OECD Economic Outlook

June 2017

OECD

OECD ECONOMIC OUTLOOK

101

JUNE 2017

OECD
BETTER POLICIES FOR BETTER LIVES

Please cite this publication as:
OECD (2017), *OECD Economic Outlook, Volume 2017 Issue 1*, OECD Publishing, Paris.
http://dx.doi.org/10.1787/eco_outlook-v2017-1-en

ISBN 978-92-64-27763-2 (print)
ISBN 978-92-64-27764-9 (PDF)
ISBN 978-92-64-27765-6 (epub)

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

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Conventional signs

$	US dollar	.	Decimal point
¥	Japanese yen	I, II	Calendar half-years
£	Pound sterling	Q1, Q4	Calendar quarters
€	Euro	Billion	Thousand million
mb/d	Million barrels per day	Trillion	Thousand billion
. .	Data not available	s.a.a.r.	Seasonally adjusted at annual rates
0	Nil or negligible	n.s.a.	Not seasonally adjusted
–	Irrelevant		

EDITORIAL

GLOBAL ECONOMIC OUTLOOK: *BETTER, BUT NOT GOOD ENOUGH*

The mood in the global economy has brightened during the last year. Confidence indicators, industrial production, headline measures of employment, and cross-border trade flows have improved in most economies. However, this still-modest cyclical expansion is not yet robust enough to yield a durable improvement in potential output or to reduce persistent inequalities. Financial vulnerabilities could be realised by policy and geopolitical shocks. Compared to the 20-year pre-crisis average against which expectations have been set, OECD per capita GDP growth remains over ½ percentage point weaker and global growth overall, projected to rise to just above 3½ per cent by 2018, also lags. In sum, the global economic outlook is better, but not good enough to sustainably improve citizens' well-being.

Investment has been a missing support for global growth, trade, productivity and real wages. The *Economic Outlook June 2015 special chapter* on investment for inclusive growth noted three key signals for business to invest: A broad-based global cyclical upturn in demand, regulation that promotes competition, and low policy uncertainties. The first signal may be in train, although the dependence of emerging market and commodity-based economies, in particular, on developments in China clouds the stability of the overall global upturn. On the second signal, the *Business and Finance Outlook 2017* documents mergers and acquisitions and cartel behaviour that may dampen the competitive need to invest. On the third signal, protectionist policies in G20 countries and anti-globalisation rhetoric, along with other factors, raise uncertainties. All told, investment prospects are better, but with reservations as to the permanence and clarity of the signals.

Employment growth has recovered relatively well in recent years with trends for employment and labour force participation rates now higher than in the decade prior to the crisis (notably excepting the United States). But, along some dimensions – hours worked and part-time jobs – the quality of work is more precarious, as discussed in the forthcoming *Employment Outlook 2017*. Productivity and real wages both diverge, with a large gap between the highest productivity globalised firms and "the rest". So, while at the macro level labour market prospects and outcomes are better, the foundations for robust consumption and shared well-being are less apparent.

International trade growth revived in the last year, although it still remains less robust than in pre-crisis decades. Technology-driven and deeper trade integration through global value chains creates new markets and raises productivity. Access to a wider variety of goods and services at cheaper prices raises well-being and consumers' purchasing power, particularly low-income consumers. But these gains come with adjustment costs, neither of which have been equally shared across regions and individuals, yielding pressure to retreat from globalisation.

The analysis in the special chapter in this *Economic Outlook* documents that globalisation is part of broader trends: A changing pattern of tastes as income rises (which yields a greater demand for services compared to manufactured goods); on-going technological change (which reduces the workers needed to produce manufactured goods); and evolving trade patterns (wherein producers in advanced economies face enhanced competition not only from firms in emerging market economies but also from advanced economy peers). Manufacturing jobs – a key locus of the globalisation backlash – are more regionally concentrated than are services, adding to the burden of adjustment for those firms and workers.

There are upside risks to the projections for investment, trade, and productivity. Evidence from business surveys and from data suggest that the ageing of the capital stock may spur investment in higher quality capital with more advanced technology. This would improve cyclical conditions and support a revival of investment-intensive global value chains, with knock-on benefits to domestic demand. Higher quality capital would also improve productivity and boost potential output; but would also present new challenges, including to inclusiveness, as outlined in *The Next Production Revolution*.

Financial vulnerabilities continue to cloud the projections. Geopolitical shocks and trade protectionism could catalyse snap-backs in asset prices and realise downside risks through a variety of channels. Global equity prices have increased, reaching historic highs in the United States and Germany, despite little upward revision to GDP growth and inflation. Around $12 trillion of OECD countries' government bonds (32% of the total stock) continue to trade at negative yields. Big corrections in various asset prices would weigh on economic activity via wealth effects (more pervasive in advanced economies), via weak financial conditions of some firms and banks (currently reflected in high non-performing loans, especially in Europe), and via the mismatch of currencies and maturities of assets and liabilities (of particular relevance for some emerging market economies).

The global cyclical upturn is not yet assured; nor are the higher productivity, greater inclusiveness, and non-discriminatory international system that are needed to improve well-being for all. Policymakers cannot be complacent.

Monetary policy is appropriately moving toward a more neutral stance in the United States, as well Europe and Japan are using forward guidance. These actions and words help investors to assess policy risks, to bring asset price valuations into alignment with economic fundamentals, and to emphasise monitoring of exposures and vulnerabilities. Nevertheless, market participants, as reflected in their investment choices, apparently continue to expect monetary policy paths between the United States and the euro area and Japan to diverge over the projection period – to around 150 basis points by the end of 2018. Closing this policy-path gap will likely engender higher financial volatilities than are currently priced in.

Fiscal initiatives that mitigate sources of inequalities have long-run benefits for people, regions, and the fiscal budget. As outlined in the *Fiscal Approach to Inclusive Growth in the G7*, education, child-care, training, and mobility can help address underlying sources of inequalities in market incomes, including within and across regions. "High-multiplier" investments in public research and infrastructure, which were particularly hard hit during the financial crisis, catalyse private business activity including by helping to better connect firms to markets at home and abroad. Such an effective fiscal mix mitigates the need for income redistribution through taxes and transfers in the longer term, thus improving the fiscal position and future output to boost debt sustainability in the longer run.

Each country has its own coherent policy package to boost productivity, employment, and inclusiveness; *Going for Growth, 2017* suggests priorities for all G20 countries. These priorities are designed to maximise policy synergies, such as how addressing non-performing loans can also boost business dynamism, or how active labor market policies work best if there is a competitive business environment, or how promoting geographical mobility and improved skill matching are aided by housing policy reforms.

However, *national* policy settings interact with the nature and degree of *international* economic cooperation to affect firms and citizens. And, given the mutually reinforcing forces of tastes, technology, and trade that hit regions, firms and workers, *targeted* policies need to be reassessed.

So, *an integrated policy approach* is needed to make the whole system work better for more people. Beyond domestic policies, on the international front, policymakers need to harness the full range of international economic cooperation tools to level the playing field to ensure that international trade is governed by fair rules that are followed, that all businesses adhere to high standards of conduct, that cross-border tax arrangements are transparent and fair, that corruption is reduced, and that labour and environmental standards are respected.

Policymakers should recognise the interconnected nature of their efforts. Better choices on fiscal, monetary, structural, and international policies will improve the well-being of a country's own citizens, but also spill over to improve the outcome for others, raising the probability that the current cyclical upturn will endure and become the foundation for sustained and broad-based improvements in living standards around the world.

7 June 2017

Catherine L. Mann
OECD Chief Economist

OECD Economic Outlook, Volume 2017 Issue 1

Chapter 1

GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

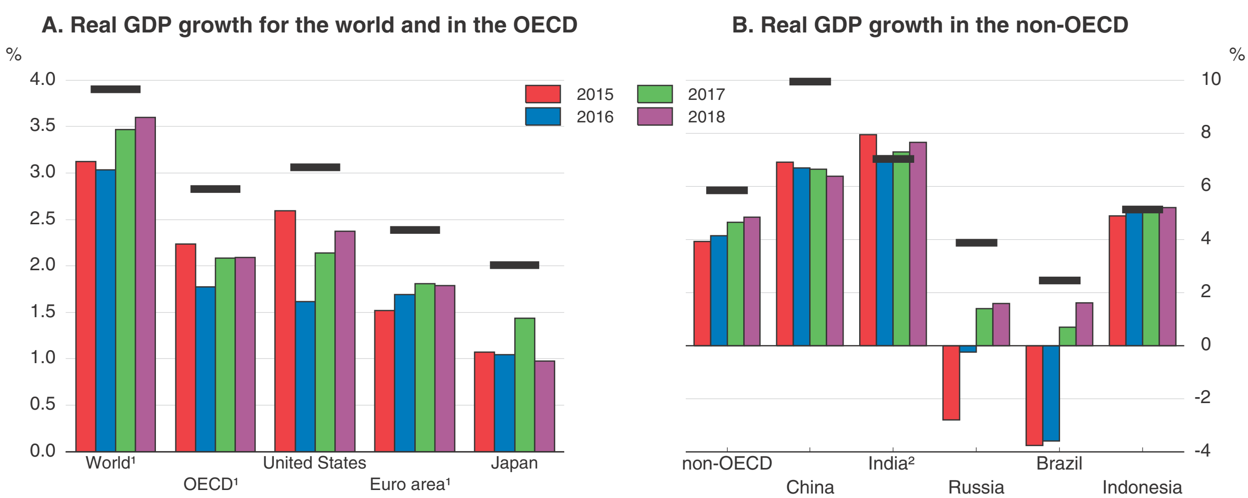
Introduction

After many years of weak recovery, with global growth in 2016 at the lowest rate since 2009, some signs of improvement have begun to appear. Trade and manufacturing output growth have picked up from a very low level, helped by firmer domestic demand growth in Asia and Europe, and private sector confidence has strengthened. But policy uncertainty remains high, trust in government has diminished, wage growth is still weak, inequality persists, and imbalances and vulnerabilities remain in financial markets. Against this background, a modest pick-up in global GDP growth is projected this year to 3½ per cent, with an upturn in trade and investment intensity and improving outcomes in several major commodity producers. Only a small improvement is in prospect for 2018, taking global GDP growth to 3.6%. With modest additional pressures in labour and product markets, inflation is likely to remain subdued in the major economies, provided commodity prices do not strengthen further.

While the pick-up is welcome, it would still leave global growth below past norms and below the pace needed to escape fully from the low-growth trap (Figure 1.1). Additional efforts to enhance policy support remain necessary for the recovery to gain further momentum. The stronger policy-driven demand growth in China and many other Asian economies that is helping to underpin the modest global upturn projected in 2017-18

Figure 1.1. **GDP growth projections for the major economies**

Year-on-year percentage changes



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

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

Source: OECD Economic Outlook 101 database; IMF World Economic Outlook database; and OECD calculations.

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cannot be sustained indefinitely. This reflects already high debt levels in some countries and the need, especially in China, for rebalancing the economy away from stimulus-driven investment growth towards consumption. The extent of US fiscal support in 2018 also remains very uncertain, given the challenges being experienced in reaching political agreement about policy choices. Growth in the euro area is on the upswing, but remains below longer-term averages. On the upside, near-term global cyclical momentum could be even stronger than projected, especially if the optimism in sentiment surveys and financial markets were to be reflected more clearly in private sector spending. The planned upgrading of the capital stock in many countries could also improve capital quality and productivity.

A comprehensive and collective policy response is needed to make growth stronger and more inclusive and to manage risks. Effective fiscal initiatives and implementation of structural reform packages that catalyse private demand and tackle obstacles to long-term inclusive growth remain essential, with each country and region facing particular challenges. In the absence of such support, private investment is unlikely to strengthen sufficiently to ensure the durable boost to productivity and real wages that is ultimately required to sustain higher consumption and output growth and reduce inequalities. Better-integrated policy packages would also help to ensure that the benefits of trade and open markets are more widely and equally distributed across workers, households and regions (Chapter 2). Steps to rebalance the policy mix in many advanced countries would reduce the burden still placed on monetary policy and help to lower risks, particularly in financial markets. Reform efforts should also be enhanced in emerging market economies (EMEs), where policy heterogeneity is greater. The need to adjust to changes in the terms-of-trade as a result of sizeable recent currency and commodity price movements adds to near-term challenges in many of these economies. Any steps to ease the policy stance will have to be judged carefully given the need to minimise financial vulnerabilities against the backdrop of higher US interest rates.

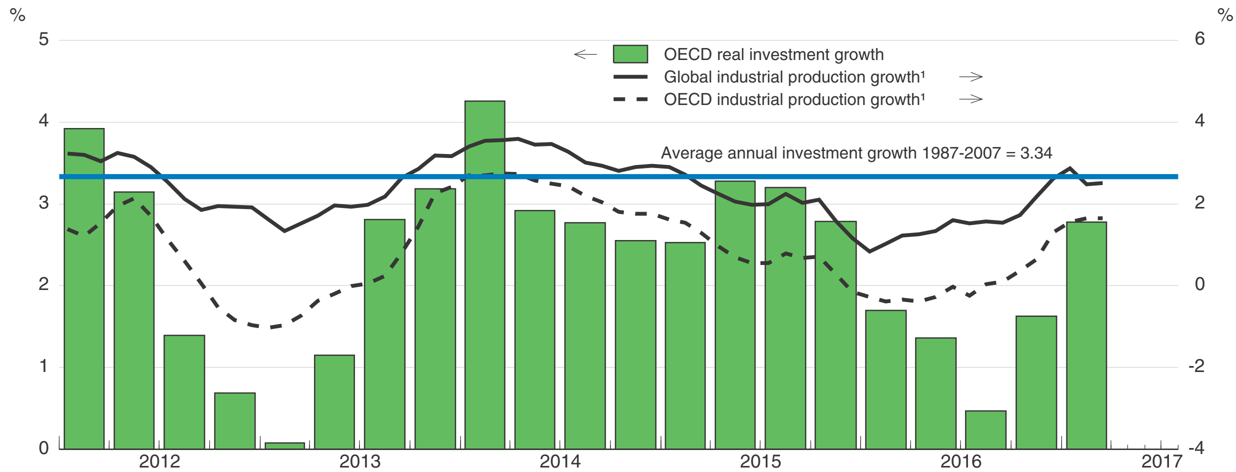
The global economy has improved recently, but policy support is needed for a durable and sustainable recovery

Signs of enhanced momentum in the global economy have recently emerged. Global GDP growth has picked up to an annualised rate of over 3¼ per cent since the middle of 2016, with a rebound in industrial production, global trade and investment (Figure 1.2). Demand growth in the advanced economies has stabilised at around 2%, and both demand and output growth are continuing to turn up slowly in the emerging and developing economies, helped by stronger policy-supported public infrastructure investment in Asia, especially China (Figure 1.3). Collectively, these demand increases have strengthened global trade including via value-chain links, and also contributed to an upturn in commodity prices. Business and consumer confidence have also rebounded further to levels above pre-crisis norms in some economies (Figure 1.4, Panel A). However, in contrast to the low levels of volatility in financial markets (see below), news-based estimates of economic policy uncertainty remain elevated (Figure 1.4, Panel B), suggesting continued medium-term downside risks.

In a number of countries, confidence measures have rebounded to a much greater extent than "hard" indicators of activity, raising issues about the reliability of the signals provided by these measures for future activity. While global business confidence appears to remain a useful signal of likely developments in global industrial production, the

Figure 1.2. **An upturn in investment has helped to boost industrial production growth**

Year-on-year percentage changes



1. Based on the year-on-year growth rate of the 3-month moving average.

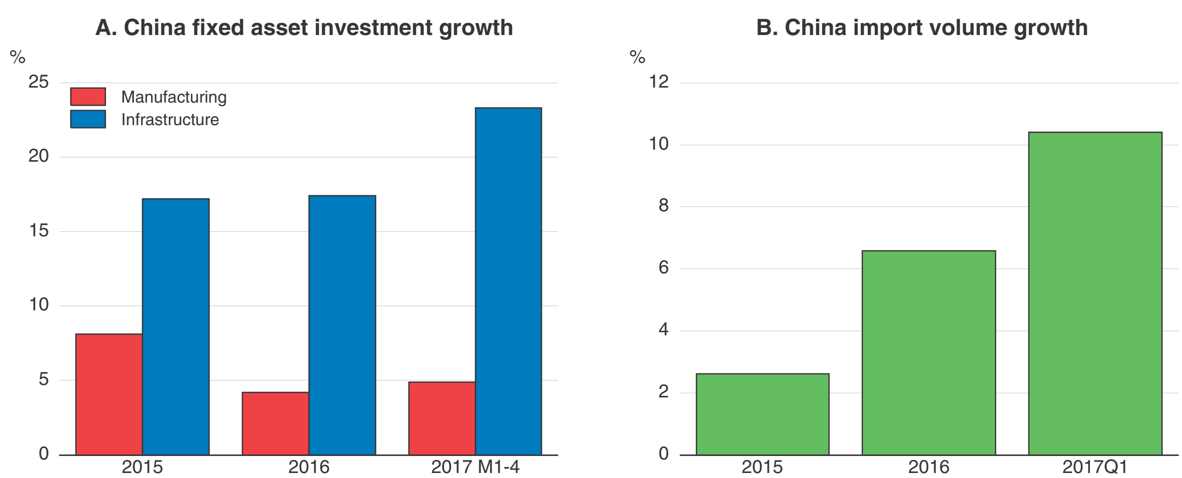
Source: OECD Economic Outlook 101 database; OECD Main Economic Indicators database; Thomson Reuters; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933501667

association between consumer confidence and global retail spending has fallen sharply in recent years (Figure 1.4, Panels C and D; Box 1.1), suggesting that limited weight should be given to fluctuations in this measure in the absence of supporting developments in "hard" indicators of spending and income. This disconnect has also been apparent in the early part of 2017, especially in the advanced economies, with consumption growth moderating despite rising confidence, in part due to the drag on purchasing power from higher headline inflation.

Figure 1.3. **Strong stimulus spending in China has helped to boost import growth this year**

Year-on-year percentage changes



Note: Fixed asset investment in nominal terms. Import volumes of goods plus services.

Source: OECD Economic Outlook 101 database; National Bureau of Statistics of China; and OECD calculations.

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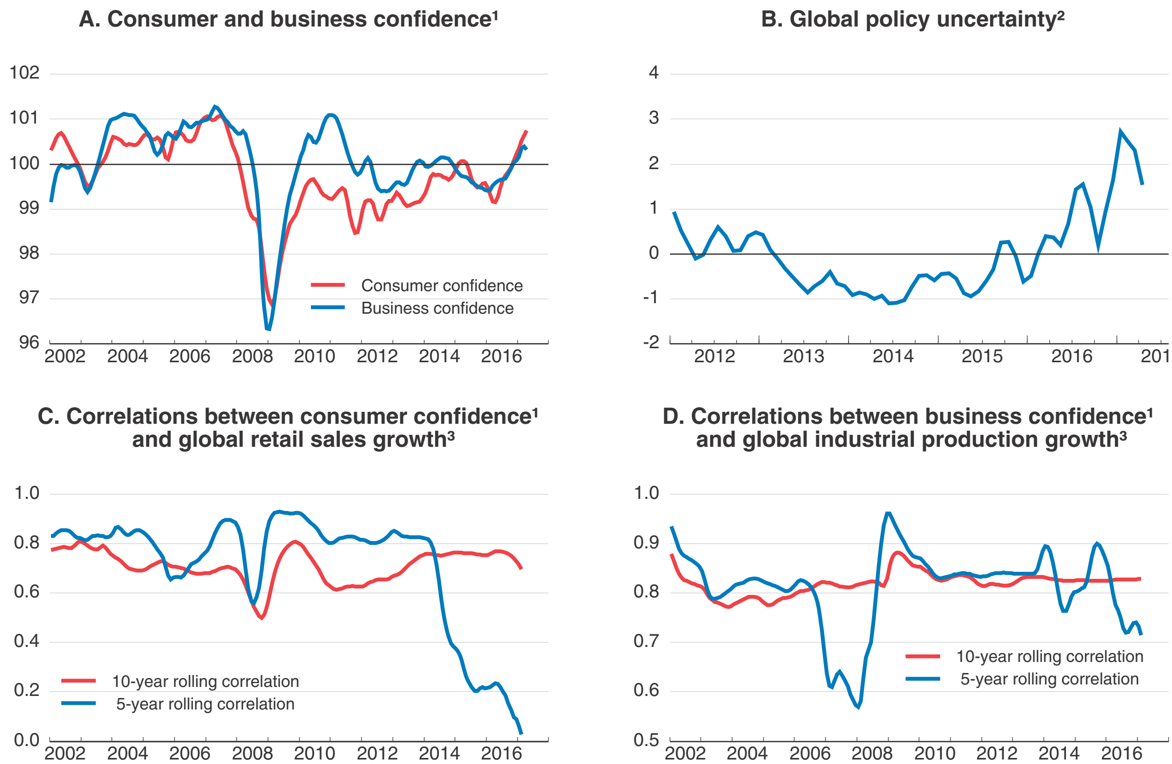
Figure 1.4. **Confidence has strengthened further, but its links with spending are unclear and policy uncertainty remains elevated**



1. Based on OECD member countries, Brazil, China, India, Indonesia, Russia and South Africa.
2. Based on the 3-month moving average of the news-based global economic policy uncertainty index, normalised over 2011-17.
3. Year-on-year percentage changes of the 3-month moving average series.

Source: OECD Main Economic Indicators database; www.policyuncertainty.com; and OECD calculations.

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Box 1.1. **The usefulness of various cyclical indicators**

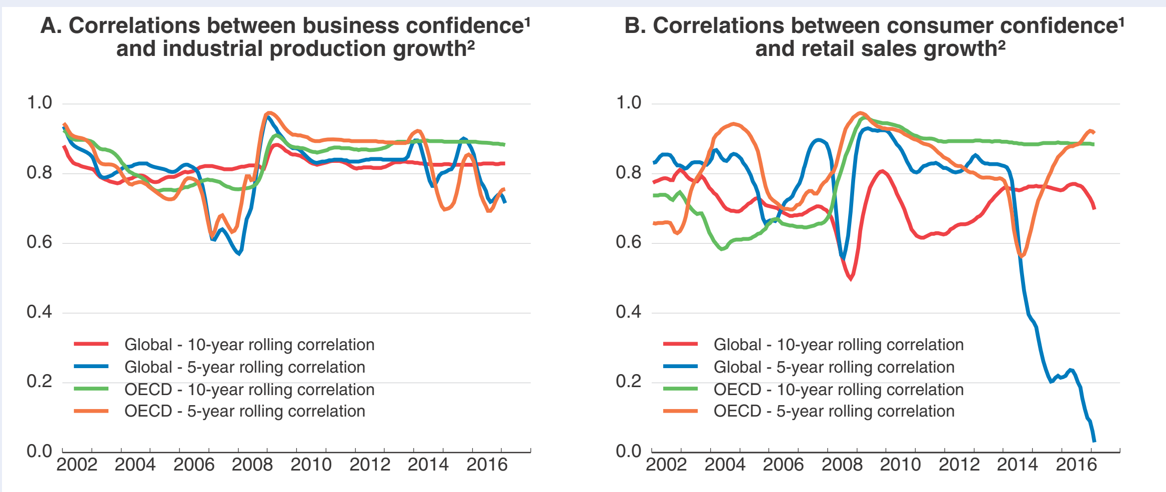
Timely cyclical indicators, such as industrial production (IP) and surveys of sentiment, are widely used in short-term forecasting and "nowcasting" models and in composite leading indicators, including at the OECD (Sédillot and Pain, 2003; OECD, 2012; Chalaux and Schwellnus, 2014). The strong upturn in these indicators since mid-2016 has raised the question as to whether they provide a reliable signal of improved cyclical momentum in the global economy at present. Past literature has shown the usefulness of IP and sentiment indicators in signalling business cycles at the country level (e.g. see above references), but it is less clear whether these indicators at an aggregate level are good signals of global or OECD business cycle dynamics.

The preliminary evidence below suggests that so-called hard indicators, such as industrial production, remain a fairly reliable indicator of OECD GDP growth cycles and to a lesser extent investment. In contrast, there are some signs that the reliability of sentiment indicators (so-called soft indicators) has declined in recent years, especially in emerging market economies. This suggests that these indicators are best assessed in conjunction with other fundamental drivers of growth. For example, this would include income dynamics for consumption, and both demand growth and uncertainty for investment.

Box 1.1. **The usefulness of various cyclical indicators** *(cont.)*

Sentiment indicators, such as business and consumer confidence, are some of the timeliest monthly indicators and typically have a fairly high correlation with other high-frequency (albeit less timely) hard indicators. This underlines their potential usefulness for forecasting GDP growth and its various sub-aggregates. At the global level, as well as for the OECD as a whole, there is a consistent positive correlation between IP growth and business confidence based on 10-year and 5-year rolling samples (first figure below, Panel A). In contrast, whilst the correlation between OECD consumer confidence and OECD consumption growth remains fairly high, consumer confidence has a weak and declining association with monthly consumer spending at the global level (first figure below, Panel B).

Correlations between cyclical hard and soft indicators



1. Global business and consumer confidence indicators based on OECD member countries, Brazil, China, India, Indonesia, Russia and South Africa.
2. Year-on-year percentage changes of the 3-month moving average series.

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

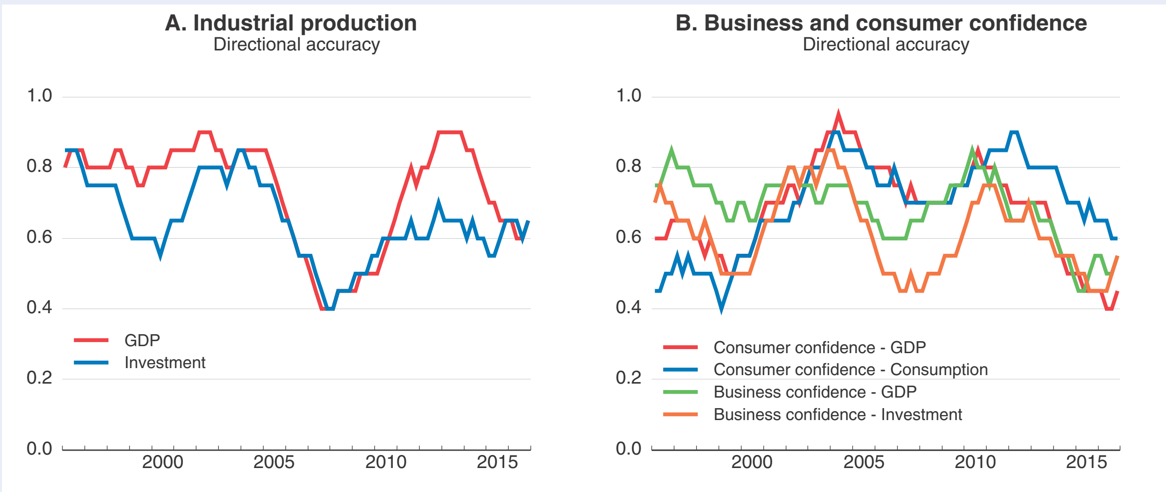
StatLink http://dx.doi.org/10.1787/888933501420

The ability of soft and hard cyclical indicators to signal changes in growth momentum correctly can be assessed qualitatively by measures of directional accuracy. These calculate the proportion of time that an indicator, such as OECD IP growth (or confidence measures), and a reference series, such as OECD GDP growth (or investment/consumption), move in a similar direction.[1] This measure looks only at the direction of the changes in the two series rather than the respective magnitudes of the changes.

- The pre-crisis directional accuracy of IP growth for GDP growth was high, at around 80%; but recently it has been around 60% (second figure, Panel A). The relationship between IP growth and OECD fixed investment growth is broadly similar, albeit slightly weaker.
- Changes in the level of business confidence provide a less accurate indication of the direction of changes in the pace of growth in GDP and investment, and performance has deteriorated recently (second figure below, Panel B). Changes in consumer confidence were a good indicator of growth momentum in the early 2000s, especially for consumption growth, but again directional accuracy has deteriorated recently.

Box 1.1. **The usefulness of various cyclical indicators** *(cont.)*

Assessing year-on-year changes in GDP, investment and consumption using hard and soft indicators



Note: Based on OECD aggregates. Directional accuracy measures the extent to which the two indicators change in a similar direction (e.g. an acceleration or deceleration). The directional accuracy measure is calculated over a 5-year rolling sample.
Source: OECD Main Economic Indicators database; Thomson Reuters; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933501439

It is also possible to evaluate the extent to which changes in the high-frequency indicators correctly signal major cyclical turning points in OECD quarterly GDP (or investment or consumption) growth. These turning points are dated by applying the widely-used Bry-Boschan algorithm that sets minimum requirements about the duration and amplification of phases and cycles, following Harding and Pagan (2002).[2]

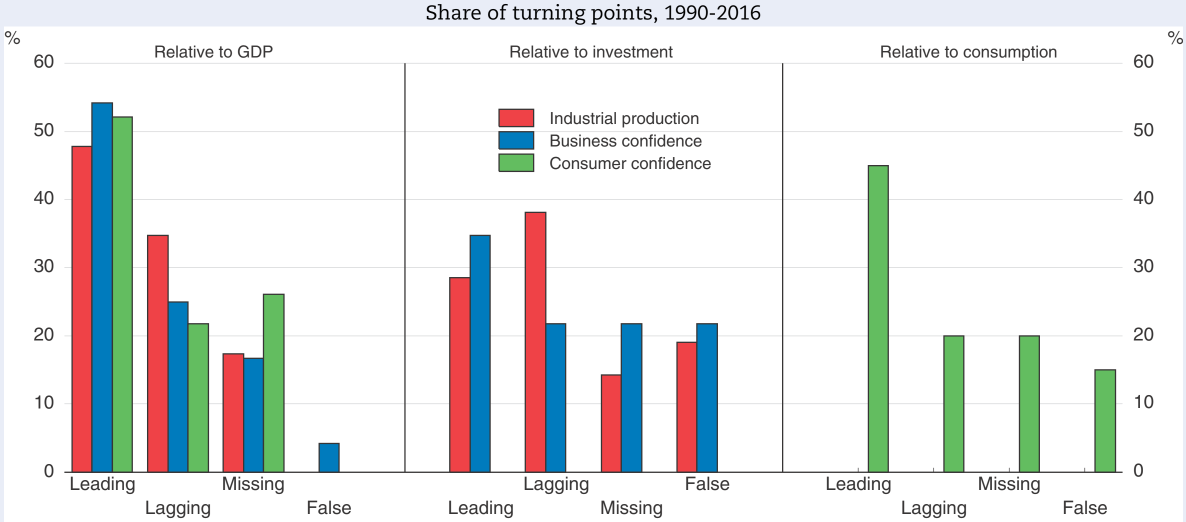
- On this basis, IP growth appears to be a leading indicator of GDP growth, with its turning points lining up more frequently with those of GDP, or preceding turning points in GDP growth (see figure below). Major turning points in confidence measures also tend to lead GDP growth.
- However, there are also a fairly high number of turning points in the reference series that are either lagged, or missed by the indicator series.
- The turning points for IP growth and changes in business confidence line up more poorly with investment growth and these indicators tend to miss or send more false signals regarding changes in investment cycles than is the case for GDP. This may reflect the fact that investment cycles (especially expansionary periods) tend to be longer than cycles for GDP and higher-frequency indicators. Changes in consumer confidence tend to lead or move contemporaneously with consumption growth, suggesting that confidence may also be a useful indicator in assessing turning points in consumption; however, its performance has also deteriorated since 2012, with a rising share of missing and false signals.

1. Specifically, a dummy variable is constructed which takes the value 1 if both the cyclical indicator (either year-on-year IP growth or the level of confidence) and annual growth in GDP (or investment/consumption) increases (or decreases) on a quarterly basis and is set to zero if they move in opposite directions. This dummy variable is then averaged over a 5-year rolling sample.
2. The algorithm identifies local peaks or troughs in a series as a maximum value or a minimum value within a centred 5-quarter window, forcing alternative peaks and troughs. Amongst a set of potential peaks and troughs established from the first step, turning points are determined by conditions related to the duration and amplification of phases and cycles.

Box 1.1. **The usefulness of various cyclical indicators** *(cont.)*

The timing of turning points in OECD cyclical indicators relative to OECD GDP, investment and consumption

Share of turning points, 1990-2016



Note: Based on OECD aggregates. Turning points are calculated on the quarterly growth rates to assess changing growth momentum. Leading signals are those that came before or were contemporaneous with GDP (or consumption/investment). Lagged turning points are those that occurred following those for GDP (or consumption/investment).

Source: OECD Economic Outlook 101 database; OECD Main Economic Indicators database; Thomson Reuters; and OECD calculations.

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The current cyclical upturn is projected to help global GDP growth pick up to a little over 3½ per cent by 2018 (Box 1.2), with the composition of growth becoming more trade-intensive. Global trade growth began to recover from exceptionally low rates through the course of 2016, and global trade intensity is starting to rise, albeit from an historically-low level (Figure 1.5, Panel A). The trade recovery reflects a rebound in investment both in advanced and emerging market economies, given the higher trade-intensity of investment spending, and a resumption of import volume growth in the non-OECD economies. Trade growth is projected to average around 4% per annum through 2017-18, which remains modest by pre-crisis standards. This pick-up is broadly consistent with global investment intensity, which is projected to rise slightly in 2017 and 2018, but remain modest by pre-crisis standards (Figure 1.5, Panel B) despite strong policy-supported infrastructure investment in many emerging market economies in Asia, and a gradual stabilisation of spending in Brazil and Russia. In part, this reflects the likelihood that the current stimulus and credit-driven buoyancy of infrastructure and housing investment in China will diminish over the next two years, as rebalancing proceeds and measures are taken to deal with rising financial vulnerabilities. Across the advanced and emerging market economies, import volume growth in 2017-18 is generally strongest in those economies with comparatively robust investment growth (Figure 1.6).

In the OECD economies, a key issue will be the extent to which the recovery can gain sufficient momentum to escape from the low-growth trap. Estimated cyclical slack is continuing to decline, but in part this stems from soft potential output growth – reflecting weak productivity and investment as a result of weak demand – rather than from more robust demand growth (Figure 1.7). Some improvement in business investment is projected

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

Global GDP growth is projected to rise to a little over 3½ per cent by 2018, helped by improving policy-supported outcomes in some emerging market economies, particularly in Asia, and the assumption of a moderately-supportive fiscal stance in a number of advanced economies, especially the United States in 2018. In the OECD economies, GDP growth is projected to be just over 2% in 2017-18 (table below). On a per capita basis, OECD GDP growth remains over ½ percentage point weaker than in the two decades prior to the crisis. Key features of the growth projections for the major economies are set out below.

In the United States, after a weak first quarter of 2017, GDP growth is projected to pick up to between 2¼-2½ per cent over 2017-18. Consumption growth continues to benefit from a firming labour market and increases in household wealth, and investment growth is recovering, helped by an upturn in energy sector spending and improved business confidence. An assumed fiscal easing of nearly ¾ per cent of GDP in 2018, via household and corporate tax reductions and a small rise in government spending, should provide an additional stimulus to domestic demand, especially business investment, despite somewhat higher long-term interest rates. In the absence of this easing, GDP growth would likely be closer to 2% in 2018.

GDP growth in Japan is set to strengthen to 1.4% this year, supported by stronger export growth, especially in Asian markets, and a modest fiscal easing. As fiscal support wanes in 2018, amidst a renewed decline in public investment, GDP growth could moderate to around 1%. Improved corporate profitability and rising labour shortages should help to underpin business investment through 2017-18, but private consumption is likely to remain subdued given still modest wage and income growth.

In the euro area, GDP growth is projected to average around 1¾ per cent per annum in 2017-18. Accommodative monetary policy and a small fiscal easing of ¼ per cent of GDP per annum in 2017 and 2018 will help to support area-wide activity, but still high unemployment, soft real wage growth and high non-performing loans constrain domestic demand growth in some countries. Stronger growth in non-EU markets, particularly Asia and the United States, should help to support export growth, but negative effects from weaker demand growth in the United Kingdom and uncertainty about the future course of the European Union could start to emerge towards the end of 2018.

GDP growth in the United Kingdom is projected to slow from a little under 1¾ per cent this year to 1% in 2018, despite the additional support from more favourable monetary conditions and the postponement of the sizeable fiscal tightening previously planned in 2017. The depreciation of sterling has improved export prospects somewhat, but has also pushed up inflation, damping household income growth and consumer spending. Business investment is projected to decline sharply, amidst continuing uncertainty about the future relationship between the United Kingdom and the European Union and lower corporate profit margins. The projections continue to assume that trade arrangements with the European Union will be based on WTO rules following the UK departure from the union in 2019.

In China, near-term demand is being supported by strong infrastructure and housing investment driven by expansionary fiscal policy, including via support for public investment from policy banks, and buoyant credit growth. As efforts intensify to manage financial risks and encourage the necessary transition towards consumption and service sectors, GDP growth is projected to ease gradually to between 6¼-6½ per cent in 2018.

In India, the impact of demonetisation has faded quickly, and GDP growth is projected to strengthen to around 7¾ per cent in fiscal year 2018/19. Sizeable increases in public sector wages and pensions are supporting private consumption, and structural reforms, particularly the introduction of the goods and services tax and measures to improve the ease of doing business, are projected to help private investment revive.

Solid domestic demand growth is set to persist in a number of other Asian economies, including Indonesia, the Philippines, Malaysia and Thailand, helped by strong policy-supported investment in infrastructure and improved external demand, especially from China.

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

A resumption of growth in a number of major commodity-producing economies also accounts for a sizeable proportion of the improvement in global growth in 2017-18, although their collective contribution remains modest relative to 2013-14. In both Brazil and Russia, where output has begun to rise after protracted recessions, GDP growth is set to be supported in 2017-18 by firmer commodity prices, monetary policy easing as inflation wanes, and gradual improvements in sentiment. However, the near-term boost provided by higher oil prices in some oil-producing emerging market economies may be a little smaller than usual, given the extent to which a number of these countries are keeping supply fixed following the agreement of OPEC members and select non-OPEC producers to restrict near-term production levels, but GDP growth should pick up in 2018.

A modest pick up in global growth is projected

OECD area, unless noted otherwise

	Average 2004-2013	2014	2015	2016	2017	2018	2016 Q4	2017 Q4	2018 Q4
					Per cent				
Real GDP growth[1]									
World[2,7]	3.9	3.4	3.1	3.0	3.5	3.6	3.3	3.5	3.7
OECD[2,7]	1.6	2.0	2.2	1.8	2.1	2.1	2.0	1.9	2.2
United States	1.6	2.4	2.6	1.6	2.1	2.4	2.0	2.1	2.5
Euro area[7]	0.8	1.2	1.5	1.7	1.8	1.8	1.8	1.9	1.7
Japan	0.8	0.3	1.1	1.0	1.4	1.0	1.7	1.3	1.0
Non-OECD[2]	6.6	4.6	3.9	4.1	4.6	4.8	4.4	4.8	4.9
China	10.3	7.3	6.9	6.7	6.6	6.4	6.7	6.5	6.3
Output gap[3]	-0.6	-2.1	-1.6	-1.4	-0.8	-0.3			
Unemployment rate[4]	7.1	7.4	6.8	6.3	6.0	5.8	6.2	5.9	5.7
Inflation[1,5]	2.0	1.6	0.8	1.1	2.3	2.2	1.4	2.3	2.3
Fiscal balance[6]	-4.6	-3.5	-2.9	-3.0	-2.8	-2.7			
World real trade growth[1]	5.4	3.7	2.7	2.4	4.6	3.8	3.3	3.6	4.3

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

Source: OECD Economic Outlook 101 database.

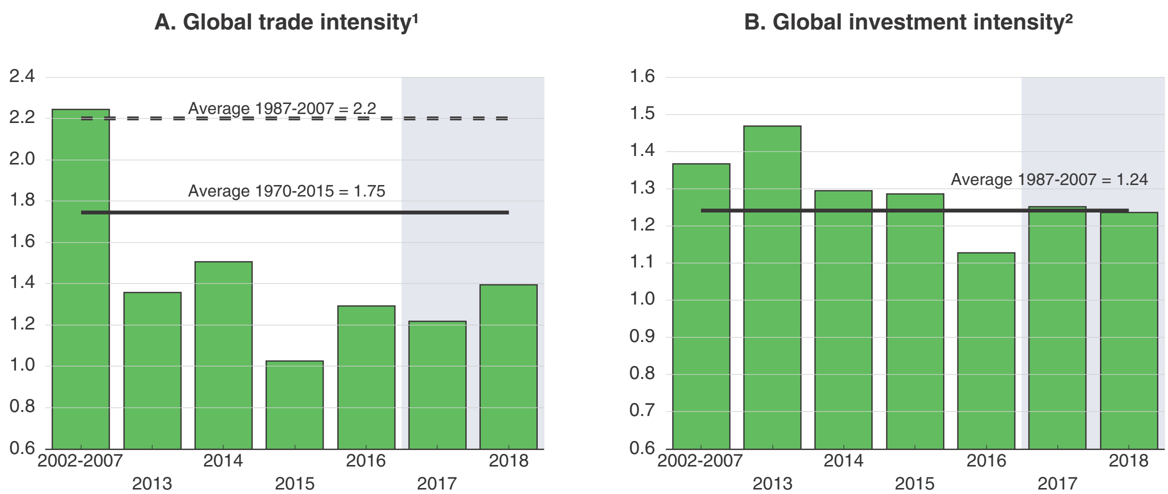
StatLink http://dx.doi.org/10.1787/888933505049

in 2017-18 (Figure 1.8, Panel A), helped by a gradual increase in spending as a result of higher commodity prices in the United States, Canada, Australia and Norway, and improved profitability in Japan and the euro area. This will, however, do little to reverse the substantially weaker growth of the productive capital stock experienced in recent years (Figure 1.8, Panel B).

In the United States, the May 2017 Semi-annual Economic Forecast from the Institute of Supply Management suggests that businesses are now more optimistic about investment spending in 2017 than in the previous report in December 2016, both in

Figure 1.5. **Global trade and investment intensity are set to increase**

Ratio of global trade and investment growth to global GDP growth



1. World trade volumes for goods plus services; global GDP at constant prices and market exchange rates. Based on growth through the year to the fourth quarter in the year shown. Period averages are the ratio of average annual world trade growth to average annual GDP growth in the period shown.
2. Fixed capital investment and GDP growth in the OECD, Brazil, China, Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, the Philippines, Russia, Singapore, South Africa, Thailand and Vietnam, at constant prices.

Source: OECD Economic Outlook 101 database; IMF World Economic Outlook database; Consensus Economics; and OECD calculations.

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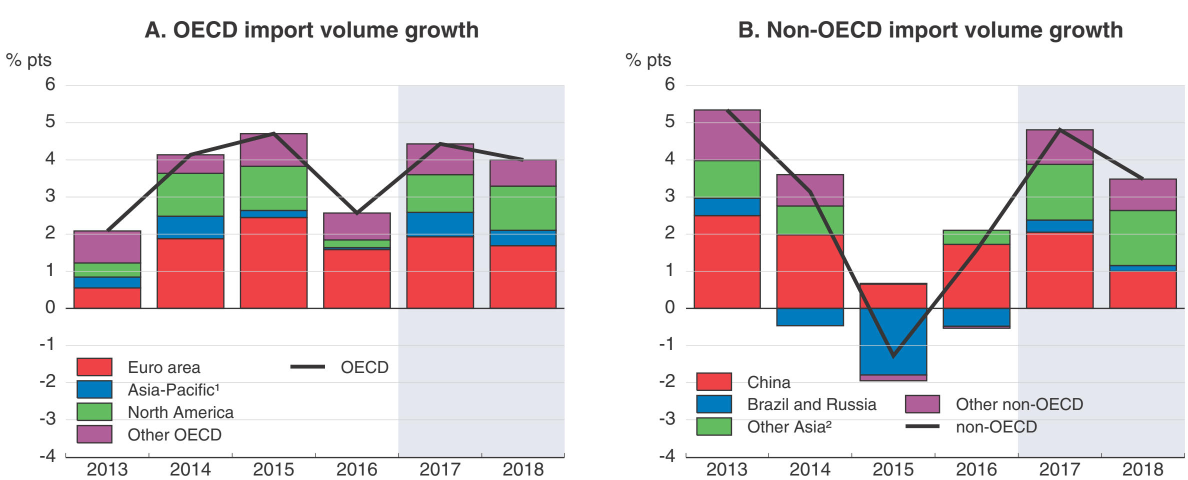
manufacturing and services sectors. Survey evidence from Europe suggests that companies are largely seeking to upgrade their existing capital assets rather than to expand capacity (Figure 1.9, Panel A). This is consistent with the recent Business and Industry Advisory Committee (BIAC) Business Climate Survey, which suggests that there

Figure 1.6. **Contributions to the growth of OECD and non-OECD import volumes**

Contributions to the year-on-year growth of total import volumes



1. Asia-Pacific includes Australia, Chile, Japan, Korea and New Zealand.
2. The group 'Other Asia' comprises Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 101 database.

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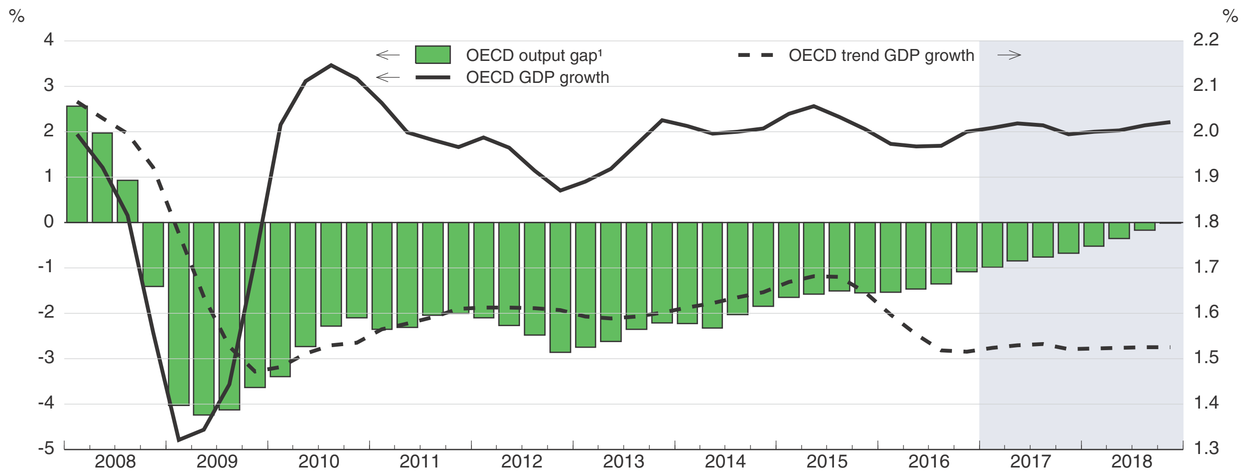
Figure 1.7. **Weaker supply growth is helping to narrow measured cyclical slack in the OECD economies**



1. Per cent of potential GDP.
Source: OECD Economic Outlook 101 database.

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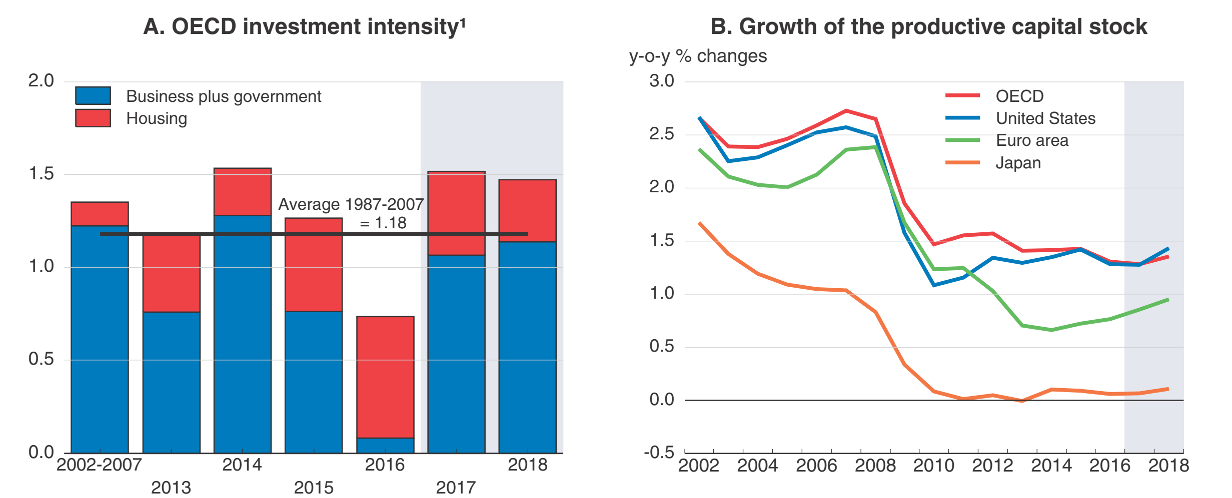
has been only a modest improvement in the enabling conditions for private investment in many countries (Figure 1.9, Panel B).

Upgrading an ageing capital stock would not only contribute to the cyclical upturn, but would also help to boost total factor productivity and potential output, given the likely improvement in capital quality as a result of the diffusion of state-of-the-art technologies and software embodied in new equipment. Recent signs that the global IT cycle has started to regain momentum (Figure 1.10) suggest that a key part of any capital stock upgrade

Figure 1.8. **Investment intensity is projected to improve in the OECD economies but capital stock growth is set to remain weak**



1. Ratio of OECD investment growth to OECD GDP growth in period shown.
Source: OECD Economic Outlook 101 database; and OECD calculations.

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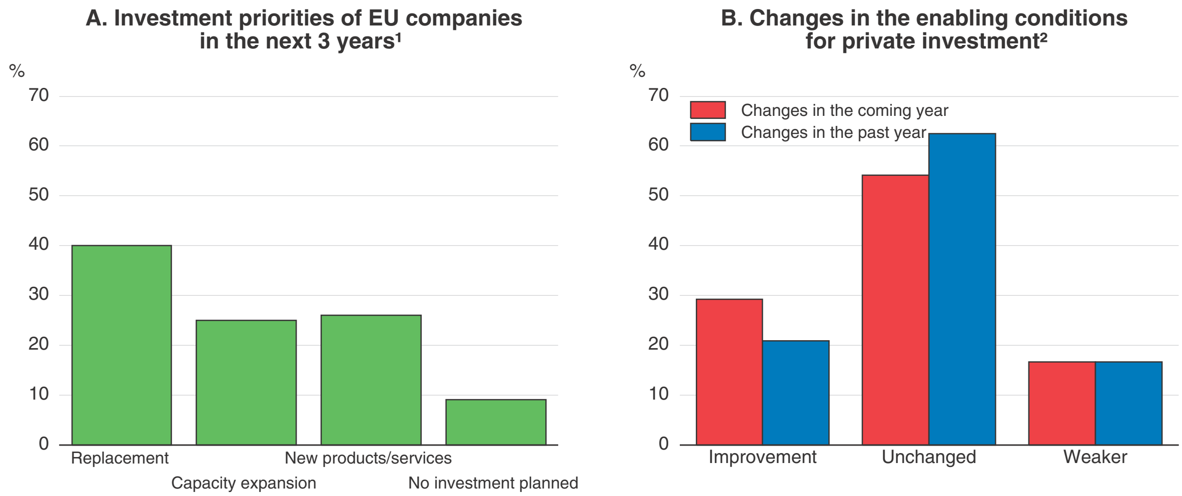
Figure 1.9. **Surveys suggest that firms are likely to replace rather than expand capacity**

Percentage of respondents



1. Responses to the categories 'Replacing existing buildings, machinery, equipment and IT', 'Capacity expansion for existing products/services', and 'Developing or introducing new products, processes or services'.
2. Responses to the questions 'How have the enabling conditions for private investment in your country changed in the past year?' and 'In the coming year, how do you expect the enabling conditions for private investment in your country to change?'.

Source: EIB Group Survey on Investment and Investment Finance, 2017; and BIAC Business Climate Survey 2017.

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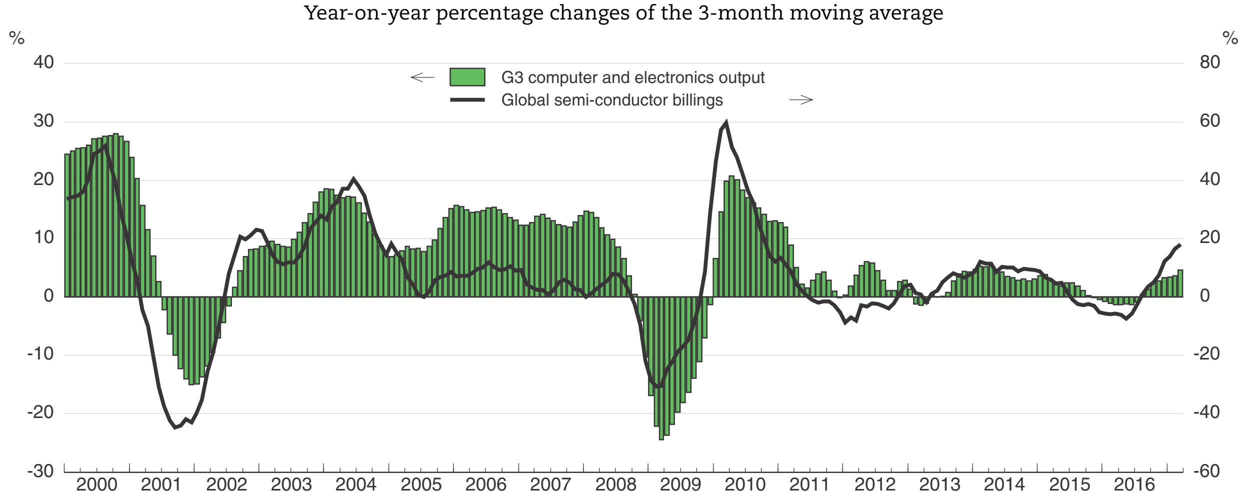
Figure 1.10. **The global IT cycle points to a possible upturn in high-tech investment**

Year-on-year percentage changes of the 3-month moving average



Note: World semi-conductor billings in nominal US dollars. Computer and electronics output is a weighted average of production of computer and electronic products (United States), output of computer, electronic and optical products (Germany), and production of information and communications electronics equipment plus electronic parts and devices (Japan).

Source: World Semi-Conductor Statistics; Eurostat; Board of Governors of the Federal Reserve System; Ministry of Economy, Trade and Industry, Japan; and OECD calculations.

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could be the replacement of old equipment with new digital technologies.[1] More broadly, there is a substantial scope for firms in all countries and sectors to catch up with the technological frontier (EIB, 2017).

1. In the United States, BEA estimates suggest that the average age of private sector information processing equipment rose from 4.1 years in 2000 to 5.1 years in 2015 (on a current-cost basis). Within this category, the average age of computers rose from 1.5 years to 2.2 years over the same period.

Even with such capital upgrading, a much stronger recovery in investment and expansion in the capital stock will be needed to help strengthen productivity growth substantially, and ultimately real wages and incomes. As discussed below, enhanced use of fiscal initiatives and structural reforms to improve product market dynamism and competitive pressures would help to further boost investment and the diffusion of new technology.

Imbalances and vulnerabilities remain and wage growth is still modest

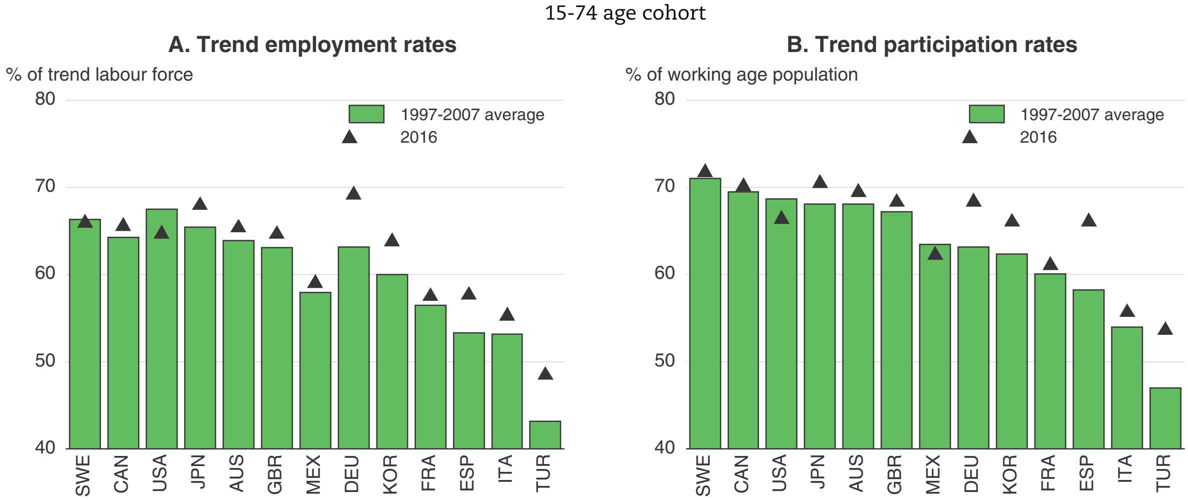
Labour markets are healing, but remaining cyclical slack will restrain wage growth

The key underpinnings of sustainable consumption growth are employment and wage growth. Both are ultimately dependent on private investment behaviour, via its impact on labour and total factor productivity growth. Employment growth, though modest, has recovered relatively well in recent years given the subdued upturn in output. Moreover, in many advanced economies, the underlying employment rate and the underlying labour force participation rate are now higher than in the decade prior to the crisis (Figure 1.11), with the United States a notable exception. In part, this reflects the cumulative impact of past labour market reforms to improve activation, reduce pathways to early retirement, enhance job creation, and lower barriers to female labour force participation. In a number of European countries, inflows of asylum seekers are also providing a modest boost to labour force growth, by close to 1% in Germany over 2015-18 and 0.5% in Sweden and Austria (Box 1.3).

A durable and stronger upturn in household incomes and consumption requires stronger wage growth, since employment growth is likely to moderate as national labour markets slowly tighten and demographic headwinds start to limit feasible labour force growth. Nominal and real wage growth have been remarkably stable in the major economies in recent years, despite higher employment and lower unemployment. This is projected to change only slowly this year and next, in spite of further small declines in unemployment (Figure 1.12). The unemployment rate is now close to, or even below,

Figure 1.11. **Underlying employment and participation rates have risen in many countries**

15-74 age cohort



Source: OECD Economic Outlook 101 database; and OECD calculations.

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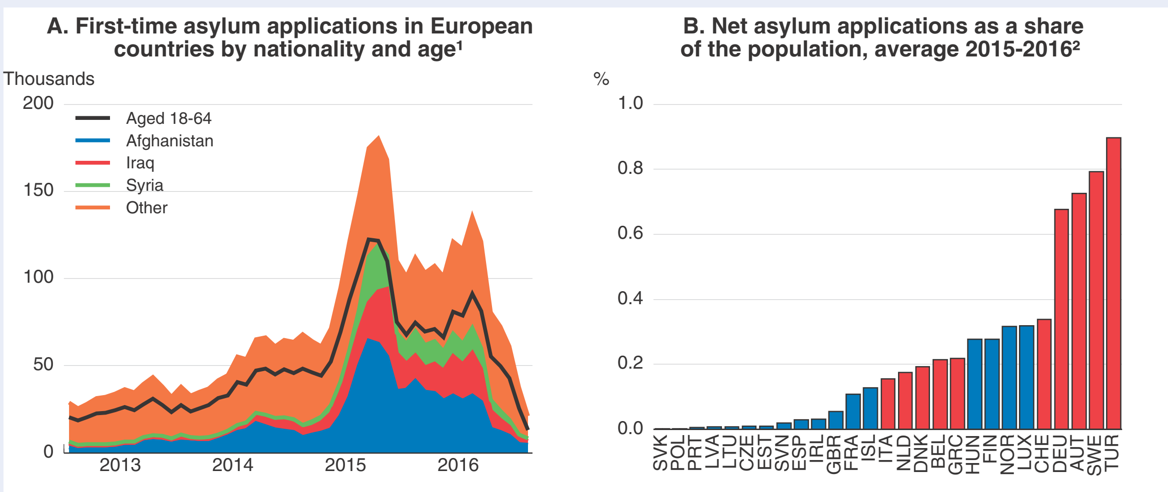
Box 1.3. **Economic impact of asylum seekers in selected countries**

Europe (the European Union, Norway and Switzerland) has experienced the largest inflow of humanitarian migrants since World War II, with 3.6 million first-time asylum applications received since early 2013. In 2015, 1.3 million first-time asylum seekers entered European countries, but recent figures suggest a slowdown through the course of 2016, following the EU agreement with Turkey in March 2016. However, for 2016 as a whole, asylum applications were still elevated at 1.2 million (figure below). A large share of claims since early 2013 are from Syrian, Afghan and Iraqi nationals, reflecting conflicts in the region, although inflows also rose from other countries. By country of first reception in Europe, asylum applications as a share of the population have been highest in Sweden, Austria and Germany (taking into account withdrawn applications), as well as in Turkey. As of the end of 2016, based on Eurostat data, 1.5 million individuals had been granted some form of protection since early 2013, with the stock of pending applications for protection in Europe rising to 1.1 million.

Asylum applications to selected countries by nationality and age



1. Includes data for the EU28, Norway and Switzerland.
2. Net asylum applications are computed as first-time applications minus withdrawn applications, except for Turkey where the figure reports the average yearly change in the number of Syrian nationals under temporary protection over the period plus asylum applications by non-Syrian nationals. Countries with red columns are discussed in the text.

Source: Eurostat; UNHCR; and OECD calculations.

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Assessing the economic impact of rising humanitarian migration on receiving countries is important, from a fiscal perspective and from the longer-term impacts of refugee integration into the labour market and the resulting addition to potential output. While the focus of this box is mainly on the short-term impact over 2016-18, the long-run impact will depend on whether immigrants remain in the country and the extent to which they integrate successfully into labour markets. The focus is on countries which have received a relatively high number of asylum applications as a share of the population, along with Greece and Italy, which have been key transit countries.

Box 1.3. **Economic impact of asylum seekers in selected countries** *(cont.)*

Fiscal impact

Government spending in key receiving countries has increased as a result of the reception and processing costs of asylum seekers. This is projected to continue over in 2017-18. Comparing the level of expenditure between countries is difficult, given differences in the access to services, training and the labour market, as well as differences in the reporting of costs associated with reception, registration, processing and long-term integration services.

- For instance, some evidence suggests that the net fiscal cost for processing and accommodating asylum seekers (prior to acceptance) has been around €10,000 per application, but this figure can be significantly higher if integration support is already provided during the asylum phase (OECD, 2017a).
- There is also a wide range of estimates of the annual cost per refugee in the early stages of reception (over a 12-month period) in reports of official development assistance (ODA) in some countries (OECD, 2016a). For the countries shown here, such estimates range from just over $4,500 in Austria to just under $32,000 in the Netherlands. The average is around $17,800, with a large share of the variance likely resulting from definitional differences.

Moreover, whether an asylum seeker is accepted or rejected, fiscal costs in the initial reception stage can be quite high. In Sweden, for instance, costs over the first 12 months for an asylum seeker granted residence were around $14,000, while fiscal costs associated with an unsuccessful applicant were around $12,000, based on 2014 data. This said, data on these cost breakdowns are limited across countries. Moreover, past experience may be a poor indicator of current costs given that current asylum seekers originate from different countries relative to past waves of migration.

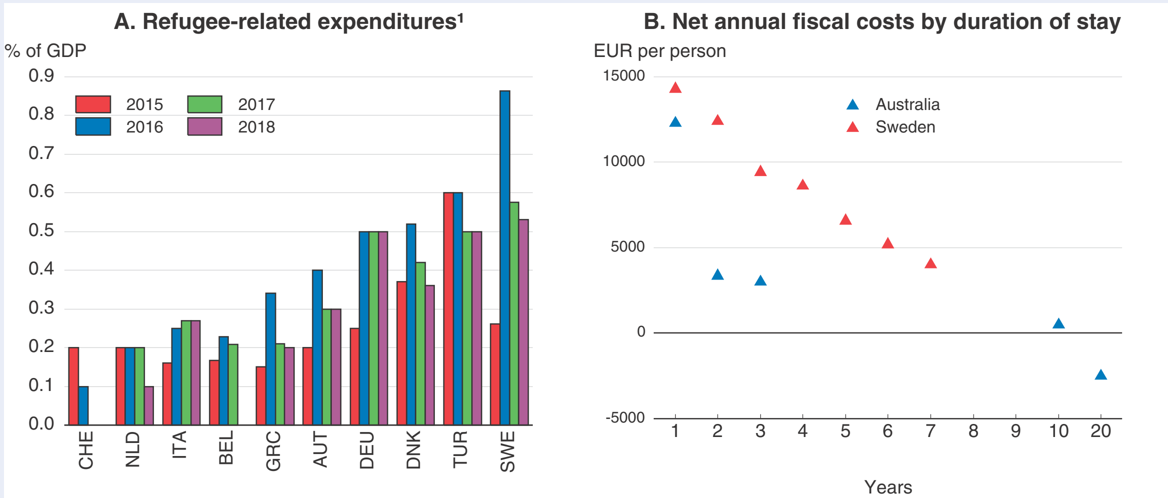
With these caveats in mind, the estimated fiscal costs for the years 2015-18 associated with the recent wave of refugees are shown below, based where possible on available information. These estimates are for the total budgetary costs associated with the reception, processing and integration of new migrants (if available), include all levels of government (i.e. both central and subnational governments) and are net of contributions provided from external sources. For some countries, such as Denmark, they explicitly exclude additional costs on healthcare and public education. Where possible, an attempt is made to focus solely on the impact of the recent surge of refugees, rather than the total number of refugees, as some government spending occurs to provide basic services and training to past humanitarian migrants and a small inflow of asylum seekers would be expected given past norms.

Overall, based on OECD estimates, fiscal costs as a share of GDP are estimated to have peaked in 2016 in most countries, ranging from 0.1% of GDP in Switzerland to around 0.9% in Sweden (second figure, Panel A). Fiscal costs are expected to decline by roughly 0.1% of GDP on average in 2017, relative to 2016, and moderate a little further in 2018. This fiscal boost across the eight countries covered (excluding Turkey and Switzerland) amounts to a cumulative 0.6% of EU GDP from 2016-18 (1.2% of the aggregate GDP in the eight EU countries covered). This may understate EU-wide expenditure, as other countries in the union have also incurred expenditures to address higher numbers of asylum seekers. This boost to spending and demand will have had small, positive spillover effects on other European countries and trading partners.

The net fiscal costs associated with the reception and integration of refugees are typically higher in the early years following their arrival, as shown in Panel B in the second figure. Past experience in Sweden and Australia suggests that the net fiscal costs tend to decline through time as refugees integrate into labour markets. Moreover, in the long run, net fiscal benefits can occur, as in Australia (OECD, 2017a). Successful integration depends on labour market access, settlement support (including language training), and age and skill levels, amongst other factors. Moreover, refugees can increase potential output, by boosting labour force growth, and help to combat fiscal pressures associated with population ageing, given that a large share of the recent wave of refugees are of working age (first figure, Panel A) and the average age of asylum seekers tends to be below that of the current population (European Commission, 2016).

Box 1.3. **Economic impact of asylum seekers in selected countries** *(cont.)*

Estimated fiscal costs associated with the wave of refugees and dynamics through time



1. Estimates for Belgium, Denmark and Italy refer to total spending on asylum seekers (including underlying and on past refugees) in the respective year. Belgium only includes estimates for 2015-17.

Source: OECD (2017a), "Who Bears the Cost of Integrating Refugees?", *Migration Policy Debates*, January, OECD Publishing, Paris; and OECD calculations.

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Labour market impact

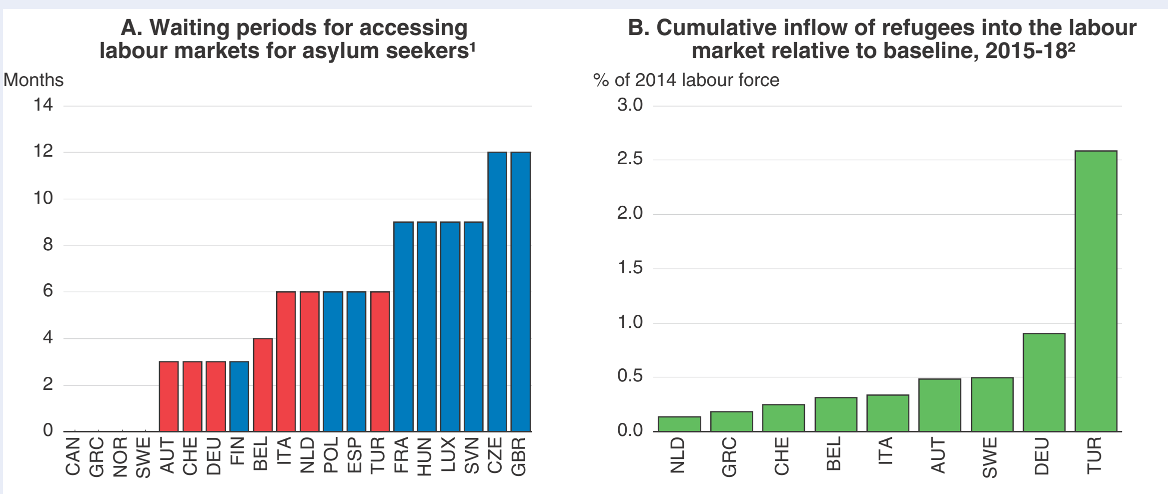
The labour market impact of the recent inflow of asylum seekers will depend on their ability to access labour markets, the length of the application process, their success in gaining refugee status, and their language and skill levels. The typical period for asylum seekers to gain labour market access varies widely, from no waiting period in some countries under certain conditions (includes Greece, Norway and Sweden) and up to 12 months in the United Kingdom and the Czech Republic (third figure, Panel A). While data on the qualification levels of asylum seekers is scarce, some research suggests that there are large differences between the educational backgrounds of asylum seekers from the main countries of origin (OECD, 2017b).

Taking into account the varying timing for asylum seekers to access the labour market, as well as different skill levels, OECD estimates suggest that the cumulative inflow of refugees into the labour market over 2015-18 as a share of the labour force amounts to 2.6% in Turkey, 0.9% in Germany and 0.5% in Sweden and Austria, respectively. This boost is over and above the typical inflow of refugees normally seen on an annual basis. In many other countries, the impact is smaller, even if the absolute numbers entering the labour market can be high (third figure, Panel B). The overall impact on potential output is quite small in the short term, with the exception of perhaps Sweden and Turkey, which have received some of the largest inflows relative to their populations, but could build up over time. Going forward, the successful integration of refugees into labour markets will be a key determinant of their wellbeing as well as their broader impact on potential output and the fiscal balance.

Box 1.3. **Economic impact of asylum seekers in selected countries** *(cont.)*

The recent inflows of asylum seekers are likely to have a limited impact on wage developments in host economies. While they expand potential labour supply, especially in the medium term, their arrival is also associated with stronger demand for goods and services due to the higher level of fiscal support in the near term. Moreover, net effects depend on whether these new workers substitute for, or are complementary to, native workers. Overall, most studies suggest that immigration has little or no aggregate impact on the wages of native-born workers (Kerr and Kerr, 2011; OECD, 2016b). To the extent that there is some downward pressure on wages, it is more likely to occur in economies with relatively rigid product market regulations that inhibit the job creation that is ultimately necessary to absorb higher labour supply (Jean and Jimenez, 2007), and when the characteristics and skills of asylum seekers are similar to some types of native workers. Labour market institutions, such as minimum wage legislation or collective bargaining coverage, could limit any downward adjustment in wage levels, but could also make it more difficult for asylum seekers to gain employment.

Labour market integration of asylum seekers in key receiving countries



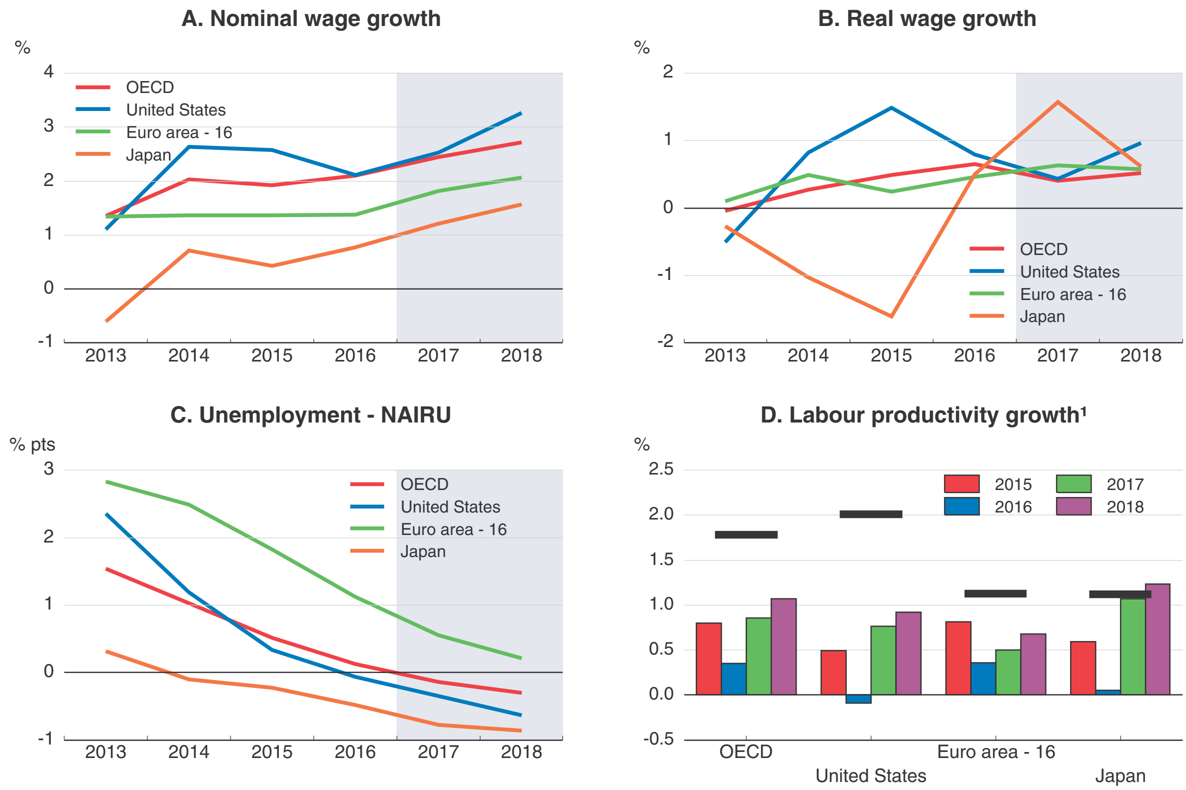
1. Canada, Greece, Norway and Sweden have no waiting period to access the labour market under certain conditions. Countries with red columns are discussed in the text.
2. The baseline excludes the typical annual inflow of refugees, prior to the recent surge.

Source: OECD Economic Outlook 101 database; OECD (2015a), "How will the refugee surge affect the European economy", *Migration Policy Debates*, November, OECD Publishing, Paris; and OECD calculations.

StatLink *http://dx.doi.org/10.1787/888933501515*

Policy has an important role to play in determining the labour market impact of asylum seekers. Past research has shown that overall labour market conditions upon arrival are an important factor in the integration of refugees and early labour market access is a key determinant of long-term outcomes (OECD, 2017b). Cyclical labour market conditions in the largest receiving countries are fairly good at present, particularly in Germany and Sweden, which should help. While many of these countries provide early access to labour markets for asylum seekers and new policy measures have further liberalised entry, bottlenecks remain. For instance, in Sweden, progress could be made in simplifying procedures for migrants to get residence and work permits (OECD, 2017c). Boosting early labour market access, further increasing places for integration programmes and language training (including vocational language training), accurately assessing the skill levels of immigrants and tying the dispersion of asylum seekers more to areas with better labour market conditions in the host country could all improve the wellbeing of migrants and promote more inclusive growth (OECD, 2017b).

Figure 1.12. **Wage growth remains weak despite declines in unemployment**



Note: Nominal wages are measured as labour compensation per employee. Real wages are measured as nominal wages adjusted for the GDP deflator.

1. Horizontal lines show the average annual growth rate of labour productivity in the period 1997-2007.

Source: OECD Economic Outlook 101 database.

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estimated long-run sustainable rates in a few economies, including the United States, Japan and Germany, although considerable cyclical slack still remains in economies hardest hit by the crisis and fiscal consolidation. In some OECD countries, the extent of remaining cyclical slack in labour markets is also higher than suggested by conventional headline measures of unemployment (Box 1.4). The subdued nature of economy-wide wage growth contrasts with the pick-up in the annual growth of minimum wages in some major economies, including this year (Figure 1.13).[2]

In part, low real wage growth per worker reflects continued sluggish labour productivity growth, with the average annual growth of OECD-wide output per employed person projected to pick up only gently in 2017-18 (Figure 1.12). However, for the typical worker, rising productivity may no longer be sufficient to raise real wages. The experience of the past two decades suggests that technological advances and productivity growth have decoupled from wage growth, especially in the lower part of the earnings

2. Coverage of minimum wages varies across countries, but the proportion of employees affected directly is generally modest in the major economies, ranging from around 15% in Germany to 8½ per cent in the United Kingdom and less than 5% for the federal minimum wage in the United States.

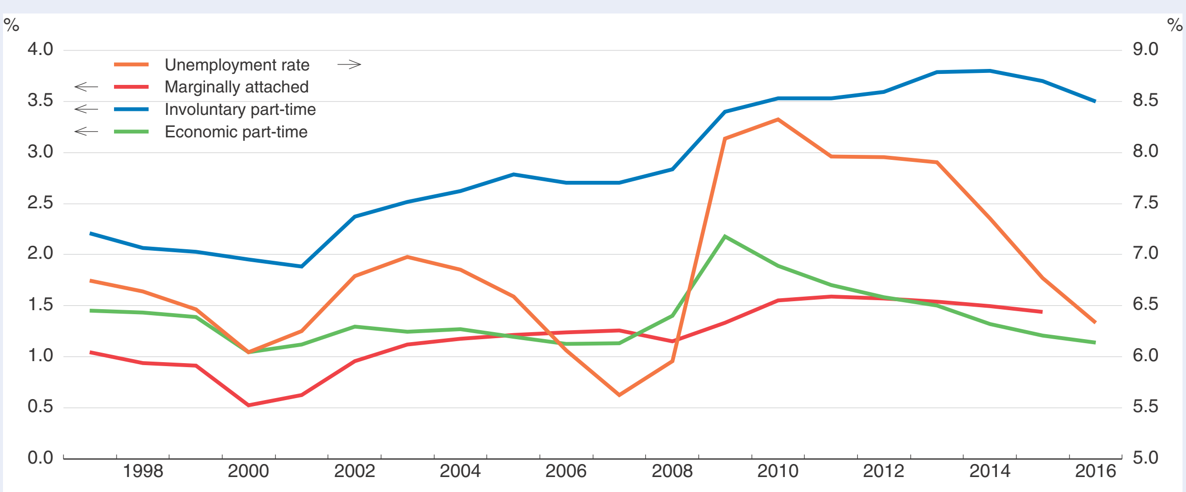
Box 1.4. **Changes in the composition of employment and unemployment are affecting average wage growth**

The weak response of wages to the declines in unemployment rates in the OECD economies is partly due to the degree of cyclical slack remaining in labour markets being greater than suggested by conventional measures of unemployment. Related changes in the composition of employment and the unemployed are also affecting economy-wide wage growth.

- Many countries still have a high level of involuntary part-time workers compared with the pre-crisis decade, implying that there is some scope to increase hours worked if demand strengthens (first figure below). In the OECD as a whole, the involuntary part-time rate in 2015-16 was over 1 percentage point higher than in the pre-crisis decade, with significantly larger increases in a number of European countries.
- There are also a comparatively high number of people only marginally attached to the labour market, but who might also return to the labour force if growth and job creation were to strengthen further. In contrast, the share of economic part-time workers has returned towards pre-crisis norms as the recovery has progressed.
- Employment rates have risen, but many new jobs are only part-time rather than full-time (second figure below), helping to hold down growth of wages per person.
- A further compositional effect is that the moderation of public pay that was introduced in a number of advanced economies in the aftermath of the crisis may have contributed to the weakness of economy-wide wage growth, both by reducing pay in an important segment of the economy and possibly by reducing wage pressure in other sectors.
- Relatedly, evidence suggests that the main impact of labour market conditions on wage growth in recent years may have occurred via the wages of newly-hired workers rather than from those of incumbent workers (OECD, 2014, Chapter 2). In part this reflects the extent to which downward nominal wage rigidity and very-low price inflation have limited the ability of firms to lower wages for incumbent workers.

High levels of involuntary part-time work add to cyclical slack in the OECD area

As a percentage of labour force



Source: OECD Economic Outlook 101 database; OECD Employment database; US Bureau of Labor Statistics; Eurostat; Statistics Bureau Japan; and OECD calculations.

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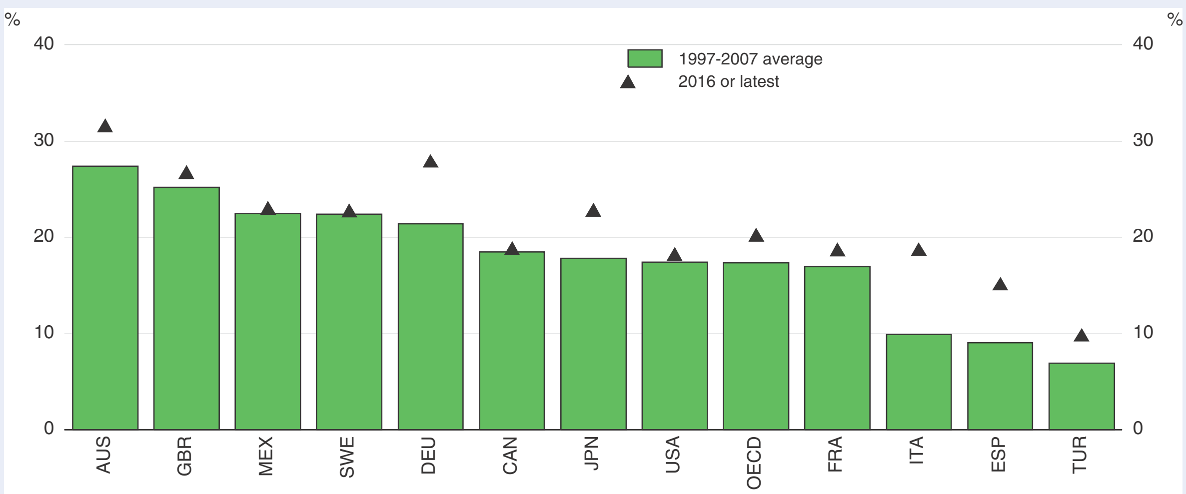
Box 1.4. **Changes in the composition of employment and unemployment are affecting average wage growth** *(cont.)*

- On the other hand, high-levels of long-term unemployment in some countries (third figure below), and the associated losses in skills and employability ("hysteresis"), should act in an offsetting manner, since the impact of the long-term unemployed on wage bargains is small (Rusticelli, 2014). This makes current modest wage growth even more striking. However, a high level of long-term unemployment also implies that labour market reforms in conjunction with policy support for demand could have strong long-term effects on output (OECD, 2016c).

The share of part-time employment is higher than before the crisis

Share of part-time employment in total employment



Note: Based on national definitions of the share of part-time employment in total employment.
Source: OECD Labour Force statistics database.

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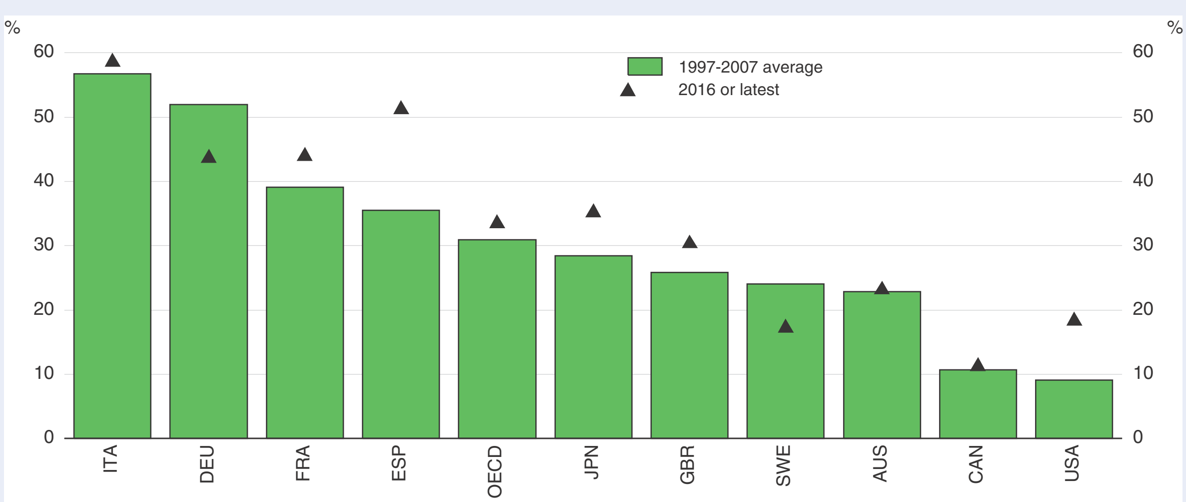
The proportion of unemployed for over one year is still above pre-crisis norms

Share of those unemployed for over 1 year in total unemployment



Source: OECD Labour Force statistics database.

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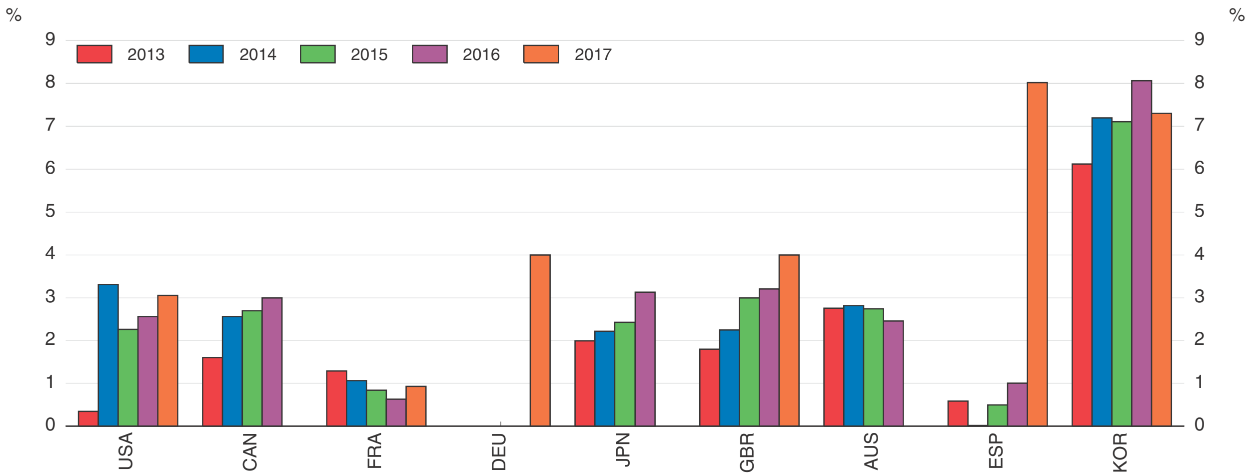
Figure 1.13. **Minimum wage growth is picking up in some countries**

Year-on-year percentage changes



Note: Estimates for the United States based on an employment-weighted average of state minimum wages, with the federal minimum wage used in those states either without a separate minimum wage or in which the state-minimum is below the federal rate.
Source: OECD Minimum Wage database; and United States Department of Labor.

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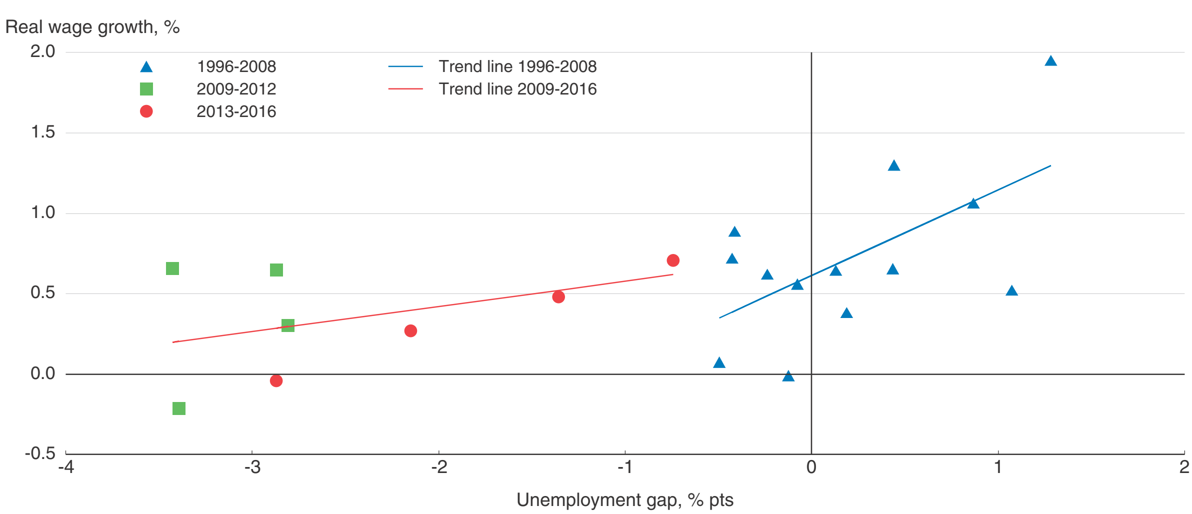
distribution, raising earnings inequality (Andrews et al., 2016; Schwellnus et al., 2017; Berlingieri et al., 2017).

There is also some evidence that a given level of cyclical slack is now associated with a smaller impact on wage growth than before the crisis, even if allowance is made for changes in involuntary and economic part-time working (Figure 1.14). An implication is

Figure 1.14. **The impact of labour market slack on wage growth has declined in the OECD**



Note: Real wages are measured as the annual growth of compensation per employee in the OECD economies deflated using the GDP deflator. The unemployment gap is the difference between the average broad unemployment rate over 1993-2007 and the current broad unemployment rate. The broad unemployment rate is the sum of the claimant unemployment rate plus the economic part-time work rate plus the involuntary part-time work rate.
Source: OECD Economic Outlook 101 database; OECD Labour Force Statistics; US Bureau of Labor Statistics; Eurostat; Statistics Bureau Japan; and OECD calculations.

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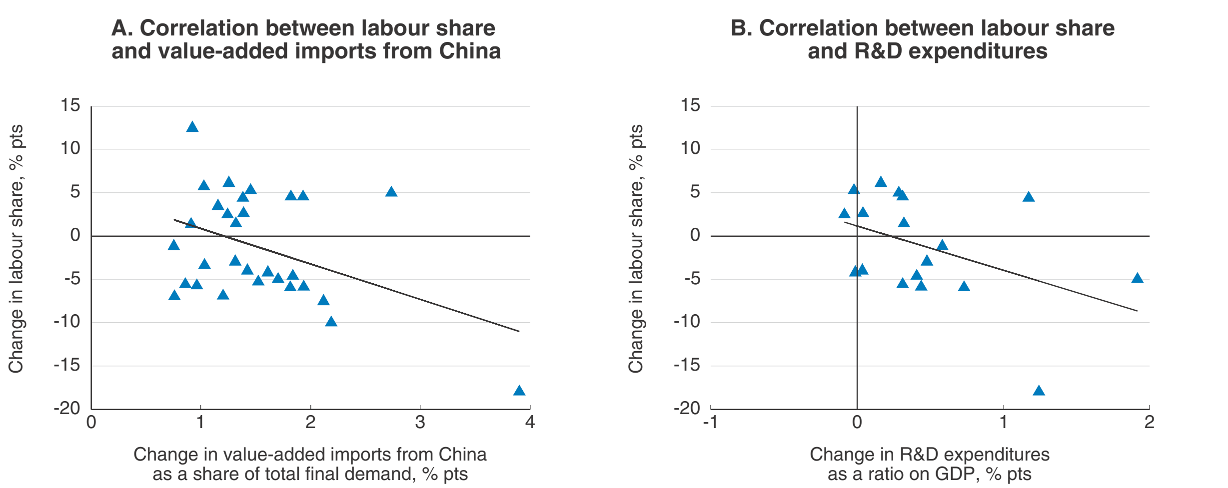
that real wage growth might remain subdued even with continued improvements in national labour markets unless there are significant non-linear effects of slack on wage growth after labour markets tighten beyond a certain point (Nalewaik, 2016).

Factors that may have reduced the responsiveness of wages to labour market slack include weaker bargaining power of workers due to rapid technological change, the automation of certain tasks, increasing global production integration and, in particular, the offshoring of low-skill labour intensive tasks (Figure 1.15). These factors are interrelated and difficult to untangle fully, since stronger trade integration directly affects productivity growth and incentives to innovate (Chapter 2; Bloom et al., 2016; Égert and Gal, 2017). Firm-level evidence suggests that both globalisation and digitalisation are associated with higher wage divergence (Berlingieri et al., 2017).

Overall, wage pressures should eventually show up as labour markets continue to tighten. However, nominal and real wage growth in the advanced economies are projected to increase only gently in 2017-18 (Figure 1.12), and remain well below pre-crisis norms. Productivity growth is subdued, labour market slack is more extensive than suggested by conventional unemployment rates and the influence of a given level of slack on real wage growth is weaker than prior to the crisis. Hence, additional policy support for demand and long-term supply is needed to eliminate fully existing labour market slack and strengthen productivity growth, thereby bringing about the durable strengthening of real wages needed to sustain consumption growth.

Figure 1.15. **Changes in trade and technology are both associated with changes in labour shares in advanced economies**

Change between 1995 and 2011, in percentage points



Source: Schwellnus et al. (2017), "The Role of Trade, Technology and Public Policies in Determining the Labour Share: Empirical Evidence", *OECD Economics Department Working Papers*, forthcoming, OECD Publishing, Paris.

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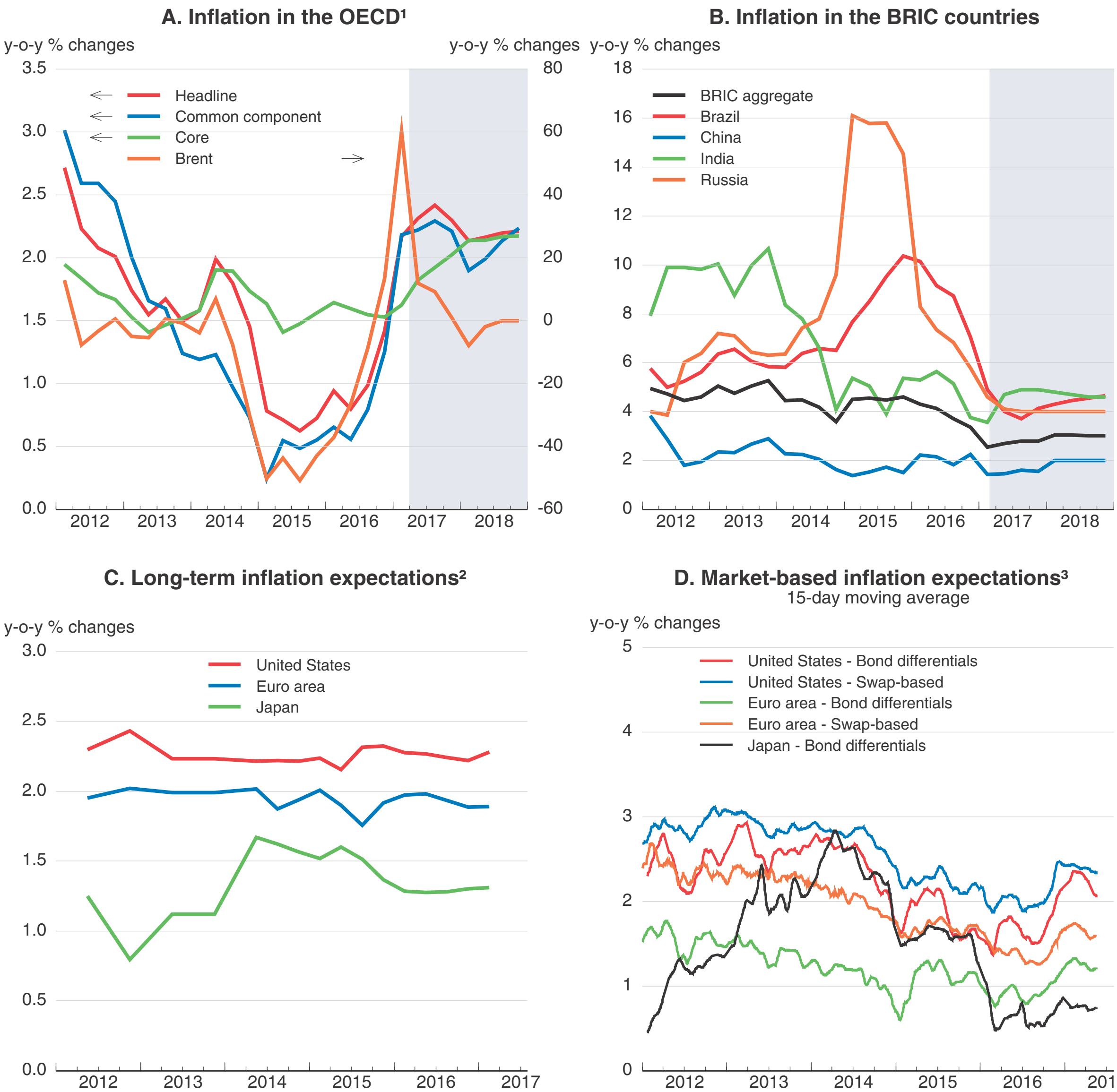
Headline inflation has risen but underlying inflationary pressures are projected to remain subdued

Higher commodity prices have boosted headline inflation in the major economies, but core inflation remains modest (Figure 1.16). Commodity prices including energy, metals and non-agricultural food commodities have risen since 2016Q3, reflecting both stronger demand and idiosyncratic supply constraints. Oil prices have increased since November,

Figure 1.16. **Inflationary pressures in the OECD and emerging market economies are projected to remain modest**



1. Based on the consumer expenditure deflator for the United States, the harmonised consumer price indices for euro area economies and the consumer price index in remaining OECD countries. The OECD average is constructed using PPP GDP weights. The OECD common component is based on the first principal component of the headline inflation series in OECD economies.
2. Inflation expectations are based on an average of 6 to 10-year ahead inflation forecasts by professional forecasters from Consensus Economics.
3. Inflation expectations implied by the yield differential are based on the difference between 10-year government benchmark bonds and inflation-indexed bonds. Swap-based inflation expectations are based on 5-year and 10-year inflation swaps.

Source: OECD Economic Outlook 101 database; Consensus Economics; Thomson Reuters; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933501933

following the agreement of OPEC members and select non-OPEC producers to restrict near-term production levels. In contrast, survey measures of longer-term inflation expectations have remained fairly flat since 2016 in major economies, but market-based inflation expectations have moved up slightly, albeit remaining subdued by historical standards. Core inflation (excluding food and energy prices) has changed little in most advanced economies, although the United Kingdom is a notable exception following the depreciation of sterling. In China, consumer price inflation has moderated since January, although producer prices have been increasing since early 2016, reflecting commodity price developments and reduced over-capacity, after having been on a declining trend for five years. In some other large emerging market economies, recent currency movements are having a sizeable impact on inflation, with inflation declining sharply in Brazil and Russia, but rising markedly in Turkey.

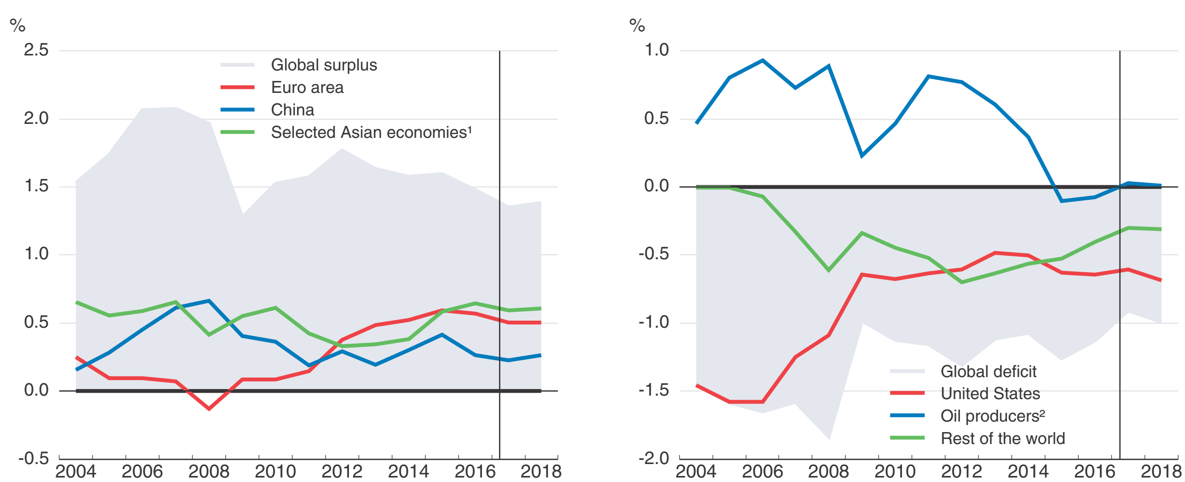
In the absence of significant further moves in commodity prices, exchange rates and inflation expectations, core inflation is projected to edge up slowly as economic slack declines in the advanced economies over the next 18 months. Inflation is projected to be around 2¼ per cent in late 2018 in the United States, where the recovery is relatively advanced, but to remain at 1% and just over 1½ per cent, respectively in Japan and the euro area. Amongst major emerging market economies, consumer price inflation is projected to remain low in China, ease in Russia and remain subdued in Brazil. In India, inflationary pressures are expected to increase from current low levels, albeit remaining within the inflation target band.

Global current account imbalances have narrowed modestly but the regional composition has changed sharply

Although current account balances are not a target for policy, examining how they have evolved can yield a perspective on the underlying demand and production imbalances which are relevant for policy. Global current account imbalances have narrowed, with the surplus counterpart well below pre-crisis levels at around 1½ per cent of world GDP in 2016 (Figure 1.17). This narrowing has been accompanied by sizeable

Figure 1.17. **The composition of global current account balances has changed**

As a percentage of world GDP



Note: Regional aggregates are calculated inclusive of intra-regional trade. The surplus and deficit part of the global current account balance may differ due to statistical discrepancies.

1. Selected Asian economies include Chinese Taipei, Hong Kong - China, Japan, Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
2. Oil producers include Algeria, Angola, Azerbaijan, Bahrain, Brunei, Chad, Ecuador, Equatorial Guinea, Gabon, Iran, Iraq, Kazakhstan, Kuwait, Libya, Nigeria, Oman, Qatar, Republic of Congo, Russia, Saudi Arabia, Sudan, Timor-Leste, Trinidad and Tobago, Turkmenistan, the United Arab Emirates, Venezuela and Yemen.

Source: OECD Economic Outlook 101 database.

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regional shifts. The large current account surpluses of oil-producing countries have turned into deficits, reflecting the past fall in oil prices. The Chinese surplus has narrowed, but the euro area surplus has increased. The US current account deficit narrowed until around 2013, but has since widened again, albeit remaining below pre-crisis levels.

Looking from the country perspective, changes in current account balances between 2009 and 2016 are largely driven by changes in trade in goods and services, with income and capital accounts playing a significant role only in a few countries (Figure 1.18).[3] The euro area countries, Japan and Korea have benefited from high export market growth (that increases exports) relative to total final expenditure growth (that increases imports). The opposite has been true for China. The large increase in the surplus of the euro area countries has reflected tight fiscal policy, which has weighed on domestic demand and compounded the effect of the persistent regulatory barriers on competition in the domestic market that restrain investment. In most of the countries shown, the increasing import intensity of total final expenditure, reflecting rising trade openness and the global fragmentation of production, has led to a deterioration in trade balances. Similarly, most of the countries have lost market shares, reducing the benefits from rising foreign demand, with the notable exceptions of China and Germany. Oil-importing countries, as well as Korea and some European economies, have also benefited from positive terms of trade developments, but this has acted against oil-exporting countries until recently.

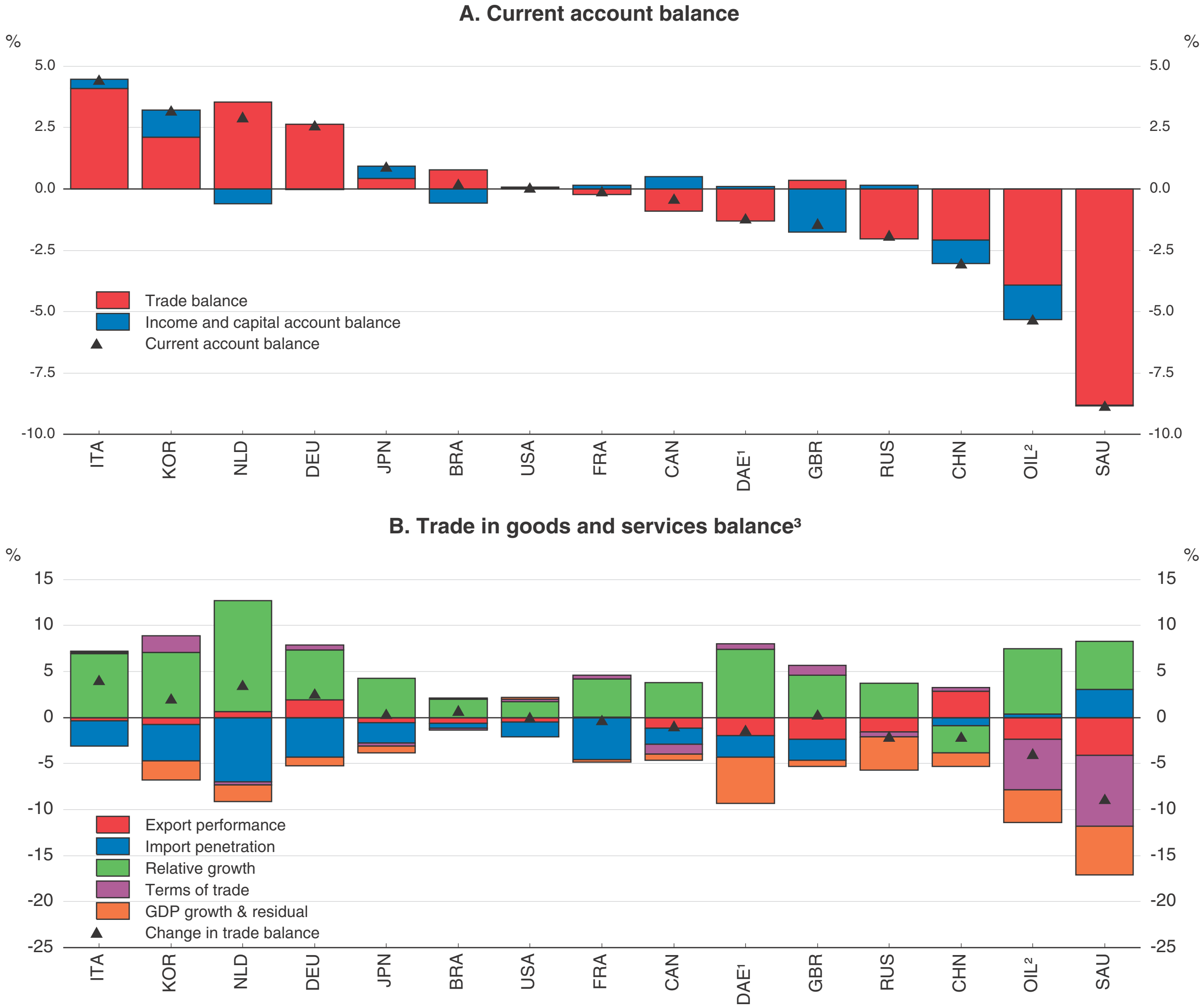
Exchange rate changes since 2009 seem to have had only a modest overall impact on trade balances. Cross-country experience suggests that an appreciation of the domestic currency in real effective terms is only weakly associated with declines in market shares over time, and vice versa (Figure 1.19).[4] Thus, the large effective appreciation of the US dollar in 2014-16 has not so far resulted in significant export market losses, and the depreciation of sterling in 2008-09 was not followed by gains in export performance. On the import side, currency appreciation seems to co-move with higher import penetration, but again the cross-country correlation is quite low. An important reason for the weak volume response to currency movements appears to be a tendency to price to markets, with profits adjusting to currency changes. The small responsiveness of trade volumes to exchange rates could also result from a still high share of imported inputs in production of goods for exports (Ollivaud et al., 2015), despite some unwinding of global value chains since the Great Recession (Haugh et al., 2016).

In view of the low responsiveness of trade flows to exchange rate moves, expenditure-switching in response to changes in the relative prices of domestic versus foreign products is unlikely to reduce trade imbalances significantly. Thus a reduction of current account surpluses will require stronger domestic demand, all else equal. Depending on country circumstances, this could involve either more private consumption or more domestic investment. For instance, in Asian emerging market economies, and in particular in China, higher domestic demand could be achieved by reducing precautionary household saving via a more generous and inclusive social security system (including public health care, pensions and unemployment benefits). In Japan and Korea, raising both

3. The large change in the United Kingdom is attributable to the fall in net income from FDI investment.
4. Country-specific error-correction models, with export performance as the dependent variable and real effective exchange rate as the explanatory variable, estimated with quarterly data from the mid-1990s, indicate a long-term and correctly signed relationship between the two variables only for a handful of countries.

Figure 1.18. **Decomposition of changes in external balances**

Changes between 2016 and 2009, as a percentage of GDP



1. Dynamic Asia Economies include Chinese Taipei, Hong Kong - China, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
2. Oil producers include Algeria, Angola, Azerbaijan, Bahrain, Brunei, Chad, Ecuador, Equatorial Guinea, Gabon, Iran, Iraq, Kazakhstan, Kuwait, Libya, Nigeria, Oman, Qatar, Republic of Congo, Sudan, Timor-Leste, Trinidad and Tobago, Turkmenistan, the United Arab Emirates, Venezuela and Yemen.
3. Export performance is the ratio of the growth of goods and services exports to a weighted average of the growth of import volumes in partner countries. Import penetration is the share of import volumes in total final expenditure. Relative growth is the difference between foreign demand growth and the growth of total final expenditure. The terms of trade is the ratio of export to import prices. The GDP growth and residual component measures the contribution of nominal GDP growth and the decomposition discrepancy to changes in the trade balance as a share of GDP.

Source: OECD Economic Outlook 101 database; and OECD calculations.

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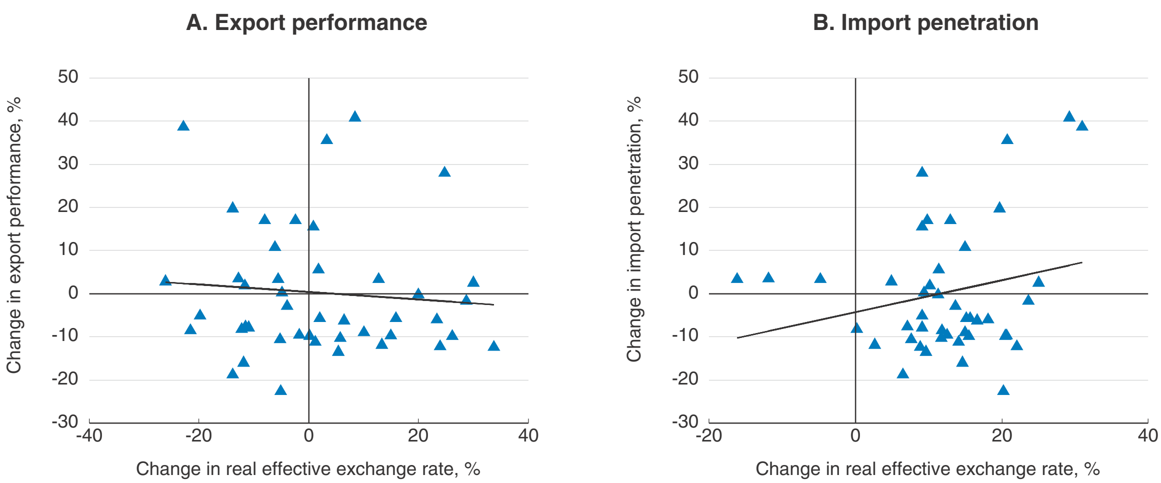
private consumption and investment is desirable. In Germany and the Netherlands, and to a lesser extent in other euro area countries, boosting private investment and easing the fiscal stance would help to reduce large current account surpluses.

By contrast, protectionism will not reduce trade imbalances but will weaken economic and productivity growth. Raising trade barriers is also likely to result in retaliation. Simulations in the OECD METRO model (OECD, 2015b) of an illustrative increase in trade

Figure 1.19. **Changes in export performance and import penetration seem not to respond strongly to changes in real effective exchange rates**



Note: Percent changes between 2016 and 2009 are calculated on annual data for 44 countries (most OECD countries and several non-OECD emerging market economies). Export performance is the ratio of the growth of goods and services exports to a weighted average of the growth of import volumes in partner countries. Import penetration is the share of import volumes in total final expenditure. A positive change in the real effective exchange rate indicates a currency appreciation.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933501990

costs on all goods (but not services) by 10 percentage points by major global trading economies (China, Europe and the United States)[5] suggest that export volumes could decline by more than import volumes in Europe and the United States (OECD, 2016c). Assuming no changes in export and import prices, this would likely result in an even larger deficit in goods trade in the United States. Moreover, such protectionist measures would also likely reduce GDP in the main trading areas by around 2½ per cent in the medium term. These negative effects could be even larger if retaliatory actions were to generate additional adverse effects on trade from disruption to global value chains, and the resulting uncertainty were to result in a slowdown of investment, leading to further drops in incomes and productivity.

Financial market disconnects and vulnerabilities could derail the recovery

Anomalies in government bond markets persist

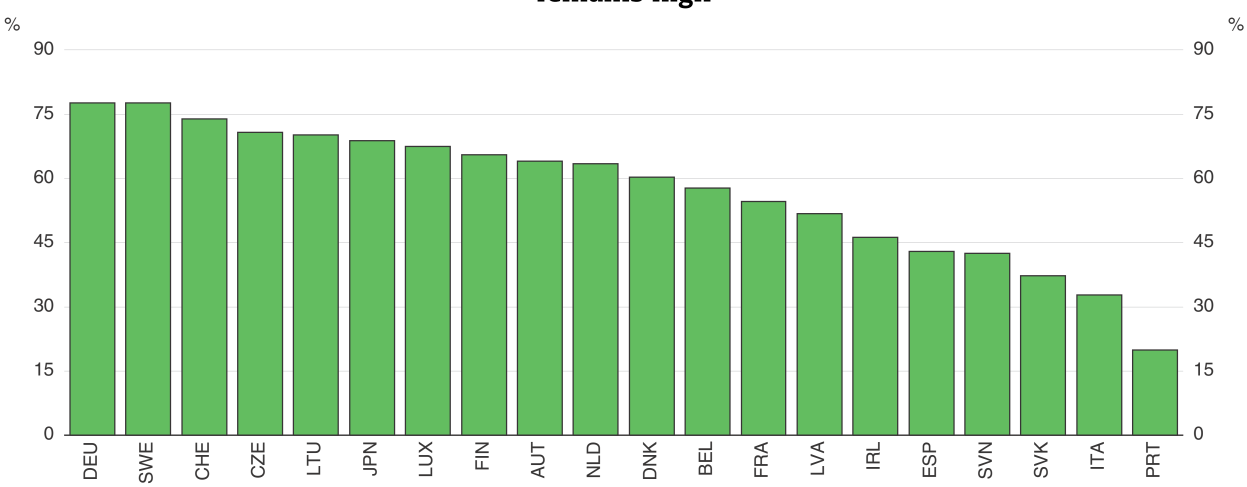
Despite only a gradual increase in long-term rates in the United States in the last year, there is still a risk of a swift snap-back. While the normalisation of interest rates in the economy is desirable with stronger GDP growth and higher inflation, the financial market volatility that may arise during the process, could have negative spillovers to other assets in the United States and elsewhere, including government and corporate bonds, equities and property prices.[6] A sudden increase in US long-term government bond yields could, for instance, happen when the Federal Reserve decides to reduce the size of its balance sheet, reversing downward pressures on term premia from earlier asset purchases (D'Amico et

5. This magnitude is roughly equivalent to an average increase of tariffs to the bound tariff rates in 2001, the year when the trade negotiations under the Doha Development Round started.
6. For instance, Rawdanowicz et al. (2017) show that, based on estimated country-specific error-correction models for G7 countries, real 10-year government bond yields are significantly influenced by foreign bond yields.

al., 2012; Li and Wei, 2014).[7] This, together with increases in policy rates, could make market participants revise their expectations of future policy interest rates excessively. So far, market indicators point to a much more gradual increase in policy rates than projected by policymakers. There is also a risk that the initial rise in bond yields could be magnified by bond sales by investors who bet on bond price gains, or by pension funds and insurance companies, as discussed below.

In Europe and Japan, a large share of government bonds still trade at negative yields (Figure 1.20). Moreover, currently around 10% of total outstanding conventional government bonds in Denmark, Japan and the Netherlands, and around 18% in Germany, have been sold with negative interest rates at auctions. This abnormal asset pricing, stemming partly from extraordinary monetary policy stimulus, has adverse implications for bond holders, in particular banks, pension funds and insurance companies (OECD, 2016c). The reaction of pension funds and life insurance companies to the low-interest rate environment could have actually amplified downward pressures on government bond yields, as they have increased demand for longer-term government securities to match the increase in their discounted future liabilities (Domanski et al., 2017). In the euro area, the ECB's Asset Purchase Programme has contributed to the widening of so called TARGET2 imbalances to record highs (De Nederlandsche Bank, 2016; Deutsche Bundesbank, 2016; ECB, 2016; Auer and Bogdanova, 2017; Box 1.5).

Figure 1.20. **The share of negative-yield bonds in total outstanding government bonds remains high**



Note: Estimated based on benchmark sovereign bond yields as of 18 May 2017.
Source: Thomson Reuters; Bloomberg; and OECD calculations.

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Equity prices have risen apparently in excess of fundamentals

Global equity prices have increased on average by more than 10% since November last year, reaching historic highs in the United States and Germany (Figure 1.21). The recent rise has been driven mainly by improved risk tolerance, following heightened risk aversion in early 2016. Prices have increased by more than expected earnings and despite an increase

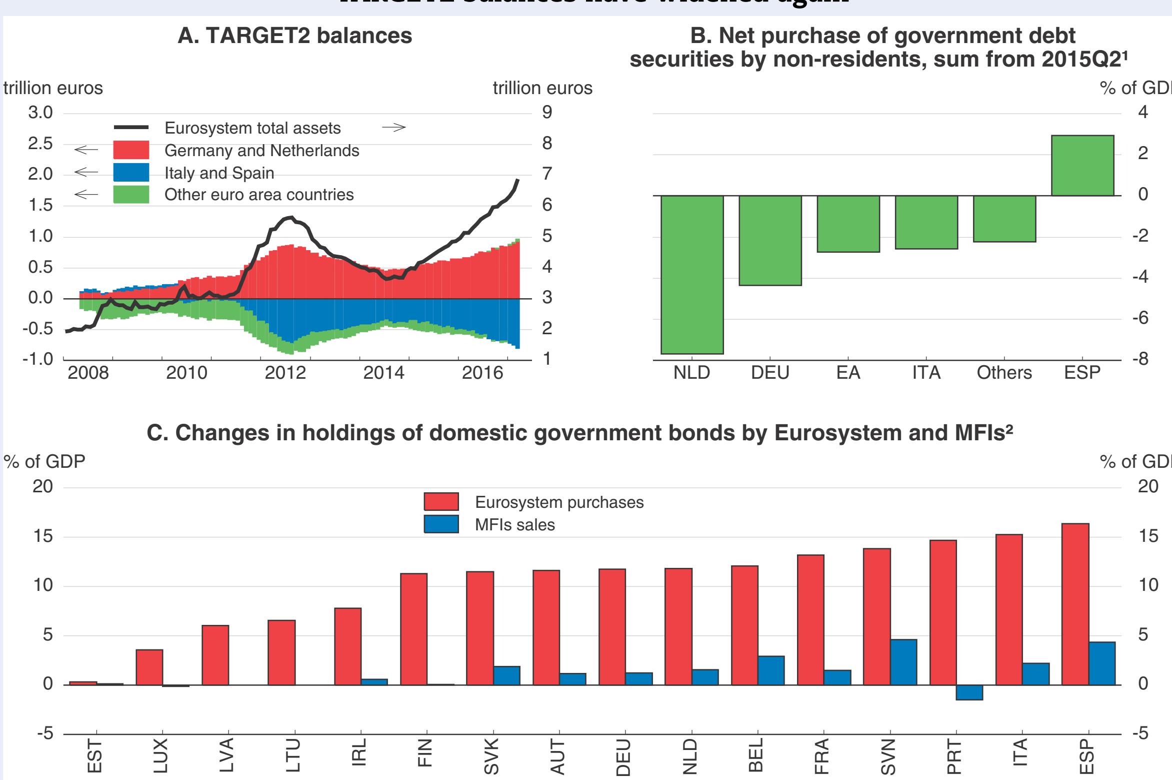
7. If term premia were to move from their recent level of close-to-zero to the average levels over the five years prior to the crisis, 10-year government bond yields could increase by around 110 basis points. Estimates of term premia are, however, highly uncertain (Li et al., 2017).

Box 1.5. **The widening of TARGET2 imbalances**

The ECB's Asset Purchase Programme (APP) is believed to have contributed to the widening of Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) imbalances (De Nederlandsche Bank, 2016; Deutsche Bundesbank, 2016, ECB, 2016; Auer and Bogdanova, 2017). These imbalances have reached record high levels (figure below). Around 80% of the asset purchases by the Eurosystem have involved non-domestic counterparties, and around half of the assets have been bought from non-euro area residents with bank branches in countries with TARGET2 surpluses, like Germany and the Netherlands. This has led to cross-border flows of central bank money from countries with TARGET2 deficits at the start of the APP to countries with TARGET2 surpluses, resulting in higher TARGET2 imbalances. These cross-border flows are also reflected in balance of payments statistics, with net outflows of portfolio investment in government securities in Italy, Germany and the Netherlands (in the latter two countries likely reflecting transactions in bonds of other euro area countries by non-euro area residents).

It is not clear if the unequal distribution of non-cash central bank liquidity within the Eurosystem reflects negative risk perceptions about the euro area countries hardest hit by the crisis and the resulting government bond market fragmentation, or the willingness of non-resident investors to realise large price gains, with domestic financial institutions unwilling to sell government bonds for regulatory reasons. However, rising TARGET2 balances do not seem to reflect a widespread renewal of bank funding stress (De Nederlandsche Bank, 2016). While banks in some countries have increased lending via longer-term refinancing operations, to some extent, there has not been a rush for liquidity provisions from central banks and bank CDS spreads in the euro area countries hardest hit by the crisis have not changed much compared to their early 2015 levels.

TARGET2 balances have widened again



1. For most countries the last observation is 2016Q4.
2. Changes in government bond holdings of Monetary Financial Institutions (MFIs) between February 2015 and March 2017. They include potential changes in the valuation of government bonds.

Source: European Central Bank; IMF Balance of Payments database; and OECD calculations.

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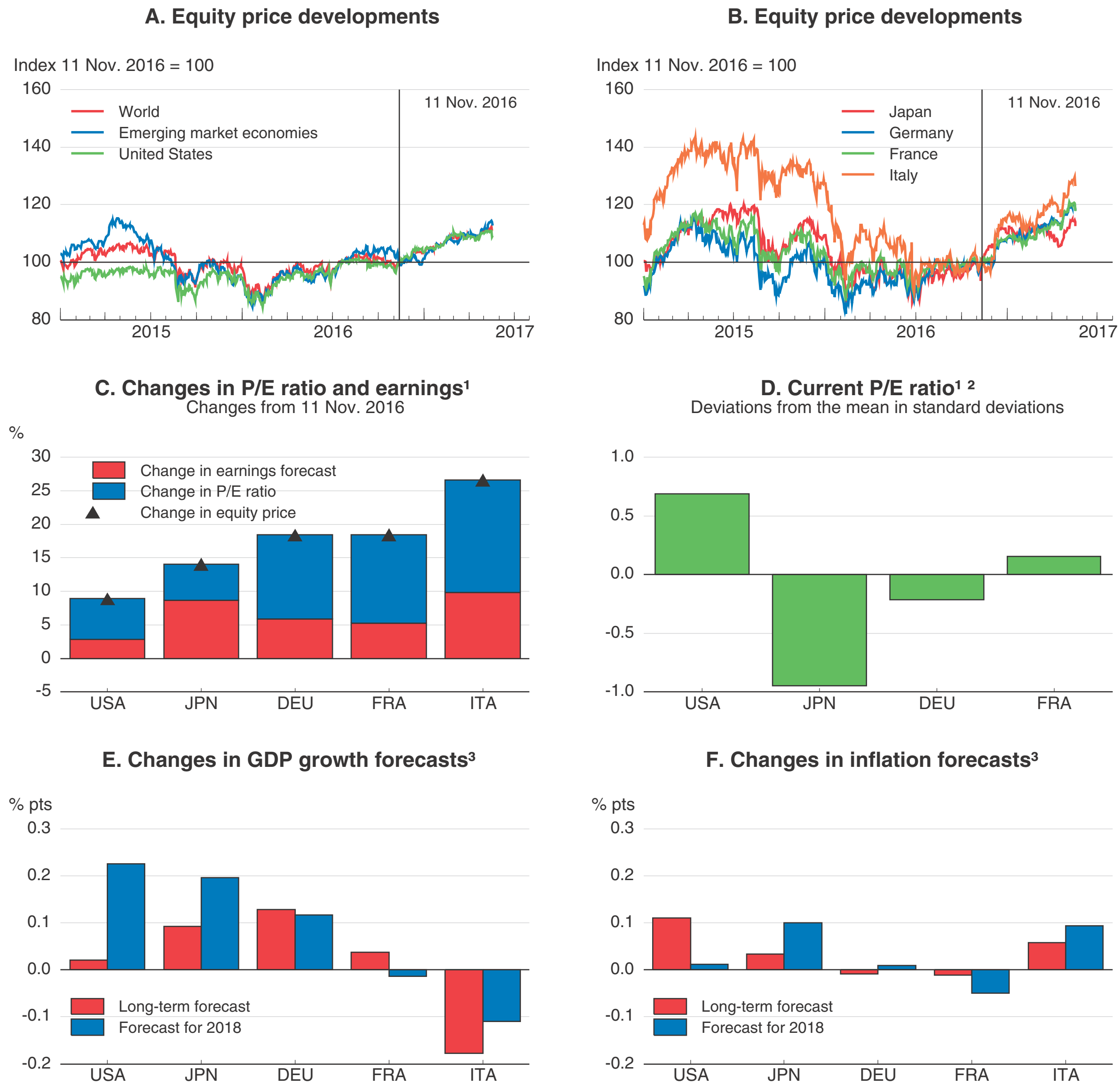
Figure 1.21. **Recent equity price gains have been driven by improved market sentiment**



1. Price-to-earnings (P/E) ratios and earnings are 12-month forward forecasts from IBES.
2. Figures represent "(current ratio - historical mean) / standard deviation". Current P/E ratios are calculated as the mean of the last 10 days. Historical means and standard deviations are calculated based on daily data for the past 30 years.
3. Changes in GDP growth and inflation forecasts from Consensus Economics between October 2016 and April 2017. Long-term forecasts refer to projections for the 6 to 10-year ahead average.

Source: Consensus Economics; Thomson Reuters; and OECD calculations.

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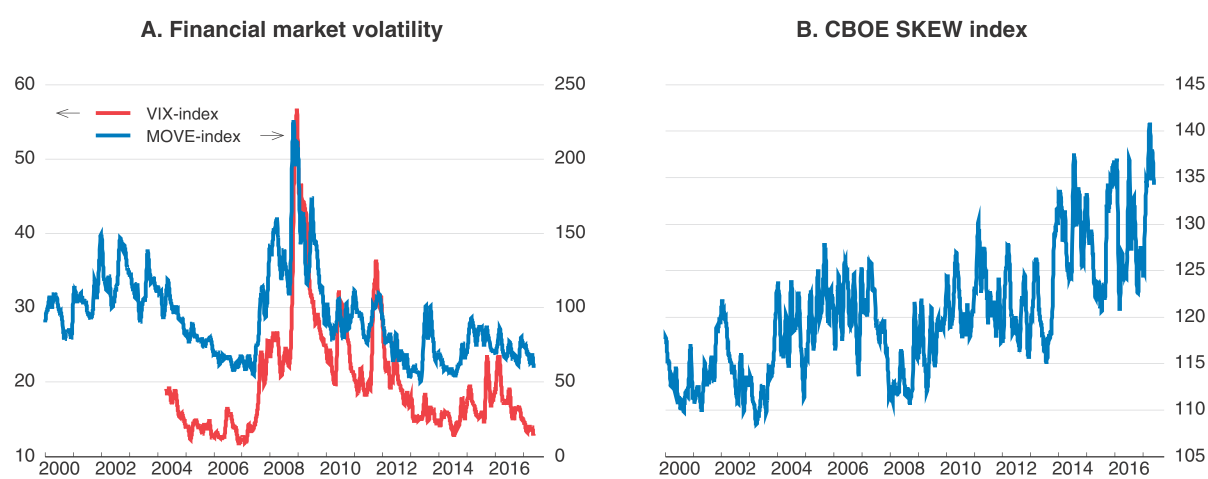
in bond yields. However, the positive assessment of corporate earnings might be too optimistic given small changes in short and long-term consensus projections for GDP growth and inflation over the past six months, pointing to risks of equity price corrections if earnings growth disappoints.

In the United States, S&P500 price-to-earnings (P/E) ratios, based on expected earnings, now significantly exceed the 30-year average. The recent increase should be viewed in the context of very strong projected earnings growth, of around 20% in the coming 12 months. Such high growth in expected earnings may, however, exaggerate the expected benefits of possible policy initiatives, including corporate tax cuts. The rise in a widely-used metric of market valuation – the Shiller cyclically-adjusted P/E ratio which discounts recent earnings developments – to its highest level since the dot-com boom is also a worrying development.[8] Despite this, the increase in stock prices has been accompanied by low expected stock market volatility, as measured by the VIX index (Figure 1.22).

Equity prices are vulnerable to downward revisions in earnings expectations, a faster-than-expected rise in government bond yields and investor sentiment shifts. A big correction in equity prices could weigh on economic activity via wealth effects and the financial conditions for firms (though such effects appear to have weakened in recent years). Heightened financial market volatility could also spill over to other assets and countries, with negative feedback loops. In the United States, perceived risks of a significant decline in S&P500 equity prices one-month ahead, as measured by the SKEW index, have recently risen to a record high (Figure 1.22).

Figure 1.22. **Volatility has been low but perceptions of risks of large equity price declines have increased in the United States**

20-day moving average



Note: The VIX measures an expected symmetric range of movements in the S&P500 index over next 30 days. It is derived from options. The Merrill Lynch Option Volatility Estimate (MOVE) index is an equivalent of the VIX index for US treasuries. The Chicago Board Options Exchange (CBOE) SKEW is an option-based measure of the perceived risk of 30-day ahead large (two or more standard deviations) changes in returns of the S&P500. Numbers above 100 indicate a negative skew in the distribution (i.e. negative tail risk). Since the standard deviation varies over time, so does the size of expected equity price declines.
Source: Thomson Reuters.

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Buoyant house prices in some economies raise concerns about financial stability

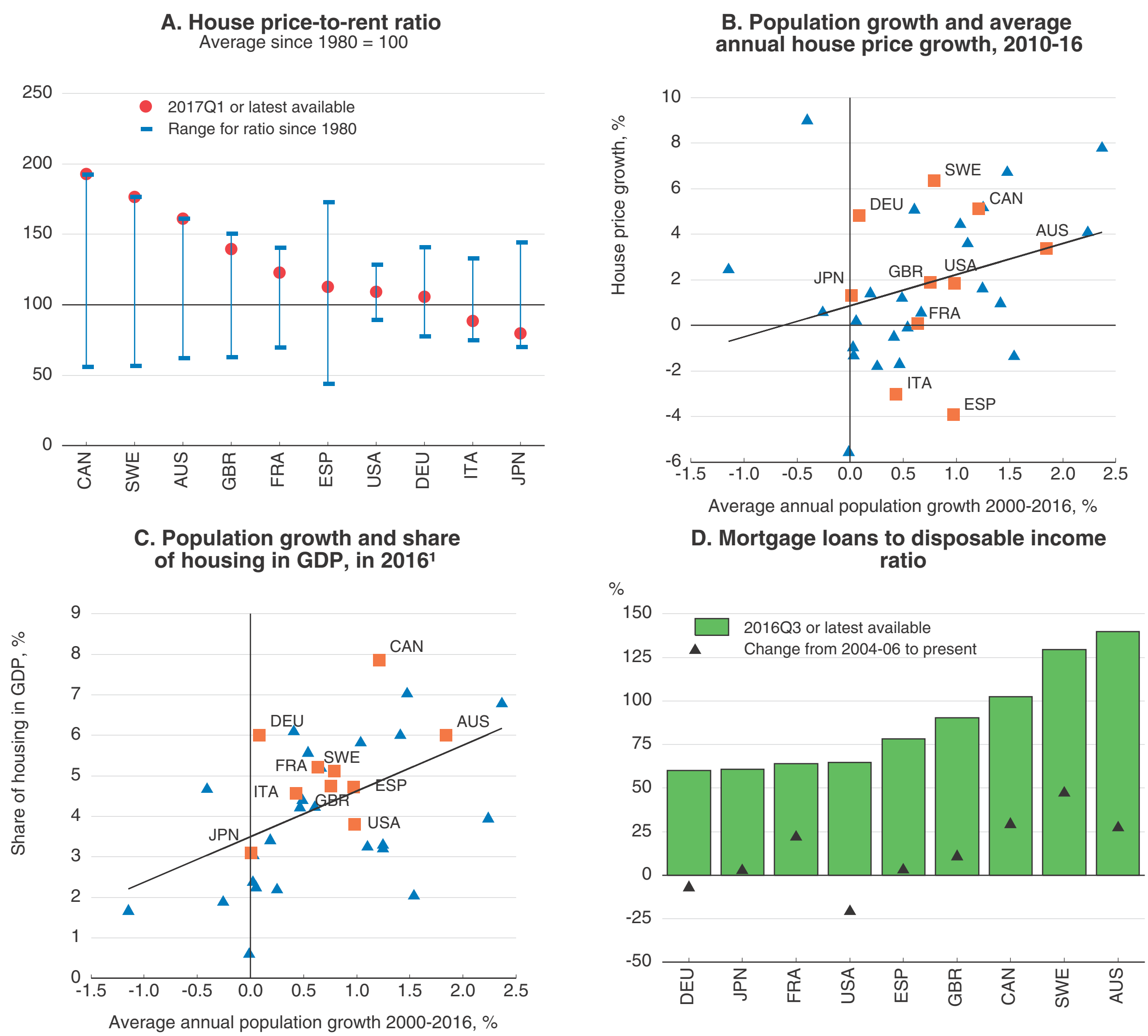
An overreliance on very expansionary monetary policy in recent years, and the associated extended period of low interest rates, has led to vulnerabilities associated with rising debt levels, elevated asset prices and a search for yield. Some advanced economies

8. The ratio has real equity prices in the numerator and trailing 10-year average real earnings in the denominator, and hence is still influenced by the earnings slump in the 2008/09 recession, boosting the overall ratio.

have experienced rapid house price growth, including Canada, Sweden, Australia and the United Kingdom. In these countries, house prices are elevated relative to rents (i.e. rental yields are low), suggesting overvaluation (Figure 1.23, Panel A). As past experience has shown, rapid house price gains can be a precursor of an economic downturn, especially when they occur simultaneously in a large number of economies (Hermansen and Röhn, 2017).

While strong population growth in recent years in these countries has contributed to buoyant house price growth, house price inflation in some has been comparatively high even allowing for population increases (Figure 1.23, Panel B). Residential investment as a share of GDP also tends to be higher in countries with fast population growth, to fill potential housing shortages; however, investment is at unusually high levels in some

Figure 1.23. **House prices, residential investment and mortgage debt**



1. The share of housing investment in GDP at current prices.

Source: OECD Economic Outlook 101 database; OECD Analytical House Price database; OECD Main Economic Indicators database; European Central Bank; and OECD calculations.

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countries, such as Canada, potentially increasing such countries' exposure to any housing market correction (Figure 1.23, Panel C).

Moreover, mortgage debt (and overall debt) relative to disposable incomes remain high in many of the countries with rapid house price growth in recent years, and have risen further from pre-crisis levels. This increases financial stability risks if rising interest rates or a decline in income were to trigger a housing market correction. While additional macro-prudential measures have been implemented in some countries to reduce risks and strengthen the resilience of the banking sector, further targeted actions may be necessary. In some countries a comprehensive approach, including measures to facilitate supply and tax policy changes (e.g. eliminating mortgage interest deductibility), could help to ease upward pressures on house prices and credit growth (OECD, 2017c, d). A rebalancing of policy support from monetary to fiscal policy would also help to reduce housing market pressures.

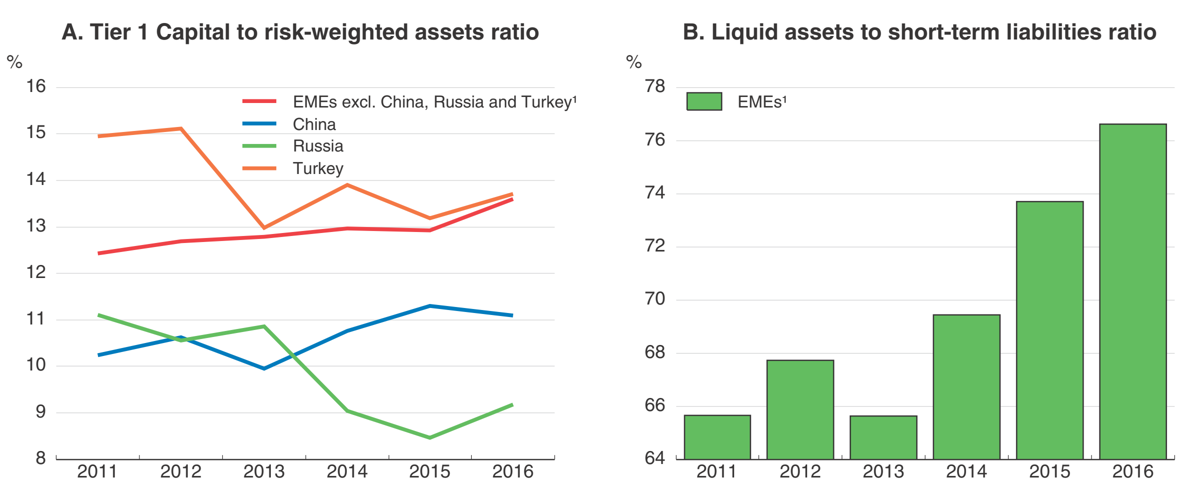
Vulnerabilities in some emerging market economies pose important risks

Emerging market economies have made some progress in addressing financial vulnerabilities. Bank Tier 1 capital ratios have gradually improved in recent years, reaching more comfortable levels. In 2016, bank capitalisation strengthened even in countries exposed to financial distress (like Brazil, Russia and Turkey), although it declined slightly in China (Figure 1.24). Moreover, capital ratios have improved primarily as a result of recapitalisation due to increased regulatory scrutiny, rather than by adjusting the composition of assets towards those with lower risk-weights. Deposit-taking institutions have also raised their liquidity ratios, increasing resilience to possible adverse liquidity shocks.

In China, the monetary authorities have raised a number of money market rates this year to address strong increases in property prices and to curtail funding for leveraged

Figure 1.24. **Capital and liquidity ratios have improved in emerging market economies**

As a percentage of GDP



1. EMEs include Argentina, Brazil, China, Costa Rica, Colombia, India, Indonesia, Mexico, Russia, South Africa and Turkey. Simple average of individual EMEs' ratios.

Source: IMF Financial Soundness Indicators; and OECD calculations.

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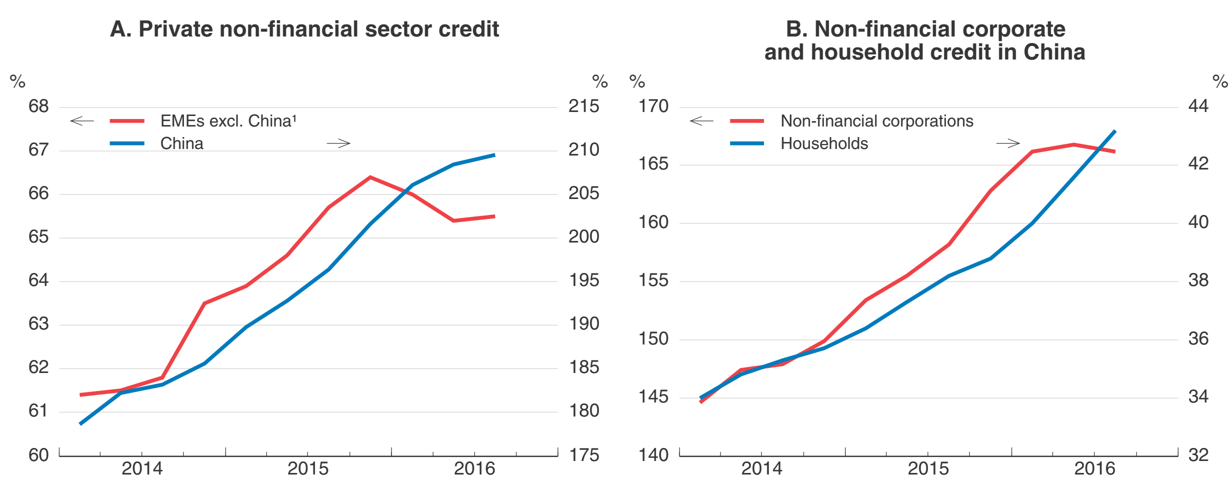
investment in asset markets. The new macro-prudential framework imposes the same capital requirement for wealth management products as for standard lending activities, thereby reducing the issuance of such products. Regulatory tightening, involving so-called "entrusted" investments,[9] has led to a significant bond market sell-off and a subdued performance in stock markets since November 2016. These developments demonstrate the challenges for regulators in reducing financial risks in shadow market activities without destabilising financial markets or growth prospects.

Financial vulnerabilities persist in some EMEs from past credit growth. Favourable financial conditions have fuelled rapid credit growth in several EMEs over recent years and the debt of households and non-financial companies remains high by historical standards, exposing these economies to economic and interest rate shocks. Credit dynamics in EMEs appear to have slowed in 2016, possibly reflecting a global tightening of financial conditions in addition to country-specific factors (Figure 1.25). Deleveraging has been particularly pronounced in Russia and Brazil. At the same time, declining profit margins in many EMEs increase their potential exposure to negative demand shocks at a time when effective policy responses could be constrained. Despite fairly-well capitalised intermediaries, the rise in non-performing loans in India and Russia might start to test the stability of the banking system, with potential negative feedback loops with the real economy (Figure 1.26).

Private non-financial sector credit has stabilised at high levels relative to GDP in China, due to a reduction in the growth of credit to non-financial corporations and rising nominal GDP growth. However, debt remains high. In event of distress, the ample use of

Figure 1.25. **Outstanding private credit has declined in emerging market economies outside China**

As a percentage of GDP



1. EMEs include Argentina, Brazil, China, Colombia, India, Indonesia, Malaysia, Mexico, Russia, South Africa and Turkey. Simple average of individual EMEs' ratios.

Source: Bank for International Settlements; and OECD calculations.

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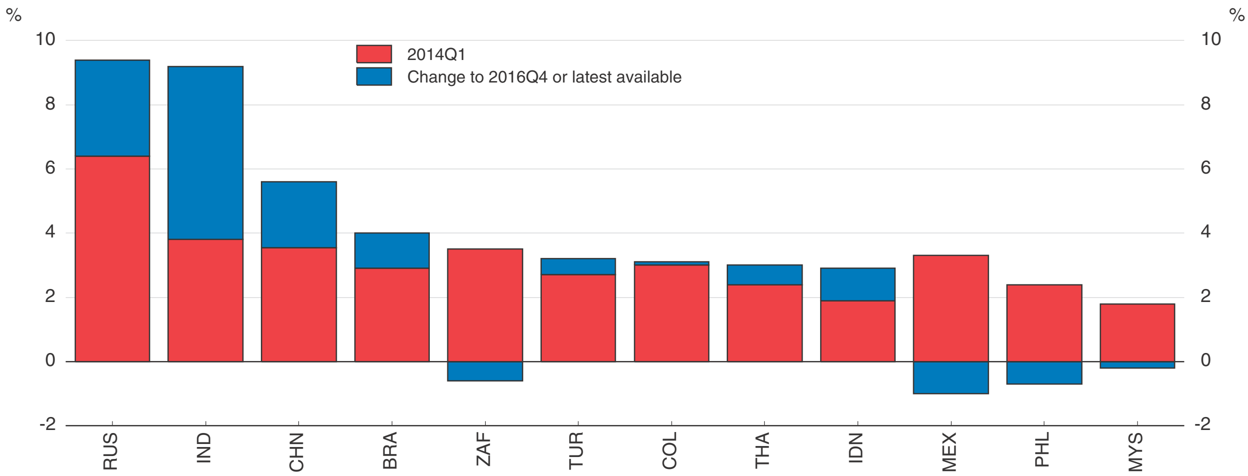
9. Funds that Chinese banks divert to the poorly regulated and opaque external asset management sector.

Figure 1.26. **Non-performing loans are rising in some emerging market economies**

As a percentage of gross loans



Note: China includes 'special mention' loans.

Source: China Banking Regulatory Commission; International Monetary Fund; and OECD calculations.

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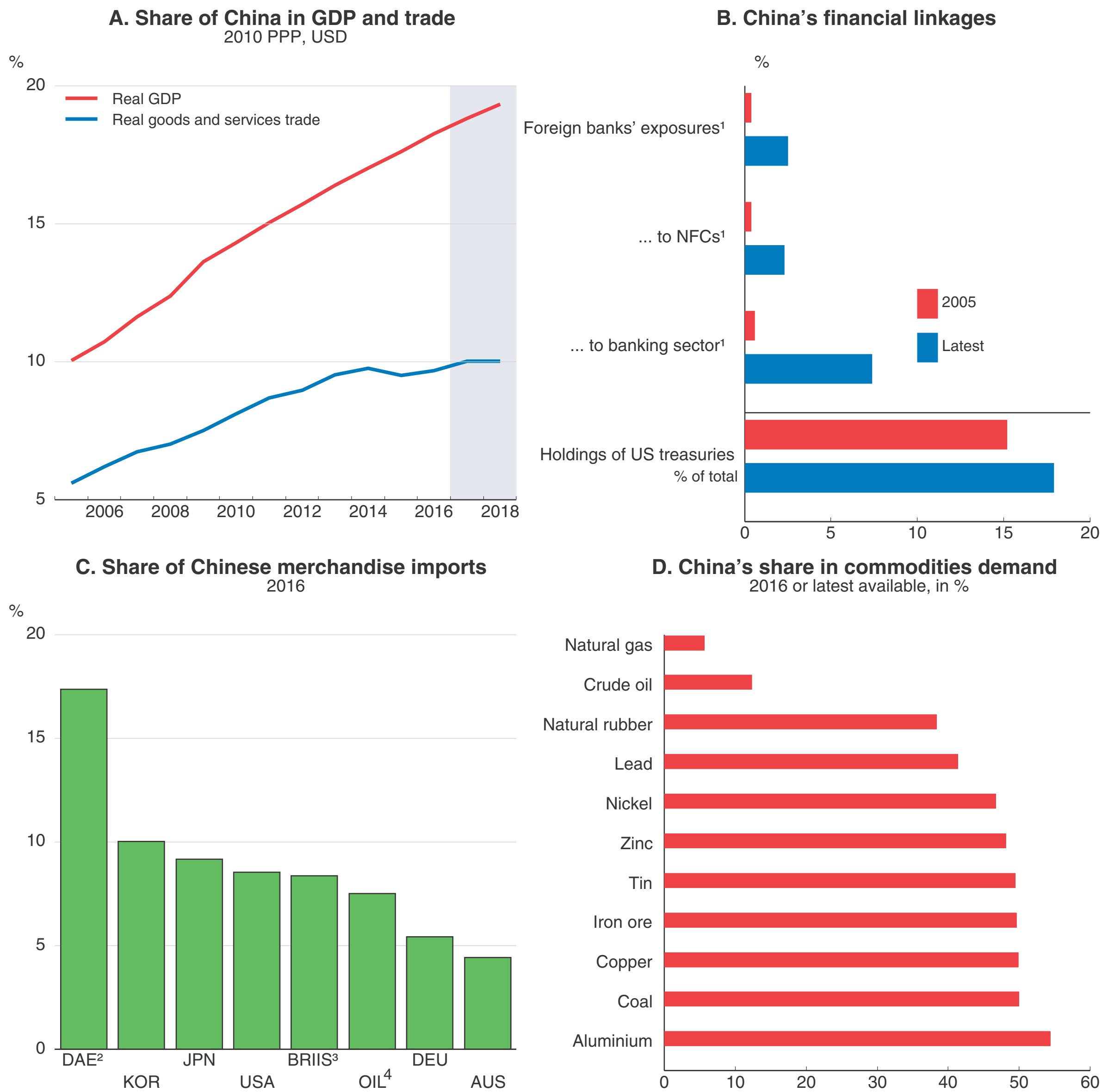
cross-guaranteed loans – the practice of companies in the same region of offering guarantees for each other's debt – could trigger a chain reaction, transmitting default risk and uncertainty even to economically viable firms.

