic	74.7	71.8	72.9	78.1	80.4	83.3	85.6	91.6	97.1	105.1	100.0	99.9	97.1	97.6	99.3	99.3	100.6	101.4	103.1	102.9
Slovenia	92.1	93.0	93.0	95.8	96.9	95.9	95.5	96.3	98.6	104.0	100.0	97.4	93.5	92.5	91.6	89.4	91.1	90.2	91.8	92.0
South Africa	80.2	68.9	58.7	78.1	89.1	91.8	89.1	84.9	74.4	82.2	100.0	100.6	95.5	86.7	82.7	81.9	77.3	88.4	95.6	98.6
Spain	82.4	83.7	86.7	92.0	95.0	96.4	98.7	102.2	105.8	104.8	100.0	97.8	90.3	89.8	90.0	88.0	88.1	87.3	88.3	87.5
Sweden	107.4	100.3	102.1	107.7	108.0	103.6	101.5	104.0	102.8	95.9	100.0	106.8	109.2	112.4	108.4	102.3	103.5	102.4	98.0	97.1
Switzerland	89.0	93.9	99.5	99.6	97.3	94.5	90.9	87.3	90.5	96.5	100.0	112.6	110.6	109.8	110.4	119.6	118.0	115.1	107.5	105.2
Turkey	84.5	67.9	74.2	78.8	81.8	91.0	90.1	97.1	97.5	89.7	100.0	89.1	92.3	91.2	87.0	87.2	85.2	74.9	71.3	76.0
United Kingdom	122.3	121.9	121.8	116.6	124.7	122.3	125.5	128.5	109.3	99.3	100.0	97.0	99.1	97.5	102.4	109.6	99.4	94.0	97.9	97.9
United States	130.3	134.6	132.2	122.8	117.5	113.7	112.7	108.2	102.6	104.4	100.0	95.2	96.9	97.2	100.7	114.3	118.9	117.5	112.6	112.6
Euro area	91.7	90.9	95.0	106.4	108.5	105.2	102.6	102.9	105.4	110.2	100.0	97.5	91.6	94.6	96.5	91.0	93.4	92.9	96.0	94.8

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728280

Annex Table 53. **Export market growth in goods and services**

Percentage changes from previous period

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	13.0	1.0	6.5	9.7	13.8	9.7	9.9	7.8	5.2	-8.8	14.7	10.2	5.3	4.5	5.2	1.4	2.5	5.8	5.0	4.4
Austria	11.9	2.1	1.4	5.4	9.4	7.7	10.7	8.4	3.0	-11.5	11.9	7.0	0.9	3.2	3.4	3.6	3.4	5.3	5.0	5.0
Belgium	12.5	1.9	1.8	4.2	8.4	7.3	9.5	6.7	2.5	-10.8	10.9	6.2	1.7	2.4	4.4	4.4	3.4	4.8	4.4	4.5
Canada	12.8	-1.9	3.8	4.8	11.3	6.8	7.1	3.6	-1.1	-12.8	12.7	6.0	2.7	1.8	4.4	4.2	1.6	4.2	5.0	5.0
Chile	13.0	0.8	3.8	8.4	12.2	8.6	10.2	8.6	4.3	-8.9	15.1	9.7	3.8	4.6	4.5	1.5	2.4	5.6	5.0	4.5
Czech Republic	11.6	2.8	1.3	5.2	9.2	7.7	11.2	8.1	3.0	-12.1	11.8	6.9	1.1	2.9	3.8	4.0	3.7	5.4	5.0	5.1
Denmark	11.3	1.3	1.7	4.7	8.6	7.7	9.7	7.4	2.4	-11.6	11.2	6.4	1.9	2.5	4.3	4.0	3.4	4.7	4.5	4.4
Estonia	12.3	3.2	3.7	5.8	10.4	10.6	11.2	10.7	4.9	-17.6	11.9	9.7	3.4	2.3	1.7	-0.1	3.2	6.4	5.1	4.3
Finland	12.2	1.6	3.0	6.0	10.3	8.7	10.8	9.3	3.8	-13.5	13.0	8.7	3.1	2.8	3.1	0.6	2.7	5.7	5.1	4.5
France	11.5	1.7	2.3	5.2	9.4	7.7	9.8	8.1	2.6	-11.3	11.0	6.1	1.3	2.8	3.9	3.4	3.0	4.6	4.6	4.4
Germany	12.4	2.0	3.1	4.8	9.6	8.0	9.5	8.0	3.0	-11.4	11.3	6.7	1.7	3.0	3.8	3.2	3.4	4.9	4.9	4.6
Greece	10.6	1.8	3.6	6.0	10.3	7.8	9.8	10.0	4.4	-11.6	10.7	7.5	2.4	3.0	2.9	2.9	3.2	5.0	5.0	4.2
Hungary	11.4	3.0	2.0	5.4	9.8	7.7	10.8	8.6	3.1	-12.4	11.8	7.1	1.6	2.7	3.4	3.4	3.6	5.5	5.0	4.8
Iceland	10.9	2.2	2.0	3.5	8.0	7.1	9.3	6.4	2.0	-11.0	9.9	5.1	2.0	2.6	3.7	4.4	3.4	4.9	4.2	4.1
Ireland	11.9	0.5	2.7	3.9	8.8	6.9	7.9	4.5	0.5	-11.1	10.9	5.4	1.4	2.5	4.0	4.2	3.6	4.2	4.2	4.2
Israel	13.0	-0.9	4.1	6.3	11.6	8.2	8.8	6.1	2.5	-11.3	13.6	7.8	3.1	2.7	3.6	2.7	2.7	5.2	5.3	4.9
Italy	12.1	1.8	2.5	5.4	9.7	8.1	9.7	8.9	3.5	-11.5	10.7	7.0	2.0	3.3	3.4	2.7	2.9	4.7	4.6	4.4
Japan	15.3	-0.7	7.0	9.8	14.6	9.3	10.2	8.7	4.1	-8.6	15.4	9.3	4.1	4.8	4.1	2.3	3.0	5.9	5.3	4.9
Korea	14.0	1.0	6.3	10.4	14.8	9.9	10.9	9.5	5.2	-8.7	14.9	9.7	4.9	5.3	4.8	1.5	2.6	5.8	5.2	4.9
Latvia	10.6	6.4	7.0	7.6	12.2	12.3	13.8	12.2	6.2	-19.9	14.5	12.3	5.1	3.7	1.8	-1.6	2.8	7.4	5.9	4.4
Luxembourg	12.3	1.7	1.4	3.6	7.4	7.1	9.0	6.5	1.8	-10.4	10.4	5.9	0.6	2.7	3.8	4.4	4.0	4.4	4.2	4.4
Mexico	12.5	-2.3	3.3	4.8	11.4	6.7	6.9	3.7	-1.3	-13.2	12.9	6.2	2.5	1.6	4.2	4.2	1.2	4.0	5.2	5.2
Netherlands	12.2	1.6	1.6	4.3	8.3	7.3	9.5	7.0	2.2	-11.0	10.8	6.3	1.0	2.5	4.2	4.0	4.0	4.7	4.4	4.5
New Zealand	11.8	-0.4	6.6	8.7	13.6	9.3	9.7	9.6	6.0	-9.3	13.7	9.1	5.0	2.5	3.1	1.7	1.5	5.7	4.6	4.7
Norway	11.8	2.2	2.9	3.6	7.8	7.4	9.6	4.7	1.2	-10.7	10.1	5.0	1.9	2.4	4.5	4.7	4.1	4.3	3.8	3.8
Poland	12.1	3.0	2.0	5.0	9.6	7.9	10.7	8.2	2.6	-12.6	11.6	7.0	1.4	2.6	3.7	3.4	3.5	5.5	4.8	4.7
Portugal	11.2	2.8	2.4	4.7	9.0	7.5	8.9	8.2	0.5	-12.6	9.1	4.5	-0.1	2.0	4.7	4.0	2.8	4.3	3.9	4.1
Slovak Republic	12.9	2.9	2.1	5.5	10.5	7.6	10.8	9.1	3.0	-12.2	11.9	6.4	0.7	2.2	5.0	4.2	3.8	6.2	5.4	5.2
Slovenia	11.6	3.3	2.0	5.1	9.5	7.4	10.6	9.3	3.6	-12.4	11.5	7.1	1.1	2.4	3.4	3.3	3.4	5.7	5.0	4.8
Spain	11.8	1.7	1.7	3.6	8.2	6.8	9.0	7.3	2.6	-10.7	10.5	5.4	0.7	2.8	4.0	4.1	3.3	4.9	4.5	4.3
Sweden	10.9	1.6	3.0	4.1	9.2	8.5	10.1	7.6	3.3	-11.6	10.0	6.5	2.4	2.8	3.4	2.9	3.2	4.5	4.3	4.3
Switzerland	12.3	1.2	2.4	5.4	9.6	7.5	9.6	7.1	2.2	-11.0	12.0	6.6	1.8	2.7	4.2	3.3	2.7	5.1	4.6	4.5
Turkey	10.7	4.2	3.3	5.8	10.5	9.2	10.7	11.9	5.9	-11.2	9.0	7.2	3.5	3.1	3.6	0.7	1.2	3.8	3.9	3.7
United Kingdom	13.2	2.2	2.7	3.8	8.4	8.5	9.0	7.9	2.0	-9.7	9.6	6.3	1.9	2.6	5.0	6.6	5.0	2.7	5.1	4.7
United States	12.3	-0.2	2.9	5.9	10.3	8.5	9.1	8.2	4.3	-10.6	13.9	7.9	4.0	3.6	3.7	2.1	1.8	4.9	4.4	4.2
Total OECD	12.5	1.0	3.1	5.6	10.2	8.1	9.4	7.6	2.9	-10.9	12.2	7.2	2.5	3.2	4.0	3.2	2.9	4.8	4.8	4.5
China	13.0	-0.5	3.7	6.1	12.2	8.4	8.8	7.5	3.9	-12.2	13.6	7.3	3.5	2.7	3.4	1.8	1.5	5.3	4.9	4.5
Other industrialised Asia[1]	13.9	0.1	5.6	8.6	14.0	9.4	9.7	8.4	4.8	-9.4	14.3	8.8	4.5	4.4	4.3	1.9	2.3	5.6	5.1	4.7
Russia	11.9	1.4	3.6	6.1	10.1	8.1	9.8	8.9	3.8	-11.0	11.3	7.5	2.4	3.2	3.7	3.7	3.5	5.4	5.2	4.5
Brazil	10.6	0.4	-0.3	9.4	14.1	10.0	10.7	10.6	5.7	-10.6	14.2	10.3	3.5	4.1	2.7	2.0	2.3	5.8	5.4	4.6
Other oil producers	12.8	0.4	4.9	7.6	12.3	9.4	10.0	8.0	5.0	-10.4	13.3	8.9	4.2	2.6	4.0	1.5	1.9	5.4	5.1	4.5
Rest of the world	11.7	2.2	3.6	6.7	11.5	9.1	10.6	10.5	5.4	-11.8	12.4	8.6	3.5	3.3	2.7	0.5	1.7	5.1	4.9	4.3

