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Recent economic trends
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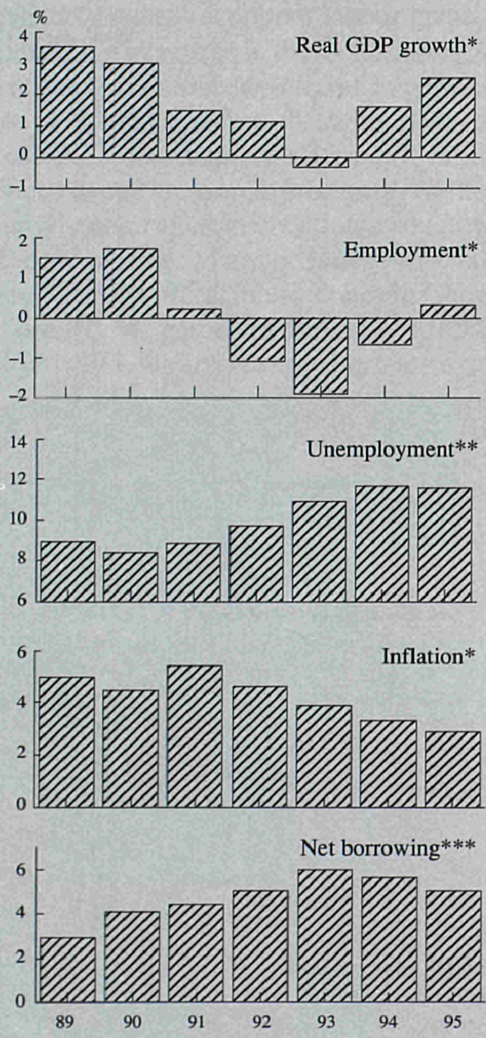
In this number :
Economic Forecasts for 1994–1995[1]

THE COMMUNITY ECONOMIC OUTLOOK : 1994–1995[1]

The salient features of the Commission services' Spring 1994 Economic forecasts are as follows :

- *Economic recovery is currently under way in the Community. Buoyant exports and a more dynamic investment are expected to produce a GDP expansion of $1\frac{1}{2}$ % in 1994 and $2\frac{1}{2}$ % in 1995.*
- *The main factors underlying the more upbeat growth outlook than half a year earlier are : a favourable international economic environment, a further decline in short-term interest rates in the Community, a restoration in business and consumer confidence and a benign household savings behaviour.*
- *Employment is forecast to record an additional decline of $\frac{3}{4}$ % in 1994 and to recover mildly next year. The rise in unemployment is expected to come to a halt in the course of the first half of 1995 at some $11\frac{3}{4}$ % of the labour force.*
- *Inflation in the Community is forecast to abate further to $3\frac{1}{4}$ % in 1994 and just below 3 % in 1995, an achievement virtually unprecedented in Community history.*
- *Improved growth prospects are combining with lower interest rates to produce a modest improvement in budget deficits. In 1994, the Community's budget deficit is projected to reach $5\frac{1}{2}$ % of GDP and to fall further to 5 % of GDP next year.*
- *Both the Community's trade and current account balances are expected to improve over the forecasting period. In 1995, the Community's trade surplus could reach $1\frac{1}{2}$ % of GDP, while the current account balance is now expected to turn positive at about $\frac{1}{2}$ % of GDP.*

EC economy : General outlook



* Annual percentage change.
** As a percentage of the civilian labour force.
*** As a percentage of GDP at market prices : general government.

1 This is a summary of the Commission services' Spring 1994 Economic Forecasts, based on data available up to 5 May 1994. The previous forecasts focusing on years 1994–1995 are those of Autumn 1993 and were published in Supplement A, N° 11/12 of November/December 1993.

OVERVIEW

The Commission services' new forecasts mark a perceptible move towards a more sanguine assessment of short-term economic prospects in the Community. With recessionary forces dissipating and positive factors gradually becoming predominant, the focal point of the forecasts is the likely speed of the upswing over the short to medium term rather than the timing of its occurrence which dominated previous exercises. In effect, an increasing number of signs indicate that the trough of the cyclical downturn was reached in the spring of last year and that since then a moderate recovery has been underway. Evidence emerging in the first few months of this year not only suggests that the pace of the upswing is likely to gather momentum over the coming quarters but also that the foundations are being built for a robust growth and employment process from 1996 onwards.

In line with this favourable shift in perceptions on the state of the Community economy, the Commission services have revised upwards their growth projections for this year and next. Community GDP is now expected to expand by more than 1½ per cent in real terms in 1994 and by 2½ per cent in 1995, an upward revision from the Autumn 1993 forecasts of roughly a ¼ and a ½ percentage point respectively. Improved growth prospects will help stabilise the unemployment rate in the Community as a whole in 1995 and create expectations for more substantial falls thereafter. Given the amount of excess capacity in the economy and significant wage moderation, Community-wide inflation is expected to edge down further to within the target range of 2–3% in 1995, a virtually unprecedented performance over the last three decades. Despite lower interest rates and planned fiscal retrenchment efforts in several member countries, only a modest improvement in the Community's budget deficit is expected, reflecting the continuing adverse cyclical impact on public finances this year. Conversely, under the combined influence of relatively weaker domestic demand growth in the EC than in its main trading partners and marked gains in cost competitiveness, the Community's trade and current account balances are set to improve considerably.

TABLE 1 : **Main features of Spring 1994 Economic Forecasts** (Annual percentage change; unless otherwise stated)

	1988–90	1991	1992	1993	1994	1995
Real GDP growth						
EUR[1]	3.6	1.5	1.1	–0.3	1.6	2.5
Germany[1]	4.3	4.5	2.1	–1.2	1.3	2.4
France	3.8	0.7	1.4	–0.7	1.6	2.8
Italy	3.0	1.2	0.7	–0.7	1.5	2.8
United Kingdom	2.5	–2.3	–0.5	1.9	2.5	2.3
Inflation[2]						
EUR[1]	4.2	5.4	4.6	3.9	3.3	2.9
Germany[1]	2.4	3.8	4.8	4.0	3.0	2.1
France	3.0	3.0	2.3	2.2	1.8	1.7
Italy	6.0	6.9	5.2	4.8	3.9	3.3
United Kingdom	5.5	7.4	4.8	3.5	3.5	3.2
Unemployment (%)						
EUR[1]	9.1	8.9	9.8	10.9	11.6	11.6
Germany[1]	5.6	5.8	6.8	8.1	9.3	9.5
France	9.4	9.5	10.0	10.8	11.5	11.4
Italy	10.6	10.1	10.3	11.1	12.0	11.7
United Kingdom	7.5	8.9	10.2	10.5	9.9	9.3
Net borrowing (–) / net lending (+) (% of GDP)						
EUR[1]	–3.5	–4.6	–5.1	–6.0	–5.6	–5.1
Germany[1]	–1.4	–3.2	–2.6	–3.3	–3.1	–3.0
France	–1.5	–2.1	–3.9	–5.7	–5.6	–4.8
Italy	–10.5	–10.2	–9.5	–9.5	–9.5	–9.0
United Kingdom	–0.5	–2.8	–6.4	–7.7	–6.0	–4.6
Current account balance (% of GDP)						
EUR[1]	–0.2	–1.2	–1.1	0.1	0.5	0.6
Germany[1]	4.2	–1.1	–1.2	–0.9	–0.6	–0.3
France	–0.6	–0.5	0.2	0.9	0.9	1.0
Italy	–1.1	–1.8	–2.2	1.1	1.7	1.6
United Kingdom	–5.0	–2.4	–2.4	–1.7	–1.0	–1.0
International economic environment						
GDP growth United States	2.5	–1.1	2.6	3.0	3.7	3.0
GDP growth Japan	5.2	4.0	1.3	0.1	0.8	2.5
GDP growth EFTA	2.6	–0.5	–0.3	–0.8	1.7	2.8
World imports excl. EUR	6.7	1.8	6.3	9.0	8.2	7.8
Extra–EC export market growth	6.4	0.2	3.5	6.4	6.9	7.0

1) EUR and Germany including the new German Länder from 1991 onwards; for percentage changes from 1992 onwards.
2) Deflator of private consumption.

THE COMMUNITY ECONOMY

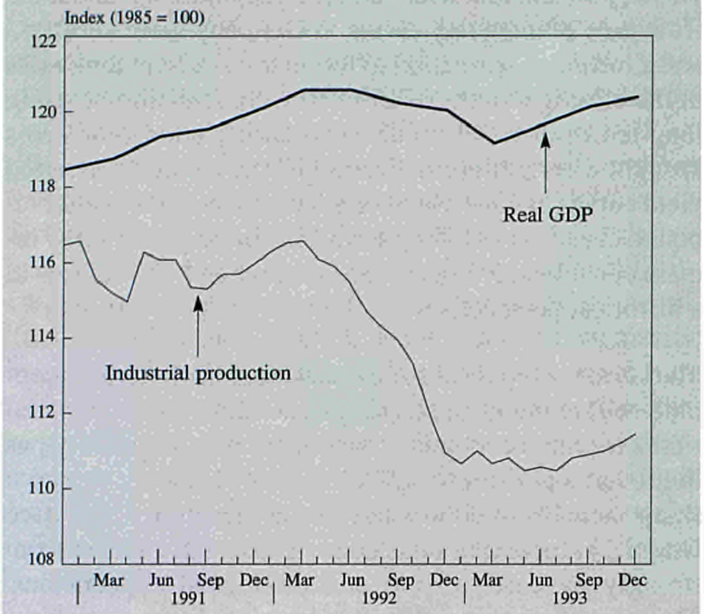
1. Mounting evidence of accelerating recovery in the Community

Recent developments — A gradual recovery of the Community economy has been under way since spring 1993, with real GDP growing at an annual rate of 1 to 1½ per cent on average during the final three quarters of last year. By end-1993, Community GDP had virtually returned to its peak level, reached in the first half of 1992 (see Graph 1). Industrial production, which declined by more than 5 per cent between early-1992 and the first half of 1993, grew at an annualized rate of 1½ to 2 per cent through the latter part of 1993.

The level of activity in the second half of 1993 turned out to be marginally higher than foreseen in the Commission's previous forecast. Higher net exports and resilient private consumption added a larger-than-expected contribution to growth, but the over all output performance was mitigated by a continued de-stocking, part of which may not have been desired but caused by higher-than-expected demand. The foreign balance contributed positively in all member countries with the exception of the UK and Portugal, while domestic demand excluding stocks performed better than forecast in Germany and France — even if it remained weak in those countries — as well as in the UK. In the second part of the year, particularly high rates of output growth were registered in the Denmark and Ireland, where domestic demand grew vigorously and recovery has become sustained. By contrast, domestic demand fell more sharply than expected in Spain and Italy.

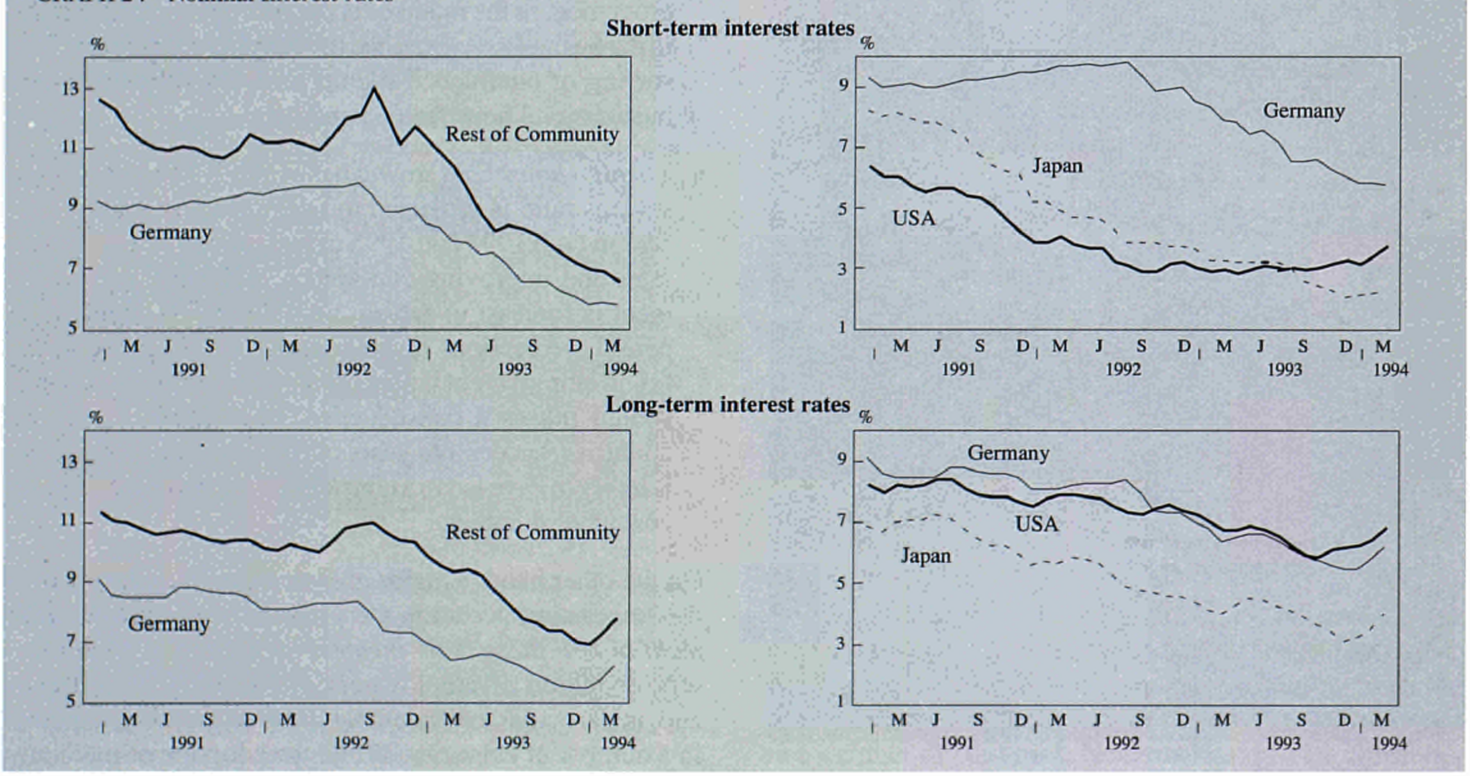
However, for the Community as a whole, modest growth in the second part of 1993 was not sufficient to prevent a year-on-year decline in GDP of around a ¼ per cent. Weak economic activity led to a further increase in unemployment throughout the year, reaching almost 11 per cent of the civilian labour force by early-1994. Unemployment has remained on a steadily upward trend in most countries, the exceptions being Denmark, Ireland and the United Kingdom where it is already falling.

GRAPH 1 : **Industrial production and real GDP – EUR**



Substantial excess supply of labour helped slow down the rate of wage increases in the Community. With unit labour costs rising at a reduced pace and in view of widening margins of spare capacity, inflation rates declined further across the Community. In Germany, falling inflation and reduced wage demands prompted further reductions in officially-controlled interest rates which were matched or exceeded by other Member States (see Graph 2). Since August 1992, short-term interest rates in Germany have fallen by around 4 percentage points to 5.8 per cent by March 1994, while average short-term rates in the rest of

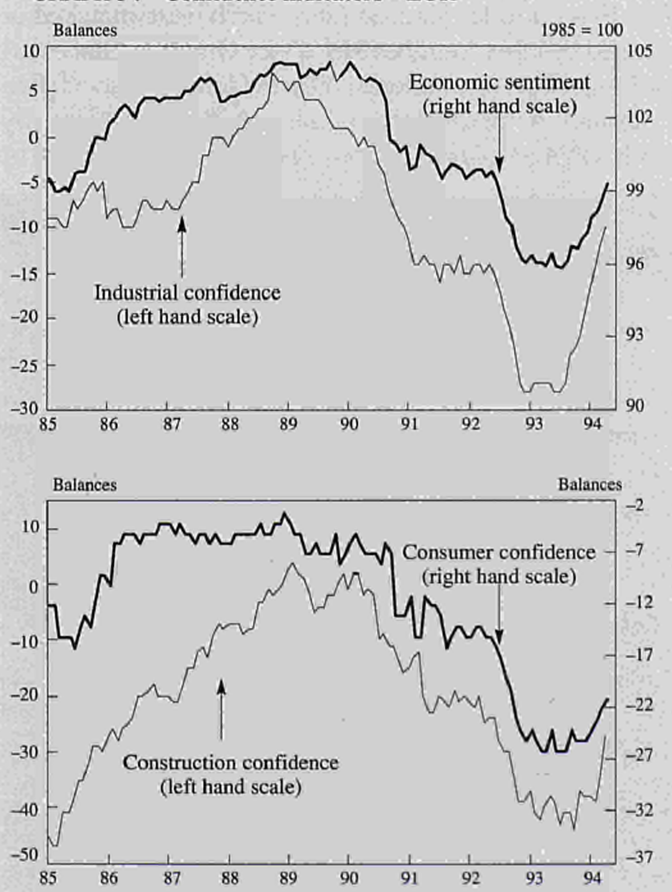
GRAPH 2 : **Nominal Interest rates**



the Community have fallen by more than 6 per cent from their peak level to around 6.7 per cent over the same period. Long-term bond yields fell in parallel during 1993, but may have come close to their floor by the end of the year. Yields rebounded somewhat in the first three months of 1994, reflecting the combined influence of rising US bond yields, possible financial market disappointment about the slow pace of monetary easing in Germany since late 1993 and a technical correction to too sharp a drop in long rates in the closing months of 1993. The combination of rising long-term rates and moderately falling short-term rates brought a certain normalization of the formerly inverted yield curves in most Member States. Despite the partial rebound in early-1994, long-term rates in the Community remain considerably lower than one year ago and are low in a historical perspective.

The latest survey results show that there has been a perceptible shift of mood among economic agents. The Commission's leading economic indicator for the Community has improved significantly since mid-1993, mainly due to a sharp increase of confidence in the industrial sector (see Graph 3). Increased confidence particularly stems from strongly increased export and production expectations. The level of capacity utilization has risen for two consecutive quarters to early-1994. Confidence indicators for consumers and the construction and retail trade sectors have also risen, although their levels remain rather low.

GRAPH 3 : **Confidence indicators – EUR**



Main forces shaping activity — The Community economy is now forecast to attain a somewhat faster recovery than was the case after the previous recession in 1981 and slightly higher growth than predicted in the Commission's Autumn forecasts. As to the forces shaping this more upbeat growth outlook, the following in particular stand out :

- a *favourable international economic environment* — The successful conclusion of the Uruguay Round and the much improved performance of the US economy point to a more favourable international economic environment for Community exporters than previously expected. Current estimates suggest that world output growth outside the Community could expand by some 3 per cent and 3½ per cent in 1994 and 1995 respectively, while world imports of goods excluding the Community are expected to continue to expand at a strong pace of about 8 per cent annually. Consequently, *extra*-EC export markets are projected to increase by some 7 per cent annually. Furthermore, the improved competitive edge of Community exporters should lead to some market share gains on international markets.

- a *further decline in short-term interest rates in the Community* — Given good progress on the inflation front and the fact that present and expected budgetary and wage developments are increasingly in line with the monetary stability objective, conditions are being put in place for a further relaxation of monetary policy in the Community on a sound basis. Therefore, on top of the substantial easing of monetary conditions since September 1992, a further fall in short-term interest rates is assumed in the forecasts.