If this were to trigger an abrupt weakening of domestic demand growth, it would have adverse effects for the global economy (OECD, 2015c).[10] China has a significant role in global markets, accounting for around 10% of global trade in goods and services, and over one-sixth of global output (in PPP terms) (Figure 1.27, Panel A). Cross-border financial linkages with China have also risen over time (Figure 1.27, Panel B). Softer import demand in China would have adverse effects particularly on other Asian economies, including Japan and Korea, reflecting the integrated nature of manufacturing supply chains in East and South-East Asia (Figure 1.27, Panel C). Direct trade exposures to China are generally somewhat weaker in the United States and the euro area, although both economies are more heavily exposed to weaker demand in China's main trading partners. There would also be marked effects in most commodity markets, given the large proportion of demand accounted for by China (Figure 1.27, Panel D), likely resulting in markedly lower commodity prices and lower export revenues for most commodity producers.

The external position of many EMEs also makes them vulnerable to any changes in global interest rates and financial cycles that result in capital flow reversals and sharp exchange rate adjustments. Depreciation of domestic currencies increases indebtedness via valuation effects and generally imposes higher servicing costs on foreign currency debt. This effect could be particularly severe in countries characterised by a gap between

10. Estimates in OECD (2015c) suggest that a reduction of 2 percentage points in Chinese domestic demand growth in two successive years, augmented by global financial stresses and increases in risk premia, could reduce OECD GDP growth by around ½ percentage point in both years, and global growth by around 0.7 percentage point per year.

Figure 1.27. **China's linkages with the global economy have increased**



1. Share of loans to China in total foreign loans of all BIS reporting banks, on an ultimate risk basis.
2. Dynamic Asia Economies include Chinese Taipei, Hong Kong - China, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
3. Brazil, India, Indonesia, Russia and South Africa.
4. Oil producers include Algeria, Angola, Azerbaijan, Bahrain, Brunei, Chad, Ecuador, Equatorial Guinea, Gabon, Iran, Iraq, Kazakhstan, Kuwait, Libya, Nigeria, Oman, Qatar, Republic of Congo, Saudi Arabia, Sudan, Timor-Leste, Trinidad and Tobago, Turkmenistan, the United Arab Emirates, Venezuela and Yemen.

Source: OECD Economic Outlook 101 database; Bank for International Settlements; US Department of Treasury International Capital System; IMF Direction of Trade Statistics; International Energy Agency (2017); World Bank Group (2017); and OECD calculations.

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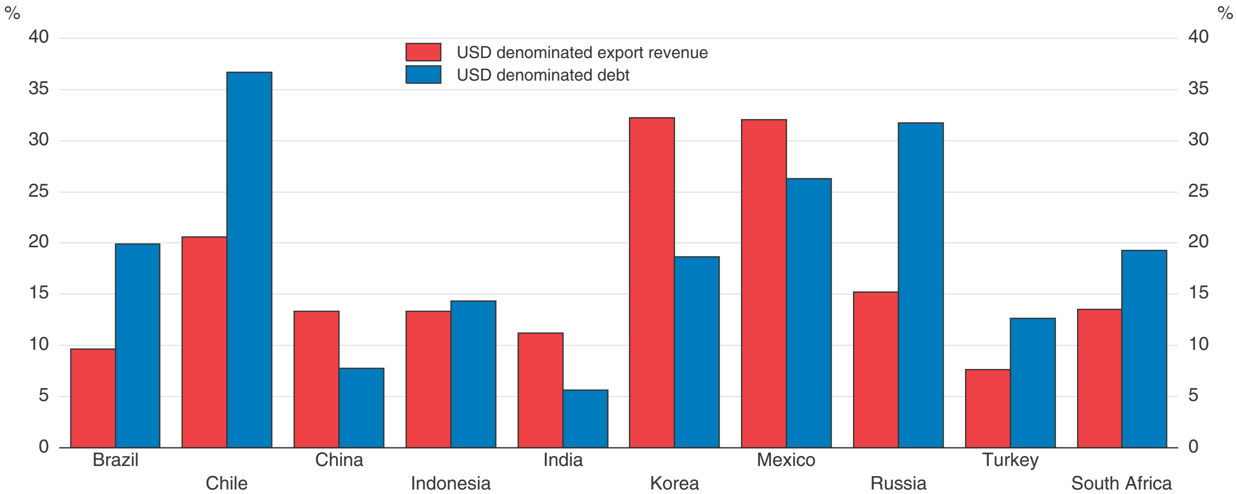
US-dollar denominated debt and export revenues (Figure 1.28). Looking ahead, the expected reduction in the US Federal Reserve's total assets and further increases in policy interest rates may result in substantial volatility in currency and bond markets.

Figure 1.28. **US-dollar denominated debt and export revenue**

As a percentage of GDP



Note: 2016Q4 estimate of the US dollar (USD) denominated debt of non-bank borrowers. This includes international bonds issued by non-banks (by nationality i.e. including bonds issued by offshore affiliates of domestic non-banks); foreign bank cross-border USD claims (loans and debt securities) on domestic non-banks; local USD claims of domestic banks on domestic non-banks; and cross-border USD claims of domestic banks banks on foreign non-banks. The latter is a proxy for USD loans to non-bank offshore affiliates, and may thus overstate the ultimate USD debt of domestic non-banks. The value of local and cross-border non-bank USD debt is approximated using bank claims on non-banks as a share of total bank claims and total bank USD claims on banks and non-banks. In China, the USD component of local bank cross-border claims on non-banks is assumed to be 50% of the total cross-border USD claims of local banks. Estimates for Indonesia, India, and Turkey do not include domestic bank USD claims on local and cross-border non-banks. US-dollar denominated export revenue is given by merchandise exports invoiced in US dollars in 2016. Estimates of the USD share of exports are based on Gopinath (2016) for all countries, except Chile (based on Cravino, 2014) and China and Russia (national sources).

Source: OECD Economic Outlook 101 database; Bank for International Settlements locational banking statistics; Bank for International Settlements debt securities statistics; IMF International Financial Statistics; The Central Bank of the Russian Federation; and OECD calculations.

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Policies for sustained and inclusive growth

A comprehensive and collective policy response is needed to durably exit the global low-growth trap, manage risks and help ensure that the benefits of technological progress and globalisation are more broadly shared. Rebalancing of the policy mix towards fiscal policy initiatives and structural reform packages would reduce the burden on monetary policy, especially in advanced economies, and help to catalyse the improvements in business investment and productivity that are needed to support stronger real wage and potential output growth. In turn, stronger demand growth would also help ease the pressures arising from financial vulnerabilities. Collective fiscal and structural efforts would have a greater impact than individual efforts, and would be aided by clear and longer-term commitments to policies and frameworks, including through international coordination.

Monetary policy stimulus should be reduced gradually

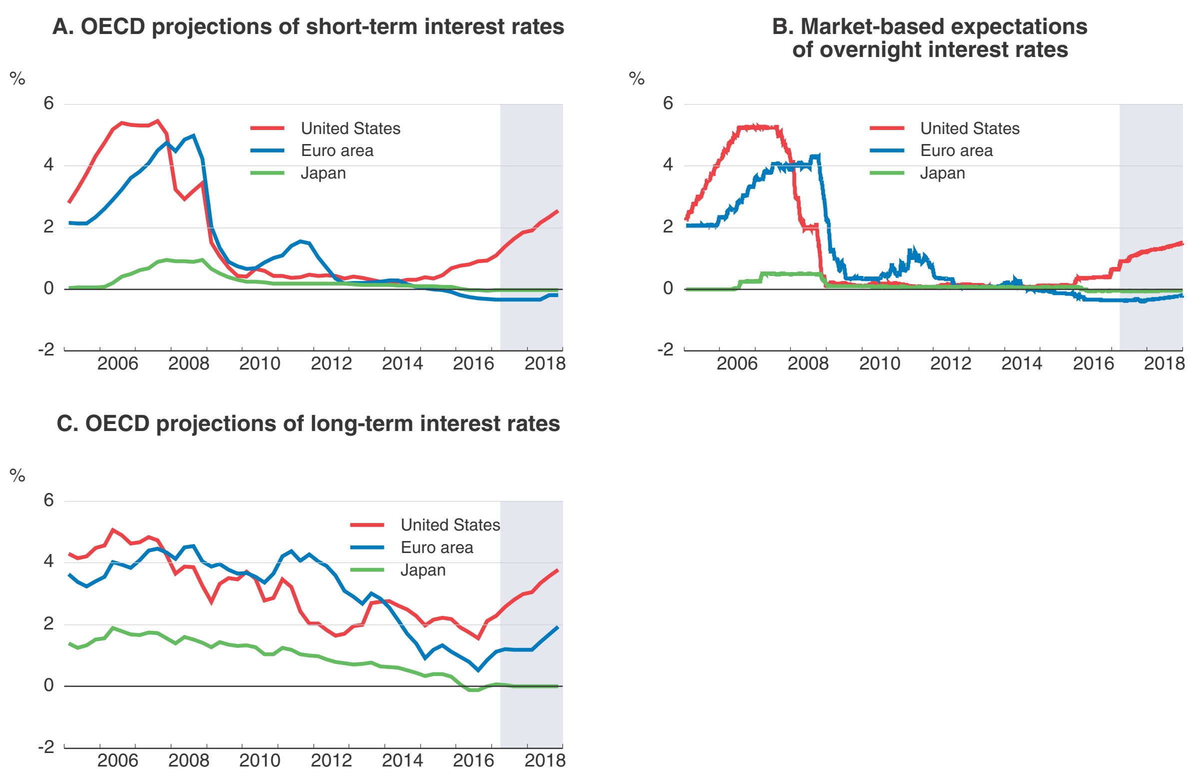
The monetary policy stance has continued to diverge among the main OECD areas.[11] Further divergence is likely over the coming 18 months, involving both policy rates and the

11. Since November 2016, the US Federal Reserve has increased policy interest rates on two occasions by a cumulative 50 basis points, while the policy stance has been broadly unchanged in the euro area and Japan. The European Central Bank has reduced monthly asset purchases from 80 to 60 billion euros from April but is expected to buy assets for longer, at least until end-2017. It has also adjusted the modalities of asset purchases to ensure their smooth implementation. The Bank of Japan has continued the yield curve control framework, which targets the 10-year government bond yield rather than the amount of bond purchases.

size of the balance sheet of central banks (Figure 1.29), with policy settings depending on fiscal, financial and economic developments.

- A further gradual reduction of monetary stimulus is desirable in the United States. With inflation projected to be a little above the inflation target through 2018 and shrinking spare capacity in the labour market, the policy rate should be raised broadly in line with median expectations of FOMC members, reaching around 2.25% by the end of the projection horizon. With respect to its security holdings, the Federal Reserve will need to provide investors with more information on how it intends to attain the goals set out in its September 2014 policy normalisation principle, including plans to reduce security holdings to a level of "no more than necessary to implement monetary policy efficiently and effectively".[12]
- In the euro area, with core inflation projected to slowly approach the inflation target by end-2018, the European Central Bank should gradually taper asset purchases in 2018. Inflation developments also warrant a gradual phasing out of the negative interest rate policy; in particular, the negative deposit rate could be raised towards the end of 2018 to make the policy rate corridor symmetric again.

Figure 1.29. **Interest rates are expected to diverge among the main OECD areas**



Source: OECD Economic Outlook 101 database; Bloomberg; and OECD calculations.

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12. The Federal Reserve could opt to maintain a sizeable balance sheet and control market interest rates via interest rates paid on excess reserves (i.e. so-called floor system), see Inaba et al. (2015).

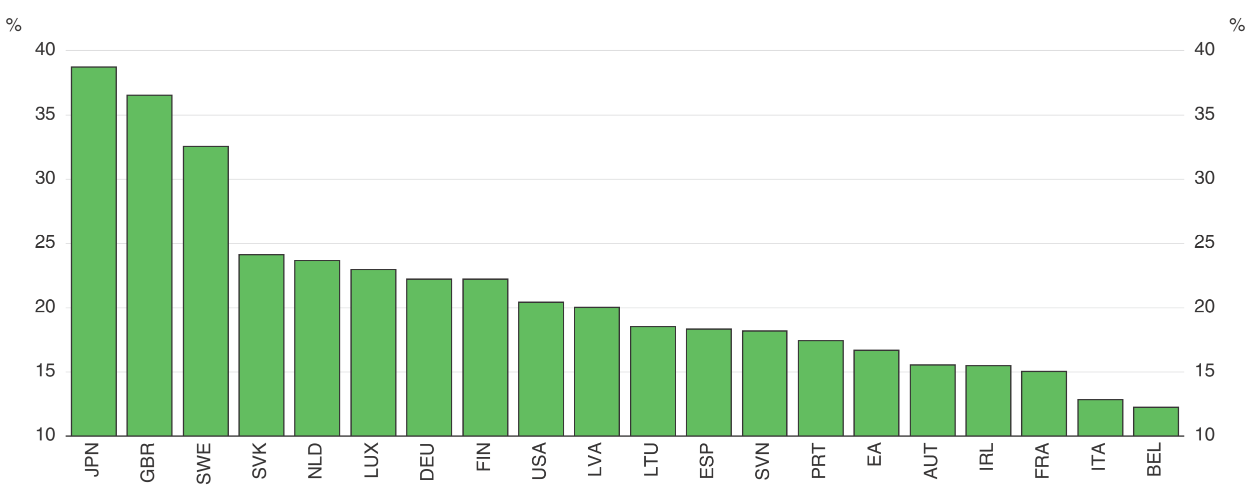
- In contrast, maintaining the stimulative stance is warranted in Japan, given that inflation is projected to remain below the inflation target. The Bank of Japan needs to carefully monitor the potential side effects of its policies, especially as it already holds a sizeable share of government bonds (Figure 1.30).

Monetary policy is assumed to ease in a few emerging market economies but remains dependent on specific circumstances including from domestic market and external forces.

- In China, the monetary policy stance is assumed to remain neutral but some additional measures to address financial stability risks are likely. Despite more stringent regulation of interbank activities by the China Banking Regulatory Commission, further measures to curb shadow banking are needed as risks persist, including increased inter-bank borrowing with sub-standard collateral or without collateral at all.
- Countries whose currencies have recently appreciated and where current and expected inflation has been falling, like Brazil and Russia, have scope to ease monetary policy. India and Indonesia have less room to cut policy interest rates in the near term as inflation is expected to remain broadly unchanged and growth is expected to continue to be strong, and, in India, inflation expectations have been high.
- On the other hand, Turkey and South Africa have no scope to ease the monetary policy stance as inflation is expected to remain high, partly due to the recent depreciation of their currencies and domestic uncertainties.

Figure 1.30. **Several central banks have become dominant holders of domestic government bonds**

Government bonds held by central banks as a per cent of government debt securities, as of 2017Q1[1]



Note: For the United States, marketable treasury securities, excluding treasury bills, held by the Federal Reserve as a share of outstanding marketable treasury securities, excluding treasury bills, at market value. For the United Kingdom, Asset Purchase Facility holdings as a share of outstanding (conventional) gilts, at market value. For Japan, government bonds held by the Bank of Japan as a share of outstanding treasury securities, excluding treasury discount bills and including FILP bonds, at market value. For the euro area countries, cumulative net purchases of government bonds in the Eurosystem Public Sector Purchase Programme at book value as a share of outstanding general government bonds at face value. For the euro area aggregate, the numerator and the denominator of the share are sums of the respective values for all euro area countries. For Sweden, the planned purchases of government bonds (275 billion SEK by mid-2017) as a share of outstanding government bonds issued in Swedish krona in March 2017, at face value.

1. 2016Q4 for Japan, the United Kingdom and the United States.

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

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Countries with rapid increases in house prices and household debt should consider implementing or tightening prudential policies to enhance resilience. While these should help contain the rise in property prices, even very strict measures may not be sufficient in practice to check continued increases in house prices fully in the near term.[13] Rebalancing the policy mix and reducing monetary policy support would also help address vulnerabilities (as discussed above). In addition, authorities should implement structural measures to improve the availability of housing.

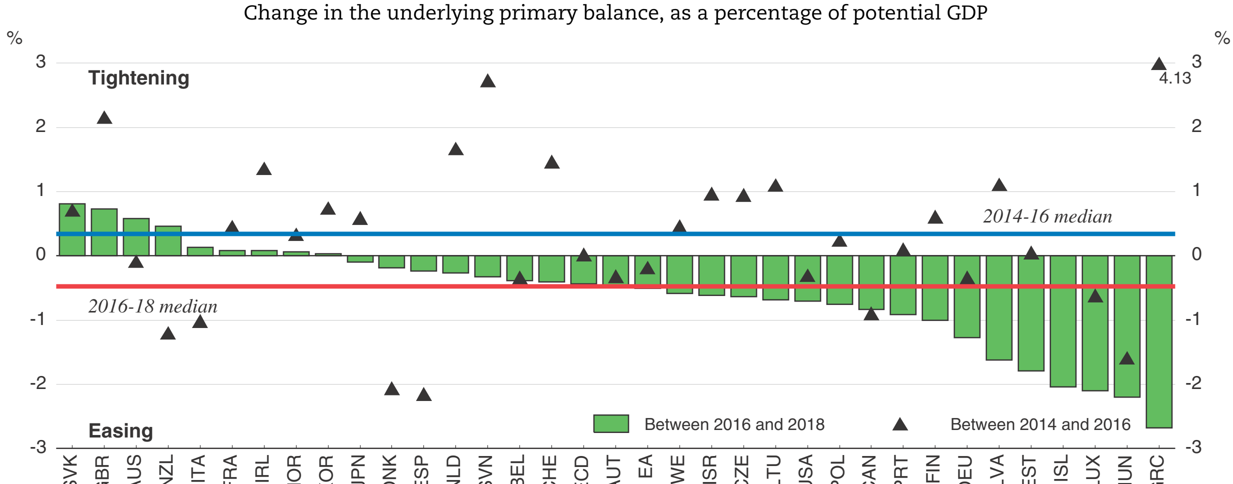
Fiscal initiatives and structural reforms should be accelerated

The fiscal policy stance is now easing modestly in a number of countries, with the stimulus over 2017-18 now projected to be larger than expected last year. Following an estimated fiscal easing in 2016, a further stimulus of at least around ½ per cent of potential GDP is expected until 2018 in nearly half of the OECD countries, including Canada, the United States, Germany and several other European economies (Figure 1.31). Despite discretionary measures to ease the fiscal stance, overall budget balances are expected to deteriorate only slightly or even improve. This stems from higher fiscal revenues and lower expenditures as a result of stronger economic growth, as well as smaller net interest payments.

A more active use of fiscal and structural policies is needed to boost potential output and support aggregate demand, given waning benefits from monetary policy support. Although interest rates have increased in some areas, they remain low and thus provide an opportunity to implement effective fiscal initiatives and reforms with beneficial effects on current and potential growth without compromising long-term debt sustainability (OECD, 2016c). In a few countries, including Japan, such productivity-enhancing fiscal initiatives should be budget-neutral.

Figure 1.31. **The fiscal stance is expected to ease in many OECD countries**

Change in the underlying primary balance, as a percentage of potential GDP



Source: OECD Economic Outlook 101 database; and OECD calculations.

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

These initiatives and reforms should be used to help tackle the barriers to achieving long-term inclusive growth. Structural reforms with fiscal implications should be considered as part of the overall fiscal stance. Depending on the country concerned, the fiscal measures could include increasing spending on hard, soft and remedial infrastructure investment and other measures that add to demand and enhance supply (Table 1.1).[14] Such initiatives are particularly desirable given that many countries cut productive spending since the Great Recession, although complementary improvements in effectiveness are also important to avoid pro-cyclical fiscal policy (Figure 1.32; Box 1.6). So far, most OECD countries are not expected to increase government fixed investment relative to GDP in 2017-18, with the government investment share projected to remain below pre-crisis levels in several euro area countries, Japan and the United States. The benefits of fiscal initiatives would be enhanced by cross-country spillovers if countries were to collectively undertake fiscal initiatives with a

Table 1.1. **Effects of public spending reforms on growth and equity**

Policy	Growth	Income of the poor	Countries with scope for gains and recommended actions
Increasing government effectiveness	+	+	FRA, GRC, HUN, ITA, SVN
Increasing education outcomes	+	+	CHL, GRC, MEX, PRT, TUR
Increasing public investment (including R&D)	+	+	BEL, GBR, IRL, ISR, ITA, MEX, USA
Increasing family benefits	0	+	CHE, GRC, USA
Decreasing public subsidies	+	0	CHE

Note: + stands for a positively significant impact, and – for a negatively significant impact. The countries identified are those with the highest estimated scope for gains from reforms in each category and in which the reform is identified as a priority for the country in 2017.

Source: Fournier and Johansson (2016), "The Effect of the Size and the Mix of Public Spending on Growth and Inequality", *OECD Economics Department Working Papers*, No. 1344, OECD Publishing, Paris; OECD (2017e), *Economic Policy Reforms 2017: Going for Growth*, OECD Publishing, Paris.

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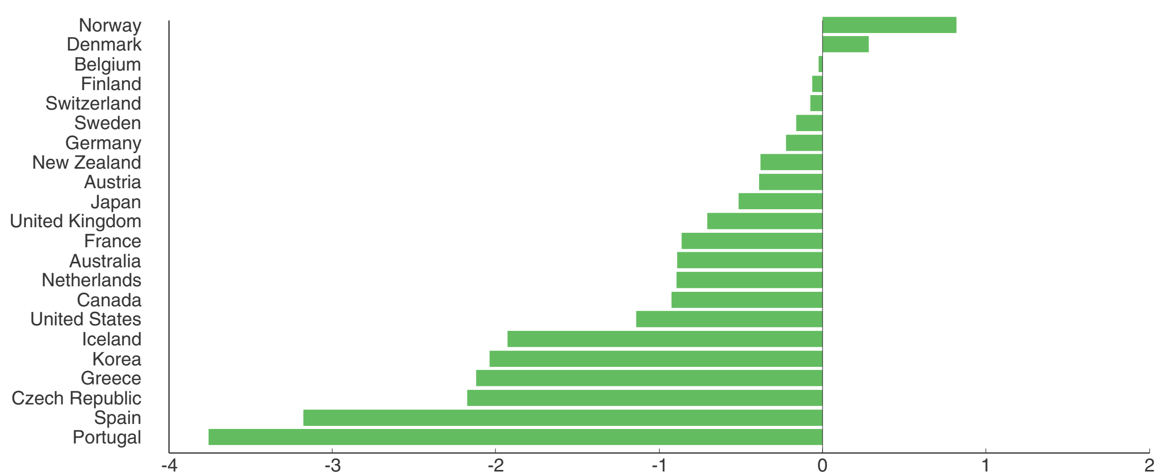
Figure 1.32. **Many governments have reduced public investment since the crisis**

Change in the government investment-to-GDP ratio between 2016 and the 2008-10 peak, in %



Source: OECD Economic Outlook 101 database; and OECD calculations.

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14. Stylised simulations in Mourougane et al. (2016) show that several OECD countries could debt finance spending of this type, amounting to 0.5% of GDP, for 3-4 years on average and boost output without deteriorating debt-to-GDP ratios in the long term.

Box 1.6. **The quality of public spending deteriorates during deep and long recessions**

During the global financial crisis, a negative demand shock created pressure on public finances. While priority could have been given to preserving spending in areas with the highest benefits for inclusive growth, governments typically reacted with cuts to the most productive forms of spending. Such a fall in government productive spending can not only amplify the crisis but, if sustained, can also reduce potential output.

New indicators of the quality of public spending have been developed to capture the extent to which public spending supports inclusive growth (Bloch and Fournier, 2017). The headline indicator combines two sub-indicators. The first one reflects the public spending mix. The second one combines information on the size and effectiveness of government.

Primary public spending is broken down into ten separate categories (investment, current spending in education, etc.). Each public spending share is multiplied by an estimated coefficient from the growth and inequality equations presented in Fournier and Johansson (2016) to build both a growth and an income distribution component. These are then summed to create an aggregate indicator, with equal weights attached to growth and equality considerations. The estimated coefficients reflect, for instance, that higher shares of public investment and family benefits are conducive to stronger long-term inclusive growth. On the other hand, shifting spending towards public subsidies and pensions undermines growth. The size of these coefficients is in line with the literature that provides evidence of the positive effect of productive spending on growth (Johansson, 2016).

Higher public spending can reduce long-term growth, but the adverse growth effect can be offset if countries have effective governments (Fournier and Johansson, 2016). The size and effectiveness component of the indicator is intended to reflect this pattern, making use of estimated coefficients from a growth regression in which these elements are interacted. Government effectiveness is difficult to observe. The government effectiveness indicator from the World Bank used here "captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies".[1]

According to the aggregate indicator, many countries that have recently faced sovereign debt stress already had a relatively low quality of public spending in 2005. This aggregate indicator also reveals that public spending quality worsened between 2005 and 2012 in about three-quarters of the OECD countries for which the relevant data are available (first figure below).

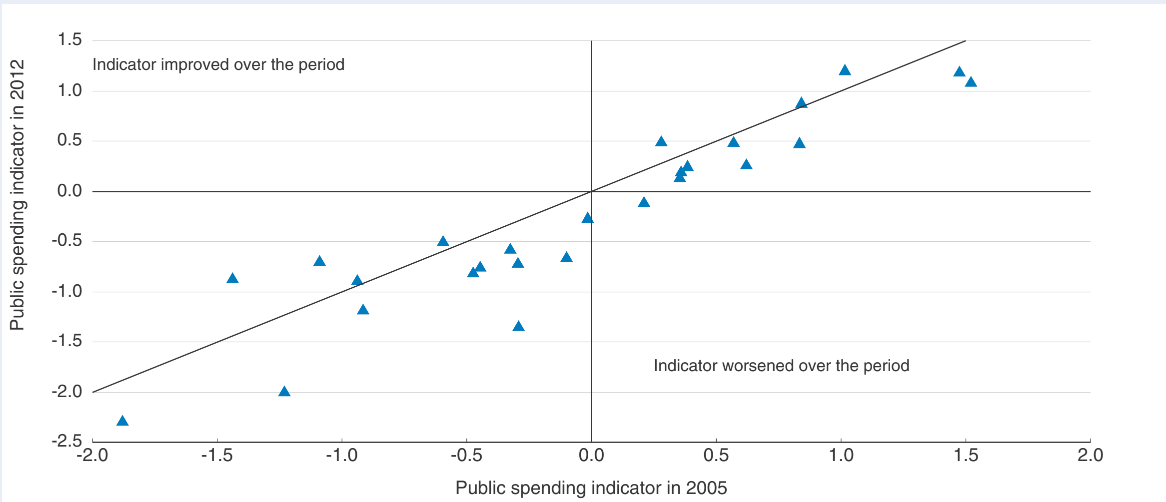
When faced with a demand shock, governments may find it easier to cut investment rather than current spending to meet short-term government budget constraints. However, such decisions can reduce future growth. Indeed, in most countries, there is a positive correlation between the change in the output gap and the growth component of the quality of public spending mix indicator, which adds to estimates of growth effects due to changes in government spending shares, especially productive spending (second figure below). This positive correlation means that during an economic downturn, the public spending mix becomes less conducive to growth while during an upturn, public spending favours growth. This pattern can thus amplify the long-term effects of a shock. The link between the cycle and the pro-growth nature of the public spending mix is more pronounced in those countries that have experienced large and persistent shocks (second figure below). When a country faces a large negative demand shock, it is likely to cut productive spending, thereby reducing long-term growth and contributing to a low growth trap.

Linking the indicator to other outcomes suggests that:

- The countries with a high quality of public spending tend also to be those that have pursued a counter-cyclical policy.
- There is no systematic link between the cycle and the overall size of public expenditure. However, in countries facing large shocks, governments typically reduce the structural public spending-to-GDP ratio, and as governments in these countries are not perceived to be among the most effective, the smaller size of government is likely to support growth in the long run.

Box 1.6. **The quality of public spending deteriorates during deep and long recessions** *(cont.)*

The quality of public spending deteriorated in many countries during the crisis



Note: The headline indicator combines information on the effect of the size and effectiveness of government and the public spending mix on growth and inequality. The sub-components have been centred around the average over all countries and the whole sample (from the mid-1990s to 2014 in most countries). An indicator value of 1 indicates that a country is one standard deviation above the sample average.

Source: Bloch and Fournier (2017), "The Deterioration of Public Spending Quality during the Global Financial Crisis: Insights from New Indicators", *OECD Economics Department Working Papers*, forthcoming, OECD Publishing, Paris.

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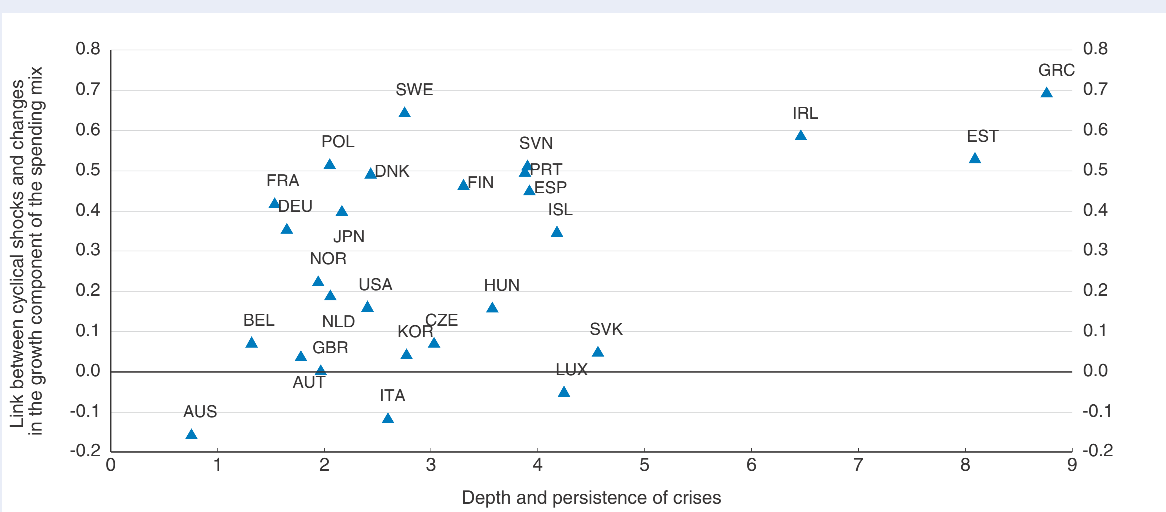
Spending mix changes typically amplify demand shocks



Note: The link between cyclical shocks and the growth component of the spending mix is measured by the correlation between the change in the country-specific output gap estimated by the OECD and the change in the indicator component. The size and persistence of crises is measured by the standard deviation of the country-specific output gap.

Source: Bloch and Fournier (2017), "The Deterioration of Public Spending Quality during the Global Financial Crisis: Insights from New Indicators", *OECD Economics Department Working Papers*, forthcoming, OECD Publishing, Paris.

StatLink *http://dx.doi.org/10.1787/888933501629*

1. See *http://info.worldbank.org/governance/wgi/pdf/ge.pdf*.

high-growth impact. More generally, all countries have room to restructure their spending and tax policies towards a more growth and inclusive mix, including through the tax and transfer system (Cournède et al., 2013; Fournier and Johansson, 2016).

Packages of structural reforms are needed to achieve stronger and more inclusive growth

More ambitious structural reforms are needed to complement the impact of additional fiscal initiatives in order to ensure that growth strengthens in a sustainable way and that increases in incomes and living standards are shared broadly. However, with the exception of a few countries, the pace of reforms has slowed in both advanced and emerging market economies (Figure 1.33). The slowdown in reform implementation has been particularly deleterious in policy areas that have a strong influence on labour productivity, such as competition and innovation, as these directly affect incentives to invest and introduce new technologies.

Coherent packages of structural reforms can enhance their overall effectiveness by raising their combined economic impact and helping to ensure that their benefits are widely shared. Yet in recent years there has only been a limited packaging of reforms. Policy efforts have been concentrated either in the labour market or product markets, but very rarely in both areas (OECD, 2017e), despite the opportunities that exist to combine measures to boost competition, either in domestic product markets or through lower barriers to international trade and investment, along with specific labour reforms (Figure 1.34).

Reforms to reduce barriers to product market competition, either at home or from abroad, are essential to encourage innovation and business dynamism and achieve healthy and sustained growth. Although such reforms also improve the likelihood that all unemployed workers will find a job, they are not necessarily always inclusive; in particular, product market reforms can be associated with more frequent transitions out of employment for less qualified and low-income workers (Cournède et al., 2016). While this

Figure 1.33. **The pace of structural reforms has declined further**

Responsiveness to Going for Growth recommendations across the OECD and non-member countries[1]

1. Non-OECD countries refer to Brazil, China, Colombia, India, Indonesia, Russia and South Africa. Russia is excluded in 2015-16.

Source: OECD (2017e), *Economic Policy Reforms 2017, Going for Growth*, OECD Publishing, Paris.

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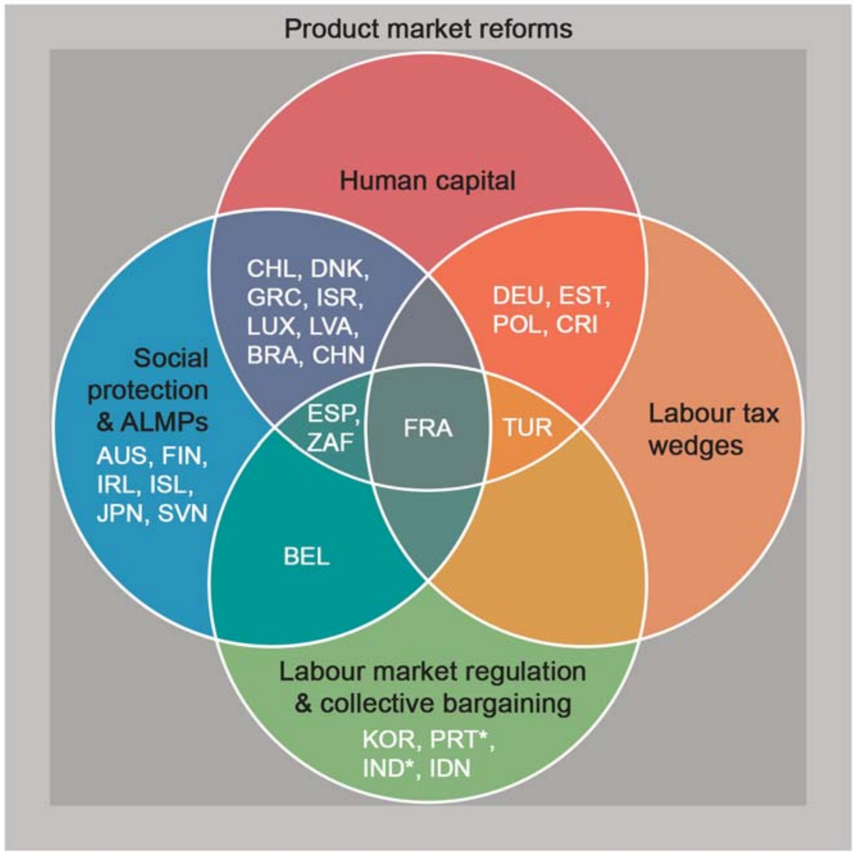
Figure 1.34. **There is sizeable scope for new packages of labour and product market reforms**

Countries where competition-enhancing reforms can be combined with identified labour market reforms in 2017

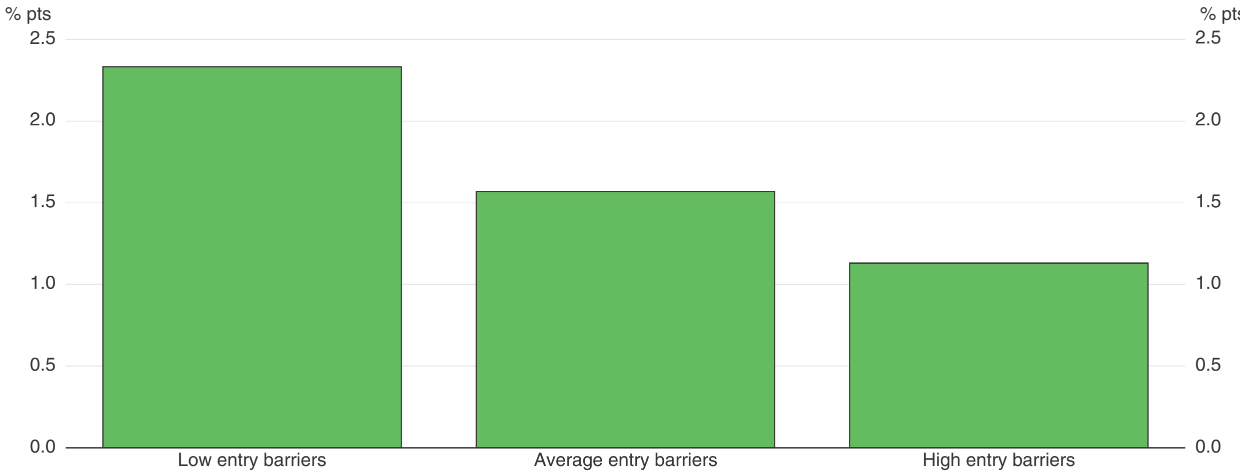


Note: Countries included are those in which there is clear scope for packages of labour and product market reforms to be combined. Portugal and India would also benefit from reforms to improve human capital. The graphic highlights the types of labour market reforms identified as priorities. Human capital includes only those countries with a reform priority that includes at least one of enhanced vocational training, improving the responsiveness of universities to labour market needs, improved targeting of financial assistance to attend university and enhanced lifelong learning. ALMPs stands for active labour market programmes. The subcategory "Social protection and ALMPs" also includes unemployment benefits.
Source: OECD (2017e), *Economic Policy Reforms 2017: Going for Growth*, OECD Publishing, Paris.

higher job-exit rate will be offset eventually by the related improvement in job-entry rates, some additional support may be required in the transition period. This is also the case when job losses are concentrated in industries with specialised labour or concentrated in specific geographical locations (Chapter 2). This suggests that such competition-enhancing reforms should be accompanied by packages of labour market measures that can help vulnerable workers transition to new jobs. More favourable labour market regulations, adequate social protection, active job market assistance, and policies to develop skills and to ease the transfer of pensions between employers would all support the mobility of workers. Well-designed active labour market programmes could be especially effective in helping displaced workers find a new job, especially in countries in which barriers to firm entry are low (Figure 1.35). Indeed, within a given budgetary spending envelope, shifting funds towards such targeted programmes is a more cost-effective approach to improving re-employment probabilities (Andrews and Saia, 2017).

Figure 1.35. **Low entry barriers in product markets improve the effectiveness of ALMP spending**

Impact of a 0.1% of GDP increase in ALMP spending on the re-employment probability of workers displaced due to firm exit



Note: The bars show the percentage point impact on the re-employment probability of a 0.1% increase in spending on ALMPs (as a share of GDP) for three levels of entry barriers: i) the level corresponding to the average of the two best performing countries over the sample period; ii) the average level observed over the sample period; and iii) the level corresponding to the average of the two worst performing countries over the sample period.

Source: Andrews and Saia (2017), "Coping with Creative Destruction: Reducing the Costs of Firm Exit", *OECD Economics Department Working Papers*, No. 1353, OECD Publishing, Paris.

StatLink http://dx.doi.org/10.1787/888933502275

Other examples where reforms could be combined include: measures to enhance product market competition and ease the financial difficulties of highly indebted companies, particularly in services sectors with pent-up demand (Gal and Hijzen, 2016) and where more could be done to facilitate the entry and growth of innovative firms; reforms to housing policies and job-search assistance that facilitate geographic and job mobility; and reallocation-friendly banking sector and insolvency regime reforms that could ease the exit of "zombie" firms (Adalet McGowan et al., 2017). The latter is particularly important in the euro area, where banks in several countries are still laden with non-performing loans (NPLs). The solutions include raising capital surcharges for long-standing NPLs, development of a market for NPLs, establishing asset management companies (preferably at a European level), and shortening insolvency procedures by, for instance, resorting to out-of-court procedures (OECD, 2016d).

In addition to tackling existing vulnerabilities, EMEs need to enhance their resilience to a possible tightening of global financial conditions that could result in sharp currency fluctuations and capital flow reversals. The adoption of risk management practices such as higher capital buffers and stricter macro-prudential regulations, even on non-bank intermediaries, is particularly necessary in countries with high debt. Recent exchange rate moves and substantial uncertainty in their future development also requires prudent management of foreign reserves and more prevalent foreign currency exchange hedging. At the same time, EMEs should step up structural reform efforts to improve growth prospects. This includes efforts to raise labour utilisation (OECD, 2017e) and the implementation of more competition-friendly regulations. This can be achieved by lowering barriers to foreign trade, investment and firm entry, and by reducing state control of businesses, to increase the efficiency of capital allocation and to boost the employment rate.

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ANNEX A1

Policy and other assumptions underlying the projections

Fiscal policy settings for 2017 and 2018 are based as closely as possible on legislated tax and spending provisions and are consistent with growth, inflation and wage projections. Where government plans have been announced but not legislated, they are incorporated if it is deemed clear that they will be implemented in a shape close to that announced. For the United States, with the fiscal programme yet to be finalised, the projections assume an increase in the underlying primary deficit of nearly ¾ per cent of GDP in 2018, primarily due to reduced taxes. Elsewhere, where there is insufficient information to determine budget outcomes, underlying primary balances are kept unchanged, implying no discretionary change in the fiscal stance; in euro area countries, the stated targets in Stability Programmes are also used.

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

- In the United States, the upper bound of the target federal funds rate is assumed to be raised gradually to reach 2.25% in December 2018, up from the current level of 1%.
- In Japan, the overnight interest rate is assumed to be kept at -0.1% for the entire projection period.
- In the euro area, the main refinancing rate is assumed to be kept at 0% until the end of 2018 but the negative deposit rate is assumed to be raised by 15 basis points towards the end of 2018.
- In China, monetary policy is assumed to be neutral with a tightening bias to address financial stability risks.
- In India, the repo rate is assumed to be cut from the current level of 6.25% to 6% in 2018.
- In Brazil, the policy rate is assumed to be cut gradually from the current level of 10.25% to 8.25% by the end of 2018.

Although their impact is difficult to assess, the following quantitative easing measures are assumed to be taken over the projection period, implicitly affecting long-term interest rates. In the United States, it is assumed that the Federal Reserve will start reducing the stock of assets purchased in 2018. In Japan, the Bank of Japan's asset purchases and yield curve control are assumed to last until the end of 2018, maintaining the 10-year government bond yield at 0%. In the euro area, it is assumed that the ECB will gradually taper asset purchases in 2018, keeping long-term interest rates constant until mid-2018.

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

The projections assume unchanged ***exchange rates*** from those prevailing on 4 May 2017: one US dollar equals JPY 112.17, EUR 0.91 (or equivalently one euro equals USD 1.09) and 6.90 renminbi.

The ***price of a barrel of Brent crude oil*** is assumed to remain constant at 50 US dollars throughout the projection period. Non-oil commodity prices are assumed to be constant over the projection period at their levels as of April 2017.

The cut-off date for information used in the projections is 1 June 2017.

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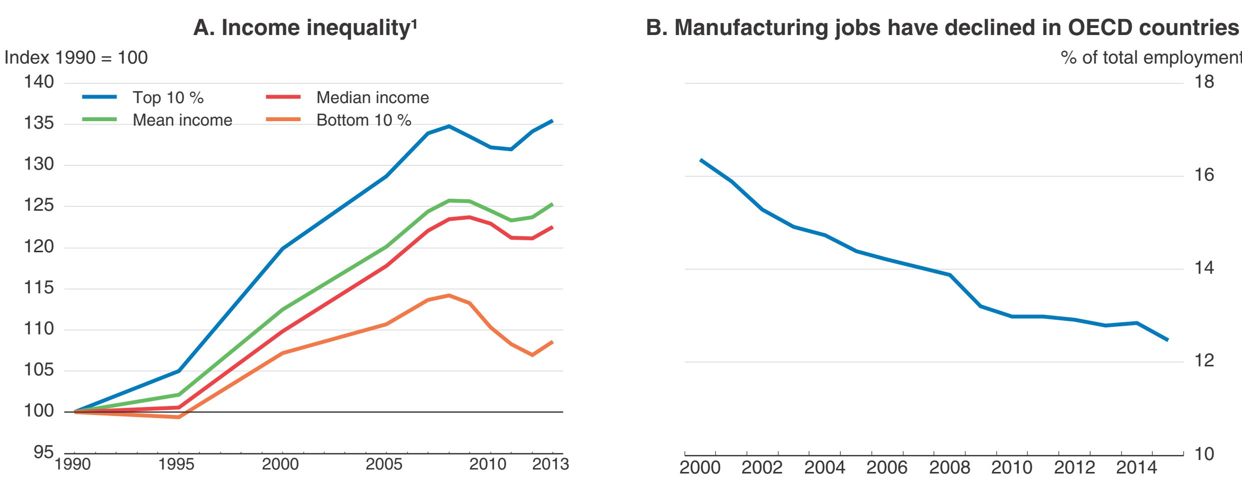
Chapter 2

HOW TO MAKE TRADE WORK FOR ALL

International trade has been a powerful engine of global economic growth and convergence in living standards between countries. Trade liberalisation has contributed to large economic gains of emerging market economies and to poverty decline. Specialisation according to comparative advantage and, increasingly, technology-driven and deeper trade integration through global value chains have created new business opportunities and increased economic efficiency. Access to a wider variety of goods and services at cheaper prices has raised well-being and consumers' purchasing power.

Despite these gains, the backlash against international trade has been rising and political support for more protectionism has gained popularity in OECD countries, despite a marked lull in the pace of trade integration since the crisis (Box 2.1). There are multiple reasons for popular dissatisfaction with economic performance. Inequality has risen in many countries since the early 2000s (Figure 2.1, Panel A), contributing to a situation where many households have seen little or no gain in disposable income. Other sources of concern relate to the labour market, with a declining labour share of income and an increase in polarisation as the share of middle-skilled jobs has declined. Manufacturing employment has also continued its declining trend in almost all OECD countries (Figure 2.1, Panel B). Several forces shape these trends, which are common to many OECD countries and some emerging market economies, in particular technological progress, as well as changes in tastes and increased trade integration. Understanding the role played by each of these forces is essential to ensure the appropriate policy response.

Figure 2.1. **Income inequality has risen and manufacturing jobs have declined**



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

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

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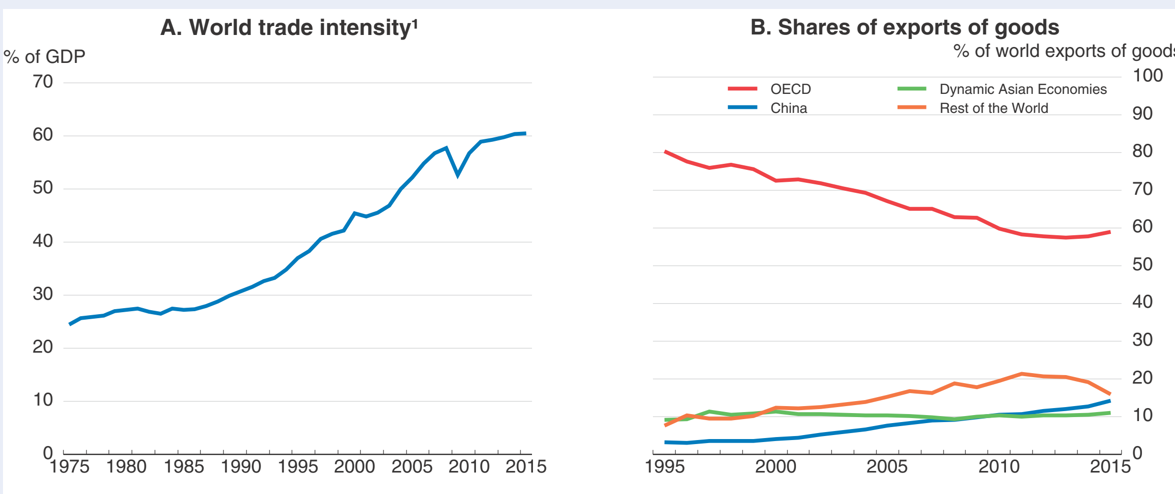
Box 2.1. **Trade integration has risen**

The pace of trade integration has been exceptional, particularly in the two decades preceding the financial crisis. From 1990 to 2015, global trade intensity, measured as the share of the total volume of exports and imports of goods and services in world GDP, doubled. Much of the rapid increase in trade intensity can be attributed to the rise of emerging market economies (figure below). Since China joined the WTO in 2001, the share of Chinese exports in total world merchandise export volumes increased from about 4% to 12.6% in 2016 (figure below). The share of OECD goods imports from emerging countries rose threefold over the same period. Emerging market economies have also grown as an export market, notably for large commodity exporters such as Australia and Brazil. By 2010, the G7 countries' share of world manufacturing exports had fallen back to its level in 1900 (Baldwin, 2016). These developments have deeply changed the world economy, particularly by fostering changes in specialisation patterns (Johansson and Olaberria, 2014). Since the financial crisis, trade integration has slowed down (Haugh et al., 2016).

The importance of emerging market economies in trade has risen over the past two decades



1. World trade intensity refers to the sum of exports and imports of goods and services volumes as a share of GDP at market exchange rates.

Source: UN Comtrade database; and OECD calculations.

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Changes in tastes, technology and trade are fundamental forces underlying a dynamic economy. To exploit their advantages, countries need to have in place policies that promote this dynamism and that develop activities in which their firms and workers are competitive. However, this involves job displacement and changes in relative wages as some industries shrink and demands for skills change. In practice, the gains are often diffuse, while the costs of such changes are likely to be concentrated, long-lasting and very substantial for some people. For instance, the gains coming from cheaper imported goods are spread across all consumers, while the disruption associated with import competition is concentrated on some workers.

This chapter examines the relative importance of these fundamental forces of changing tastes, technology and trade. Then it narrows the examination to considering how rising trade integration has impacted OECD economies and the consequence for their labour markets, addressing the effect of trade on job displacement and income inequality. It seeks to answer the following questions:

- What are the main forces which shape the sectoral composition of economies? In particular, what has been the role of trade in the decline of manufacturing employment?
- How has rising trade integration, in particular with emerging market economies, affected export markets of advanced economies?
- What is the impact of trade integration on wage inequality and on the distribution of income? How have regions adjusted, especially at the local level to import competition from low-wage countries?

The main findings of the chapter (Box 2.2) suggest that making trade, and the evolving demands for skills associated with changing tastes and technology, work for all may require more targeted policy action where it is needed most: in regions and for workers who are most vulnerable to disruptions. Measures helping regions to grow and workers to adjust to a new environment are the most likely to bear fruit. Enhanced packages of measures to assist displaced workers, reduce barriers to occupational and geographical mobility and equip workers with skills needed in the labour market would all help the move from declining to expanding activities. Creating the conditions for growth in regions hit by trade, technology, and taste shocks is also necessary.

Box 2.2. **Main findings**

Tastes, technology, and trade: The drivers behind the evolving nature of jobs at the national level

- The share of manufacturing in employment has continued to decline in OECD countries, although the extent of the fall varies across countries. Services jobs have expanded.
- Job losses in the manufacturing sector are the result of multiple forces, including shifts in preferences of consumers, technical progress, and increasing reliance on services inputs in industry and trade.
- The gradual shift towards knowledge-based investment and the consumption of services is driven by evolving consumer preferences and higher real incomes. Comparatively rapid increases in manufacturing productivity have further driven the decline in the share of manufacturing employment.
- Trade deficits account for part of the decline of the manufacturing sector in some countries. But their impact has been limited compared to other factors. In a few advanced countries and in many emerging market economies, trade has provided an opportunity for preserving or even expanding manufacturing jobs.
- Importing regions in countries that have strong links to global value chains appear to gain manufacturing jobs that have a higher trade intensity.

Recent trade patterns and their impact on advanced economies' export markets

- Over the past three decades, the volume of trade in goods and services has risen dramatically, although the rate of increase has slowed since the financial crisis. The share of emerging market economies in world trade, particularly China, has risen substantially.
- Foreign competition has grown modestly with rising trade integration. Many OECD countries have narrowed the range of goods on which they are relatively competitive in world markets, while emerging market economies, especially China, have broadened their product specialisation from a narrow base. On average, China's export product mix remains significantly different from that of the advanced economies.
- OECD countries have moved up the complexity ladder. China has also moved up the quality ladder, although the complexity of its product mix still remains behind that of the major OECD economies.

Box 2.2. **Main findings** *(cont.)*

Focusing on trade: the benefits

- Rising trade integration has brought substantial aggregate gains in terms of efficiency, firm productivity and consumer welfare.
- These trends have coincided with a shift in the pattern of specialisation and a strengthening of global value chains which have resulted in additional gains but also economic disruptions.

Focusing on trade: the costs to regions

- Greater exposure to imports at the regional level is sometimes associated with a decline in regional manufacturing jobs.
- Shrinking regional manufacturing employment tends to be associated with a decline in overall regional employment and in earnings. This suggests significant adjustment barriers and spillover effects at the regional level.
- Greater exposure to imports, which is sometimes associated with greater regional disparities, suggests long-lasting costs for some workers and regions. Low geographical and inter-industry mobility of workers hinders local economies' ability to adjust to shocks.

Link between trade and income inequality

- Imports from low-wage countries, together with technological advances, contribute to the productivity dispersion of firms and raise wage dispersion across firms. This reinforces the relationship between wages and productivity at the firm level.
- Trade integration has coincided with growing job polarisation. International evidence suggests that routine jobs are more likely to be offshored and to be associated with larger wage declines.
- Import competition from low-wage countries is associated with a decline of the labour share in some OECD countries. More research is needed to understand how trade influences this relationship.

The focus of this chapter is on the domestic policies needed to support adjustment to a dynamic environment of evolving jobs and skills, including those related to trade. But domestic policies are only one part of an integrated approach that is needed to meet the challenges of globalisation and technological change. One element of the integrated approach is to strengthen domestic policy packages to ensure that gains are broadly shared and growth is inclusive. The OECD's work on inclusive growth identifies such policy packages (OECD, 2016a; Causa et al., 2015). Another element of the integrated approach is to adopt policies to create a more level playing field in conjunction with international agreements which are also needed to restore trust (OECD, 2017a). This includes global arrangements to ensure that globalisation does not encourage a race to the bottom in terms of institutions and in terms of standards, in particular for labour and environmental protection standards (OECD, 2017b). Multilateral conventions on tax cooperation, such as on Base Erosion and Profit Shifting (BEPS), are also needed to reduce cross-border shifts in taxable profits that limit governments' capacity to raise revenues (Akgun et al., 2017) and accentuate the perception that globalisation is "unfair". The expansion of trade also has implications for corruption, illicit trade and trade in counterfeit products, all of which require international cooperation to tackle the problem (OECD, 2016b; OECD/EUIPO, 2016).

Trade, technology and tastes are all changing the structure of economies

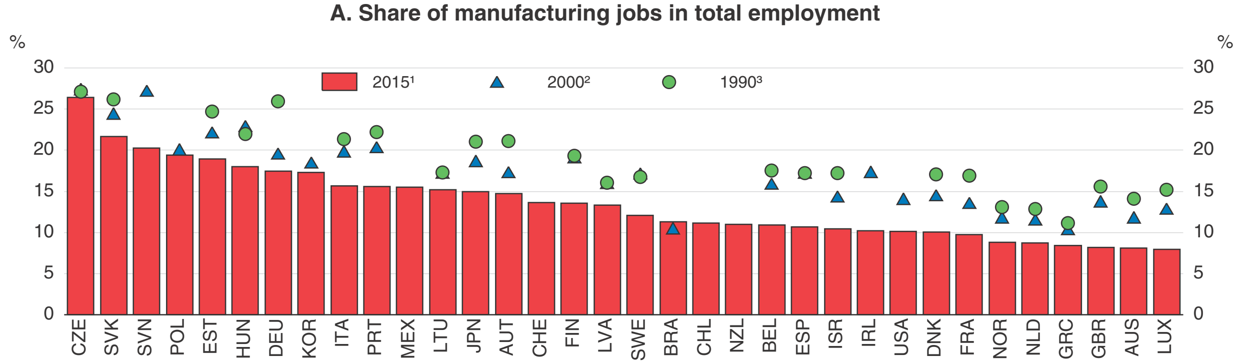
This section analyses the main drivers behind the changes in the sectoral composition of GDP. It examines whether trade has played a role in the decline of the manufacturing sector and how large its role has been compared with other drivers, such as technology and tastes. Two approaches are used: an accounting exercise looking at the impact of net trade flows and an econometric analysis looking at the gross impact of trade on manufacturing employment through import competition.

Trade is not the main driver of structural change

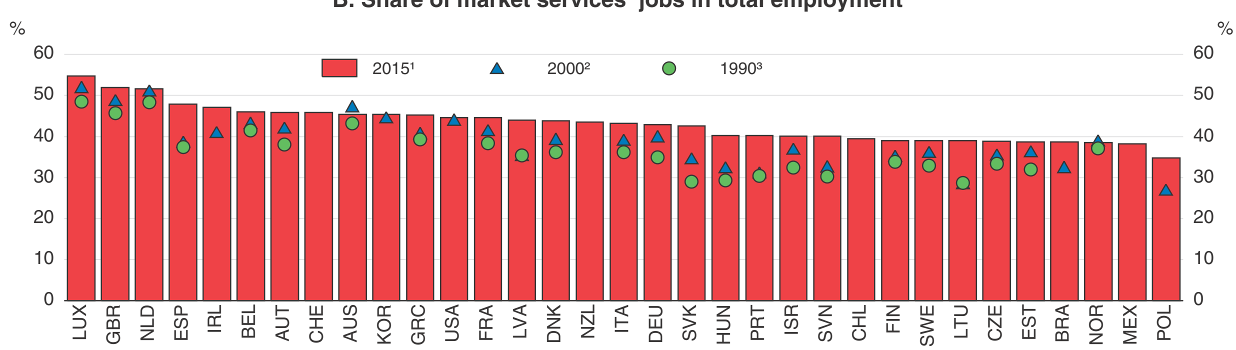
One of the key concerns about increasing trade intensity is that imports are destroying jobs, especially in the manufacturing sector. Concern is high because the strong long-term downward trend in manufacturing employment, coupled with stickiness of the labour market (OECD, 2009) and low job turnover, mean that shocks to the sector, including from trade, are long-lasting. From 2000 to 2015, the share of the manufacturing sector in total employment fell in all advanced economies and the share of jobs in services increased (Figure 2.2). However, there are important differences between countries; for example,

Figure 2.2. **Evolution of jobs in manufacturing and services**

A. Share of manufacturing jobs in total employment



B. Share of market services[4] jobs in total employment



1. 2013 for Australia and Mexico; 2014 for Brazil, Japan and New Zealand.
2. 2004 for Korea.
3. 1991 for Germany; 1992 for Italy; 1993 for Czech Republic and Sweden; 1994 for Japan and the United Kingdom; 1995 for Belgium, Spain, Estonia, Greece, Hungary, Israel, Lithuania, Luxembourg, Latvia, the Netherlands, Slovak Republic and Slovenia.
4. Market services are defined based on ISIC Rev4 and include distributive trade, repairs, transport, accommodation, food services, information and communication, financial and insurance activities, real estate activities, prof. scientific, tech., administrative support service activities.

Source: OECD National Accounts database.

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Germany experienced a decline of 4 percentage points in the manufacturing share while the United Kingdom experienced a decline of 8 percentage points. This trend has been long-standing in many countries; for example, it began in the 1950s in the United States and in the 1970s in France. The decline of the share of manufacturing sector in total employment in emerging market economies has been less pronounced.

Identifying the reasons for the changes in the sectoral composition of GDP, and in particular the decline of manufacturing jobs, is difficult because of the simultaneous effects of a number of relevant drivers.

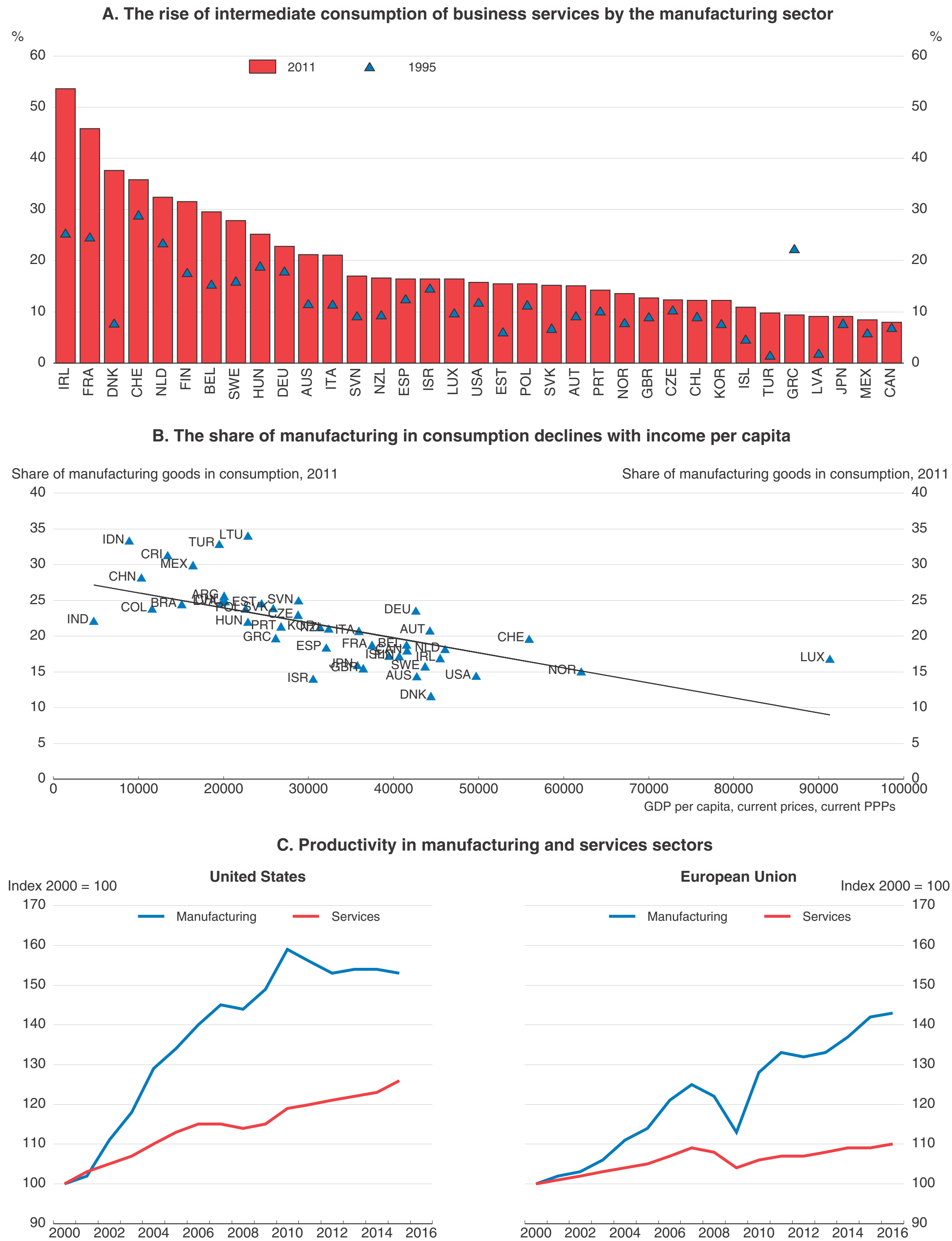
First, part of the measured decline in manufacturing jobs is overstated and is related to the re-organisation of economic activities within and between firms (Berlingieri, 2014; Figure 2.3, Panel A). In particular, partly driven by changing technology, companies have tended to outsource their service operations to other firms in the domestic economy, resulting in a reclassification of jobs from manufacturing to services. This effect is large and accounts, for instance, for 20% of the decline in manufacturing jobs in France between 1980 and 2007 (Demmou, 2010). This change in employment and the associated reclassification is not always neutral for workers, as it can imply significant changes in working conditions, collective bargaining arrangements and wages (Braun and Scheffel, 2007).

Second, part of the decline in manufacturing jobs is related to productivity gains and changes in the composition of consumer demand. Theoretically, to keep manufacturing jobs constant it is necessary that demand for manufacturing goods increases in the same proportion as labour productivity gains. However, this has not been the case for the following reasons:

- At the aggregate level, as consumers get richer, they tend to devote a higher proportion of their income to services compared to manufacturing. This implies a lower need for manufacturing jobs and a higher need for jobs in services (Figure 2.3, Panel B; Herrendorf et al., 2013).
- In addition, technical progress has been faster in manufacturing than in services (Figure 2.3, Panel C). Productivity gains reduce relative manufacturing prices and so increase demand for manufacturing goods. However, stronger productivity has also reduced the need for labour inputs. In the end, the second effect has dominated, and manufacturing employment has declined (Swiecki, 2014; Demmou et al., 2017).
- The composition of investment has similarly shifted away from manufacturing and toward more intangible investment, including more business services, in particular services like transportation, storage, finance services and ICT (Bems, 2008).

Third, trade integration induces a reallocation of resources both within and between sectors. Import competition may lead to the closure of the least productive firms (with relatively more workers per unit of output), while larger export markets can spur the growth of more productive firms (that use fewer workers per unit of output). Within the manufacturing sector, this reallocation is likely to decrease prices and lead to similar effects as technological progress. Across sectors, trade integration can change the nature of specialisation and have a direct impact on the sectoral composition of production and employment, with specialisation favoring those firms that use workers most effectively. In addition, since trade flows are more intensive for manufacturing goods than for other domestic goods and services at the macroeconomic level, a decline in the trade balance would be associated with a reduction in the relative demand for domestically-produced

Figure 2.3. **A portion of job losses in the manufacturing sector is related to domestic outsourcing and changes in consumption patterns**



Source: OECD TiVA database; OECD Economic Outlook database; and OECD Productivity database.

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manufacturing goods and, through this channel, contribute to the decline in the share of manufacturing employment (Demmou et al., 2017).

To try to untangle some of these factors, a simulation exercise based on an accounting framework has been employed.[1] It suggests that trade has had a significant impact on the sectoral composition of output in advanced economies, although it does not appear to be the main driver, with changes in the organisation of production on account of technological change and in tastes being the main factors pushing down the manufacturing share (Box 2.3).

Box 2.3. **An accounting framework to assess the contribution of domestic and international factors to structural change**

The aim of the simulations reported below is to analyse the reasons behind changes in the sectoral composition of output in selected countries over the period 1995-2011. The simulations are based on a simple accounting framework linking sectoral value added with the different components of demand (Demmou et al., 2017). The OECD input-output database is used.

Three main drivers are distinguished: changes in the use of intermediate consumption, including via domestic outsourcing of services by the manufacturing sector; changes in the composition of demand from manufactured goods towards services; and changes in trade. The effect of trade on structural change works through two channels: i) a sectoral specialisation effect and ii) the overall trade balance effect (net saving). For a given trade balance, a change in specialisation implies that resources are re-allocated between sectors.

The impact of each effect is calculated by using counterfactual scenarios.

- A technology channel through input-output linkages: The impact of changes in the structure of production is assessed by looking at what would have been the share of the manufacturing sector in total value added if the share of intermediate consumption used by each sector is set at the value observed in 1995.
- A taste channel: The impact of a change in the structure of demand (mainly in response to technological change) is assessed by looking at what would have been the share of the manufacturing sector in total value added if the composition of demand (the share of manufacturing goods in consumption and investment) is set at the value observed in 1995.
- A trade balance channel: The impact of trade is assessed by looking at what would have been the share of the manufacturing sector in value added if the trade deficit and specialisation were the same as in 1995.
- The residual category "other" includes changes in taxes and other demand components (public consumption and change in inventories).

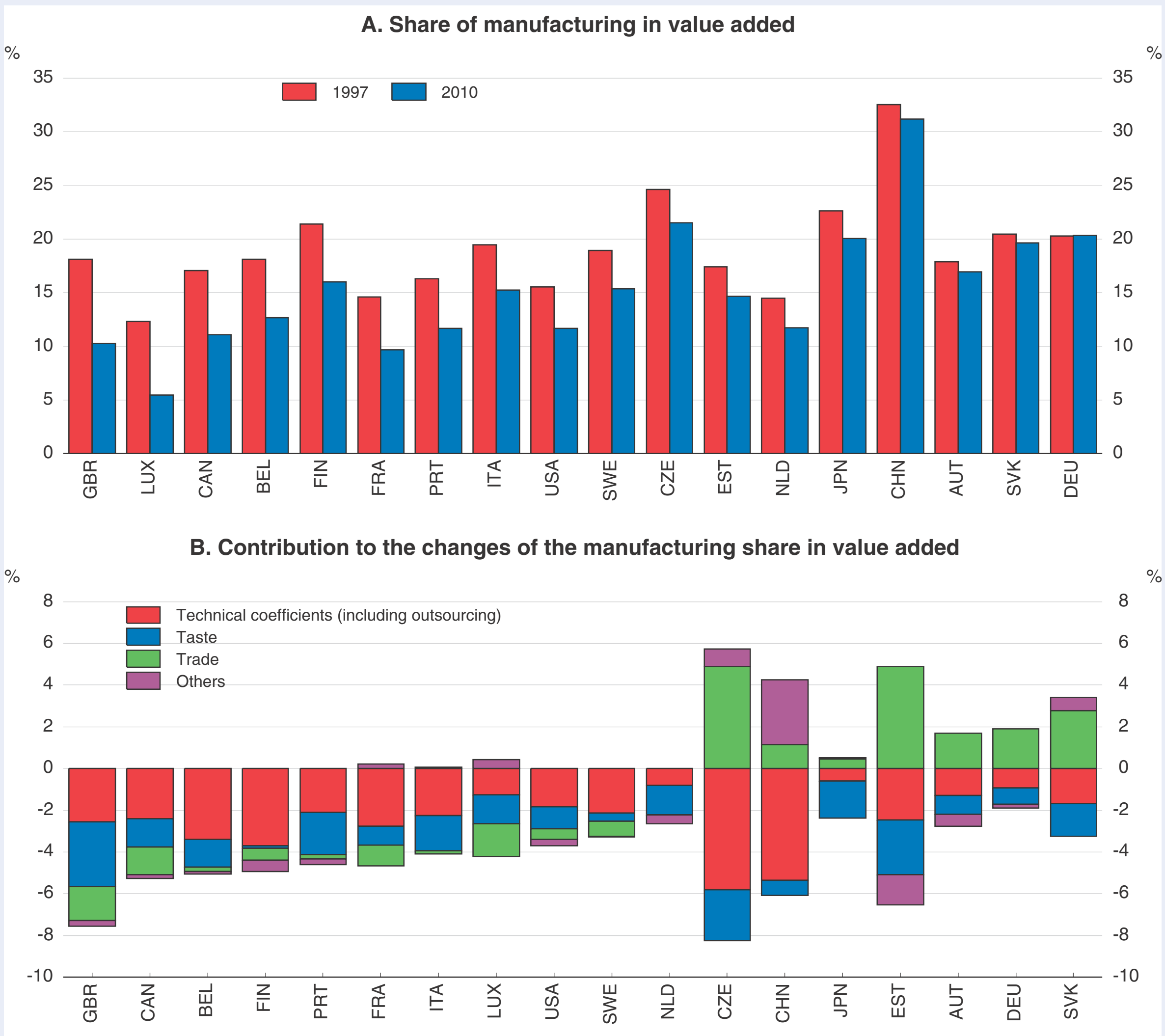
The results suggest that:

- Changes in input-output linkages, including domestic outsourcing (a reclassification largely driven by technological change) explains a sizeable share of the manufacturing sector decline in all countries.
- Changes in the composition of consumption and investment towards more services (the taste channel) also explain a substantial part of the decline, especially in high-income countries.
- The trade balance does not appear to be the main driver of the job decline in the manufacturing sector. In a few countries, a strong external performance has slowed the rate of decline of the manufacturing sector.

1. The analysis refers to the impact of changes in specialisation and the sectoral trade balance on the level of sectoral employment. The impact on the level of employment cannot be derived from such an analysis. The overall trade balance (driven by global saving and investment) and the bilateral trade balance (determined by structural factors such as comparative advantages) have only a marginal impact on the level of employment, which remains determined by macroeconomic and structural policies and institutions.

Box 2.3. **An accounting framework to assess the contribution of domestic and international factors to structural change** *(cont.)*

Main determinants behind the manufacturing sector decline[1]



1. Countries are ranked according to the decline in the share of manufacturing in value added between 1997 and 2010.

Source: Demmou, L., C. Thubin and Y. Kalantzis (2017), "De-industrialisation in OECD Countries; A Simple Accounting Approach", *OECD Economics Department Working Papers*, forthcoming, OECD Publishing, Paris.

StatLink http://dx.doi.org/10.1787/888933502313

Import competition has a relatively minor effect on manufacturing jobs and value chains appear to have a positive effect

Regression analysis[2] supports the results of the accounting framework analysis, by suggesting that import penetration has had a relatively minor impact on manufacturing employment. Indeed, by far the most important contribution to the declining manufacturing employment share is a trend, common across countries and unexplained by the different explanatory variables, which has contributed between ¼ and ½ a percentage point per annum to the decline since the 1990s (Figure 2.4). This common trend can be interpreted as the impact of structural change, once the effects of import penetration and proxies for changing tastes and ICT investment have been accounted for. Most probably, it captures otherwise unmeasured changes in technology and tastes.

Considering the trade channel, however, the impact of import penetration is found to differ significantly for intermediate and final consumption goods:

- Increased import penetration of *intermediate* goods has been associated with *higher* manufacturing employment (or rather the employment share falling less steeply) with substantial positive contributions to the manufacturing employment share of at least ¼ percentage point per annum in Czech Republic, Slovakia and Estonia. The contribution to employment has been smaller in most countries in the post-crisis period compared to the pre-crisis period, reflecting the plateauing of global activity in GVCs.
- Conversely, increased import penetration in *final* consumption goods tends to be associated with *lower* manufacturing employment, although the effects are not statistically robust and for most countries tend to be relatively small. Moreover, for those countries in which the negative effects are estimated to be larger, they are typically out-weighed by the positive effect of intermediate imports. No statistically significant distinct effect was found for increased import penetration from China, either in terms of intermediate or finished goods, although this does not preclude negative effects via lower wages.

Rising trade integration has strengthened competitive pressure and modified specialisation in advanced economies

Changes in tastes and technology, together with rising trade integration, have also helped to change trade patterns. In particular, the integration of emerging market economies into the world economy has created new opportunities as well as competition for advanced countries in their export and domestic markets. This section looks at how competitive pressure in export markets has increased and affected specialisation of advanced economies in goods and services.

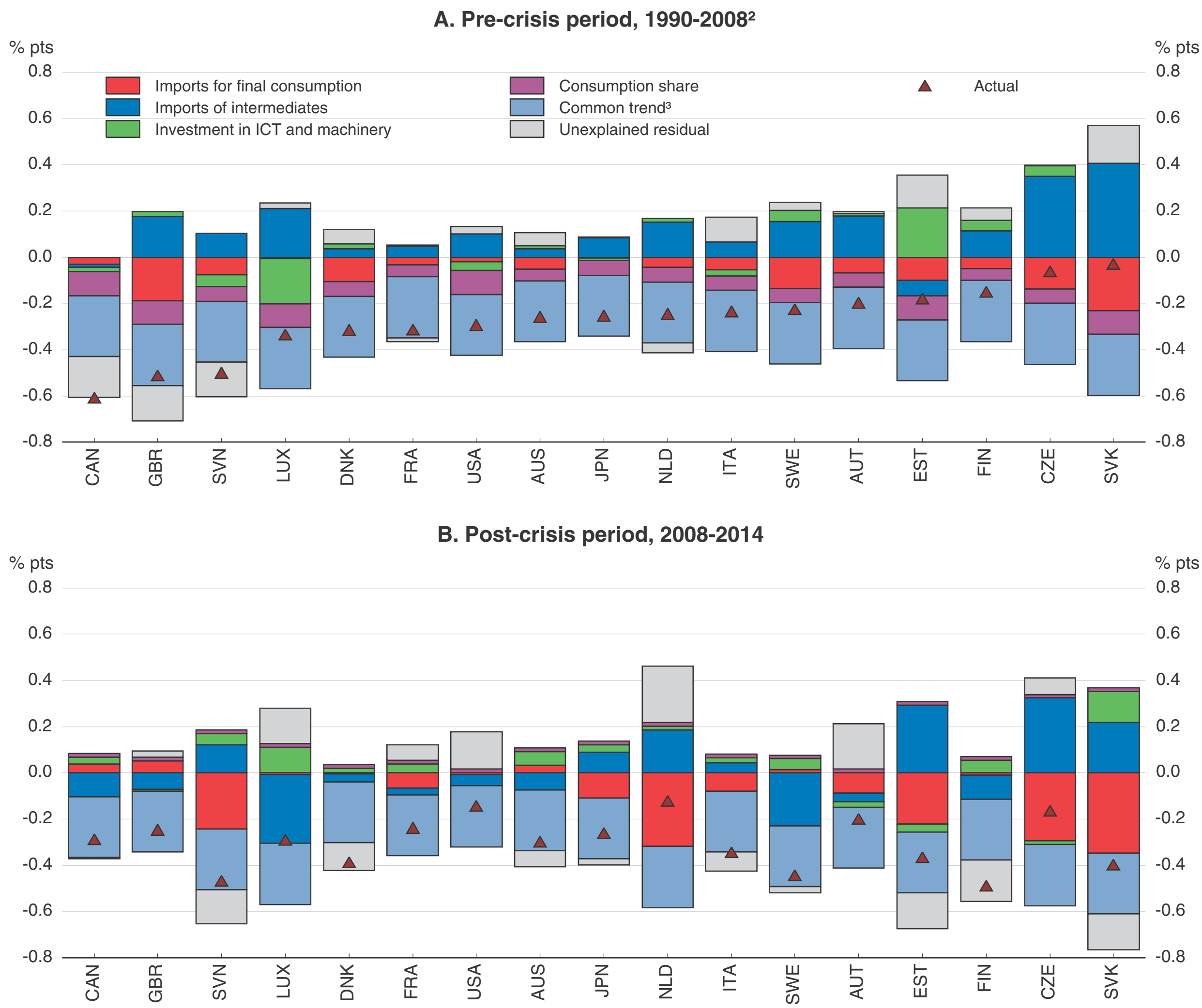
Advanced economies have narrowed their specialisation in goods and moved up the complexity ladder

To examine how competition in export markets has changed over the past two decades, the analysis is based on indicators of revealed symmetric comparative advantage (RSCA). This indicator measures the extent of specialisation of each country's exports and the similarity of

2. The impact of import competition on manufacturing employment was analysed at the country level by estimating a cross-country regression of manufacturing employment as a share of total employment and using a number of explanatory variables including import penetration (ratio of imports to final domestic demand plus exports), R&D expenditure and machinery investment (Annex 2.2).

Figure 2.4. **Explaining the decline in the manufacturing employment share in selected OECD countries**

Contributions to the annual average percentage point change in the share of manufacturing in total employment[1]



1. Decomposition based on equations described in Annex 2.2. Countries are ranked according to the decline in the manufacturing employment share in the pre-crisis period.
2. The start of the pre-crisis sample period varies across countries depending on data availability.
3. The "common trend" effect is calculated as the effect of the constant and the time dummies.

Source: OECD calculations.

StatLink http://dx.doi.org/10.1787/888933502389

specialisations across advanced and emerging market economies.[3] A country is said to be "specialised" in a product when the share of that product in their total exports is higher than the corresponding share of the product in world exports (RSCA > 0). The analysis is undertaken at a disaggregated six-digit HS (Harmonised System) product level of nearly 5000 products.

The range of products in which many advanced countries are specialised in world markets has narrowed as global trade intensity has increased (Harrigan, 2001). By contrast,

3. The high level of disaggregation (at six-digit HS) limits the possibility of confounding increased competition from emerging market economies and the crowding out of OECD countries' products with closer integration of national production structures via global value chains (GVCs).

emerging market economies have increased their product range over this period, as have countries in southern Europe undergoing structural change, including Spain, Portugal and Italy (Figure 2.5).

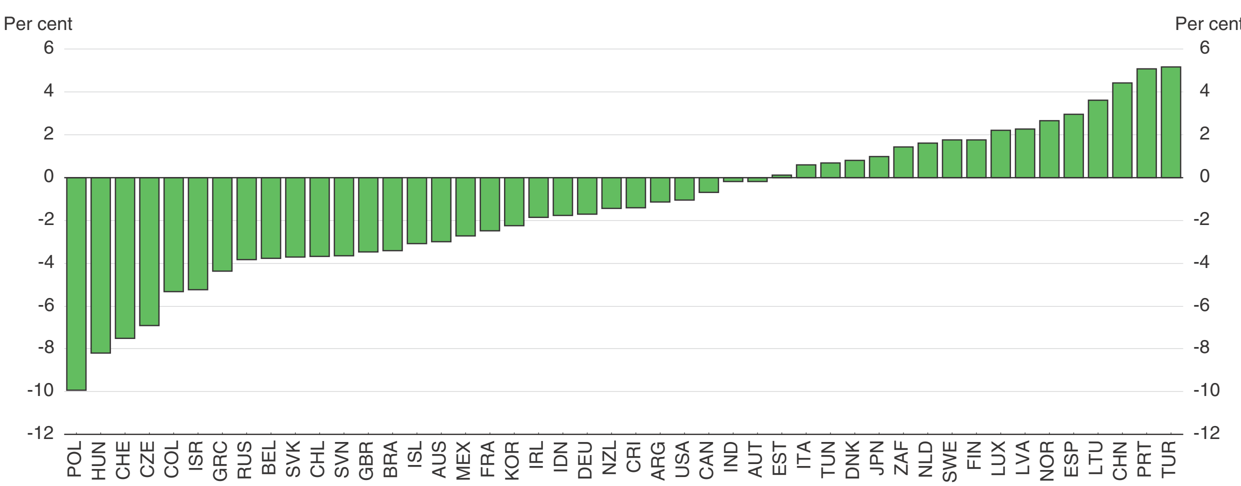
Generally the overlap is low between the types of products in which China and other emerging markets specialise and those in which the advanced countries specialise (Figure 2.6). On the other hand, the overlap is much greater in the types of products in which the advanced economies specialise. The overlap of products in which both advanced and emerging market economies are specialised, including China, is increasing (Araujo et al., 2017; Figure 2.6, Panel A). However, the increase in overlap between emerging and advanced countries is less than that between advanced countries (Figure 2.6, Panels B and C). Why do these overlaps in specialisation matter? Because such overlaps imply increased competition in export markets and associated dynamism in domestic economies, firms, and workers.

At the same time as competitive pressures have increased, OECD countries have moved up the complexity ladder (Figure 2.7, Panel A). China has also moved up the complexity ladder although the complexity of its product mix still remains behind major OECD economies (Amiti and Feund, 2010; Araujo et al., 2017). Since 1990, emerging market economies have generally increased the share of knowledge-intensive activities in their manufacturing sectors but the share remains below that of OECD countries (Figure 2.7, Panel B). The move up the complexity scale may have contributed to increasing skill bias in labour demand in OECD countries, but more research is needed.

Regression analysis of the export growth of 700 manufactured product categories across 44 countries from 1995 to 2015 confirms that the competitive pressure from emerging market economies has increased. It has, nevertheless, exerted less pressure on the export performance of advanced economies, given their typical export product mix,

Figure 2.5. **The comparative advantage of advanced economies has narrowed**

Change in share of products with a normalised RSCA[1] over 0, 2000-2015

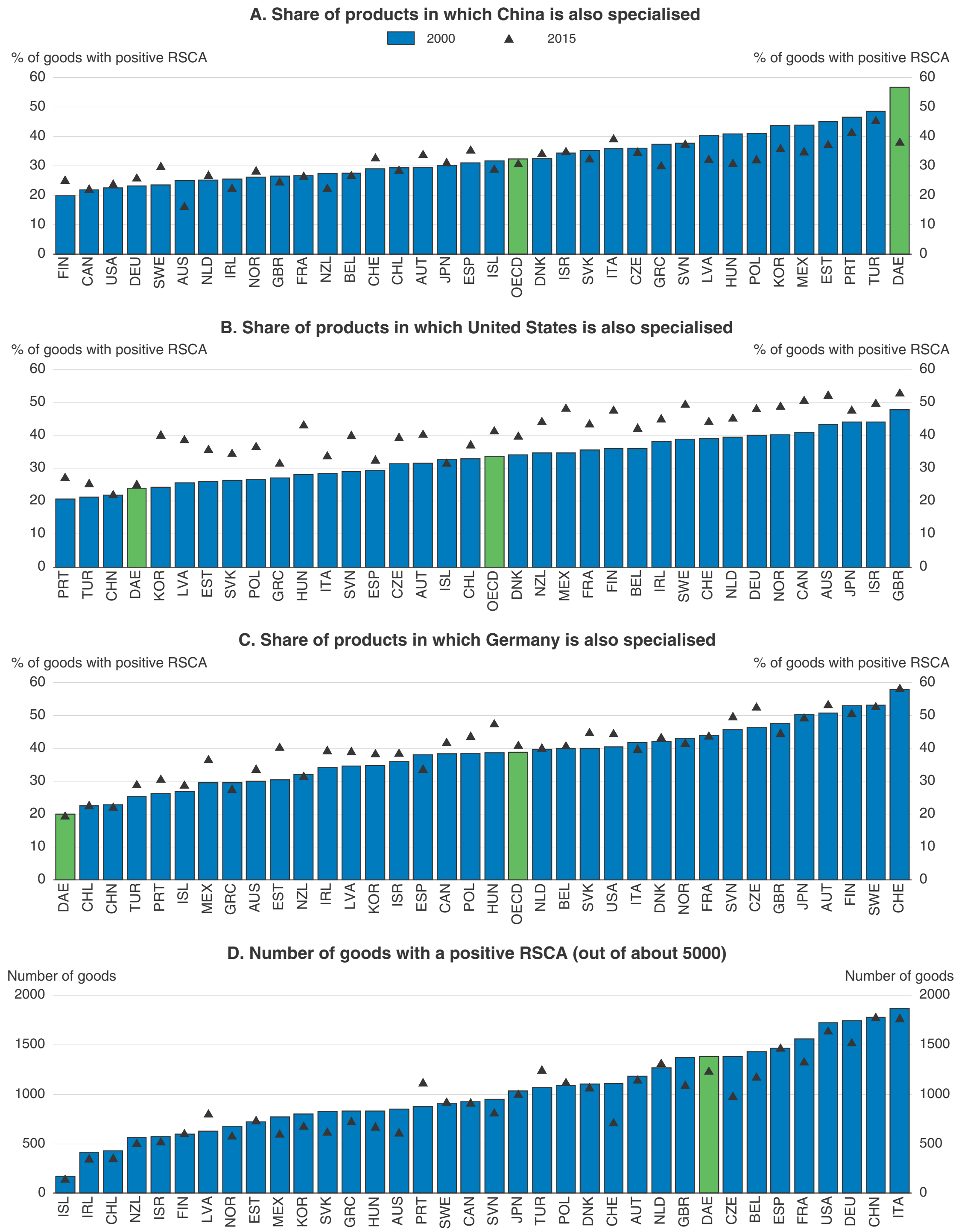


1. RSCA refers to Revealed Symmetric Comparative Advantage. The index varies from zero to one for product categories in which countries and regions have a revealed comparative advantage and from minus one to zero for product categories in which countries/regions have a revealed comparative disadvantage. The analysis is undertaken at a disaggregated six-digit HS (Harmonised System) product level with about 5 000 products, excluding the main commodities.

Source: UN Comtrade database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933502408

Figure 2.6. **The evolution of goods trade specialisation**



Note: RSCA refers to Revealed Symmetric Comparative Advantage. The index varies from zero to one for product categories in which countries and regions have a revealed comparative advantage and from minus one to zero for product categories in which countries or regions have a revealed comparative disadvantage. The analysis is undertaken at a disaggregated six-digit HS (Harmonised System) product level with about 5 000 products, excluding the main commodities. The high level of product disaggregation allows specialisation at different stages of the production chain but nevertheless the data are measured in terms of gross value and not value added as would be used in measures of global value chains (GVCs). DAE refers to Dynamic Asian Economies.
Source: UN Comtrade database; OECD calculations.

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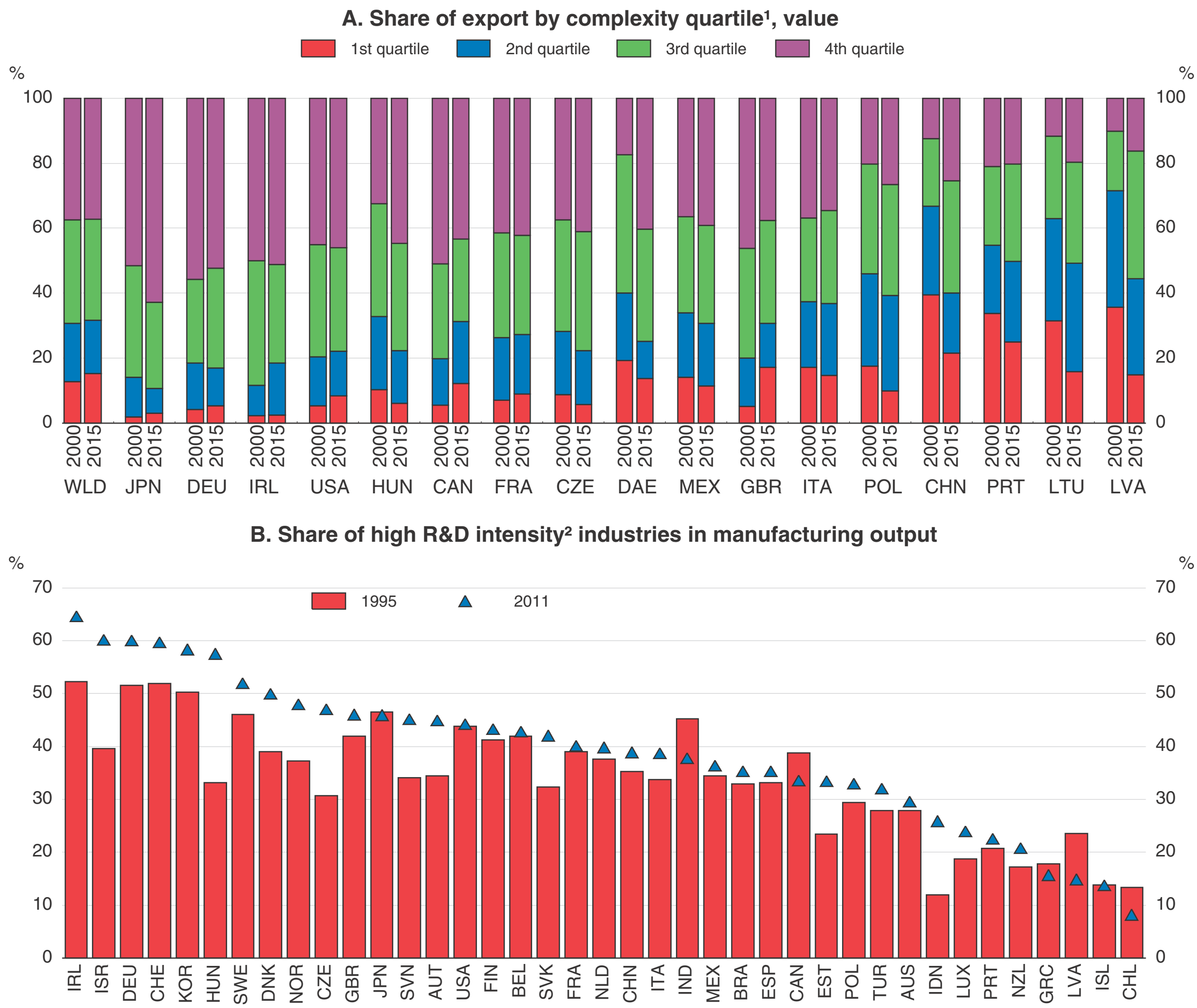
Figure 2.7. **Advanced OECD countries specialise in more complex products than emerging markets**



1. Complexity is defined by the implied productivity of the product (PRODY) using the methodology of Hausmann, R., J. Hwang and D. Rodrik (2007), "What you export matters", *Journal of Economic Growth*, Vol. 12. PRODY is calculated by taking a weighted average of per capita GDPs of the countries that export the product. The weights are the revealed comparative advantage of each country in that product. The products are then ranked according to their PRODY level. An example of a product in the 4th (highest) quartile is magnetic imaging resonance (MRI) machines used in scans in hospitals, which ranked 18th in 2015 out of 4989 products listed in the Harmonized System 6 classification. A product in the 1st (lowest) quartile is crayons ranked 4218th in 2015. The analysis is carried out using a high level of product disaggregation to capture specialisation at different stages of the production chain. Nevertheless, the data are measured in terms of gross value and not value added as would be used in measures of global value chains (GVCs). DAE refers to Dynamic Asian Economies.
2. Sectoral R&D intensity is calculated in line with the OECD methodology described in Galindo-Rueda, F. and F. Verger (2016), "OECD Taxonomy of Economic Activities Based on R&D Intensity", *OECD Science, Technology and Industry Working Papers*, 2016/04, OECD Publishing, Paris.

Source: UN, Comtrade database; OECD TiVA database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933502446

than competition with other advanced economies (Annex 2.1; Araujo et al., 2017). In particular, the competitive pressure on a typical OECD country's exports from an increase in the United States' specialisation in a product is more than three times that from China and twice that from the Dynamic Asian Economies.

Moreover, competition effects are on average small compared to a change in the world demand for individual products. The negative effect of a one standard deviation decrease in world demand for a product exerts 6 times more pressure than a one standard deviation increase in the specialisation of the United States for that product. In short, specialising in what the world wants to buy is key for exports.

Despite the relative importance of world demand on average across all products and countries, competition effects may still be important in particular products at particular times, especially in markets that account for a large share of a country's exports or if a new competitor enters a product market suddenly with a large share. In addition, competition effects may be more permanent than fluctuations in world demand. Finally, losses in market share may be more noticeable now than in the pre-crisis period, as world trade is growing more slowly.

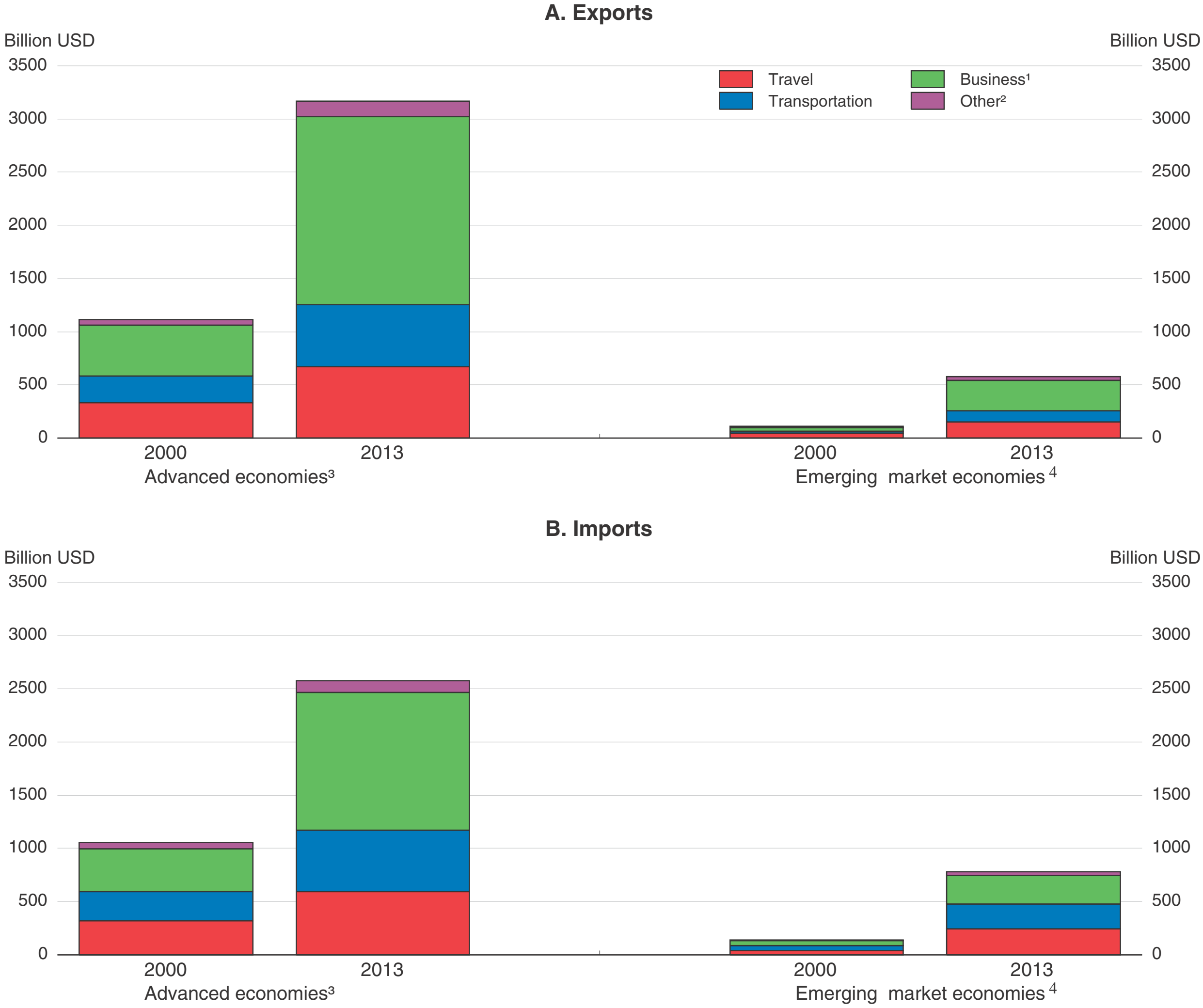
Trade in services has gained importance

While specialisation in goods has narrowed for advanced economies, specialisation in services has strengthened. Trade in services has been one of the most dynamic segments of global trade in the past two decades, and has proved resilient to the post-crisis trade slowdown (Figure 2.8; Ariu, 2016). In particular, business services have been the fastest growing segment of services exports since 2000. Advanced economies dominate global services trade overall, both as exporters and as importers, and have a strong competitive edge in business services. However, the capacity of emerging market economies to benefit from services trade opportunities has also grown over time. Their total exports of services have increased more than four-fold since 2000 and their business-services exports more than seven-fold, with India having emerged as a leader in the IT industry.

About three-quarters of the value of services traded consists of intermediate inputs that serve to coordinate value chains, support production processes and add value to products through quality differentiation and customisation (De Backer and Miroudot, 2013; Miroudot and Cadestin, 2017). Trade in services thus supports the competitiveness of the manufacturing sector in terms of price and quality, by providing access to cost-effective services inputs and by inducing local services suppliers to upgrade their efficiency (OECD, 2017c). In particular, the development of information and communication technologies has broadened the range of offshorable business services – from back-office functions to software development, legal review and other knowledge-intensive tasks.

Overall, rising trade integration has modified the relative cost of production and hence the comparative advantages of advanced economies in goods and services. This trend has interacted with the domestic forces examined in the previous section, in particular changing tastes and technological progress, to make advanced economies relatively more service-oriented (see Box 2.3). These forces (trade, technology and tastes) tend also to re-inforce each other as there is a close link observed between the types of goods an economy exports and the types of goods consumed (Dinopoulos et al., 2011; Demmou, 2012). Changes in specialisation, sectoral jobs and wages in each country all depend on the importance of these forces.

Figure 2.8. **Business services trade is growing fast**



1. Business services include communication, computer and information services, financial and insurance services, royalties and license fees, and other business services.
2. Other services include construction, personal, cultural and recreational services, and government services.
3. OECD countries except Chile, Mexico and Turkey.
4. Include Brazil, Chile, China, India, Indonesia, Mexico, Russia, South Africa and Turkey.

Source: WTO, *Trade in Commercial Services*; IMF Balance of Payments Manual, Fifth edition (BPM5).

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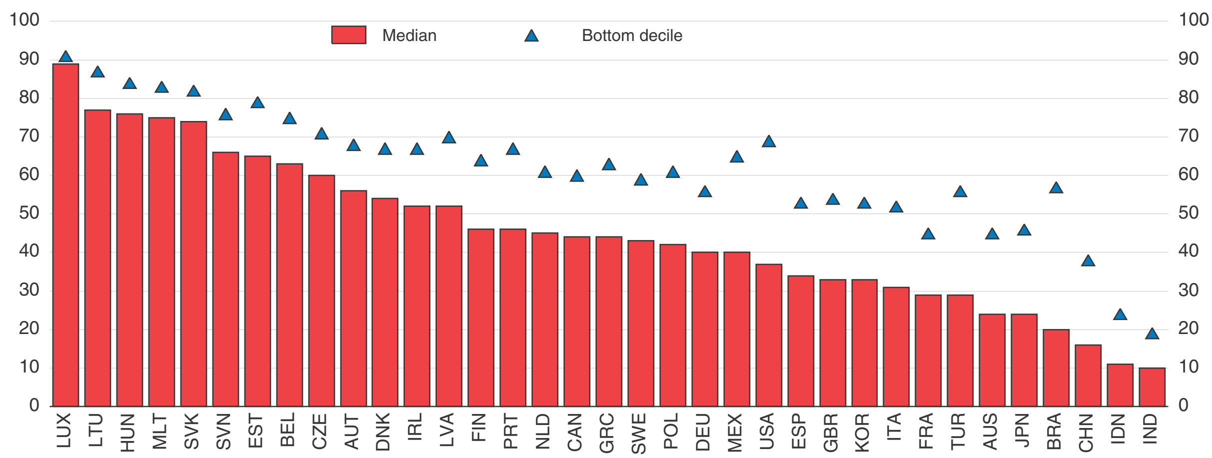
Adding up the gains: Global trade integration has increased efficiency and welfare

Trade is associated with welfare gains for consumers

Changes in trade specialisations and patterns have brought many benefits. First, for consumers, the integration of emerging market economies, particularly in Asia, into the multilateral trading system has greatly reduced the prices of consumer goods, such as clothes, textiles and electronics in advanced economies (Figure 2.9). The benefit of lower consumer prices accrues disproportionately to low and middle-income groups who spend a larger share of their disposable income on standardised consumer items. Consumers have also benefited from the greater variety of goods and services available to them (Fajgelbaum and Kandhelwal, 2016; Bai and Stumpner, 2016; Broda and Weinstein, 2004).

Figure 2.9. **Real income gains from trade for the median and lowest income deciles**[1]



1. Vertical axis indicates the decline in real income if no trade was taking place. For exemple, compared to existing trade patterns in the United Kingdom, the real income of the median household of the population would be 33% lower if no trade was taking place and the gap for the poorest 10% is higher at 54%.

Source: Fajgelbaum, P. and A. Kandhelwal (2016),"Measuring the Unequal Gains from Trade", *Quarterly Journal of Economics*, Vol. 131.

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Trade is associated with productivity gains for firms

Trade has also boosted productivity through access to a wider variety of inputs, the diffusion of foreign knowledge from global frontier firms, and the larger market size that allows firms to take advantage of increasing returns (Box 2.4; Bas and Strauss-Kahn, 2015). A larger market size allows highly productive sectors to expand (McMillan and Rodrick, 2011). This is, for instance, the case for China, where openness to trade has expanded

Box 2.4. **The gains from trade**

Productivity gains associated with trade occur through several channels:

- *International division of labour*: openness leads to specialisation in the production of goods and services for which relative costs are the lowest.
- *Competition from foreign firms*: provides incentives for domestic firms, both exporters and those who serve the domestic market, to produce more efficiently.
- *Economies of scale:* access to foreign markets enhances productivity and economic growth by allowing firms to take advantage of increasing returns to scale.
- *Transfers of technology:* novel production techniques are more easily transferred across borders when firms are internationally oriented, including through access to a wider variety of inputs.

Several factors shape the international distribution of the gains from trade:

- *Increasing returns effect*: different growth rates of productivity at the sectoral level imply that long-term economy-wide productivity gains may vary depending on the sectoral specialisation of the country.
- *Trade elasticity effect*: countries that specialise in products with a growing share of expenditure (i.e. with income elasticities above unity) will capture a larger share of trade.
- *Terms of trade effect*: the capacity to capture a larger share of world demand may have an effect on the terms of trade and thereby the global distribution of the gains from trade.

employment opportunities in highly productive, exporting firms in the manufacturing sector. Similarly, trade integration with Eastern European countries is estimated to have generated around 400 000 manufacturing jobs in Germany in 1988-2008 (Dauth et al., 2014). Openness has also strengthened overall efficiency by forcing the least productive firms to exit from the market (Andrews et al., 2015).

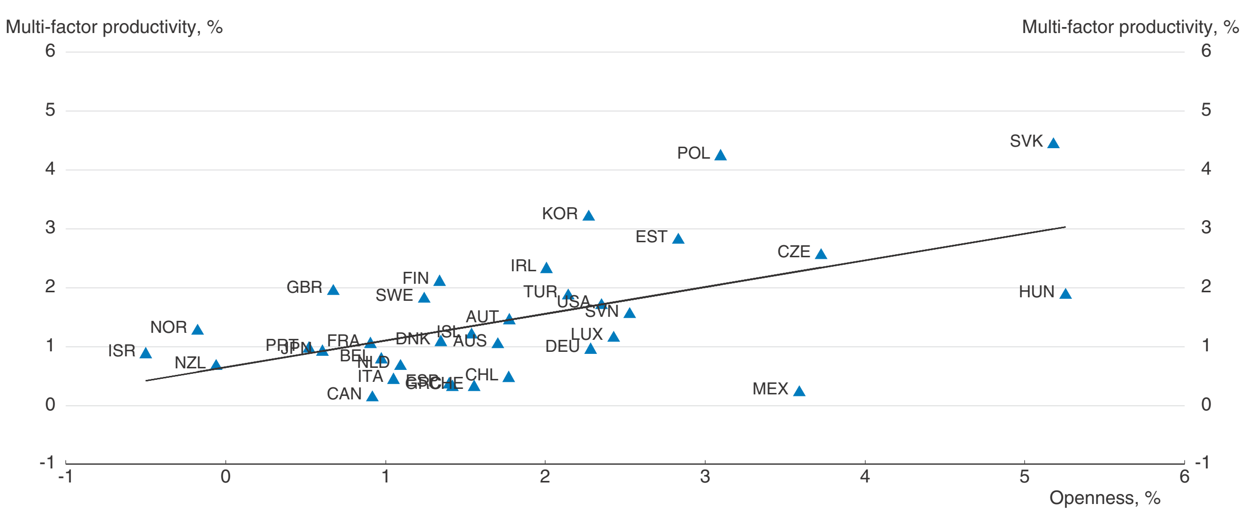
Stronger increases in openness tend to be associated with higher multi-factor productivity growth (Figure 2.10). Recent OECD estimates suggest that a 1 percentage point rise in trade openness (as measured by the ratio of export plus import volumes to GDP), raises multi-factor productivity growth by 0.2% after 5 years and by 0.6% in the long run (Égert and Gal, 2017; Figure 2.10). This positive effect is in line with previous empirical studies (Frankel and Romer, 1999; Newfarmer and Sztajerowska, 2012).

Another source of economic efficiency comes from the reorganisation of the production process at the world level through global value chains (GVCs) and the important rise of offshoring since the mid-1990s (Figure 2.11; Timmer et al., 2014). Technological change in the form of increased use of IT has sharply decreased the cost of transmitting information across borders; and technological change in terms of shipping (containers, for example) has reduced the cost of trading physical goods. Together with a reduction in trade barriers, these factors have allowed production stages to be split across borders in global value chains (Baldwin, 2012; 2016). However, integration along global value chains appears to have slowed or even reversed in recent years (Timmer et al., 2016; Haugh et al., 2016).

Offshoring allows firms and economies to specialise in the stage of the production process in which they are relatively better at, using intermediate goods from other countries without having to develop a whole domestic supply chain from scratch. In this way, efficiency gains associated with specialisation are amplified (Feenstra and Hanson, 1995). Over the period 1995-2011, the countries which have experienced the largest increase in participation in GVCs have also had stronger productivity growth. The

Figure 2.10. **Productivity gains and openness**[1]

Average annual growth rates, 1985-2011



1. Openness is measured as the ratio of export plus import volumes to GDP.

Source: Égert, B. (2017), "Regulation, Institutions and Productivity: New Macroeconomic Evidence from OECD Countries", *OECD Economics Department Working Papers*, forthcoming, OECD Publishing, Paris; and OECD calculations.

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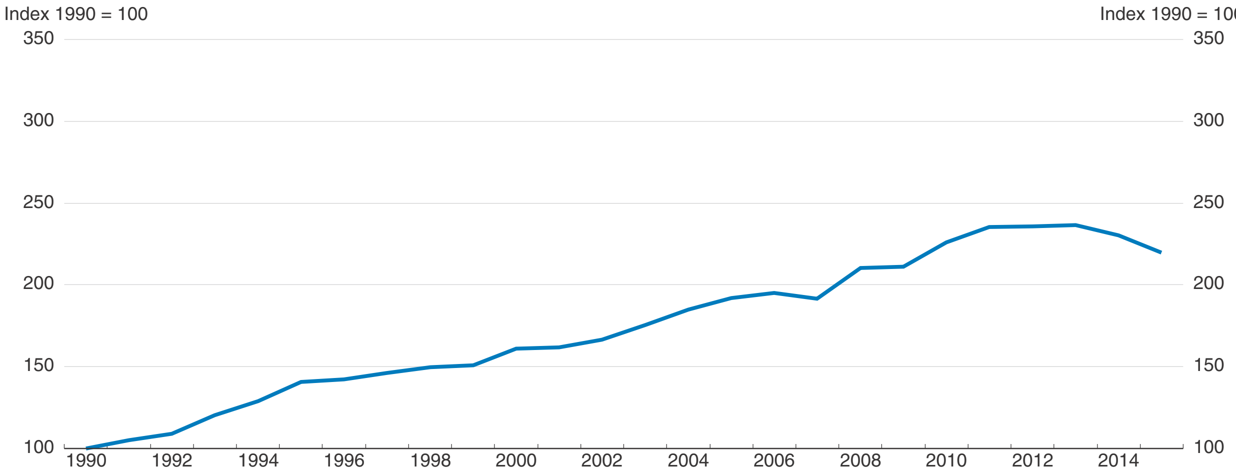
Figure 2.11. **Global value chains have expanded markedly since 1990**

Structural GVC indicator



1. The structural GVC indicator is computed as the ratio of intermediate goods imports to final domestic demand corrected for commodity price and cyclical effects. For further details, see Haugh, D., A. Kopoin, E. Rusticelli , D. Turner and R. Dutu (2016), "Cardiac Arrest or Dizzy Spell: Why is World Trade So Weak and What can Policy Do About It?", *OECD Economic Policy Papers*, No. 18., OECD Publishing, Paris.

Source: OECD STAN Bilateral Trade database by industry and end-use category; OECD Economic Outlook 99 database; and OECD calculations.

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estimated effect over this period ranges from 0.8 percentage point to 2.2 percentage points in industries which offer more opportunities for production fragmentation (OECD, 2017d).

Adding up the costs: Trade has accentuated technology-driven trends toward higher inequality

Rising trade integration has coincided with a significant change in income inequality. By changing specialisation and modifying the demand for labour, trade can affect the relative price of production factors and hence potentially have a direct impact on the income distribution. However, as the trends of rising inequality, trade integration and technological change have occurred simultaneously, it is difficult to untangle their different impacts.

The evidence on the link between growing income inequalities and increased trade integration is mixed. During the 1990s, the impact of trade on labour markets was limited due to low trade intensity, especially with emerging market economies (Krugman, 1995). The increasing importance of emerging market economies in world markets, and more particularly the rising participation of China and India, which account for more than one-third of the world labour force, suggests that the impact may have become stronger after the 1990s (see figures in Box 2.1; Krugman, 2008). However, at the macroeconomic level, the link between income inequality and trade integration still appears to be weak (OECD, 2011) and, overall, technological change appears to be the main driver of increased income inequality (Helpman, 2016).

Despite inconclusive results at the macroeconomic level, trade can still have an important impact on the earnings of some groups of workers. For example, as discussed below, recent research on the effect of import competition from low wage countries at the regional level finds a negative impact on wages in some regions (Autor et al., 2013). There are also indications that trade has had an impact on the labour share in some OECD countries. It may have accentuated technology-driven inequality by its effect on productivity at the firm level and by changing the demand for some skills, further increasing the polarisation of labour markets.

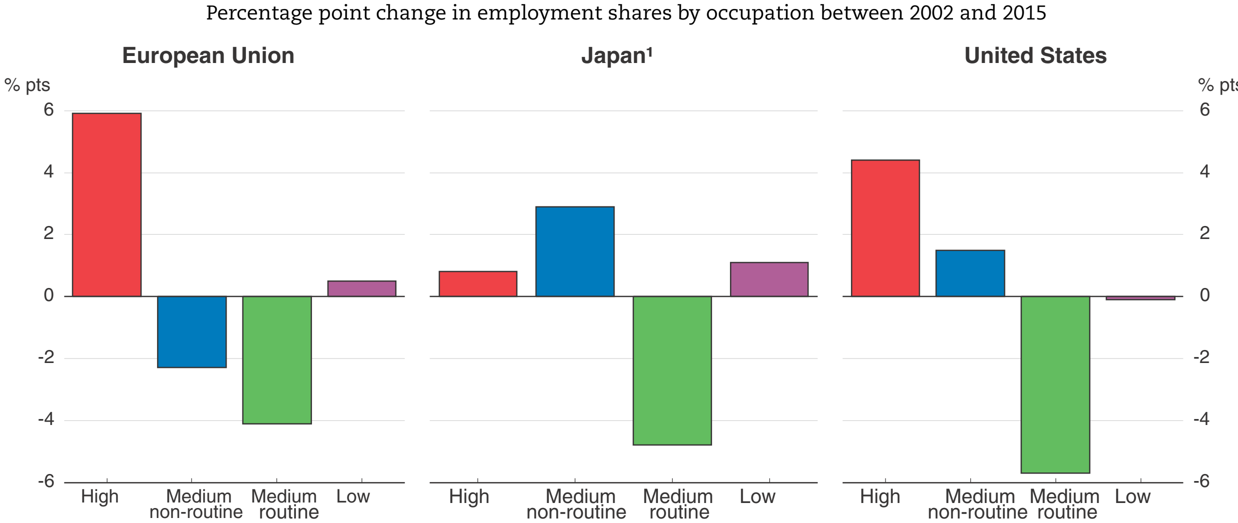
Labour markets have polarised

In some OECD countries, the share of middle-skilled workers in total employment has declined by almost 6 percentage points since 2002 (Figure 2.12). The extent of the polarisation has varied across countries. Untangling the effects of technical progress and trade is difficult. Technology is an important driver of polarisation. Routine jobs, which are characterised by mechanistic tasks and which are generally undertaken by middle-skilled workers, are indeed more likely to be automatised. Technological progress is also associated with an upskilling of workers, which tends to increase the share of high-skilled workers. At the same time, globalisation is associated with integration in global value chains and the offshoring of parts of the production process (Breemersch et al., 2017; Goos et al., 2014). In addition, import competition from low wage countries contributes to the decline of manufacturing jobs which require more middle-level skills. Recent OECD research finds that technology has been the most important factor explaining job polarisation, while trade has had a limited effect (OECD, 2017e). Other studies point to the importance of the offshoring of routine jobs (Ebeinstein et al., 2014; Keller and Utar, 2016). However, while there is a positive and significant correlation between the offshoring of inputs and the level of employment of routine-intensive workers in manufacturing industries, this is not the case for offshoring of final assembly (Marcolin et al., 2016). Overall, the literature is broadly inconclusive and points to the complexity of the relationship between offshoring and polarisation (Marcolin et al., 2016; OECD, 2017e).

The impact of offshoring on inequality is complex as it depends on the composition of the workforce and the type of offshoring (Hijzen and Swaim, 2007; Sourdin et al., 2013). There is some indication that offshoring of low-skilled activities may reduce inequality by

Figure 2.12. **Labour markets have polarised across occupations**

Percentage point change in employment shares by occupation between 2002 and 2015



Note: OECD estimates based on EU-LFS, Japanese Labour Force Survey, and the BLS Current Population Survey.

1. For Japan, changes between 2002 and 2010.

Source: Eurostat; Statistics Bureau Japan; US Bureau of Labour Statistics; and OECD calculations.

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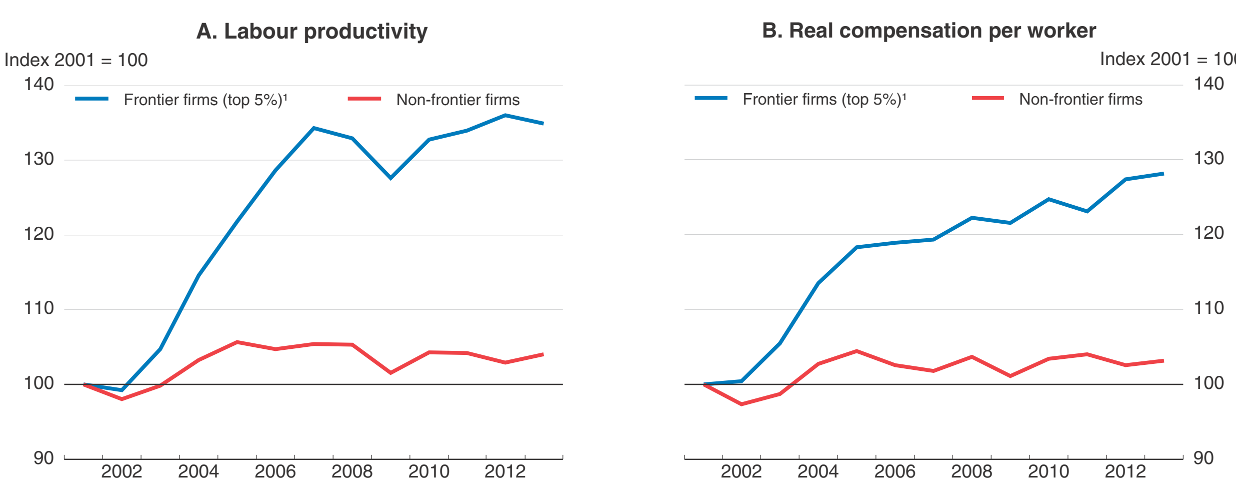
boosting the productivity of firms, which in turn contributes to raising wages of non-displaced low-skilled workers. By contrast, the offshoring of high-skilled tasks tends to accentuate inequality as it boosts the relative productivity of high-skilled workers and hence wage gaps (Lopez-Gonzalez et al., 2015). In addition, even though the impact on employment and wages may be positive for some segments of the production process, challenges remain for individual workers, as those who benefit from new jobs created may be different from those workers who lose their jobs or suffer lower wages due to offshoring.

Offshoring of services tends to accentuate wage inequality by raising the productivity and wages of skilled workers, while putting downward pressure on demand for low and medium-skilled workers (Crinó, 2012; Geishecker and Görg, 2013). However, available evidence suggests that the job dislocation linked to service imports may be less severe than for manufacturing, as advanced economies retain a competitive edge in providing sophisticated services. Even so, many displaced workers can only find lower-paying jobs (Liu and Trefler, 2011). These results suggest that more research is needed to make an assessment regarding the global impact of offshoring of services. More detailed investigation in terms of occupations and types of offshoring would help.

Productivity and wage disparities have increased

Trade has also an effect on wage dispersion through its impact on firms' productivity. Recent OECD estimates suggest that import competition tends to increase wage disparities across firms and strengthen the link between productivity and wage dispersion (Berlingieri et al., 2017; Figure 2.13). Only the most productive firms export but trade also has an effect on productivity via a larger market (see Box 2.4). Exporting firms tend to upgrade the skills of their workers and can offer higher wages (Schank et al., 2007). This could be because more productive firms appear more selective in their hiring than non-exporters (Helpman et al., 2010). Exporting firms tend also to be larger and to have more resources devoted to training and mobility, perhaps because such firms are at the technological frontier and use more

Figure 2.13. **Wage dispersion is correlated with productivity dispersion**



1. Frontier firms are the 5% of firms with the highest labour productivity by year and sector. Industries included are manufacturing and business services, excluding the financial sector, for firms with at least 20 employees.

Source: Andrews, D., C. Criscuolo, and P. Gal (2016), "The Best versus the Rest: The Global Productivity Slowdown, Divergence across Firms and the Role of Public Policy", *OECD Productivity Working Papers*, No. 05, OECD Publishing, Paris; Orbis data of Bureau van Dijk; and OECD calculations.

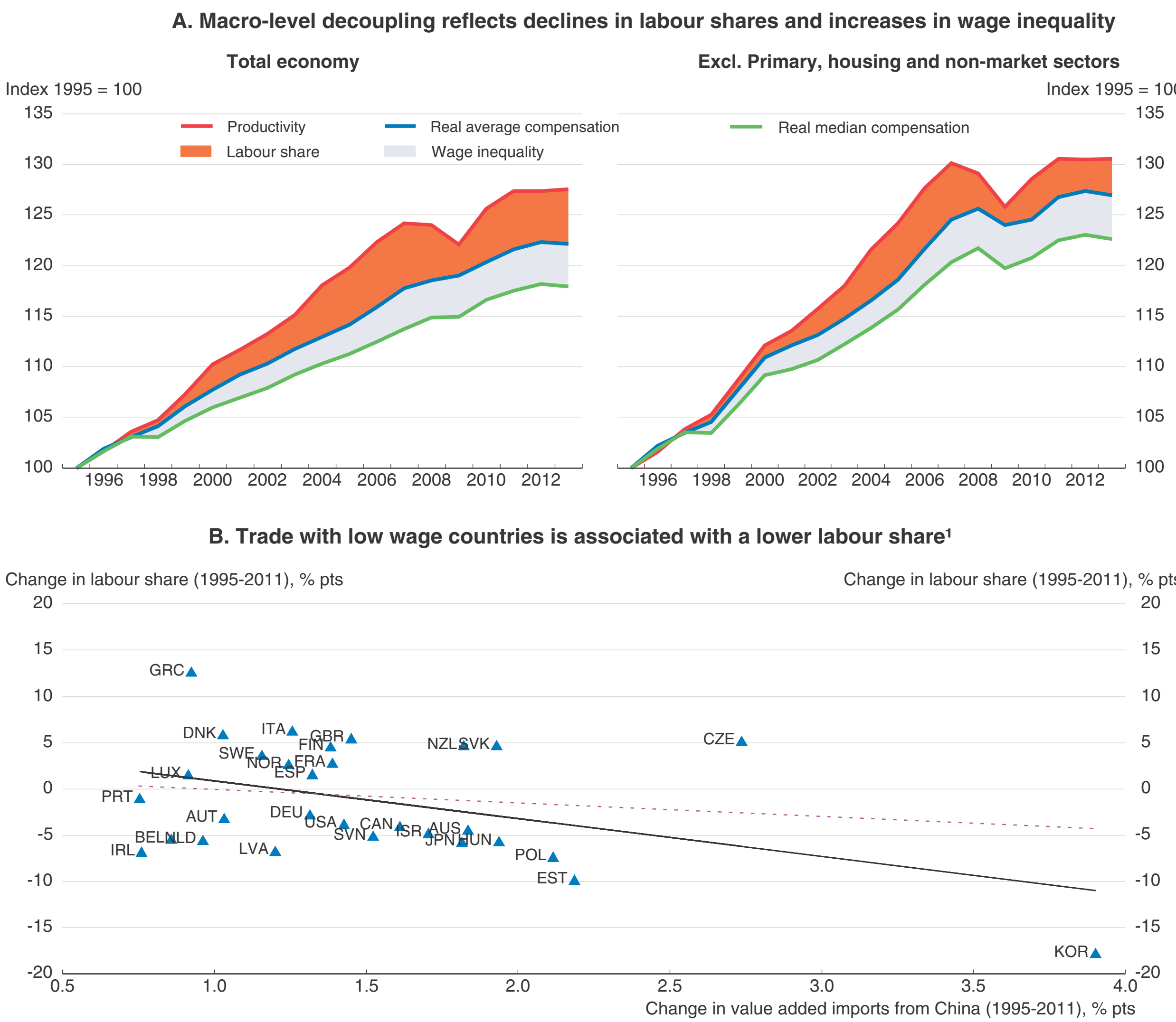
StatLink http://dx.doi.org/10.1787/888933502560

advanced technologies. Both effects increase productivity and demand for high-skilled workers in exporting firms. Import competition can also provide incentives for the most productive firms to innovate, which potentially raises firms' productivity and thereby impacts on wage dispersion. Evidence of such effects is found for UK firms over the period 2000-2007 (Bloom et al., 2016) and for the Mexican manufacturing sector (Verhoogen, 2008).

The labour share has declined

The decline of the aggregate labour share observed in some countries is another source of concern, though there are important differences across countries. Since 1995, the labour share has declined by 14.2 percentage points in Poland and increased by 3.6 percentage points in Sweden, and the size of the decline depends on the sectors included (Schwellnus et al., 2017; Figure 2.14, Panel A). Recent evidence points to a role for trade

Figure 2.14. **Trade has contributed to a lower labour share**



1. Labour shares excluding primary, housing and non-market sectors. Dotted line without Korea.

Source: Schwellnus, C., A. Kappeler and P. Pionnier (2017), "Decoupling of Wages From Productivity: Macro-level Facts", *OECD Economics Department Working Papers*, No. 1373, OECD Publishing, Paris.

StatLink http://dx.doi.org/10.1787/888933502579

(Figure 2.14, Panel B). Also, the offshoring of low productivity jobs to low wage countries may have pushed down the labour share if firms refocus their resources on highly productive activities and substitute low-skilled workers for capital. This is in line with previous evidence on offshoring and with the evidence for the United States that manufacturing sectors where jobs are more likely to be offshored have experienced stronger declines in the labour share (Feenstra and Hanson, 1995; Elsby et al., 2013).

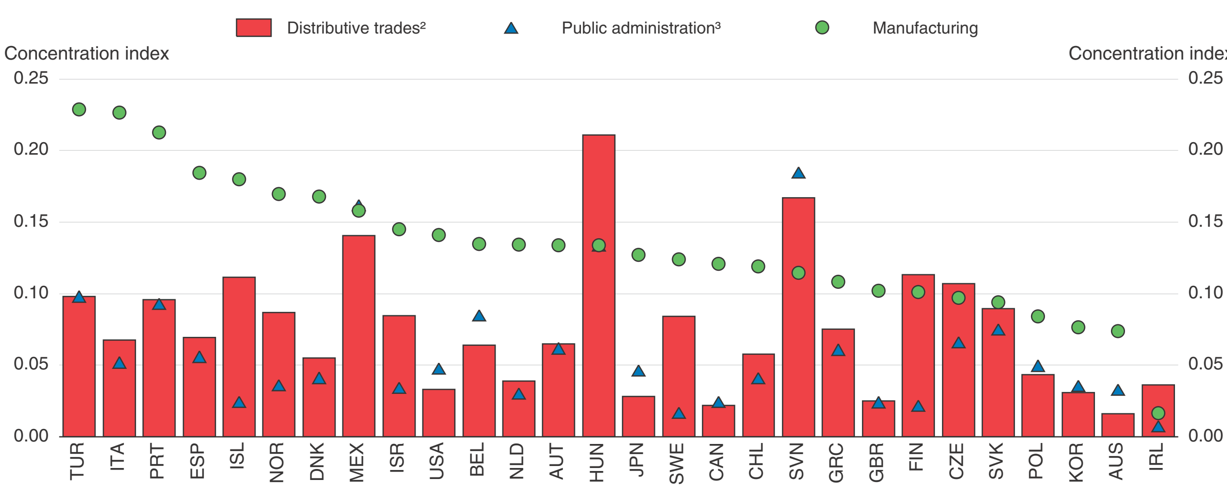
Here again, however, it is difficult to untangle the effects of trade, technology and policy in explaining the decline in the labour share. Trade integration may, for instance, have contributed to the decline by allowing a "winner takes most dynamic" and growing market concentration in a range of sectors with the consequence of a higher profit share (Autor et al., 2017). Regulation that protects incumbents, lack of a robust competition policy and aggressive tax planning can all increase profits when there is growing market concentration. Similarly, technological progress reduces the relative price of capital goods and provides an incentive for firms to substitute capital for labour and to offshore some activities (Karabarbounis and Neiman, 2013).

Focusing on the costs: Regional adjustment to import competition, changing tastes and technology

In most OECD countries, the regional concentration of employment in the manufacturing sector is typically much higher than in service sectors (Figure 2.15). More disaggregated country-specific evidence confirms that manufacturing industries – in particular the manufacture of motor vehicles, ships and boats, and aircraft as well as pharmaceuticals and chemicals – tend to display high levels of geographical employment concentration. In contrast, industries which have an advantage from being close to the population they serve – such as retail services, restaurants, education and social work – are

Figure 2.15. **Employment in manufacturing is more regionally concentrated than in services**

Geographic concentration index[1], average 2000-2015



1. The Geographic concentration index measures the extent to which an activity is concentrated in particular regions, varying between 0 (no concentration) and 1 (maximum concentration).
2. Includes distributive trade, repairs, transportation and storage, accommodation and food service activities.
3. Includes public administration, compulsory social security, education, human health and social work activities.

Source: OECD calculations. For details of the calculations, see OECD (2003), *Geographic Concentration and Territorial Disparity in OECD Countries*, OECD Publishing, Paris.

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more geographically dispersed (Campos, 2012; OECD, 2016c). Moreover, evidence for the United States also suggests that manufacturing industries that are intensively involved in international trade are significantly more geographically concentrated than manufacturing industries with less involvement in trade (Shelburne and Bednarzik, 1993). The regional concentration of manufacturing employment means that sector-specific shocks to manufacturing, whether originating from changes in trade, tastes, or technology, may have a substantial regional impact even if their overall macroeconomic effect on the national economy is modest.

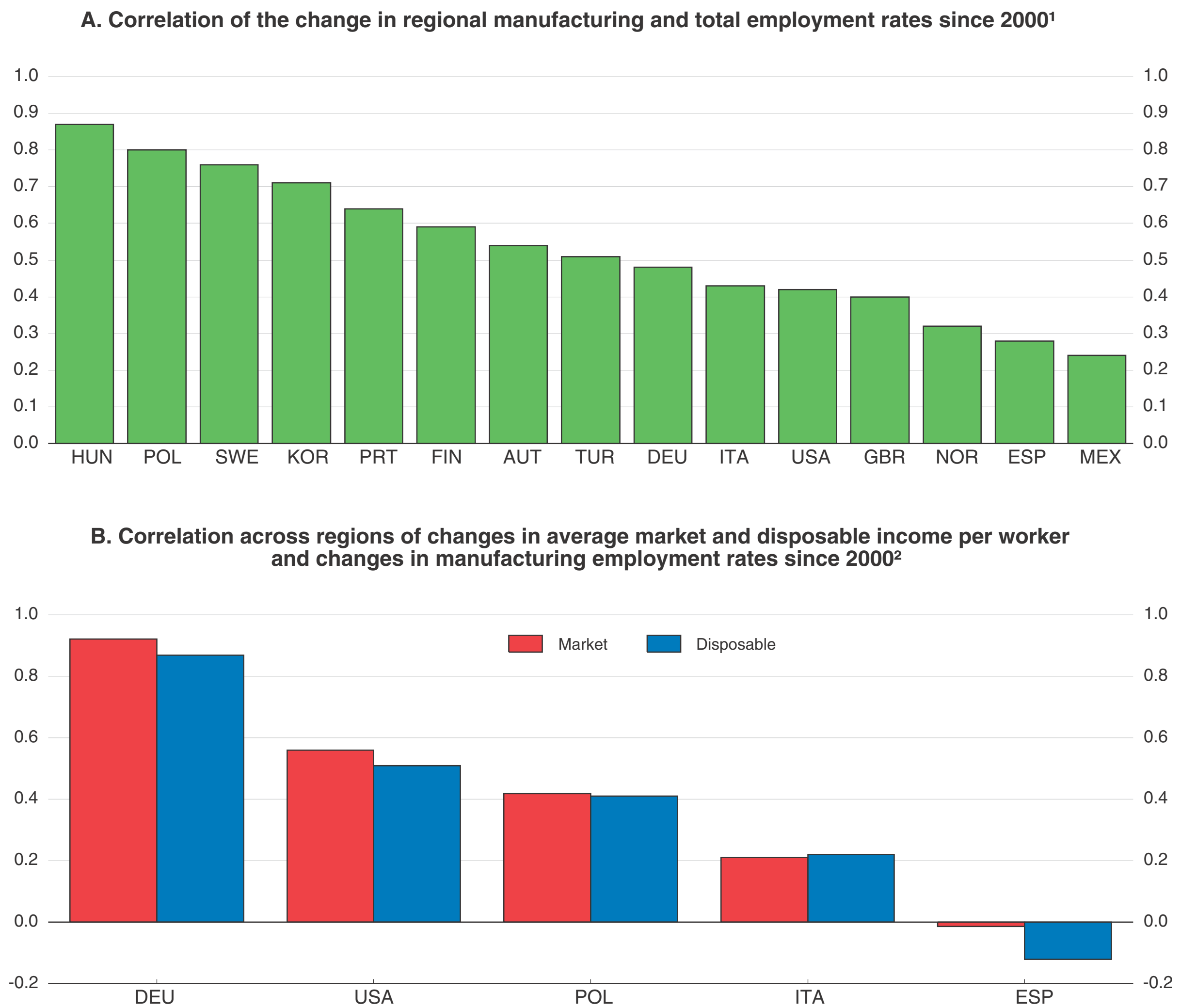
Due to the geographical concentration of import-competing manufacturing activities, as well as the concentrated consequences of changing tastes and technology, along with the dependence of some regions, particularly those outside large cities, on those particular activities, there can be serious manufacturing employment consequences at the regional level. Recent studies analysing the regional dimension of import penetration (Autor et al., 2013; 2016) suggest that about a quarter of the decline in US manufacturing employment between 2000 and 2007 is due to Chinese import penetration. These estimates imply Chinese import competition resulted in a net reduction in US manufacturing employment of around 950 000. While this had significant and serious consequences at the personal and regional levels, the effect is relatively modest in a national macroeconomic context when, according to the US Bureau of Labour Statistics, there were on average around 1.9 million involuntary separations *per month* over this period. Similar qualitative results have been found in other OECD countries, notably in Spain (Donoso et al., 2015) and Germany (Dauth et al., 2014; 2017).

The creation of jobs in expanding activities to compensate for losses in other activities, whether from trade, technology, or tastes, is key to adjust to structural change. However, regions that experience a greater decline in the manufacturing employment rate than the national average also tend to suffer a greater fall in total employment than the national average (Figure 2.16, Panel A; Annex 2.3). In more than half the countries analysed by Rusticelli et al. (2017), changes in manufacturing employment are more strongly correlated with total regional employment than are changes in employment in other sectors of a similar size. In other words, when a shock hits manufacturing firms in regions, other jobs do not seem to fill the gap. That said, the size and strength of this positive correlation does vary markedly across countries.

The relationship between total employment and the fall in manufacturing employment in regions could suggest either that the re-employment prospects of displaced manufacturing workers are lower than for those displaced from other sectors, or that the adverse knock-on multiplier effects are greater. Recent OECD analysis finds that regional adjustment to shocks depends on the concentration of activities at the local level: greater diversity of activities tends to shelter urban areas from adverse employment consequences from international competition and the pressure of technological change. In contrast, rural areas appear less diversified and tend to specialise in primary goods and low-quality manufacturing, which have been hardest hit by trade shocks (OECD, 2016c).

Lower manufacturing employment is also associated with lower market and disposable income in the region as a whole (Figure 2.16, Panel B; Annex 2.3). This is in line with evidence that US workers most exposed to import competition from China, mostly in the manufacturing sector, experienced substantially lower earnings than those with similar demographic characteristics and previous labour market outcomes (Autor et al.,

Figure 2.16. **The decline in manufacturing is associated with lower employment and lower wages**



1. Sample restricted to countries with 15 or more regions, covering the period from 2000 to the latest available date. For the statistical significance of the correlation coefficients, see Annex 2.3.
2. This chart shows the correlation between the change in regional manufacturing employment rates and average market and disposable income per worker where disposable income= Market income – taxes + transfers and market income includes both labour and capital income.

Source: OECD Regional database; and OECD calculations.

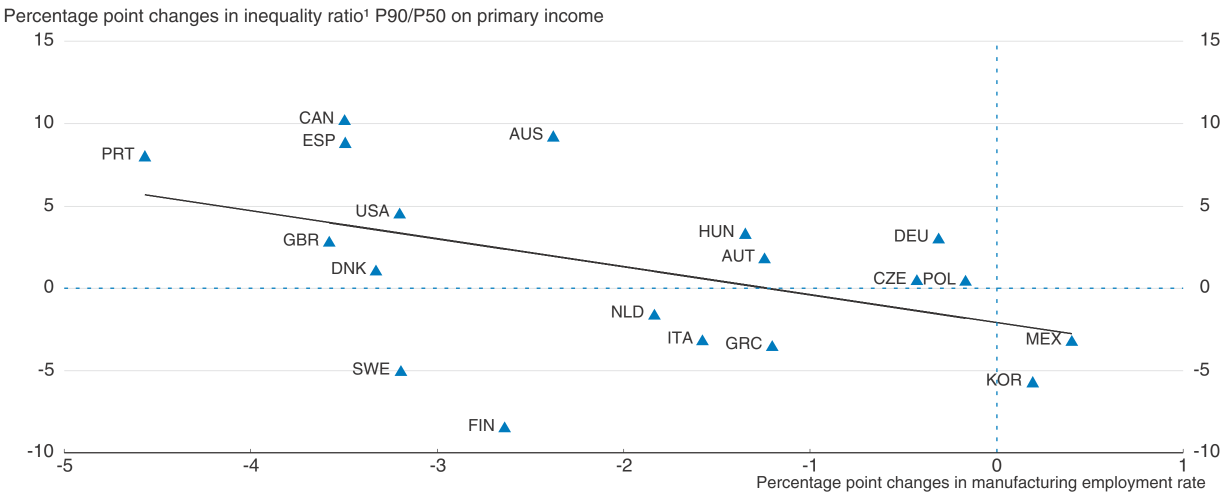
StatLink http://dx.doi.org/10.1787/888933502617

2014; Kletzer, 2001). Also, recent research finds that import competition in France had a significant effect on local labour markets through lower wages (Malgouyres, 2016).

Fewer manufacturing jobs, and lower regional employment and wages, due to stronger import competition, limited sectoral diversity and changes to tastes and technology, are associated with greater inequality between average incomes in different regions (Figure 2.17). The relatively lower increase in income inequality in some countries, such as Sweden and Finland, despite the substantial decline in manufacturing jobs, points to the importance of country-specific institutions and policies to deal with the displacement of workers in manufacturing.

Figure 2.17. **A decline in manufacturing employment rates is associated with an increase in income inequality across regions**

P90/P50 ratio, 2000 until latest available date



1. The chart shows the change in the national manufacturing employment rate versus the change in the dispersion of average regional income as measured by the P90/P50 ratio, i.e. the change in the ratio of the region with average income at the 90th percentile to the region with average income at the 50th percentile.

Source: OECD Regional database; and OECD calculations.

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Policies to boost regional resilience

The need for an integrated approach

Economic disruptions related to trade, technology and tastes call for an integrated approach combining actions at the international, national and sub-national levels (OECD, 2017b). Regions and workers more exposed to changes in trade, technology and tastes can face large adjustment challenges and long-lasting costs. An appropriate policy response should therefore combine national levers with more granular approaches. Coordination and coherence between different policy areas are crucial. While further investigations are needed to identify in more detail where the costs are concentrated and the efficient policies to deal with them, the analysis above and international experience already suggest directions for action.

First, efforts should be made to enhance the productivity and employment capacities of regions that are lagging behind the most productive regions in the country. In particular, policies should be put in place to reinforce their comparative advantage as well as the link between rural and urban areas. The regional dimension of policy packages should be more systematically assessed.

Second, national policies are key to protect workers in case of shocks and to equip them with the means to succeed in an open and changing world. This requires helping workers move from jobs in declining sectors to jobs in expanding sectors. This can be best achieved through activation measures, education and training, and by facilitating labour mobility. Redistributive policies play a role in compensating those who are still left behind (Causa and Hermansen, 2017).

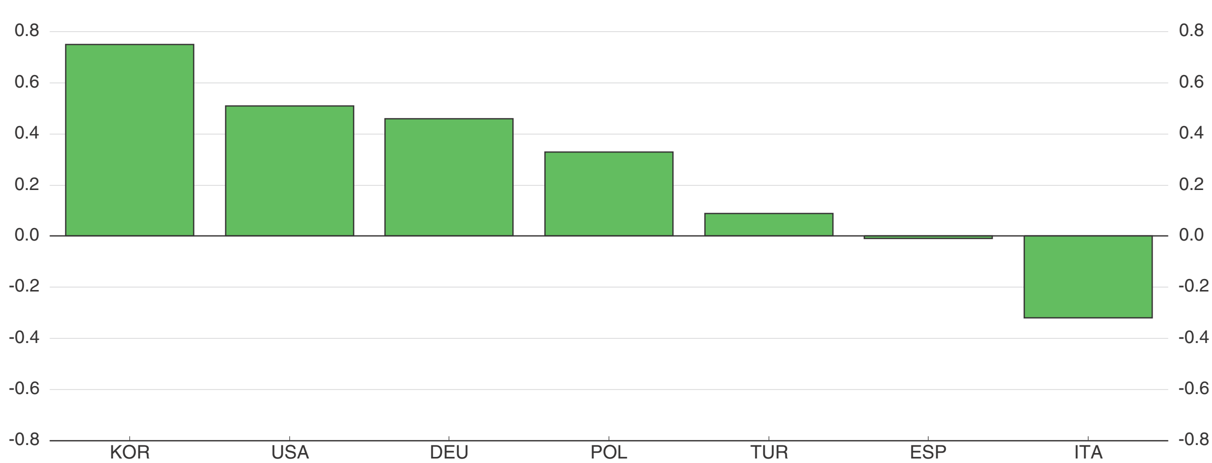
Finally, domestic policy should be complemented by international agreements that help level the playing field and improve inclusiveness. This requires, in particular, improving standards in the labour market or environmental areas. This also calls for more international collaboration on competition, SOEs, business accountability, corruption, illicit trade, and investment policy. Those issues are not discussed here but are examined in detail in other recent OECD publications (OECD, 2017a; 2017b).

Increasing regional mobility

Greater mobility of workers could help regions adjusting to shocks, with people moving to where jobs are available. There is evidence of some adjustment of this kind in Korea, the United States and Germany. However, this adjustment is only partial, with a significant proportion of the unemployed only seeking employment in the region in which they currently reside (Autor et al., 2016). In other countries, insufficient migration from weaker to better performing regions implies that migration does not appear to be helping to disperse localised shocks to labour markets (Figure 2.18). In addition, the least educated workers tend to be the least mobile, which hinders adjustment in regions with a high share of low-skilled labour (OECD, 2005). Strengthening geographic mobility would potentially improve job opportunities for job seekers and would also increase productivity by reducing skills mismatch (Andrews et al., 2015).

Housing policy reforms can help to stimulate labour mobility. Providing housing allowances to displaced low-wage workers, who would otherwise be unable to move to areas where property prices are high, may encourage mobility from regions hit by shocks. Similarly, making the allocation of public housing more responsive to the needs of people moving from areas in decline would help the adjustment process. Reducing constraints on the development of private rental markets, including by reducing the tax bias towards owner-occupied housing, would also encourage labour mobility. Reducing transaction costs would also help to support the mobility of home owners, especially in countries where the share of homeownership is high (Caldera-Sánchez and Andrews, 2011). This could be achieved by promoting competition among intermediaries involved in housing

Figure 2.18. **Correlation between the change in the regional total employment rate and the change in the net inter-regional immigration rate since 2000[1]**



1. Sample restricted to countries with 15 regions or more, covering periods from 2000 to the latest available date. For the statistical significance of the correlation coefficients, see Annex 2.3.

Source: OECD Regional database; and OECD calculations.

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transactions. Finally, providing workers with subsidies to cover the costs of relocating can be a cost-effective way to enhance labour mobility. For instance, in Germany workers participating in the relocation subsidy programme are matched with higher paying and more stable jobs than non-participants (Caliendo et al., 2017). However, policies supporting mobility need to be weighed against the loss of positive externalities that are present in the region, as it might be less costly to support local restructuring, building on existing social and economic networks.

Policies to stimulate geographic mobility are multidimensional. Housing policy should be complemented by good transport infrastructure to connect workers with high-density areas where more jobs are created and connect firms with larger markets. Specific attention should be given to connecting disadvantaged groups and regions. Other potential options to boost mobility include the provision of public services. The quality and the cost of education, for instance, may be an important determinant of the decision to move from one region to another. Access to childcare is another important determinant of geographical mobility, as in many countries workers have to rely on the help from their family when childcare provision is insufficiently developed.