Note: Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728299

Annex Table 54. **Export performance for total goods and services**

Percentage changes from previous period

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	-1.3	2.0	-5.3	-10.2	-8.7	-5.8	-5.9	-4.0	-0.8	12.1	-8.2	-9.6	0.6	1.2	1.6	4.8	4.2	-1.7	-0.7	-0.5
Austria	2.4	3.0	2.7	-4.5	-1.4	-0.3	-2.0	-1.3	-1.5	-2.7	0.7	-0.6	0.7	-2.8	-0.2	-0.7	-1.2	0.6	0.1	0.0
Belgium	-0.1	-1.5	1.8	-2.5	-2.0	-2.1	-3.9	-1.0	-0.8	1.5	-0.5	0.5	-1.3	-1.5	0.7	-1.1	4.0	0.1	0.3	-0.2
Canada	-3.3	-1.1	-2.5	-6.3	-5.2	-4.3	-5.8	-2.3	-3.5	-0.2	-5.4	-1.2	0.0	0.8	1.4	-0.7	-0.6	-3.1	-3.1	-0.5
Chile	-6.5	5.9	-1.4	-1.6	1.9	-5.3	-4.6	-1.3	-4.7	5.0	-11.1	-4.0	-3.5	-1.0	-4.0	-3.2	-2.5	-6.3	1.2	0.8
Czech Republic	3.6	6.4	-0.5	3.5	18.3	10.0	3.2	2.7	0.8	3.0	2.1	2.1	3.3	-2.6	4.7	2.1	0.6	1.5	0.3	0.3
Denmark	1.2	2.0	2.6	-5.6	-5.1	0.1	0.6	-3.5	1.4	2.7	-7.5	0.8	-0.7	-0.9	-1.1	-1.6	-0.6	-0.3	-1.4	-0.7
Estonia	-17.1	3.1	-0.9	4.1	6.3	8.5	-1.5	1.7	-3.8	-3.3	10.8	13.2	1.4	0.5	0.8	-0.6	0.9	-3.3	-0.2	0.0
Finland	3.5	-0.3	0.6	-6.8	-1.5	-1.7	-0.7	-0.2	2.7	-7.6	-6.0	-6.2	-1.8	-1.6	-5.6	0.3	0.8	2.0	0.2	0.4
France	1.5	1.2	-0.5	-5.9	-4.3	-3.8	-3.5	-4.8	-2.6	0.2	-2.0	0.9	1.4	-0.9	-0.5	0.6	-1.1	-1.3	-0.7	-0.2
Germany	1.8	4.0	1.2	-2.8	0.7	-0.9	3.1	1.6	-1.6	-3.3	2.6	1.6	1.8	-1.1	0.7	1.4	-0.9	0.4	-0.3	-0.1
Greece	10.1	-1.8	-10.5	-6.3	7.3	-4.1	-4.2	0.6	-0.6	-7.6	-5.5	-6.9	-1.2	-1.4	4.7	-0.1	-4.9	1.8	0.9	0.5
Hungary	12.1	5.6	3.7	0.8	7.4	4.8	7.9	6.9	3.7	1.1	-0.4	-0.6	-3.3	1.4	5.5	5.0	-0.2	1.5	1.2	1.1
Iceland	-6.3	4.4	1.4	-2.5	0.1	0.0	-12.8	16.0	1.3	21.6	-8.1	-1.6	1.6	4.0	-0.5	4.6	7.3	-0.1	0.7	-1.4
Ireland	8.2	13.5	3.7	-5.4	-2.0	-1.3	-1.6	4.3	-4.3	17.7	-4.7	-2.1	0.1	0.5	9.9	32.8	1.0	2.5	1.0	0.1
Israel	9.4	-10.3	-5.9	1.8	5.4	-2.9	-3.2	4.1	3.3	0.2	1.4	1.8	-4.8	0.7	-1.5	-4.9	-0.1	-1.6	0.8	-0.2
Italy	0.7	0.5	-4.8	-6.6	-3.9	-3.6	-1.0	-3.1	-6.6	-7.3	0.6	-0.8	0.1	-2.3	-1.0	1.5	-0.3	1.2	0.8	-0.1
Japan	-2.2	-6.1	0.7	-0.2	-0.3	-1.9	0.1	0.0	-2.5	-16.2	8.3	-8.7	-4.1	-3.9	5.0	0.6	-1.3	0.8	-0.2	-0.4
Korea	2.8	-3.3	6.3	3.1	5.0	-1.9	1.1	2.8	2.2	9.2	-1.9	4.9	0.1	-1.0	-2.7	-1.6	0.0	-3.7	-1.6	-0.5
Latvia	3.5	2.5	-1.9	-3.4	1.3	10.0	-5.5	1.4	-3.6	8.7	-0.9	-0.3	4.4	-2.5	4.1	4.7	1.3	-2.4	-1.1	-0.8
Luxembourg	3.4	4.3	1.3	-0.7	1.7	-0.7	4.2	1.6	3.3	-1.2	-0.7	-1.4	2.5	2.7	9.9	2.1	-1.8	0.1	0.6	0.2
Mexico	-0.8	1.8	-2.8	-2.7	-1.3	-0.5	0.9	-1.7	0.3	2.6	8.4	1.5	4.0	-0.2	2.6	4.1	2.2	-0.2	-0.7	-0.2
Netherlands	0.8	-0.2	-1.0	-2.4	-0.2	-1.5	-1.8	-1.3	-0.3	2.4	-0.5	-1.7	2.8	-0.2	0.2	2.3	0.2	1.6	-0.4	-0.6
New Zealand	-3.7	3.6	0.2	-5.8	-7.4	-9.0	-7.2	-4.3	-6.7	12.4	-9.1	-6.0	-3.1	-1.4	0.0	5.1	0.1	-3.0	-3.5	-1.0
Norway	-7.7	2.1	-3.1	-3.5	-6.3	-6.4	-9.5	-3.1	-1.0	7.4	-8.7	-5.5	-0.4	-3.9	-1.3	0.0	-5.6	-3.1	-3.7	-2.4
Poland	10.6	-0.6	2.7	8.6	-4.3	1.8	4.4	1.7	4.3	7.6	1.4	0.8	3.1	3.4	2.9	4.1	5.1	2.5	2.7	1.6
Portugal	-2.5	-0.5	0.6	-1.3	-4.1	-6.5	3.2	-0.8	-0.9	2.8	0.4	2.5	3.5	4.9	-0.3	2.0	1.6	3.4	1.8	0.2
Slovak Republic	-4.8	7.5	4.9	12.2	9.3	4.9	11.0	5.0	0.1	-5.3	3.4	5.2	8.6	4.4	-1.1	2.2	2.4	-1.8	3.0	3.4
Slovenia	0.9	3.8	5.7	-1.8	3.3	3.7	3.2	4.0	0.5	-4.8	-1.2	-0.2	-0.5	0.7	2.2	1.7	2.9	4.7	3.6	1.9
Spain	-1.2	1.9	-0.3	-0.2	-3.6	-4.7	-3.7	0.9	-3.4	-0.4	-1.0	1.9	0.4	1.5	0.3	0.1	1.4	0.1	0.1	0.2
Sweden	0.9	-0.7	-1.7	0.3	0.6	-1.8	-0.9	-2.7	-1.6	-3.1	1.3	-0.3	-0.8	-3.5	2.0	2.3	-0.2	-0.5	1.7	0.3
Switzerland	0.3	-1.3	-4.3	-6.1	-0.5	-0.6	-2.8	3.8	1.5	1.3	0.5	-1.3	-0.6	12.2	-9.9	-1.0	3.7	-5.5	0.1	-0.5
Turkey	6.0	0.4	4.3	0.9	1.0	-1.0	-3.8	-4.1	-2.0	8.5	-6.7	5.9	11.0	-2.0	4.4	3.6	-3.0	7.9	4.7	2.8
United Kingdom	-3.1	-0.1	-0.8	-1.2	-3.3	0.2	3.2	-8.7	-1.4	1.2	-3.3	0.0	-1.7	-1.7	-2.2	-1.5	-2.5	2.9	-3.6	-1.3
United States	-3.3	-5.6	-4.5	-3.9	-0.5	-2.0	0.0	1.0	1.4	2.1	-1.8	-1.0	-0.5	-0.1	0.6	-1.6	-2.1	-1.5	0.4	0.2
Total OECD	-0.4	-0.4	-1.1	-3.1	-1.4	-1.9	-0.7	-0.8	-1.0	-0.2	-0.7	-0.8	0.2	-0.4	0.5	1.1	-0.3	-0.2	-0.3	-0.1
China	13.5	6.5	22.0	20.7	10.9	13.9	14.9	11.8	5.6	1.6	9.9	6.3	2.6	6.2	0.8	-4.0	0.4	5.5	1.5	1.1
Other industrialised Asia[1]	3.1	-2.3	2.2	1.8	2.8	2.9	1.9	-0.2	0.9	1.6	2.0	-0.5	-0.8	1.0	-0.5	-1.5	0.0	1.0	0.3	0.5
Russia	-2.1	2.7	6.4	6.2	1.5	-1.6	-2.3	-2.4	-3.1	7.0	-3.8	-6.7	-1.0	1.4	-3.1	0.0	-0.3	-0.2	-1.3	-1.4
Brazil	2.7	8.1	6.9	1.6	-0.6	1.3	-5.4	-4.6	-5.7	2.4	-2.3	-4.5	-3.7	-1.2	-3.6	4.7	-0.7	-0.1	0.1	0.9
Other oil producers	-7.9	-0.4	-6.3	5.1	-1.9	-0.4	-5.3	-3.4	0.2	2.7	-7.1	-0.6	-1.0	-0.8	-2.2	2.6	1.5	-6.7	-4.3	-2.0
Rest of the world	-3.2	2.7	-0.1	-0.6	-0.8	-2.7	-3.9	-2.5	-1.1	4.3	-3.6	-1.4	-0.6	0.9	-0.4	1.8	1.3	-2.0	-1.8	-0.9

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, the Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728318

Annex Table 55. **Import penetration**

Goods and services import volume as a percentage of total final expenditure, constant prices