- a *restoration of business and consumer confidence* — Heightened expectations of recovery, the fading of the uncertainties surrounding the European integration and enlargement processes and the calm in the ERM since August 1993 have all engendered a conspicuous improvement in the mood of economic agents, particularly in the business sector, since the summer of last year. This stirring of confidence should progressively strengthen business and household spending.

- a *benign household saving behaviour* — The household savings ratio is projected to fall further by some ¾ per cent in both 1994 and 1995 in response to lower interest rates and improving confidence. Although unemployment is forecast to remain high during the forecasting period, perceptions of job security will improve as the fall in employment tapers off and precautionary savings should fall as a consequence. In addition, in several countries, successive years of low consumption growth is likely to have led to a considerable pent-up demand for consumer durables.

On the other hand, a major growth-restraining factor over the forecasting period is the projected *subdued development of real disposable income*, owing to the unsatisfactory evolution of employment, moderating wage trends and, in particular, considerable fiscal consolidation efforts in a number of countries. While the adoption of medium–

term fiscal consolidation programmes has undoubtedly facilitated the observed fall in short- and long-term interest rates since autumn 1992, the direct short-term effects of fiscal contraction risk partly offsetting the growth-inducing forces listed above.

TABLE 2 : **Contributions to real GDP growth**
(Per cent of real GDP in the preceding year)

	1991	1992	1993	1994	1995
EUR[1]					
Domestic demand, excl. stocks	1.5	1.4	–1.1	0.8	2.0
Stockbuilding	–0.3	–0.1	–0.6	0.3	0.3
Net foreign balance	0.3	–0.2	1.4	0.5	0.2
Real GDP growth	1.5	1.1	–0.3	1.6	2.5
Germany[1]					
Domestic demand, excl. stocks	3.8	3.0	–0.8	0.0	1.3
Stockbuilding	–0.4	–0.3	–0.6	0.5	0.4
Net foreign balance	1.2	–0.6	0.2	0.8	0.6
Real GDP growth	4.5	2.1	–1.2	1.3	2.4
France					
Domestic demand, excl. stocks	1.0	1.1	–0.3	1.2	2.2
Stockbuilding	–0.4	–0.7	–1.0	0.3	0.6
Net foreign balance	0.2	1.0	0.6	0.1	0.0
Real GDP growth	0.7	1.4	–0.7	1.6	2.8
Italy					
Domestic demand, excl. stocks	2.1	0.8	–4.2	0.5	2.6
Stockbuilding	–0.1	0.3	–1.6	0.2	0.2
Net foreign balance	–0.7	–0.3	5.1	0.8	0.0
Real GDP growth	1.2	0.7	–0.7	1.5	2.8
United Kingdom					
Domestic demand, excl. stocks	–2.8	–0.2	1.6	2.2	2.0
Stockbuilding	–0.7	0.5	0.4	0.2	0.0
Net foreign balance	1.2	–0.9	–0.2	0.1	0.3
Real GDP growth	–2.3	–0.5	1.9	2.5	2.3

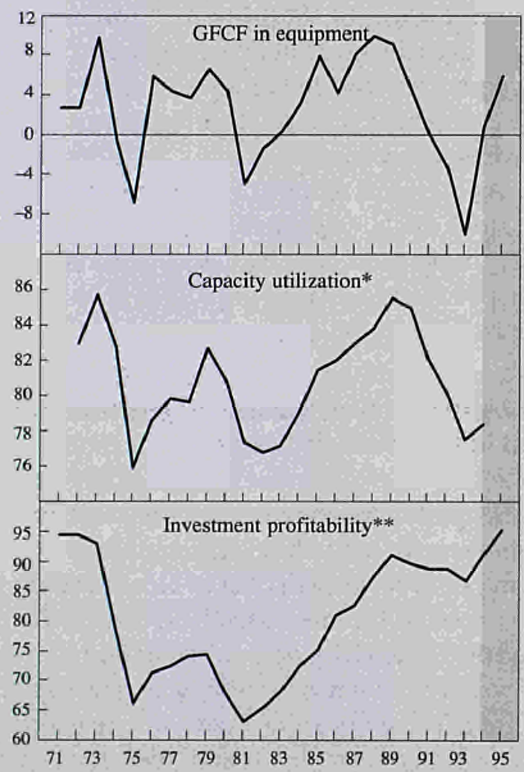
1) EUR and Germany including the new German Länder from 1992 onwards.

The short–term growth outlook — Given the recent trend in economic indicators and the forces at work in the Community economy, expectations are for a progressive strengthening of the pace of economic activity to around 2¾ per cent (annualised rate) in the second half of 1995. As a result, the Commission services now predict real GDP growth of above 1½ per cent in 1994 and 2½ per cent in 1995.

Initially, the recovery was — and still is — predominantly driven by *exports*. Already in 1993, output levels in the Community were sustained by a large contribution from exports to non-EC markets. In 1994–95, *extra*-EC exports of goods are projected to increase by no less than 7 to 8 per cent each year (in volume terms), as a result of buoyant import growth among the Community's trading partners as well as improved competitiveness of Community exporters. Within the Community, the projected recovery is expected to spur a strong rebound in intra-EC trade, after the slump in 1993[1]. While the revival of intra-EC trade does not in itself add a net contribution to Community GDP in accounting terms, it does underpin the revival of business confidence and injects renewed dynamism to the Community economy. Following an estimated fall of about ¾ per cent last year, total intra– and extra-EC exports of goods are forecast to expand at an annual rate of 5 to 6 per cent in volume terms over the forecasting period.

However, as the buoyancy of the external sector should progressively spill over to the domestic economy, *investment* in particular will become the engine of growth in the Community. Following a decline of almost 5 per cent last year, fixed capital formation should turn mildly positive this year and accelerate to some 5 per cent in 1995. Several factors are combining to produce expectations of a relatively strong investment-driven upturn in the Community, including: a cyclical rebound; further improvements in profitability; heightened external demand prospects; specific incentive schemes to switch public expenditure towards infrastructure investment and other growth promoting capital investments and finally the marked decline in borrowing costs. These factors are likely to weigh increasingly more heavily on investment decisions than the restraining influence of a low degree of capacity utilisation and weak consumer spending.

GRAPH 4 : **Investment in equipment, capacity utilization and investment profitability – EUR**



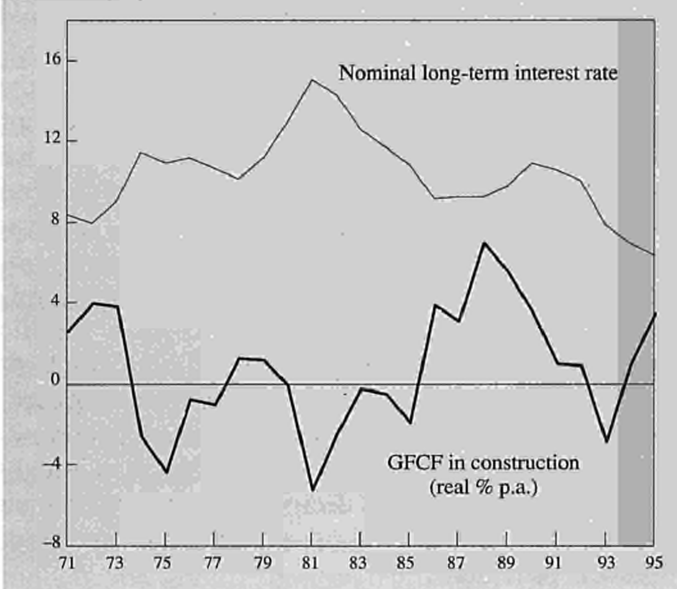
* 1994 : average of the first and the second quarter.
** index : 1961–73 = 100, measured by net returns on net capital stock.

Private consumption is expected to lag output growth over the next two years, as growth of real disposable income is constrained by falling employment, moderating wage increases and higher taxes and social security contributions in a number of countries. Nevertheless, private consump-

1 Following the introduction of a new method of collecting data on intra-EC trade as of 1 January 1993, available statistics may exaggerate the actual fall in intra-EC trade in 1993. Trade flows seem to have been underestimated on the import as well as the export side, but for a number of reasons the downward bias may have been larger for imports. Thus, available data may overestimate net exports and, as a consequence, perhaps also GDP growth for 1993.

tion should benefit from lower inflation and with an expected fall in the savings ratio, consumer expenditure is forecast to grow by ¾ per cent in 1994 and almost 1½ per cent in 1995.

GRAPH 5 : **Investment in construction and long-term interest rate – EUR**



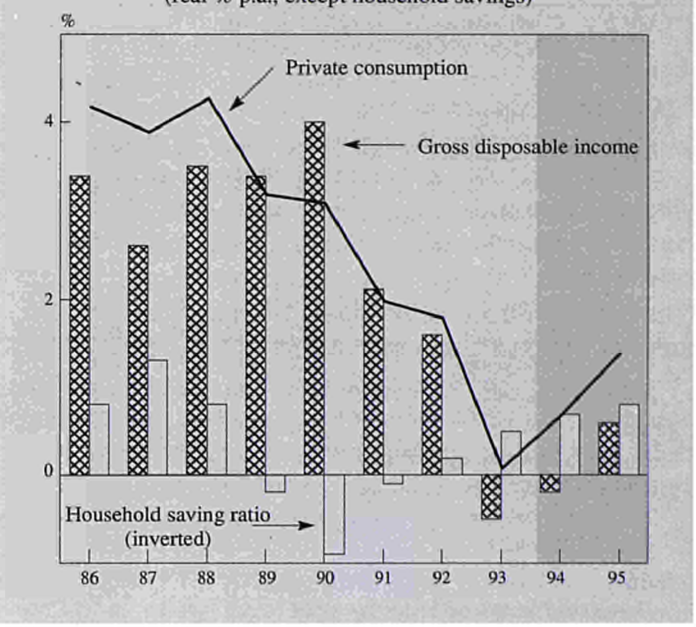
Public consumption is expected to rise by only ½ a per cent in 1994 and 1995 on present policy assumptions, given the overriding need to rein in budget deficits in coming years. Although greater use of "just-in-time" production principles and more advanced stock management techniques might suggest a reduced importance of *stock movements* during the economic cycle, de-stocking constituted a considerable drag on economic activity in 1993 in several countries. As is typical around cyclical troughs, the reversal of the stock cycle will cause a sharper turn-around in output than in demand, and inventory rebuilding shouid contribute positively to GDP-growth over the next two years (see also Table 2).

2. Convergence of growth rates to close to or above potential in the Member States

In the Community, the recovery will be widespread and cyclical movements will show an increasingly synchronised nature. In 1994, growth rates of close to or above potential are expected for three countries, namely Denmark, Ireland and the United Kingdom, whereas the nine member countries which experienced recession or quasi-stagnation last year are expected to record rates of expansion in the range of 1 to 1½ per cent this year. Expectations are for a further strengthening next year, with growth rates of real GDP in the majority of member countries showing a tendency to converge to the range of 2¼ to 2¾ per cent.

Following a contraction in real GDP of 1.2 per cent last year, in the *German economy as a whole* output growth is expected to turn positive to the tune of 1¼ per cent in 1994, bearing out a hesitant but increasingly solid recovery in west Germany and steady growth in the eastern part of the country, largely supported by public transfers and investment. Overall GDP growth is projected to strengthen to 2¼ per cent next year. These growth forecasts entail an upward revision of some ¾ per cent on the autumn forecasts, which is entirely due to improved prospects in the western part of the country.

GRAPH 6 : **Private consumption and its determinants – EUR**
(real % p.a., except household savings)



The *West German* economy passed the trough of its most severe post-war recession in early 1993. Since then, the decline in west German industrial production bottomed out and incoming orders, in particular foreign orders, have risen strongly through the first months of 1994. Exports are and will remain the driving force of recovery throughout the forecasting period; in view of a strengthening of economic activity in Germany's main trading partners, and in particular in the rest of the EC, and a thorough restructuring in German manufacturing industry, an appreciable rise in exports is projected. Improved export prospects together with low long-term interest rates and improved profitability, reflecting both rationalisation efforts and moderate wage settlements, should induce a gradual recovery in investment from the severe decline in 1993. Conversely, private consumption will hardly contribute to domestic demand growth this year and next. Under the combined impact of falling employment, significant wage moderation and higher indirect taxes and pension contributions, real disposable income of households is forecast to fall by more than 1½ per cent in 1994. Despite most of these factors will subside and inflation should ease to below 2 per cent, an additional marginal drop in households' purchasing power is expected next year due to the re-institution of the 7.5 per cent "solidarity" income tax surcharge from January 1995 onwards. On the other hand, like in 1993, private consumption is expected to be supported somewhat by a continuing moderate fall in the household savings ratio this year and next.

Recovery is expected to be more broadly based and slightly stronger in *France*, where output is forecast to grow at more than 1½ per cent in 1994 and 2¾ per cent in 1995. After falling sharply in the first quarter of 1993, economic activity picked up moderately in the remainder of the year, limiting the decline in real GDP for the year as whole to ¾ of a per cent. An improvement in private consumption, partly supported by exceptional public transfers in favour of households, and a marked upswing in exports triggered the recovery process. Signs of a modest upswing, gradually gaining momentum, have been confirmed in the first months of 1994. Residential construction is recovering under the combined impact of a continued easing of monetary conditions and specific government incentives adopted in the middle of last year. Investment in equipment, which posted a cumulative decline of more than 15 per cent during the last three years, is expected to respond moderately to improved demand and profitability prospects. Next year, when economic activity will be more vigorous and the margin of slack is reduced rapidly, investment in equipment is likely to accelerate sharply (projected growth of 5½ per cent), thereby rivaling exports as the most dynamic demand component. As imports are projected to pick up in line with total final uses, the net foreign contribution will become virtually zero. Private consumption, which held up in 1993 despite the recession, is unlikely to gain significant strength this year as real disposable income is constrained by low real wage growth and tax increases. Next year, renewed employment growth and a further fall in the household savings ratio, reflecting improved consumer confidence, should lead to a pick-up in consumer spending to 2 per cent. Finally, following a marked depletion of stocks last year, inventory re-building should contribute substantially to GDP growth this year and next.

The *Italian* economy continues to be subject to powerful opposing forces. In 1993, marked declines in fixed investment and private consumption — for the first time in the post-war era and reflecting the coincidence of high interest rates, sizeable fiscal consolidation efforts and arduous structural reforms — led to an unprecedented slump in domestic demand (down by 5 per cent on the previous year). Meanwhile, the export sector boomed as a result of improved Italian competitiveness following the sharp lira depreciations in 1992–93. Total exports of goods and services rose by 10 per cent in 1993, and continued strong growth, albeit diminishing, is forecast for 1994–95 as further, though smaller, gains in market shares come on top of improved growth prospects for Italy's export markets. Continued export buoyancy is expected to gradually spill over to the domestic sector of the economy, giving rise to accelerating growth in domestic demand from mid-1994 onwards. Investment, in particular in equipment, is expected to rebound vigorously fueled by strong export demand, falling interest rates and rising profitability. Private consumption is likely to turn mildly positive this year and to revive more strongly next year as the constraints impinging on real disposable income are gradually lifted and confidence picks up. Consequently, output growth is projected to accelerate to 2¾ per cent in 1995. However, improved private sector confidence hinges on a continuation of the economic reform process. Insufficient progress in this process would risk undermining credibility and could lead to a substantially bleaker outlook than presented here. On the other hand, the present forecasts were finalised before the establishment of the new government in Italy and do not include, therefore, any of its pledged economic policy measures. Their bold implementation could reinforce the otherwise sluggish recovery in domestic demand this year.

In the *UK*, growth has been running at an annualized rate of 2½ per cent in the latter half of 1993 and the outlook for 1994 is better than in most other Member States. The recovery has been initiated by an expansionary stance of monetary and fiscal policies in 1992–93 and supported by better-than-average export performance, following the depreciation of Sterling. Private consumption has been the main driving force in the recovery. It has been boosted by lower mortgage rates and a marked reduction in the household savings ratio, reflecting both brighter labour market conditions and reduced household debt-service payments. However, household debt-income ratios remain high, moderating falls in the savings ratio over the course of the forecasting period. Against this background, the envisaged fiscal consolidation efforts, implying a discretionary tightening of some 2½ per cent of GDP over 1995/6, will entail a sharp deceleration in private consumption, and more generally a subdued growth outlook. The smaller growth impact from private consumption in the second part of 1994 and in 1995 is expected to be largely offset by increased exports on the one hand, as import demand picks up in the UK's continental partners, and increased investment demand on the other.

In *Spain* and *Portugal*, exports are expected to grow strongly over the forecasting period, reflecting improved competitiveness in the wake of devaluations and stronger export market growth. However, like in Italy, a sluggish expansion of domestic demand dampens output growth in 1994, before picking up considerably in 1995. In *Belgium* and the *Netherlands*, recovery is expected to take place broadly along the lines of Germany and France; spurred by exports and aided by more relaxed monetary conditions. *Denmark* and *Ireland* should be the Community's strongest performers in terms of growth rates over the forecasting period, to a large extent benefiting from the previous years of sound macroeconomic stabilisation policy, and in Denmark's case aided by an expansionary fiscal policy in 1994. A disappointing growth outlook in *Greece* reflects its continuing large macroeconomic imbalances.

3. Risks and uncertainties

In contrast to the situation in the autumn, the uncertainties attached to the short-term outlook have diminished. At that time there was major uncertainty whether and when the recovery process in the Community would start off. With the upswing now under way, the major uncertainty relates to its future strength. The Commission services' new forecasts imply a moderately-paced recovery over the next two years. There are both negative and positive risks to the projection, though on balance and for the first time in several years, risks appear rather on the upside than on the downside.

The major upside risk is that a faster-than-projected recovery of domestic demand may emerge, perhaps already in the course of 1994. The forecast incorporates expectations of a muted upswing only in private spending this year. However, the possibility of a stronger consumption/investment cycle cannot be excluded. Investment could rebound more strongly if businesses react more vigorously to improved demand and profitability conditions. Forceful implementation of the measures advocated in the Community's economic policy guidelines and more positive perceptions of short to medium-term growth prospects may further support an improved investment climate. Furthermore, the marked decline in borrowing costs and anticipations that long-term interest rates may be close to their cyclical trough could induce investors to give up their previous wait-and-see attitude and seize current opportunities for locking-in cheap financing. Consequently, the present investment projection may turn out to be too prudent.

In the same vein, household saving behaviour could prove to be more supportive for domestic demand than assumed in the forecasts for several reasons. The awareness of greater job and income security, as the rise in unemployment grinds to a halt, could enhance household confidence and lead to a reduction in the perceived need for precautionary savings. Furthermore, substantially lower interest rates and the achievement of low inflation in most member countries — meaning that the real value of financial assets may be preserved without important additional efforts — could also discourage saving. Finally, in those member countries where high public deficits have tended to induce high private saving (e.g. Belgium and Italy), the adoption of credible and far-reaching deficit-reduction measures — thereby diminishing fears of future tax increases — could entail a drop in households' savings. All these reasons could engender a more pronounced drop in the household savings ratio than assumed in the present forecasts.