Seizing the benefits from GVCs at the regional level

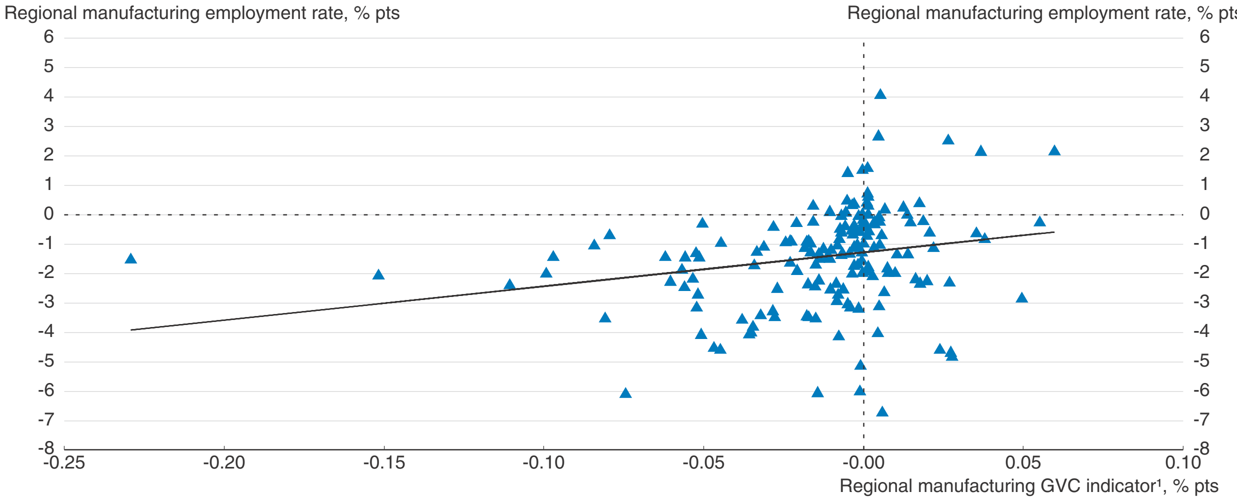
Trade exposure brings vulnerabilities as discussed above, but also opportunities. Across countries the most productive firms tend to be internationally oriented, operating in different countries and engaging in international trade, often through participation in global value chains (Onodera, 2008). Linkages with the global economy appear important for regions to catch up. A significant share of the economy of many catching-up regions is in manufactured goods, mining or services that can be traded internationally (OECD, 2016c). Indeed, greater integration of regional economies into global value chains (GVCs) appears to contribute positively to the development of regional employment. In particular, regression analysis using data for 170 European regions over 2000 to 2010 reveals that stronger involvement in GVCs, as measured by the region's share of global value added, is significantly associated with an expansion of the regional manufacturing employment rate (Rusticelli et al., 2017; Figure 2.19).

Building on local competitive advantages to benefit from national and global knowledge diffusion is key if regions are to seize the benefits from trade. In cities, sustained productivity growth critically depends on exploiting agglomeration economies in high-end tradable services, in particular though adequate coordination of transportation, housing and spatial planning. In less dense areas, rural development policies should go beyond agriculture and be better targeted to build on local assets. “Smart specialisation” requires actively engaging different levels of government, as well as private-sector actors, to identify local strengths and target efforts to incentivise innovation, investments and skill acquisition.

A number of domestic policies could improve the diffusion of knowledge from high-productivity firms. Domestic R&D activity is essential to allow firms to make use of advances in production techniques at the global frontier. More R&D collaboration between universities and firms could help ensure that activities are better attuned to the needs of the business sector (Andrews et al., 2015). The capacity to innovate and to export differentiated goods can in turn bolster demand for domestic products, including manufacturing goods.

Figure 2.19. **Changes in regional employment in Europe are associated with greater integration in global value chains**

Change over 2000-2010



1. The regional manufacturing GVC indicator is measured as the share of regional GVC Value Added in World GVC Value Added (in %). Five manufacturing activities are included in the GVC indicator: mining products, textiles, fuel products, machinery and other manufacturing products.

Source: Los, B. and W. Chen (2016), "Global Value Chain Participation Indicators for European Regions", *Report for the OECD*, December 2016; Thissen, M., M. Lankhuizen and B. Los (2017), "Construction of a Time Series of Fine-Grained Detailed Nuts2 Regional Input-Output Tables for the EU embedded in a Global System of Country Tables", mimeo, forthcoming, PBL Netherlands Environmental Assessment Agency, The Hague; and OECD calculations.

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Foreign direct investment can also play a fundamental role in enhancing regional economic growth. Local competencies benefit from linkages between foreign and domestic firms through social connections and technological spillovers. Specific regional characteristics like good infrastructure and accessibility, a highly educated regional workforce and a high level of spending on R&D are found to be essential in shaping location patterns of FDIs. However, other factors related to national macroeconomic conditions, market size, geography and language also appear to be crucial and go beyond the direct competence of regional authorities (Casi and Resmini, 2017; Bode and Nunnenkamp, 2010). Investments in physical and digital connectivity could, in particular, deliver significant gains if well co-ordinated with other policies, aiming notably at strengthening human capital, innovation and the business environment (OECD, 2016c).

An economy's ability to learn from the most productive firms depends also on the absence of barriers to the reallocation of resources. In the majority of advanced economies the scope for reducing regulatory barriers to firm entry and competition remains substantial, especially in services (OECD, 2017f). Product market regulations in wholesale and retail trade have a greater negative impact on productivity growth in regions lagging behind their country's most productive region (D'Costa et al., 2016).

Inter-governmental fiscal arrangements

Inter-governmental fiscal arrangements should be carefully designed to foster regional convergence. While transfers from the central government to sub-central governments help achieve national common standards of sub-central public goods and services, they may also damp incentives for lagging regions to catch up with the most advanced regions. Inter-governmental fiscal frameworks that are based on the principle that local governments must finance expenditure through their own resources are the most conducive to regional economic development in OECD countries (Bartolini et al., 2016). Such arrangements incentivise local governments to enlarge the tax base by implementing policies that support economic activity and job creation, and by spending more efficiently. The positive impact of tax decentralisation on GDP per capita growth is stronger in lagging regions, where there is more scope for activating or using local resources more efficiently, than in leading regions. While decentralisation is good for growth, such arrangements should be implemented carefully for regions which have to cope with the costs of trade or technological shocks, as they rely more on transfers which help damp inequalities (Agkun and Dougherty, 2017).

Policies to help workers

Labour market policies to help displaced workers

The type of policies that best improve the employability of trade-displaced workers are broadly similar to those that work for other jobseekers displaced because of technological changes or other factors. International experience suggests that the best way to support displaced workers is through a combination of temporary income support, job search support and measures to improve the employability of job seekers (OECD, 2016d). Active labour market policies can be particularly useful in reducing the risk of long-term unemployment, the resulting depreciation of skills and employability, and associated lower earnings after displacement (Quintini and Venn, 2013). Providing adequate resources in regions facing high and persistent unemployment rates after a shock, and allowing public employment services to adjust programmes to reflect local needs, are important elements for the success of labour market policies.

While the type of policy is broadly similar, the size of the support needed may be larger for trade-displaced workers. This is because the re-employment prospects of trade displaced workers are often relatively poorer, as they tend to be older and longer tenured, and may have skills that are specific to a declining sector (Francois et al., 2011; Egger and Kreickemeier, 2009; 2011; Sourdin et al., 2013; OECD, 2005). Nonetheless, experience to date with specialised programmes to serve trade-displaced workers has been generally disappointing (see Box 2.5). A targeted approach may, however, be more appropriate in the case of mass layoffs, where a large number of workers with similar characteristics seek work in the same area at the same time, whether or not trade competition played a major role in causing those jobs to be lost.

Adjustment assistance measures that have proved successful in improving the re-employment prospects of displaced workers include a requirement for firms to provide notice to workers and labour market authorities well in advance of layoffs, so that counselling and job search support can begin even before workers become unemployed. Among the OECD countries, Sweden has been particularly successful in applying this approach to assist displaced workers. This is mainly due to the long-standing tradition of collaboration between the social partners to share responsibility for managing restructuring. This collaboration is institutionalised in the form of Job Security Councils which are funded by employers and based on collective agreements between the social partners (OECD, 2015). When jobs are at risk, the Job Security Council in that sector facilitates consultations between employers and trade unions exploring possible

Box 2.5. Trade-related labour market programmes: lessons from international experience

The US Trade Adjustment Assistance (TAA) for Workers provides additional assistance to workers who have lost their job due to an increase in imports (including in upstream or downstream activities), or because their employer has shifted production to another country. This support is above what is available to other displaced workers from general labour market programmes. Workers who are certified as having been displaced due to trade may receive particularly generous support for training that covers both the direct expenses of training and stipends to cover living costs while training. TAA-certified workers may also receive more intensive job search assistance and support to cover relocation costs than other displaced workers, while older workers for whom training is not appropriate may be eligible to receive part of the difference between their old and new wage for up to two years. The success of the programme has been limited by the sometimes long delays involved in determining which job losers are eligible for TAA, whereas adjustment assistance is more effective the earlier it is provided. It is also arguably inequitable to provide more extensive support to workers affected by trade-related job displacement than is available to workers who experience job displacement for other reasons. Some of the inefficiency associated with the TAA results from the complex and devolved institutional structure of US labour market programmes more generally (OECD, 2016g). In FY2016, Congress appropriated USD 861 million (subject to sequestration) for TAA for Workers programmes.

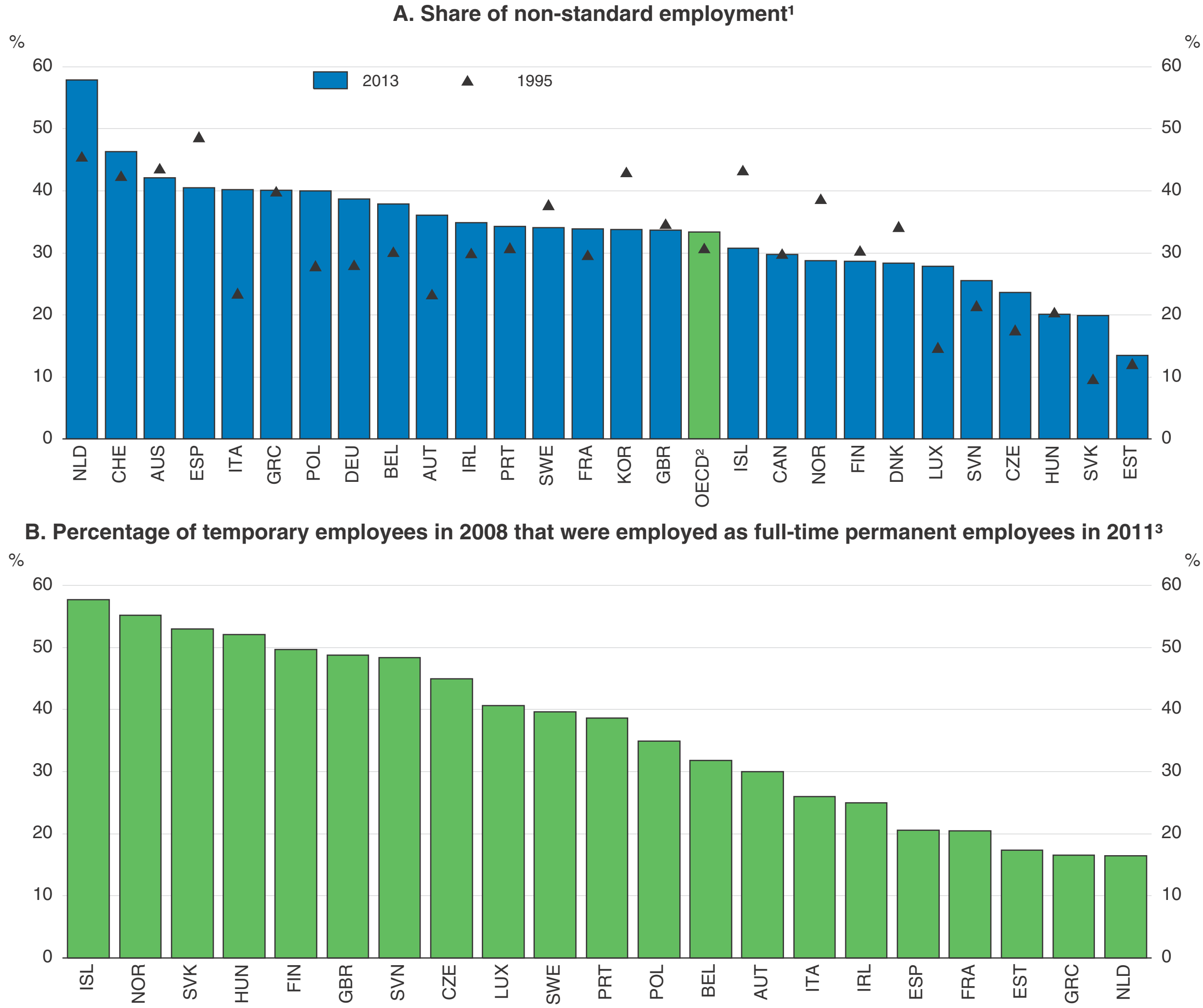
EU funding for displaced worker programmes is organised through the European Globalisation Adjustment Fund (EGF) and is limited to EUR 150 million a year for the period 2014-2020. The EGF provides one-off, time-limited support to address job losses stemming from major structural changes in world trade patterns, or as a result of the global financial crisis. Although far more limited in funding than the US TAA for Workers it targets a broader range of displaced workers. As a general rule, the EGF can be used only where over 500 workers are made redundant by a single company (including in upstream or downstream activities) or if a large number of workers are laid off in a particular sector in one or more neighbouring regions. EGF cases are managed and implemented by national or regional authorities. Approaches to deal with jobs displaced vary across EU countries.

alternatives to redundancies, as well as providing advice about the best ways to manage displacements that cannot be avoided. The Job Security Council has a professional staff that then works with individual workers who have been made redundant to help them to find appropriate new jobs. One indication of the effectiveness of this approach is that 85% of displaced workers find a new job within one year in Sweden, a higher rate than in any other OECD country.

After being displaced, workers also tend to suffer from lower job security. Temporary and part-time work tends to rise after displacement (Quintini and Venn, 2013). Though such a situation is not directly related to trade, the share of workers with non-standard contracts is relatively high in several countries and has been increasing (Figure 2.20, Panel A). In addition, in many countries, temporary contracts do not generally help to access more permanent contract jobs (Figure 2.20, Panel B). The rise of non-standard contracts is associated with lower job security and weaker income protection in the case of job loss. Providing more income security would help trade and technology-displaced workers adjust to shocks. In particular, making rights portable and linked to workers rather than jobs is critical to support workers moving from one job to another.

Indications that trade may have accentuated technology-driven inequality in some countries, but with an impact that is variable across countries, suggests that other labour

Figure 2.20. **Job security is low is some countries**



1. Sample restricted to paid and self-employed (own account) workers aged 15-64, excluding employers, student workers and apprentices.
2. OECD refers to the 27 countries displayed.
3. 2007-10 for the Czech Republic, France, Greece, Sweden and the United Kingdom; 2006-09 for Norway and the Slovak Republic; and 2005-08 for Ireland.

Source: OECD (2015), *In It Together: Why Less Inequality Benefits All*, OECD Publishing, Paris.

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market institutions also matter to support the income of middle and low-skilled workers. In particular:

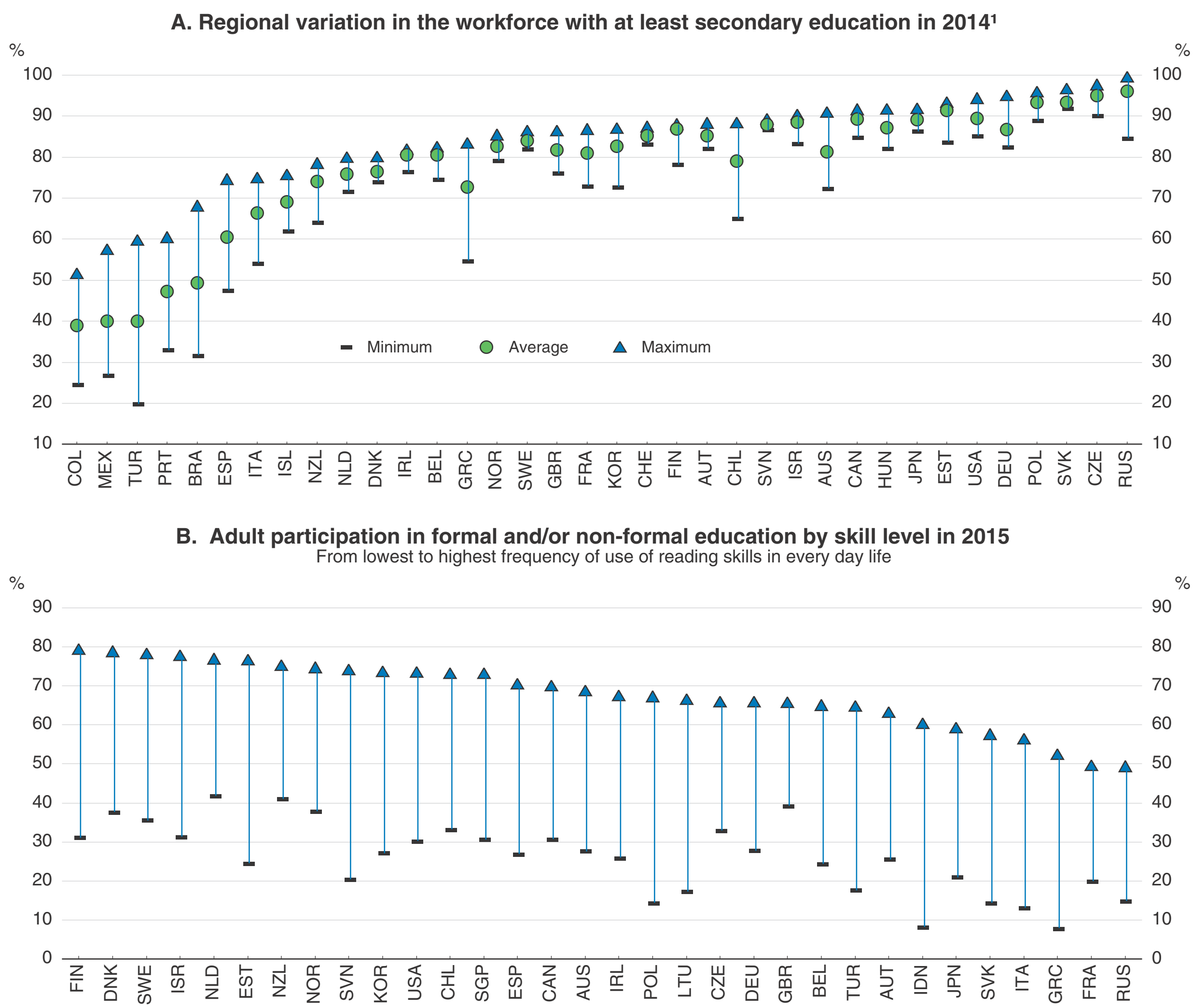
- Well-designed minimum wage schemes can be efficient at supporting earnings while not hurting the employment performance of the low-skilled (Immervoll, 2015). This is for instance the case when schemes combine high take-home pay associated with relatively high minimum wages with reasonable labour costs due to wage subsidies.
- There is also evidence that unionisation and collective bargaining damp the negative effect of import competition on wage inequality (Schwellnus, 2016; Berlingieri et al., 2017).

Regional disparities in productivity imply that institutional settings may have a different impact across regions. In practice, the impact on lagging regions might be alleviated by non-compliance. For example, calculations of the percentage of workers that are paid less than the minimum wage set by collective bargaining show an increasing pattern of underpaid workers from the north to the south of Italy (Garnero, 2017). It may also reduce incentives to set up activities in low productive regions where there is a higher share of low productive workers. The extent to which policies should target individuals or adapt institutions to regional characteristics remains an empirical question for future research.

Education and skills policies to prepare workers for the future

Across OECD countries, workers in rural areas tend to be lower educated than in urban areas (OECD, 2016c; Figure 2.21, Panel A). This leaves them more vulnerable to trade shocks.

Figure 2.21. **Education attainment and participation in training is low in some countries**



1. Or last year available.

Source: OECD Regional Statistics database; and OECD (2016f), *Education at a Glance* 2016: *OECD Indicators*, OECD Publishing, Paris (based on Survey of Adults Skills 25-64 years old).

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Upskilling of workers at risk of displacement helps them adjust to a new environment and reduces the risk of their job being offshored (OECD, 2017d). Educated workers tend also to be more mobile when shocks occur. OECD analysis suggests that the lack of key generic skills such as mathematics, verbal and cognitive skills explains most of the difficulties faced by displaced workers in the labour market (Quintini and Venn, 2013).

Despite their higher risk of job displacement, low-skilled workers tend to participate less in lifelong learning programmes (Figure 2.21, Panel B), even though there is evidence that such programmes help preserve job quality after displacement. In Denmark, displaced workers who received vocational training for service occupations have managed to avoid moving into low-wage service jobs (Keller and Utar, 2016). Workers in SMEs also tend to have lower cognitive skills than in larger firms, which makes it more difficult to meet the hiring standards of exporting firms (OECD, 2017d). There are different market failures that could act as barriers for firms and individuals to invest and participate in lifelong learning. Policies to consider are specific to each country, but could include measures to protect firms from poaching and to support specifically SMEs, which have less room for training their workers, particularly in lagging regions.

In addition to upskilling, many countries need to ensure a better match between the skills provided by the education system and the skills needed in the labour market. In the European Union, Mexico, Japan and Korea, around 40% of workers feel that their skill level is not matched to the requirement of the job, while in the United States 40% of surveyed firms report having difficulties filling jobs (OECD, 2016e). Efforts to tailor worker training to the needs of local firms would also help improve matching in the labour market. Stronger work-based learning in vocational education and initiatives to link educational institutions and the private sector through a stronger coordination among stakeholders would help.

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ANNEX 2.1

Export growth regression results

To analyse the relative effects of demand and competition on export growth, a regression is estimated of the growth of exports of 742 manufactured products for 44 countries over the period 1995 to 2015 (Table). Demand is measured as total world exports of product *p* excluding the exports of the country itself.

Competition effects are measured by the degree of specialisation of a country in a product. The higher the degree of specialisation of a country in a product the greater the level of competition it is considered to be adding to that product market. Specialisation is in turn measured by revealed symmetric comparative advantage (RSCA) defined as:

$$RSCA_{c,p} = \frac{RCA_{c,p} \ -1}{RCA_{c,p} \ +1}$$

where $RCA_{c,p} = \frac{Exports_{c,p}/\sum_p Exports_{c,p}}{Exports_{world,p}/\sum_p Exports_{world,p}}$ and $Exports_{c,\,p}$ are total exports of product *p* by country *c* and $Exports_{world,\,p}$ are the total exports of product *p* in global trade.

The RSCA indicator lies between -1 and +1. The greater the value of the RSCA for a given product *p* exported by country *c*, the greater is the relative weight that product *p* has in country *c*'s export basket. A value of 0 means that country *c*'s export share is identical to the world trade share of product *p*. If the value of the RSCA for a product is greater than 0 for a country, that country is considered to be specialised in that product. The nominal effective exchange rate (NEER) as well as dummies for year, country and product are also included as controls.

The standard deviation of world export growth by product is 0.17. The standard deviation of the change in the RSCA of China, Germany, United States and Dynamic Asian Economies is 0.107, 0.073, 0.082 and 0.088, respectively.

As expected, the signs on the RSCA terms are negative. Export growth of product *p* from country *c* is reduced if other countries become more specialised in that product. Also, as expected, the world demand for a product has a positive sign; the faster the world market for a product grows the easier it is for a country to expand its own exports of that product.

Export growth of manufactured products

Dependent variable	Dlog export (c,p,t)
Change in RSCA of China (p,t)	-0.04 (***)
Change in RSCA of Germany (p,t)	-0.06 (***)
Change in RSCA of USA (p,t)	-0.12 (***)
Change in RSCA of Dynamic Asia (p,t)	-0.05 (***)
DLOG of NEER (c,t)	-0.03 (**)
DLOG of world exports (p,t)	0.34 (***)
Constant	0.29 (***)
Dummies year	yes
Dummies product	yes
Dummies country	yes
Observations	602,952
	1995-2015
	44 countries
-	SITC Manufacturing 742 commodities

Notes: c, p, t denote country, product and time. Dlog denotes log difference. NEER denotes nominal effective exchange rate. Exports are measured in values. Dynamic Asian Countries is a country grouping comprising Chinese Taipei; Hong Kong China; Malaysia; the Philippines; Singapore, Thailand and Vietnam. "***", "**" and "*" denote statistical significance at the 1%, 5% and 10% level, respectively.

Source: UN Comtrade database; Bank of International Settlements; and Araujo et al. (2017).

StatLink http://dx.doi.org/10.1787/888933505106

ANNEX 2.2

Manufacturing employment regression results

The impact of import competition on manufacturing employment was analysed at the country level by estimating a cross-country regression of the manufacturing employment share in total employment. Several explanatory variables are used to capture the impact of trade, technological change and consumption patterns. *Intermediate imports* is the import penetration of intermediate goods, calculated as the ratio of imports of intermediate goods of all sectors as a share of total domestic expenditure. *Imports for final consumption* is the import penetration of consumption goods, calculated as the ratio of imports of consumption goods of all sectors to total domestic expenditure. *ICT investment* is calculated as the ratio of investment in ICT equipment in the manufacturing sector to GDP in that sector. *Investment in machinery* is the change in the investment in machinery, calculated as the ratio of the investment in machinery other than transport and ICT in the manufacturing sector to the GDP of the manufacturing sector. *Consumption share* is constructed as a weighted sum of the share of consumption of durable and semi-durable goods in total consumption (the sum of durable, semi-durable, non-durable goods consumption as well as services), expressed in values, of 37 OECD and non-OECD countries.

To help reduce the risk that the regression is picking up trends rather than business cycle fluctuations, manufacturing employment is measured as a share of total employment and all variables are expressed as changes over 6-year periods (1990-96, 1996-2002, 2002-08 and 2008-14). In addition, it seems unlikely that specific manufacturing demand shocks are driving both intermediate imports and employment because the manufacturing employment share has been in trend decline, whereas GVC activity has been on a rising trend over the past 25 years. The consumption share term is also included to help pick up at least part of any specific manufacturing demand shocks. The regressions were also run using year-on-year changes as a robustness check and the results hold and turn out to be even stronger. Period dummies for the first three sub-periods and a constant are included and together represent the unexplained common trend. The following specifications were selected:

(1) $dY = \beta_1$ dMPENcons + β_2 dMPENint + β_3 dmach + β_3dICT + period1 + period2 + period3 + cst + e

(2): $dY = \beta_1$ dMPENcons + β_2 dMPENint + β_3 dmach + β_4dICT + $\beta_5$dlnXPERF + period1 + period2 + period3 + cst + e

(3): $dY = \beta_1$ dMPENcons + β_2 dMPENint + β_3 dmach + β_4 dICT + β_5 dMPENcons(from china) + β_6 dMPENint(from China) + period1 + period2 + period3 + cst + e

(4): $dY = \beta_1$ dMPENcons + β_2 dMPENint + β_3 dmach + β_4 dICT + β_5 dConsumptionShares+ cst + e

(5): $dY = \beta_1$ dMPENcons + β_2 dMPENint + β_3 dmach + β_4 dICT + β_5 dlnXPERF + β_6 dConsumptionShares + cst + e

Explaining the decline in the manufacturing employment share for selected OECD countries

Dependent variable: change in the share of manufacturing in total employment

	(1)	(2)	(3)	(4)	(5)
Imports for final consumption	-0.4799 **	-0.4749 **	-0.2937	-0.5580 ***	-0.5097 ***
Intermediate imports	0.1914 ***	0.1720 ***	0.1835 ***	0.2026 ***	0.1742 ***
Investment in machinery	-0.0561 *	-0.0489 *	-0.0859 ***	-0.0586 **	-0.0493 *
ICT investment	-0.0873	-0.0806	-0.0519	-0.0850	-0.0760
Export performance (log)		0.0099			0.0114
Imports for final consumption from China			-0.9497		
Intermediate imports from China			-0.1785		
Consumption share				0.2409 *	0.1951 *
Constant	-0.0163 ***	-0.0156 ***	-0.0160 ***	-0.0158 ***	-0.0156 ***
Time dummy: 1990-96	0.0013	0.0003	0.0011		
1996-2002	0.0002	-0.0007	0.0023		
2002-08	-0.0065 **	-0.0056 *	-0.0040		
Countries					
Periods (maximum)	4	4	4	4	4
Number of obs	47	47	45	47	47
Adjusted R-squared	0.277	0.282	0.299	0.296	0.314

Notes: All variable are expressed in change form. For the purposes of the regression, the change in the data is constructed over sub-periods 1990-96, 1996-2002, 2002-08 and 2008-14. "***", "**" and "*" denote statistical significance at the 1%, 5% and 10% level, respectively. The dependant variable is the change in the ratio of manufacturing to total employment. The variable intermediate imports is the change in the import penetration of intermediate goods calculated as the ratio of imports of intermediate goods of all sectors as a share of total domestic expenditure. The variable imports for final consumption is the change in the import penetration of consumption goods calculated as the ratio of imports of consumption goods of all sectors to total domestic expenditure. The variable ICT investment is calculated as the ratio of investment in ICT equipment in the manufacturing sector to the GDP of the manufacturing sector. The variable investment in machinery is the change in the investment in machinery calculated as the ratio of the investment in machinery other than transport and ICT in the manufacturing sector to the GDP of the manufacturing sector. Consumption share is an aggregate variable constructed as a weighted sum of the share of consumption of durable and semi-durable goods in total consumption (durable, semi-durable, non-durable goods, and services), expressed in values, of each of the following countries: AUT, BEL, CAN, CZE, DNK, FIN, FRA, DEU, GRC, HUN, ISL, IRL, ITA, JPN, KOR, LUX, MEX, NLD, NZL, NOR, POL, PRT, SVK, SWE, GBR, USA, CHL, COL, EST, ISR, LVA, SVN, ZAF, LTU, CRI, IDN, TUR. Period dummies are included for the first three sub-periods. A constant is also included.

Source: Data come from various OECD databases: employment data are taken from the STAN or GOV databases, import data from the STAN database, investment data from OECD national accounts, and total domestic expenditure and exchange rates from the Economic Outlook database.

StatLink http://dx.doi.org/10.1787/888933505087

ANNEX 2.3

Regional analysis

	Number of regions	Correlation of			
		Manufacturing employment rate vs. total employment rate	Manufacturing employment rate vs. import exposure	Total employment rate vs. net inter-regional migration rate	Market income vs. manufacturing employment rate
AUS	9	0.10	-0.64*	-0.15	0.62*
AUT	35	0.54***	-0.08	0.52	0.90***
BEL	3	0.59	0.71		0.61
CAN	13	0.23	0.10	0.42	0.69**
CZE	14	0.53**	0.33	0.67*	-0.67*
DEU	16	0.48**	0.48**	0.46*	0.92***
DNK	11	0.19	0.60**	-0.66	0.47*
ESP	59	0.28**	-0.19*	-0.01	-0.02
EST	5	0.39	-0.09		
FIN	19	0.59***	0.06	0.94***	0.13
GBR	173	0.40***	0.01		0.21**
GRC	13	0.16	-0.05		-0.64***
HUN	20	0.87***	0.40*	0.41	0.83**
IRL	8	0.96***	0.34		0.88***
ITA	110	0.43***	0.01	-0.32	0.21
KOR	17	0.71***	0.43*	0.75**	0.42*
LVA	6	-0.64	0.46		
MEX	32	0.24	0.41***		0.01
NLD	12	-0.22	-0.06	0.12	-0.56**
NOR	19	0.32		-0.22	
POL	16	0.80***		0.33	0.42*
PRT	25	0.64***	-0.19	0.25	0.14
SVK	8	0.76**		-0.98**	0.06
SVN	12	0.48	0.18		0.06
SWE	21	0.76***	-0.18	0.58*	0.69**
TUR	26	0.51***		0.09	
USA	51	0.42***	0.02	0.51***	0.56***

Note: Correlation coefficients are computed over periods from 2000 (or later but not shorter than a 5 year period) to the latest available date. A different level of regional data (i.e. large regions - L2 level or small regions - L3 level) are chosen across countries to assure the largest possible sample size. The number of regions or sub-regions included is as reported in the first column except for the correlation with inter-regional migration flows which are computed only on a regional level.

Source: OECD Regional Database; Structural Analysis Database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933505125

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Chapter 3

DEVELOPMENTS IN INDIVIDUAL OECD AND SELECTED NON-MEMBER ECONOMIES

ARGENTINA

Economic growth is projected to rebound strongly in 2017 and 2018 as recent reforms gain traction and exports strengthen. Investment will pick up, supported by an improving business climate and infrastructure investment. Inflation remains high, but will decrease in line with the central bank's target, as monetary policy remains restrictive and the effect of administrative price increases and the depreciation of the peso are wearing off. Stronger growth will gradually reduce unemployment.

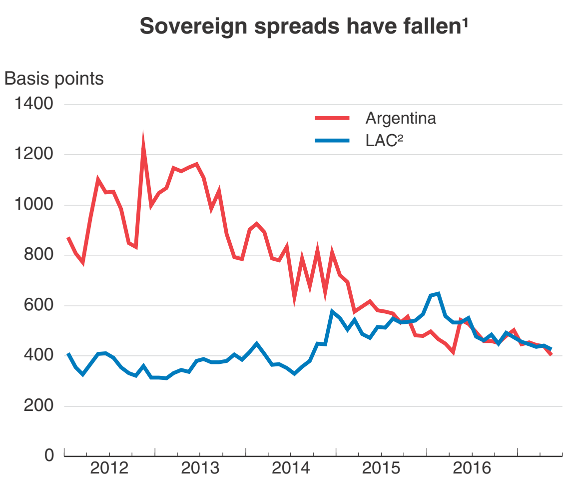
Monetary policy will remain restrictive to bring down double-digit inflation, and fiscal policy will need to gradually tighten to ensure fiscal sustainability. Productivity and incomes would be boosted by structural reforms in product and labour markets. A comprehensive tax reform is needed to reduce distortions and improve fairness. Stronger efforts to reduce inequalities in access to quality education and to curb labour market informality are needed to make growth more inclusive.

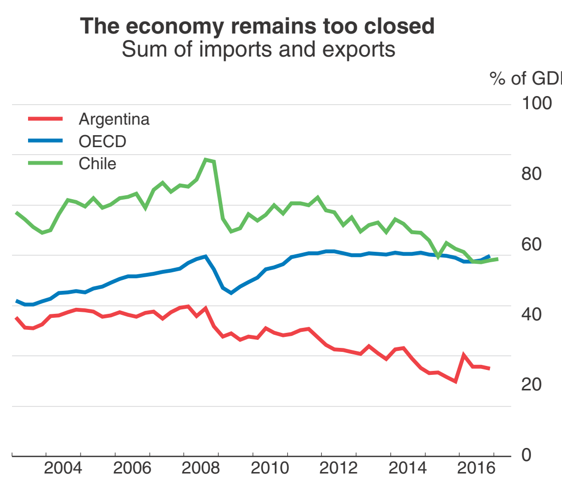
The economy became increasingly isolated as trade barriers were erected in past years. To restore Argentina's position in global markets and value chains, the authorities plan to reduce trade barriers gradually. Improving active labour market policies and training can help workers to adjust to a changing economy.

The economy has exited recession

Economic activity started to pick up in the second half in 2016, driven by strong exports in the agriculture sector, helped by recent reforms such as the elimination of export taxes. Private consumption continued to be held back by a fall in real incomes due to the currency depreciation and the partial withdrawal of subsidies, although rising social expenditures offset some of this. Investment has remained restrained, but is starting to

Argentina





1. Blended spreads as per J.P. Morgan's Emerging Market Bond Index Plus (EMBI+). Instruments considered in EMBI+ are US dollar-denominated Brady bonds, loans and Eurobonds. Spreads are calculated as the premiums paid by an emerging market country over a U.S. Treasury bond with comparable maturity features.
2. LAC refers to blended spreads as per the LatAm EMBI+ index.

Source: Thomson Reuters; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933502731

Argentina: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ARS billion	Percentage changes, volume (2004 prices)				
GDP at market prices	3 348.3	-2.5	2.6	-2.3	2.5	3.1
Private consumption	2 209.5	-4.4	3.5	-1.4	1.0	2.7
Government consumption	562.7	2.9	6.8	0.3	1.6	1.8
Gross fixed capital formation	545.4	-6.8	3.8	-5.5	9.0	6.9
Final domestic demand	3 317.6	-3.5	4.2	-1.7	2.2	3.2
Stockbuilding[1]	34.0	0.0	0.0	0.3	0.0	0.0
Total domestic demand	3 351.6	-3.9	4.0	-1.6	2.4	3.5
Exports of goods and services	489.4	-7.0	-0.6	3.7	6.8	6.3
Imports of goods and services	492.8	-11.5	5.7	5.4	5.4	7.2
Net exports[1]	- 3.3	0.7	-0.9	-0.2	0.1	-0.1
Memorandum items						
GDP deflator	_	40.3	24.5	40.9	21.7	15.0
Current account balance[2]	_	-1.5	-2.7	-2.8	-2.9	-3.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506398

rebound. The labour market remains subdued. Unemployment still stands close to 8%, but employment has started to grow, as the economy has begun to recover. Poverty affects one third of the population. Inflation is declining, from very high levels, as monetary policy has tightened and many one-off factors wear off.

Wide-ranging structural reforms would boost inclusive growth

Macroeconomic policies will continue to reduce large past imbalances. In particular, monetary policy will need to remain restrictive to bring down inflation in a sustained way. Fiscal policy will also need to be moderately contractionary to reduce the unsustainable deficit, which amounted to 5.8% of GDP at end-2016, but in a gradual manner given the incipient recovery and social needs.

Putting Argentina on a path to stronger, inclusive growth and higher employment requires boosting productivity and investment through wide-ranging structural reforms. Improving regulations in product and labour markets and strengthening competition would stimulate investment and facilitate job and firm creation. Undertaking a comprehensive tax reform, reducing barriers to trade and improving infrastructure would enhance competitiveness of firms and the prospects for workers to move into better paying jobs. Beyond changing laws, implementing reforms and improving institutions are equally important.

Stronger efforts to expand access to quality education and reduce labour market informality would extend the benefits of growth to more Argentinians. Improving active labour market policies and training would support workers in acquiring new skills and in getting ready for new jobs. Expanding early childhood education would open the door for more women to take up paid work, improve school outcomes and reduce inequalities.

Growth will rebound

As some of the forces that reduced growth in 2016 recede and the reforms begin to bear fruit, activity is projected to recover during 2017 and 2018. Investment will be a key driver of growth, supported by stronger infrastructure investment, an improving business climate and rising capital inflows. Exports will benefit from recent reforms, such as the removal of export taxes, and the improving outlook in trading partners, especially Brazil. Private consumption will pick up, driven by increases in real wages, as the labour market improves and inflation falls.

The array of economic reforms might give a bigger boost to growth and incomes than assumed in this projection. On the back of recent reforms to develop the mortgage market, the construction sector could be stronger than anticipated. On the other hand, the economy could be held back by an increase in political uncertainty, a more protracted recession in Brazil and rising protectionism. Interest rate spreads have narrowed, but a tightening of external financial conditions would mean higher financing costs and worse debt dynamics.

AUSTRALIA

Economic growth is projected to increase gradually and reach almost 3% by 2018. The drag on growth from declining resource-sector investment will fade and gathering momentum outside the resource sector will support wage and employment growth, thus boosting consumer spending. Tightening labour and product markets will bring inflation up from current low levels.

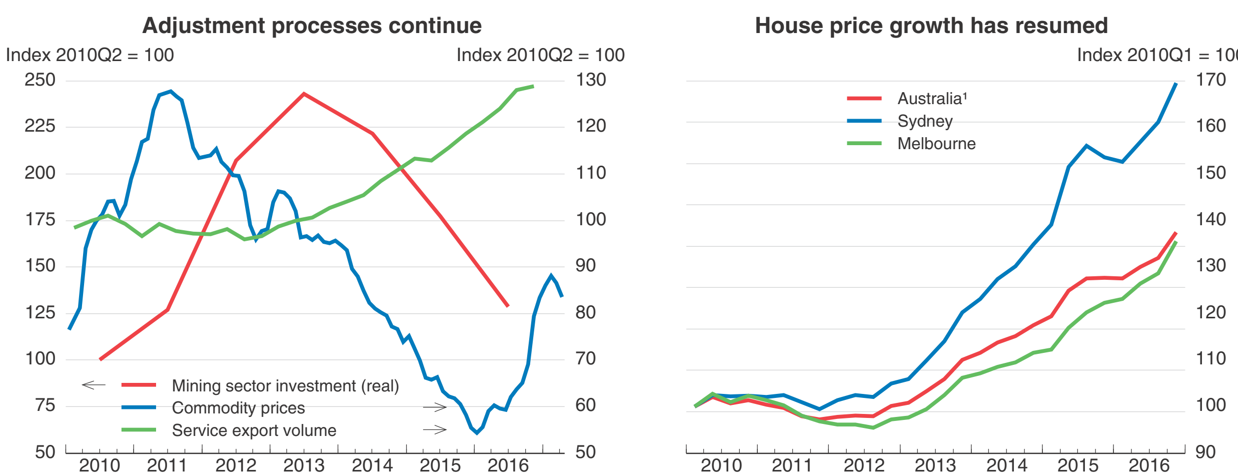
The central bank is projected to start increasing its policy rate towards the end of 2017, as growth improves and consumer price inflation moves towards its 2-3% target band. Higher interest rates will relieve some of the pressure on the booming housing market, although the risks posed by possible overheating still call for enhanced macro-prudential policies. In the event of an unexpected downturn, fiscal policy should be used to support activity. Given the good fiscal position, projects with high rates of return should be pursued.

Australia is distant from major world markets but is nevertheless well integrated into global markets. Sound policies have helped. In particular, Australia's immigration and visa systems have been critical to demographic and economic development. However, there is room for a more business-friendly tax mix. Also, inequality needs to be contained, including that linked to globalisation, in particular through enhancing labour-market skills and providing better paths for disadvantaged people to get jobs.

Activity is picking up

In the resource sector, the cutbacks in investment are coming to an end and the rebound in iron-ore and coal prices has boosted business income and tax revenues. Also, new liquefied-natural-gas (LNG) production is coming on stream. There are signs of a pick-up in investment outside the resource sector. However, employment, household incomes, consumption and prices continue to grow relatively slowly. Furthermore, poor weather has disrupted commodity exports and the commodity-price rebound appears to have ended. House prices in some markets, already very high, are still rising fast despite macro-prudential tightening.

Australia



1. Weighted average of eight capital cities.
Source: Australian Bureau of Statistics; and Reserve Bank of Australia.

StatLink http://dx.doi.org/10.1787/888933502750

Australia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices AUD billion	Percentage changes, volume (2014/2015 prices)				
GDP at market prices	1 559.7	2.8	2.4	2.4	2.5	2.9
Private consumption	855.6	2.8	2.7	2.7	2.6	2.9
Government consumption	280.9	0.9	3.5	3.9	1.9	2.0
Gross fixed capital formation	431.5	-1.9	-3.1	-2.5	0.4	1.5
Final domestic demand	1 567.9	1.2	1.3	1.6	1.9	2.4
Stockbuilding[1]	- 0.4	0.1	0.0	0.1	0.1	0.0
Total domestic demand	1 567.5	1.2	1.3	1.7	2.1	2.4
Exports of goods and services	318.4	6.9	5.8	7.6	6.7	7.2
Imports of goods and services	326.2	-1.1	1.8	0.4	3.5	3.7
Net exports[1]	- 7.8	1.6	0.8	1.4	0.6	0.8
Memorandum items						
GDP deflator	_	0.2	-0.6	1.1	2.6	1.6
Consumer price index	_	2.5	1.5	1.3	2.0	2.0
Private consumption deflator	_	2.0	1.5	1.0	1.6	2.0
Unemployment rate	_	6.1	6.1	5.7	5.6	5.4
Household saving ratio, net[2]	_	9.0	7.1	6.2	5.6	4.8
General government financial balance[3]	_	-2.1	-1.5	-2.0	-1.6	-1.2
General government gross debt[3]	_	42.1	44.2	46.6	46.9	46.0
Current account balance[3]	_	-2.9	-4.8	-2.6	-1.2	-1.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505695

Monetary and fiscal support can be gradually withdrawn as activity strengthens

Monetary policy remains highly supportive, with the policy rate at 1.50% since August 2016. Policy tightening is projected to begin towards the end of 2017 with output recovery. The tighter policy stance will ease pressures on house prices, and will forestall the build-up of other financial distortions that can accompany a sustained low-interest-rate environment. High house prices and household debt still pose macroeconomic and financial risks, which call for continued use of macro-prudential tools.

Public debt in relation to GDP has risen somewhat in recent years, but remains low and is projected to start falling given the government's proposed budget aims for annual fiscal consolidation of around ½ percentage point of GDP in 2017 and 2018. This pace of consolidation is broadly appropriate given projected growth. Still, the strong fiscal position provides room for a more gradual fiscal consolidation or even an expansion should economic activity weaken unexpectedly.

Improvements to framework conditions for businesses plus measures to combat social exclusion are needed to facilitate continued benefit from trade and globalisation. Positive progress on these fronts includes the *National Innovation and Science Agenda* (a wide-ranging package to boost innovation), reductions in corporate tax rates, pension-tax reforms that will provide greater support for low-income households, and a new approach to support the vulnerable. However, as recommended in the OECD *Economic Survey* of Australia, there is scope for further tax reforms that make greater use of efficient tax bases, such as the Goods and Services Tax and land tax. Visa programmes for migrant workers and citizenship conditions are being tightened. Care should be taken to ensure that these policies do not compromise Australia's access to the global talent pool.

The gradual recovery in output growth will continue

Economic growth is projected to gain strength this year and reach almost 3% in 2018. The recovery in mining investment, new LNG production, and continued rebalancing towards non-mining sectors will drive the gradual pick-up of overall activity. Continued monetary policy support will ease this transition. Employment growth should pick up, supporting household consumption growth. Rising output will move inflation up from currently low levels.

Developments in commodity markets, particularly those linked to the Chinese economy, remain an important source of income and growth, but also of uncertainty and risk. The single largest domestic risk remains the possibility of a large fall in house prices, which could reduce household wealth and consumption, and damage the construction sector, leading to significant job losses.

AUSTRIA

The economy is gaining strength, underpinned by private consumption and the recovery of investment and exports. Fiscal policy will remain slightly expansionary. Employment creation remains strong and unemployment is set to decline for the first time since 2011. Consumer price inflation remains higher than in other euro area countries.

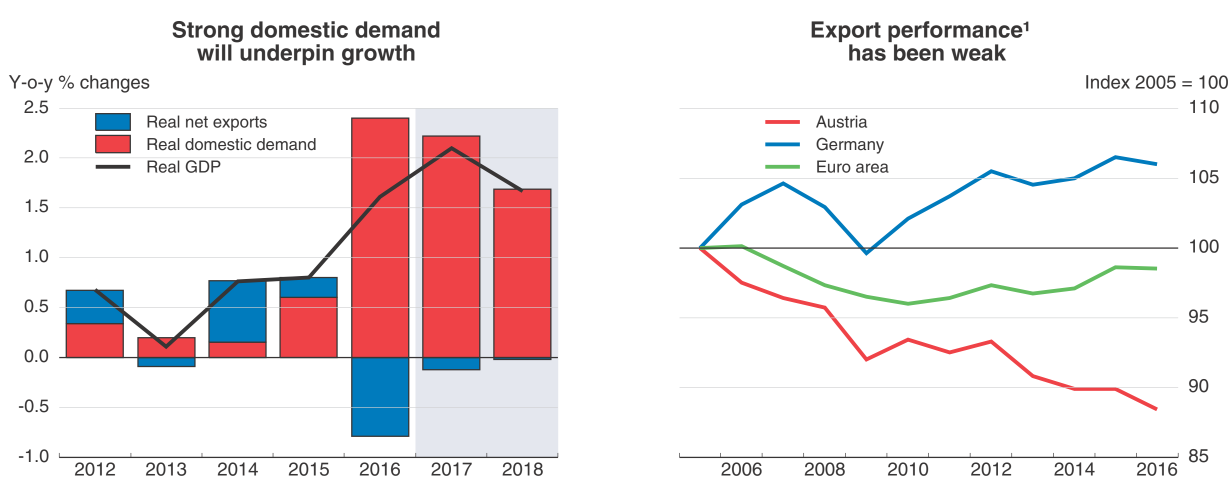
Growth, incomes and well-being could be further enhanced by deeper structural reforms to simplify the administrative procedures to start a business, reduce entry barriers to retail and professional services, diversify financing options for start-ups, and reduce the costs of insolvency. Complex fiscal-federal relations and overlaps undermine the efficiency of public spending and limit the room for investment for the future.

The integration of Central and Eastern European countries into the European Union has benefited Austria more than other countries, but it also magnifies the challenges arising from globalisation. Early gains on the back of participation in global value chains and profitable banking sector expansion have reversed following the financial crisis. Implementing the government's "Digital Roadmap" will help firms keep up with international best practices in the digital era.

Domestic drivers are underpinning growth

Supported by robust domestic demand, growth has gained momentum for the first time since 2011. Investment has begun to catch up after several years of stagnation. Private consumption has been boosted by the gains in disposable income stemming from the 2015/16 tax reform. Employment has expanded due to strong immigration and the employment of more women and seniors. In line with the pick-up in economic activity, unemployment has started to decline. Inflation was around 1 percentage point higher than in the rest of the euro area between 2011 and early 2016, and partly as a result export performance has deteriorated. Export activity has picked up markedly in early 2017 amid improving business confidence and strong external demand.

Austria



1. Ratio between export volumes and trade-weighted imports in export markets of total goods and services.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933502769

Austria: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices*	322.4	0.8	0.8	1.6	2.2	1.7
Private consumption	173.5	-0.3	-0.1	1.3	2.0	1.3
Government consumption	63.8	0.8	2.2	1.8	1.5	1.6
Gross fixed capital formation	74.6	-0.8	0.7	3.3	2.2	3.0
Final domestic demand	311.9	-0.2	0.6	1.9	1.9	1.8
Stockbuilding[1]	2.1	0.3	-0.1	0.5	0.5	0.0
Total domestic demand	314.1	0.2	0.5	2.4	2.5	1.8
Exports of goods and services	171.6	2.4	3.6	1.4	5.6	4.6
Imports of goods and services	163.2	1.3	3.4	3.1	6.2	5.0
Net exports[1]	8.4	0.6	0.2	-0.8	-0.1	0.0
Memorandum items						
GDP deflator	_	1.8	1.9	1.3	2.0	2.0
Harmonised index of consumer prices	_	1.5	0.8	1.0	2.1	1.8
Private consumption deflator	_	2.1	1.4	1.3	2.2	2.1
Unemployment rate[2]	_	5.7	5.8	6.1	5.7	5.5
Household saving ratio, net[3]	_	7.0	7.3	8.2	7.1	7.1
General government financial balance[4]	_	-2.7	-1.1	-1.6	-1.0	-0.7
General government gross debt[4]	_	106.8	106.2	106.1	102.7	100.9
General government debt, Maastricht definition[4]	_	84.4	85.5	84.6	81.1	79.3
Current account balance[4]	_	2.4	1.9	1.7	1.9	1.9

* Based on seasonal and working-day adjusted quarterly data; may differ from official non-working-day adjusted annual data.
1. Contributions to changes in real GDP, actual amount in the first column.
2. Based on Labour Force Survey data.
3. As a percentage of disposable income.
4. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505714

Raising medium-term growth

Recent pension reforms have raised employment of older people, albeit from very low levels in international comparison. Maintaining the relatively generous pension entitlements requires further progress in raising the effective retirement age. More women are also taking up paid work, although mainly in part-time jobs, reinforcing the traditional gender-unequal work arrangements. Reconciling full-time employment with child rearing responsibilities requires major improvements in the coverage of childcare centres and full-day schools. A legal entitlement for a place in these facilities should be introduced.

Labour productivity growth has slowed over the past decade, particularly in services. Stringent regulations in retail and professional services undermine competition and inhibit business dynamism. Recent efforts to encourage start-ups should be stepped up by alleviating bottlenecks to venture capital and developing alternative capital markets. Firm creation is essential to lift expenditures in non-R&D innovations, exports of knowledge-intensive services and the share of innovative products. Promoting more active use of digital technology would help spread innovative business models and work practices throughout Austria. Complex fiscal federal relationships obstruct reform and undermine public spending efficiency, notably in the areas of health care and education.

Growth is projected to edge down

Consumer and business confidence have improved and growth is projected to exceed 2% in 2017. However, growth will edge down somewhat in 2018, as the impact of the fiscal stimulus wears off. Export growth is projected to pick up in line with international trade and stabilising export performance, underpinning the recovery of investment. Unemployment peaked in 2016 and is expected to decline modestly in 2017 and 2018.

Uncertainty in the run-up to the announced snap elections in October 2017 could undermine consumer and business confidence and weigh on domestic demand. A rise in geo-political tensions may trigger a new wave of refugees and increase fiscal pressures. Export performance could continue to deteriorate if recent market share losses in global value chains prove to be structural rather than cyclical, or in the event of unforeseen protectionist measures. Conversely, if international trade picks up more than projected or if export market shares recover, exports would be more buoyant, supporting stronger investment and growth. Finally, any additional electoral commitments could spur growth in 2018 at the cost of a higher public deficit.

BELGIUM

Economic growth, which has been subdued, is projected to strengthen in 2017 and 2018. Private investment will be the main driver of growth, in response to high capacity utilisation and favourable financial conditions. A pick-up in international trade will support exports. Private consumption, however, will be moderated by still subdued real wage growth. Tighter labour and product markets will push up inflation in 2018.

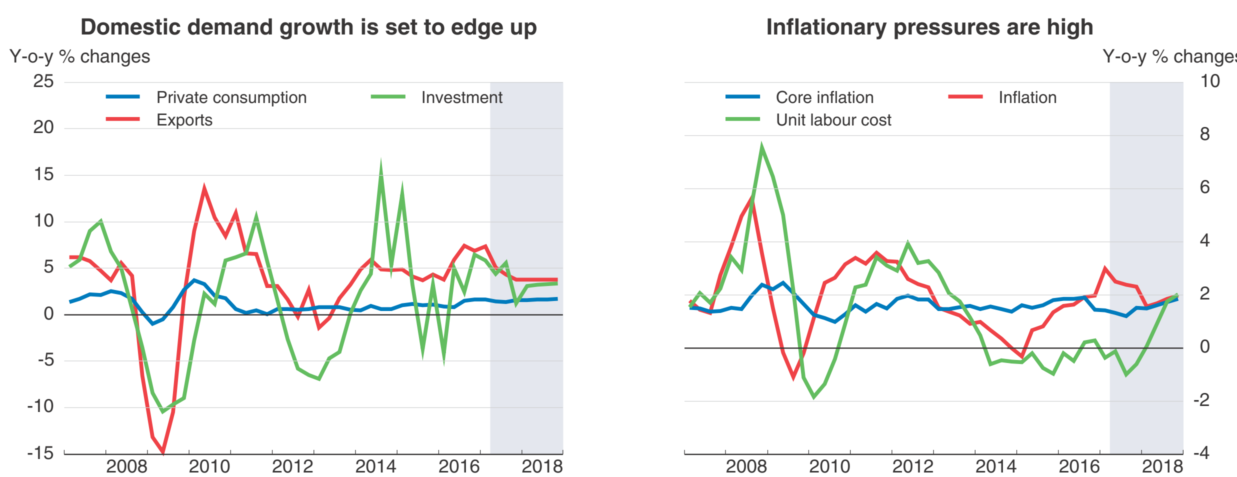
The fiscal stance is projected to be broadly neutral this year and accommodative in 2018 due to planned labour tax reductions. The recent reform of the wage-setting system holds the promise of enhanced international cost competitiveness. Improving educational outcomes of socio-economically disadvantaged groups and increasing training for the low-skilled would make growth more inclusive.

Belgium is a very open economy with production deeply embedded in global value chains. However, the gains from globalisation have not been evenly shared. Geographical disparities in unemployment are large, and educational and labour market outcomes of immigrants and their children are poor. Improved transport infrastructure and lower transaction costs for buying a house would boost spatial mobility in the labour market.

The recovery has failed to gather pace

Economic activity has been subdued, although labour tax cuts and wage moderation have boosted employment. Low wage growth and an increase in indirect taxes have held back household consumption. Private investment has been moderate despite strong profits, high capacity utilisation and favourable financial conditions. However, moderation in unit labour cost growth has supported exports. Inflation is significantly higher than in neighbouring countries, with roughly half the differential in 2016 stemming from increases in indirect taxes. Price increases in certain market services are also elevated.

Belgium



Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933502788

Belgium: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2014 prices)				
GDP at market prices	391.7	1.6	1.5	1.2	1.6	1.7
Private consumption	204.4	0.6	1.1	1.2	1.5	1.6
Government consumption	95.9	1.5	0.3	-0.1	0.0	0.0
Gross fixed capital formation	86.9	5.0	2.5	1.9	2.6	3.3
Final domestic demand	387.3	1.8	1.2	1.0	1.4	1.6
Stockbuilding[1]	0.0	0.4	0.3	0.1	0.4	0.0
Total domestic demand	387.3	2.2	1.5	1.1	1.7	1.6
Exports of goods and services	320.5	5.1	4.3	6.0	5.1	3.8
Imports of goods and services	316.0	5.9	4.3	6.0	5.3	3.7
Net exports[1]	4.5	-0.6	0.0	0.1	0.0	0.2
Memorandum items						
GDP deflator	_	0.7	0.9	1.6	2.1	1.6
Harmonised index of consumer prices	_	0.5	0.6	1.8	2.5	1.8
Private consumption deflator	_	0.7	0.3	1.6	2.4	1.7
Unemployment rate	_	8.6	8.5	7.9	7.2	6.6
Household saving ratio, net[2]	_	4.5	3.9	3.8	3.1	3.8
General government financial balance[3]	_	-3.1	-2.5	-2.6	-1.9	-1.9
General government gross debt[3]	_	129.8	126.9	127.7	125.9	124.6
General government debt, Maastricht definition[3]	_	106.7	106.0	106.0	104.3	102.9
Current account balance[3]	_	-0.7	0.4	-0.4	-0.3	-0.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505733

The tax shift will support economic activity

Fiscal policy is projected to be broadly neutral this year and slightly expansionary next year. Measures have been put in place to curb health care spending, but reductions in personal income tax and employers' social security contributions will widen the underlying deficit in 2018. The authorities could make better use of unusually low interest rates to increase investment, supporting aggregate demand in the short term and enhancing potential growth in the long term. The recent approval of several key transport infrastructure projects should help relieve some of the bottlenecks that remain prevalent around big cities.

Taxes are being shifted from labour to excise duties and environmental taxes, which will make economic activity greener and more inclusive. A new toll on heavy vehicles, increased excise duty on diesel and lower tax deductions on company cars will dampen polluting activities. Lower labour taxation will improve the chances of low-skilled workers to get a job. Taxation could be made still less distortionary by extending road pricing and further increasing taxation on company cars. In spite of recent progress, Belgium will continue to have one of the highest rates of labour taxation in the OECD, suggesting that further reductions are warranted. The corporate tax regime, with its relatively high statutory rate and many exemptions, would also benefit from reform. In addition, the authorities could broaden the capital income tax base by introducing a federal capital gains tax, as part of a balanced, broader reform of household savings taxation.

A recent reform should make the wage-setting system more effective in ensuring that wage settlements do not undermine international competitiveness, on which Belgium, as an intensive trading country, relies. Wages have outpaced both domestic productivity and wage increases in key trading partners in the past. However, the system is new, and the authorities should therefore monitor its performance and make adjustments if needed.

Growth is projected to pick up

Domestic demand will accelerate through 2018, while a pick-up in international trade will boost exports. Employment growth will remain solid and lead to further declines in the unemployment rate. The past increase of energy prices will push up headline inflation in 2017, but core inflation will slow due to labour tax reductions and a waning inflationary impact of other measures. Lower unemployment and continued tight capacity utilisation will push up core inflation in 2018.

Economic activity could be stronger if tax reductions, labour market tightening and renewed wage growth boost private consumption more than anticipated. Political uncertainty in the EU, including regarding the course of Brexit, clouds the outlook. House prices have more than doubled in nominal terms since 2000, with household debt increasing steadily over the same period. A sharp drop in house prices would damp household consumption and weaken banks. The risk to banks is mitigated by recent macro-prudential measures.

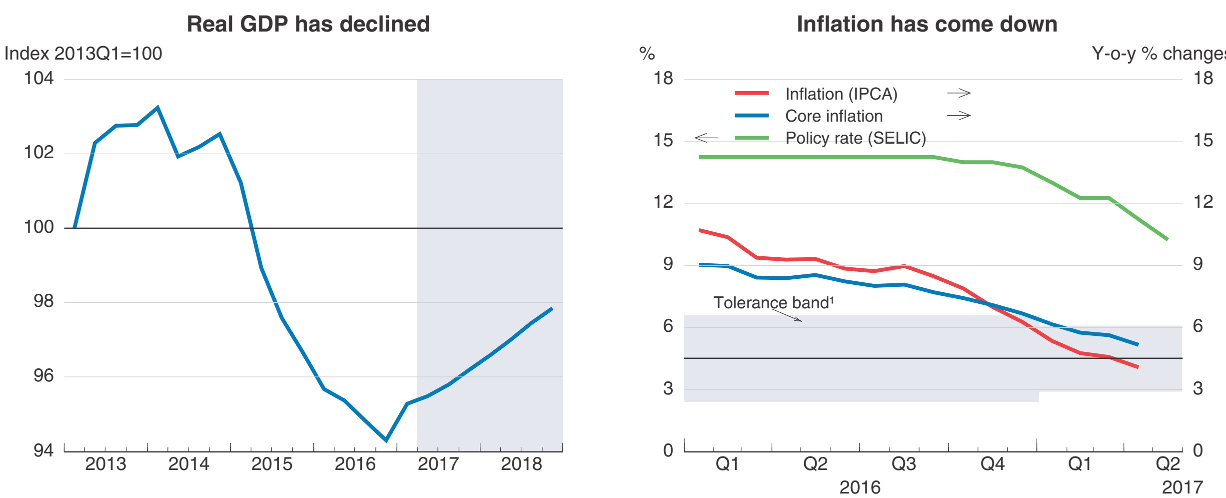
BRAZIL

The economy is finally emerging from a severe and protracted recession. Still, the recovery is projected to be weak and slow. Consumer and business confidence is rising and agricultural exports started the year on a strong footing. However, unemployment is projected to decline only towards the end of this year, and then to fall only gradually. Inflation has decreased significantly, partly due to lower demand, and is projected to close the year below the 4.5% inflation target. Inequality remains high.

Lower inflation will allow for a more frontloaded monetary easing than anticipated earlier, which should support a stronger recovery of investment. Fiscal policy will need to be broadly neutral, balancing the need to ensure medium-term fiscal sustainability against the need to support a still fragile recovery. Implementing the planned pension reform is crucial to ensure the sustainability of the public finances and compliance with the recently passed expenditure rule. A sustainable pension system is part of a package to make growth more inclusive, along with a reorientation of social spending towards more effective instruments such as conditional cash transfers. Labour market rigidities and legal uncertainty would be reduced by a labour reform currently being discussed in Congress. In light of recent corruption revelations, more effective measures to fight corruption and improve governance are needed.

The economy remains fairly closed, which hampers competition and limits access to imported intermediate inputs. The recent easing of local content rules is welcome, but trade barriers remain high. Domestic policy reforms to raise competitiveness, including a major tax reform, lower administrative burdens and stronger infrastructure investment, will boost growth and ease the adjustment towards a more open economy. Strengthening vocational training would help displaced workers to find new jobs.

Brazil



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

Source: Central Bank of Brazil; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933502826

Brazil: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices BRL billion	Percentage changes, volume (2000 prices)				
GDP at market prices	5 329.8	0.5	-3.8	-3.6	0.7	1.6
Private consumption	3 289.1	2.3	-3.9	-4.3	-0.6	1.5
Government consumption	1 004.3	0.8	-1.1	-0.5	-0.8	0.7
Gross fixed capital formation	1 115.0	-4.2	-13.9	-10.3	-3.7	1.7
Final domestic demand	5 408.4	0.7	-5.3	-4.6	-1.1	1.3
Stockbuilding[1]	45.0	-0.3	-1.0	-0.6	1.9	0.0
Total domestic demand	5 453.5	0.3	-6.3	-5.2	0.8	1.3
Exports of goods and services	618.0	-1.0	6.2	1.8	4.7	4.6
Imports of goods and services	741.7	-1.9	-13.9	-10.3	5.2	2.7
Net exports[1]	- 123.7	0.2	2.6	1.7	0.0	0.3
Memorandum items						
GDP deflator	_	7.9	7.9	8.3	5.8	5.4
Consumer price index	_	6.3	9.0	8.7	4.2	4.5
Private consumption deflator	_	8.1	9.6	9.4	4.6	5.8
General government financial balance[2]	_	-6.0	-10.2	-9.0	-8.2	-8.0
Current account balance[2]	_	-4.2	-3.1	-1.3	-0.2	-0.1

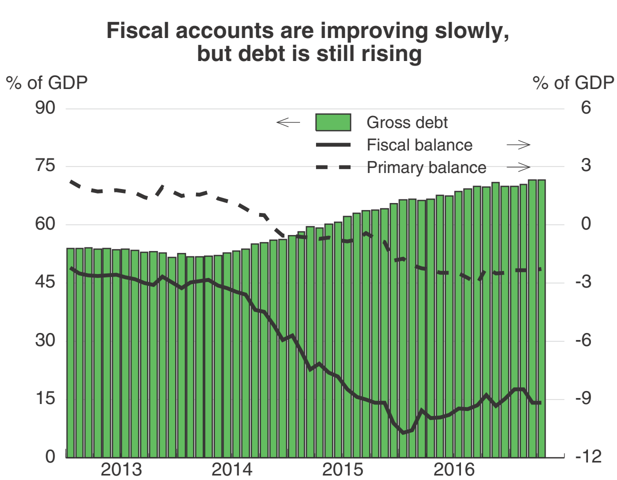
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

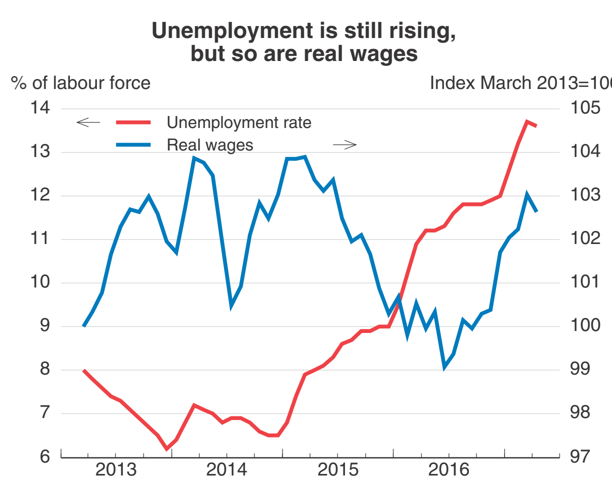
StatLink http://dx.doi.org/10.1787/888933506208

The economy is emerging from a severe and protracted recession

After eight quarters of falling output, the signs of an ongoing recovery are now becoming firmer. Confidence indicators are rising, even if their level is still low, and retail sales have been strong. Signals of industrial production have been mixed so far. Inflation

Brazil





Source: Central Bank of Brazil; and IBGE.

StatLink http://dx.doi.org/10.1787/888933502807

has declined substantially, partly driven by falling demand. Exports had a strong start this year, supported by an exceptionally good harvest, rising commodity prices and stronger external demand.

Unemployment has risen to above 13%, but formal employment has recently picked up somewhat and real wages have increased as inflation has declined.

Policies are supporting the recovery

After two years significantly above the 4.5% target, year-on-year inflation has now returned to the target and inflation expectations for the year-end are even lower. This opens space for further policy rate cuts, in addition to the 300-basis point reduction since October 2016. Lower financing costs will support investment and provide relief to indebted corporations. Going forward, the recent decision to link directed lending rates to market rates should make monetary policy more effective.

In light of rising public debt, currently at 72% of GDP, fiscal policy has to ensure a medium-term adjustment without derailing the still fragile recovery. The fiscal deficit remains above 9% of GDP. Part of the recent weakness of revenues is cyclical, but further permanent adjustments will be required to ensure a firmly declining path for public debt. An appropriate balance has been struck so far, combining a mild adjustment in the near term with measures to rein in spending over the next years. A new expenditure rule limits real increases in spending and reduces the rigidity of the budgeting process, improving long-term fiscal sustainability. Nevertheless, flexibility is still limited regarding pensions and social benefits, which amount to almost half of central government spending, and interest payments on public debt account for 19% of public spending, due to an average interest rate of over 9% on public debt.

Implementing the currently discussed pension reform is crucial to comply with the new expenditure rule and to turn the fiscal adjustment into a success. The population aged 65 and above will more than triple in the next four decades and, without a comprehensive reform, pension spending would increase by almost 3% of GDP by 2030, from 8.2% of GDP now. Seizing the occasion to better target benefits and better balance social protection across age groups could accelerate Brazil's social progress and lead to larger declines in inequality and poverty. Scope for raising spending efficiency exists across many areas.

Additional structural reforms have a significant potential to boost growth. Reducing the compliance costs and distortions imposed by Brazil's fragmented system of indirect taxes would provide an almost immediate cost reduction for firms, and could be achieved by consolidating all indirect taxes into one broad-based value-added tax. In addition, reducing barriers to international trade would cut the costs of imported inputs and strengthen incentives to enhance productivity. The recent decision to ease local content rules is one step towards reducing trade barriers, which will however remain high in international comparison. Stronger trade integration would benefit low-income earners in particular, as an expansion of the export sector would have a larger impact on the demand for low-skilled labour and greater competition would lower prices. Improvements in infrastructure could also reduce transport costs, particularly for exporters. Further improvements in educational attainment would not only raise productivity, but allow more low-income households to join Brazil's growing middle class.

More effective measures to prevent corruption, particularly in public procurement, are needed to improve governance and prevent future diversions of public funds. This should include a thorough assessment of public procurement laws, including the rules pertaining to conflicts of interests. Planned reductions in directed lending are likely to reduce the scope for kickbacks from implicit subsidies and should be pursued as planned.

Growth is projected to strengthen gradually

Growth is projected to rise gradually in 2017. Improvements in confidence and further monetary easing will support a recovery of investment. Private consumption is projected to improve on the back of rising real incomes due to lower inflation. A recent decision to widen the scope for withdrawals from individual accounts in the unemployment insurance scheme will also raise household disposable incomes and support private consumption. Private sector investment will be limited by high corporate debt. Unemployment will continue to rise until end-2017, before starting to decline as growth strengthens further in 2018.

Political uncertainty related to recent corruption allegations could pose significant risks for growth. Political events could lead to a resurgence of uncertainty, reverse the recent recovery of confidence and cast doubts on the implementation of structural reforms, which are supporting the projected recovery. In particular, a successful implementation of the pension reform, without amendments that would jeopardise the expected improvements in sustainability, will be seen as a litmus test for the ability of the authorities to implement structural reforms. Downside risks could also come from the corporate sector, where the protracted recession is reflected in rising corporate defaults in the face of high debt levels, which could in turn weaken some parts of the financial sector.

CANADA

Economic growth is projected to increase in 2017, driven by expansionary fiscal policy, household wealth gains and a resumption in business investment, in particular in the resource sector following the rebound in commodity prices. In 2018, growth is likely to ease but remain robust, as government spending increases taper off. Consumer price inflation is expected to rise to above 2% in late 2018 as excess capacity is gradually eliminated and wage growth picks up.

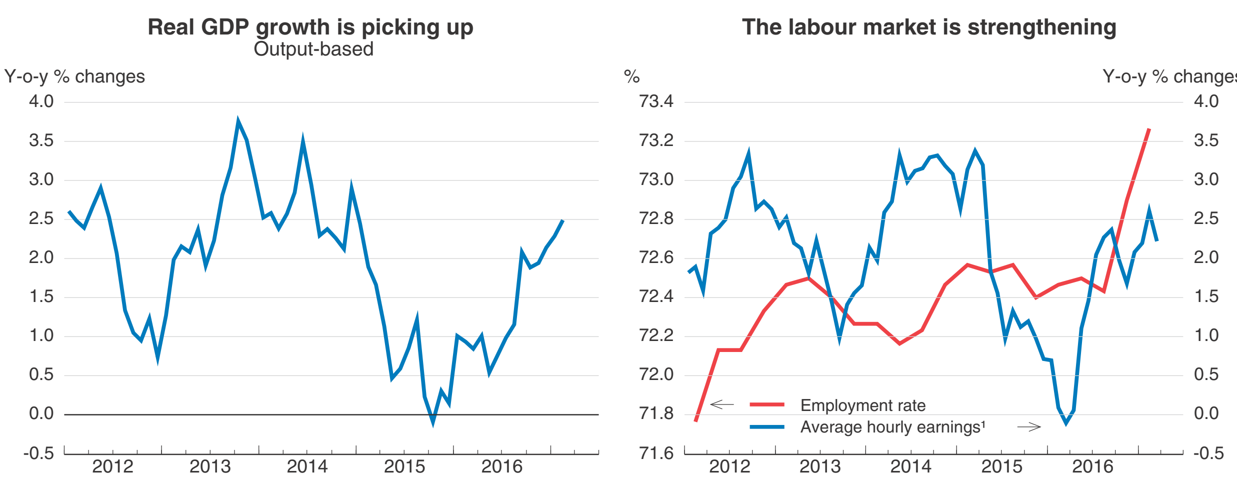
The federal government's mildly expansionary fiscal stance will hasten the economy's return to full employment. Gradual removal of monetary stimulus from late 2017 is projected, in order to stabilise inflation at around the 2% mid-point of the official target range. Higher interest rates will take some of the wind out of booming housing markets and rapidly rising house prices. Nevertheless, macro-prudential measures, which were strengthened during 2016, should be tightened further to address economic and financial risks related to the housing market.

Recent increases in federal investment in physical infrastructure, social housing, education and innovation will improve Canada's capacity to adjust to globalisation in an inclusive and efficient way. Adjustment pressures would be exacerbated in affected industries if the shift toward more protectionist trade policy in the United States continues. Adjustment capability would be enhanced by widening eligibility for active labour market measures and implementing systematic early needs assessment for all displaced workers. Initiatives to address the social problems of Canada's Indigenous Peoples are also critical if growth is to be inclusive going forward.

Expansionary monetary and fiscal policy is boosting growth

The economy has grown steadily in recent quarters. Private consumption is robust and residential investment has picked up, particularly in booming housing markets in British Columbia and Ontario. Consumption has been supported by wealth gains from house price

Canada



1. Earnings including overtime for salaried employees, three-month moving average.
Source: Statistics Canada, Tables 379-0031 and 281-0049; and OECD, Short-Term Labour Market Statistics database.

StatLink http://dx.doi.org/10.1787/888933502845

Canada: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.6	0.9	0.7	1.7	1.1
Unemployment rate[1]	6.9	6.9	7.0	6.5	6.1
Compensation per employee[2]	3.0	2.0	1.7	2.1	3.3
Unit labour cost	1.2	1.8	1.1	1.0	1.9
Household disposable income	3.4	4.4	3.5	4.0	4.0
GDP deflator	1.9	-0.8	0.6	2.6	1.9
Consumer price index	1.9	1.1	1.4	1.9	2.0
Core consumer price index[3]	1.8	2.2	1.9	1.5	2.0
Private consumption deflator	1.9	1.1	1.0	1.8	1.9

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

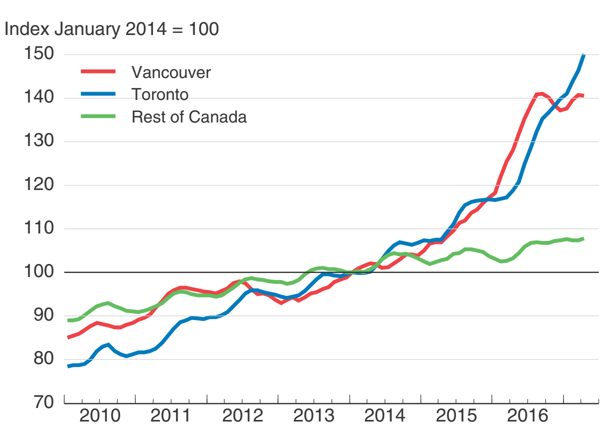
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505543

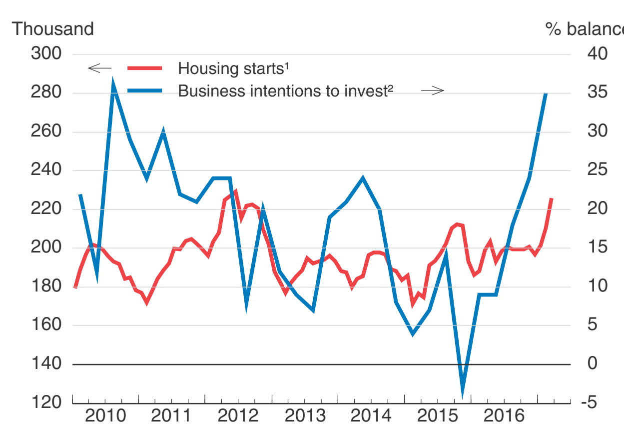
appreciation, which are linked in part to sustained low interest rates, and increased government transfer payments, notably the introduction of the Canada Child Benefit in July 2016. Business investment fell during 2015 and 2016 due to a severe contraction in the oil and gas sector in the wake of the collapse in global energy prices, but is now showing signs of picking up. The number of active drilling rigs is higher than in 2016, and plans to invest in machinery and equipment have spread. However, in many cases the increase is expected to be modest, if oil prices remain around USD 50 per barrel, given the relatively high cost of oil production in Canada. Merchandise trade growth was weak during 2016, and exports have continued to grow only slowly thus far this year.

Canada

Housing markets are overheating



Indicators of future investment are strong



1. Three-month moving average.
2. Percentage balance of business expectations to increase/decrease investment in machinery and equipment over the next 12 months.

Source: Teranet and National Bank of Canada, House Price Index; Statistics Canada, Table 027-0054; Bank of Canada (2017), *Business Outlook Survey*, Spring.

StatLink http://dx.doi.org/10.1787/888933502864

Canada: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	3.5	4.8	5.1	4.2	4.4
General government financial balance[2]	0.0	-1.1	-1.9	-1.7	-1.3
General government gross debt[2,3]	92.3	98.4	99.4	99.5	99.5
General government net debt[2,3]	30.8	30.0	31.3	31.4	31.4
Current account balance[2]	-2.4	-3.4	-3.3	-2.2	-1.9
Short-term interest rate[4]	1.2	0.8	0.8	0.8	1.4
Long-term interest rate[5]	2.2	1.5	1.3	2.0	2.7

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505562

The labour market is strengthening. The unemployment rate is down about half a percentage point from a year earlier, and more people are coming into the labour force. Persistent excess capacity has prevented labour market strength from flowing through into wage increases, and slow growth in real hourly wages has allowed corporate profitability to recover from its 2015 decline. Consumer price inflation remains below the mid-point of the Bank of Canada's 1-3% target range, with the Bank's preferred measures of core inflation all close to 1.5%.

Canada: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices CAD billion	Percentage changes from previous year, volume (2007 prices)					
GDP at market prices	1 986.2	1.4	2.8	2.3	1.9	2.9	2.3
Private consumption	1 143.7	2.2	3.1	1.9	2.3	3.0	1.7
Government consumption	417.7	2.0	1.5	0.8	2.3	1.4	0.7
Gross fixed investment	470.5	-3.2	1.4	3.3	-2.4	4.2	3.0
Public[1]	75.7	1.0	6.2	5.9	2.9	7.1	5.8
Residential	149.7	2.7	3.8	1.8	2.2	4.8	0.7
Non-residential	245.1	-8.0	-1.9	3.5	-7.1	2.9	3.6
Final domestic demand	2 032.0	0.9	2.4	2.0	1.2	3.0	1.8
Stockbuilding[2]	1.7	-0.3	0.0	0.0			
Total domestic demand	2 033.7	0.6	2.4	2.0	1.2	3.1	1.8
Exports of goods and services	627.2	1.1	2.3	4.4	0.8	3.4	4.7
Imports of goods and services	674.7	-1.0	0.8	3.2	-1.3	4.2	3.1
Net exports[2]	- 47.5	0.7	0.4	0.3			

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505581

Canada: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	567.1	491.1	474.3	495	519
Goods and services imports	585.4	528.4	510.7	512	531
Foreign balance	- 18.3	- 37.2	- 36.4	- 17	- 13
Invisibles, net	- 25.3	- 15.7	- 14.8	- 18	- 18
Current account balance	- 43.6	- 52.9	- 51.2	- 35	- 31
			Percentage changes		
Goods and services export volumes	5.8	3.4	1.1	2.3	4.4
Goods and services import volumes	2.2	0.3	- 1.0	0.8	3.2
Export performance[1]	1.4	- 0.5	- 0.3	- 2.2	- 0.2
Terms of trade	- 1.3	- 6.9	- 2.1	2.6	- 0.1

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 101 database.

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Policy measures will be needed to address inflation and rising house prices

Monetary policy has been very expansionary for some time. Excess capacity is projected to be used up by early 2018, and accordingly the Bank of Canada is projected to start increasing rates towards the end of 2017. Raising interest rates will reduce overheating in housing markets, which poses economic and financial stability risks and has made housing increasingly unaffordable, especially in Toronto and Vancouver. Greater use should be made of macro-prudential policies, particularly tools such as debt-to-income constraints under which a national rule is more restrictive in regions where house prices are inflated relative to fundamentals. Ontario has recently introduced legislation for a foreign buyers' transaction tax, similar to that introduced in Vancouver in August 2016, in conjunction with a broad expansion of rent control and rebates on development charges for new rental apartment buildings. Some short-term reprieve in house price growth is likely, but speculation-fuelled price increases may resume and the expansion of rent control risks discouraging the supply of new rental housing. Low rental supply would hamper labour mobility – particularly for the poor and the young – which will make adjustment to globalisation more costly and prolonged.

The federal government's fiscal stance continues to be mildly expansionary. The general government deficit increased by 0.8 percentage point to 1.9% of GDP in 2016, which primarily reflected demand-boosting measures in the 2016 federal budget. The deficit is projected to decline gradually as a share of GDP as the fiscal stimulus moderates. Spending is shifting to infrastructure, as the government has committed to deliver a planned CAD 181 billion of investment over 12 years.

Growth is projected to remain robust

Growth is set to shift from private consumption, housing investment and government spending toward business investment and exports. Very recent increases in consumption are unsustainable as they have not been matched by increases in income or output. Housing investment should also slow as further supply comes onto the market and as price growth eases in the overheated Vancouver and Toronto markets. Export growth is projected to increase gradually, reflecting strengthening global demand, a pick up in import-intensive investment in the United States and increased production from the recent rebound in energy investment. Unemployment is projected to fall further and, with excess capacity eliminated, inflation is projected to rise above the midpoint of the Bank of Canada's target range, even as interest rates are normalised during 2018.

The main downside risk to these projections is a disorderly housing market correction, notably in the Vancouver and Toronto markets. Such a correction would reduce residential investment, household wealth and consumption. A sufficiently large shock could even threaten financial stability. Export growth could be lower if trade barriers in key trading partners increase, for example through renegotiation of the North American Free Trade Agreement or further increases in specific barriers such as anti-subsidy duties recently imposed by the United States on Canadian softwood lumber. Alternatively, renegotiation of trade agreements could boost inclusive growth if it led to a phasing-out of Canadian dairy supply management policies. Other upside risks include delayed tightening of monetary policy, a continuation of recent depreciation in the Canadian dollar, further global oil price increases and a stronger-than-expected expansion in the United States, for example if fiscal policy is more expansionary than projected.

CHILE

Economic growth is projected to gradually strengthen to 2.8% in 2018. The pick-up will be underpinned by improving external demand and, reflecting more accommodative financial conditions, investment. The unemployment rate is projected to stabilise and wage growth to pick up, both of which will lower income disparities and raise consumption. Inflation is projected to increase as the impact of the past currency appreciation fades and aggregate demand strengthens.

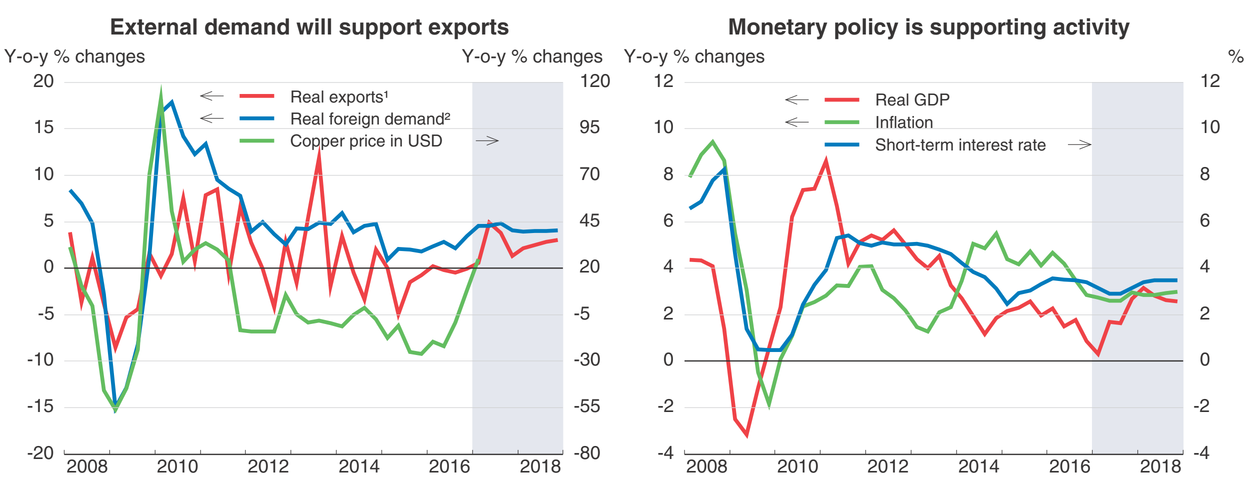
The central bank lowered its main policy rate to 2.75% in April 2017. Monetary policy will continue to support economic activity, while higher public spending on education and health will boost growth and inclusiveness. The strengthening of the competition authority, the simplification of export and investment procedures, and measures to expand firm financing will raise productivity and investment. However, the planned gradual fiscal consolidation could weigh on public investment. More needs to be done to tackle labour market inequalities as well as to simplify licencing procedures and streamline regulations.

Specialisation in natural resources has implied high integration in global value chains, but also exposure to commodity price volatility. Reducing skill mismatches, supporting the formalisation of employment, easing labour market adjustments, encouraging private innovative investment through streamlined regulations and direct R&D support, and upgrading infrastructure networks would all strengthen productivity growth and broaden trade prospects, while reducing inequalities.

Investment and GDP growth have been weak

Economic growth has continued to moderate as exports have lagged despite recent improvements in commodity prices. Weak business confidence, higher policy uncertainty and a cooling housing market have held back investment, despite historically low interest

Chile



1. Goods and services.
2. Trade weighted real imports of trading partners.
Source: Central Bank of Chile; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933502883

Chile: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CLP billion	Percentage changes, volume (2013 prices)				
GDP at market prices	137 876.2	1.9	2.3	1.6	1.6	2.8
Private consumption	86 376.9	2.7	2.0	2.4	2.5	2.6
Government consumption	16 959.9	4.4	4.5	5.1	3.0	3.0
Gross fixed capital formation	34 199.3	-4.8	-0.8	-0.8	0.5	4.1
Final domestic demand	137 536.1	1.0	1.7	1.9	2.1	3.0
Stockbuilding[1]	1 132.3	-1.4	0.3	-0.8	0.8	0.0
Total domestic demand	138 668.4	-0.4	2.0	1.1	3.0	3.0
Exports of goods and services	44 395.4	0.3	-1.8	-0.1	-0.6	2.7
Imports of goods and services	45 187.6	-6.6	-2.7	-1.6	2.2	3.6
Net exports[1]	- 792.1	2.3	0.3	0.4	-0.8	-0.2
Memorandum items						
GDP deflator	_	5.9	4.2	3.8	4.4	2.8
Consumer price index	_	4.7	4.3	3.8	2.8	2.9
Private consumption deflator	_	5.7	5.5	3.7	2.5	2.9
Unemployment rate	_	6.3	6.2	6.5	6.6	6.5
Central government financial balance[2]	_	-1.6	-2.1	-2.7	-3.1	-2.7
Current account balance[2]	_	-1.6	-1.9	-1.4	-1.0	-1.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505752

rates. Self-employment and involuntary part-time employment have increased sharply. The authorities raised public consumption by 5.1% in 2016 to support growth; planned additional spending on education and health-care services will improve inclusiveness and long-term growth prospects.

Further structural reforms would support more inclusive growth

Monetary policy remains supportive. The central bank reacted to the growth slowdown by cutting its interest rate from 3.5% in December 2016 to 2.75% in April 2017, well below historical norms. Inflation expectations remain well anchored, and prudential measures have moderated household and business lending growth, thereby containing vulnerabilities. As the economy strengthens and the effects of the recent currency appreciation dissipate, the central bank is projected to slowly raise its policy rate as from the beginning of 2018.

The government plans to raise the central government deficit from 2.7% of GDP in 2016 to around 3.1% of GDP in 2017. This is appropriate given economic uncertainties, and the sustained expansion of healthcare and education spending is welcome. However, after 2017, consolidation is projected in line with the fiscal rule. A further decline in infrastructure investment could weigh on productivity and long-term growth, if the planned increase in public-private projects fails to materialise. Broadening public revenues, notably by increasing real-estate taxes and reviewing the taxation of natural resources, would ensure more sustainable funding for social spending and infrastructure.

The ongoing educational reform, the simplification of export and entrepreneurship procedures, new support programmes for firms, and the reform of the competition framework will improve investment and equity. However, simplified regulations and licensing procedures, more public-private research collaboration and direct support for R&D are needed to strengthen innovation. Further expansion of childcare facilities would boost the still low female employment in paid labour. Easing labour market regulations and extending unemployment insurance would reduce labour market inequalities and skill mismatches.

Growth will pick up

Growth is projected to bottom out in 2017 and to strengthen to 2.8% in 2018. Exports will continue to grow at a solid pace, underpinned by improving export markets. Strengthening demand, good financing conditions and recent policy measures to support exports and productivity will boost business investment. Rebuilding efforts following extreme weather events will also support short-term activity. Private consumption is projected to accelerate with increasing real disposable incomes. As growth picks up, the unemployment rate will edge down.

The main risks to growth relate to the performance of Chile's principal trading partners and the evolution of commodity prices. Lower or higher growth in China, the United States and Latin American neighbours could reduce or boost external demand. In particular, a recovery of copper prices would boost confidence and investment, and increase government revenues. Alternatively, lower export prospects would weigh on growth. Domestic measures to boost competition and productivity and the new infrastructure fund could also increase investment more than assumed. By contrast, growth could be weakened if current uncertainty in the business sector does not dissipate.

CHINA

Economic growth is projected to hold up in 2017 and 2018, partly thanks to the impact of earlier fiscal and monetary stimulus. Infrastructure investment is picking up on the back of regional development initiatives, including the Belt and Road and the Beijing-Hebei-Tianjin Corridor. Real estate investment will remain buoyant notwithstanding measures to restrict demand. Private investment growth has bottomed out and consumption growth will remain stable, underpinned by continued strong job creation. Recovering global demand will spur exports, but surging tourism imports will limit the effect on the current account balance.

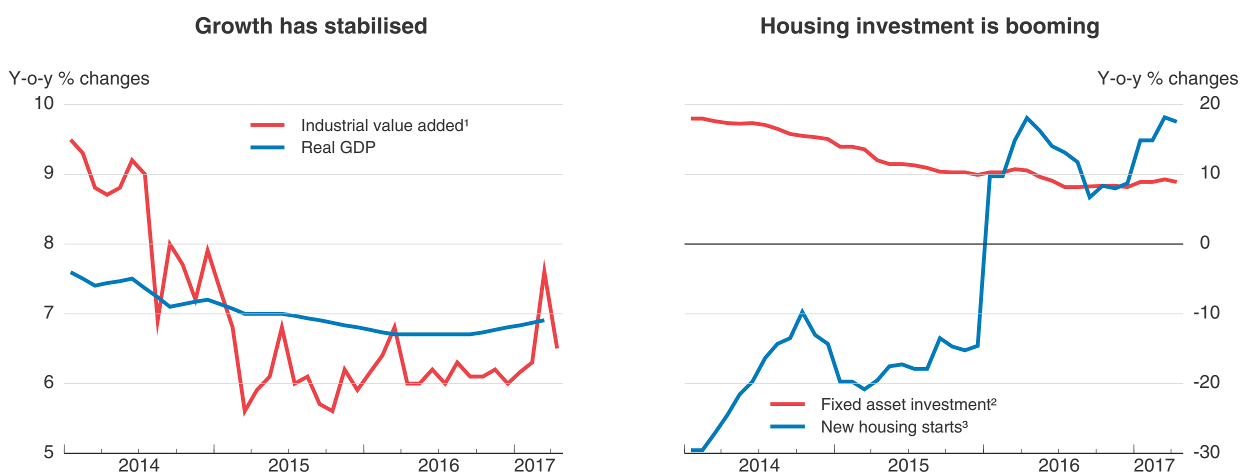
In a context of low inflation, monetary policy is appropriately geared to focus on financial risks, which have mounted. Fiscal policy will remain supportive but should prioritise social inclusion more. Productivity-enhancing reforms, such as further reducing the costs of doing business, phasing out the implicit guarantees enjoyed by state-owned enterprises and improving corporate governance frameworks, are necessary to keep up the pace of convergence in income per capita to the advanced economies.

Integration into global value chains was instrumental in China's spectacular economic growth in recent decades. Moving to higher value-added production calls for improvements in the quality and relevance of innovation and, as lower-skilled jobs move to lower-cost countries in the region, for upskilling.

Growth is holding up

Growth has picked up somewhat, with machinery and high-tech industry production in the lead. Investment in the service sector continues to be buoyant, but still considerable

China



1. Monthly industrial value added data for January and February are not published separately, but the two months are combined. Therefore missing data were filled by linear interpolation.
2. Fixed asset investment refers to nominal values and is expressed in cumulative terms.
3. New housing starts refer to residential floor space newly started by real estate developers during the reference month and are expressed in cumulative terms.

Source: National Bureau of Statistics China; and CEIC.

StatLink http://dx.doi.org/10.1787/888933502921

China: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CNY trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	59.5	7.3	6.9	6.7	6.6	6.4
Total domestic demand	58.1	8.9	9.1	8.3	6.2	6.2
Exports of goods and services	14.5	4.2	-2.3	1.9	8.9	4.3
Imports of goods and services	13.0	8.3	2.6	6.6	7.5	3.5
Net exports[1]	1.4	-1.0	-1.7	-1.3	0.6	0.3
Memorandum items						
GDP deflator	_	0.8	0.1	1.2	4.5	3.1
Consumer price index	_	2.1	1.5	2.1	1.5	2.0
General government financial balance[2,3]	_	-0.3	-1.3	-2.0	-2.1	-2.2
Headline government financial balance[2,4]	_	-1.7	-2.4	-3.0	-3.0	-3.0
Current account balance[2]	_	2.3	2.8	1.7	1.5	1.6

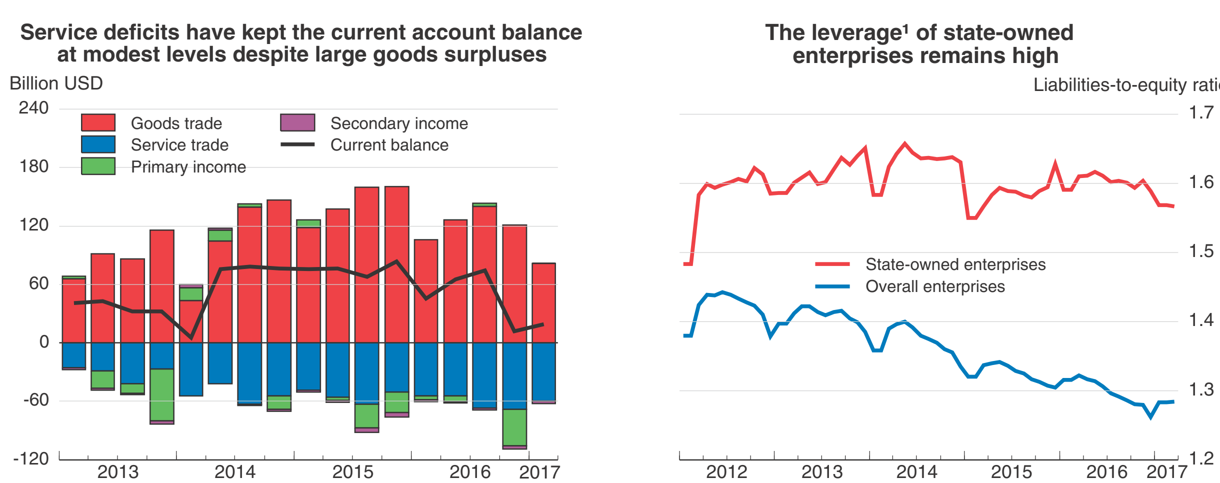
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
3. Encompasses the balances of all four budget accounts (general account, government managed funds, social security funds and the state-owned capital management account).
4. The headline fiscal balance is the official balance defined as the difference between revenues and outlays. Revenues include: general budget revenue, revenue from the central stabilisation fund and sub-national budget adjustment. Outlays include: general budget spending, replenishment of the central stabilisation fund and repayment of principal on sub-national debt.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506227

excess capacity in the industrial sector will continue to weigh on overall investment. Housing investment has accelerated sharply, notwithstanding a series of home purchase restrictions and tighter conditions for mortgages. Surging house prices in the largest cities continue to fuel residential investment, and prices are holding up even in small cities

China



1. Leverage is defined as the liabilities-to-equity ratio. Industrial enterprises only.
Source: CEIC.

StatLink http://dx.doi.org/10.1787/888933502902

where there is excess capacity. Supported by rising real incomes, consumption has remained robust, with buoyant housing-related purchases, e-commerce sales, and overseas tourism (which is an imported service). Stronger foreign demand has boosted exports and industrial production. Surging commodity prices have pushed up producer price inflation and helped reduce the current account surplus. Consumer price inflation, in contrast, remains subdued.

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

Monetary policy has moved to a tightening bias to safeguard financial stability. The rebound in producer prices has led to a fall in real interest rates, lowering real financing costs and boosting credit demand. Lending quotas and window guidance instructing banks to put a break on the growth of mortgage loans had limited effect as the shadow banking sector intermediates large amounts of funds. Money market rates have been raised to address the housing bubble, avoid further leveraging and curb the rise in corporate debt. Even more importantly, recent tightening of interbank market regulation is expected to curb the flow of bank funds to the shadow banking sector and ultimately to subprime borrowers and for leveraged investment in asset markets. Enterprise leverage, especially in the state-owned sector, remains high. Debt-equity swaps, concentrated in highly-leveraged industries such as coal mining and steel production, may provide temporary relief but risk delaying necessary adjustment, including the exit of unviable firms. Implicit guarantees to state-owned enterprises and public entities need to be removed to create a level playing field, instil greater market discipline and achieve better credit risk pricing.

Through the turn of the year, capital outflows put pressure on the exchange rate and led to a contraction in foreign exchange reserves. The intensified fight against state asset embezzlement led to increased scrutiny of overseas investments by state-owned enterprises. However, in recent months, money market rate hikes alongside tightened capital controls and improving enterprise profits contributed to curbing capital outflows and stabilising the renminbi.

Fiscal policy remains expansionary. Tax cuts have recently been announced to maintain the recovery's momentum. While a lower tax burden on small firms, technology start-ups and entrepreneurs will boost employment and innovation, lower tax revenues reduce the government’s ability to spend on areas where social returns are high but which are underfunded, such as social security, health and old-age care. Although the headline fiscal deficit target was kept at 3% of GDP for 2017, public investment funded through policy banks will prop up growth while slowing the pace of rebalancing. Local government debt swaps provide an additional avenue for increased infrastructure spending as the debt is issued at a lower cost than the original bank loans. The rapid expansion of public investment may lead to a further misallocation of capital. Entry barriers to private capital need to be further removed, especially in services. Furthermore, local government investment vehicles, which are still perceived to carry implicit guarantees, will be key players in implementing these projects, which may lead to further accumulation of implicit government debt and bailouts.

Growth is projected to remain strong but risks continue to build up

Infrastructure investment is expected to keep GDP growth around 6½ per cent this year and next. Recent measures to address the housing bubble are likely to contain real estate sales and mortgage lending, but as long as prices are expected to rise due to supply constraints they are unlikely to curb housing demand significantly. Employment creation, including through tax cuts for small firms and entrepreneurs, will support consumption growth, but without structural reforms to reduce precautionary saving, such as the provision of a better social safety net and higher-quality public services, rebalancing will advance only slowly. Economic ties with the Belt and Road economies are strengthening, but a further reduction of trade and investment barriers is necessary to keep up momentum.

Lower interbank activity as a result of more stringent regulation may cause liquidity problems in smaller banks that tend to rely more on interbank funding, but is necessary for deleveraging in asset markets and financial stability. Corporate deleveraging and working off excess capacity are crucial to avoid a sharp slowdown in the future. Weaker fiscal stimulus may adversely affect growth, but would reduce the risk of another build-up of implicit government liabilities. Trade protectionism may temper the export recovery, but intensified ties with a broader range of economies will help to limit this factor. Slower deleveraging would result in stronger growth in the short term but larger imbalances later. A stronger-than-foreseen global rebound and faster progress of collaboration under the aegis of the Belt and Road Initiative would support Chinese exports of goods and services, and hence, growth.

COLOMBIA

Economic growth is projected to rise through 2017 and 2018. The historic peace agreement, higher oil prices and the start of infrastructure projects will boost investment. Private consumption will grow moderately. Stronger growth is projected to stabilise the unemployment rate. As the effects of El Niño wear off, inflation is projected to return to the central bank target range of 2-4% at the end of 2017. Although poverty has declined, inequality remains high.

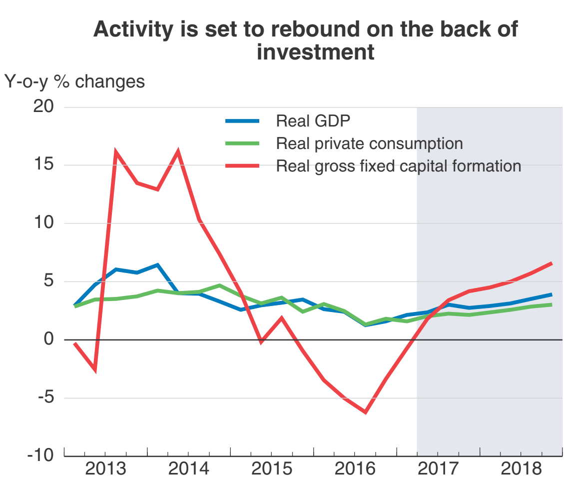
Monetary policy is projected to become gradually more supportive as inflation continues to recede. Fiscal policy will remain broadly appropriate, as the structural tax reform of December 2016 will help achieve a more balanced fiscal consolidation. Policies to make growth inclusive, via education and poverty reduction, should be prioritised.

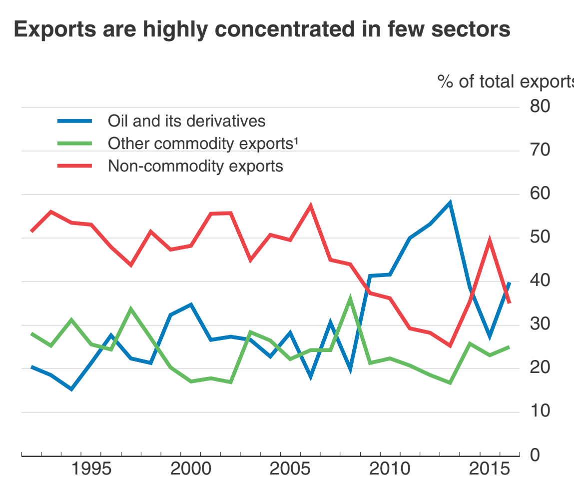
Greater openness would reduce the concentration of economic activity – particularly exports – in a few sectors. Policies are required to improve R&D support and its efficiency, strengthen competition in the rail, electricity and roads sectors, simplify procedures for company registration, and deepen integration in the region. Strengthening policies to reduce inequality and informality are needed to spread the benefits of openness to the whole population.

The economy is adjusting well to the fall in global commodity prices

Although growth eased as commodity prices fell, the sound macroeconomic framework meant that economic growth remained above the regional average. Household consumption remained resilient, but investment plummeted, reflecting a contraction in mining and transport equipment. The current account deficit narrowed to 4.5% of GDP in 2016, driven by a larger decline in imports than exports. High income inequality and informality remain major social and economic challenges despite recent progress.

Colombia





1. Other commodity exports include coffee, coal, iron and nickel.
Source: OECD Economic Outlook 101 database; and National Institute of Statistics (DANE).

StatLink http://dx.doi.org/10.1787/888933502940

Colombia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices COP trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	710.5	4.4	3.1	2.0	2.2	3.0
Private consumption	432.2	4.3	3.2	2.2	1.9	2.6
Government consumption	123.8	4.8	4.9	1.8	1.1	1.7
Gross fixed capital formation	172.3	9.8	1.8	-3.6	2.5	5.1
Final domestic demand	728.3	5.7	3.2	0.7	1.9	3.0
Stockbuilding[1]	0.4	0.4	-0.2	-0.3	-0.1	0.0
Total domestic demand	728.6	6.1	3.0	0.4	1.8	3.0
Exports of goods and services	124.8	-1.5	1.2	-0.9	0.9	4.1
Imports of goods and services	143.0	7.9	1.4	-6.2	2.1	3.7
Net exports[1]	- 18.1	-1.9	-0.1	1.3	-0.3	-0.1
Memorandum items						
GDP deflator	_	2.1	2.5	5.9	5.0	2.9
Consumer price index	_	2.9	5.0	7.5	4.7	3.7
Private consumption deflator	_	3.3	4.9	5.5	3.6	3.1
Unemployment rate	_	9.1	8.9	9.2	9.1	9.0
Current account balance[2]	_	-5.2	-6.4	-4.5	-3.5	-3.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506322

Macroeconomic policies are broadly appropriate

Monetary policy is gradually becoming supportive as the central bank started cutting interest rates at the end of 2016. The convergence of inflation and inflation expectations to the central bank's target range during 2017, coupled with weak domestic demand, open up the possibility of further easing.

Fiscal policy is broadly appropriate following the adoption of a comprehensive tax reform at the end of 2016. The reform reduces the corporate tax burden, increases the VAT and simplifies the tax system. By expanding revenue collection beyond oil, the reform helps to meet medium-term fiscal targets and reduces vulnerability to external shocks. Growth would be supported by the swift implementation of the administration's economic plan, Colombia Repunta, which envisages an increase in spending to improve infrastructure and relocation of displaced people, together with fiscal incentives to boost private sector investment.

The historic peace agreement, ending more than half a century of internal conflict, should yield major social and economic dividends. A successful transition to peace needs to be accompanied by structural reforms focused on inclusion and diversification. Policies to reduce inequalities and informality, such as lowering social security contributions and reducing red tape, should be priority. These reforms should be accompanied by policies to enhance investment in innovation, improve the quality of infrastructure and education, increase competition, narrow gender gaps in labour force participation and enhance deeper integration with countries in the region.

GDP growth is projected to rebound but with significant uncertainties

Growth is projected to strengthen to 2.2% in 2017 and 3.0% in 2018, in the context of stronger external demand and supportive monetary policy. An ambitious public infrastructure programme and higher oil prices, together with increased confidence following the peace deal, will make investment the main driver of growth. Household consumption will accelerate slowly in 2017 due to lower interest rates and inflation.

The main risks include global uncertainty, especially related to US monetary and trade policies, as well as recessions in some main trading partners, particularly Venezuela and Ecuador. Domestic risks include delays in the public-private investment projects and the short-term effects of the recently approved tax reform. On the upside, a stronger-than-expected recovery in business and consumer confidence given the peace deal would boost investment and consumption. Also, higher oil prices would increase investment and government revenues.

COSTA RICA

The economy is projected to continue expanding at a robust pace, owing to higher external demand and increasing public investment. Rising commodity and energy prices will help inflation rise towards the central bank's target range.

Fiscal performance improved in 2016, thanks to better control of public spending and improved revenue collection. More expenditure containment and better revenue collection will be needed to reduce the budget deficit and stabilise the debt trajectory. To tame potential inflationary pressures, the central bank has withdrawn monetary policy accommodation.

Costa Rica has benefitted from globalisation through sustained inflows of direct investment and the creation of skilled jobs. However, people have been left behind and income inequality is high. Expanding early-childhood education and improving its quality would help women enter the labour market, raising their incomes. Stronger competition policy and reduced administrative burdens for new businesses would reduce barriers to entry, facilitate entrepreneurship, raise the economy's ability to compete on world markets, and curb pervasive informality.

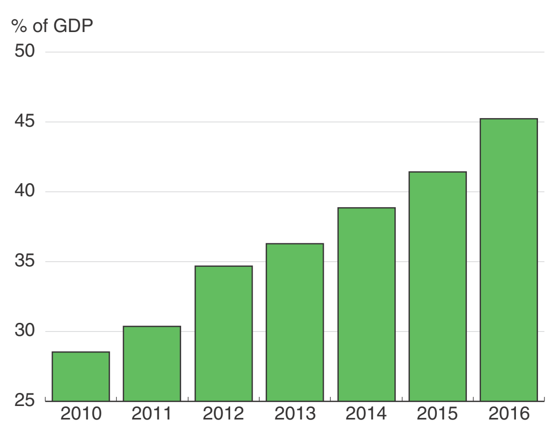
Growth remains robust

Costa Rica continued to outpace most other Latin American countries in 2016. Exports have been strong, driven by high external demand, notably for food and agricultural products. Nevertheless, the unemployment rate has remained near 10% and informality is pervasive, with 45% of workers holding informal jobs.

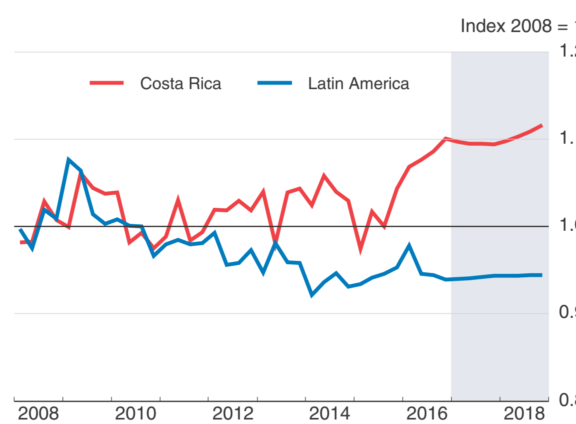
With oil and commodity prices rising and the currency depreciating, inflation has started to pick up, prompting the central bank to increase its policy rate from 1.75% in January 2017 to 4% in May, in order to counter potential inflationary pressures and raise the attractiveness of the colón.

Costa Rica

Public debt is increasing fast[1]



Export performance is robust[2]



1. Refers to general government debt.
2. Ratio between export volume and export market of total goods and services. Simple average of country indices for Latin American countries.

Source: OECD Economic Outlook 101 database; and Costa Rican Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888933502959

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

	2013	2014	2015	2016	2017	2018
	Current prices CRC trillion	Percentage changes, volume (2012 prices)				
GDP at market prices	24.9	3.7	4.7	4.3	4.1	4.1
Private consumption	16.5	4.3	4.8	4.6	4.1	4.2
Government consumption	4.4	2.9	2.2	2.4	3.2	2.3
Gross fixed capital formation	4.9	3.1	8.9	-1.5	4.9	7.5
Final domestic demand	25.7	3.8	5.1	3.0	4.1	4.5
Stockbuilding[1]	- 0.1	-0.3	1.0	1.0	0.8	0.0
Total domestic demand	25.6	3.6	6.1	4.0	4.7	4.4
Exports of goods and services	7.8	5.2	0.2	9.5	5.2	5.1
Imports of goods and services	8.5	5.0	4.6	7.8	6.9	5.6
Net exports[1]	- 0.7	-0.1	-1.6	0.2	-0.8	-0.5
Memorandum items						
GDP deflator	_	5.8	2.7	2.5	3.8	4.8
Consumer price index	_	4.5	0.8	0.0	2.6	3.6
Private consumption deflator	_	4.9	-0.5	0.6	3.0	3.0
Unemployment rate	_	9.6	9.6	9.5	9.3	9.2
Current account balance[2]	_	-4.9	-4.3	-3.3	-3.3	-3.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506360

Fiscal consolidation is urgent

Notwithstanding better revenue collection and slower public spending increases, public debt keeps rising and reached 45.2% of GDP in December 2016. Important legislative reforms regarding VAT and income taxes under discussion are crucial to broaden the tax base and help cut the budget deficit by about 2% of GDP over the coming two years. Early and full adoption of these reforms would help stabilise the debt-to-GDP ratio. Additional policies to contain spending growth should focus on reforming the public employment system to avoid excessive automatic salary increases, thereby raising the efficiency of the public sector and reducing inequality.

The labour market remains weak, with high unemployment and rising informality. A comprehensive strategy is needed to strengthen the enforcement of labour rules aiming at reducing informality, reducing the administrative burdens on start-ups and cutting social security contributions, especially in key sectors, such as construction and agriculture where informality prevails. Coupled with business-friendly policies, such a strategy would help prevent further labour market slack, reignite entrepreneurial dynamism and propel productivity growth.

Growth will be increasingly broad-based

Growth is projected to remain robust, with credit expansion and investment supporting domestic demand and the pick-up in global growth boosting exports. After several years of volatile investment growth, the authorities have announced a new wave of infrastructure investment plans for 2017-2018, targeted towards the creation and extension of waste treatment facilities, improvements in transportation and tourism infrastructure. If undertaken swiftly, these infrastructure investment programmes could strengthen further export competitiveness and lift productivity.

Sizeable fiscal deficits are the main challenge for the sustainability of Costa Rica's economic growth. In addition, potential inflationary pressures and a depreciation of the exchange rate could trigger a tightening of monetary policy, which would put downward pressure on domestic consumption. The weakening of the currency could also result in higher non-performing loans owing to the high dollarisation of the economy. On the other hand, Costa Rica's integration in international financial markets remains limited, which significantly reduces the risks stemming from monetary policy normalisation in the United States.

CZECH REPUBLIC

Economic growth is projected to pick up in 2017. The increase in the minimum wage in January and ongoing strong labour demand will benefit workers and boost consumption. Private and public investment are recovering. Labour shortages will constrain growth in 2018 and add some inflationary pressure, keeping inflation above the 2% target through 2018.

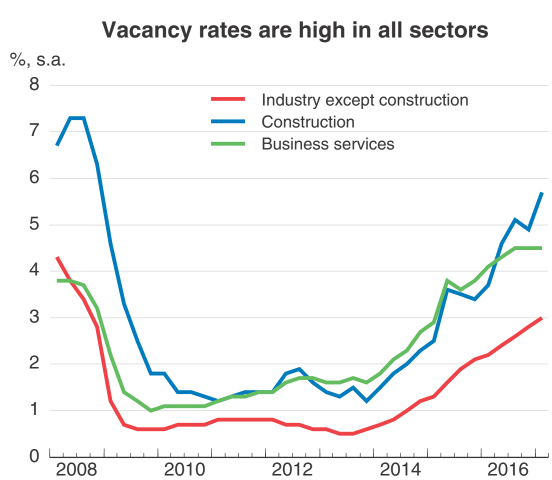
In April, the central bank successfully ended its unconventional policy of capping the koruna exchange rate against the euro, allowing it to float freely. Monetary policy is assumed to tighten gradually from late 2017 to counter rising inflation. Slightly expansionary fiscal policy in 2017 will give the central bank scope to raise interest rates. Structural policies that reduce labour shortages and raise productivity – such as expanding childcare to allow mothers to return to work – would facilitate faster growth and sustain higher wages.

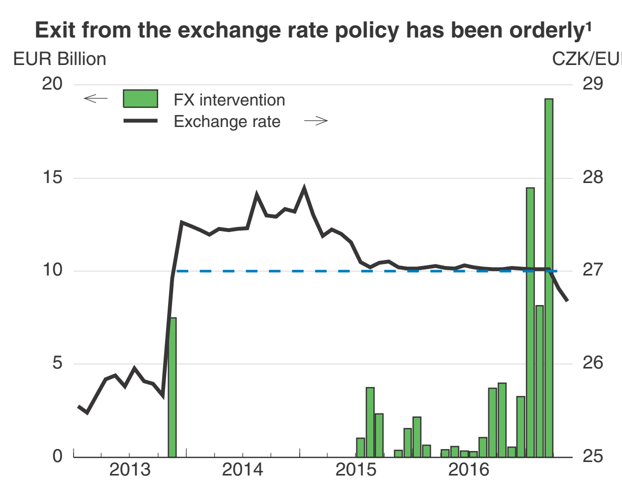
The economy is highly integrated into global value chains due to foreign investment. Foreign firms were previously attracted by low wages, but the challenge now is to increase value added to raise the returns from globalisation. Incentives to increase R&D by Czech firms should be increased. Lifelong learning would help the workforce adapt to these changes.

External demand is providing a tailwind

Weak domestic demand weighed on GDP growth in 2016, largely due to the anticipated fall in investment associated with the transition to the new EU programming period. But a strong pick-up in external demand boosted exports. Housing investment is also growing strongly. Labour demand remains high and is fuelling wage growth and consumer confidence. Male and female employment rates have reached historical highs, and labour market slack is disappearing. Business confidence and profits have softened in most sectors, even though financial conditions remain supportive. Diminishing slack and higher food and energy prices pushed headline inflation above 2% in early 2017.

Czech Republic





1. The dotted line is the exchange rate floor set by the Czech National Bank on 7 November 2013 and removed on 6 April 2017.
Source: Eurostat; and Czech National Bank.

StatLink http://dx.doi.org/10.1787/888933502978

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

	2013	2014	2015	2016	2017	2018
	Current prices CZK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	4 097.0	2.7	4.6	2.3	2.9	2.6
Private consumption	2 024.7	1.8	3.1	2.8	3.0	2.6
Government consumption	826.0	1.1	2.0	1.2	1.8	1.8
Gross fixed capital formation	1 026.3	3.9	9.1	-3.9	1.7	4.1
Final domestic demand	3 877.0	2.2	4.5	0.6	2.4	2.9
Stockbuilding[1]	- 15.9	1.1	0.3	0.7	-0.1	0.0
Total domestic demand	3 861.1	3.4	4.8	1.4	2.2	2.8
Exports of goods and services	3 147.9	8.7	7.9	4.0	3.8	4.5
Imports of goods and services	2 912.0	10.1	8.4	3.0	3.0	4.9
Net exports[1]	235.9	-0.5	0.1	1.0	0.9	0.0
Memorandum items						
GDP deflator	_	2.5	1.0	1.1	1.4	2.0
Consumer price index	_	0.4	0.3	0.7	2.3	2.2
Private consumption deflator	_	0.6	0.1	0.6	2.1	1.8
Unemployment rate	_	6.1	5.0	4.0	3.3	3.3
General government financial balance[2]	_	-1.9	-0.6	0.6	0.4	0.6
General government gross debt[2]	_	56.9	53.9	49.7	48.5	47.2
General government debt, Maastricht definition[2]	_	42.2	40.3	37.2	36.0	34.7
Current account balance[2]	_	0.2	0.2	1.1	1.0	1.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505771

Macroeconomic policies remain supportive

With headline and core inflation rising above the 2% target, in April 2017 the central bank ended the exchange rate policy that had prevented appreciation against the euro and thereby fended off deflationary pressures. Large interventions to contain currency appreciation in early 2017 raised foreign exchange reserves to 70% of GDP. Exchange rate movements have been moderate so far. Assuming that this continues, the bank should gradually raise the policy rate, as assumed in the projections. House prices and credit are accelerating. To mitigate financial stability risks, counter-cyclical capital buffers were introduced in January and the parliament is currently discussing legislation that would give the central bank the authority to limit loan-to-value ratios for mortgages.

Income growth and increased tax compliance have contributed to strong revenue growth and a record fiscal surplus in 2016. Fiscal policy is projected to be slightly expansionary in 2017, reflecting public sector wage increases and also national and EU-funded projects ramping up again, and neutral in 2018. Further efforts are needed to increase the take-up of EU funds, with better co-ordination across government. Public sector wage increases and a pension supplement in 2017 will make growth more inclusive. The new, welcome, fiscal framework has been approved. It involves a fiscal council and expenditure and debt brake rules.

Policies to expand labour supply and productivity would increase the sustainability of wage growth. The availability of childcare is increasing, but more places are needed and the tax-benefit system discourages mothers from returning to work. The government plans to make skilled migration programmes easier for businesses to use, which holds the promise of relieving skill shortages. The updated export strategy seeks to diversify export markets and improve entrepreneurs' access to information and finance, which should increase the domestic value-added embodied in Czech exports. Fiscal incentives for business R&D spending should be increased and complemented by government co-financing schemes.

Domestic demand will drive growth

Buoyant income growth and a falling saving rate are projected to continue to drive private consumption growth. As EU-funded projects take off, investment growth will rise. Export growth is projected to remain solid in 2017 and pick up in 2018 as the European recovery continues. Strong labour demand and limited labour supply will push the unemployment rate to new lows, boosting wages. Inflation is expected to remain just above the 2% inflation target in both years.

The main risks are external. The key risk is a strong exchange rate appreciation, which would harm Czech export competitiveness. Uncertainty surrounding Brexit or a slowing economy in China would also hurt Czech exporters via global value chains. Conversely, the European economy could surprise on the upside, boosting exports. If government investment projects increased faster than expected or firms invested in equipment to combat labour shortages, growth would be stronger. Improvements in the efficiency of public spending, if implemented fully, would raise growth.

DENMARK

Economic growth is projected to strengthen in 2017 and 2018, on the back of stronger private consumption, stronger foreign demand and a very accommodative monetary policy stance. With labour markets tightening, inflationary pressures will surface. Public investment is set to ease. The current account surplus will remain sizeable, driven by an improving trade balance and strong income from large net foreign asset holdings.

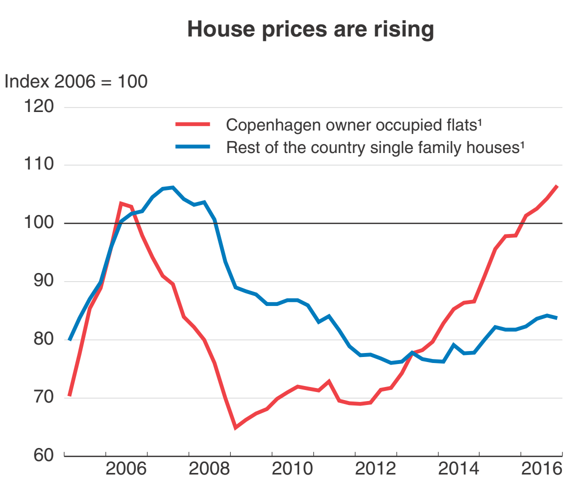
The fiscal stance remains broadly neutral, and fiscal initiatives should focus on investment and bringing more people to the labour market to ease supply constraints. Sustained very low interest rates risk fuelling a housing bubble; prices have been rising already in Copenhagen. With monetary policy governed by the currency peg, tighter macro-prudential restrictions would be prudent.

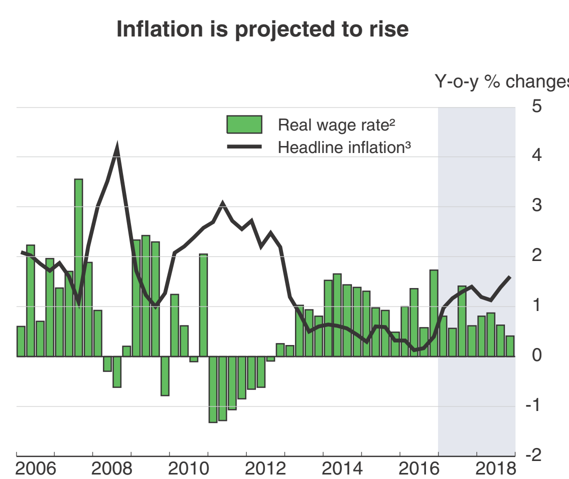
Denmark is well integrated in the global trade system. A strong social safety net and sizeable active labour market programmes are in place to ensure fairly smooth adjustment to changing labour market needs. Recent policy initiatives to improve labour market integration of migrants and to extend working lives are bearing fruit. To maintain a competitive position, wage growth needs to follow productivity improvements.

Economic fundamentals have strengthened

Solid private consumption has been driven by broad-based employment growth in the private sector, low inflation and firming up of the housing market across the country. Residential investment has rebounded, while business investment has started to recover. Easy financial conditions have fed rising house prices, especially in Copenhagen. Despite recent reforms to bring more people to work, some sectors have started to face labour shortages. Exports, though overall weak, surprised on the upside at the end of 2016.

Denmark





1. Deflated by the private consumption deflator.
2. Deflated by the consumer price index.
3. Consumer price index.

Source: OECD Economic Outlook 101 database; and Statistics Denmark.

StatLink http://dx.doi.org/10.1787/888933502997

Denmark: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices DKK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 929.7	1.7	1.6	1.3	1.6	2.1
Private consumption	920.3	0.5	1.9	1.9	1.9	2.1
Government consumption	501.9	1.2	0.6	-0.1	0.0	0.9
Gross fixed capital formation	367.7	3.5	2.5	5.2	2.5	3.1
Final domestic demand	1 789.9	1.3	1.6	2.0	1.5	2.0
Stockbuilding[1]	12.3	0.1	-0.3	-0.4	-0.3	0.0
Total domestic demand	1 802.2	1.5	1.3	1.6	1.2	2.0
Exports of goods and services	1 058.0	3.6	1.8	1.7	4.5	3.0
Imports of goods and services	930.5	3.6	1.3	2.4	4.1	3.0
Net exports[1]	127.5	0.3	0.4	-0.2	0.5	0.2
Memorandum items						
GDP deflator	_	0.8	0.9	0.4	1.3	1.7
Consumer price index	_	0.6	0.5	0.2	1.2	1.3
Private consumption deflator	_	0.8	0.6	0.5	1.1	1.5
Unemployment rate[2]	_	6.5	6.2	6.2	6.5	6.5
Household saving ratio, net[3]	_	-1.8	4.4	5.1	5.1	5.0
General government financial balance[4]	_	1.4	-1.3	-0.9	-0.8	-0.4
General government gross debt[4]	_	59.0	53.1	52.2	52.9	53.1
General government debt, Maastricht definition[4]	_	44.0	39.6	37.8	38.5	38.7
Current account balance[4]	_	8.9	9.2	8.1	8.5	8.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. The unemployment rate is based on the Labour Force Survey and differs from the registered unemployment rate.
3. As a percentage of disposable income, net of household consumption of fixed capital.
4. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505790

The accommodative monetary stance requires stronger macro-prudential measures

The krone-euro peg has forced a highly expansionary monetary stance. This is adding to property price increases in high demand areas (Copenhagen and Aarhus), with a risk that self-fulfilling expectations will become disconnected from fundamentals. Stronger macro-prudential measures to tighten credit growth, in particular for those with high debt-to-income ratios and who have variable interest rate mortgages, would be appropriate, as suggested recently by the Systemic Risk Council. Fiscal policy can also play a stronger role. An agreement on the property tax reform is welcome as it includes regular valuation upgrades and an abolition of the existing tax freeze. However, it will be implemented fully only in 2021 and contains a potentially pro-cyclical option of tax cuts in the event of sustained revenue growth. Measures to develop the rental market, such as easing rent regulation while striking a balance between landlord and tenant protection, would also ease the current home ownership bias.

The labour market continues to perform well. Strong employment growth in the private sector has been supported by recent structural reforms, which reduced disincentives to work for the elderly and the unemployed. Labour force participation has been edging up and the unemployment rate is down close to its structural level. Last year's tripartite agreement on faster labour market integration of asylum seekers has started to bear fruit. Nevertheless, more needs to be done to ensure that labour shortages and strengthening wage pressures do not undermine future growth and competitiveness. The employability of marginalised groups, such as second-generation immigrants and the disabled, needs to be improved to raise their living standards as well as their social integration.

The upswing will continue

Economic activity is projected to gradually strengthen, underpinned by solid private consumption, recovering trade and stronger business investment. Price and wage inflation is projected to pick up as excess capacity narrows. The current account surplus will remain considerable, reflecting a strong trade balance, partly due to significant private sector saving, and positive returns on net foreign assets. The public finances will remain in moderate deficit despite a gradual easing of past strong public investment.

The evolution of the Danish economy depends on growth outcomes in Europe. Due to trade links with the United Kingdom and the safe-haven status of the *krone*, the economy is exposed to Brexit risks. Domestic risks include higher unit labour costs that would undermine export growth, while rising imbalances in the housing market could contribute to overheating in the short term and a risk of a crash later on. On the positive side, continuing strong labour force growth would hold wage pressures down, while adding needed resources to the economy.

ESTONIA

Economic growth is projected to rise significantly in 2017 and to exceed 3% in 2018. Domestic demand will strengthen, sustained by public and private investment. Household spending is set to slow as inflation will resume and cut into slow nominal income gains.

The fiscal stance is projected to ease in both 2017 and 2018. The authorities plan to use the fiscal room created by past budget surpluses, very low public debt and favourable borrowing conditions for additional spending on infrastructure and education. To make growth more inclusive, measures to further reduce taxes on low-wage earners and to support the employability of jobseekers would be welcome.

Estonia's successful integration into global trade has contributed to strong growth since independence. However, the high vulnerability to external shocks that comes with openness has tended to affect vulnerable groups disproportionally. The social safety net and labour-market policies have been strengthened to address this issue, but a further improvement of the coverage and the targeting of social programmes would make growth more inclusive.

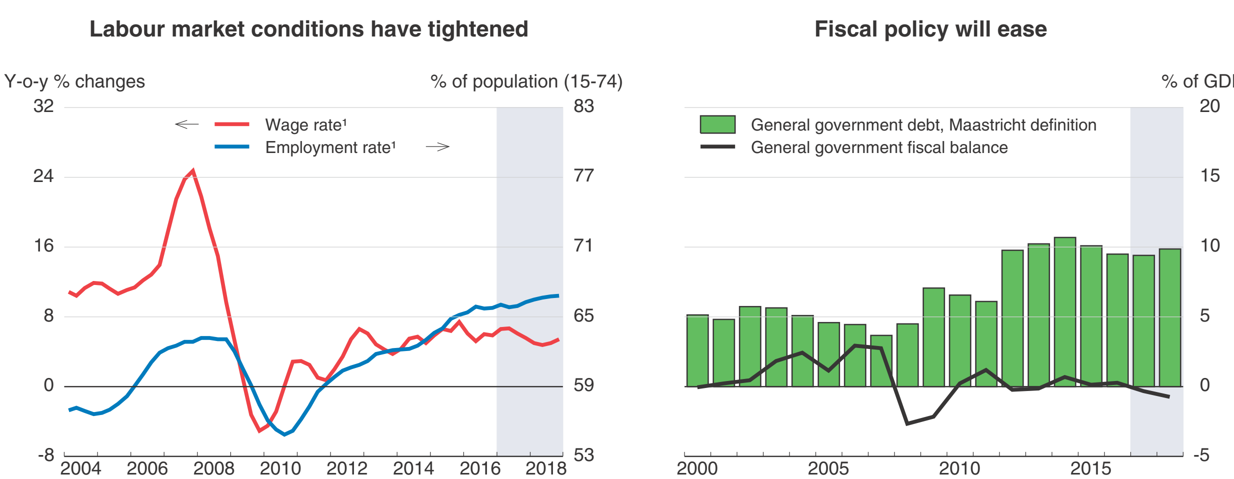
Economic activity has strengthened

GDP growth surprised on the upside in the second half of 2016, and business services, notably in the ICT sector, have been particularly strong. The oil shale industry has benefited from the upturn in energy prices, but the transport sector has been hit by lower goods transit from Russia. Private consumption has remained robust, sustained by the strong labour market. Wage growth, while moderating, has continued to exceed productivity gains.

Fiscal policy is supportive

The fiscal stance is expected to turn expansionary in 2017-18. Public investment will rise in 2017, sustained notably by EU structural funds. In 2018, the government intends to

Estonia



1. Four-quarter moving average.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503016

Estonia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	18.9	2.7	1.5	1.7	2.6	3.1
Private consumption	9.7	3.4	4.8	4.0	2.9	4.1
Government consumption	3.6	2.5	3.4	1.2	2.2	1.4
Gross fixed capital formation	5.1	-6.9	-3.7	-2.6	6.4	5.1
Final domestic demand	18.4	0.4	2.3	1.9	3.5	3.7
Stockbuilding[1]	0.1	2.4	-1.5	0.9	1.0	0.0
Total domestic demand	18.5	3.0	0.8	3.0	4.8	3.7
Exports of goods and services	16.0	3.1	-0.6	3.6	3.8	3.9
Imports of goods and services	15.6	2.2	-1.4	4.8	4.7	4.7
Net exports[1]	0.4	0.8	0.6	-0.7	-0.5	-0.5
Memorandum items						
GDP deflator	_	1.9	1.0	1.5	4.0	2.9
Harmonised index of consumer prices	_	0.5	0.1	0.8	3.2	2.8
Private consumption deflator	_	0.5	0.0	0.8	3.2	2.8
Unemployment rate	_	7.4	6.2	6.8	7.6	8.4
General government financial balance[2]	_	0.7	0.1	0.3	-0.4	-0.7
General government gross debt[2]	_	14.1	13.0	13.1	13.0	13.4
General government debt, Maastricht definition[2]	_	10.7	10.1	9.5	9.4	9.8
Current account balance[2]	_	0.9	2.2	2.7	1.8	1.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505809

change the strict fiscal rule of a balanced budget in structural terms and to spend more on infrastructure, health care, education and family benefits. The planned fiscal stance is appropriate given Estonia's robust public finances and spending needs. Nevertheless, infrastructure projects require careful selection to ensure a good social return on investments.

The authorities plan to make the tax mix more progressive and competitive. A cut in the income tax rate on distributed profits should improve the country's attractiveness for investors. A significant increase in the personal income tax allowance in 2018 will boost the purchasing power of households and might help to moderate increases in salaries. Nevertheless, growing tensions in the labour market will maintain wage growth above productivity growth. Firms, whose profitability is already affected by rising labour costs, will likely hire less and increase capital investment. But higher costs will reduce international competitiveness and limit gains in export market shares.

By conditioning the receipt of benefits to job-search activity, reform of the disability pension scheme will increase labour supply. However, despite activation and rehabilitation measures in place, a significant share of those with reduced work capacity are unlikely to find a job, thereby increasing the unemployment rate and requiring additional resources to improve their employability. To stimulate job creation for workers with low productivity, further targeted cuts in social security contributions on low-wage earners would also be appropriate.

Growth will pick up driven by domestic demand

GDP growth is projected to gain momentum and exceed 3% in 2018 on the back of stronger investment in the public and the private sectors. Exports should grow in line with recovering foreign markets and will require increasing production capacity. Imports will grow strongly because of the relatively high import intensity of investment. Increases in excise tax rates and wage growth will push up inflation. Consumption will remain strong, supported by accommodative tax measures.

Risks to the projections relate to trade developments in the Baltic region. Escalation of tensions with Russia or a weaker recovery in Finland would undermine investment. By contrast, stronger growth in Europe, and in the Nordic countries in particular, could push exports higher. Domestically, the pick-up in public investment is uncertain as a number of public infrastructure projects are not ready yet. Wage pressure could ease, should the labour market reforms be more effective than assumed. If firms' difficulties in recruiting diminish and their profitability recovers, investment and growth could be stronger than projected.

EURO AREA

GDP growth is projected to remain around 1¾ per cent in 2017 and 2018. Domestic demand will continue to lead the recovery, benefiting from accommodative monetary policy and, more recently, from welcome mildly expansionary fiscal policy. Exports are projected to strengthen, but at a moderate pace, in line with global growth. The unemployment rate will keep declining, but will remain high at around 9%. Inflation will pick up on the back of higher energy prices and narrowing slack, but will remain below the ECB target.

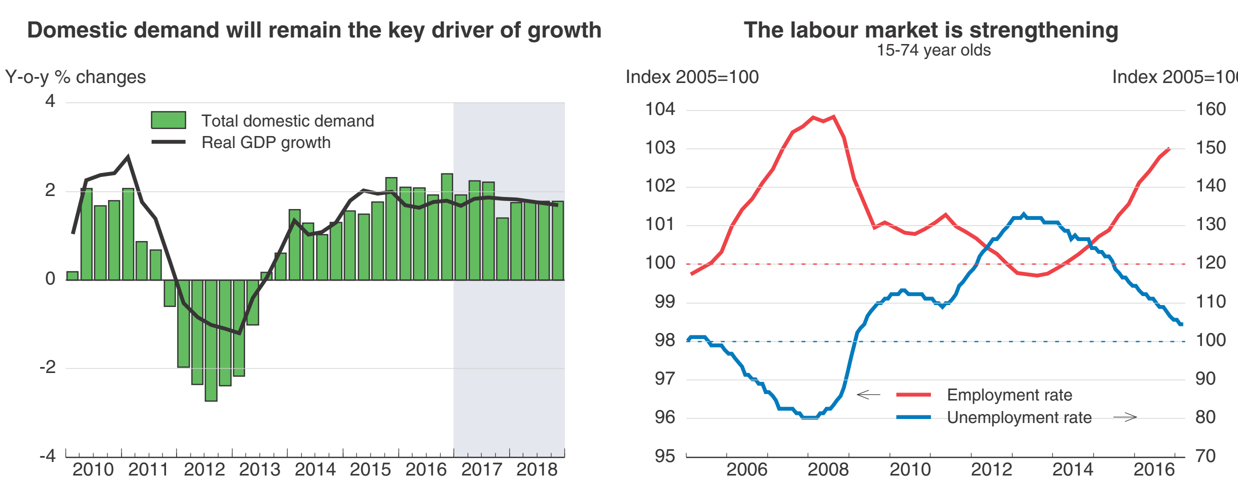
Monetary policy should remain supportive until inflation is clearly and durably rising towards the ECB target. Several countries have fiscal space that should be used to support demand, concentrating on measures that would raise long-term growth, notably public investment. Boosting private investment will require structural reforms to enhance competition and reduce barriers in services and product markets, lower the still high level of non-performing loans in many countries and foster non-bank financing. Confidence in the monetary union would also gain from further progress to complete the banking union.

The capacity of the euro area to adjust to trade shocks would be enhanced by strengthening re-training, guidance and job-search support for displaced workers. Increasing the focus of education policies on life-long learning would also help. Promoting R&D, upgrading workers' skills and fostering a greater use of digital technologies would help firms to become more competitive.

The recovery is firming up

Growth continued in early 2017, with domestic demand remaining the main driver of activity. Exports have also grown robustly, benefiting from stronger global trade and past euro depreciation. The unemployment rate has kept declining but, at 9.5%, is still 2 percentage points above its pre-crisis level. Increases in energy prices and other volatile components have significantly increased headline inflation in the past six months, but core inflation remains subdued.

Euro area



Source: OECD Economic Outlook 101 database; and OECD Short-Term Labour Force Statistics database.

StatLink http://dx.doi.org/10.1787/888933503054

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

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.6	1.0	1.8	1.4	1.1
Unemployment rate[1]	11.6	10.9	10.0	9.3	8.9
Compensation per employee[2]	1.4	1.4	1.4	1.8	2.1
Labour productivity	0.6	0.8	0.4	0.5	0.7
Unit labour cost	0.7	0.7	1.3	1.2	1.2
Household disposable income	1.2	1.9	2.2	2.8	2.7
GDP deflator	0.9	1.1	0.9	1.2	1.5
Harmonised index of consumer prices	0.4	0.0	0.2	1.7	1.4
Core harmonised index of consumer prices[3]	0.8	0.8	0.8	0.9	1.4
Private consumption deflator	0.5	0.1	0.4	1.5	1.4

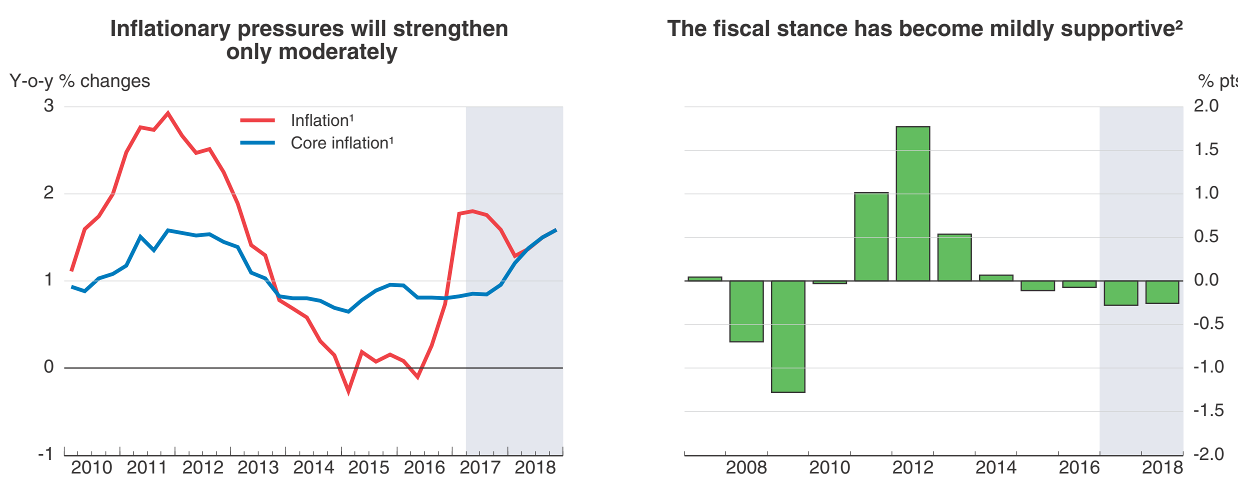
Note: Covers the euro area countries that are members of the OECD.
1. As a percentage of labour force.
2. In the total economy.
3. Harmonised index of consumer prices excluding energy, food, drink and tobacco.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505619

Export orders are strong, business investment is picking up, and job growth should keep its momentum as firms report plans to step up hiring. As a result, business and consumer confidence are now at six-year highs. Economic performance has also started to become more homogenous across countries, with differences in growth rates and employment rates narrowing. Nonetheless, unemployment is still significantly above its 2008 level in many countries. Although investment has started to pick up, as a share of GDP it still remains 10 percentage points below its pre-crisis peak and well below its historical trend. A much stronger recovery in investment is needed to help strengthen productivity growth and ultimately real wages.

Euro area



1. Harmonised consumer price index, excluding energy, food, alcohol, and tobacco for core inflation.
2. Change in the underlying primary balance as a percentage of potential GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503035

Euro area: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	6.2	6.0	5.9	5.8	5.7
General government financial balance[2]	-2.6	-2.1	-1.6	-1.2	-0.9
General government gross debt[2]	112.3	110.0	109.2	107.9	106.4
General government debt, Maastricht definition[2]	94.5	92.8	91.7	90.4	88.9
Current account balance[2]	3.1	3.8	3.6	3.3	3.4
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	2.0	1.1	0.8	1.2	1.6

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505638

Rebalancing the policy mix towards fiscal policy and structural reform

The European Central Bank (ECB) has extended its net asset purchase programme until at least the end of 2017 but reduced the amount of monthly asset purchases to 60 billion euro from April onwards. The supportive monetary stance remains appropriate, as inflation is still well below the ECB's target of close to but below 2%. However, as the economic outlook improves and inflation approaches the target by end-2018, the degree of monetary stimulus is projected to be somewhat reduced, with the asset purchase programme being tapered off gradually over 2018 and the deposit rate being increased by 15 basis points towards the end of 2018.

Fiscal policy provided a little support to growth in 2016, and is projected to remain slightly expansionary in 2017 and 2018. Several countries have room for additional fiscal

Euro area: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2014 prices)					
GDP at market prices	10 391.9	1.7	1.8	1.8	1.8	1.9	1.7
Private consumption	5 703.2	1.9	1.4	1.4	1.9	1.4	1.3
Government consumption	2 153.7	1.8	1.2	1.3	1.5	1.4	1.2
Gross fixed investment	2 052.5	3.4	3.4	3.3	5.0	1.6	3.5
Final domestic demand	9 909.4	2.2	1.8	1.8	2.4	1.4	1.8
Stockbuilding[1]	11.5	-0.1	0.1	0.0			
Total domestic demand	9 920.9	2.1	1.8	1.8	2.4	1.3	1.8
Net exports[1]	471.0	-0.4	0.1	0.1			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex. Covers the euro area countries that are members of the OECD.
1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505657

Euro area: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Foreign balance	474.8	522.6	526.2	499	530
Invisibles, net	- 68.4	- 86.2	- 102.4	- 107	- 114
Current account balance	406.4	436.4	423.8	392	416

Note: Covers the euro area countries that are members of the OECD.
Source: OECD Economic Outlook 101 database.

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expansion and they should use it to strengthen aggregate demand and long-term growth. Fiscal expansion could for example be facilitated by excluding net public investment spending from assessment of compliance with the Stability and Growth Pact. To avoid some countries once again facing high interest rates on their public debt, which would constrain their fiscal space, further progress with the banking union and the governance of the euro area is needed. Collective action is needed to complete the banking union by creating a common fiscal backstop to the Single Resolution Fund, further harmonising bank regulation and reinforcing deposit insurance at the national and European levels. It is also crucial to break the negative feedback loop between banks and sovereigns. This requires finding a market solution, if needed with public support, to clean up banks' balance sheets in countries with high levels of non-performing loans.

Higher investment and productivity are crucial for a more dynamic recovery and higher potential growth and to improve the value-added content of exports. Opportunities exist in a number of euro area countries to introduce product market reforms to boost competition, encourage innovation and business dynamism and enhance diffusion of new technologies. The adoption of competition-enhancing reforms could be facilitated by job search support and re-training for displaced workers. Faster implementation of Europe's digital single market and the swift completion of the single market in network sectors and services are also vital to foster investment and productivity growth and to strengthen intra and extra European Union trade. Reforms that stimulate investment, such as reducing barriers to entry in services in countries with current account surpluses, would help to rebalance the large euro area current account surplus.

Growth will remain robust

GDP growth is projected to remain around 1¾ per cent each year in 2017 and 2018. Domestic demand will continue to be the key driver of growth. Business investment should rise as foreign and domestic demand improves and financing conditions remain supportive. Residential investment will keep recovering, supported by growing disposable income. Household spending will remain robust, aided by favourable bank lending conditions and improving labour market conditions, but will lose some steam as higher inflation will limit gains in real disposable income. Unemployment will fall, but significant disparities across euro area countries will persist. Exports are projected to strengthen as global trade demand picks up. A sizeable area-wide current account surplus is likely to decline only marginally, with a projected continuation of large current account surpluses in Germany and the Netherlands.

A growing backlash against globalisation could trigger protectionist policies and undermine international trade, with lower growth as a result. Brexit negotiations remain a significant risk: a break-up of negotiations or the prospect of an unfavourable deal could hurt confidence and trade. As growth and inflation prospects in core euro area economies improve, there is a risk that monetary policy tightens too rapidly, weighing on the recovery in countries with high unemployment, high public and private debt and large negative output gaps. On the upside, more rapid progress with policy reforms could improve financial conditions, confidence and activity. A new cycle of structural funds and a faster implementation of the Investment Plan could lead to higher public and private investment and growth. Faster progress in cleaning up bank balance sheets, together with regained momentum in European integration, would also boost GDP growth.

FINLAND

Growth is projected to strengthen as higher foreign demand and improved competitiveness boost exports. Domestic demand will be held back by slow income growth, but brightening employment prospects and consumer confidence, together with low interest rates, will support consumption and residential investment. Inflation will pick up gradually, as spare capacity shrinks.