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	12.3	11.5	12.2	13.0	14.2	14.8	15.6	16.6	17.7	16.2	17.9	19.1	19.3	18.7	18.0	18.0	17.6	18.4	18.7	19.3
Austria	28.5	29.4	29.2	29.6	30.8	31.4	31.9	32.2	32.1	30.2	32.3	32.9	33.0	33.2	33.7	34.2	34.5	35.2	35.4	36.1
Belgium	38.8	38.4	38.2	38.4	38.9	39.9	40.4	40.9	41.5	39.9	41.4	42.7	42.7	42.7	43.8	44.3	45.9	46.6	47.3	48.0
Brazil	11.1	11.2	9.6	9.5	9.8	10.2	11.4	12.6	13.9	13.0	15.8	16.7	16.5	17.0	16.7	15.1	14.1	14.7	15.3	15.5
Canada	22.5	21.4	21.2	21.6	22.5	23.2	23.6	24.3	24.3	22.5	24.2	24.9	25.2	24.8	24.7	24.7	24.2	24.3	24.6	24.9
Chile	17.1	17.3	17.1	17.3	18.6	20.3	21.0	22.3	23.5	20.9	23.7	25.2	25.1	24.7	23.1	22.5	22.3	22.8	23.5	24.0
China	9.9	9.9	11.2	13.2	14.6	14.7	15.2	15.1	14.7	14.0	14.8	15.6	15.5	15.9	16.0	15.5	15.4	15.4	15.3	15.1
Colombia	11.4	12.0	11.8	12.2	12.6	13.3	14.5	15.3	16.3	15.0	15.8	17.6	18.3	18.7	19.1	18.5	17.6	17.4	17.1	17.2
Costa Rica	24.9	24.2	24.7	24.7	24.8	25.4	25.5	25.8	26.2	22.5	24.8	25.9	26.5	26.4	26.6	26.8	27.6	27.6	27.7	28.1
Czech Republic	27.0	28.4	28.9	29.9	33.6	34.9	35.9	37.4	37.4	35.9	38.6	39.7	40.6	40.7	42.3	42.7	42.8	43.2	43.8	44.4
Denmark	24.8	25.1	26.1	25.8	26.7	28.3	30.2	31.2	32.3	30.6	30.4	31.6	32.1	32.2	32.7	32.8	33.2	33.6	34.1	34.7
Estonia	32.1	33.4	34.9	35.8	37.7	39.4	41.7	42.7	42.3	37.0	40.7	44.8	45.9	46.0	46.1	45.1	45.8	45.7	46.3	46.8
Finland	23.4	23.4	23.9	24.4	25.1	26.6	27.1	27.4	28.8	26.8	27.2	27.9	28.5	28.8	28.6	29.2	30.0	30.0	30.0	30.3
France	19.2	19.2	19.4	19.4	19.9	20.6	21.1	21.7	21.8	20.7	21.7	22.5	22.6	22.9	23.5	24.3	24.9	25.3	25.4	25.8
Germany	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	28.4	29.1	29.5	30.2	30.6	31.3
Greece	25.1	24.0	22.7	22.9	22.8	23.1	24.4	26.3	26.5	23.1	23.4	23.7	23.3	23.1	24.3	24.4	24.7	25.9	26.2	26.6
Hungary	33.7	34.1	34.9	36.1	38.5	39.3	41.9	44.9	46.1	43.9	46.2	46.9	46.4	47.0	48.7	49.4	49.6	51.2	51.9	53.2
Iceland	27.1	24.3	23.6	25.0	26.0	29.8	30.8	28.5	23.8	20.3	21.6	22.4	22.9	22.2	23.3	24.8	26.0	27.5	28.0	28.3
India[1]	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	21.3	20.2	18.1	17.6	18.2	18.0	17.9
Indonesia	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	17.2	16.2	16.5	17.0	17.2
Ireland	43.4	44.7	44.5	42.8	41.4	43.3	44.4	45.7	46.2	46.3	45.9	46.3	46.7	46.6	47.8	47.8	50.6	47.5	48.7	49.2
Israel	23.7	22.7	22.5	22.2	23.3	23.1	22.8	23.5	23.4	20.7	22.2	23.1	23.1	22.4	22.5	22.0	22.9	23.2	24.7	25.3
Italy	18.9	18.9	19.0	19.1	19.6	20.0	20.9	21.5	21.0	19.7	21.3	21.4	20.5	20.4	20.8	21.8	22.2	22.9	23.7	24.2
Japan	11.3	11.3	11.4	11.6	12.2	12.6	13.0	13.1	13.3	12.0	12.7	13.4	13.8	14.0	14.9	14.8	14.5	14.7	15.0	15.1
Korea	25.0	23.5	24.8	26.2	27.6	28.4	29.8	31.1	31.1	29.6	31.6	33.8	33.8	33.5	33.1	33.0	33.4	34.4	35.0	35.1
Latvia	30.7	32.4	31.5	32.2	34.6	35.8	37.7	39.2	37.3	32.0	35.5	38.7	39.1	38.6	38.4	38.2	38.8	39.9	40.4	40.9
Lithuania	29.1	31.4	34.0	33.8	35.7	38.0	39.4	39.2	41.4	36.6	40.2	42.2	42.8	44.0	43.8	44.9	45.2	47.3	48.5	49.0
Luxembourg	52.5	53.3	52.7	53.3	55.6	55.8	57.2	56.7	59.2	56.7	58.6	59.1	60.2	60.3	61.7	62.7	62.8	62.8	62.9	63.1
Mexico	21.8	21.8	21.9	22.0	22.0	22.5	23.2	23.6	24.0	21.9	23.7	23.9	24.1	24.5	25.1	25.5	25.3	26.5	26.8	26.9
Netherlands	34.4	34.4	34.4	34.8	35.8	36.5	37.5	37.9	38.1	37.1	38.9	39.3	40.1	40.4	41.1	42.5	42.9	43.5	43.8	44.1
New Zealand	19.2	19.2	19.9	20.4	22.3	22.9	22.0	22.9	23.5	20.7	22.2	23.0	23.0	23.8	24.6	24.5	24.4	25.1	25.4	25.6
Norway	19.4	19.3	19.2	19.2	19.9	20.7	21.8	22.9	23.4	21.7	23.0	23.5	23.6	24.3	24.4	24.3	24.5	24.7	24.7	24.9
Poland	24.9	24.0	24.2	25.3	25.8	26.3	28.3	29.9	31.0	27.6	29.6	29.8	29.4	29.4	30.7	31.3	32.3	33.1	34.2	35.0
Portugal	25.7	25.5	25.4	25.5	26.5	26.8	28.0	28.5	29.0	27.5	28.7	27.8	27.3	28.5	29.9	31.3	31.8	32.9	33.9	34.4
Russia	10.7	11.9	12.8	13.8	15.3	16.5	18.1	20.4	21.8	17.3	20.1	22.6	23.6	23.9	22.3	17.6	17.0	18.9	20.0	20.2
Slovak Republic	34.5	37.6	37.9	38.5	42.0	43.9	46.3	46.0	45.4	41.6	43.8	45.3	45.5	46.5	47.0	48.1	48.2	48.4	49.0	50.0
Slovenia	32.6	32.8	33.2	33.9	35.9	36.7	38.1	40.1	40.3	37.3	38.6	39.6	39.3	40.1	40.3	40.9	41.7	42.9	44.0	44.7
South Africa	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	23.2	23.9	23.1	23.2	23.8	24.2
Spain	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	21.9	22.2	22.4	22.7
Sweden	25.0	24.4	23.8	24.1	24.4	25.2	25.8	26.6	27.4	25.5	26.7	27.5	27.7	27.4	28.2	28.3	28.3	28.8	29.2	29.7
Switzerland	32.1	32.0	31.5	31.6	31.8	33.2	33.0	33.4	34.0	33.6	34.8	36.3	35.5	38.0	35.4	36.2	37.3	36.5	36.8	37.5
Turkey	19.1	16.1	17.8	19.8	20.9	21.0	20.8	21.4	20.7	18.9	20.6	20.9	20.3	20.7	19.9	19.3	19.4	20.0	21.2	21.2
United Kingdom	19.0	19.4	19.9	19.8	20.4	21.0	22.3	21.7	21.5	20.5	21.6	21.5	21.7	21.9	22.1	22.5	23.1	23.3	23.2	23.3
United States	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	14.7
Total OECD	18.1	17.9	18.0	18.3	19.1	19.7	20.5	21.0	21.0	19.6	20.8	21.5	21.5	21.6	21.9	22.3	22.6	23.0	23.4	23.7