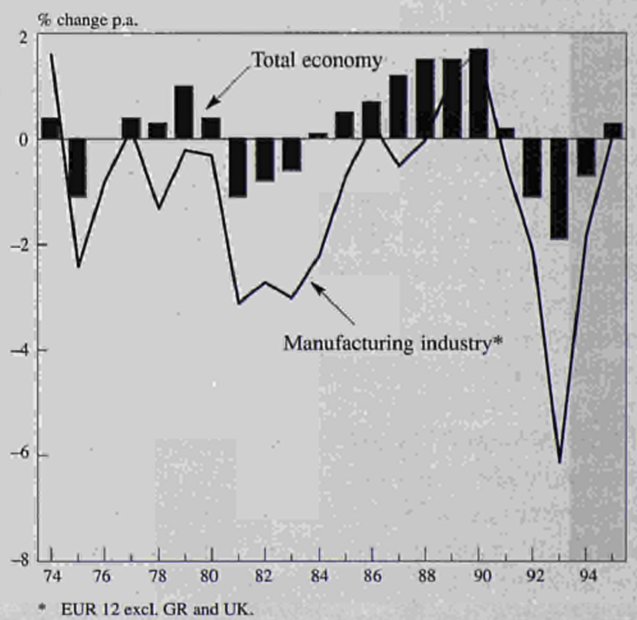
Downside risks reside in the non-realisation of the main assumptions underlying the forecasts. A key ingredient to ensure a robust recovery process is a further relaxation of the monetary stance in the Community. Tighter-than-assumed monetary conditions because of either a slowing of the pace of interest rate cuts, a continuation of the recent upward move in long-term rates or a weakening US dollar against EC currencies risks jeopardising the emerging upswing. With the half a point drop in official German interest rates in May, it seems however that a considerable degree of uncertainty has been lifted. The rise in long-term interest rates in the Community since the beginning of this year, at least partially reflecting a normalisation and contagion effect, is a cause for concern, although present levels are unlikely to form a major threat to the emerging recovery. However, if contrary to the assumptions underlying the forecasts, the upward trend were to continue, then monetary conditions in the Community would remain substantially tighter than expected, thereby entailing a less sanguine growth outlook in the Community.

A major uncertainty is attached to the *strength of the recovery in exports*, the forecasts being based on a continued vigorous expansion of import demand in non-EC countries and on a European-wide turnaround in economic activity. A less supportive international economic environment would not only reduce the contribution of net exports but would also damage the chances of igniting endogenous growth factors. A related risk is that the recent weakness of the US dollar in currency markets will persist, thereby putting at risk prospective market gains for European exporters. The projected US import growth of around 10½ per cent in 1994 is at the high end of the range of expectations. However, US imports have tended to surprise forecasters on the positive side in recent years and could even rise faster than forecast, given the acceleration of total demand and increasing capacity constraints. Developments in Central and Eastern Europe are surrounded by a high degree of uncertainty, but risks appear to be evenly balanced, as they are for EFTA countries.

4. Deterioration in labour market conditions will come to a halt in 1995

The improved growth prospects will help stabilise the unemployment rate in the Community as a whole and create expectations for more substantial falls thereafter. During the initial stage of the recovery, as firms only gradually increase their work force in response to the uptake in demand, average labour productivity growth in the Community is projected to pick up to its trend rate, observed over the last two decades,

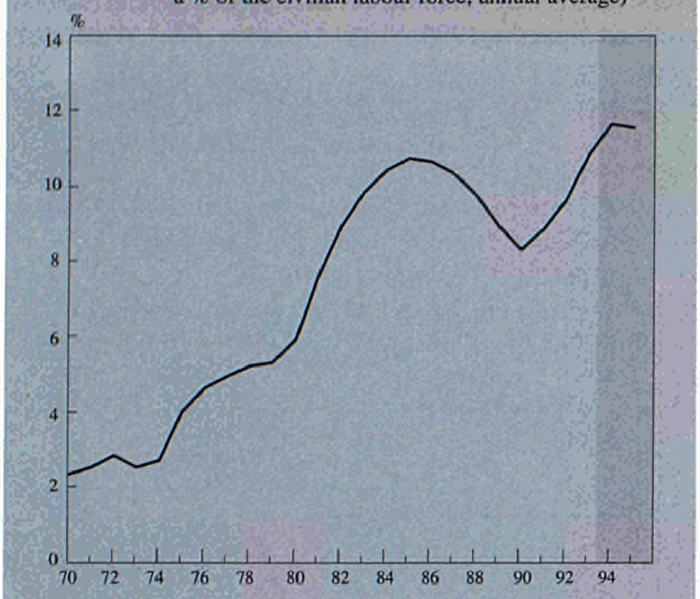
GRAPH 7 : **Employment in the Community**



* EUR 12 excl. GR and UK.

of about 2 per cent annually. As a result, following a 3 per cent cumulative fall in employment during the last two years, an additional decline of ¾ of a percentage point is projected for this year. It is only in the course of next year that output growth should reach a sufficient pace to allow for a renewed rise in employment. Together with slow growth in the labour force, this should bring the rise in unemployment to a halt in the course of the first half of 1995, at a level of 18 million workers or some 11¾ per cent of the labour force. During the second half of next year, the unemployment rate is projected to start falling gradually.

GRAPH 8 : **Unemployment – EUR** (number of unemployed as a % of the civilian labour force; annual average)



Taking into account the projected additional drop in the current year, the employment loss incurred during the present downturn is larger than those of the previous two recessions. The total decline in employment over the period 1992–94 could reach 3¾ per cent (excluding the eastern part of Germany, where an immense adjustment is taking place, the cumulative drop amounts to 3 per cent). By contrast, employment fell by 2.4 per cent over the period 1981–83 and by only 1.1 per cent in 1975. The comparatively stronger labour shake-out in the present episode, is partly due to extraordinary corporate restructuring efforts in the industrial sector; in part, this may reflect an increased responsiveness of employment to economic trends as several member countries have introduced measures to increase labour market flexibility, reduce hiring and firing restrictions, allow for greater flexibility in working hours etc. As a counterpart, a significant deterioration in investment profitability — as occurred in previous recessions — has been avoided. Furthermore, greater responsiveness also means that employment could increase somewhat faster in line with renewed GDP growth.

As regards the individual member countries, only Denmark, Ireland, Luxemburg and the UK will see substantial gains in employment in 1994–95. In the other member countries, in particular in Germany, Spain, Italy and Portugal, employment is projected to fall further in 1994, albeit at a much reduced pace. In 1995, employment trends are projected to turn mildly positive, with the exception of Belgium and Portugal where an additional marginal drop is expected.

The bleak employment outlook translates into a discomforting unemployment picture in most Member States. This year nine, and next year six, of the twelve member countries are forecast to experience a further increase in unemployment. In 1995, France and Italy could join Denmark, Ireland and the United Kingdom in registering a moderate decline in unemployment. In the latter three countries, unemployment could drop below the levels reached in 1992. The situation is particularly severe in Spain, where in 1995 close to a quarter of the labour force could be unemployed. Conversely, in Ireland, despite continued strong growth of the labour force, some inroads could be made in its unacceptably high unemployment rate thanks to improved employment creation over the next two years.

5. Encouraging inflation prospects

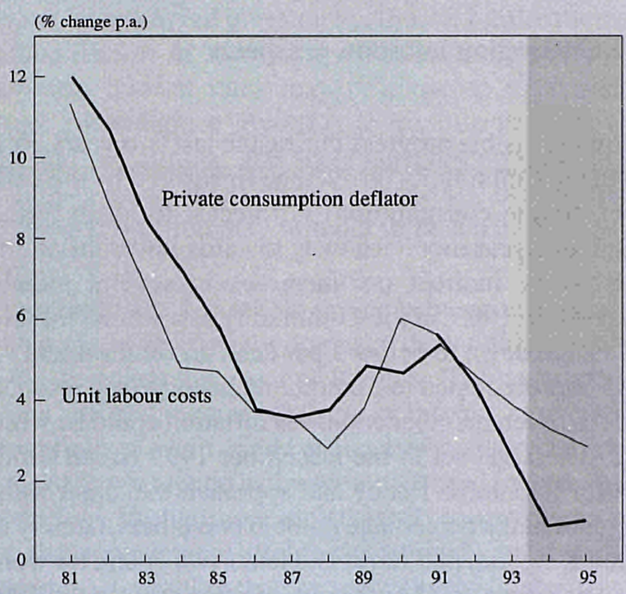
Following visible progress during the last two years, inflation in the Community on average (measured by the deflator of private consumption) is forecast to abate further, though this year more headway towards lower inflation is hindered by indirect tax increases in several member countries. In 1995, in the Community as a whole, inflation could edge down to below 3 per cent, an achievement virtually unprecedented in Community history. As a result, by 1995, in seven member countries inflation could be within the 2–3% target set in the December 1993 Broad Guidelines for Economic Policy and approach the target within a range of half a percentage point in two others, namely the United Kingdom and Italy. The latter two countries would however respect the Maastricht inflation criterion in 1995. Exceptions to this comforting inflation performance will be Spain, Portugal and Greece. Although in the first two countries further progress towards price stability is expected, following a worse-than-expected inflation performance in the second half of last year, the inflation forecasts have been revised upward. Conversely, in Greece, unsatisfactory price trends persist.

Important factors behind the projected further easing of inflationary pressures are sluggish domestic demand and subdued import prices but a key role is undoubtedly played by the expected strong moderation in wage cost pressures in the Community on average. In the Community, the rate of increase in *nominal compensation of employees per head* is predicted to decelerate to 3 per cent in 1994–95. *Real wages per head* are expected to post virtually zero growth this year and next while *nominal unit labour costs* are forecast to increase by a mere 1 per cent annually, also an unprecedented performance. Moreover, *real unit labour costs* should post an average annual decline of more than 1¾ per cent, thereby contributing to a further improvement in investment profitability as advocated in the Commission's White Paper on *Growth, Competitiveness and Employment.*

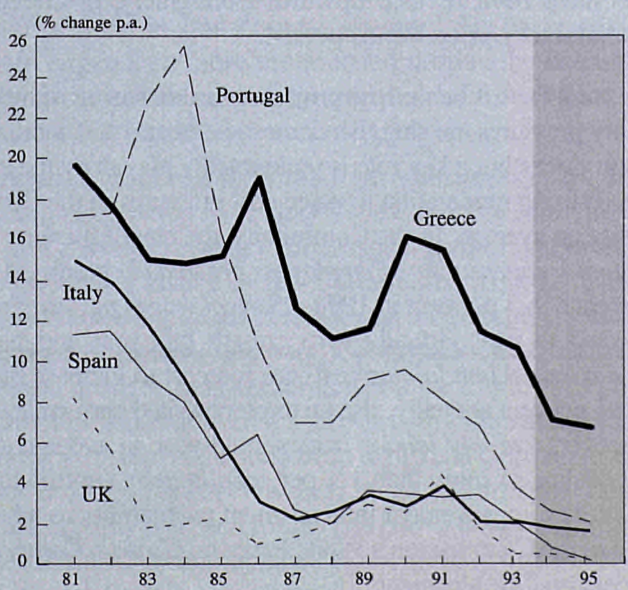
Encouraging progress towards price stability has also been facilitated by structural policies, institutional changes in wage-setting procedures in several countries, in particular in Germany, Belgium, Italy and Spain, and steps to establish the independence of central banks. These actions create expectations that price stability in the Community is not just a temporary phenomenon related to the weakness in economic activity but could be sustained over the medium term.

Current and prospective inflation trends in those countries which experienced substantial currency depreciations during the ERM crises of the last two years (Spain, Italy, Portugal, Ireland and the UK) remain encouraging. Nevertheless, the risk that price inflation may accelerate as the recovery strengthens, merits particular attention in these countries.

GRAPH 9 : **Inflation in the Community**



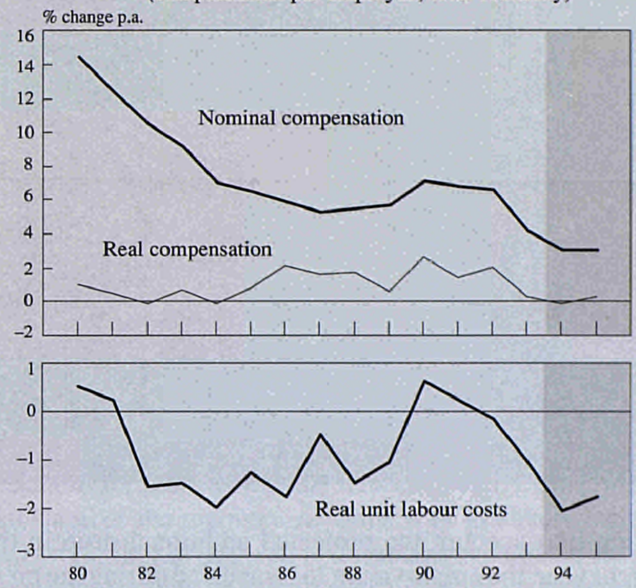
GRAPH 10 : **Inflation differential with 3% target**



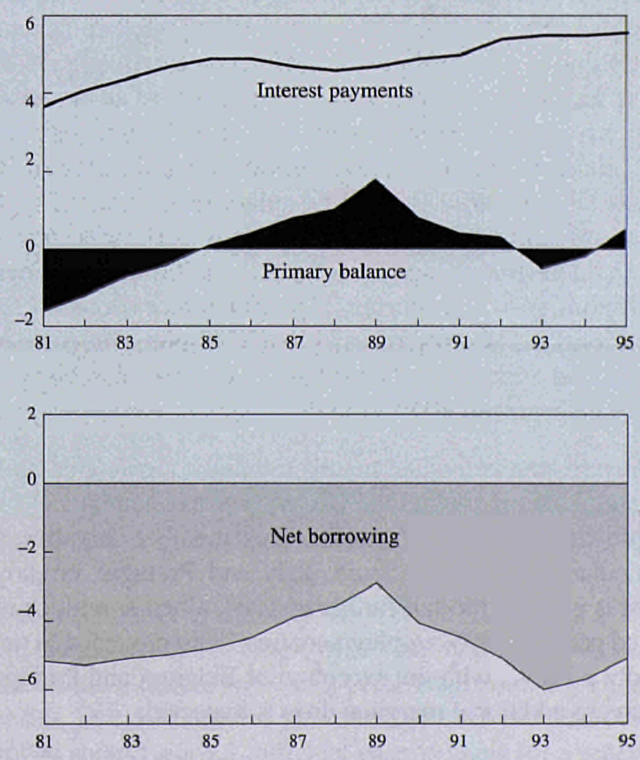
6. Modest improvement in budget deficits

Improved growth prospects are combining with lower interest rates and consolidation efforts in several member countries to produce a modest improvement in budget deficits. For the Community as a whole, a reduction of the order of one percentage point is projected between 1993 and 1995, bringing the deficit close to 5 per cent of GDP. Improvements in *cyclically-adjusted* deficits are expected in the majority of member countries, especially in Belgium, Germany, Spain, Portugal and the United Kingdom. Unfortunately, these efforts are not fully reflected in the overall budgetary positions because of the ongoing adverse cyclical impact in 1994.

GRAPH 11 : **Wage developments – EUR**
(compensation per employee; total economy)



GRAPH 12 : **Public finances – EUR**
(general government, % of GDP)



* From 1991 : data include the new German Länder.

Over the next two years, the largest adjustment is projected in the United Kingdom where net borrowing of general government could decline by some 3 percentage points to reach 4.6 per cent of GDP in 1995. Considerable, but less pronounced, cuts in budget deficits are also expected in Belgium and Portugal. France, Denmark and Spain are expected to see virtually no improvement in 1994, but to make considerable progress in 1995, reducing net borrowing by around 1 per cent of GDP. In 1994, deficits are expected to increase marginally in Ireland — although remaining below 3 per cent of GDP — and in the Netherlands, but in both countries the trend will be reversed in 1995. Conversely, in Greece and Italy, where the budgetary situation is most problematic, little or no improvement is projected. In the case of Greece, the budget deficit is forecast to be close to 18 per cent of GDP in 1995 whereas in Italy the deficit may not fall below 9 per cent of GDP.

TABLE 3 : **Government net borrowing and its cyclical and adjusted components*** (per cent of GDP)

		1991	1992	1993	1994	1995
B	act.	**–6.8**	**–7.1**	**–7.0**	**–5.4**	**–5.4**
	cycl.	1.7	1.4	–0.7	–1.0	–0.7
	adj.	–8.5	–8.4	–6.4	–4.4	–4.7
DK	act.	**–2.2**	**–2.6**	**–4.6**	**–4.6**	**–3.6**
	cycl.	–0.7	–1.1	–1.6	0.0	1.1
	adj.	–1.5	–1.5	–3.1	–4.6	–4.8
D	act.	**–3.2**	**–2.6**	**–3.3**	**–3.1**	**–3.0**
	cycl.	2.1	1.9	–0.1	–0.8	–0.9
	adj.	–5.3	–4.5	–3.1	–2.3	–2.1
GR	act.	**–14.4**	**–14.3**	**–16.3**	**–17.9**	**–17.7**
	cycl.	0.6	0.5	–0.1	–0.4	–0.5
	adj.	–15.0	–14.8	–16.2	–17.5	–17.2
E	act.	**–4.9**	**–4.5**	**–7.3**	**–7.2**	**–6.6**
	cycl.	1.9	1.2	–0.6	–1.2	–1.2
	adj.	–6.9	–5.6	–6.7	–6.0	–5.4
F	act.	**–2.1**	**–3.9**	**–5.7**	**–5.6**	**–4.8**
	cycl.	0.8	0.6	–0.8	–0.9	–0.3
	adj.	–2.9	–4.5	–5.0	–4.7	–4.5
IRL	act.	**–2.0**	**–2.3**	**–2.3**	**–2.5**	**–2.3**
	cycl.	0.9	1.2	0.1	0.0	0.1
	adj.	–3.0	–3.5	–2.4	–2.5	–2.4
I	act.	**–10.2**	**–9.5**	**–9.5**	**–9.5**	**–9.0**
	cycl.	0.8	0.3	–0.9	–1.0	–0.4
	adj.	–11.0	–9.8	–8.6	–8.5	–8.6
L	act.	**2.3**	**–0.3**	**1.4**	**–0.4**	**0.3**
	cycl.	2.1	1.3	–0.5	–1.5	–1.5
	adj.	0.2	–1.6	1.9	1.1	1.8
NL	act.	**–2.5**	**–3.5**	**–2.9**	**–3.6**	**–3.5**
	cycl.	1.8	1.2	–0.2	–0.8	–0.5
	adj.	–4.3	–4.6	–2.8	–2.8	–3.0
P	act.	**–6.4**	**–3.8**	**–8.1**	**–7.1**	**–6.1**
	cycl.	1.7	1.1	–0.6	–1.2	–0.8
	adj.	–8.0	–4.9	–7.5	–5.9	–5.3
UK	act.	**–2.8**	**–6.4**	**–7.7**	**–6.0**	**–4.6**
	cycl.	–0.3	–1.6	–1.3	–0.7	–0.2
	adj.	–2.5	–4.8	–6.4	–5.3	–4.4
EUR	act.	**–4.5**	**–5.1**	**–6.0**	**–5.6**	**–5.1**
	cycl.	1.1	0.5	–0.7	–0.8	–0.5
	adj.	–5.6	–5.6	–5.3	–4.8	–4.6

* Cyclical adjustments as estimated by the Commission Services.