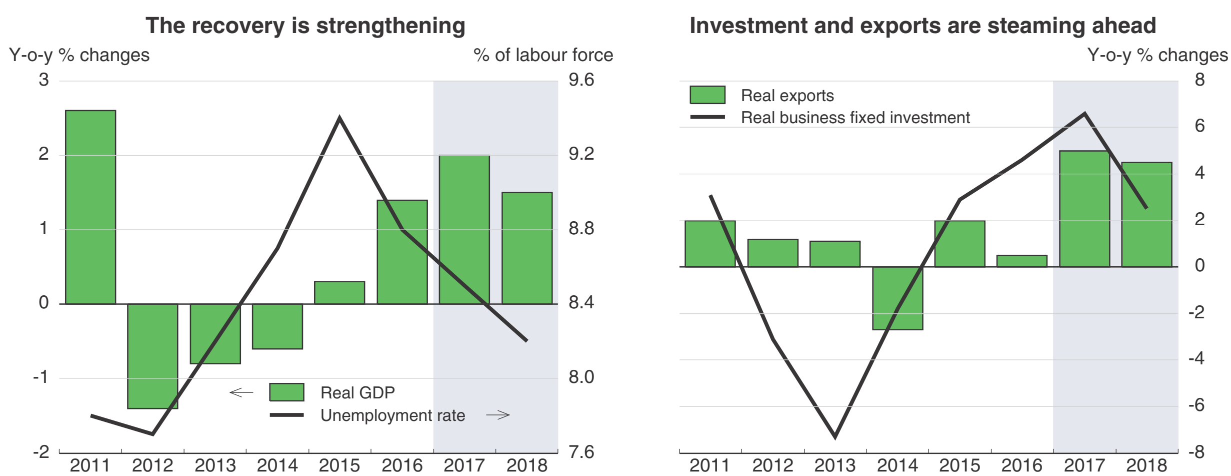
The Competitiveness Pact signed by the social partners in mid-2016 is improving cost-competitiveness, which had deteriorated in recent years. The pact is restraining household income growth, but this is partly offset by tax cuts. The government has reformed unemployment insurance to enhance work incentives, but employment needs to be boosted to foster inclusive growth.

Globalisation has propelled productivity gains and improvements in living standards for decades. The extensive social safety net and high investment in skills have helped workers to adapt to changes induced by global developments. Continued cost-competitiveness, sustained investment in education and R&D are the keys to reaping the benefits of globalisation.

The economy is gathering momentum

GDP growth increased significantly in 2016, lowering unemployment and boosting employment growth, consumer confidence and household consumption. Residential investment has bounced back amid brightening economic prospects and record low interest rates. Large-scale projects have supported investment in machinery and equipment. Exports have shown signs of revival, as foreign demand recovered and competitiveness improved. The strength in labour-intensive activities, notably construction, combined with a stagnant labour force due to population ageing, has reduced unemployment. The pick-up in output growth has also contributed, along with fiscal measures, to reducing the government deficit.

Finland



Source: OECD Economic Outlook 101 database.

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Finland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	203.3	-0.6	0.3	1.4	2.0	1.5
Private consumption	111.3	0.8	1.5	2.0	1.1	1.0
Government consumption	50.3	-0.5	0.1	0.5	0.1	-0.1
Gross fixed capital formation	43.1	-2.6	1.1	5.2	4.7	2.0
Final domestic demand	204.7	-0.3	1.1	2.3	1.6	1.0
Stockbuilding[1,2]	0.5	0.2	0.4	-0.2	-0.2	0.0
Total domestic demand	205.1	-0.1	1.4	2.1	1.4	1.0
Exports of goods and services	78.9	-2.7	2.0	0.5	5.0	4.5
Imports of goods and services	80.7	-1.3	3.1	2.5	3.1	3.1
Net exports[1]	- 1.8	-0.5	-0.4	-0.7	0.6	0.5
Memorandum items						
GDP without working day adjustments	_	-0.6	0.3	1.4	..	..
GDP deflator	_	1.7	1.7	0.8	1.1	1.2
Harmonised index of consumer prices	_	1.2	-0.2	0.4	1.2	1.5
Private consumption deflator	_	1.3	0.4	0.6	1.1	1.4
Unemployment rate	_	8.7	9.4	8.8	8.5	8.2
General government financial balance[3]	_	-3.2	-2.7	-1.9	-1.7	-1.4
General government gross debt[3]	_	71.4	74.2	75.9	79.1	81.8
General government debt, Maastricht definition[3]	_	60.2	63.7	63.6	64.8	66.4
Current account balance[3]	_	-1.3	-0.6	-1.1	-1.2	-0.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statistical discrepancy.
3. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505828

Restoring competitiveness to foster inclusive growth

Finland benefitted greatly from globalisation from the mid-1990s to the 2008 crisis. However, in a small open economy globalisation also exposes people to developments from abroad. Over the years, Finland has suffered from the collapse of Nokia's global mobile phone business, the fall in global demand for paper and the difficulties of the Russian economy. A strong social safety net alleviated the impact of these events on consumption, supported the unemployed and facilitated industrial restructuring. In 2016, the social partners agreed on a Competitiveness Pact to lower unit labour costs by about 4% from 2017 and freeze wages until end-2017. The negative impact on household demand is to be mitigated by tax and social contribution cuts. Meanwhile, it will be important to make sure that the programmed cuts in education spending and lower R&D investment do not reduce non-cost competitiveness.

The government aims to raise the employment rate from below 69% in 2016 to 72% by 2019, which would both support growth and broaden the distribution of its benefits. The unemployment insurance reform will strengthen work incentives, but reaching the target will require further measures to enhance skills, streamline employment regulations and allow more flexible wage setting. Reducing the combined duration of parental leave and the home-care allowance would raise female employment and reduce gender inequality.

More balanced growth ahead

Exports have recently started to complement domestic demand as a growth engine. Going forward, the contribution of exports to growth is set to increase. A number of factors point to relatively strong export growth over the coming years. World trade is recovering, competitiveness is improving, extra capacity has been built in some sectors, like paper and automotive industries, and order books in shipbuilding are strong. On the other hand, the low wage increases needed to ensure competitiveness will weigh on private consumption, and investment is likely to decelerate after a strong rebound.

An upside surprise in world trade and global investment would boost Finnish exports, as would a stronger-than-expected recovery in Russia. Moreover, the impact of competitiveness gains on exports might be stronger than foreseen. However, world trade prospects are clouded by policy uncertainty and geo-political risks. On the domestic side, strong confidence suggests upside potential for private consumption and investment.

FRANCE

Economic growth is projected to continue to strengthen to about 1½ per cent in 2018, boosted by investment and consumption. Firming domestic demand will be supported by rising confidence, cuts in social contribution and business taxes and continued favourable financing conditions. The labour market will gradually recover. Inflation will remain low, since pressures on production capacity are limited. The current account deficit is expected to increase slightly, as solid domestic demand will boost imports.

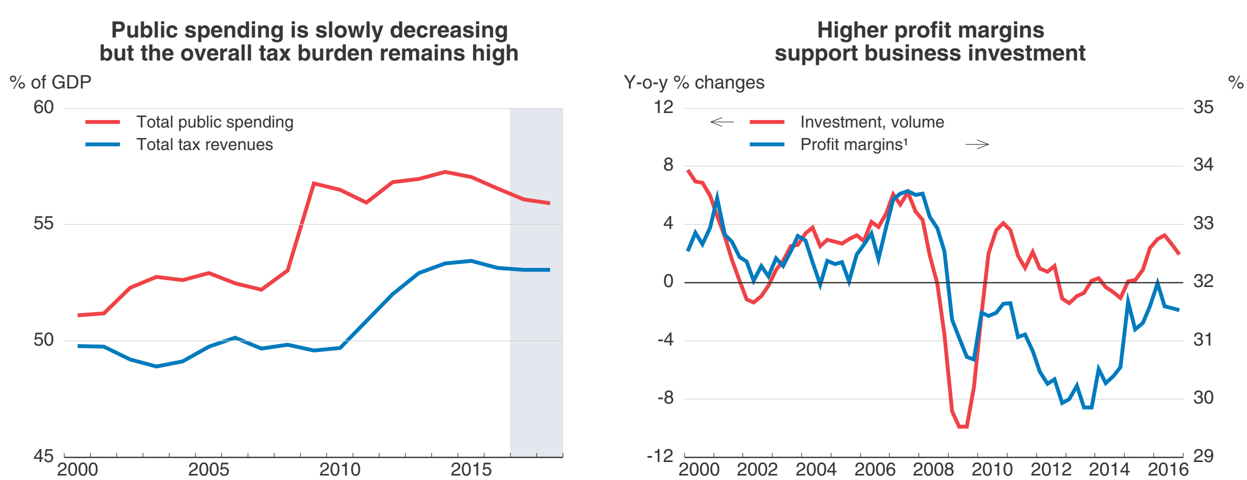
A continued reduction in debt service costs and some spending restraint will bring the fiscal deficit down to just below 3% of GDP in 2018, but a long-term strategy is needed to reduce public spending and continue lowering high taxes that weigh on employment and investment. Advancing tax cuts would provide a welcome boost to demand. The tax system is too complex and needs to be simplified. In addition, spending should be shifted from lower-priority and inefficient spending toward infrastructure, education and social expenditure focussed on the poor. Unifying the many pension systems could lower administration costs. Such a strategy, combined with further reforms to strengthen competition in services, would promote conditions for French firms to be more productive, lifting real incomes and job opportunities.

Too many workers lack the necessary basic and digital skills to benefit from globalisation. More has to be done to hire excellent teachers and improve teaching practices in disadvantaged schools, promote apprenticeships at the secondary level and improve access to high-quality training by simplifying the system, improving information about quality and providing effective guidance.

Moderate growth has taken hold

Tax cuts and low energy prices have bolstered real wages, supporting consumption, and helped companies restore their profit margins. This has encouraged business investment, which was also strengthened by an accelerated depreciation allowance that

France



1. Non-financial corporations, as a percentage of gross value added.
Source: OECD Economic Outlook 101 database; and INSEE.

StatLink http://dx.doi.org/10.1787/888933503092

France: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.1	0.1	0.6	0.5	0.7
Unemployment rate[1]	10.3	10.4	10.0	9.7	9.6
Compensation per employee[2]	1.1	1.1	1.2	1.7	1.8
Unit labour cost	0.7	0.1	0.9	1.1	1.0
Household disposable income	0.8	1.5	1.8	2.2	2.5
GDP deflator	0.5	0.6	0.8	0.9	1.1
Harmonised index of consumer prices	0.6	0.1	0.3	1.3	1.2
Core harmonised index of consumer prices[3]	1.0	0.6	0.6	0.6	1.2
Private consumption deflator	0.1	-0.2	0.1	1.1	1.1
Memorandum item					
Unemployment rate[4]	9.9	10.1	9.8	9.5	9.4

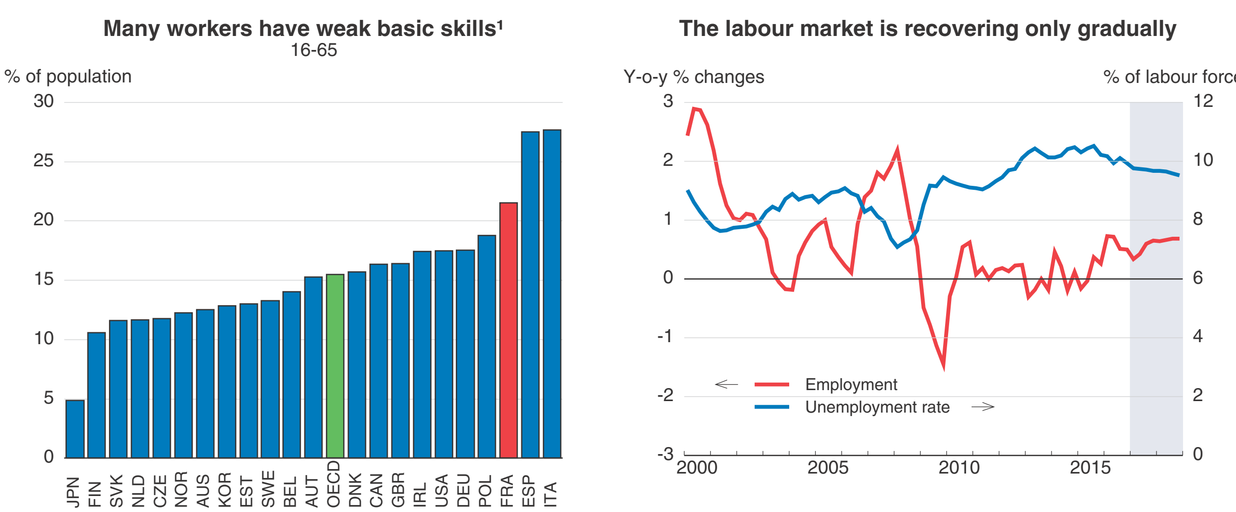
1. As a percentage of labour force, national unemployment rate, includes overseas departments.
2. In the total economy.
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
4. As a percentage of labour force, metropolitan France.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505353

ended in April 2017. Housing investment appears to have bottomed out. Public consumption has continued to grow at a moderate pace, but local governments have sharply cut back their investment in response to lower central government transfers. This effect is now levelling off. The government has made significant use of subsidised employment in the non-market sector in recent years, but since 2015 market-sector employment has also increased more strongly, helped by hiring subsidies and cuts in social security contributions. The unemployment rate has only recently fallen below 10%, and

France



1. Adults scoring below level 2 in PIAAC's reading proficiency scale.

Source: OECD Economic Outlook 101 Database; and OECD (2013), OECD Skills Outlook 2013 Database.

StatLink http://dx.doi.org/10.1787/888933503111

France: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, gross[1]	14.1	14.1	14.1	14.1	14.1
General government financial balance[2]	-3.9	-3.6	-3.4	-3.0	-2.8
General government gross debt[2]	120.2	121.1	123.5	124.9	125.7
General government debt, Maastricht definition[2]	95.2	96.2	96.6	98.0	98.8
Current account balance[2]	-1.1	-0.2	-0.9	-1.2	-1.3
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	1.7	0.8	0.5	0.9	1.2

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505372

persistently high levels of long-term unemployment remain. The situation facing youth is particularly challenging, with very short-term contracts making up the bulk of new hires.

Exports were anaemic in 2016, but mainly due to temporary factors, such as supply disruptions in aeronautics, bad weather and weak demand from France's trading partners. Exports regained strength towards the end of the year. Headline inflation has increased somewhat, as energy prices have rebounded, but core inflation continues to be low, given limited pressures on production capacities.

France: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 181.1	1.1	1.3	1.5	1.2	1.4	1.5
Private consumption	1 201.6	1.8	1.2	1.4	2.0	1.2	1.4
Government consumption	521.8	1.4	1.2	1.1	1.3	1.2	1.1
Gross fixed investment	469.1	2.7	2.3	2.8	2.0	2.7	3.1
Public	75.3	-0.7	-0.8	2.0	-2.4	0.9	2.0
Residential	112.2	2.1	3.5	3.6	2.7	3.6	3.6
Non-residential	281.7	3.9	2.6	2.7	2.8	2.7	3.1
Final domestic demand	2 192.5	1.9	1.5	1.6	1.9	1.5	1.7
Stockbuilding[1]	18.8	-0.1	0.4	0.0			
Total domestic demand	2 211.3	1.8	1.9	1.6	1.3	1.9	1.7
Exports of goods and services	654.8	1.2	2.5	3.9	2.0	2.5	3.9
Imports of goods and services	685.0	3.5	4.4	4.2	2.4	4.3	4.5
Net exports[1]	- 30.2	-0.7	-0.7	-0.2			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505391

Fiscal and structural reforms would help France benefit more from globalisation

Lower interest rates, sharp cuts in local government investment and some spending restraint in other areas helped to lower the budget deficit to 3.4% of GDP in 2016. While the ongoing series of tax cuts is reducing public revenues and the government has budgeted additional spending on employment, education and security for 2017, spending restraint in other areas and the recovery could help reduce the deficit further to around 3% GDP in 2018. This is, however, very much dependent on the new government's priorities. Further streamlining of sub-central governments, increasing the effective retirement age and better targeting infrastructure and education spending on poor neighbourhoods and students would improve efficiency and make growth more inclusive. The financial sector is healthy and non-performing loans are low, while household indebtedness remains at comfortable levels. Thus, there is no barrier for lending to support business and household investment.

Weak productivity growth and high unemployment have meant that the benefits of globalisation have not been equitably shared. Recent social contribution cuts on lower wages have reduced labour costs, but the job prospects of many adults are constrained by weak skills. Labour market activation and access to high-quality training for low-skilled workers need to be strengthened by simplifying the system, improving information about quality and providing effective guidance. A recent school reform has laid the basis for stronger teacher training in pedagogy. Pay systems and career paths should also be developed to attract excellent teachers to difficult schools. High and complex taxes hinder business creation and growth. They should be simplified and lowered, by broadening narrow tax bases. Further enhancing the autonomy of universities and increasing the share of project financing in public R&D funding would help them develop innovative education and research programmes, while promoting industry-science collaboration in research.

Growth is projected to pick up

The recovery in GDP growth to 1½ per cent in 2018 should support gradual employment gains and further, but gradual, declines in the unemployment rate. Strong order books and resilient business confidence should continue to support non-residential investment, albeit at a slower pace after the recent end of the accelerated depreciation allowance. Residential investment will continue to grow given the latest rise in building permits and resilient household confidence. Public investment will expand moderately in line with budget commitments.

Exports should benefit from stronger global demand and a gradual recovery in tourism after a number of terrorist incidents. The current account deficit is nevertheless expected to increase slightly to 1.3% of GDP in 2018 as stronger domestic demand boosts imports. Owing to limited pressures on production capacity consumer price inflation is not expected to accelerate much.

The outlook for France's exports depends on demand from trading partners in a context where the effects of the United Kingdom's exit from the European Union remain highly uncertain, as does the economic situation in major emerging market economies, notably China. The medium-term effects of lower business taxes and social charges on business sentiment could be stronger than expected, leading to more dynamic investment, employment growth and consumption. However, businesses may prefer to lower their debt instead, which would weaken the impact on private investment. Households have reacted to previous energy price falls with somewhat higher saving and could use this reserve to increase consumption more than projected.

GERMANY

Economic growth is projected to remain solid, and the unemployment rate to fall further. Low unemployment and higher government spending will underpin private consumption. Low interest rates and immigration should sustain residential investment, but business investment is set to strengthen only gradually. Exports are benefiting from strong demand in Asia and the United States, but will weaken as the impact of past euro depreciation fades and import growth in China slows. The current account surplus will narrow somewhat, mostly as a result of higher energy prices. Strong revenue growth is projected to keep the government budget in surplus.

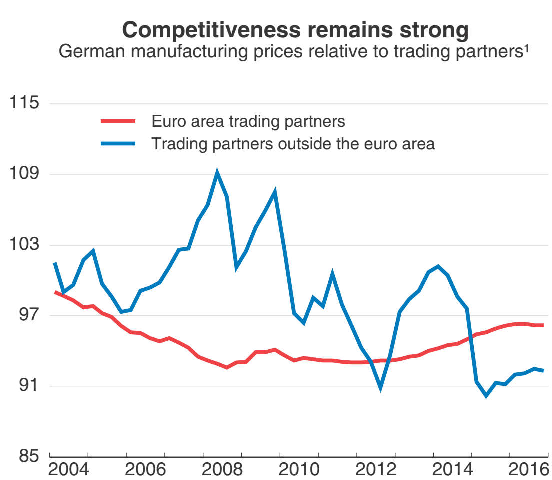
Fiscal policy needs to provide more support to address key structural weaknesses that are holding back inclusive growth. Extra spending should prioritise training for immigrants, improving childcare and expanding full-day primary schools. Lower taxes on second earners would reduce barriers for women's access to more attractive jobs and careers, allowing skilled labour supply to expand in a tight labour market.

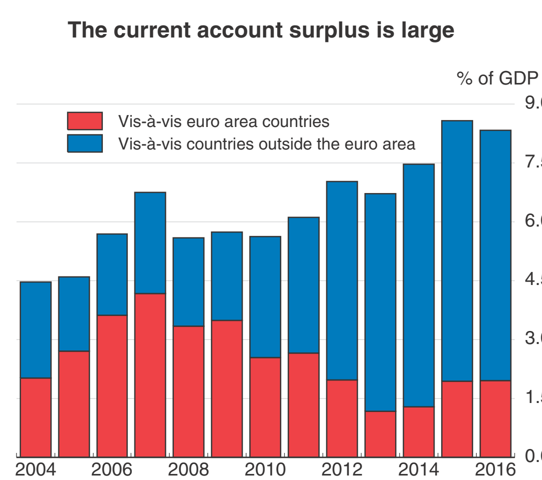
Strong integration in global value chains (including by outsourcing labour-intensive tasks, and strengthened sales in distant dynamic markets, notably Asia), depreciation of the euro and wage restraint have made Germany's manufacturers very competitive. The number of workers on relatively low pay has risen, upward income mobility has fallen and the average duration of unemployment spells is long, although poverty remains low. High household saving, low business investment, and budget consolidation have all contributed to the large current account surplus. Reforms to remove barriers to entry in services and boost public infrastructure would strengthen investment and reduce the large current account surplus.

Growth has been vigorous and broad-based

Economic activity has expanded strongly, as depreciation of the euro and strong demand from the United States and China has boosted exports. Construction activity has

Germany





1. Seasonally and working day unadjusted and based on the deflators of manufacturing sales. Average since 1991 = 100.
Source: Deutsche Bundesbank.

StatLink http://dx.doi.org/10.1787/888933503130

Germany: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment[1]	0.8	0.9	1.2	1.5	1.1
Unemployment rate[2]	5.0	4.6	4.2	3.8	3.7
Compensation per employee[3]	2.8	2.4	2.3	2.4	2.5
Unit labour cost	2.2	2.1	2.0	1.8	1.2
Household disposable income	2.3	3.1	2.8	3.2	2.9
GDP deflator	1.8	2.0	1.4	0.9	1.7
Harmonised index of consumer prices	0.8	0.1	0.4	1.9	1.6
Core harmonised index of consumer prices[4]	1.1	1.1	1.1	1.1	1.6
Private consumption deflator	0.9	0.6	0.7	1.7	1.5

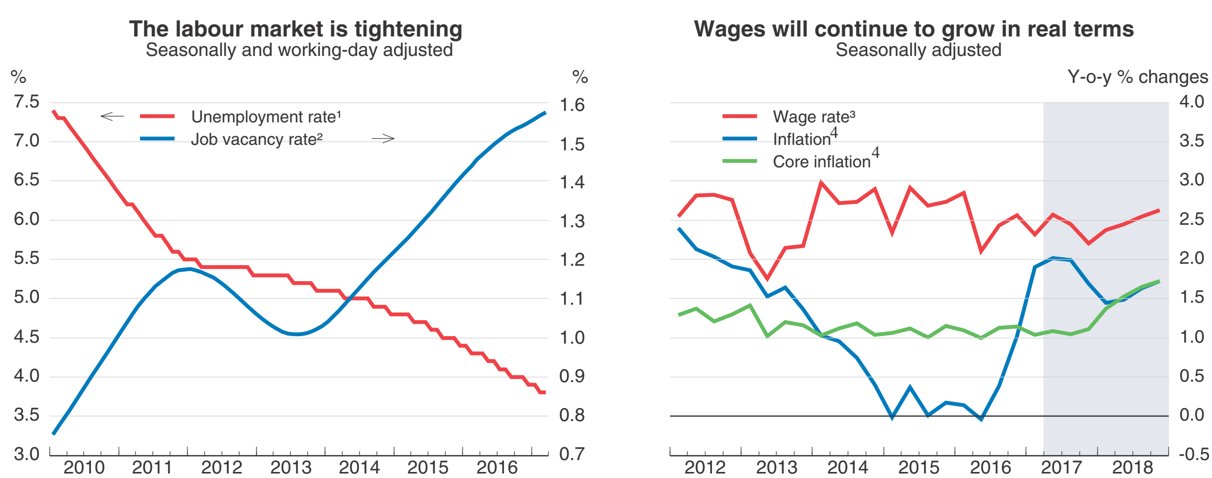
1. Based on national accounts.
2. As a percentage of labour force.
3. In the total economy.
4. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505296

increased, as the housing needs of immigrants and low interest rates have boosted housing demand. House prices have risen broadly in line with rental prices and incomes. Employment has expanded, sustaining growth of household consumption. Wage growth has remained moderate recently, despite record-low unemployment and rising vacancies. This partly reflects low starting wages for immigrants and the increasing willingness of older-age workers to work at lower wages. Low interest rates and high capacity utilisation have kept firm profitability high, even though business investment has remained subdued, damping credit growth.

Germany



1. Population aged 15-74 years. Based on the German labour force survey.
2. Percentage of unfilled job vacancies relative to total employment.
3. Average nominal wage per employee. Projection from 2017Q1.
4. Harmonised consumer price index (HICP). Core HICP excludes energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 101 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933503149

Germany: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	9.4	9.7	9.7	10.0	9.8
General government financial balance[2]	0.3	0.7	0.8	0.7	0.6
General government gross debt[2]	83.6	79.3	76.6	73.5	71.0
General government debt, Maastricht definition[2]	74.8	71.2	68.4	65.3	62.8
Current account balance[2]	7.6	8.6	8.3	7.5	7.4
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	1.2	0.5	0.1	0.4	0.8

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505315

Fiscal policy should do more to support inclusive growth

The fiscal stance is projected to be mildly expansionary in 2017 and 2018, reflecting higher spending on the integration of immigrants, long-term care benefits, as well as defence and security. The federal government has also increased transfers to fund local government investment. Pension spending is rising automatically under entitlement rules, public sector wages are rising, and family benefits and tax allowances have become more generous.

Germany: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	3 030.1	1.8	2.0	2.0	1.8	2.3	1.9
Private consumption	1 636.5	1.9	1.3	1.4	1.7	1.4	1.4
Government consumption	583.7	4.0	1.7	2.3	2.7	2.2	2.2
Gross fixed investment	602.4	2.0	2.8	3.0	0.5	4.0	3.0
Public	64.3	1.7	4.0	2.5	-2.8	3.4	2.4
Residential	177.3	3.8	2.9	3.2	3.4	3.4	2.9
Non-residential	360.8	1.1	2.5	3.1	-0.3	4.4	3.0
Final domestic demand	2 822.6	2.4	1.7	2.0	1.7	2.2	1.9
Stockbuilding[1]	- 20.8	-0.1	0.0	0.0			
Total domestic demand	2 801.8	2.2	1.7	2.0	1.9	1.7	1.9
Exports of goods and services	1 415.4	2.5	4.2	3.7	4.1	4.3	3.5
Imports of goods and services	1 187.1	3.7	4.1	3.9	4.9	3.3	4.0
Net exports[1]	228.4	-0.3	0.4	0.2			
Memorandum items							
GDP without working day adjustments	3 032.7	1.9	1.7	2.0			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505334

However, the strong fiscal position provides room for priority spending and tax reforms. More spending to improve full-day childcare and to introduce full-day primary schools on a broad basis would make it easier, especially for women who are most affected, to reconcile family life and full-time employment, and raise the supply of qualified workers. It would also improve education outcomes among youth with a disadvantaged socio-economic background. Government investment still falls short of depreciation of the capital stock, especially in low-income municipalities, and will need to be increased. Lower taxation of second earners would give women access to better professional careers and reduce the large gender earnings gap.

Financial market conditions are supportive of economic expansion, reflecting a very accommodative euro area monetary policy and the continued attractiveness of Germany as a safe haven. Stock market prices have risen and long-term interest rates remain very low. However, large banks remain highly leveraged. Implicit government guarantees may exacerbate inequality, impair efficiency and encourage banks to assume more risk and pay higher salaries. The recent depreciation of the euro is boosting exports. However, modest and uncertain growth prospects in nearby European export markets have reinforced incentives to invest overseas.

Reforms are also needed to boost sustainable and inclusive growth and raise incomes. Lower barriers for setting up a business, for example in construction-related crafts, would open more economic opportunities for immigrants, who are particularly likely to seek self-employment and employment in the construction sector. Lowering such barriers could help ease supply bottlenecks in the construction sector and provide opportunities for upward income mobility. Lowering barriers to entry in telecommunications, postal and rail transport services, professional services and in some crafts could boost investment and thereby help reduce the current account surplus. Steps to avoid favouring incumbents in new regulation as well as the privatisation of government ownership of businesses in the car industry, telecommunications and postal services could also boost investment. Steps to implement reforms to complete the Single Market in the European Union and establish a more comprehensive banking union in the euro area could strengthen confidence in the euro and boost the attractiveness of Germany as a location to invest. Improving life-long learning opportunities would reduce skills mismatch which is also holding back investment in new technologies. It would also make it easier for workers displaced by technological advances or trade to find new jobs more quickly. Improved access to low-cost private pension systems and incentives to retire at a higher age could boost consumption and welfare, while helping reduce the current account surplus.

Domestic demand will be the main driver of growth

Economic growth is projected to remain robust in 2017 and 2018, driven by household demand and higher government spending. Falling unemployment and robust labour demand will boost wages, which are projected to grow more strongly than productivity. Consumer price inflation will rise somewhat. The current account surplus will fall, as oil prices have risen. Export growth may weaken, as the impact of past euro depreciation fades and rising wages weaken Germany's competitiveness within the euro area. Demand from China, one of the most important export destinations, is also expected to grow less vigorously in 2018. Notwithstanding fiscal easing, strong tax revenue growth is expected to keep the government balance in surplus.

The exit of the United Kingdom from the European Union and concerns about banking sector issues in the euro area have increased uncertainty about trade and investment prospects. A sharp slowdown of activity in emerging market economies and increased trade protectionism would weaken exports and investment. On the other hand, some businesses are considering shifting investment from the United Kingdom to Germany. Effective policies to integrate immigrants would increase their incomes and well-being, raise employment and ease labour market pressures.

GREECE

After a prolonged depression, the economy stabilised in 2016 and GDP is projected to grow by 1.1% in 2017 and 2.5% in 2018. The labour market is improving, supporting private consumption, and higher demand from abroad is boosting exports. Investment has started to recover from very low levels and should gather pace. The consumption tax increase in early 2017 and recent energy price increases will raise consumer price inflation, even though core inflation will remain moderate, as ample spare capacity persists.

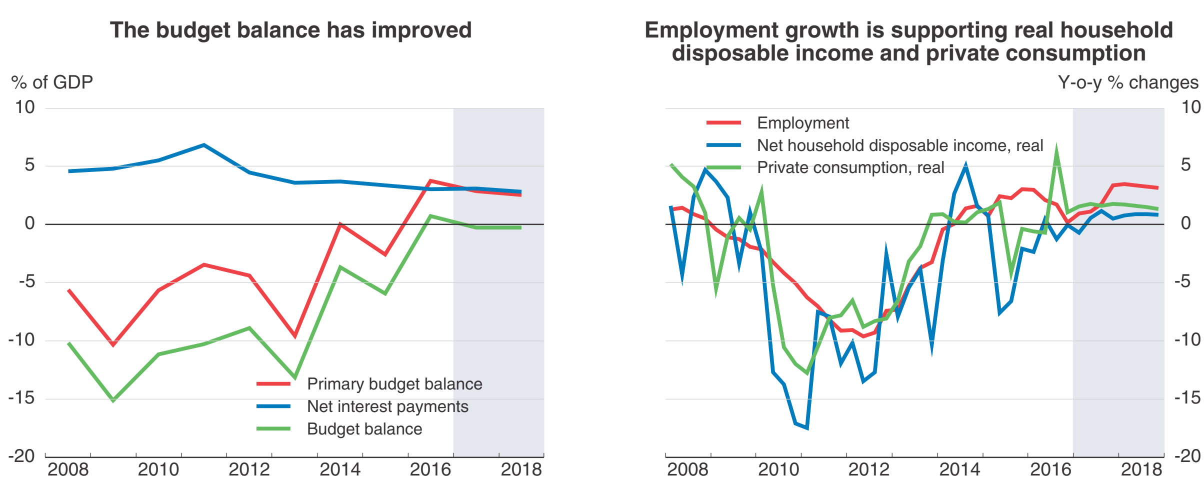
In 2016, the primary budget surplus was 3.8% of GDP, exceeding expectations and the 0.5% target. Further progress in combatting tax evasion, broadening the personal income tax base and controlling pension spending are key to cementing the significant fiscal achievements of recent years, while freeing up resources for much needed social assistance programmes. Public debt has stabilised but remains very high, aggravating economic vulnerabilities and calling for additional debt relief to ensure medium to long-term fiscal sustainability.

Continuing the implementation of structural reforms would increase productivity and, through intensified participation in global value chains, exports. Developing and implementing effective job-search and training policies, linked to unemployment benefits, and enhancing life-long learning would strengthen workers' skills, accelerate the shift towards tradable sectors and improve people's prospects of getting good jobs.

The economy is starting to recover

The delay in the conclusion of the second review of official creditors has undermined consumer and business confidence and kept government bond yield spreads high. However, the preliminary agreement on the second review reached in May has already improved prospects for a reversal in economic sentiment and lowered bond yield spreads. This projection assumes a satisfactory and timely resolution of this issue. Despite the

Greece



Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503168

Greece: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	180.5	0.4	-0.3	-0.1	1.1	2.5
Private consumption	127.7	0.6	-0.3	1.4	1.7	1.5
Government consumption	37.2	-1.2	0.0	-2.1	1.0	1.8
Gross fixed capital formation	22.0	-4.4	-0.2	0.0	7.7	5.3
Final domestic demand	187.0	-0.3	-0.2	0.7	2.2	2.0
Stockbuilding[1,2]	- 1.4	1.0	-1.0	-0.1	-1.7	0.1
Total domestic demand	185.6	0.7	-1.0	0.4	0.7	2.1
Exports of goods and services	54.7	7.7	3.1	-1.5	7.1	4.5
Imports of goods and services	59.8	7.6	0.3	0.5	5.3	3.5
Net exports[1]	- 5.1	-0.2	0.9	-0.7	0.5	0.3
Memorandum items						
GDP deflator	_	-1.9	-1.1	0.1	2.3	0.8
Harmonised index of consumer prices	_	-1.4	-1.1	0.0	1.4	0.8
Private consumption deflator	_	-2.7	-1.5	-0.4	0.9	1.0
Unemployment rate	_	26.5	24.9	23.5	22.2	20.1
General government financial balance[3,4]	_	-3.7	-5.9	0.7	-0.2	-0.2
General government gross debt[5]	_	182.8	183.9	183.0	178.4	174.1
General government debt, Maastricht definition[3]	_	179.8	177.7	179.4	174.7	170.5
Current account balance[6]	_	-1.6	0.1	-0.6	-1.9	-2.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statistical discrepancy.
3. National Accounts basis, as a percentage of GDP.
4. Data for 2013 include total government support to financial institutions. Data also include Eurosystem profits on Greek government bonds remitted back to Greece. For 2015-2018, data include the estimated government support to financial institutions and privatisation proceeds.
5. As a percentage of GDP.
6. On settlement basis, as a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505847

gradual but steady easing of capital controls, financing conditions remain tight. Greek banks continue to rely, though to a lesser extent, on the Emergency Liquidity Assistance of the Bank of Greece. The large stock of non-performing loans is weighing on banks' balance sheets, restricting credit supply, especially to SMEs and households, though a new resolution framework, including quantitative targets, is now in place for the orderly reduction of non-performing loans. However, the number of building permits is rising and construction has bottomed out. The production of capital goods is recovering, pointing towards rising investment. Helped by the recent labour market reforms, employment is increasing, supporting private consumption. Unemployment is declining but remains high, especially among the young, contributing to high poverty.

The fiscal target has been surpassed but the structural reform process has been uneven

In 2016, the primary budget surplus was 3.8% of GDP, well above the 0.5% target, and the overall budget is now essentially in balance. Public spending control, including an undershooting of the public investment target, and buoyant tax receipts, due to improvements in tax compliance but also to one-offs relating to tax arrears, contributed to this achievement. Over the projection period, the primary surplus is projected to decline but remain high, above 2.5% of GDP.

Public debt is projected to decline in relation to GDP, but will remain high for some time. Debt relief, including extending maturities and additional grace periods would reduce vulnerabilities, increase growth and strengthen Greece's ability to handle its debt burden. Debt relief would pave the way to entering the ECB asset purchase programme and, in combination with further progress on structural reforms and tax compliance, would allow for lower tax rates and more public spending on high quality investment projects, as envisaged by the Medium-Term Fiscal Strategy 2018-21.

The ongoing spending review can shift priorities, thereby providing room to increase needed social support programmes, such as anti-poverty and job-search and training programmes. This shift would raise equity and growth. Enhancing the guaranteed minimum income scheme, targeted school meals and housing assistance programmes would relieve poverty. Easing regulations in energy, communications and transportation would raise competitiveness and enhance product and service quality. Extending the use of regulatory impact assessments would result in better regulation and help to reduce administrative burdens. Accelerating the privatisation programme is crucial to bring private-sector finance and expertise to key economic sectors, in addition to yielding significant revenues and raising the value of the state's assets. Continuing to improve tax administration and broadening the tax base are paramount to raise tax revenues.

Growth will finally return but large uncertainties persist

GDP is projected to grow 1.1% in 2017 and 2.5% in 2018. Rising employment will continue to support households' disposable income and consumption. The unemployment rate will decline gradually as the economy expands and more people join the labour market. Investment is projected to rebound, from a very low base, as domestic consumption and exports recover. Improving growth in Greece's export markets and competitiveness gains will support exports. Rising domestic demand will result in higher imports.

Further progress on structural reforms, especially in product markets, and a faster resolution of non-performing loans would lead to higher investment and exports than projected. Government consumption and public investment could rise more than projected, boosting growth without jeopardising public finances. The expansion of exports depends largely on the pace of world trade growth. Delays in reform implementation and reaching an agreement on debt relief would weigh on confidence, hampering investment. Geopolitical tensions among Greece's neighbours and a renewed large influx of refugees would pose additional risks.

HUNGARY

Economic activity slowed temporarily in 2016, but has since rebounded, fuelled by public investment as the disbursement of EU structural funds resumed. Business investment should expand on the back of inward FDI and emerging capacity constraints. Continued robust private consumption will rely on further employment gains and higher real wages, driven by unemployment at record-low levels. Declining external cost competitiveness will limit gains in export markets.

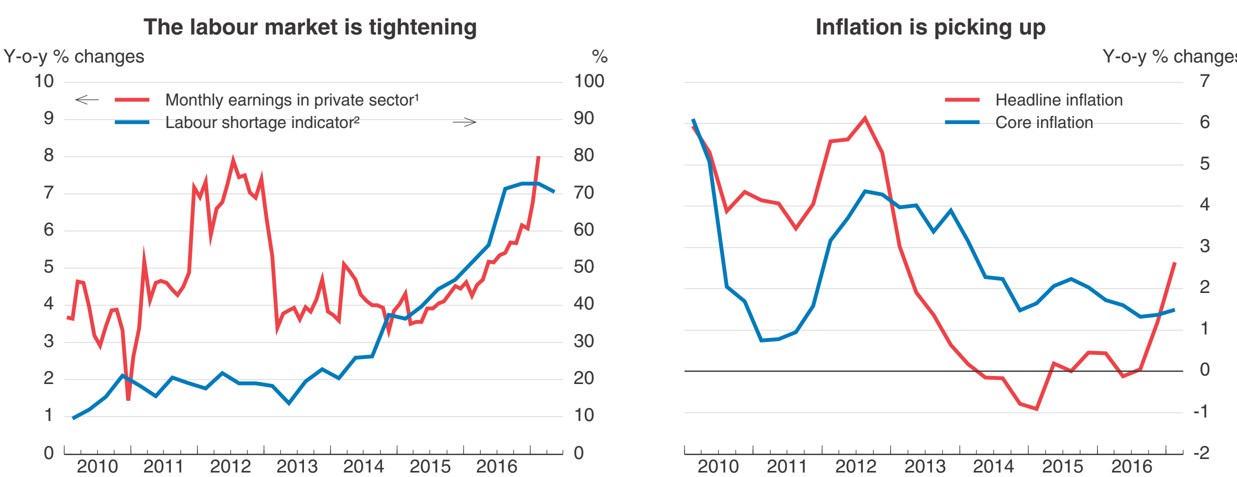
The fiscal stance will remain expansionary, as taxes are lowered and growth-supporting measures are implemented. The disappearance of economic slack and large statutory minimum wage increases have boosted wage gains, and consumer price inflation is projected to surpass the central bank's 3% inflation target in early 2018, requiring monetary tightening.

Hungary is benefitting from globalisation through inward FDI in selected sectors and regions. A more market-friendly regulatory and competition policy stance would promote competitive firms that participate in global value chains. Domestic firms could benefit more from such external market opportunities by a faster shifting of public support from public works schemes to relevant training and skills development, enabling other sectors and regions to participate in such opportunities.

Growth relies on private consumption

In 2016, private consumption became the main growth driver, as real incomes rose, and it is set to continue its robust expansion. Investment declined, as spending on public infrastructure contracted, but should rebound thanks to faster disbursement of EU structural funds. This was only partially offset by rising business investment, where the effects of favourable credit conditions and strong business sentiment outstripped the drag from rising unit labour costs. Rising industrial production and export orders should secure

Hungary



1. Three-month moving average.
2. Percentage of firms in the industrial sector pointing to labour shortages as a factor limiting production.

Source: OECD Main Economic Indicators database; Eurostat; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503187

Hungary: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices HUF billion	Percentage changes, volume (2005 prices)				
GDP at market prices	30 450.9	3.9	3.1	1.9	3.8	3.4
Private consumption	15 718.2	2.5	3.4	5.0	5.0	5.0
Government consumption	5 948.5	4.5	1.0	0.1	1.0	1.1
Gross fixed capital formation	6 308.2	9.9	1.9	-15.5	8.3	7.2
Final domestic demand	27 974.9	4.6	2.5	-1.0	4.7	4.6
Stockbuilding[1]	366.2	0.1	-1.0	2.2	-0.2	0.0
Total domestic demand	28 341.1	4.6	1.4	1.5	4.5	4.5
Exports of goods and services	25 909.4	9.8	7.7	5.8	4.8	5.4
Imports of goods and services	23 799.7	10.9	6.1	5.7	5.8	6.8
Net exports[1]	2 109.8	-0.2	1.8	0.6	-0.3	-0.7
Memorandum items						
GDP deflator	_	3.2	1.7	0.7	1.7	3.7
Consumer price index	_	-0.2	-0.1	0.4	3.0	3.0
Private consumption deflator	_	1.0	-0.3	0.2	2.2	3.0
Unemployment rate	_	7.7	6.8	5.1	4.2	3.9
General government financial balance[2]	_	-2.1	-1.5	-1.8	-2.6	-2.7
General government gross debt[2]	_	97.9	96.4	96.8	96.0	94.3
General government debt, Maastricht definition[2]	_	75.0	74.2	73.8	72.9	71.2
Current account balance[2]	_	2.1	3.3	4.9	3.6	2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505866

further increases in business investment in 2017. New housing subsidies have boosted building permits and housing investment. Export growth slowed, as market share gains decelerated amidst tighter market conditions that forced exporters to cut prices.

Strong private-sector job creation has contributed to a fall in the unemployment rate to 4.5%, despite a reduction in the extensive use of public works schemes. Private-sector wages have accelerated, and this pick-up will continue as a six-year wage agreement stipulates minimum wage increases of 15-25% in 2017 and another increase of 8-12% in 2018; employers are being partly compensated by lower corporate taxes and social security contributions to safeguard external competitiveness. Consumer price inflation rose to nearly 3% in early 2017, reflecting only in part temporary effects of higher energy prices and indirect taxes.

The expansionary policy stance is fuelling inflationary tensions

Fiscal policy is projected to be expansionary in 2017 as corporate income taxes, social security contributions and the VAT rate on selected goods have been cut, while public spending and housing subsidies have been increased. As a result, the budget deficit is projected to widen by three-quarters of a percentage point of GDP, to 2.6% of GDP. The resulting boost to demand is adding to labour market tensions and cost pressures. The central bank has signalled that its supportive stance remained appropriate for achieving its inflation target of 3%. However, with real wage gains already outpacing productivity growth, profits and external cost competitiveness are being weakened, reducing the attractiveness of Hungary as a FDI destination and the globalisation process.

Activity is projected to accelerate on the back of stronger domestic demand

Economic activity will continue to be driven by domestic demand. Public infrastructure spending will recover with faster disbursements of EU structural funds, and business investment will benefit from easy credit conditions and production bottlenecks, while housing subsidies are boosting construction activity. Robust private consumption growth should continue, as real incomes are augmented by real wage gains and lower taxes. Strong export growth will moderate as competitiveness is eroded by cost increases. A sharp recovery in imports will narrow the large current account surplus. Pressure on resources could push inflation to 3.4% by end-2018.

A faster scaling back of public works programmes would expand the labour resources available to the private sector, easing labour market tensions and inflation pressures. Similarly, greater-than-expected productivity increases from public infrastructure and business investment could preserve Hungary's FDI attractiveness. Renewed financial turbulence that hurt European growth would reduce exports, as would higher wage growth.

ICELAND

Economic growth is projected to remain strong, thanks to continued vibrant tourism activity and strong domestic demand. Positive sentiment and rising asset prices are fuelling residential and business investment. Wages and employment are rising fast. The capital controls introduced during the financial crisis have been lifted.

Currency appreciation and low import prices have kept inflation at bay. Yet, inflationary pressures are mounting due to rising wages and soaring housing prices. The central bank should stand ready to tighten and continue using macro-prudential tools to tackle disruptive short-term capital inflows and moderate tensions in the housing market. Given high growth, a tighter fiscal stance is warranted and could help lower interest rates.

As a small open economy relying on natural resources, Iceland is prone to large terms of trade shocks and boom and bust cycles, but it has an egalitarian society with high levels of health and education spending. The poverty rate is the lowest in the OECD and the gender balance is high. To avoid a recurrence of high economic volatility, policy should act more counter-cyclically, and fiscal, liquidity and capital buffers should be built up further.

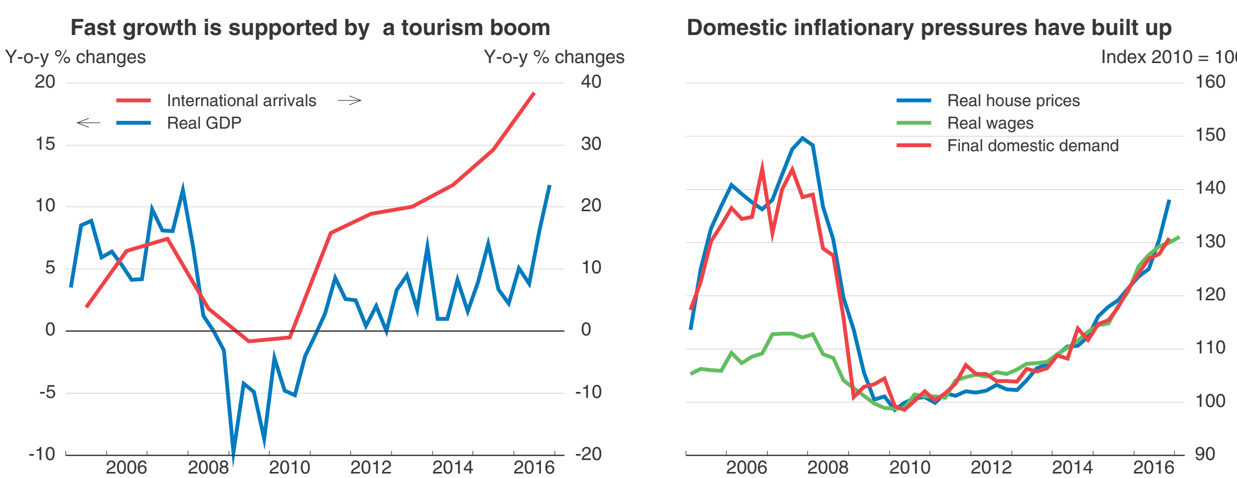
Iceland is the fastest growing OECD economy

GDP growth reached 7.2% in 2016, supported by strong private demand, surging investment, booming tourism and expansionary fiscal policy. Household income continues to benefit from employment growth and steep wage increases. These pay rises exceed productivity growth and will eventually hurt external competitiveness. The unemployment rate has fallen below 3% and many vacancies are being filled by foreign workers. Housing construction, tourism and a number of energy-intensive projects are boosting investment.

Policy should be less expansionary

Inflation has been below the central bank's target of 2.5% for the past three years. Yet, low inflation stems largely from króna appreciation, low inflation abroad and declining

Iceland



Source: OECD Economic Outlook 101 database; Statistics Iceland; and Iceland Tourism Board.

StatLink http://dx.doi.org/10.1787/888933503206

Iceland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ISK billion	Percentage changes, volume (2005 prices)				
GDP at market prices	1 891.2	1.9	4.1	7.2	5.3	2.6
Private consumption	989.7	2.9	4.3	6.9	5.4	3.4
Government consumption	459.2	1.7	1.0	1.5	1.0	1.1
Gross fixed capital formation	296.8	16.0	17.8	22.7	9.2	1.1
Final domestic demand	1 745.8	4.8	6.0	8.7	5.2	2.3
Stockbuilding[1]	- 5.0	-0.9	-0.9	-0.6	0.0	0.0
Total domestic demand	1 740.8	4.0	5.1	8.1	5.2	2.3
Exports of goods and services	1 047.9	3.2	9.2	11.1	6.3	3.5
Imports of goods and services	897.5	9.8	13.5	14.7	5.8	2.6
Net exports[1]	150.4	-2.9	-1.5	-0.8	0.6	0.6
Memorandum items						
GDP deflator	_	4.1	6.0	2.0	1.9	3.2
Consumer price index	_	2.0	1.6	1.7	2.4	3.5
Private consumption deflator	_	2.9	0.8	0.7	0.9	3.1
Unemployment rate	_	4.9	4.0	3.0	2.8	3.0
General government financial balance[2]	_	-0.1	-0.8	17.2	0.9	1.5
General government gross debt[2,3]	_	79.9	73.0	62.3	61.0	59.3
Current account balance[2]	_	4.0	5.5	8.0	5.2	5.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
3. Includes unfunded liabilities of government employee pension plans.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505885

commodity prices. These favourable dynamics could quickly turn if the króna were to depreciate in response to lower export earnings. Moreover, the tight labour market and fast-rising wages and asset prices are generating inflationary pressures. The central bank should stand ready to tighten to defend its inflation target. With capital mobility restored, capital flows could once again become destabilising, therefore the continuation of active use of macro-prudential tools is warranted.

Fiscal trends are favourable: public debt has declined markedly, the budget balance has turned positive and a new fiscal framework has been introduced. Nevertheless, the fiscal stance is overly expansionary due to fast-rising public sector wages and other spending pressures. Public spending needs to be brought under firmer control. With greater spending efficiency in health and education, Icelanders could enjoy the same quality of public services at lower costs.

Labour productivity is low compared to other Nordic countries and productivity growth has declined. Reducing barriers to entry and better enforcing competition policy to prevent an abuse of dominant positions or tacit collusion would boost productivity. The nascent technology sector offers opportunities for future productivity growth, and the government has continued providing support. A rapid growth of tourism has helped greatly in turning around the economy after the crisis, but a comprehensive tourism strategy is needed to help the sector bring high dividends without environmental and societal costs.

Growth will continue

Growth is projected to remain strong in 2017, supported by private consumption, continued tourist arrivals and strong residential investment. Over time, however, investment and exports will slow, as profitability and cost competitiveness are eroded, and the positive impact of the terms of trade will dissipate. Growth will fall closer to trend in 2018. Inflation will rise above target and consumption growth will slow.

Overheating and accelerating inflation are the biggest risks to the outlook. Liberalisation of the capital account raises uncertainty about capital flows. A large króna appreciation could lower growth by causing hardship for exporting businesses and slowing tourism. A weaker króna, on the other hand, would raise growth, but also intensify inflationary pressures. Tensions in the labour market remain. Disruptive strikes could hurt growth and result in unsustainable wage gains. Slower growth in the global economy could have negative consequences for exports, notably tourism. However, geopolitical tensions in other parts of the world could further boost tourism directed towards safe destinations such as Iceland.

INDIA

Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment.

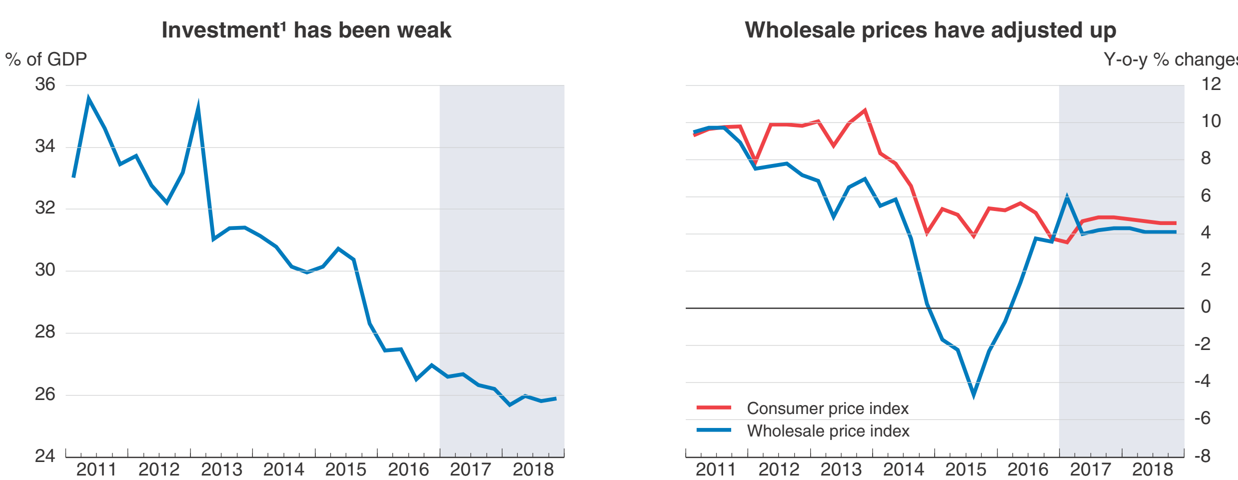
Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus. However, investing more in physical and social infrastructure is critical to raising living standards for all. This should be financed by a comprehensive reform of income and property taxes. Restoring credit discipline and cleaning up banks' balance sheets will be instrumental to support the credit growth needed to finance more business investment.

Trade openness has increased, partly driven by a competitive service sector. Manufacturing has lagged behind, with limited contribution to exports and job creation, leaving many workers in low-paid jobs. Promoting quality job creation in manufacturing would require reducing further restrictions on FDI and trade, modernising labour regulations and providing better education and skills. Better infrastructure, transport and logistic services would facilitate manufacturing firms' access to global markets, particularly from remote and poorer regions.

Robust consumption and a rebound in exports are boosting growth

Growth remains strong. Private consumption has been buoyant, boosted by the increase in public wages and pensions and by higher agricultural and rural incomes. The costs of the withdrawal of high denomination notes – demonetisation – in November 2016 are wearing off, and sales of cars and two-wheelers have bounced back. Investment has so

India



1. Gross fixed capital formation.

Source: Central Statistical Office; Reserve Bank of India; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503244

India: **Demand, output and prices**

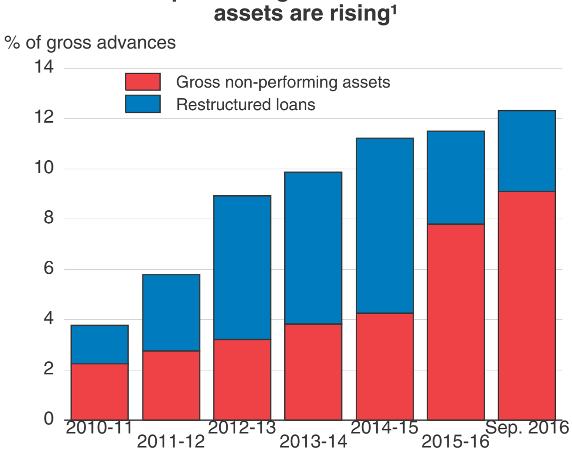
	2013	2014	2015	2016	2017	2018
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	112.4	7.2	7.9	7.1	7.3	7.7
Private consumption	65.4	6.8	7.3	7.2	7.7	8.2
Government consumption	11.6	9.4	2.9	17.0	10.3	9.2
Gross fixed capital formation	35.1	4.1	6.1	0.6	4.7	5.9
Final domestic demand	112.1	6.2	6.5	6.3	7.2	7.7
Stockbuilding[1]	3.7	0.3	0.0	0.4	0.0	0.0
Total domestic demand	115.7	6.9	7.6	6.3	6.6	7.4
Exports of goods and services	28.6	1.7	-5.4	2.3	5.5	6.1
Imports of goods and services	31.9	0.8	-5.9	-1.2	2.0	4.9
Net exports[1]	- 3.4	0.2	0.2	0.7	0.7	0.2
Memorandum items						
GDP deflator	_	3.2	1.9	4.1	4.3	4.3
Consumer price index	_	5.9	4.9	4.5	4.8	4.6
Wholesale price index (WPI)[2]	_	2.0	-2.5	3.7	4.2	4.1
General government financial balance[3,4]	_	-6.5	-7.5	-7.0	-6.7	-6.4
Current account balance[3]	_	-1.3	-1.1	-0.7	-0.9	-1.2

Note: Data refer to fiscal years starting in April.
1. Contributions to changes in real GDP, actual amount in the first column.
2. All commodities index.
3. As a percentage of GDP.
4. Gross fiscal balance for central and state governments.
Source: OECD Economic Outlook 101 database.

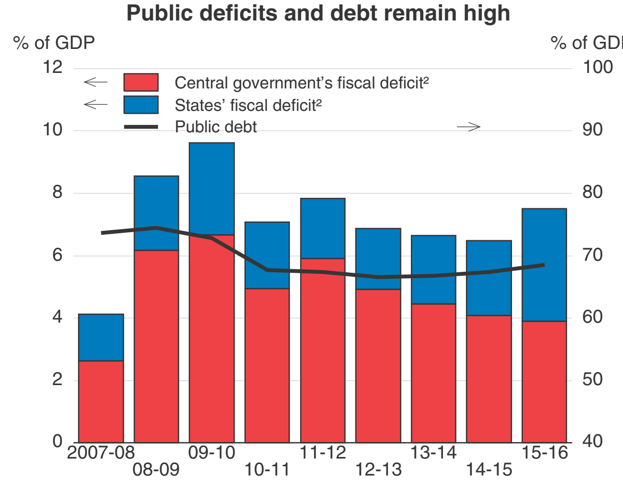
StatLink http://dx.doi.org/10.1787/888933506246

India

Non-performing loans and stressed assets are rising¹



Public deficits and debt remain high



1. A restructured asset is an asset whose terms have been modified, including alteration of the repayment period, repayable amount, instalments and rate of interest.
2. Data for the fiscal year 2015-16 are provisional.
Source: Reserve Bank of India; and Controller General of Accounts.

StatLink http://dx.doi.org/10.1787/888933503225

far failed to rebound, despite government efforts to develop rail, road and energy infrastructure and to improve the ease of doing business. Excess capacity (e.g. in the steel sector) and the weak financial position of some corporations, combined with large non-performing loans for most public sector banks, have restrained business investment.

Exports have picked up, driven by strong demand from Asia and the euro area. Higher oil prices and gold imports, coupled with a decline in remittances inflows, are reflected in some deterioration in the current account deficit. However, the deficit remains well below its longer-term average. FDI net inflows have been rising steadily since 2014 and are fully financing the current account deficit.

Structural reforms are key to promoting inclusive growth

The acceleration of structural reforms is bringing a new growth impetus. The Goods and Services Tax (GST), to be implemented from July 2017, should help make India more of a single market and thus spur productivity, investment, competitiveness, job creation and incomes. The abolition of the Foreign Investment Promotion Board, which reviewed foreign investment programmes, should promote FDI inflows. The central government's initiative to rank individual states on the ease of doing business is opening a new era of structural reforms. Many states have already modernised regulations and administrative procedures and some are experimenting with reforms of land acquisition and labour regulations.

There is little room for further cuts in interest rates. Consumer price inflation hovered below 4% at the end of 2016 and in early 2017, reflecting partly demonetisation, but also the success of the flexible inflation targeting framework. Ongoing structural reforms, including efforts to reduce the fragmentation of agricultural markets and land plots, and to develop the irrigation network, should help avoid inflation spikes in the future. In the short term, however, keeping inflation around 4% – the mid-point official inflation target – will be challenging given the roll-out of the GST and the upward adjustment in house rent allowance and in wages for state government employees.

The combined deficit and debt of the central government and states are relatively high. The central government has committed to reduce its deficit further in FY 2017/18 by better targeting fertiliser, petroleum and food subsidies. At the state level, current spending has tended to rise while investment targets have not always been met. The recent write-off of bank loans to farmers in the largest state will push up public debt, especially if other states follow suit. It could also undermine credit discipline and exacerbate income inequality since it will not benefit the poorest farmers, who rely predominantly on informal money lenders rather than banks.

Making growth more inclusive would require raising more revenue from property and personal income taxes to finance better social and physical infrastructure. Recent initiatives to benchmark states' social policies and outcomes, including health, sanitation and education, will strengthen incentives to improve the quality of public services. However, providing quality services to all would require raising public spending. Doubling public spending on health to 2.5% of GDP by 2025, as envisaged in the latest National Health Policy, and developing affordable housing for the poor would be welcome. It could be financed by removing the tax expenditures that benefit the rich most, freezing the personal income thresholds from which rates apply, reducing tax evasion and implementing fairer property taxation.

Growth increases will rest on the revival of investment

Growth is projected to increase further. Private consumption will remain steady as increases in wages and pensions for central government employees are followed by similar adjustments in the states. The recent increase in capacity utilisation, coupled with the rebound in industrial production for capital goods and manufacturing indices, bodes well for a gradual revival of private investment. The implementation of the GST, by lowering the price of capital goods, and the cut in the corporate income tax rate should also support investment. Inflation will likely increase from the low levels in early 2017, but will remain within the authorities' target band. The revival of (import-intensive) corporate investment, higher oil prices and lower remittance flows will be reflected in a larger current account deficit.

The prospect of further structural reform is a clear positive risk for growth. The deterioration in the quality of banks' portfolios, as shown by the increase in non-performing loans and stressed assets, risks damping investment and growth. India, as a net commodity importer, would suffer from higher commodity prices. Protectionist measures could restrict exports of goods and services and thus harm the economy's potential to create quality jobs.

INDONESIA

GDP growth should firm in 2017. Private consumption is underpinning activity. Infrastructure spending is rising, notwithstanding fiscal constraints, and external demand is firming. Private investment is growing only moderately.

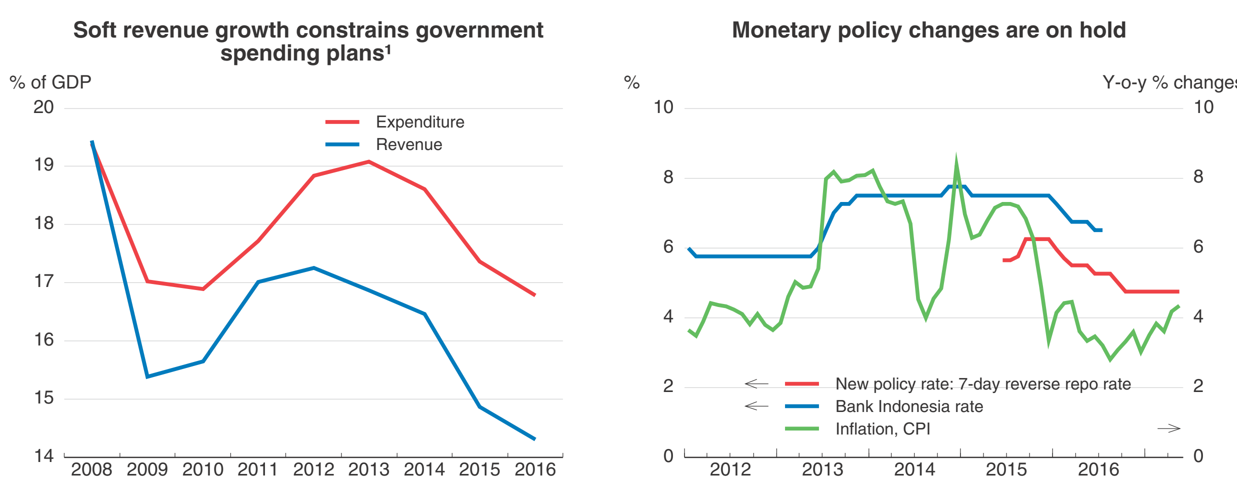
Inflation is around the 4% mid-point of the central bank's target range, and the exchange rate has been remarkably stable. Monetary policy remains on hold for now and is considered to be broadly neutral. But if the exchange rate remains stable while US monetary policy tightens, there would be scope to cut interest rates in 2018 to support activity. Fiscal outcomes will depend on the success of measures to improve tax collection.

Exports of commodities such as coal, rubber and copper ore are supporting growth. Being more open to foreign trade and investment would help to diversify economic activity and exports, in particular through greater engagement in global value chains. This would create high-skill, well-paid employment and facilitate technology transfers. In turn, a larger tax base would allow the social safety net to be expanded and make growth more inclusive.

The recovery is firming

Growth in Indonesia continues to outpace that in most other countries, although it is below previous rates. Aggregate demand has held up, fuelled by government spending. However, despite healthy labour market outcomes and strong real wage increases, private consumption has failed to accelerate. Business investment was hit by weak commodity prices and regulatory concerns in the mining sector, but it has now started to recover on the back of rising commodity prices and higher government spending on infrastructure. Exports are growing because of higher commodity prices, stronger external demand and some conditional relaxation of restrictions on exports of raw materials. Motor vehicle sales are expanding rapidly, and manufacturing indicators point to fairly strong activity. Credit growth remains weak, but there are signs that it may be picking up. Nevertheless, there are still concerns about rising non-performing loans, which may also act to hamper credit extension.

Indonesia



1. General government.

Source: Statistics Indonesia (BPS); International Monetary Fund, Fiscal Monitor; and Bank Indonesia.

StatLink http://dx.doi.org/10.1787/888933503263

Indonesia: **Demand, output and prices**

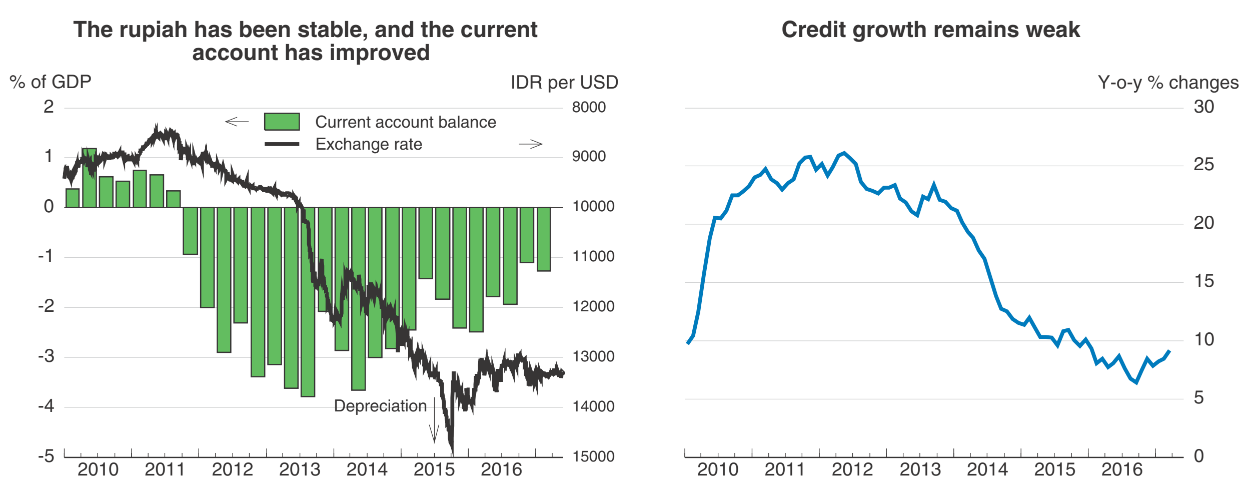
	2013	2014	2015	2016	2017	2018
	Current prices IDR trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	9 546.1	5.0	4.9	5.0	5.1	5.2
Private consumption	5 425.0	5.3	4.8	5.0	5.0	5.1
Government consumption	908.6	1.2	5.3	-0.1	2.6	3.5
Gross fixed capital formation	3 051.5	4.4	5.0	4.5	5.3	5.7
Final domestic demand	9 385.1	4.6	4.9	4.3	4.9	5.1
Stockbuilding[1]	236.5	0.8	-0.9	0.6	-0.5	0.0
Total domestic demand	9 621.6	5.3	3.9	5.0	4.4	5.2
Exports of goods and services	2 283.8	1.1	-2.1	-1.7	10.7	5.6
Imports of goods and services	2 359.2	2.1	-6.4	-2.3	7.9	5.7
Net exports[1]	- 75.4	-0.2	1.0	0.1	0.7	0.1
Memorandum items						
GDP deflator	_	5.4	4.0	2.5	4.4	4.0
Consumer price index	_	6.4	6.4	3.5	4.4	4.0
Private consumption deflator	_	5.7	4.4	3.1	4.0	3.6
General government financial balance[2]	_	-2.1	-2.5	-2.5	-2.7	-2.5
Current account balance[2]	_	-3.1	-2.0	-1.8	-1.4	-1.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506265

After having depreciated significantly since the end of 2011, the rupiah has been remarkably stable since November 2016. Nevertheless, the currency remains at a low level, and this has helped the current account deficit to narrow substantially. Positive perceptions about the economy have recently spurred capital inflows. Indonesia remains reliant on external funding and is thus exposed to volatile international monetary

Indonesia



Source: Bank Indonesia; and OECD Economic Outlook 101 database.

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conditions. However, as of May 2017 Indonesia has an investment grade sovereign credit rating from all three major rating agencies. This should support capital inflows and lower funding costs for private and public borrowers.

The policy environment is supportive

Inflation has been inside the Bank Indonesia's target range of 4±1% for more than one year and a half, allowing the central bank to lower interest rates six times since the beginning of 2016. Inflation has edged up in 2017 due to increases in administered prices associated with reduced subsidies for electricity, but these effects are temporary. The switch to using the 7-day reverse repo rate as a policy instrument in August 2016 was expected to improve the transmission of monetary policy. But real interest rates remain high, and credit growth is low. A wedge has continued to widen between the nominal and real effective exchange rates as inflation in Indonesia has outstripped that in other countries.

The intention to boost infrastructure and social spending and to increase transfers to sub-national authorities will expand potential output and render the economy more inclusive. Achieving the planned state budget deficit of 2.4% GDP in 2017 requires strong increases in revenues, even if more moderate than the 2016 objective. Difficulties with revenue collection, together with the legal deficit ceiling of 3% of GDP, limit additional spending, despite the low level of public debt (around 28% of GDP). However, the tax amnesty that has just wound up was fairly successful, attracting almost 1 million taxpayers and raising the equivalent of 1.1% of GDP in revenue, which was 81% of its target. Nevertheless, only 14% of the assets declared offshore were repatriated.

Tax collection needs to improve to sustainably expand the provision of public services. Further measures are needed to address the narrow tax base, the still low number of taxpayers and the weak level of compliance. An effective implementation of reforms to tax administration and regulations would increase revenues and broaden the tax base. Continued efforts to reduce subsidies for energy and food would free up spending for priority areas, such as infrastructure, education and health.

Growth is projected to edge up

GDP growth is projected to rise slightly to just over 5% in 2017 and 2018, with household consumption still underpinning activity and exports rebounding from the recent contraction. While private investment is also set to continue to recover, public consumption and investment, while rising, will be curbed by the limited fiscal space.

The recent ratings upgrade to an investment grade may lower interest rates and expand the supply of capital, thereby spurring stronger private domestic demand than projected. Government revenues, and therefore spending, could also be greater than projected, if efforts to raise tax collections bear fruit, or commodity prices rise further. A stronger pick-up in demand from China or other regional partners would boost exports. On the downside, rising protectionism abroad would weigh on exports. This, or another unexpected deterioration in the external balance, would also put the exchange rate under renewed pressure, requiring the central bank to be more cautious and to delay or even reverse the recent interest rate cuts. There is also a risk that the expected switch from public to private participation in infrastructure investment does not happen as quickly as planned.

IRELAND

After expanding very strongly over the past two years, the economy is projected to grow at a more sustainable pace in 2017 and 2018. Notwithstanding this moderation, domestic demand will remain solid. As the labour market tightens, wage pressures will continue to be strong, which is projected to feed into higher inflation. Firms are projected to expand at a slower pace than in past years due to already high labour costs and high external uncertainty, including the final outcome of the Brexit negotiations.

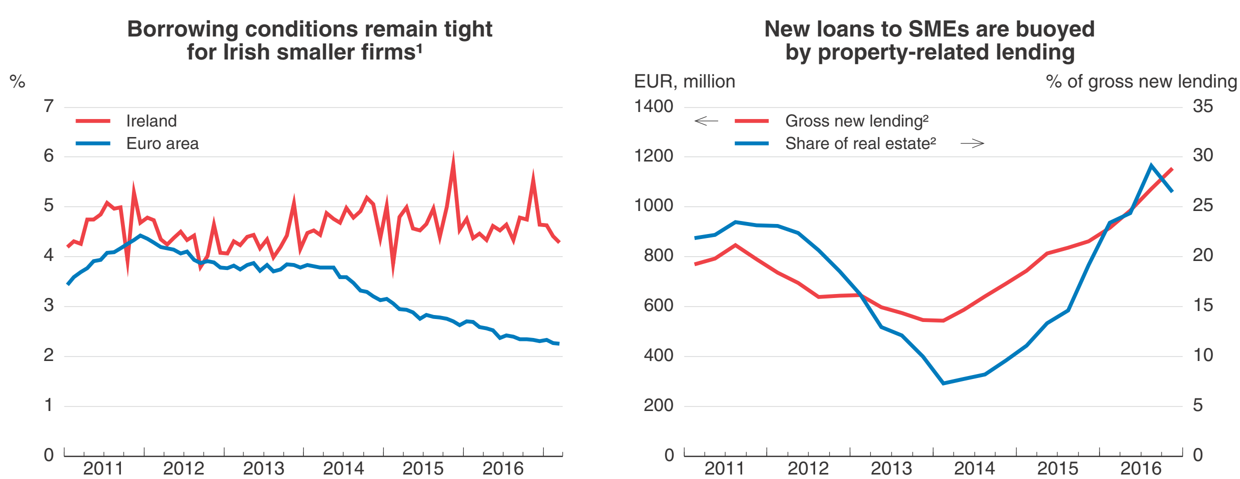
Given elevated uncertainties, policies should firmly focus on underpinning stability and making the economy resilient against shocks. The government should ensure that its medium-term goal of balancing the budget is met, thus leaving room to use fiscal policy to support growth if needed. The authorities should support a further resolution of non-performing loans by improving the process of repossession. They should tighten macro-prudential policies if the rapid rise in property prices fuels new property-related lending more than projected.

Ireland enjoys a high degree of openness to the global economy and has many highly-productive multinational enterprises. It can better take advantage of them by facilitating knowledge spillovers and the expansion of productive firms, which would require strengthening the financial system. Some recently introduced government programmes should improve job mobility. Among them, Springboard, Momentum and ICT conversion courses have been found to be effective in reskilling and upskilling.

The economy is overheating somewhat

GDP grew by 5.2% in 2016. Gross value added excluding volatile components related to multinational enterprises (MNEs) is estimated to have grown at an only slightly slower pace. The headline number for investment was strongly affected by MNEs, but business

Ireland



1. Bank interest rates on loans up to and including EUR 1 million for new businesses.
2. Four-quarter average of gross new lending by banks to Irish resident SMEs. Last observation: 2016Q4.
Source: OECD Economic Outlook 101 database; ECB Statistical Data Warehouse database; and Central Bank of Ireland.

StatLink http://dx.doi.org/10.1787/888933503301

Ireland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion			#NAME?		
GDP at market prices	180.0	8.4	26.3	5.2	3.7	2.5
Private consumption	79.9	1.8	5.1	2.9	2.6	2.7
Government consumption	30.6	4.5	0.2	4.9	2.0	2.2
Gross fixed capital formation	32.9	18.0	33.7	37.6	8.5	3.7
Final domestic demand	143.4	6.2	11.6	13.5	3.9	3.0
Stockbuilding[1]	3.3	1.6	-0.8	1.2	1.0	0.0
Total domestic demand	146.7	8.3	9.8	14.1	4.0	3.0
Exports of goods and services	190.9	14.4	34.5	2.4	6.3	4.0
Imports of goods and services	157.6	15.3	21.7	10.4	8.8	4.7
Net exports[1]	33.2	1.9	18.3	-6.6	-0.9	0.2
Memorandum items						
GVA[2], excluding sectors dominated by foreign-owned multinational enterprises	_	8.7	4.4	4.4	2.7	2.5
GDP deflator	_	-1.2	4.9	-1.3	0.6	2.8
Harmonised index of consumer prices	_	0.3	0.0	-0.2	0.8	2.0
Private consumption deflator	_	1.5	0.6	1.2	1.6	2.1
Unemployment rate	_	11.3	9.4	7.9	6.9	6.2
General government financial balance[3,4]	_	-3.7	-2.0	-0.6	-0.5	-0.2
General government gross debt[3]	_	124.1	92.7	91.0	90.3	87.6
General government debt, Maastricht definition[3]	_	105.4	78.8	75.6	74.8	72.1
Current account balance[3]	_	1.7	10.2	4.7	4.1	5.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. Gross value added. Data for 2016-2018 are OECD 's estimates.
3. As a percentage of GDP.
4. Includes the one-off impact of recapitalisations in the banking sector.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505904

investment in the domestic sector continued to recover, albeit from a low base. The unemployment rate has declined rapidly, to below 7% in early 2017. This has led to strong wage growth. In contrast, inflation has been contained, due to earlier declines in energy prices and, more recently, euro-sterling exchange rate developments. Real wages have risen, pushing up household consumption by 3% last year.

Property prices are rising rapidly on the back of strong economic growth and a shortage of housing supply. Property-related loans are increasing fast, contributing significantly to the recent recovery in total new lending. Activity in the construction sector is gaining momentum, but supply is expected to fall short of demand for some time. The sharp rise in prices and lending raises concerns that another bubble may be forming, and the authorities should stand ready to tighten prudential regulations if needed.

Policies should stand ready to react to shocks

Notwithstanding the strong economic recovery, the banking system is still impaired, a legacy of the past property boom. Borrowing conditions remain very tight for SMEs, despite the accommodative euro-area monetary policy, and total new lending is still outpaced by debt repayment. Despite a sizeable reduction over the past years, non-performing loans still account for around 17% of total outstanding loans, and a majority of them are property-related. The current buoyancy of the property market should make it easier for banks to dispose of impaired portfolios.

The fiscal stance is projected to be less contractionary than in past years, as public investment will reverse its past declines. Due to past fiscal efforts and strong GDP growth, the fiscal deficit has diminished sharply and public debt is on a downward path. The government should ensure that its medium-term goal of balancing the budget is met, in order to leave room for fiscal support in the event of shocks from Brexit or other sources.

Growth will fall toward sustainable rates

The Irish economy is projected to expand solidly, but growth will fall toward more sustainable rates. Employment will continue to rise but at a slower pace, while productivity gains in underlying activity remain limited. Wage pressures will remain strong, feeding into higher inflation. Household consumption will slow somewhat as purchasing power is eroded by higher inflation. Investment in the domestic sector will continue to rise, but gradually at a moderate pace.

The economic prospects are surrounded by more uncertainty than usual, including notably the final outcome of Brexit negotiations. The high level of private indebtedness leaves Ireland sensitive to a rise in interest rates. Conversely, property prices might rise more strongly than projected, which would support construction activity in the near term, but might also sow the seeds of another bubble. A rise in protectionism would be particularly detrimental to the Irish economy given its high degree of openness.

ISRAEL*

After picking up to 4% in 2016, growth is projected to be around 3¼ per cent in 2017-18. Inflation is projected to firm up gradually. The maintenance of expansionary monetary and fiscal policies and projected wage increases will continue to shore up domestic demand.

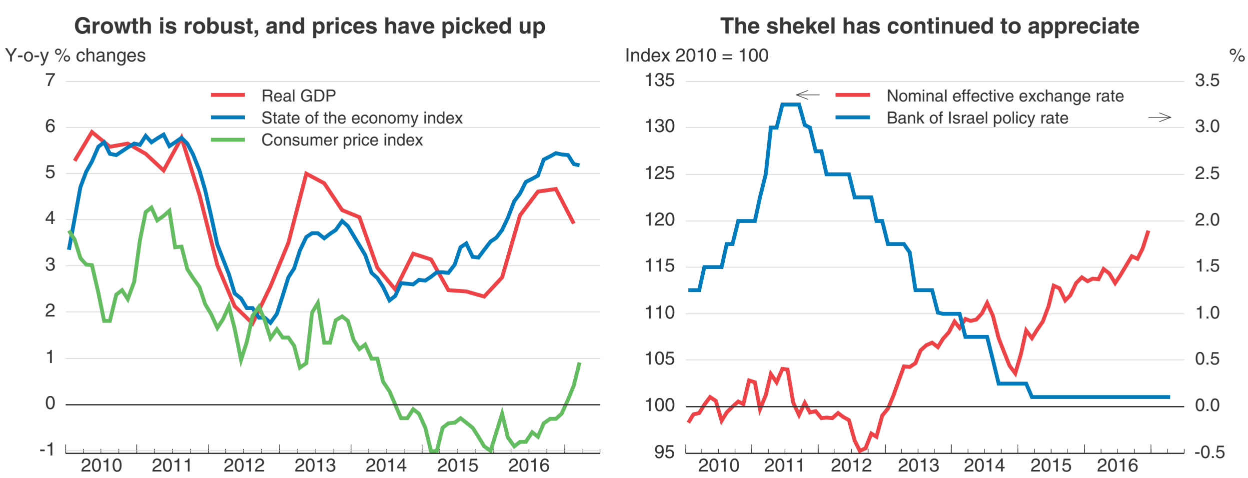
As inflation increases, the central bank is projected to gradually withdraw monetary stimulus. Despite having abated somewhat, ongoing tensions in the property market continue to require the authorities' attention to preserve a robust banking sector. With the economy at full employment, the budgetary expansion projected in 2017 could increase labour market tensions and slow the decline in government debt. Measures taken or announced in welfare, housing and transport should promote more inclusive growth.

Continued product market reforms are needed to stimulate productivity and pay in the sheltered sector where many of the lowest-skilled workers are employed. Increased external competition, especially in the agricultural and food sectors, would reduce the cost of living. Less restrictive import procedures, with lower non-tariff barriers, would deepen integration into global value chains, which is relatively limited. To ensure a better sharing of the benefits of this integration, a more effective education system, facilitating the integration of disadvantaged groups, would be desirable.

After a strong but transitory surge in late 2016, growth has eased

A slowdown occurred in early 2017, after the export rebound and the sharp pick-up of car sales in end-2016 that stimulated consumption and investment ahead of the introduction of new tax rules on polluting cars. Business investment and private spending

Israel



Source: Bank of Israel; and OECD Economic Outlook 101 database.

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* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Israel: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices NIS billion	Percentage changes, volume (2015 prices)				
GDP at market prices	1 059.1	3.2	2.6	4.0	3.2	3.3
Private consumption	585.3	4.2	4.4	6.3	2.0	3.5
Government consumption	238.4	3.6	3.2	3.8	3.2	2.5
Gross fixed capital formation	215.4	0.0	0.1	11.2	2.2	6.4
Final domestic demand	1 039.1	3.2	3.2	6.7	2.3	3.9
Stockbuilding[1]	- 3.9	0.6	0.6	-0.7	-0.4	0.1
Total domestic demand	1 035.2	3.8	3.9	5.9	1.9	3.9
Exports of goods and services	353.6	1.5	-4.0	3.0	5.6	3.8
Imports of goods and services	329.7	3.8	-0.4	9.4	1.8	6.3
Net exports[1]	23.9	-0.7	-1.2	-1.7	1.2	-0.5
Memorandum items						
GDP deflator	_	1.1	2.7	1.1	1.2	2.0
Consumer price index	_	0.5	-0.6	-0.5	1.0	1.7
Private consumption deflator	_	0.6	-0.6	-0.2	1.2	1.8
Unemployment rate[2]	_	5.9	5.3	4.8	4.3	4.3
General government financial balance[3,4]	_	-3.2	-2.1	-2.1	-2.7	-2.7
General government gross debt[3]	_	66.0	64.1	62.2	62.4	62.1
Current account balance[3]	_	4.0	4.3	3.6	4.3	3.8

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505923

on durables weakened sharply in early 2017. Conversely, exports have been holding up well to the rising shekel thanks to a strong performance in tourism and other services. Job creation has remained robust, and unemployment, which stood at 4.3% at the beginning of 2017, is at record lows. Wages have been picking up, but inflation remains low, owing partly to weakening import prices in the wake of the shekel appreciation.

Structural reforms are needed to complement accommodative macroeconomic policies

Monetary policy remains very accommodative, with the Bank of Israel's official rate remaining unchanged at 0.1% since March 2015. The Bank has been more interventionist in the currency market in recent months to contain the surge in the shekel, which seems partly caused by speculation. In the first quarter of 2017, the shekel effective appreciation reached 7.5% over one year. The rise in property prices has slowed but most recently has been still around 5% year on year. With the expected gradual rise in inflation, a progressive increase in policy interest rates is included in the projections.

The budget deficit reached 2.1% of GDP in 2016, and the budget plans assume a further rise to 2.9% of GDP in 2017 and 2018, based on a sharp increase in public spending. With the economy running at full capacity, this budgetary expansion should reinforce price increases and stimulate growth only moderately, but make it more inclusive by increasing spending on housing for young families and transport. These developments would be further enhanced in the event that the additional measures, worth some 0.3% of GDP, recently announced by the Minister of Finance (but not included in the projections) to increase the employment rate of parents of young children and raise invalidity pensions were to be adopted. The need remains to step up reforms to promote competition in the sheltered sectors in order to leverage these measures, increase productivity and pay, and reduce the cost of living.

Growth should remain brisk

Supported by accommodative macroeconomic policies, growth should remain strong in 2017 and 2018 despite the negative impact of the currency appreciation on exports. With the ongoing resilience of the labour market and new minimum wage increases, consumer spending is projected to pick up and become again the main economic driver after a weak start to 2017. Increased capacity pressures, persistently low interest rates and government measures to improve transport infrastructure should also stimulate investment. Unemployment should remain low, and inflation should edge up to around 2% by 2018, driven by higher wages.

These projections would nevertheless be weakened if the shekel were to appreciate further still, or if the geopolitical situation or external climate were to deteriorate, for example in the event of problematic Brexit negotiations or a global return to protectionist policies. Conversely, domestic demand, buoyed by the recently announced budgetary measures, could be more robust than expected, which would further boost employment rates and salaries.

ITALY

GDP is projected to grow by 1% in 2017 and 0.8% in 2018. Rising global demand and the recent depreciation of the euro are supporting exports. Business investment is strengthening, but public investment has not yet recovered. Private consumption growth remains robust despite slowing job creation and modest wage gains. Inflationary pressures are subdued because of large spare capacity, although recent energy and food price increases have pushed up consumer prices.

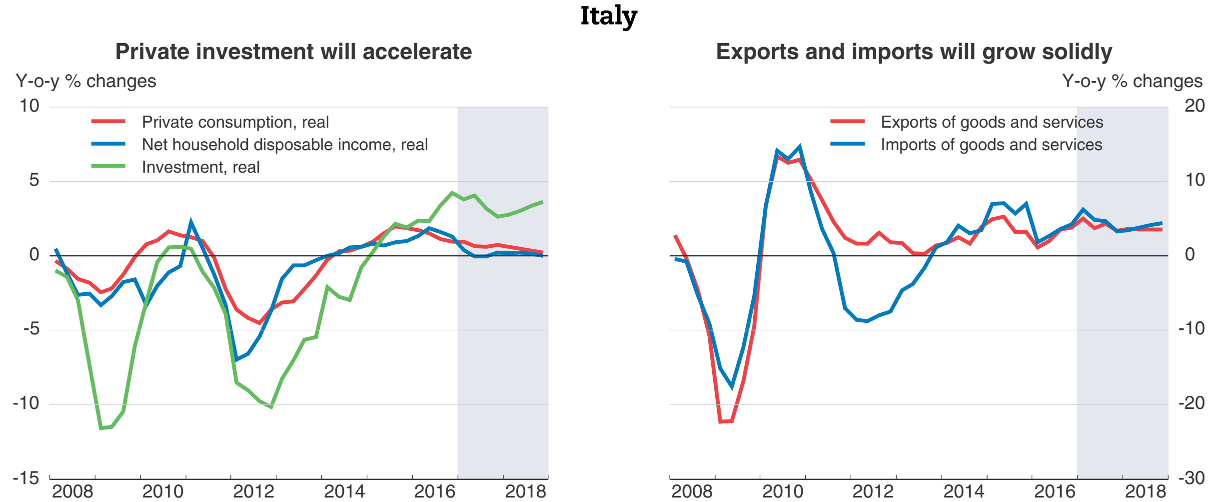
Lower interest payments due to accommodative euro area monetary policy have helped to expand fiscal room, and fiscal policy is projected to remain mildly expansionary in 2017. These projections assume a fiscal retrenchment of about 1% of GDP in 2018, as required by EU fiscal rules even though the economy is running well below its potential and the recovery is still fragile. Prioritising public spending on infrastructure, research and anti-poverty programmes, and continuing structural reforms would accelerate the recovery and raise potential output.

Italy's integration in global value chains remains limited, partly because many firms are small and suffer from low productivity. Moreover, the benefits from globalisation have not been equitably shared because of shortcomings in the education system, ineffective job-search and training programmes and ineffective anti-poverty programmes. Boosting innovation and competition and facilitating the restructuring of insolvent firms would enable companies to adjust to globalisation and raise participation in global value chains. Implementing the new active labour market policies and the nationwide anti-poverty programme will help people to adjust to globalisation.

Exports and investment are supporting the recovery

The business investment recovery has gained strength on the back of generous tax incentives and persistently low interest rates. Business confidence has improved and manufacturing and services sectors have experienced output growth. Though the flow of new non-performing loans has slowed, the stock remains high and, along with the low profitability of the banking sector, limits credit, especially to SMEs and the construction

Italy



Source: OECD Economic Outlook 101 database.

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Italy: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment[1]	0.1	0.7	1.3	0.7	0.5
Unemployment rate[1,2]	12.6	11.9	11.7	11.5	11.2
Compensation of employee[3]	0.2	0.8	0.6	1.0	1.1
Unit labour cost	0.2	1.2	1.5	1.1	1.0
Household disposable income	0.6	0.8	1.5	1.4	1.4
GDP deflator	1.0	0.7	0.8	1.2	1.2
Harmonised index of consumer prices	0.2	0.1	-0.1	1.5	1.3
Core harmonised index of consumer prices[4]	0.7	0.7	0.5	0.6	1.3
Private consumption deflator	0.3	0.0	0.0	1.3	1.3

1. Data for whole economy employment are from the national accounts. These data include an estimate made by Istat for employment in the underground economy. Total employment according to the national accounts is higher than labour force survey data indicate, by approximately 2 million or about 10%. The unemployment rate is calculated relative to labour force survey data.
2. As a percentage of labour force.
3. In the total economy.
4. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

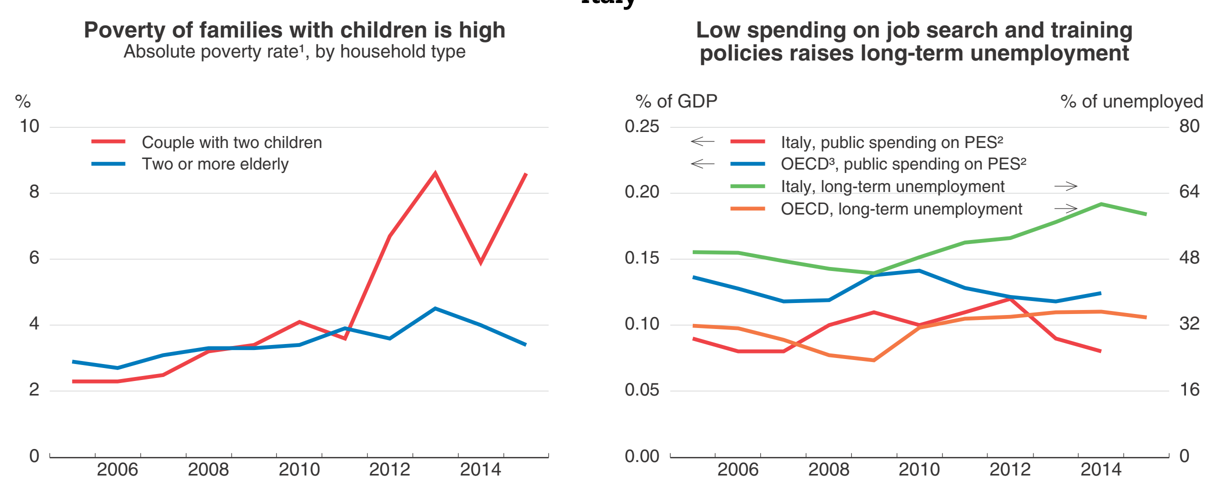
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505410

sector. Construction-sector confidence has improved, but activity has yet to start recovering and residential investment remains weak. Stronger growth in Italy's export markets, such as Germany and the United States, and recent competitiveness gains are driving export growth. Imports are also rising fast, due to rising investment and imports of intermediate goods for exports.

Private consumption has been growing solidly despite weakening employment growth – due to the expiration of social security contribution exemptions – and modest

Italy



1. Absolute poverty is defined as consumption expenditure lower than or equal to the monetary value of a minimum basket of goods and services considered as essential.
2. Public spending on public employment services (PES) includes placement and related services, benefit administration and other expenditure.
3. Unweighted average.

Source: National Institute of Statistics (ISTAT); and OECD, Labour Force Statistics database.

StatLink http://dx.doi.org/10.1787/888933503358

Italy: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	3.9	3.1	3.3	2.7	2.4
General government financial balance[2]	-3.0	-2.7	-2.4	-2.1	-1.4
General government gross debt[2]	158.4	159.6	158.1	157.4	156.2
General government debt, Maastricht definition[2]	131.7	132.1	132.5	131.8	130.6
Current account balance[2]	1.9	1.4	2.6	2.1	2.3
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	2.9	1.7	1.5	2.3	2.7

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505429

wage gains. Consumer confidence remains fragile and retail sales are flat. Large unused capacity keeps inflation low. Recent manufacturing and services indicators point to moderate output growth in the near term.

Prudent fiscal policies and further progress on structural reforms are key to stronger growth and lower debt

The government faces the tasks of lowering the budget deficit and public debt, strengthening the recovery and continuing the structural reform process. Lower interest payments and a structural fiscal adjustment of 0.2% of GDP will contribute to lower the government budget deficit to 2.1% of GDP in 2017. For 2018, the projections assume a fiscal tightening of 1% of GDP through a mix of higher consumption taxes and spending cuts, as

Italy: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	1 644.4	1.0	1.0	0.8	1.0	1.1	0.6
Private consumption	1 001.2	1.3	0.7	0.4	0.9	0.7	0.2
Government consumption	311.6	0.6	0.6	0.1	1.0	0.5	0.0
Gross fixed investment	276.3	3.1	3.4	3.2	4.2	2.6	3.6
Final domestic demand	1 589.1	1.5	1.2	0.8	1.5	1.0	0.8
Stockbuilding[1]	7.8	-0.4	-0.1	0.0			
Total domestic demand	1 596.9	1.1	1.0	0.9	1.0	1.0	0.8
Exports of goods and services	493.0	2.6	4.1	3.6	3.8	3.3	3.5
Imports of goods and services	445.5	3.1	4.7	3.9	4.3	3.3	4.4
Net exports[1]	47.5	-0.1	0.0	0.0			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505448

called for by European Union rules, even though the government has recently signalled its intention to implement a fiscal adjustment of 0.3% of GDP.

The public debt has stabilised in relation to GDP, but its high level remains a vulnerability. The government has earmarked EUR 20 billion for bank recapitalisation, which, if it were all used, would increase public debt by 1.2% of GDP. Progressing on structural reforms and continuing prudent fiscal policies, by shifting the spending mix towards infrastructure, innovation and anti-poverty programmes, are crucial to raise growth in an inclusive way and steadily reduce the public debt-to-GDP ratio. Broadening the tax base by persevering in the fight against tax evasion and introducing residential property taxes based on updated property values would raise revenue and make taxes fairer. Cuts in social security contributions would boost employment, especially of low-paid, low-skilled workers. Reform of the personal income tax system should aim at base broadening by eliminating tax expenditures and lowering tax rates for low-income earners, without diminishing tax receipts. This would strengthen work incentives and increase progressivity and fairness.

Despite its large manufacturing sector, Italy's integration in global value chains is limited, partly because many firms are small and suffer from low productivity. At the same time, ineffective social and training policies – resulting in high poverty and unemployment rates – have prevented Italy from sharing the benefits from globalisation more widely. Boosting innovation and competition and facilitating the restructuring of insolvent firms would allow companies to adjust to globalisation while also raising participation in global value chains. The quick and full implementation of the new labour market activation policies linked to universal unemployment benefits is key to retrain displaced workers and help them find new jobs. Scaling up post-secondary vocational education and training with strong involvement of the business sector would help to address the large job-market skill mismatch.

The economic recovery will continue at a moderate pace

GDP growth is projected to remain at 1% in 2017 and then edge down to 0.8% in 2018, due to the already legislated fiscal tightening of 1% of GDP. Declining net job creation along with uncertainties relating to Brexit will moderate private consumption growth. Reviving global demand will raise exports. The current account balance will remain in surplus. Investment will accelerate in 2017 as generous incentives to business investment continue to bear fruit. Public investment will increase only marginally because of the tight fiscal situation and persistent delays in project selection and execution.

In 2018, less fiscal adjustment than assumed would boost growth. The resolution of uncertainties relating to bank recapitalisation needs and faster progress on reducing bad loans would increase confidence and make room for more credit, strengthening private investment. Also, public investment could increase faster than projected. Furthermore, higher consumer confidence might lead to lower saving and stronger private consumption, despite slowing employment growth. On the other hand, renewed political and financial market turmoil in the EU or a faster pace of monetary policy normalisation might result in higher interest payments, requiring a higher primary fiscal surplus; and a recurrence of the refugee crisis could result in political, social and financial strains, lowering consumption and investment. Lower growth in export markets or increased protectionism would hurt growth.

JAPAN

Economic growth is projected to edge up to 1.4% in 2017, aided by stronger international trade in Asia and fiscal stimulus. Although fiscal support is expected to fade in 2018, labour and capacity shortages and record-high corporate profits will support employment and business investment, keeping growth close to 1%. Headline inflation will reach 1% by end-2017, due to ongoing monetary easing.

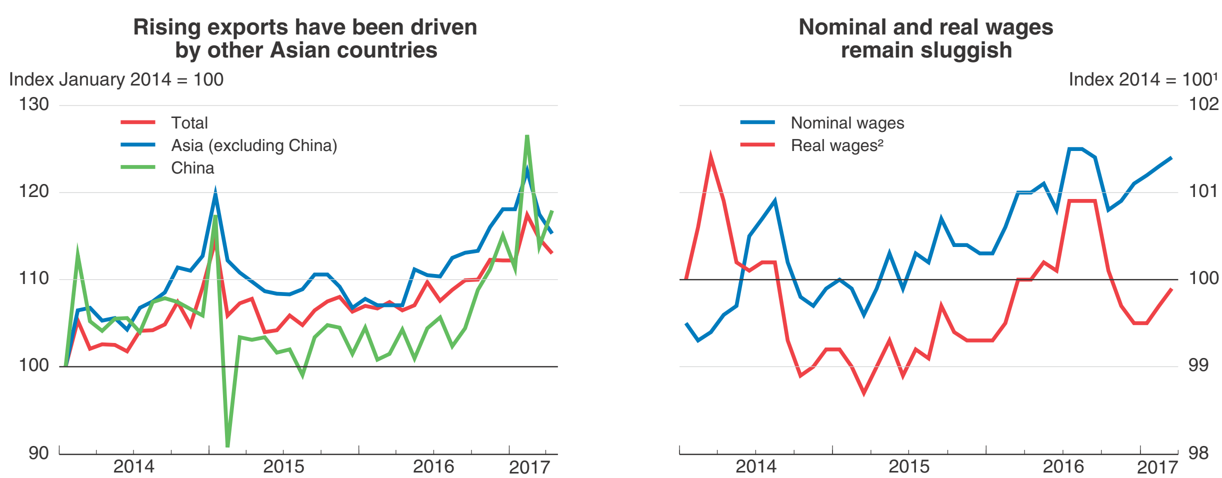
The primary deficit in 2018 is projected to remain well above the government's benchmark of 1% of GDP, leading to a further rise in the ratio of government debt to GDP. To sustain confidence in Japan's public finances, setting out and implementing a more detailed consolidation path, including gradual increases in the consumption tax rate, is a priority. Continued structural reforms to boost productivity and employment, especially of women, are important to support inclusive growth. Faster growth is essential to stopping and reversing the run-up in the public debt ratio.

Japan has become increasingly integrated in global value chains, especially in Asia. The benefits of international trade are concentrated in large firms, as few small and medium-sized enterprises export, thus contributing to the large labour productivity gap between large and small firms. Although the number of SMEs that export is rising gradually, policies to help SMEs enter international markets would support inclusive growth. Reducing the high level of support to farmers, in part by lowering trade barriers, would also deepen Japan's integration in the world economy.

Stronger exports and fiscal policy are supporting growth

A rebound in international trade in Asia has boosted Japanese exports since mid-2016. Continued export momentum, combined with the implementation of four supplementary budgets introduced since early 2016, is supporting growth in 2017. In addition, business investment has strengthened in line with exports and private consumption, which

Japan



1. Seasonally-adjusted data (three-month moving average) based on establishments with 30 or more workers.
2. Deflated by the consumer price index, excluding rent.
Source: Bank of Japan; and Ministry of Health, Labour and Welfare.

StatLink http://dx.doi.org/10.1787/888933503377

Japan: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.7	0.5	1.0	0.4	-0.3
Unemployment rate[1]	3.6	3.4	3.1	2.8	2.7
Compensation per employee[2]	0.7	0.4	0.8	1.2	1.6
Unit labour cost	1.2	0.3	1.3	0.3	0.5
Household disposable income	0.3	1.2	1.7	0.9	0.9
GDP deflator	1.7	2.1	0.3	-0.4	1.0
Consumer price index[3]	2.8	0.8	-0.1	0.6	1.0
Core consumer price index[4]	2.0	1.0	0.4	0.2	1.0
Private consumption deflator	2.0	0.4	-0.4	0.4	1.0

1. As a percentage of labour force.
2. In the total economy.
3. Calculated as the sum of the seasonally adjusted quarterly indices for each year.
4. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 101 database.

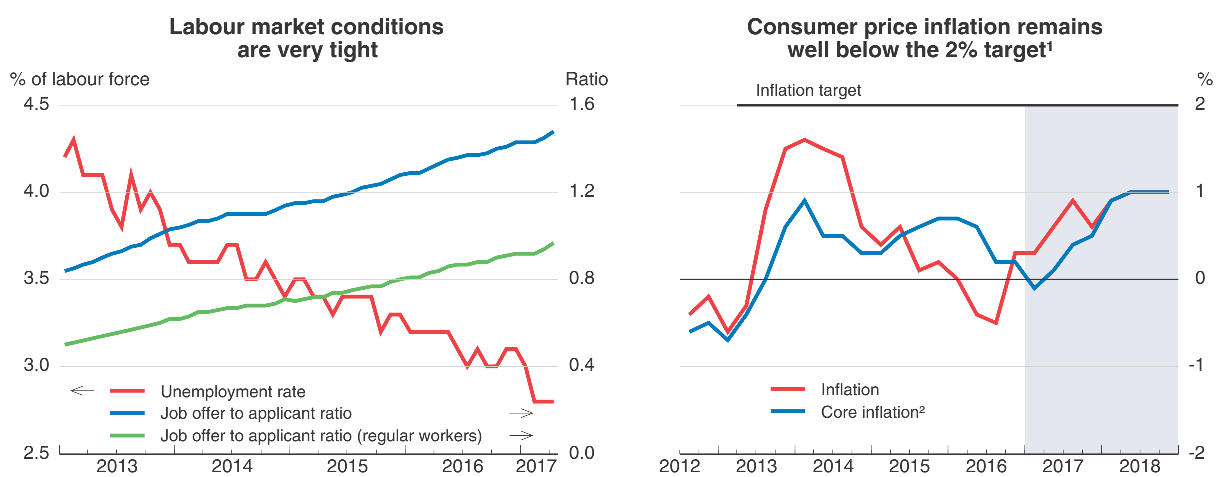
StatLink http://dx.doi.org/10.1787/888933505220

stagnated in the latter part of 2016, picked up in the first quarter of 2017. However, wage settlements for 2017 are sluggish, despite the tightest labour market conditions in more than 40 years and higher inflation. After becoming negative in mid-2016, headline inflation has turned positive again as a result of rising food and energy prices.

Achieving fiscal consolidation and inclusive growth

The fiscal policy stance in 2016-17 is expansionary, reflecting the series of fiscal packages and the decision to delay the consumption tax increase planned for April 2017.

Japan



1. Year-on-year percentage change, excluding the April 2014 tax increase, which added 2 percentage points to inflation in FY 2014 according to estimates by the Bank of Japan and the Cabinet Office.
2. OECD measure, which excludes food and energy.

Source: Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare; OECD Economic Outlook 101; Bank of Japan; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933503396

Japan: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	-0.4	0.7	2.4	2.0	1.4
General government financial balance[2]	-5.4	-3.5	-4.6	-5.0	-4.4
General government gross debt[2]	214.6	219.3	222.2	225.9	227.9
General government net debt[2]	115.0	122.5	125.5	129.2	131.1
Current account balance[2]	0.8	3.1	3.7	3.7	4.1
Short-term interest rate[3]	0.1	0.1	0.0	0.0	0.0
Long-term interest rate[4]	0.6	0.4	0.0	0.0	0.0

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505239

The primary deficit is projected to decline in 2018 as the impact of the supplementary budgets wanes. Nevertheless, the government projects a primary deficit (central and local governments) of 2.4% of GDP in FY 2018, well above its 1% benchmark. Consequently, the long-standing target of a primary surplus by FY 2020 appears very difficult to achieve, even with robust output growth.

With government gross debt surpassing 220% of GDP, the highest level ever recorded in the OECD area, a comprehensive fiscal plan is needed to maintain confidence in Japan's

Japan: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices YEN trillion	Percentage changes from previous year, volume (2011 prices)					
GDP at market prices	530.0	1.0	1.4	1.0	1.7	1.3	1.0
Private consumption	300.1	0.4	0.9	0.6	0.9	0.9	0.4
Government consumption	105.3	1.5	0.3	0.1	0.6	0.5	0.2
Gross fixed investment	124.2	0.9	2.1	1.5	2.1	2.2	0.9
Public[1]	27.0	-3.0	0.1	-3.0	-3.8	4.2	-6.3
Residential	15.8	5.6	3.8	2.0	7.5	2.1	2.1
Non-residential	81.3	1.3	2.4	2.7	2.9	1.6	2.8
Final domestic demand	529.6	0.7	1.0	0.7	1.1	1.1	0.5
Stockbuilding[2]	2.5	-0.3	-0.2	0.0			
Total domestic demand	532.2	0.4	0.9	0.7	0.5	1.2	0.5
Exports of goods and services	93.6	1.2	6.4	3.4	4.4	4.0	4.1
Imports of goods and services	95.8	-2.3	3.2	1.9	-2.0	3.7	1.5
Net exports[2]	- 2.2	0.6	0.5	0.3			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Including public corporations.
2. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505258

Japan: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	851.9	773.4	798.5	848	887
Goods and services imports	972.8	791.8	750.4	814	840
Foreign balance	- 120.8	- 18.4	48.1	34	47
Invisibles, net	157.6	152.3	135.0	143	157
Current account balance	36.8	133.9	183.1	177	204
			Percentage changes		
Goods and services export volumes	9.3	2.9	1.2	6.4	3.4
Goods and services import volumes	8.3	0.8	- 2.3	3.2	1.9
Export performance[1]	5.1	0.8	- 1.7	0.9	- 0.6
Terms of trade	- 0.5	9.0	5.2	- 5.0	0.0

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505277

fiscal sustainability. Such a plan should include detailed and concrete measures to boost revenues through gradual increases in the consumption tax, broadening the personal and corporate income tax bases and raising environmental taxes. In addition, raising taxes on capital income and broadening the inheritance tax base would improve inter-generational fairness, which is among the worst in OECD countries. A fiscal plan should also include reforms to contain the growth of social spending by shortening hospital stays, increasing the use of generic drugs, reducing long-term care insurance coverage for those with less severe needs, fully applying macroeconomic indexation to pension benefits and raising the pension eligibility age. There is also scope for fiscal consolidation at the local government level, given the wide variation between prefectures in per capita public spending.

Labour market reform is needed to reduce poverty, which is driven by the large wage gap between regular and non-regular workers, who account for 38% of employees. Non-regular employment is concentrated among women, contributing to a gender wage gap of 27%, the third highest in the OECD area. Breaking down dualism requires a comprehensive approach that includes relaxing employment protection for regular workers and an expansion of social insurance coverage and training for non-regular workers. The government initiative for “equal pay for equal work” could help reduce wage gaps and reduce firms' incentives to hire non-regular workers. In addition, removing obstacles to the employment of women, in part by improving the availability of affordable childcare and improving work-life balance, would help mitigate the decline in the working-age population and promote inclusive growth.

Achieving the inflation target is the top priority

Faster nominal GDP growth is also essential for fiscal sustainability. In September 2016, the Bank of Japan announced a new policy framework based on "yield curve control”, which is keeping the yield on ten-year government bonds close to zero for the time being. In addition, the central bank made an “inflation-overshooting commitment” to continue expanding the monetary base until CPI inflation (excluding fresh food) exceeds the 2% target and stays above it in a stable manner. Such a commitment should help lift inflation expectations, which are currently well below the target. The Bank of Japan's current very supportive monetary stance should continue until the inflation target has been sustainably achieved.

Growth momentum will continue through 2018

Annual GDP growth is projected to be 1.4% in 2017, slowing to 1.0% in 2018 as fiscal stimulus wanes and the downward trend in public investment resumes despite construction related to the 2020 Olympics. Even though real disposable income growth is expected to slow, a reversal of the rise in the household saving rate as consumer confidence strengthens is projected to sustain private consumption. Export growth is expected to remain robust, given the rebound in international trade, supporting investment by the corporate sector, which is enjoying record high profits.

Downside risks to the outlook include heightened geo-political tensions in Northeast Asia and trade protectionism. On the domestic side, Japan's unprecedentedly high level of public debt is a key risk. Unless a more detailed and concrete strategy to stabilise the debt ratio is implemented, Japan could face a loss of confidence in its fiscal sustainability, which in turn could destabilise the financial sector and the real economy, with large spillovers to the world economy. Upside risks include faster-than-projected world trade growth, which would boost exports and business investment, and larger wage gains as firms face increasing labour shortages.

KOREA

GDP growth declined in the latter part of 2016 in the context of political uncertainty, corporate restructuring and a drop in exports. Assuming that domestic and international political uncertainty dissipates, growth is projected to edge up to 2.8% in 2018, supported by a pick-up in exports and rising business and consumer confidence. Inflation reached the 2% target in early 2017, while the current account surplus is expected to remain large at 6% of GDP.

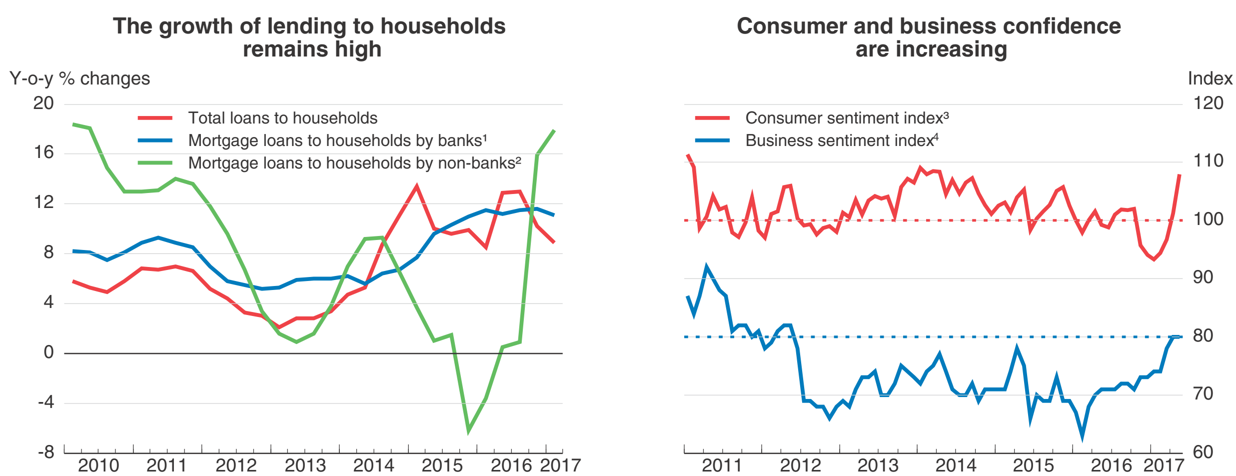
A supplementary budget is needed to support growth in 2017. The measures to restrain mortgage lending will have to be carefully calibrated to achieve a soft landing in the housing market and stabilise household debt. Gradually reducing the degree of monetary accommodation by raising the policy rate from its all-time low of 1¼ per cent would help keep inflation in check and contain household debt.

Korea has joined 16 free trade agreements since 2003, promoting its integration in global value chains. However, excess world capacity in some capital-intensive industries, such as shipbuilding, is forcing restructuring and driving up unemployment in some areas in Korea. The government should ensure that unemployment benefits and active labour market policies are adequate to help affected workers move to new jobs.

Output growth remains modest in 2017

The expansion is supported by a pick-up in export growth, led by semiconductors, in early 2017. China accounts for a quarter of Korean exports and is a key source of demand, along with other Asian countries. Stronger exports are boosting business investment despite low capacity utilisation, which is linked to the restructuring of troubled industries. Manufacturing employment is falling and the rise in inflation from 0.9% to 2.1% (year-on-

Korea



1. Commercial and specialised banks.
2. Non-bank depository institutions.
3. The long-term average over 2003-16 is displayed as red dotted line and is set at 100.
4. For all industries. The long-term average over 2003-16 is displayed as blue dotted line and is set at 80.

Source: Bank of Korea.

StatLink http://dx.doi.org/10.1787/888933503415

Korea: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices KRW trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 429.4	3.3	2.8	2.8	2.6	2.8
Private consumption	727.8	1.7	2.2	2.5	2.0	2.7
Government consumption	214.5	3.0	3.0	4.3	2.5	3.1
Gross fixed capital formation	418.3	3.4	5.1	5.2	7.2	2.9
Final domestic demand	1 360.6	2.5	3.2	3.6	3.7	2.8
Stockbuilding[1]	- 2.3	0.5	0.7	0.0	0.4	0.0
Total domestic demand	1 358.3	3.0	3.9	3.6	4.2	2.8
Exports of goods and services	770.1	2.0	-0.1	2.1	3.9	4.4
Imports of goods and services	698.9	1.5	2.1	4.5	7.5	3.8
Net exports[1]	71.2	0.4	-1.0	-0.7	-1.0	0.4
Memorandum items						
GDP deflator	_	0.6	2.4	1.8	1.4	2.3
Consumer price index	_	1.3	0.7	1.0	2.0	2.0
Private consumption deflator	_	1.0	0.9	1.0	1.7	2.0
Unemployment rate	_	3.5	3.6	3.7	3.8	3.7
Household saving ratio, net[2]	_	7.2	9.3	9.3	9.0	8.8
General government financial balance[3]	_	1.3	1.3	2.0	2.0	1.8
General government gross debt	_	43.7	45.7	45.6	45.3	45.5
General government net debt[4]	_	..	..	..	..	..
Current account balance[3]	_	6.0	7.7	7.0	6.0	6.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
4. Consolidated data on an SNA 2008 basis is not available.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505942

year) over the past year has eaten into wage gains. A drop in consumer confidence to its lowest level since 2008 in the wake of recent political uncertainty held back consumption.

High household debt of more than 170% of household disposable income is another headwind to growth. Over 2014-16, residential investment increased by 45%, fuelled by the relaxation of regulations on mortgage lending in 2013-14. Policies implemented since early 2016 to stabilise the housing market appear to be having an impact, although more may be needed. Nationwide house prices rose by only 0.7% (year-on-year) in the first quarter of 2017, and expected house price inflation has fallen.

More expansionary fiscal policy and progress in structural reform are needed

Supplementary budgets in 2015 and 2016 boosted government spending. In the absence of another supplementary budget in 2017, central government spending is set to grow by only 0.5%. With the gradual withdrawal of monetary policy accommodation, fiscal policy should be used more actively to support growth, particularly given Korea's low level of government debt and persistent budget surpluses.

Structural reforms, including regulatory reform in the service sector, are needed to boost labour productivity growth, which has slowed to an annual rate of around 1% since

2011. In addition, with the working-age population (15-64) declining, reforms to boost employment of women, youth and older persons and break down labour market dualism are a priority to promote socially-inclusive growth.

Output growth is projected to pick up

Output growth is projected to edge up from 2.6% in 2017 to 2.8% in 2018, thanks in part to faster world trade, which will boost exports and business investment, helping to offset a gradual decline in the growth of residential investment. However, China's decision to cut imports of Korean consumer products and cultural goods and to ban Chinese tour groups to Korea in retaliation for Korea's decision to deploy a missile defence system could, on Bank of Korea estimates, lower GDP growth by 0.2 percentage point. Following the election of a new president in May, consumer confidence is likely to improve further, boosting private consumption. Inflation is projected to stabilise at around 2%, while the current account surplus will remain high at 6% of GDP in 2018.

Downside risks to the outlook include heightened geo-political tensions and trade protectionism, notably a possible revision of the US-Korea free trade agreement. However, Korea’s strong external position provides a buffer against such events. On the domestic side, the main risks relate to a hard landing in the housing market or a failure to rein in household debt. On the upside, a faster-than-projected increase in world trade growth and effective structural reforms could reignite domestic demand and reverse the decline in Korea's export performance.

LATVIA

Economic growth is projected to pick up in 2017. Stronger growth in the euro area and Russia will support exports, which, along with the disbursement of EU funds, will boost investment. Household consumption will be robust, supported by strong wage growth. However, unemployment will remain high, reflecting regional and skill mismatches between workers and jobs. Higher energy prices will raise inflation somewhat and reduce the current account surplus.

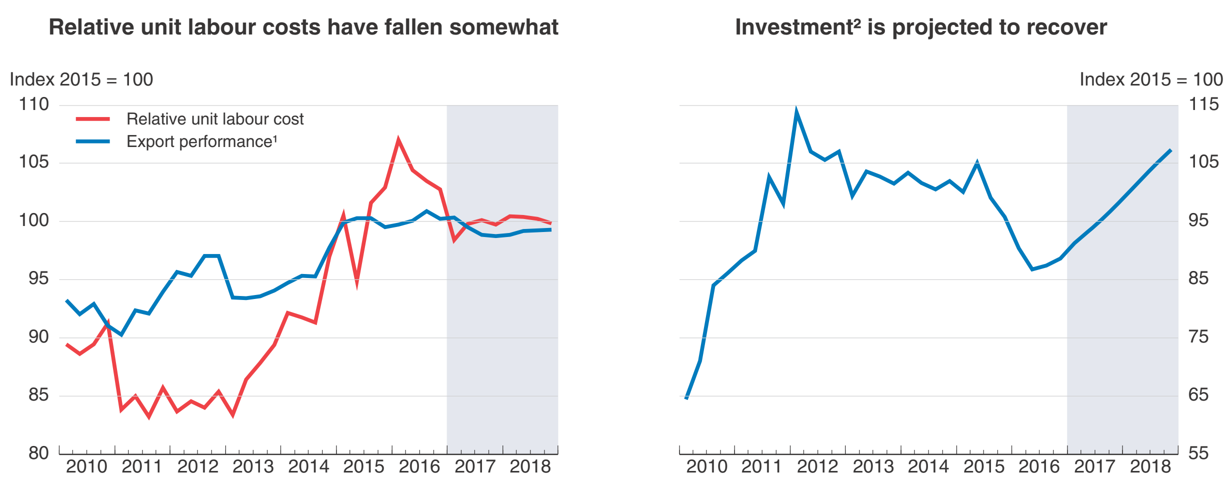
The fiscal stance is expansionary, reflecting in part additional healthcare spending. Inclusive growth could be strengthened by reducing out-of-pocket payments in healthcare services for poor households and by reducing labour taxes on low-income earners. Increasing access to vocational and tertiary education would improve economic opportunities for youth from low-income families.

Latvia's participation in global value chains is limited. Enhancing cooperation between small and medium-sized enterprises and research institutions would boost innovation and raise competitiveness in global value chains. Providing more training for the unemployed, combined with better income support, would help to ensure that the benefits of globalisation are widely shared.

Economic growth has recovered

Economic activity is strengthening. Investment has rebounded from the temporary drop in mid-2016 caused by the delay in disbursement of EU funds. Household consumption is robust, supported by strong wage growth. Wages have grown faster than productivity, but Latvia's unit labour costs still fell relative to its key trading partners, as the euro depreciated and the ruble appreciated. Exports are strengthening, especially those directed to Russia. The unemployment rate is declining, but remains high. Despite the expansionary euro-area monetary policy, credit growth is recovering only slowly. The low

Latvia



1. Export performance is measured as the ratio of export of goods and services volume to trade-weighted import volumes in export markets.
2. Real gross fixed capital formation.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503434

Latvia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	22.8	2.1	2.7	2.0	3.5	3.5
Private consumption	14.0	1.3	3.5	3.4	3.3	3.3
Government consumption	4.0	2.1	3.1	2.7	3.2	2.5
Gross fixed capital formation	5.3	0.1	-1.8	-11.7	6.9	10.0
Final domestic demand	23.4	1.1	2.2	0.1	4.0	4.5
Stockbuilding[1]	0.2	-1.1	0.2	2.9	-0.2	0.0
Total domestic demand	23.5	0.1	2.4	3.0	3.7	4.4
Exports of goods and services	13.7	3.9	2.6	2.8	3.5	3.7
Imports of goods and services	14.5	0.5	2.1	4.6	3.9	5.2
Net exports[1]	- 0.7	2.0	0.3	-1.1	-0.2	-0.9
Memorandum items						
GDP deflator	_	1.6	0.4	0.7	1.9	1.6
Harmonised index of consumer prices	_	0.7	0.3	0.2	2.8	2.3
Private consumption deflator	_	1.7	-0.6	0.9	1.9	1.4
Unemployment rate	_	10.8	9.9	9.7	9.2	8.9
General government financial balance[2]	_	-1.6	-1.3	0.0	-0.8	-0.4
General government gross debt[2]	_	47.1	42.0	45.8	45.7	45.2
General government debt, Maastricht definition[2]	_	40.9	36.5	40.1	40.0	39.5
Current account balance[2]	_	-2.0	-0.8	1.5	1.2	0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506341

loan recovery rate from bankruptcies is holding back lending to firms with a short credit history. Inflation is rising on the back of higher energy prices, which are also reducing the current account surplus.

Fiscal policy should ensure inclusive growth

The fiscal stance is expansionary, in part due to additional spending on healthcare, amounting to 0.3% of GDP. Government investment will also expand with the disbursement of new EU funds. The government increased the basic income tax allowance for low-income households in 2017. The government is also considering reducing the personal income tax rate and raising the corporate tax rate, while making non-distributed corporate income fully tax exempt. These reforms are likely to reduce tax revenues, at least in the short term. Still, the fiscal position is sound and additional spending on priority areas would be welcome. The entitlement period of unemployment benefits is short and only a small share of the unemployed is enrolled in training programmes. Poor households are foregoing medical treatments because of high co-payments for healthcare and some publicly funded healthcare programmes will be cut back towards the end of the year. The lack of means-tested income support is barring the access of students from disadvantaged backgrounds to higher education.

Effective structural reforms are needed to facilitate the integration of Latvian firms into global value chains and lay the foundation for stronger productivity growth. The government has reduced the time and costs associated with the creation of new businesses. It has also increased the accountability of insolvency administrators, which is expected to raise the loan recovery rate and thereby improve access to credit by entrepreneurs. Measures to support innovation cooperation between firms and research institutions are in place.

Stronger export markets are projected to support growth

Economic growth is projected to strengthen in 2017 and 2018, as rising demand in Russia and euro area countries, coupled with improved competitiveness, will boost exports and business investment. The accelerated disbursement of EU funds will also boost investment. Private consumption is projected to remain robust thanks to strong wage growth fuelled by skill shortages and emigration. Unemployment will remain high, reflecting regional and skill mismatches between jobs and workers. Higher energy prices will gradually translate into higher goods and services prices. The current account surplus will decrease somewhat due to higher commodity prices and strong import growth.

The intensification of geopolitical risks related to Russia and heightened political uncertainties in euro area countries would damp exports and business investment. Increased economic uncertainty may raise precautionary household saving, reducing consumption. On the other hand, stronger economic growth in the euro area and Russia would boost exports beyond the projected level. Past structural reforms that improved business conditions may increase investment at a faster pace than projected.

LITHUANIA

Economic growth is projected to strengthen as investment related to EU funds and external demand gather steam. Employment growth is limited due to a shrinking labour force and skill shortages. A temporary spike in energy prices and rising nominal wages will push up inflation.

The fiscal stance is projected to be broadly neutral over the period 2017-18. The structural measures in the budget are welcome. Further reforms are needed to reduce high inequality and poverty, as well as to deal with rapid population ageing. In particular, these include efforts to make activation programmes more effective, enhance outcomes and equity in education, and strengthen incentives to work.

Growth potential would be enhanced by deeper integration in global value chains with reforms in the business environment, including cutting red tape and upgrading infrastructure, and making R&D business support more effective. Promoting lifelong learning is essential to reap the benefits of globalisation and help workers who have been displaced find new, good jobs.

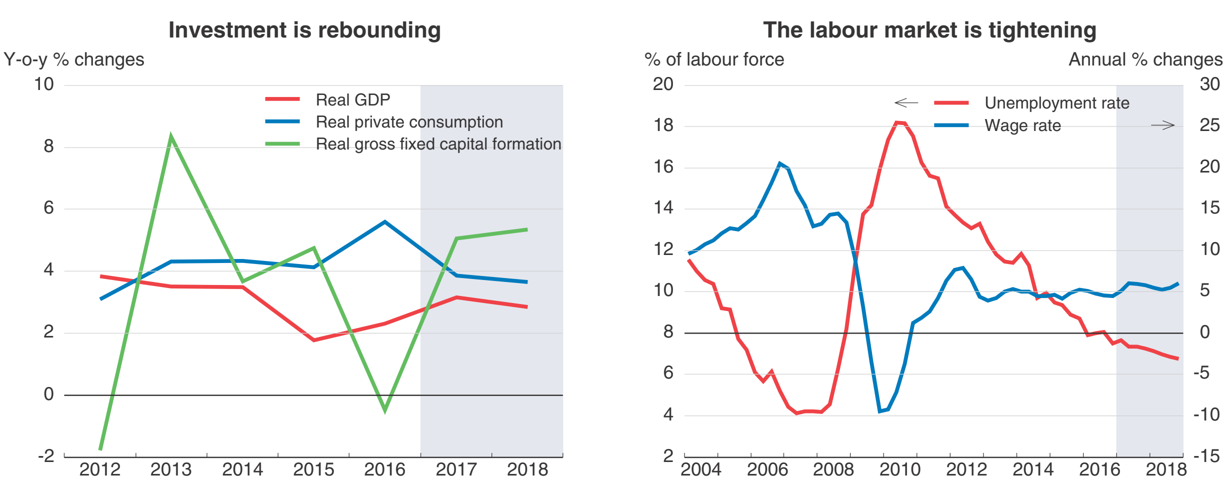
Growth is picking up

Economic activity has gained momentum as investment has strengthened with the rebound of disbursements of structural funds under the new EU programming period. Buoyant transportation activity has provided a boost to service exports. Falling unemployment has pushed up wages, and lower income taxes, that have increased disposable income, have supported private consumption. Higher energy and food prices and increases in some excise duties (including on tobacco and alcoholic beverages) have temporarily reinforced price increases.

Boosting productivity and inclusiveness requires further reforms

Euro-area monetary policy remains very accommodative, and lending to the private sector is recovering. The 2017 budget entails some discretionary fiscal measures, notably

Lithuania



Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503453

Lithuania: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	35.0	3.5	1.8	2.3	3.1	2.9
Private consumption	21.9	4.3	4.1	5.6	3.9	3.6
Government consumption	5.9	0.3	0.9	1.6	1.7	1.4
Gross fixed capital formation	6.5	3.7	4.7	-0.5	5.1	5.3
Final domestic demand	34.3	3.5	3.7	3.7	3.7	3.6
Stockbuilding[1]	0.3	-0.1	0.4	0.0	0.0	0.0
Total domestic demand	34.6	3.4	7.0	2.6	3.9	3.6
Exports of goods and services	29.4	3.5	-0.4	3.5	3.7	3.9
Imports of goods and services	29.0	3.3	6.2	3.9	4.7	4.9
Net exports[1]	0.4	0.2	-5.2	-0.4	-0.8	-0.8
Memorandum items						
GDP deflator	_	1.0	0.2	1.2	3.2	2.7
Harmonised index of consumer prices	_	0.2	-0.7	0.7	3.3	2.7
Private consumption deflator	_	0.1	-0.9	1.0	3.2	2.7
Unemployment rate	_	10.7	9.1	7.9	7.4	6.9
General government financial balance[2]	_	-0.7	-0.2	0.3	-0.3	0.3
General government gross debt[2]	_	52.5	53.9	52.8	54.9	50.2
General government debt, Maastricht definition[2]	_	40.5	42.7	40.2	42.4	37.6
Current account balance[2]	_	3.6	-2.3	-0.9	-1.7	-2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506379

an increase in the non-taxable income threshold in the personal income tax. Structural reforms related to the budget include making labour relations more flexible, unemployment and social insurance benefits more generous, and active labour market policies broader in scope. Although the general government budget is set to move to a deficit in 2017, mostly due to the costs of structural reforms, the fiscal stance is projected to remain broadly neutral over the period 2017-18.

Fostering inclusive growth requires additional reforms to raise pre-primary education participation rates and teaching quality. Poverty reduction requires increasing financial incentives to work by reducing high effective marginal tax rates and improving the monitoring and evaluation of active labour market programmes to ensure that they increase the employability of most vulnerable groups. Their financing can be accommodated by improving tax compliance and increasing spending efficiency, especially in education.

Deeper integration into global value chains would boost growth. Success hinges on improvements in the business environment, including through simplified bankruptcy procedures and further cuts in red tape to buttress investment. There is also significant scope to improve public infrastructure, including through upgrades to the railway and road network. Enhancing innovation by making R&D business support more effective and encouraging research collaboration would help foster internationally competitive firms. Upskilling the workforce through the promotion of lifelong learning and strengthening job-search support for the displaced workers would facilitate a reallocation of labour, helping to respond to globalisation challenges.

The economy will expand robustly

Real GDP is projected to grow by around 3% in 2017-18, driven by a further increase in exports as activity in major markets strengthens and by solid investment growth supported by favourable financial conditions and an increase in EU funding disbursements. Private consumption will be underpinned by rising wages. Nevertheless, a shrinking labour force will constrain consumption growth. The impact of higher commodity prices will dissipate over the projection period, but labour market tightening will continue putting pressure on inflation.

Lithuanian growth will depend on the strength of the euro area. An escalation of geopolitical tensions could hurt exports and investment. On the domestic side, labour supply constraints could limit employment growth more than projected. However, a stronger euro area recovery could push output growth beyond the projected rate. Implementation of structural reforms, notably the introduction of the new labour code and measures to boost investment, could lead to faster productivity growth.

LUXEMBOURG

Economic growth is projected to stay robust at above 4% in 2017 and 2018, due to strong domestic demand and strengthening activity in the domestic financial sector, which will foster exports. Inflation is rising due to higher commodity prices and increasing wages, due to automatic wage indexation. Unemployment is falling, but, at 6%, the rate remains high.

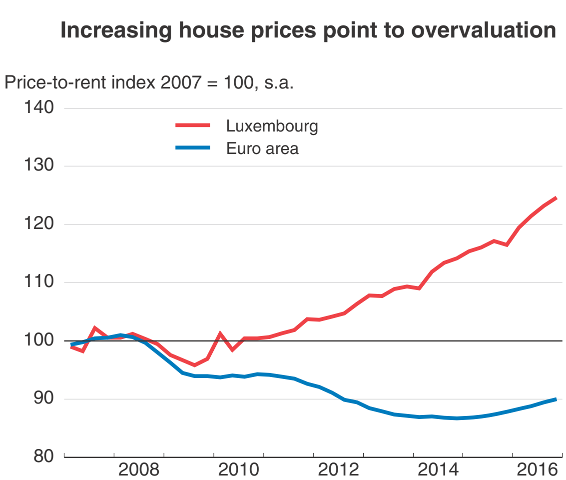
Strong growth has created fiscal space, which is being used to reform and reduce corporate and personal income taxes. The reform has made the personal income tax more progressive and provided additional tax credits to single parents and low-income earners, making it easier for them to work while caring for young children. Financial and monetary conditions are accommodative, although persistently low interest rates may have contributed to large house price increases in recent years. The supervisory authorities should monitor the situation closely and implement additional macro-prudential measures, such as limits to loan-to-value or loan-to-income ratios, to decrease risks.

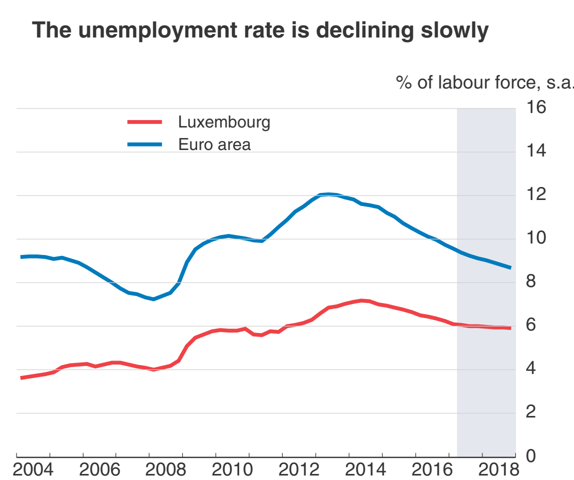
To reduce reliance on the financial industry and address the challenges of globalisation, the government has adopted a new long-term strategy focusing on digital technologies and renewable energy. This strategy is welcome and needs to be complemented by policy measures to enhance the supply of skills, such as improvements in the education system, in particular lifelong learning. A reorientation of labour market policies from supporting job creation towards training programmes for the unemployed would help workers who are displaced by economic changes to find new, good jobs.

Economic growth is driven by domestic demand

The economy remains strong, on the back of robust household consumption encouraged by the January tax reform and wage indexation adjustment. The financial

Luxembourg





Source: OECD Economic Outlook 101 database; and OECD Analytical House Price database.

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Luxembourg: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	46.5	5.6	4.0	4.2	4.5	4.2
Private consumption	14.8	2.9	3.3	1.0	3.2	3.2
Government consumption	8.0	2.0	2.4	3.2	1.8	2.7
Gross fixed capital formation	8.9	5.7	-0.9	0.2	9.2	4.3
Final domestic demand	31.7	3.4	1.8	1.3	4.6	3.4
Stockbuilding[1]	- 0.7	0.4	0.8	-0.2	0.0	0.0
Total domestic demand	30.9	7.2	3.4	0.8	4.5	3.6
Exports of goods and services	89.8	11.4	11.2	4.3	5.0	4.6
Imports of goods and services	74.3	12.4	12.1	4.0	5.2	4.5
Net exports[1]	15.6	2.2	2.2	2.1	1.5	2.0
Memorandum items						
GDP deflator	_	1.6	0.7	-0.6	1.6	2.0
Harmonised index of consumer prices	_	0.7	0.1	0.0	2.4	1.6
Private consumption deflator	_	0.6	-0.9	0.1	1.6	1.7
Unemployment rate	_	7.1	6.8	6.4	6.0	5.9
General government financial balance[2]	_	1.4	1.4	1.6	0.7	0.6
General government gross debt[2]	_	31.6	30.8	27.6	29.9	32.1
General government debt, Maastricht definition[2]	_	22.4	21.6	20.0	22.3	24.5
Current account balance[2]	_	5.0	5.1	4.7	4.7	4.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505961

sector, particularly investment funds, is benefitting from the favourable evolution of asset prices and accommodative monetary policies. The external position is also strong, with persistent current account surpluses and a positive net international asset position. The general government budget is in surplus, gross debt is low, at 20% of GDP, and net debt is negative, reflecting large assets held by the social security administration.

Structural reforms are needed to improve labour and housing market outcomes

Corporate income tax rates will be reduced in 2017 and 2018 as part of a multi-year tax reform to make the tax system more progressive and to take advantage of the tax base broadening resulting from European and international tax transparency initiatives. The reform will encourage business investment through higher tax credits covering spending within the European Economic Area. As a result, the fiscal surplus of the general government is projected to decline in both 2017 and 2018.

Personal income taxes have become more progressive, with an increase in the top bracket from 40% to 42% and additional tax credits to single parents and other low-income earners to meet education and child care costs. The reform is welcome, as it could improve social cohesion and labour market inclusiveness. Another welcomed purpose of the tax reform is to help women gain access to employment by introducing optional individual taxation for married or co-habiting income earners. This policy reduces the marginal tax rate applied to the earnings of second earners, potentially equalising incentives to work for both partners. Measures that could help cool down the housing market, for instance, by increasing the currently low taxation of housing, are also warranted. Also, the ceilings for mortgage interest deductions have been increased, even though a reduction would have been warranted.

The work incentives introduced by the tax reform need to be coupled by additional changes in structural policies. Active labour market policies offering individualised support and focusing on training, rather than on temporary job creation, are crucial to reduce long-term unemployment and boost inclusive growth. Rising house prices in the city of Luxembourg are likely to reflect existing supply bottlenecks that should be addressed by reformed zoning regulations, introduction of time-limited building permits and improved provision of social housing.

Growth is projected to remain strong

Growth rates are projected to stay above 4% in both 2017 and 2018. Private consumption and investment will be boosted by the reduction in private and corporate income tax rates from 2017. Activity will also be supported by accommodative monetary conditions in the euro area and robust financial services exports. A round of wage indexation that took place in January 2017 will lift both inflation and disposable incomes.

International trade, on which Luxembourg depends, would suffer from an increase in global protectionism. High cross-border financial linkages between domestic banks, their parent or other banks, possibly outside the EU regulatory and supervisory framework, and investment funds could transmit external shocks into the domestic economy. On the upside, Luxembourg's established financial centre may become even more attractive in the wake of Brexit. Creating a more even level playing field in corporate taxation at the global level could benefit Luxembourg by emphasising its competitive advantages, such as political stability and a highly qualified labour force.

MEXICO

After decelerating in late 2016, the pace of economic activity is projected to pick up somewhat, mainly reflecting stronger exports. Improved business confidence will support the upturn in investment. Consumer spending, the engine of growth in the past two years, will grow at a slower pace, as rising inflation damps consumers' purchasing power and credit conditions tighten.

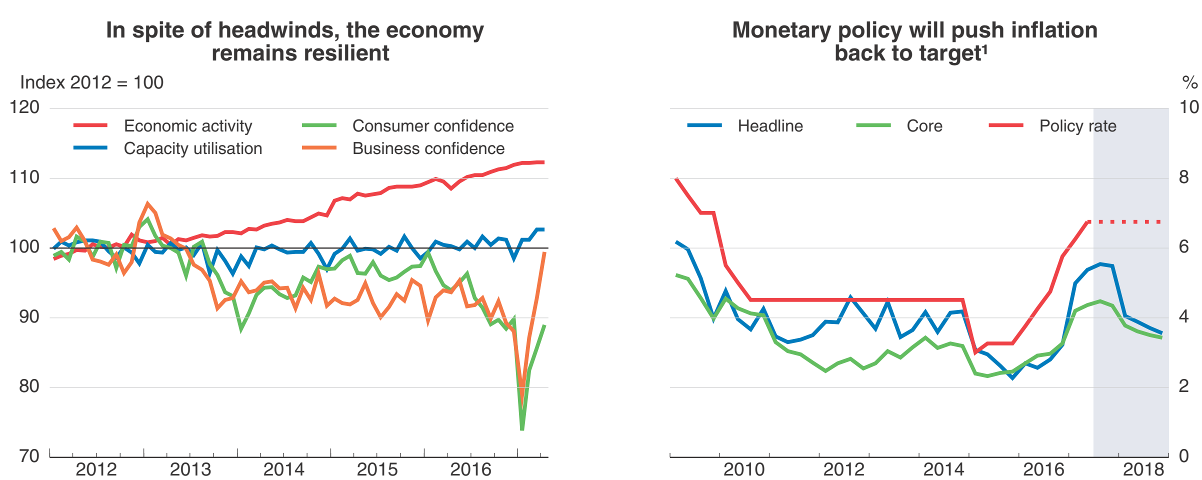
At 6.75%, the monetary policy interest rate is at its highest level in eight years, and is projected to remain high to contain the transitory surge in inflationary pressures. Going forward, monetary policy should continue to consider all the determinants of inflation and its expectations, particularly the pass-through to other prices of exchange rate depreciation and gasoline price adjustment, as well as the relative monetary policy stance with the US and the output gap. To slow the rapid rise in public debt, fiscal consolidation is projected to continue.

The Mexican economy has benefitted from open borders, foreign direct investment inflows and integration into global value chains. Remaining barriers to foreign investment and services trade should be lifted to move up in global value chains, increase the diversification of exports and strengthen geographical linkages. However, certain locations and categories of workers have benefitted less from open borders than others. Improving education outcomes and reducing informality would help to spread the benefits of globalisation more widely.

The Mexican economy has remained resilient

Private consumption has supported growth, buoyed by a strong labour market, credit expansion and an upsurge in remittances. Private investment has also contributed to growth, offsetting a sharp fall in public investment. Inflation has risen temporarily, due to the depreciation of the peso and the liberalisation of gasoline prices, prompting the central bank to tighten monetary policy to avert the de-anchoring of inflation expectations.

Mexico



1. Banco de Mexico's inflation target band is 3±1%.
Source: OECD Economic Outlook 101 database; and Banco de Mexico.

StatLink http://dx.doi.org/10.1787/888933503491

Mexico: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices MXN billion	Percentage changes, volume (2008 prices)				
GDP at market prices	16 112.9	2.3	2.7	2.0	1.9	2.0
Private consumption	11 045.4	1.8	2.2	2.5	2.2	1.9
Government consumption	1 962.5	2.1	2.3	1.1	0.8	0.0
Gross fixed capital formation	3 401.2	2.9	4.3	0.4	0.5	1.2
Final domestic demand	16 409.1	2.0	2.7	1.9	1.7	1.5
Stockbuilding[1]	- 150.9	0.0	-0.2	-0.1	-0.2	0.0
Total domestic demand	16 258.2	2.1	2.4	1.8	1.6	1.6
Exports of goods and services	5 118.6	6.9	10.4	1.2	3.2	2.7
Imports of goods and services	5 263.9	5.9	8.7	0.4	1.2	1.7
Net exports[1]	- 145.3	0.3	0.5	0.3	0.7	0.4
Memorandum items						
GDP deflator	_	4.7	3.1	4.8	6.2	4.4
Consumer price index	_	4.0	2.7	2.8	5.3	3.8
Private consumption deflator	_	4.2	4.0	4.4	6.3	4.3
Unemployment rate[2]	_	4.8	4.3	3.9	4.2	4.3
Public sector borrowing requirement[3,4]	_	-4.6	-4.0	-2.9	-1.4	-2.5
Current account balance[4]	_	-2.0	-2.9	-2.6	-2.7	-2.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. Based on National Employment Survey.
3. Central government and public enterprises. In 2016 and 2017, the public sector borrowing requirement includes the operating surplus of the central bank.
4. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505980

Macroeconomic policy aims to secure stability

The government is committed to its multi-year fiscal consolidation plan, set in 2013, to reduce the budget deficit (measured by the public sector borrowing requirement) by 2 percentage points of GDP over four years. The public sector borrowing requirement is projected to fall to 1.4% GDP in 2017, and a primary surplus is expected to be attained for the first time since 2008. However, there is ample scope to make the tax and transfer system more redistributive. Measures to curb tax evasion and to lower tax avoidance would raise additional revenues that could be used to further strengthen social spending and eliminate extreme poverty. Expanding early childcare and pre-school education, while improving its quality, would encourage female labour force participation, reduce income inequalities and alleviate skill shortages in the future.

Monetary policy has been tightened pre-emptively to avoid second-round effects from the peso depreciation and the adjustment of gasoline prices early in 2017, with the aim of keeping inflation expectations anchored and pushing inflation back to the target range of 3±1%. The monetary policy rate was lifted by 250 basis points in 2016 and has been increased by another 100 basis points so far in 2017.

External risks remain significant and will determine growth

Growth is projected to remain at around 2% in 2017-18. Investment plans that were put on hold due to recent heightened uncertainty and turbulence are expected to resume as confidence is gradually restored, while the strong manufacturing sector and the weak peso support exports. However, consumer spending will be damped by rising inflation and tighter credit conditions.

Risks to the outlook are sizeable. The Mexican economy is highly open and deeply integrated in regional supply chains. So far, industrial production, investment and exports have been resilient to the possibility of NAFTA renegotiations or other protectionist measures. However, unfavourable policy announcements in this area could derail investment, manufacturing production and exports. Lower revenue collection stemming from weaker growth could endanger fiscal consolidation plans and call for further cuts in government spending, weighing further on growth. On the upside, a full implementation of planned structural reforms, in particular to improve the efficiency of the judiciary system, reduce corruption and boost education quality, would strengthen productivity growth.

NETHERLANDS

GDP growth is projected to remain at or just over 2% in 2017-18. Private consumption growth will stay solid through the projection period, as wage growth picks up and unemployment declines further. Business and residential investment will remain strong, both supported by rising confidence.

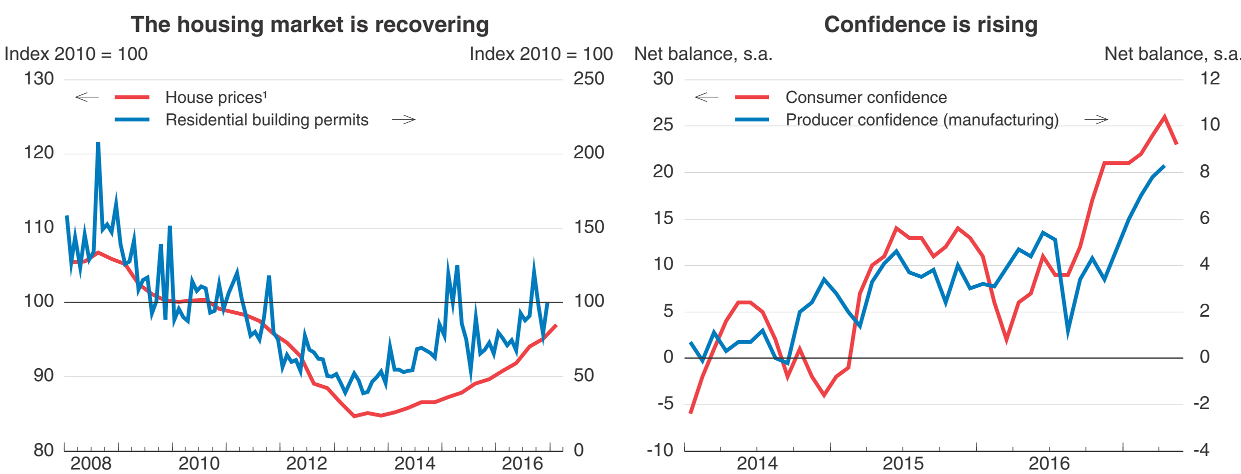
Accommodative euro area monetary policy will continue to sustain demand. This projection assumes a neutral fiscal stance. However, available fiscal space should be utilised to improve inclusiveness and the productive capacity of the economy, which would help reduce one of the largest current account surpluses in the euro area. Investment can be sustainably increased by easing strict regulations on housing, improving the flow of credit to SMEs and by increasing direct fiscal spending on R&D.

The Netherlands, being a major economic hub, benefits significantly from global and European trade. Stronger domestic demand and increased participation in global value chains will improve trade growth, boosting productivity and incomes. Continuing to improve skills, particularly of immigrants and the long-term unemployed, would improve inclusiveness. Shortening the waiting period for labour market re-integration services would benefit workers who have been displaced as a result of increased global and European integration.