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728337

Annex Table 56. **Shares in world exports and imports**

Percentage, value of goods and services, national accounts basis

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Exports																				
Canada	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	2.4	2.3	2.3	2.2	2.1
France	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	3.4	3.5	3.4	3.5	3.4
Germany	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	7.8	7.9	7.8
Italy	3.8	4.0	3.9	4.0	3.9	3.6	3.5	3.6	3.3	3.1	2.9	2.8	2.6	2.7	2.7	2.6	2.7	2.7	2.8	2.8
Japan	6.7	5.9	5.7	5.6	5.6	5.3	4.9	4.6	4.5	4.2	4.6	4.2	4.0	3.6	3.6	3.7	3.9	3.8	3.7	3.7
United Kingdom	5.3	5.3	5.3	5.2	5.1	4.9	4.9	4.5	4.0	4.0	3.7	3.6	3.5	3.5	3.6	3.8	3.6	3.6	3.6	3.6
United States	14.1	13.6	12.7	11.3	10.6	10.3	10.1	9.8	9.5	10.2	10.0	9.5	9.8	9.9	10.1	10.8	10.8	10.4	10.1	10.1
Total of smaller countries	27.0	27.6	27.8	28.3	28.4	27.8	27.5	28.0	27.9	28.3	27.3	27.0	26.3	26.6	26.7	26.8	27.5	27.7	27.9	27.9
Total OECD	73.7	73.9	73.1	72.2	70.8	68.4	67.0	66.3	64.4	64.7	62.4	60.7	59.5	59.5	60.2	61.1	62.1	61.6	61.7	61.4
China	3.3	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	10.5	11.3	10.7	10.8	11.2	11.4
Other industrialised Asia[1]	12.2	11.6	11.7	11.3	11.3	11.5	11.6	11.4	11.2	11.9	12.9	12.7	12.9	12.9	13.0	13.5	13.7	13.9	13.5	13.7
Brazil	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	1.1	1.2	1.0	1.0
Russia	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	1.6	1.8	1.7	1.7
Other oil producers	4.4	4.1	4.2	4.5	5.0	6.2	6.5	6.5	7.5	6.5	6.9	7.9	8.2	7.9	7.3	5.6	5.3	5.4	5.8	5.7
Rest of the world	4.1	4.3	4.4	4.5	4.6	4.6	4.8	4.9	5.3	5.5	5.5	5.7	5.7	5.7	5.6	5.5	5.6	5.3	5.1	5.1
Total non-OECD	26.3	26.1	26.9	27.8	29.2	31.6	33.0	33.7	35.6	35.3	37.6	39.3	40.5	40.5	39.8	38.9	37.9	38.4	38.3	38.6
B. Imports																				
Canada	3.7	3.6	3.4	3.2	3.1	3.1	3.0	2.8	2.6	2.7	2.8	2.6	2.7	2.6	2.6	2.6	2.6	2.5	2.4	2.3
France	4.8	4.9	4.9	5.0	4.9	4.7	4.5	4.6	4.4	4.5	4.1	4.0	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.7
Germany	7.7	7.8	7.5	8.0	7.7	7.4	7.5	7.5	7.3	7.4	6.9	6.9	6.5	6.6	6.6	6.4	6.6	6.7	6.8	6.7
Italy	3.7	3.8	3.8	3.9	3.8	3.7	3.7	3.7	3.5	3.3	3.2	3.0	2.6	2.5	2.5	2.4	2.5	2.5	2.6	2.6
Japan	5.8	5.5	5.1	4.9	4.8	4.8	4.6	4.2	4.5	4.1	4.3	4.4	4.6	4.2	4.2	3.9	3.8	3.7	3.7	3.6
United Kingdom	5.7	5.8	6.0	5.8	5.7	5.5	5.5	5.1	4.5	4.4	4.1	3.9	3.9	3.9	4.0	4.1	4.0	3.8	3.8	3.8
United States	19.0	18.5	18.2	16.9	16.3	16.2	15.7	14.3	13.4	13.0	13.0	12.4	12.6	12.3	12.6	13.6	13.6	13.3	13.1	13.2
Total of smaller countries	26.1	26.2	26.6	27.2	27.4	27.2	27.2	28.0	27.9	27.4	26.5	26.5	25.5	25.5	25.4	25.2	25.9	26.0	26.4	26.3
Total OECD	76.4	76.0	75.5	75.0	73.7	72.6	71.6	70.2	68.1	66.7	64.9	63.8	62.1	61.4	61.7	62.0	62.8	62.3	62.5	62.3
China	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	9.4	9.8	9.8	9.7	10.1	10.5	10.7
Other industrialised Asia[1]	11.4	10.7	10.8	10.4	10.8	11.0	11.0	10.9	11.1	11.5	12.7	12.6	13.1	13.0	12.8	13.1	13.1	13.5	13.4	13.7
Brazil	1.0	1.1	0.9	0.8	0.8	0.8	0.9	1.0	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.3	1.1	1.1	1.0	0.9
Russia	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	1.3	1.5	1.4	1.4
Other oil producers	2.7	3.0	3.2	3.3	3.4	3.8	4.0	4.6	5.0	5.7	5.2	5.1	5.4	5.5	5.7	5.8	5.3	4.9	4.5	4.4
Rest of the world	4.8	5.0	4.9	5.0	5.2	5.4	5.6	6.0	6.6	6.5	6.5	6.7	6.9	6.9	6.7	6.8	6.7	6.8	6.6	6.6
Total non-OECD	23.6	24.0	24.5	25.0	26.3	27.4	28.4	29.8	31.9	33.3	35.1	36.2	37.9	38.6	38.3	38.0	37.2	37.7	37.5	37.7

Note: Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728356

Annex Table 57. **Geographical structure of world trade growth**

Average of export and import volumes

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Trade growth	Percentage changes from previous period																			
Total OECD	12.1	0.3	2.2	3.2	8.7	6.4	8.4	6.1	1.2	-11.4	11.4	6.0	2.0	2.4	4.4	4.5	2.9	4.6	4.6	4.5
of which: OECD America[1]	11.0	-3.5	1.4	2.8	9.8	6.0	6.7	4.8	0.5	-11.9	12.7	6.1	3.1	2.1	4.4	3.2	0.7	3.6	4.6	4.8
OECD Europe	12.5	2.7	1.8	2.5	7.4	6.5	9.2	6.3	1.0	-11.1	9.9	5.7	1.2	2.5	4.2	5.8	4.0	4.9	4.6	4.5
OECD Asia and Pacific[2]	12.4	-2.1	6.4	7.1	12.0	6.7	8.3	7.7	3.2	-12.1	15.4	6.9	3.5	2.4	5.3	2.0	1.9	4.9	4.3	3.9
Total non-OECD	12.8	2.0	6.8	12.7	16.1	12.1	11.8	11.4	7.7	-8.6	14.5	9.9	4.9	5.3	3.2	0.1	2.1	5.8	4.8	4.5
of which: China	26.1	7.6	25.7	30.2	23.8	18.1	21.2	17.2	7.9	-4.3	21.6	15.0	6.6	10.0	6.1	0.1	4.1	9.0	6.0	5.6
Other industrialised Asia[3]	17.9	-3.1	6.9	10.1	17.9	12.5	11.0	7.7	7.6	-9.4	17.6	8.3	4.5	4.1	3.0	0.4	2.3	7.2	5.8	5.3
Brazil	12.7	5.8	-2.9	6.2	12.0	10.4	9.7	10.9	7.0	-7.9	22.2	8.0	0.0	5.0	-1.5	-4.6	-4.2	5.6	5.9	5.1
Russia	14.8	8.1	11.6	14.0	15.4	9.8	12.2	13.9	6.6	-16.4	14.2	8.7	5.2	4.1	-3.2	-9.9	0.6	8.8	5.5	3.0
Other oil producers	4.4	3.2	1.1	12.3	11.9	11.8	7.7	11.6	8.8	-7.5	4.2	7.6	5.5	3.1	3.7	0.9	-1.1	-1.5	0.7	2.1
Rest of the world	6.5	5.0	2.4	6.8	11.9	7.4	8.9	11.4	7.4	-10.7	9.2	9.7	4.1	3.8	1.5	2.9	3.2	4.0	3.9	3.6
World	12.3	0.8	3.4	5.8	10.9	8.1	9.5	7.8	3.4	-10.5	12.5	7.4	3.1	3.5	3.9	2.8	2.6	5.0	4.7	4.5
B. Contribution to world trade growth	Percentage points																			
Total OECD	8.9	0.3	1.6	2.3	6.1	4.4	5.7	4.1	0.8	-7.4	7.3	3.8	1.3	1.5	2.7	2.8	1.8	2.9	2.9	2.8
of which: OECD America[1]	2.3	-0.7	0.3	0.5	1.8	1.1	1.2	0.8	0.1	-2.0	2.1	1.0	0.5	0.3	0.7	0.5	0.1	0.6	0.7	0.7
OECD Europe	5.5	1.2	0.8	1.1	3.2	2.7	3.7	2.6	0.4	-4.3	3.9	2.2	0.4	0.9	1.5	2.1	1.5	1.9	1.7	1.7
OECD Asia and Pacific[2]	1.1	-0.2	0.6	0.6	1.1	0.6	0.7	0.7	0.3	-1.1	1.3	0.6	0.3	0.2	0.5	0.2	0.2	0.4	0.4	0.3
Total non-OECD	3.4	0.5	1.8	3.5	4.7	3.7	3.8	3.7	2.6	-3.0	5.2	3.6	1.8	2.0	1.2	0.0	0.8	2.1	1.8	1.7
of which: China	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	0.6	0.0	0.4	0.9	0.6	0.6
Other industrialised Asia[3]	1.7	-0.3	0.7	1.0	1.9	1.4	1.3	0.9	0.9	-1.1	2.2	1.1	0.6	0.5	0.4	0.0	0.3	0.9	0.7	0.7
Brazil	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	0.1	0.1	0.1
Russia	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	0.2	0.1	0.1
Other oil producers	0.3	0.2	0.1	0.7	0.7	0.7	0.5	0.7	0.5	-0.5	0.3	0.5	0.3	0.2	0.2	0.1	-0.1	-0.1	0.0	0.1
Rest of the world	0.4	0.3	0.1	0.4	0.7	0.4	0.5	0.7	0.4	-0.7	0.6	0.6	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2
World	12.3	0.8	3.4	5.8	10.9	8.1	9.5	7.8	3.4	-10.5	12.5	7.4	3.1	3.5	3.9	2.8	2.6	5.0	4.7	4.5

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, the Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728375