7. Marked improvement in the Community's external balances

The Community's external balances now appear set to improve considerably over the next two years. The new forecasts indicate that the Community's trade surplus (fob/fob) exceeded ECU 45 billion in 1993 (against ECU 10 billion previously estimated) and could increase further to approach ECU 90 billion in 1995 or about 1½ per cent of GDP (against a ½ per cent of GDP previously). The Community's current account balance, which in the autumn was expected to remain slightly in deficit in 1995, is now expected to turn positive to the tune of some ECU 30 billion in 1995 (or a ½ per cent of GDP). These figures reflect both the weakness in domestic demand growth relative to the EC's main trading partners and expectations of an improved competitive edge for EC firms.

THE COMMUNITY'S EXTERNAL ENVIRONMENT

8. World output and trade : Increased dynamism

Output growth outside the Community is expected to accelerate further to above 3 per cent in 1994 and around 3½ per cent in 1995. Economic activity should be expanding at a healthy 3 per cent in industrial countries outside the EC, and even faster in developing countries, particularly in the Dynamic Asian Economies, China and Latin America.

TABLE 4 : **The international environment** (Annual real percentage change)

	1991	1992	1993	1994	1995
Output					
EUR[1]	1.5	1.1	–0.3	1.6	2.5
USA	–1.1	2.6	3.0	3.7	3.0
Japan	4.0	1.3	0.1	0.8	2.5
EFTA	–0.5	–0.3	–0.8	1.7	2.8
CCEE	–12.0	–15.4	–9.0	–3.5	0.7
DAEs[2]	7.3	5.9	6.4	6.8	7.0
World	1.3	1.5	1.6	2.7	3.3
World ex–EUR	0.5	1.7	2.3	3.1	3.5
Imports (goods)					
EUR[1]	4.5	3.5	–4.6	3.2	4.9
USA	0.5	10.3	11.5	10.7	7.2
Japan	–4.5	–1.5	4.1	4.0	5.5
EFTA	–3.1	–2.2	0.5	3.8	5.5
CCEE	–14.8	–7.5	3.6	5.4	6.9
DAEs[2]	14.1	10.3	13.8	12.3	12.2
World	3.8	5.0	3.5	6.2	6.7
World ex–EUR	3.1	6.3	9.0	8.2	7.8
Non–EC markets	0.2	3.5	6.4	6.9	7.0

1) EUR includes the five new German Länder from 1992 onwards.
2) Dynamic Asian Economies.

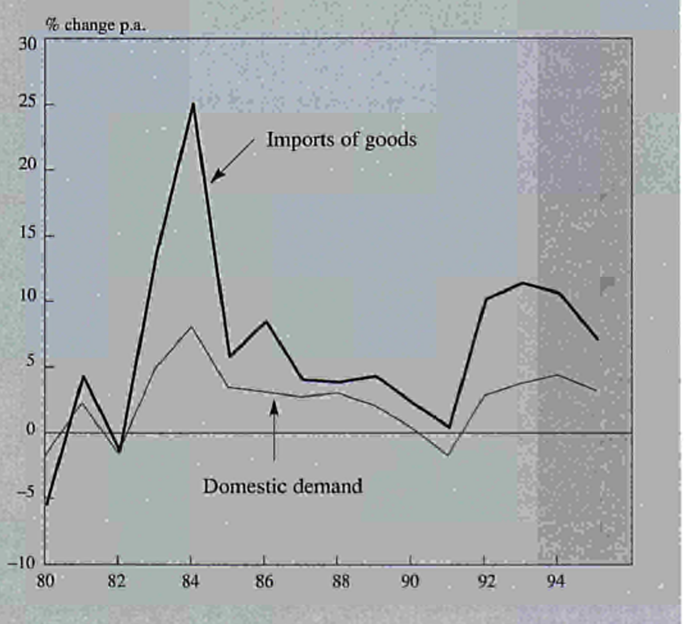
Output growth is expected to pick up in a number of Central and East European countries, whereas continued adjustment problems are likely to weigh down on economic activity in the former Soviet Union.

In line with these relatively buoyant growth prospects, *imports in non-EC countries* are expected to rise at a strong pace of some 8 per cent (in volume terms) per year over the forecasting period. The rapid expansion of world trade reflects the continuing strength of imports in North America, the Dynamic Asian Economies, China and Latin America. Growing trade of the countries in Central and Eastern Europe (including the ex-USSR) reflects stronger trade integration with Western Europe. Overall, the expected *growth of non-EC markets for Community exports of goods* should amount to some 7 per cent (in volume terms) in both 1994 and 1995.

9. United States : Sustained growth with risk of overheating

In the United States, following the surprisingly strong momentum in the final quarter of last year, economic growth is expected to slow down to more sustainable levels over the forecasting horizon. Given the strong finish to 1993 and signs of continued strength, albeit at a slower pace, in the beginning of the year, output is now projected to expand by 3¾ per cent in 1994, up by one percentage point on the previous forecast. Low real interest rates remain a key impetus for demand while the substantially improved financial position of businesses as well as cyclical dynamics increasingly support activity. Business investment, which led the recovery, is expected to remain robust as firms respond to growing pressure on capacity and continue restructuring efforts in order to improve competitiveness. Rising disposable income and improved consumer confidence are fostering private consumption while construction is furthermore boosted by the perception that long-term interest rates have passed their cyclical low-point.

GRAPH 13 : **US import growth and domestic demand**



With the economy approaching its productive potential, since February 1994 the Federal Reserve has been taking steps to reduce the stimulus emanating from low interest rates. Further moves towards a more neutral stance of monetary policy are assumed over the forecasting period. Fiscal policy should remain tight in accordance with the 1993 multi-year deficit reduction package. As a result of these factors, a certain deceleration of growth to around 3 per cent is expected in 1995. The rate of unemployment is projected to fall gradually to just over 6 per cent in 1995. Inflation will remain rather low, though the disappearance of slack in output and labour markets will engender a gradual acceleration of price increases to 3½ per cent in the second half of 1995.

The marginal rate of import penetration in private consumption as well as investment continue to be very high in the US. In 1993, the strong growth of private domestic demand sucked in imports at a growth rate of 11½ per cent in volume terms. Despite some quickening of US total demand in 1994, the growth of imports cannot be expected to accelerate accordingly. Nevertheless, it should remain above 10 per cent in 1994 before falling to around 7 per cent in 1995, thus providing a continued boost to world trade and EC exports in both years.

10. Japan : Anaemic recovery underway

In the absence of the February 1994 fiscal package, the Japanese economy could have seen another year of flat or even negative output growth in 1994 as ongoing balance sheet adjustment, previous over-investment and the huge appreciation of the yen since mid-1992 continue to significantly depress economic activity. Reflecting the estimated impact of the new fiscal measures, the forecast is now of an anaemic recovery with projected output growth of about ¾ per cent in 1994. Private consumption, boosted by the tax cuts, and public expenditure should underpin the modest increase in activity while investment and net exports will continue to contribute negatively to GDP growth.

With investment in equipment picking up and private consumption gaining momentum, a certain strengthening of output growth to 2½ per cent is expected in 1995. Under the combined influence of the automatic stabilisers and the latest fiscal package, the general government budget balance is expected to turn negative for the first time since 1986, to the tune of 1 per cent of GDP in 1994–95.

The severe loss of competitiveness caused Japanese exporters to lose substantial market shares in 1992–93, and further significant losses are projected for this year and next as the full effects of yen appreciation feed through. Among others, European producers stand to gain in home markets as well as international markets from Japan's loss of market share. Due to strong import growth among its trading partners, Japan's exports should rise modestly in 1994 and 1995, while Japanese imports are expected to grow somewhat faster in line with the consumption-led nature of the recovery. Nevertheless, due to the large initial excess of exports over imports, the current account surplus is likely to shrink only moderately from 3 per cent of GDP in 1993 to 2¾ per cent of GDP in 1995.

11. EFTA countries : Recovery gathering momentum

The three-year recession in the *EFTA as a whole* came to an end in the second half of 1993. Economic activity is expected to gather pace over the forecasting period and growth should average 1¾ per cent in 1994 and 2¾ per cent in 1995, contributing to a gradual reduction of the excess capacity in these economies. Overall imports in EFTA countries should grow by around 3¾ per cent in 1994 and by 5½ per cent in 1995.

TABLE 5 : **Real GDP growth in EFTA countries**
(Annual percentage change)

	1991	1992	1993	1994	1995
Austria	3.0	1.5	–0.3	0.9	2.5
Finland	–7.0	–4.0	–2.6	1.7	3.9
Norway	1.6	3.3	2.5	3.7	3.2
Sweden	–1.7	–1.7	–2.1	1.9	2.9
Switzerland	0.0	0.1	–0.6	1.3	2.3
EFTA	–0.5	–0.3	–0.8	1.7	2.8

Norway is expected to see rapid growth in 1994 and 1995, driven by domestic as well as external factors. Private consumption picked up strongly in the second half of 1993 and is expected to show sustained strength. Moreover, exports are anticipated to grow at a fast pace after last year's relatively weak performance. In both *Sweden* and *Finland*, business and consumer confidence has improved fundamentally compared to last year's gloomy mood. Activity will not only be supported by continued vigorous export growth, still benefiting from the substantial depreciations, but also domestic demand forces are expected to improve steadily over the forecasting period. In *Sweden*, the domestic impulse should come initially from private consumption, followed by an upturn in investment activity. In *Finland* private consumption will shrink also this year, but investment is expected to pick up from its very low levels already in 1994, due to impending adjustments of the capital stock in the manufacturing sector. In both countries, the urgent need to rein in large fiscal deficits will exert a drag on domestic demand. In *Austria* and *Switzerland* the recession was far less severe than in the aforementioned two Nordic countries. For both countries, a moderate recovery is forecast, although activity will be strongly influenced by the domestic performance of the German economy in 1994. The real foreign balance is not expected to provide a positive impetus to GDP growth, and the mainstay of increased economic activity in both countries should be domestic demand, benefiting from a continued fall in interest rates.

12. CCEE : Gradually improving growth prospects

In most of the six *East European countries* associated with the EC (Bulgaria, the Czech and Slovak Republics, Hungary, Poland and Romania), economic activity seems to have passed the turning point and aggregate output in this region is on an upward trend. Nevertheless, the precarious situation on the external balance is likely to place some restraint on demand, and output growth is expected to remain relatively moderate. Aggregate imports are projected to increase at an annual rate of about 5½ per cent in real terms. Prospects are less favourable for the *Newly Independent States* of the former Soviet Union. Output in this region declined by around 12 per cent in 1993 and prospects remain highly uncertain. Output is expected to decline also in 1994 before a turning-point is possibly reached during 1995. Imports are expected to grow at a relatively high rate of some 6 per cent in 1994 and close to 9 per cent in 1995.

TABLE 6 : **Real GDP growth in CCEE**
(Annual percentage change)

	1991	1992	1993	1994	1995
Bulgaria	–11.7	–5.6	–3.5	0.5	1.5
Czech Republic	–14.3[1]	–7.0[1]	–0.5	2.5	4.0
Hungary	–11.9	–3.4	–1.1	2.0	3.0
Poland	–7.6	2.6	3.9	2.5	2.5
Romania	–15.1	–13.6	1.0	1.4	2.1
Slovak Republic	–14.3[1]	–7.0[1]	–4.1	–3.1	1.0
Former USSR	–11.8	–18.6	–12.3	–5.5	–0.1
CCEE	–12.0	–15.4	–9.0	–3.5	0.7

1) Former Czechoslovakia

MAIN ASSUMPTIONS

Oil prices—At the beginning of the year, oil prices reached their lowest **nominal** levels since the mid-1980s and the lowest **real** levels since the early 1970s. Assuming greater compliance with established quotas after the OPEC meeting in late March but especially a strengthening of global oil demand, a slightly firming price trend throughout the forecasting period is underlying the forecasts. This assumption results in a yearly average price for UK Brent of \$14.4/bbl in 1994 and 15.2/bbl in 1995, i.e. about \$2/bbl down on the Autumn 1993 forecasts.

Non-oil commodity prices — They are assumed to see a moderate increase over the forecasting period, involving price rises of 2% and 3½% in 1994 and 1995 respectively.

Interest rates — In Germany, short-term interest rates are assumed to decline to 4.5% at the end of this year and to 4% at the end of 1995 in response to a continued abatement of inflationary pressures associated with sluggishness in the domestic economy and marked wage moderation. With the exception of the United Kingdom, in the other EC countries short-term interest rates will move downward more or less in parallel with German rates. At the longer end of the market, following the recent uptake, rates will fall somewhat against the background of the projected progress in reducing inflation and budget deficits during

1994–95. In the United States, monetary conditions will gradually be tightened, resulting in a rise in short–term rates to 5.20 at the end of 1995. This will help to keep long–term rates relatively stable. In Japan, given weak growth prospects and virtual price stability, the monetary stance will remain roughly unchanged.

Exchange rates — The standard technical assumption applies of constant real exchange rates over the forecasting period between the ERM currencies, the US dollar, the yen, the pound sterling and the Italian lira. Taking the first two months as the starting point, this implies an average USD/DM rate of around 1.74 for 1994–95. This assumption implies an additional nominal effective depreciation for the Community as a whole of about 4½% in 1994. Between ERM currencies, stability in nominal terms is assumed as usual.

Economic policy — With respect to economic policy, the assumption made is the traditional 'no policy' change. As regards budgetary policy, this means that only well-defined policy actions as well as known practices in respect of their implementation are embodied.

10 May 1994

DETAILED SPRING 1994 ECONOMIC FORECASTS

TABLE 1 : **Gross domestic product, volume** (percentage change at constant prices on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.9	1.8	1.4	2.0	5.0	3.6	3.2	1.8	1.4	–1.3	1.3	2.2
DK	4.3	2.0	3.6	0.3	1.2	0.6	1.4	1.0	1.2	1.1	3.8	3.2
D	–	–	–	–	–	–	–	–	2.1	–1.2	1.3	2.4
WD	4.3	1.7	2.3	1.5	3.7	3.6	5.7	4.5	1.6	–1.9	0.8	1.9
GR	7.7	2.5	1.6	–0.5	4.4	3.5	–1.1	3.3	0.9	–0.2	0.7	0.9
E	7.2	1.8	3.2	5.6	5.2	4.7	3.6	2.2	0.8	–1.0	1.1	2.3
F	5.4	2.2	2.5	2.3	4.5	4.3	2.5	0.7	1.4	–0.7	1.6	2.8
IRL	4.4	3.8	–0.4	4.5	4.2	6.2	9.0	2.6	4.8	2.5	4.2	4.4
I	5.3	2.8	2.9	3.1	4.1	2.9	2.1	1.2	0.7	–0.7	1.5	2.8
L	4.0	1.8	4.8	2.9	5.7	6.7	3.2	3.1	1.9	0.3	1.6	2.9
NL	4.8	1.8	2.7	1.2	2.6	4.7	4.1	2.1	1.4	0.3	1.3	2.6
P	6.9	2.2	4.1	5.3	3.9	5.2	4.4	2.1	1.1	–1.2	1.1	3.0
UK	3.2	1.4	4.3	4.8	5.0	2.2	0.4	–2.3	–0.5	1.9	2.5	2.3
EUR	–	–	–	–	–	–	–	–	1.1	–0.3	1.6	2.5
EUR–	4.8	2.0	2.9	2.9	4.3	3.5	3.0	1.5	1.0	–0.5	1.5	2.4
USA	3.9	2.3	2.8	3.1	3.9	2.7	0.8	–1.1	2.6	3.0	3.7	3.0
JAP	9.6	3.6	2.6	4.1	6.2	4.7	4.8	4.0	1.3	0.1	0.8	2.5

TABLE 2 : **Deflator of gross domestic product** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.1	6.7	3.9	2.3	1.8	4.6	3.0	2.7	3.4	2.7	2.8	2.7
DK	7.0	9.0	4.6	4.7	3.4	4.2	2.7	2.5	1.9	1.6	1.7	2.0
D	–	–	–	–	–	–	–	–	5.3	3.9	2.7	2.2
WD	4.4	4.1	3.2	1.9	1.5	2.4	3.1	3.9	4.4	3.3	2.3	2.0
GR	4.5	17.7	17.5	14.3	15.6	12.5	20.9	17.6	14.9	13.8	10.4	9.9
E	7.1	15.1	11.1	5.8	5.7	7.1	7.4	7.0	6.5	4.5	4.0	4.1
F	5.0	10.2	5.2	3.0	2.8	3.0	3.0	3.0	2.3	2.4	1.6	1.7
IRL	7.2	12.7	6.5	2.3	3.1	4.6	–1.6	1.0	1.1	3.3	3.1	2.4
I	5.5	16.2	7.9	6.0	6.6	6.2	7.6	7.7	4.5	4.3	3.3	3.1
L	4.4	6.7	3.8	–1.0	4.0	6.0	2.9	3.0	4.5	2.3	3.1	3.4
NL	6.0	5.6	0.1	–0.5	1.2	1.2	2.3	2.8	2.5	1.6	2.0	2.2
P	3.9	20.8	20.5	11.2	11.6	13.0	14.3	14.1	13.4	7.9	5.4	5.4
UK	5.1	12.4	3.2	5.0	6.1	7.1	6.4	6.5	4.4	3.4	3.3	3.0
EUR	–	–	–	–	–	–	–	–	4.6	3.7	2.9	2.8
EUR–	5.2	10.7	5.5	4.0	4.3	4.9	5.2	5.4	4.3	3.5	2.9	2.7
USA	3.6	7.0	2.5	3.1	3.9	4.4	4.2	3.9	2.9	2.5	3.1	3.6
JAP	6.0	5.3	1.8	0.0	0.4	1.9	2.2	2.1	1.8	1.3	1.1	1.3

TABLE 3 : **Final domestic demand, volume** (percentage change at constant prices on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.8	1.2	2.8	3.8	4.5	4.9	3.3	1.7	2.5	–2.1	1.0	2.1
DK	4.6	1.3	6.1	–2.2	–1.2	0.5	–1.0	–0.5	–0.7	0.3	5.3	3.8
D	–	–	–	–	–	–	–	–	2.7	–1.4	0.4	1.8
WD	4.5	1.3	3.3	2.4	3.6	2.9	5.2	3.6	1.5	–2.6	–0.2	1.4
GR	8.1	1.8	–1.1	–1.3	7.1	4.0	1.5	3.2	1.6	–0.2	0.8	1.1
E	7.6	1.2	5.4	8.1	7.0	7.8	4.7	2.8	1.1	–3.6	–0.1	2.3
F	5.6	1.8	4.5	3.3	4.7	3.9	2.8	0.5	0.4	–1.3	1.5	2.8
IRL	5.1	2.2	1.1	0.0	1.5	7.5	6.7	–0.3	–1.2	1.4	4.4	4.1
I	5.3	2.4	3.4	4.3	4.7	2.9	2.8	1.8	1.0	–5.0	0.7	2.8
L	4.1	1.5	8.0	4.2	6.8	5.7	5.1	8.0	0.5	1.3	0.6	1.6
NL	4.9	1.4	3.8	1.4	1.8	4.6	3.5	1.5	1.4	–0.4	0.6	1.9
P	7.3	1.1	8.3	10.4	7.4	4.3	5.4	4.1	4.7	–0.5	0.6	2.5
UK	3.2	1.2	4.9	5.3	7.9	2.9	–0.6	–3.3	0.4	2.0	2.3	2.0
EUR	–	–	–	–	–	–	–	–	1.3	–1.5	1.1	2.3
EUR–	4.9	1.6	4.1	3.9	5.1	3.7	2.9	1.1	1.0	–1.8	1.0	2.2
USA	4.0	2.5	3.1	2.8	3.0	2.1	0.4	–1.7	2.9	3.8	4.4	3.2
JAP	9.8	2.8	3.7	5.1	7.6	5.8	5.0	2.7	0.6	0.3	1.0	2.8

TABLE 4 : **Gross national product at current market price** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	9.2	8.5	5.7	4.6	6.8	8.7	6.0	5.2	4.9	1.9	3.9	4.8
DK	11.6	10.8	8.5	5.2	4.8	4.6	3.9	3.6	3.5	3.3	6.3	5.8
D	–	–	–	–	–	–	–	–	7.0	2.1	3.6	4.4
WD	8.9	5.9	5.5	3.5	5.2	6.7	8.9	8.4	5.5	0.8	2.7	3.7
GR	12.5	20.3	18.8	14.0	21.0	16.2	20.2	21.4	16.0	13.5	11.1	10.8
E	14.8	17.0	14.9	11.9	10.9	12.4	11.2	9.2	7.0	3.4	5.0	6.2
F	10.7	12.5	8.1	5.4	7.5	7.4	5.3	3.6	3.4	1.6	3.3	4.6
IRL	11.7	15.8	6.9	7.2	5.4	9.7	8.7	5.2	5.5	5.0	7.3	6.7
I	11.0	19.3	10.9	9.4	11.0	9.1	9.6	8.7	4.9	3.8	5.1	6.2
L	9.0	11.3	5.8	–0.3	10.2	12.7	8.1	5.8	6.7	2.4	4.2	5.4
NL	11.1	7.4	2.7	0.6	3.3	6.7	6.4	4.9	3.9	2.1	3.5	4.9
P	11.2	22.8	28.1	18.2	16.5	19.5	20.6	16.5	14.6	6.1	6.1	8.3
UK	8.5	13.9	7.7	9.5	11.1	9.4	6.4	4.0	5.0	5.1	6.2	5.5
EUR	–	–	–	–	–	–	–	–	4.6	0.9	4.1	5.2
EUR–	10.1	10.8	6.3	5.4	8.5	8.9	7.4	6.7	4.1	0.4	3.9	5.0
USA	7.7	9.5	5.2	6.2	8.0	7.4	5.1	2.6	5.4	5.5	6.9	6.7
JAP	16.2	9.1	4.4	4.4	6.6	6.8	7.1	6.2	3.3	1.2	1.7	3.9

* *Notes :* see page 24.