Solid growth is underpinned by strong domestic demand

Economic growth has remained firm. Business investment growth has been strong, reflecting improved business confidence. Residential investment remains robust, on the back of low interest rates, but large increases in house prices point to a still inadequate supply provision. Inflation has picked up, reflecting strong domestic demand and rising energy prices, but remains well below 2%.

Netherlands



1. Price index of existing own homes that are located on Dutch territory and sold to private individuals.
Source: Statistics Netherlands (CBS); and OECD Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933503510

Netherlands: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	652.8	1.4	2.0	2.1	2.4	2.1
Private consumption	293.6	0.3	1.8	1.7	1.7	1.7
Government consumption	170.3	0.3	0.2	1.0	1.7	1.7
Gross fixed capital formation	117.1	2.3	9.9	4.8	5.5	3.1
Final domestic demand	581.0	0.7	3.0	2.2	2.5	2.0
Stockbuilding[1]	2.1	0.2	-0.6	0.0	-0.2	0.0
Total domestic demand	583.1	0.8	2.3	2.2	2.3	2.1
Exports of goods and services	535.6	4.4	5.0	3.3	3.8	4.3
Imports of goods and services	465.8	4.2	5.8	3.6	3.8	4.5
Net exports[1]	69.7	0.6	0.0	0.2	0.4	0.3
Memorandum items						
GDP deflator	_	0.2	0.1	0.9	1.4	1.7
Harmonised index of consumer prices	_	0.3	0.2	0.1	1.6	1.6
Private consumption deflator	_	0.8	0.0	0.9	2.1	1.6
Unemployment rate	_	7.4	6.9	6.0	5.2	5.0
Household saving ratio, net[2]	_	6.3	6.0	5.5	6.6	6.5
General government financial balance[3]	_	-2.3	-2.1	0.4	1.1	1.6
General government gross debt[3]	_	81.2	78.1	75.8	73.2	70.2
General government debt, Maastricht definition[3]	_	67.9	65.2	62.3	59.7	56.7
Current account balance[3]	_	8.9	8.8	8.4	9.6	9.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income, including savings in life insurance and pension schemes.
3. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505999

Fiscal space should be utilised

The very accommodative monetary policy stance in the euro area continues to underpin the strength in the housing market and business investment. The public finances are healthy, with public debt on a declining path towards 60% of GDP and the fiscal balance now in surplus. There is scope for targeted fiscal spending that would improve long-run potential growth and inclusiveness. Further lowering tax rates on low-income workers and second earners with young children would reduce inequalities and support women's participation in paid work. More direct government funding of R&D, to complement existing tax incentives for private R&D spending, would enhance long-term growth. Further reducing mortgage interest tax relief and phasing out lower VAT rates would provide further fiscal space, whilst improving the efficiency of the tax system and reducing excess demand in the housing market.

Labour market conditions continue to improve. However, the percentage of workers on flexible contracts and the number of self-employed keeps rising. Reducing the cap on severance payments to workers on permanent contracts and addressing tax policies that incentivise self-employment over salaried employment, such as lower pension contributions and no requirement to participate in collective disability insurance schemes, would limit the risk of labour market dualism.

Growth will remain steady

Strong investment growth, particularly in residential property, is projected to continue to drive GDP growth at a pace of just above 2% per year in 2017 and 2018. Household consumption growth is projected to remain solid. Inflation will rise to above 2% by the end of 2018 as economic slack vanishes. The budget is expected to remain in surplus in 2017 and 2018. The current account surplus will remain large despite robust domestic demand and shrinking natural gas exports.

The main downside risk is the uncertainty surrounding the negotiations and eventual exit of the United Kingdom from the European Union. The Netherlands is more exposed to this than other European countries due to its position as a European economic hub, and its strong trade and financial links with the United Kingdom. Weakness in global trade growth associated with rising protectionism is also a major downside risk. On the upside, private consumption could be stronger than projected if households reduce their savings amidst robust real income growth and rising wealth associated with the rapid growth in house prices. Reduced global policy uncertainty could lead to stronger-than-expected growth in business investment and private consumption.

NEW ZEALAND

Economic growth is projected to ease to around 3% in 2017-18. A strong recovery in business investment, ongoing strength in tourism and the recent increase in dairy prices should support growth. Net immigration is assumed to fall, slowing both household consumption and, together with the wind-down in the Canterbury earthquake rebuild, construction expenditure, despite a planned boost to government infrastructure spending. Inflation is projected to rise sustainably to around the mid-point of the official 1-3% target range.

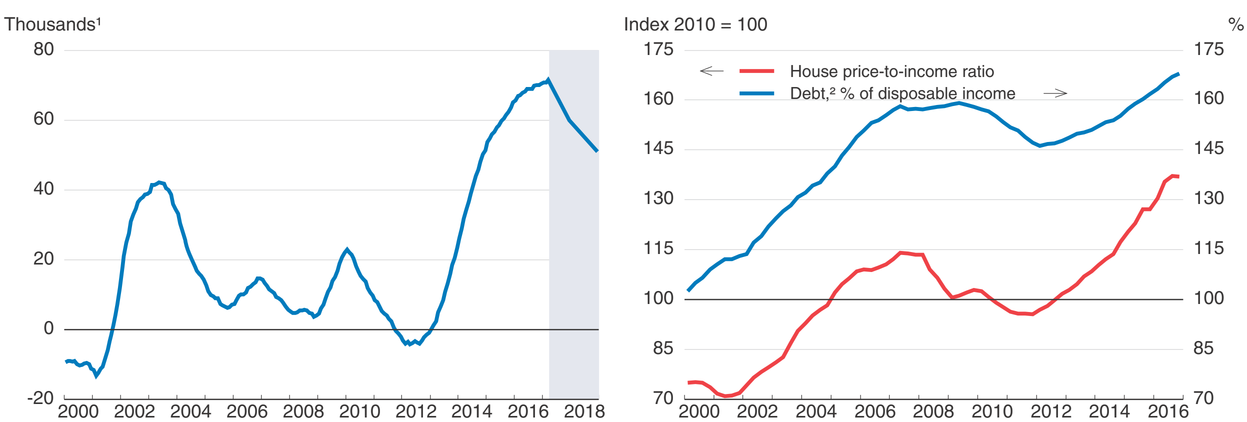
The Reserve Bank has tightened loan-to-value restrictions to limit financial stability risks from high household debt and increasing house prices. A debt-to-income limit should be added to the Bank's macro-prudential instruments with attention to benefits exceeding costs. The Bank should begin to increase the policy rate from late-2018. The fiscal stance underlying these projections is mildly contractionary - the cyclically-adjusted budget balance is projected to rise by 0.6 percentage point of GDP between 2016 and 2018. Since the projections were finalised, the 2017 budget has been delivered. The fiscal stance is now neutral, which is appropriate.

New Zealand's flexible labour market facilitates adjustment to globalisation. Such adjustment would be enhanced and costs to workers reduced by strengthening the education and training system to help people acquire skills in demand. To reduce costs to displaced workers, the government should consider introducing unemployment insurance and expanding training and job-search assistance.

Economic growth remains solid

Robust economic growth has been buoyed by a rise in net immigration to record levels and large housing wealth gains, boosting private consumption and construction, and

New Zealand



1. Cumulative data for the past 12 months. Statistics New Zealand projections.
2. Including debt on rental properties.

Source: Statistics New Zealand, National population projections, 2016 (base)-2068; Reserve Bank of New Zealand, Statistics on Households; and OECD Analytical House Price database.

StatLink http://dx.doi.org/10.1787/888933503529

New Zealand: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices NZD billion	Percentage changes, volume (2009/2010 prices)				
GDP at market prices	227.7	2.8	3.1	3.9	3.1	3.1
Private consumption	132.8	3.1	2.9	4.3	4.1	3.3
Government consumption	42.8	3.3	2.6	2.3	2.7	1.9
Gross fixed capital formation	48.1	8.4	2.1	5.6	5.9	4.9
Final domestic demand	223.7	4.3	2.6	4.2	4.3	3.4
Stockbuilding[1]	1.8	0.0	-0.5	0.6	0.2	-0.1
Total domestic demand	225.6	4.2	2.2	4.7	4.5	3.3
Exports of goods and services	64.8	3.1	6.8	1.6	0.7	3.6
Imports of goods and services	62.6	7.9	3.6	4.2	6.1	4.5
Net exports[1]	2.2	-1.3	1.0	-0.7	-1.4	-0.2
Memorandum items						
GDP deflator	_	2.3	0.2	1.6	2.7	2.1
Consumer price index	_	1.2	0.3	0.6	2.4	1.8
Core consumer price index[2]	_	1.4	1.1	1.3	1.7	1.8
Private consumption deflator	_	1.1	1.1	1.1	1.1	1.1
Unemployment rate	_	5.4	5.4	5.1	4.7	4.5
Household saving ratio, net[3]	_	-1.5	-2.2	-0.7	-0.6	-0.6
General government financial balance[4]	_	0.3	0.0	0.0	0.3	0.8
General government gross debt[4]	_	40.7	40.8	39.7	39.1	38.2
Current account balance[4]	_	-3.2	-3.3	-2.7	-3.4	-3.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Consumer price index excluding food and energy.
3. As a percentage of disposable income.
4. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506018

surging tourism. Activity temporarily slowed in late 2016 owing to adverse weather conditions that depressed dairy production. Rapid employment gains have lowered the unemployment rate to around 5%, but wage pressures have remained subdued. Capacity constraints are tightening, and labour is becoming more difficult to find. Inflation is therefore edging up.

Expansionary monetary policy is exacerbating housing market pressures

Expansionary monetary policy has pushed down mortgage interest rates, boosting housing demand and household debt. Moreover, housing supply has not kept pace with demographic expansion, despite housing construction rising to a record 7% of GDP. Increases in infrastructure investment and changes to urban planning in Auckland should facilitate greater supply, while an expected decline in annual net immigration from 70 000 to 51 000 in 2018, mainly owing to improvement in the labour market in Australia relative to New Zealand and to some recent immigrants on temporary visas leaving, should slow demand growth. Following tightening in loan-to-value limits, a rise in mortgage rates and expectations of further increases, house price increases have moderated. If housing credit and house price increases do not continue to slow, debt-to-income restrictions should be introduced with attention to benefits exceeding costs. The policy interest rate, which is at a record low, is projected to begin to rise in late-2018 to stabilise annual inflation at around 2%.

Fiscal policy settings assumed for these projections are mildly contractionary. The cyclically-adjusted budget balance is projected to rise by 0.6 percentage point of GDP between 2016 and 2018. Since the projections were finalised, the 2017 budget has been delivered. Updating for the budget would eliminate the increase in the structural budget balance, leaving a modest cyclical increase in the budget balance to a small surplus. The government is aiming to reduce net core Crown debt as a share of GDP from 24% in 2016-17 to 10-15% by 2025 to help cope with future periodic global shocks and natural disasters. Nevertheless, it should be possible to finance some high-priority tax reductions or expenditure increases without compromising its fiscal strategy.

Economic growth should moderate

Growth is projected to ease to around 3% in 2017-18, as lower net immigration and smaller house prices increases curtail growth in both consumption and residential construction, and the wind-down in the Canterbury earthquake rebuild curbs growth in construction. Even so, growth will remain solid, supported by a sharp recovery in business investment to ease capacity constraints, ongoing strength in tourism and the recent boost to incomes from higher global dairy prices. The unemployment rate is projected to edge down to 4½ per cent by late 2018 and wage growth to rise moderately. Consumer price inflation is projected to rise to almost 2% by end-2018.

The biggest downside risk to these projections is a disorderly housing market correction. House prices and household debt are high, and most mortgages have interest rates that are floating or fixed for less than two years. Shocks that reduce households' ability to service their mortgages could cause a sharp property price decline, depressing household consumption and housing investment, and raise financial stability concerns. Growing protectionism abroad or a sharp slowdown in China are also potential downside risks. The main upside risks are that net immigration does not drop as much as assumed, sustaining robust growth in consumption and construction, and that dairy price rises continue, strengthening exports and disposable incomes.

NORWAY

The economy is projected to strengthen gradually thanks to stronger growth of private consumption and both petroleum and non-oil investment. Employment growth will pick up and increasing activity will lift consumer price inflation from its current low level.

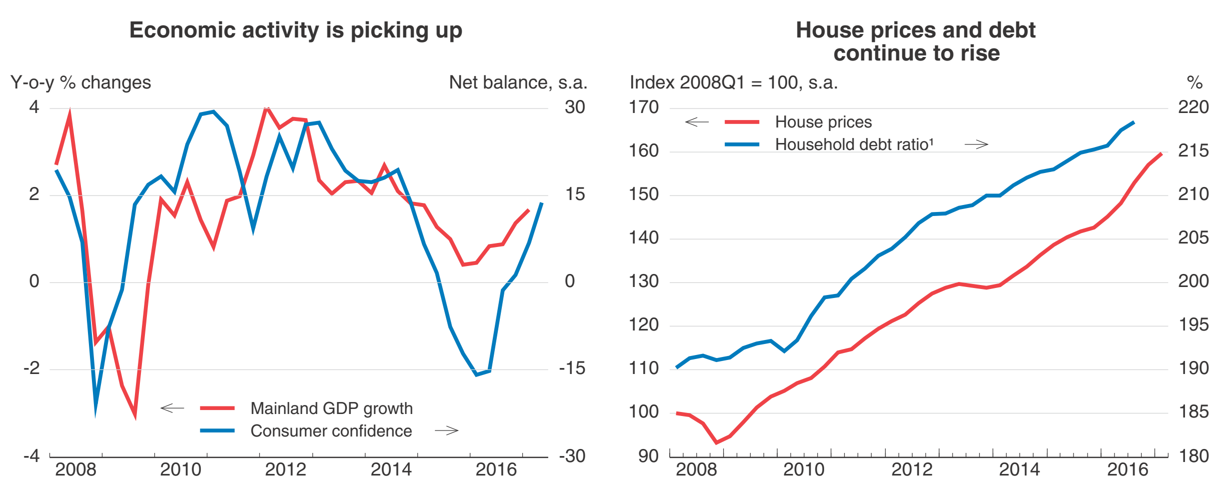
Despite low oil prices, growth has remained positive thanks to accommodative monetary and fiscal policies. The adjusted fiscal rule – budgets should aim for structural deficits at 3% of the value of the oil fund – appropriately implies a broadly neutral fiscal stance going forward. Improving the business environment, stronger competition, and better skills and education are key for raising growth potential and maintaining inclusiveness.

Norway has successfully sustained an egalitarian social and economic model, especially for women and vulnerable families. Comprehensive social programmes have protected Norwegians from the adverse effects of globalisation. However, the model involves substantial public spending and consequently high tax rates, which are a challenge for competitiveness and trade in the global economy. However, Norway has substantial scope for delivering its comprehensive public services and infrastructure investments for less cost, providing room to lower taxes.

Economic activity continues to strengthen

Norway's mainland output growth (that is, abstracting from oil and gas production) has been gradually increasing since early 2016 thanks to supportive macroeconomic policies, less drag from declining petroleum investment, the notch-up in global oil prices, recovering consumer confidence and the comparatively low value of the Norwegian Krone. Consumer price inflation is heading back towards the 2½ per cent target following an uptick due to currency depreciation. However, employment growth has yet to pick up and the rate of unemployment is high by Norwegian standards. Ongoing strong momentum in

Norway



1. Ratio to disposable income.

Source: OECD Economic Outlook 101 database; Thomson Reuters; and Norges Bank.

StatLink http://dx.doi.org/10.1787/888933503548

Norway: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices NOK billion	Percentage changes, volume (2014 prices)				
GDP at market prices	3 071.1	1.9	1.6	1.1	1.3	1.5
Private consumption	1 232.9	1.9	2.1	1.6	2.0	2.2
Government consumption	652.3	2.7	2.1	2.3	2.1	1.6
Gross fixed capital formation	717.1	-0.7	-3.8	0.3	2.3	2.2
Final domestic demand	2 602.4	1.4	0.5	1.4	2.1	2.1
Stockbuilding[1]	140.6	0.2	0.2	0.3	-0.2	0.0
Total domestic demand	2 742.9	1.6	0.7	1.8	1.7	2.0
Exports of goods and services	1 203.7	3.1	3.7	-0.5	1.4	1.2
Imports of goods and services	875.5	2.4	1.6	0.8	2.9	2.6
Net exports[1]	328.2	0.5	1.0	-0.4	-0.5	-0.4
Memorandum items						
Mainland GDP at market prices[2]	_	2.2	1.1	0.9	1.7	2.1
GDP deflator	_	0.3	-2.3	-1.2	4.9	1.6
Consumer price index	_	2.0	2.2	3.5	1.9	1.8
Private consumption deflator	_	2.2	2.3	3.3	1.8	1.8
Unemployment rate	_	3.5	4.3	4.7	4.4	4.2
Household saving ratio, net[3]	_	8.2	10.4	7.1	6.1	5.8
General government financial balance[4]	_	8.8	6.0	3.1	4.1	4.5
General government gross debt[4]	_	33.4	39.2	42.7	55.5	59.4
General government net debt[4]	_	-249.4	-284.4	-289.0	-276.1	-272.3
Current account balance[4]	_	12.1	8.7	4.9	8.5	8.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. GDP excluding oil and shipping.
3. As a percentage of disposable income.
4. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506037

house price growth (particularly in Oslo) and household borrowing is supporting consumption and construction activity, but has led to increasing concern about debt levels and housing market stability.

Monetary policy looks set to remain supportive. Norges Bank has maintained the policy rate at 0.5% since early 2016 and has been signalling continuation of a low-interest environment through its policy-rate forecasts. However, house prices and household debt have been rising rapidly for some time, fuelled at least in part by persistently low interest rates. The authorities introduced new macro-prudential rules on housing credit in January and are adjusting safety margins via the counter-cyclical buffer mechanism.

The fiscal rule has been altered

Fiscal policy has for many years been guided by a fiscal rule stipulating that the structural deficit over time should be equal to the expected real rate of return on the oil fund (the Government Pension Fund Global). The expected real return was reduced from 4% to 3% in March 2017. At the moment, the rule implies a broadly neutral fiscal stance in coming years, as the structural deficit is close to the new limit and the Fund is expected to grow in line with mainland GDP. A neutral stance is broadly appropriate given the macroeconomic outlook. As before, the rule allows for deviations in the event of extraordinary circumstances, and there is ample fiscal room to use this flexibility in the unlikely event of a sharp fall in output growth.

Welcome initiatives are underway that will help businesses better tap into globalisation. Cuts in the corporate tax rate and red tape continue, as do measures to improve skills and education. However, there remains substantial opportunity for more effective public spending (and consequently a reduced tax burden). The ongoing surge in public infrastructure investment has brought to the fore issues in project selection and there are longstanding issues of spending efficiency in other areas.

Activity is projected to strengthen further

Mainland output growth is projected to gain strength and reach just over 2% in 2018. Oil-related investment will become positive and be accompanied by growing non-oil investment and household consumption. Employment growth is expected to turn up, putting the rate of unemployment on a downward trend. Consumer price inflation will fall further in the near term as currency-depreciation effects wane, but then gradually increase as spare capacity diminishes.

Uncertainty about the global oil price, as always, remains a key source of upside and downside risks. Risks for non-oil export demand remain heightened by political and economic uncertainty elsewhere, particularly regarding the Brexit process. Domestically, the housing market and related credit concerns are a key risk. A market downturn could significantly dent consumption demand as wealth effects go into reverse.

POLAND

GDP growth is projected to exceed 3% in 2017 and 2018 as domestic demand accelerates and investment recovers on the back of growing business confidence, faster EU structural funds disbursement and low real interest rates. Underlying price pressures are set to build as the labour market tightens.

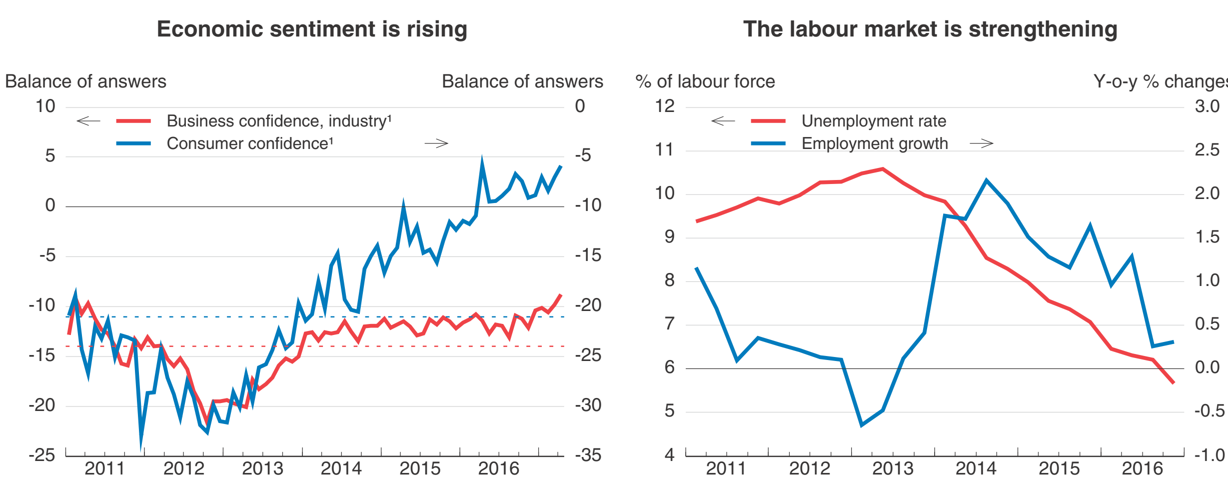
The central bank is projected to start raising interest rates in early 2018 as inflation increases and slack disappears. The budget deficit may widen due to rising social benefits. Removing VAT tax breaks would put the public finances on a firmer footing and could also provide room to increase infrastructure and age-related social spending.

Poland has benefitted substantially from its integration into global value chains. As foreseen in the government's responsible development plan, stimulating private R&D spending and improving research quality and university-industry collaboration will be essential to improve Poland's ability to innovate and adopt new technologies to move towards higher technology production and strengthen trade prospects. Too many adults have low skills; improving their access to training while strengthening firms' engagement in vocational education would ensure that globalisation benefits are shared more widely.

Economic growth seems to be picking up

GDP expanded at a rapid pace recently, and high-frequency indicators such as consumer and business sentiment suggest this positive momentum is likely to continue. Ongoing employment gains have led to a record-low level of unemployment, which in combination with rising wage rates and social transfers are supporting private consumption and a decline in inequality. Inflation has increased, driven by higher energy and food prices. However, underlying inflation remains low, even if it has risen.

Poland



1. Long-term averages are displayed as dotted lines.

Source: OECD Economic Outlook 101 Database; and Eurostat, Business and Consumer Surveys Database.

StatLink http://dx.doi.org/10.1787/888933503567

Poland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices PLN billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 656.8	3.3	3.8	2.7	3.6	3.1
Private consumption	1 009.7	2.4	3.0	3.8	3.9	3.0
Government consumption	300.4	4.1	2.4	2.8	3.0	3.8
Gross fixed capital formation	311.7	10.0	6.1	-7.9	3.3	4.7
Final domestic demand	1 621.8	4.2	3.5	1.1	3.6	3.5
Stockbuilding[1]	2.8	0.5	-0.2	1.2	-0.1	0.0
Total domestic demand	1 624.6	4.7	3.3	2.4	3.5	3.4
Exports of goods and services	767.5	6.7	7.7	9.0	7.8	6.3
Imports of goods and services	735.2	10.0	6.6	8.9	6.5	7.1
Net exports[1]	32.3	-1.3	0.6	0.3	0.9	-0.2
Memorandum items						
GDP deflator	_	0.5	0.8	0.2	1.4	1.8
Consumer price index	_	0.1	-0.9	-0.7	2.3	1.8
Private consumption deflator	_	-0.1	-1.1	-0.6	1.9	1.9
Unemployment rate	_	9.0	7.5	6.2	5.2	5.0
General government financial balance[2]	_	-3.5	-2.6	-2.4	-2.9	-3.0
General government gross debt[2]	_	70.0	69.4	71.9	72.7	73.6
General government debt, Maastricht definition[2]	_	50.2	51.1	54.4	55.1	56.1
Current account balance[2]	_	-2.1	-0.6	-0.3	-0.2	-0.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506056

Structural reforms are needed to ensure continued benefits from globalisation

Despite a sharp jump in social spending, the budget deficit improved slightly in 2016 as public investment shrank. The deficit is projected to widen in 2017-18, reflecting a further step-up in social spending and a rebound in public investment. Efforts to improve tax compliance and the extension of the increased VAT rate are welcome and will help limit the rise in the deficit. However, the debt-to-GDP ratio is projected to climb further, suggesting a need for additional tax revenues, particularly as investment needs and social spending are set to grow, especially with population ageing. Revenues can be raised by removing VAT tax breaks, as Poland has one of the European Union's largest VAT revenue shortfalls. The central bank should gradually raise its policy interest rate from early 2018 as inflation moves closer to the target and economic slack dissipates.

Poland has benefitted substantially from its integration into global value chains. Moving towards higher-technology production would raise living standards and ensure continuing globalisation benefits. In this respect, raising skills by improving adults' access to training and strengthening firms' engagement in vocational education and developing transport and communication infrastructure would enhance labour mobility, boost productivity and promote inclusive growth. Modernising electricity and heat generation capacity will secure a greener and more reliable energy supply. Increasing green taxes and ensuring that climate-change policies are clear and aligned with European and international objectives will raise revenues while promoting well-being.

Domestic demand is projected to strengthen

GDP growth is projected to pick up to over 3% in 2017-18, underpinned by strong private consumption driven by increasing labour incomes and social transfers. EU-financed public investment should soon regain momentum, and strong business sentiment and low real interest rates are expected to support business investment. A modest recovery in external demand should also buttress export growth, allowing the current account deficit to remain broadly stable. Unemployment should continue to ease, pushing up underlying consumer price inflation.

The main domestic financial risk is related to the Swiss-franc-denominated mortgage loans, as the costs of the potential forced compensation mechanism imposed on banks could limit credit extension. Policy uncertainty related to the details of planned changes to the tax system could also hamper the recovery in investment and have adverse employment effects. Alternatively, strong wage growth and a swift implementation of the government's responsible development plan would lead to more buoyant domestic demand. A stronger euro area outlook would boost exports more than expected, but weaker activity in the euro area would undermine the investment recovery and economic activity.

PORTUGAL

Economic growth is projected to strengthen to around 2% in 2017 before easing slightly in 2018. Exports will continue to support growth, benefitting from the structural reforms of recent years. Nevertheless, domestic demand is not projected to rebound strongly given persistently high private sector indebtedness. Underlying inflation will pick up in 2018, owing to supply constraints, including a declining working-age population.

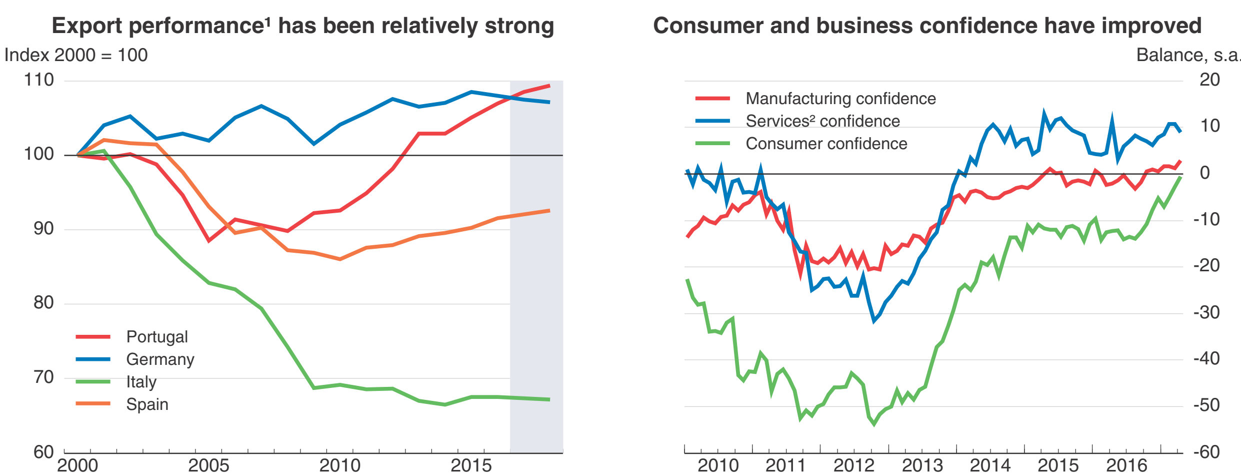
Accommodative euro area monetary policy will support growth, but the fiscal stance is projected to be broadly neutral. Investment activity could be further spurred by measures to restore the health of the banking sector, notably regulatory incentives for banks to implement a credible plan for restructuring non-performing loans. Stronger growth would yield a much needed benefit in terms of better fiscal sustainability.

Portugal has benefitted significantly from globalisation, not least during the post-crisis period. Exports are now at 40% of GDP, up from 27% in 2005. Nevertheless, the gains could be greater if the skills of the workforce were raised: the share of the working-age population with upper-secondary education remains one of the lowest in the OECD. This would also benefit inclusiveness, given that the wage premium for high-skilled workers remains high. Reform priorities include a greater emphasis on vocational education, improving teacher training and increasing the resources for pre-primary and primary education.

Strong export performance has been supporting growth

The gradual recovery in GDP growth continues to be supported by rising exports, with goods exports to destinations outside the European Union, including Angola, Brazil and China, having rebounded particularly strongly. The unemployment rate has eased further, underpinning stable growth in private consumption. Both public and private residential investment have been subdued, though the former has recently been buoyed by EU fund disbursements.

Portugal



1. Ratio of export volumes to trade-weighted import volumes in the country's export markets.
2. Excluding retail trade.
Source: OECD Economic Outlook 101 database; and OECD Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933503586

Portugal: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2011 prices)				
GDP at market prices	170.3	0.9	1.6	1.4	2.1	1.6
Private consumption	111.1	2.3	2.6	2.3	2.0	1.5
Government consumption	32.5	-0.5	0.7	0.5	-1.0	-0.8
Gross fixed capital formation	25.1	2.3	4.5	-0.1	6.5	2.3
Final domestic demand	168.8	1.8	2.5	1.6	2.1	1.3
Stockbuilding[1]	- 0.2	0.4	0.0	-0.1	-0.1	0.0
Total domestic demand	168.6	2.2	2.5	1.5	2.0	1.3
Exports of goods and services	67.3	4.3	6.1	4.4	5.5	4.5
Imports of goods and services	65.6	7.8	8.2	4.4	5.2	3.9
Net exports[1]	1.7	-1.3	-0.8	0.0	0.2	0.3
Memorandum items						
GDP deflator	_	0.8	2.1	1.6	1.1	1.5
Harmonised index of consumer prices	_	-0.2	0.5	0.6	1.6	1.4
Private consumption deflator	_	0.3	0.7	1.1	1.3	1.4
Unemployment rate	_	13.9	12.4	11.0	9.7	8.9
Household saving ratio, gross[2]	_	5.2	4.5	4.4	4.3	4.1
General government financial balance[3,4]	_	-7.2	-4.4	-2.0	-1.5	-1.0
General government gross debt[3]	_	153.0	150.7	148.0	146.2	144.2
General government debt, Maastricht definition[3]	_	130.6	129.0	130.4	128.6	126.5
Current account balance[3]	_	0.1	0.1	0.8	0.4	0.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
4. Based on national accounts definition.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506075

Poor access to finance is holding back investment

Despite the highly expansionary stance of euro area monetary policy, investment activity is being held back by weak profitability and the strong deleveraging needs of many corporations. In order to further reduce the uncertainty surrounding the banking sector and improve credit supply and pricing, policy measures that encourage a reduction in the stock of non-performing loans on bank balance sheets are necessary. The transmission to economic activity may be particularly strong at present given rising business confidence.

The fiscal stance is expected to be broadly neutral in 2017 and 2018. While an expansionary fiscal stance may be warranted given that the economy is still recovering, it risks undermining fiscal sustainability. While budget deficits have fallen substantially since 2010, public debt remains very high. An increase in the statutory minimum wage that took effect in January 2017 should support demand. However, care should be taken that higher minimum wages do not result in rising low-skill unemployment or further wage compression for those low-wage employees who earn above the minimum.

Globalisation has been highly beneficial for Portugal, in part by raising wages for high-skilled workers. But with the share of the working-age population with upper-secondary education still one of the lowest in the OECD area, the benefits may not spread very widely. The benefits of globalisation can be more broadly shared through measures that better equip low wage workers with relevant skills and that reduce the large gap in employment protection between those on permanent and temporary work contracts to promote more jobs.

Growth will continue to be supported by rising exports

Growth is projected to strengthen. While consumption growth will be supported by rising wages and confidence, private investment will be partly constrained by the continued deleveraging needs of some firms. Export volumes will rise strongly given continued improvements in cost competitiveness.

The decline in public debt could be derailed by the need for greater public support for the banking sector or an increase in government bond yields. At the same time, a sovereign rating upgrade by one of the major agencies may help lower debt servicing costs. Furthermore, a stronger-than-expected recovery in Portugal's trading partners may lead to a larger boost in exports and investment than is currently projected.

RUSSIA

The economy is projected to rebound from a deep recession on the back of stronger oil prices, higher wages and lower interest rates, which will boost household consumption and business investment. Structural bottlenecks hamper the diversification of production, and the relatively strong rouble and continued sanctions will restrain non-oil exports. The poverty rate will gradually decline as the labour market strengthens and inflation abates further.

Monetary policy should be eased to support growth, but cautiously to avoid a rebound of inflation. Fiscal tightening, due to spending cuts, might jeopardise the recovery. Additional revenue could come from a higher VAT rate, taxes on the oil and gas sector, and real estate, as well as by broadening the personal income tax base. At the same time, funding is needed for large public investments in education, innovation and infrastructure. Institutional reforms would help lift longer-term growth.

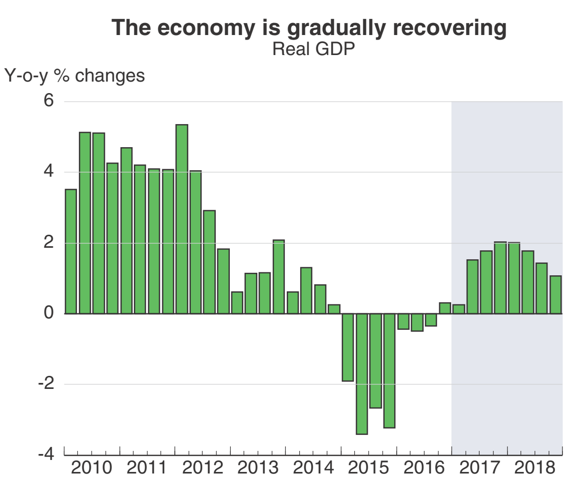
The economy remains relatively closed, as international sanctions hamper higher value added in non-oil activities. The gains from globalisation rest on oil revenues which are unevenly distributed across regions and income groups. Reforming the tax system and investing the gains from higher oil prices in education and infrastructure would help diversify the economy, create more quality jobs and make globalisation beneficial for all.

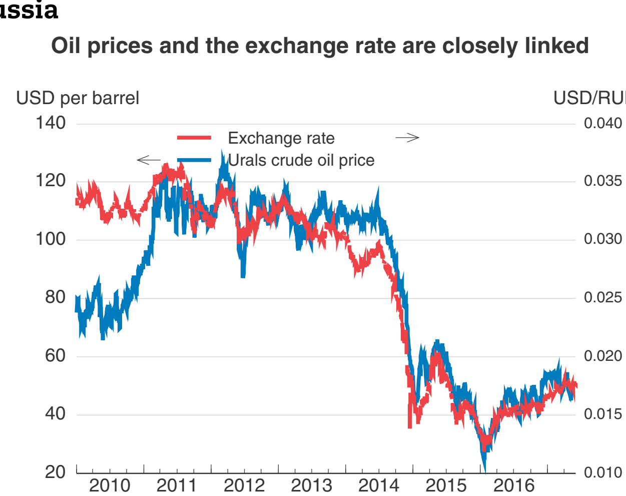
The recovery remains fragile

The economy has begun to turn around, thanks to higher oil prices and increasing external demand. Consumer price inflation and interest rates continue to decline, fostering both investment and consumption. Business sentiment is improving, and investment is rising after a contraction that lasted almost three years. Consumption is picking up on the back of higher real wages, although household confidence is still weak. Unemployment has declined further and is now about 5.5%. Rising wages and falling unemployment have also brought poverty rates down slightly.

However, the upturn is fragile as it rests mainly on the rebound of commodity prices. Most structural and policy obstacles to higher sustainable growth remain in place.

Russia





Source: OECD Economic Outlook 101 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933503605

Russia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices RUB trillion	Percentage changes, volume (2011 prices)				
GDP at market prices	70.9	0.7	-2.8	-0.2	1.4	1.6
Private consumption	38.3	2.0	-9.7	-4.5	1.2	2.7
Government consumption	14.0	-2.1	-3.1	-0.5	-0.5	-2.5
Gross fixed capital formation	13.8	-1.1	-9.7	-2.2	2.0	1.6
Final domestic demand	66.1	0.5	-8.4	-3.2	-0.5	0.0
Stockbuilding[1]	0.9	-1.0	-1.3	0.8	1.1	0.0
Total domestic demand	66.9	-0.6	-9.5	-2.3	2.2	1.3
Exports of goods and services	18.9	0.6	3.6	3.1	3.4	3.0
Imports of goods and services	14.9	-7.1	-26.0	-4.0	5.0	2.2
Net exports[1]	4.0	1.7	6.3	1.7	-0.2	0.3
Memorandum items						
GDP deflator	_	10.7	8.2	3.5	7.7	3.6
Consumer price index	_	7.8	15.5	7.0	4.2	4.0
Private consumption deflator	_	8.2	14.1	6.5	4.4	4.2
General government financial balance[2,3]	_	-1.0	-3.4	-3.7	-3.3	-2.7
Current account balance[2]	_	2.8	5.1	1.9	4.0	3.7

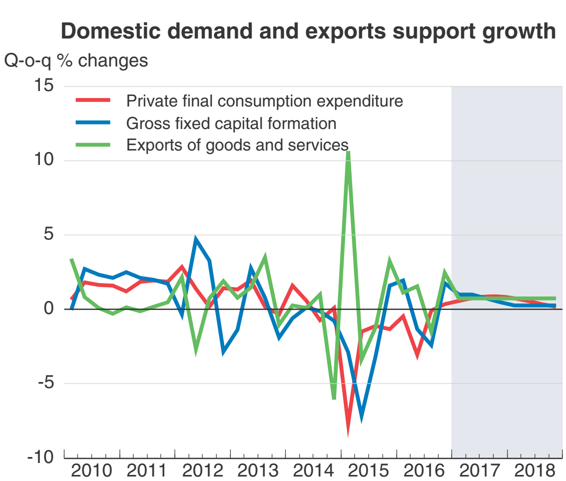
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
3. Consolidated budget.

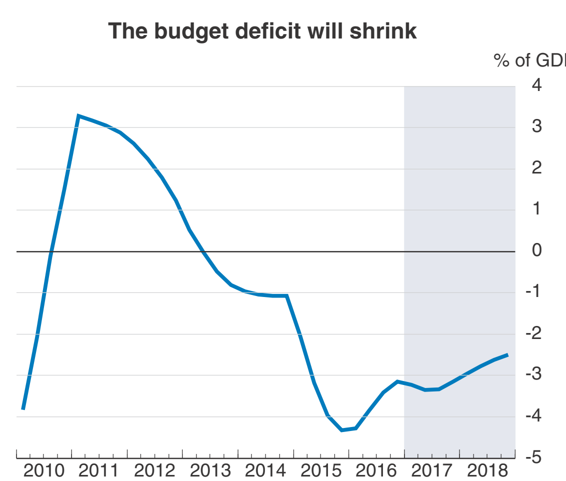
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506284

Institutional uncertainty and the lack of structural reforms damp the business climate and the creation of start-ups. The international sanctions restrict access to financial markets, and transport bottlenecks hamper inter-regional trade. An appreciating rouble strains the non-oil export sector and keeps the economy in an oil-dependency trap. Finally, income inequality remains distinctly above the standards of large OECD economies.

Russia





Source: OECD Economic Outlook 101 database.

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Monetary policy is accommodative, while fiscal policy is tightening

Rapidly declining inflation has allowed monetary policy to become more accommodative. The new mechanism linking foreign exchange interventions to oil prices is likely to reduce rouble volatility and exposure to external shocks. The current intervention threshold - USD 40 per barrel - is a sign that the authorities will address further rouble appreciation more actively. The authorities should also closely monitor equity and credit market developments.

Fiscal policy is tightening. The federal budget adopted in December 2016 reduced planned government spending and the deficit by around 1 percentage point of GDP in both 2018 and 2019; this projection assumes less contraction than in the budget. Still, at this point fiscal contraction risks jeopardising the recovery and, as productive spending is being cut, longer-term growth. Given low and still decreasing interest rates and low debt levels, the authorities may want to create additional fiscal space for investment in research, education and infrastructure for a more resilient and inclusive economy.

The inclusiveness of the recovery and, more generally, benefits of globalisation will largely depend on how the gains from higher oil prices are shared among income groups and territories of this large country. The trickle-down of the recovery so far has been modest; income inequality remains high, and regional disparities are deepening. Reforms to the tax system, as suggested by the authorities, could strengthen inclusive growth. A broader-based income tax, an increase in real estate taxes and a more efficient taxation of the oil sector against lower social security contributions could foster efficiency and bring in more revenues, while benefitting the population more evenly.

Weak institutions restrain the pick-up in growth

Economic growth is projected to rebound to around 1½ per cent in 2017 and 2018. A stabilised exchange rate and lower interest rates will boost business confidence and investment. Lower inflation and an increase in real wages, on the back of stronger business activity and lower inflation, will support household spending, although saving will also increase. Export growth will be boosted by higher oil prices and stronger world trade. However, overall growth will remain moderate as the lack of structural reforms impedes the diversification of the economy and fiscal tightening will weigh on growth in 2018. The rise in the poverty rate is expected to decline, as growth will trickle down to the lowest income groups.

Weak institutions hamper a resilient and more inclusive rebound of the economy. Property rights are not always enforced, governance of state-owned enterprises is opaque, and the government is overly centralised. Corruption is declining but remains an issue for investors. Structural weaknesses, such as low spending on research and development and an overstrained infrastructure, weigh on growth and competitiveness outside the oil sector. With public-worker pay and pensions still frozen, income inequality will remain elevated.

Risks – both on the upside and downside – relate to oil prices and the geopolitical environment. Revenues from oil exports and overall growth may increase if oil producers achieve permanent supply restrictions and an ensuing price increase. Oil prices may, on the other hand, decline again if supply agreements break down and/or if swing producers are in a position to react swiftly to supply shortages. On the geopolitical side, sanctions are projected to remain, with both a possibility that they are strengthened if the Ukrainian crisis escalates, but also a possibility that they are lifted once a durable peace agreement is negotiated.

SLOVAK REPUBLIC

The economy is projected to remain robust, growing 3.3% in 2017 and 4.1% in 2018, led by persistently strong domestic demand. The strengthening labour market and rising incomes will further raise household consumption. Unemployment may fall to near 7½ per cent in 2018, the lowest level since independence. Exporters are projected to continue to gain market share, allowing the current account to reach a modest surplus. Consumer price inflation is expected to rise gradually, as energy prices pick up and the labour market tightens.

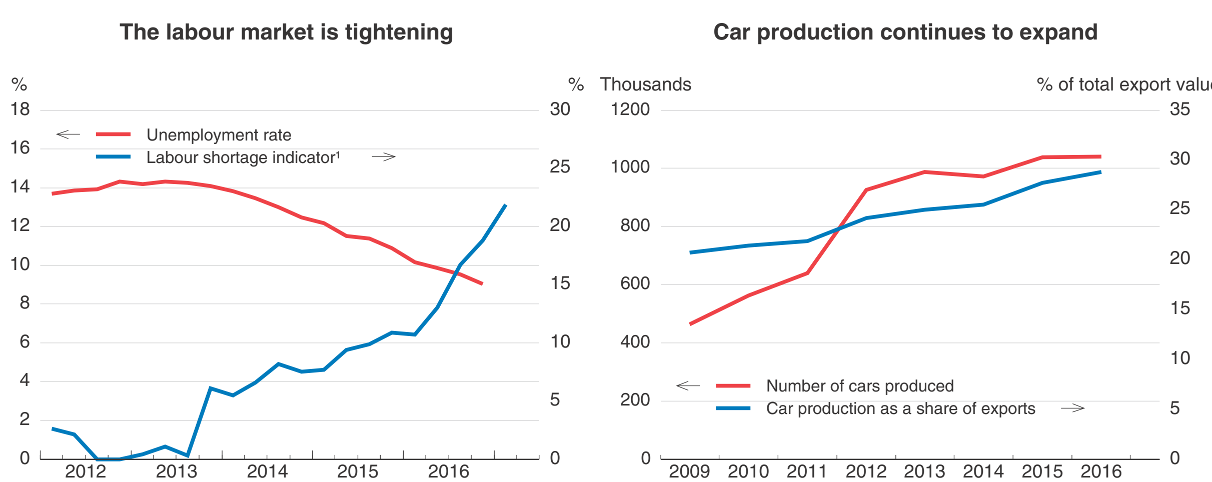
The government appropriately intends to reach a balanced budget by 2019 to maintain the soundness of the public finances. In order to finance much needed inclusiveness-friendly reforms, the government should continue to enhance tax collection and improve public sector efficiency.

Large FDI inflows have helped integrate the Slovak Republic into global value chains and boosted exports and productivity, resulting in one of the OECD's fastest growth rates in the past decade. However, the benefits of growth have not been equitably shared. Therefore, there is a need for education, health care and labour market reforms to make growth more inclusive, particularly for the Roma population and the long-term unemployed.

Domestic demand is supporting growth

Economic growth remains robust, as household consumption continues to grow on the back of labour market buoyancy and strong consumer confidence. The unemployment rate has been falling and labour shortages are spreading. Investment has been affected by a significant drop in public investment due to the slower disbursement of EU structural funds in the new funding cycle. On the other hand, business investment continues to grow due to accommodative financial conditions and new foreign direct investments. Exports

Slovak Republic



1. Percentage of manufacturing firms pointing to labour shortage as a factor limiting production.
Source: OECD Economic Outlook 101 database; Statistical Office of the Slovak Republic; Zväz automobilového priemyslu Slovenskej republiky; and European Commission.

StatLink http://dx.doi.org/10.1787/888933503643

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

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	74.2	2.6	3.8	3.3	3.3	4.1
Private consumption	41.8	1.4	2.2	2.9	3.1	3.2
Government consumption	13.7	5.3	5.4	1.6	0.9	1.9
Gross fixed capital formation	15.4	1.2	16.9	-9.3	1.2	7.0
Final domestic demand	70.8	2.1	6.0	-0.3	2.2	3.7
Stockbuilding[1]	0.2	1.1	-1.1	1.2	0.0	0.0
Total domestic demand	71.0	3.1	4.7	1.0	2.3	3.6
Exports of goods and services	69.6	3.7	7.0	4.8	6.8	7.1
Imports of goods and services	66.4	4.4	8.1	2.9	6.8	6.8
Net exports[1]	3.1	-0.5	-0.7	1.8	0.2	0.6
Memorandum items						
GDP deflator	_	-0.2	-0.2	-0.4	1.0	2.0
Harmonised index of consumer prices	_	-0.1	-0.3	-0.5	1.6	2.0
Private consumption deflator	_	-0.1	-0.1	-0.3	1.3	1.9
Unemployment rate	_	13.2	11.5	9.6	8.5	7.6
General government financial balance[2]	_	-2.7	-2.7	-1.7	-1.2	-0.6
General government gross debt[2]	_	60.5	59.3	59.1	58.8	57.3
General government debt, Maastricht definition[2]	_	53.6	52.5	51.9	51.7	50.2
Current account balance[2]	_	1.1	0.2	-0.7	-0.1	0.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506094

have also performed well, benefiting from favourable developments in the important automotive industry, which now produces over one million cars per year. Consumer prices have picked up due to higher food prices, rising demand pressures, and the end of last year's energy price decline.

Reforms are needed to make growth inclusive

Fiscal policy is projected to remain contractionary, as the government plans to reach a balanced budget by 2019 in order to continue decreasing public debt and to deal with the medium-term challenges from population ageing. On the other hand, financial conditions will remain supportive, reflecting expansionary euro area monetary policy. With house prices and household debt rising fast, the central bank has adopted several macro-prudential measures to reduce the risks of a housing bubble and strengthen financial stability.

Large foreign direct investment, particularly in the automotive and electronics sectors, has led to a growing participation in global value chains. This has helped to boost exports and productivity and contributed to faster economic convergence vis-à-vis the OECD average. However, the benefits of high economic growth have not been equally shared across society. Long-term unemployment remains high by international standards, and the Roma population are not well integrated, with many of them either in or at risk of poverty. As a consequence, labour shortages are spreading, despite relatively high unemployment.

In order to make growth more inclusive, the government needs to pursue much needed reforms in education and skill development and Roma integration.

Growth is projected to stay robust

Growth is projected to exceed 4% in 2018, underpinned by strong domestic demand and exports. With the unemployment rate historically low and excess capacity eliminated, inflation is expected to reach 2% in 2018. Investment spending is projected to improve, supported by the implementation of the government's infrastructure agenda and strong business investment. Higher demand from trading partners and the launch of a new car production line will boost exports, pushing the current account into surplus.

Exports (notably of cars) could suffer from a disorderly Brexit. Rising tensions on capacity, if they persist, could lead to some overheating and deterioration in international competitiveness. On the upside, supportive financial conditions and the strong labour market could strengthen private domestic demand even more than projected. Faster-than–expected progress in policy reforms would strengthen economic growth further.

SLOVENIA

Economic growth is projected to remain solid and broad-based. Investment will accelerate as more EU structural funds are disbursed and capacity constraints bite. A strong labour market will lead to faster wage gains, supporting private consumption. Euro area growth should help exports remain buoyant despite cost increases. Higher energy prices and the disappearance of economic slack should push up inflation.

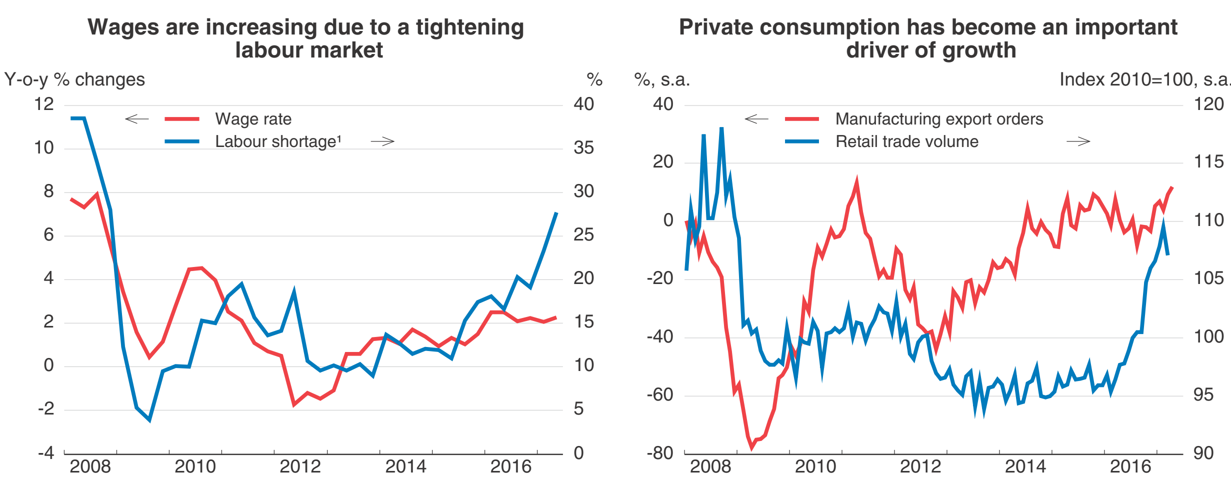
The fiscal stance is broadly neutral, though the budget deficit continues to fall. Accommodative euro area monetary policy is having an expansionary effect, and bank balance sheets have improved substantially. To contain cost pressures, Slovenia should enhance competition by accelerating its privatisation programme, which would also bolster inward FDI opportunities, and also by undertaking product market reforms and reduce barriers to entrepreneurship.

Slovenia has not taken full advantage of globalisation, with a low FDI stock and comparatively weak integration into global value chains. The authorities could encourage internationally competitive firms to locate operations in Slovenia by reducing onerous regulation and creating competitive markets. Also, labour market rigidities push those with obsolete skills into long-term unemployment or early retirement. Inclusiveness would be boosted by giving such workers the training needed to find a new occupation.

Growth has become more broad-based

The economy continues to outperform the euro area, with domestic demand the main driver of growth. Private consumption, especially of durables, is accelerating, as households gain confidence. Government consumption is also increasing, in part due to the relaxation of austerity measures such as public sector wage freezes. Investment growth has recovered, having decreased in early 2016 due to slower disbursement of EU structural

Slovenia



1. Percentage of manufacturing firms pointing to labour shortages as a factor limiting production.
Source: Eurostat, industry database; OECD, Main Economic Indicators database; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503662

Slovenia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	35.9	3.1	2.3	2.5	3.8	3.1
Private consumption	19.8	2.0	0.5	2.8	3.7	3.7
Government consumption	7.1	-1.2	2.5	2.6	1.9	1.4
Gross fixed capital formation	7.2	1.4	1.0	-3.1	6.8	5.1
Final domestic demand	34.0	1.2	1.0	1.5	4.0	3.5
Stockbuilding[1]	- 0.1	0.6	0.4	0.8	0.0	0.0
Total domestic demand	33.9	1.8	1.4	2.4	4.0	3.5
Exports of goods and services	27.0	5.7	5.6	5.9	5.5	5.7
Imports of goods and services	25.0	4.2	4.6	6.2	6.0	6.4
Net exports[1]	2.0	1.4	1.1	0.3	0.2	0.0
Memorandum items						
GDP deflator	_	0.8	1.0	0.6	2.6	2.6
Harmonised index of consumer prices	_	0.4	-0.8	-0.2	2.6	3.1
Private consumption deflator	_	0.0	-0.7	-0.5	2.4	3.1
Unemployment rate	_	9.7	9.0	8.0	7.3	6.3
General government financial balance[2]	_	-5.4	-2.9	-1.8	-1.0	-0.2
General government gross debt[2]	_	99.5	102.5	97.8	97.0	95.7
General government debt, Maastricht definition[2]	_	80.9	83.1	79.7	76.3	73.3
Current account balance[2]	_	6.2	5.2	6.8	7.4	7.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506113

funds. Exports have continued to perform well, with Slovenia gaining market share, contributing to a record-high current account surplus.

Unemployment continues to fall, which combined with an ageing labour force, has led to initial signs of shortages in some occupations. As a result, foreign workers accounted for a quarter of new hires in 2016, which has helped moderate wage growth. Energy prices have recently pushed headline inflation to 2% for the first time since the 2013 domestic banking crisis.

Labour reforms are needed to remove bottlenecks

The repair of bank balance sheets places financial institutions in a position to support investment through lending to households and firms, with non-performing loans having been offloaded to the Bank Assets Management Company. This has improved the transmission of expansionary euro area monetary policy, although interest rates on new business loans remain higher than the euro area average.

Slovenia has an inclusive labour market, with the exception of older workers and the long-term unemployed, leaving few underutilised sources of labour. Therefore, better targeted active labour market policies and closing of remaining bridges to early retirement in the social welfare system could help damp potential inflationary pressures. Alternatively, Slovenia could expedite a planned tightening of fiscal policy if inflation accelerates. Promoting life-long learning would boost labour supply and also help workers adapt to future changes brought by globalisation. However, further global integration is hindered by the prevalence of state-owned enterprises, and the programme of privatisation has slowed.

Inflationary pressures will begin to emerge

The pace of the economic expansion is projected to strengthen, with economic slack soon disappearing. Household incomes should rise as falling unemployment leads to public and private-sector wage pressures. Higher incomes, combined with lower precautionary savings, are projected to lead to strong sustained growth in private consumption. Private investment will increase to meet rising demand, while public investment will also pick up due to renewed disbursement of EU structural funds. Exports will continue to grow, mostly due to a strengthening euro area economy. Economic growth will close the fiscal deficit and ensure continued public-debt reduction.

Stronger-than-expected growth in the euro area would further boost exports, while faster wage growth could accelerate private consumption. Failure to adhere to government expenditure ceilings could lead to temporarily higher growth, although at the cost of higher inflation resulting in the loss of export market share. Growth could be reduced by an early tightening of euro area monetary policy, reducing private investment. Alternatively, an increase in geopolitical uncertainty or protectionism could damage Slovenia's export markets, especially outside Europe.

SOUTH AFRICA

Economic growth is projected to continue to be weak in 2017 before picking up moderately in 2018, as private consumption and exports rise on the back of a recovery in commodity prices and growth in export markets. Unemployment and inequality will remain high, reflecting large skill gaps and low education quality. Inflation has been above target, due to the rand depreciation and rising food prices, but is easing.

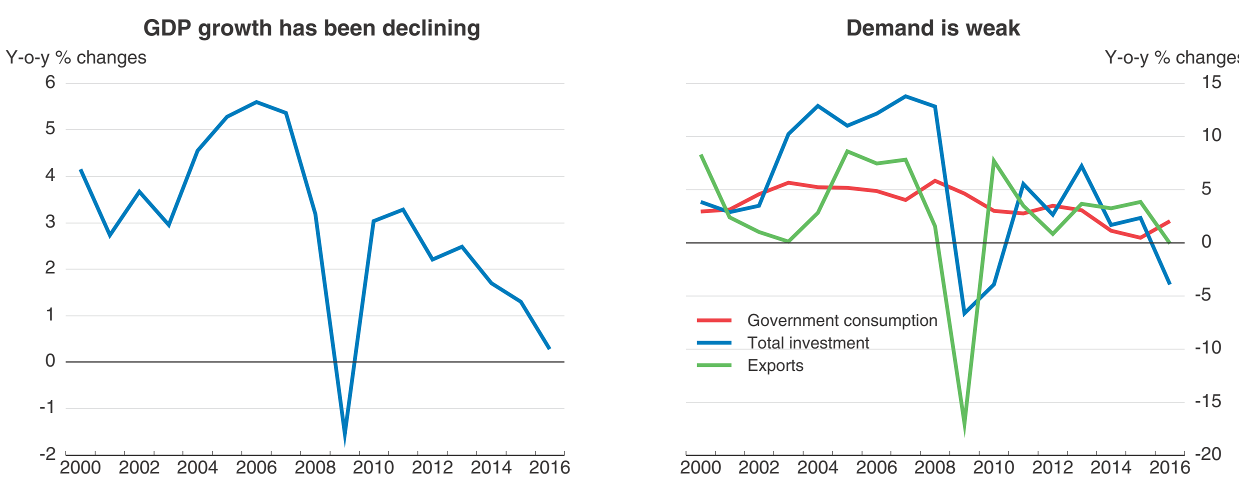
Monetary policy has been slightly accommodative since March 2016, which is appropriate as inflation peaks were driven by temporary shocks, such as a severe drought. Continued depreciation of the rand due to ratings downgrades could have second-round impacts on inflation. The Reserve Bank may need to communicate clearly its readiness to act to ensure that inflation expectations remain anchored. A moderate fiscal consolidation to stabilise debt levels should be pursued, while social transfers should be preserved to reduce inequality and poverty. Bold structural reforms are needed to boost growth, especially more competition in network and services sectors, and to improve the education system.

Greater regional integration can boost growth by broadening access to markets and resources. South African firms can benefit from deeper integration, given their better financial resources and advanced technologies, if trade and non-trade barriers are further removed. Globalisation and financial openness have helped deepen financial markets, but have also implied high volatility of the rand and the stock market. This can be contained by further developing prudential rules for financial institutions. Workers in exporting sectors, like mining or banking, have benefited from globalisation with high wages, tending to raise inequality. The government is introducing a national minimum wage which will reduce wage inequality and poverty.

Persistent low growth

Growth in 2016 marks the lowest rate in the past 16 years, apart from the 2009 recession. Political uncertainty remains high, weighing on business and consumer

South Africa



Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503681

South Africa: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ZAR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	3 540.1	1.7	1.3	0.3	0.8	1.2
Private consumption	2 144.2	0.7	1.7	0.8	0.8	1.5
Government consumption	728.2	1.1	0.5	2.0	0.8	0.8
Gross fixed capital formation	721.2	1.7	2.3	-3.9	0.0	2.8
Final domestic demand	3 593.6	1.0	1.6	0.1	0.6	1.6
Stockbuilding[1]	31.2	-0.4	0.2	-0.9	-0.2	0.0
Total domestic demand	3 624.8	0.6	1.8	-0.8	0.4	1.6
Exports of goods and services	1 093.1	3.2	3.9	-0.1	4.3	4.5
Imports of goods and services	1 177.8	-0.5	5.4	-3.7	2.9	5.9
Net exports[1]	- 84.7	1.1	-0.5	1.1	0.4	-0.4
Memorandum items						
GDP deflator	_	5.5	4.9	6.7	5.6	5.4
Consumer price index	_	6.1	4.6	6.3	6.0	5.8
Private consumption deflator	_	5.7	3.9	6.1	5.3	5.0
General government financial balance[2]	_	-4.1	-3.9	-3.5	-3.3	-3.0
Current account balance[2]	_	-5.3	-4.4	-3.3	-2.7	-3.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506303

confidence. Investment will remain low in 2017. Persistent high unemployment and a high level of indebtedness will keep household consumption low. On the government side, expenditure growth will remain moderate as rising debt is still calling for consolidation. Exports will support demand, as commodity prices are picking up and growth is firming in South Africa's main foreign markets.

The current account deficit has fallen, for the undesirable reason that slow growth of domestic incomes has reduced imports, but also for the good reason that the terms of trade have benefitted from rand appreciation in 2016 and the pick-up of international commodity prices. The current account deficit is financed by portfolio investment flows, creating high exposure to a reversal of capital flows. In 2016, South Africa experienced a high level of equity outflows partially covered by bond inflows, reflecting investor's portfolio arbitrage and political uncertainty.

The policy environment has deteriorated

Political uncertainty has led to credit ratings downgrades, weighing on monetary and fiscal policies. Monetary policy is operating in a difficult environment of high inflation and low growth. The long-lasting drought, rising oil prices and the delayed exchange rate pass-through have maintained inflation high in 2016. Any further rand depreciation might keep inflation high.

Fiscal consolidation has to continue to limit the growth of debt. The main risks to debt sustainability stem from the consequences of the ratings downgrade and rising contingent liabilities in state-owned enterprises. The downgrade may trigger spikes in interest rates with persistent effects on growth and debt. The exposure of the public sector to state-owned entities has been increasing in recent years. Pursuing consolidation in a credible way will help limit increases in sovereign premiums. The structure of government spending is skewed by a large wage bill and household transfers (accounting together for 50% of government spending in 2016). This limits space for the public investment needed to meet physical and social infrastructure requirements and unlock growth. Further efforts could be made to limit annual wage increases in the government sector and increase the effectiveness of government spending.

The proposed national minimum wage will potentially affect 6 million workers, which is almost half (47%) of all wage earners. It should substantially reduce poverty amongst low-skilled workers.

Growth remains dependent on political uncertainty

Another moderate increase in GDP is projected in 2017 as investment will remain subdued and household consumption growth stays moderate. A growth pick-up in 2018 will come mainly from exports supported by higher commodity prices.

The level of confidence in the economy is fragile given the unstable political environment. A rise in political tensions could further restrain private investment. The rand also remains highly responsive to US interest rates, and hence exposed to their increases. In addition, as the United Kingdom is South Africa's largest European trading partner, uncertainty about the impact of Brexit may affect imports and financial flows. Finally, the outlook could be better if international commodity prices keep on increasing or growth accelerates in the main trading partners, such as the United States and China. Also, the agriculture sector is growing again and could through price effects boost domestic demand. Indeed, the current crop estimates are large and the harvest seems to be good. If food prices come down significantly, it would ease the pressure on households and increase their purchasing power.

SPAIN

The recovery is projected to remain robust in 2017 and 2018, although at a more moderate pace as the boost to private consumption provided by low oil prices and lower taxes eases. Growth will be driven by both domestic demand, supported by low interest rates and strong employment growth, and a positive external outlook. Inflation will remain subdued due to still high unemployment.

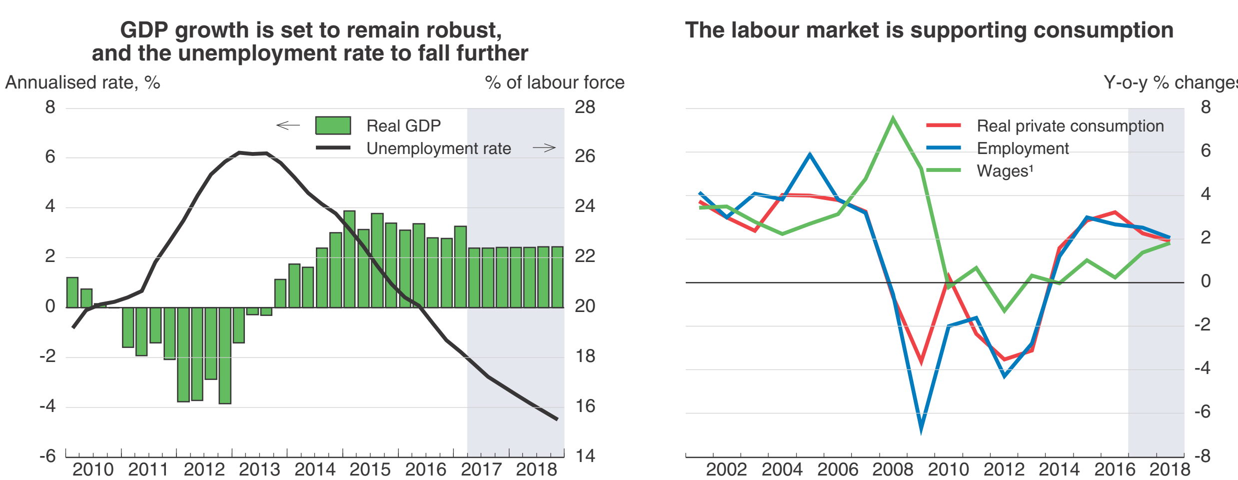
The fiscal stance will be broadly neutral over the projection period. Public debt relative to GDP has been slowly decreasing, but remains high. The government should stick to its medium-term consolidation path to ensure a gradually declining debt-to-GDP ratio. Structural reforms have contributed to improved competitiveness and strong employment growth, but more effective labour market policies and re-skilling are needed to further reduce unemployment.

Exports have risen from 25% of GDP in 2005 to 33% in 2016. Spain could reap further the benefits from globalisation and boost productivity by reducing regulatory barriers in product markets and encouraging higher investment in R&D and innovation. Decreasing labour market duality and strengthening skills by improving access to vocational education and training would help workers adapt to changing labour market needs due to globalisation and other factors.

Growth remains robust

The recovery is being driven by both domestic demand and exports, and is supported by strong employment growth and expansionary monetary policy. Exports are benefitting from gains in competitiveness and expansion of export markets in recent years. A temporary rise in headline inflation due to energy price increases in the first quarter of 2017 has adversely affected private consumption, but employment and consumer confidence continued to strengthen. Business investment has picked up due to favourable financing conditions, lower corporate indebtedness and stronger confidence.

Spain



1. In nominal terms.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503700

Spain: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 025.6	1.4	3.2	3.2	2.8	2.4
Private consumption	598.5	1.6	2.9	3.2	2.3	1.9
Government consumption	201.8	-0.3	2.0	0.8	0.8	0.7
Gross fixed capital formation	192.4	3.8	6.0	3.1	3.9	4.9
Final domestic demand	992.7	1.6	3.3	2.7	2.3	2.3
Stockbuilding[1]	- 0.5	0.3	0.1	0.1	0.0	0.0
Total domestic demand	992.2	1.9	3.4	2.9	2.3	2.3
Exports of goods and services	330.5	4.2	4.9	4.4	6.7	5.0
Imports of goods and services	297.1	6.5	5.6	3.3	5.5	4.9
Net exports[1]	33.4	-0.5	-0.1	0.5	0.5	0.2
Memorandum items						
GDP deflator	_	-0.3	0.5	0.3	1.4	1.4
Harmonised index of consumer prices	_	-0.2	-0.6	-0.3	2.3	1.4
Private consumption deflator	_	0.2	-0.2	-0.2	1.8	1.4
Unemployment rate	_	24.4	22.1	19.6	17.5	16.0
Household saving ratio, net[2]	_	3.2	2.3	1.7	1.7	1.5
General government financial balance[3]	_	-6.0	-5.1	-4.5	-3.1	-2.3
General government gross debt[3]	_	118.5	116.8	117.2	116.9	116.1
General government debt, Maastricht definition[3]	_	100.4	99.8	99.4	99.0	98.6
Current account balance[3]	_	1.1	1.4	2.0	2.1	2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506132

Ensuring sustainable and inclusive growth

The budget deficit declined to 4.5% of GDP in 2016 and is projected to decline further due to the recent broadening of the corporate tax base and to improved value-added tax collection. Given the high public debt, the government should stick to its medium-term fiscal targets, notably in structural terms, to allow a steady reduction of the ratio of debt to GDP. Monetary policy in the euro area will remain highly accommodative, boosting consumption and investment.

Further reforms to boost productivity growth would contribute to improved competitiveness and the greater internationalisation of Spanish firms. The implementation of the market unity law should help improve business regulation, but policies are needed to foster competition in professional services. Increasing public and private funding for innovative firms at the seed and early start-up phases would help address the under-investment in knowledge-based capital. Improving access to finance by small and medium-sized enterprises via better bond and loan securitisation tools and eliminating regulatory barriers to firms' expansion would help integrate Spain further into global markets.

Ensuring that the benefits of globalisation are shared equally requires a skilled and flexible labour force. Improved access to vocational education and training, and adult education programmes would boost skills. Increasing the effectiveness of active labour market policies and decreasing labour market duality would increase job quality, improve job matching, and help fight youth and long-term unemployment, which remain very high. These policies would also contribute to spreading the benefits of the recovery and globalisation as widely as possible.

The pace of the recovery will moderate

GDP growth is projected to slow gradually to 2.8% in 2017 and 2.4% in 2018, as the boost to private consumption provided by low oil prices and lower taxes eases. Nevertheless, strong job creation and a gradual rise in wages will continue to support household consumption. Continued favourable financing conditions will extend the pick-up in business and housing investment. Export growth will remain strong but imports will also increase as investment rises and the positive contribution of external demand to growth will decline slightly over the projection period. Inflation will increase slightly as the unemployment rate falls further and the output gap closes, but remain subdued due to still significant slack.

A minority government could face difficulties in pushing the national reform agenda further, resulting in weaker growth. Renewed financial turbulence in international markets and weaker-than-projected growth in Europe would temper growth. On the upside, higher construction investment and stronger demand from Europe, Spain's main export destination, would boost growth more than projected.

SWEDEN

The economy is still growing strongly, underpinned by solid demand, labour force expansion, rising productivity and a brightening international outlook. However, shortages of qualified labour and constructible land are slowing residential investment. The decline in the unemployment rate is levelling off as difficult-to-hire low-skilled workers make up a rising share of jobseekers. A three-year wage agreement with modest wage increases should restrain inflationary pressures and, together with persistently high household saving, hold back consumption.

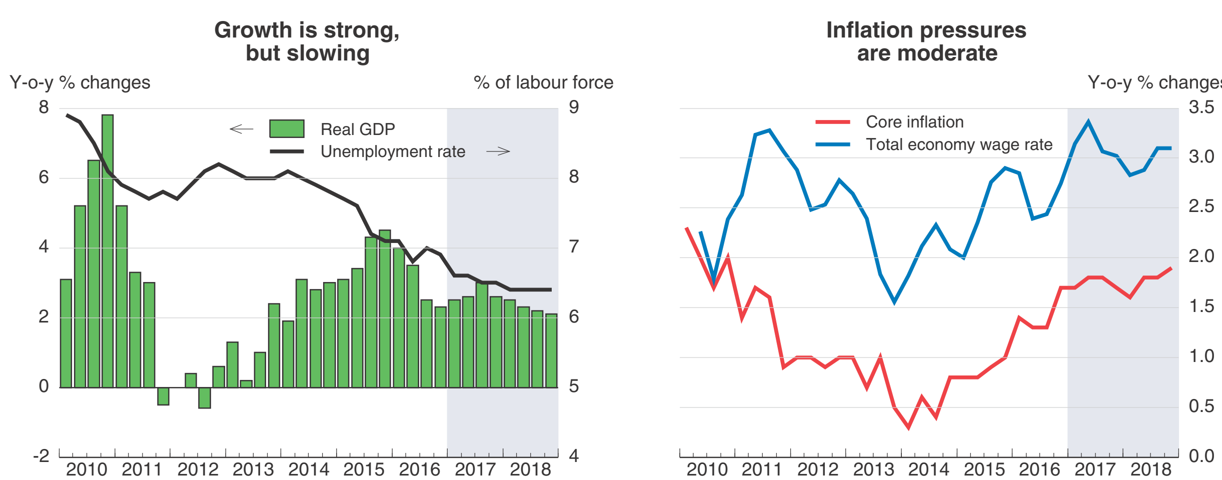
Highly expansionary monetary policy in response to persistently below-target inflation continues to fuel a housing boom, despite a damping effect from macro-prudential policies. Easing planning and rental regulations and reforming housing taxation would help stabilise house prices, increase labour market mobility and improve equality. Investment in skills and integrating humanitarian migrants in the labour market, notably women, are rightly accommodated within a prudent fiscal policy.

Sweden benefits substantially from its deep integration in global value chains, while policies mitigate external shocks and support the adaptation of workers through training, counselling and temporary income support. The gains from globalisation are shared through extensive public services and redistribution. However, international competitiveness concerns hold back collectively bargained wage growth and constrain monetary policy.

Growth set to continue, but at a slowing pace

The economy is still growing strongly, underpinned by solid demand, labour force expansion, rising productivity and a brightening international outlook. Unemployment is gradually declining, but the unemployed increasingly consist of harder-to-employ individuals, including recently arrived immigrants. Wage growth, negotiated with an eye on international competitiveness, is slow relative to the strength of the economy. The

Sweden



Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503719

Sweden: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices SEK billion	Percentage changes, volume (2015 prices)				
GDP at market prices	3 773.6	2.7	3.8	3.1	2.7	2.3
Private consumption	1 759.7	2.2	2.6	2.2	2.2	2.2
Government consumption	992.1	1.7	2.3	2.7	2.7	2.5
Gross fixed capital formation	843.5	5.6	6.5	5.5	3.3	2.5
Final domestic demand	3 595.3	2.8	3.5	3.1	2.6	2.4
Stockbuilding[1]	8.2	0.2	0.3	0.1	-0.1	0.0
Total domestic demand	3 603.5	3.0	3.8	3.2	2.5	2.4
Exports of goods and services	1 654.6	5.5	5.2	3.0	3.5	3.6
Imports of goods and services	1 484.4	6.5	5.1	3.3	3.2	4.0
Net exports[1]	170.2	-0.2	0.3	0.0	0.3	0.0
Memorandum items						
GDP deflator	_	1.7	2.1	1.4	2.2	2.1
Consumer price index[2]	_	-0.2	0.0	1.0	1.6	1.8
Private consumption deflator	_	1.1	1.0	1.0	1.7	1.8
Unemployment rate[3]	_	7.9	7.4	6.9	6.5	6.4
Household saving ratio, net[4]	_	15.9	16.2	16.5	16.1	15.7
General government financial balance[5]	_	-1.5	0.3	0.9	1.0	1.0
General government gross debt[5]	_	55.7	53.9	52.6	50.5	48.3
General government debt, Maastricht definition[5]	_	45.2	43.9	41.7	39.6	37.4
Current account balance[5]	_	4.6	4.7	4.7	5.2	5.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. The consumer price index includes mortgage interest costs.
3. Historical data and projections are based on the definition of unemployment which covers 15 to 74 year olds and classifies job-seeking full-time students as unemployed.
4. As a percentage of disposable income.
5. As a percentage of GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506151

household saving rate is high, holding back private consumption and muting inflationary pressures. Monetary policy has accordingly remained highly expansionary, which continues to push up investment and asset prices, albeit at a slightly slower pace.

A debt-financed housing boom creates vulnerabilities

The repo rate has remained at -0.5% since February 2016, driving up prices and inflation expectations. Low interest rates, strong population growth, favourable tax treatment of property and a slow supply response led to double-digit housing price increases for the past two years, and to rising household debt. Macro-prudential measures, including the mortgage amortisation requirement introduced in June 2016, seem to have damped house price growth somewhat. Existing measures will need to be supplemented by a debt-to-income cap if prices continue to rise. Further steps to ease planning and increase housing supply should be taken. Easing rental regulations, removing the ceiling of the property tax and phasing out mortgage interest deductibility would damp house price increases, improve the allocation of housing and capital, promote mobility and increase redistribution.

The decision to lower the fiscal surplus target from 1% to 0.33% of GDP increases fiscal space slightly over the coming years, and plans to use the space to invest in immigrant reception and integration are welcome. Successful integration of humanitarian migrants, focussing on upskilling and access to the labour market, is necessary to ensure that migrants, notably women, are given the opportunity to improve their lives and contribute to Swedish society.

Growth is projected to soften as the economy reaches full capacity

GDP growth is projected to slow over the next two years. Shortages of qualified labour and available land with building permission will hold back residential investment. Consumption will continue to grow more slowly than GDP, as real wage increases are contained by the leading role in collective bargaining of the export industry, which is exposed to tough global competition. The high saving rate, partly related to uncertainty and mortgage repayments, further limits consumption growth. Domestic inflation pressures will remain subdued, and monetary policy is therefore expected to stay highly expansionary. The decline in unemployment will taper off as an increasing share of the unemployed are low-educated or recent immigrants that lack the skills to get a job.

Interest rates are set to stay low for some time, and a failure to rein in household debt would heighten financial risks and households' vulnerability to house price declines and interest rate increases. Sweden is a small, open economy, strongly integrated into global value chains, and hence particularly exposed to currency movements, international trade growth, protectionism and developments in its trading partners.

SWITZERLAND

GDP growth is projected to rise gradually, which will reduce unemployment. The low interest rate environment is set to continue, helping to revive domestic demand. Deflation seems to have been overcome, but inflation is projected to remain low through 2018. The large current account surplus will persist.

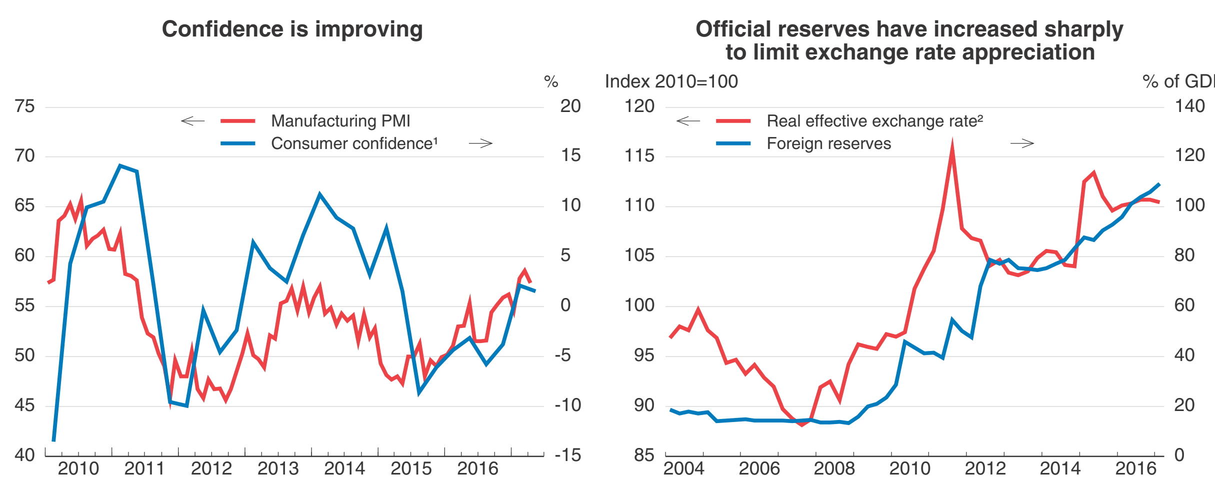
A continuation of the policy of negative rates is justified by low inflation and weak growth. Nevertheless, as growth picks up, policy interest rates are projected to begin to rise in late 2018. As persistent very low rates can give rise to major financial distortions, close monitoring and tight prudential regulation should also be retained. Small budget surpluses are expected, and public debt will continue to decline. Available fiscal space should be exploited to support the recovery.

As the economy increasingly opens to Europe and the rest of the world, Switzerland should be able to maintain its enviable economic position. In particular, it has managed to develop several leading global industries. However, well-being would be enhanced if barriers to trade in services were lowered to deepen participation in global value chains. Sizeable immigration has brought increases in skilled labour but has also proved to be challenging, calling for continued focus on integrating new migrants.

The recovery is gradual

GDP grew by 1.3% in 2016, a marked improvement on 2015. Nevertheless, growth remains modest and leaves significant slack in the economy. Recent indicators point to some strengthening. The Swiss franc depreciated in real terms in 2016 and early 2017 after a large appreciation in 2015, but upward pressures remain, which have led to sizeable interventions by the Swiss National Bank (SNB). The large current account surplus has persisted. Modest inflation is returning, partly driven by rising commodity prices.

Switzerland



1. Difference from long-term average.
2. Based on consumer price inflation.
Source: OECD Economic Outlook 101 database; Thomson Reuters; and Markit.

StatLink http://dx.doi.org/10.1787/888933503738

Switzerland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CHF billion	Percentage changes, volume (2010 prices)				
GDP at market prices	635.0	2.0	0.8	1.3	1.5	1.9
Private consumption	343.9	1.2	1.0	1.2	1.8	1.9
Government consumption	70.6	1.5	2.2	1.9	1.4	1.7
Gross fixed capital formation	149.3	2.8	1.5	2.5	1.7	2.4
Final domestic demand	563.8	1.7	1.3	1.6	1.8	2.0
Stockbuilding[1]	- 6.0	0.2	0.5	-1.6	-0.6	0.0
Total domestic demand	557.8	2.1	1.9	-0.4	1.1	2.1
Exports of goods and services	459.4	-6.1	2.2	4.6	5.8	4.0
Imports of goods and services	382.3	-7.8	4.3	2.7	6.2	4.8
Net exports[1]	77.2	0.3	-0.9	1.5	0.5	0.1
Memorandum items						
GDP deflator	_	-0.6	-0.5	-0.6	0.4	0.5
Consumer price index	_	0.0	-1.1	-0.4	0.5	0.4
Private consumption deflator	_	-0.2	-0.8	-0.4	0.4	0.1
Unemployment rate	_	4.5	4.5	4.6	4.5	4.3
General government financial balance[2]	_	-0.3	1.1	0.6	0.5	0.5
General government gross debt[2]	_	45.7	45.4	44.7	44.1	43.5
Current account balance[2]	_	8.8	11.5	10.7	11.3	11.4

Note: In accordance with ESA 2010 national accounts definitions.
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506170

Policy settings are appropriate for now

Inflation remains very low and the SNB should therefore maintain its negative interest rate. As the economy gradually strengthens and interest rates rise in major economies, it would be appropriate to start removing extraordinary policy stimulus in late 2018. This would also help to reduce the risk of financial imbalances accumulating. The budget balance is projected to show a continued small surplus, implying further declines in public debt in relation to GDP. However, fiscal space is available, and using it would both support economic growth and take some of the pressure off monetary policy.

Globalisation has provided prosperity, and inequality remains low, but policymakers should focus on supporting those with disadvantaged backgrounds, especially at pre-primary and university levels, where they tend to underperform. The parliament has passed a reform responding to the 2014 referendum that demanded limits on immigration; the final reform aims to help workers in regions and sectors with high unemployment and appears flexible enough not to damp economic activity. Increasing childcare facilities and switching to individual personal taxation would facilitate full-time female employment for those who so choose.

Growth is projected to pick up somewhat in the context of global improvements

Domestic demand will be supported by negative interest rates, a confidence-enhancing decrease in unemployment, and better external market conditions. Consumer prices should edge up after several years of deflation, mostly driven by global commodity prices. The current account surplus will persist, even as somewhat stronger domestic demand boosts imports.

External risks dominate the projections. The recent improvement in the euro area economy could prove stronger than projected, bolstering exports. While negative rates help growth, imbalances may develop in financial and housing markets. A rise in global protectionism or a renewal of turbulence in the euro area could weigh on the economy.

TURKEY

Economic growth is projected to edge up to around 3½ per cent in 2017 and 2018. Consumer price inflation is back in double digits and disinflation is projected to be slow.

Fiscal and other measures, supported by a pick-up in export demand, have stimulated private consumption and investment. Their impact on public finances and the quality of credit allocation should be monitored. Faced with sharp exchange rate depreciation and rising inflation expectations, the monetary stance has been tightened, but explicit increases in the main policy rate are warranted.

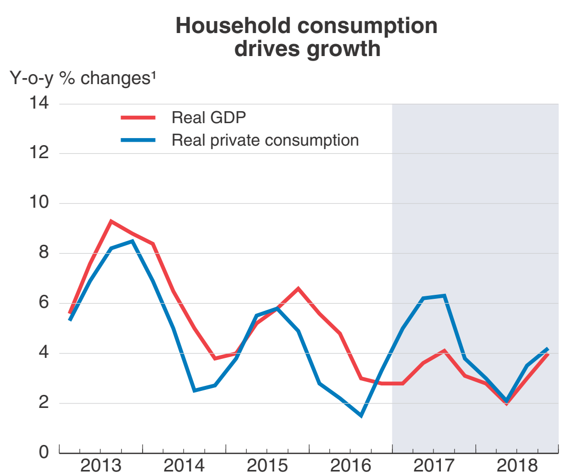
Increasing net exports through further integration in global and European value chains is crucial for job creation in the face of a high unemployment rate, without further increasing the current account deficit. To this effect, the long-planned, though now uncertain, deepening of the customs union agreement with the European Union and its extension to agriculture and service sectors is key. To make the most of the resulting opportunities, up-skilling programmes should be implemented not only for young workers but also for entrepreneurs and low-skilled workers.

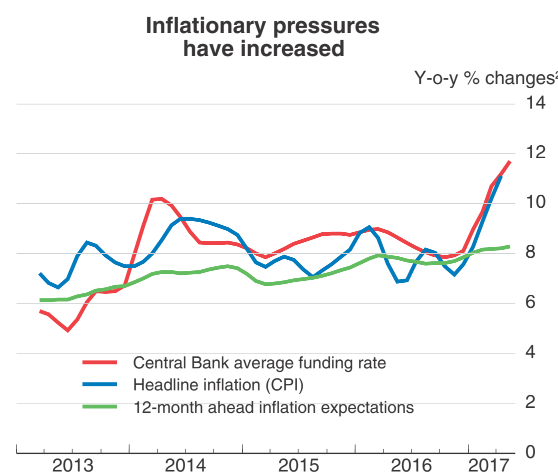
The economy has recovered from the shocks of 2016

Economic activity slowed in 2016 against the backdrop of a failed putsch in July and increased geopolitical tensions in the region. However, helped by numerous government measures, both private consumption and investment have started to recover. Against the backdrop of steady increases in the labour force, the youth unemployment rate is historically high, reaching 24% for young workers in early 2017.

Growth is being supported by an acceleration of goods exports, on the back of improving demand from Europe and competitiveness gains delivered by exchange rate depreciation. In contrast, service exports, while are dominated by tourism (representing 16% of total exports), remain weak. Tourist inflows from Russia resumed, but the inflow of

Turkey





1. Three-quarter moving average.
2. Three-month moving average.
Source: OECD Economic Outlook 101 database; and Turkish Central Bank.

StatLink http://dx.doi.org/10.1787/888933503757

Turkey: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices TRY billion	Percentage changes, volume (2009 prices)				
GDP at market prices	1 809.7	5.0	5.9	3.1	3.4	3.5
Private consumption	1 120.4	2.7	5.2	2.6	4.8	3.7
Government consumption	255.6	3.1	4.1	7.3	2.8	2.4
Gross fixed capital formation	516.2	5.1	9.2	3.0	2.6	3.2
Final domestic demand	1 892.2	3.4	6.2	3.4	3.9	3.4
Stockbuilding[1]	22.6	-0.8	-1.6	0.3	-0.8	0.1
Total domestic demand	1 914.8	2.6	4.6	3.8	3.3	3.6
Exports of goods and services	403.1	8.2	4.2	-2.0	5.3	3.9
Imports of goods and services	508.1	-0.6	1.5	4.1	4.0	4.2
Net exports[1]	- 105.1	2.0	0.6	-1.5	0.2	-0.2
Memorandum items						
GDP deflator	_	7.6	8.0	7.5	8.7	8.3
Consumer price index	_	8.9	7.7	7.8	10.4	8.1
Private consumption deflator	_	8.0	8.0	6.5	10.9	7.9
Unemployment rate	_	9.9	10.3	10.9	10.8	10.9
Current account balance[2]	_	-4.7	-3.7	-3.8	-4.8	-4.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933506189

visitors from Europe (which represent two thirds of all tourist arrivals) remains subdued. The current account deficit is widening again.

New fiscal stimulus measures have been put in place

Policymakers have made use of the fiscal space created by past budget restraint to launch measures to support private consumption, investment and job creation. Substantial restructuring of tax and social security contribution obligations has been offered. Purchases of new housing, furniture and white goods benefit from VAT cuts. Prudential rules for consumer loans and credit cards have been relaxed. In the business sector, government credit guarantees covering from 85% to 100% of bank loans to large firms, SMEs and exporters, and zero-interest loans to large numbers of SMEs are fuelling business loans. Increased risks of excessive balance sheet leverage must be kept in check with effective prudential rules.

A "national employment campaign" was launched in early 2017. The employment costs of newly hired workers are being subsidised by 30% for one year, and for four years for young and female workers. Other exemptions are offered for firms hiring various categories of workers in different regions.

The ensuing fiscal implications, including for off-budget liabilities, have yet to be reported. The publication of general government accounts, as part of the comprehensive national accounts revisions in December 2016 (which entailed a 20% increase in the level of GDP) was a long-awaited step in fiscal transparency. The cost of the new stimulus measures should be reported in this framework to strengthen the credibility of the public finances. This is important for the smooth financing of Turkey's large external funding needs, projected at 20% of GDP in 2017.

Monetary policy was tightened after the putsch attempt in response to a sharp exchange rate depreciation which raised inflation and inflation expectations. Inflation rose to double digits in 2017, reaching 11.9% in April, far above the 5% target. Since the beginning of 2017, the central bank has tightened the monetary policy stance using liquidity management rather than standard policy tools. As inflation and exchange rate-related risks remain high, a direct increase in the policy rate is needed.

Uncertainties remain high

As the impact of exceptional incentives fades, private consumption and investment are projected to settle on a moderate path. Given continuing regional geo-political tensions, and prior to general elections in 2019, growth is projected to edge up to around 3½ per cent in 2017 and 2018. If long-delayed economic reforms are implemented, confidence could improve and growth could be stronger. If instead geopolitical strains or domestic political tensions worsen, or if relations between Turkey and the European Union and the planned renegotiation of the Customs Union Agreement suffer, business confidence, investment and growth would be weaker and tensions may arise in securing the large external funding needs - including the roll-over of the significant external corporate debt stock. Specific developments affecting tourism may also have an impact on growth.

UNITED KINGDOM

The economy is projected to slow in 2017 and 2018, owing to uncertainty about the outcome of the Brexit negotiations. This projection assumes that the United Kingdom's external trade will operate on a most favoured nation basis from April 2019. The uncertainty, and the assumed outcome, is projected to undermine spending, in particular investment. Policies have supported private confidence and consumption, but household spending is projected to ease as the combination of a weakening labour market and higher inflation reduces real wage growth. The current account deficit has narrowed and exports should support growth, stimulated by improved competitiveness.

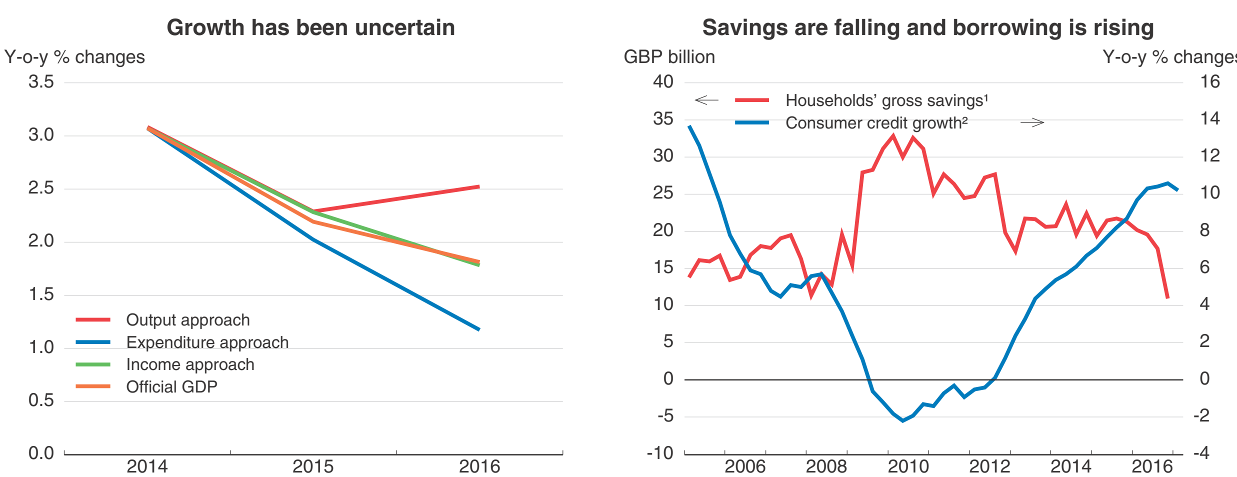
Inflation has exceeded the target of 2% reflecting the recent exchange rate depreciation. The Bank of England is projected to look through this transitory effect and maintain its supportive policy stance. The budget deficit is projected to remain broadly unchanged this year, but fiscal consolidation is planned for 2018 despite a weaker growth outlook. Instead, further fiscal initiatives to increase public investment should be considered to support demand in the near term and boost supply in the longer term.

The United Kingdom faces a long-standing decline in its export market share. Its less affluent regions, which mainly export manufacturing and agricultural products, are exposed to the risk of global protectionism, which could lower incomes and raise inequality. Enhancing regional and urban transport links would increase firms' access to the best technologies and lower export costs, improving their ability to tap new markets and suppliers. Relaxing regulations to lift housing supply, promoting educational attainment and fostering lifelong learning would boost regional labour mobility and improve job prospects for displaced workers.

Economic activity has weakened

Growth fell to 1.8% in 2016, but there is more uncertainty about this estimate than usual given the divergence between different approaches to measuring GDP. Private

United Kingdom



1. Households also include non-profit institutions serving households.
2. Consumer credit refers to total (excluding the Student Loans Company) sterling net consumer credit lending to individuals.

Source: Office for National Statistics; and Bank of England.

StatLink http://dx.doi.org/10.1787/888933503795

United Kingdom: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	2.4	1.7	1.4	0.7	-0.2
Unemployment rate[1]	6.2	5.4	4.9	4.8	5.3
Compensation per employee[2]	0.7	1.2	2.8	2.5	1.5
Unit labour cost	-0.7	1.0	1.9	2.0	1.5
Household disposable income	2.9	4.1	2.8	3.0	2.5
GDP deflator	1.6	0.6	1.7	2.2	1.9
Harmonised index of consumer prices[3]	1.5	0.1	0.6	2.8	2.7
Core harmonised index of consumer prices[4]	1.6	1.1	1.2	2.3	2.7
Private consumption deflator	1.7	0.3	1.1	2.6	2.6

1. As a percentage of labour force.
2. In the total economy.
3. The HICP is known as the Consumer Price Index in the United Kingdom.
4. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

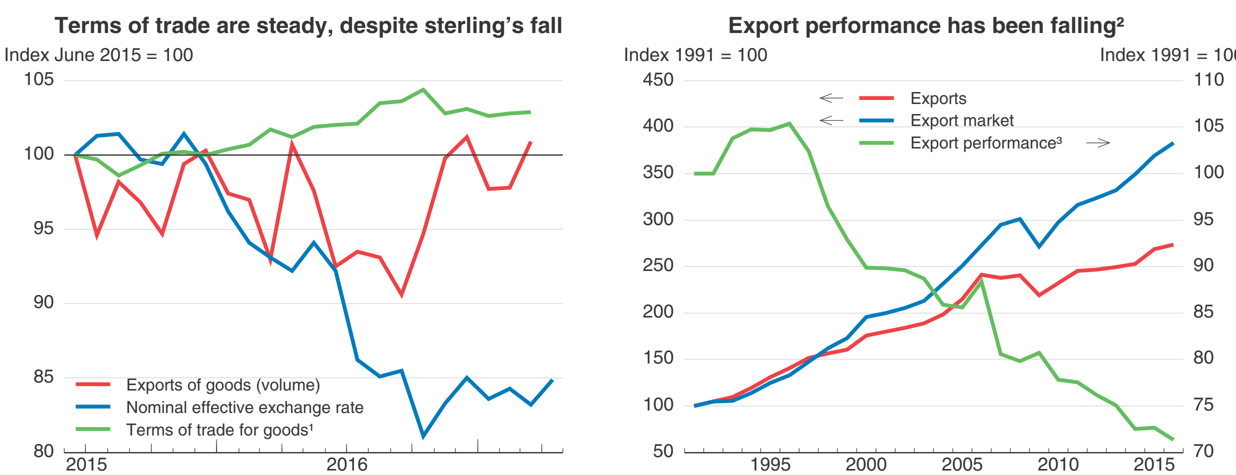
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505467

consumption has been the main driver of growth, supported by robust increases in total hours worked, improvements in real wage growth until recently, and increases in the minimum wage. Households have also reduced their gross savings and borrowed to sustain consumption, resulting in a significant reduction of the saving ratio. However, retail sales have been volatile more recently and banks expect to tighten the availability of consumer credit. Higher uncertainty is undermining businesses investment, although corporate risk appetite has bounced back somewhat from a low level.

Despite the depreciation of the exchange rate, exports have been volatile and export market shares have not risen. Yet, both the sterling value of foreign assets held by UK

United Kingdom



1. Export price index as a percentage of the import price index.
2. Data refer to goods and services in volumes.
3. Ratio between export volumes and the country's export market.

Source: Office for National Statistics; Thomson Reuters; and OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503776

United Kingdom: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, gross[1]	6.8	6.5	5.2	3.1	2.2
General government financial balance[2]	-5.6	-4.3	-3.3	-3.1	-2.4
General government gross debt[2]	113.4	112.7	123.2	122.9	122.6
General government debt, Maastricht definition[2]	88.1	89.0	89.3	88.7	88.1
Current account balance[2]	-4.7	-4.3	-4.4	-3.9	-3.8
Short-term interest rate[3]	0.5	0.6	0.5	0.3	0.3
Long-term interest rate[4]	2.6	1.9	1.3	1.0	0.8

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505486

investors and the value of earnings derived from these assets have increased. As a result, the net international investment position has moved into a surplus and the current account deficit has narrowed.

The labour market has remained tight, with the unemployment rate edging down to 4.6% and hours worked per employee rising, but vibrant employment growth has slowed somewhat. Nominal wage growth has been easing, despite low unemployment and high job vacancies. The minimum wage was increased further in April 2017, by around 4% for

United Kingdom: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices GBP billion	Percentage changes from previous year, volume (2013 prices)					
GDP at market prices	1 872.7	1.8	1.6	1.0	1.9	1.1	0.9
Private consumption	1 214.7	2.8	2.0	1.1	2.9	1.4	1.0
Government consumption	362.8	0.8	1.4	1.1	0.4	2.1	0.7
Gross fixed investment	317.1	0.5	1.2	-1.8	1.0	0.2	-2.0
Public[1]	49.3	2.6	3.8	1.2	7.2	1.0	1.4
Residential	87.6	3.7	3.4	-1.1	1.5	2.6	-1.5
Non-residential	180.2	-1.5	-0.6	-3.0	-0.9	-1.2	-3.3
Final domestic demand	1 894.6	2.0	1.8	0.7	2.1	1.4	0.4
Stockbuilding[2]	7.9	-0.5	0.3	0.0			
Total domestic demand	1 902.5	1.5	2.1	0.6	1.6	2.4	0.4
Exports of goods and services	517.4	1.8	1.9	2.6	0.6	0.1	2.8
Imports of goods and services	547.2	2.8	3.8	1.3	2.0	3.9	1.2
Net exports[2]	- 29.8	-0.3	-0.6	0.4			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Including nationalised industries and public corporations.
2. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505505

United Kingdom: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	842.7	790.6	739.9	762	814
Goods and services imports	902.4	836.1	790.3	829	885
Foreign balance	- 59.6	- 45.5	- 50.3	- 67	- 71
Invisibles, net	- 80.0	- 76.9	- 65.3	- 33	- 31
Current account balance	- 139.7	- 122.4	- 115.7	- 100	- 103
			Percentage changes		
Goods and services export volumes	1.5	6.1	1.8	1.9	2.6
Goods and services import volumes	2.5	5.5	2.8	3.8	1.3
Export performance[1]	- 3.4	0.2	- 1.8	- 3.1	- 1.5
Terms of trade	1.5	0.7	0.0	- 0.1	- 1.2

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505524

workers above the age of 25. The pace of further increases should continue to be adjusted depending on labour market conditions and productivity developments to avoid pricing low-skilled workers out of employment.

The macroeconomic policy stance needs to remain expansionary

The budget deficit fell to 2.5% of GDP at end-2016 and fiscal policy is broadly neutral in 2017. Consolidation is planned from 2018, and the mandate to reduce the structural deficit to 2% of GDP by 2021 should be reached earlier than planned. Moreover, reduced debt-service costs due to very low interest rates, the transfer of interest payments collected by the Bank of England under its quantitative easing programme and the longest maturity of public debt in the OECD (above 15 years) create substantial fiscal space. Fiscal policy should therefore be used to offset growth headwinds created by uncertainties surrounding the future withdrawal of the United Kingdom from the European Union.

The Bank of England has continued its welcome support of the economy by maintaining a large monetary stimulus. Inflation has recently risen above the 2% target, but this reflects temporary factors, and monetary support will continue to be needed as the economy is projected to slow as Brexit uncertainties take hold. Consumer lending has been vibrant, prompting regulatory authorities to review the quality of lending standards for consumer loans and the rules underpinning them. Should consumer lending growth remain high, the authorities could consider taking further targeted regulatory steps, such as phasing out consumer loans from the Term Funding Scheme, similar to the exclusion of household loans from the Funding for Lending Scheme in 2014.

The UK economy has been increasingly exposed to international trade and competition. This raises productivity and incomes, but also has downsides as sectors adjust and workers are displaced. Dealing with these downsides requires stronger policies to ease adjustment. Higher investment in transport infrastructure, in particular in less productive regions, would improve connectivity and the diffusion of knowledge. Higher housing supply would improve the matching of skills to jobs in the labour market and ease the reallocation of resources towards sectors with stronger comparative advantage.

Supporting higher educational attainment and addressing teacher shortages in less productive regions would raise skill levels of younger people, increasing their adaptability and their chances of finding and holding good jobs.

Growth is projected to slow

GDP growth is set to weaken slightly to 1.6% in 2017 and then more significantly to 1% in 2018. This projection critically assumes that "most favoured nation" treatment will govern UK trade after the United Kingdom leaves the European Union in 2019. Private consumption growth is projected to slow, as higher inflation holds back real earnings, but a weaker growth outlook should mitigate the extent of price pressures in the economy. Also, households are expected to continue to support their consumption by further reducing their saving rate. Business investment is projected to contract amid the large uncertainty and because of lower corporate margins. Weaker growth could push the unemployment rate above 5%.

The major risk for the economy is the uncertainty surrounding the exit process from the European Union. Higher uncertainty could hamper domestic and foreign investment more than projected, but swift progress in negotiations and an outcome that retains strong trade linkages with the European Union would lead to better outcomes than projected. Export growth could be weaker if export prices rise more than projected, reducing competiveness gains from the past exchange rate depreciation.

UNITED STATES

Economic growth is projected to pick up in 2017 and 2018 as headwinds from past exchange rate appreciations abate and support from fiscal policy begins to appear. Consumer spending will benefit from continued, though slowing, employment gains and, as the labour market tightens, stronger wage growth.

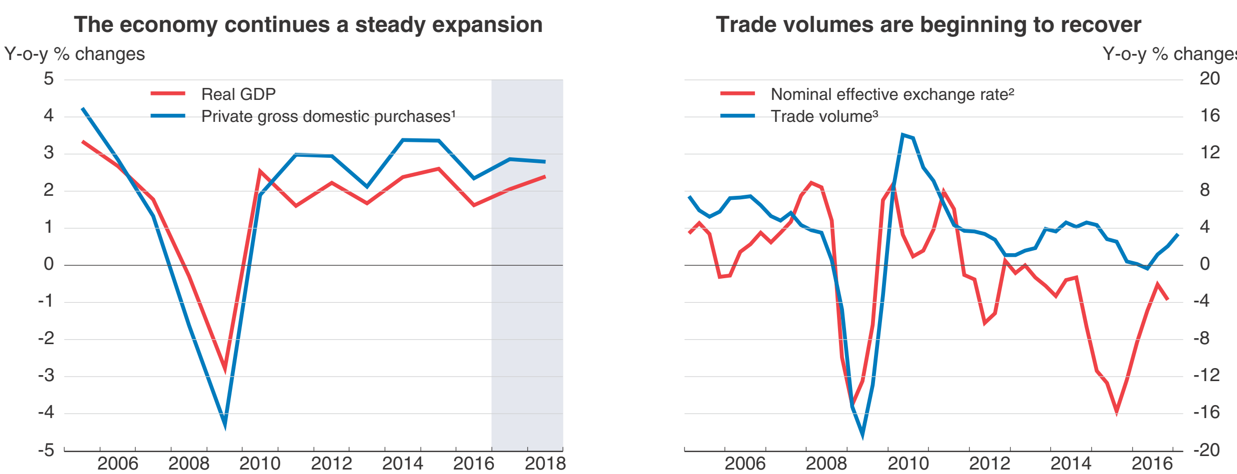
With inflation nearing its target and unemployment edging down further, monetary policy stimulus has begun to be withdrawn gradually. As growth picks up, further interest rate rises are projected to contain inflationary pressures and reduce the risk of financial-market distortions. Reducing the size of the central bank's balance sheet will soon become appropriate. The Administration and Congress are formulating plans to cut taxes and boost infrastructure spending. The present projection assumes no spending increase at the federal level, but a tax reform is projected, which will support consumer spending and investment in 2018.

The United States is an important participant in global value chains and foreign trade has become a more important driver of economic activity. Together with technical change, this has brought many benefits to consumers, though in certain areas job losses have contributed to persistent unemployment and poverty, while displaced workers who find new jobs may need to take a significant pay cut. In comparison with other OECD countries, the United States devotes relatively few resources to helping workers retrain or find new employment. The successful experience of some states in harnessing vocational training suggests that more can be done to improve employment opportunities.

The expansion continues

The US expansion continues as the economy emerges from the headwinds of a past exchange rate appreciation and from the fall in oil prices which damaged the oil-producing

United States



1. Private domestic final purchases is the sum of PCE and gross private domestic investment.
2. A decrease denotes an appreciation.
3. Goods and services trade (imports and exports) volume.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503814

United States: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment[1]	1.8	2.1	1.7	1.4	1.4
Unemployment rate[2]	6.2	5.3	4.9	4.6	4.3
Compensation per employee[3]	2.6	2.6	2.1	2.5	3.3
Labour productivity	0.6	0.5	-0.1	0.8	0.9
Unit labour cost	2.2	2.1	2.3	1.9	2.2
GDP deflator	1.8	1.1	1.3	2.1	2.3
Consumer price index	1.6	0.1	1.3	2.5	2.2
Core PCE deflator[4]	1.6	1.4	1.7	1.9	2.2
PCE deflator[5]	1.5	0.3	1.1	2.1	2.1
Real household disposable income	3.5	3.5	2.6	1.8	2.8

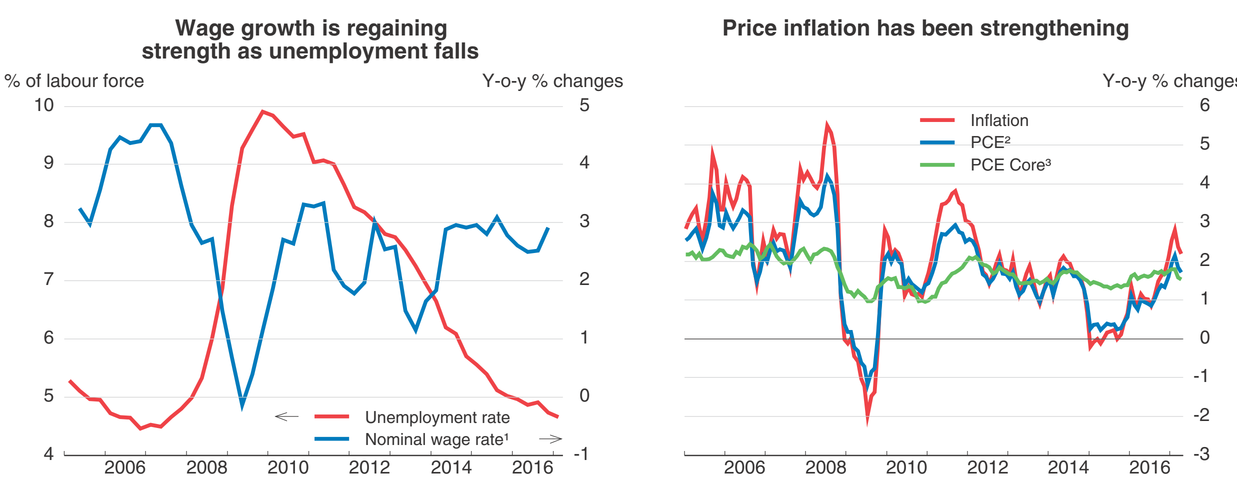
1. Based on the Bureau of Labor Statistics (BLS) Establishment Survey.
2. As a percentage of labour force, based on the BLS Household Survey.
3. In the total economy.
4. Deflator for private consumption excluding food and energy.
5. Private consumption deflator. PCE stands for personal consumption expenditures.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505144

sector. As the exchange rate and the oil price stabilised, trade volumes and oil producing activity, notably oil exploration, have begun to rise. Household spending remains solid, with the slowing in early 2017 partly reflecting the temporary impact of warm weather reducing heating requirements and higher energy prices weighing on real disposable income growth. Consumer spending and private investment point to a continuing steady expansion. Furthermore, household and business confidence measures remain relatively upbeat.

United States



1. Three-quarter centred moving average.
2. Personal Consumption Expenditures price index.
3. Personal Consumption Expenditures excluding food and energy price index.

Source: OECD Economic Outlook 101 database, and Federal Reserve Bank of St. Louis.

StatLink http://dx.doi.org/10.1787/888933503833

United States: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	5.6	5.8	5.7	5.3	5.6
General government financial balance[2]	-5.0	-4.4	-5.0	-4.7	-5.2
General government gross debt[2]	105.0	105.4	107.1	107.8	109.2
Current account balance[2]	-2.3	-2.6	-2.6	-2.4	-2.8
Short-term interest rate[3]	0.3	0.5	0.9	1.5	2.2
Long-term interest rate[4]	2.5	2.1	1.8	2.7	3.4

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month rate on euro-dollar deposits.
4. 10-year government bonds.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505163

The labour market continues to strengthen. Employment gains have remained solid and wage growth shows some signs of sustained increases. The unemployment rate has fallen somewhat below most estimates of the structural rate, but remains high among less-skilled workers, especially youth and some minorities. The labour force participation rate has been edging up, although it has been slipping for prime-age workers.

The policy environment is supportive

As economic slack is being eliminated, inflation rates have risen to around the Federal Reserve's 2% target. Hence, monetary policy stimulus has begun to be withdrawn. Given

United States: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices USD billion	Percentage changes from previous year, volume (2009 prices)					
GDP at market prices	18 036.7	1.6	2.1	2.4	2.0	2.1	2.5
Private consumption	12 283.7	2.7	2.4	2.4	3.1	2.0	2.5
Government consumption	2 604.9	0.8	0.5	2.4	0.3	1.1	2.6
Gross fixed investment	3 576.7	0.7	3.9	4.2	0.1	5.0	4.6
Public	613.4	0.8	0.8	3.2	-0.3	2.3	3.2
Residential	651.9	4.9	5.4	4.8	1.1	6.2	5.2
Non-residential	2 311.3	-0.5	4.4	4.3	-0.1	5.3	4.8
Final domestic demand	18 465.3	2.1	2.4	2.8	2.1	2.4	2.9
Stockbuilding[1]	93.3	-0.4	0.0	0.0			
Total domestic demand	18 558.6	1.7	2.4	2.7	2.1	2.3	2.8
Exports of goods and services	2 264.3	0.4	2.9	3.0	1.5	3.5	3.1
Imports of goods and services	2 786.3	1.1	4.7	5.1	2.6	4.6	5.2
Net exports[1]	- 522.0	-0.1	-0.3	-0.4			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505182

United States: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	2 375.3	2 264.3	2 232.5	2 353	2 469
Goods and services imports	2 884.1	2 786.3	2 733.7	2 947	3 159
Foreign balance	- 508.8	- 522.0	- 501.2	- 594	- 690
Invisibles, net	116.7	59.0	20.0	121	123
Current account balance	- 392.1	- 463.0	- 481.2	- 473	- 566
			Percentage changes		
Goods and services export volumes	4.3	0.1	0.4	2.9	3.0
Goods and services import volumes	4.4	4.6	1.1	4.7	5.1
Export performance[1]	0.7	- 2.0	- 0.9	- 0.5	- 0.3
Terms of trade	0.3	3.1	1.3	- 0.5	- 0.1

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505201

the underlying strength of the economy and inflation developments, further steps in reducing the supportive policy stance remain appropriate. Accordingly, the Fed funds rate is projected to rise gradually to 2¼ per cent at the end of 2018, although specific moves will depend on incoming data on inflation and employment. In addition, the Federal Reserve has begun to discuss the possibility of reducing its balance sheet. A small reduction in the reinvestment of principal from maturing debt is projected in early 2018, which will serve to tighten financial conditions modestly. Further moves will depend on incoming economic data.

Fiscal policy is projected to remain broadly neutral in 2017 and then become expansionary in 2018, when personal and corporate income taxes are cut. These tax cuts will support household consumption and investment activity. If they were to be part of a broader reform package, limiting tax deductions for high-income earners could go some way to mitigating income inequality. Tax simplification for the corporate sector would ease the burden, especially for smaller enterprises, which have recovered sluggishly from the financial crisis. As the expansion continues, state and local budgets will improve from the weakness in recent years, which will support a pick-up in government investment.

The United States is an important country for international trade, with large multinational enterprises creating a complex web of global supply chains. This has boosted competition and productivity, and brought benefits to consumers. Nonetheless, some workers and communities have been hurt by trade and technology developments. While trade and technology facilitate new job gains, the process of matching people who have lost jobs to the new employment opportunities can be slow. Individuals with lower levels of educational attainment are at a greater risk of dropping out of the labour force completely, contributing to persistent unemployment and poverty in affected areas. The United States spends relatively little on labour market programmes, such as trade adjustment assistance, that help people who have lost their jobs acquire different skills and find new career opportunities. In some states, community colleges are effective in helping individuals. Expanding the eligibility of the earned income tax credit to childless workers would also help address poverty and encourage greater labour force attachment.

Growth is projected to pick up

GDP growth is projected to rise moderately in 2017 and 2018, thanks to the ongoing strength of household spending and fiscal policy support for households and investment. An improvement in external demand conditions should support export growth; import growth is set to increase strongly, largely due to a pick-up in import-intensive investment. Real disposable income growth will be supported by wages accelerating further, reflecting the tightening labour market, and by the effects of tax reforms on income and labour supply. Tax reforms should increase business investment spending. In aggregate, fiscal support is worth somewhat more than 0.7% of GDP in 2018, raising growth by a little more than 0.4 percentage point.

Risks to the outlook remain sizeable. First and foremost, the size and timing of the fiscal stimulus are uncertain. The labour market may tighten more quickly than projected, stoking wage pressures and ultimately requiring the Federal Reserve to react more strongly than anticipated. Further rises in consumer confidence could reduce the saving rate, strengthening consumption and a pick-up in world trade growth could provide an additional boost to the economy. On the other hand, wage pressures may fail to materialise, in which case monetary policy will remain more accommodative. Emerging interest rate differentials between the United States and other major currency areas may contribute to increased financial market tensions and turbulence due to unpredictable financial flows. Finally, international trade disturbances could disrupt global supply chains and dent growth.

STATISTICAL ANNEX

This annex contains data on key economic series which provide a background to the recent economic developments in the OECD area described in the main body of this report. Data for 2017 to 2018 are OECD estimates and projections. Data in some of the tables have been adjusted to conform to internationally agreed concepts and definitions in order to make them more comparable across countries, as well as consistent with historical data shown in other OECD publications. Regional aggregates are based on time-varying weights. For details on aggregation, see *OECD Economic Outlook* Sources and Methods.

The OECD projection methods and underlying statistical concepts and sources are described in detail in *OECD Economic Outlook* Sources and Methods (*www.oecd.org/eco/sources-and-methods.htm*).

Corrigenda for the current and earlier issues, as applicable, can be found at *www.oecd.org/about/publishing/corrigenda.htm*.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

NOTE ON QUARTERLY PROJECTIONS

OECD quarterly projections are on a seasonal and working-day-adjusted basis for selected key variables. This implies that differences between adjusted and unadjusted annual data may occur, though these in general are quite small. In some countries, official forecasts of annual figures do not include working-day adjustments. Even when official forecasts do adjust for working days, the size of the adjustment may in some cases differ from that used by the OECD.

Additional information

2015 weights used for real GDP regional aggregates

	OECD euro area[1]	OECD	World		OECD euro area[1]	OECD	World
Australia		2.1	1.0	Spain	11.7	3.1	1.4
Austria	3.1	0.8	0.4	Sweden		0.9	0.4
Belgium	3.7	1.0	0.5	Switzerland		1.0	0.5
Canada		3.0	1.4	Turkey		3.6	1.7
Chile		0.8	0.4	United Kingdom		5.2	2.4
Czech Republic		0.7	0.3	United States		34.4	16.0
Denmark		0.5	0.2	Euro area	100.0	26.4	12.3
Estonia	0.3	0.1	0.0	Total OECD		100.0	46.6
Finland	1.7	0.4	0.2				
France	19.7	5.2	2.4			**Non-OECD**	**World**
Germany	28.4	7.5	3.5				
Greece	2.1	0.5	0.3	Argentina		1.5	0.8
Hungary		0.5	0.2	Brazil		5.4	2.9
Iceland		0.0	0.0	China		32.2	17.2
Ireland	2.3	0.6	0.3	Colombia		1.1	0.6
Israel		0.6	0.3	Costa Rica		0.1	0.1
Italy	16.4	4.3	2.0	India		13.0	7.0
Japan		9.9	4.6	Indonesia		4.7	2.5
Korea		3.4	1.6	Lithuania		0.1	0.1
Latvia	0.4	0.1	0.0	Russia		5.8	3.1
Luxembourg	0.4	0.1	0.1	Saudi Arabia		2.8	1.5
Mexico		4.1	1.9	South Africa		1.2	0.7
Netherlands	6.1	1.6	0.7	Dynamic Asian Economies		8.7	4.7
New Zealand		0.3	0.2	Other major oil producers		10.9	5.8
Norway		0.6	0.3	Rest of non-OECD		12.3	6.6
Poland		1.9	0.9				
Portugal	2.2	0.6	0.3	Total non-OECD		100.0	53.4
Slovak Republic	1.2	0.3	0.1				
Slovenia	0.5	0.1	0.1	World			100.0

Note: Weights are calculated using nominal GDP at PPP rates in 2015. Regional aggregates are calculated using moving nominal GDP weights evaluated at PPP rates.

1. Countries that are members of both the euro area and the OECD.

Source: OECD Economic Outlook 101 database.

Irrevocable euro conversion rates

National currency unit per euro

Austria	13.7603	Latvia	0.7028
Belgium	40.3399	Luxembourg	40.33990
Estonia	15.6466	Netherlands	2.204
Finland	5.94573	Portugal	200.482
France	6.55957	Spain	166.386
Germany	1.95583	Slovak Republic	30.13
Greece	340.75	Slovenia	239.64
Ireland	0.78756		
Italy	1936.27	Lithuania	3.4528

Source: European Central Bank.

Non-OECD trade regions

Dynamic Asian Economies:	Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Thailand and Vietnam.
Other oil producers:	Azerbaijan; Kazakhstan; Turkmenistan; Brunei; Timor-Leste; Bahrain; Iran; Iraq; Kuwait; Libya; Oman; Qatar; United Arab Emirates; Yemen; Ecuador; Trinidad and Tobago; Venezuela; Algeria; Angola; Chad; Republic of Congo; Equatorial Guinea; Gabon; Nigeria; and Sudan.

National accounts reporting systems, base years and latest data updates

The status of national accounts is as follows :

	Expenditure accounts	Household accounts	Benchmark/ base year
Argentina	SNA08 (1993-2016)	..	2004
Australia	SNA08 (1959q3-2016q4)	SNA08 (1959q3-2016q4)	2014/2015
Austria	ESA10 (1996q1-2017q1)	ESA10 (1995-2016)	2010
Belgium	ESA10 (1995q1-2016q4)	ESA10 (1999-2016)	2014
Brazil	SNA08 (1996-2016)	..	2000
Canada	SNA08 (1982q1-2016q4)	SNA08 (1981q1-2016q4)	2007
Chile	SNA08 (1996q1-2016q4)	..	2013
China	SNA93 (1992-2016)	..	2005
Colombia	SNA93 (2000-2016)	..	2005
Costa Rica	SNA08 (1991-2016)	..	2012
Czech Republic	ESA10 (1996q1-2016q4)	ESA10 (1999-2016)	2010
Denmark	ESA10 (1995q1-2016q4)	ESA10 (1995-2016)	2010
Estonia	ESA10 (1995q1-2016q4)	ESA10 (1995-2015)	2010
Finland	ESA10 (1990q1-2016q4)	ESA10 (1999q1-2016q4)	2010
France	ESA10 (1949q1-2017q1)	ESA10 (1980q1-2016q4)	2010
Germany	ESA10 (1991q1-2017q1)	ESA10 (1991-2016)	2010
Greece	ESA10 (1995q1-2016q4)	..	2010
Hungary	ESA10 (1995q1-2016q4)	ESA10 (1995-2015)	2005
Iceland	SNA08 (1997q1-2016q2)	..	2005
Indonesia	SNA08 (2000-2016)	..	2010
India	SNA93 (2011-2016)	..	2012
Ireland	ESA10 (1997q1-2016q4)	ESA10 (1999-2015)	2014
Israel	SNA08 (1995q1-2017q1)	..	2015
Italy	ESA10 (1996q1-2016q4)	ESA10 (1995-2016)	2010
Japan	SNA08 (1994q1-2017q1)	SNA08 (1980-2015)	2011
Korea	SNA08 (1960q1-2017q1)	SNA08 (1975-2016)	2010
Latvia	ESA10 (1995-2016)	ESA10 (2000-2015)	2010
Lithuania	ESA10 (1995q1-2016q4)	ESA10 (2004-2015)	2010
Luxembourg	ESA10 (1995q1-2016q4)	ESA95 (2007-2012)	2010
Mexico	SNA08 (1993q1-2016q4)	..	2008
Netherlands	ESA10 (1996q1-2017q1)	ESA10 (1995-2016)	2010
New Zealand	SNA08 (1987q2-2016q4)	SNA08 (1986-2015)	2009/2010
Norway	SNA08 (1978q1-2017q1)	ESA10 (1995-2016)	2014
Poland	ESA10 (2002q1-2016q4)	ESA10 (2000-2015)	2010
Portugal	ESA10 (1995q1-2016q4)	ESA10 (1995-2016)	2011
Russia	SNA93/SNA08 (2012-2016)	..	2011
Slovak Republic	ESA10 (1997q1-2016q3)	ESA10 (1995-2015)	2010
Slovenia	ESA10 (1995q1-2016q4)	ESA10 (1995-2016)	2010
South Africa	SNA08 (2010-2016)	..	2010
Spain	ESA10 (1995q1-2017q1)	ESA10 (1999-2016)	2010
Sweden	ESA10 (1995q1-2016q4)	ESA10 (1993q1-2016q4)	2015
Switzerland	ESA10 (1980q1-2016q4)	ESA10 (1995-2015)	2010
Turkey	SNA08 (1998q1-2016q4)	..	2009
United Kingdom	ESA10 (1995q1-2017q1)	ESA10 (1987q1-2016q4)	2013
United States	NIPA (SNA08) (1947q1-2017q1)	NIPA (SNA08) (1947q1-2017q1)	2009

Note: SNA: System of National Accounts. ESA: European Standardised Accounts. NIPA: National Income and Product Accounts. The numbers in brackets indicate the starting year for the time series and the latest available historical data included in this Outlook database.
BPM: Balance of Payments and International Investment Position Manual, edition 6.

National accounts reporting systems, base years and latest data updates *(con't)*

The status of national accounts is as follows :

Government accounts: Financial	Government accounts: Non financial	Balance of payments	
..	..	BPM6 (1994-2016)	Argentina
SNA08 (1988-2016)	SNA08 (1959q3-2016q4)	BPM6 (1959q3-2016q4)	Australia
ESA10 (1995-2015)	ESA10 (1995-2016)	BPM6 (2006q1-2016q4)	Austria
ESA10 (1998-2016)	ESA10 (1995-2016)	BPM6 (2003q1-2016q4)	Belgium
..	..	BPM6 (2014q1-2016q4)	Brazil
SNA08 (1990q1-2016q4)	SNA08 (1981q1-2016q4)	BPM6 (1981q1-2016q4)	Canada
..	..	BPM6 (2003q1-2017q1)	Chile
..	..	BPM6 (1998q1-2017q1)	China
..	ESA10 (2000-2015)	BPM6 (2000q1-2016q4)	Colombia
..	..	BPM6 (2009-2016)	Costa Rica
ESA10 (1999-2016)	ESA10 (1995-2016)	BPM6 (1993q1-2016q4)	Czech Republic
ESA10 (1994-2016)	ESA10 (1995-2016)	BPM6 (1995q1-2016q4)	Denmark
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (1993q1-2016q4)	Estonia
ESA10 (1995-2016)	ESA10 (1975-2016)	BPM6 (1995q1-2016q4)	Finland
ESA10 (1995-2016)	ESA10 (1978-2016)	BPM6 (2008q1-2016q4)	France
ESA10 (1991-2016)	ESA10 (1991-2016)	BPM6 (1991q1-2017q1)	Germany
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2002-2016)	Greece
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (1995q1-2016q4)	Hungary
SNA08 (2003-2013)	SNA08 (1998-2015)	BPM6 (1995q1-2016q2)	Iceland
..	..	BPM6 (2004q1-2017q1)	Indonesia
..	..	BPM6 (2010q1-2016q4)	India
ESA10 (1998-2015)	ESA10 (1995-2016)	BPM6 (2002q1-2016q4)	Ireland
SNA08 (1995-2015)	SNA08 (1995-2015)	BPM6 (1995q1-2016q4)	Israel
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (1995q1-2016q4)	Italy
SNA08 (1994-2015)	SNA08 (1994-2015)	BPM6 (1996q1-2017q1)	Japan
SNA08 (2008-2015)	SNA08 (1975-2016)	BPM6 (1980q1-2017q1)	Korea
ESA10 (1998-2016)	ESA10 (1995-2016)	BPM6 (2000q1-2016q4)	Latvia
ESA10 (1995-2015)	ESA10 (1995-2016)	BPM6 (2004q1-2016q4)	Lithuania
ESA10 (1999-2016)	ESA10 (1995-2016)	BPM6 (2002q1-2016q4)	Luxembourg
..	..	BPM6 (2010q1-2016q4)	Mexico
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (2008q1-2016q4)	Netherlands
SNA08 (1994-2016)	SNA08 (1986-2015)	BPM6 (1971q2-2016q4)	New Zealand
SNA08 (1995-2016)	SNA08 (1995-2016)	BPM6 (1981q1-2016q4)	Norway
ESA10 (1998-2016)	ESA10 (2010-2016)	BPM6 (2004q1-2016q4)	Poland
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (1996q1-2016q4)	Portugal
..	..	BPM6 (2000q1-2016q4)	Russia
ESA10 (1995-2016)	ESA10 (1995-2015)	BPM6 (2004q1-2016q4)	Slovak Republic
ESA10 (2001-2016)	ESA10 (1995-2016)	BPM6 (1994q1-2017q1)	Slovenia
..	..	BPM6 (1990q1-2016q4)	South Africa
ESA10 (1995-2016)	ESA10 (1995-2016)	BPM6 (1995q1-2016q4)	Spain
ESA10 (1997-2016)	ESA10 (1993-2016)	BPM6 (2006q1-2016q4)	Sweden
ESA10 (1999-2015)	ESA10 (1995-2015)	BPM6 (2000q1-2016q4)	Switzerland
..	..	BPM6 (1992q1-2016q4)	Turkey
ESA10 (1987q1-2016q4)	ESA10 (1987q1-2016q4)	BPM6 (1987q1-2016q4)	United Kingdom
NIPA (SNA08) (1952q1-2016q4)	NIPA (SNA08) (1947q1-2017q1)	BPM6 (1960q1-2016q4)	United States

Note: SNA: System of National Accounts. ESA: European Standardised Accounts. NIPA: National Income and Product Accounts. The numbers in brackets indicate the starting year for the time series and the latest available historical data included in this Outlook database.
BPM: Balance of Payments and International Investment Position Manual, edition 6.