Annex Table 58. **Trade balances for goods and services**

USD billion, national accounts basis

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	-1.5	3.8	15.2	14.6	11.6	11.9	13.1	12.6	13.5	17.0	12.3	8.9	11.3	-0.5	2.0	-6.8	-5.3	-16.8	-24.1	-27.5
Australia	-4.7	1.9	-4.8	-14.3	-19.3	-15.0	-12.5	-22.8	-12.5	-10.2	5.8	11.5	-23.8	-10.5	-9.9	-27.8	-10.0	8.8	5.1	-2.3
Austria	2.9	3.2	7.7	7.4	8.0	9.9	13.2	17.8	18.3	13.3	13.2	12.5	12.2	11.9	14.8	14.1	13.5	14.4	17.3	18.0
Belgium	5.8	8.1	14.4	16.8	17.7	13.9	15.0	18.0	3.0	11.1	8.7	2.8	3.1	6.5	3.4	6.1	6.2	3.5	5.1	5.4
Brazil	-14.7	-12.7	2.7	12.6	22.8	30.5	30.0	18.8	-3.6	-7.4	-22.9	-20.2	-33.4	-57.2	-65.2	-23.1	7.1	20.9	15.6	18.5
Canada	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	-30.3	-17.6	-38.6	-37.2	-37.9	-39.2	-37.6
Chile	1.3	1.2	1.5	3.9	9.8	10.8	22.4	23.8	4.8	13.6	14.1	8.4	-0.1	-1.7	2.5	-0.4	2.1	4.8	5.8	5.6
China	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	221.3	357.9	255.7	210.7	237.6	251.0
Colombia	-2.2	-4.5	-4.7	-4.7	-4.5	-5.1	-6.8	-8.7	-7.2	-5.3	-4.6	-3.1	-4.5	-6.9	-15.9	-20.6	-19.3	-16.2	-14.5	-14.0
Costa Rica	-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	-1.3	-0.5	0.5	0.4	0.5	0.4
Czech Republic	-1.1	-0.8	-1.1	-1.2	1.0	3.2	4.3	4.7	5.2	8.2	6.4	8.5	10.2	12.1	13.2	11.2	14.6	15.6	15.2	14.5
Denmark	10.9	11.8	12.3	14.9	14.2	14.6	11.6	9.3	12.6	14.5	22.4	22.0	19.7	22.7	24.5	22.0	19.0	22.9	22.9	22.2
Estonia	-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	0.7	0.7	0.9	0.9	1.1	1.1	1.0
Finland	11.5	11.9	12.5	11.1	12.2	8.0	9.0	12.3	10.5	5.2	3.1	-2.3	-3.7	-2.4	-2.6	-1.1	-1.8	1.2	2.4	2.5
France	14.9	17.8	25.0	20.4	13.2	-8.7	-19.4	-34.3	-51.5	-38.6	-48.9	-73.2	-57.8	-53.6	-56.7	-37.0	-48.2	-64.9	-66.5	-65.3
Germany	5.9	35.3	92.8	93.0	139.7	143.8	160.4	231.6	224.4	169.9	174.8	180.7	217.2	226.6	270.8	268.6	274.6	282.4	318.3	326.6
Greece	-15.0	-14.2	-15.6	-22.3	-20.2	-21.1	-29.5	-39.7	-44.7	-32.2	-25.8	-20.1	-11.1	-6.7	-5.6	0.2	-1.8	-2.3	-1.3	-1.2
Hungary	-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	8.9	10.9	12.7	10.9	11.6	9.1
Iceland	-0.6	-0.1	0.1	-0.3	-0.7	-2.0	-2.9	-2.0	-0.7	1.2	1.4	1.2	0.9	1.2	1.1	1.2	1.3	1.0	1.3	1.1
India[1]	-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	-60.9	-48.4	-39.1	-83.1	-105.4	-123.4
Indonesia	17.2	12.7	11.5	16.7	10.8	10.3	18.3	15.6	1.7	15.2	14.4	22.2	-3.6	-8.1	-6.8	3.2	7.5	12.2	5.1	4.5
Ireland	13.7	17.1	22.2	25.0	28.0	23.2	18.9	22.6	23.7	32.0	36.8	44.5	38.3	44.3	45.4	95.6	66.6	107.4	108.5	115.1
Israel	-0.1	-3.1	-3.5	-1.0	0.1	-0.2	0.2	-1.7	-1.4	5.5	4.9	1.3	-0.1	5.3	4.3	9.0	6.6	5.4	-3.4	-5.8
Italy	9.4	14.5	9.8	7.6	9.5	-1.7	-16.2	-8.2	-18.7	-14.3	-42.4	-35.3	20.3	49.2	61.4	53.2	59.7	59.9	61.3	64.1
Japan	69.9	28.4	55.7	75.9	97.4	72.0	64.0	85.4	21.5	29.2	83.2	-34.1	-95.8	-119.0	-120.9	-18.4	49.1	45.1	29.1	45.3
Korea	11.7	8.3	9.0	13.8	29.2	21.9	8.0	12.7	-2.1	41.4	34.7	17.8	34.5	64.9	74.1	96.4	96.7	82.5	63.0	74.0
Latvia	-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	-1.1	-0.5	-0.1	0.3	-0.4	-0.6	-1.0
Lithuania	-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	1.0	-0.2	0.5	1.0	0.9	0.7
Luxembourg	5.3	5.0	5.9	7.0	8.7	9.6	13.5	16.9	17.1	16.5	17.5	19.5	17.6	19.7	22.6	20.4	20.6	22.6	25.7	27.0
Mexico	-11.2	-13.8	-11.7	-10.5	-13.9	-13.0	-14.1	-18.3	-25.5	-14.8	-14.5	-16.6	-15.2	-15.2	-15.9	-23.7	-21.6	-21.1	-12.7	-8.5
Netherlands	26.9	28.5	31.9	38.9	51.4	58.7	63.6	74.3	81.1	63.2	69.9	76.3	79.6	92.7	95.5	80.1	85.5	96.9	106.8	109.8
New Zealand	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	1.1	1.2	1.7	0.9	0.6
Norway	28.7	29.0	25.8	29.1	34.9	49.3	58.5	54.2	80.0	44.5	48.5	64.3	66.5	56.4	45.2	21.9	3.2	9.7	15.7	14.8
Poland	-10.9	-6.8	-6.8	-5.8	-6.8	-3.2	-7.1	-15.2	-27.3	-3.7	-9.6	-10.4	-2.2	10.2	7.8	14.7	19.1	21.8	20.2	19.2
Portugal	-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	1.2	2.3	2.3	2.4	2.0
Russia	52.3	39.4	37.7	49.6	73.2	105.5	127.0	114.3	158.0	94.0	125.4	165.1	146.6	123.7	133.2	111.0	67.0	82.8	86.1	86.0
Slovak Republic	-0.5	-1.7	-1.8	-0.6	-1.2	-2.2	-2.2	-0.9	-2.7	-1.2	-1.3	-0.9	3.4	4.2	3.5	1.4	3.1	3.3	4.9	5.6
Slovenia	-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	3.7	4.1	4.7	4.9	5.0
South Africa	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	-8.5	-5.3	-4.0	1.9	4.8	5.5	4.6
Spain	-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	33.3	27.2	37.3	35.2	42.6	44.6
Sweden	15.2	14.9	16.7	21.2	29.0	28.0	31.9	34.1	32.4	24.8	26.8	26.6	26.8	26.1	24.9	24.2	24.7	22.5	25.4	25.8
Switzerland	16.7	15.7	20.6	23.7	34.8	29.7	37.0	54.4	58.9	41.6	62.2	58.9	70.0	83.5	83.6	78.1	75.2	76.0	85.3	85.4
Turkey	-8.5	7.2	3.4	-3.4	-10.7	-17.1	-26.8	-33.2	-34.0	-5.4	-38.9	-68.4	-43.0	-55.2	-36.2	-22.6	-24.9	-38.2	-48.0	-49.4
United Kingdom	-30.3	-37.4	-49.6	-49.1	-63.0	-64.8	-65.0	-76.2	-84.7	-52.0	-63.7	-40.3	-52.9	-55.7	-60.6	-49.4	-55.0	-36.8	-33.9	-23.2
United States	-375.8	-368.7	-426.5	-503.7	-619.2	-721.2	-770.9	-718.5	-723.1	-395.4	-512.7	-580.0	-565.7	-492.0	-509.5	-524.0	-521.2	-571.6	-666.8	-755.0
Euro area	48.3	96.9	177.8	170.2	206.4	154.3	127.8	194.6	143.3	191.8	170.5	191.0	338.4	441.3	490.3	534.4	523.1	567.2	632.9	659.3
Total OECD	-199.6	-172.1	-147.6	-204.2	-235.4	-410.9	-500.5	-383.4	-525.0	-77.3	-179.0	-347.8	-258.4	-44.6	12.2	120.0	178.5	190.3	130.3	95.2

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728394

Annex Table 59. **Balance of primary income**

USD billion

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	-7.6	-7.8	-7.6	-8.1	-9.5	-7.6	-7.7	-7.6	-9.0	-10.3	-14.5	-15.1	-13.8	-13.2	-11.6	-12.1	-12.1	-15.9	-15.3	-17.7
Australia	-11.3	-10.5	-11.7	-15.3	-22.2	-28.2	-32.7	-41.3	-38.1	-38.5	-49.7	-55.4	-41.3	-39.0	-32.9	-29.4	-28.0	-40.8	-42.0	-41.5
Austria	-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	0.4	-2.8	-0.2	0.8	0.1	0.1
Belgium	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	3.7	-1.0	3.0	4.2	3.1	3.0
Brazil	-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	-42.9	-41.1	-42.6	-37.0	-42.4
Canada	-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	-25.1	-22.4	-14.4	-9.5	-9.3	-6.3	-6.3
Chile	-3.1	-2.8	-3.0	-4.7	-8.1	-10.7	-18.8	-19.4	-14.7	-12.0	-15.4	-15.2	-12.4	-11.8	-8.9	-6.9	-6.7	-10.4	-13.4	-14.1
China	-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	-41.1	-44.0	-34.4	-53.9	-53.9
Colombia	-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	-12.5	-5.8	-5.2	-8.2	-12.4	-12.4
Costa Rica	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.6	-1.0	-1.2	-1.4	-1.5	-1.8	-2.2	-2.5	-2.9	-3.2	-2.2	-1.8
Czech Republic	-1.4	-2.2	-3.5	-4.3	-5.0	-5.1	-6.9	-11.9	-8.8	-11.3	-13.1	-12.8	-12.2	-12.7	-12.6	-10.4	-10.3	-11.2	-12.8	-12.7
Denmark	-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	12.8	9.4	7.8	7.4	6.8	7.1
Estonia	-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	-0.5	-0.4	-0.5
Finland	-1.7	-1.0	-0.6	-2.6	0.8	0.2	1.2	-0.4	-1.5	2.1	2.3	0.3	0.1	0.3	1.6	2.3	3.7	3.0	3.3	3.2
France	24.6	25.0	14.4	23.9	28.8	39.3	48.9	55.6	65.5	61.0	68.0	79.1	58.1	62.4	59.7	50.7	51.7	59.7	61.9	61.4
Germany	-13.4	-15.6	-24.6	-22.2	20.3	25.0	50.8	50.3	37.7	77.3	65.7	96.5	82.9	79.7	74.9	77.4	66.9	76.9	81.2	87.3
Greece	-1.1	-2.0	0.5	-1.4	-2.1	-3.3	-5.3	-9.1	-11.1	-9.4	-7.7	-9.1	1.0	-0.6	1.9	0.4	0.0	0.1	-0.4	-0.4
Hungary	-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	-3.3	-5.5	-6.1	-6.6
Iceland	-0.3	-0.3	0.0	-0.2	-0.6	-0.7	-1.0	-1.0	-3.7	-2.3	-2.1	-1.8	-1.3	-0.2	-0.3	-0.1	0.4	0.1	0.0	0.0
India[1]	-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	-24.2	-24.5	-26.2	-26.6	-27.4	-30.7
Indonesia	..	..	..	..	-10.8	-12.8	-13.7	-15.3	-15.0	-15.0	-20.7	-26.5	-26.6	-27.1	-29.7	-28.4	-29.6	-33.0	-32.9	-33.0
Ireland	-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	-60.8	-52.7	-60.7	-59.6	-59.4
Israel	-8.3	-5.5	-4.6	-4.7	-4.1	-1.4	-0.8	-0.3	-4.1	-5.2	-4.6	-3.5	-6.4	-5.8	-2.1	-2.7	-3.9	-2.9	-2.7	-2.5
Italy	-4.1	-2.8	-5.0	-6.9	-2.4	3.9	9.2	2.6	-20.4	-2.4	-5.1	-7.0	-3.4	-3.2	0.7	-9.1	5.5	11.6	4.6	1.0
Japan	71.7	67.1	62.3	74.9	96.1	109.0	123.3	138.9	138.8	135.2	156.4	184.8	174.9	181.2	184.5	176.6	171.4	177.8	193.9	201.2
Korea	-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	3.6	3.9	0.1	0.5	1.8
Latvia	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.6	-1.2	-0.9	1.6	0.2	0.0	-0.2	-0.1	-0.1	-0.2	-0.1	-0.2	-0.3	-0.3
Lithuania	..	..	..	..	-0.5	-0.4	-0.7	-1.6	-1.7	0.8	-0.7	-1.6	-1.3	-1.2	-0.7	-1.8	-1.8	-1.7	-1.8	-1.8
Luxembourg	-1.6	-1.9	-3.7	-5.3	-3.7	-4.7	-7.9	-11.1	-13.7	-11.3	-11.4	-12.7	-13.3	-15.2	-18.0	-18.2	-17.6	-18.7	-21.1	-22.2
Mexico	-13.8	-13.0	-12.2	-12.2	-10.0	-16.5	-14.9	-17.5	-15.8	-14.2	-12.1	-18.4	-26.2	-37.4	-30.4	-29.1	-27.3	-26.2	-35.3	-40.4
Netherlands	-11.4	-6.9	-5.7	-6.9	9.3	1.5	17.3	0.6	-17.3	-4.3	2.7	15.6	19.7	10.4	-4.7	-3.2	-11.4	-2.2	-0.5	0.0
New Zealand	-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	-6.4	-5.2	-6.8	-6.7	-6.0
Norway	-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	16.1	20.1	19.0	16.3	17.4
Poland	-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	-16.3	-18.7	-20.2	-22.1	-23.4
Portugal	-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	-2.7	-4.5	-4.8	-4.8	-5.5	-5.5	-5.6
Russia	-6.8	-3.9	-6.5	-13.4	-13.5	-18.2	-28.0	-28.2	-46.0	-39.6	-47.0	-60.9	-68.3	-79.5	-68.7	-38.0	-35.3	-39.8	-37.4	-37.1
Slovak Republic	-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	-0.7	-1.0	-1.5	-2.1	-2.2	-3.3	-3.3
Slovenia	0.0	0.1	-0.1	-0.2	-0.4	-0.3	-0.5	-1.1	-1.5	-0.7	-0.5	-0.4	-0.7	-0.6	-0.6	-1.4	-1.4	-1.2	-1.4	-1.4
South Africa	-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	-8.2	-10.5	-13.8	-15.8
Spain	-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	-4.6	-2.5	-0.2	-0.1	-0.6	-0.8
Sweden	-1.1	-1.1	-0.8	5.3	1.4	4.8	11.0	15.4	18.3	10.6	13.6	11.9	12.8	11.9	11.1	6.0	5.8	7.6	7.7	7.6
Switzerland	19.5	12.2	9.3	25.0	26.3	35.1	33.2	3.6	-35.5	10.1	35.0	9.8	14.3	14.7	2.3	15.0	4.3	9.5	10.3	12.2
Turkey	-4.0	-5.0	-4.6	-5.6	-5.6	-5.4	-6.0	-6.3	-7.6	-7.7	-6.5	-7.2	-6.6	-8.6	-8.2	-9.6	-9.2	-11.1	-11.8	-14.2
United Kingdom	6.1	11.9	23.4	26.4	25.4	34.8	2.7	-14.5	-24.6	-17.1	1.6	10.6	-28.2	-56.9	-62.1	-65.5	-68.9	-42.9	-35.4	-34.0
United States	18.1	27.5	22.7	34.7	53.9	53.9	26.9	85.0	129.7	115.2	168.2	211.1	207.5	206.0	210.8	181.0	173.2	217.0	223.1	214.3
Euro area	-24.4	-31.3	-54.0	-51.5	13.2	12.3	56.1	3.3	-46.1	33.3	59.2	86.7	97.8	94.8	70.6	24.9	39.8	64.8	60.9	62.3
Total OECD	8.2	7.9	-9.2	30.7	118.4	140.5	135.8	82.2	34.5	157.5	288.9	362.7	342.2	309.6	304.9	236.3	235.8	315.9	324.9	322.2