TABLE 5 : **Investment in construction, volume** (percentage change on preceding year, 1974-95)*

	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	–2.6	3.0	3.0	14.9	9.2	7.9	3.6	6.2	–4.3	1.3	4.3
DK	–3.4	18.0	1.1	–5.5	–6.0	–4.6	–10.9	0.2	–6.4	6.0	0.5
D	–	–	–	–	–	–	–	9.5	3.2	3.7	4.3
WD	–1.3	3.1	–0.0	3.1	4.4	4.9	4.1	5.5	–0.4	1.0	2.8
GR	–3.2	–0.8	–5.0	9.2	4.0	5.7	–6.5	–4.2	–7.5	2.4	3.7
E	–1.5	6.5	9.9	12.4	15.1	10.8	9.7	–4.8	–6.4	–1.1	2.3
F	–1.0	3.6	3.2	7.9	5.4	2.4	1.2	1.0	–2.1	1.5	2.7
IRL	0.6	–4.6	–8.6	–1.9	11.6	19.7	–1.4	0.3	0.5	6.0	7.0
I	–1.3	1.9	–0.7	2.3	3.6	3.5	1.4	–2.1	–6.2	–0.5	5.2
L	–3.0	5.3	8.7	12.5	13.8	7.2	9.0	6.2	2.6	–0.2	1.2
NL	–1.8	4.6	2.0	9.7	2.2	0.1	–2.6	2.8	–2.8	–0.6	2.7
P	–	8.7	9.4	10.1	3.5	5.3	4.5	3.5	0.7	0.0	5.5
UK	–0.8	6.1	11.0	13.4	5.4	–0.6	–8.3	0.8	–0.9	3.3	5.5
EUR	–	–	–	–	–	–	–	2.2	–1.6	1.8	4.1
EUR–[1]	–1.3	4.0	3.2	7.1	5.7	3.7	1.1	1.0	–2.9	0.9	3.6

[1] EUR– without Portugal up to 1985.

TABLE 6 : **Investment in equipment, volume** (percentage change on preceding year, 1974-95)*

	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	3.3	5.3	7.1	16.1	17.4	9.9	–2.5	–5.8	–11.0	1.5	6.5
DK	3.5	16.6	–8.9	–8.6	9.7	2.7	3.1	–15.4	2.9	8.5	8.0
D	–	–	–	–	–	–	–	–1.9	–11.3	–0.1	6.1
WD	1.9	4.5	5.0	6.7	9.2	13.1	10.3	–3.9	–15.1	–2.2	5.3
GR	0.7	–12.6	–5.2	8.4	18.1	5.7	3.3	7.0	0.6	1.5	2.5
E	–0.5	15.7	23.2	16.6	12.9	1.4	1.4	–2.5	–16.6	–1.7	3.1
F	1.1	4.3	6.7	10.5	8.0	4.6	–4.7	–4.4	–7.2	1.4	5.5
IRL	1.4	1.5	0.9	0.2	23.3	1.8	–12.0	–4.4	0.0	5.3	5.5
I	3.4	2.6	11.9	11.6	5.2	4.0	0.1	–2.0	–15.6	1.8	8.2
L	–2.6	87.2	18.7	16.0	4.4	–6.0	11.2	–12.0	6.0	–3.9	–0.6
NL	2.4	8.8	0.4	–2.5	7.9	3.7	4.2	–0.9	–4.9	–0.1	6.5
P	–	14.2	26.8	23.2	10.0	5.8	1.0	5.6	–7.5	2.0	5.5
UK	2.2	–0.9	8.7	13.0	11.6	–3.6	–11.5	–3.5	3.1	4.0	4.7
EUR	–	–	–	–	–	–	–	–2.8	–8.8	1.3	5.9
EUR–[1]	1.9	4.3	8.3	10.1	9.3	4.7	0.1	–3.2	–9.6	0.9	5.7

[1] EUR– without Portugal up to 1985.

TABLE 7 : **Total investment, volume** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	5.1	–0.7	4.4	5.6	15.4	13.4	8.5	–1.7	1.0	–7.0	1.4	5.2
DK	6.5	–0.9	17.1	–3.8	–6.6	1.0	–1.7	–5.4	–8.2	–1.8	7.3	4.4
D	–	–	–	–	–	–	–	–	4.2	–3.2	2.2	5.0
WD	3.9	–0.3	3.3	1.8	4.4	6.3	8.5	6.1	1.1	–6.9	–0.3	3.8
GR	10.0	–1.6	–6.2	–5.1	8.9	10.1	9.4	–4.4	1.2	–3.4	1.9	3.1
E	10.4	–1.2	9.9	14.0	13.9	13.6	7.1	1.7	–3.9	–10.3	–1.3	2.6
F	7.7	–0.2	4.5	4.8	9.6	7.9	2.9	–1.5	–2.1	–5.0	1.5	4.3
IRL	9.9	0.9	–2.8	–2.3	–1.6	13.6	12.6	–7.3	–1.9	0.3	5.7	6.3
I	4.7	0.5	2.2	5.0	6.9	4.3	3.8	0.6	–2.0	–11.1	0.6	6.7
L	4.9	–2.7	31.2	14.7	14.1	8.9	2.5	9.8	–2.1	4.0	–1.8	0.4
NL	5.3	–0.3	6.9	0.9	4.5	4.9	1.6	0.4	1.1	–3.8	–0.4	4.4
P	7.9	–1.3	10.9	15.1	15.0	5.6	5.9	2.4	5.4	–3.9	1.1	5.5
UK	4.6	0.7	2.6	10.2	13.5	5.5	–3.4	–9.8	–1.1	0.8	3.6	5.2
EUR	–	–	–	–	–	–	–	–	–0.1	–5.0	1.6	4.9
EUR–	5.7	–0.1	4.2	5.5	8.7	6.9	3.8	–0.4	–1.0	–6.1	0.9	4.6
USA	4.7	2.1	0.6	1.0	3.7	1.4	–1.8	–6.7	6.2	9.6	9.6	6.5
JAP	14.0	1.7	4.8	9.6	11.9	9.3	8.8	3.0	–1.0	–1.3	–0.9	3.2

TABLE 8 : **Private consumption, volume** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.3	1.8	2.3	3.0	2.9	3.6	2.6	3.1	2.9	–1.4	0.8	1.6
DK	3.8	1.5	5.7	–1.5	–1.0	–0.4	0.0	1.4	0.7	2.6	4.4	4.0
D	–	–	–	–	–	–	–	–	2.4	0.1	–0.8	0.2
WD	5.1	2.1	3.4	3.3	3.1	1.9	5.1	4.6	1.9	–0.0	–1.0	0.0
GR	6.7	3.0	0.7	1.2	3.6	4.5	2.3	2.2	1.7	–0.2	0.6	0.9
E	7.2	1.5	3.3	5.8	4.9	5.7	3.6	2.9	2.1	–2.3	0.0	2.2
F	5.3	2.5	3.9	2.9	3.3	3.1	2.9	1.4	1.7	0.8	1.1	1.9
IRL	3.8	2.3	2.0	3.1	4.8	6.0	1.9	1.6	2.8	1.9	4.0	3.6
I	6.0	3.1	4.4	4.5	4.6	3.6	2.9	2.6	1.7	–2.1	0.5	1.9
L	4.6	2.6	3.4	5.0	3.9	3.9	4.0	6.5	1.7	0.2	1.7	2.3
NL	5.6	2.0	2.6	2.7	0.8	3.5	4.2	3.0	2.1	0.9	0.9	1.2
P	6.0	1.4	5.6	5.4	6.6	3.3	5.3	5.2	3.7	0.8	0.3	1.8
UK	3.0	1.6	6.8	5.3	7.5	3.2	0.6	–2.2	0.0	2.5	2.2	1.4
EUR	–	–	–	–	–	–	–	–	1.7	0.1	0.7	1.4
EUR–	5.0	2.2	4.2	3.9	4.3	3.2	3.1	2.0	1.6	0.0	0.7	1.4
USA	4.2	2.7	3.8	2.9	3.8	2.1	1.1	–0.6	2.6	3.3	3.9	3.0
JAP	8.7	3.3	3.4	4.2	5.2	4.3	3.9	2.2	1.7	1.1	1.8	2.5

* *Notes :* see page 24.

TABLE 9 : **Public consumption, volume** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	5.5	2.1	1.7	0.3	–1.0	–0.0	1.0	1.8	1.3	1.5	0.7	0.4
DK	5.8	3.0	0.5	2.5	0.9	–0.6	–0.4	0.0	0.7	2.9	1.1	0.6
D	–	–	–	–	–	–	–	–	3.8	–0.6	–0.5	0.2
WD	3.8	1.5	2.3	1.2	0.1	0.4	1.0	–2.7	2.6	–1.3	–0.5	0.2
GR	6.2	5.2	–0.8	0.9	5.7	2.8	1.3	3.6	–0.0	1.0	0.5	0.5
E	4.5	4.8	5.4	8.9	4.0	8.3	5.6	5.4	3.8	1.6	0.6	0.5
F	4.0	2.9	1.7	2.8	3.4	0.5	2.0	2.5	2.7	1.6	1.4	1.0
IRL	5.2	3.7	2.6	–4.8	–5.0	–1.0	5.7	2.4	2.2	2.4	3.4	2.5
I	4.0	2.7	2.6	3.5	2.8	0.8	1.2	1.5	0.9	0.8	0.5	0.5
L	3.4	2.4	3.1	2.7	3.8	1.9	3.2	3.8	3.5	2.2	0.9	1.4
NL	2.8	2.1	3.6	2.6	1.4	1.5	1.6	1.3	1.3	0.7	0.2	0.5
P	9.1	6.7	7.2	4.9	5.3	2.8	1.5	3.0	1.4	0.5	1.0	0.2
UK	2.5	1.4	1.6	1.0	0.7	1.4	2.5	2.5	0.2	–0.5	0.7	1.0
EUR	–	–	–	–	–	–	–	–	1.9	0.5	0.5	0.6
EUR–	3.7	2.4	2.3	2.5	1.9	1.4	2.0	1.6	1.7	0.4	0.5	0.6
USA	2.5	2.3	4.9	3.9	1.4	–0.2	1.5	2.0	–0.1	–1.5	–0.6	–0.6
JAP	5.8	3.9	4.5	0.4	2.1	2.0	1.9	1.7	2.4	3.0	2.5	2.9

TABLE 10 : **Price deflator of private consumption** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	3.7	7.5	0.7	1.9	1.6	3.4	3.6	2.5	2.1	2.8	2.6	2.5
DK	6.6	9.6	2.9	4.6	4.0	4.3	2.7	2.2	2.1	1.7	2.0	2.1
D	–	–	–	–	–	–	–	–	4.8	4.0	3.0	2.1
WD	3.5	4.3	–0.3	0.7	1.4	3.0	2.8	3.8	4.0	3.4	2.7	1.9
GR	3.5	17.5	22.1	15.7	14.2	14.7	19.2	18.5	14.6	13.7	10.2	9.8
E	6.6	15.4	9.4	5.7	5.0	6.6	6.5	6.3	6.4	5.1	4.8	4.6
F	4.8	10.5	2.7	3.2	2.7	3.4	2.9	3.0	2.3	2.2	1.8	1.7
IRL	6.3	13.7	4.6	2.6	2.9	3.6	1.6	2.3	2.6	2.0	2.8	2.7
I	4.9	16.0	6.2	5.3	5.7	6.5	5.9	6.9	5.2	4.8	3.9	3.3
L	3.0	7.4	1.3	1.7	2.7	3.6	3.6	2.9	2.8	3.6	2.9	3.0
NL	5.0	5.7	0.3	0.2	0.5	1.2	2.2	3.4	3.0	2.1	2.3	2.4
P	3.9	22.2	13.8	10.0	10.0	12.1	12.6	11.1	9.8	6.8	5.6	5.1
UK	4.8	12.0	4.0	4.3	5.0	5.9	5.5	7.4	4.8	3.5	3.5	3.2
EUR	–	–	–	–	–	–	–	–	4.6	3.9	3.3	2.9
EUR–	4.7	10.8	3.8	3.6	3.8	4.9	4.7	5.4	4.4	3.7	3.3	2.9
USA	3.1	7.1	2.5	4.1	4.1	4.8	5.0	4.1	3.4	2.6	2.7	3.3
JAP	6.1	6.4	0.4	0.2	–0.1	1.8	2.6	2.5	2.0	1.1	1.4	1.8

TABLE 11 : **Compensation of employees per head** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	9.0	9.4	4.8	1.5	2.4	3.1	7.5	8.0	5.8	4.8	3.3	3.3
DK	10.7	10.1	4.4	7.9	5.0	3.8	4.6	4.7	2.8	2.2	2.4	3.1
D	–	–	–	–	–	–	–	–	10.0	4.6	3.0	2.8
WD	9.1	5.8	3.6	3.2	3.0	2.9	4.7	5.8	5.4	3.2	2.2	2.3
GR	10.1	21.6	12.8	11.5	18.6	18.1	17.4	16.1	11.2	11.7	11.2	10.2
E	14.6	18.0	9.5	6.7	7.1	6.4	8.6	8.2	8.5	7.2	4.6	4.0
F	9.9	12.9	4.1	3.6	4.2	4.3	5.1	4.4	3.6	2.7	2.1	2.3
IRL	11.3	16.7	5.3	5.4	6.4	6.9	5.3	4.7	5.5	5.8	4.0	3.3
I	11.5	18.2	7.5	8.2	8.7	8.7	10.7	8.5	5.7	3.6	3.3	3.3
L	7.4	9.2	3.7	4.9	2.7	6.7	7.0	4.3	5.8	5.7	4.7	4.7
NL	11.4	6.7	2.1	1.4	0.9	0.7	3.2	4.3	4.6	3.1	2.4	2.0
P	10.8	24.3	21.6	17.9	13.4	12.8	18.7	17.2	15.9	7.5	6.3	6.1
UK	8.3	13.9	8.1	7.3	7.9	9.0	9.0	8.1	5.9	4.2	3.6	3.8
EUR	–	–	–	–	–	–	–	–	6.9	4.3	3.2	3.2
EUR–	9.9	12.5	6.0	5.4	5.6	5.8	7.3	6.9	5.6	3.9	3.0	3.1

TABLE 12 : **Real compensation of employees per head**[1] (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	5.1	1.8	4.0	–0.3	0.8	–0.2	3.8	5.3	3.6	1.9	0.7	0.8
DK	3.8	0.5	1.5	3.1	1.0	–0.5	1.8	2.5	0.6	0.5	0.4	1.0
D	–	–	–	–	–	–	–	–	4.9	0.6	–0.0	0.6
WD	5.4	1.4	4.0	2.5	1.6	–0.1	1.9	2.0	1.3	–0.2	–0.5	0.4
GR	6.4	3.5	–7.7	–3.6	3.8	3.0	–1.5	–2.1	–3.0	–1.7	0.9	0.3
E	7.4	2.2	0.1	0.9	2.0	–0.2	2.0	1.8	1.9	2.0	–0.1	–0.6
F	4.9	2.2	1.4	0.4	1.5	0.8	2.1	1.4	1.3	0.5	0.3	0.6
IRL	4.7	2.6	0.7	2.7	3.3	3.2	3.6	2.4	2.8	3.8	1.2	0.6
I	6.3	1.9	1.3	2.8	2.8	2.1	4.6	1.5	0.4	–1.2	–0.6	0.1
L	4.2	1.7	2.4	3.1	–0.0	3.0	3.3	1.4	2.9	2.0	1.7	1.6
NL	6.0	0.9	1.8	1.2	0.3	–0.5	1.0	0.9	1.6	1.0	0.2	–0.3
P	6.7	1.7	6.8	7.2	3.1	0.6	5.4	5.5	5.6	0.7	0.7	0.9
UK	3.3	1.7	4.0	2.8	2.7	2.9	3.3	0.7	1.0	0.6	0.1	0.6
EUR	–	–	–	–	–	–	–	–	2.2	0.4	–0.1	0.3
EUR–	5.0	1.5	2.2	1.7	1.7	0.8	2.5	1.5	1.2	0.2	–0.2	0.2

[1] Deflated by the price deflator of private consumption.