Annex Tables

Demand and Output

Inflation, Wages, Costs, Unemployment and Labour

Key Supply-side Data

Saving

Fiscal Balances and Public Indebteness

Interest Rates and Exchange Rates

House prices

External Trade and Payments

Annex Table 1. **Real GDP**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	9.0	8.9	8.9	8.0	9.0	4.1	-5.9	10.1	6.0	-1.0	2.4	-2.5	2.6	-2.3	2.5	3.1	..	..	..
Australia	3.9	3.0	3.9	3.2	2.7	4.5	2.5	1.8	2.4	2.6	3.7	2.1	2.8	2.4	2.4	2.5	2.9	2.4	2.8	3.0
Austria	2.4	0.8	2.4	2.4	3.6	3.5	1.2	-3.5	1.8	3.0	0.7	0.1	0.8	0.8	1.6	2.2	1.7	2.0	2.2	1.5
Belgium	2.2	0.8	3.6	2.1	2.5	3.4	0.7	-2.3	2.7	1.8	0.1	-0.1	1.6	1.5	1.2	1.6	1.7	1.1	1.8	1.9
Brazil	..	1.1	5.8	3.2	4.0	6.1	5.1	-0.1	7.5	4.0	1.9	3.0	0.5	-3.8	-3.6	0.7	1.6	..	..	..
Canada	3.5	1.8	3.1	3.2	2.6	2.1	1.0	-2.9	3.1	3.1	1.7	2.5	2.6	0.9	1.4	2.8	2.3	1.9	2.9	2.3
Chile	5.3	4.1	7.2	5.7	6.3	4.9	3.5	-1.6	5.8	6.1	5.3	4.0	1.9	2.3	1.6	1.6	2.8	0.9	2.6	2.6
China	9.8	10.0	10.1	11.4	12.7	14.2	9.7	9.4	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.6	6.4	6.7	6.5	6.3
Colombia	2.3	3.9	5.3	4.7	6.7	6.9	3.5	1.7	4.0	6.6	4.0	4.9	4.4	3.1	2.0	2.2	3.0	..	..	..
Costa Rica	4.4	4.3	4.3	3.9	7.2	8.2	4.6	-1.0	5.0	4.3	4.8	2.3	3.7	4.7	4.3	4.1	4.1	..	..	..
Czech Republic	..	3.6	4.8	6.5	7.1	5.5	2.5	-4.7	2.1	2.0	-0.7	-0.5	2.7	4.6	2.3	2.9	2.6	1.9	3.4	2.4
Denmark	2.5	0.4	2.7	2.3	3.9	0.9	-0.5	-4.9	1.9	1.3	0.2	0.9	1.7	1.6	1.3	1.6	2.1	2.3	1.4	2.6
Estonia	..	7.5	6.4	9.1	10.5	7.2	-5.0	-14.2	1.7	7.5	4.3	1.6	2.7	1.5	1.7	2.6	3.1	2.8	1.5	4.0
Finland	3.7	2.0	3.9	2.8	4.1	5.2	0.7	-8.3	3.0	2.6	-1.4	-0.8	-0.6	0.3	1.4	2.0	1.5	1.2	2.0	1.8
France	2.2	0.8	2.6	1.7	2.5	2.3	0.1	-2.9	1.9	2.1	0.2	0.6	0.7	1.2	1.1	1.3	1.5	1.2	1.4	1.5
Germany	1.5	-0.7	0.7	0.9	3.9	3.4	0.8	-5.6	3.9	3.7	0.7	0.6	1.6	1.5	1.8	2.0	2.0	1.8	2.3	1.9
Greece	..	5.8	4.8	0.8	5.6	3.2	-0.2	-4.3	-5.5	-9.2	-7.3	-3.2	0.4	-0.3	-0.1	1.1	2.5	-1.1	3.1	1.5
Hungary	2.7	3.7	4.8	4.5	4.0	0.5	0.7	-6.5	0.6	1.7	-1.5	2.2	3.9	3.1	1.9	3.8	3.4	1.9	4.0	3.3
Iceland	3.4	2.4	8.1	6.7	5.0	9.4	1.5	-6.9	-3.6	2.0	1.2	4.1	1.9	4.1	7.2	5.3	2.6	11.7	1.8	2.0
India[1]	6.8	8.4	8.3	9.3	9.3	9.8	3.9	8.5	10.3	6.6	5.5	6.5	7.2	7.9	7.1	7.3	7.7	..	..	..
Indonesia	..	4.8	5.0	5.7	5.5	6.3	6.0	4.7	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.2	..	..	..
Ireland	7.9	3.7	6.8	5.8	5.9	3.7	-4.4	-4.6	2.0	-0.1	-1.1	1.1	8.4	26.3	5.2	3.7	2.5	6.6	0.6	2.6
Israel	..	1.1	5.0	4.1	5.5	6.2	3.1	1.3	5.6	5.2	2.4	4.4	3.2	2.6	4.0	3.2	3.3	4.7	2.6	3.4
Italy	1.6	0.2	1.4	1.2	2.1	1.3	-1.1	-5.5	1.6	0.7	-2.9	-1.7	0.2	0.7	1.0	1.0	0.8	1.0	1.1	0.6
Japan	1.0	1.5	2.2	1.7	1.4	1.7	-1.1	-5.4	4.2	-0.1	1.5	2.0	0.3	1.1	1.0	1.4	1.0	1.7	1.3	1.0
Korea	6.5	2.9	4.9	3.9	5.2	5.5	2.8	0.7	6.5	3.7	2.3	2.9	3.3	2.8	2.8	2.6	2.8	2.4	2.7	3.0
Latvia	..	8.4	8.3	10.7	11.9	9.9	-3.6	-14.3	-3.8	6.4	4.0	2.6	2.1	2.7	2.0	3.5	3.5	2.8	3.0	4.1
Lithuania	..	10.5	6.6	7.7	7.4	11.1	2.6	-14.8	1.6	6.0	3.8	3.5	3.5	1.8	2.3	3.1	2.9	..	..	..
Luxembourg	4.5	1.6	3.7	3.2	5.2	8.3	-1.3	-4.4	4.9	2.6	-0.4	4.0	5.6	4.0	4.2	4.5	4.2	3.6	4.2	4.3
Mexico	2.6	2.0	4.0	3.3	5.0	3.1	1.2	-4.5	5.1	4.0	3.8	1.6	2.3	2.7	2.0	1.9	2.0	2.3	1.1	2.8
Netherlands	3.1	0.4	1.8	2.2	3.7	3.7	1.7	-3.8	1.3	1.7	-1.1	-0.1	1.4	2.0	2.1	2.4	2.1	2.9	2.1	2.1
New Zealand	3.9	4.6	4.4	2.6	2.8	3.9	-0.4	0.4	2.0	1.9	2.5	2.1	2.8	3.1	3.9	3.1	3.1	3.4	3.5	2.8
Norway	3.4	0.9	4.0	2.6	2.4	2.9	0.4	-1.6	0.6	1.0	2.7	1.0	1.9	1.6	1.1	1.3	1.5	2.1	1.1	1.7
Poland	4.6	3.6	5.1	3.5	6.2	7.0	4.2	2.8	3.6	5.0	1.6	1.4	3.3	3.8	2.7	3.6	3.1	2.9	3.2	3.0
Portugal	2.6	-0.9	1.8	0.8	1.6	2.5	0.2	-3.0	1.9	-1.8	-4.0	-1.1	0.9	1.6	1.4	2.1	1.6	2.0	1.3	2.4
Russia	..	7.3	7.2	6.4	8.2	8.5	5.2	-7.8	4.5	4.3	3.5	1.2	0.7	-2.8	-0.2	1.4	1.6	..	..	..
Slovak Republic	3.9	5.4	5.3	6.8	8.5	10.8	5.6	-5.4	5.0	2.8	1.7	1.5	2.6	3.8	3.3	3.3	4.1	2.9	3.6	4.2
Slovenia	..	2.8	4.4	4.0	5.7	6.9	3.3	-7.8	1.2	0.6	-2.7	-1.1	3.1	2.3	2.5	3.8	3.1	3.4	3.5	2.9
South Africa	2.8	2.9	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.2	2.5	1.7	1.3	0.3	0.8	1.2	..	..	..
Spain	3.1	3.2	3.2	3.7	4.2	3.8	1.1	-3.6	0.0	-1.0	-2.9	-1.7	1.4	3.2	3.2	2.8	2.4	3.0	2.6	2.4
Sweden	2.8	2.5	3.8	2.8	5.0	3.5	-0.7	-5.1	5.7	2.7	0.1	1.2	2.7	3.8	3.1	2.7	2.3	2.3	2.6	2.1
Switzerland	1.5	0.1	2.7	3.1	4.1	4.1	2.2	-2.1	2.8	1.9	1.1	1.8	2.0	0.8	1.3	1.5	1.9	1.0	2.0	2.0
Turkey	2.9	5.9	9.4	8.9	7.3	5.0	0.9	-4.8	8.8	10.8	4.7	8.9	5.0	5.9	3.1	3.4	3.5	3.4	1.4	5.0
United Kingdom	3.0	3.5	2.5	3.0	2.5	2.6	-0.6	-4.3	1.9	1.5	1.3	1.9	3.1	2.2	1.8	1.6	1.0	1.9	1.1	0.9
United States	3.4	2.8	3.8	3.3	2.7	1.8	-0.3	-2.8	2.5	1.6	2.2	1.7	2.4	2.6	1.6	2.1	2.4	2.0	2.1	2.5
Euro area[2]	2.1	0.7	2.0	1.8	3.3	3.0	0.3	-4.5	2.0	1.6	-0.9	-0.2	1.2	1.5	1.7	1.8	1.8	1.8	1.9	1.7
Total OECD[2]	2.8	2.1	3.2	2.9	3.1	2.6	0.2	-3.5	3.0	2.0	1.3	1.5	2.0	2.2	1.8	2.1	2.1	2.0	1.9	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503852

Annex Table 2. **Nominal GDP**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	20.3	19.1	20.1	22.9	25.3	28.2	8.5	33.2	31.1	21.1	26.9	36.8	27.8	37.6	24.8	18.5	..	..	..
Australia	6.1	6.2	7.7	7.8	7.9	9.0	9.2	1.8	8.1	7.2	3.4	3.5	2.9	1.8	3.6	5.1	4.5	6.1	3.4	5.3
Austria	3.9	2.1	4.2	5.0	5.6	5.9	3.0	-1.7	2.9	4.9	2.7	1.7	2.5	2.7	3.0	4.3	3.7	3.6	4.4	3.4
Belgium	3.9	2.8	5.7	4.3	4.9	5.5	2.7	-1.5	4.7	3.8	2.2	1.1	2.3	2.4	2.8	3.8	3.4	2.8	3.3	4.0
Brazil	..	15.3	13.9	10.9	11.0	12.9	14.3	7.2	16.7	12.7	10.0	10.7	8.4	3.9	4.4	6.5	7.1	..	..	..
Canada	5.2	5.1	6.5	6.4	5.3	5.4	5.0	-5.2	6.0	6.5	3.0	4.1	4.5	0.2	2.0	5.5	4.3	3.8	5.1	4.4
Chile	10.8	8.9	15.6	13.8	19.2	10.5	3.5	3.0	15.3	9.4	6.5	6.1	8.0	6.6	5.4	6.1	5.6	5.3	6.4	5.6
China	16.2	12.9	17.8	15.7	17.1	23.1	18.2	9.3	18.3	18.5	10.4	10.2	8.2	7.0	8.0	11.5	9.6	9.7	10.9	9.5
Colombia	19.6	11.0	13.0	10.5	12.9	12.3	11.4	5.1	8.0	13.8	7.2	7.0	6.6	5.6	7.9	7.4	6.0	..	..	..
Costa Rica	17.9	15.4	18.3	17.8	21.3	19.3	16.5	8.8	11.9	9.3	9.3	6.2	9.7	7.5	6.9	8.1	9.1	..	..	..
Czech Republic	..	4.7	9.0	6.6	7.8	9.2	4.6	-2.2	0.7	2.0	0.7	0.9	5.3	5.7	3.4	4.4	4.7	2.8	5.8	4.3
Denmark	4.3	1.9	4.8	5.3	6.1	3.4	3.6	-4.4	5.2	2.0	2.6	1.8	2.5	2.5	1.7	2.9	3.8	3.4	2.3	4.7
Estonia	..	12.1	11.5	15.9	20.0	20.1	1.8	-14.2	3.9	13.3	7.6	5.3	4.6	2.5	3.3	6.8	6.0	4.8	5.7	7.1
Finland	5.7	2.2	4.6	3.7	5.0	8.1	3.8	-6.5	3.4	5.2	1.5	1.8	1.1	2.0	2.2	3.0	2.7	2.0	3.2	2.9
France	3.4	2.7	4.3	3.6	4.7	5.0	2.5	-2.8	3.0	3.1	1.4	1.4	1.2	1.9	1.9	2.1	2.6	1.8	2.4	2.7
Germany	2.7	0.5	1.8	1.5	4.2	5.1	1.7	-3.9	4.7	4.8	2.2	2.6	3.5	3.5	3.3	2.9	3.8	3.1	3.2	3.7
Greece	..	9.4	8.2	2.9	9.3	6.8	3.8	-1.7	-4.6	-8.5	-7.7	-5.6	-1.5	-1.3	0.1	3.4	3.3	-0.8	5.6	2.4
Hungary	19.1	9.3	9.7	6.8	8.3	5.9	5.4	-2.7	2.9	4.0	1.9	5.4	7.3	4.8	2.6	5.6	7.3	2.0	6.8	7.5
Iceland	7.5	2.8	10.9	9.3	13.8	14.0	13.7	2.7	1.7	5.0	4.5	6.3	6.1	10.4	9.4	7.3	5.8	14.5	3.3	5.4
India[1]	14.0	12.2	14.3	13.9	16.3	16.1	12.9	15.1	20.2	15.7	13.9	13.0	10.7	10.0	11.5	11.9	12.3	..	..	..
Indonesia	..	10.5	14.0	20.8	20.4	18.3	25.3	11.0	14.2	14.1	10.0	10.8	10.7	9.1	7.6	9.7	9.4	..	..	..
Ireland	12.5	7.1	7.3	9.0	8.8	6.6	-4.9	-9.6	-1.5	3.5	1.5	2.5	7.2	32.5	3.9	4.4	5.4	4.1	0.6	5.7
Israel	..	0.7	5.2	5.4	7.2	7.1	5.5	5.2	7.2	7.0	6.2	6.6	4.3	5.3	5.2	4.4	5.3	5.0	4.6	5.5
Italy	4.9	3.4	3.9	3.1	4.0	3.8	1.4	-3.7	2.0	2.2	-1.5	-0.6	1.2	1.3	1.8	2.2	2.1	1.7	2.3	1.9
Japan	0.4	-0.1	1.1	0.6	0.5	0.9	-2.1	-6.0	2.2	-1.8	0.7	1.7	2.1	3.2	1.3	1.1	1.9	1.6	1.4	2.0
Korea	10.8	6.4	8.0	5.0	5.0	8.0	5.9	4.3	9.9	5.3	3.4	3.8	4.0	5.3	4.7	4.1	5.1	4.6	4.7	5.5
Latvia	..	13.8	15.7	23.1	25.8	32.1	7.8	-22.7	-4.7	13.2	7.8	4.1	3.7	3.1	2.7	5.4	5.1	4.0	5.0	6.0
Lithuania	..	9.6	9.4	15.2	14.6	20.6	12.6	-17.6	4.1	11.6	6.6	5.0	4.5	2.0	3.5	6.5	5.6	..	..	..
Luxembourg	7.0	4.3	6.7	7.5	12.6	10.0	2.6	-3.1	8.6	7.5	2.2	5.5	7.3	4.7	3.6	6.2	6.3	2.1	6.2	6.6
Mexico	18.5	5.9	12.9	8.6	11.6	8.2	7.5	-1.3	9.8	9.5	7.4	3.1	7.1	5.8	7.0	8.2	6.5	8.6	6.3	7.3
Netherlands	5.7	2.5	3.3	4.1	6.2	5.9	4.2	-3.4	2.2	1.8	0.3	1.2	1.6	2.0	3.0	3.8	3.8	3.7	4.0	3.7
New Zealand	5.6	6.0	8.0	5.1	5.2	8.4	3.4	1.2	5.0	4.9	2.2	5.5	5.2	3.3	5.6	5.8	5.2	7.6	4.9	5.5
Norway	6.7	3.8	10.0	11.6	11.4	6.1	10.9	-6.7	6.6	7.8	6.2	3.6	2.3	-0.7	-0.2	6.2	3.1	3.6	4.6	3.3
Poland	20.5	4.4	10.3	6.2	8.0	11.0	8.3	6.7	5.3	8.4	4.0	1.7	3.8	4.6	2.9	5.1	5.0	1.8	5.7	4.9
Portugal	7.0	2.5	4.3	4.1	4.8	5.5	1.9	-1.9	2.6	-2.1	-4.4	1.1	1.7	3.7	3.0	3.3	3.1	3.3	2.7	4.0
Russia	..	22.3	28.9	26.9	24.6	23.5	24.2	-6.0	19.3	20.9	12.1	6.1	11.5	5.1	3.3	9.2	5.3	..	..	..
Slovak Republic	12.1	11.1	11.3	9.4	11.6	12.1	8.6	-6.5	5.6	4.5	2.9	2.0	2.4	3.6	2.9	4.3	6.1	2.6	5.3	6.5
Slovenia	..	8.7	7.8	5.6	8.0	11.4	8.0	-4.7	0.2	1.8	-2.4	-0.2	3.9	3.3	3.1	6.5	5.8	4.5	6.5	5.8
South Africa	12.2	8.9	11.4	11.0	12.2	14.7	12.3	5.9	9.6	10.0	7.4	9.1	7.3	6.2	7.0	6.5	6.6	..	..	..
Spain	6.8	7.2	7.2	8.0	8.3	7.2	3.3	-3.3	0.2	-1.0	-2.9	-1.4	1.1	3.7	3.6	4.3	3.8	3.7	4.3	3.6
Sweden	4.7	4.3	4.4	3.6	6.8	6.5	2.6	-2.8	6.8	3.9	1.0	2.3	4.5	6.0	4.5	5.0	4.4	4.6	4.3	4.3
Switzerland	2.1	1.0	3.0	3.8	6.1	6.5	4.0	-1.6	3.1	2.1	0.8	1.9	1.4	0.3	0.7	1.8	2.5	0.7	2.6	2.5
Turkey	72.9	30.2	23.3	16.8	17.1	11.6	13.0	0.4	16.1	20.2	12.6	15.3	13.0	14.3	10.8	12.5	12.1	13.2	10.9	13.4
United Kingdom	5.0	6.0	5.0	5.7	5.5	5.2	2.2	-2.9	3.5	3.6	2.9	3.9	4.8	2.8	3.6	3.8	3.0	4.8	3.2	2.8
United States	5.3	4.9	6.6	6.7	5.8	4.5	1.7	-2.0	3.8	3.7	4.1	3.3	4.2	3.7	3.0	4.3	4.7	3.5	4.3	4.9
Euro area	4.3	2.9	4.0	3.7	5.3	5.5	2.3	-3.5	2.7	2.7	0.4	1.0	2.1	3.1	2.7	3.0	3.3	2.7	3.1	3.3
Total OECD	7.1	4.4	5.9	5.4	5.8	5.2	2.6	-2.5	4.4	3.9	2.9	3.0	3.8	3.8	3.3	4.2	4.3	3.8	4.1	4.5

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503871

Annex Table 3. **Real private consumption expenditure**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	8.2	9.5	7.4	11.0	9.3	7.2	-5.4	11.2	9.4	1.1	3.6	-4.4	3.5	-1.4	1.0	2.7	..	..	..
Australia	3.7	3.9	5.7	3.2	3.8	5.6	2.1	1.0	3.3	3.2	2.2	1.8	2.8	2.7	2.7	2.6	2.9	2.6	2.6	3.0
Austria	1.7	1.7	2.0	2.5	2.3	1.0	0.5	0.8	0.9	1.5	0.5	-0.2	-0.3	-0.1	1.3	2.0	1.3	1.9	1.9	1.0
Belgium	1.4	0.5	1.6	1.2	1.5	1.9	1.7	0.5	2.7	0.3	0.6	0.7	0.6	1.1	1.2	1.5	1.6	1.6	1.6	1.7
Brazil	..	-0.6	3.9	4.4	5.3	6.4	6.5	4.4	6.2	4.8	3.5	3.5	2.3	-3.9	-4.3	-0.6	1.5	..	..	..
Canada	3.2	2.8	3.0	3.9	4.2	4.4	3.0	0.0	3.6	2.3	1.9	2.6	2.7	1.9	2.2	3.1	1.9	2.3	3.0	1.7
Chile	..	4.5	8.3	7.7	7.5	7.1	4.2	-0.9	10.7	8.2	6.1	4.6	2.7	2.0	2.4	2.5	2.6	2.5	2.6	2.6
Colombia	..	2.9	3.9	4.1	6.4	7.2	3.5	0.6	5.0	6.0	4.4	3.4	4.3	3.2	2.2	1.9	2.6	..	..	..
Costa Rica	3.6	4.0	2.5	4.8	5.1	7.6	5.8	1.0	4.9	6.2	6.1	2.9	4.3	4.8	4.6	4.1	4.2	..	..	..
Czech Republic	..	4.8	3.4	3.3	3.9	4.1	2.8	-0.6	0.9	0.3	-1.2	0.5	1.8	3.1	2.8	3.0	2.6	2.9	2.9	2.6
Denmark	1.7	1.3	4.6	3.7	2.9	1.8	0.5	-3.4	0.8	0.3	0.5	0.3	0.5	1.9	1.9	1.9	2.1	2.2	1.7	2.4
Estonia	..	9.1	7.8	9.4	12.9	8.8	-4.8	-14.9	-2.3	3.7	4.5	3.8	3.4	4.8	4.0	2.9	4.1	4.0	2.9	4.6
Finland	2.8	4.2	3.6	3.2	4.1	3.5	2.1	-2.7	3.1	2.9	0.3	-0.5	0.8	1.5	2.0	1.1	1.0	1.8	1.1	1.0
France	2.2	1.5	1.9	2.5	2.4	2.4	0.4	0.3	1.8	0.4	-0.2	0.6	0.7	1.5	1.8	1.2	1.4	2.0	1.2	1.4
Germany	1.4	0.2	0.4	0.5	1.6	0.0	0.5	0.3	0.3	1.3	1.3	0.9	1.0	1.9	1.9	1.3	1.4	1.7	1.4	1.4
Greece	..	4.5	3.6	3.2	2.8	4.0	3.4	-1.6	-6.4	-9.9	-7.9	-2.7	0.6	-0.3	1.4	1.7	1.5	1.1	1.8	1.3
Hungary	2.3	8.3	2.1	2.9	1.6	1.1	-1.2	-6.7	-2.7	0.7	-2.1	0.3	2.5	3.4	5.0	5.0	5.0	5.2	5.0	5.0
Iceland	3.0	6.1	7.2	12.0	3.8	6.5	-7.0	-13.4	-0.3	2.5	2.0	1.0	2.9	4.3	6.9	5.4	3.4	7.1	4.2	3.0
India[1]	..	5.9	5.2	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.3	7.4	6.8	7.3	7.2	7.7	8.2	..	..	..
Indonesia	..	3.9	5.0	4.0	3.2	5.0	5.3	4.7	4.1	5.1	5.5	5.5	5.3	4.8	5.0	5.0	5.1	..	..	..
Ireland	6.1	2.9	3.2	7.6	6.7	6.4	-0.3	-5.6	0.1	-0.8	-1.5	-0.2	1.8	5.1	2.9	2.6	2.7	2.2	2.8	2.6
Israel	..	0.2	5.1	3.3	5.0	8.0	1.8	0.8	5.0	3.5	2.9	4.0	4.2	4.4	6.3	2.0	3.5	5.5	2.1	3.5
Italy	1.3	0.8	0.9	1.3	1.4	1.2	-1.1	-1.5	1.2	0.0	-4.0	-2.4	0.2	1.6	1.3	0.7	0.4	0.9	0.7	0.2
Japan	1.4	0.7	1.3	1.2	1.0	0.9	-1.0	-0.7	2.4	-0.4	2.0	2.4	-0.9	-0.4	0.4	0.9	0.6	0.9	0.9	0.4
Korea	5.9	-0.5	0.3	4.4	4.6	5.1	1.4	0.2	4.4	2.9	1.9	1.9	1.7	2.2	2.5	2.0	2.7	1.5	2.4	2.8
Latvia	..	8.1	10.5	10.0	19.4	10.2	-7.9	-16.0	2.8	3.0	3.1	5.0	1.3	3.5	3.4	3.3	3.3	3.7	3.4	3.3
Lithuania	..	11.3	10.9	11.6	9.1	12.4	3.9	-17.4	-3.4	4.6	3.1	4.3	4.3	4.1	5.6	3.9	3.6	..	..	..
Luxembourg	3.3	2.3	0.9	-0.1	2.8	2.3	1.3	1.2	1.2	1.5	2.9	2.0	2.9	3.3	1.0	3.2	3.2	1.7	3.2	3.3
Mexico	3.0	2.2	5.2	4.7	5.5	3.0	1.6	-6.2	5.7	4.8	4.7	2.5	1.8	2.2	2.5	2.2	1.9	2.8	1.1	2.8
Netherlands	3.2	-0.2	0.5	0.9	-0.3	1.9	0.9	-2.1	0.0	0.2	-1.2	-1.0	0.3	1.8	1.7	1.7	1.7	2.6	1.4	1.8
New Zealand	3.5	6.3	6.1	4.4	3.2	4.0	1.0	-0.6	3.1	2.7	2.6	3.3	3.1	2.9	4.3	4.1	3.3	4.3	3.9	3.1
Norway	3.5	3.2	5.4	4.4	5.0	5.3	1.7	0.0	3.8	2.3	3.5	2.7	1.9	2.1	1.6	2.0	2.2	1.5	2.1	2.3
Poland	4.8	1.6	4.2	1.8	4.8	5.6	6.8	3.6	2.7	3.1	0.7	0.3	2.4	3.0	3.8	3.9	3.0	4.5	3.2	3.0
Portugal	2.5	-0.3	2.6	1.6	1.5	2.5	1.4	-2.3	2.4	-3.6	-5.5	-1.2	2.3	2.6	2.3	2.0	1.5	3.0	1.5	1.7
Russia	..	7.4	11.9	11.7	12.0	14.2	10.4	-5.1	5.5	6.7	7.4	4.4	2.0	-9.7	-4.5	1.2	2.7	..	..	..
Slovak Republic	..	2.9	5.0	5.8	6.0	7.5	6.0	-0.5	0.4	-0.6	-0.4	-0.8	1.4	2.2	2.9	3.1	3.2	3.1	3.1	3.2
Slovenia	..	3.4	3.0	2.2	1.2	6.4	2.4	0.9	1.3	0.0	-2.5	-4.0	2.0	0.5	2.8	3.7	3.7	4.0	3.6	3.9
South Africa	3.4	2.8	6.2	6.1	8.8	6.5	1.2	-2.6	3.9	5.1	3.7	2.0	0.7	1.7	0.8	0.8	1.5	..	..	..
Spain	2.7	2.4	4.0	4.0	3.8	3.3	-0.7	-3.6	0.3	-2.4	-3.5	-3.1	1.6	2.9	3.2	2.3	1.9	3.0	2.0	1.8
Sweden	2.1	2.4	2.6	2.8	2.8	3.9	0.2	0.4	3.8	1.9	0.9	1.9	2.2	2.6	2.2	2.2	2.2	1.5	2.7	2.0
Switzerland	1.3	0.4	1.8	1.5	1.5	2.3	1.5	1.2	1.6	0.9	2.6	2.2	1.2	1.0	1.2	1.8	1.9	1.6	1.8	2.0
Turkey	2.5	8.6	9.1	6.2	3.9	5.2	0.4	-4.0	11.2	11.7	3.1	8.5	2.7	5.2	2.6	4.8	3.7	5.8	0.5	4.6
United Kingdom	3.9	3.7	3.4	3.0	1.6	2.9	-0.7	-3.2	0.6	-0.5	1.7	1.6	2.2	2.4	2.8	2.0	1.1	2.9	1.4	1.0
United States	3.8	3.1	3.8	3.5	3.0	2.2	-0.3	-1.6	1.9	2.3	1.5	1.5	2.9	3.2	2.7	2.4	2.4	3.1	2.0	2.5
Euro area	1.9	1.1	1.6	1.9	2.1	1.7	0.2	-1.0	0.7	-0.1	-1.2	-0.5	0.8	1.8	1.9	1.4	1.4	1.9	1.4	1.3
Total OECD	3.0	2.3	3.1	3.0	2.8	2.5	0.2	-1.5	2.2	1.7	1.1	1.4	1.8	2.4	2.3	2.1	2.0	2.6	1.7	2.1

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503890

Annex Table 4. **Real public consumption expenditure**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	1.5	2.7	9.9	3.7	7.8	5.0	5.6	5.5	4.6	3.0	5.3	2.9	6.8	0.3	1.6	1.8	..	..	..
Australia	3.0	3.9	3.7	2.7	3.6	3.1	4.3	1.6	3.4	3.6	2.5	1.1	0.9	3.5	3.9	1.9	2.0	3.2	2.0	2.0
Austria	2.0	1.2	1.2	2.3	3.1	1.5	3.7	2.5	0.2	0.1	0.1	0.6	0.8	2.2	1.8	1.5	1.6	1.1	1.6	1.6
Belgium	1.6	1.4	1.6	0.7	1.0	1.9	2.8	1.1	1.0	1.3	1.4	0.1	1.5	0.3	-0.1	0.0	0.0	0.3	-0.3	0.1
Brazil	..	1.6	3.9	2.0	3.6	4.1	2.1	2.9	3.9	2.2	2.3	1.5	0.8	-1.1	-0.5	-0.8	0.7	..	..	..
Canada	0.8	2.9	1.9	1.1	2.8	2.4	3.8	2.7	2.3	1.3	0.7	-0.7	0.8	1.5	2.0	1.5	0.8	2.3	1.4	0.7
Chile	..	0.8	6.0	5.9	6.4	7.1	0.3	8.4	3.7	2.5	3.7	2.8	4.4	4.5	5.1	3.0	3.0	2.5	4.3	2.9
Colombia	..	1.8	6.4	5.2	5.5	6.1	3.2	6.0	5.6	3.5	6.4	9.3	4.8	4.9	1.8	1.1	1.7	..	..	..
Costa Rica	2.5	2.0	1.1	0.8	3.2	2.3	5.1	6.0	4.1	1.0	0.2	3.2	2.9	2.2	2.4	3.2	2.3	..	..	..
Czech Republic	..	6.0	-1.5	0.6	0.4	0.4	1.1	3.0	0.4	-2.2	-2.0	2.5	1.1	2.0	1.2	1.8	1.8	0.1	2.5	1.8
Denmark	2.5	0.2	1.5	1.2	2.5	1.2	3.3	3.0	1.6	-0.6	0.8	-0.1	1.2	0.6	-0.1	0.0	0.9	0.1	0.8	0.9
Estonia	..	3.9	2.9	3.2	5.6	6.5	4.6	-3.1	-0.4	1.4	3.0	2.0	2.5	3.4	1.2	2.2	1.4	0.3	2.1	1.8
Finland	1.4	1.3	1.5	1.9	1.1	1.3	1.6	1.6	-0.1	-0.1	0.5	1.1	-0.5	0.1	0.5	0.1	-0.1	0.2	-0.3	0.0
France	1.3	1.9	2.1	1.3	1.4	1.8	1.1	2.5	1.2	1.1	1.6	1.5	1.2	1.4	1.4	1.2	1.1	1.3	1.2	1.1
Germany	1.5	0.5	-0.8	0.5	1.0	1.5	3.4	3.0	1.3	0.9	1.1	1.2	1.2	2.8	4.0	1.7	2.3	2.7	2.2	2.2
Greece	..	3.0	4.0	4.1	6.8	5.4	-2.3	2.1	-4.2	-7.0	-7.2	-5.5	-1.2	0.0	-2.1	1.0	1.8	-2.0	3.6	0.5
Hungary	0.4	5.0	2.3	3.2	1.3	-6.7	3.1	1.4	-0.4	0.2	-1.5	4.1	4.5	1.0	0.1	1.0	1.1	-2.0	2.4	0.6
Iceland	3.4	2.1	2.4	3.4	4.1	4.5	4.9	-1.1	-3.7	-0.1	-1.8	1.0	1.7	1.0	1.5	1.0	1.1	1.6	0.6	1.4
India[1]	..	2.6	3.6	8.9	3.8	9.6	10.4	13.9	5.8	6.9	0.7	0.6	9.4	2.9	17.0	10.3	9.2	..	..	..
Indonesia	..	10.0	4.0	6.6	9.6	3.9	10.4	11.2	4.0	5.5	4.5	6.7	1.2	5.3	-0.1	2.6	3.5	..	..	..
Ireland	5.6	3.0	1.7	4.7	5.1	6.8	1.3	-2.5	-4.0	-1.3	-2.8	-1.3	4.5	0.2	4.9	2.0	2.2	5.1	0.8	3.0
Israel	..	-2.9	-1.6	2.1	3.6	2.5	2.0	2.8	2.7	2.4	3.7	3.6	3.6	3.2	3.8	3.2	2.5	2.4	3.2	1.9
Italy	0.6	1.3	1.0	0.6	-0.4	0.4	1.0	0.4	0.6	-1.8	-1.4	-0.3	-0.7	-0.7	0.6	0.6	0.1	1.0	0.5	0.0
Japan	2.9	1.8	1.2	0.8	0.1	1.2	-0.1	2.0	1.9	1.9	1.7	1.5	0.5	1.7	1.5	0.3	0.1	0.6	0.5	0.2
Korea	4.2	3.8	4.5	4.5	7.4	6.1	5.1	5.2	3.8	2.2	3.4	3.3	3.0	3.0	4.3	2.5	3.1	3.6	2.3	3.6
Latvia	..	4.4	3.6	2.7	6.5	3.3	2.4	-10.7	-8.1	3.0	0.3	1.6	2.1	3.1	2.7	3.2	2.5	4.2	2.4	2.5
Lithuania	..	3.4	4.2	3.6	2.1	1.9	0.2	-1.3	-3.2	-0.4	1.2	0.7	0.3	0.9	1.6	1.7	1.4	..	..	..
Luxembourg	4.6	4.1	3.5	2.8	1.9	3.8	1.4	3.7	1.4	0.8	3.5	3.6	2.0	2.4	3.2	1.8	2.7	2.1	2.3	3.0
Mexico	1.5	0.9	2.4	3.0	3.4	2.4	3.0	2.3	1.7	2.4	3.5	1.0	2.1	2.3	1.1	0.8	0.0	1.6	0.0	0.1
Netherlands	2.7	3.0	-0.5	1.6	9.4	3.1	3.3	4.7	1.0	-0.2	-1.3	-0.1	0.3	0.2	1.0	1.7	1.7	1.7	1.9	1.5
New Zealand	2.0	3.4	4.9	7.1	4.6	4.3	4.3	0.9	0.4	2.8	-0.5	1.4	3.3	2.6	2.3	2.7	1.9	3.6	2.0	1.8
Norway	2.8	1.3	1.3	1.9	1.9	2.0	2.4	4.1	2.2	1.0	1.6	1.0	2.7	2.1	2.3	2.1	1.6	2.6	1.7	1.6
Poland	2.4	3.5	3.8	3.5	5.5	3.0	4.4	3.5	3.1	-1.8	-0.3	2.5	4.1	2.4	2.8	3.0	3.8	1.6	3.6	3.8
Portugal	3.1	1.6	2.9	2.7	-0.2	0.6	0.4	2.6	-1.3	-3.8	-3.3	-2.0	-0.5	0.7	0.5	-1.0	-0.8	0.3	-1.9	0.3
Russia	..	2.3	2.1	1.4	2.3	2.7	3.4	-0.6	-1.5	1.4	2.5	1.4	-2.1	-3.1	-0.5	-0.5	-2.5	..	..	..
Slovak Republic	1.3	5.8	-2.8	7.0	9.2	0.3	6.5	6.2	1.7	-1.8	-2.1	2.2	5.3	5.4	1.6	0.9	1.9	-0.1	1.5	2.0
Slovenia	..	2.7	2.7	2.7	3.1	1.9	4.9	2.4	-0.5	-0.7	-2.2	-2.1	-1.2	2.5	2.6	1.9	1.4	2.7	1.3	1.5
South Africa	1.0	5.7	5.2	5.1	4.9	4.0	5.8	4.6	3.0	2.8	3.5	3.1	1.1	0.5	2.0	0.8	0.8	..	..	..
Spain	2.9	4.9	6.3	5.6	5.0	6.2	5.9	4.1	1.5	-0.3	-4.7	-2.1	-0.3	2.0	0.8	0.8	0.7	0.0	1.4	0.3
Sweden	0.6	0.9	-0.9	0.2	1.9	0.7	1.1	2.3	1.0	0.9	1.6	1.3	1.7	2.3	2.7	2.7	2.5	1.8	3.3	2.3
Switzerland	1.1	2.4	0.8	1.1	0.1	0.1	-1.9	3.5	0.2	2.1	2.1	2.3	1.5	2.2	1.9	1.4	1.7	1.7	1.6	1.7
Turkey	4.5	0.5	6.6	3.6	10.2	7.0	3.5	8.1	1.7	1.1	6.8	8.0	3.1	4.1	7.3	2.8	2.4	0.4	0.4	4.1
United Kingdom	2.1	4.3	3.5	2.4	2.2	1.2	2.1	1.1	0.2	0.2	1.7	0.3	2.3	1.3	0.8	1.4	1.1	0.4	2.1	0.7
United States	1.6	1.8	1.5	0.8	1.1	1.4	2.5	3.7	0.1	-2.7	-0.9	-2.4	-0.7	1.6	0.8	0.5	2.4	0.3	1.1	2.6
Euro area	1.6	1.8	1.3	1.6	2.1	2.1	2.4	2.4	0.8	-0.1	-0.4	0.3	0.6	1.3	1.8	1.2	1.3	1.5	1.4	1.2
Total OECD	1.9	2.1	1.8	1.5	2.0	1.9	2.3	3.0	0.9	-0.4	0.3	0.0	0.7	1.7	1.7	1.1	1.6	1.1	1.3	1.7

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503909

Annex Table 5. **Real total gross fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	38.2	34.4	15.8	14.5	20.5	8.7	-22.6	26.3	17.4	-7.1	2.3	-6.8	3.8	-5.5	9.0	6.9	..	..	..
Australia	5.9	8.9	7.2	8.8	4.9	9.2	7.5	-1.5	4.6	6.7	9.2	-1.6	-1.9	-3.1	-2.5	0.4	1.5	-1.2	0.5	2.1
Austria	1.5	3.8	0.9	0.2	1.2	4.6	1.4	-7.3	-2.1	6.7	1.4	2.2	-0.8	0.7	3.3	2.2	3.0	3.9	2.5	2.8
Belgium	1.6	-0.4	8.9	6.1	2.0	6.8	1.9	-6.6	-0.8	4.2	0.2	-1.6	5.0	2.5	1.9	2.6	3.3	4.8	1.2	3.4
Brazil	..	-3.9	8.4	2.0	6.7	11.9	12.2	-2.2	18.1	6.9	0.8	5.8	-4.2	-13.9	-10.3	-3.7	1.7	..	..	..
Canada	4.0	5.2	8.4	9.1	6.3	3.2	1.6	-11.3	11.5	4.6	4.9	1.3	0.9	-4.6	-3.2	1.4	3.3	-2.4	4.2	3.0
Chile	7.0	8.1	13.0	23.5	6.0	10.6	18.5	-13.3	13.1	16.1	11.3	3.3	-4.8	-0.8	-0.8	0.5	4.1	-5.1	6.8	3.5
Colombia	0.4	11.5	11.1	13.2	18.1	14.4	9.9	-1.3	4.9	19.0	4.7	6.8	9.8	1.8	-3.6	2.5	5.1	..	..	..
Costa Rica	6.0	5.6	0.9	4.4	7.7	19.0	10.0	-12.7	4.2	3.1	10.1	-0.3	3.1	8.9	-1.5	4.9	7.5	..	..	..
Czech Republic	..	1.8	3.5	6.6	6.3	13.5	2.2	-9.8	1.0	0.9	-2.9	-2.5	3.9	9.1	-3.9	1.7	4.1	-6.9	5.9	2.4
Denmark	4.1	1.6	3.5	5.9	13.7	0.7	-2.5	-13.0	-5.7	0.4	3.7	2.7	3.5	2.5	5.2	2.5	3.1	5.7	1.9	3.7
Estonia	..	18.6	5.1	15.0	22.9	10.9	-12.8	-36.6	-4.1	33.7	12.8	-3.1	-6.9	-3.7	-2.6	6.4	5.1	-5.6	10.1	5.4
Finland	3.9	2.8	4.7	3.2	1.3	10.0	0.3	-12.5	1.1	4.1	-1.9	-4.9	-2.6	1.1	5.2	4.7	2.0	8.0	1.8	2.6
France	2.1	1.9	3.2	2.9	3.9	5.6	0.6	-9.0	1.9	2.1	0.4	-0.7	-0.4	0.9	2.7	2.3	2.8	2.0	2.7	3.1
Germany	0.2	-1.4	-0.9	1.0	8.1	4.3	0.9	-10.0	5.0	7.4	-0.1	-1.1	3.4	1.1	2.0	2.8	3.0	0.5	4.0	3.0
Greece	..	15.0	2.9	-11.9	19.1	15.8	-7.0	-13.8	-19.3	-20.7	-23.4	-8.3	-4.4	-0.2	0.0	7.7	5.3	-13.8	6.7	4.2
Hungary	5.8	1.3	7.6	3.6	0.7	4.2	1.0	-8.3	-9.5	-1.3	-3.0	9.8	9.9	1.9	-15.5	8.3	7.2	-17.3	11.0	6.0
Iceland	3.7	9.8	26.7	32.0	23.4	-11.2	-19.0	-47.8	-8.6	11.6	5.3	-0.1	16.0	17.8	22.7	9.2	1.1	17.5	6.5	-2.8
India[1]	..	13.6	18.9	16.2	13.8	16.2	3.5	7.7	11.0	12.3	4.8	1.8	4.1	6.1	0.6	4.7	5.9	..	..	..
Indonesia	..	0.6	14.7	10.9	2.6	9.3	11.9	3.9	6.7	8.9	9.1	5.0	4.4	5.0	4.5	5.3	5.7	..	..	..
Ireland	9.8	7.9	9.9	17.1	7.0	-0.2	-11.7	-16.8	-15.0	3.4	11.6	-5.3	18.0	33.7	37.6	8.5	3.7	149.8	-31.5	4.5
Israel	..	-5.5	1.8	2.0	7.0	11.2	3.8	-3.0	10.1	14.0	3.5	4.5	0.0	0.1	11.2	2.2	6.4	11.2	1.7	7.8
Italy	2.1	-0.2	1.7	2.0	3.4	1.3	-3.2	-10.0	-0.6	-1.7	-9.4	-6.6	-2.2	1.4	3.1	3.4	3.2	4.2	2.6	3.6
Japan	-0.8	-0.8	0.1	3.1	0.4	-1.9	-3.8	-9.7	-1.6	1.7	3.5	4.9	2.9	0.1	0.9	2.1	1.5	2.1	2.2	0.9
Korea	4.7	4.8	2.9	2.0	3.6	5.0	-0.9	0.3	5.5	0.8	-0.5	3.3	3.4	5.1	5.2	7.2	2.9	7.2	5.9	3.1
Latvia	..	10.2	28.9	20.4	15.1	22.5	-9.1	-33.3	-19.8	24.0	14.4	-6.0	0.1	-1.8	-11.7	6.9	10.0	-7.5	10.3	9.8
Lithuania	..	14.1	15.8	11.5	19.6	22.3	-4.0	-38.9	1.5	20.1	-1.8	8.3	3.7	4.7	-0.5	5.1	5.3	..	..	..
Luxembourg	5.0	0.7	5.8	-1.1	3.2	12.6	12.0	-12.4	3.5	13.7	6.1	-2.5	5.7	-0.9	0.2	9.2	4.3	10.8	6.4	4.3
Mexico	1.5	0.8	7.4	5.8	8.7	5.9	5.1	-9.3	1.2	7.8	4.8	-1.5	2.9	4.3	0.4	0.5	1.2	1.2	0.0	2.0
Netherlands	3.5	-1.6	0.2	3.1	7.2	6.5	4.1	-9.2	-6.5	5.6	-6.3	-4.3	2.3	9.9	4.8	5.5	3.1	0.1	7.0	3.4
New Zealand	7.0	10.5	13.6	3.7	-1.2	7.7	-3.0	-12.6	0.7	6.4	6.0	8.1	8.4	2.1	5.6	5.9	4.9	6.9	6.6	4.0
Norway	3.9	0.4	10.0	12.0	9.1	11.7	0.9	-6.8	-6.7	7.4	7.6	6.3	-0.7	-3.8	0.3	2.3	2.2	1.7	1.9	2.7
Poland	7.2	1.2	6.7	8.3	15.4	19.0	8.8	-2.7	0.0	8.8	-1.8	-1.1	10.0	6.1	-7.9	3.3	4.7	-8.7	4.4	4.7
Portugal	4.1	-7.3	0.1	0.1	-0.8	3.1	0.4	-7.6	-0.9	-12.5	-16.6	-5.1	2.3	4.5	-0.1	6.5	2.3	4.5	3.0	2.9
Russia	..	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	9.2	7.0	1.2	-1.1	-9.7	-2.2	2.0	1.6	..	..	..
Slovak Republic	2.6	-3.2	4.7	16.5	9.1	8.9	1.6	-18.7	7.2	12.7	-9.0	-0.9	1.2	16.9	-9.3	1.2	7.0	-16.8	9.1	6.6
Slovenia	..	5.8	5.4	3.5	10.2	12.0	7.0	-22.0	-13.3	-4.9	-8.8	3.2	1.4	1.0	-3.1	6.8	5.1	0.5	5.7	5.0
South Africa	3.9	10.2	12.9	11.0	12.1	13.8	12.8	-6.7	-3.9	5.5	2.6	7.2	1.7	2.3	-3.9	0.0	2.8	..	..	..
Spain	4.5	7.0	5.1	7.5	7.4	4.4	-3.9	-16.9	-4.9	-6.9	-8.6	-3.4	3.8	6.0	3.1	3.9	4.9	2.2	4.6	5.7
Sweden	2.7	2.7	5.0	5.2	9.6	8.3	0.3	-13.3	5.5	5.8	0.3	0.6	5.6	6.5	5.5	3.3	2.5	3.6	3.1	2.3
Switzerland	1.9	-1.0	4.8	3.3	4.9	4.9	0.6	-7.5	4.3	4.3	2.9	1.2	2.8	1.5	2.5	1.7	2.4	1.4	3.1	2.3
Turkey	2.7	19.4	31.9	19.6	15.4	5.5	-2.7	-20.5	22.5	23.8	2.7	13.8	5.1	9.2	3.0	2.6	3.2	1.7	0.9	5.2
United Kingdom	2.0	2.4	2.9	3.5	3.2	5.7	-6.5	-15.2	5.0	1.9	2.3	3.2	6.7	3.4	0.5	1.2	-1.8	1.0	0.2	-2.0
United States	5.5	3.9	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.7	6.3	3.1	4.2	3.7	0.7	3.9	4.2	0.1	5.0	4.6
Euro area	2.0	1.3	2.2	3.0	5.8	4.7	-0.9	-11.1	-0.5	1.6	-3.3	-2.5	1.5	3.0	3.4	3.4	3.3	5.0	1.6	3.5
Total OECD	3.1	2.8	4.6	5.0	4.2	2.4	-2.0	-11.1	1.8	3.9	2.3	1.8	3.1	3.0	1.3	3.2	3.1	1.6	3.1	3.4

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503928

Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Australia	6.2	11.9	7.6	12.4	8.2	11.5	6.7	-2.4	0.6	12.9	15.2	-2.0	-4.8	-6.4	-8.4	-2.1	0.5	-6.7	-2.0	2.0
Belgium	2.3	-2.4	11.1	2.9	2.3	6.5	3.4	-7.5	-2.1	6.5	0.0	-0.3	5.6	3.1	1.2	2.8	3.5	5.7	0.8	3.5
Canada	5.0	6.6	9.1	11.2	9.0	2.5	4.0	-20.2	14.0	11.6	7.1	4.3	1.5	-11.3	-8.0	-1.9	3.5	-7.1	2.9	3.6
Denmark	4.3	-1.1	-0.9	3.6	15.3	2.2	3.9	-13.3	-8.1	-6.1	6.2	7.7	0.4	4.0	4.1	5.1	4.2	8.2	2.1	5.2
Finland	5.4	-1.5	2.1	5.5	2.2	16.6	4.9	-15.6	-6.3	3.1	-3.1	-7.3	-1.8	2.9	4.6	6.6	2.5	9.6	2.4	3.2
France	2.5	0.8	2.7	2.6	5.1	8.2	3.6	-11.6	3.0	4.8	1.0	-0.9	2.5	2.9	3.9	2.6	2.7	2.8	2.7	3.1
Germany	0.6	-0.9	1.6	3.6	8.5	7.8	2.1	-15.5	6.2	7.3	-1.7	-0.8	4.4	0.9	1.1	2.5	3.1	-0.3	4.4	3.0
Iceland	4.6	18.4	31.7	54.9	25.8	-22.5	-21.8	-50.4	0.0	23.9	7.6	-4.9	17.0	28.3	24.7	6.2	-3.9	11.0	6.6	-8.7
Japan	-0.5	2.4	3.8	8.5	2.1	1.0	-2.8	-13.4	-0.9	4.0	4.1	3.7	5.2	1.1	1.3	2.4	2.7	2.9	1.6	2.8
Korea	5.1	2.1	3.2	2.0	6.4	7.6	0.9	-3.7	14.2	3.3	0.2	0.9	3.3	2.4	2.7	4.0	3.2	6.6	3.1	3.5
Netherlands	3.6	-1.6	0.0	3.2	7.1	8.9	6.1	-10.5	-3.0	12.8	-3.9	-2.4	2.8	7.5	2.1	4.3	2.3	-6.0	8.3	2.5
New Zealand	6.9	16.1	14.6	7.4	0.7	11.6	-0.1	-21.2	-0.8	13.4	8.8	4.8	6.1	0.8	6.1	7.4	5.8	5.7	9.5	4.2
Norway	4.0	-3.4	10.7	16.7	10.9	15.4	2.2	-10.4	-8.9	6.2	9.4	5.1	-1.9	-7.9	-5.9	-1.1	1.6	-2.0	-0.9	2.5
Sweden	5.2	3.2	4.6	5.1	9.5	10.2	3.9	-15.2	3.4	7.2	3.0	0.8	4.3	6.0	1.2	1.2	1.7	-2.6	2.8	1.6
Switzerland	3.0	-3.8	5.7	4.7	7.1	7.2	0.5	-10.6	4.1	5.1	3.9	1.4	3.3	1.8	2.5	1.8	2.5	1.4	3.1	2.4
United Kingdom	3.9	-0.3	-3.5	15.7	-7.3	9.2	-1.1	-16.0	6.0	4.3	7.2	2.6	3.9	5.1	-1.5	-0.6	-3.0	-0.9	-1.2	-3.3
United States	6.8	1.9	5.2	7.0	7.1	5.9	-0.7	-15.6	2.5	7.7	9.0	3.5	6.0	2.1	-0.5	4.4	4.3	-0.1	5.3	4.8

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503947

Annex Table 7. **Real gross residential fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Australia	4.9	5.2	5.8	-1.9	-3.1	2.2	2.4	-4.8	5.9	-1.0	-6.4	2.5	6.9	10.0	7.9	4.5	3.5	5.6	6.0	2.0
Austria	0.6	-4.1	0.8	1.4	0.5	1.9	0.7	-1.6	0.7	2.9	-1.3	-0.1	-0.6	0.9	0.3	2.3	2.3	-0.2	3.5	1.6
Belgium	-0.6	4.7	3.9	15.6	4.8	4.7	-2.2	-10.4	1.8	-2.5	-0.1	-3.9	4.7	0.8	4.5	2.3	2.0	3.6	2.0	2.0
Canada	3.0	3.5	8.3	4.9	2.4	2.6	-4.1	-5.8	7.7	1.3	5.8	0.0	2.4	3.5	2.7	3.8	1.8	2.2	4.8	0.7
Denmark	4.8	13.5	12.1	16.7	11.4	-5.5	-16.7	-20.4	-8.9	15.8	-5.5	-7.8	8.6	3.8	11.0	0.2	1.6	6.1	1.8	1.5
Finland	2.8	11.3	11.2	5.0	3.8	-0.3	-10.6	-13.9	24.1	5.3	-3.5	-5.3	-6.5	2.0	9.1	3.6	2.3	7.7	1.8	3.1
France	2.6	2.7	4.0	4.3	4.9	2.6	-4.0	-11.9	1.6	1.1	-2.0	-0.3	-3.3	-0.7	2.1	3.5	3.6	2.7	3.6	3.6
Germany	0.3	-1.9	-4.2	-4.1	6.8	-1.5	-4.0	-3.2	4.1	10.0	4.2	-0.7	2.9	1.0	3.8	2.9	3.2	3.4	3.4	2.9
Greece	0.2	18.2	16.6	-9.2	17.6	15.0	-24.0	-19.7	-26.3	-14.4	-38.1	-31.1	-53.1	-26.0	-12.6	1.0	2.8	-3.1	2.2	3.0
Iceland	2.4	3.7	14.2	11.9	16.5	13.2	-21.9	-55.7	-18.0	5.4	6.9	8.0	14.8	-3.1	33.7	22.1	20.0	67.3	2.2	18.2
Ireland	8.9	18.1	11.1	16.3	2.7	-12.1	-17.5	-39.9	-34.0	-16.5	-19.4	8.9	20.5	4.6	17.9	10.3	10.2	20.6	7.6	11.7
Italy	0.5	3.9	2.5	6.2	5.2	1.0	-1.9	-9.3	-0.2	-6.4	-7.7	-4.5	-6.7	1.5	3.3	2.1	2.4	2.5	1.9	2.5
Latvia	..	-9.0	62.0	17.8	34.4	41.4	-11.9	-52.4	-28.9	1.3	13.8	-1.3	9.7	-19.5	-11.1	-10.7	9.7	-21.4	24.8	7.9
Japan	-2.0	-1.3	1.7	-0.5	0.7	-9.5	-6.6	-16.4	-3.7	4.9	2.5	8.0	-4.3	-1.6	5.6	3.8	2.0	7.5	2.1	2.1
Korea	1.8	12.0	3.1	2.1	-2.3	-3.5	-9.4	-2.5	-12.0	-8.0	-2.9	23.4	11.1	18.9	22.1	8.4	2.0	21.6	3.4	2.0
Netherlands	2.0	-4.0	4.6	5.5	5.8	5.1	0.4	-14.9	-16.0	-4.4	-12.9	-12.2	6.1	27.4	19.0	11.8	6.0	19.7	7.5	6.5
New Zealand	4.6	20.3	3.7	-4.0	-2.1	3.1	-18.1	-14.1	1.2	-0.1	18.1	16.7	9.9	1.3	9.6	3.8	4.8	10.6	3.7	5.0
Norway	7.1	1.8	16.3	9.7	4.0	2.7	-9.0	-8.1	-1.6	17.0	10.9	5.3	-1.4	1.6	9.9	9.5	3.8	10.9	6.0	3.7
Spain	7.1	8.2	4.9	6.5	6.7	1.3	-9.2	-20.3	-11.6	-13.3	-10.3	-10.2	6.2	3.1	3.7	5.2	4.3	3.8	4.8	5.1
Sweden	-5.4	5.2	12.8	10.1	14.5	6.6	-13.3	-18.8	12.5	8.0	-11.7	0.9	15.5	15.8	17.3	7.7	4.6	14.9	5.7	4.0
Switzerland	-1.1	14.4	7.0	1.1	-1.6	-3.0	-4.2	1.8	3.5	2.2	1.5	1.7	2.3	1.2	2.7	2.5	3.2	1.2	4.4	2.9
United Kingdom	1.0	4.0	7.0	4.1	3.3	1.9	-23.2	-26.2	4.8	2.1	-1.5	9.5	13.2	3.6	3.7	3.4	-1.1	1.5	2.6	-1.5
United States	4.5	9.1	10.0	6.6	-7.6	-18.8	-24.0	-21.2	-2.5	0.5	13.5	11.9	3.5	11.7	4.9	5.4	4.8	1.1	6.2	5.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503966

Annex Table 8. **Real total domestic demand**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	13.3	13.7	9.1	9.3	11.3	6.9	-7.9	14.2	10.2	-1.3	4.0	-3.9	4.0	-1.6	2.4	3.5	..	..	..
Australia	4.2	5.7	6.1	4.5	3.6	7.0	3.5	-0.1	4.0	4.6	4.0	0.2	1.2	1.3	1.7	2.1	2.4	2.1	2.0	2.6
Austria	1.7	2.3	1.7	2.4	2.4	2.7	0.7	-1.7	0.6	3.1	0.2	0.0	0.2	0.5	2.4	2.5	1.8	3.3	1.9	1.5
Belgium	1.7	0.7	3.6	2.9	1.9	3.3	2.0	-1.8	2.0	2.2	-0.2	-0.5	2.2	1.5	1.1	1.7	1.6	2.4	1.0	1.7
Brazil	..	-0.3	5.1	2.6	5.4	7.6	7.2	-0.2	9.9	4.6	1.9	3.6	0.3	-6.3	-5.2	0.8	1.3	..	..	..
Canada	2.9	4.0	4.0	5.0	4.2	3.6	2.8	-3.0	5.3	2.2	2.1	3.4	1.5	0.0	0.6	2.4	2.0	1.2	3.1	1.8
Chile	..	3.8	8.4	11.3	8.8	6.7	8.5	-6.8	13.8	9.4	7.2	3.6	-0.4	2.0	1.1	3.0	3.0	1.0	3.8	2.9
China	9.9	10.5	9.5	8.1	9.5	11.6	8.3	16.7	7.9	9.8	8.3	8.2	8.9	9.1	8.3	6.2	6.2	8.6	5.6	5.4
Colombia	..	4.3	6.1	6.3	9.0	8.4	4.7	0.3	5.8	8.4	4.7	5.1	6.1	3.0	0.4	1.8	3.0	..	..	..
Costa Rica	4.1	3.9	2.8	4.2	7.2	8.9	6.3	-4.9	7.8	5.6	5.6	1.7	3.6	6.1	4.0	4.7	4.4	..	..	..
Czech Republic	..	3.6	3.3	3.4	5.1	6.5	1.9	-5.4	1.7	0.2	-2.1	-0.6	3.4	4.8	1.4	2.2	2.8	0.8	3.8	2.3
Denmark	2.5	0.6	4.3	3.4	5.2	1.8	-0.2	-6.1	0.7	1.0	0.9	0.8	1.5	1.3	1.6	1.2	2.0	1.5	1.6	2.3
Estonia	..	11.2	6.6	7.3	17.4	9.3	-8.7	-20.7	0.2	9.2	8.6	1.5	3.0	0.8	3.0	4.8	3.7	4.2	2.9	4.1
Finland	2.9	3.3	3.6	4.1	2.4	4.8	0.9	-6.2	3.8	4.1	-1.3	-1.0	-0.1	1.4	2.1	1.4	1.0	1.8	0.9	1.1
France	2.0	1.4	2.8	2.3	2.6	3.2	0.4	-2.5	1.9	2.1	-0.3	0.7	1.1	1.4	1.8	1.9	1.6	1.3	1.9	1.7
Germany	1.0	0.3	-0.6	0.3	2.9	1.8	1.0	-3.1	2.9	3.0	-0.8	1.0	1.4	1.4	2.2	1.7	2.0	1.9	1.7	1.9
Greece	..	7.4	2.7	0.2	7.9	5.3	-0.6	-6.2	-6.5	-11.2	-10.0	-3.9	0.7	-1.0	0.4	0.7	2.1	-3.3	3.5	1.5
Hungary	3.4	5.7	5.3	1.7	1.7	-1.0	0.3	-9.5	-0.6	-0.2	-3.0	2.4	4.6	1.4	1.5	4.5	4.5	1.8	5.5	4.2
Iceland	3.2	5.4	10.0	14.1	9.5	1.5	-7.0	-17.4	-3.1	2.8	1.2	1.5	4.0	5.1	8.1	5.2	2.3	8.5	3.8	1.3
India[1]	..	9.0	7.7	10.5	9.7	10.7	6.1	8.5	9.7	8.5	5.3	1.9	6.9	7.6	6.3	6.6	7.4	..	..	..
Indonesia	3.8	4.0	7.0	5.9	5.3	6.4	6.1	3.0	6.5	6.1	7.7	5.0	5.3	3.9	5.0	4.4	5.2	..	..	..
Ireland	7.0	4.8	3.9	10.2	7.0	3.6	-4.2	-8.3	-3.6	1.0	1.1	-1.8	8.3	9.8	14.1	4.0	3.0	43.0	-17.2	3.4
Israel	..	-1.8	2.9	3.4	4.9	6.5	1.9	0.1	5.4	5.4	3.8	3.0	3.8	3.9	5.9	1.9	3.9	5.8	1.5	4.0
Italy	1.4	0.9	1.0	1.0	2.0	1.1	-1.2	-4.2	1.9	-0.5	-5.7	-2.7	0.3	1.3	1.1	1.0	0.9	1.0	1.0	0.8
Japan	0.9	0.8	1.4	1.4	0.6	0.6	-1.3	-4.0	2.4	0.7	2.3	2.4	0.4	0.7	0.4	0.9	0.7	0.5	1.2	0.5
Korea	5.3	1.8	2.0	3.8	5.1	5.0	1.1	-2.7	8.3	3.0	0.8	1.4	3.0	3.9	3.6	4.2	2.8	3.2	3.9	3.0
Latvia	..	11.4	12.0	9.2	18.3	12.5	-8.9	-23.2	-3.9	11.9	1.7	1.8	0.1	2.4	3.0	3.7	4.4	3.2	4.4	4.3
Lithuania	..	10.7	11.9	9.0	8.9	15.3	3.3	-21.7	2.4	5.8	-0.3	3.4	3.4	7.0	2.6	3.9	3.6	..	..	..
Luxembourg	3.7	4.3	2.6	3.4	1.3	4.9	4.2	-6.1	5.8	5.0	2.5	1.4	7.2	3.4	0.8	4.5	3.6	0.4	5.2	3.6
Mexico	2.8	1.8	5.7	4.1	6.5	3.1	2.9	-7.0	4.9	4.7	4.8	1.3	2.1	2.4	1.8	1.6	1.6	2.2	0.7	2.3
Netherlands	3.0	0.3	0.4	1.7	3.7	3.5	1.9	-2.4	-0.1	0.7	-2.3	-1.3	0.8	2.3	2.2	2.3	2.1	2.0	2.4	2.1
New Zealand	4.0	6.4	7.8	4.6	1.5	5.2	1.1	-4.9	3.7	3.3	2.8	3.6	4.2	2.2	4.7	4.5	3.3	6.0	3.5	3.0
Norway	3.4	1.5	6.8	5.4	6.2	6.1	1.5	-3.2	3.0	2.7	3.5	3.5	1.6	0.7	1.8	1.7	2.0	2.7	1.9	2.1
Poland	4.9	2.5	6.2	2.4	7.2	9.3	5.4	-0.2	4.2	4.2	-0.4	-0.6	4.7	3.3	2.4	3.5	3.4	2.5	3.4	3.5
Portugal	3.0	-1.8	3.0	1.3	0.9	2.2	1.1	-3.6	1.9	-5.7	-7.3	-2.0	2.2	2.5	1.5	2.0	1.3	2.5	1.1	1.6
Russia	..	7.8	10.0	9.2	11.2	13.7	9.2	-13.1	7.9	8.7	5.6	1.3	-0.6	-9.5	-2.3	2.2	1.3	..	..	..
Slovak Republic	..	0.0	5.8	8.6	6.7	6.8	6.5	-7.1	4.5	1.1	-4.0	0.3	3.1	4.7	1.0	2.3	3.6	-0.4	3.8	3.6
Slovenia	..	4.5	4.9	1.9	4.7	9.0	3.1	-9.5	-0.8	-0.7	-5.7	-2.0	1.8	1.4	2.4	4.0	3.5	3.5	3.4	3.6
South Africa	2.6	5.2	7.9	5.7	8.5	5.8	3.6	-1.4	3.7	5.6	3.2	2.9	0.6	1.8	-0.8	0.4	1.6	..	..	..
Spain	3.1	3.9	4.8	5.1	5.1	4.1	-0.4	-6.0	-0.5	-3.1	-5.1	-3.2	1.9	3.4	2.9	2.3	2.3	2.3	2.3	2.3
Sweden	1.8	2.3	1.8	2.6	4.5	4.9	-0.1	-4.3	5.7	3.0	-0.2	1.6	3.0	3.8	3.2	2.5	2.4	1.8	3.0	2.2
Switzerland	1.4	0.8	-0.3	4.2	2.3	0.5	2.6	2.4	-0.6	4.1	-1.3	-0.8	2.1	1.9	-0.4	1.1	2.1	-2.6	3.4	2.1
Turkey	3.2	12.4	14.4	12.3	9.0	6.1	-0.3	-7.5	13.0	10.8	1.8	9.5	2.6	4.6	3.8	3.3	3.6	3.6	1.7	4.8
United Kingdom	3.5	3.5	3.0	2.7	2.1	2.5	-1.4	-4.5	2.6	0.2	2.0	2.6	3.4	2.0	1.5	2.1	0.6	1.6	2.4	0.4
United States	3.8	3.1	4.3	3.5	2.6	1.1	-1.3	-3.8	2.9	1.6	2.1	1.3	2.4	3.2	1.7	2.4	2.7	2.1	2.3	2.8
Euro area	1.9	1.4	1.6	2.0	3.2	2.7	0.2	-3.8	1.4	0.7	-2.4	-0.6	1.3	1.8	2.1	1.8	1.8	2.4	1.3	1.8
Total OECD	2.8	2.5	3.4	3.1	3.1	2.4	-0.2	-3.9	3.1	1.8	0.9	1.3	2.0	2.4	1.8	2.2	2.1	2.0	2.0	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933503985

Annex Table 9. **Foreign balance contributions to changes in real GDP**

Percentage points

	Average 1991-2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Fourth quarter[1]	2017 Fourth quarter[1]	2018 Fourth quarter[1]
Argentina	0.8	-3.0	-3.5	0.4	-0.6	-1.5	-2.3	1.3	-2.4	-2.7	0.0	-1.1	0.7	-0.9	-0.2	0.1	-0.1	..	..	..
Australia	-0.3	-2.6	-2.4	-1.3	-1.2	-2.2	-1.6	2.6	-2.1	-2.2	0.2	1.6	1.6	0.8	1.4	0.6	0.8	0.5	0.9	0.6
Austria	0.6	-1.2	0.5	0.6	1.2	1.0	0.6	-2.0	1.2	0.1	0.3	-0.1	0.6	0.2	-0.8	-0.1	0.0	-3.0	0.0	-0.1
Belgium	0.6	0.1	0.3	-0.7	0.7	0.2	-1.2	-0.4	0.7	-0.3	0.3	0.4	-0.6	0.0	0.1	0.0	0.2	-3.8	0.2	0.2
Brazil	0.6	1.7	0.8	0.7	-1.4	-1.4	-2.0	-0.2	-2.6	-0.6	-0.1	-0.6	0.2	2.6	1.7	0.0	0.3	..	..	..
Canada	..	-2.2	-0.8	-1.6	-1.4	-1.5	-1.8	-0.4	-2.2	-0.3	-0.3	0.3	1.1	1.0	0.7	0.4	0.3	5.2	0.3	0.5
Chile	0.4	0.4	-0.8	-4.4	-1.7	-0.9	-3.9	4.8	-6.7	-2.7	-1.7	0.4	2.3	0.3	0.4	-0.8	-0.2	2.6	-0.3	-0.3
China	0.1	-0.2	0.8	3.5	3.7	3.5	2.2	-5.4	3.2	0.5	0.2	0.1	-1.0	-1.7	-1.3	0.6	0.3	-4.4	1.3	1.0
Colombia	-0.4	-0.4	-0.4	-1.3	-2.3	-1.7	-1.3	1.3	-1.8	-1.9	-0.7	-0.2	-1.9	-0.1	1.3	-0.3	-0.1	..	..	..
Costa Rica	0.0	0.2	1.5	-0.3	0.0	-0.8	-1.7	4.0	-2.8	-1.4	-1.0	0.5	-0.1	-1.6	0.2	-0.8	-0.5	..	..	..
Czech Republic	-1.0	0.0	1.4	3.2	2.0	-0.8	0.8	0.5	0.5	1.8	1.3	0.1	-0.5	0.1	1.0	0.9	0.0	4.1	0.0	0.3
Denmark	..	-0.2	-1.3	-0.9	-1.0	-0.9	-0.3	1.1	1.2	0.4	-0.7	0.2	0.3	0.4	-0.2	0.5	0.2	3.1	-0.3	0.5
Estonia	-2.6	-3.2	-0.4	0.5	-8.6	-1.7	4.9	8.1	3.0	-0.7	-3.6	-0.9	0.8	0.6	-0.7	-0.5	-0.5	-6.2	-0.7	0.2
Finland	1.3	-1.7	0.7	-1.0	1.6	1.0	-0.2	-2.1	0.0	-1.5	-0.2	0.3	-0.5	-0.4	-0.7	0.6	0.5	-2.1	0.4	0.7
France	0.2	-0.5	-0.2	-0.7	-0.1	-0.8	-0.3	-0.3	-0.1	0.0	0.5	-0.1	-0.5	-0.3	-0.7	-0.7	-0.2	0.6	-0.2	-0.3
Germany	0.5	-1.0	1.3	0.6	1.1	1.6	-0.1	-2.6	1.2	0.9	1.4	-0.4	0.2	0.1	-0.3	0.4	0.2	-0.7	0.3	-0.1
Greece	-0.7	-2.4	2.1	0.2	-2.8	-2.5	0.4	3.0	1.8	2.7	3.3	1.4	-0.2	0.9	-0.7	0.5	0.3	-7.4	0.3	0.0
Hungary	..	-2.0	-0.3	2.7	2.2	1.5	0.7	2.6	1.3	2.0	1.3	0.0	-0.2	1.8	0.6	-0.3	-0.7	4.1	-0.7	-0.7
Iceland	0.1	-3.2	-2.3	-8.7	-5.6	8.4	9.7	13.1	-1.3	-1.1	-0.2	3.8	-2.9	-1.5	-0.8	0.6	0.6	4.2	0.5	1.5
India[2]	0.0	-0.7	0.5	-1.3	-0.6	-1.2	-2.4	-0.5	0.0	-2.2	-0.2	4.5	0.2	0.2	0.7	0.7	0.2	..	..	..
Indonesia	-0.3	0.8	-1.8	-0.1	0.2	-0.1	-0.1	1.7	0.0	0.2	-1.5	0.6	-0.2	1.0	0.1	0.7	0.1	..	..	..
Ireland	..	0.2	3.8	-3.5	-1.5	0.3	-1.3	5.5	4.7	0.8	-2.4	2.4	1.9	18.3	-6.6	-0.9	0.2	-106.7	0.4	0.0
Israel	0.3	3.0	2.0	0.7	0.8	-0.2	1.4	1.1	0.4	-0.3	-1.4	1.4	-0.7	-1.2	-1.7	1.2	-0.5	2.8	-0.4	-0.6
Italy	..	-0.7	0.3	0.1	0.1	0.2	0.2	-1.3	-0.2	1.2	2.9	0.9	-0.1	-0.6	-0.1	0.0	0.0	-0.1	0.1	-0.2
Japan	0.1	0.7	0.9	0.3	0.9	1.1	0.2	-1.4	1.8	-0.8	-0.8	-0.4	0.0	0.4	0.6	0.5	0.3	1.4	0.1	0.5
Korea	1.1	1.2	3.0	0.3	0.2	0.5	1.7	3.2	-1.4	0.8	1.5	1.5	0.4	-1.0	-0.7	-1.0	0.4	-0.1	0.4	0.5
Latvia	-0.9	-4.1	-5.3	0.0	-9.1	-5.0	7.1	11.5	0.2	-5.7	2.3	0.8	2.0	0.3	-1.1	-0.2	-0.9	-1.4	-1.5	-0.3
Lithuania	-1.4	-0.8	-6.1	-1.3	-1.9	-5.4	-0.9	11.9	-0.2	0.2	4.0	0.3	0.2	-5.2	-0.4	-0.8	-0.8	..	..	..
Luxembourg	1.8	-1.9	0.3	1.8	4.9	5.5	-5.6	0.6	-0.1	-0.3	-0.6	3.2	2.2	2.2	2.1	1.5	2.0	5.5	2.0	2.1
Mexico	-0.5	0.4	-0.1	-0.9	-0.8	-0.7	-1.4	1.8	-0.3	0.0	0.3	-0.4	0.3	0.5	0.3	0.7	0.4	2.5	0.3	0.5
Netherlands	0.3	0.1	1.5	0.6	0.2	0.5	-0.1	-1.5	1.4	1.0	1.1	1.1	0.6	0.0	0.2	0.4	0.3	1.6	0.3	0.3
New Zealand	0.0	-1.8	-3.1	-2.0	1.2	-1.4	-1.3	5.3	-2.0	-1.1	-0.2	-1.5	-1.3	1.0	-0.7	-1.4	-0.2	-6.0	-0.3	-0.2
Norway	0.2	-0.4	-2.0	-2.0	-2.8	-2.2	-0.9	1.0	-2.1	-1.4	-0.3	-2.0	0.5	1.0	-0.4	-0.5	-0.4	2.1	-0.3	0.1
Poland	-0.6	1.0	-1.3	1.1	-1.1	-2.5	-1.3	3.1	-0.6	0.7	2.1	1.9	-1.3	0.6	0.3	0.9	-0.2	4.6	0.1	-0.4
Portugal	-0.7	1.0	-1.4	-0.6	0.6	0.1	-1.1	0.9	-0.1	4.3	3.6	0.9	-1.3	-0.8	0.0	0.2	0.3	-3.0	0.1	1.1
Russia	0.3	0.3	-1.2	-1.3	-1.8	-3.1	-2.8	4.8	-3.0	-3.9	-1.6	0.5	1.7	6.3	1.7	-0.2	0.3	..	..	..
Slovak Republic	-0.2	5.4	-0.9	-2.1	1.5	3.8	-0.5	2.1	0.5	1.7	5.7	1.2	-0.5	-0.7	1.8	0.2	0.6	-0.8	0.6	0.8
Slovenia	-1.4	-1.7	-0.5	2.1	1.0	-2.0	0.2	1.9	2.0	1.3	3.0	0.8	1.4	1.1	0.3	0.2	0.0	-2.5	0.2	-0.7
South Africa	..	-2.2	-3.0	-0.6	-2.9	-0.6	-0.4	0.5	-0.8	-2.3	-1.0	-0.5	1.1	-0.5	1.1	0.4	-0.4	..	..	..
Spain	0.0	-0.8	-1.7	-1.6	-1.2	-0.6	1.6	2.8	0.5	2.1	2.2	1.5	-0.5	-0.1	0.5	0.5	0.2	0.5	0.2	0.2
Sweden	1.1	0.4	2.1	0.4	0.8	-0.9	-0.7	-1.1	0.3	-0.1	0.3	-0.3	-0.2	0.3	0.0	0.3	0.0	3.4	0.1	0.0
Switzerland	0.2	-0.6	2.9	-0.8	2.0	3.6	-0.1	-4.3	3.3	-1.7	2.2	2.6	0.3	-0.9	1.5	0.5	0.1	-1.8	0.1	0.1
Turkey	0.1	-3.9	-2.1	-1.2	-0.5	-0.9	1.5	3.1	-4.3	-1.0	3.1	-2.2	2.0	0.6	-1.5	0.2	-0.2	9.0	-0.2	0.1
United Kingdom	-0.3	-0.1	-0.5	0.2	0.3	-0.1	0.8	0.4	-0.8	1.4	-0.7	-0.8	-0.4	0.0	-0.3	-0.6	0.4	6.5	0.3	0.5
United States	-0.5	-0.4	-0.6	-0.3	-0.1	0.6	1.1	1.3	-0.4	0.0	0.1	0.3	-0.1	-0.7	-0.1	-0.3	-0.4	-1.8	-0.4	-0.4
Euro area	0.3	-0.7	0.4	-0.2	0.2	0.3	0.1	-0.6	0.6	0.9	1.5	0.4	-0.1	0.2	-0.4	0.1	0.1	-3.1	0.1	0.0
Total OECD	-0.1	-0.4	-0.1	-0.2	0.0	0.2	0.4	0.6	-0.1	0.2	0.5	0.2	0.1	-0.1	-0.1	0.0	0.0	-0.2	0.0	0.0

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Contributions to per cent change from the previous period, seasonnally adjusted at annual rates.
2. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504004

Annex Table 10. **Quarterly demand and output projections**

Percentage changes, seasonally adjusted at annual rates, volume

	2016	2017	2018	2016	2017				2018				2016	2017	2018
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4 / Q4	
Private consumption															
Canada	2.2	3.1	1.9	2.4	4.8	3.4	2.2	1.8	1.7	1.7	1.7	1.7	2.3	3.0	1.7
France	1.8	1.2	1.4	2.4	0.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	2.0	1.2	1.4
Germany	1.9	1.3	1.4	0.6	1.2	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.7	1.4	1.4
Italy	1.3	0.7	0.4	0.3	0.7	0.7	0.7	0.7	0.3	0.2	0.2	0.2	0.9	0.7	0.2
Japan	0.4	0.9	0.6	0.2	1.4	0.7	0.7	0.9	0.7	0.4	0.4	0.3	0.9	0.9	0.4
United Kingdom	2.8	2.0	1.1	2.8	1.4	1.7	1.5	1.2	1.1	1.0	0.9	0.8	2.9	1.4	1.0
United States	2.7	2.4	2.4	3.5	0.6	2.6	2.3	2.3	2.4	2.5	2.5	2.5	3.1	2.0	2.5
Euro area	1.9	1.4	1.4	1.6	1.0	1.6	1.5	1.4	1.3	1.3	1.3	1.3	1.9	1.4	1.3
Total OECD	2.3	2.1	2.0	3.3	1.3	1.9	1.8	1.8	2.2	2.1	2.1	1.9	2.6	1.7	2.1
Public consumption															
Canada	2.0	1.5	0.8	2.1	1.9	1.7	1.1	0.9	0.7	0.6	0.6	0.6	2.3	1.4	0.7
France	1.4	1.2	1.1	1.1	1.4	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.2	1.1
Germany	4.0	1.7	2.3	1.1	1.7	2.5	2.4	2.3	2.3	2.3	2.2	2.1	2.7	2.2	2.2
Italy	0.6	0.6	0.1	2.4	0.8	0.6	0.4	0.0	0.0	0.0	0.0	0.0	1.0	0.5	0.0
Japan	1.5	0.3	0.1	0.3	0.6	1.1	0.4	-0.3	-0.8	0.4	0.5	0.9	0.6	0.5	0.2
United Kingdom	0.8	1.4	1.1	-0.1	3.1	2.0	1.7	1.5	0.9	0.8	0.7	0.5	0.4	2.1	0.7
United States	0.8	0.5	2.4	-0.8	-1.1	1.3	2.1	2.3	2.5	2.6	2.6	2.6	0.3	1.1	2.6
Euro area	1.8	1.2	1.3	1.2	1.2	1.5	1.4	1.3	1.2	1.2	1.2	1.1	1.5	1.4	1.2
Total OECD	1.7	1.1	1.6	1.2	0.8	1.5	1.6	1.5	1.5	1.7	1.7	1.8	1.1	1.3	1.7
Business investment															
Canada	-8.0	-1.9	3.5	-16.1	2.0	3.0	3.3	3.3	3.5	3.6	3.7	3.8	-7.1	2.9	3.6
France	3.9	2.6	2.7	3.6	4.9	2.0	2.0	2.0	2.8	3.2	3.2	3.2	2.8	2.7	3.1
Germany	1.1	2.5	3.1	-2.1	9.2	2.5	3.0	3.2	3.2	3.0	3.0	3.0	-0.3	4.4	3.0
Japan	1.3	2.4	2.7	7.6	0.9	1.2	1.4	2.7	3.9	3.1	2.4	2.0	2.9	1.6	2.8
United Kingdom	-1.5	-0.6	-3.0	-3.6	2.4	-2.0	-2.5	-2.8	-3.0	-3.2	-3.4	-3.6	-0.9	-1.2	-3.3
United States	-0.5	4.4	4.3	0.9	11.4	3.0	3.0	4.0	4.5	4.8	4.9	4.9	-0.1	5.3	4.8
Total investment															
Canada	-3.2	1.4	3.3	-6.0	4.9	4.8	4.0	3.3	3.1	3.0	3.0	3.0	-2.4	4.2	3.0
France	2.7	2.3	2.8	2.3	3.6	2.3	2.4	2.4	2.9	3.2	3.2	3.2	2.0	2.7	3.1
Germany	2.0	2.8	3.0	1.8	6.9	2.8	3.2	3.2	3.1	2.9	2.9	2.9	0.5	4.0	3.0
Italy	3.1	3.4	3.2	5.3	2.5	2.5	2.5	3.0	3.0	3.5	4.0	4.0	4.2	2.6	3.6
Japan	0.9	2.1	1.5	2.5	1.0	2.9	3.3	1.5	1.1	1.1	0.9	0.5	2.1	2.2	0.9
United Kingdom	0.5	1.2	-1.8	0.6	4.9	-0.9	-1.4	-1.7	-1.8	-1.9	-2.1	-2.2	1.0	0.2	-2.0
United States	0.7	3.9	4.2	3.1	9.6	3.3	3.1	3.9	4.4	4.6	4.8	4.8	0.1	5.0	4.6
Euro area	3.4	3.4	3.3	13.8	-1.8	2.4	3.0	3.1	3.4	3.5	3.6	3.6	5.0	1.6	3.5
Total OECD	1.3	3.2	3.1	5.1	4.4	2.5	2.7	2.8	3.1	3.3	3.5	3.5	1.6	3.1	3.4

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504023

Annex Table 10. **Quarterly demand and output projections (cont.)**

Percentage changes, seasonally adjusted at annual rates, volume

	2016	2017	2018	2016 Q4	2017 Q1	Q2	Q3	Q4	2018 Q1	Q2	Q3	Q4	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Total domestic demand															
Canada	0.6	2.4	2.0	-2.2	5.0	3.3	2.4	2.0	1.8	1.8	1.8	1.8	1.2	3.1	1.8
France	1.8	1.9	1.6	1.1	3.7	1.0	1.5	1.5	1.6	1.7	1.7	1.7	1.3	1.9	1.7
Germany	2.2	1.7	2.0	2.7	0.6	2.1	2.1	2.0	2.0	1.9	1.9	1.9	1.9	1.7	1.9
Italy	1.1	1.0	0.9	0.9	1.1	1.0	1.0	1.0	0.7	0.8	0.8	0.8	1.0	1.0	0.8
Japan	0.4	0.9	0.7	-0.1	1.6	1.3	1.3	0.8	0.5	0.5	0.5	0.5	0.5	1.2	0.5
United Kingdom	1.5	2.1	0.6	-4.8	6.6	1.3	1.0	0.7	0.6	0.5	0.4	0.3	1.6	2.4	0.4
United States	1.7	2.4	2.7	3.9	1.0	3.3	2.4	2.5	2.7	2.8	2.8	2.9	2.1	2.3	2.8
Euro area	2.1	1.8	1.8	4.8	-0.1	1.7	1.8	1.8	1.7	1.8	1.8	1.8	2.4	1.3	1.8
Total OECD	1.8	2.2	2.1	3.0	1.8	2.3	2.0	2.0	2.2	2.2	2.3	2.2	2.0	2.0	2.2
Exports of goods and services															
Canada	1.1	2.3	4.4	1.3	2.5	3.2	3.8	4.2	4.6	4.6	4.7	4.7	0.8	3.4	4.7
France	1.2	2.5	3.9	5.8	-2.8	5.7	3.5	3.6	3.8	3.9	4.0	4.0	2.0	2.5	3.9
Germany	2.5	4.2	3.7	6.9	5.3	4.1	4.0	3.8	3.8	3.6	3.5	3.3	4.1	4.3	3.5
Italy	2.6	4.1	3.6	7.6	2.2	3.8	3.8	3.5	3.5	3.5	3.5	3.5	3.8	3.3	3.5
Japan	1.2	6.4	3.4	14.1	8.9	3.7	1.1	2.7	3.6	4.3	4.3	4.3	4.4	4.0	4.1
United Kingdom	1.8	1.9	2.6	19.8	-6.1	2.2	2.4	2.5	2.7	2.8	2.9	3.0	0.6	0.1	2.8
United States	0.4	2.9	3.0	-4.5	5.9	2.7	2.7	2.7	3.0	3.1	3.2	3.3	1.5	3.5	3.1
Total OECD[1]	2.3	4.2	3.9	6.9	4.2	3.5	3.4	3.6	3.9	4.1	4.2	4.2	3.1	3.7	4.1
Imports of goods and services															
Canada	-1.0	0.8	3.2	-13.5	6.2	4.3	3.4	3.0	3.1	3.1	3.1	3.1	-1.3	4.2	3.1
France	3.5	4.4	4.2	3.3	6.0	3.7	3.6	3.8	4.3	4.6	4.6	4.6	2.4	4.3	4.5
Germany	3.7	4.1	3.9	10.3	1.6	3.9	4.0	3.9	3.8	3.9	4.1	4.1	4.9	3.3	4.0
Italy	3.1	4.7	3.9	8.9	3.2	3.2	3.2	3.5	4.0	4.5	4.5	4.5	4.3	3.3	4.4
Japan	-2.3	3.2	1.9	5.3	5.5	4.6	2.4	2.2	1.5	1.5	1.5	1.5	-2.0	3.7	1.5
United Kingdom	2.8	3.8	1.3	-4.1	11.1	1.8	1.7	1.4	1.3	1.2	1.1	1.1	2.0	3.9	1.2
United States	1.1	4.7	5.1	8.9	3.8	5.0	4.9	4.9	5.2	5.2	5.2	5.2	2.6	4.6	5.2
Total OECD[1]	2.7	4.4	4.0	7.6	4.0	4.0	3.8	3.7	4.0	4.2	4.3	4.3	3.2	3.9	4.2
GDP															
Canada	1.4	2.8	2.3	2.6	3.8	3.0	2.5	2.3	2.3	2.2	2.3	2.3	1.9	2.9	2.3
France	1.1	1.3	1.5	1.8	1.0	1.6	1.5	1.4	1.4	1.5	1.5	1.5	1.2	1.4	1.5
Germany	1.8	2.0	2.0	1.7	2.4	2.3	2.2	2.2	2.1	1.9	1.8	1.7	1.8	2.3	1.9
Italy	1.0	1.0	0.8	0.7	0.8	1.3	1.2	1.1	0.7	0.6	0.7	0.7	1.0	1.1	0.6
Japan	1.0	1.4	1.0	1.4	2.2	1.2	1.1	0.9	0.9	1.0	1.0	1.0	1.7	1.3	1.0
United Kingdom	1.8	1.6	1.0	2.7	0.7	1.4	1.2	1.1	1.0	0.9	0.9	0.8	1.9	1.1	0.9
United States	1.6	2.1	2.4	2.1	1.2	2.9	2.0	2.2	2.4	2.5	2.5	2.6	2.0	2.1	2.5
Euro area	1.7	1.8	1.8	1.9	1.8	2.0	1.9	1.8	1.8	1.7	1.7	1.7	1.8	1.9	1.7
Total OECD	1.8	2.1	2.1	2.7	1.9	2.1	1.8	1.9	2.2	2.2	2.3	2.2	2.0	1.9	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Includes intra-regional trade.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504023

Annex Table 11. **Contributions to changes in real GDP in OECD countries**

	2015	2016	2017	2018		2015	2016	2017	2018
Australia					**Germany**				
Final domestic demand	1.3	1.6	2.0	2.4	Final domestic demand	1.8	2.2	1.6	1.8
Stockbuilding	0.0	0.1	0.1	0.0	Stockbuilding	-0.4	-0.1	0.0	0.0
Net exports	0.8	1.4	0.6	0.8	Net exports	0.1	-0.3	0.4	0.2
GDP	2.4	2.4	2.5	2.9	GDP	1.5	1.8	2.0	2.0
Austria					**Greece**				
Final domestic demand	0.5	1.8	1.9	1.7	Final domestic demand	-0.2	0.7	2.3	2.1
Stockbuilding	-0.1	0.5	0.5	0.0	Stockbuilding	-1.0	-0.1	-1.7	0.1
Net exports	0.2	-0.8	-0.1	0.0	Net exports	0.9	-0.7	0.5	0.3
GDP	0.8	1.6	2.2	1.7	GDP	-0.3	-0.1	1.1	2.5
Belgium					**Hungary**				
Final domestic demand	1.2	1.0	1.3	1.6	Final domestic demand	2.3	-0.9	4.2	4.1
Stockbuilding	0.3	0.1	0.4	0.0	Stockbuilding	-1.0	2.2	-0.2	0.0
Net exports	0.0	0.1	0.0	0.2	Net exports	1.8	0.6	-0.3	-0.7
GDP	1.5	1.2	1.6	1.7	GDP	3.1	1.9	3.8	3.4
Canada					**Iceland**				
Final domestic demand	0.3	0.9	2.5	2.0	Final domestic demand	5.6	8.0	4.8	2.1
Stockbuilding	-0.3	-0.3	0.0	0.0	Stockbuilding	-0.9	-0.6	0.0	0.0
Net exports	1.0	0.7	0.4	0.3	Net exports	-1.5	-0.8	0.6	0.6
GDP	0.9	1.4	2.8	2.3	GDP	4.1	7.2	5.3	2.6
Chile					**Ireland**				
Final domestic demand	1.7	2.0	2.1	3.0	Final domestic demand	9.2	9.2	2.9	2.3
Stockbuilding	0.3	-0.8	0.8	0.0	Stockbuilding	-0.8	1.2	1.0	0.0
Net exports	0.3	0.4	-0.8	-0.2	Net exports	18.3	-6.6	-0.9	0.2
GDP	2.3	1.6	1.6	2.8	GDP	26.3	5.2	3.7	2.5
Czech Republic					**Israel**				
Final domestic demand	4.2	0.6	2.2	2.6	Final domestic demand	3.2	6.4	2.3	3.7
Stockbuilding	0.3	0.7	-0.1	0.0	Stockbuilding	0.6	-0.7	-0.4	0.1
Net exports	0.1	1.0	0.9	0.0	Net exports	-1.2	-1.7	1.2	-0.5
GDP	4.6	2.3	2.9	2.6	GDP	2.6	4.0	3.2	3.3
Denmark					**Italy**				
Final domestic demand	1.5	1.9	1.4	1.9	Final domestic demand	1.1	1.4	1.1	0.8
Stockbuilding	-0.3	-0.4	-0.3	0.0	Stockbuilding	0.2	-0.4	-0.1	0.0
Net exports	0.4	-0.2	0.5	0.2	Net exports	-0.6	-0.1	0.0	0.0
GDP	1.6	1.3	1.6	2.1	GDP	0.7	1.0	1.0	0.8
Estonia					**Japan**				
Final domestic demand	2.2	1.8	3.4	3.6	Final domestic demand	0.1	0.7	1.0	0.7
Stockbuilding	-1.5	0.9	1.0	0.0	Stockbuilding	0.6	-0.3	-0.2	0.0
Net exports	0.6	-0.7	-0.5	-0.5	Net exports	0.4	0.6	0.5	0.3
GDP	1.5	1.7	2.6	3.1	GDP	1.1	1.0	1.4	1.0
Finland					**Korea**				
Final domestic demand	1.1	2.3	1.6	1.0	Final domestic demand	3.0	3.4	3.5	2.7
Stockbuilding	0.4	-0.2	-0.2	0.0	Stockbuilding	0.7	0.0	0.4	0.0
Net exports	-0.4	-0.7	0.6	0.5	Net exports	-1.0	-0.7	-1.0	0.4
GDP	0.3	1.4	2.0	1.5	GDP	2.8	2.8	2.6	2.8
France					**Latvia**				
Final domestic demand	1.4	1.9	1.5	1.7	Final domestic demand	2.3	0.1	3.9	4.4
Stockbuilding	0.1	-0.1	0.4	0.0	Stockbuilding	0.2	2.9	-0.2	0.0
Net exports	-0.3	-0.7	-0.7	-0.2	Net exports	0.3	-1.1	-0.2	-0.9
GDP	1.2	1.1	1.3	1.5	GDP	2.7	2.0	3.5	3.5

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504042

Annex Table 11. **Contributions to changes in real GDP in OECD countries (cont.)**

	2015	2016	2017	2018		2015	2016	2017	2018
Luxembourg					**Sweden**				
Final domestic demand	1.2	0.9	2.9	2.2	Final domestic demand	3.3	3.0	2.5	2.2
Stockbuilding	0.8	-0.2	0.0	0.0	Stockbuilding	0.3	0.1	-0.1	0.0
Net exports	2.2	2.1	1.5	2.0	Net exports	0.3	0.0	0.3	0.0
GDP	4.0	4.2	4.5	4.2	GDP	3.8	3.1	2.7	2.3
Mexico					**Switzerland**				
Final domestic demand	2.7	1.9	1.7	1.6	Final domestic demand	1.2	1.4	1.6	1.8
Stockbuilding	-0.2	-0.1	-0.2	0.0	Stockbuilding	0.5	-1.6	-0.6	0.0
Net exports	0.5	0.3	0.7	0.4	Net exports	-0.9	1.5	0.5	0.1
GDP	2.7	2.0	1.9	2.0	GDP	0.8	1.3	1.5	1.9
Netherlands					**Turkey**				
Final domestic demand	2.6	1.9	2.3	1.8	Final domestic demand	6.4	3.6	4.1	3.6
Stockbuilding	-0.6	0.0	-0.2	0.0	Stockbuilding	-1.6	0.3	-0.8	0.1
Net exports	0.0	0.2	0.4	0.3	Net exports	0.6	-1.5	0.2	-0.2
GDP	2.0	2.1	2.4	2.1	GDP	5.9	3.1	3.4	3.5
New Zealand					**United Kingdom**				
Final domestic demand	2.6	4.2	4.2	3.4	Final domestic demand	2.4	2.0	1.8	0.7
Stockbuilding	-0.5	0.6	0.2	-0.1	Stockbuilding	-0.4	-0.5	0.3	0.0
Net exports	1.0	-0.7	-1.4	-0.2	Net exports	0.0	-0.3	-0.6	0.4
GDP	3.1	3.9	3.1	3.1	GDP	2.2	1.8	1.6	1.0
Norway					**United States**				
Final domestic demand	0.4	1.3	1.9	1.9	Final domestic demand	3.1	2.1	2.5	2.8
Stockbuilding	0.2	0.3	-0.2	0.0	Stockbuilding	0.2	-0.4	0.0	0.0
Net exports	1.0	-0.4	-0.5	-0.4	Net exports	-0.7	-0.1	-0.3	-0.4
GDP	1.6	1.1	1.3	1.5	GDP	2.6	1.6	2.1	2.4
Poland									
Final domestic demand	3.4	1.1	3.4	3.3					
Stockbuilding	-0.2	1.2	-0.1	0.0					
Net exports	0.6	0.3	0.9	-0.2					
GDP	3.8	2.7	3.6	3.1					
Portugal					**Euro area**				
Final domestic demand	2.5	1.6	2.1	1.2	Final domestic demand	1.8	2.1	1.7	1.7
Stockbuilding	0.0	-0.1	-0.1	0.0	Stockbuilding	-0.1	-0.1	0.1	0.0
Net exports	-0.8	0.0	0.2	0.3	Net exports	0.2	-0.4	0.1	0.1
GDP	1.6	1.4	2.1	1.6	GDP[1]	1.5	1.7	1.8	1.8
Slovak Republic					**Total OECD**				
Final domestic demand	5.7	-0.2	2.1	3.5	Final domestic demand	2.4	2.0	2.2	2.2
Stockbuilding	-1.1	1.2	0.0	0.0	Stockbuilding	0.0	-0.2	0.0	0.0
Net exports	-0.7	1.8	0.2	0.6	Net exports	-0.1	-0.1	0.0	0.0
GDP	3.8	3.3	3.3	4.1	GDP[1]	2.2	1.8	2.1	2.1
Slovenia									
Final domestic demand	0.9	1.4	3.5	3.1					
Stockbuilding	0.4	0.8	0.0	0.0					
Net exports	1.1	0.3	0.2	0.0					
GDP	2.3	2.5	3.8	3.1					
Spain									
Final domestic demand	3.2	2.6	2.2	2.2					
Stockbuilding	0.1	0.1	0.0	0.0					
Net exports	-0.1	0.5	0.5	0.2					
GDP	3.2	3.2	2.8	2.4					

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

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

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504042

Annex Table 12. **Output gaps**

Deviations of actual GDP from potential GDP as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	0.3	0.4	0.0	0.8	0.6	1.2	1.1	0.6	1.7	0.9	-0.1	-0.7	-1.3	-0.9	-1.8	-1.8	-2.0	-1.8	-1.6	-0.9
Austria	1.3	2.4	1.2	0.4	-1.0	-0.9	-0.5	1.1	2.7	2.1	-2.9	-2.3	-0.7	-1.2	-2.3	-2.7	-3.0	-2.6	-1.5	-1.0
Belgium	0.5	1.7	0.1	-0.2	-1.3	0.3	0.5	1.1	2.7	1.7	-2.0	-0.6	0.0	-1.0	-2.1	-1.6	-1.4	-1.3	-1.0	-0.5
Canada	1.4	3.3	2.0	2.1	1.3	1.7	2.3	2.4	2.0	0.7	-3.9	-2.8	-1.8	-2.1	-1.7	-1.2	-2.0	-2.1	-0.7	0.2
Chile	-3.6	-1.9	-1.9	-2.8	-2.7	0.5	1.9	3.8	4.5	3.7	-1.9	-0.1	1.8	2.8	2.8	1.2	0.3	-1.0	-2.0	-1.8
Czech Republic	-1.2	0.2	-0.3	-2.5	-2.9	-2.5	-0.6	2.1	4.0	3.9	-2.3	-1.1	0.1	-1.4	-2.9	-1.8	0.7	1.0	1.8	2.1
Denmark	1.0	2.7	1.6	0.4	-0.6	0.7	1.8	4.4	4.0	2.3	-3.5	-2.5	-1.9	-2.5	-2.7	-2.2	-1.8	-1.7	-1.4	-0.5
Estonia	..	-1.9	-1.8	-2.1	-1.2	-0.9	2.7	8.5	12.1	4.2	-10.8	-9.2	-3.2	-0.9	-1.3	-0.8	-1.4	-1.8	-1.1	-0.5
Finland	-0.2	1.7	0.8	-0.5	-1.2	0.1	0.5	2.3	5.5	4.4	-4.8	-2.3	-0.2	-1.9	-3.0	-3.8	-3.9	-2.8	-1.4	-0.4
France	0.5	2.1	1.7	0.7	-0.2	0.7	0.7	1.7	2.5	1.1	-2.7	-1.8	-0.7	-1.4	-1.8	-2.1	-2.1	-2.3	-2.2	-2.0
Germany	-1.0	0.4	0.8	-0.1	-1.6	-1.8	-1.7	0.8	2.7	2.0	-4.6	-1.9	0.4	0.0	-0.5	0.0	0.3	0.9	1.8	2.8
Greece	-1.9	-1.8	-1.4	-0.9	1.6	3.7	2.5	6.6	8.9	8.2	4.0	-0.4	-7.9	-13.0	-14.6	-13.0	-12.4	-11.8	-10.5	-8.3
Hungary	-2.0	-1.4	-1.1	0.1	0.5	2.1	3.9	5.7	4.3	3.7	-3.3	-2.9	-1.7	-4.0	-3.0	-0.7	0.6	0.9	3.2	4.9
Iceland	0.6	1.7	2.0	-0.7	-1.2	3.2	5.5	5.4	10.1	8.0	-1.6	-6.4	-5.9	-6.1	-3.7	-3.4	-1.4	3.2	6.0	6.1
Ireland	3.9	5.7	4.6	3.9	1.9	3.5	4.9	7.0	8.0	1.3	-4.1	-2.8	-3.5	-5.9	-6.5	-0.8	0.0	1.3	1.7	2.2
Israel	-0.8	4.0	0.5	-2.8	-5.1	-3.4	-2.8	-1.0	1.4	0.9	-1.0	0.8	1.9	0.3	1.0	0.7	0.1	0.8	0.8	0.8
Italy	-0.7	2.0	2.3	1.2	0.3	0.5	0.8	2.0	2.7	1.2	-4.4	-2.7	-1.9	-4.4	-5.8	-5.3	-4.5	-3.4	-2.4	-1.7
Japan	-4.1	-2.6	-3.2	-3.9	-3.2	-1.7	-0.7	0.2	1.4	-0.1	-5.8	-2.1	-2.6	-1.6	-0.2	-0.5	-0.2	0.2	0.9	1.1
Latvia	-2.7	-3.7	-4.0	-3.5	-1.5	0.3	4.1	10.3	16.4	8.9	-7.5	-10.9	-5.8	-3.8	-3.3	-3.2	-2.6	-2.5	-0.9	0.6
Luxembourg	0.7	3.7	1.6	1.2	-0.8	-0.7	-0.8	1.4	6.9	2.9	-3.7	-1.3	-1.5	-4.8	-4.0	-2.0	-1.3	-0.1	1.4	2.5
Mexico	1.3	3.0	-0.5	-2.5	-2.8	-1.1	-0.3	2.2	2.9	1.7	-4.8	-2.1	-0.5	0.5	-0.6	-1.0	-1.1	-1.7	-2.3	-2.9
Netherlands	2.2	3.2	2.5	0.2	-1.4	-1.5	-1.0	1.1	3.2	3.5	-1.6	-1.3	-0.6	-2.6	-3.6	-3.1	-2.3	-1.3	0.0	0.9
New Zealand	0.0	0.6	-0.6	0.9	1.8	2.5	1.6	1.2	2.4	-0.5	-1.7	-1.3	-1.3	-0.7	-0.9	-0.6	-0.4	0.7	0.9	1.2
Norway[1]	0.8	0.7	-0.4	-1.8	-3.5	-1.6	0.0	1.9	4.4	2.9	-1.4	-1.9	-2.0	-0.3	0.0	0.2	-0.7	-1.8	-1.9	-1.6
Poland	-0.2	-0.4	-3.4	-5.5	-5.3	-3.7	-3.8	-1.8	0.9	0.9	-0.3	-0.3	1.2	-0.5	-2.1	-1.8	-1.0	-1.1	-0.1	0.4
Portugal	3.3	4.2	3.7	2.3	-0.3	0.1	-0.2	0.4	2.0	1.3	-2.2	-0.6	-2.4	-6.0	-6.6	-5.7	-4.2	-2.9	-1.0	0.3
Slovak Republic	-3.4	-5.0	-5.1	-4.7	-3.7	-3.6	-2.6	-0.5	3.6	3.8	-5.2	-2.6	-1.8	-2.2	-2.9	-2.8	-1.9	-1.5	-1.0	0.0
Slovenia	-1.1	-0.8	-1.5	-1.1	-1.5	-0.3	0.7	3.4	7.6	8.3	-1.7	-1.2	-1.1	-4.2	-5.8	-4.1	-3.3	-2.2	-0.1	1.3
Spain	-0.8	1.5	2.6	2.4	2.5	2.5	3.0	4.0	4.8	3.2	-2.4	-3.6	-5.5	-8.7	-10.7	-9.8	-7.3	-4.9	-2.9	-1.4
Sweden	-0.6	1.1	-0.1	-0.7	-0.8	0.5	0.8	3.3	4.4	1.4	-5.4	-1.6	-0.7	-2.4	-3.0	-2.2	-0.4	0.6	1.3	1.5
Switzerland	-0.8	1.4	0.9	-0.8	-2.5	-1.8	-0.8	1.0	2.8	2.6	-1.5	-0.6	-0.6	-1.4	-1.3	-0.9	-1.7	-1.9	-1.8	-1.2
Turkey	-2.7	0.1	-8.7	-5.3	-2.6	2.5	6.3	8.0	7.2	2.3	-7.4	-4.4	-0.3	-1.8	0.4	-1.0	-1.6	-3.2	-4.3	-5.1
United Kingdom	-0.1	0.6	0.3	0.0	0.9	1.1	1.9	2.3	3.0	0.7	-4.7	-3.7	-3.2	-3.1	-2.4	-0.9	-0.3	0.2	0.4	0.4
United States	1.6	2.4	0.4	-0.3	0.1	1.6	2.6	3.0	2.5	0.0	-4.6	-3.7	-3.8	-3.3	-3.2	-2.5	-1.6	-1.5	-0.8	0.1
Euro area	-0.1	1.5	1.6	0.6	-0.4	0.0	0.2	1.9	3.3	2.1	-3.3	-2.1	-1.3	-2.8	-3.6	-3.2	-2.5	-1.8	-0.9	0.0
Total OECD	-0.1	1.2	0.0	-0.6	-0.6	0.5	1.2	2.2	2.8	1.0	-4.0	-2.6	-2.2	-2.4	-2.5	-2.1	-1.6	-1.4	-0.8	-0.3

Note: For methodological details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. Mainland Norway.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504061

Annex Table 13. **GDP deflators**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	10.4	9.3	10.3	13.7	14.9	23.2	15.4	20.9	23.7	22.3	23.9	40.3	24.5	40.9	21.7	15.0	..	..	..
Australia	2.1	3.1	3.6	4.5	5.1	4.3	6.5	0.0	5.5	4.5	-0.3	1.3	0.2	-0.6	1.1	2.6	1.6	3.6	0.6	2.2
Austria	1.4	1.3	1.8	2.6	1.9	2.3	1.8	1.9	1.1	1.9	2.0	1.6	1.8	1.9	1.3	2.0	2.0	1.5	2.1	1.9
Belgium	1.7	2.0	2.0	2.1	2.3	2.1	2.0	0.8	1.9	2.0	2.1	1.2	0.7	0.9	1.6	2.1	1.6	1.8	1.5	2.1
Brazil	..	14.0	7.7	7.5	6.8	6.4	8.7	7.4	8.5	8.4	7.9	7.5	7.9	7.9	8.3	5.8	5.4	..	..	..
Canada	1.7	3.3	3.3	3.1	2.6	3.3	4.0	-2.3	2.9	3.2	1.2	1.6	1.9	-0.8	0.6	2.6	1.9	1.8	2.1	2.1
Chile	5.1	4.6	7.8	7.6	12.2	5.3	-0.1	4.7	9.0	3.1	1.1	2.0	5.9	4.2	3.8	4.4	2.8	4.4	3.6	3.0
China	5.8	2.6	6.9	3.9	3.9	7.8	7.8	-0.1	6.9	8.2	2.4	2.2	0.8	0.1	1.2	4.5	3.1	2.9	4.2	3.0
Colombia	16.9	6.8	7.3	5.6	5.8	5.0	7.6	3.4	3.9	6.7	3.0	2.0	2.1	2.5	5.9	5.0	2.9	..	..	..
Costa Rica	12.9	10.7	13.4	13.4	13.1	10.3	11.4	9.9	6.6	4.8	4.3	3.9	5.8	2.7	2.5	3.8	4.8	..	..	..
Czech Republic	..	1.1	4.0	0.1	0.7	3.5	2.0	2.6	-1.4	0.0	1.5	1.4	2.5	1.0	1.1	1.4	2.0	0.8	2.3	1.8
Denmark	1.8	1.5	2.1	2.9	2.1	2.4	4.1	0.5	3.2	0.6	2.4	0.9	0.8	0.9	0.4	1.3	1.7	1.1	0.9	2.0
Estonia	..	4.3	4.8	6.2	8.7	12.0	7.2	0.0	2.2	5.3	3.2	3.7	1.9	1.0	1.5	4.0	2.9	2.0	4.2	2.9
Finland	2.0	0.2	0.6	0.9	0.9	2.8	3.1	1.9	0.4	2.6	3.0	2.6	1.7	1.7	0.8	1.1	1.2	0.7	1.1	1.1
France	1.3	1.9	1.6	1.9	2.2	2.6	2.4	0.1	1.1	0.9	1.2	0.8	0.5	0.6	0.8	0.9	1.1	0.7	1.0	1.2
Germany	1.2	1.2	1.1	0.6	0.3	1.7	0.8	1.8	0.8	1.1	1.5	2.0	1.8	2.0	1.4	0.9	1.7	1.3	0.9	1.8
Greece	..	3.4	3.3	2.1	3.5	3.5	4.1	2.7	0.9	0.7	-0.4	-2.6	-1.9	-1.1	0.1	2.3	0.8	0.4	2.4	0.8
Hungary	15.9	5.4	4.7	2.2	4.1	5.4	4.7	4.1	2.2	2.2	3.5	3.1	3.2	1.7	0.7	1.7	3.7	0.1	2.6	4.1
Iceland	3.9	0.4	2.6	2.4	8.4	4.3	12.0	10.4	5.4	3.0	3.3	2.2	4.1	6.0	2.0	1.9	3.2	2.5	1.5	3.3
India[1]	6.7	3.6	5.6	4.2	6.4	5.8	8.7	6.1	9.0	8.5	7.9	6.0	3.2	1.9	4.1	4.3	4.3	..	..	..
Indonesia	..	5.5	8.6	14.3	14.1	11.3	18.1	6.0	7.3	7.5	3.8	5.0	5.4	4.0	2.5	4.4	4.0	..	..	..
Ireland	4.3	3.3	0.5	3.0	2.7	2.7	-0.5	-5.2	-3.5	3.6	2.7	1.4	-1.2	4.9	-1.3	0.6	2.8	-2.3	0.0	3.1
Israel	..	-0.4	0.2	1.2	1.6	0.8	2.3	3.9	1.5	1.7	3.8	2.1	1.1	2.7	1.1	1.2	2.0	0.3	1.9	2.0
Italy	3.2	3.2	2.5	1.9	1.9	2.4	2.5	2.0	0.3	1.5	1.4	1.2	1.0	0.7	0.8	1.2	1.2	0.7	1.2	1.2
Japan	-0.5	-1.6	-1.1	-1.0	-0.9	-0.7	-1.0	-0.6	-1.9	-1.7	-0.8	-0.3	1.7	2.1	0.3	-0.4	1.0	0.0	0.0	1.0
Korea	4.0	3.4	3.0	1.0	-0.1	2.4	3.0	3.5	3.2	1.6	1.0	0.9	0.6	2.4	1.8	1.4	2.3	2.1	2.0	2.4
Latvia	..	4.9	6.8	11.2	12.4	20.1	11.8	-9.8	-1.0	6.4	3.6	1.5	1.6	0.4	0.7	1.9	1.6	1.2	1.9	1.8
Lithuania	..	-0.8	2.7	6.9	6.7	8.6	9.7	-3.3	2.4	5.2	2.7	1.4	1.0	0.2	1.2	3.2	2.7	..	..	..
Luxembourg	2.3	2.6	3.0	4.1	7.1	1.5	3.9	1.4	3.6	4.8	2.6	1.5	1.6	0.7	-0.6	1.6	2.0	-1.4	2.0	2.2
Mexico	15.4	3.9	8.6	5.2	6.3	4.9	6.3	3.3	4.5	5.3	3.5	1.5	4.7	3.1	4.8	6.2	4.4	6.1	5.2	4.3
Netherlands	2.5	2.1	1.5	1.9	2.5	2.1	2.5	0.4	0.9	0.1	1.4	1.3	0.2	0.1	0.9	1.4	1.7	0.7	1.8	1.5
New Zealand	1.6	1.4	3.4	2.5	2.3	4.3	3.9	0.8	2.9	2.9	-0.3	3.3	2.3	0.2	1.6	2.7	2.1	4.0	1.3	2.7
Norway	3.3	2.9	5.8	8.8	8.8	3.1	10.4	-5.2	6.0	6.8	3.4	2.5	0.3	-2.3	-1.2	4.9	1.6	1.5	3.5	1.6
Poland	15.2	0.8	4.9	2.6	1.7	3.7	3.9	3.8	1.7	3.2	2.3	0.3	0.5	0.8	0.2	1.4	1.8	-1.1	2.4	1.8
Portugal	4.3	3.4	2.4	3.3	3.2	3.0	1.7	1.1	0.6	-0.3	-0.4	2.3	0.8	2.1	1.6	1.1	1.5	1.3	1.3	1.6
Russia	..	14.0	20.3	19.3	15.2	13.8	18.0	2.0	14.2	15.9	8.3	4.8	10.7	8.2	3.5	7.7	3.6	..	..	..
Slovak Republic	..	5.4	5.8	2.4	2.9	1.1	2.8	-1.2	0.5	1.6	1.3	0.5	-0.2	-0.2	-0.4	1.0	2.0	-0.3	1.7	2.1
Slovenia	..	5.7	3.3	1.6	2.2	4.2	4.5	3.4	-1.0	1.1	0.3	0.9	0.8	1.0	0.6	2.6	2.6	1.0	2.9	2.8
South Africa	9.2	5.8	6.5	5.4	6.3	8.8	8.8	7.5	6.4	6.5	5.0	6.4	5.5	4.9	6.7	5.6	5.4	..	..	..
Spain	3.6	3.9	3.9	4.1	4.0	3.3	2.1	0.3	0.2	0.0	0.1	0.4	-0.3	0.5	0.3	1.4	1.4	0.6	1.6	1.1
Sweden	1.8	1.7	0.6	0.8	1.8	2.8	3.4	2.4	1.1	1.2	1.0	1.1	1.7	2.1	1.4	2.2	2.1	2.3	1.7	2.2
Switzerland	0.6	0.9	0.3	0.7	1.9	2.3	1.8	0.5	0.3	0.2	-0.2	0.0	-0.6	-0.5	-0.6	0.4	0.5	-0.3	0.6	0.5
Turkey	67.9	23.0	12.7	7.2	9.2	6.2	11.9	5.6	6.7	8.5	7.5	5.8	7.6	8.0	7.5	8.7	8.3	9.5	9.3	8.0
United Kingdom	1.9	2.4	2.4	2.7	2.9	2.5	2.8	1.5	1.5	2.0	1.5	1.9	1.6	0.6	1.7	2.2	1.9	2.8	2.0	1.9
United States	1.9	2.0	2.7	3.2	3.1	2.7	2.0	0.8	1.2	2.1	1.8	1.6	1.8	1.1	1.3	2.1	2.3	1.6	2.2	2.3
Euro area	2.1	2.2	1.9	1.9	1.9	2.4	2.0	1.0	0.7	1.1	1.3	1.2	0.9	1.1	0.9	1.2	1.5	0.9	1.2	1.5
Total OECD	4.2	2.2	2.6	2.4	2.5	2.5	2.4	1.0	1.3	1.8	1.6	1.4	1.8	1.4	1.4	2.0	2.2	1.8	2.1	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504080

Annex Table 14. **Private consumption deflators**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	..	13.5	8.1	9.6	11.2	13.3	20.5	14.6	22.1	19.9	21.0	24.5	41.7	23.6	41.0	21.8	13.9	..	..	..
Australia	2.2	2.3	1.5	2.2	3.6	3.2	3.2	2.5	2.3	2.5	2.5	2.5	2.0	1.5	1.0	1.6	2.0	0.9	1.9	2.2
Austria	1.6	1.5	1.8	2.5	2.1	2.5	2.2	0.5	1.7	3.2	2.4	2.2	2.1	1.4	1.3	2.2	2.1	1.6	2.2	2.1
Belgium	1.9	1.6	2.4	2.7	3.1	2.9	3.2	-0.4	1.7	3.0	2.0	0.8	0.7	0.3	1.6	2.4	1.7	1.5	2.5	1.8
Brazil	..	16.0	6.7	6.7	5.3	5.1	7.0	6.5	6.7	7.5	8.3	7.6	8.1	9.6	9.4	4.6	5.8	..	..	..
Canada	1.7	1.7	1.5	1.7	1.3	1.6	1.5	0.2	1.4	2.1	1.3	1.4	1.9	1.1	1.0	1.8	1.9	0.8	2.0	2.0
Chile	..	2.5	1.9	4.8	3.2	4.0	8.1	1.7	3.4	4.2	3.0	3.1	5.7	5.5	3.7	2.5	2.9	2.4	3.0	3.0
Colombia	..	6.3	5.8	4.4	4.6	4.3	5.8	3.9	2.4	4.7	2.7	2.3	3.3	4.9	5.5	3.6	3.1	..	..	..
Costa Rica	12.8	12.9	14.4	15.2	13.9	11.5	12.2	1.4	5.2	4.7	2.4	3.6	4.9	-0.5	0.6	3.0	3.0	..	..	..
Czech Republic	..	0.1	3.1	1.1	1.8	3.0	4.7	0.9	0.5	1.4	2.2	0.8	0.6	0.1	0.6	2.1	1.8	1.4	1.9	1.9
Denmark	1.9	1.2	1.2	1.7	2.2	1.7	2.9	1.3	2.5	2.3	2.4	0.8	0.8	0.6	0.5	1.1	1.5	0.5	1.6	1.8
Estonia	..	2.1	4.0	4.4	5.9	7.8	8.2	-0.3	3.9	5.5	3.8	2.7	0.5	0.0	0.8	3.2	2.8	1.0	4.1	2.9
Finland	1.8	1.0	0.3	1.0	1.3	1.9	3.4	1.8	1.4	3.2	2.8	2.5	1.3	0.4	0.6	1.1	1.4	1.1	1.0	1.5
France	1.1	1.7	2.1	1.8	2.2	2.1	2.8	-1.4	1.1	1.8	1.4	0.7	0.1	-0.2	0.1	1.1	1.1	0.4	1.1	1.1
Germany	1.4	1.8	1.0	1.5	1.1	1.6	1.7	-0.4	2.0	2.0	1.5	1.1	0.9	0.6	0.7	1.7	1.5	1.2	1.5	1.7
Greece	..	2.6	3.3	2.9	3.2	3.7	4.3	1.0	3.6	2.3	0.4	-1.8	-2.7	-1.5	-0.4	0.9	1.0	-0.3	1.3	1.1
Hungary	15.7	4.3	5.4	3.5	3.2	6.6	5.7	4.1	3.7	3.7	6.2	1.8	1.0	-0.3	0.2	2.2	3.0	0.3	3.0	3.2
Iceland	3.4	0.9	3.3	1.0	7.2	4.8	14.7	15.0	1.8	3.4	5.7	3.2	2.9	0.8	0.7	0.9	3.1	-0.1	2.4	3.2
India[1]	..	3.4	2.9	3.3	6.1	4.9	6.7	6.2	8.2	8.0	9.5	7.4	4.2	1.2	4.2	4.7	4.4	..	..	..
Indonesia	..	7.2	6.4	12.1	13.6	14.2	13.4	6.0	7.9	7.1	6.1	5.9	5.7	4.4	3.1	4.0	3.6	..	..	..
Ireland	3.3	4.0	2.2	1.1	2.5	3.2	2.0	-6.6	-2.1	0.7	1.9	1.5	1.5	0.6	1.2	1.6	2.1	-0.5	3.5	2.2
Israel	..	0.3	0.5	1.6	2.3	1.4	5.3	2.0	3.2	3.2	1.8	1.4	0.6	-0.6	-0.2	1.2	1.8	-0.3	1.9	2.0
Italy	3.5	2.9	2.4	2.1	2.6	2.3	3.1	-0.4	1.4	2.9	2.7	1.2	0.3	0.0	0.0	1.3	1.3	0.2	1.2	1.4
Japan	-0.2	-1.0	-0.6	-0.4	0.0	-0.4	0.7	-2.2	-1.4	-0.6	-0.6	-0.1	2.0	0.4	-0.4	0.4	1.0	-0.2	0.5	1.0
Korea	5.6	3.3	3.2	2.2	1.5	2.0	4.5	2.6	2.5	3.7	2.2	1.0	1.0	0.9	1.0	1.7	2.0	1.4	1.8	2.2
Latvia	..	5.1	7.0	9.7	10.0	11.7	13.4	-3.7	-2.5	6.1	3.4	0.3	1.7	-0.6	0.9	1.9	1.4	1.9	1.4	1.7
Lithuania	..	-1.6	-0.2	2.4	4.7	5.9	10.9	4.3	1.3	4.1	3.1	1.0	0.1	-0.9	1.0	3.2	2.7	..	..	..
Luxembourg	2.1	2.4	1.4	3.9	2.6	2.2	2.9	-0.5	1.0	3.3	1.8	2.1	0.6	-0.9	0.1	1.6	1.7	1.6	1.4	2.1
Mexico	14.8	3.5	6.1	4.7	3.4	5.0	6.3	5.5	4.4	3.5	3.8	2.7	4.2	4.0	4.4	6.3	4.3	5.0	6.0	4.0
Netherlands	2.5	1.9	1.6	1.5	2.6	2.3	2.1	-1.0	1.0	2.1	1.5	2.3	0.8	0.0	0.9	2.1	1.6	1.1	1.9	1.8
New Zealand	1.5	0.5	1.3	1.9	2.9	1.6	3.8	2.6	1.2	2.9	0.8	0.6	0.8	0.7	0.5	1.7	1.6	0.5	1.9	1.7
Norway	2.0	2.8	1.2	1.1	1.8	1.3	3.5	2.5	2.1	1.1	1.1	2.1	2.2	2.3	3.3	1.8	1.8	2.5	1.9	2.0
Poland	15.8	0.5	4.6	2.2	1.5	2.2	4.1	2.7	2.5	4.9	3.3	0.4	-0.1	-1.1	-0.6	1.9	1.9	0.0	2.4	2.1
Portugal	3.8	3.6	2.3	3.8	3.5	3.4	2.8	-1.9	1.8	1.7	1.8	0.8	0.3	0.7	1.1	1.3	1.4	1.2	1.2	1.5
Russia	..	12.6	14.7	12.5	8.6	8.2	12.7	10.7	6.6	7.8	6.7	6.2	8.2	14.1	6.5	4.4	4.2	..	..	..
Slovak Republic	..	6.6	7.2	2.7	4.9	2.6	4.5	0.1	1.0	3.9	3.4	1.3	-0.1	-0.1	-0.3	1.3	1.9	0.1	1.7	2.1
Slovenia	..	5.2	3.0	2.2	2.4	4.1	5.6	0.9	1.4	1.8	1.4	0.8	0.0	-0.7	-0.5	2.4	3.1	0.3	3.1	3.3
South Africa	8.2	5.5	7.1	4.8	3.0	7.0	8.3	7.7	4.6	5.6	6.2	6.0	5.7	3.9	6.1	5.3	5.0	..	..	..
Spain	3.5	3.2	3.6	3.4	3.6	3.3	3.6	-0.9	2.0	2.4	2.4	1.0	0.2	-0.2	-0.2	1.8	1.4	0.8	1.4	1.8
Sweden	2.0	1.6	0.8	1.1	1.2	1.4	3.1	2.2	1.5	1.7	0.5	0.7	1.1	1.0	1.0	1.7	1.8	1.3	1.6	1.9
Switzerland	0.8	0.8	0.7	1.1	1.2	1.3	1.9	-0.5	0.5	0.0	-1.1	-0.6	-0.2	-0.8	-0.4	0.4	0.1	-0.4	0.4	0.3
Turkey	68.5	22.9	11.3	8.4	9.6	6.6	10.7	5.2	6.2	7.8	7.8	5.4	8.0	8.0	6.5	10.9	7.9	8.1	10.0	7.8
United Kingdom	1.5	1.3	1.6	2.0	2.8	2.1	3.9	0.9	2.1	3.6	1.9	2.3	1.7	0.3	1.1	2.6	2.6	1.5	2.9	2.4
United States	1.8	2.0	2.4	2.9	2.7	2.5	3.1	-0.1	1.7	2.5	1.9	1.3	1.5	0.3	1.1	2.1	2.1	1.4	2.1	2.2
Euro area	2.2	2.2	2.0	2.1	2.2	2.3	2.7	-0.7	1.6	2.3	1.9	1.1	0.5	0.1	0.4	1.5	1.4	0.8	1.5	1.6
Total OECD	4.5	2.2	2.3	2.4	2.4	2.3	3.2	0.3	1.7	2.5	2.0	1.4	1.6	0.8	1.1	2.3	2.2	1.4	2.3	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504099

Annex Table 15. **Consumer price indices**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Argentina	4.0	13.4	4.4	9.6	10.9	8.8	8.6	6.3	10.5	9.8	10.1	10.6	3.9	24.5	39.4	21.4	14.3	..	..	..
Australia	2.5	2.7	2.3	2.7	3.6	2.4	4.3	1.8	2.9	3.3	1.7	2.5	2.5	1.5	1.3	2.0	2.0	1.5	1.9	2.2
Austria	1.8	1.3	2.0	2.1	1.7	2.2	3.2	0.4	1.7	3.6	2.6	2.1	1.5	0.8	1.0	2.1	1.8	1.5	1.8	2.0
Belgium	1.8	1.5	1.9	2.5	2.3	1.8	4.5	0.0	2.3	3.4	2.6	1.2	0.5	0.6	1.8	2.5	1.8	2.0	2.3	2.0
Brazil	..	14.7	6.6	6.9	4.2	3.6	5.7	4.9	5.0	6.6	5.4	6.2	6.3	9.0	8.7	4.2	4.5	..	..	..
Canada	1.8	2.7	1.8	2.2	2.0	2.1	2.4	0.3	1.8	2.9	1.5	0.9	1.9	1.1	1.4	1.9	2.0	1.4	2.0	2.1
Chile	6.4	2.8	1.1	3.1	3.4	4.4	8.7	1.5	1.5	3.3	3.0	1.8	4.7	4.3	3.8	2.8	2.9	2.8	3.0	3.0
China	5.7	1.1	3.8	1.8	1.6	4.8	5.9	-0.7	3.2	5.5	2.6	2.6	2.1	1.5	2.1	1.5	2.0	2.3	1.6	2.0
Colombia	15.7	7.1	5.9	5.0	4.3	5.5	7.0	4.2	2.3	3.4	3.2	2.0	2.9	5.0	7.5	4.7	3.7	..	..	..
Costa Rica	13.0	9.4	12.3	13.8	11.5	9.4	13.4	7.8	5.7	4.9	4.5	5.2	4.5	0.8	0.0	2.6	3.6	..	..	..
Czech Republic	..	0.1	2.8	1.8	2.5	2.9	6.3	1.0	1.5	1.9	3.3	1.4	0.4	0.3	0.7	2.3	2.2	1.4	2.2	2.2
Denmark	2.2	2.1	1.2	1.8	1.9	1.7	3.4	1.3	2.3	2.8	2.4	0.8	0.6	0.5	0.2	1.2	1.3	0.4	1.4	1.6
Estonia	..	1.4	3.0	4.1	4.4	6.7	10.6	0.2	2.7	5.1	4.2	3.2	0.5	0.1	0.8	3.2	2.8	1.6	3.3	2.9
Finland	1.8	1.3	0.1	0.8	1.3	1.6	3.9	1.6	1.7	3.3	3.2	2.2	1.2	-0.2	0.4	1.2	1.5	0.8	1.4	1.5
France	..	2.2	2.3	1.9	1.9	1.6	3.2	0.1	1.7	2.3	2.2	1.0	0.6	0.1	0.3	1.3	1.2	0.7	1.3	1.2
Germany	..	1.0	1.8	1.9	1.8	2.3	2.8	0.2	1.1	2.5	2.1	1.6	0.8	0.1	0.4	1.9	1.6	1.0	1.7	1.7
Greece	..	3.4	3.0	3.5	3.3	3.0	4.2	1.3	4.7	3.1	1.0	-0.9	-1.4	-1.1	0.0	1.4	0.8	0.3	1.2	0.9
Hungary	15.8	4.7	6.7	3.6	3.9	8.0	6.0	4.2	4.9	3.9	5.7	1.7	-0.2	-0.1	0.4	3.0	3.0	1.2	3.0	3.2
Iceland[1]	3.3	2.1	3.2	4.0	6.7	5.1	12.7	12.0	5.4	4.0	5.2	3.9	2.0	1.6	1.7	2.4	3.5	1.9	2.8	3.6
India[2]	7.3	4.1	4.0	3.7	6.8	5.9	9.2	10.6	9.5	9.3	9.9	9.4	5.9	4.9	4.5	4.8	4.6	..	..	..
Indonesia	..	6.8	6.1	10.5	13.1	6.4	10.2	4.4	5.1	5.4	4.3	6.4	6.4	6.4	3.5	4.4	4.0	..	..	..
Ireland	..	4.0	2.3	2.2	2.7	2.9	3.1	-1.7	-1.6	1.2	1.9	0.5	0.3	0.0	-0.2	0.8	2.0	-0.3	1.6	2.1
Israel	7.1	0.7	-0.4	1.3	2.1	0.5	4.6	3.3	2.7	3.5	1.7	1.6	0.5	-0.6	-0.5	1.0	1.7	-0.3	1.6	1.9
Italy	3.1	2.8	2.3	2.2	2.2	2.0	3.5	0.8	1.6	2.9	3.3	1.2	0.2	0.1	-0.1	1.5	1.3	0.2	1.5	1.4
Japan	0.2	-0.3	0.0	-0.6	0.2	0.1	1.4	-1.4	-0.6	-0.3	0.0	0.3	2.8	0.8	-0.1	0.6	1.0	0.3	0.6	1.0
Korea	4.2	3.5	3.6	2.8	2.2	2.5	4.7	2.8	2.9	4.0	2.2	1.3	1.3	0.7	1.0	2.0	2.0	1.5	1.8	2.2
Latvia	..	3.0	6.5	6.8	6.8	10.0	15.3	2.4	-0.9	4.3	2.2	-0.1	0.7	0.3	0.2	2.8	2.3	1.6	2.3	2.6
Lithuania	..	-1.1	1.2	2.7	3.8	5.8	11.1	4.2	1.2	4.1	3.2	1.2	0.2	-0.7	0.7	3.3	2.7	..	..	..
Luxembourg	..	2.5	3.2	3.8	3.0	2.7	4.1	0.0	2.8	3.7	2.9	1.7	0.7	0.1	0.0	2.4	1.6	1.0	1.9	2.1
Mexico	15.6	4.5	4.7	4.0	3.6	4.0	5.1	5.3	4.2	3.4	4.1	3.8	4.0	2.7	2.8	5.3	3.8	3.2	5.5	3.5
Netherlands	2.3	2.2	1.4	1.5	1.6	1.6	2.2	1.0	0.9	2.5	2.8	2.6	0.3	0.2	0.1	1.6	1.6	0.4	1.7	1.8
New Zealand	1.9	1.8	2.3	3.0	3.4	2.4	4.0	2.1	2.3	4.0	1.1	1.1	1.2	0.3	0.6	2.4	1.8	1.3	2.3	1.9
Norway	2.2	2.5	0.5	1.5	2.3	0.7	3.8	2.2	2.4	1.3	0.7	2.1	2.0	2.2	3.5	1.9	1.8	3.6	1.4	2.0
Poland	16.3	0.7	3.4	2.2	1.3	2.5	4.2	3.8	2.6	4.2	3.6	1.0	0.1	-0.9	-0.7	2.3	1.8	0.2	2.3	2.1
Portugal	3.5	3.2	2.5	2.1	3.0	2.4	2.7	-0.9	1.4	3.6	2.8	0.4	-0.2	0.5	0.6	1.6	1.4	0.8	1.7	1.5
Russia	..	13.7	10.9	12.7	9.7	9.0	14.1	11.6	6.8	8.4	5.1	6.8	7.8	15.5	7.0	4.2	4.0	..	..	..
Slovak Republic	..	8.4	7.5	2.8	4.3	1.9	3.9	0.9	0.7	4.1	3.7	1.5	-0.1	-0.3	-0.5	1.6	2.0	-0.1	2.0	2.1
Slovenia	..	5.7	3.7	2.5	2.5	3.8	5.5	0.9	2.1	2.1	2.8	1.9	0.4	-0.8	-0.2	2.6	3.1	0.7	3.1	3.3
South Africa	..	5.9	1.4	3.4	4.6	7.1	11.0	7.1	4.3	5.0	5.7	5.8	6.1	4.6	6.3	6.0	5.8	..	..	..
Spain	..	3.1	3.1	3.4	3.6	2.8	4.1	-0.2	2.0	3.0	2.4	1.5	-0.2	-0.6	-0.3	2.3	1.4	0.8	1.7	1.8
Sweden[3]	1.6	1.9	0.4	0.5	1.4	2.2	3.4	-0.5	1.2	3.0	0.9	0.0	-0.2	0.0	1.0	1.6	1.8	1.4	1.7	1.9
Switzerland	1.1	0.6	0.8	1.2	1.1	0.7	2.4	-0.5	0.7	0.2	-0.7	-0.2	0.0	-1.1	-0.4	0.5	0.4	-0.2	0.7	0.5
Turkey	72.1	21.6	8.6	8.2	9.6	8.8	10.4	6.3	8.6	6.5	8.9	7.5	8.9	7.7	7.8	10.4	8.1	7.6	9.3	7.8
United Kingdom	1.8	1.4	1.3	2.0	2.3	2.3	3.6	2.2	3.3	4.5	2.8	2.6	1.5	0.1	0.6	2.8	2.7	1.2	3.2	2.4
United States	2.5	2.3	2.7	3.4	3.2	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.6	0.1	1.3	2.5	2.2	1.8	2.4	2.2
Euro area	..	2.1	2.2	2.2	2.2	2.1	3.3	0.3	1.6	2.7	2.5	1.3	0.4	0.0	0.2	1.7	1.4	0.7	1.6	1.6

Note: For the euro area countries, the euro area aggregate and the United Kingdom: harmonised index of consumer prices (HICP).

1. Excluding rent, but including imputed rent.
2. Fiscal year.
3. The consumer price index includes mortgage interest costs.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504118

Annex Table 16. **Oil and other primary commodity markets**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Estimates and assumptions 2017	2018
Oil market conditions[1]	Million barrels per day																			
Demand																				
Total OECD	48.4	48.4	48.5	48.5	49.2	50.0	50.3	50.1	50.0	48.3	46.3	47.0	46.4	46.0	46.1	45.8	46.4	46.8	46.7	..
of which: OECD North America	24.1	24.3	24.3	24.3	24.8	25.6	25.8	25.7	25.9	24.6	23.8	24.3	24.1	23.7	24.1	24.2	24.6	24.7	24.6	..
OECD Europe	15.5	15.4	15.6	15.5	15.6	15.7	15.8	15.9	15.6	15.5	14.7	14.7	14.2	13.8	13.6	13.5	13.7	14.1	14.2	..
OECD Asia and Pacific	8.8	8.8	8.6	8.6	8.8	8.7	8.7	8.6	8.5	8.2	7.8	8.0	8.1	8.5	8.3	8.1	8.0	8.1	8.0	..
Total non-OECD	27.9	28.7	29.4	30.1	31.0	33.2	34.3	35.5	36.8	38.0	38.9	41.3	42.6	44.3	45.6	47.2	48.6	49.7	51.1	..
World	76.3	77.1	77.9	78.6	80.2	83.2	84.6	85.7	86.9	86.3	85.3	88.3	89.0	90.2	91.7	93.0	94.9	96.6	97.9	..
Supply																				
Total OECD	21.1	21.9	21.7	21.7	21.4	21.1	20.2	19.8	19.4	18.7	18.8	18.9	18.9	19.8	21.0	22.9	23.9	23.4	23.9	..
Total OPEC	29.9	31.0	30.5	29.0	31.3	33.6	35.1	35.4	35.2	36.3	34.4	34.8	35.8	37.6	36.7	36.8	38.1	39.3	..	..
Former USSR	7.5	8.0	8.6	9.5	10.5	11.4	11.8	12.3	12.8	12.8	13.2	13.5	13.5	13.6	13.8	13.9	14.0	14.2	14.3	..
Rest of the world	16.4	16.4	16.6	17.0	17.2	17.3	17.7	18.0	18.2	18.7	19.0	19.9	19.9	19.5	19.8	20.2	20.5	20.1	..	..
World	74.8	77.3	77.5	77.3	80.4	83.4	84.8	85.5	85.6	86.6	85.4	87.1	88.1	90.5	91.2	93.7	96.6	97.0	..	..
Trade																				
OECD net imports	26.6	26.7	27.1	26.5	28.0	29.1	30.4	30.6	30.4	29.9	27.6	28.2	27.2	26.3	24.9	23.3	23.2	23.5	..	..
Former USSR net exports	3.8	4.2	4.9	5.8	6.6	7.6	8.0	8.3	8.9	8.8	9.4	9.6	9.2	9.2	9.3	9.2	9.4	9.4	9.5	..
Other non-OECD net exports	22.8	22.5	22.2	20.7	21.4	21.5	22.4	22.3	21.5	21.1	18.2	18.7	18.0	17.1	15.6	14.1	13.8	14.1	..	..
Prices[2]	fob, USD per barrel																			
Brent crude oil price[3]	17.9	28.4	24.5	25.0	28.8	38.3	54.4	65.2	72.5	97.0	61.5	79.5	111.2	111.6	108.7	99.0	52.4	43.7	51.3	50.0
Prices of other primary commodities[2]	USD indices, 2010 = 100																			
Food and tropical beverages	48	45	42	46	50	57	56	62	78	103	90	100	129	120	106	104	85	87	85	84
Agricultural raw materials	57	61	53	51	61	68	70	77	92	88	73	100	122	93	85	74	61	60	70	69
Minerals, ores and metals	33	38	34	33	38	50	59	85	95	98	68	100	118	99	96	86	64	61	73	72
Total[4]	43	44	40	41	46	56	59	74	88	99	78	100	123	107	98	91	72	72	78	77

1. Based on data published in various issues of International Energy Agency, Oil Market Report.
2. Indices through are based on data compiled by the International Energy Agency for oil and by the Hamburg Institute of International Economics (HWWI) for the prices of other primary commodities.
3. North Sea Dated, London close, midpoint.
4. OECD calculations. The total price index for non-energy primary commodities is a weighted average of the individual HWWI non-oil commodity price indices with the weights based on the commodity's share in total non-energy commodities world trade.

Source: OECD Economic Outlook 101 database; and International Energy Agency, Oil Market Report.

StatLink http://dx.doi.org/10.1787/888933504137

Annex Table 17. **Compensation per employee**

Percentage changes from previous period

	Average 1989-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	3.9	3.7	4.6	3.6	3.5	5.2	3.6	4.5	6.3	4.0	1.1	5.3	5.7	3.6	1.8	2.5	0.5	0.8	1.5	2.4
Austria	3.5	2.4	1.5	2.0	1.7	2.0	2.1	3.1	3.0	3.3	1.6	1.0	2.1	2.7	2.1	1.9	1.9	1.4	1.9	2.7
Belgium	3.9	2.1	3.5	3.9	2.0	1.7	1.9	3.6	3.5	3.7	1.1	1.4	3.4	3.1	2.4	1.0	0.0	0.0	2.7	2.7
Canada	3.1	5.2	1.9	1.4	1.8	4.0	4.5	4.3	4.1	3.2	1.3	1.4	3.4	3.1	2.8	3.0	2.0	1.7	2.1	3.3
Czech Republic	..	7.5	8.4	7.8	7.7	7.9	3.9	5.9	6.2	4.1	-0.6	3.3	2.9	1.7	-0.3	2.6	2.6	3.9	4.2	4.7
Denmark	3.4	3.1	4.0	3.8	3.5	3.1	3.4	3.5	3.7	3.9	2.8	3.2	1.4	1.8	1.6	1.5	1.5	1.5	2.1	2.1
Estonia	..	14.6	9.6	9.2	11.7	11.8	11.0	13.8	24.9	10.3	-3.2	2.3	0.4	6.0	3.9	5.9	6.7	5.6	5.6	5.4
Finland	3.8	3.9	3.6	1.7	2.2	3.6	3.5	3.4	3.3	4.3	2.0	2.2	3.6	2.8	1.3	1.0	1.6	1.0	-0.5	0.4
France	2.4	2.5	2.8	3.5	2.9	3.4	3.0	3.2	2.5	2.6	1.6	2.8	2.3	2.2	1.6	1.1	1.1	1.2	1.7	1.8
Germany	..	1.4	1.9	1.3	1.5	0.2	0.2	1.0	0.9	2.1	0.2	2.6	3.0	2.5	1.8	2.8	2.4	2.3	2.4	2.5
Greece	..	5.8	5.9	11.0	7.9	3.9	3.5	3.1	4.6	3.7	3.1	-2.0	-3.8	-3.0	-7.5	-2.1	-2.9	0.8	0.0	1.0
Hungary	..	15.5	15.5	11.3	11.5	9.8	7.6	5.3	5.7	7.3	-1.4	0.6	3.0	2.0	1.6	1.4	1.5	5.3	6.5	6.8
Iceland	6.5	9.0	7.3	8.8	2.2	9.7	8.7	12.4	8.4	1.9	-3.2	5.7	9.3	5.2	5.6	3.3	6.3	9.6	6.5	4.8
Ireland	..	7.8	7.8	5.4	6.5	5.1	5.6	4.3	5.7	3.9	-1.0	-3.6	0.5	0.7	1.4	1.8	2.8	3.0	3.0	3.0
Israel	..	6.1	2.6	0.6	-2.1	0.3	1.9	5.6	2.5	2.9	-0.9	3.8	4.2	2.4	2.2	0.9	2.9	4.1	4.4	4.8
Italy	4.6	2.5	3.0	2.4	3.0	3.2	2.8	2.3	2.1	2.9	0.5	2.3	1.1	-1.1	0.8	0.2	0.8	0.6	1.0	1.1
Japan	1.4	-0.3	-1.3	-2.8	-1.0	-0.9	0.6	-0.2	-0.5	0.6	-3.5	-0.1	0.2	0.0	-0.6	0.7	0.4	0.8	1.2	1.6
Korea	10.7	3.9	7.2	6.3	7.2	4.8	5.8	3.7	4.6	3.9	2.2	3.8	3.7	3.2	2.2	2.0	2.9	3.7	2.9	3.4
Latvia	..	8.5	3.4	2.6	12.0	15.0	26.4	22.2	36.7	16.9	-11.5	-6.9	2.6	7.5	5.7	8.2	6.9	7.2	6.7	6.8
Luxembourg	3.7	5.6	3.3	3.9	1.3	3.9	3.8	4.2	4.2	2.8	1.7	1.9	1.9	1.8	2.7	2.2	1.7	0.5	2.8	2.7
Mexico	20.3	15.9	10.8	5.5	6.7	4.4	5.9	4.6	5.8	5.4	2.8	-1.9	5.8	3.0	3.6	4.8	4.1	5.4	5.0	3.6
Netherlands	2.8	5.5	3.1	4.1	3.2	3.1	1.1	1.6	3.2	3.8	2.4	0.4	1.8	2.1	2.1	1.6	0.2	1.7	1.7	2.3
Norway	4.3	4.9	5.7	4.4	4.1	4.2	4.7	5.5	6.3	6.3	3.4	3.1	4.8	4.6	4.4	3.2	2.8	1.7	1.5	2.5
Poland	..	11.4	10.0	2.5	1.6	2.4	2.1	2.0	5.8	8.6	3.2	5.5	5.3	3.6	1.7	2.2	1.7	2.1	4.6	4.7
Portugal	..	6.0	4.2	3.6	3.6	2.8	4.7	1.8	3.5	2.6	2.4	2.1	-1.8	-3.1	3.6	-1.8	-0.3	1.4	2.0	2.3
Slovak Republic	..	13.2	5.6	8.9	8.1	8.0	9.1	8.0	8.7	6.6	2.6	5.4	2.0	2.6	2.6	1.8	3.1	1.8	4.0	4.7
Slovenia	..	10.5	11.6	8.3	7.7	7.5	6.2	5.6	6.2	7.0	1.8	3.9	1.6	-0.7	0.2	1.3	1.4	2.3	2.6	4.0
Spain	5.6	2.8	3.8	3.5	2.8	2.3	2.9	3.3	4.6	6.7	4.5	0.2	0.7	-1.4	0.3	0.1	0.9	0.1	1.1	1.7
Sweden	4.8	6.8	4.2	3.2	3.7	4.3	3.1	3.1	5.3	3.7	2.7	2.2	3.2	3.0	2.0	2.2	3.5	2.5	3.0	3.0
Switzerland	..	2.4	3.8	1.4	0.1	0.0	2.5	1.7	3.1	1.7	1.0	0.7	1.2	0.8	0.7	-0.5	-0.9	-0.9	0.4	0.8
United Kingdom	5.4	5.7	5.8	2.5	4.8	4.7	3.5	6.0	5.4	0.5	2.3	3.3	1.1	1.7	2.1	0.7	1.2	2.8	2.5	1.5
United States	3.7	6.4	3.3	2.7	3.9	4.8	3.4	3.9	4.2	2.8	0.7	2.9	2.6	2.4	1.1	2.6	2.6	2.1	2.5	3.3
Euro area	..	3.0	3.0	3.0	2.8	2.4	2.4	2.6	3.0	3.5	1.4	1.8	1.8	1.1	1.3	1.4	1.4	1.4	1.8	2.1
Total OECD	5.2	5.1	3.7	2.5	3.2	3.3	3.1	3.2	3.6	3.1	0.8	2.0	2.5	1.9	1.4	2.0	1.9	2.1	2.4	2.7

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504156

Annex Table 18. **Labour productivity**

Percentage changes from previous period

	Average 1989-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.0	0.9	1.2	2.0	0.7	2.2	-0.2	0.3	1.4	-0.4	1.1	0.4	0.8	2.5	1.2	2.0	0.5	0.8	1.1	1.3
Austria	2.1	2.7	0.6	1.6	0.2	1.8	1.2	1.8	1.7	-0.7	-3.1	1.1	1.4	-0.4	-0.2	-0.2	0.2	0.3	0.5	0.1
Belgium	1.7	1.6	-0.6	2.0	0.9	2.6	0.6	1.4	1.7	-1.0	-2.1	2.0	0.4	-0.3	0.3	1.2	0.5	-0.1	0.3	0.4
Canada	1.3	2.6	0.6	0.7	-0.6	1.4	1.9	0.9	-0.2	-0.4	-1.4	1.6	1.6	0.5	1.1	1.9	0.1	0.7	1.1	1.2
Chile	4.4	3.6	2.1	1.2	0.3	4.4	1.8	4.6	2.1	0.6	-0.9	-1.9	1.0	3.3	1.9	0.4	0.7	0.3	0.2	1.0
Czech Republic	..	5.5	3.3	0.9	4.4	5.0	4.5	5.6	3.4	0.3	-2.9	3.2	2.3	-1.1	-0.8	2.2	3.2	0.5	1.8	2.4
Denmark	2.1	3.0	-0.2	0.4	1.3	3.2	0.9	1.6	-1.4	-1.7	-1.8	4.3	1.4	0.9	0.9	0.7	0.4	-0.4	0.1	0.4
Estonia	..	9.0	5.8	6.3	5.2	6.7	6.7	5.4	7.0	-4.8	-4.5	7.0	1.0	2.5	0.3	1.9	-1.3	1.4	2.5	3.0
Finland	2.8	3.4	1.1	0.6	1.9	3.3	1.2	2.2	3.0	-1.5	-6.0	3.7	1.3	-2.3	0.0	-0.2	0.6	0.8	1.4	1.0
France	1.3	1.5	0.5	0.6	0.8	2.5	1.0	1.4	0.9	-0.4	-1.8	1.8	1.3	-0.1	0.4	0.2	0.7	0.4	0.7	0.8
Germany	..	0.9	2.1	0.5	0.4	0.3	0.9	3.1	1.6	-0.5	-5.7	3.6	2.3	-0.5	0.0	0.8	0.6	0.5	0.5	0.9
Greece	..	3.7	3.8	1.5	4.4	2.3	-0.1	3.7	1.8	-1.5	-3.8	-3.0	-2.5	-1.1	-0.6	0.4	-0.8	-1.3	-0.7	-0.8
Hungary	..	3.3	4.0	4.6	3.7	5.8	4.8	3.6	0.4	2.7	-4.1	1.7	1.7	-1.7	1.1	-0.8	0.8	-0.3	1.7	2.6
Iceland	1.1	2.7	2.1	1.8	2.3	8.2	3.2	0.0	4.7	0.7	-1.0	-3.3	1.7	0.1	1.0	-0.6	0.7	3.3	2.3	0.8
Ireland	..	5.2	2.9	3.9	1.8	3.3	0.8	1.2	-0.6	-3.8	3.5	6.3	0.5	-0.5	-1.4	6.6	23.1	2.4	1.5	0.5
Israel	..	5.3	-1.7	-0.6	0.2	2.8	0.4	2.3	1.9	-0.5	-0.7	2.5	2.1	-1.6	1.6	0.4	0.3	1.6	0.9	1.3
Italy	1.3	2.0	-0.4	-1.4	-1.2	0.8	0.6	0.1	0.1	-1.3	-3.9	2.3	0.4	-2.5	0.0	0.1	0.0	-0.3	0.2	0.3
Japan	1.1	3.0	0.9	1.4	1.8	2.0	1.2	0.9	1.0	-0.8	-4.0	4.5	0.0	1.7	1.2	-0.4	0.6	0.1	1.1	1.2
Korea	5.5	4.5	2.5	4.6	3.1	2.8	2.6	3.8	4.2	2.2	1.0	5.1	1.9	0.5	1.3	1.2	1.4	1.6	1.3	1.7
Latvia	..	9.1	4.8	5.6	7.8	8.1	9.7	5.8	5.9	-2.8	0.0	3.1	4.8	2.5	0.3	3.5	1.4	2.0	3.3	3.2
Luxembourg	1.3	2.8	-3.0	0.9	-0.2	1.3	0.4	1.3	3.8	-5.8	-5.4	3.0	-0.4	-2.7	2.1	3.0	1.4	1.2	2.0	2.1
Mexico	..	2.7	-0.8	-2.0	1.1	0.6	2.6	1.5	1.4	-1.1	-3.4	-2.8	3.4	-0.7	1.0	2.6	0.4	0.1	0.8	1.1
Netherlands	1.3	2.4	0.2	-0.6	1.0	3.0	1.5	1.5	0.7	0.1	-3.0	2.0	0.8	-0.9	1.0	1.7	1.0	1.1	0.4	1.0
New Zealand	1.2	4.3	-0.4	2.0	1.8	1.1	-1.7	0.5	2.9	-2.8	2.4	1.4	0.4	2.8	0.2	-0.6	0.9	0.3	-0.8	1.1
Norway	2.5	2.6	1.7	1.0	2.1	3.3	1.3	-1.0	-1.2	-2.8	-1.2	1.1	-0.5	0.7	-0.1	0.7	1.3	0.9	0.4	0.3
Poland	..	7.2	3.6	4.6	4.8	3.9	1.3	2.9	2.5	0.5	2.5	3.1	4.4	1.5	1.5	1.5	2.3	2.1	2.6	2.8
Portugal	1.7	1.6	0.2	0.4	0.0	2.5	1.2	1.2	2.5	-0.2	-0.3	3.4	0.1	0.1	1.8	-0.5	0.2	-0.2	0.7	0.6
Slovak Republic	..	3.2	2.7	4.4	4.3	5.5	5.1	6.2	8.5	2.3	-3.5	6.7	1.0	1.6	2.3	1.1	1.8	0.9	1.6	2.6
Slovenia	..	2.5	2.3	2.2	3.2	4.1	4.3	4.1	3.5	0.7	-6.3	3.6	2.3	-1.7	0.0	2.6	1.1	0.5	1.5	1.5
Spain	1.0	0.3	0.6	0.3	-0.1	-0.6	-0.5	0.0	0.5	0.9	2.9	1.8	1.7	1.1	0.9	0.5	0.7	0.5	0.2	0.3
Sweden	2.6	2.3	-0.4	2.1	3.1	4.6	2.6	3.2	1.2	-1.6	-2.8	4.7	0.6	-0.7	0.3	1.2	2.3	1.4	0.6	1.2
Switzerland	0.7	3.1	-0.2	-0.6	0.4	2.4	2.3	1.9	1.5	-0.2	-2.6	2.5	-0.4	-0.4	0.3	0.2	-0.7	-0.3	0.3	0.5
Turkey	2.0	8.8	-6.0	6.7	6.7	7.3	6.6	5.5	3.5	-0.8	-5.1	2.6	4.3	1.6	5.9	-0.1	2.9	1.0	1.2	1.2
United Kingdom	1.9	2.6	1.9	1.5	2.4	1.4	1.8	1.5	1.7	-1.5	-2.8	1.7	1.0	0.2	0.7	0.7	0.5	0.4	0.9	1.2
United States	1.6	2.3	1.1	3.0	2.7	2.7	1.7	0.9	0.9	0.4	1.5	3.2	0.6	0.6	0.3	0.6	0.5	-0.1	0.8	0.9
Euro area	..	1.6	1.0	0.4	0.5	1.4	0.9	1.7	1.2	-0.5	-2.7	2.5	1.3	-0.5	0.3	0.6	0.8	0.4	0.5	0.7
Total OECD	1.8	2.8	0.8	1.7	1.9	2.3	1.7	1.6	1.4	-0.2	-1.4	2.4	1.4	0.4	0.9	0.8	0.8	0.4	0.9	1.1

Note: Labour productivity measured as GDP per person employed.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504175

Annex Table 19. **Employment and labour force**

Percentage changes from previous period

	Employment									Labour force								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
Australia	1.9	2.2	1.2	0.9	0.7	1.9	1.6	1.3	1.6	1.4	2.1	1.3	1.4	1.2	1.9	1.2	1.2	1.4
Austria	0.6	1.0	0.8	0.5	0.2	0.9	1.7	1.7	1.5	0.6	1.1	1.1	1.0	0.5	1.0	2.0	1.3	1.3
Belgium	0.8	1.0	0.4	-0.3	0.4	0.9	1.3	1.3	1.3	0.7	0.9	0.9	0.7	0.5	0.8	0.5	0.6	0.6
Canada	1.8	1.3	1.3	1.4	0.6	0.9	0.7	1.7	1.1	1.3	1.3	1.1	1.1	0.4	0.8	0.8	1.1	0.7
Chile	1.6	3.3	1.9	2.1	1.5	1.5	1.2	1.4	1.8	2.0	3.0	1.2	1.6	1.9	1.4	1.5	1.5	1.6
Czech Republic	..	0.3	0.4	1.0	0.8	1.4	1.9	1.2	0.2	..	0.3	0.6	0.9	-0.2	0.2	0.8	0.6	0.1
Denmark	0.4	-0.1	-0.5	0.0	1.0	1.4	3.2	1.3	1.7	-0.1	0.3	-0.6	-0.6	0.5	1.0	3.2	1.6	1.7
Estonia	..	0.3	1.9	1.0	0.6	2.6	0.7	0.3	0.1	..	0.4	-0.7	-0.6	-0.8	1.3	1.3	1.2	0.9
Finland	1.1	0.5	0.4	-1.0	-0.4	-0.4	0.4	0.6	0.5	0.6	0.3	0.3	-0.5	0.1	0.4	-0.2	0.2	0.1
France	0.8	0.5	0.2	-0.2	0.1	0.1	0.6	0.5	0.7	0.6	0.6	0.9	0.4	0.2	0.2	0.2	0.2	0.5
Germany	-0.1	0.8	1.0	1.0	0.9	0.8	2.7	1.6	1.1	0.0	0.5	0.5	0.8	0.6	0.4	2.2	1.2	1.0
Greece	..	-0.6	-8.9	-4.9	0.7	2.1	1.7	1.8	3.3	..	0.4	-0.9	-1.0	-0.7	-0.1	-0.1	0.0	0.6
Hungary	-0.6	-0.3	1.8	1.7	5.3	2.7	3.3	2.2	0.8	-1.1	0.3	1.8	0.8	2.6	1.7	1.5	1.3	0.5
Iceland	1.7	0.8	1.1	3.1	2.5	3.4	3.8	3.0	1.7	1.4	1.2	0.1	2.5	2.0	2.4	2.7	2.8	1.9
Ireland	4.6	0.4	-0.6	2.3	1.8	2.6	2.9	2.2	2.0	3.2	1.7	-0.5	0.4	-0.2	0.5	1.2	1.2	1.2
Israel	..	3.2	3.3	2.6	3.0	2.6	2.7	2.2	2.0	..	2.4	3.0	2.0	2.7	1.8	2.2	1.6	2.0
Italy	0.0	0.2	-0.2	-1.5	0.4	0.8	1.3	0.8	0.5	0.1	0.2	2.3	0.1	1.0	0.0	1.0	0.6	0.2
Japan	0.0	-0.1	-0.2	0.7	0.7	0.5	1.0	0.4	-0.3	0.3	-0.2	-0.5	0.4	0.2	0.2	0.7	0.1	-0.3
Korea	1.4	1.0	1.8	1.6	2.1	1.3	1.2	1.4	1.0	1.6	1.0	1.6	1.5	2.6	1.4	1.2	1.5	1.0
Latvia	..	-1.1	1.6	2.1	-1.0	1.3	-0.3	0.1	0.2	..	-0.7	0.2	-1.6	-2.2	0.2	-0.5	-0.5	-0.1
Luxembourg	1.5	1.7	2.4	2.0	2.3	2.1	2.2	2.5	2.1	1.6	2.1	2.9	2.8	2.6	1.7	1.7	2.1	2.0
Mexico	2.5	1.6	3.3	1.1	0.4	2.4	1.9	1.1	0.9	2.4	1.9	3.0	1.1	0.3	1.9	1.5	1.4	1.1
Netherlands	1.9	0.6	0.6	-0.8	-0.6	1.0	1.3	1.9	1.1	1.5	0.8	1.5	0.8	-0.4	0.4	0.4	1.0	1.0
New Zealand	2.2	1.6	0.2	1.5	3.5	2.3	4.6	3.9	1.9	1.6	1.6	0.7	0.9	3.1	2.2	4.3	3.5	1.7
Norway	1.4	1.2	2.0	0.6	1.0	0.5	-0.1	0.7	1.1	1.2	1.1	1.9	0.9	1.0	1.4	0.3	0.5	0.9
Poland	..	1.7	0.2	-0.1	1.9	1.4	0.7	1.1	0.3	..	0.3	0.7	0.1	0.4	-0.2	-0.7	0.2	0.0
Portugal	0.8	-0.9	-4.1	-2.6	1.6	1.1	1.2	1.3	0.9	0.8	0.0	-0.8	-1.8	-1.1	-0.6	-0.4	-0.2	0.1
Slovak Republic	..	0.9	0.6	0.0	1.5	2.6	2.8	1.6	1.4	..	0.3	1.0	0.3	0.2	0.6	0.7	0.3	0.3
Slovenia	..	0.3	-1.3	-1.9	1.2	0.1	-0.3	2.1	1.6	..	0.5	-0.6	-0.6	0.7	-0.7	-1.3	1.3	0.5
Spain	2.6	1.0	-4.3	-2.8	1.2	3.0	2.7	2.5	2.1	2.1	2.4	0.0	-1.1	-1.0	-0.1	-0.4	-0.1	0.2
Sweden	0.1	0.7	0.6	1.1	1.4	1.4	1.5	2.1	1.1	0.0	0.9	0.8	1.1	1.3	0.8	1.0	1.7	0.9
Switzerland	0.4	1.1	1.2	1.2	1.6	1.4	1.5	1.1	1.4	0.3	1.2	1.4	1.4	1.8	1.4	1.6	1.0	1.2
Turkey	1.1	2.3	3.1	2.9	5.1	2.9	2.0	2.2	2.3	1.1	2.2	2.3	3.6	6.1	3.3	2.8	2.1	2.4
United Kingdom	0.9	0.6	1.1	1.2	2.4	1.7	1.4	0.7	-0.2	0.3	0.9	0.9	0.8	0.8	0.9	0.9	0.5	0.3
United States	1.6	0.3	1.9	1.0	1.6	1.7	1.7	1.3	1.4	1.3	0.7	0.9	0.3	0.3	0.8	1.3	1.0	1.1
Euro area	0.7	0.6	-0.6	-0.6	0.6	1.0	1.8	1.4	1.1	0.7	0.8	0.7	0.1	0.1	0.2	0.8	0.6	0.6
Total OECD	..	0.7	1.0	0.7	1.4	1.5	1.6	1.2	1.0	..	0.9	1.0	0.6	0.8	0.8	1.1	0.9	0.8

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504194

Annex Table 20. **Labour force, employment and unemployment**

Millions

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Labour force																				
Total of major countries	341.4	345.2	347.1	348.7	351.0	352.6	355.8	359.4	362.4	364.6	364.6	364.5	364.9	367.5	369.1	370.7	372.7	377.0	379.7	382.2
Total of smaller countries	194.8	196.9	199.4	202.6	204.4	208.4	211.5	214.8	218.0	221.5	224.4	227.3	230.3	233.7	236.0	238.9	242.0	244.7	247.5	250.1
Euro area	142.4	143.7	145.2	146.6	148.0	149.3	151.2	152.9	154.5	156.1	156.4	156.5	157.0	158.1	158.4	158.6	158.9	160.2	161.2	162.1
Total OECD	536.2	542.2	546.4	551.3	555.4	561.0	567.3	574.2	580.3	586.1	589.0	591.9	595.2	601.2	605.1	609.6	614.7	621.7	627.2	632.2
Employment																				
Total of major countries	320.9	325.9	326.9	326.3	327.8	330.2	333.9	338.7	342.7	343.4	335.4	334.9	337.0	340.4	342.9	347.0	351.1	356.4	360.0	363.0
Total of smaller countries	180.7	183.5	185.4	187.6	188.9	192.4	196.0	200.7	204.9	207.8	205.7	207.7	210.8	213.0	214.3	217.8	222.1	225.9	229.5	232.5
Euro area	128.9	131.3	133.4	134.2	134.7	135.6	137.6	140.2	142.9	144.3	141.5	140.7	141.0	140.2	139.4	140.2	141.6	144.2	146.1	147.8
Total OECD	501.5	509.4	512.3	513.9	516.7	522.5	530.0	539.3	547.7	551.2	541.1	542.6	547.8	553.4	557.2	564.8	573.1	582.4	589.5	595.5
Unemployment																				
Total of major countries	20.6	19.3	20.2	22.3	23.2	22.4	21.9	20.7	19.6	21.3	29.2	29.7	27.9	27.1	26.2	23.7	21.7	20.6	19.6	19.2
Total of smaller countries	14.1	13.4	14.0	15.1	15.5	16.1	15.5	14.1	13.0	13.6	18.7	19.6	19.5	20.8	21.6	21.2	20.0	18.8	18.0	17.6
Euro area	13.5	12.4	11.7	12.4	13.3	13.7	13.7	12.8	11.6	11.8	15.0	15.8	15.9	17.9	19.0	18.4	17.3	16.1	15.0	14.4
Total OECD	34.7	32.8	34.2	37.4	38.7	38.5	37.4	34.8	32.6	34.9	47.9	49.3	47.4	47.8	47.8	44.8	41.6	39.4	37.7	36.8

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504213

Annex Table 21. **Unemployment rates: national definitions**

Per cent of labour force

	2015 Unemployment thousands	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Fourth quarter	2017 Fourth quarter	2018 Fourth quarter
Australia	758.3	5.9	5.4	5.0	4.8	4.4	4.2	5.6	5.2	5.1	5.2	5.7	6.1	6.1	5.7	5.6	5.4	5.7	5.5	5.3
Austria	255.4	4.3	5.5	5.7	5.3	4.9	4.2	5.4	4.9	4.6	4.9	5.4	5.7	5.8	6.1	5.7	5.5	5.9	5.6	5.5
Belgium	434.6	8.2	8.4	8.5	8.3	7.5	7.0	7.9	8.3	7.2	7.6	8.5	8.6	8.5	7.9	7.2	6.6	7.2	7.0	6.4
Canada	1331.3	7.6	7.2	6.8	6.3	6.0	6.1	8.3	8.0	7.5	7.3	7.1	6.9	6.9	7.0	6.5	6.1	6.9	6.3	6.0
Chile	534.5	9.5	10.0	9.2	7.8	7.1	7.8	9.7	8.1	7.2	6.4	6.0	6.3	6.2	6.5	6.6	6.5	6.5	6.6	6.4
Czech Republic	267.5	7.8	8.3	7.9	7.1	5.3	4.4	6.7	7.3	6.7	7.0	6.9	6.1	5.0	4.0	3.3	3.3	3.6	3.3	3.2
Denmark	181.2	5.4	5.5	4.8	3.9	3.8	3.5	6.0	7.5	7.6	7.5	7.0	6.5	6.2	6.2	6.5	6.5	6.3	6.4	6.5
Estonia	42.2	10.3	10.2	8.0	5.9	4.6	5.5	13.6	16.7	12.3	10.0	8.6	7.4	6.2	6.8	7.6	8.4	6.7	8.2	8.5
Finland	252.3	9.0	8.8	8.4	7.7	6.8	6.4	8.3	8.4	7.8	7.7	8.2	8.7	9.4	8.8	8.5	8.2	8.7	8.4	8.1
France	3055.2	8.4	8.8	8.8	8.8	8.0	7.3	9.1	9.2	9.1	9.7	10.3	10.3	10.4	10.0	9.7	9.6	9.9	9.7	9.5
Germany	1936.7	9.7	10.3	11.0	10.0	8.6	7.4	7.6	6.9	5.8	5.4	5.2	5.0	4.6	4.2	3.8	3.7	4.0	3.8	3.7
Greece	1197.0	9.8	10.6	10.0	9.0	8.4	7.8	9.6	12.7	17.9	24.4	27.5	26.5	24.9	23.5	22.2	20.1	..	..	..
Hungary	307.0	5.9	6.1	7.2	7.5	7.4	7.8	10.1	11.2	11.0	11.0	10.2	7.7	6.8	5.1	4.2	3.9	4.5	4.1	3.9
Iceland	7.7	3.4	3.0	2.4	2.7	2.2	3.1	7.3	7.7	6.9	5.9	5.4	4.9	4.0	3.0	2.8	3.0	2.6	2.9	3.0
Ireland	203.6	4.7	4.5	4.3	4.4	4.7	6.4	12.0	13.9	14.7	14.7	13.1	11.3	9.4	7.9	6.9	6.2	7.1	6.7	5.8
Israel	202.7	13.3	12.9	11.3	10.5	9.1	7.7	9.5	8.3	7.1	6.9	6.3	5.9	5.3	4.8	4.3	4.3	4.4	4.3	4.3
Italy	3036.8	8.4	8.0	7.7	6.8	6.1	6.7	7.7	8.3	8.4	10.7	12.1	12.6	11.9	11.7	11.5	11.2	11.9	11.4	11.1
Japan	2232.5	5.3	4.7	4.4	4.1	3.8	4.0	5.0	5.0	4.6	4.4	4.0	3.6	3.4	3.1	2.8	2.7	3.1	2.8	2.7
Korea	975.5	3.6	3.7	3.7	3.5	3.2	3.2	3.7	3.7	3.4	3.2	3.1	3.5	3.6	3.7	3.8	3.7	3.6	3.8	3.7
Latvia	98.2	11.6	11.7	10.0	7.0	6.0	7.8	17.6	19.5	16.2	15.0	11.8	10.8	9.9	9.7	9.2	8.9	9.7	9.1	8.8
Luxembourg	17.9	3.3	3.7	4.1	4.3	4.2	4.2	5.5	5.8	5.7	6.1	6.9	7.1	6.8	6.4	6.0	5.9	6.2	6.0	5.9
Mexico[1]	2293.8	3.0	3.7	3.5	3.5	3.6	3.9	5.4	5.3	5.2	4.9	4.9	4.8	4.3	3.9	4.2	4.3	3.5	4.4	4.2
Netherlands	613.8	4.8	5.7	5.9	5.0	4.2	3.7	4.4	5.0	5.0	5.8	7.3	7.4	6.9	6.0	5.2	5.0	5.5	5.1	5.0
New Zealand	133.8	4.8	4.0	3.8	3.9	3.6	4.0	5.8	6.1	6.0	6.4	5.8	5.4	5.4	5.1	4.7	4.5	5.2	4.6	4.5
Norway	118.9	4.0	4.2	4.4	3.4	2.5	2.6	3.1	3.5	3.2	3.1	3.4	3.5	4.3	4.7	4.4	4.2	4.6	4.4	4.1
Poland	1304.3	19.7	19.0	17.8	13.9	9.6	7.1	8.2	9.6	9.6	10.1	10.3	9.0	7.5	6.2	5.2	5.0	5.7	5.1	4.9
Portugal	646.8	6.3	6.6	7.6	7.6	8.0	7.6	9.5	10.8	12.6	15.5	16.2	13.9	12.4	11.0	9.7	8.9	10.3	9.4	8.6
Slovak Republic	314.3	17.5	18.1	16.2	13.3	11.0	9.6	12.1	14.4	13.6	13.9	14.2	13.2	11.5	9.6	8.5	7.6	9.0	8.2	7.2
Slovenia	90.3	6.7	6.3	6.5	5.9	4.8	4.4	5.9	7.2	8.2	8.8	10.1	9.7	9.0	8.0	7.3	6.3	8.0	6.9	5.9
Spain	5056.0	11.5	11.0	9.1	8.5	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.4	22.1	19.6	17.5	16.0	18.7	16.9	15.5
Sweden	386.6	6.6	7.4	7.7	7.1	6.1	6.2	8.3	8.6	7.8	8.0	8.0	7.9	7.4	6.9	6.5	6.4	6.9	6.5	6.4
Switzerland	219.3	4.1	4.4	4.4	4.0	3.6	3.4	4.3	4.5	4.0	4.1	4.3	4.5	4.5	4.6	4.5	4.3	4.5	4.4	4.3
Turkey	3054.4	9.9	9.7	9.5	9.0	9.2	10.0	13.0	11.1	9.1	8.4	9.0	9.9	10.3	10.9	10.8	10.9	11.8	10.5	11.1
United Kingdom	1780.5	5.0	4.8	4.8	5.4	5.3	5.7	7.6	7.9	8.1	8.0	7.6	6.2	5.4	4.9	4.8	5.3	4.8	4.9	5.5
United States	8287.6	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.6	4.3	4.7	4.5	4.2
Euro area	17251.1	9.0	9.2	9.0	8.4	7.5	7.5	9.6	10.1	10.2	11.3	12.0	11.6	10.9	10.0	9.3	8.9	9.7	9.1	8.7
Total OECD	41628.2	7.0	6.9	6.6	6.1	5.6	6.0	8.1	8.3	8.0	8.0	7.9	7.4	6.8	6.3	6.0	5.8	6.2	5.9	5.7

Note: Labour market data are subject to differences in definitions across countries and to many breaks in series, though the latter are often of a minor nature.