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728413

Annex Table 60. **Balance of secondary income**

USD billion

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	0.5	0.5	0.6	0.6	0.6	0.6	1.0	1.1	1.1	0.9	0.6	0.5	0.7	0.7	1.5	1.1	1.2	0.4	0.2	0.2
Australia	-0.2	0.0	0.0	0.4	-0.3	-0.4	-0.6	0.0	-0.1	-0.7	-1.5	-2.3	-2.2	-1.6	-2.6	-0.7	-0.2	-0.6	-0.8	-0.8
Austria	-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	-4.2	-3.6	-4.1	-3.4	-4.0	-4.1
Belgium	-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	-8.5	-7.1	-8.7	-7.6	-12.6	-13.0
Brazil	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	2.8	2.9	2.6	2.5	2.7
Canada	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	-3.9	-3.1	-3.1	-2.6	-2.1	-2.4	-2.4
Chile	0.6	0.4	0.6	0.6	1.1	1.8	3.4	3.1	2.9	1.6	4.4	2.9	2.1	2.2	2.1	1.9	1.4	1.8	2.2	2.4
China	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	-12.6	-9.5	-11.4	-11.8	-11.8
Colombia	1.7	2.4	2.7	3.3	3.7	4.1	4.7	5.2	5.5	4.6	4.7	5.1	4.8	4.9	4.6	5.4	5.9	6.7	7.8	8.3
Costa Rica	..	0.1	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	0.5	0.5	0.5	0.4	0.5
Czech Republic	0.4	0.5	0.9	0.6	0.0	-0.7	-0.8	-1.1	-0.7	-1.1	-0.6	-1.0	-1.4	-0.5	-0.4	0.0	-1.1	-2.0	-1.2	-0.7
Denmark	-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	-4.3	-4.1	-3.0	-3.4
Estonia	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	0.2	0.1	0.1
Finland	-0.6	-0.8	-0.8	-1.2	-1.8	-2.2	-2.2	-2.4	-2.9	-3.0	-2.7	-2.7	-2.2	-3.2	-3.3	-2.9	-2.8	-2.4	-2.5	-2.5
France	-28.8	-30.9	-32.6	-40.0	-44.0	-44.0	-45.3	-49.6	-49.8	-50.9	-48.1	-51.8	-54.2	-59.6	-64.5	-49.9	-51.8	-49.6	-55.1	-55.0
Germany	-27.6	-26.0	-27.5	-35.3	-37.3	-39.2	-40.1	-47.8	-52.9	-51.8	-53.4	-50.0	-50.6	-55.8	-53.9	-43.0	-44.4	-62.1	-58.6	-76.5
Greece	3.3	3.5	1.1	1.2	1.1	0.1	0.5	-1.5	-0.5	-1.3	-2.4	-2.1	-1.2	2.4	-0.4	-0.6	-0.7	-0.7	-0.9	-1.0
Hungary	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	-1.7	-1.2	-1.5	-1.2
Iceland	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	-0.2	-0.1	-0.1
India[1]	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	56.0	62.7	67.8	74.1
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	4.5	4.5	7.7	7.7
Ireland	-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	-3.7	-4.2	-4.9	-5.4	-5.7
Israel	6.6	6.7	6.9	6.5	6.2	6.1	7.6	7.4	8.1	7.3	8.3	8.6	8.0	9.1	9.8	9.1	9.1	7.9	9.3	9.2
Italy	-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	-21.2	-17.0	-18.5	-16.7	-12.9	-12.8
Japan	-9.8	-8.1	-5.6	-7.8	-8.0	-7.3	-10.6	-11.6	-13.2	-11.9	-12.7	-15.2	-14.1	-10.0	-18.8	-16.6	-20.2	-19.2	-18.5	-18.5
Korea	-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	-5.0	-5.8	-7.1	-13.3	-13.3
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	0.2	0.4	0.6	0.6
Lithuania	..	..	..	..	0.4	0.4	0.6	0.8	0.7	0.5	0.9	0.8	0.4	1.1	1.3	0.8	0.7	0.9	0.8	0.8
Luxembourg	-0.5	-0.7	-0.4	0.2	-0.1	0.1	0.1	0.3	0.2	-0.9	0.2	0.1	-0.3	0.4	0.5	0.9	0.6	0.3	0.2	0.2
Mexico	7.0	9.3	10.3	15.6	18.8	22.1	25.9	26.3	25.3	21.5	21.4	22.9	22.4	21.5	22.8	24.1	26.5	28.1	24.0	21.3
Netherlands	0.4	-2.0	-2.8	-2.8	-11.0	-12.1	-14.2	-16.5	-15.7	-11.4	-14.0	-14.8	-13.8	-17.7	-14.8	-11.1	-8.5	-8.7	-10.0	-10.5
New Zealand	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	-0.2	-0.2	-0.3	-0.2	-0.3
Norway	-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	-6.9	-6.6	-6.7	-6.8	-7.1
Poland	-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	-0.9	-1.5	-0.1	0.6	0.6
Portugal	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	2.1	1.7	1.8	2.5	2.3	2.4
Russia	0.1	-0.8	-0.7	-0.4	-0.9	-1.5	-2.5	-5.5	-7.0	-5.5	-6.2	-5.8	-6.1	-9.2	-8.4	-5.7	-6.2	-9.1	-8.0	-6.6
Slovak Republic	-0.1	-0.1	-0.1	0.0	-0.1	-0.2	-0.3	-0.6	-1.1	-1.4	-0.7	-1.1	-1.3	-2.0	-1.7	-1.4	-1.5	-1.5	-1.1	-1.1
Slovenia	0.1	0.1	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.2	-0.1	-0.1	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3
South Africa	-0.9	-0.7	-0.6	-1.0	-1.7	-2.5	-2.4	-2.3	-2.3	-2.7	-2.3	-2.0	-3.8	-3.2	-3.2	-2.6	-1.9	-2.9	-3.0	-2.9
Spain	-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	-14.8	-12.0	-13.3	-12.8	-14.6	-14.5
Sweden	-3.1	-3.1	-3.6	-4.2	-5.4	-6.0	-6.4	-6.8	-8.4	-6.3	-8.1	-9.2	-10.8	-10.3	-10.3	-8.3	-7.0	-8.7	-8.6	-8.5
Switzerland	-2.9	-3.9	-4.4	-3.7	-3.9	-8.4	-6.3	-6.2	-9.1	-8.3	-8.4	-8.8	-8.6	-12.5	-18.8	-13.0	-10.0	-11.2	-12.0	-11.7
Turkey	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	1.1	1.4	1.7	2.6	1.3	0.5
United Kingdom	-14.7	-9.4	-13.4	-16.8	-19.3	-22.2	-22.0	-26.3	-24.9	-23.1	-30.4	-32.5	-32.4	-39.5	-38.4	-34.9	-30.4	-27.0	-22.0	-19.2
United States	-49.0	-55.7	-54.5	-59.6	-75.6	-84.9	-71.1	-90.7	-102.3	-103.9	-104.3	-107.0	-96.9	-93.6	-94.2	-115.1	-120.1	-114.8	-113.8	-116.1
Euro area	-68.7	-71.9	-81.4	-105.1	-125.7	-138.3	-151.0	-172.0	-186.9	-182.2	-178.7	-182.6	-176.8	-192.7	-188.7	-149.8	-156.1	-167.1	-174.6	-193.7
Total OECD	-133.7	-136.8	-147.4	-180.6	-222.7	-250.3	-244.9	-292.0	-319.5	-322.9	-331.3	-344.6	-334.0	-351.5	-360.3	-324.2	-329.4	-332.3	-341.2	-362.8