* *Notes :* see page 24

TABLE 13 : **Real GDP per occupied person** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.3	2.1	0.7	1.5	3.4	2.0	1.8	1.6	1.8	0.2	2.1	2.3
DK	3.2	1.5	1.0	–0.6	1.8	1.1	2.5	2.8	1.3	1.6	2.9	1.9
D	–	–	–	–	–	–	–	–	3.8	0.7	2.7	2.3
WD	4.0	1.9	0.9	0.7	2.9	2.1	2.7	1.9	0.7	–0.3	2.2	1.8
GR	8.1	1.6	1.3	–0.4	2.7	3.2	–2.3	5.7	–0.5	0.6	0.7	0.9
E	6.4	3.2	1.8	0.5	2.3	1.3	0.1	1.7	2.0	3.4	2.3	1.8
F	4.7	2.1	2.1	1.9	3.6	2.9	1.5	0.7	1.8	0.6	2.2	2.4
IRL	4.3	3.7	–0.6	3.7	4.2	6.4	4.6	2.6	4.4	1.8	2.5	2.8
I	5.5	1.8	2.1	2.7	3.1	2.8	1.2	0.4	1.8	2.2	2.8	2.6
L	3.0	1.2	2.1	0.1	2.6	2.9	–1.0	–1.1	0.0	–1.4	0.6	1.6
NL	3.9	2.0	0.7	–0.5	1.0	2.7	1.7	0.6	0.6	0.6	1.9	2.1
P	6.7	2.7	7.0	4.7	3.9	4.1	3.5	1.2	1.7	1.1	2.5	3.2
UK	2.9	1.6	4.4	3.0	1.7	–0.4	–0.7	0.8	1.8	3.2	1.6	1.6
EUR	–	–	–	–	–	–	–	–	2.3	1.6	2.3	2.2
EUR–	4.4	2.0	2.2	1.7	2.7	1.9	1.2	1.3	1.5	1.4	2.2	2.1
USA	1.9	0.5	1.0	–0.4	1.1	0.3	0.0	–0.1	2.4	1.6	1.4	1.0
JAP	8.1	3.0	1.8	3.2	4.5	2.7	2.6	2.0	0.2	–0.1	0.8	2.0

TABLE 14 : **Unit labour costs, whole economy**[1] (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	4.5	6.9	4.1	–0.0	–1.0	1.1	5.6	6.2	3.9	4.6	1.2	0.9
DK	7.3	8.4	3.3	8.5	3.2	2.6	2.1	1.9	1.4	0.9	–0.5	1.2
D	–	–	–	–	–	–	–	–	5.9	3.9	0.2	0.5
WD	4.9	3.6	2.7	2.4	0.1	0.7	2.0	3.9	4.7	3.5	–0.0	0.5
GR	1.8	19.6	11.4	12.0	15.4	14.5	20.2	9.8	11.8	10.8	10.7	9.3
E	7.7	13.9	7.6	6.2	4.7	5.1	8.6	6.4	6.4	3.7	2.3	2.1
F	4.9	10.4	2.0	1.6	0.6	1.4	3.6	3.7	1.8	2.1	–0.1	–0.1
IRL	6.8	12.2	5.9	1.7	2.1	0.4	0.7	2.0	1.1	4.0	1.5	0.6
I	5.6	15.9	5.3	5.3	5.4	5.7	9.4	8.1	3.8	1.3	0.5	0.8
L	4.3	7.8	1.5	4.7	0.1	3.7	8.0	5.5	5.7	7.2	4.0	3.1
NL	7.1	4.4	1.4	2.0	–0.1	–1.9	1.5	3.7	4.0	2.6	0.5	–0.1
P	3.9	20.7	13.6	12.6	9.1	8.3	14.7	15.8	14.0	6.3	3.7	2.8
UK	5.2	11.9	3.5	4.2	6.1	9.4	9.8	7.2	4.0	1.0	1.9	2.2
EUR	–	–	–	–	–	–	–	–	4.5	2.7	0.9	1.0
EUR–	5.2	10.1	3.7	3.6	2.8	3.8	6.0	5.6	4.0	2.5	0.9	1.0
USA	3.6	7.0	2.9	3.8	4.1	3.1	5.3	4.6	2.7	1.2	2.0	2.9
JAP	5.6	5.2	1.4	–0.1	–0.8	1.8	2.6	2.5	1.5	0.8	0.2	–1.0

[1] Compensation of employees per head divided by labour productivity per head, defined as GDP in volume divided by total employment.

TABLE 15 : **Real unit labour costs**[1] (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	0.4	0.4	0.2	–2.3	–2.8	–3.3	2.5	3.4	0.5	1.9	–1.5	–1.8
DK	0.2	–0.4	–1.2	3.6	–0.2	–1.5	–0.6	–0.6	–0.5	–0.6	–2.1	–0.8
D	–	–	–	–	–	–	–	–	0.6	–0.0	–2.4	–1.6
WD	0.5	–0.3	–0.5	0.5	–1.4	–1.7	–1.1	–0.0	0.2	0.2	–2.2	–1.4
GR	–2.5	1.8	–5.2	–2.0	–0.1	1.8	–0.5	–6.6	–2.7	–2.6	0.2	–0.5
E	0.5	–0.7	–3.2	0.3	–0.9	–1.8	1.1	–0.6	–0.1	–0.8	–1.7	–1.9
F	–0.1	0.4	–3.1	–1.3	–2.2	–1.6	0.5	0.7	–0.5	–0.3	–1.7	–1.8
IRL	–0.4	–0.2	–0.6	–0.6	–1.0	–4.0	2.4	1.1	0.0	0.7	–1.6	–1.8
I	0.1	–0.1	–2.4	–0.6	–1.2	–0.4	1.6	0.4	–0.6	–2.8	–2.7	–2.3
L	–0.2	1.1	–2.2	5.8	–3.8	–2.2	4.9	2.4	1.2	4.8	0.9	–0.3
NL	1.0	–0.9	1.3	2.5	–1.3	–3.1	–0.8	0.9	1.5	0.9	–1.5	–2.2
P	–0.0	0.2	–5.7	1.3	–2.2	–4.1	0.4	1.5	0.5	–1.4	–1.6	–2.4
UK	0.1	–0.3	0.3	–0.7	–0.0	2.1	3.2	0.7	–0.4	–2.3	–1.4	–0.8
EUR	–	–	–	–	–	–	–	–	–0.1	–1.0	–2.0	–1.7
EUR–	0.1	–0.4	–1.7	–0.4	–1.4	–1.0	0.7	0.2	–0.3	–1.0	–1.9	–1.7
USA	–0.0	–0.1	0.4	0.6	0.2	–1.2	1.1	0.7	–0.2	–1.2	–1.1	–0.7
JAP	–0.4	–0.0	–0.3	–0.1	–1.2	–0.0	0.3	0.4	–0.3	–0.4	–0.8	–2.3

[1] Nominal unit labour costs divided by GDP price deflator.

TABLE 16 : **Total employment** (percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	0.6	–0.3	0.6	0.5	1.5	1.6	1.4	0.1	–0.4	–1.4	–0.8	–0.2
DK	1.1	0.5	2.6	0.9	–0.6	–0.6	–1.0	–1.8	–0.1	–0.5	0.9	1.2
D	–	–	–	–	–	–	–	–	–1.7	–1.9	–1.4	0.1
WD	0.3	–0.2	1.4	0.7	0.8	1.5	3.0	2.6	0.9	–1.6	–1.4	0.1
GR	–0.5	1.0	0.4	–0.1	1.7	0.4	1.3	–2.3	1.5	–0.8	0.0	0.0
E	0.7	–1.4	1.4	5.1	2.8	3.4	3.5	0.5	–1.2	–4.3	–1.2	0.5
F	0.7	0.1	0.4	0.3	0.9	1.3	1.0	0.0	–0.5	–1.3	–0.6	0.4
IRL	0.1	0.1	0.2	0.8	0.0	–0.2	4.2	0.0	0.4	0.7	1.7	1.6
I	–0.2	0.9	0.8	0.4	0.9	0.2	0.9	0.8	–1.0	–2.8	–1.2	0.3
L	1.1	0.5	2.6	2.8	3.1	3.7	4.2	4.2	1.8	1.7	1.0	1.3
NL	0.9	–0.2	2.1	1.7	1.6	1.9	2.3	1.5	0.8	–0.2	–0.6	0.5
P	0.2	–0.5	–2.7	0.5	0.1	1.0	0.9	0.9	–0.6	–2.3	–1.4	–0.2
UK	0.3	–0.2	–0.1	1.8	3.2	2.5	1.1	–3.1	–2.2	–1.2	0.8	0.7
EUR	–	–	–	–	–	–	–	–	–1.1	–1.9	–0.7	0.3
EUR–	0.3	–0.0	0.7	1.2	1.5	1.5	1.7	0.1	–0.6	–1.8	–0.6	0.4
USA	1.9	1.8	1.7	3.5	2.8	2.4	0.8	–1.1	0.2	1.4	2.2	2.0
JAP	1.3	0.7	0.9	0.9	1.7	2.0	2.1	2.1	1.1	0.2	0.0	0.5

* *Notes :* see page 24.

TABLE 17 : **Employment in manufacturing industries** (percentage change on preceding year, 1974-95)*

	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	–3.2	–1.8	–2.5	–0.7	2.0	0.3	–1.6	–2.5	–4.0	–1.9	–0.1
DK	–0.5	3.8	–1.3	–2.4	–1.0	0.5	–2.3	–1.2	–4.0	0.0	2.5
D	–	–	–	–	–	–	–	–	–	–	–
WD	–1.6	1.7	0.3	–0.3	1.4	2.8	1.5	–1.7	–7.5	–2.0	–0.0
GR	–	–	–	–	–	–	–	–	–0.2	–0.2	0.0
E	–2.4	1.5	2.6	2.7	3.7	2.9	–3.3	–4.4	–9.7	–1.7	0.5
F	–1.7	–2.0	–2.6	–1.6	0.5	0.7	–1.3	–2.8	–4.6	–2.0	–0.2
IRL	–0.7	4.0	–2.4	–0.5	3.0	2.4	0.5	–0.0	–0.4	0.9	1.3
I	–1.0	–1.2	–0.4	1.6	0.9	0.5	–2.2	–4.3	–4.8	–1.4	0.1
L	–1.9	1.9	–1.8	–3.2	–0.8	–0.3	–1.4	–3.0	–0.5	–0.9	0.0
NL	–2.2	2.1	0.8	0.9	1.5	2.1	0.0	–1.0	–3.6	–2.4	0.0
P	–	–2.5	–1.7	–1.7	1.5	1.4	–0.1	–2.0	–3.1	–2.8	–0.4
UK	–3.1	–2.5	0.6	0.8	–0.1	–0.7	–6.7	–5.5	–3.0	–0.7	0.3
EUR	–	–	–	–	–	–	–	–	–	–	–
EUR–[1]	–1.9	–0.4	–0.2	0.1	1.0	1.0	–1.8	–3.1	–5.5	–1.6	0.1

[1] EUR– without Greece and Portugal up to 1985; EUR– without Greece for 1986-1992.

TABLE 18 : **Number of unemployed** (as percentage of civilian labour force, 1964-95)[1]*

	1964-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	2.0	8.1	11.7	11.3	10.2	8.6	7.6	7.5	8.2	9.4	10.3	10.7
DK	0.9	6.4	5.5	5.6	6.4	7.7	8.1	8.9	9.5	10.4	9.9	9.1
D	–	–	–	–	–	–	–	5.8	6.8	8.1	9.3	9.5
WD	0.7	4.2	6.5	6.3	6.3	5.6	4.8	4.2	4.5	5.6	6.9	7.1
GR	4.2	4.0	7.4	7.4	7.7	7.5	7.0	7.7	8.7	9.8	10.1	10.6
E	2.8	11.2	21.1	20.5	19.4	17.1	16.2	16.4	18.2	21.5	23.3	23.5
F	2.2	6.4	10.3	10.4	9.9	9.4	9.0	9.5	10.0	10.8	11.5	11.4
IRL	5.7	11.0	18.2	18.0	17.3	15.7	14.5	16.2	17.8	18.4	17.8	17.1
I	5.2	7.4	10.6	10.8	10.9	10.9	10.0	10.1	10.3	11.1	12.0	11.7
L	0.0	1.7	2.6	2.5	2.0	1.8	1.7	1.6	1.9	2.6	3.0	2.9
NL	1.3	7.7	10.2	10.0	9.3	8.5	7.5	7.1	7.2	8.8	10.2	10.4
P	2.5	6.9	8.3	6.8	5.7	5.0	4.6	4.0	3.9	5.0	6.5	6.6
UK	2.0	6.9	11.4	10.4	8.5	7.1	7.0	8.9	10.2	10.5	9.9	9.3
EUR	–	–	–	–	–	–	–	8.9	9.8	10.9	11.6	11.6
EUR–	2.4	6.8	10.7	10.4	9.8	9.0	8.4	8.7	9.4	10.5	11.3	11.2
USA[2]	4.6	7.5	7.0	6.2	5.5	5.3	5.5	6.7	7.4	6.8	6.3	6.1
JAP[2]	1.2	2.2	2.8	2.8	2.5	2.3	2.1	2.1	2.2	2.5	3.1	2.8

[1] Series following SOEC definition, based on the labour force survey.
[2] In percentage of total labour force.

TABLE 19 : **Total public expenditure** (as percentage of GDP, 1970-95)*

	1970-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	53.8	60.7	59.0	56.7	54.9	54.8	55.9	56.5	57.7	56.5	56.1
DK	50.3	54.3	55.7	58.0	58.4	57.3	57.8	59.6	61.9	62.7	61.0
D	–	–	–	–	–	–	48.8	49.4	50.4	50.8	51.0
WD	45.8	46.5	46.9	46.4	45.0	45.3	48.1	47.8	48.9	49.0	49.7
GR	–	47.6	47.6	47.5	49.4	53.2	50.8	53.7	54.7	57.3	58.9
E	30.0	41.9	40.8	41.0	42.3	43.5	45.2	46.4	48.9	48.8	48.2
F	44.9	52.2	51.7	50.8	49.9	50.5	51.2	52.5	54.7	55.3	54.5
IRL	44.4	51.4	49.4	46.3	39.9	40.2	40.8	41.4	42.3	42.2	41.1
I	40.7	50.7	50.2	50.3	51.3	53.2	53.5	53.6	56.2	55.2	53.8
L	47.9	50.4	54.2	50.8	47.1	49.7	52.8	53.3	53.9	53.7	52.7
NL	52.8	57.9	59.4	57.6	54.8	55.0	55.3	56.1	56.6	55.9	53.9
P	–	44.6	43.0	43.0	42.9	38.8	41.1	42.8	43.9	42.8	41.6
UK	42.1	42.9	40.8	38.9	38.6	40.3	41.0	43.3	43.5	42.7	42.3
EUR	–	–	–	–	–	–	49.1	50.2	51.7	51.5	51.0
EUR–	44.0[1]	48.8	48.3	47.4	46.8	47.8	49.0	49.8	51.3	51.1	50.6

[1] EUR– without Greece and Portugal.

TABLE 20 : **Total public current receipts** (as percentage of GDP, 1970-95)*

	1970-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	46.5	51.3	51.5	49.9	48.4	48.9	49.1	49.5	50.6	51.1	50.7
DK	49.2	57.7	58.1	58.6	57.9	55.8	55.6	57.0	57.3	58.1	57.4
D	–	–	–	–	–	–	45.5	46.8	47.1	47.7	48.1
D	43.7	45.2	45.0	44.2	45.1	43.3	44.6	45.5	46.1	46.8	47.3
GR	–	35.1	36.0	33.8	32.8	35.1	36.4	39.4	38.4	39.4	41.2
E	27.8	35.9	37.7	37.7	39.5	39.5	40.3	42.0	41.7	41.6	41.7
F	43.9	49.4	49.8	49.2	48.6	49.0	49.1	48.6	48.9	49.7	49.6
IRL	35.6	40.8	41.0	41.8	38.3	38.0	38.8	39.1	40.0	39.8	38.8
I	32.1	39.1	39.2	39.6	41.4	42.2	43.3	44.0	46.7	45.7	44.8
L	50.2	55.5	57.5	56.0	53.9	53.0	55.2	53.0	55.2	53.3	53.0
NL	50.7	52.8	53.5	53.0	50.1	49.9	52.8	52.6	53.7	52.3	50.4
P	29.8	37.3	36.2	37.6	39.5	34.0	35.5	39.5	36.9	36.6	36.3
UK	39.3	40.1	39.5	39.1	38.6	38.8	38.2	37.0	35.8	36.7	37.7
EUR	–	–	–	–	–	–	44.6	45.1	45.7	45.9	45.9
EUR–	40.8[1]	44.3	44.4	43.8	44.0	43.7	44.3	44.7	45.4	45.6	45.6

[1] EUR– without Greece.

* *Notes :* see page 24.

TABLE 21 : **General government lending (+) or borrowing (–)** (as a percentage of GDP, 1970-95)*

	1970-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	–7.2	–9.4	–7.5	–6.8	–6.5	–5.9	–6.8	–7.1	–7.0[2]	–5.4[2]	–5.4[2]
DK	–1.0	3.4	2.4	0.6	–0.5	–1.5	–2.2	–2.6	–4.6	–4.6	–3.6
D	–	–	–	–	–	–	–3.2	–2.6	–3.3	–3.1	–3.0
WD	–2.0	–1.3	–1.9	–2.2	0.1	–2.1	–3.5	–2.3	–2.8	–2.2	–2.4
GR	–	–12.5	–11.7	–13.7	–16.6	–18.1	–14.4	–14.3	–16.3	–17.9	–17.7
E	–2.0	–6.0	–3.1	–3.3	–2.8	–3.9	–4.9	–4.5	–7.3	–7.2	–6.6
F	–1.1	–2.7	–1.9	–1.7	–1.3	–1.5	–2.1	–3.9	–5.7	–5.6	–4.8
IRL	–8.8	–10.6	–8.5	–4.5	–1.7	–2.2	–2.0	–2.3	–2.3	–2.5	–2.3
I	–8.5	–11.6	–11.0	–10.7	–9.9	–10.9	–10.2	–9.5	–9.5	–9.5	–9.0
L	2.3	5.1	3.3	5.2	6.8	5.9	2.3[3]	–0.3	1.4	–0.4	0.3
NL	–3.0	–5.1	–5.9	–4.6	–4.7	–5.1	–2.5	–3.5	–2.9	–3.6	–3.5
P	–	–7.2	–6.8	–5.4	–3.4	–5.5[3]	–6.6[3]	–3.3	–7.1	–6.2	–5.3
UK	–2.8	–2.8	–1.4	0.1	–0.1	–1.5	–2.8	–6.4	–7.7	–6.0	–4.6
EUR	–	–	–	–	–	–	–4.6	–5.1	–6.0	–5.6	–5.1
EUR–	–3.2[1]	–4.5	–4.0	–3.6	–2.9	–4.1	–4.6	–5.0	–5.9	–5.5	–5.0
USA	–1.6	–3.5	–2.5	–2.0	–1.5	–2.5	–3.5	–4.5	–3.4	–2.4	–2.1
JAP	–2.2	–0.9	0.5	1.5	2.5	2.9	3.0	1.8	0.9	–1.0	–1.1

1 EUR– without Greece and Portugal.
2 Including the proceeds from the sale of public participations, the accounting treatment of which is currently being examined.
3 The figures mentioned in this table correspond to those given in the excessive deficit reporting. The balances were not calculated as the difference between receipts and expenditure, as these figures have not yet been published.