1. Based on National Employment Survey.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504232

Annex Table 22. **Harmonised unemployment rates**

Per cent of civilian labour force

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	7.7	6.9	6.9	6.3	6.7	6.4	5.9	5.4	5.0	4.8	4.4	4.2	5.6	5.2	5.1	5.2	5.7	6.1	6.1	5.7
Austria	4.7	4.2	4.2	3.9	4.0	4.4	4.8	5.5	5.6	5.3	4.9	4.1	5.3	4.8	4.6	4.9	5.4	5.6	5.7	6.0
Belgium	9.3	8.5	8.5	6.9	6.6	7.5	8.2	8.4	8.4	8.3	7.5	7.0	7.9	8.3	7.2	7.6	8.5	8.5	8.5	7.9
Canada	8.3	7.6	7.6	6.8	7.2	7.7	7.6	7.2	6.8	6.3	6.1	6.1	8.4	8.1	7.5	7.3	7.1	6.9	6.9	7.0
Chile	6.4	10.1	10.1	9.7	9.9	9.8	9.5	10.0	9.2	7.8	7.1	7.8	9.7	8.2	7.1	6.4	5.9	6.4	6.2	6.5
Czech Republic	6.5	8.7	8.7	8.8	8.1	7.3	7.8	8.3	7.9	7.1	5.3	4.4	6.7	7.3	6.7	7.0	7.0	6.1	5.1	4.0
Denmark	4.9	5.2	5.2	4.3	4.5	4.6	5.4	5.5	4.8	3.9	3.8	3.5	6.0	7.5	7.6	7.5	7.0	6.5	6.2	6.2
Estonia	9.2	11.4	11.4	14.5	13.0	11.3	10.4	10.1	8.0	5.9	4.6	5.5	13.6	16.7	12.4	10.0	8.6	7.4	6.2	6.8
Finland	11.4	10.2	10.2	9.8	9.1	9.1	9.0	8.8	8.4	7.7	6.9	6.4	8.2	8.4	7.8	7.7	8.2	8.7	9.4	8.8
France	12.1	11.3	11.3	9.6	8.7	8.6	8.5	8.9	8.9	8.8	8.0	7.4	9.1	9.3	9.2	9.8	10.3	10.3	10.4	10.1
Germany	9.5	8.6	8.6	8.0	7.9	8.7	9.8	10.5	11.3	10.3	8.5	7.4	7.6	7.0	5.8	5.4	5.2	5.0	4.6	4.1
Greece	..	12.0	12.0	11.2	10.7	10.3	9.7	10.6	10.0	9.0	8.4	7.8	9.6	12.8	17.9	24.5	27.5	26.6	25.0	23.6
Hungary	8.7	6.9	6.9	6.3	5.6	5.6	5.7	6.1	7.2	7.5	7.4	7.8	10.0	11.2	11.1	11.0	10.1	7.7	6.8	5.1
Iceland	..	..	..	..	..	..	3.4	3.1	2.6	2.9	2.3	3.0	7.2	7.6	7.1	6.0	5.4	5.0	4.0	3.0
Ireland	7.6	5.7	5.7	4.3	3.9	4.5	4.6	4.5	4.4	4.5	4.7	6.4	12.0	13.9	14.7	14.7	13.1	11.3	9.5	7.9
Israel	8.5	8.9	8.9	8.8	9.3	10.3	10.7	10.4	9.0	8.4	7.3	6.1	7.5	6.6	5.6	6.9	6.2	5.9	5.2	4.8
Italy	11.3	10.9	10.9	10.1	9.0	8.5	8.4	8.0	7.7	6.8	6.1	6.7	7.8	8.4	8.4	10.6	12.1	12.7	11.9	11.7
Japan	4.1	4.7	4.7	4.7	5.0	5.4	5.3	4.7	4.4	4.1	3.8	4.0	5.1	5.1	4.6	4.4	4.0	3.6	3.4	3.1
Korea	7.0	6.6	6.6	4.4	4.0	3.3	3.6	3.7	3.7	3.5	3.3	3.2	3.7	3.7	3.4	3.2	3.1	3.5	3.6	3.7
Latvia	..	14.1	14.1	14.3	13.5	12.5	11.6	11.8	10.1	7.0	6.1	7.7	17.6	19.5	16.2	15.0	11.9	10.9	9.9	9.6
Luxembourg	2.7	2.4	2.4	2.2	1.9	2.6	3.8	5.0	4.7	4.6	4.2	4.9	5.1	4.6	4.8	5.1	5.9	6.1	6.5	6.3
Mexico	3.2	2.5	2.5	2.5	2.8	3.0	3.4	3.9	3.6	3.6	3.7	4.0	5.5	5.4	5.2	5.0	4.9	4.8	4.4	3.9
Netherlands	5.1	4.2	4.2	3.7	3.1	3.7	4.8	5.7	5.9	5.0	4.2	3.7	4.4	5.0	5.0	5.8	7.2	7.4	6.9	6.0
New Zealand	7.7	7.0	7.0	6.2	5.5	5.3	4.8	4.0	3.8	3.9	3.6	4.0	5.8	6.2	6.0	6.4	5.8	5.4	5.4	5.1
Norway	3.1	3.0	3.0	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.5	2.6	3.2	3.6	3.3	3.2	3.5	3.5	4.4	4.7
Poland	10.2	13.4	13.4	16.1	18.3	20.0	19.8	19.1	17.9	14.0	9.6	7.0	8.1	9.7	9.7	10.1	10.3	9.0	7.5	6.2
Portugal	6.1	5.6	5.6	5.1	5.1	6.1	7.4	7.8	8.8	8.9	9.1	8.8	10.7	12.0	12.9	15.8	16.5	14.1	12.7	11.2
Slovak Republic	12.7	16.5	16.5	18.9	19.5	18.8	17.7	18.4	16.4	13.5	11.2	9.6	12.1	14.5	13.7	14.0	14.2	13.2	11.5	9.7
Slovenia	7.4	7.4	7.4	6.7	6.2	6.3	6.7	6.3	6.5	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.1	9.7	9.0	8.0
Spain	16.4	13.6	13.6	11.9	10.6	11.4	11.5	11.0	9.2	8.5	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.5	22.1	19.7
Sweden	8.2	6.7	6.7	5.6	5.8	6.0	6.6	7.4	7.6	7.0	6.1	6.2	8.3	8.6	7.8	8.0	8.0	7.9	7.4	7.0
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	4.5	4.0	4.2	4.4	4.5	4.5	4.6
Turkey	..	..	..	..	..	..	..	..	9.2	8.8	8.8	9.7	12.6	10.7	8.8	8.2	8.7	10.0	10.3	10.9
United Kingdom	6.1	5.9	5.9	5.4	5.0	5.1	5.0	4.7	4.8	5.4	5.3	5.6	7.6	7.8	8.1	7.9	7.6	6.1	5.3	4.8
United States	4.5	4.2	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	9.0	8.1	7.4	6.2	5.3	4.9
Euro area	10.6	9.8	9.8	8.9	8.3	8.6	9.1	9.3	9.1	8.4	7.5	7.6	9.6	10.2	10.2	11.4	12.0	11.6	10.9	10.0
Total OECD	..	6.6	6.6	6.2	6.4	6.9	7.1	6.9	6.6	6.1	5.6	6.0	8.1	8.3	8.0	8.0	7.9	7.4	6.8	6.3

Note: In so far as possible, the data have been adjusted to ensure comparability over time and to conform to the guidelines of the International Labour Office. Annual figures are calculated by averaging the monthly and/or quarterly estimates (for both unemployed and the labour force). Further information is available from OECD.stat *(http://stats.oecd.org/index.aspx),* see the metadata relating to the harmonised unemployment rate.

Source: OECD, Main Economic Indicators.

StatLink http://dx.doi.org/10.1787/888933504251

Annex Table 23. **Quarterly price, cost and unemployment projections**

Percentage changes, seasonally adjusted at annual rates

	2016	2017	2018	2016	2017				2018				2016	2017	2018
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4 / Q4	
Consumer price index[1]															
Canada	1.4	1.9	2.0	1.7	2.7	2.0	1.6	1.9	2.0	2.1	2.2	2.2	1.4	2.0	2.1
France	0.3	1.3	1.2	1.1	1.8	0.9	1.2	1.2	1.2	1.2	1.2	1.2	0.7	1.3	1.2
Germany	0.4	1.9	1.6	2.7	2.6	1.5	1.2	1.5	1.6	1.7	1.8	1.8	1.0	1.7	1.7
Italy	-0.1	1.5	1.3	0.9	3.8	1.1	0.5	0.6	3.0	0.9	0.9	1.0	0.2	1.5	1.4
Japan	-0.1	0.6	1.0	2.4	-0.1	0.7	0.8	1.0	1.0	1.0	1.0	1.0	0.3	0.6	1.0
United Kingdom	0.6	2.8	2.7	2.2	3.7	3.1	3.0	2.8	2.6	2.5	2.4	2.3	1.2	3.2	2.4
United States	1.3	2.5	2.2	3.0	3.1	2.1	2.1	2.1	2.2	2.2	2.3	2.3	1.8	2.4	2.2
Euro area	0.2	1.7	1.4	1.9	3.0	1.2	1.0	1.2	1.8	1.5	1.5	1.6	0.7	1.6	1.6
GDP deflator															
Canada	0.6	2.6	1.9	4.3	3.1	2.0	1.5	1.8	2.0	2.1	2.1	2.1	1.8	2.1	2.1
France	0.8	0.9	1.1	0.9	1.2	0.7	1.1	1.1	1.2	1.2	1.2	1.2	0.7	1.0	1.2
Germany	1.4	0.9	1.7	2.4	-1.1	1.6	1.5	1.6	1.7	1.8	1.9	1.9	1.3	0.9	1.8
Italy	0.8	1.2	1.2	1.8	2.5	1.1	0.7	0.5	2.6	0.8	0.7	0.8	0.7	1.2	1.2
Japan	0.3	-0.4	1.0	0.3	-2.2	0.7	0.8	0.9	1.0	1.0	1.1	1.1	0.0	0.0	1.0
United Kingdom	1.7	2.2	1.9	3.2	2.2	2.1	2.0	1.9	1.8	2.0	1.9	1.9	2.8	2.0	1.9
United States	1.3	2.1	2.3	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.4	1.6	2.2	2.3
Euro area	0.9	1.2	1.5	1.8	0.7	1.5	1.3	1.3	1.7	1.4	1.5	1.5	0.9	1.2	1.5
Total OECD	1.4	2.0	2.2	3.4	2.0	1.9	0.9	3.4	2.3	2.1	1.0	3.7	1.8	2.1	2.3
Unit labour costs (total economy)															
Canada	1.1	1.0	1.9	3.0	0.7	0.6	1.3	1.6	2.0	2.3	2.4	2.5	1.1	1.0	2.3
France	0.9	1.1	1.0	1.1	1.4	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Germany	2.0	1.8	1.2	3.4	1.3	1.1	0.8	0.9	1.1	1.4	1.6	1.7	2.1	1.0	1.4
Italy	1.5	1.1	1.0	2.7	0.9	0.5	0.5	0.7	1.2	1.3	1.3	1.2	1.6	0.6	1.3
Japan	1.3	0.3	0.5	1.0	-1.3	0.5	0.8	0.7	0.4	0.2	0.3	0.5	0.6	0.2	0.4
United Kingdom	1.9	2.0	1.5	-0.9	1.6	4.6	1.6	1.4	-1.9	5.2	1.6	1.7	2.2	2.3	1.6
United States	2.3	1.9	2.2	-2.8	2.9	3.5	2.6	2.5	1.9	1.7	1.9	2.0	0.8	2.9	1.9
Euro area	1.3	1.2	1.2	1.8	1.2	1.1	0.9	1.1	1.2	1.3	1.4	1.4	1.3	1.1	1.3
Total OECD	2.0	1.7	1.7	0.2	1.7	2.6	2.0	1.9	1.4	1.7	1.6	1.6	1.6	2.0	1.6
Unemployment							Per cent of labour force								
Canada	7.0	6.5	6.1	6.9	6.7	6.5	6.4	6.3	6.3	6.2	6.1	6.0			
France	10.0	9.7	9.6	9.9	9.8	9.7	9.7	9.7	9.7	9.6	9.6	9.5			
Germany	4.2	3.8	3.7	4.0	3.9	3.8	3.8	3.8	3.8	3.8	3.7	3.7			
Italy	11.7	11.5	11.2	11.9	11.7	11.5	11.4	11.4	11.3	11.2	11.2	11.1			
Japan	3.1	2.8	2.7	3.1	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7			
United Kingdom	4.9	4.8	5.3	4.8	4.6	4.7	4.8	4.9	5.0	5.2	5.3	5.5			
United States	4.9	4.6	4.3	4.7	4.7	4.6	4.6	4.5	4.4	4.3	4.3	4.2			
Euro area	10.0	9.3	8.9	9.7	9.5	9.4	9.2	9.1	9.0	8.9	8.8	8.7			
Total OECD	6.3	6.0	5.8	6.2	6.1	6.0	6.0	5.9	5.9	5.8	5.8	5.7			

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. For the United Kingdom, the euro area countries and the euro area aggregate, the Harmonised Index of Consumer Prices (HICP) is used.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504270

Annex Table 24. **Potential GDP and productive capital stock**

Percentage changes from previous period

	Potential GDP									Productive capital stock[1]								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
Australia	3.5	3.2	3.3	3.0	2.8	2.6	2.3	2.2	2.2	2.7	4.4	5.6	5.0	4.0	3.1	2.3	2.0	1.8
Austria	2.5	1.8	1.2	1.2	1.2	1.1	1.1	1.1	1.1	2.8	2.1	1.5	1.5	1.4	1.2	1.3	1.4	1.4
Belgium	2.3	1.7	1.2	1.0	1.1	1.2	1.2	1.3	1.3	4.0	2.9	2.3	1.9	1.9	2.1	1.9	1.9	2.0
Brazil	2.4	3.4	3.2	2.9	2.6	2.1	1.8	1.5	1.4	0.7	1.0	2.6	2.6	2.3	1.3	0.3	-0.2	-0.3
Canada	2.7	2.3	2.1	2.1	2.0	1.8	1.5	1.4	1.4	2.5	2.9	2.9	2.9	2.7	2.3	1.6	1.4	1.4
China	10.2	10.2	8.6	8.0	7.5	7.0	6.6	6.4	6.3	10.8	12.2	12.8	11.9	11.2	10.3	9.5	8.9	8.4
Colombia	..	4.7	4.5	4.2	3.9	3.7	3.3	3.0	2.9	..	4.7	6.6	6.3	6.5	6.3	5.3	4.7	4.7
Costa Rica	..	4.5	4.2	4.2	3.9	3.9	3.7	3.6	3.6	5.1	4.2	3.9	3.7	3.4	3.6	3.4	3.3	3.4
Czech Republic	..	2.9	0.8	1.1	1.6	2.0	2.0	2.1	2.3	..	2.2	1.2	0.9	0.9	1.1	1.0	0.7	0.8
Denmark	2.2	1.1	0.9	1.1	1.2	1.2	1.2	1.2	1.2	2.8	1.7	0.6	0.7	0.9	0.9	0.9	1.0	1.1
Estonia	..	3.2	1.8	2.0	2.1	2.1	2.2	1.9	2.5	..	6.6	4.4	4.0	2.9	1.9	1.2	1.2	1.4
Finland	3.0	1.7	0.4	0.3	0.3	0.3	0.3	0.4	0.5	1.5	1.8	1.1	0.7	0.5	0.4	0.5	0.7	0.8
France	2.1	1.4	0.9	1.0	1.1	1.2	1.3	1.2	1.2	2.2	1.9	1.4	1.3	1.2	1.1	1.2	1.2	1.3
Germany	1.9	1.1	1.2	1.0	1.1	1.2	1.1	1.1	1.1	1.8	0.8	0.6	0.3	0.4	0.4	0.5	0.6	0.7
Greece	..	0.8	-1.9	-1.4	-1.4	-1.0	-0.8	-0.3	0.0	..	0.9	-1.7	-2.0	-1.9	-1.8	-1.7	-1.6	-1.3
Hungary	..	1.7	0.8	1.2	1.6	1.7	1.5	1.5	1.7	..	2.8	1.2	1.4	1.9	2.0	1.1	0.8	1.1
Iceland	2.7	3.2	1.4	1.5	1.7	2.0	2.4	2.6	2.5	2.6	2.9	-0.5	-0.6	-0.2	0.8	1.9	2.5	2.3
India[2]	..	7.8	7.2	7.1	7.2	7.4	7.3	7.4	7.6	..	8.6	9.2	8.5	7.7	7.3	6.4	5.9	5.7
Indonesia	4.1	4.8	5.6	5.5	5.4	5.3	5.1	5.0	4.9	4.1	3.5	5.2	5.2	5.0	4.9	4.7	4.6	4.6
Ireland	7.3	2.9	1.4	1.7	2.5	3.6	3.0	2.3	2.1	4.6	6.0	4.5	3.5	3.9	6.2	4.2	4.1	3.6
Israel	..	3.6	4.0	3.7	3.4	3.3	3.3	3.2	3.2	..	2.7	3.5	3.4	3.0	2.5	2.8	2.8	2.9
Italy	1.4	0.5	-0.3	-0.4	-0.3	-0.2	-0.2	0.0	0.1	2.0	1.6	0.2	-0.4	-0.6	-0.7	-0.6	-0.4	-0.2
Japan	1.6	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	3.4	0.8	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Korea	6.6	4.0	3.7	3.5	3.3	3.2	3.1	3.1	3.0	10.0	5.0	4.2	3.8	3.7	3.5	3.4	3.5	3.6
Lithuania	..	3.9	2.1	2.6	2.6	2.5	2.3	2.3	2.4	..	6.2	3.2	3.2	3.2	3.1	2.8	2.6	2.8
Latvia	..	3.7	1.9	2.1	2.0	2.1	1.8	1.8	2.0	..	8.7	4.3	3.9	3.2	2.9	2.0	1.5	1.8
Luxembourg	..	2.9	3.1	3.2	3.4	3.2	3.0	3.0	3.1	..	3.4	3.8	3.4	3.3	2.8	2.2	2.4	2.6
Mexico	..	2.3	2.7	2.7	2.8	2.8	2.6	2.6	2.6	4.2	3.8	3.5	3.3	3.1	3.1	2.8	2.5	2.3
Netherlands	3.1	1.5	1.0	0.9	0.9	1.1	1.1	1.1	1.2	3.7	2.3	1.6	1.1	1.1	1.3	1.3	1.4	1.4
New Zealand	3.3	2.7	2.0	2.3	2.6	2.8	2.9	2.9	2.8	2.4	3.7	2.5	2.5	2.8	2.7	2.7	2.9	3.1
Norway	3.0	2.8	2.0	2.0	2.0	2.0	2.0	1.8	1.7	1.7	2.1	1.6	1.6	1.5	1.4	1.4	1.3	1.2
Poland	..	3.8	3.3	3.0	3.0	3.0	2.7	2.6	2.6	..	3.8	4.0	3.4	3.5	3.8	3.1	2.8	2.8
Portugal	2.8	0.8	-0.4	-0.4	-0.1	0.0	0.1	0.1	0.2	5.5	3.8	1.1	0.4	0.5	0.6	0.6	0.8	0.9
Russia	..	4.4	1.8	1.5	1.1	0.8	0.4	0.2	0.1	..	5.2	5.6	5.3	4.6	3.6	2.6	2.3	2.2
Slovak Republic	..	4.5	2.1	2.2	2.5	2.9	2.8	2.8	3.0	..	2.9	2.1	1.5	1.3	2.0	1.8	1.3	1.5
Slovenia	..	2.3	0.5	0.6	1.3	1.4	1.4	1.6	1.7	..	3.2	0.3	0.2	0.3	0.2	0.0	0.1	0.3
South Africa	..	3.2	2.7	2.8	2.8	2.8	2.7	2.4	2.3	0.8	2.5	2.6	2.7	2.8	2.7	2.3	1.9	1.8
Spain	2.9	2.5	0.5	0.5	0.3	0.5	0.5	0.7	0.8	4.2	4.3	1.9	1.4	1.4	1.6	1.7	1.8	1.9
Sweden	2.5	2.2	1.8	1.8	1.9	2.0	2.0	2.0	2.0	2.1	2.1	1.8	1.7	1.7	1.9	2.0	2.0	2.0
Switzerland	1.6	2.1	1.8	1.7	1.6	1.6	1.5	1.4	1.3	2.6	1.6	1.3	1.2	1.2	1.2	1.2	1.2	1.2
United Kingdom	2.6	1.7	1.1	1.2	1.5	1.6	1.4	1.3	1.0	3.3	2.7	2.0	2.0	2.2	2.4	2.1	2.0	1.8
United States	3.2	2.1	1.7	1.6	1.6	1.6	1.5	1.5	1.5	3.1	2.0	1.3	1.3	1.3	1.4	1.3	1.3	1.4
Total OECD	2.8	1.9	1.6	1.6	1.6	1.7	1.5	1.5	1.5	3.9	2.2	1.6	1.4	1.4	1.4	1.3	1.3	1.4

Note: For methodological details see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Total economy less housing.

2. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504289

Annex Table 25. **Structural unemployment and unit labour costs**

	Structural unemployment rate									Unit labour costs								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
	Per cent									*Percentage changes*								
Australia	7.5	5.4	5.3	5.5	5.7	5.8	5.9	5.9	5.9	1.8	3.9	1.9	0.8	0.4	-0.1	0.3	0.5	0.7
Austria	4.0	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.5	0.6	1.6	3.4	2.7	1.9	2.2	1.2	1.4	2.5
Belgium	8.2	8.0	7.9	8.0	8.0	8.0	8.1	8.1	8.1	1.6	1.8	3.3	2.0	-0.3	-0.6	-0.1	-0.5	1.2
Canada	8.8	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.5	0.9	2.5	2.8	1.6	1.2	1.8	1.1	1.0	1.9
Czech Republic	..	6.7	6.4	6.3	6.1	5.9	5.9	5.9	5.9	..	1.6	3.1	1.2	0.8	0.0	3.5	2.6	2.3
Denmark	6.2	5.6	6.2	6.2	6.3	6.3	6.3	6.3	6.2	1.5	2.4	0.9	0.7	0.9	1.3	2.0	2.2	1.8
Estonia	..	9.8	8.6	8.3	7.9	7.7	7.6	8.2	8.4	..	5.7	3.5	4.0	2.5	7.0	4.0	3.1	2.3
Finland	11.1	8.2	7.8	7.6	7.5	7.4	7.4	7.4	7.4	0.2	2.1	5.1	1.6	0.9	0.8	0.4	-1.8	-0.6
France	9.4	8.7	9.4	9.6	9.6	9.6	9.3	9.2	9.0	1.1	1.8	2.0	0.8	0.7	0.1	0.9	1.1	1.0
Germany	7.5	8.2	5.7	5.4	5.2	4.9	4.8	4.7	4.7	0.7	0.6	3.1	2.2	2.2	2.1	2.0	1.8	1.2
Greece	..	12.0	16.1	16.4	16.9	17.3	17.5	17.5	17.3	..	3.5	-2.7	-6.7	-2.6	-1.9	3.0	-0.4	0.9
Hungary	..	8.2	9.7	9.4	9.1	8.9	8.7	8.5	8.3	..	3.7	3.7	1.5	2.5	1.2	5.7	4.9	4.1
Iceland	3.5	3.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.7	5.2	4.3	4.2	5.7	4.9	2.3	3.5
Ireland	10.6	8.6	10.7	10.8	10.8	10.7	10.5	10.3	10.1	2.0	1.7	1.2	1.8	-4.6	-16.4	1.0	2.0	2.5
Israel	..	9.8	6.8	6.4	6.2	5.9	5.7	5.5	5.4	..	0.8	3.2	0.6	0.6	2.4	2.3	3.5	3.3
Italy	9.3	8.1	8.4	8.8	9.0	9.1	9.2	9.2	9.1	1.8	2.7	1.6	0.8	0.2	1.2	1.5	1.1	1.0
Japan	3.2	4.1	3.8	3.7	3.7	3.6	3.6	3.6	3.6	-0.3	-0.8	-1.5	-1.6	1.2	0.3	1.3	0.3	0.5
Korea	3.5	3.5	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.3	2.7	2.7	2.1	1.7	2.8	2.5	1.6	2.1
Latvia	..	12.6	11.5	10.7	10.3	10.1	10.0	9.9	9.8	..	7.1	4.9	4.9	5.0	4.4	4.2	3.5	4.2
Luxembourg	2.3	4.4	6.0	6.2	6.3	6.4	6.4	6.4	6.3	2.6	3.2	4.7	0.5	-0.8	0.3	-0.6	1.0	0.6
Mexico	3.4	4.0	4.8	4.8	4.8	4.7	4.7	4.7	4.7	16.5	4.2	3.8	2.9	3.5	3.0	4.8	4.4	2.8
Netherlands	6.0	5.0	5.3	5.3	5.4	5.4	5.4	5.4	5.4	1.7	1.3	2.6	0.7	-0.4	-0.8	0.9	1.2	1.0
New Zealand	7.2	5.1	6.2	6.1	6.0	5.7	5.4	5.2	5.0	1.2	3.4	0.4	1.7	2.7	1.8	3.4	3.4	2.3
Norway	4.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2.8	4.7	4.0	4.7	2.6	1.4	0.8	0.2	0.7
Poland	..	11.4	8.5	8.2	8.0	7.8	7.7	7.5	7.4	..	2.0	2.8	0.7	1.1	-0.5	0.7	1.9	2.7
Portugal	6.1	8.7	11.6	11.9	11.9	11.7	11.5	11.3	11.0	3.9	1.7	-3.9	2.5	-0.6	0.8	2.1	1.5	1.4
Slovak Republic	..	12.6	12.3	11.9	11.4	11.0	10.5	10.0	9.5	..	1.7	1.4	0.6	1.5	1.8	1.3	2.4	2.2
Slovenia	..	6.1	7.2	7.8	7.8	7.8	7.8	7.7	7.6	..	3.0	0.6	-1.2	-1.4	0.4	2.0	1.1	2.4
Spain	14.1	14.4	16.1	16.0	16.0	15.9	15.7	15.4	15.0	3.2	2.8	-3.2	-1.0	-0.1	0.6	-0.1	0.9	1.4
Sweden	7.3	7.0	7.4	7.4	7.5	7.5	7.5	7.5	7.5	1.4	1.8	3.9	1.8	1.1	1.4	1.6	1.5	1.6
Switzerland	2.9	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	0.6	0.7	1.4	0.3	-0.3	1.0	-0.2	0.4	0.2
United Kingdom	7.5	5.8	6.1	6.2	5.9	5.6	5.4	5.1	5.2	2.6	2.4	1.0	1.4	-0.7	1.0	1.9	2.0	1.5
United States	5.5	5.2	5.1	5.0	5.0	4.9	4.9	4.9	4.9	2.1	1.6	1.9	1.0	2.2	2.1	2.3	1.9	2.2
Euro area	9.0	9.1	9.2	9.2	9.1	9.0	8.9	8.8	8.6	1.8	1.8	1.4	0.9	0.7	0.7	1.3	1.2	1.2
Total OECD	6.4	6.5	6.4	6.4	6.3	6.3	6.2	6.1	6.1	3.4	1.9	1.7	1.0	1.5	1.4	2.0	1.7	1.7

Note: For more information about sources and definitions, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504308

Annex Table 26. **Household saving rates**

Per cent of disposable household income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net saving																				
Australia	1.2	0.9	3.3	0.2	-0.3	0.4	1.3	0.1	2.3	5.5	8.8	8.6	9.8	8.8	9.3	9.0	7.1	6.2	5.6	4.8
Austria	11.7	10.5	8.8	8.9	9.2	9.2	10.7	11.3	12.1	11.9	11.3	9.3	7.9	8.7	7.0	7.0	7.3	8.2	7.1	7.1
Belgium	11.3	10.4	11.9	11.0	10.6	8.9	8.5	9.2	9.4	10.0	11.3	8.1	6.6	5.7	4.9	4.5	3.9	3.8	3.1	3.8
Canada	4.2	4.6	4.5	2.9	1.9	2.3	1.3	2.4	1.9	3.2	4.4	4.0	4.1	4.7	4.8	3.5	4.8	5.1	4.2	4.4
Czech Republic	4.9	6.0	6.2	6.3	5.7	4.9	6.1	7.8	7.0	6.3	8.5	7.6	6.0	6.0	5.6	6.6	6.6	7.0	6.7	6.5
Denmark	-7.0	-5.6	0.3	1.5	2.4	-1.7	-4.3	-1.5	-3.0	-4.1	0.7	1.8	0.8	0.1	2.3	-1.8	4.4	5.1	5.1	5.0
Estonia	-0.7	0.3	-1.9	-9.5	-9.3	-9.7	-8.6	-10.9	-6.9	1.9	7.2	4.2	4.8	4.1	1.2	4.8	4.3	4.2	4.2	4.0
Finland	3.5	3.0	2.7	2.7	2.3	3.0	1.0	-0.4	-0.4	-0.2	3.4	3.2	1.3	0.7	1.5	-0.1	-0.7	-1.9	-4.0	-4.9
Germany	9.5	9.0	9.6	9.6	10.1	10.1	10.1	10.1	10.2	10.5	10.0	10.0	9.6	9.3	9.0	9.4	9.7	9.7	10.0	9.8
Hungary	7.0	5.2	5.9	3.0	1.6	4.4	5.6	6.2	2.1	1.3	3.4	3.4	4.1	2.6	4.3	5.7	4.3	4.3	4.8	4.6
Ireland	8.4	-4.0	1.0	-0.8	0.0	0.7	1.1	-1.2	-1.3	4.5	9.6	7.6	4.7	7.3	5.6	6.1	5.8	5.7	5.6	4.8
Italy	8.8	7.4	8.9	9.6	9.1	9.6	9.1	8.5	8.1	7.8	7.1	4.2	3.7	2.0	3.6	3.9	3.1	3.3	2.7	2.4
Japan	10.5	8.9	5.6	4.9	4.4	3.6	3.4	2.5	2.5	2.5	4.0	3.7	4.0	2.7	0.3	-0.4	0.7	2.4	2.0	1.4
Korea	15.8	9.2	5.5	1.1	4.8	8.2	6.7	5.5	3.5	3.8	4.8	4.7	3.9	3.9	5.6	7.2	9.3	9.3	9.0	8.8
Latvia	-15.1	-9.8	-9.8	-9.1	-7.0	-7.6	-6.5	-11.4	-10.6	3.6	5.9	-4.4	-15.0	-15.6	-16.1	-14.7	-12.7	-10.4	-8.9	-5.5
Luxembourg	..	..	..	..	..	..	..	..	..	9.5	12.1	13.0	13.6	13.7	13.9	15.1	15.6	16.7	16.7	16.6
Netherlands	7.3	6.2	8.1	7.9	7.4	6.8	5.7	3.8	3.9	3.7	7.1	4.9	5.8	7.2	7.3	6.3	6.0	5.5	6.6	6.5
New Zealand	3.0	-2.5	-1.4	-6.8	-4.3	-3.7	-5.9	-4.1	-0.4	-2.1	1.3	2.2	2.4	0.5	0.4	-1.5	-2.2	-0.7	-0.6	-0.6
Norway	4.7	4.3	3.1	8.2	8.8	6.9	9.7	-0.5	0.9	3.6	5.1	4.0	5.8	7.1	7.6	8.2	10.4	7.1	6.1	5.8
Poland	10.6	10.5	12.4	9.0	7.9	4.0	3.0	2.7	2.2	0.8	3.2	2.4	-1.1	-1.1	-0.1	-0.5	-1.0	-0.8	0.1	0.2
Slovak Republic	6.0	5.8	3.7	3.4	1.1	0.3	1.1	0.1	1.9	0.8	2.3	2.4	0.8	0.7	0.2	1.4	3.1	3.2	3.2	3.2
Spain	5.2	5.8	5.5	5.2	6.7	5.0	3.2	1.4	-1.0	1.6	7.3	3.7	4.6	2.3	3.8	3.2	2.3	1.7	1.7	1.5
Sweden	2.2	4.3	8.3	8.1	7.0	5.9	5.2	6.9	9.3	13.2	12.3	11.1	12.6	15.3	15.3	15.9	16.2	16.5	16.1	15.7
Switzerland	14.6	15.3	15.5	15.3	14.8	13.7	14.0	15.8	17.4	16.7	17.1	17.0	17.8	18.5	19.1	20.1	19.0	18.7	17.8	17.5
United States	4.4	4.2	4.3	5.0	4.8	4.5	2.6	3.3	2.9	4.9	6.1	5.6	6.0	7.6	5.0	5.6	5.8	5.7	5.3	5.6
Gross saving																				
France	14.7	14.5	15.0	15.9	15.3	15.5	14.2	14.3	14.8	14.7	15.9	15.5	15.2	14.7	14.0	14.1	14.1	14.1	14.1	14.1
Portugal	11.4	10.5	11.0	10.9	10.0	10.0	9.2	8.0	7.0	6.8	10.4	9.2	7.5	7.7	7.8	5.2	4.5	4.4	4.3	4.1
United Kingdom	7.6	9.0	9.9	9.1	8.3	7.2	6.5	6.2	6.8	5.4	9.3	11.0	8.9	8.3	6.7	6.8	6.5	5.2	3.1	2.2

Note: The adoption of new national account systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. See table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Most countries report household saving on a net basis (i.e. gross saving minus consumption of fixed capital by households and unincorporated businesses). In most countries "households" refer to the household sector plus non-profit institutions servicing households (in some cases referred to as personal saving).

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504327

Annex Table 27. **Gross national saving**

Per cent of nominal GDP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	21.7	21.7	20.6	21.5	21.3	21.5	21.4	21.0	21.8	21.5	21.7	24.3	22.9	23.6	24.8	24.6	24.4	23.9	22.1	21.8
Austria	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	26.9	26.8	27.5	27.7	26.7	26.7	26.5	27.0	27.0	27.6	28.4	27.1	22.5	26.4	24.2	24.7	23.3	23.0	23.4	22.5
Canada	20.1	19.6	21.0	23.6	22.5	21.7	22.0	23.5	24.4	24.5	24.2	24.2	18.4	19.1	20.7	20.8	21.6	21.7	19.6	..
Chile	23.3	22.0	21.1	21.1	21.3	21.5	20.8	22.5	23.3	25.4	25.2	22.7	22.9	24.5	23.0	22.4	21.5	21.5	21.4	20.2
Czech Republic	26.9	28.9	27.2	27.8	27.6	25.5	24.8	25.5	26.5	26.2	27.4	26.2	22.6	22.0	22.4	24.0	23.6	24.6	26.1	26.5
Denmark	23.6	23.0	23.8	24.6	25.6	25.0	25.0	25.4	26.4	27.6	26.7	26.9	22.6	24.6	25.7	25.7	27.4	28.9	28.9	28.2
Estonia	20.9	22.4	21.2	23.8	23.6	22.2	22.9	21.8	23.6	23.9	23.8	22.3	23.1	23.2	26.5	27.2	27.3	26.9	25.3	24.2
Finland	26.0	27.1	28.7	30.7	31.3	30.2	27.3	28.8	28.0	28.4	29.6	27.8	23.2	23.1	22.0	20.6	19.5	19.6	20.0	20.2
France	22.1	23.2	24.0	23.8	23.5	22.4	21.9	22.3	22.0	22.5	23.0	22.7	19.7	20.2	21.0	19.7	19.4	19.3	20.4	20.6
Germany	22.2	22.6	22.1	22.2	22.0	21.8	21.1	23.7	23.5	25.5	27.6	26.5	24.0	25.4	27.3	26.4	26.3	27.2	27.7	27.7
Greece	..	..	17.6	16.8	16.4	15.9	16.4	16.6	12.6	13.9	11.6	8.7	5.8	5.7	4.9	8.6	9.3	9.4	9.8	9.9
Hungary	22.5	22.4	19.7	20.3	20.5	18.8	16.4	17.3	16.7	18.1	16.8	17.8	19.4	20.9	21.3	21.1	24.6	24.7	24.7	..
Ireland	..	..	24.4	24.9	23.4	22.5	24.6	25.4	25.7	26.2	22.8	17.8	14.3	16.1	16.1	17.6	22.0	24.6	31.9	34.7
Israel	22.3	22.7	22.3	21.6	21.2	19.9	20.4	21.8	24.1	25.3	24.6	21.5	22.2	22.0	23.0	21.9	23.3	24.0	24.5	..
Italy	22.1	21.4	21.1	20.5	20.9	21.0	20.0	20.6	19.9	20.2	20.7	18.8	17.0	16.9	17.1	18.1	18.4	18.2	18.0	17.7
Japan	32.0	31.5	30.1	30.2	28.2	27.5	27.8	28.3	28.9	29.0	29.6	27.7	24.3	25.3	24.2	23.6	24.1	24.5	26.8	..
Korea	36.2	37.7	35.5	34.1	32.1	31.6	33.1	35.2	33.4	32.6	33.0	32.8	32.7	34.8	34.7	34.4	34.5	34.5	35.6	35.7
Latvia	..	..	12.9	19.1	19.8	21.0	21.7	20.1	22.7	17.8	20.4	22.4	29.9	21.4	22.1	22.7	21.8	21.2	21.3	21.4
Mexico	19.5	23.0	22.9	23.8	22.3	20.5	21.8	22.1	21.8	22.8	23.7	24.9	23.5	21.2	22.9	23.8	23.5	23.0	25.3	25.9
Netherlands	28.7	27.4	29.1	29.5	27.7	26.5	27.4	28.7	28.2	30.5	30.8	27.6	27.2	28.1	29.4	29.3	28.5	27.0	27.7	27.6
New Zealand	19.0	18.0	18.5	20.0	22.1	21.1	21.7	20.4	17.8	17.3	18.5	15.6	18.4	17.5	17.5	17.4	19.9	19.7	20.6	..
Norway	..	..	..	..	..	32.8	31.6	34.0	38.8	40.3	39.5	41.7	35.4	36.3	38.2	39.0	38.2	39.2	36.9	34.0
Poland	19.9	20.9	20.0	19.3	18.1	16.4	17.2	14.1	16.7	17.7	18.5	18.0	17.2	16.5	17.7	17.7	18.5	19.0	20.6	..
Portugal	20.2	20.6	20.2	17.8	17.9	17.2	16.2	15.4	13.4	12.5	13.0	11.0	10.7	10.8	13.1	13.7	15.4	15.0	14.7	15.4
Slovak Republic	27.0	25.8	25.3	25.0	24.3	23.2	19.4	20.7	21.2	20.6	22.9	22.1	17.7	19.3	19.5	21.3	22.5	22.3	23.3	23.6
Slovenia	..	..	24.4	24.6	25.3	25.5	25.1	25.6	26.3	28.3	28.7	27.4	22.6	21.7	21.6	20.8	23.3	26.0	25.4	26.7
Spain	22.2	22.3	22.5	22.5	22.4	23.1	23.9	23.1	22.5	22.3	21.7	20.4	20.3	19.7	18.6	19.5	20.2	20.4	21.4	22.3
Sweden	24.2	25.2	26.3	27.4	27.8	27.1	28.4	28.4	29.2	31.8	33.2	32.7	27.7	29.6	29.1	28.3	27.6	28.1	28.9	29.8
Switzerland	33.2	34.0	34.6	36.7	34.0	31.4	35.5	35.4	38.4	39.4	34.7	28.0	34.3	39.3	35.0	35.3	35.0	32.9	34.7	..
United Kingdom	18.1	18.6	16.0	16.7	16.4	16.3	16.2	15.7	16.4	15.8	16.1	13.8	11.8	13.2	14.1	12.4	12.3	12.7	13.1	13.5
United States	20.7	21.3	20.7	20.6	19.5	18.1	17.3	17.5	17.9	19.1	17.3	15.4	14.3	15.1	15.7	17.7	18.3	19.2	19.1	18.5

Note: Based on SNA93, SNA08, ESA95 or ESA10.
Source: National accounts of OECD countries database.

StatLink http://dx.doi.org/10.1787/888933504346

Annex Table 28. **Household wealth and indebtedness**

Per cent of nominal disposable income

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Canada												
Net wealth	669.6	695.2	701.5	638.7	682.6	706.5	711.7	743.0	772.5	810.1	812.0	846.6
Net financial wealth	297.1	304.8	299.5	243.8	273.7	291.8	284.9	303.7	321.7	349.6	347.0	368.6
Non-financial assets	372.5	390.4	402.0	394.9	408.9	414.7	426.8	439.3	450.8	460.4	464.9	478.0
Financial assets	429.5	442.0	444.7	394.1	432.3	452.3	447.2	466.8	484.9	514.6	513.7	538.0
of which: Equities	63.9	67.2	79.6	54.9	76.3	87.1	78.0	82.9	88.5	92.7	79.5	90.5
Liabilities	132.3	137.2	145.2	150.3	158.6	160.6	162.3	163.1	163.1	165.0	166.7	169.4
of which: Mortgages	79.4	82.4	88.1	91.5	96.2	99.0	101.3	103.0	103.3	105.0	107.1	109.6
France												
Net wealth	742.7	790.0	799.4	727.1	738.7	779.5	787.7	794.8	799.1	795.5	802.0	..
Net financial wealth	212.6	228.1	226.0	192.8	208.5	216.8	213.2	227.5	236.7	245.7	254.1	..
Non-financial assets	530.1	561.9	573.3	534.4	530.2	562.7	574.4	567.3	562.4	549.8	547.9	..
Financial assets	300.0	320.6	321.6	290.4	311.5	323.0	318.9	329.4	339.4	350.2	360.9	..
of which: Equities	91.4	105.6	104.3	73.8	81.0	84.2	78.4	87.1	91.1	95.4	101.5	..
Liabilities	87.4	92.5	95.6	97.6	103.0	106.3	105.7	101.9	102.7	104.5	106.8	..
of which: Long-term loans	63.4	67.7	71.6	74.9	78.7	81.2	83.9	85.3	86.9	88.0	89.5	..
Germany												
Net wealth	586.0	586.2	611.1	596.9	621.3	626.2	624.6	635.5	654.9	666.2	672.9	..
Net financial wealth	179.3	176.3	189.7	173.4	186.2	192.8	188.8	197.2	205.4	213.3	219.3	224.6
Non-financial assets	406.7	409.9	421.4	423.5	435.1	433.4	435.8	438.4	449.5	452.9	453.6	..
Financial assets	287.4	282.1	292.4	272.9	286.5	291.1	285.4	292.4	299.9	307.0	312.2	317.8
of which: Equities	71.3	67.5	70.7	50.4	53.8	55.3	50.0	53.3	56.6	59.5	63.1	65.5
Liabilities	108.1	105.7	102.7	99.4	100.3	98.3	96.5	95.2	94.5	93.8	92.9	93.1
of which: Mortgages	71.5	71.4	69.5	67.4	68.2	66.9	65.7	65.2	..	..	..	..
Italy												
Net wealth	864.6	912.5	893.9	890.4	918.1	923.4	905.1	946.4	946.8	939.3	928.6	..
Net financial wealth	330.2	342.2	302.5	277.1	279.4	269.8	254.3	281.4	298.5	304.8	310.9	..
Non-financial assets	534.4	570.3	591.4	613.3	638.7	653.6	650.8	665.0	648.3	634.5	617.7	..
Financial assets	389.4	406.4	370.8	346.6	353.5	347.6	331.8	360.6	376.5	381.8	387.2	..
of which: Equities	157.6	173.6	140.3	109.3	105.6	99.8	88.0	101.9	120.9	127.8	137.5	..
Liabilities	59.3	64.2	68.3	69.5	74.2	77.7	77.5	79.3	77.9	77.1	76.4	..
of which: Medium and long-term loans	45.6	50.2	54.1	55.4	59.8	63.1	63.0	64.2	62.9	62.1	61.7	..
Japan												
Net wealth	822.1	838.8	822.3	785.5	793.7	789.5	784.5	798.8	836.2	856.0	851.7	..
Net financial wealth	424.8	436.2	414.7	383.4	403.2	408.5	409.3	430.1	464.8	482.1	482.7	..
Non-financial assets	397.3	402.6	407.6	402.2	390.5	381.0	375.2	368.7	371.4	373.9	369.1	..
Financial assets	558.4	569.1	543.6	511.6	530.4	533.4	538.4	557.2	593.8	614.4	618.5	..
of which: Equities	92.5	101.2	78.1	48.8	55.1	58.9	54.4	62.7	87.9	95.9	100.1	..
Liabilities	133.6	132.9	128.9	128.3	127.2	124.8	129.1	127.2	129.0	132.3	135.9	..
of which: Mortgages[1]	62.4	62.5	62.9	63.3	63.9	63.8	64.6	64.9	65.9	66.2	66.3	..
United Kingdom												
Net wealth	766.8	785.7	800.7	702.8	716.8	748.2	775.0	777.2	796.0	875.0	854.8	..
Net financial wealth	333.4	324.9	316.2	278.2	293.7	313.1	341.3	344.7	349.3	401.9	370.9	394.5
Non-financial assets	433.4	460.9	484.5	424.5	423.1	435.1	433.7	432.5	446.7	473.1	483.9	..
Financial assets	490.4	493.1	489.7	447.9	455.4	469.6	498.7	497.1	500.0	553.9	520.6	546.9
of which: Equities	75.2	75.8	73.6	50.6	65.5	72.0	61.9	55.9	63.3	69.5	59.6	57.4
Liabilities	157.0	168.3	173.5	169.7	161.7	156.5	157.5	152.4	150.7	152.0	149.7	152.4
of which: Mortgages	112.6	120.9	126.8	125.4	121.5	118.3	117.2	114.8	113.8	112.5	110.4	110.1
United States												
Net wealth	658.4	659.5	632.9	511.1	529.6	552.6	537.1	558.2	636.5	644.1	645.6	661.7
Net financial wealth	353.3	364.7	365.7	289.1	315.6	347.3	339.6	357.5	416.7	423.6	420.1	430.4
Non-financial assets	305.1	294.7	267.2	222.0	214.0	205.3	197.5	200.7	219.8	220.5	225.6	231.2
Financial assets	482.8	499.0	502.8	419.4	444.7	470.7	455.7	468.5	529.0	533.3	528.3	538.1
of which: Equities	122.5	139.8	136.7	77.0	102.4	118.0	108.7	121.2	154.1	161.9	153.1	162.0
Liabilities	129.5	134.3	137.2	130.3	129.1	123.4	116.0	111.0	112.3	109.7	108.2	107.7
of which: Mortgages	96.6	100.6	102.9	98.3	97.3	90.5	84.4	78.7	78.2	74.4	72.3	71.3

Note: Assets and liabilities are amounts outstanding at the end of the period, in per cent of nominal disposable income. For a more detailed description of the variables, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source: Canada: Statistics Canada; France: INSEE; Germany: Deutsche Bundesbank, Federal Statistical Office (Destatis); Italy: Banca d'Italia; Japan: Economic Planning Agency; United Kingdom: Office for National Statistics; United States: Federal Reserve.

StatLink http://dx.doi.org/10.1787/888933504365

Annex Table 29. **General government total outlays**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	34.3	34.6	34.8	34.1	33.4	33.9	33.7	33.6	33.5	34.2	37.1	36.6	35.5	35.9	35.5	35.7	35.8	36.3	36.0	35.7
Austria	52.3	50.7	51.4	51.1	51.4	54.0	51.4	50.5	49.5	50.3	54.5	53.1	51.1	51.5	51.3	52.7	51.7	51.0	50.0	49.6
Belgium	50.1	49.0	49.2	49.5	50.7	48.9	51.6	48.4	48.2	50.3	54.1	53.3	54.5	55.9	55.8	55.1	53.9	53.4	52.4	52.0
Canada	41.9	40.7	41.2	40.5	40.4	39.3	38.6	38.8	38.6	38.9	43.5	43.2	41.7	41.0	40.1	38.6	40.3	40.8	40.2	39.9
Czech Republic	41.2	40.3	42.5	44.3	48.5	42.2	41.9	40.8	39.9	40.2	43.6	43.0	43.1	44.5	42.6	42.2	42.1	39.9	40.1	40.0
Denmark	54.5	52.7	52.8	53.2	53.6	53.0	51.2	49.8	49.6	50.4	56.5	56.7	56.4	58.0	55.8	55.3	54.8	53.6	53.3	52.8
Estonia	40.3	36.4	35.0	36.1	35.2	34.3	34.0	33.6	34.1	39.8	46.0	40.5	37.4	39.3	38.5	38.5	40.4	40.4	40.8	41.0
Finland	51.0	48.0	47.3	48.5	49.4	49.3	49.3	48.3	46.8	48.3	54.8	54.8	54.4	56.2	57.5	58.1	57.0	56.1	55.1	54.2
France	52.1	51.1	51.2	52.3	52.8	52.6	52.9	52.5	52.2	53.0	56.8	56.5	55.9	56.8	57.0	57.3	57.0	56.6	56.1	55.9
Germany	47.8	44.7	46.8	47.2	47.7	46.5	46.3	44.7	42.8	43.6	47.6	47.4	44.8	44.3	44.6	44.3	44.0	44.4	44.5	44.5
Greece	46.2	46.3	45.9	45.7	46.5	47.6	45.5	45.1	47.1	50.9	54.1	52.4	54.2	55.4	62.3	50.6	54.3	49.1	48.6	48.0
Hungary	48.4	46.8	46.7	50.4	48.7	48.4	49.4	51.1	49.5	48.4	50.2	49.2	49.4	48.2	48.8	48.6	49.7	47.3	47.0	47.1
Iceland	41.6	41.2	41.8	43.3	44.7	43.0	41.6	41.1	41.0	55.3	48.4	49.3	45.7	45.4	43.9	45.3	42.9	41.2	40.4	39.9
Ireland	33.9	30.9	32.5	33.1	33.0	33.2	33.3	33.8	35.8	41.8	47.1	65.3	46.0	41.9	39.9	37.9	29.6	28.1	27.5	26.9
Israel	50.2	48.0	50.2	51.2	50.6	47.0	45.9	44.6	42.6	42.2	42.2	41.1	40.5	41.4	41.0	40.7	39.7	39.9	40.3	40.2
Italy	47.4	45.4	47.5	46.8	47.2	46.9	47.1	47.6	46.8	47.8	51.2	49.9	49.4	50.8	51.1	50.9	50.5	49.6	49.0	48.7
Japan	37.1	37.5	36.8	37.0	36.6	35.2	35.1	34.6	34.6	35.6	40.2	39.3	40.2	40.2	40.3	39.8	39.0	38.7	39.0	38.0
Korea	25.7	24.7	26.4	26.1	32.6	29.6	29.5	30.1	29.7	32.0	34.9	31.0	32.3	32.7	31.8	32.0	32.3	32.5	32.5	32.5
Latvia	40.8	37.3	34.8	35.2	33.5	34.8	34.3	36.1	34.0	37.5	43.7	45.0	39.0	37.3	36.9	37.5	37.0	36.3	37.5	37.2
Luxembourg	39.4	37.8	38.3	41.4	43.5	43.8	43.6	39.7	37.8	39.7	45.2	44.2	42.4	44.1	43.3	41.8	41.3	41.2	40.1	39.5
Netherlands	43.5	41.8	43.1	43.9	44.7	43.7	42.3	43.0	42.4	43.6	48.2	48.2	47.0	47.1	46.3	46.2	45.3	43.6	42.7	42.6
New Zealand	39.4	37.5	37.2	36.5	37.0	36.6	37.7	39.0	38.7	40.7	41.8	47.9	44.8	43.7	42.5	41.5	41.4	40.2	39.7	39.2
Norway	47.1	42.0	43.8	46.7	47.9	45.0	42.1	40.8	41.4	40.2	46.1	45.0	43.8	42.9	44.0	45.9	48.8	51.1	50.3	50.6
Poland	43.9	42.1	44.8	45.3	45.7	43.5	44.3	44.6	43.1	44.2	44.9	45.8	43.9	42.8	42.6	42.3	41.6	41.3	41.5	41.9
Portugal	42.6	42.6	44.1	43.7	45.3	46.1	46.7	45.2	44.5	45.3	50.2	51.8	50.0	48.5	49.9	51.8	48.3	45.1	43.9	43.2
Slovak Republic	47.9	52.0	44.4	45.1	39.9	37.8	39.8	38.8	36.3	36.9	44.1	42.1	40.8	40.6	41.4	42.0	45.6	41.6	40.7	39.9
Slovenia	45.8	46.1	47.0	45.8	45.8	45.3	44.9	44.2	42.2	43.9	48.2	49.3	50.0	48.6	60.3	50.1	48.1	45.5	44.4	44.1
Spain	39.9	39.1	38.5	38.6	38.3	38.7	38.3	38.3	39.0	41.1	45.8	45.6	45.8	48.1	45.6	44.9	43.8	42.4	41.4	40.6
Sweden	56.7	53.6	53.0	54.2	54.3	52.9	52.8	51.4	49.7	50.4	53.1	51.3	50.7	51.7	52.3	51.4	50.2	50.1	49.8	49.6
Switzerland	33.9	34.2	33.8	36.3	35.6	35.0	34.0	32.2	30.9	31.2	33.1	32.9	32.9	33.3	34.1	33.8	33.9	34.2	34.3	34.2
United Kingdom	36.0	35.9	37.2	38.2	39.4	40.6	41.7	41.4	41.5	45.3	48.6	48.3	46.6	46.5	44.9	43.7	43.0	42.4	41.9	41.3
United States[1]	34.3	33.9	35.2	36.3	36.8	36.5	36.6	36.4	37.2	39.7	43.2	43.2	42.0	40.2	38.9	38.2	37.9	38.1	38.1	37.9
Euro area	47.6	45.7	46.7	46.9	47.3	46.9	46.7	46.1	45.3	46.7	50.7	50.6	49.2	49.8	49.8	49.4	48.6	47.9	47.4	47.1
Total OECD	39.3	38.5	39.4	40.0	39.8	39.1	39.1	38.8	38.8	40.7	44.2	43.8	42.9	42.4	41.8	41.3	40.9	40.6	40.4	40.1

Note: Data refer to the general government sector, which is a consolidation of accounts for the central, state and local governments plus social security.

1. These data include outlays net of operating surpluses of public enterprises.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504384

Annex Table 30. **General government total tax and non-tax receipts**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	36.9	36.1	34.8	35.7	36.1	35.7	35.9	36.1	35.5	33.9	33.1	32.0	32.1	32.9	33.4	33.6	34.3	34.3	34.4	34.5
Austria	49.7	48.6	50.8	49.7	49.6	49.2	48.8	48.0	48.1	48.8	49.1	48.6	48.5	49.2	49.9	50.0	50.6	49.5	49.0	48.9
Belgium	49.5	49.0	49.4	49.6	49.0	48.8	48.9	48.7	48.3	49.2	48.8	49.3	50.3	51.6	52.7	52.0	51.4	50.8	50.6	50.2
Canada	43.6	43.3	41.8	40.3	40.3	40.0	40.2	40.6	40.4	39.1	39.6	38.4	38.4	38.5	38.6	38.6	39.1	38.8	38.5	38.6
Czech Republic	37.7	36.9	37.1	38.1	42.1	39.5	38.7	38.5	39.2	38.1	38.1	38.6	40.4	40.6	41.4	40.3	41.4	40.5	40.5	40.5
Denmark	55.4	54.6	54.0	53.2	53.5	55.1	56.2	54.8	54.6	53.6	53.7	54.0	54.4	54.5	54.8	56.7	53.5	52.7	52.5	52.5
Estonia	37.0	36.3	35.2	36.5	37.0	36.7	35.1	36.5	36.9	37.1	43.8	40.7	38.6	39.1	38.4	39.2	40.5	40.7	40.4	40.2
Finland	52.6	54.9	52.3	52.6	51.8	51.5	51.9	52.3	51.9	52.4	52.2	52.1	53.3	54.0	54.9	54.9	54.2	54.2	53.4	52.8
France	50.5	49.8	49.7	49.2	48.9	49.1	49.8	50.1	49.7	49.8	49.6	49.7	50.8	52.0	52.9	53.3	53.4	53.1	53.0	53.1
Germany	46.1	45.6	43.7	43.3	43.6	42.7	42.8	43.0	42.9	43.5	44.4	43.1	43.8	44.2	44.5	44.6	44.7	45.1	45.3	45.1
Greece	40.4	42.3	40.5	39.7	38.7	38.8	39.3	39.2	40.3	40.7	38.9	41.2	44.0	46.5	49.2	47.0	48.4	49.8	48.3	47.7
Hungary	43.3	43.8	42.7	41.6	41.6	42.1	41.6	41.9	44.5	44.8	45.7	44.7	43.9	45.9	46.3	46.5	48.1	45.5	44.4	44.3
Iceland	42.4	42.5	40.8	40.5	41.6	42.7	46.1	47.0	45.9	42.3	38.7	39.6	40.1	41.7	42.1	45.2	42.0	58.4	41.3	41.4
Ireland	36.4	35.8	33.5	32.7	33.4	34.5	34.9	36.6	36.1	34.8	33.3	33.2	33.4	33.9	34.2	34.2	27.6	27.5	27.0	26.8
Israel	44.8	44.8	44.6	44.4	43.0	41.9	41.9	42.9	41.9	39.5	36.6	37.7	37.7	36.7	37.0	37.5	37.6	37.8	37.6	37.6
Italy	45.6	44.1	44.1	43.7	43.8	43.3	43.0	44.0	45.3	45.2	45.9	45.7	45.7	47.8	48.1	47.8	47.8	47.1	46.9	47.3
Japan	30.3	30.2	30.5	29.6	29.1	29.9	30.7	31.6	31.8	31.5	30.5	30.1	31.1	31.9	32.7	34.4	35.4	34.1	34.0	33.6
Korea	27.3	29.1	29.4	29.6	30.6	29.9	31.0	32.4	33.9	34.3	33.6	32.0	33.3	33.7	33.1	33.2	33.6	34.5	34.5	34.3
Latvia	37.1	34.5	32.8	32.9	31.9	33.8	33.9	35.5	33.3	33.2	34.6	36.3	35.7	36.3	35.9	35.9	35.8	36.4	36.8	36.8
Luxembourg	42.9	43.7	44.2	43.8	43.7	42.6	43.7	41.6	42.0	43.0	44.5	43.5	42.9	44.4	44.3	43.2	42.7	42.7	40.8	40.1
Netherlands	43.8	43.6	42.8	41.8	41.7	41.9	42.1	43.2	42.7	43.8	42.7	43.2	42.7	43.2	43.9	43.9	43.2	44.0	43.8	44.2
New Zealand	39.2	39.2	38.6	39.8	40.5	40.5	42.3	44.2	43.0	41.2	39.0	40.7	40.7	41.6	41.9	41.8	41.4	40.2	40.0	40.0
Norway	53.0	57.1	57.0	55.8	55.1	55.9	56.9	58.8	58.6	58.9	56.4	56.0	57.3	56.8	54.8	54.6	54.8	54.2	54.4	55.0
Poland	41.6	39.1	40.0	40.4	39.6	38.4	40.3	41.0	41.3	40.6	37.7	38.5	39.1	39.1	38.5	38.8	39.0	38.8	38.6	38.9
Portugal	39.5	39.4	39.3	40.4	40.9	39.9	40.5	40.9	41.5	41.6	40.4	40.6	42.6	42.9	45.1	44.6	44.0	43.1	42.4	42.2
Slovak Republic	40.6	40.0	38.0	37.1	37.2	35.5	36.9	35.2	34.4	34.5	36.3	34.7	36.5	36.3	38.7	39.3	42.8	40.0	39.4	39.3
Slovenia	42.8	42.5	43.1	43.4	43.2	43.4	43.6	43.0	42.1	42.5	42.3	43.6	43.3	44.5	45.2	44.7	45.2	43.6	43.5	43.8
Spain	38.6	38.1	37.9	38.2	37.9	38.6	39.5	40.5	40.9	36.7	34.8	36.2	36.2	37.6	38.6	38.9	38.6	37.9	38.3	38.2
Sweden	57.4	56.9	54.4	52.7	53.0	53.2	54.6	53.5	53.0	52.4	52.4	51.2	50.5	50.7	51.0	49.9	50.5	51.0	50.7	50.5
Switzerland	32.9	33.7	33.0	33.6	33.2	32.8	32.8	32.5	31.9	33.2	33.9	33.3	33.6	33.5	33.6	33.5	35.0	34.8	34.8	34.7
United Kingdom	36.7	37.0	37.6	36.2	36.2	37.1	38.3	38.6	38.6	40.4	38.0	38.7	39.0	38.2	39.2	38.1	38.7	39.1	38.8	38.9
United States[1]	34.2	34.7	33.8	31.5	30.9	31.0	32.4	33.3	33.5	32.5	30.4	31.0	31.3	31.2	33.4	33.2	33.5	33.0	33.3	32.7
Euro area	46.1	45.4	44.7	44.2	44.2	43.9	44.1	44.6	44.7	44.5	44.5	44.4	45.0	46.1	46.8	46.8	46.5	46.3	46.2	46.2
Total OECD	38.1	38.1	37.6	36.4	35.5	35.5	36.3	37.0	37.2	37.0	35.8	35.8	36.3	36.7	37.8	37.8	38.0	37.6	37.6	37.3

Note: Data refer to the general government sector, which is a consolidation of accounts for central, state and local governments plus social security.

1. Excludes the operating surpluses of public enterprises.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504403

Annex Table 31. **General government financial balances**

Surplus (+) or deficit (-) as a per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.6	1.5	0.0	1.6	2.7	1.8	2.2	2.6	2.0	-0.3	-4.0	-4.6	-3.4	-3.0	-2.0	-2.1	-1.5	-2.0	-1.6	-1.2
Austria	-2.6	-2.1	-0.7	-1.4	-1.8	-4.9	-2.6	-2.6	-1.4	-1.5	-5.4	-4.5	-2.6	-2.2	-1.4	-2.7	-1.1	-1.6	-1.0	-0.7
Belgium	-0.6	-0.1	0.2	0.0	-1.8	-0.2	-2.8	0.2	0.1	-1.1	-5.4	-4.0	-4.1	-4.2	-3.1	-3.1	-2.5	-2.6	-1.9	-1.9
Brazil	-5.2	-3.3	-3.3	-4.4	-5.2	-2.9	-3.5	-3.6	-2.7	-2.0	-3.2	-2.4	-2.5	-2.3	-3.0	-6.0	-10.2	-9.0	-8.2	-8.0
Canada	1.7	2.6	0.5	-0.2	-0.1	0.8	1.6	1.8	1.8	0.2	-3.9	-4.7	-3.3	-2.5	-1.5	0.0	-1.1	-1.9	-1.7	-1.3
China	-2.2	-2.7	-2.3	-2.3	-1.9	-0.9	-0.7	0.1	1.7	1.3	-0.4	-0.4	0.2	0.5	-0.3	-0.3	-1.3	-2.0	-2.1	-2.2
Czech Republic	-3.5	-3.5	-5.3	-6.3	-6.4	-2.7	-3.1	-2.3	-0.7	-2.1	-5.5	-4.4	-2.7	-3.9	-1.2	-1.9	-0.6	0.6	0.4	0.6
Denmark	0.9	1.9	1.1	0.0	-0.1	2.1	5.0	5.0	5.0	3.2	-2.8	-2.7	-2.1	-3.5	-1.0	1.4	-1.3	-0.9	-0.8	-0.4
Estonia	-3.3	-0.1	0.2	0.4	1.8	2.4	1.1	2.9	2.7	-2.7	-2.2	0.2	1.2	-0.3	-0.2	0.7	0.1	0.3	-0.4	-0.7
Finland	1.7	6.9	5.0	4.1	2.4	2.2	2.6	3.9	5.1	4.2	-2.5	-2.6	-1.0	-2.2	-2.6	-3.2	-2.7	-1.9	-1.7	-1.4
France	-1.6	-1.3	-1.4	-3.1	-3.9	-3.5	-3.2	-2.3	-2.5	-3.2	-7.2	-6.8	-5.1	-4.8	-4.0	-3.9	-3.6	-3.4	-3.0	-2.8
Germany	-1.7	0.9	-3.1	-3.9	-4.2	-3.8	-3.4	-1.7	0.2	-0.2	-3.2	-4.2	-1.0	0.0	-0.2	0.3	0.7	0.8	0.7	0.6
Greece	-5.8	-4.1	-5.5	-6.0	-7.8	-8.8	-6.2	-5.9	-6.7	-10.2	-15.1	-11.2	-10.3	-8.9	-13.2	-3.7	-5.9	0.7	-0.2	-0.2
Hungary	-5.1	-3.0	-4.0	-8.8	-7.1	-6.3	-7.8	-9.2	-5.0	-3.6	-4.5	-4.5	-5.4	-2.3	-2.5	-2.1	-1.5	-1.8	-2.6	-2.7
Iceland	0.8	1.2	-1.0	-2.8	-3.1	-0.3	4.5	5.9	4.9	-13.0	-9.7	-9.8	-5.6	-3.7	-1.8	-0.1	-0.8	17.2	0.9	1.5
India[1]	-9.5	-9.5	-10.0	-9.6	-8.5	-7.4	-6.7	-5.5	-4.1	-8.6	-9.6	-7.1	-7.8	-6.9	-6.7	-6.5	-7.5	-7.0	-6.7	-6.4
Indonesia	..	..	..	..	..	..	..	..	..	0.1	-1.6	-1.2	-0.7	-1.6	-2.2	-2.1	-2.5	-2.5	-2.7	-2.5
Ireland	2.4	4.9	1.0	-0.3	0.4	1.3	1.6	2.8	0.3	-7.0	-13.8	-32.1	-12.7	-8.1	-5.7	-3.7	-2.0	-0.6	-0.5	-0.2
Israel	-5.3	-3.2	-5.6	-6.8	-7.6	-5.2	-4.0	-1.7	-0.7	-2.7	-5.6	-3.5	-2.7	-4.7	-4.0	-3.2	-2.1	-2.1	-2.7	-2.7
Italy	-1.8	-1.3	-3.4	-3.1	-3.4	-3.6	-4.2	-3.6	-1.5	-2.7	-5.3	-4.3	-3.7	-2.9	-2.9	-3.0	-2.7	-2.4	-2.1	-1.4
Japan	-6.8	-7.4	-6.2	-7.4	-7.5	-5.3	-4.4	-3.0	-2.8	-4.1	-9.8	-9.1	-9.1	-8.3	-7.6	-5.4	-3.5	-4.6	-5.0	-4.4
Korea	1.6	4.4	3.0	3.5	-2.0	0.2	1.6	2.3	4.2	2.3	-1.3	1.0	1.0	1.0	1.3	1.3	1.3	2.0	2.0	1.8
Latvia	-3.7	-2.7	-2.0	-2.2	-1.6	-1.0	-0.4	-0.6	-0.6	-4.3	-9.1	-8.7	-3.3	-1.0	-1.0	-1.6	-1.3	0.0	-0.8	-0.4
Lithuania	-2.8	-3.2	-3.5	-1.9	-1.3	-1.4	-0.3	-0.3	-0.8	-3.1	-9.1	-6.9	-8.9	-3.1	-2.6	-0.7	-0.2	0.3	-0.3	0.3
Luxembourg	3.5	5.9	5.9	2.4	0.2	-1.3	0.1	1.9	4.2	3.3	-0.7	-0.7	0.5	0.3	1.0	1.4	1.4	1.6	0.7	0.6
Netherlands	0.3	1.9	-0.3	-2.1	-3.0	-1.7	-0.3	0.2	0.2	0.2	-5.4	-5.0	-4.3	-3.9	-2.4	-2.3	-2.1	0.4	1.1	1.6
New Zealand	-0.2	1.7	1.4	3.3	3.5	3.9	4.6	5.2	4.4	0.5	-2.8	-7.1	-4.0	-2.2	-0.5	0.3	0.0	0.0	0.3	0.8
Norway	5.9	15.1	13.2	9.1	7.2	10.9	14.8	18.0	17.1	18.7	10.3	11.0	13.4	13.8	10.8	8.8	6.0	3.1	4.1	4.5
Poland	-2.3	-3.0	-4.8	-4.8	-6.1	-5.0	-4.0	-3.6	-1.9	-3.6	-7.3	-7.3	-4.8	-3.7	-4.1	-3.5	-2.6	-2.4	-2.9	-3.0
Portugal	-3.0	-3.2	-4.8	-3.3	-4.4	-6.2	-6.2	-4.3	-3.0	-3.8	-9.8	-11.2	-7.4	-5.7	-4.8	-7.2	-4.4	-2.0	-1.5	-1.0
Russia	..	..	..	-0.5	1.4	4.9	4.9	6.8	4.6	5.9	-3.3	-1.0	3.1	2.0	-0.2	-1.0	-3.4	-3.7	-3.3	-2.7
Slovak Republic	-7.3	-12.0	-6.4	-8.1	-2.7	-2.3	-2.9	-3.6	-1.9	-2.4	-7.8	-7.5	-4.3	-4.3	-2.7	-2.7	-2.7	-1.7	-1.2	-0.6
Slovenia	-3.0	-3.6	-3.9	-2.4	-2.6	-2.0	-1.3	-1.2	-0.1	-1.4	-5.9	-5.6	-6.7	-4.1	-15.1	-5.4	-2.9	-1.8	-1.0	-0.2
South Africa	-3.7	-4.1	-2.5	-3.3	-4.5	-4.6	-2.4	-1.7	-0.7	-1.7	-3.9	-3.3	-2.5	-3.6	-3.6	-4.1	-3.9	-3.5	-3.3	-3.0
Spain	-1.3	-1.0	-0.5	-0.4	-0.4	0.0	1.2	2.2	1.9	-4.4	-11.0	-9.4	-9.6	-10.5	-7.0	-6.0	-5.1	-4.5	-3.1	-2.3
Sweden	0.8	3.2	1.4	-1.5	-1.3	0.3	1.8	2.2	3.3	1.9	-0.7	-0.1	-0.2	-1.0	-1.4	-1.5	0.3	0.9	1.0	1.0
Switzerland	-0.9	-0.4	-0.8	-2.7	-2.4	-2.2	-1.2	0.3	0.9	2.1	0.8	0.3	0.8	0.2	-0.5	-0.3	1.1	0.6	0.5	0.5
United Kingdom	0.7	1.1	0.4	-2.0	-3.3	-3.5	-3.4	-2.8	-2.9	-4.9	-10.6	-9.6	-7.7	-8.3	-5.7	-5.6	-4.3	-3.3	-3.1	-2.4
United States	0.0	0.8	-1.4	-4.8	-6.0	-5.5	-4.2	-3.1	-3.7	-7.2	-12.8	-12.2	-10.8	-9.0	-5.5	-5.0	-4.4	-5.0	-4.7	-5.2
Euro area	-1.5	-0.3	-2.0	-2.7	-3.2	-3.0	-2.6	-1.5	-0.7	-2.2	-6.3	-6.2	-4.2	-3.6	-3.0	-2.6	-2.1	-1.6	-1.2	-0.9
Total OECD	-1.2	-0.4	-1.8	-3.6	-4.3	-3.6	-2.8	-1.8	-1.6	-3.8	-8.4	-8.0	-6.6	-5.8	-4.1	-3.5	-2.9	-3.0	-2.8	-2.7
General government financial balances excluding social security																				
United States	-1.2	-0.6	-2.9	-6.3	-7.5	-6.8	-5.5	-4.4	-5.1	-8.5	-14.1	-13.0	-11.2	-9.4	-5.9	-5.2	-4.5	-5.1	-5.0	-5.4
Japan	-8.2	-8.4	-6.8	-7.7	-7.4	-5.5	-4.9	-3.2	-2.8	-4.0	-9.3	-8.0	-8.0	-7.4	-6.9	-4.7	-2.9	-3.9	-4.2	..

Note: Financial balances include one-off factors, such as those resulting from the sale of mobile telephone licenses. Data for OECD countries are on a national accounts basis, while data for non-OECD countries are based on country-specific definitions. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504422

Annex Table 32. **General government cyclically-adjusted balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.4	1.3	0.0	1.1	2.4	1.1	1.6	2.3	1.1	-0.8	-4.0	-4.3	-2.7	-2.5	-1.1	-1.1	-0.4	-1.0	-0.7	-0.7
Austria	-3.4	-3.5	-1.4	-1.7	-1.2	-4.3	-2.2	-3.2	-3.0	-2.8	-3.6	-3.0	-2.2	-1.5	0.0	-1.0	0.8	0.0	-0.1	-0.1
Belgium	-0.9	-1.2	0.1	0.2	-0.9	-0.4	-3.1	-0.5	-1.7	-2.2	-4.0	-3.6	-4.1	-3.5	-1.6	-1.9	-1.6	-1.7	-1.2	-1.5
Canada	1.5	2.1	0.3	-1.4	-0.8	-0.2	0.3	0.6	0.7	-0.2	-1.5	-3.1	-2.3	-1.3	-0.5	0.6	0.0	-0.7	-1.3	-1.4
Czech Republic	-2.9	-3.6	-5.2	-5.1	-5.0	-1.6	-2.8	-3.2	-2.4	-3.8	-4.5	-3.9	-2.8	-3.3	0.0	-1.1	-0.9	0.2	-0.3	-0.3
Denmark	0.3	0.6	0.3	-0.2	0.2	1.7	4.1	3.0	3.2	2.1	-1.0	-1.4	-1.1	-2.1	0.4	2.6	-0.4	0.0	-0.1	-0.1
Estonia	..	0.8	1.0	1.3	2.3	2.8	0.0	-0.5	-2.2	-4.6	3.6	4.6	2.6	0.1	0.4	1.0	0.8	1.2	0.2	-0.5
Finland	1.8	5.9	4.5	4.3	3.1	2.1	2.3	2.7	2.3	1.9	0.2	-1.3	-1.0	-1.0	-0.8	-0.8	-0.4	-0.2	-0.9	-1.1
France	-1.9	-2.5	-2.4	-3.5	-3.7	-3.9	-3.6	-3.4	-4.0	-3.9	-5.5	-5.7	-4.7	-3.9	-2.9	-2.5	-2.2	-1.9	-1.6	-1.6
Germany	-1.2	0.7	-3.5	-3.9	-3.4	-2.9	-2.6	-2.1	-1.0	-1.1	-0.9	-3.3	-1.2	0.0	0.0	0.3	0.6	0.3	-0.2	-0.7
Greece	-4.9	-3.2	-4.9	-5.6	-8.5	-10.5	-7.3	-8.8	-10.6	-14.1	-17.2	-10.9	-6.1	-1.7	-4.5	2.8	0.6	6.4	4.9	3.7
Hungary	-4.0	-2.2	-3.4	-8.8	-7.4	-7.5	-10.0	-12.5	-7.4	-5.6	-2.7	-3.0	-4.5	-0.3	-1.0	-1.7	-1.8	-2.3	-4.2	-5.2
Iceland	0.5	0.3	-2.1	-2.4	-2.4	-2.2	1.3	2.8	-0.8	-18.6	-8.7	-5.6	-1.9	0.0	0.4	2.1	0.0	15.9	-2.5	-1.9
Ireland	0.8	2.7	-0.8	-1.9	-0.4	-0.1	-0.4	-0.1	-3.2	-7.6	-11.5	-30.1	-10.7	-5.1	-2.6	-3.3	-2.0	-1.0	-1.1	-0.9
Israel	-4.9	-5.4	-5.8	-5.2	-4.8	-3.3	-2.6	-1.2	-1.3	-3.1	-5.1	-3.8	-3.6	-4.9	-4.4	-3.6	-2.1	-2.5	-3.0	-3.1
Italy	-1.5	-2.3	-4.5	-3.7	-3.5	-3.8	-4.5	-4.6	-2.9	-3.3	-3.0	-2.8	-2.7	-0.6	0.2	-0.2	-0.3	-0.7	-0.9	-0.5
Japan	-5.1	-6.3	-4.9	-5.8	-6.2	-4.7	-4.2	-3.1	-3.3	-4.1	-7.2	-8.2	-7.9	-7.6	-7.5	-5.1	-3.4	-4.6	-5.4	-4.9
Korea	2.8	4.6	3.4	3.2	-1.8	0.2	1.6	2.0	3.4	1.8	-0.8	0.6	0.6	1.1	1.7	1.6	1.8	2.6	2.8	2.7
Latvia	-2.6	-1.3	-0.5	-1.0	-1.1	-1.1	-1.8	-4.3	-6.3	-7.8	-5.9	-4.1	-1.2	0.3	0.2	-0.4	-0.3	0.9	-0.5	-0.6
Luxembourg	..	..	..	..	..	..	..	1.3	1.1	2.0	1.3	0.0	1.3	2.9	3.1	2.4	2.0	1.6	0.0	-0.5
Netherlands	-0.8	0.3	-1.6	-2.2	-2.3	-1.0	0.2	-0.4	-1.5	-1.6	-4.5	-4.3	-3.9	-2.5	-0.5	-0.6	-0.8	1.1	1.1	1.1
New Zealand	-0.2	1.4	1.7	2.9	2.6	2.7	3.8	4.5	3.2	0.7	-2.0	-6.4	-3.4	-1.8	-0.1	0.6	0.2	-0.4	-0.2	0.2
Norway[1]	-0.3	1.2	0.9	-0.7	-1.7	-0.9	-0.4	0.6	1.6	1.0	-0.1	0.4	0.9	0.4	-0.3	-0.7	0.2	-0.1	-0.1	-0.1
Poland	-2.2	-2.8	-3.2	-2.3	-3.6	-3.4	-2.2	-2.8	-2.3	-4.0	-7.1	-7.2	-5.3	-3.5	-3.2	-2.7	-2.1	-1.9	-2.8	-3.2
Portugal	-4.7	-5.3	-6.7	-4.5	-4.3	-6.3	-6.1	-4.5	-4.0	-4.5	-8.5	-10.8	-6.0	-2.3	-0.8	-3.6	-1.9	-0.4	-1.0	-1.2
Slovenia	-2.5	-3.3	-3.2	-1.9	-2.0	-1.8	-1.6	-2.7	-3.3	-5.0	-5.1	-5.1	-6.2	-2.2	-11.9	-3.5	-1.5	-0.9	-0.9	-0.8
Spain	-0.8	-1.9	-2.0	-1.8	-1.8	-1.5	-0.6	-0.2	-1.0	-6.4	-9.4	-6.9	-5.9	-4.3	0.3	0.6	-0.2	-1.4	-1.3	-1.4
Sweden	1.2	2.5	1.5	-1.0	-0.8	0.0	1.2	0.0	0.5	1.1	2.9	1.0	0.3	0.6	0.6	-0.1	0.5	0.5	0.1	0.0
Switzerland	-0.6	-1.0	-1.2	-2.3	-1.3	-1.4	-0.8	-0.1	-0.1	1.0	1.4	0.6	1.0	0.8	0.0	0.1	1.8	1.4	1.3	1.0
United Kingdom	0.8	0.8	0.2	-2.0	-3.8	-4.1	-4.5	-4.1	-4.6	-5.3	-7.6	-7.2	-5.6	-6.4	-4.3	-5.1	-4.1	-3.4	-3.3	-2.6
United States	-0.8	-0.4	-1.6	-4.6	-6.0	-6.2	-5.5	-4.6	-5.0	-7.2	-10.4	-10.1	-8.7	-7.3	-3.8	-3.7	-3.6	-4.3	-4.3	-5.2
Euro area	-1.5	-1.1	-2.9	-3.1	-3.0	-3.0	-2.8	-2.5	-2.4	-3.3	-4.4	-5.0	-3.4	-1.9	-0.8	-0.7	-0.6	-0.5	-0.6	-0.8
Total OECD	-1.3	-1.1	-2.1	-3.5	-4.3	-4.1	-3.6	-3.0	-3.1	-4.5	-6.8	-6.9	-5.7	-4.6	-2.8	-2.4	-2.1	-2.4	-2.6	-2.9

Note: For more details on the methodology used for estimating the cyclical component of government balances, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504441

Annex Table 33. **General government underlying balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.3	1.2	0.2	1.2	2.2	1.0	1.5	2.0	0.9	-1.1	-3.9	-4.0	-2.7	-2.5	-1.4	-1.2	-1.1	-1.2	-0.7	-0.7
Austria	-3.4	-3.8	-1.0	-1.6	-1.3	-0.8	-2.5	-3.4	-3.1	-3.0	-3.1	-3.1	-2.3	-1.3	-0.5	0.2	1.3	0.2	0.1	0.1
Belgium	-0.9	-1.1	0.0	0.0	-0.5	-0.7	-0.9	-0.7	-1.6	-2.0	-3.6	-3.3	-3.2	-2.4	-1.5	-1.6	-1.2	-1.6	-1.2	-1.5
Canada	1.5	2.0	0.1	-1.5	-0.9	-0.1	0.4	0.7	0.8	-0.2	-1.3	-2.9	-2.1	-1.1	-0.4	0.7	0.1	-0.7	-1.3	-1.4
Czech Republic	-3.5	-5.2	-4.5	-3.8	-6.8	-2.2	-2.5	-3.6	-2.7	-3.8	-5.2	-4.4	-3.2	-0.1	-0.2	-1.0	-0.7	0.2	-0.3	-0.3
Denmark	0.4	0.6	0.0	-0.2	0.2	1.6	4.0	2.8	3.1	2.5	-0.9	-1.4	-0.9	-0.9	0.4	1.5	-0.8	-0.6	-0.6	-0.5
Estonia	..	0.6	1.0	1.4	2.3	2.5	0.0	-1.0	-2.1	-3.3	1.0	1.3	0.6	1.1	0.3	1.4	1.3	1.5	0.5	-0.4
Finland	2.1	5.8	4.6	4.4	3.0	2.1	2.4	2.6	2.3	1.8	0.4	-1.2	-0.9	-1.0	-0.9	-0.7	-0.2	-0.1	-0.9	-1.1
France	-1.7	-2.7	-2.3	-3.5	-3.9	-4.0	-3.8	-3.4	-4.1	-3.7	-5.3	-5.6	-4.7	-3.9	-2.9	-2.6	-2.4	-1.8	-1.5	-1.6
Germany	-1.1	-1.3	-2.9	-3.3	-2.9	-2.6	-2.3	-2.0	-1.1	-0.8	-0.7	-2.2	-1.1	-0.1	-0.1	0.3	0.3	0.2	-0.2	-0.7
Greece	-6.4	-4.8	-6.0	-5.8	-9.2	-10.9	-9.0	-11.3	-12.6	-14.8	-17.2	-11.6	-6.8	-0.2	2.8	1.5	3.9	6.1	4.1	3.5
Hungary	-4.7	-2.3	-3.3	-7.3	-7.5	-8.1	-10.3	-12.3	-6.7	-5.1	-2.5	-3.0	-3.2	-0.2	-1.0	-2.1	-2.2	-3.0	-4.2	-5.2
Iceland	0.4	0.2	-1.9	-2.5	-2.3	-2.2	1.2	2.5	-1.2	-5.5	-8.5	-2.4	-1.3	0.4	0.1	3.3	1.3	-0.3	-2.5	-1.9
Ireland	2.0	2.5	-0.8	-2.0	-0.4	0.0	-0.4	-0.5	-3.5	-7.1	-8.7	-9.0	-7.0	-5.0	-3.3	-3.7	-1.3	-1.2	-1.1	-0.9
Israel	-4.6	-5.3	-5.6	-5.0	-4.7	-3.1	-2.4	-1.1	-1.2	-3.0	-4.7	-3.9	-3.9	-4.9	-4.5	-3.7	-2.2	-2.5	-3.0	-3.1
Italy	-1.4	-3.5	-4.1	-3.4	-4.5	-4.2	-4.4	-3.4	-2.6	-3.1	-3.1	-2.8	-3.2	-0.3	0.0	-0.1	0.0	-0.6	-0.7	-0.4
Japan	-5.4	-6.0	-5.5	-5.9	-5.8	-5.4	-4.0	-4.5	-3.3	-4.9	-7.2	-8.4	-7.7	-7.4	-7.4	-5.6	-4.2	-4.8	-5.4	-4.9
Korea	2.8	4.3	3.1	2.9	2.6	1.0	2.0	2.4	2.8	1.2	-0.3	0.3	0.9	1.3	1.4	1.7	1.8	2.5	2.7	2.7
Latvia	-1.8	-1.1	0.1	-0.4	-1.7	-1.2	-2.4	-3.8	-6.1	-8.3	-5.9	-2.9	-1.1	-0.2	-0.1	-0.3	-0.3	0.9	-0.5	-0.6
Luxembourg	..	..	..	..	..	..	..	1.7	1.0	1.8	1.4	0.1	1.2	2.9	3.2	2.3	2.0	1.6	0.0	-0.5
Netherlands	-0.7	-0.2	-1.2	-2.0	-2.0	-1.0	0.0	-0.7	-1.6	-1.6	-3.9	-3.8	-4.1	-2.5	-1.1	-0.8	-1.3	1.1	1.1	1.1
New Zealand	-0.2	1.4	1.7	2.9	2.6	2.7	3.7	4.6	3.1	1.0	-1.9	-2.3	-1.8	-0.9	0.4	0.7	0.1	-0.4	-0.2	0.2
Norway[1]	-0.3	1.6	0.9	-0.6	-1.7	-1.0	-0.5	0.5	1.5	1.1	0.0	0.4	0.9	0.3	-0.3	-0.7	0.2	-0.1	-0.1	-0.1
Poland	-2.4	-3.0	-3.3	-2.4	-3.2	-3.5	-2.3	-2.7	-2.4	-3.8	-6.7	-7.7	-6.3	-4.0	-3.3	-2.9	-2.4	-2.5	-2.8	-3.2
Portugal	-4.4	-5.4	-6.7	-5.3	-4.7	-5.9	-6.1	-4.3	-4.0	-4.8	-8.3	-8.5	-6.0	-3.8	-1.7	-0.8	-1.1	-0.4	-1.0	-1.2
Slovenia	-2.4	-3.3	-3.3	-2.1	-1.7	-1.9	-1.8	-3.1	-3.4	-5.0	-5.5	-5.7	-5.5	-2.9	-2.6	-3.8	-1.5	-0.9	-0.9	-0.8
Spain	-1.1	-1.9	-1.9	-1.7	-1.9	-1.0	-0.4	0.0	-0.6	-5.6	-8.5	-6.3	-5.1	-1.1	0.6	0.5	-0.3	-1.4	-1.3	-1.4
Sweden	1.2	2.3	1.4	-0.9	-0.7	-0.1	1.3	0.0	0.6	1.1	2.9	1.0	0.4	0.4	0.4	-0.1	0.4	0.5	0.1	0.0
Switzerland	-1.2	0.2	-0.9	-0.9	-1.5	-1.4	-1.0	-0.4	-0.4	1.2	1.2	0.4	0.8	0.4	0.3	-0.1	1.5	1.4	1.2	1.0
United Kingdom[2]	0.6	0.6	0.1	-2.2	-3.9	-4.5	-3.9	-4.6	-5.3	-5.5	-7.1	-7.5	-6.2	-6.7	-6.2	-6.5	-5.5	-4.1	-4.0	-3.3
United States	-0.8	-0.4	-1.7	-4.6	-5.9	-6.2	-5.4	-4.7	-4.9	-6.9	-9.6	-9.8	-8.4	-7.2	-3.9	-3.8	-3.8	-4.3	-4.3	-5.2
Euro area	-1.4	-2.0	-2.6	-2.9	-3.1	-2.9	-2.6	-2.4	-2.4	-3.1	-4.1	-4.2	-3.3	-1.5	-0.8	-0.6	-0.5	-0.5	-0.6	-0.8
Total OECD	-1.3	-1.3	-2.1	-3.5	-4.1	-4.2	-3.5	-3.2	-3.2	-4.4	-6.3	-6.6	-5.6	-4.5	-2.9	-2.6	-2.4	-2.5	-2.6	-3.0

Note: The underlying balances are adjusted for the cycle and for one-offs. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504460

Annex Table 34. **General government underlying primary balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	3.1	1.9	0.5	1.6	2.5	1.3	1.7	2.1	0.9	-1.2	-3.8	-3.6	-2.2	-2.1	-0.8	-0.5	-0.5	-0.6	-0.1	0.0
Austria	-0.6	-1.0	1.7	1.0	1.1	1.4	-0.1	-1.1	-0.9	-0.8	-0.9	-0.9	-0.2	0.8	1.5	2.2	3.1	1.8	1.5	1.4
Belgium	5.5	5.3	6.0	5.3	4.4	3.7	3.1	3.1	2.1	1.5	-0.2	0.0	0.0	0.8	1.3	1.3	1.5	0.9	1.1	0.5
Canada	5.6	5.1	3.0	1.1	0.9	1.4	1.4	1.2	1.3	0.1	-0.3	-2.1	-1.5	-0.4	0.1	1.0	0.7	0.1	-0.6	-0.8
Czech Republic	-3.0	-5.1	-4.1	-3.5	-6.4	-1.6	-1.9	-3.0	-2.0	-3.1	-4.2	-3.4	-2.1	1.1	0.9	0.0	0.2	1.0	0.4	0.3
Denmark	3.3	3.2	2.0	1.8	1.9	2.9	5.1	3.6	3.7	2.7	-0.5	-0.9	-0.3	-0.4	0.8	1.9	-0.1	-0.1	-0.3	-0.3
Estonia	..	0.7	1.0	1.4	2.0	2.4	-0.2	-1.3	-2.5	-3.8	0.7	1.1	0.4	1.0	0.2	1.3	1.2	1.4	0.5	-0.4
Finland	3.5	6.8	5.1	4.4	3.0	2.1	2.3	2.4	2.0	1.3	0.1	-1.2	-0.8	-0.8	-0.8	-0.5	0.0	0.1	-0.6	-0.9
France	0.9	-0.1	0.3	-0.8	-1.4	-1.5	-1.3	-0.9	-1.5	-1.0	-3.1	-3.4	-2.3	-1.5	-0.8	-0.5	-0.5	-0.1	0.1	0.0
Germany	1.6	1.4	-0.3	-0.8	-0.3	-0.2	0.1	0.4	1.3	1.6	1.5	-0.2	0.9	1.7	1.4	1.6	1.5	1.3	0.7	0.0
Greece	0.6	1.6	0.0	-0.5	-4.3	-6.0	-4.3	-6.7	-7.9	-9.8	-12.2	-6.1	-0.5	3.7	5.8	4.7	6.9	8.8	6.9	6.1
Hungary	1.2	2.3	0.6	-3.8	-3.8	-4.1	-6.4	-8.5	-2.8	-1.3	1.3	0.7	0.4	3.9	3.1	1.7	1.2	0.1	-1.2	-2.1
Iceland	2.6	2.2	-0.3	-1.3	-0.8	-0.8	2.4	3.0	-0.9	-5.6	-5.5	0.2	1.3	3.5	3.5	6.8	5.1	3.2	0.7	1.2
Ireland	4.2	4.2	0.4	-0.9	0.7	1.0	0.5	0.3	-2.9	-6.4	-7.4	-6.8	-4.5	-2.0	0.0	-0.3	1.1	1.1	1.1	1.1
Israel	1.8	1.4	0.6	0.7	1.6	2.9	3.5	3.8	3.2	0.9	-1.0	-0.3	-0.3	-1.3	-1.2	-0.6	0.7	0.3	-0.2	-0.3
Italy	4.6	2.5	1.8	1.9	0.3	0.3	0.0	0.9	2.1	1.6	1.0	1.2	1.2	4.5	4.4	4.1	3.8	3.1	2.9	3.2
Japan	-4.2	-4.7	-4.5	-5.1	-5.1	-4.9	-3.9	-4.5	-3.3	-4.6	-6.8	-7.9	-7.0	-6.6	-6.7	-5.1	-3.8	-4.5	-5.1	-4.6
Korea	2.0	3.4	2.3	2.2	2.5	0.9	1.4	1.6	1.9	1.1	-1.1	-0.2	0.4	1.1	0.9	1.6	1.7	2.3	2.4	2.3
Latvia	-1.4	-0.6	0.6	0.2	-1.1	-0.6	-1.9	-3.4	-5.8	-8.0	-5.0	-1.7	0.2	1.1	1.1	0.7	0.8	1.8	0.4	0.2
Luxembourg	..	..	..	..	..	..	..	0.9	-0.1	0.5	0.9	-0.1	1.0	2.7	3.0	2.0	1.8	1.4	-0.2	-0.7
Netherlands	2.5	2.4	1.0	0.0	-0.3	0.7	1.6	0.7	-0.2	-0.2	-2.7	-2.7	-2.8	-1.4	0.0	0.2	-0.4	1.9	1.8	1.6
New Zealand	1.4	2.9	3.2	4.1	3.6	3.5	4.4	4.9	3.2	1.3	-1.2	-1.5	-0.8	0.2	1.2	1.5	0.9	0.3	0.4	0.7
Norway[1]	-2.0	-0.2	-1.1	-2.9	-3.8	-3.2	-2.6	-1.7	-1.6	-2.2	-2.6	-1.8	-1.4	-1.7	-2.5	-3.2	-2.6	-2.8	-2.8	-2.8
Poland	0.2	-0.3	-0.6	-0.4	-0.9	-1.2	-0.1	-0.6	-0.5	-2.2	-4.7	-5.6	-4.1	-1.7	-1.2	-1.2	-0.9	-1.0	-1.3	-1.7
Portugal	-1.7	-2.8	-4.1	-2.7	-2.3	-3.7	-3.8	-1.8	-1.4	-2.1	-5.7	-5.8	-2.2	0.2	2.3	3.4	2.9	3.5	2.8	2.6
Slovenia	-0.5	-1.6	-1.5	-0.4	-0.3	-0.5	-0.5	-1.9	-2.3	-4.2	-4.6	-4.6	-4.1	-1.5	-0.7	-1.0	1.3	1.7	1.4	1.4
Spain	2.0	1.0	0.7	0.6	0.2	0.8	1.2	1.4	0.6	-4.6	-7.1	-4.8	-3.3	1.2	3.2	3.2	2.2	1.0	1.0	0.8
Sweden	3.6	4.4	3.1	1.0	0.5	0.8	2.3	0.8	1.3	1.7	3.2	1.3	0.7	0.5	0.5	-0.1	0.4	0.4	0.0	-0.2
Switzerland	-0.1	1.2	0.0	0.1	-0.4	-0.4	-0.1	0.3	0.2	1.7	1.6	0.8	1.2	0.8	0.6	0.2	1.8	1.6	1.4	1.2
United Kingdom[2]	2.9	2.8	1.9	-0.6	-2.3	-2.9	-2.2	-2.9	-3.4	-3.8	-5.7	-5.1	-3.5	-4.2	-3.7	-4.1	-3.4	-2.0	-1.8	-1.2
United States	2.4	2.5	1.0	-2.0	-3.2	-3.6	-2.7	-2.0	-2.2	-4.3	-6.9	-7.0	-5.4	-4.2	-1.7	-1.1	-1.1	-1.4	-1.3	-2.1
Euro area	2.1	1.4	0.7	0.2	-0.2	-0.2	0.0	0.2	0.2	-0.5	-1.8	-1.8	-0.8	1.0	1.5	1.6	1.5	1.4	1.2	0.9
Total OECD	1.5	1.3	0.3	-1.2	-1.9	-2.1	-1.5	-1.3	-1.2	-2.5	-4.4	-4.6	-3.4	-2.3	-1.1	-0.7	-0.5	-0.6	-0.8	-1.1

Note: Adjusted for the cycle and for one-offs, and excludes net interest payments. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504479

Annex Table 35. **General government net debt interest payments**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	0.8	0.7	0.4	0.4	0.3	0.3	0.2	0.1	0.0	-0.1	0.1	0.4	0.5	0.5	0.6	0.7	0.6	0.6	0.6	0.7
Austria	2.8	2.7	2.7	2.6	2.4	2.3	2.4	2.3	2.2	2.2	2.2	2.2	2.1	2.2	2.1	2.0	1.9	1.7	1.5	1.3
Belgium	6.4	6.2	6.0	5.3	4.9	4.4	4.0	3.7	3.6	3.5	3.4	3.3	3.2	3.2	2.9	2.9	2.7	2.6	2.3	2.0
Canada	4.1	3.0	2.9	2.5	1.8	1.5	1.0	0.6	0.5	0.3	1.1	0.8	0.6	0.7	0.5	0.3	0.6	0.8	0.7	0.6
Czech Republic	0.5	0.1	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7	1.0	1.1	1.1	1.2	1.1	1.1	0.9	0.8	0.7	0.7
Denmark	2.9	2.5	2.0	2.0	1.6	1.4	1.1	0.8	0.5	0.2	0.4	0.6	0.6	0.5	0.4	0.5	0.8	0.5	0.3	0.2
Estonia	0.1	0.1	0.0	0.0	-0.3	-0.2	-0.2	-0.2	-0.4	-0.5	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0
Finland	1.4	0.9	0.5	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.5	-0.4	0.1	0.0	0.2	0.1	0.2	0.2	0.3	0.3	0.3
France	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.5	2.6	2.2	2.3	2.5	2.4	2.2	2.1	1.9	1.8	1.6	1.6
Germany	2.7	2.7	2.6	2.5	2.5	2.5	2.4	2.3	2.4	2.3	2.3	2.1	2.0	1.7	1.5	1.3	1.2	1.1	0.9	0.7
Greece	7.2	6.5	6.0	5.4	4.8	4.7	4.6	4.3	4.3	4.6	4.8	5.5	6.8	4.5	3.6	3.7	3.4	3.0	3.1	2.8
Hungary	6.1	4.7	3.9	3.5	3.6	3.9	3.8	3.6	3.7	3.6	4.0	3.8	3.7	4.2	4.2	3.8	3.4	3.1	3.0	3.0
Iceland	2.2	1.9	1.6	1.2	1.5	1.3	1.2	0.4	0.3	-0.1	3.1	2.8	2.7	3.3	3.5	3.6	3.8	3.4	2.9	2.9
Ireland	2.1	1.6	1.1	1.1	1.1	1.0	0.9	0.7	0.6	0.7	1.4	2.3	2.5	3.2	3.5	3.4	2.4	2.2	2.1	2.0
Israel	6.5	6.4	6.2	5.8	6.6	6.2	6.1	4.9	4.4	3.9	3.7	3.6	3.5	3.6	3.2	3.1	2.9	2.8	2.8	2.8
Italy	6.1	5.9	5.8	5.2	4.8	4.5	4.3	4.2	4.5	4.7	4.2	4.1	4.5	5.0	4.7	4.4	4.0	3.8	3.7	3.6
Japan	1.3	1.3	1.0	0.8	0.7	0.5	0.1	0.0	0.0	0.3	0.5	0.6	0.7	0.8	0.7	0.5	0.4	0.3	0.3	0.3
Korea	-0.8	-1.0	-0.9	-0.7	-0.1	-0.1	-0.6	-0.8	-0.9	-0.1	-0.8	-0.5	-0.5	-0.2	-0.4	-0.1	-0.1	-0.2	-0.4	-0.4
Luxembourg	-0.8	-1.2	-1.3	-1.1	-0.9	-0.8	-0.7	-0.8	-1.0	-1.2	-0.5	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Netherlands	3.2	2.5	2.2	2.0	1.8	1.7	1.6	1.4	1.3	1.3	1.2	1.1	1.2	1.1	1.1	1.1	0.9	0.8	0.7	0.6
New Zealand	1.6	1.5	1.5	1.1	1.0	0.8	0.7	0.4	0.1	0.3	0.6	0.8	1.0	1.2	0.8	0.8	0.8	0.7	0.6	0.5
Norway	-1.6	-1.8	-2.0	-2.3	-2.2	-2.2	-2.1	-2.2	-2.9	-3.2	-2.6	-2.3	-2.3	-2.0	-2.1	-2.5	-2.8	-2.8	-2.7	-2.7
Poland	2.6	2.6	2.8	2.2	2.4	2.4	2.3	2.2	1.9	1.6	2.1	2.1	2.2	2.3	2.2	1.7	1.6	1.5	1.5	1.5
Portugal	2.6	2.5	2.5	2.5	2.4	2.3	2.3	2.5	2.6	2.7	2.7	2.7	3.8	4.3	4.2	4.4	4.2	4.0	3.8	3.8
Slovak Republic	2.8	3.0	3.0	2.9	1.6	1.4	1.1	0.9	0.9	0.9	1.1	1.1	1.3	1.6	1.7	1.6	1.5	1.4	1.3	1.1
Slovenia	1.9	1.8	1.8	1.7	1.4	1.4	1.3	1.2	1.0	0.7	0.9	1.1	1.4	1.4	2.0	2.9	2.9	2.7	2.3	2.1
Spain	3.1	2.9	2.5	2.3	2.0	1.8	1.5	1.3	1.1	1.0	1.3	1.5	2.0	2.5	2.9	3.0	2.7	2.5	2.3	2.3
Sweden	2.4	2.1	1.7	2.0	1.3	0.9	1.0	0.8	0.7	0.5	0.3	0.3	0.3	0.1	0.1	0.0	-0.1	-0.1	-0.1	-0.2
Switzerland	1.1	1.0	0.9	1.0	1.0	1.0	1.0	0.8	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2
United Kingdom	2.3	2.2	1.9	1.6	1.6	1.6	1.8	1.7	1.8	1.7	1.5	2.6	2.9	2.6	2.5	2.4	2.0	2.2	2.2	2.0
United States	3.2	2.8	2.7	2.6	2.7	2.6	2.6	2.6	2.6	2.6	2.8	2.9	3.1	3.1	2.3	2.7	2.8	2.9	3.0	3.1
Euro area	3.5	3.4	3.2	3.0	2.9	2.7	2.6	2.5	2.5	2.6	2.4	2.4	2.6	2.6	2.5	2.3	2.1	1.9	1.8	1.7
Total OECD	2.8	2.6	2.4	2.3	2.2	2.0	1.9	1.8	1.8	1.9	2.0	2.1	2.2	2.2	1.8	2.0	1.9	1.9	1.9	1.9

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504498

Annex Table 36. **General government gross financial liabilities**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	28.4	27.1	26.1	24.5	21.8	22.1	21.9	20.8	20.4	21.5	27.1	30.3	33.9	37.3	38.1	42.1	44.2	46.6	46.9	46.0
Austria	70.7	70.5	71.6	75.0	73.7	73.0	80.4	77.7	74.6	80.1	92.4	96.1	96.6	102.9	99.0	106.8	106.2	106.1	102.7	100.9
Belgium[1]	126.5	120.3	119.0	118.1	114.6	110.2	108.0	100.1	93.8	101.1	109.5	107.8	110.4	120.3	118.5	129.8	126.9	127.7	125.9	124.6
Canada	92.5	84.7	85.4	83.6	80.1	76.2	75.8	74.6	70.6	71.5	83.9	86.3	89.1	92.9	90.1	92.3	98.4	99.4	99.5	99.5
Czech Republic	23.5	24.0	28.0	30.2	32.7	32.5	32.2	32.0	30.7	34.6	41.4	46.3	48.9	58.4	58.1	56.9	53.9	49.7	48.5	47.2
Denmark	67.1	60.5	58.3	58.1	56.1	52.3	45.1	40.5	34.6	41.9	49.3	53.4	60.1	60.6	56.7	59.0	53.1	52.2	52.9	53.1
Estonia	10.8	6.8	6.7	7.6	8.4	8.6	8.2	8.0	7.3	8.4	12.6	12.0	9.6	13.2	13.7	14.1	13.0	13.1	13.0	13.4
Finland	53.0	50.9	48.2	48.0	49.5	49.6	46.4	43.9	40.1	38.8	49.5	55.9	57.1	63.8	64.5	71.4	74.2	75.9	79.1	81.8
France	73.5	71.9	70.9	74.6	78.5	80.2	81.7	76.9	75.6	81.6	93.2	96.9	100.7	110.4	110.9	120.2	121.1	123.5	124.9	125.7
Germany	60.6	59.5	58.7	61.1	64.5	67.7	70.2	68.2	64.1	68.2	75.5	84.6	84.4	88.2	83.1	83.6	79.3	76.6	73.5	71.0
Greece	96.6	113.2	116.8	116.1	112.0	113.8	113.9	116.3	114.2	118.8	135.3	127.3	110.2	166.5	182.8	182.8	183.9	183.0	178.4	174.1
Hungary	66.6	60.9	58.9	59.6	60.6	64.3	67.3	70.5	71.3	75.1	84.1	85.9	94.8	97.4	95.5	97.9	96.4	96.8	96.0	94.3
Iceland	43.2	40.4	44.8	40.9	39.9	34.8	26.6	32.1	30.2	70.5	85.4	90.8	97.5	95.3	87.2	79.9	73.0	62.3	61.0	59.3
Ireland	49.8	38.4	35.6	34.3	33.1	31.6	31.9	28.1	28.1	48.3	68.7	85.2	112.6	131.8	134.3	124.1	92.7	91.0	90.3	87.6
Israel	89.6	79.6	83.7	90.3	93.0	91.3	88.2	80.1	73.0	71.9	74.6	70.7	68.8	68.3	67.0	66.0	64.1	62.2	62.4	62.1
Italy	123.9	118.8	118.2	117.0	114.3	116.3	118.9	116.3	111.7	114.6	127.4	126.2	119.6	138.4	145.5	158.4	159.6	158.1	157.4	156.2
Japan[2]	122.7	132.3	137.7	145.1	152.7	157.1	156.7	154.5	154.4	159.1	177.0	181.4	196.9	205.7	208.6	214.6	219.3	222.2	225.9	227.9
Korea	..	..	..	..	..	..	..	..	..	29.4	31.6	33.5	36.1	38.5	40.5	43.7	45.7	45.6	45.3	45.5
Latvia	14.6	14.5	16.0	15.9	16.9	17.7	14.6	14.7	12.9	23.2	42.0	53.3	48.1	46.3	44.0	47.1	42.0	45.8	45.7	45.2
Luxembourg	12.9	12.6	12.9	12.8	14.2	15.2	13.8	13.0	12.6	20.0	19.7	26.8	26.5	30.2	30.1	31.6	30.8	27.6	29.9	32.1
Netherlands	67.7	60.5	56.5	57.3	58.3	58.4	57.4	51.3	48.5	61.3	64.1	68.1	72.0	77.8	76.6	81.2	78.1	75.8	73.2	70.2
New Zealand	38.3	36.2	34.3	32.4	30.4	27.7	26.6	26.2	25.1	28.1	33.3	37.0	40.2	41.3	40.3	40.7	40.8	39.7	39.1	38.2
Norway	28.7	32.2	31.3	38.7	48.0	49.9	46.9	57.8	55.6	54.2	48.1	48.4	33.8	35.1	35.4	33.4	39.2	42.7	55.5	59.4
Poland	46.8	45.4	43.7	55.0	55.5	53.1	54.7	54.4	51.1	53.4	56.7	61.0	61.2	64.4	65.0	70.0	69.4	71.9	72.7	73.6
Portugal	62.5	62.0	63.5	66.8	70.6	76.7	80.0	79.4	78.1	82.8	96.1	104.1	108.4	139.0	143.0	153.0	150.7	148.0	146.2	144.2
Slovak Republic	52.6	57.9	56.6	49.4	47.5	45.1	38.4	36.2	34.8	33.8	42.5	47.4	50.0	58.3	61.2	60.5	59.3	59.1	58.8	57.3
Slovenia	..	..	33.0	34.0	33.5	34.3	33.4	33.3	29.1	28.4	42.5	46.8	50.5	60.9	80.5	99.5	102.5	97.8	97.0	95.7
Spain	67.9	65.2	60.6	59.3	54.4	52.5	50.0	45.7	41.7	47.2	62.0	66.8	77.9	92.5	105.7	118.5	116.8	117.2	116.9	116.1
Sweden	67.5	57.3	59.0	58.7	57.8	57.4	58.2	51.7	46.6	46.7	48.4	46.0	46.2	46.4	48.6	55.7	53.9	52.6	50.5	48.3
Switzerland	52.6	52.7	52.5	60.1	58.5	59.7	57.1	50.7	50.5	48.7	46.5	44.9	45.1	45.9	45.5	45.7	45.4	44.7	44.1	43.5
United Kingdom	47.8	48.8	44.8	47.4	46.7	49.5	51.1	50.8	51.4	63.4	77.0	89.3	103.5	107.2	102.9	113.4	112.7	123.2	122.9	122.6
United States	58.6	52.8	52.7	55.1	58.3	65.5	65.1	64.0	64.4	73.4	86.7	95.4	99.7	103.1	105.1	105.0	105.4	107.1	107.8	109.2
Euro area	78.6	76.2	74.8	76.1	76.8	78.2	79.2	75.6	72.0	77.3	88.1	92.4	93.7	104.6	105.8	112.3	110.0	109.2	107.9	106.4
Total OECD	71.4	69.2	69.1	71.4	73.3	76.8	76.9	74.9	73.6	79.2	90.6	96.6	101.0	107.3	108.6	111.9	112.2	113.5	113.5	113.5

Note: Gross debt data are not always comparable across countries due to different definitions or treatment of debt components. Maastricht debt for European Union countries is shown in Annex Table 38. Financial liabilities are measured at market value. For more details, see Sources & Methods of the *OECD Economic Outlook* (*http://www.oecd.org/eco/sources-and-methods.htm*).

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504517

Annex Table 37. **General government net financial liabilities**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	-21.7	-21.2	-19.0	-21.0	-24.6	-26.7	-27.5	-29.9	-31.4	-30.3	-27.7	-23.0	-16.5	-13.8	-15.4	-13.0	-14.5	-14.8	-12.5	-10.7
Austria	35.7	34.8	33.8	37.5	36.0	37.9	44.7	42.3	39.5	43.9	49.9	51.5	52.9	57.9	56.6	59.1	57.1	57.0	53.5	51.8
Belgium[1]	106.6	100.9	98.5	99.4	96.1	90.9	89.0	80.7	74.2	76.7	83.0	81.8	83.6	92.2	90.6	100.3	98.0	98.1	96.4	95.0
Canada	53.8	45.8	44.3	43.7	39.6	35.1	30.7	27.3	23.8	23.5	29.1	31.1	34.2	35.0	30.9	30.8	30.0	31.3	31.4	31.4
Czech Republic	-28.3	-25.4	-23.4	-15.1	-7.0	-10.2	-11.5	-11.7	-14.5	-5.8	-1.4	6.4	9.2	16.6	18.1	20.1	20.0	18.5	17.3	16.0
Denmark	30.6	25.5	22.0	21.1	18.4	14.2	9.5	1.1	-4.6	-6.7	-5.9	-3.3	1.1	6.6	3.9	4.5	4.4	3.3	4.1	4.3
Estonia	-39.3	-30.2	-29.1	-28.6	-29.5	-31.9	-32.1	-30.8	-28.5	-25.9	-28.8	-36.0	-33.4	-31.4	-31.4	-30.8	-42.0	-43.6	-40.4	-37.4
Finland	-48.4	-30.1	-30.4	-30.2	-36.8	-44.7	-56.0	-66.5	-69.7	-50.0	-59.6	-61.8	-48.8	-49.4	-53.1	-53.5	-53.5	-53.4	-50.1	-47.4
France	31.0	32.4	34.6	39.5	41.6	43.1	41.0	35.5	32.2	42.7	50.2	54.6	59.6	67.4	66.3	74.3	76.1	79.1	80.5	81.3
Germany	31.4	31.0	33.1	36.9	40.0	44.0	46.3	44.6	39.4	41.3	45.8	47.7	49.1	49.5	45.4	45.4	42.1	40.1	38.3	36.3
Greece	68.0	87.5	90.7	92.3	86.3	85.9	82.6	85.6	81.0	91.3	102.7	92.1	73.3	105.2	124.9	135.3	147.9	147.1	142.4	138.2
Hungary	34.2	32.8	32.0	36.2	37.1	41.3	44.3	50.9	52.2	50.4	58.2	60.4	62.1	69.2	69.6	70.3	66.4	65.7	64.9	63.2
Ireland	25.7	14.7	11.3	12.9	10.8	7.7	6.0	1.2	-0.2	12.4	25.4	48.0	61.5	78.9	81.6	80.4	59.5	57.8	55.9	53.2
Italy	102.1	96.3	96.9	96.5	93.2	94.5	95.8	92.3	88.9	91.9	102.7	101.2	95.8	111.8	118.3	130.4	132.5	130.6	129.9	128.6
Japan[2]	40.3	46.8	52.4	60.3	66.7	70.4	66.7	65.7	71.0	81.0	94.0	101.5	113.2	118.0	117.3	115.0	122.5	125.5	129.2	131.1
Korea[3]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Latvia	-7.8	-8.2	-10.9	-10.9	-7.7	-5.3	-4.8	-3.6	-3.8	-0.9	6.1	14.2	15.4	12.9	14.6	16.1	18.0	17.5	17.4	16.9
Luxembourg	-48.3	-51.2	-55.1	-54.5	-53.8	-50.5	-49.2	-51.6	-54.6	-51.3	-55.7	-51.2	-45.2	-49.6	-50.8	-50.3	-49.6	-50.4	-48.2	-45.9
Netherlands	28.9	28.0	27.5	31.0	32.2	32.9	30.2	27.4	23.8	23.1	27.8	32.4	37.2	39.7	40.2	43.9	43.0	41.2	38.6	35.6
New Zealand	25.0	22.9	20.7	17.2	12.8	8.2	3.7	-1.2	-5.3	-4.9	-0.9	1.6	4.4	6.6	6.1	5.3	5.0	4.9	4.4	3.4
Norway	-61.0	-70.8	-87.2	-81.7	-96.3	-104.4	-122.3	-135.3	-139.8	-124.2	-154.4	-164.1	-160.1	-169.0	-207.5	-249.4	-284.4	-289.0	-276.1	-272.3
Poland	13.2	15.2	18.1	21.6	25.5	21.7	22.6	21.0	15.8	15.7	20.7	26.7	30.4	35.1	37.6	42.0	42.0	43.1	43.8	44.8
Portugal	36.2	37.8	40.0	44.4	47.2	53.9	55.9	54.7	55.0	59.6	70.3	71.0	66.6	90.6	99.0	108.9	109.4	104.5	102.7	100.7
Slovak Republic	0.9	13.1	10.6	0.9	1.5	4.8	10.2	14.5	13.5	15.3	22.3	28.0	32.8	31.2	32.7	35.5	35.3	35.7	35.5	34.0
Slovenia	..	..	-15.3	-13.9	-9.3	-9.8	-8.8	-10.2	-18.3	-7.2	-2.1	-0.6	2.4	9.0	14.8	22.5	25.9	29.3	28.5	27.1
Spain	46.8	43.4	40.6	39.2	36.0	33.5	28.6	22.1	17.4	22.3	33.8	39.5	48.1	59.1	69.7	81.9	81.7	84.0	83.7	82.9
Sweden	9.9	2.2	-2.3	4.0	0.8	-1.3	-6.8	-16.7	-21.0	-15.4	-22.9	-24.3	-26.8	-29.2	-29.3	-28.3	-27.6	-29.5	-29.1	-28.8
Switzerland	10.9	7.3	6.8	12.4	12.5	14.4	13.4	10.0	8.8	12.0	7.7	10.4	9.4	7.0	7.6	2.0	5.9	5.3	4.7	4.0
United Kingdom	30.3	29.3	26.5	29.3	28.4	30.8	31.4	31.8	32.4	39.2	49.1	54.6	70.2	71.9	70.2	81.1	82.4	92.8	92.5	92.2
United States	38.9	34.2	33.5	36.1	39.5	47.0	46.5	45.1	44.9	51.1	62.7	70.2	76.6	80.0	81.4	80.8	80.4	81.3	82.7	84.2
Euro area	46.8	46.0	46.6	49.0	49.2	50.4	49.8	45.8	41.5	46.4	53.9	56.1	57.9	65.3	66.2	72.0	71.0	70.6	69.7	68.3
Total OECD	37.1	35.2	35.3	38.1	39.8	43.0	41.6	39.2	37.8	42.6	51.0	55.8	60.9	65.4	65.6	67.3	67.9	68.8	69.3	69.6

Note: Net debt measures are not always comparable across countries due to different definitions or treatment of debt (and asset) components. Financial liabilities are measured at market value. For more details, see Sources & Methods of the *OECD Economic Outlook* (*http://www.oecd.org/eco/sources-and-methods.htm*).

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account.
3. Consolidated data on SNA 2008 basis are not available.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504536

Annex Table 38. **Maastricht definition of general government gross public debt**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	66.5	65.8	66.4	66.5	65.7	65.3	68.6	67.2	65.0	69.0	80.1	82.8	82.5	82.0	81.4	84.4	85.5	84.6	81.1	79.3
Belgium	114.4	108.8	107.6	104.7	101.1	96.5	94.6	91.0	87.0	92.5	99.5	99.7	102.6	104.3	105.6	106.7	106.0	106.0	104.3	102.9
Czech Republic	15.2	17.0	22.8	25.9	28.2	28.5	28.0	27.9	27.8	28.7	34.0	38.2	39.9	44.5	44.9	42.2	40.3	37.2	36.0	34.7
Denmark	58.5	52.4	48.5	49.1	46.2	44.2	37.4	31.5	27.3	33.3	40.2	42.6	46.1	44.9	44.0	44.0	39.6	37.8	38.5	38.7
Estonia	6.5	5.1	4.8	5.7	5.6	5.1	4.6	4.4	3.7	4.5	7.0	6.6	6.1	9.7	10.2	10.7	10.1	9.5	9.4	9.8
Finland	44.1	42.5	41.0	40.2	42.8	42.7	40.0	38.2	34.0	32.7	41.7	47.1	48.5	53.9	56.5	60.2	63.7	63.6	64.8	66.4
France	60.2	58.6	58.0	60.0	64.1	65.8	67.2	64.4	64.3	68.1	78.9	81.7	85.2	89.5	92.3	95.2	96.2	96.6	98.0	98.8
Germany	60.1	58.9	57.7	59.3	63.0	65.0	67.1	66.5	63.6	65.2	72.6	81.1	78.8	79.9	77.4	74.8	71.2	68.4	65.3	62.8
Greece	99.0	104.7	107.0	104.7	101.4	102.8	107.3	103.5	103.1	109.5	126.7	145.9	171.9	159.5	177.6	179.8	177.7	179.4	174.7	170.5
Hungary	59.5	54.6	51.1	54.4	57.1	58.3	60.3	64.0	64.9	71.1	77.3	80.0	80.1	77.6	75.8	75.0	74.2	73.8	72.9	71.2
Ireland	46.6	36.1	33.2	30.6	29.9	28.2	26.1	23.6	23.9	42.4	61.7	86.3	109.7	119.6	119.6	105.4	78.8	75.6	74.8	72.1
Italy	109.8	105.0	104.8	102.0	100.4	100.3	101.9	102.4	99.8	102.4	112.6	115.5	116.5	123.4	129.0	131.7	132.1	132.5	131.8	130.6
Latvia	12.1	12.1	13.9	13.1	13.9	14.3	11.7	9.9	8.4	18.7	36.6	47.4	42.7	41.2	39.0	40.9	36.5	40.1	40.0	39.5
Luxembourg	6.8	6.5	6.9	6.8	6.9	7.3	7.4	7.8	7.7	14.9	15.7	19.8	18.7	21.7	23.4	22.4	21.6	20.0	22.3	24.5
Netherlands	58.6	51.8	49.2	48.5	49.7	49.9	49.3	44.8	42.7	54.8	56.8	59.4	61.6	66.4	67.7	67.9	65.2	62.3	59.7	56.7
Poland	39.5	36.6	37.2	41.8	46.6	45.0	46.4	46.9	44.2	46.3	49.4	53.1	54.1	53.7	55.7	50.2	51.1	54.4	55.1	56.1
Portugal	51.0	50.3	53.4	56.2	58.7	62.0	67.4	69.2	68.4	71.7	83.6	96.2	111.4	126.2	129.0	130.6	129.0	130.4	128.6	126.5
Slovak Republic	47.1	49.6	48.3	42.9	41.6	40.6	34.1	31.0	30.1	28.5	36.3	41.2	43.7	52.2	54.7	53.6	52.5	51.9	51.7	50.2
Slovenia	23.7	25.9	26.1	27.3	26.7	26.8	26.3	26.0	22.8	21.8	34.6	38.4	46.6	53.9	71.0	80.9	83.1	79.7	76.3	73.3
Spain	60.9	58.0	54.2	51.3	47.6	45.3	42.3	38.9	35.6	39.5	52.8	60.1	69.5	85.7	95.5	100.4	99.8	99.4	99.0	98.6
Sweden	61.6	50.7	52.1	50.2	49.6	48.8	49.0	43.7	38.9	37.5	41.0	38.4	37.6	37.7	40.4	45.2	43.9	41.7	39.6	37.4
United Kingdom	40.2	37.3	34.6	34.7	35.9	38.8	40.1	41.0	42.0	50.2	64.5	76.0	81.6	85.1	86.2	88.1	89.0	89.3	88.7	88.1
Euro area	70.8	68.2	67.1	67.0	68.2	68.7	69.4	67.5	65.1	68.9	78.6	84.4	87.1	91.7	93.8	94.5	92.8	91.7	90.4	88.9

Note: For the period before 2014, gross debt figures are provided by Eurostat, the Statistical Office of the European Communities, unless more recent data are available, while GDP figures are provided by national authorities.This explains why these ratios can differ significantly from the ones published by Eurostat. For the projection period, debt ratios are in line with the OECD projections for general government gross financial liabilities and GDP.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504555

Annex Table 39. **Short-term interest rates**

Per cent, per annum

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Fourth quarter	2017 Fourth quarter	2018 Fourth quarter
Australia	4.7	4.9	5.5	5.6	6.0	6.7	7.0	3.4	4.7	4.8	3.7	2.8	2.7	2.3	2.0	1.8	2.4	1.8	2.0	2.5
Brazil	19.2	23.5	16.4	19.1	15.3	12.1	12.3	10.5	9.4	11.7	8.6	8.3	11.0	13.4	14.2	11.4	8.8	..	..	..
Canada	2.6	3.0	2.3	2.8	4.2	4.6	3.2	0.5	0.8	1.2	1.2	1.2	1.2	0.8	0.8	0.8	1.4	0.8	0.9	1.7
Chile	3.9	2.8	1.8	3.5	4.8	5.2	7.4	1.7	1.8	4.9	5.0	4.9	3.7	2.9	3.5	3.0	3.5	3.4	3.1	3.5
China	5.4	5.3	5.4	5.6	5.9	6.8	7.0	5.3	5.4	6.4	6.3	6.0	5.9	4.9	4.4	4.4	4.4	4.4	4.4	4.4
Colombia	8.9	7.8	7.8	7.0	6.3	8.0	9.7	6.1	3.7	4.2	5.4	4.2	4.1	4.6	6.8	6.2	5.8	..	..	..
Czech Republic	3.5	2.3	2.4	2.0	2.3	3.1	4.0	2.2	1.3	1.2	1.0	0.5	0.4	0.3	0.3	0.4	0.9	0.3	0.5	1.0
Denmark	3.5	2.4	2.2	2.2	3.2	4.4	5.3	2.5	1.2	1.4	0.6	0.3	0.3	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Estonia	3.9	2.9	2.5	2.4	3.2	4.9	6.7	5.9	1.6											
Hungary	8.9	8.2	11.3	7.0	6.9	7.6	8.9	8.5	5.4	6.0	6.9	4.2	2.2	1.2	0.7	0.6	3.1	0.3	1.3	4.0
Iceland	9.0	5.3	6.3	9.4	12.4	14.3	15.8	11.3	6.8	4.3	5.5	6.2	6.1	5.9	6.3	6.2	6.8	5.9	6.4	6.9
India[1]	7.8	6.9	6.0	6.2	7.1	7.8	7.4	4.8	6.0	8.1	7.9	7.6	7.9	7.0	6.4	6.2	6.0	..	..	..
Indonesia	15.5	10.6	6.4	8.1	11.4	8.0	8.5	9.3	7.0	6.9	5.9	6.3	8.8	8.3	7.2	6.5	6.2	..	..	..
Israel	7.2	6.6	4.3	3.9	5.5	4.3	3.6	0.6	1.6	2.8	2.3	1.3	0.5	0.1	0.1	0.2	0.8	0.1	0.3	1.1
Japan	0.1	0.1	0.1	0.1	0.3	0.8	0.9	0.5	0.2	0.2	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Korea	4.8	4.3	3.8	3.6	4.5	5.2	5.5	2.6	2.7	3.4	3.3	2.7	2.5	1.8	1.5	1.6	2.2	1.4	1.8	2.3
Latvia	4.4	3.8	4.2	3.1	4.4	8.7	8.0	13.1	2.0	1.0	0.9	0.4								
Lithuania	3.7	2.8	2.7	2.4	3.1	5.1	6.0	7.1	1.8	1.7	1.1	0.5	0.3							
Mexico	7.4	6.5	7.1	9.3	7.3	7.4	7.9	5.5	4.6	4.4	4.4	3.8	3.1	3.1	4.3	7.1	7.2	5.4	7.2	7.2
New Zealand	5.7	5.4	6.1	7.1	7.5	8.3	8.0	3.0	3.0	2.8	2.7	2.7	3.4	3.2	2.3	1.9	2.1	2.1	1.9	2.4
Norway	6.9	4.1	2.0	2.2	3.1	5.0	6.2	2.5	2.5	2.9	2.2	1.8	1.7	1.3	1.1	1.1	1.1	1.1	1.1	1.1
Poland	8.8	5.7	6.2	5.2	4.2	4.8	6.3	4.3	3.9	4.6	4.9	3.0	2.5	1.7	1.7	1.7	2.3	1.7	1.7	2.5
Slovak Republic	7.8	6.2	4.7	2.9	4.3	4.3														
Slovenia	8.0	6.8	4.7	4.0	3.6															
South Africa	11.2	10.7	7.5	6.9	7.3	9.1	10.9	7.8	6.4	5.5	5.3	5.1	5.8	6.1	7.2	7.0	7.0	..	..	..
Sweden	4.3	3.2	2.3	1.9	2.6	3.9	4.7	0.9	0.9	2.5	2.0	1.2	0.7	-0.2	-0.5	-0.5	-0.2	-0.6	-0.5	-0.1
Switzerland	1.1	0.3	0.5	0.8	1.6	2.6	2.5	0.4	0.2	0.1	0.1	0.0	0.0	-0.8	-0.7	-0.7	-0.6	-0.7	-0.7	-0.5
Turkey	..	39.7	24.1	16.8	17.5	18.6	18.2	10.1	7.6	8.8	8.9	6.9	10.3	11.0	10.3	11.4	12.0	9.6	12.0	12.0
United Kingdom	4.0	3.7	4.6	4.7	4.8	6.0	5.5	1.2	0.7	0.9	0.8	0.5	0.5	0.6	0.5	0.3	0.3	0.4	0.3	0.3
United States	1.8	1.2	1.6	3.5	5.2	5.3	3.2	0.9	0.5	0.4	0.4	0.3	0.3	0.5	0.9	1.5	2.2	0.9	1.9	2.6
Euro area	3.4	2.4	2.1	2.2	3.1	4.3	4.6	1.3	0.8	1.4	0.6	0.2	0.2	0.0	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2

Note: Three-month money market rates where available, or rates on similar financial instruments. For further information, see Sources & Methods of the *OECD Economic Outlook* (*http://www.oecd.org/eco/sources-and-methods.htm*).
Individual euro area countries are not shown (after 2006 for Slovenia, 2007 for the Slovak Republic, 2010 for Estonia, 2014 for Latvia and 2015 for Lithuania) since their short-term interest rates are equal to the euro area rate.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504574

Annex Table 40. **Long-term interest rates**

Per cent, per annum

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Fourth quarter	2017 Fourth quarter	2018 Fourth quarter
Australia	5.8	5.4	5.6	5.3	5.6	6.0	5.8	5.0	5.4	4.9	3.4	3.7	3.7	2.7	2.3	2.5	2.9	2.5	2.7	3.0
Austria	5.0	4.1	4.1	3.4	3.8	4.3	4.4	3.9	3.2	3.3	2.4	2.0	1.5	0.7	0.4	0.7	1.1	0.4	0.7	1.4
Belgium	5.0	4.2	4.2	3.4	3.8	4.3	4.4	3.9	3.5	4.2	3.0	2.4	1.7	0.8	0.5	0.9	1.3	0.5	0.9	1.7
Canada	5.3	4.8	4.6	4.1	4.2	4.3	3.6	3.2	3.2	2.8	1.9	2.3	2.2	1.5	1.3	2.0	2.7	1.4	2.3	3.1
Chile	..	..	..	6.0	6.2	6.1	7.0	5.7	6.3	6.0	5.4	5.3	4.7	4.5	4.4	4.1	4.3	4.4	4.1	4.3
Colombia	..	15.5	14.6	11.8	9.2	10.0	11.9	9.6	8.5	8.1	6.9	6.4	7.0	7.8	8.0	7.0	6.7	..	..	..
Czech Republic	4.9	4.1	4.8	3.5	3.8	4.3	4.6	4.8	3.9	3.7	2.8	2.1	1.6	0.6	0.4	0.6	1.2	0.5	0.8	1.4
Denmark	5.1	4.3	4.3	3.4	3.8	4.3	4.3	3.6	2.9	2.7	1.4	1.7	1.3	0.7	0.3	0.4	0.5	0.3	0.4	0.5
Finland	5.0	4.1	4.1	3.4	3.8	4.3	4.3	3.7	3.0	3.0	1.9	1.9	1.4	0.7	0.4	0.6	1.0	0.3	0.6	1.4
France	4.9	4.1	4.1	3.4	3.8	4.3	4.2	3.6	3.1	3.3	2.5	2.2	1.7	0.8	0.5	0.9	1.2	0.6	0.8	1.6
Germany	4.8	4.1	4.0	3.4	3.8	4.2	4.0	3.2	2.7	2.6	1.5	1.6	1.2	0.5	0.1	0.4	0.8	0.1	0.4	1.1
Greece	5.1	4.3	4.3	3.6	4.1	4.5	4.8	5.2	9.1	15.7	22.5	10.1	6.9	9.6	8.4	7.3	7.7	7.5	7.4	8.1
Hungary	7.1	6.8	8.3	6.6	7.1	6.7	8.2	9.1	7.3	7.6	7.9	5.9	4.8	3.4	3.1	3.6	4.4	3.2	3.8	4.8
Iceland	8.0	6.7	7.5	8.6	8.8	9.4	11.1	8.3	6.1	6.0	6.2	5.8	6.4	6.3	5.6	6.2	7.3	5.1	6.8	7.4
India[1]	6.9	5.4	6.3	7.2	7.8	7.9	7.6	7.3	7.9	8.4	8.2	8.5	8.3	7.8	7.2	7.0	6.9	..	..	..
Ireland	5.0	4.1	4.1	3.3	3.8	4.3	4.6	5.2	6.0	9.6	6.0	3.8	2.3	1.1	0.7	1.0	1.4	0.8	1.1	1.8
Israel	9.2	8.9	7.6	6.4	6.3	5.6	5.9	5.1	4.7	5.0	4.4	3.8	2.9	2.1	1.9	2.6	3.4	2.0	3.0	3.7
Italy	5.0	4.3	4.3	3.6	4.0	4.5	4.7	4.3	4.0	5.4	5.5	4.3	2.9	1.7	1.5	2.3	2.7	1.8	2.4	3.1
Japan	1.3	1.0	1.5	1.4	1.7	1.7	1.5	1.3	1.2	1.1	0.8	0.7	0.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Korea	6.6	5.0	4.7	5.0	5.2	5.4	5.6	5.2	4.8	4.2	3.4	3.3	3.2	2.3	1.7	2.3	2.9	1.9	2.5	3.0
Latvia	5.4	4.9	4.9	3.9	4.1	5.3	6.4	12.4	10.3	5.9	4.6	3.3	2.5	1.0	0.5	1.0	1.4	0.6	1.0	1.8
Luxembourg	4.7	3.3	2.8	2.4	3.3	4.5	4.6	4.2	3.2	2.9	1.8	1.8	1.3	0.4	-0.2	0.4	0.8	-0.2	0.5	1.2
Mexico	10.1	9.0	9.5	9.4	8.4	7.8	8.3	7.9	7.1	6.8	6.2	5.8	6.0	5.9	6.0	7.5	7.6	6.2	7.6	7.6
Netherlands	4.9	4.1	4.1	3.4	3.8	4.3	4.2	3.7	3.0	3.0	1.9	2.0	1.5	0.7	0.3	0.6	1.0	0.3	0.6	1.3
New Zealand	6.5	5.9	6.1	5.9	5.8	6.3	6.1	5.5	5.6	4.9	3.7	4.1	4.3	3.4	2.8	3.5	4.2	3.0	3.9	4.6
Norway	6.4	5.0	4.4	3.7	4.1	4.8	4.5	4.0	3.5	3.1	2.1	2.6	2.5	1.6	1.3	1.5	1.6	1.4	1.5	1.7
Poland	7.4	5.8	6.9	5.2	5.2	5.5	6.1	6.1	5.8	6.0	5.0	4.0	3.5	2.7	3.0	3.3	3.8	3.3	3.4	4.0
Portugal	5.0	4.2	4.1	3.4	3.9	4.4	4.5	4.2	5.4	10.2	10.5	6.3	3.8	2.4	3.2	4.1	4.5	3.5	4.1	4.9
Slovak Republic	6.9	5.0	5.0	3.5	4.4	4.5	4.7	4.7	3.9	4.4	4.6	3.2	2.1	0.9	0.5	0.9	1.3	0.7	1.0	1.7
Slovenia	..	6.4	4.7	3.8	3.9	4.5	4.6	4.4	3.8	5.0	5.8	5.8	3.3	1.7	1.1	1.1	1.5	0.8	1.1	1.9
South Africa	11.5	9.6	9.5	8.1	7.9	8.0	9.1	8.7	8.6	8.5	7.9	7.7	8.3	8.2	9.0	9.2	8.8	..	..	..
Spain	5.0	4.1	4.1	3.4	3.8	4.3	4.4	4.0	4.3	5.4	5.8	4.6	2.7	1.7	1.4	1.7	2.1	1.3	1.7	2.5
Sweden	5.3	4.6	4.4	3.4	3.7	4.2	3.9	3.2	2.9	2.6	1.6	2.1	1.7	0.7	0.5	0.6	0.9	0.4	0.7	1.0
Switzerland	3.2	2.7	2.7	2.1	2.5	2.9	2.9	2.2	1.6	1.5	0.6	0.9	0.7	-0.1	-0.4	-0.1	0.3	-0.2	-0.1	0.7
Turkey	..	..	..	..	16.0	16.8	19.3	13.5	9.5	9.4	8.5	7.7	9.2	9.3	9.8	10.5	10.5	10.2	10.5	10.5
United Kingdom	4.9	4.5	4.9	4.4	4.5	5.0	4.6	3.6	3.6	3.1	1.9	2.4	2.6	1.9	1.3	1.0	0.8	1.3	0.9	0.8
United States	4.6	4.0	4.3	4.3	4.8	4.6	3.7	3.3	3.2	2.8	1.8	2.4	2.5	2.1	1.8	2.7	3.4	2.1	3.0	3.8
Euro area	4.9	4.2	4.1	3.4	3.8	4.3	4.3	3.8	3.6	4.2	3.7	2.9	2.0	1.1	0.8	1.2	1.6	0.9	1.2	1.9

Note: 10-year benchmark government bond yields where available or yield on similar financial instruments (for Korea a 5-year bond is used). The long-term interest rates refer to yields in secondary bond markets and are not representative of average government funding costs. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504593

Annex Table 41. **Nominal exchange rates (vis-à-vis the US dollar)**

Average of daily rates

	Monetary unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Assumptions[1] 2017	2018
Argentina	*Argentinean pesos*	2.917	3.074	3.116	3.162	3.728	3.910	4.126	4.548	5.478	8.122	9.258	14.767	15.406	15.315
Australia	*Australian Dollar*	1.313	1.328	1.195	1.198	1.282	1.090	0.969	0.966	1.036	1.109	1.331	1.345	1.340	1.350
Brazil	*Brazilian Real*	2.435	2.175	1.947	1.835	2.000	1.760	1.674	1.953	2.158	2.354	3.331	3.489	3.165	3.178
Canada	*Canadian Dollar*	1.212	1.134	1.074	1.068	1.141	1.030	0.989	0.999	1.030	1.105	1.278	1.325	1.359	1.374
Chile	*Chilean Peso*	559.7	530.3	522.2	523.5	558.9	510.0	483.4	486.0	495.3	570.6	654.3	676.5	667.7	674.0
China	*Yuan Renminbi*	8.194	7.972	7.607	6.950	6.831	6.769	6.463	6.309	6.148	6.160	6.284	6.645	6.896	6.898
Colombia	*Colombian Peso*	2 321.3	2 359.1	2 077.7	1 966.1	2 156.8	1 899.8	1 847.9	1 797.7	1 869.7	2 002.6	2 744.5	3 053.9	2 947.1	2 966.0
Costa Rica	*Costa Rican Colon*	477.90	511.54	517.24	526.53	570.56	521.89	502.39	503.13	500.96	537.22	534.59	543.96	561.86	563.830
Czech Republic	*Czech Koruna*	23.95	22.59	20.29	17.08	19.05	19.08	17.67	19.54	19.56	20.76	24.59	24.44	24.76	24.499
Denmark	*Danish Krone*	5.996	5.943	5.443	5.099	5.359	5.622	5.357	5.790	5.618	5.619	6.725	6.731	6.862	6.806
Estonia	*Estonian Kroon*	12.6	12.5	11.4	10.7	11.3	11.8								
Hungary	*Forint*	199.5	210.4	183.6	172.5	202.1	207.8	200.9	224.8	223.6	232.6	279.2	281.5	287.4	286.0
Iceland	*Iceland Krona*	62.88	69.90	64.07	88.00	123.66	122.24	116.06	125.12	122.17	116.69	131.90	120.81	108.04	106.29
India	*Indian Rupee*	44.1	45.3	41.3	43.5	48.3	45.7	46.6	53.4	58.6	61.0	64.2	67.2	64.9	64.2
Indonesia	*Rupiah*	9 701.3	9 164.0	9 139.4	9 663.9	10 376.8	9 078.0	8 760.8	9 355.1	10 450.0	11 866.3	13 386.1	13 307.6	13 332.5	13 330.0
Israel	*New Israeli Sheqel*	4.49	4.46	4.11	3.58	3.93	3.73	3.57	3.85	3.61	3.58	3.89	3.84	3.65	3.62
Japan	*Yen*	110.1	116.4	117.8	103.4	93.6	87.8	79.7	79.8	97.6	105.8	121.0	108.8	112.4	112.2
Korea	*Won*	1 024.2	954.7	929.5	1 100.9	1 274.9	1 155.4	1 107.3	1 125.9	1 094.9	1 053.1	1 131.3	1 160.6	1 137.3	1 132.1
Latvia	*Lats*	0.560	0.555	0.512	0.480	0.508	0.535	0.508	0.543	0.529					
Lithuania	*Lithuanian Litas*	2.778	2.752	2.523	2.360	2.485	2.608	2.484	2.687	2.601	2.600				
Mexico	*Mexican Peso*	10.89	10.90	10.93	11.15	13.50	12.63	12.43	13.15	12.77	13.31	15.87	18.63	19.60	19.47
New Zealand	*New Zealand Dollar*	1.421	1.542	1.361	1.425	1.600	1.388	1.266	1.235	1.220	1.206	1.434	1.437	1.444	1.460
Norway	*Norwegian Krone*	6.441	6.415	5.858	5.648	6.290	6.042	5.605	5.815	5.877	6.302	8.064	8.400	8.607	8.676
Poland	*Zloty*	3.234	3.103	2.765	2.410	3.119	3.015	2.962	3.252	3.160	3.154	3.770	3.944	3.920	3.863
Russia	*Russian Ruble*	28.24	27.18	25.57	24.87	31.77	30.37	29.40	31.05	31.86	38.59	61.26	67.05	58.10	58.07
Slovak Republic	*Slovak Koruna*	31.04	29.65	24.68											
Slovenia	*Tolar*	192.8	191.0												
South Africa	*Rand*	6.364	6.770	7.056	8.263	8.417	7.305	7.249	8.202	9.648	10.846	12.765	14.703	13.470	13.569
Sweden	*Swedish Krona*	7.474	7.373	6.758	6.597	7.653	7.202	6.489	6.769	6.513	6.860	8.429	8.556	8.871	8.842
Switzerland	*Swiss Franc*	1.246	1.253	1.200	1.084	1.086	1.043	0.887	0.937	0.927	0.915	0.962	0.985	0.996	0.993
Turkey	*New Turkish Lira*	1.341	1.430	1.300	1.299	1.547	1.499	1.672	1.792	1.905	2.189	2.723	3.022	3.592	3.546
United Kingdom	*Pound Sterling*	0.550	0.543	0.500	0.546	0.641	0.647	0.624	0.631	0.640	0.607	0.654	0.741	0.784	0.774
United States	*US Dollar*	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Euro area	*Euro*	0.804	0.796	0.730	0.681	0.718	0.754	0.719	0.778	0.753	0.753	0.901	0.904	0.921	0.914

1. On the technical assumption that exchange rates remain at their levels of 4 May 2017.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504612