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728432

Annex Table 61. **Current account balances**

USD billion

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	-9.0	-3.8	8.7	8.1	3.1	5.1	6.5	6.0	5.4	7.3	-1.6	-5.3	-2.1	-13.1	-9.2	-17.6	-14.7	-30.8	-37.1	-42.8
Australia	-16.2	-8.6	-16.5	-29.2	-41.8	-43.6	-45.8	-64.1	-50.7	-49.3	-45.4	-46.2	-67.4	-51.2	-45.4	-57.9	-38.2	-32.6	-37.6	-44.6
Austria	-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	10.6	7.4	8.3	7.8	10.1	10.7
Belgium	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	-4.8	-0.7	0.5	-0.6	-4.5	-4.5
Brazil	-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	-59.4	-23.5	-9.8	-17.6	-19.9
Canada	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	-59.4	-43.1	-56.1	-49.4	-49.4	-48.0	-46.3
Chile	-0.5	-0.7	-0.1	-0.2	2.8	1.8	7.0	7.4	-6.7	3.3	3.2	-4.0	-10.3	-11.0	-4.0	-5.2	-3.1	-3.8	-5.7	-6.1
China	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	236.0	304.2	202.2	164.9	171.9	185.2
Colombia	0.8	-1.0	-1.3	-0.9	-0.8	-1.9	-2.9	-6.0	-6.5	-4.6	-8.7	-9.8	-11.4	-12.5	-19.8	-18.6	-12.1	-10.4	-11.4	-10.8
Costa Rica	..	-0.5	-0.8	-0.9	-0.7	-0.8	-0.9	-1.5	-2.6	-0.5	-1.2	-2.3	-2.4	-2.5	-2.5	-2.1	-1.5	-1.7	-1.8	-2.1
Czech Republic	-2.7	-3.3	-4.2	-5.7	-4.4	-2.9	-3.9	-8.8	-4.4	-4.5	-7.4	-5.0	-3.3	-1.1	0.3	0.5	3.1	2.3	1.2	0.8
Denmark	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	31.4	26.6	22.4	24.8	26.9	26.2
Estonia	-0.3	-0.4	-0.8	-1.3	-1.5	-1.2	-2.6	-3.3	-2.1	0.5	0.3	0.3	-0.4	0.1	0.1	0.4	0.4	0.8	0.8	0.7
Finland	9.5	10.4	11.5	7.9	11.4	6.2	8.0	9.5	6.0	4.1	2.8	-4.8	-5.9	-5.3	-4.2	-1.7	-0.8	1.9	4.7	4.8
France	12.0	15.2	12.7	11.7	6.7	-0.3	0.6	-6.1	-20.4	-15.0	-16.6	-24.4	-25.9	-14.4	-27.9	-8.9	-18.6	-14.3	-13.8	-12.0
Germany	-35.0	-6.0	40.8	35.4	122.3	129.6	169.9	233.7	209.2	195.6	186.0	226.7	250.6	255.0	293.1	302.9	294.9	298.6	340.9	337.4
Greece	-11.3	-10.8	-10.6	-17.2	-18.5	-21.9	-31.5	-48.6	-53.8	-41.0	-34.4	-28.9	-9.5	-4.9	-3.8	-0.5	-2.1	-1.6	-0.2	-0.2
Hungary	-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	2.1	4.3	7.6	4.0	4.0	1.4
Iceland	-0.9	-0.4	0.1	-0.6	-1.4	-2.7	-4.0	-3.0	-4.4	-1.3	-0.9	-0.8	-0.6	0.9	0.7	0.9	1.6	0.9	1.2	1.0
India[1]	-2.9	3.3	6.4	13.9	-3.5	-10.3	-9.5	-15.8	-26.2	-37.4	-48.2	-78.4	-88.5	-33.1	-26.8	-22.4	-15.7	-48.4	-71.0	-86.1
Indonesia	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	-17.5	-17.0	-17.5	-19.3	-19.9
Ireland	-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	31.7	10.1	42.7	43.4	50.1
Israel	-2.0	-1.9	-1.1	0.8	2.0	4.4	6.3	5.6	2.2	6.8	8.6	5.8	1.2	9.1	12.3	14.7	11.2	10.4	3.2	0.9
Italy	0.8	6.1	-3.7	-9.4	-6.4	-16.6	-29.2	-30.9	-66.6	-41.2	-72.5	-68.4	-7.1	21.4	41.0	27.7	47.7	53.5	46.4	45.6
Japan	130.5	87.0	108.6	139.3	182.3	170.2	175.7	212.9	142.2	146.5	221.3	128.1	62.5	46.3	36.6	136.4	189.2	196.6	188.2	211.8
Korea	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	105.9	99.2	78.5	67.6	79.8
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	-0.5	-0.1	0.4	-0.2	-0.3	-0.7
Lithuania	..	..	..	..	-1.7	-1.9	-3.2	-6.1	-6.6	0.6	-0.5	-2.0	-0.6	0.5	1.5	-1.2	-0.5	0.2	-0.1	-0.3
Luxembourg	2.5	1.5	2.1	2.0	4.1	4.1	4.2	5.0	4.2	3.6	3.6	3.6	3.2	3.5	3.5	2.9	3.0	3.2	3.6	3.6
Mexico	-18.8	-17.8	-14.9	-8.3	-7.0	-9.1	-3.2	-9.6	-16.8	-7.7	-5.0	-12.4	-18.4	-30.9	-23.7	-29.3	-22.8	-18.8	-24.0	-27.6
Netherlands	7.8	10.3	11.8	30.1	49.9	48.3	66.6	58.3	48.1	47.5	58.8	77.2	85.6	85.5	75.9	65.8	65.6	85.1	98.3	101.3
New Zealand	-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	-6.3	-5.3	-4.2	-5.4	-5.9	-5.6
Norway	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	60.6	31.1	18.1	20.3	25.8	25.7
Poland	-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	-2.7	-1.4	1.6	-2.8	-5.1
Portugal	-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	3.6	0.2	0.2	1.2	1.0	-0.8	-1.2
Russia	45.7	33.2	27.7	33.3	58.0	84.9	94.8	73.6	104.7	49.5	69.8	96.4	71.1	32.9	55.5	67.3	24.4	33.4	48.4	49.8
Slovak Republic	-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	1.8	1.2	-1.5	-1.3	-2.0	0.5	1.3
Slovenia	-0.7	0.0	0.2	-0.2	-0.9	-0.6	-0.7	-2.0	-3.0	-0.3	-0.1	0.1	1.0	2.1	2.9	1.9	2.3	3.1	3.2	3.3
South Africa	-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	-21.2	-17.8	-14.5	-8.1	-8.6	-11.3	-14.0
Spain	-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	20.7	14.5	13.5	23.8	25.0	25.0	26.5
Sweden	10.2	11.4	11.8	19.6	22.9	23.5	34.5	40.0	40.8	26.0	29.2	31.5	30.4	30.3	26.1	22.6	21.8	17.0	24.5	25.0
Switzerland	32.6	22.7	25.6	45.2	58.2	55.5	62.0	48.4	13.4	41.0	87.0	55.0	68.7	77.8	60.3	73.9	63.2	66.5	75.4	77.8
Turkey	-9.9	3.8	-0.6	-7.6	-14.2	-21.0	-31.2	-36.9	-39.4	-11.4	-44.6	-74.4	-48.0	-63.6	-43.6	-32.1	-33.0	-47.4	-58.5	-63.2
United Kingdom	-38.9	-34.8	-39.6	-39.4	-56.8	-52.2	-84.3	-116.9	-134.2	-92.2	-92.4	-62.2	-113.6	-152.1	-161.1	-149.7	-154.3	-106.7	-91.2	-76.3
United States	-403.5	-389.7	-450.8	-518.8	-631.6	-745.2	-806.0	-711.0	-681.4	-372.5	-430.7	-444.6	-426.2	-349.5	-373.8	-434.6	-451.7	-466.2	-571.0	-670.3
Euro area	-48.7	-12.0	39.4	26.5	106.3	44.1	46.9	44.4	-75.8	57.9	60.9	111.0	284.2	380.2	405.9	441.1	435.5	504.0	557.4	566.8
Total OECD	-328.8	-303.9	-307.3	-335.9	-318.6	-504.5	-588.1	-560.4	-781.4	-232.8	-205.9	-295.0	-194.0	-19.4	7.9	85.0	114.8	196.5	130.8	72.2

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 103 database.