TABLE 22 : **Trade balance total (fob/cif)** (in mrd. ECU, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	–0.1	–3.9	–0.2	–0.7	–2.9	–2.2	–5.6	–7.2	–6.5	–0.0	0.6	0.8
DK	–0.7	–1.9	–1.5	0.2	0.9	1.2	2.4	2.6	4.3	6.3	5.4	4.9
D	–	–	–	–	–	–	47.4	9.2	15.3	30.8	43.3	55.7
WD	3.6	17.5	53.1	57.0	61.0	64.0	44.0	–	–	–	–	–
GR	–0.9	–4.7	–5.8	–5.6	–5.9	–7.8	–9.2	–10.4	–10.6	–10.0	–10.6	–11.2
E	–1.9	–8.1	–6.3	–8.7	–11.9	–19.3	–20.1	–21.3	–21.8	–16.2	–13.6	–13.7
F	–0.8	–12.0	–9.2	–12.6	–12.2	–14.9	–17.3	–15.4	–7.0	4.4	4.5	4.7
IRL	–0.4	–1.1	1.0	2.0	2.7	3.1	2.3	2.7	5.0	5.0	5.5	5.9
I	–1.3	–9.6	–2.5	–7.5	–8.4	–11.2	–9.3	–10.4	–8.2	16.5	21.1	21.5
L[1]	–	–	–	–	–	–	–	–	–	–	–	–
NL	–1.0	0.9	4.6	1.1	1.2	3.5	0.3	–2.7	–5.4	7.1	8.6	10.3
P	–0.5	–3.4	–2.3	–3.7	–5.8	–5.6	–6.7	–7.9	–9.0	–9.2	–9.2	–9.4
UK	–2.7	–8.3	–19.9	–20.9	–42.6	–41.1	–31.9	–22.3	–26.9	–23.3	–22.3	–20.6
EUR	–	–	–	–	–	–	–47.6	–83.1	–70.8	11.2	33.3	48.9
EUR–	–6.6	–34.6	11.0	0.8	–23.9	–30.3	–51.0	–	–	–	–	–

1 Included in the figures for Belgium.

TABLE 23 : **Balance on current account** (as a percentage of GDP, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	1.1	–1.5	2.1	1.3	1.7	1.7	0.9	1.8	1.8	3.0	3.0	2.8
DK	–2.0	–3.5	–5.4	–2.9	–1.3	–1.5	0.5	1.3	3.0	3.6	3.0	2.8
D	–	–	–	–	–	–	–	–1.1	–1.2	–0.9	–0.6	–0.3
WD	0.7	0.8	4.3	4.1	4.3	4.8	3.6	1.4	1.6	1.9	2.3	2.2
GR	–2.9	–2.9	–5.3	–3.1	–2.0	–5.0	–6.2	–5.1	–4.3	–3.6	–3.8	–4.1
E	–0.2	–1.4	1.6	0.1	–1.1	–3.2	–3.7	–3.6	–3.8	–1.8	–0.8	–0.8
F	0.4	–0.3	0.5	–0.2	–0.3	–0.5	–0.9	–0.5	0.2	0.9	0.9	1.0
IRL	–2.4	–7.7	–3.3	–0.2	–0.0	–1.7	–0.7	2.0	3.6	5.8	5.2	5.0
I	1.4	–0.7	0.5	–0.2	–0.7	–1.3	–1.4	–1.8	–2.2	1.1	1.7	1.6
L	6.9	27.1	38.8	30.3	30.8	34.0	34.2	27.9	30.0	28.3	29.6	29.7
NL	0.5	1.9	3.1	1.9	2.8	3.5	3.8	3.6	3.2	3.8	4.4	4.9
P	0.4	–6.6	2.4	–0.4	–4.4	–2.3	–2.5	–2.9	–3.2	–1.2	–0.9	0.1
UK	–0.1	–0.1	–1.1	–2.2	–4.9	–5.5	–4.5	–2.4	–2.4	–1.7	–1.0	–1.0
EUR	–	–	–	–	–	–	–	–1.2	–1.1	0.1	0.5	0.6
EUR–	0.4	–0.2	1.3	0.7	0.1	–0.2	–0.4	–0.6	–0.3	0.9	1.3	1.3
USA	0.5	–0.4	–3.3	–3.4	–2.4	–1.7	–1.4	0.2	–0.9	–1.7	–1.7	–1.6
JAP	0.6	0.9	4.3	3.6	2.8	2.0	1.3	2.5	3.3	3.1	2.9	2.7

TABLE 24 : **Rates of change of demand components, EUR** (1990-95)[1]*

	Percentage change on preceding period at constant prices											
	1990	1991	1992	1993	1994	1995	1993-I	1993-II	1994-I	1994-II	1995-I	1995-II
Private consumption	3.1	2.0	1.7	0.1	0.7	1.4	–0.7	0.9	0.5	0.8	1.6	1.9
Government consumption	2.0	1.6	1.9	0.5	0.5	0.6	0.4	0.7	0.4	0.5	0.6	0.7
Fixed capital formation	3.8	–0.4	–0.1	–5.0	1.6	4.9	–6.8	–1.9	2.2	4.0	5.0	5.5
— Construction	3.7	1.1	2.2	–1.6	1.8	4.1	–2.5	–1.0	2.4	3.6	4.1	4.4
— Equipment	4.7	0.1	–2.8	–8.8	1.3	5.9	–11.7	–3.0	2.0	4.5	6.1	6.8
Change in stocks (as % of GDP)	0.8	0.4	0.3	–0.2	0.0	0.3	–0.2	–0.3	–0.1	0.1	0.3	0.4
Domestic demand	2.9	1.1	1.3	–1.5	1.1	2.3	–2.5	0.2	1.2	1.8	2.3	2.6
Exports of goods and services	6.9	5.6	3.5	–0.3	5.3	6.0	–1.0	2.7	5.9	6.5	5.9	5.6
Imports of goods and services	6.3	4.1	4.0	–3.8	3.3	5.0	–6.4	0.9	3.8	5.0	5.1	4.8
Gross domestic product	3.0	1.5	1.1	–0.3	1.6	2.5	–0.7	0.8	1.7	2.3	2.5	2.8

1 Half-yearly figures at annual rates, seasonally adjusted (93-I = first half of 1993 etc.). EUR– up to 1991; EUR from 1992 onwards.

* *Notes* : see page 24.

TABLE 25 : **Imports of goods, volume**
(percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	9.3	2.1	8.4	9.0	7.3	7.4	4.7	1.5	3.1	–4.3	3.0	4.6
DK	7.9	1.5	5.2	–3.2	–0.0	5.4	0.4	5.6	–0.4	–3.7	8.2	6.9
D	–	–	–	–	–	–	–	–	2.0	–12.1	1.8	3.9
WD	8.7	3.8	3.9	4.6	5.9	9.7	11.3	12.4	3.2	–11.5	1.9	3.9
GR	12.8	2.9	4.1	20.2	6.1	10.7	12.7	13.0	4.9	1.6	3.1	4.1
E	–	1.7	16.4	21.4	14.5	17.6	7.2	9.8	5.4	–4.2	3.5	6.2
F	11.3	2.2	7.4	7.7	9.0	8.0	5.8	3.0	1.1	–3.6	3.8	6.0
IRL	9.2	4.2	5.5	3.8	3.0	12.3	7.1	1.0	4.6	3.0	5.9	6.0
I	10.2	2.8	4.3	9.3	6.5	6.7	5.3	4.7	3.4	–9.2	3.7	6.4
L	6.2	2.4	6.1	7.5	7.4	7.2	3.8	8.7	–0.5	–3.3	1.3	1.9
NL	9.4	2.4	3.6	4.6	8.0	6.9	4.7	4.4	1.6	–1.2	2.7	4.2
P	–	–	17.8	20.3	15.8	8.9	9.7	4.9	7.6	–0.7	3.0	7.5
UK	5.2	2.6	7.4	7.5	13.7	7.9	0.1	–5.3	6.6	4.2	3.7	3.4
EUR	–	–	–	–	–	–	–	–	3.3	–4.6	3.2	4.9
EUR–[1]	9.0	2.3	6.6	8.1	8.9	8.7	5.9	4.5	3.5	–4.6	3.3	4.9
USA	9.1[2]	5.4	8.6	4.2	4.0	4.4	2.4	0.5	10.3	11.5	10.7	7.2
JAP	–	7.3	7.7	4.9	20.7	13.0	6.6	–4.5	–1.5	4.1	4.0	5.5

1 Excluding Spain up to 1973 and Portugal up to 1981.
2 Average 1964-73.

TABLE 26 : **Exports of goods, volume**
(percentage change on preceding year, 1961-95)*

	1961-73	1974-85	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
B	10.1	2.7	5.6	6.5	9.0	6.2	4.0	1.7	2.2	–3.5	3.5	4.8
DK	6.8	4.9	–0.5	3.4	6.1	5.3	4.7	5.9	5.0	0.3	4.1	4.9
D	–	–	–	–	–	–	–	–	0.5	–9.9	6.2	6.8
WD	8.0	4.7	–0.3	0.9	6.2	9.7	8.3	12.7	5.3	–5.3	5.5	5.6
GR	12.0	6.5	16.9	13.0	6.8	2.0	–5.2	14.5	7.2	2.6	4.1	4.6
E	–	8.9	–2.8	7.4	7.8	6.8	7.3	10.0	6.1	11.5	10.3	7.6
F	10.0	4.3	–1.1	3.7	9.0	9.1	5.3	3.9	5.2	–1.3	4.5	6.2
IRL	8.1	8.7	4.1	13.7	8.9	10.4	8.8	5.0	14.4	4.2	5.3	6.1
I	11.5	5.3	4.5	4.2	6.0	8.0	4.4	1.6	4.2	8.4	6.8	6.0
L	5.3	1.9	1.5	6.5	9.8	6.5	1.2	3.1	0.2	–5.0	2.0	2.6
NL	10.3	3.3	2.1	4.0	9.2	6.3	5.2	5.0	2.2	0.3	3.8	5.0
P	–	–	7.8	7.7	10.1	15.9	10.3	1.1	4.9	–4.0	6.8	13.0
UK	5.0	3.9	4.2	5.2	1.7	4.5	11.9	1.2	2.2	3.0	4.8	5.2
EUR	–	–	–	–	–	–	–	–	3.1	–0.9	5.5	6.1
EUR–[1]	8.8	4.8	1.9	4.0	6.6	7.8	6.9	5.9	4.4	–0.1	5.3	5.8
USA	6.7[2]	2.5	4.2	10.0	19.3	11.8	7.3	7.5	6.6	4.2	5.0	6.0
JAP	–	9.6	4.4	–0.1	5.3	4.5	4.8	2.5	0.6	–2.0	1.5	3.5

1 Excluding Spain up to 1973 and Portugal up to 1981.
2 Average 1964-73.

TABLE 27 : **Export markets and export performance**
(percentage change on preceding year, 1993-95)*

	Export markets			Export performance[1]		
	1993	1994	1995	1993	1994	1995
B	–2.7	4.4	5.8	–0.9	–0.8	–0.9
DK	–0.8	4.4	5.6	1.2	–0.3	–0.7
D	–2.6	4.3	5.8	5.3	–0.3	–1.1
GR	0.5	4.9	6.1	–10.3	1.2	0.7
E	–2.2	4.5	6.0	14.1	5.6	1.5
F	–1.7	4.5	5.7	0.4	–0.1	0.5
IRL	0.1	4.6	5.1	4.1	0.7	0.9
I	–1.0	4.8	5.9	9.5	1.9	0.0
L[2]	–	–	–	–	–	–
NL	–2.8	3.9	5.3	3.2	–0.1	–0.2
P	–2.7	4.2	5.6	–1.3	2.5	7.0
UK	0.6	5.6	6.4	2.4	–0.8	–1.1
EUR	–0.9	4.7	5.9	–0.1	0.7	0.1
USA	8.1	9.0	8.2	–9.3	–6.9	–4.3
JAP	4.7	6.1	6.9	–0.5	–1.1	–0.8

1 Indices of export volume growth divided by index of market growth (includes intra-EC trade).
2 Included in the figures for Belgium.

TABLE 28 : **Trade balances (fob-fob) EUR, USA and Japan***

	1990	1991	1992	1993	1994	1995
			as a % of GDP			
EUR[1]	0.0	–0.6	–0.3	0.8	1.2	1.5
USA	–2.0	–1.3	–1.6	–2.1	–2.3	–2.3
Japan	2.2	3.1	3.6	3.4	3.1	3.0
			in billions USD			
EUR[1]	–1.0	–34.5	–16.9	52.3	79.5	101.1
USA	–108.8	–73.4	–96.3	–132.8	–154.1	–167.1
Japan	63.6	103.1	132.3	142.6	138.8	138.2
			in billions ECU			
EUR[1]	–0.8	–27.9	–13.0	44.6	71.1	90.0
USA	–85.6	–59.3	–74.3	–113.3	–137.8	–148.8
Japan	50.0	83.3	102.2	121.7	124.1	123.1

1 Including unified Germany from 1991 onwards.

* *Notes* : see page 24.

TABLE 29 : **World export prices**[1]
(percentage change on preceding year)*

	1990	1991	1992	1993	1994	1995
Crude oil	29.5	–15.1	–3.3	–11.9	–15.5	5.7
Other primary commodities	0.6	–5.4	–0.5	–7.3	2.0	3.4
Manufactures	9.0	–0.5	1.3	–3.4	–0.6	2.5

1 In US dollars.
Source : United Nations and forecasts by Commission services.

TABLE 30 : **World GDP/GNP** (at constant prices)*
(percentage change on preceding year)

	1990	1991	1992	1993	1994	1995
EUR[1]	3.0	1.5	1.1	–0.3	1.6	2.5
USA	0.8	–1.1	2.6	3.0	3.7	3.0
Canada	–0.6	–1.3	0.7	2.4	3.3	3.5
Japan	4.8	4.0	1.3	0.1	0.8	2.5
EFTA	2.0	–0.5	–0.3	–0.8	1.7	2.8
Total OECD	2.4	0.8	1.7	1.2	2.4	2.8
CCEE	–3.4	–16.6	–15.4	–9.0	–3.5	0.7
OPEC	3.8	2.0	7.0	3.8	3.4	4.3
Other developing countries	4.0	3.9	5.1	5.4	5.5	5.8
— DAE's	11.8	7.3	5.9	6.4	6.8	7.0
— Other Asia	5.1	4.8	8.0	7.9	8.0	7.6
— Latin America	–0.4	3.4	2.2	3.5	3.3	4.1
— Africa	1.6	0.4	–0.6	1.4	2.6	3.4
World	2.4	0.5	1.5	1.6	2.7	3.3
World excluding EUR	2.2	0.1	1.7	2.3	3.1	3.5

1 Including unified Germany from 1992 onwards.

TABLE 31 : **World imports of goods** (at constant prices)*
(percentage change on preceding year)

	1990	1991	1992	1993	1994	1995
EUR[1]	5.9	4.5	3.5	–4.6	3.2	4.9
USA	2.4	0.5	10.3	11.5	10.7	7.2
Canada	–0.8	0.9	4.2	8.5	6.5	6.5
Japan	6.6	–4.5	–1.5	4.1	4.0	5.5
EFTA	3.0	–3.1	–2.2	0.5	3.8	5.5
Total OECD	4.6	1.5	3.6	0.9	5.1	5.6
CCEE	–9.8	–14.8	–7.5	3.6	5.4	6.9
OPEC	9.3	8.5	7.6	0.9	3.8	4.7
Other developing countries	7.7	11.6	11.4	13.1	10.6	10.6
— DAE's	12.6	14.1	10.3	13.8	12.3	12.2
— Other Asia	–4.3	11.7	15.8	18.8	11.5	11.0
— Latin America	9.4	16.1	21.3	9.0	7.4	7.8
— Africa	3.8	–1.4	1.1	2.7	4.4	5.1
World	5.3	3.8	5.0	3.5	6.2	6.7
World excluding EUR	4.5	3.1	6.3	9.0	8.2	7.8

1 Including unified Germany from 1992 onwards.

TABLE 32 : World balances of current account (in billions USD)*

	1990	1991	1992	1993	1994	1995
EUR[1]	–16.6	–61.4	–69.6	5.4	29.1	39.5
USA	–90.5	–8.3	–66.4	–109.3	–115.0	–116.5
Canada	–22.0	–25.5	–23.0	–19.5	–17.3	–17.4
Japan	35.9	72.9	117.6	131.3	126.3	124.7
EFTA	–2.0	4.8	6.8	20.4	28.9	33.4
Total OECD	–114.1	–27.4	–47.0	9.8	32.9	44.7
CCEE	–	8.7	–1.5	–5.3	–6.4	–8.1
OPEC	14.3	–66.1	–35.0	–31.0	–47.7	–47.3
Other developing countries	4.2	–87.4	–76.1	–74.0	–83.1	–95.2
— DAE's	5.3	–2.6	–0.2	–1.7	–2.6	–6.2
— Other Asia	1.8	3.5	–5.6	–20.6	–22.7	–26.3
— Latin America	–11.6	–18.9	–30.7	–47.3	–52.8	–57.0
— Africa	–5.6	–3.3	–4.5	–4.5	–4.9	–5.7
Errors and omissions	–125.1	–106.1	–124.6	–100.5	–104.3	–105.8

[1] Including unified Germany from 1991 onwards.
[2] The balance takes into account as public transfers to the USA the contributions of foreign governments to the cost of the Gulf war in 1991.

TABLE 33 : World trade balances (fob-fob, in billions USD)*

	1990	1991	1992	1993	1994	1995
EUR[1]	–1.0	–34.5	–16.9	52.3	79.5	101.1
USA[2]	–108.8	–73.4	–96.3	–132.8	–154.1	–167.1
Canada	9.2	5.9	8.2	11.4	13.9	16.1
Japan	63.6	103.1	132.3	142.6	138.8	138.2
EFTA	–2.7	3.3	11.3	17.3	25.2	27.7
Total OECD	–48.0	2.6	33.7	79.8	92.5	105.2
CCEE	–	2.5	4.2	1.4	–0.9	–2.6
OPEC	75.3	40.5	33.3	29.0	15.3	20.7
Other developing countries	78.0	25.5	–8.7	–62.9	–69.6	–81.5
— DAE's	–0.0	–5.9	–5.9	–7.5	–8.4	–13.0
— Other Asia	–6.3	–6.8	–14.7	–29.7	–32.2	–36.3
— Latin America	15.6	3.3	–12.2	–16.3	–18.8	–21.0
— Africa	–6.6	–5.6	–9.2	–9.5	–10.2	–11.2
Errors and omissions	35.8	30.7	29.2	47.3	37.2	41.9

[1] Including unified Germany from 1991 onwards.

* *Notes :* see page 24.