StatLink http://dx.doi.org/10.1787/888933728451

Annex Table 62. **Current account balances as a percentage of GDP**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Argentina	-2.9	-1.3	8.4	5.8	1.8	2.5	2.8	2.1	1.5	2.1	-0.4	-1.0	-0.4	-2.2	-1.6	-2.8	-2.7	-4.9	-5.6	-5.5
Australia	-4.0	-2.3	-3.9	-5.4	-6.4	-6.0	-5.9	-6.8	-4.7	-4.8	-3.6	-3.1	-4.3	-3.4	-3.1	-4.7	-3.0	-2.4	-2.6	-3.0
Austria	-0.9	-1.0	3.2	2.0	2.6	2.5	3.3	3.8	4.5	2.6	2.9	1.6	1.5	1.9	2.5	1.9	2.1	1.9	2.1	2.2
Belgium	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	-0.9	-0.1	0.1	-0.2	-0.8	-0.8
Brazil	-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	-4.2	-3.1	-1.3	-0.5	-0.9	-0.9
Canada	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	-2.4	-3.6	-3.2	-3.0	-2.7	-2.5
Chile	-0.6	-0.8	-0.1	-0.3	2.8	1.4	4.5	4.3	-3.9	1.8	1.4	-1.6	-3.8	-3.9	-1.5	-2.2	-1.2	-1.4	-1.8	-1.8
China	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	2.3	2.8	1.8	1.3	1.2	1.2
Colombia	0.8	-1.1	-1.4	-1.0	-0.7	-1.3	-1.8	-2.9	-2.7	-2.0	-3.0	-2.9	-3.1	-3.3	-5.2	-6.3	-4.3	-3.3	-3.3	-2.9
Costa Rica	-4.6	-3.2	-5.1	-5.1	-3.6	-4.2	-4.1	-5.5	-8.3	-1.7	-3.2	-5.4	-5.3	-4.9	-5.0	-3.8	-2.6	-3.0	-3.0	-3.2
Czech Republic	-4.4	-4.8	-5.1	-5.7	-3.7	-2.1	-2.5	-4.6	-1.9	-2.3	-3.6	-2.1	-1.6	-0.5	0.2	0.2	1.6	1.1	0.5	0.3
Denmark	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	8.8	7.3	7.6	7.4	7.0
Estonia	-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	0.5	0.3	2.0	1.9	3.2	2.7	2.2
Finland	7.5	8.1	8.2	4.6	5.8	3.0	3.7	3.7	2.1	1.6	1.1	-1.7	-2.3	-1.9	-1.5	-0.7	-0.3	0.7	1.7	1.6
France	0.9	1.1	0.9	0.6	0.3	0.0	0.0	-0.2	-0.7	-0.5	-0.6	-0.9	-1.0	-0.5	-1.0	-0.4	-0.8	-0.6	-0.5	-0.4
Germany	-1.8	-0.3	1.9	1.4	4.3	4.5	5.6	6.8	5.5	5.7	5.4	6.0	7.1	6.8	7.5	9.0	8.5	8.1	8.3	7.9
Greece	-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	-0.2	-1.1	-0.8	-0.1	-0.1
Hungary	-8.5	-5.8	-6.3	-8.0	-8.5	-7.0	-7.0	-7.1	-7.0	-0.8	0.3	0.7	1.7	3.8	1.5	3.5	6.0	2.9	2.5	0.8
Iceland	-10.3	-4.3	1.1	-4.9	-9.8	-15.9	-23.3	-14.0	-22.6	-9.6	-6.6	-5.2	-3.9	5.9	4.0	5.3	7.7	3.7	4.3	3.4
India[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	-0.7	-1.8	-2.5	-2.7
Indonesia	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	-2.0	-1.8	-1.7	-1.8	-1.7
Ireland	-0.4	-0.6	-1.0	0.5	-0.1	-3.5	-5.4	-6.5	-6.2	-4.6	-1.2	-1.6	-2.6	2.1	1.6	10.9	3.3	12.5	11.6	12.7
Israel	-1.5	-1.5	-0.9	0.6	1.5	3.1	4.1	3.2	1.1	3.2	3.7	2.2	0.5	3.1	4.0	4.9	3.5	3.0	0.9	0.2
Italy	0.1	0.5	-0.3	-0.6	-0.3	-0.9	-1.5	-1.4	-2.8	-1.9	-3.4	-3.0	-0.3	1.0	1.9	1.5	2.6	2.8	2.2	2.1
Japan	2.7	2.0	2.6	3.1	3.8	3.6	3.9	4.7	2.8	2.8	3.9	2.1	1.0	0.9	0.8	3.1	3.8	4.0	3.7	4.1
Korea	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	7.0	5.1	4.0	4.5
Latvia	-4.7	-7.5	-6.5	-7.8	-12.3	-11.9	-20.9	-20.8	-12.4	7.8	2.0	-3.2	-3.6	-2.7	-1.7	-0.5	1.4	-0.8	-0.9	-1.9
Lithuania	..	..	..	..	-7.7	-7.3	-10.6	-15.1	-13.5	1.6	-1.2	-4.6	-1.3	1.0	3.1	-2.9	-1.2	0.4	-0.3	-0.5
Luxembourg	11.5	7.1	9.3	6.5	11.8	11.0	9.9	9.7	7.6	7.2	6.7	6.0	5.6	5.5	5.2	5.1	5.1	5.0	5.1	4.9
Mexico	-2.7	-2.3	-1.9	-1.1	-0.9	-1.0	-0.3	-0.9	-1.6	-0.9	-0.5	-1.1	-1.5	-2.4	-1.8	-2.5	-2.1	-1.6	-1.9	-2.1
Netherlands	1.9	2.4	2.5	5.2	7.6	7.1	9.2	7.0	5.0	5.5	7.0	8.6	10.3	9.9	8.6	8.7	8.5	10.2	10.5	10.3
New Zealand	-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	-3.0	-2.3	-2.7	-2.8	-2.5
Norway	14.7	15.8	12.3	12.1	12.4	16.5	16.3	12.4	15.8	10.7	11.0	12.5	12.6	10.4	12.1	8.0	4.9	5.1	5.9	5.7
Poland	-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	-0.3	0.3	-0.5	-0.8
Portugal	-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	1.6	0.1	0.1	0.6	0.5	-0.3	-0.5
Russia	16.4	10.0	7.5	7.2	9.1	10.3	8.9	5.2	5.8	3.7	4.2	4.7	3.2	1.4	2.7	4.9	1.9	2.1	3.0	3.1
Slovak Republic	-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	1.9	1.1	-1.7	-1.5	-2.1	0.5	1.1
Slovenia	-3.2	0.0	0.9	-0.8	-2.7	-1.8	-1.8	-4.1	-5.3	-0.6	-0.1	0.2	2.1	4.4	5.8	4.4	5.2	6.4	5.7	5.4
South Africa	-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	-5.8	-5.1	-4.6	-2.8	-2.4	-2.8	-3.2
Spain	-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	1.1	1.9	1.9	1.7	1.7
Sweden	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	5.2	4.5	4.5	4.3	3.2	4.3	4.2
Switzerland	11.9	8.1	8.3	12.7	14.8	13.5	14.4	10.1	2.4	7.4	14.8	7.9	10.3	11.3	8.5	10.9	9.4	9.8	10.7	10.8
Turkey	-3.7	2.0	-0.3	-2.4	-3.5	-4.2	-5.7	-5.4	-5.0	-1.7	-5.7	-8.9	-5.5	-6.7	-4.7	-3.7	-3.8	-5.6	-6.4	-6.1
United Kingdom	-2.4	-2.1	-2.2	-1.9	-2.4	-2.1	-3.1	-3.8	-4.6	-3.9	-3.8	-2.4	-4.2	-5.5	-5.3	-5.2	-5.8	-4.1	-3.1	-2.5
United States	-3.9	-3.7	-4.1	-4.5	-5.1	-5.7	-5.8	-4.9	-4.6	-2.6	-2.9	-2.9	-2.6	-2.1	-2.1	-2.4	-2.4	-2.4	-2.8	-3.1
Euro area	-0.8	-0.2	0.5	0.3	1.1	0.4	0.4	0.4	-0.6	0.4	0.5	0.8	2.3	2.9	3.0	3.8	3.7	4.0	4.0	3.9
Total OECD	-1.2	-1.1	-1.1	-1.1	-0.9	-1.4	-1.5	-1.3	-1.7	-0.6	-0.5	-0.6	-0.4	0.0	0.0	0.2	0.2	0.4	0.2	0.1

1. Fiscal year.

Source: OECD Economic Outlook 103 database.

StatLink http://dx.doi.org/10.1787/888933728470

Annex Table 63. **Structure of current account balances of major world regions**

USD billion

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Goods and services trade balance[1]																				
Total OECD	-200	-172	-148	-204	-235	-411	-501	-383	-525	-77	-179	-348	-258	-45	12	120	179	190	130	95
China	29	28	37	36	51	125	209	308	349	220	223	182	232	235	221	358	256	211	238	251
Other industrialised Asia[2]	62	64	76	93	78	86	116	140	55	107	84	78	21	62	120	159	181	162	99	73
Russia	52	39	38	50	73	106	127	114	158	94	125	165	147	124	133	111	67	83	86	86
Brazil	-15	-13	3	13	23	30	30	19	-4	-7	-23	-20	-33	-57	-65	-23	7	21	16	19
Other oil producers	128	82	81	117	179	310	375	352	501	155	336	654	646	586	418	3	27	146	330	373
Rest of the world	-51	-49	-36	-41	-62	-82	-106	-167	-243	-140	-150	-184	-230	-240	-230	-232	-208	-281	-342	-373
World[3]	6	-20	51	62	107	164	251	382	291	352	417	527	524	666	609	496	509	532	556	524
Balance of primary income																				
Total OECD	8	8	-9	31	118	140	136	82	34	158	289	363	342	310	305	236	236	316	325	322
China	-15	-19	-15	-10	-5	-16	-5	8	29	-9	-26	-70	-20	-78	13	-41	-44	-34	-54	-54
Other industrialised Asia[2]	-10	-6	-10	-7	-22	-33	-24	-24	-27	-29	-45	-50	-77	-86	-82	-79	-83	-77	-55	-46
Russia	-7	-4	-7	-13	-13	-18	-28	-28	-46	-40	-47	-61	-68	-79	-69	-38	-35	-40	-37	-37
Brazil	-17	-19	-18	-18	-20	-26	-27	-29	-42	-35	-67	-70	-54	-33	-52	-43	-41	-43	-37	-42
Other oil producers	-4	-7	-16	-15	-13	-1	8	1	-16	-28	-57	-108	-84	-96	-99	-70	-51	-64	-70	-84
Rest of the world	-31	-30	-30	-39	-45	-51	-58	-63	-74	-67	-93	-112	-112	-120	-107	-92	-112	-58	-31	-27
World[3]	-75	-78	-105	-72	0	-4	1	-53	-141	-50	-47	-109	-72	-183	-90	-126	-130	0	41	32
Balance of secondary income																				
Total OECD	-134	-137	-147	-181	-223	-250	-245	-292	-319	-323	-331	-345	-334	-351	-360	-324	-329	-332	-341	-363
China	6	8	13	17	23	24	28	37	43	32	41	25	3	-9	1	-13	-10	-11	-12	-12
Other industrialised Asia[2]	15	16	19	26	26	36	44	56	70	68	72	84	91	92	94	85	84	90	103	110
Russia	0	-1	-1	0	-1	-2	-2	-5	-7	-6	-6	-6	-6	-9	-8	-6	-6	-9	-8	-7
Brazil	2	2	2	3	3	4	4	4	4	3	3	3	3	4	3	3	3	3	3	3
Other oil producers	-19	-20	-20	-19	-19	-20	-11	-20	-28	-38	-42	-49	-56	-68	-74	-75	-71	-69	-70	-71
Rest of the world	45	51	58	67	78	90	104	121	139	128	139	151	158	168	175	169	176	181	190	201
World[3]	-85	-80	-77	-86	-113	-119	-78	-99	-98	-135	-125	-137	-140	-173	-169	-161	-153	-148	-135	-139
Current balance																				
Total OECD	-329	-304	-307	-336	-319	-505	-588	-560	-781	-233	-206	-295	-194	-19	8	85	115	197	131	72
China	20	17	35	43	69	132	232	353	421	243	238	136	215	148	236	304	202	165	172	185
Other industrialised Asia[2]	42	57	73	99	73	69	122	156	84	135	99	100	12	53	118	151	178	164	136	128
Russia	46	33	28	33	58	85	95	74	105	49	70	96	71	33	55	67	24	33	48	50
Brazil	-25	-24	-8	4	11	14	13	0	-31	-26	-76	-77	-74	-75	-104	-59	-24	-10	-18	-20
Other oil producers	108	54	40	80	142	288	372	334	457	89	237	498	507	422	242	-136	-99	19	191	217
Rest of the world	-32	-24	-3	-7	-24	-38	-55	-104	-172	-74	-101	-141	-180	-188	-158	-152	-136	-148	-174	-190
World[3]	-169	-190	-143	-84	11	45	190	252	83	183	261	317	357	374	398	259	261	420	487	442

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, the 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 103 database.

StatLink http://dx.doi.org/10.1787/888933728489

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(12 2018 02 1 P) ISBN 978-92-64-30006-4 – 2018

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Volume 2018/1
No. 103, May

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ISBN 978-92-64-30006-4
12 2018 02 1 P

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