TABLE 34 : Demand components at constant prices (1) and contributions to real GDP growth (2) EUR countries and EUR, 1989-95*

B[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.6	2.6	3.1	2.9	–1.4	0.8	1.6
Government consumption	–0.0	1.0	1.8	1.3	1.5	0.7	0.4
Fixed capital formation	13.4	8.5	–1.7	1.0	–7.0	1.4	5.2
— Construction	9.2	7.9	3.6	6.2	–4.3	1.3	4.3
— Equipment	17.4	9.9	–2.5	–5.8	–11.0	1.5	6.5
Exports of goods and services	7.3	4.2	2.5	1.6	–3.2	3.2	4.4
Imports of goods and services	8.8	4.1	2.4	2.7	–4.1	2.9	4.3
GDP	3.6	3.2	1.8	1.4	–1.3	1.3	2.2
Contributions to growth							
Final domestic demand	4.8	3.6	2.0	2.3	–2.1	0.9	2.1
Stockbuilding	0.1	–0.3	–0.2	0.2	0.0	0.1	0.1
Foreign balance	–1.3	–0.1	0.1	–1.1	0.9	0.3	–0.0

WD[8]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	1.9	5.1	4.6	1.9	–0.0	–1.0	0.0
Government consumption	0.4	1.0	–2.7	2.6	–1.3	–0.5	0.2
Fixed capital formation	6.3	8.5	6.1	1.1	–6.9	–0.3	3.8
— Construction	4.4	4.9	4.1	5.5	–0.4	1.0	2.8
— Equipment	9.2	13.1	10.3	–3.9	–15.1	–2.2	5.3
Exports of goods and services	10.2	10.4	13.7	3.7	–6.1	4.8	5.3
Imports of goods and services	8.3	9.4	12.1	3.9	–9.5	2.4	4.5
GDP	3.6	5.7	4.5	1.6	–1.9	0.8	1.9
Contributions to growth							
Final domestic demand	2.5	5.0	3.8	1.7	–01.7	–0.7	0.8
Stockbuilding	0.3	–0.1	–0.4	–0.3	–0.7	0.5	0.5
Foreign balance	0.9	0.8	1.2	0.2	0.6	1.0	0.6

DK[4]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	–0.4	0.0	1.4	0.7	2.6	4.4	4.0
Government consumption	–0.6	–0.4	0.0	0.7	2.9	1.1	0.6
Fixed capital formation	1.0	–1.7	–5.4	–8.2	–1.8	7.3	4.4
— Construction	–6.0	–4.6	–10.9	0.2	–6.4	6.0	0.5
— Equipment	9.7	2.7	3.1	–15.4	2.9	8.5	8.0
Exports of goods and services	4.2	6.9	7.7	3.7	–1.7	4.2	4.8
Imports of goods and services	4.5	1.2	4.9	–0.5	–4.2	7.9	6.8
GDP	0.6	1.4	1.0	1.2	1.1	3.8	3.2
Contributions to growth							
Final domestic demand	–0.2	–0.4	–0.2	–0.8	1.8	3.7	2.9
Stockbuilding	0.7	–0.5	–0.3	0.2	–1.5	1.1	0.6
Foreign balance	0.0	2.4	1.5	1.9	0.8	–0.9	–0.3

GR[3]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	4.5	2.3	2.2	1.7	–0.2	0.6	0.9
Government consumption	2.8	1.3	3.6	–0.0	1.0	0.5	0.5
Fixed capital formation	10.1	9.4	–4.4	1.2	–3.4	1.9	3.1
— Construction	4.0	5.7	–6.5	–4.2	–7.5	2.4	3.7
— Equipment	18.1	5.7	3.3	7.0	0.6	1.5	2.5
Exports of goods and services	1.3	0.9	16.4	0.9	2.5	4.1	5.0
Imports of goods and services	10.8	12.0	13.2	0.7	1.7	3.6	4.5
GDP	3.5	–1.1	3.3	0.9	–0.2	0.7	0.9
Contributions to growth							
Final domestic demand	5.3	3.5	1.3	1.4	–0.5	0.8	1.3
Stockbuilding	–1.1	–2.0	2.1	0.4	0.3	0.1	–0.0
Foreign balance	–4.0	–4.9	–1.7	–0.1	0.1	–0.3	–0.4

D[8]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	–	–	–	2.4	0.1	–0.8	0.2
Government consumption	–	–	–	3.8	–0.6	–0.5	0.2
Fixed capital formation	–	–	–	4.2	–3.2	2.2	5.0
— Construction	–	–	–	–	3.2	3.7	4.3
— Equipment	–	–	–	–	–11.3	–0.1	6.1
Exports of goods and services	–	–	–	0.1	–9.8	5.9	6.9
Imports of goods and services	–	–	–	2.6	–10.1	2.3	4.4
GDP	–	–	–	2.1	–1.2	1.3	2.4
Contributions to growth							
Final domestic demand	–	–	–	3.0	–0.8	–0.0	1.3
Stockbuilding	–	–	–	–0.3	–0.6	0.5	0.4
Foreign balance	–	–	–	–0.6	0.2	0.8	0.6

E[6]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	5.7	3.6	2.9	2.1	–2.3	0.0	2.2
Government consumption	8.3	5.6	5.4	3.8	1.6	0.6	0.5
Fixed capital formation	13.6	7.1	1.7	–3.9	–10.3	–1.3	2.6
— Construction	15.1	10.8	9.7	–4.8	–6.4	–1.1	2.3
— Equipment	12.9	1.4	1.4	–2.5	–16.6	–1.7	3.1
Exports of goods and services	3.0	3.2	7.9	6.7	8.8	9.2	7.4
Imports of goods and services	17.3	7.8	9.0	6.6	–3.2	3.6	6.7
GDP	4.7	3.6	2.2	0.8	–1.0	1.1	2.3
Contributions to growth							
Final domestic demand	7.9	4.9	3.1	1.0	–3.7	–0.2	2.0
Stockbuilding	0.0	0.0	–0.2	0.2	–0.1	0.0	0.3
Foreign balance	–3.2	–1.3	–0.8	–0.4	2.9	1.2	–0.0

F[4]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.1	2.9	1.4	1.7	0.8	1.1	1.9
Government consumption	0.5	2.0	2.5	2.7	1.6	1.4	1.0
Fixed capital formation	7.9	2.9	–1.5	–2.1	–5.0	1.5	4.3
— Construction	5.4	2.4	1.2	1.0	–2.1	1.5	2.7
— Equipment	8.0	4.6	–4.7	–4.4	–7.2	1.4	5.5
Exports of goods and services	10.2	5.3	3.9	7.2	–0.4	3.8	5.6
Imports of goods and services	8.1	6.3	2.9	3.1	–2.6	3.4	5.6
GDP	4.3	2.5	0.7	1.4	–0.7	1.6	2.8
Contributions to growth							
Final domestic demand	3.7	2.8	1.0	1.1	–0.3	1.2	2.2
Stockbuilding	0.3	0.1	–0.4	–0.7	–1.0	0.3	0.6
Foreign balance	0.3	–0.4	0.2	1.0	0.6	0.1	–0.0

IRL[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	6.0	1.9	1.6	2.8	1.9	4.0	3.6
Government consumption	–1.0	5.7	2.4	2.2	2.4	3.4	2.5
Fixed capital formation	13.6	12.6	–7.3	–1.9	0.3	5.7	6.3
— Construction	11.6	19.7	–1.4	0.3	0.5	6.0	7.0
— Equipment	23.3	1.8	–12.	–4.4	0.0	5.3	5.5
Exports of goods and services	10.3	8.9	5.2	12.9	3.8	5.2	6.0
Imports of goods and services	12.7	5.5	1.3	5.4	2.8	5.8	6.0
GDP	6.2	9.0	2.6	4.8	2.5	4.2	4.4
Contributions to growth							
Final domestic demand	5.8	4.2	–0.1	1.6	1.4	3.5	3.3
Stockbuilding	1.3	2.2	–0.2	–2.7	–0.2	0.2	0.1
Foreign balance	–0.8	2.7	2.8	5.9	1.2	0.5	1.0

I[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.6	2.9	2.6	1.7	–2.1	0.5	1.9
Government consumption	0.8	1.2	1.5	0.9	0.8	0.5	0.5
Fixed capital formation	4.3	3.8	0.6	–2.0	–11.1	0.6	6.7
— Construction	3.6	3.5	1.4	–2.1	–6.2	–0.5	5.2
— Equipment	5.2	4.0	0.1	–2.0	–15.6	1.8	8.2
Exports of goods and services	7.8	8.7	–0.2	5.4	10.0	7.0	6.3
Imports of goods and services	7.2	10.6	2.3	5.8	–7.3	4.1	6.5
GDP	2.9	2.1	1.2	0.7	–0.7	1.5	2.8
Contributions to growth							
Final domestic demand	3.4	2.9	2.1	0.8	–3.7	0.5	2.6
Stockbuilding	–0.4	0.0	–0.1	0.3	–1.6	0.2	0.2
Foreign balance	–0.0	–0.7	–0.7	–0.3	4.6	0.8	0.0

L[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.9	4.2	6.5	2.1	0.2	1.7	2.3
Government consumption	1.9	3.2	3.8	3.5	2.2	0.9	1.4
Fixed capital formation	8.9	2.5	9.8	–2.1	4.0	–1.8	0.4
— Construction	13.8	7.2	9.0	6.2	2.6	–0.2	1.2
— Equipment	4.4	–6.0	11.2	–12.0	6.0	–3.9	–0.6
Exports of goods and services	6.9	2.6	3.6	1.3	–3.5	2.5	3.6
Imports of goods and services	6.1	4.3	8.1	0.2	–2.5	1.6	2.3
GDP	6.7	3.2	3.1	1.9	0.3	1.6	2.9
Contributions to growth							
Final domestic demand	4.9	3.4	6.9	0.9	1.5	0.6	1.7
Stockbuilding	0.8	1.7	1.2	–0.3	–0.2	0.0	0.0
Foreign balance	0.9	–1.9	–5.1	1.3	–1.0	0.9	1.2

NL[7]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.3	4.2	3.0	2.1	0.9	0.9	1.2
Government consumption	1.5	1.6	1.3	1.3	0.7	0.2	0.5
Fixed capital formation	4.9	1.6	0.4	1.1	–3.8	–0.4	4.4
— Construction	2.2	0.1	–2.6	2.8	–2.8	–0.6	2.7
— Equipment	7.9	3.7	4.2	–0.9	–4.9	–0.1	6.5
Exports of goods and services	6.7	5.3	5.5	2.4	0.4	3.9	5.1
Imports of goods and services	6.7	4.2	4.6	2.6	–1.0	2.8	4.2
GDP	4.7	4.1	2.1	1.4	0.3	1.3	2.6
Contributions to growth							
Final domestic demand	3.4	3.1	2.1	1.6	–0.1	0.5	1.7
Stockbuilding	1.0	0.2	–0.6	–0.3	–0.3	0.0	0.1
Foreign balance	0.2	0.8	0.7	0.1	0.7	0.8	0.8

P[7]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.3	5.3	5.2	3.7	0.8	0.3	1.8
Government consumption	2.8	1.5	3.0	1.4	0.5	1.0	0.2
Fixed capital formation	5.6	5.9	2.4	5.4	–3.9	1.1	5.5
— Construction	3.5	5.3	4.5	3.5	0.7	0.0	5.5
— Equipment	10.0	5.8	1.0	5.6	–7.5	2.0	5.5
Exports of goods and services	13.3	9.5	1.1	6.1	–3.5	6.4	12.0
Imports of goods and services	9.1	10.1	4.9	11.1	–0.7	2.9	7.4
GDP	5.2	4.4	2.1	1.1	–1.2	1.1	3.0
Contributions to growth							
Final domestic demand	4.4	5.6	4.8	4.5	–0.5	0.7	2.8
Stockbuilding	0.6	0.7	0.0	1.1	–0.1	0.0	0.1
Foreign balance	0.2	–1.9	–2.7	–4.5	–0.6	0.4	0.1

UK[7]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.2	0.6	–2.2	0.0	2.5	2.2	1.4
Government consumption	1.4	2.5	2.5	0.2	–0.5	0.7	1.0
Fixed capital formation	5.5	–3.4	–9.8	–1.1	0.8	3.6	5.2
— Construction	5.4	–0.6	–8.3	0.8	–0.9	3.3	5.5
— Equipment	11.6	–3.6	–11.5	–3.5	3.1	4.0	4.7
Exports of goods and services	4.7	5.1	–0.8	2.6	3.1	4.7	5.1
Imports of goods and services	7.4	0.4	–5.3	5.7	3.5	3.9	3.7
GDP	2.2	0.4	–2.3	–0.5	1.9	2.5	2.3
Contributions to growth							
Final domestic demand	3.4	0.2	–2.8	–0.2	1.6	2.2	2.0
Stockbuilding	–0.3	–0.9	–0.7	0.5	0.4	0.2	0.0
Foreign balance	–0.8	1.1	1.2	–0.9	–0.2	0.1	0.3

EUR[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	–	–	–	1.7	0.1	0.7	1.4
Government consumption	–	–	–	1.9	0.5	0.5	0.6
Fixed capital formation	–	–	–	–0.1	–5.0	1.6	4.9
— Construction	–	–	–	–	–1.6	1.8	4.1
— Equipment	–	–	–	–	–8.8	1.3	5.9
Exports of goods and services	–	–	–	3.5	–0.3	5.3	6.0
Imports of goods and services	–	–	–	4.0	–3.8	3.3	5.0
GDP	–	–	–	0.4	–0.3	1.6	2.5
Contributions to growth							
Final domestic demand	–	–	–	1.4	–0.9	0.8	2.0
Stockbuilding	–	–	–	–0.1	–0.6	0.3	0.3
Foreign balance	–	–	–	–0.2	1.3	0.5	0.2

EUR–[5]	1989	1990	1991	1992	1993	1994	1995
Demand components							
Private consumption	3.2	3.1	2.0	1.6	0.0	0.7	1.4
Government consumption	1.4	2.0	1.6	1.7	0.4	0.5	0.6
Fixed capital formation	6.9	3.8	–0.4	–1.0	–6.1	0.9	4.6
— Construction	5.7	3.7	1.1	1.0	–2.9	0.9	3.6
— Equipment	9.3	4.7	0.1	–3.2	–9.6	0.9	5.7
Exports of goods and services	7.8	6.9	5.6	4.3	0.1	5.0	5.6
Imports of goods and services	8.5	6.3	4.1	4.3	–3.8	3.4	5.0
GDP	3.5	3.0	1.5	1.0	–0.5	1.5	2.4
Contributions to growth							
Final domestic demand	3.7	3.1	1.5	1.1	–1.2	0.7	1.9
Stockbuilding	0.0	–0.2	–0.3	–0.0	–0.6	0.3	0.3
Foreign balance	–0.3	0.0	0.3	–0.0	1.5	0.6	0.2

[1] Percentage change on preceding year.

[2] Change as a percentage of GDP of preceding period.

[3] 1970 prices.

[4] 1980 prices.

[5] 1985 prices.

[6] 1986 prices.

[7] 1990 prices.

[8] 1991 prices.

Source : Commission services.

* *Notes :* see page 24.

Notes on technicalities, concepts and sources

1. Directorate General II "Economic and Financial Affairs" regularly produces, under its own responsibility, short-term economic forecasts. These forecasts cover the principal macro-economic aggregates of the Member States and of the Community as a whole, in addition to the international environment. Although the forecasts primarily serve as a support to the internal work of the Commission and its services, they also form the subject-matter of a regular publication in the Supplement A series "Economic Trends" of "European Economy".

2. *Concepts and sources*

   The sources for the tables and graphs are the Commission's services, except where otherwise indicated.

   The historical part of the time series presented in the tables (in the present case, until 1992) is based on ESA national accounts (European System of Integrated Economic Accounts) which are published once a year by Eurostat. In the prospective part (1993 estimates, 1994 and 1995 forecasts) the concepts are generally in line with national economic accounting practice and, therefore, do not always follow the ESA definitions.

   Since October 1989, the rates of unemployment presented in table 18, both for the historical part and the forecast, are based on the definition of the Statistical Office of the European Communities (SOEC), which relies on labour survey data.

3. Community (EC) data are generally aggregated using Purchasing Power Standards (PPS). For aggregates at constant prices, PPS weighted national currency is used. The aggregation in the tables "Current Balance as % of GDP' and "GNP at Market Prices' is made using current exchange rates.

4. Technical Notes

   The world *geographical zones* are defined as follows :

   - EFTA : Austria, Finland, Iceland, Norway, Sweden and Switzerland
   - OECD : EC, EFTA, USA, Canada, Japan, Australia, New Zealand and Turkey
   - Countries in Central and Eastern Europe (CCEE) : Bulgaria, Czech and Slovak Republics, Hungary, Poland, Romania, former USSR and Yugoslavia
   - OPEC : Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab. Emirates and Venezuela
   - Dynamic Asian Economies (DAE) : Hong Kong, Korea, Malaysia, Singapore, Taiwan and Thailand
   - Other Asia : all except DAE's, Indonesia, Iran, Iraq, Kuwait, Qatar, Saudi Arabia and UAE
   - Latin America : all except Ecuador and Venezuela
   - Africa : all except Algeria, Gabon, Libya and Nigeria

   In the ESA definition of "General Government" social security is included but public enterprises are excluded.

   The employment statistics refer to the number of occupied persons except in the Netherlands where they refer to man-years.

   In the "imports" and "exports" tables, the EC figures include both intra- and extra-Community trade.

Principal economic policy measures — April 1994

Community (EUR–12)
None.

Belgium (B)

6.4. The Central Bank reduces its central rate from 6.05% to 5.95% and cuts the rate on advances within the ceiling from 7.55% to 7.45%.

14.4. The Central Bank reduces its central rate from 5.95% to 5.80%, the discount rate from 5% to 4.75% and the rate on advances in excess of the ceiling from 10.50% to 10.00%.

20.4. The Central Bank cuts its official rates. It reduces its central rate from 5.80% to 5.70% and the rate on advances within the ceiling from 7.30% to 7.20%.

27.4. The Central Bank lowers its central rate from 5.70% to 5.60% and the rate on advances within the ceiling from 7.20% to 7.10%.

Denmark (DK)

14.4. The Nationalbank lowers its discount rate by 0.25% to 5.25%, while the certificate–of–deposit rate is cut from 6% to 5.90%.

Germany (D)

14.4. The Bundesbank cuts both its discount and Lombard rates by 25 basis points to 5% and 6.5% respectively.

Greece (GR)

27.4. Parliament votes on the draft tax law presented by the Government on 6 April 1994 and aimed at combating tax evasion and broadening the tax base. Among the measures adopted are: the criminalization of tax evasion, the establishment of objective criteria for the taxation of a wide range of liberal professionals, and the introduction of a new tax of 15% on the dividends and profits of mutual funds and on repos.

Spain (E)

12.3. The official target for the general government budget deficit in 1994 is increased from 6.4% of GDP to 6.7%.

13.3. Subsidies to support car sales (grant of PTA 100 000 to buy a new car as a replacement for an old one).

22.4. The Bank of Spain cuts its intervention rate by 25 basis points to 7.75%.

28.4. The Treasury raises interest rates on long-term Treasury and Government bonds by 1% and 1.4%.

France (F)

30.3. The CIP (Contrat d'Insertion Professionnelle) is withdrawn by the Government and replaced by subsidies.

31.3. The Banque de France cuts its intervention rate from 6% to 5.9%.

31.3. Planned lay-offs in state-owned enterprises are suspended by the Government until end-1994.

21.4. The Banque de France cuts the intervention rate from 5.9% to 5.8% and the 5-to-10 day emergency funds rate from 7% to 6.75%.

21.4. New measures are adopted in support of consumer spending: further easing (decided in January) of the rules relating to employees' profit-sharing schemes and renewal of the quadrupling of the education allowance in autumn 1994.

Ireland (IRL)

15.4. Further reduction in interest rates – Short-term facility (STF) down 25 basis points to 6.5%.

Italy (I)
None.

Luxembourg (L)
None.

Netherlands (NL)

14.4. The Nederlandsche Bank reduces its central rate from 5% to 4.75% and its rate on advances from 5.50% to 5.40%.

15.4. The Government takes economy measures under the 1994 budget amounting to HFL 1.676 billion. Government departments will not receive any compensation for inflation (HFL 638 million); a wage increase of 0.75% (HFL 438 million), an overrun of the budget for the reception of asylum-seekers, and lower-than-expected gas receipts (HFL 600 million) necessitate savings of HFL 1.038 billion to be sp read proportionately over all government departments.

28.4. The Nederlandsche Bank reduces its rate on special advances from 5.40% to 5.30%.

Portugal (P)
None.

United Kingdom (UK)
None.

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