Annex Table 42. **Effective exchange rates**

Indices 2010 = 100, average of daily rates

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Assumptions[1] 2017	2018
Argentina	425.5	447.2	491.7	176.4	170.5	161.6	152.5	139.3	128.9	121.6	109.9	100.0	91.0	88.1	75.4	52.7	54.5	35.3	33.2	33.4
Australia	79.3	73.7	69.5	72.5	81.1	87.6	89.7	88.5	94.2	92.5	88.8	100.0	107.2	109.4	104.4	99.4	90.2	90.7	92.5	91.6
Austria	95.5	93.1	93.8	95.1	99.1	100.4	99.5	99.5	100.5	101.4	102.9	100.0	100.1	98.6	100.4	102.0	99.9	101.4	100.7	100.9
Belgium	92.0	88.2	89.5	91.8	97.2	99.2	98.5	98.6	100.1	102.3	103.6	100.0	100.6	98.3	100.9	102.7	99.6	101.8	101.1	101.3
Brazil	93.5	97.0	78.8	71.9	62.0	62.2	74.3	82.5	88.9	92.8	89.6	100.0	102.3	90.7	83.2	79.7	62.6	62.8	69.8	69.3
Canada	71.5	72.6	71.2	70.3	77.4	81.8	87.3	92.9	96.4	95.5	91.7	100.0	101.9	102.5	100.0	94.4	86.5	85.1	83.8	82.7
Chile	95.7	93.6	84.0	88.1	83.4	90.8	96.8	101.2	98.4	96.3	93.6	100.0	101.8	104.4	104.7	94.1	90.7	91.4	93.3	92.2
China	89.7	91.7	98.0	98.3	92.4	88.1	87.5	89.6	90.6	97.0	102.9	100.0	99.9	105.5	111.7	115.0	126.1	120.9	116.0	115.6
Colombia	113.8	98.2	92.6	87.6	72.4	76.6	84.9	82.8	90.5	94.0	90.2	100.0	100.1	106.1	103.0	99.3	79.6	73.9	77.1	76.4
Costa Rica	194.4	186.4	180.4	165.9	144.1	127.2	114.8	106.4	101.6	97.3	93.1	100.0	101.1	103.3	104.6	99.6	108.3	109.0	106.3	105.7
Czech Republic	66.0	66.6	70.1	78.7	79.0	79.7	84.5	88.7	90.9	101.9	98.5	100.0	103.3	99.4	97.8	93.8	93.6	96.2	95.9	96.3
Denmark	93.1	89.0	90.6	92.6	97.6	99.3	98.4	98.3	99.8	101.9	104.7	100.0	99.8	97.2	99.3	101.5	99.2	101.7	101.2	101.6
Estonia	90.1	87.2	88.5	91.1	96.5	98.2	97.7	97.3	98.5	100.2	104.1	100.0	100.1	97.9	100.1	104.4	107.5	110.4	107.7	108.0
Finland	90.5	86.4	88.1	90.6	96.6	98.7	97.8	97.5	99.2	101.6	105.3	100.0	100.0	97.1	99.7	103.6	104.2	107.1	105.0	105.4
France	92.8	89.0	90.1	92.3	97.5	99.3	98.6	98.7	100.2	102.2	103.4	100.0	100.4	98.2	100.4	101.8	98.6	100.4	100.0	100.2
Germany	92.4	88.3	89.5	91.8	97.8	99.9	98.8	98.9	100.5	102.4	104.4	100.0	100.4	97.8	100.5	102.6	99.3	101.6	100.8	101.1
Greece	95.1	88.8	89.7	92.1	97.1	98.9	98.0	98.1	99.5	101.7	103.6	100.0	100.8	98.3	100.8	104.1	103.5	106.4	105.0	105.3
Hungary	103.3	97.5	99.7	107.3	107.6	109.9	110.5	103.5	109.7	110.9	101.7	100.0	99.2	93.7	93.2	91.5	89.7	91.0	90.0	89.9
Iceland	195.7	196.8	166.9	172.1	181.3	183.7	203.8	182.4	184.6	134.4	98.2	100.0	100.3	98.2	100.3	107.4	111.9	125.6	141.5	143.1
India	120.0	120.9	120.9	117.3	113.2	110.6	112.3	107.8	112.2	103.5	96.9	100.0	94.1	84.1	77.6	76.1	80.0	78.6	82.1	82.8
Indonesia	135.1	129.1	112.5	123.4	126.0	115.6	104.9	109.7	105.2	96.1	91.8	100.0	98.4	93.4	86.3	77.6	75.0	76.8	77.6	77.4
Ireland	88.4	83.1	84.2	86.6	93.7	96.1	95.7	95.8	98.1	102.6	104.5	100.0	100.9	97.1	100.0	101.0	95.1	97.7	97.5	97.8
Israel	97.6	106.5	108.0	95.2	91.3	87.8	86.7	86.9	89.7	99.9	95.6	100.0	101.4	97.8	104.9	108.1	110.5	115.1	122.5	123.1
Italy	91.4	87.7	89.1	91.9	97.4	99.4	98.5	98.6	100.1	102.0	104.0	100.0	100.5	98.2	100.8	103.2	100.7	103.1	102.0	102.3
Japan	85.0	92.7	86.1	82.8	85.3	88.6	85.9	79.6	75.3	84.5	97.0	100.0	105.7	107.2	88.0	83.1	79.0	90.9	88.4	88.4
Korea	108.3	117.4	108.4	112.4	111.8	112.0	124.5	133.1	131.7	107.4	93.4	100.0	99.8	99.9	105.3	113.0	115.4	115.0	118.7	119.0
Latvia	104.2	112.1	112.6	111.5	106.3	103.7	97.9	97.4	97.7	98.7	105.1	100.0	100.9	100.3	102.4	108.6	115.9	120.4	115.0	115.4
Lithuania	71.7	80.5	83.6	90.1	96.7	98.4	96.7	96.1	97.3	98.9	104.5	100.0	100.7	98.5	101.3	106.1	109.5	113.3	109.5	109.9
Luxembourg	95.1	92.3	93.1	94.5	98.3	99.5	98.9	99.0	100.0	101.4	102.6	100.0	100.2	98.6	100.0	100.9	98.4	99.6	99.4	99.6
Mexico	140.1	143.5	148.1	143.9	125.1	117.3	120.5	119.6	116.9	113.6	94.9	100.0	100.0	95.4	98.9	96.0	84.5	72.8	69.5	69.8
Netherlands	92.6	88.5	89.8	91.9	97.2	99.0	98.3	98.3	99.8	102.0	103.8	100.0	100.4	98.1	100.5	102.4	99.8	102.0	101.3	101.6
New Zealand	86.3	78.1	77.0	83.8	96.1	103.2	107.9	99.4	106.5	99.9	92.5	100.0	103.3	107.5	111.6	116.7	109.1	111.0	111.5	110.2
Norway	88.7	86.4	88.8	97.1	96.1	93.2	97.0	96.4	98.2	99.0	95.8	100.0	102.7	104.0	101.9	96.3	87.4	86.0	85.4	84.2
Poland	89.5	91.9	101.4	98.2	89.4	87.8	98.0	101.0	104.8	114.5	95.2	100.0	97.3	94.0	95.5	98.1	97.8	95.7	97.0	97.8
Portugal	95.3	92.6	93.6	95.2	98.5	99.5	98.9	98.9	99.8	101.3	102.3	100.0	100.3	98.9	100.7	101.9	99.7	101.4	101.0	101.1
Russia	142.3	136.5	138.2	126.1	115.2	114.6	115.3	118.7	117.5	114.6	95.2	100.0	99.2	98.7	95.9	81.8	58.0	54.0	63.3	62.9
Slovak Republic	67.1	67.9	66.6	68.0	72.9	76.4	77.9	80.3	88.8	96.2	103.4	100.0	100.2	99.1	101.0	103.3	102.4	104.3	103.2	103.4
Slovenia	117.3	108.2	102.9	100.4	101.1	100.2	99.2	99.2	100.0	101.1	103.3	100.0	100.5	98.9	101.0	103.2	101.8	103.7	102.7	102.9
South Africa	135.4	127.7	108.8	87.8	111.3	122.4	122.8	115.5	103.9	86.1	88.6	100.0	97.0	88.7	76.1	69.1	65.4	58.2	64.1	63.3
Spain	92.8	89.7	90.9	93.3	97.6	99.0	98.4	98.5	99.7	101.6	103.1	100.0	100.5	98.5	100.9	102.6	99.8	102.2	101.7	102.0
Sweden	100.4	100.3	92.4	95.3	101.6	103.8	101.1	101.5	103.0	101.3	93.4	100.0	106.1	107.4	110.8	107.5	102.5	103.5	101.1	100.9
Switzerland	80.1	78.6	81.9	86.6	88.5	89.0	88.2	86.8	84.6	89.5	94.9	100.0	113.0	112.3	112.9	115.9	126.4	127.2	127.8	127.5
Turkey	412.3	299.3	168.7	126.6	112.8	110.5	116.2	108.2	110.9	106.8	96.6	100.0	86.2	84.4	79.2	70.8	67.1	62.2	52.0	52.4
United Kingdom	122.6	126.0	124.9	126.8	122.2	127.9	125.8	126.5	128.5	112.5	100.7	100.0	99.3	103.3	101.4	109.1	116.8	105.4	100.4	101.2
United States	112.1	115.6	121.8	122.7	115.6	110.4	107.5	105.8	101.0	97.8	103.9	100.0	95.7	98.6	99.7	102.9	116.3	121.7	124.2	123.9
Euro area	85.5	78.1	80.2	84.4	94.9	98.6	96.9	96.9	99.9	103.9	107.9	100.0	100.6	96.3	100.8	104.5	99.6	103.8	102.3	102.8

Note: For details on the method of calculation, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. It is assumed that exchange rates remain at their levels of 4 May 2017.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504631

Annex Table 43. **Nominal house prices**

Percentage changes from previous period

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	4.0	7.3	7.3	8.3	11.2	18.7	18.0	6.2	1.8	6.9	10.5	3.9	4.0	11.7	-2.2	-0.3	6.6	9.1	9.0	5.5
Austria	..	..	..	..	0.8	0.6	0.3	-1.9	5.0	4.1	4.7	1.1	3.9	9.4	6.2	7.3	5.2	3.5	4.9	8.5
Belgium	2.4	6.3	7.1	5.4	4.8	6.4	6.9	8.7	11.7	9.8	7.8	4.4	-0.5	3.1	4.0	2.2	1.2	-0.6	1.6	2.7
Canada	2.5	-1.3	2.7	4.3	4.7	8.1	8.3	8.2	8.0	11.7	11.6	5.5	-2.8	8.9	5.0	4.8	2.6	4.9	5.2	9.8
Chile	..	..	..	..	..	..	2.3	5.1	3.7	-0.5	7.1	-1.0	3.1	7.6	5.4	5.4	8.5	6.3	8.1	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	-3.8	-1.7	0.0	-1.4	0.0	2.4	4.0	7.1
Denmark	11.5	9.0	6.7	6.5	5.8	3.6	3.2	8.9	18.6	24.1	2.7	-5.2	-12.0	2.8	-1.7	-2.7	3.9	3.8	7.0	4.7
Estonia	..	..	..	..	..	..	..	..	..	49.5	20.8	-9.6	-37.2	5.7	8.5	7.3	10.7	13.7	6.9	4.7
Finland	15.8	8.8	7.1	3.9	-1.4	6.0	6.3	8.2	8.1	6.4	5.5	0.6	-0.3	8.7	2.7	1.6	1.6	-0.6	-0.8	0.9
France	-0.4	2.0	6.9	8.7	7.9	8.6	11.9	15.1	15.4	12.0	6.5	0.9	-7.1	5.1	6.0	-0.5	-2.1	-1.7	-1.9	1.0
Germany	-1.8	-0.9	0.1	0.5	-0.1	-0.7	-1.4	-1.4	-0.9	0.1	0.9	0.6	0.6	2.8	5.8	6.2	6.2	5.1	4.7	5.8
Greece	..	14.4	8.9	10.6	14.4	13.9	5.4	2.3	10.9	13.0	6.2	1.5	-4.3	-4.4	-5.5	-11.8	-10.9	-8.0	-5.1	-2.2
Hungary	..	..	..	..	..	..	..	..	..	..	..	2.4	-5.2	-2.4	-3.4	-3.7	-2.6	4.2	11.3	10.6
Iceland	..	..	..	..	..	..	..	..	..	16.8	9.4	6.2	-9.7	-3.0	4.6	6.9	5.8	8.4	8.2	9.8
Ireland	14.7	24.1	21.5	20.7	12.4	7.0	14.2	11.2	8.6	14.9	7.5	-6.9	-19.2	-13.5	-16.2	-13.8	2.7	16.8	9.0	6.4
Israel	9.2	3.8	4.2	-4.8	-3.5	5.3	-5.7	-0.7	0.2	0.5	-1.6	7.6	13.7	17.6	10.5	3.2	9.1	6.4	5.9	7.5
Italy	-4.6	2.1	5.6	8.3	8.2	9.6	10.3	9.9	7.5	6.4	5.2	1.7	-3.7	-1.1	0.8	-2.8	-5.7	-4.4	-2.6	-0.7
Japan	-1.4	-1.7	-3.1	-3.8	-4.4	-5.3	-6.2	-6.1	-4.9	-3.0	-1.0	0.7	-5.8	1.4	0.1	-0.9	1.6	1.6	2.4	2.2
Korea	3.0	-9.2	-1.3	1.8	3.9	16.6	9.0	0.7	1.0	6.7	10.0	7.1	0.9	2.2	4.9	1.2	-1.1	1.6	2.8	1.6
Latvia	..	..	..	..	..	..	..	..	..	..	36.3	1.1	-37.3	-11.0	10.4	3.0	6.8	6.0	-3.4	8.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	3.3	-1.1	5.4	3.7	4.2	5.0	4.4	5.4	6.0
Mexico	..	..	..	..	..	..	..	..	..	6.7	7.6	4.6	5.4	3.9	4.2	4.8	3.8	4.4	6.6	7.5
Netherlands	11.9	10.9	16.3	18.2	11.1	6.4	3.6	4.3	3.9	4.3	4.8	2.2	-4.5	-1.7	-2.0	-6.7	-6.0	0.8	3.6	5.2
New Zealand	6.2	-1.9	2.0	-0.7	1.0	8.6	19.4	18.2	14.1	10.6	11.1	-4.4	-1.7	2.1	1.1	4.9	9.0	6.5	11.6	13.0
Norway	11.9	11.1	11.1	15.9	6.9	5.0	1.7	10.2	8.3	13.7	12.6	-1.1	1.9	8.2	8.0	6.8	4.0	2.7	6.1	7.0
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0.1	-3.5	-4.4	1.0	1.5	1.9
Portugal	3.6	4.5	9.0	7.7	5.4	0.6	1.1	0.6	2.3	2.1	0.5	-5.1	-0.9	0.8	-4.9	-7.1	-1.9	4.3	3.1	7.1
Slovak Republic	..	..	..	..	..	..	..	..	..	16.7	29.0	17.9	-12.8	-4.0	-1.5	-2.7	0.9	1.4	5.4	6.7
Slovenia	..	..	..	..	..	..	..	..	..	..	..	7.0	-9.5	0.1	2.7	-6.9	-5.2	-6.6	0.8	3.3
Spain	4.3	4.9	7.0	7.5	9.5	17.0	20.0	18.3	14.6	13.6	9.8	-1.4	-6.6	-1.8	-7.6	-14.8	-9.1	0.3	3.6	4.6
Sweden	6.6	9.5	9.4	11.2	7.9	6.3	6.6	9.3	9.0	12.4	12.5	1.1	3.0	8.0	2.5	1.2	5.5	9.4	13.1	8.6
Switzerland	-3.5	-0.9	-0.1	0.9	1.9	4.6	3.0	2.4	1.1	2.5	2.1	2.6	5.0	4.7	4.1	3.7	4.7	1.3	2.3	1.3
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10.2	11.7	12.7	14.5	18.4	14.3
United Kingdom	8.8	11.5	10.9	14.9	8.1	16.2	15.7	11.9	6.9	7.9	9.9	-4.5	-8.9	5.7	-1.4	0.4	2.6	8.0	6.0	7.4
United States	2.9	4.8	6.1	6.7	6.9	7.1	7.7	9.5	10.5	5.9	0.1	-8.0	-5.8	-3.0	-4.1	3.0	7.3	5.3	5.6	6.1
Euro area	0.3	2.9	5.4	6.5	5.7	6.5	7.1	7.4	7.4	7.0	5.3	0.8	-3.9	1.3	1.6	-1.6	-1.2	0.7	1.6	3.4
Total OECD	2.0	3.1	4.6	5.4	4.9	6.3	6.3	6.5	6.7	5.7	3.5	-2.2	-4.1	0.9	-0.1	1.3	3.4	3.9	4.7	5.3

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933504650

Annex Table 44. **Real house prices**

Percentage changes from previous period

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	2.5	6.0	6.2	4.7	7.5	15.5	15.4	4.7	-0.3	3.2	7.1	0.7	1.4	9.2	-4.6	-2.8	4.0	6.9	7.4	4.4
Austria	..	..	..	..	-1.5	-0.4	-1.2	-3.7	2.4	2.0	2.1	-1.1	3.4	7.5	3.0	4.8	2.9	1.4	3.5	7.2
Belgium	0.9	5.1	6.4	2.1	2.7	4.9	5.2	6.1	8.7	6.5	4.8	1.2	-0.1	1.4	1.0	0.2	0.3	-1.3	1.3	1.1
Canada	1.1	-2.6	1.1	2.0	2.6	6.0	6.5	6.6	6.2	10.2	9.8	3.9	-3.0	7.4	2.8	3.5	1.2	3.0	4.1	8.7
Chile	..	..	..	..	..	..	-0.2	3.2	-1.1	-3.6	3.0	-8.4	1.2	4.1	1.1	2.4	5.2	0.6	2.4	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	-4.7	-2.2	-1.4	-3.6	-0.8	1.8	3.9	6.4
Denmark	9.5	7.4	4.8	3.6	3.4	1.7	1.9	7.7	16.6	21.4	0.9	-7.8	-13.1	0.3	-4.0	-4.9	3.1	3.0	6.3	4.2
Estonia	..	..	..	..	..	..	..	..	..	41.2	12.2	-16.5	-37.1	1.7	2.8	3.3	7.7	13.2	6.9	3.9
Finland	13.5	7.0	5.5	0.8	-4.0	4.3	5.3	7.8	7.0	5.0	3.5	-2.7	-2.1	7.1	-0.5	-1.2	-0.8	-1.9	-1.2	0.3
France	-1.2	1.7	7.4	6.3	5.8	7.7	10.0	12.7	13.3	9.7	4.3	-1.8	-5.8	4.0	4.1	-1.9	-2.8	-1.9	-1.7	0.9
Germany	-3.0	-1.4	-0.3	-0.3	-1.8	-1.9	-3.1	-2.3	-2.4	-1.0	-0.7	-1.0	1.0	0.8	3.7	4.7	5.1	4.1	4.1	5.1
Greece	..	9.0	5.9	7.1	11.2	11.6	2.8	-1.0	7.7	9.4	2.4	-2.7	-5.2	-7.7	-7.6	-12.2	-9.3	-5.4	-3.6	-1.8
Hungary	..	..	..	..	..	..	..	..	..	..	..	-3.1	-8.9	-5.9	-6.9	-9.3	-4.3	3.2	11.6	10.4
Iceland	..	..	..	..	..	..	..	..	..	9.0	4.4	-7.4	-21.4	-4.9	1.2	1.1	2.5	5.3	7.3	9.0
Ireland	13.0	19.2	18.1	15.1	7.7	1.6	9.9	8.8	7.5	12.0	4.2	-8.8	-13.4	-11.6	-16.7	-15.4	1.2	15.1	8.3	5.2
Israel	2.7	-1.7	-1.3	-6.5	-4.1	0.9	-6.0	-1.2	-1.4	-1.8	-2.9	2.1	11.5	13.9	7.1	1.4	7.6	5.7	6.5	7.7
Italy	-6.7	0.2	3.6	4.7	5.4	6.5	7.2	7.3	5.3	3.7	2.8	-1.4	-3.3	-2.5	-2.1	-5.4	-6.8	-4.6	-2.6	-0.6
Japan	-2.5	-1.7	-2.5	-2.9	-3.4	-4.0	-5.2	-5.6	-4.4	-2.9	-0.6	0.0	-3.6	2.9	0.6	-0.3	1.8	-0.5	2.0	2.6
Korea	-3.1	-14.5	-3.8	-2.5	-0.5	13.1	5.6	-2.4	-1.1	5.1	7.9	2.4	-1.6	-0.3	1.2	-1.0	-2.0	0.5	1.9	0.6
Latvia	..	..	..	..	..	..	..	..	..	..	22.0	-10.7	-35.0	-8.7	4.1	-0.4	6.6	4.2	-2.7	7.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	0.4	-0.7	4.3	0.4	2.4	2.8	3.7	6.4	5.9
Mexico	..	..	..	..	..	..	..	..	..	3.2	2.5	-1.7	-0.1	-0.5	0.7	0.9	1.1	0.2	2.4	3.1
Netherlands	9.4	8.8	14.5	14.5	7.4	3.2	1.6	2.7	2.3	1.6	2.5	0.0	-3.5	-2.7	-4.0	-8.0	-8.2	0.1	3.6	4.3
New Zealand	4.8	-3.2	1.2	-2.7	-1.1	6.5	18.8	16.7	12.0	7.4	9.4	-7.8	-4.3	0.9	-1.8	4.0	8.3	5.6	10.8	12.5
Norway	9.3	8.4	8.9	12.7	4.6	3.6	-1.2	8.9	7.0	11.6	11.2	-4.4	-0.6	6.0	6.8	5.6	1.9	0.5	3.7	3.6
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.6	-6.6	-4.8	1.1	2.7	2.4
Portugal	0.6	2.0	6.3	3.9	1.6	-2.8	-2.4	-1.6	-1.5	-1.4	-2.8	-7.7	1.0	-1.0	-6.5	-8.8	-2.7	3.9	2.3	6.0
Slovak Republic	..	..	..	..	..	..	..	..	..	11.3	25.7	13.0	-12.8	-4.9	-5.2	-5.9	-0.4	1.5	5.5	7.0
Slovenia	..	..	..	..	..	..	..	..	..	..	..	1.3	-10.2	-1.3	0.9	-8.2	-6.0	-6.6	1.5	3.8
Spain	1.4	3.2	4.8	3.3	5.8	13.8	16.3	14.2	10.9	9.6	6.3	-4.8	-5.8	-3.6	-9.8	-16.8	-10.1	0.2	3.8	4.9
Sweden	5.1	9.0	7.8	10.1	5.6	4.8	4.9	8.5	7.8	11.1	10.9	-2.0	0.7	6.4	0.8	0.7	4.7	8.2	12.0	7.6
Switzerland	-4.4	-1.1	-0.5	-0.5	1.3	5.0	2.1	1.6	0.0	1.2	0.7	0.7	5.6	4.2	4.1	4.9	5.3	1.5	3.1	1.8
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2.2	3.6	6.9	6.0	9.6	7.5
United Kingdom	6.9	9.8	10.1	14.2	7.7	15.5	14.2	10.1	4.8	5.0	7.7	-8.0	-9.8	3.6	-4.8	-1.5	0.2	6.2	5.6	6.3
United States	1.1	4.0	4.6	4.1	4.9	5.6	5.6	6.9	7.4	3.2	-2.4	-10.8	-5.8	-4.6	-6.4	1.1	5.9	3.7	5.2	4.9
Euro area	-1.4	1.7	4.4	3.9	3.2	4.5	4.8	5.3	5.2	4.6	2.8	-1.9	-3.2	-0.2	-0.7	-3.4	-2.2	0.2	1.4	3.0
Total OECD	0.2	2.1	3.5	3.4	3.2	5.0	4.5	4.6	4.5	3.4	1.3	-5.0	-4.1	-0.6	-2.5	-0.6	2.0	2.3	3.9	4.2

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933504669

Annex Table 45. **House price-to-rent ratio**

Long-term average = 100

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	78.0	81.2	84.8	89.1	96.1	111.4	129.1	133.8	133.3	138.0	144.6	139.6	136.0	145.6	136.2	130.4	134.5	143.1	153.5	..
Austria	..	..	..	102.0	100.1	99.0	95.1	90.1	91.5	93.2	95.7	95.5	94.8	99.7	102.6	105.4	107.6	107.1	107.5	113.3
Belgium	81.7	85.9	90.7	94.2	96.9	100.5	105.1	112.1	122.8	130.9	138.4	141.7	138.2	140.8	144.8	145.8	145.6	141.8	142.7	145.1
Canada	79.7	77.8	79.1	81.6	84.1	89.1	95.1	101.8	109.1	120.7	132.6	137.4	131.6	141.6	147.0	152.0	153.4	158.6	164.9	179.8
Denmark	86.7	92.7	96.3	99.9	102.8	103.9	104.3	110.6	128.1	155.8	156.7	144.7	123.6	123.6	118.0	111.9	113.8	116.1	121.9	125.9
Finland	89.5	95.3	100.8	98.9	94.0	100.2	107.1	114.8	120.7	123.0	122.3	118.0	122.0	132.7	131.9	129.3	127.6	123.1	118.5	116.9
France	70.5	70.5	74.0	80.6	86.6	91.8	99.9	111.9	124.6	135.0	139.5	137.7	125.3	129.6	135.8	132.9	128.1	124.5	121.4	122.3
Germany	91.7	89.8	89.1	88.5	87.4	85.7	83.6	81.8	80.3	79.5	79.4	78.8	78.5	79.7	83.3	87.5	91.7	95.0	98.3	102.8
Greece	77.4	83.2	86.7	92.3	101.5	110.1	110.4	107.2	114.0	123.4	125.4	122.5	113.1	105.6	98.9	89.1	85.2	84.9	84.3	84.7
Ireland	77.4	92.9	136.0	146.6	136.2	149.2	180.9	195.7	195.5	183.3	149.9	124.1	150.8	127.3	93.5	82.9	85.8	101.0	109.2	113.2
Israel	105.5	99.0	95.2	92.3	86.2	81.3	79.4	80.4	81.8	81.6	84.3	92.1	93.6	105.8	112.4	112.0	119.4	124.7	129.9	137.8
Italy	79.3	76.9	78.6	83.0	87.9	94.1	101.0	108.0	113.6	118.0	121.3	120.4	112.2	108.9	108.0	102.7	95.6	91.7	89.2	88.3
Japan	109.1	107.5	104.4	100.5	96.3	91.4	86.0	81.1	77.3	75.1	74.4	75.0	70.9	72.3	72.6	72.3	73.8	75.2	77.3	79.2
Korea	85.0	76.8	79.0	80.8	80.7	89.0	93.7	92.9	94.1	99.9	108.0	113.1	112.3	112.7	113.7	110.4	106.4	105.6	105.9	105.6
Netherlands	88.2	94.4	106.5	122.5	132.6	137.3	138.0	139.6	141.4	144.0	148.0	148.8	138.9	133.5	128.6	117.3	106.3	102.5	102.8	105.9
New Zealand	78.5	75.3	77.7	76.9	85.8	91.5	105.9	121.4	135.2	146.2	157.9	146.6	141.9	142.8	141.7	145.2	155.0	161.6	176.2	..
Norway	76.3	82.8	89.6	99.9	102.8	103.4	101.0	109.1	115.8	128.7	142.2	136.6	134.5	141.6	149.5	156.7	158.1	158.1	163.2	171.4
Portugal	95.1	96.9	104.1	109.6	112.5	109.5	108.1	106.0	105.9	105.5	103.2	95.1	91.7	90.5	85.3	77.7	75.3	75.2	76.6	80.7
Spain	83.1	83.0	85.8	88.9	93.4	104.6	120.4	136.8	150.4	163.7	172.3	163.0	147.6	143.4	131.1	111.1	101.2	102.2	106.4	111.4
Sweden	59.7	64.9	71.0	78.6	83.4	86.8	90.2	95.6	101.8	113.4	125.6	123.9	123.6	131.3	131.6	129.8	133.9	144.0	160.5	172.8
Switzerland	82.2	81.5	80.8	80.3	79.7	82.5	84.8	85.8	85.5	86.1	85.9	86.1	88.2	91.3	93.9	96.7	100.8	100.9	102.3	103.4
United Kingdom	67.7	73.2	78.8	87.7	91.8	103.9	118.4	129.6	133.9	140.1	149.2	138.0	123.4	128.7	123.7	120.2	120.3	126.9	130.7	138.1
United States	90.0	91.2	94.2	97.3	100.3	103.5	108.8	116.0	124.9	127.9	123.4	110.7	103.1	100.4	95.0	95.8	100.5	102.9	105.4	108.1
Euro area	84.0	84.0	86.9	90.9	94.1	97.9	102.4	107.4	112.4	116.7	119.2	117.2	111.2	111.0	111.0	107.7	105.1	104.9	105.6	108.3
Total OECD	88.0	88.6	91.0	93.9	96.0	99.4	103.6	108.0	112.8	116.2	116.9	111.6	105.4	105.5	103.6	103.0	104.5	106.5	109.3	112.7

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933504688

Annex Table 46. **House price-to-income ratio**

Long-term average = 100

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	83.1	87.8	89.8	92.5	95.3	110.2	124.2	123.6	119.9	122.6	124.0	121.1	119.2	128.3	118.9	116.3	120.1	127.0	137.9	144.0
Austria	..	..	..	97.9	97.4	96.6	94.0	89.2	88.4	88.3	88.5	87.3	90.7	98.9	102.4	106.4	112.3	114.8	119.7	127.0
Belgium	84.2	87.0	90.9	91.3	91.6	97.2	102.8	110.0	119.2	125.0	129.4	129.2	127.5	132.0	135.9	137.5	138.8	137.5	139.2	140.0
Canada	92.6	88.4	86.9	85.6	86.8	91.0	96.1	100.0	104.3	110.2	117.5	118.6	114.7	120.6	122.4	125.0	124.6	127.9	130.0	139.5
Denmark	90.0	94.3	101.8	105.5	105.6	104.6	104.2	109.8	125.4	149.5	152.8	143.2	122.1	118.7	113.2	108.2	110.6	112.8	117.0	121.2
Finland	92.3	95.9	96.2	95.8	90.3	91.8	93.0	96.3	102.1	104.9	105.3	100.8	98.0	102.5	101.5	101.0	100.2	99.6	97.7	97.5
France	74.7	73.7	77.2	79.9	82.5	86.7	95.4	106.1	120.2	130.0	132.6	130.8	121.7	125.5	131.1	130.3	127.6	124.9	121.3	120.6
Germany	99.2	96.8	94.5	93.6	89.5	88.5	85.1	82.4	80.1	78.3	77.6	76.2	77.2	77.2	79.3	82.4	86.5	89.3	91.5	95.2
Greece	76.0	80.9	86.5	93.4	101.1	107.9	103.4	98.7	107.5	111.8	111.6	107.7	101.5	106.1	110.3	106.9	103.4	95.7	95.4	94.1
Ireland	77.3	86.5	100.7	120.8	120.1	121.7	131.9	139.7	142.1	156.8	158.8	139.5	121.8	110.1	95.4	79.9	82.7	93.5	97.4	100.6
Italy	78.4	79.5	81.7	84.8	87.6	92.6	99.3	106.0	111.7	115.2	117.6	118.6	118.1	117.8	116.3	117.2	110.6	105.4	101.7	99.4
Japan	104.0	101.8	99.9	97.5	96.2	91.7	87.3	81.7	77.5	75.2	74.0	75.0	71.4	72.0	72.4	71.4	72.7	73.4	74.2	74.6
Korea	81.1	72.5	68.6	66.7	65.8	72.0	73.9	69.6	67.1	68.6	72.3	73.6	71.9	69.6	69.5	68.1	64.4	62.8	61.3	60.1
Netherlands	89.1	94.5	105.2	118.7	120.7	125.9	130.3	134.8	139.1	141.2	142.4	144.3	139.1	137.0	131.3	122.1	114.0	115.0	115.5	119.5
New Zealand	93.8	89.5	84.9	86.4	82.7	89.3	98.8	110.9	122.0	126.8	131.3	125.2	117.7	115.8	111.0	114.8	122.4	131.3	144.0	156.3
Norway	80.7	83.2	88.7	96.9	102.4	98.5	93.5	99.2	98.7	118.8	125.9	117.9	115.0	120.7	125.5	128.7	127.9	126.5	126.0	134.8
Portugal	113.1	109.0	111.2	113.6	114.3	110.5	110.0	105.6	103.5	102.2	98.1	89.8	89.5	87.8	86.9	83.2	81.3	84.6	84.6	87.3
Spain	83.8	84.2	85.9	84.7	87.1	97.7	111.5	126.5	139.7	152.9	165.0	156.9	144.6	145.0	132.9	117.3	106.8	105.8	107.6	110.1
Sweden	76.7	82.0	85.7	89.8	89.4	91.1	95.1	102.3	108.5	116.3	123.2	118.6	117.8	124.6	121.6	118.8	123.2	131.0	144.8	153.1
Switzerland	83.9	80.7	78.3	76.1	75.4	80.0	82.7	83.6	82.7	81.5	79.7	80.4	84.2	87.7	90.7	92.6	95.4	96.8	101.6	103.8
United Kingdom	67.1	72.1	77.2	83.4	86.4	98.4	111.0	121.7	126.0	131.8	139.6	128.8	113.7	117.5	115.2	111.9	113.4	119.9	123.0	129.5
United States	92.2	91.6	93.9	94.1	97.0	100.4	104.1	108.4	115.7	115.9	111.9	99.2	94.7	90.2	83.0	81.9	88.6	89.5	91.7	94.3
Euro area	87.1	87.2	89.3	91.3	91.8	95.3	99.4	103.6	108.7	112.4	114.5	112.3	108.9	109.8	109.9	108.6	107.1	106.9	106.9	108.5
Total OECD	90.2	89.8	91.4	92.2	93.6	96.9	100.3	103.0	106.9	108.7	108.6	102.7	98.4	97.3	93.9	92.7	95.0	96.0	97.7	100.1

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933504707

Annex Table 47. **Export volumes of goods and services**

National accounts basis, percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-1.3	2.7	2.7	3.1	6.0	8.1	12.9	5.6	8.2	0.7	-9.3	13.9	4.1	-4.1	-3.5	-7.0	-0.6	3.7	6.8	6.3
Australia	4.5	11.3	2.7	0.6	-1.7	3.9	3.0	3.2	3.2	3.5	2.5	5.4	-0.2	6.2	5.9	6.9	5.8	7.6	6.7	7.2
Austria	6.2	13.4	5.8	4.0	0.4	8.7	6.3	7.9	7.3	2.1	-14.9	13.7	6.0	1.7	0.5	2.4	3.6	1.4	5.6	4.6
Belgium	5.0	12.4	0.4	3.7	1.6	6.2	5.0	5.3	5.7	1.7	-9.4	10.3	6.7	1.8	0.8	5.1	4.3	6.0	5.1	3.8
Brazil	5.7	14.5	7.8	6.5	11.1	13.5	11.6	4.8	5.4	-0.2	-8.6	11.6	5.5	-0.3	2.6	-1.0	6.2	1.8	4.7	4.6
Canada	10.8	9.1	-3.0	1.2	-1.7	5.5	2.2	0.9	1.1	-4.6	-13.0	6.6	4.8	2.6	2.7	5.8	3.4	1.1	2.3	4.4
Chile	6.7	5.3	6.9	2.4	6.6	14.4	2.8	5.1	7.2	-0.6	-4.2	2.3	5.5	0.4	3.3	0.3	-1.8	-0.1	-0.6	2.7
China	11.3	28.3	6.0	26.5	28.0	24.4	23.5	25.1	20.2	9.7	-10.8	24.9	14.0	6.2	9.1	4.2	-2.3	1.9	8.9	4.3
Colombia	5.6	7.8	2.8	-2.4	7.4	9.8	5.7	8.6	6.9	4.5	-2.8	1.3	11.8	6.0	5.2	-1.5	1.2	-0.9	0.9	4.1
Costa Rica	5.0	2.2	1.5	2.8	5.7	10.2	6.0	8.1	7.6	2.0	-8.3	9.1	6.9	5.5	3.4	5.2	0.2	9.5	5.2	5.1
Czech Republic	4.8	15.6	9.4	0.8	8.9	29.2	18.4	14.8	11.0	3.8	-9.5	14.4	9.2	4.5	0.2	8.7	7.9	4.0	3.8	4.5
Denmark	11.3	12.6	3.4	4.4	-1.2	3.0	7.7	10.3	3.7	3.9	-9.2	2.9	7.2	1.2	1.6	3.6	1.8	1.7	4.5	3.0
Estonia	0.5	-6.9	6.3	2.8	10.1	17.3	20.0	9.5	12.6	0.9	-20.3	24.0	24.2	4.8	2.3	3.1	-0.6	3.6	3.8	3.9
Finland	11.3	16.1	1.3	3.7	-1.2	8.7	6.9	10.1	9.1	6.6	-20.1	6.2	2.0	1.2	1.1	-2.7	2.0	0.5	5.0	4.5
France	4.8	13.1	2.9	1.7	-1.0	4.7	3.7	5.9	2.9	0.0	-11.1	8.7	7.1	2.7	1.9	3.4	6.0	1.2	2.5	3.9
Germany	5.0	14.5	6.1	4.3	1.8	10.3	7.0	12.8	9.6	1.3	-14.3	14.2	8.4	3.5	2.0	4.0	4.6	2.5	4.2	3.7
Greece	24.5	23.2	-1.2	-7.2	-0.8	18.1	4.3	5.2	10.0	3.6	-18.2	4.5	0.8	1.0	1.1	7.7	3.1	-1.5	7.1	4.5
Hungary	11.8	24.9	8.8	5.7	6.3	17.9	12.9	19.5	16.1	6.9	-11.4	11.3	6.5	-1.8	4.2	9.8	7.7	5.8	4.8	5.4
Iceland	3.1	3.9	6.7	3.4	0.9	8.2	7.1	-4.7	23.3	3.3	8.3	1.0	3.4	3.6	6.7	3.2	9.2	11.1	6.3	3.5
India[1]	18.0	18.2	4.3	21.1	9.6	27.2	26.1	20.4	5.9	14.6	-4.7	19.6	15.6	6.8	7.8	1.7	-5.4	2.3	5.5	6.1
Indonesia	-31.8	26.5	0.6	-1.2	5.9	13.5	16.6	9.4	8.5	9.5	-2.0	15.3	14.8	1.6	4.2	1.1	-2.1	-1.7	10.7	5.6
Ireland	15.6	20.9	14.1	6.5	-1.8	6.6	5.5	6.1	8.9	-3.8	4.6	5.7	2.9	2.3	3.1	14.4	34.5	2.4	6.3	4.0
Israel	14.7	23.5	-11.1	-2.0	8.2	17.6	5.1	5.3	10.5	5.8	-11.1	15.2	9.6	-1.7	3.6	1.5	-4.0	3.0	5.6	3.8
Italy	-1.3	12.8	2.3	-2.5	-1.5	5.5	4.3	8.5	5.5	-3.3	-18.0	11.4	6.1	2.0	0.9	2.4	4.1	2.6	4.1	3.6
Japan	1.9	12.7	-6.7	7.8	9.5	14.3	7.2	10.3	8.7	1.6	-23.4	24.9	-0.2	-0.1	0.8	9.3	2.9	1.2	6.4	3.4
Korea	13.1	17.2	-2.3	13.0	13.9	20.6	7.8	12.1	12.7	7.5	-0.3	12.7	15.1	5.1	4.3	2.0	-0.1	2.1	3.9	4.4
Latvia	-6.3	14.4	9.0	5.0	4.0	13.7	23.5	7.5	13.8	2.4	-12.9	13.4	12.0	9.8	1.1	3.9	2.6	2.8	3.5	3.7
Lithuania	-18.8	14.1	24.1	20.2	9.1	4.2	20.5	12.6	3.2	13.5	-12.8	18.9	14.9	12.2	9.6	3.5	-0.4	3.5	3.7	3.9
Luxembourg	11.6	15.6	6.5	2.6	2.4	9.8	6.0	13.5	8.6	4.6	-11.3	9.8	4.2	3.6	6.1	11.4	11.2	4.3	5.0	4.6
Mexico	5.3	11.4	-2.1	-0.6	2.2	9.2	5.6	7.7	3.6	-1.2	-11.9	20.5	8.3	5.9	2.3	6.9	10.4	1.2	3.2	2.7
Netherlands	8.5	13.0	1.4	0.5	1.9	8.1	5.6	7.5	5.6	1.8	-8.9	10.3	4.4	3.8	2.3	4.4	5.0	3.3	3.8	4.3
New Zealand	8.3	7.7	3.3	6.9	2.4	5.2	-0.6	1.8	4.9	-1.2	1.9	3.3	2.6	1.8	1.0	3.1	6.8	1.6	0.7	3.6
Norway	2.8	3.2	4.3	-0.3	-0.1	1.0	0.5	-0.8	1.4	0.1	-4.1	0.7	-0.8	1.4	-1.7	3.1	3.7	-0.5	1.4	1.2
Poland	-2.6	23.9	2.4	4.7	14.1	4.9	9.9	15.6	10.0	7.1	-5.9	13.1	7.9	4.6	6.1	6.7	7.7	9.0	7.8	6.3
Portugal	3.6	8.4	2.3	3.1	3.3	4.5	0.5	12.4	7.3	-0.3	-10.2	9.5	7.0	3.4	7.0	4.3	6.1	4.4	5.5	4.5
Russia	11.2	9.5	4.2	10.3	12.6	11.8	6.5	7.3	6.3	0.6	-4.7	7.0	0.3	1.4	4.6	0.6	3.6	3.1	3.4	3.0
Slovak Republic	10.1	7.5	10.6	7.0	18.4	20.9	12.9	22.9	14.6	3.0	-16.8	15.7	12.0	9.3	6.7	3.7	7.0	4.8	6.8	7.1
Slovenia	2.0	12.6	7.2	7.8	3.2	13.0	11.4	14.1	13.6	4.2	-16.6	10.2	6.9	0.6	3.1	5.7	5.6	5.9	5.5	5.7
South Africa	1.3	8.3	2.4	1.0	0.1	2.8	8.6	7.5	7.8	1.5	-17.0	7.7	3.5	0.8	3.6	3.2	3.9	-0.1	4.3	4.5
Spain	8.0	10.5	3.7	1.4	3.4	4.3	1.8	4.9	8.3	-0.8	-11.0	9.4	7.4	1.1	4.3	4.2	4.9	4.4	6.7	5.0
Sweden	6.8	12.0	0.9	1.3	4.4	9.8	6.6	9.1	4.7	1.6	-14.3	11.4	6.2	1.5	-0.8	5.5	5.2	3.0	3.5	3.6
Switzerland	3.1	12.6	0.0	-2.0	-0.9	9.0	6.8	6.6	11.3	3.7	-10.0	12.5	5.2	1.2	15.3	-6.1	2.2	4.6	5.8	4.0
Turkey	-11.2	17.4	4.6	7.8	6.7	11.6	8.1	6.5	7.3	3.8	-3.7	1.7	13.4	14.9	1.1	8.2	4.2	-2.0	5.3	3.9
United Kingdom	2.8	9.6	2.1	2.4	2.7	5.1	8.1	12.5	-1.5	1.1	-8.8	5.8	5.8	0.6	1.1	1.5	6.1	1.8	1.9	2.6
United States	2.6	8.6	-5.8	-1.7	1.8	9.8	6.2	9.0	9.3	5.7	-8.8	11.9	6.9	3.4	3.5	4.3	0.1	0.4	2.9	3.0
Total OECD	4.8	12.0	0.5	2.0	2.3	8.7	5.9	8.6	6.8	1.9	-11.1	11.4	6.3	2.9	2.8	4.4	4.4	2.3	4.1	3.8

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504726

Annex Table 48. **Import volumes of goods and services**

National accounts basis, percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-11.3	-0.2	-13.9	-50.1	37.6	40.1	15.8	11.0	19.6	13.6	-18.4	35.2	22.0	-4.7	3.9	-11.5	5.7	5.4	5.4	7.2
Australia	8.4	7.6	-4.6	11.1	10.9	15.4	8.8	8.5	13.1	10.5	-8.8	15.3	10.7	5.7	-2.2	-1.1	1.8	0.4	3.5	3.7
Austria	4.1	10.2	5.2	0.2	3.3	8.0	5.4	5.9	5.6	1.0	-12.1	11.9	6.3	1.1	0.7	1.3	3.4	3.1	6.2	5.0
Belgium	3.3	13.5	-1.0	0.9	1.5	6.2	6.5	4.6	5.7	3.5	-9.0	9.6	7.3	1.4	0.3	5.9	4.3	6.0	5.3	3.7
Brazil	-15.2	11.9	2.6	-13.5	-0.7	9.7	8.9	17.7	18.5	16.4	-7.3	33.9	10.5	0.3	6.9	-1.9	-13.9	-10.3	5.2	2.7
Canada	8.1	8.5	-4.9	1.8	4.2	8.5	7.3	5.3	5.8	0.9	-12.4	13.8	5.6	3.6	1.6	2.2	0.3	-1.0	0.8	3.2
Chile	-9.7	10.3	5.3	1.8	5.7	19.3	18.5	11.8	13.8	11.5	-16.6	25.7	15.2	5.2	2.0	-6.6	-2.7	-1.6	2.2	3.6
China	23.2	24.0	9.2	25.0	32.5	23.3	12.9	16.8	13.7	5.6	4.0	18.1	16.0	7.1	11.0	8.3	2.6	6.6	7.5	3.5
Colombia	-24.2	6.7	8.7	0.3	8.2	10.3	11.9	20.0	14.0	10.5	-9.1	10.8	21.5	9.1	6.0	7.9	1.4	-6.2	2.1	3.7
Costa Rica	-3.1	-3.9	0.0	6.0	4.6	4.9	6.9	7.9	9.8	6.9	-18.9	18.9	10.8	7.9	1.6	5.0	4.6	7.8	6.9	5.6
Czech Republic	4.3	15.4	11.2	4.7	8.6	25.6	13.0	11.9	12.8	2.8	-10.7	14.5	6.7	2.8	0.1	10.1	8.4	3.0	3.0	4.9
Denmark	2.6	13.7	2.4	6.4	-1.0	7.1	11.3	14.0	5.8	4.8	-11.9	0.5	7.4	2.7	1.5	3.6	1.3	2.4	4.1	3.0
Estonia	-6.1	-5.3	12.5	13.4	13.9	15.7	17.0	20.9	13.2	-6.0	-30.6	20.7	27.4	9.7	3.3	2.2	-1.4	4.8	4.7	4.7
Finland	4.3	14.9	1.4	4.3	4.1	8.1	11.2	6.7	7.4	7.9	-16.9	6.5	6.0	1.6	0.5	-1.3	3.1	2.5	3.1	3.1
France	6.6	16.0	2.3	1.9	1.0	5.7	6.4	6.0	5.8	1.0	-9.3	8.4	6.6	0.8	2.2	4.8	6.4	3.5	4.4	4.2
Germany	8.6	11.3	1.2	-2.5	5.7	7.1	6.0	11.5	6.5	1.8	-9.6	12.6	7.1	0.4	3.2	4.0	5.0	3.7	4.1	3.9
Greece	14.5	22.4	-1.2	-3.4	7.4	4.1	2.4	13.2	14.4	1.1	-20.2	-3.4	-8.3	-9.4	-3.4	7.6	0.3	0.5	5.3	3.5
Hungary	13.3	23.1	5.8	8.7	9.5	17.3	7.8	15.5	13.9	6.0	-14.7	10.2	4.4	-3.5	4.5	10.9	6.1	5.7	5.8	6.8
Iceland	3.4	7.8	-10.0	-2.7	10.3	13.7	28.8	9.8	-2.3	-20.3	-22.4	4.4	6.8	4.6	0.0	9.8	13.5	14.7	5.8	2.6
India[1]	7.0	4.5	2.8	12.3	13.8	22.2	32.6	21.5	10.2	22.7	-2.1	15.6	21.1	6.0	-8.1	0.8	-5.9	-1.2	2.0	4.9
Indonesia	-40.7	25.9	4.2	-4.2	1.6	26.7	17.8	8.6	9.1	10.0	-9.3	16.6	15.0	8.0	1.9	2.1	-6.4	-2.3	7.9	5.7
Ireland	12.6	21.8	13.0	5.4	-2.4	2.4	12.0	9.3	9.5	-2.5	-2.1	0.8	2.5	5.8	0.9	15.3	21.7	10.4	8.8	4.7
Israel	15.5	11.9	-5.5	-1.1	-0.9	11.8	3.4	3.4	11.1	2.4	-13.9	15.3	11.0	2.1	-0.4	3.8	-0.4	9.4	1.8	6.3
Italy	4.1	11.3	1.7	0.9	1.3	4.1	3.8	8.2	4.7	-3.9	-12.8	12.1	1.2	-8.2	-2.3	3.1	6.7	3.1	4.7	3.9
Japan	3.6	9.3	1.0	0.7	3.4	8.1	6.1	4.7	2.2	0.7	-15.7	11.2	5.8	5.4	3.3	8.3	0.8	-2.3	3.2	1.9
Korea	24.9	21.8	-3.6	15.0	10.6	12.3	7.8	12.4	11.6	3.2	-6.8	17.3	14.3	2.4	1.7	1.5	2.1	4.5	7.5	3.8
Latvia	-5.2	2.7	15.6	2.7	11.9	21.0	16.9	21.4	17.3	-10.7	-31.7	12.4	22.0	5.4	-0.2	0.5	2.1	4.6	3.9	5.2
Lithuania	-14.5	6.6	19.7	20.1	9.6	15.5	20.3	14.3	10.8	12.2	-28.0	18.7	14.2	6.6	9.3	3.3	6.2	3.9	4.7	4.9
Luxembourg	12.8	13.7	6.6	1.1	4.6	11.6	5.7	12.5	6.8	9.3	-13.8	12.2	5.3	4.8	5.2	12.4	12.1	4.0	5.2	4.5
Mexico	11.7	19.6	0.2	0.6	0.4	8.9	8.4	10.4	5.9	3.7	-17.1	20.5	8.1	4.8	3.3	5.9	8.7	0.4	1.2	1.7
Netherlands	9.8	11.7	2.0	0.4	2.0	6.4	5.4	8.2	5.6	2.2	-7.7	9.1	3.5	2.7	1.1	4.2	5.8	3.6	3.8	4.5
New Zealand	12.4	-0.9	2.3	9.8	8.6	16.8	6.2	-2.4	9.3	3.3	-14.4	10.9	6.9	2.7	6.4	7.9	3.6	4.2	6.1	4.5
Norway	-1.6	2.0	1.7	1.0	1.2	9.0	7.9	9.1	10.0	3.2	-10.0	8.3	4.0	3.1	4.9	2.4	1.6	0.8	2.9	2.6
Poland	1.2	13.6	-3.8	2.6	9.6	8.1	6.3	18.1	15.8	9.5	-12.4	14.3	5.8	-0.3	1.7	10.0	6.6	8.9	6.5	7.1
Portugal	9.1	5.5	1.1	-0.2	-0.4	7.6	2.2	7.5	5.4	2.5	-9.9	7.8	-5.8	-6.3	4.7	7.8	8.2	4.4	5.2	3.9
Russia	-17.0	32.4	18.7	14.6	17.3	23.3	16.6	21.3	26.2	14.8	-30.4	25.8	20.3	9.7	3.9	-7.1	-26.0	-4.0	5.0	2.2
Slovak Republic	-3.6	6.6	18.9	5.8	8.0	21.6	15.3	19.5	9.4	3.6	-18.8	14.7	9.6	2.5	5.6	4.4	8.1	2.9	6.8	6.8
Slovenia	8.4	6.6	3.6	5.6	6.5	14.0	7.3	12.4	16.8	3.8	-18.8	6.8	5.0	-3.7	2.1	4.2	4.6	6.2	6.0	6.4
South Africa	-8.4	5.3	0.2	5.3	8.1	15.5	10.9	18.3	9.4	2.8	-17.7	10.8	11.9	4.2	5.0	-0.5	5.4	-3.7	2.9	5.9
Spain	13.9	9.5	3.5	3.6	5.9	10.1	7.0	8.2	8.6	-5.6	-18.3	6.9	-0.8	-6.4	-0.5	6.5	5.6	3.3	5.5	4.9
Sweden	4.7	12.0	-1.6	-1.3	4.0	5.7	6.9	8.7	7.9	3.5	-14.0	12.3	7.4	1.1	-0.2	6.5	5.1	3.3	3.2	4.0
Switzerland	3.3	8.3	0.9	-2.1	0.4	3.4	10.0	3.4	5.8	4.8	-3.8	7.9	9.4	-2.5	13.5	-7.8	4.3	2.7	6.2	4.8
Turkey	-3.4	21.2	-24.2	20.8	24.2	20.2	11.9	7.7	9.4	-2.6	-14.6	20.0	14.8	0.6	8.7	-0.6	1.5	4.1	4.0	4.2
United Kingdom	7.4	9.6	4.7	5.5	2.7	6.6	6.6	10.1	-1.2	-1.9	-9.2	8.2	0.8	2.9	3.4	2.5	5.5	2.8	3.8	1.3
United States	10.1	13.0	-2.8	3.7	4.5	11.4	6.3	6.3	2.5	-2.6	-13.7	12.7	5.5	2.2	1.1	4.4	4.6	1.1	4.7	5.1
Total OECD	7.7	12.2	0.1	2.5	4.0	8.7	6.8	8.1	5.5	0.5	-11.9	11.4	5.8	1.3	2.1	4.1	4.7	2.6	4.4	4.0

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504745

Annex Table 49. **Export prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-9.4	9.1	-3.0	176.6	3.7	9.2	3.7	15.3	14.0	23.8	6.2	13.2	22.7	11.1	18.4	44.9	-1.8	53.3	19.0	11.0
Australia	-4.7	12.4	5.9	-2.2	-5.4	4.1	11.9	12.6	1.0	22.2	-12.2	8.2	11.1	-9.7	-0.2	-4.0	-8.7	-3.1	5.9	-1.0
Austria	0.1	1.7	0.5	0.1	0.0	1.1	2.0	2.4	1.9	2.4	-2.6	2.7	4.0	1.3	0.0	-0.2	-0.6	-0.5	2.7	1.1
Belgium	0.0	5.8	1.4	-1.1	-1.3	2.1	3.7	2.6	2.2	3.9	-5.4	4.6	3.9	1.3	-0.3	-1.0	-2.1	-1.3	0.7	0.8
Brazil	39.5	2.6	23.4	21.3	12.2	8.8	-8.1	-0.4	-0.4	15.7	-5.3	2.8	13.9	12.7	7.1	4.0	14.0	0.2	7.0	1.8
Canada	1.1	6.3	1.3	-1.8	-1.6	2.1	2.8	0.2	0.8	10.6	-9.7	1.7	6.9	-0.8	1.2	3.5	-3.1	-0.8	4.7	1.5
Chile	7.6	10.7	6.5	5.4	11.0	12.8	11.7	23.7	6.1	-4.3	-3.8	14.9	3.8	-4.1	-3.0	10.5	-2.6	1.2	3.7	2.9
China	-5.5	-0.7	1.4	-3.3	5.1	9.0	2.0	-0.2	0.6	-0.9	-7.9	1.8	4.9	-0.5	-3.3	0.6	0.1	-3.3	2.3	2.3
Colombia	24.7	23.7	1.8	7.1	15.7	4.1	5.0	8.8	-1.5	14.7	-2.5	6.0	19.7	-1.5	-2.2	-1.8	-0.2	0.3	11.1	1.9
Costa Rica	6.6	12.1	5.4	7.1	13.2	11.3	14.0	11.7	4.1	9.4	6.1	-2.7	1.0	1.3	0.3	7.4	-0.1	2.7	1.8	1.3
Czech Republic	1.0	3.8	0.3	-4.8	0.1	2.7	-2.2	-1.3	0.3	-4.3	0.5	-1.2	0.8	3.1	1.5	4.0	-1.5	-3.8	1.6	1.3
Denmark	-0.5	8.2	1.6	-1.1	-1.1	2.0	5.5	2.8	1.2	5.0	-8.4	9.5	1.3	3.0	0.6	-1.7	2.0	-3.9	1.5	1.5
Estonia	-0.2	8.3	5.9	3.1	0.0	1.2	4.4	5.6	6.3	6.6	-2.2	3.1	5.4	2.2	1.2	-0.3	-1.4	0.0	2.0	2.1
Finland	-5.0	3.5	-1.3	-2.5	-1.4	-0.4	1.2	2.3	1.0	-0.2	-5.9	3.8	4.5	1.1	-1.1	-0.4	-1.1	-2.4	1.2	0.6
France	-1.6	2.6	-0.3	-1.5	-1.7	0.5	1.8	2.1	1.9	3.2	-3.8	2.3	2.9	1.4	-0.2	-0.9	-0.4	-1.0	2.6	1.2
Germany	-0.7	2.7	0.7	-0.6	-1.3	-0.2	1.1	1.1	0.3	1.0	-2.6	2.3	2.6	1.8	-0.6	-0.2	1.1	-1.0	2.0	1.3
Greece	1.8	6.2	3.9	1.9	1.9	2.0	2.1	3.3	2.9	3.9	-2.0	5.9	5.5	2.7	-1.6	-2.0	-6.0	-3.8	4.6	1.2
Hungary	4.8	10.0	3.0	-4.1	0.1	-1.1	-0.5	6.4	-3.9	0.8	2.9	1.8	3.4	3.1	0.0	1.0	-0.3	-0.8	1.4	2.3
Iceland	0.4	4.1	21.8	-1.2	-6.4	1.7	-4.4	21.4	-0.9	36.1	14.3	8.8	7.0	1.6	-3.1	-1.2	1.9	-10.0	-3.4	1.3
India[1]	-2.9	3.4	0.3	1.0	6.9	7.1	-0.7	5.8	6.3	13.7	2.7	9.9	8.9	6.5	8.7	-1.4	0.7	3.2	1.5	3.8
Indonesia	13.1	9.9	12.1	-6.2	-2.7	6.2	9.6	0.2	3.4	15.8	-5.8	1.9	7.7	1.1	3.5	8.4	-0.4	-1.2	5.3	2.3
Ireland	2.4	5.4	-0.4	-0.6	-2.6	0.3	2.1	1.7	0.1	3.1	-4.1	3.0	-0.3	3.4	-1.2	0.4	7.4	-1.8	1.3	2.9
Israel	9.7	-1.8	0.9	11.9	-1.9	0.9	4.5	1.9	-3.8	-5.2	2.6	-2.4	0.5	8.1	-4.9	-0.9	4.7	-0.9	-2.8	1.7
Italy	0.4	4.3	2.4	1.4	-0.1	1.1	1.9	2.2	2.4	2.9	-2.0	2.3	4.0	1.9	-0.3	-0.1	-0.4	-0.9	2.3	1.7
Japan	-8.7	-4.0	2.5	-1.4	-3.7	-1.4	1.4	3.2	2.3	-3.9	-11.8	-1.7	-2.3	-1.8	10.4	3.0	0.8	-8.4	3.2	1.0
Korea	-19.2	-2.0	3.7	-7.7	-0.9	4.9	-6.4	-5.4	1.1	25.6	-0.4	1.3	3.2	-0.6	-4.8	-4.9	-5.0	-4.5	2.6	2.8
Latvia	-0.6	0.5	3.1	3.0	8.0	10.0	10.1	8.3	11.7	8.3	-4.4	5.8	8.8	4.1	1.3	-1.5	-0.5	-1.7	2.5	2.0
Lithuania	-0.3	9.6	-2.2	-4.2	-2.0	7.7	8.6	5.1	5.8	12.5	-14.1	10.1	11.5	3.4	-1.5	-2.6	-4.0	-2.0	4.3	2.0
Luxembourg	6.0	9.7	-4.1	-0.7	-0.5	5.4	8.5	8.5	5.0	-0.1	-4.3	4.7	6.2	3.4	2.9	3.3	3.2	-0.1	4.3	2.6
Mexico	13.5	8.0	-3.6	5.3	11.6	9.0	4.1	7.5	5.1	9.5	9.5	-0.2	5.8	6.1	-1.9	1.7	4.2	14.7	14.4	8.7
Netherlands	-1.3	5.8	0.7	-1.8	-0.9	1.0	3.4	3.1	1.7	4.3	-6.5	5.4	4.8	2.4	-0.9	-2.1	-2.9	-2.6	5.4	2.6
New Zealand	0.0	13.3	7.3	-6.9	-7.4	0.8	1.1	7.2	1.0	15.3	-8.0	3.0	5.7	-5.3	2.4	1.7	-3.9	-1.3	0.6	1.8
Norway	10.7	36.7	-2.2	-10.2	2.0	12.9	17.4	15.5	1.5	17.5	-17.0	7.5	12.8	2.9	1.6	-1.7	-7.9	-8.6	11.5	2.4
Poland	7.0	0.6	2.7	4.6	6.2	7.9	-2.4	2.3	2.7	-0.7	11.4	0.3	6.8	3.8	-0.1	0.0	1.1	-0.4	0.7	1.9
Portugal	0.4	5.5	0.6	0.1	-1.5	1.7	1.6	4.4	1.9	2.7	-5.0	3.3	5.0	1.7	-1.0	-1.2	-1.1	-2.0	2.1	1.0
Russia	128.3	41.0	-1.6	4.8	8.4	12.6	21.9	11.2	3.9	28.1	-11.9	16.6	24.8	7.2	-1.4	12.5	7.8	-10.2	5.6	0.7
Slovak Republic	-1.1	17.3	4.9	1.0	1.5	1.8	1.6	2.1	0.5	1.4	-5.1	3.0	4.0	1.2	-1.9	-3.3	-1.4	-1.4	1.5	1.5
Slovenia	2.2	10.5	8.0	4.5	2.8	3.0	2.8	2.7	2.5	1.4	-1.1	2.2	4.2	1.0	-0.7	-0.1	-0.1	-1.2	2.1	1.6
South Africa	6.9	15.1	16.8	24.7	-8.0	2.6	6.2	15.6	13.3	26.4	0.0	4.3	13.2	4.2	9.1	5.3	-0.3	7.0	5.9	5.9
Spain	0.1	6.7	1.7	0.4	-0.3	1.8	4.0	4.1	2.4	2.6	-2.7	3.0	4.5	2.0	-0.7	-1.7	0.5	-1.1	4.1	2.0
Sweden	-1.6	2.3	2.6	-1.5	-2.0	-0.3	2.6	3.0	2.0	4.0	1.3	-0.7	-1.0	-1.0	-2.5	2.0	1.8	-1.5	3.4	1.9
Switzerland	0.1	3.3	-0.1	-2.0	0.4	0.7	1.8	4.9	3.9	2.5	-0.4	2.3	-0.5	2.2	-5.2	-3.0	-5.0	0.5	0.8	0.5
Turkey	51.5	42.1	87.9	25.1	10.9	13.0	-0.2	13.3	1.9	17.1	3.2	3.4	15.4	4.2	7.3	11.5	7.8	7.0	8.1	2.0
United Kingdom	0.6	1.6	1.0	-1.7	1.9	-0.6	3.1	1.5	-0.8	9.4	3.8	5.4	5.7	-0.2	2.6	-2.6	-4.7	3.9	7.0	2.8
United States	1.4	1.8	-0.6	-0.6	2.0	3.5	4.3	3.4	3.2	4.7	-5.5	4.3	6.4	0.9	0.1	0.1	-4.8	-1.8	2.4	1.9
Total OECD	0.6	4.4	2.4	-0.3	0.4	2.3	2.4	3.1	1.8	5.0	-3.1	2.9	4.3	1.3	0.1	0.0	-1.2	-0.7	3.7	2.2

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504764

Annex Table 50. **Import prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-4.5	1.1	-3.0	203.2	-3.8	6.1	6.6	11.3	10.0	13.2	5.2	9.0	12.3	8.4	25.8	47.0	2.3	47.7	17.0	10.0
Australia	-4.3	7.6	5.8	-4.1	-8.5	-5.0	0.6	4.2	-4.0	7.4	-2.4	-7.5	-1.3	0.9	3.5	4.0	3.3	-3.1	0.9	2.0
Austria	0.6	2.7	0.3	-0.6	-0.8	1.7	2.8	3.6	2.3	3.8	-4.7	4.6	5.8	1.8	-0.1	-0.7	-1.8	-1.3	2.2	0.9
Belgium	0.9	7.6	1.3	-1.8	-1.0	3.0	4.4	3.3	2.0	6.6	-8.3	6.3	5.1	1.5	-0.5	-1.4	-3.1	-2.1	0.8	0.9
Brazil	54.8	7.5	25.4	19.7	13.4	4.8	-7.9	-7.3	-2.2	12.3	-4.8	-9.1	5.8	17.2	10.5	8.7	24.0	0.5	-4.2	1.8
Canada	-0.3	2.0	2.5	0.5	-6.7	-2.2	-0.7	-0.8	-2.2	6.0	-0.6	-3.4	3.4	0.7	1.2	4.9	4.0	1.3	2.0	1.6
Chile	4.1	7.8	8.9	4.2	3.2	-5.4	1.0	-0.6	3.9	16.5	-8.1	-1.9	4.5	0.4	-0.1	13.1	1.7	-0.6	0.6	3.3
China	-5.9	7.6	-0.4	-3.1	5.2	9.5	2.2	0.5	1.7	4.6	-15.1	12.5	8.9	-3.0	-4.2	-2.2	-11.2	-3.4	6.9	1.9
Colombia	23.6	19.6	10.1	6.2	12.7	-1.9	-2.8	2.8	-5.1	3.2	4.2	-5.2	5.1	-1.2	1.4	4.9	13.8	1.6	2.6	2.0
Costa Rica	11.9	14.6	5.1	9.2	14.4	13.8	16.7	14.3	7.5	13.2	-0.9	-6.6	2.8	-0.3	-0.2	5.7	-5.7	-0.9	1.1	3.5
Czech Republic	1.8	7.0	-2.5	-8.1	0.0	1.6	0.0	0.7	-0.8	-3.0	-1.5	0.7	2.5	3.5	0.5	2.5	-1.6	-4.7	2.3	0.9
Denmark	-0.2	7.5	1.7	-2.2	-1.9	1.1	3.6	3.5	1.7	3.1	-8.6	6.9	3.3	2.4	-0.4	-2.4	1.8	-4.1	1.1	1.2
Estonia	0.3	5.4	1.4	-1.0	-1.6	1.0	1.8	3.2	4.0	6.2	-2.6	5.7	4.6	2.5	-0.3	-1.4	-1.8	-0.9	2.0	2.1
Finland	-2.0	7.4	-2.9	-2.7	0.0	1.8	4.7	5.6	1.1	1.7	-7.1	6.0	6.1	2.1	-1.7	-1.6	-3.7	-1.8	1.4	0.7
France	-1.9	5.3	-0.5	-3.1	-1.6	1.4	3.2	3.6	0.7	3.8	-6.2	3.7	5.4	1.7	-1.4	-2.0	-3.0	-2.3	3.4	1.2
Germany	-1.5	7.3	0.6	-2.6	-2.5	-0.4	3.0	2.8	0.1	2.8	-6.9	4.8	5.5	2.0	-1.6	-1.5	-1.4	-2.5	3.9	1.1
Greece	1.1	8.2	2.9	0.9	-0.1	2.1	3.2	3.4	2.0	5.5	-1.4	5.3	6.0	4.2	-2.8	-3.6	-10.5	-2.6	4.1	3.5
Hungary	5.4	12.3	2.4	-5.2	0.4	-0.9	1.3	7.8	-4.4	2.0	1.6	1.7	4.9	4.1	-0.8	0.3	-1.0	-2.2	2.0	2.3
Iceland	1.1	6.9	21.7	-1.7	-2.4	3.2	-5.3	17.7	2.8	45.7	23.9	4.1	10.0	4.8	-1.1	-4.3	-4.5	-12.1	-3.8	1.3
India[1]	9.9	7.2	1.7	8.7	1.0	17.1	-1.9	5.3	6.2	8.0	4.1	7.9	9.6	8.0	11.8	0.5	0.0	2.5	4.7	5.0
Indonesia	23.1	11.4	14.8	-0.8	-4.6	7.2	11.5	-5.1	7.5	28.9	-7.7	3.8	5.6	6.7	7.6	7.1	-1.1	-2.8	5.2	3.3
Ireland	2.3	3.6	-0.1	-2.7	-1.6	5.5	0.4	2.7	0.0	1.6	-2.3	6.0	-2.7	2.7	-0.6	2.0	4.7	-1.6	1.5	2.4
Israel	7.4	0.8	1.8	12.1	0.5	3.7	6.7	3.2	-1.8	-2.7	-4.2	0.0	4.2	5.1	-7.2	-1.9	-3.6	-4.5	-2.4	1.3
Italy	0.8	10.8	1.2	-0.3	-1.7	2.0	5.3	5.4	1.3	5.1	-7.8	6.6	6.8	3.5	-1.8	-2.6	-2.7	-3.4	2.2	1.2
Japan	-8.4	1.6	2.3	-1.0	-0.6	3.0	8.3	11.0	6.6	5.8	-21.4	4.3	5.8	-0.6	11.5	3.5	-7.5	-12.9	8.6	1.1
Korea	-17.1	6.8	6.4	-9.4	0.7	8.0	-2.9	-1.1	1.2	34.7	-4.1	1.1	8.1	-0.4	-6.8	-5.7	-12.1	-7.5	4.2	2.5
Latvia	-3.9	6.4	1.7	5.7	5.9	7.3	11.1	9.0	6.7	10.2	-4.6	5.7	5.6	7.1	0.7	-0.2	-1.2	-6.1	3.1	2.0
Lithuania	-4.1	4.1	-1.8	-4.5	-2.0	-0.8	7.5	8.2	4.9	8.6	-10.7	9.9	12.7	4.2	-1.7	-3.4	-6.9	-4.3	5.2	2.1
Luxembourg	3.2	10.8	-3.1	-1.5	-1.7	6.3	7.9	6.2	6.8	-1.8	-5.3	4.0	4.8	4.2	2.9	3.1	4.3	-0.9	4.0	2.6
Mexico	5.3	1.4	-4.2	3.0	12.7	10.2	0.3	4.0	4.0	6.6	13.4	-1.5	6.0	6.7	-3.5	3.3	8.0	14.8	15.3	10.0
Netherlands	-0.9	5.9	-0.6	-2.5	-1.2	1.5	3.0	2.9	1.8	4.6	-7.3	6.5	6.5	2.7	-1.2	-2.0	-3.6	-3.4	6.3	2.6
New Zealand	0.3	15.8	2.2	-5.9	-11.4	-4.4	0.7	9.9	-4.9	12.5	-1.4	-4.1	2.6	-1.0	-4.6	-3.3	0.8	-4.3	-1.4	2.0
Norway	-1.1	7.5	-0.1	-5.0	1.4	4.7	1.5	3.2	3.9	4.2	-0.3	0.8	3.3	0.1	1.6	4.9	4.2	1.7	-0.3	2.1
Poland	6.9	9.3	0.2	5.5	6.7	4.6	-3.6	2.4	1.1	0.8	8.0	1.8	8.5	5.1	-1.1	-1.9	-1.3	-1.5	2.0	1.6
Portugal	-0.7	8.4	0.3	-1.6	-1.5	2.1	2.9	3.8	1.4	5.1	-9.3	4.7	7.1	1.1	-2.7	-2.3	-4.3	-3.2	2.9	0.8
Russia	135.6	5.1	3.9	6.6	1.6	-2.9	5.6	0.3	0.4	10.8	25.5	-2.2	3.3	4.7	4.3	18.0	42.1	7.4	-3.2	2.4
Slovak Republic	0.6	13.4	6.1	1.0	1.9	2.1	1.7	3.6	1.6	3.0	-4.1	3.6	5.3	2.5	-1.4	-3.4	-1.1	-1.1	1.7	1.4
Slovenia	1.9	14.0	6.2	2.5	2.1	4.2	5.0	3.3	1.5	2.7	-4.4	6.5	5.7	2.1	-1.5	-1.1	-1.4	-2.0	1.5	1.6
South Africa	11.0	17.9	15.5	21.6	-11.7	0.7	4.4	10.2	10.0	25.1	-5.1	-1.6	6.5	8.6	10.6	7.1	-3.6	6.6	5.4	5.7
Spain	0.0	10.8	-0.1	-2.4	-1.7	2.2	3.1	3.9	1.7	5.1	-7.4	5.5	8.5	4.0	-1.8	-0.8	-0.3	-1.6	4.2	2.2
Sweden	1.1	4.1	4.0	0.1	-2.1	0.8	4.5	3.4	0.5	4.4	0.4	-0.2	-0.2	-1.1	-2.8	1.8	0.9	-1.8	3.0	1.5
Switzerland	-0.4	5.5	0.0	-5.0	-1.1	1.9	3.5	6.2	4.9	3.6	-2.7	2.5	0.0	2.8	-5.1	-3.0	-7.4	2.6	0.4	0.4
Turkey	47.4	57.4	91.9	22.1	6.5	11.4	0.4	18.1	0.3	20.5	1.4	5.4	25.1	5.2	4.3	11.9	5.8	2.7	11.8	2.2
United Kingdom	-0.6	2.4	0.0	-2.5	0.6	-1.0	3.8	2.4	-0.1	13.1	2.1	4.0	6.7	-0.5	0.4	-4.0	-5.3	3.9	7.1	4.1
United States	1.6	4.4	-2.5	-1.2	3.4	4.7	6.0	4.1	3.4	10.5	-10.4	5.8	7.7	0.6	-0.9	-0.2	-7.6	-3.0	2.9	2.0
Total OECD	0.5	6.5	2.0	-1.2	0.3	2.7	3.3	4.0	1.8	7.9	-5.6	3.6	6.4	1.8	-0.6	-0.1	-3.0	-1.7	4.4	2.3

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504783

Annex Table 51. **Indicators of competitiveness based on relative consumer prices**

Indices, 2010 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	256.0	256.7	269.1	114.1	122.3	117.1	116.8	114.7	111.9	109.2	102.6	100.0	95.6	98.5	90.2	77.8	96.0	84.5	94.4	105.2
Australia	71.3	67.9	65.6	69.4	78.4	84.9	87.4	87.2	92.7	90.8	88.2	100.0	106.9	108.4	103.7	99.0	89.8	89.9	91.6	90.7
Austria	101.2	98.1	98.3	99.0	102.3	103.4	102.5	101.7	102.1	102.2	103.0	100.0	100.4	98.8	100.8	102.6	100.4	101.7	101.3	101.7
Belgium	95.8	91.7	92.5	94.1	99.0	100.9	100.6	100.2	100.9	103.5	103.6	100.0	100.9	98.7	100.2	100.6	96.7	99.4	98.9	98.9
Brazil	63.9	69.4	58.8	55.8	53.7	55.9	69.3	77.6	83.6	87.9	87.9	100.0	104.7	94.8	89.9	88.3	73.4	77.1	86.3	88.2
Canada	75.2	76.0	74.4	73.8	81.6	85.7	90.8	95.8	98.7	96.0	92.0	100.0	101.5	101.1	97.6	92.0	84.5	83.0	81.3	80.0
Chile	95.3	94.3	85.6	87.9	82.0	87.6	93.1	97.5	95.9	97.3	94.8	100.0	101.1	103.7	103.1	94.1	92.5	93.6	95.5	94.7
China	92.2	92.7	97.7	95.7	89.3	86.7	85.6	87.0	90.1	97.9	102.0	100.0	102.3	108.1	114.7	117.4	127.9	122.5	116.6	114.8
Colombia	83.1	76.1	75.2	73.7	63.4	69.1	78.0	77.0	86.3	91.6	90.4	100.0	99.8	106.0	102.4	98.7	81.5	79.2	84.3	84.1
Costa Rica	88.3	90.9	94.8	93.0	86.2	83.3	83.1	83.5	84.6	88.0	90.1	100.0	102.4	106.6	111.3	108.4	117.2	115.8	111.9	112.1
Czech Republic	66.8	67.4	71.6	79.8	78.2	79.1	83.4	87.6	89.9	102.9	99.0	100.0	102.0	98.8	96.6	91.5	90.5	92.6	92.6	92.7
Denmark	95.6	91.6	92.8	95.0	100.1	100.9	99.7	99.4	99.9	101.4	104.4	100.0	99.4	96.7	97.7	98.9	95.9	97.1	96.0	95.8
Estonia	86.2	82.8	84.4	86.5	89.7	91.2	91.5	92.3	95.8	101.7	103.3	100.0	101.2	100.1	102.9	104.8	104.5	105.4	103.8	104.7
Finland	106.1	100.9	101.7	103.1	107.8	107.5	104.2	102.6	103.6	105.1	106.7	100.0	99.6	96.9	98.6	101.4	99.3	100.4	97.2	96.8
France	101.3	96.0	95.8	97.6	103.0	104.7	103.3	102.7	103.1	103.8	104.0	100.0	99.3	96.3	97.4	97.8	93.6	94.3	93.0	92.5
Germany	105.8	99.2	99.1	100.3	105.2	106.7	104.5	103.5	104.8	104.8	105.7	100.0	99.0	95.7	97.8	99.0	94.6	95.8	94.6	94.4
Greece	90.9	84.7	85.3	88.0	93.5	95.7	95.9	96.6	98.0	99.8	101.4	100.0	100.7	96.8	95.9	95.5	90.8	90.7	89.1	88.5
Hungary	73.1	73.4	79.1	87.3	89.5	95.3	96.9	92.1	102.5	105.2	99.2	100.0	99.8	96.8	96.0	92.5	89.2	89.6	89.0	89.6
Iceland	129.2	133.5	117.6	125.4	132.1	135.6	153.3	143.1	148.7	116.4	95.0	100.0	101.0	101.5	105.4	113.1	117.9	132.4	149.3	152.3
India	86.0	88.0	88.7	88.5	87.0	86.0	88.1	87.2	93.5	88.9	90.2	100.0	99.1	94.3	93.3	95.5	103.2	103.9	110.4	114.2
Indonesia	71.6	69.7	66.7	81.0	86.9	82.9	81.6	94.7	94.2	90.4	89.5	100.0	99.8	96.1	92.0	85.8	86.4	89.5	91.8	92.7
Ireland	84.4	81.8	84.7	89.4	98.1	100.7	100.3	102.0	107.0	112.0	107.8	100.0	100.2	95.7	97.2	96.8	90.0	91.3	90.0	90.4
Israel	107.4	114.5	113.6	102.9	96.8	90.2	87.7	87.2	87.7	97.7	95.5	100.0	101.1	96.2	102.3	103.7	103.5	105.1	109.9	109.9
Italy	97.4	93.1	94.0	96.5	102.4	104.3	102.8	102.3	102.8	103.6	104.9	100.0	99.8	97.9	99.5	100.1	96.1	96.6	94.8	94.4
Japan	118.2	125.1	112.3	104.9	105.5	106.8	100.4	90.7	83.1	89.7	100.5	100.0	101.2	99.9	80.2	76.0	71.4	80.2	76.7	76.0
Korea	99.7	108.2	101.8	106.8	108.1	109.7	122.6	130.9	129.0	104.9	93.1	100.0	100.0	99.7	103.7	110.0	110.7	109.1	112.6	112.9
Latvia	94.7	99.1	95.5	92.3	87.8	88.3	86.0	88.3	93.9	103.0	109.6	100.0	100.6	99.0	98.0	101.5	103.7	105.1	100.5	99.7
Lithuania	86.0	91.6	90.1	92.5	94.5	93.9	91.1	90.5	93.1	98.8	106.0	100.0	100.7	98.5	99.6	101.8	100.4	102.4	100.3	101.3
Luxembourg	94.2	92.1	92.9	94.3	98.0	99.4	99.1	99.7	100.6	101.6	102.3	100.0	100.5	99.0	100.4	100.8	98.1	98.4	98.1	98.2
Mexico	105.8	115.1	123.1	123.4	109.7	105.0	108.9	108.8	107.6	105.5	92.8	100.0	100.1	97.3	102.7	101.8	91.4	79.7	79.2	81.0
Netherlands	97.5	92.9	95.5	98.6	104.2	105.1	103.5	102.1	102.5	103.0	104.8	100.0	99.4	96.9	99.8	101.0	97.7	98.7	97.5	97.5
New Zealand	83.9	75.9	74.9	82.3	94.2	101.2	106.6	99.0	105.9	98.9	92.6	100.0	103.8	106.6	109.4	113.1	104.3	104.9	105.5	103.7
Norway	90.0	88.4	91.2	98.8	98.2	93.9	97.2	96.8	96.8	97.4	95.5	100.0	100.6	100.2	98.5	93.8	86.2	86.9	86.2	84.8
Poland	85.2	93.0	104.1	99.6	88.9	88.0	97.8	99.4	102.6	111.7	94.8	100.0	98.2	95.7	96.0	97.0	94.3	90.3	91.6	92.1
Portugal	95.3	92.9	95.2	97.9	102.1	103.2	102.3	102.8	103.5	103.6	102.9	100.0	100.8	99.5	99.6	99.3	96.7	97.9	97.5	97.6
Russia	48.5	54.4	64.6	66.3	67.2	72.5	80.4	88.7	93.0	99.3	91.1	100.0	104.0	105.9	107.5	97.1	78.9	77.6	92.8	94.2
Slovak Republic	54.8	59.6	60.0	61.2	69.4	76.1	77.7	81.6	90.0	97.5	104.7	100.0	100.9	100.4	101.8	102.5	99.8	100.0	98.1	98.1
Slovenia	96.7	94.1	93.8	95.8	99.3	99.5	98.4	98.4	100.0	102.3	103.8	100.0	99.0	97.2	98.8	99.5	96.1	96.5	95.1	96.4
South Africa	99.9	97.1	85.5	74.0	97.0	103.8	104.0	98.4	91.6	79.9	87.4	100.0	98.1	92.3	81.8	77.0	74.8	69.6	79.5	80.8
Spain	88.8	86.5	88.3	91.0	95.8	98.0	98.5	99.8	101.3	103.4	103.4	100.0	100.5	98.2	99.9	99.8	95.2	95.8	95.1	94.8
Sweden	113.0	110.6	101.3	104.1	110.8	111.3	106.4	105.6	106.8	104.3	94.4	100.0	105.8	105.3	106.4	101.3	95.3	95.8	93.3	93.0
Switzerland	95.7	92.8	94.8	98.5	99.0	98.0	95.9	93.1	88.8	92.3	96.3	100.0	109.7	105.6	103.7	104.8	111.7	110.5	109.1	106.9
Turkey	74.7	82.9	67.4	73.7	78.2	80.9	89.6	88.7	96.0	97.0	91.3	100.0	88.4	91.7	90.3	86.1	85.7	84.0	75.8	81.2
United Kingdom	129.6	130.4	127.0	127.4	121.6	126.2	123.8	124.4	125.9	109.6	99.4	100.0	100.6	104.9	103.6	111.3	117.7	105.4	101.1	102.7
United States	113.3	117.4	124.0	124.0	116.7	111.7	109.9	109.1	104.2	100.3	104.8	100.0	95.3	97.7	97.8	100.1	111.2	115.6	117.5	117.2
Euro area	98.4	88.5	89.8	93.6	104.5	107.8	105.0	103.9	105.8	107.7	109.6	100.0	99.2	94.3	97.3	98.8	91.8	93.7	91.5	91.0

Note: Competitiveness-weighted relative consumer prices in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the goods sector of 53 countries. An increase in the index indicates a real effective appreciation and a corresponding deterioration of the competitive position. For details on the method of calculation, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504802

Annex Table 52. **Indicators of competitiveness based on relative unit labour costs**

Indices, 2010 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	167.9	162.5	168.9	58.2	64.7	74.1	79.5	84.5	88.7	94.4	90.0	100.0	103.7	120.3	116.2	94.0	112.3	83.9	91.3	106.2
Australia	66.8	63.0	59.2	62.0	70.7	78.0	81.5	82.5	90.8	89.7	84.5	100.0	110.2	112.1	106.6	100.3	89.6	88.7	89.4	87.8
Austria	105.7	100.4	99.0	98.1	101.4	101.6	100.3	100.3	100.5	101.0	102.6	100.0	99.3	98.4	101.2	103.0	101.5	102.1	100.9	101.6
Belgium	98.0	92.4	94.8	96.7	101.4	101.3	100.2	100.8	101.6	104.1	104.5	100.0	101.4	99.7	102.5	102.4	97.3	97.3	94.2	93.6
Brazil	71.9	73.9	62.0	58.3	54.0	56.4	70.1	77.1	82.1	88.3	90.4	100.0	108.9	101.3	95.8	95.0	77.1	80.3	92.2	94.8
Canada	69.0	70.0	68.1	67.2	74.6	79.4	85.0	91.4	95.7	94.7	91.6	100.0	101.6	102.7	100.4	94.0	86.2	83.8	81.8	80.5
Chile	85.5	82.9	75.3	79.8	74.5	78.2	82.6	85.7	85.5	89.2	91.3	100.0	103.3	107.5	109.8	101.0	98.9	101.5	104.6	103.7
China	67.7	71.6	80.0	83.5	79.8	78.9	79.2	81.2	83.8	92.7	98.6	100.0	102.6	110.4	118.8	123.7	137.3	132.8	128.8	129.8
Colombia	80.3	72.6	71.8	71.6	60.7	65.8	74.5	74.3	83.0	87.4	87.6	100.0	99.0	107.5	105.9	102.6	83.2	76.0	78.6	77.1
Costa Rica	255.7	236.1	220.7	199.9	170.7	147.8	130.3	117.5	108.6	99.6	93.4	100.0	98.3	97.7	97.5	90.8	96.8	95.2	90.6	88.3
Czech Republic	67.0	66.4	71.0	82.0	81.9	84.5	88.9	92.2	94.8	105.6	99.3	100.0	101.6	98.1	95.8	90.8	89.2	93.0	93.2	93.7
Denmark	90.9	85.0	87.3	90.0	95.1	95.8	95.8	95.9	99.5	102.4	105.7	100.0	97.5	93.1	93.9	95.2	92.9	95.2	95.2	95.4
Estonia	78.9	73.8	73.9	75.4	80.5	82.4	83.3	86.5	96.2	107.3	108.2	100.0	96.4	93.9	96.8	100.5	108.0	112.2	109.9	109.7
Finland	107.2	99.0	99.5	100.2	104.4	104.6	103.4	101.0	98.6	100.5	107.3	100.0	98.6	97.3	98.8	101.0	100.3	100.8	94.6	92.0
France	97.6	92.5	92.8	95.4	100.6	101.9	101.3	101.3	101.7	102.0	102.5	100.0	99.1	96.4	97.8	98.4	94.1	94.9	93.8	93.2
Germany	120.7	112.6	109.1	109.0	114.2	114.1	109.1	104.0	101.6	101.2	105.8	100.0	98.6	96.4	99.5	102.4	99.8	102.0	101.0	100.3
Greece	80.2	74.6	75.0	82.4	87.7	90.3	92.6	92.1	94.5	97.4	101.7	100.0	96.8	89.2	83.4	82.0	78.2	80.4	76.9	75.5
Hungary	73.8	76.7	85.4	95.5	101.8	106.8	109.5	103.2	112.8	113.5	102.7	100.0	98.6	93.8	92.9	91.7	89.4	93.8	95.2	96.8
Iceland	147.6	153.5	135.1	146.5	156.3	158.4	182.0	177.9	182.9	130.4	90.3	100.0	105.5	105.7	110.2	120.8	131.0	150.9	170.9	174.9
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	76.0	75.9	85.8	101.6	106.1	101.5	98.3	112.7	107.3	98.6	92.6	100.0	95.3	88.9	81.5	72.5	69.4	70.2	70.2	69.2
Ireland	88.7	83.8	86.7	89.1	99.4	102.2	105.4	107.2	112.9	122.0	114.4	100.0	99.6	94.8	97.9	93.1	72.2	73.6	73.5	74.2
Israel	116.3	124.8	127.9	111.0	101.1	93.1	91.4	91.8	92.7	102.2	94.8	100.0	100.6	97.3	103.4	105.2	108.0	112.2	120.8	122.4
Italy	90.3	84.5	85.9	89.8	96.7	99.0	99.4	99.9	100.6	102.1	104.9	100.0	98.9	95.4	96.9	97.5	94.7	96.2	94.0	93.1
Japan	133.3	137.9	120.0	108.6	106.9	105.8	99.4	89.8	81.6	89.3	101.6	100.0	103.0	100.0	79.5	74.8	70.1	80.2	76.8	75.9
Korea	102.2	108.9	101.6	106.6	110.8	113.3	127.9	135.1	132.8	106.1	93.2	100.0	99.3	99.4	105.4	112.9	116.5	116.7	120.2	120.7
Latvia	95.3	96.2	89.7	83.5	81.1	81.4	86.5	94.9	115.8	131.7	117.0	100.0	94.1	94.1	96.7	103.7	111.5	116.4	110.9	111.7
Lithuania	96.1	91.9	85.7	87.6	90.7	94.8	97.0	103.3	105.7	112.5	111.6	100.0	98.1	93.8	95.2	99.5	104.5	109.9	106.6	107.0
Luxembourg	82.1	80.6	84.1	86.0	89.1	91.6	92.8	94.4	93.7	99.3	103.6	100.0	100.8	101.1	101.4	100.3	97.1	96.1	95.3	94.4
Mexico	90.6	102.5	114.2	118.7	107.1	102.4	107.4	107.8	106.5	107.0	94.4	100.0	100.5	97.4	102.5	101.0	89.9	79.5	77.9	78.7
Netherlands	96.7	93.7	95.0	99.6	105.7	105.8	102.4	100.2	101.3	102.7	105.8	100.0	99.0	96.5	97.7	97.4	92.8	93.8	92.4	91.7
New Zealand	77.1	68.9	69.0	75.4	87.6	96.0	103.6	96.6	105.1	100.2	91.9	100.0	102.1	104.3	108.8	115.0	108.0	111.8	114.5	113.8
Norway	72.2	70.2	72.6	80.3	79.4	76.9	81.5	84.9	90.8	96.0	93.5	100.0	106.2	108.9	109.9	105.3	95.7	93.1	91.2	88.8
Poland	98.9	101.8	113.7	103.5	90.1	86.1	96.3	98.0	103.1	116.4	93.3	100.0	96.0	92.4	92.4	94.1	91.7	88.2	89.0	90.1
Portugal	94.6	93.9	95.5	98.1	102.4	103.0	104.1	102.9	102.3	102.0	102.3	100.0	97.1	90.8	93.7	93.1	90.6	92.7	92.0	91.8
Russia	27.8	36.0	43.5	48.5	49.7	57.3	64.2	76.0	87.4	97.6	88.4	100.0	112.4	118.4	125.2	114.3	86.0	83.7	103.7	108.6
Slovak Republic	70.2	74.6	71.8	72.9	78.0	80.3	83.3	85.6	91.5	97.0	104.9	100.0	99.9	97.2	97.6	99.4	98.7	99.5	98.5	98.5
Slovenia	94.5	92.2	93.1	93.2	95.9	96.9	95.9	95.6	96.4	98.7	103.9	100.0	97.4	93.6	92.5	91.4	88.9	90.3	88.4	88.6
South Africa	82.7	80.2	68.9	58.7	78.1	89.1	91.8	89.1	84.9	74.4	82.1	100.0	100.6	95.5	86.7	82.9	81.8	76.8	88.3	91.2
Spain	84.5	82.3	83.7	86.8	92.0	95.0	96.5	98.8	102.2	105.7	104.7	100.0	97.7	90.2	89.8	89.9	86.6	86.7	85.3	84.9
Sweden	105.4	107.3	100.3	102.1	107.7	108.1	103.6	101.5	103.9	102.8	95.9	100.0	106.8	109.2	112.4	108.3	103.2	103.8	101.1	100.7
Switzerland	93.5	89.6	94.5	100.0	100.3	97.5	94.8	91.2	87.5	90.6	96.7	100.0	112.5	110.5	109.5	110.4	119.9	117.9	116.6	114.3
Turkey	86.2	88.7	66.1	68.5	74.4	79.4	87.4	85.6	93.2	95.2	90.6	100.0	89.4	95.8	93.3	90.9	92.2	100.6	96.3	113.0
United Kingdom	118.5	122.8	122.2	122.2	116.8	124.7	122.4	125.7	128.3	109.3	99.4	100.0	96.9	99.1	96.9	101.9	109.2	98.5	94.0	94.4
United States	125.1	130.0	134.3	131.7	122.3	117.1	113.3	112.3	107.9	102.3	104.4	100.0	95.2	97.0	97.4	100.9	114.4	119.8	121.9	121.9
Euro area	103.1	91.4	90.8	95.0	106.4	108.5	105.2	102.6	102.9	105.3	110.0	100.0	97.6	91.7	94.8	96.6	90.5	92.8	90.0	88.9

Note: Competitiveness-weighted relative unit labour costs for the overall economy in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the goods sector of 53 countries. An increase in the index indicates a real effective appreciation and a corresponding deterioration of the competitive position. For details on the method of calculation, see Sources & Methods of the *OECD Economic Outlook* *(http://www.oecd.org/eco/sources-and-methods.htm).*

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504821

Annex Table 53. **Export market growth in goods and services**

Percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	5.9	13.1	0.9	6.6	9.7	13.9	9.7	9.9	7.9	5.2	-8.7	14.7	10.2	5.2	4.6	5.2	1.2	2.2	5.2	3.5
Austria	5.7	11.9	2.1	1.4	5.4	9.5	7.7	10.7	8.5	3.0	-11.5	11.9	7.1	0.8	3.3	3.4	3.5	3.1	4.6	4.1
Belgium	6.9	12.5	1.9	1.8	4.2	8.4	7.2	9.5	6.8	2.5	-10.8	10.9	6.2	1.7	2.5	4.2	4.4	3.0	4.4	4.0
Canada	9.0	12.8	-1.9	3.8	4.8	11.3	6.8	7.1	3.6	-1.1	-12.8	12.7	6.1	2.7	1.8	4.3	4.0	1.3	4.7	4.6
Chile	5.3	13.1	0.7	3.8	8.4	12.4	8.7	10.2	8.7	4.3	-8.9	15.3	9.8	3.8	4.6	4.5	1.5	2.1	5.2	3.5
Czech Republic	5.4	11.6	2.7	1.3	5.2	9.2	7.6	11.2	8.1	3.0	-12.1	11.8	7.0	1.1	3.0	3.7	3.9	3.4	4.8	4.3
Denmark	5.5	11.4	1.2	1.7	4.7	8.6	7.7	9.7	7.5	2.4	-11.5	11.2	6.4	1.9	2.6	4.2	3.8	2.9	4.3	3.7
Estonia	1.6	12.3	3.1	3.7	5.8	10.4	10.5	11.2	10.7	4.9	-17.5	11.9	9.6	3.4	2.3	1.6	-0.2	2.4	3.9	3.7
Finland	4.2	12.2	1.5	3.0	6.1	10.3	8.7	10.8	9.3	3.7	-13.5	12.9	8.7	3.1	2.9	2.9	0.4	2.4	4.4	3.8
France	5.7	11.5	1.6	2.3	5.2	9.4	7.7	9.7	8.1	2.6	-11.2	11.0	6.2	1.3	2.9	3.7	3.2	2.7	4.5	3.8
Germany	5.1	12.5	2.0	3.1	4.8	9.6	8.0	9.4	8.0	3.0	-11.4	11.3	6.8	1.7	3.0	3.5	3.2	2.9	4.8	4.1
Greece	3.3	10.9	1.4	3.6	6.2	10.6	7.9	9.7	10.3	4.4	-11.4	10.9	7.6	2.1	3.1	2.8	2.5	3.1	4.1	3.3
Hungary	5.0	11.5	2.9	2.0	5.5	9.8	7.7	10.8	8.7	3.1	-12.3	11.8	7.2	1.5	2.8	3.4	3.2	3.3	4.6	4.0
Iceland	6.7	10.9	2.2	2.0	3.6	8.0	7.0	9.3	6.4	2.0	-10.9	9.9	5.1	2.0	2.7	3.5	3.6	2.8	4.1	3.7
Ireland	7.1	11.9	0.4	2.8	3.9	8.7	6.9	7.8	4.5	0.4	-11.0	10.8	5.4	1.5	2.6	3.7	4.3	2.8	4.6	3.8
Israel	6.9	13.0	-1.0	4.1	6.3	11.6	8.2	8.8	6.2	2.4	-11.3	13.6	7.8	3.1	2.7	3.5	2.5	2.1	4.7	4.2
Italy	5.5	12.1	1.7	2.5	5.4	9.8	8.1	9.6	9.0	3.5	-11.4	10.7	7.0	1.9	3.4	3.2	2.6	2.6	4.5	3.9
Japan	6.7	15.3	-0.7	7.0	9.7	14.7	9.3	10.2	8.8	4.1	-8.6	15.4	9.3	4.1	4.8	4.0	2.1	2.9	5.4	4.0
Korea	4.4	14.1	0.9	6.3	10.4	15.0	10.0	10.9	9.6	5.2	-8.7	14.9	9.8	4.9	5.3	4.7	1.3	2.5	5.2	3.7
Latvia	-1.6	10.7	6.3	7.1	7.6	12.3	12.3	13.8	12.3	6.1	-19.8	14.5	12.2	5.1	3.9	1.6	-1.8	2.5	4.4	3.9
Luxembourg	6.0	12.4	1.6	1.4	3.6	7.3	7.1	9.0	6.5	1.7	-10.4	10.3	6.0	0.7	2.7	3.6	4.4	3.3	4.6	3.9
Mexico	8.8	12.5	-2.3	3.3	4.8	11.4	6.7	6.9	3.7	-1.3	-13.2	12.9	6.2	2.4	1.6	4.1	3.9	1.1	4.6	4.8
Netherlands	6.0	12.3	1.5	1.6	4.3	8.3	7.3	9.4	7.1	2.2	-11.0	10.8	6.3	1.2	2.6	4.1	4.1	3.3	4.5	3.8
New Zealand	5.2	11.9	-0.4	6.6	8.6	13.7	9.3	9.6	9.6	6.0	-9.4	13.6	9.1	4.9	2.5	3.0	1.5	1.4	4.4	3.6
Norway	6.8	11.8	2.1	2.9	3.6	7.7	7.2	9.5	4.7	1.1	-10.5	10.0	5.0	2.1	2.4	3.9	4.5	3.1	4.3	3.3
Poland	5.4	12.1	2.9	2.0	5.1	9.6	7.9	10.7	8.2	2.6	-12.5	11.6	7.0	1.4	2.7	3.6	3.3	3.2	4.4	3.9
Portugal	7.7	11.3	2.7	2.4	4.7	9.0	7.4	8.9	8.2	0.5	-12.6	9.1	4.5	-0.1	2.1	4.3	3.9	2.6	4.4	3.9
Slovak Republic	5.6	12.9	2.9	2.1	5.6	10.5	7.6	10.8	9.2	2.9	-12.1	12.0	6.5	0.7	2.2	4.9	4.3	3.8	4.6	4.5
Slovenia	4.3	11.7	3.1	2.0	5.2	9.6	7.4	10.6	9.4	3.6	-12.4	11.6	7.1	1.0	2.4	3.4	3.1	3.4	4.6	4.0
Spain	5.4	11.8	1.6	1.7	3.6	8.2	6.9	9.0	7.4	2.6	-10.6	10.5	5.5	0.7	2.8	3.8	4.1	2.9	4.4	3.7
Sweden	4.2	10.9	1.6	3.0	4.1	9.2	8.5	10.1	7.6	3.3	-11.5	9.9	6.5	2.4	2.8	3.2	2.7	2.4	4.2	3.6
Switzerland	6.3	12.3	1.2	2.4	5.4	9.6	7.4	9.5	7.2	2.1	-11.0	12.0	6.6	1.8	2.7	4.0	3.2	2.4	4.5	3.9
Turkey	3.3	11.0	3.9	3.3	5.7	10.6	9.2	10.5	12.0	5.9	-11.1	9.0	7.1	3.4	3.2	3.0	0.3	1.3	3.8	3.3
United Kingdom	6.8	13.2	2.2	2.7	3.8	8.5	8.4	9.0	8.0	2.1	-9.8	9.7	6.3	2.4	2.6	5.0	5.9	3.7	5.2	4.2
United States	5.5	12.3	-0.3	2.9	5.7	10.8	8.8	9.2	8.4	4.4	-10.8	14.3	8.2	3.9	3.7	3.6	2.2	1.3	3.6	3.2
Total OECD	6.0	12.5	1.0	3.1	5.5	10.3	8.1	9.4	7.7	2.9	-10.9	12.2	7.2	2.6	3.2	3.9	3.1	2.5	4.4	3.8
China	4.7	13.1	-0.6	3.8	6.1	12.3	8.5	8.8	7.5	3.9	-12.2	13.6	7.3	3.4	2.8	3.2	1.5	1.1	4.3	3.9
Other industrialised Asia[1]	4.2	14.0	0.0	5.6	8.6	14.1	9.4	9.6	8.5	4.8	-9.4	14.3	8.8	4.4	4.4	4.2	1.7	2.1	4.9	3.8
Russia	4.9	12.0	1.2	3.6	6.2	10.2	8.2	9.8	9.0	3.8	-10.9	11.3	7.6	2.3	3.2	3.6	3.2	3.2	4.5	3.8
Brazil	2.2	10.7	0.3	-0.3	9.4	14.3	10.0	10.7	10.8	5.7	-10.5	14.3	10.4	3.4	4.1	2.5	1.8	2.3	4.7	3.9
Other oil producers	5.5	12.9	0.3	4.9	7.6	12.4	9.4	10.0	8.1	5.0	-10.3	13.3	8.9	4.1	2.7	3.9	1.2	1.5	4.5	3.7
Rest of the world	3.0	11.8	2.0	3.6	6.7	11.7	9.1	10.5	10.6	5.4	-11.7	12.5	8.6	3.4	3.4	2.5	0.1	1.6	4.2	3.5

Note: Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504840

Annex Table 54. **Export performance for total goods and services**

Percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	-1.3	-1.6	1.8	-5.6	-10.4	-8.7	-6.1	-6.1	-4.4	-1.6	12.3	-8.2	-9.4	0.9	1.2	1.6	4.5	5.3	1.4	3.6
Austria	0.5	1.3	3.7	2.7	-4.7	-0.7	-1.2	-2.5	-1.1	-0.8	-3.9	1.6	-1.0	0.8	-2.7	-1.0	0.0	-1.7	1.0	0.4
Belgium	-1.8	-0.1	-1.5	1.8	-2.5	-2.0	-2.1	-3.9	-1.0	-0.8	1.5	-0.5	0.5	0.1	-1.6	0.8	-0.1	2.9	0.7	-0.2
Canada	1.7	-3.3	-1.1	-2.5	-6.3	-5.2	-4.3	-5.8	-2.3	-3.5	-0.2	-5.4	-1.2	0.0	0.8	1.4	-0.5	-0.3	-2.3	-0.2
Chile	1.3	-6.9	6.2	-1.3	-1.7	1.8	-5.4	-4.7	-1.4	-4.7	5.1	-11.3	-4.0	-3.3	-1.3	-4.0	-3.2	-2.2	-5.5	-0.9
Czech Republic	-0.6	3.6	6.5	-0.5	3.4	18.3	10.0	3.2	2.7	0.8	3.0	2.3	2.1	3.3	-2.7	4.8	3.9	0.6	-0.9	0.1
Denmark	5.4	1.1	2.1	2.6	-5.6	-5.2	0.1	0.6	-3.5	1.4	2.6	-7.4	0.8	-0.8	-0.9	-0.5	-1.9	-1.2	0.2	-0.7
Estonia	-1.1	-17.1	3.1	-0.9	4.1	6.3	8.5	-1.5	1.7	-3.8	-3.3	10.8	13.3	1.4	0.0	1.5	-0.5	1.2	-0.1	0.2
Finland	6.9	3.4	-0.2	0.6	-6.8	-1.5	-1.7	-0.6	-0.2	2.7	-7.7	-6.0	-6.2	-1.8	-1.7	-5.5	1.6	-1.9	0.6	0.7
France	-0.9	1.4	1.3	-0.6	-5.9	-4.3	-3.7	-3.5	-4.8	-2.5	0.2	-2.1	0.9	1.3	-1.0	-0.2	2.7	-1.4	-2.0	0.1
Germany	-0.1	1.8	4.1	1.2	-2.9	0.7	-0.9	3.1	1.5	-1.6	-3.3	2.6	1.6	1.7	-0.9	0.5	1.4	-0.4	-0.5	-0.3
Greece	20.5	11.1	-2.6	-10.5	-6.5	6.8	-3.3	-4.2	-0.2	-0.8	-7.7	-5.8	-6.4	-1.1	-1.9	4.7	0.6	-4.5	2.9	1.2
Hungary	6.5	12.0	5.8	3.7	0.7	7.4	4.8	7.9	6.8	3.7	1.1	-0.5	-0.6	-3.3	1.4	6.2	4.3	2.4	0.2	1.3
Iceland	-3.3	-6.4	4.4	1.4	-2.5	0.1	0.0	-12.8	15.9	1.3	21.5	-8.1	-1.6	1.5	4.0	-0.3	5.3	8.1	2.1	-0.2
Ireland	8.0	8.0	13.6	3.7	-5.5	-2.0	-1.3	-1.6	4.2	-4.3	17.6	-4.6	-2.4	0.8	0.5	10.3	28.9	-0.3	1.6	0.2
Israel	7.3	9.3	-10.3	-5.9	1.8	5.4	-2.9	-3.2	4.0	3.3	0.2	1.4	1.6	-4.7	0.9	-1.9	-6.3	0.9	0.8	-0.4
Italy	-6.4	0.6	0.6	-4.8	-6.6	-3.9	-3.5	-1.0	-3.1	-6.5	-7.4	0.6	-0.9	0.1	-2.4	-0.7	1.5	0.1	-0.4	-0.3
Japan	-4.5	-2.2	-6.0	0.7	-0.2	-0.4	-2.0	0.1	-0.1	-2.5	-16.2	8.2	-8.7	-4.0	-3.9	5.1	0.8	-1.7	0.9	-0.6
Korea	8.3	2.7	-3.2	6.3	3.2	4.9	-2.0	1.1	2.8	2.2	9.2	-1.9	4.9	0.2	-1.0	-2.6	-1.4	-0.3	-1.2	0.7
Latvia	-4.8	3.4	2.6	-1.9	-3.4	1.3	10.0	-5.5	1.3	-3.6	8.6	-0.9	-0.1	4.5	-2.7	2.3	4.4	0.2	-0.9	-0.2
Luxembourg	5.3	2.9	4.8	1.2	-1.2	2.3	-0.9	4.2	2.0	2.8	-1.0	-0.5	-1.7	2.8	3.3	7.5	6.4	1.0	0.4	0.8
Mexico	-3.2	-1.0	0.2	-3.7	-2.4	-2.0	-1.0	0.8	-0.1	0.0	1.5	6.7	2.0	3.4	0.7	2.7	6.3	0.2	-1.3	-2.0
Netherlands	2.4	0.7	-0.1	-1.0	-2.4	-0.2	-1.5	-1.8	-1.3	-0.3	2.4	-0.5	-1.8	2.6	-0.2	0.4	0.8	0.0	-0.7	0.5
New Zealand	3.0	-3.7	3.7	0.3	-5.7	-7.5	-9.0	-7.2	-4.3	-6.8	12.5	-9.1	-6.0	-3.0	-1.5	0.0	5.2	0.2	-3.6	0.0
Norway	-3.7	-7.8	2.2	-3.1	-3.6	-6.2	-6.3	-9.4	-3.2	-1.0	7.2	-8.5	-5.5	-0.6	-4.0	-0.8	-0.8	-3.5	-2.8	-2.1
Poland	-7.5	10.5	-0.5	2.6	8.6	-4.3	1.8	4.4	1.7	4.3	7.5	1.3	0.8	3.1	3.3	2.9	4.2	5.7	3.3	2.3
Portugal	-3.8	-2.5	-0.5	0.6	-1.3	-4.2	-6.5	3.2	-0.9	-0.8	2.7	0.4	2.4	3.5	4.8	0.0	2.1	1.8	1.1	0.6
Slovak Republic	4.3	-4.8	7.6	4.9	12.1	9.3	4.9	11.0	5.0	0.1	-5.3	3.3	5.2	8.6	4.4	-1.2	2.6	0.9	2.1	2.5
Slovenia	-2.2	0.8	4.0	5.7	-2.0	3.2	3.7	3.2	3.8	0.5	-4.8	-1.3	-0.2	-0.4	0.6	2.3	2.4	2.4	0.9	1.6
Spain	2.5	-1.2	2.0	-0.4	-0.2	-3.7	-4.8	-3.7	0.8	-3.4	-0.4	-1.0	1.8	0.4	1.4	0.5	0.7	1.5	2.2	1.2
Sweden	2.5	0.9	-0.6	-1.7	0.3	0.5	-1.7	-0.9	-2.7	-1.6	-3.2	1.4	-0.3	-0.9	-3.5	2.2	2.4	0.6	-0.6	0.0
Switzerland	-3.0	0.3	-1.2	-4.3	-6.0	-0.5	-0.6	-2.7	3.9	1.5	1.2	0.5	-1.4	-0.6	12.3	-9.8	-1.0	2.1	1.2	0.1
Turkey	-14.0	5.8	0.6	4.3	0.9	0.8	-1.0	-3.6	-4.2	-1.9	8.3	-6.7	5.9	11.1	-2.1	5.0	3.8	-3.3	1.5	0.6
United Kingdom	-3.7	-3.2	-0.1	-0.2	-1.0	-3.2	-0.3	3.2	-8.8	-1.0	1.1	-3.5	-0.4	-1.7	-1.5	-3.4	0.2	-1.8	-3.1	-1.5
United States	-2.7	-3.3	-5.6	-4.5	-3.7	-1.0	-2.3	-0.2	0.8	1.3	2.2	-2.1	-1.2	-0.5	-0.2	0.7	-2.0	-0.9	-0.7	-0.3
Total OECD	-1.1	-0.5	-0.4	-1.1	-3.1	-1.5	-2.1	-0.7	-0.8	-1.0	-0.2	-0.8	-0.8	0.3	-0.4	0.5	1.3	-0.2	-0.2	0.0
China	6.3	13.4	6.6	22.0	20.7	10.8	13.8	14.9	11.8	5.6	1.5	9.9	6.3	2.7	6.2	0.9	-3.8	0.8	4.4	0.5
Other industrialised Asia[1]	0.5	3.1	-2.3	2.2	1.8	2.8	2.9	1.9	-0.3	0.9	1.5	2.0	-0.5	-0.9	1.0	-0.3	-1.7	-0.6	0.0	0.6
Russia	6.0	-2.2	2.9	6.4	6.1	1.4	-1.6	-2.3	-2.5	-3.1	6.9	-3.8	-6.8	-0.9	1.4	-2.9	0.4	-0.1	-1.1	-0.8
Brazil	3.3	3.4	7.5	6.9	1.6	-0.7	1.4	-5.3	-4.8	-5.6	2.2	-2.3	-4.4	-3.6	-1.5	-3.3	4.4	-0.5	0.0	0.7
Other oil producers	-9.3	-8.1	-0.1	-6.3	5.1	-2.1	-1.0	-5.3	-3.4	-0.3	3.1	-7.4	-0.9	-1.0	-0.8	-4.5	1.5	4.6	-0.5	-0.9
Rest of the world	-0.3	-3.2	2.6	0.0	-0.3	-0.9	-3.1	-4.1	-2.8	-1.0	4.4	-3.4	-1.7	-0.7	1.3	0.1	1.6	2.1	-0.6	-0.6

Note: Regional aggregates are calculated inclusive of intra-regional trade. Export performance is measured as actual growth in exports relative to the growth of the country's export market. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504859

Annex Table 55. **Import penetration**

Goods and services import volume as a percentage of total final expenditure, constant prices

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	11.6	11.9	11.2	11.9	12.6	13.7	14.3	15.0	16.0	17.1	15.5	17.2	18.3	18.6	18.0	17.4	17.3	17.0	17.1	17.1
Austria	27.3	28.4	29.3	29.1	29.6	30.8	31.3	31.8	32.2	32.2	30.2	32.3	33.0	33.1	33.2	33.4	34.0	34.3	35.2	35.9
Belgium	37.6	39.7	39.3	39.1	39.3	39.9	40.9	41.4	41.9	42.5	40.9	42.5	43.7	44.0	44.1	45.1	45.8	47.0	48.0	48.5
Brazil	10.4	11.0	11.2	9.6	9.4	9.7	10.2	11.4	12.6	13.8	12.9	15.7	16.6	16.4	16.9	16.6	15.0	14.1	14.7	14.8
Canada	22.0	22.5	21.4	21.2	21.6	22.5	23.2	23.6	24.3	24.3	22.5	24.2	24.9	25.2	24.8	24.8	24.6	24.2	23.8	24.0
Chile	16.0	16.6	16.8	16.6	16.8	18.2	19.9	20.6	22.0	23.3	20.7	23.6	25.1	25.1	24.7	23.1	22.2	21.7	21.7	21.8
China	13.6	15.2	15.4	17.2	20.0	21.9	22.1	22.7	22.7	22.0	21.1	22.3	23.3	23.1	23.7	23.8	23.1	23.1	23.2	22.7
Colombia	13.2	13.5	14.3	14.0	14.5	15.0	15.8	17.4	18.4	19.4	17.6	18.6	20.7	21.6	21.7	22.3	22.0	20.6	20.7	20.8
Costa Rica	26.3	24.8	24.2	24.7	24.7	24.9	25.4	25.5	25.8	26.2	22.5	24.8	25.9	26.5	26.3	26.6	26.6	27.2	27.7	28.0
Czech Republic	25.2	27.0	28.4	28.9	29.9	33.6	35.0	35.9	37.4	37.5	35.9	38.6	39.7	40.6	40.7	42.3	43.2	43.4	43.4	43.9
Denmark	23.2	24.8	25.1	26.1	25.9	26.7	28.3	30.2	31.2	32.3	30.6	30.4	31.6	32.1	32.2	32.6	32.6	32.8	33.4	33.6
Estonia	34.5	32.1	33.5	34.9	35.9	37.7	39.4	41.7	42.7	42.3	37.0	40.7	44.8	46.0	46.6	46.2	45.5	46.2	46.3	46.7
Finland	21.9	23.5	23.4	23.9	24.4	25.1	26.6	27.1	27.5	28.9	26.9	27.2	27.9	28.5	28.8	28.6	29.1	29.3	29.5	29.8
France	17.6	19.2	19.3	19.4	19.4	19.9	20.6	21.2	21.7	21.9	20.7	21.8	22.5	22.6	22.9	23.6	24.5	25.0	25.6	26.1
Germany	20.5	21.7	21.6	21.2	22.2	23.3	24.2	25.5	26.1	26.3	25.4	27.0	27.6	27.6	28.1	28.6	29.3	29.7	30.1	30.5
Greece	22.1	25.1	24.0	22.7	23.0	22.8	23.1	24.4	26.3	26.5	23.1	23.4	23.6	23.2	23.1	24.3	24.4	24.5	25.3	25.5
Hungary	30.5	33.7	34.0	34.9	36.1	38.6	39.3	41.9	45.0	46.2	43.9	46.3	47.0	46.5	47.1	48.7	49.5	50.5	51.0	51.9
Iceland	26.5	27.1	24.3	23.7	25.1	26.0	29.8	30.8	28.3	23.7	20.4	21.6	22.4	23.0	22.2	23.5	25.0	26.3	26.4	26.3
India[1]	12.6	12.6	12.4	13.2	13.8	15.3	18.0	19.6	19.6	22.4	20.7	21.5	23.7	23.8	21.2	20.2	18.1	16.9	16.2	15.9
Indonesia	13.0	15.2	15.3	14.2	13.8	16.2	17.7	18.1	18.5	19.1	17.0	18.3	19.5	19.8	19.3	18.8	17.2	16.2	16.5	16.6
Ireland	40.2	42.6	43.8	43.7	42.0	40.9	42.5	43.5	45.0	45.7	45.7	45.5	45.7	47.4	47.4	48.9	48.0	49.7	51.5	52.1
Israel	22.9	23.4	22.5	22.3	22.0	23.0	22.9	22.6	23.3	23.1	20.5	22.0	22.9	22.8	22.1	22.2	21.7	22.6	22.3	22.9
Italy	17.8	18.8	18.9	19.0	19.1	19.5	20.0	20.9	21.5	21.0	19.7	21.3	21.4	20.5	20.4	20.8	21.8	22.2	22.8	23.4
Japan	10.6	11.3	11.3	11.4	11.6	12.2	12.6	13.0	13.1	13.3	12.0	12.7	13.4	13.8	14.0	14.9	14.9	14.5	14.7	14.8
Korea	23.0	25.0	23.5	24.8	26.2	27.6	28.4	29.8	31.1	31.1	29.6	31.6	33.8	33.8	33.5	33.1	33.0	33.4	34.5	34.7
Latvia	31.3	30.7	32.5	31.5	32.2	34.6	35.9	37.7	39.3	37.4	32.0	35.5	38.7	39.1	38.4	38.0	37.9	38.5	38.6	39.0
Lithuania	28.6	29.1	31.4	34.0	33.8	35.7	38.0	39.4	39.2	41.4	36.6	40.2	42.0	42.6	43.8	43.8	44.8	45.2	45.6	46.2
Luxembourg	51.7	52.8	53.3	52.6	53.4	55.5	55.8	57.2	56.7	59.3	56.7	58.6	59.1	60.0	60.2	61.2	62.8	63.1	63.3	63.4
Mexico	18.2	20.3	20.6	20.4	20.1	20.6	21.4	22.1	22.7	23.1	20.8	23.2	23.7	23.7	24.1	24.7	25.7	25.4	25.2	25.1
Netherlands	32.9	34.4	34.4	34.4	34.8	35.8	36.5	37.5	38.0	38.1	37.1	38.9	39.3	40.2	40.4	41.1	42.0	42.3	42.6	43.2
New Zealand	19.9	19.2	19.2	19.9	20.4	22.3	22.9	22.0	22.9	23.5	20.7	22.2	23.0	23.0	23.8	24.7	24.8	24.8	25.4	25.6
Norway	18.4	18.3	18.2	18.1	18.1	18.8	19.5	20.5	21.6	22.1	20.5	21.7	22.2	22.3	23.0	23.1	23.0	23.0	23.3	23.5
Poland	23.3	24.7	23.9	24.1	25.1	25.7	26.2	28.3	29.9	30.9	27.6	29.6	29.8	29.4	29.4	30.7	31.3	32.6	33.0	33.9
Portugal	25.4	25.7	25.5	25.4	25.5	26.5	26.8	28.0	28.5	29.0	27.5	28.7	27.8	27.3	28.5	29.9	31.2	31.8	32.5	33.0
Russia	6.9	7.9	8.8	9.5	10.2	11.4	12.2	13.5	15.2	16.3	12.8	14.9	16.8	17.6	17.9	16.7	13.2	12.8	13.1	13.2
Slovak Republic	33.4	34.5	37.7	37.9	38.5	42.0	43.9	46.3	46.0	45.4	41.6	43.8	45.3	45.6	46.5	47.0	48.0	48.0	49.1	49.7
Slovenia	32.1	32.6	32.8	33.2	33.9	35.9	36.7	38.1	40.1	40.3	37.3	38.6	39.6	39.3	40.0	40.3	40.8	41.7	42.2	43.0
South Africa	17.7	17.8	17.5	17.7	18.4	20.0	20.8	22.7	23.4	23.3	20.3	21.5	22.9	23.2	23.7	23.3	24.0	23.3	23.6	24.5
Spain	19.9	20.5	20.5	20.6	21.0	22.1	22.6	23.3	24.1	22.8	20.1	21.2	21.2	20.6	20.8	21.6	22.0	22.0	22.4	22.8
Sweden	24.4	25.6	25.0	24.4	24.6	25.0	25.7	26.4	27.2	28.0	26.1	27.2	28.1	28.3	28.0	28.8	29.0	29.1	29.2	29.5
Switzerland	31.3	32.2	32.1	31.6	31.7	31.8	33.3	33.1	33.5	34.1	33.7	34.8	36.4	35.6	38.0	35.6	36.4	36.8	37.9	38.6
Turkey	17.0	18.9	16.0	17.7	19.7	20.8	20.9	20.7	21.3	20.7	18.9	20.5	21.1	20.4	20.6	19.7	19.2	19.4	19.5	19.6
United Kingdom	20.4	21.3	21.6	22.1	22.0	22.7	23.3	24.6	23.9	23.7	22.8	23.8	23.7	24.0	24.2	24.2	24.8	25.1	25.5	25.6
United States	11.3	12.1	11.7	11.9	12.1	12.9	13.2	13.6	13.7	13.4	12.1	13.1	13.6	13.6	13.5	13.7	14.0	13.9	14.2	14.5
Total OECD	17.0	18.1	17.9	18.0	18.3	19.1	19.7	20.5	20.9	21.0	19.6	20.8	21.5	21.5	21.6	22.0	22.4	22.5	23.0	23.3

Note: The OECD aggregate is calculated inclusive of intra-regional trade as the sum of import volumes expressed in 2010 USD divided by the sum of total final expenditure expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504878

Annex Table 56. **Shares in world exports and imports**

Percentage, value of goods and services, national accounts basis

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
A. Exports																				
Canada	4.1	4.2	4.1	3.8	3.6	3.4	3.4	3.2	2.9	2.7	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.3	2.3	2.2
France	5.5	5.0	5.1	5.1	5.2	4.9	4.6	4.3	4.3	4.1	4.2	3.7	3.6	3.4	3.5	3.5	3.5	3.5	3.4	3.4
Germany	8.5	7.7	8.3	8.6	8.9	8.9	8.5	8.5	8.7	8.4	8.3	7.7	7.6	7.3	7.4	7.6	7.5	7.8	7.6	7.6
Italy	4.1	3.8	4.0	3.9	4.0	3.9	3.6	3.5	3.6	3.3	3.1	2.9	2.8	2.6	2.7	2.7	2.6	2.7	2.6	2.6
Japan	6.5	6.7	5.9	5.7	5.6	5.6	5.3	4.9	4.6	4.5	4.2	4.6	4.2	4.0	3.6	3.6	3.7	3.9	3.9	3.8
United Kingdom	5.6	5.3	5.3	5.3	5.2	5.0	4.9	4.9	4.5	4.0	4.0	3.7	3.6	3.5	3.5	3.6	3.8	3.6	3.5	3.5
United States	14.2	14.1	13.6	12.7	11.3	10.6	10.3	10.1	9.8	9.5	10.2	10.0	9.5	9.8	9.9	10.1	10.9	10.9	10.8	10.6
Total of smaller countries	27.6	26.9	27.6	27.8	28.3	28.4	27.8	27.5	27.9	27.9	28.3	27.3	27.0	26.3	26.6	26.7	26.9	27.4	27.4	27.7
Total OECD	76.1	73.7	73.9	73.1	72.2	70.8	68.4	67.0	66.3	64.4	64.7	62.4	60.7	59.6	59.5	60.3	61.2	62.1	61.5	61.5
China	2.8	3.3	3.6	4.2	4.9	5.4	6.1	6.8	7.4	7.7	8.0	8.6	9.1	9.7	10.2	10.5	11.3	10.7	10.8	10.8
Other industrialised Asia[1]	11.5	12.2	11.6	11.7	11.3	11.3	11.5	11.6	11.4	11.2	11.9	12.9	12.7	12.9	12.9	13.0	13.5	13.6	13.7	13.8
Brazil	0.8	0.9	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.1	1.1	1.3	1.3
Russia	1.2	1.5	1.5	1.5	1.6	1.8	2.1	2.3	2.3	2.7	2.2	2.4	2.6	2.6	2.6	2.4	1.9	1.6	1.9	1.9
Other oil producers	3.3	4.4	4.1	4.2	4.5	5.0	6.2	6.5	6.6	7.5	6.5	6.9	7.9	8.2	7.9	7.2	5.5	5.4	5.4	5.2
Rest of the world	4.2	4.2	4.4	4.4	4.5	4.6	4.7	4.8	4.9	5.3	5.5	5.5	5.7	5.7	5.7	5.5	5.5	5.5	5.5	5.5
Total non-OECD	23.9	26.3	26.1	26.9	27.8	29.2	31.6	33.0	33.7	35.6	35.3	37.6	39.3	40.4	40.5	39.7	38.8	37.9	38.5	38.5
B. Imports																				
Canada	3.7	3.7	3.6	3.4	3.2	3.1	3.1	3.0	2.8	2.6	2.7	2.8	2.6	2.7	2.6	2.6	2.6	2.6	2.4	2.3
France	5.1	4.8	4.9	4.9	5.0	4.9	4.7	4.5	4.6	4.4	4.5	4.1	4.0	3.8	3.8	3.8	3.7	3.8	3.8	3.8
Germany	8.3	7.7	7.8	7.5	8.0	7.7	7.4	7.5	7.5	7.3	7.4	6.9	6.9	6.5	6.6	6.7	6.5	6.7	6.6	6.6
Italy	3.9	3.7	3.8	3.8	4.0	3.8	3.7	3.7	3.7	3.5	3.3	3.2	3.0	2.6	2.5	2.5	2.4	2.5	2.4	2.4
Japan	5.5	5.8	5.5	5.1	4.9	4.8	4.8	4.6	4.2	4.5	4.1	4.3	4.4	4.6	4.2	4.2	3.9	3.8	3.8	3.7
United Kingdom	6.0	5.7	5.8	6.0	5.8	5.7	5.5	5.5	5.1	4.5	4.4	4.1	3.9	3.9	3.9	3.9	4.1	4.0	3.9	3.9
United States	18.0	19.0	18.5	18.2	16.9	16.3	16.2	15.7	14.3	13.4	13.0	13.0	12.4	12.6	12.3	12.6	13.7	13.7	13.8	13.9
Total of smaller countries	26.8	26.1	26.2	26.6	27.2	27.4	27.2	27.2	27.9	27.9	27.3	26.5	26.4	25.5	25.5	25.4	25.2	25.7	25.7	25.9
Total OECD	77.4	76.3	76.0	75.5	74.9	73.6	72.5	71.6	70.1	68.1	66.7	64.8	63.7	62.1	61.5	61.8	62.0	62.7	62.4	62.4
China	2.4	2.9	3.2	3.7	4.5	5.0	5.2	5.5	5.7	6.0	6.7	7.6	8.4	8.9	9.5	9.8	9.8	9.8	10.1	10.0
Other industrialised Asia[1]	10.6	11.4	10.7	10.8	10.4	10.8	11.0	11.0	10.9	11.1	11.5	12.7	12.7	13.1	13.1	12.8	13.1	13.1	13.2	13.3
Brazil	1.0	1.0	1.1	0.9	0.8	0.8	0.8	0.9	1.0	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.3	1.1	1.1	1.1
Russia	0.7	0.8	1.0	1.1	1.1	1.2	1.3	1.4	1.7	1.9	1.6	1.7	1.9	2.0	2.1	1.9	1.4	1.3	1.4	1.4
Other oil producers	2.7	2.7	3.0	3.2	3.3	3.4	3.8	4.0	4.6	5.0	5.7	5.2	5.1	5.5	5.5	5.6	5.7	5.3	5.1	5.1
Rest of the world	5.1	4.8	5.0	4.9	5.0	5.2	5.4	5.6	6.1	6.7	6.6	6.5	6.7	6.9	6.9	6.7	6.7	6.7	6.6	6.6
Total non-OECD	22.6	23.7	24.0	24.5	25.1	26.4	27.5	28.4	29.9	31.9	33.3	35.2	36.3	37.9	38.5	38.2	38.0	37.3	37.6	37.6

Note: Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504897

Annex Table 57. **Geographical structure of world trade growth**

Average of export and import volumes

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
A. Trade growth	Percentage changes from previous period																			
Total OECD	6.3	12.1	0.3	2.2	3.1	8.7	6.4	8.3	6.2	1.2	-11.5	11.4	6.1	2.1	2.4	4.2	4.5	2.4	4.3	3.9
of which: OECD America[1]	7.4	11.0	-3.5	1.3	2.7	10.0	6.1	6.7	4.9	0.5	-12.1	12.8	6.3	3.1	2.2	4.3	3.1	0.6	3.3	3.8
OECD Europe	5.6	12.5	2.7	1.8	2.5	7.4	6.4	9.1	6.3	1.0	-11.1	9.9	5.7	1.3	2.6	4.0	5.9	3.4	4.5	4.0
OECD Asia and Pacific[2]	6.6	12.3	-2.1	6.3	7.1	12.0	6.7	8.2	7.7	3.2	-12.1	15.4	7.0	3.5	2.4	5.3	1.9	1.5	5.1	3.7
Total non-OECD	0.7	12.9	1.9	6.8	12.7	16.2	12.0	11.8	11.4	7.7	-8.5	14.5	9.8	4.8	5.4	2.9	-0.4	2.2	5.1	3.7
of which: China	16.9	26.1	7.6	25.8	30.2	23.8	18.2	21.1	17.2	7.9	-4.3	21.7	15.0	6.6	10.0	6.1	0.1	4.2	8.2	3.9
Other industrialised Asia[3]	1.7	17.9	-3.1	7.0	10.1	17.9	12.5	11.0	7.7	7.6	-9.4	17.6	8.2	4.4	4.2	3.1	0.0	1.3	4.7	4.4
Brazil	-5.7	13.2	5.3	-2.9	6.2	12.0	10.5	9.7	10.7	7.0	-8.0	22.3	8.1	0.0	4.9	-1.5	-4.7	-4.1	4.9	3.7
Russia	3.1	14.8	8.1	11.6	14.0	15.4	9.8	12.2	13.9	6.6	-16.4	14.1	8.6	5.2	4.2	-3.1	-10.0	0.4	4.0	2.7
Other oil producers	-4.5	4.4	3.4	1.1	12.0	12.0	11.3	7.4	11.6	8.4	-7.1	3.8	7.4	5.5	3.1	1.4	-0.4	1.3	2.9	2.7
Rest of the world	-0.7	6.8	4.2	2.4	7.4	12.2	7.2	8.9	11.8	7.4	-10.4	9.8	9.4	3.6	4.1	1.9	2.2	3.6	3.7	2.8
World	4.8	12.3	0.7	3.4	5.8	10.9	8.1	9.4	7.9	3.4	-10.4	12.5	7.4	3.1	3.6	3.7	2.7	2.4	4.6	3.8
B. Contribution to world trade growth	Percentage points																			
Total OECD	4.6	8.9	0.2	1.6	2.3	6.2	4.4	5.7	4.2	0.8	-7.5	7.3	3.9	1.3	1.5	2.6	2.8	1.5	2.7	2.5
of which: OECD America[1]	1.5	2.2	-0.7	0.3	0.5	1.8	1.1	1.2	0.9	0.1	-2.0	2.1	1.0	0.5	0.4	0.7	0.5	0.1	0.5	0.6
OECD Europe	2.5	5.5	1.2	0.8	1.1	3.2	2.7	3.7	2.6	0.4	-4.3	3.8	2.2	0.5	0.9	1.4	2.1	1.3	1.7	1.5
OECD Asia and Pacific[2]	0.6	1.1	-0.2	0.6	0.6	1.1	0.6	0.7	0.7	0.3	-1.1	1.3	0.6	0.3	0.2	0.5	0.2	0.1	0.5	0.3
Total non-OECD	0.2	3.4	0.5	1.8	3.5	4.8	3.7	3.7	3.7	2.6	-3.0	5.2	3.6	1.8	2.0	1.1	-0.1	0.8	1.9	1.4
of which: China	0.4	0.7	0.2	0.8	1.1	1.1	0.9	1.2	1.1	0.5	-0.3	1.6	1.2	0.6	0.9	0.6	0.0	0.4	0.8	0.4
Other industrialised Asia[3]	0.2	1.7	-0.3	0.7	1.0	1.9	1.4	1.3	0.9	0.9	-1.1	2.2	1.0	0.6	0.5	0.4	0.0	0.2	0.6	0.6
Brazil	-0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.3	0.1	0.0	0.1	0.0	-0.1	0.0	0.1	0.0
Russia	0.0	0.2	0.1	0.2	0.2	0.3	0.2	0.2	0.3	0.1	-0.4	0.3	0.2	0.1	0.1	-0.1	-0.2	0.0	0.1	0.0
Other oil producers	-0.3	0.3	0.2	0.1	0.6	0.7	0.7	0.4	0.7	0.5	-0.5	0.3	0.5	0.3	0.2	0.1	0.0	0.1	0.2	0.2
Rest of the world	0.0	0.4	0.2	0.1	0.4	0.7	0.4	0.5	0.7	0.4	-0.6	0.6	0.6	0.2	0.3	0.1	0.1	0.2	0.2	0.2
World	4.8	12.3	0.7	3.4	5.8	10.9	8.1	9.4	7.9	3.4	-10.4	12.5	7.4	3.1	3.6	3.7	2.7	2.4	4.6	3.8

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.
1. Canada, Chile, Mexico and the United States.
2. Australia, Japan, Korea and New Zealand.
3. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504916

Annex Table 58. **Trade balances for goods and services**

USD billion, national accounts basis

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-4.5	-1.5	3.8	15.2	14.6	11.6	11.8	13.1	12.6	13.6	17.0	12.3	9.0	11.3	-0.3	2.1	-5.2	-3.8	-1.9	-2.3
Australia	-10.1	-4.3	2.1	-4.7	-14.3	-19.2	-14.8	-12.3	-22.7	-14.2	-9.9	6.6	12.9	-21.4	-7.7	-8.1	-27.7	-10.4	10.1	11.3
Austria	1.0	2.6	3.3	7.7	7.0	8.6	9.5	11.9	16.3	17.8	12.2	13.2	11.1	10.8	11.1	14.7	15.4	13.7	14.4	15.1
Belgium	10.0	5.8	8.1	14.4	16.8	17.7	13.9	15.0	18.0	3.0	11.2	8.7	2.7	3.1	6.0	4.9	7.6	11.2	10.4	10.7
Brazil	-10.9	-14.5	-12.8	2.6	12.6	22.6	30.5	29.9	19.1	-3.9	-7.1	-23.1	-20.4	-33.5	-57.6	-65.2	-24.6	6.7	35.6	42.4
Canada	24.1	41.6	41.8	32.8	34.1	44.9	45.6	35.2	30.5	28.3	-20.3	-30.9	-21.6	-35.9	-30.3	-18.3	-37.2	-36.4	-16.9	-12.5
Chile	1.6	1.3	1.2	1.5	3.9	9.8	10.8	22.4	23.8	4.9	13.6	14.1	8.4	-0.1	-1.7	2.6	-0.1	2.1	2.3	1.4
China	30.6	28.8	28.1	37.4	35.8	51.2	124.6	208.9	308.0	348.8	220.1	223.0	181.9	231.8	235.4	221.3	357.9	249.9	201.3	239.8
Colombia	-1.5	-0.9	-3.1	-3.3	-3.2	-2.7	-2.8	-4.7	-6.7	-6.0	-5.1	-5.3	-4.1	-6.6	-9.7	-20.4	-23.6	-18.6	-17.2	-17.9
Costa Rica	-0.3	-0.1	0.0	-0.3	-0.3	-0.1	-0.4	-0.7	-1.4	-2.7	-0.1	-0.7	-1.6	-1.8	-1.5	-1.3	-1.0	-0.1	-0.3	-0.9
Czech Republic	-0.3	-1.1	-0.8	-1.1	-1.2	1.0	3.2	4.3	4.7	5.2	8.2	6.4	8.5	10.2	12.1	13.2	11.4	14.2	14.9	15.9
Denmark	10.7	10.9	11.8	12.3	14.9	14.2	14.6	11.6	9.3	12.6	14.5	22.4	22.0	19.7	22.7	24.5	22.3	21.0	23.0	24.7
Estonia	-0.3	-0.2	-0.2	-0.6	-0.8	-1.0	-0.7	-1.7	-2.0	-1.0	1.0	1.2	1.3	0.4	0.5	0.9	0.9	0.9	0.8	0.7
Finland	12.1	11.5	11.9	12.5	11.1	12.2	7.9	9.0	12.3	10.5	5.1	3.1	-2.3	-3.7	-2.4	-2.6	-0.7	-2.8	-1.5	-0.4
France	33.3	15.0	17.8	24.9	20.1	13.4	-8.3	-19.5	-34.9	-51.7	-38.5	-48.6	-73.0	-57.9	-53.8	-57.1	-33.4	-40.7	-64.0	-70.4
Germany	14.7	5.8	35.2	92.6	92.9	139.6	143.7	160.3	231.6	224.3	169.7	174.6	180.6	217.0	226.5	254.6	253.3	261.3	248.8	263.3
Greece	-13.1	-14.9	-14.2	-15.7	-22.3	-20.2	-21.0	-29.4	-39.7	-44.7	-32.3	-25.9	-20.1	-11.1	-6.7	-5.6	0.4	-1.6	-0.3	-1.2
Hungary	-1.3	-1.7	-0.7	-1.4	-3.3	-4.1	-2.5	-1.2	1.0	0.5	5.4	7.0	8.6	8.6	9.4	9.6	10.8	12.8	11.7	11.1
Iceland	-0.4	-0.6	-0.1	0.1	-0.3	-0.7	-2.0	-2.9	-2.0	-0.7	1.2	1.4	1.2	0.9	1.2	1.1	1.3	1.3	1.6	1.8
India[1]	-8.8	-4.3	-4.3	-5.1	-4.2	-12.6	-23.0	-30.0	-50.0	-62.0	-74.2	-74.7	-118.9	-123.2	-56.4	-60.9	-48.4	-30.7	-33.1	-36.5
Indonesia	13.5	17.2	12.7	11.5	16.7	10.8	10.3	18.3	15.6	2.4	14.5	14.4	22.3	-3.5	-7.6	-6.7	3.7	7.2	13.6	12.4
Ireland	12.7	14.7	16.8	21.9	24.6	27.6	23.7	19.5	22.3	23.4	31.7	36.6	45.2	38.9	44.1	45.1	89.3	68.7	64.6	69.5
Israel	-2.9	0.0	-3.0	-3.4	-0.8	0.3	0.1	0.6	-1.2	-0.9	6.0	5.1	1.6	0.5	6.6	5.6	9.0	7.3	10.8	9.6
Italy	22.0	9.5	14.5	9.7	7.4	9.9	-1.9	-16.6	-8.3	-18.4	-14.3	-42.4	-35.3	20.4	49.1	61.3	52.7	63.6	63.8	68.1
Japan	71.0	69.9	28.4	55.7	75.9	97.4	72.0	64.0	85.4	21.5	29.2	83.2	-34.1	-95.8	-119.0	-120.8	-18.4	48.1	33.6	47.0
Korea	27.7	11.7	8.3	9.0	13.8	29.2	21.9	8.0	12.7	-2.1	41.4	34.7	17.8	34.5	64.9	74.0	96.5	95.6	76.4	87.3
Latvia	-0.7	-0.6	-0.9	-1.0	-1.5	-2.3	-2.5	-4.5	-5.9	-4.6	-0.4	-0.3	-1.4	-1.3	-1.0	-0.6	-0.3	0.2	0.0	-0.3
Lithuania	-1.1	-0.7	-0.7	-0.8	-1.1	-1.6	-1.9	-3.1	-5.2	-5.7	-0.6	-0.7	-1.1	0.4	0.6	0.9	-0.3	0.4	-0.3	-0.6
Luxembourg	4.8	5.4	5.1	6.0	7.2	8.0	9.6	13.8	17.3	16.9	16.2	16.7	19.6	17.7	20.7	23.0	19.9	21.9	23.7	25.7
Mexico	-7.3	-10.5	-13.1	-11.3	-10.1	-13.2	-12.4	-12.0	-16.5	-24.2	-13.0	-12.5	-14.6	-13.5	-11.5	-14.2	-22.1	-19.3	-15.9	-19.0
Netherlands	23.6	26.8	28.5	31.9	39.2	51.2	58.4	63.5	74.3	81.0	63.2	70.2	76.6	79.8	92.6	95.3	80.8	83.9	85.2	90.6
New Zealand	0.1	1.1	2.2	1.8	1.7	0.6	-1.3	-0.8	-0.2	-1.1	2.8	3.4	3.5	0.8	1.8	2.1	1.0	1.3	-0.3	-0.8
Norway	11.6	28.7	29.0	25.8	29.1	34.9	49.3	58.5	54.2	80.0	44.1	48.3	64.1	65.9	55.8	44.7	21.1	4.7	17.6	16.7
Poland	-9.8	-10.9	-6.8	-6.8	-5.8	-6.8	-3.2	-7.2	-15.3	-27.3	-3.7	-9.6	-10.5	-2.2	10.2	7.8	14.7	18.3	19.6	20.1
Portugal	-13.2	-13.1	-12.4	-11.1	-11.5	-15.7	-18.0	-17.2	-18.4	-25.6	-16.9	-18.0	-10.5	-1.1	2.3	0.4	1.4	2.5	2.3	3.2
Russia	33.4	52.5	39.6	37.9	50.0	73.6	106.1	127.8	115.1	157.8	93.9	126.1	166.8	147.9	125.5	132.5	111.3	66.4	106.2	107.2
Slovak Republic	-0.9	-0.5	-1.7	-1.8	-0.6	-1.2	-2.2	-2.2	-0.9	-2.8	-1.2	-1.3	-0.9	3.4	4.2	3.6	2.1	3.3	3.3	4.1
Slovenia	-1.0	-0.8	-0.2	0.2	-0.1	-0.5	-0.2	0.0	-0.6	-1.1	0.9	0.7	0.9	2.0	2.7	3.7	3.9	4.2	4.5	4.7
South Africa	3.5	3.9	4.9	4.4	4.1	-0.4	-0.7	-4.6	-4.0	-4.9	1.3	4.7	3.5	-5.7	-8.8	-6.2	-3.4	0.5	2.5	1.3
Spain	-12.2	-17.9	-14.7	-14.5	-20.3	-41.3	-57.7	-74.9	-88.9	-84.9	-17.6	-18.6	-3.8	19.6	44.3	33.1	29.2	35.8	43.3	46.4
Sweden	16.4	15.2	14.9	16.7	21.1	29.0	28.0	31.9	34.1	32.4	24.8	26.8	26.6	26.8	26.1	24.9	23.7	23.6	25.8	27.4
Switzerland	13.9	16.6	15.6	20.6	23.7	35.1	29.7	36.8	54.3	59.1	41.8	62.6	58.8	69.6	83.1	83.5	78.7	79.9	84.5	86.2
Turkey	-0.1	-8.5	7.1	3.4	-3.4	-10.7	-17.1	-26.8	-33.2	-34.0	-5.4	-38.9	-68.4	-43.0	-55.2	-36.2	-22.8	-25.4	-28.9	-32.0
United Kingdom	-26.2	-30.9	-37.6	-49.6	-49.8	-64.8	-66.4	-66.6	-79.9	-87.0	-53.3	-65.9	-43.2	-59.2	-61.8	-59.6	-45.5	-50.3	-67.1	-71.1
United States	-256.6	-375.8	-368.7	-426.5	-503.7	-619.2	-721.2	-771.0	-718.5	-723.1	-395.5	-512.7	-580.0	-565.6	-492.0	-508.8	-522.0	-501.2	-593.9	-689.6
Euro area	92.8	49.2	96.7	177.4	169.2	206.0	154.2	126.9	192.4	142.2	190.0	170.0	190.7	338.1	440.1	474.8	522.6	526.2	499.2	530.0
Total OECD	-45.0	-198.0	-171.7	-147.4	-205.4	-236.3	-411.5	-500.7	-387.3	-527.8	-78.2	-178.5	-347.7	-261.2	-44.8	2.6	117.3	213.3	108.3	65.6

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504935

Annex Table 59. **Balance of primary income**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-7.5	-7.5	-7.7	-7.6	-8.0	-9.4	-7.5	-7.7	-7.6	-9.0	-10.3	-14.5	-15.1	-13.7	-13.2	-11.6	-12.1	-12.6	-16.9	-22.2
Australia	-11.9	-11.1	-10.3	-11.6	-15.1	-22.0	-28.0	-32.5	-41.1	-37.8	-38.0	-49.3	-54.8	-40.8	-38.6	-32.6	-29.1	-21.1	-24.2	-24.0
Austria	-1.7	-1.2	-2.0	-0.2	0.4	0.6	0.2	0.8	-0.4	3.6	-0.2	3.3	1.4	0.5	1.3	0.8	-1.8	-0.7	-1.1	-1.1
Belgium	6.4	6.0	4.2	4.1	6.1	5.0	4.5	4.8	6.3	10.4	-2.6	8.9	5.7	11.4	7.3	2.8	-1.0	-3.7	-0.6	-0.6
Brazil	-18.5	-17.5	-19.3	-17.7	-18.1	-20.1	-25.6	-27.0	-29.0	-41.8	-35.0	-67.1	-70.5	-54.3	-32.5	-52.2	-42.4	-41.1	-42.4	-48.2
Canada	-23.5	-23.4	-26.5	-20.7	-23.5	-21.1	-22.3	-15.6	-17.4	-23.4	-17.3	-23.4	-24.4	-25.6	-25.1	-22.3	-12.9	-12.5	-16.0	-15.9
Chile	-2.4	-3.1	-2.8	-3.0	-4.7	-8.2	-10.8	-18.8	-19.4	-14.6	-12.1	-15.6	-15.4	-12.8	-12.1	-9.2	-6.4	-6.9	-7.0	-6.9
China	-14.5	-14.7	-19.2	-14.9	-10.2	-5.1	-16.1	-5.1	8.0	28.6	-8.5	-25.9	-70.3	-19.9	-78.4	13.3	-41.1	-44.0	-14.4	-14.5
Colombia	-1.3	-2.2	-2.4	-2.6	-3.2	-4.1	-5.3	-5.7	-7.8	-9.6	-8.4	-11.2	-15.5	-15.0	-14.2	-12.4	-5.5	-4.9	-5.1	-5.0
Costa Rica	0.5	0.7	0.7	0.7	0.8	0.9	1.1	1.4	1.7	2.2	2.7	3.1	3.8	4.0	4.6	4.5	4.6	5.1	4.5	5.3
Czech Republic	-1.3	-1.4	-2.2	-3.5	-4.3	-5.0	-5.1	-6.9	-11.9	-8.8	-11.3	-13.1	-12.8	-12.2	-12.7	-12.6	-10.4	-11.1	-11.5	-12.2
Denmark	-2.5	-3.5	-3.5	-2.6	-2.4	-2.0	2.1	3.4	1.6	4.0	3.2	5.3	7.3	7.4	10.9	12.8	10.1	8.2	7.8	7.8
Estonia	-0.1	-0.2	-0.3	-0.3	-0.5	-0.6	-0.5	-0.8	-1.5	-1.3	-0.6	-1.0	-1.2	-0.9	-0.6	-0.7	-0.5	-0.3	-0.4	-0.4
Finland	-2.0	-1.7	-1.0	-0.6	-2.6	0.8	0.2	1.2	-0.4	-1.5	2.1	2.3	0.3	0.1	0.3	1.6	1.3	1.9	1.8	1.8
France	31.5	24.4	25.1	14.3	23.8	28.6	39.3	48.8	55.4	65.4	61.2	70.6	80.4	60.2	65.2	63.2	57.7	54.3	57.8	65.7
Germany	-18.9	-13.4	-15.6	-24.6	-22.2	20.2	24.9	50.7	50.4	37.7	77.4	65.8	96.7	83.2	79.7	75.1	66.0	58.0	56.8	59.5
Greece	-0.9	-1.1	-2.0	0.5	-1.4	-2.0	-3.3	-5.3	-9.1	-11.1	-9.4	-7.7	-9.1	1.0	-0.6	1.9	1.1	0.8	0.1	0.1
Hungary	-2.9	-2.6	-2.8	-3.6	-4.1	-5.0	-5.4	-5.7	-9.0	-9.8	-6.0	-6.1	-6.8	-5.4	-3.6	-5.9	-5.8	-4.9	-5.2	-6.2
Iceland	-0.2	-0.3	-0.3	0.0	-0.2	-0.6	-0.7	-1.0	-1.0	-3.7	-2.3	-2.1	-1.8	-1.3	-0.2	-0.3	-0.1	0.4	-0.2	-0.2
India[1]	-3.6	-5.1	-4.2	-3.5	-4.4	-5.0	-5.7	-7.4	-5.2	-7.0	-8.1	-17.8	-16.0	-21.5	-23.0	-24.2	-24.5	-27.2	-32.5	-36.2
Indonesia	..	..	..	..	..	-10.8	-12.8	-13.7	-15.3	-15.0	-15.0	-20.7	-26.5	-26.6	-27.1	-29.7	-28.4	-29.7	-32.0	-34.4
Ireland	-14.4	-14.2	-17.1	-23.1	-25.7	-29.1	-32.3	-32.0	-40.6	-39.4	-40.6	-36.1	-46.1	-41.3	-35.9	-38.1	-57.6	-51.2	-48.8	-49.3
Israel	-5.1	-8.3	-5.5	-4.6	-4.7	-4.1	-1.4	-0.7	-0.2	-4.3	-5.2	-5.2	-3.5	-7.0	-5.8	-3.5	-4.4	-4.3	-4.3	-4.1
Italy	-1.6	-4.1	-2.8	-5.0	-6.9	-2.4	3.9	9.2	2.6	-20.4	-2.4	-5.2	-7.4	-3.9	-4.0	-0.1	-10.2	3.1	3.4	3.5
Japan	57.1	71.7	67.1	62.2	75.0	96.1	109.1	123.5	139.1	139.0	135.2	156.4	184.8	174.8	181.0	184.4	174.3	165.4	171.2	184.9
Korea	-5.4	-4.0	-3.5	-2.2	-2.5	-1.3	-7.3	-4.0	-3.4	-1.2	-2.4	0.5	6.6	12.1	9.1	4.2	3.6	1.5	3.2	2.0
Latvia	..	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.6	-1.2	-0.9	1.6	0.2	0.0	-0.2	-0.1	0.0	-0.1	0.1	0.2	0.2
Lithuania	..	..	..	..	..	-0.5	-0.4	-0.7	-1.6	-1.8	0.8	-0.7	-1.6	-1.4	-1.1	-0.7	-1.7	-1.6	-1.4	-1.3
Luxembourg	-0.8	-1.6	-1.9	-3.7	-5.3	-3.7	-4.7	-7.9	-11.1	-13.7	-11.3	-11.4	-12.8	-13.0	-15.3	-19.0	-17.7	-17.1	-16.3	-17.4
Mexico	-12.0	-13.8	-13.0	-12.2	-12.2	-10.0	-16.5	-19.4	-22.9	-20.3	-15.2	-13.3	-21.0	-25.9	-40.7	-33.9	-34.0	-33.6	-38.8	-36.0
Netherlands	0.5	-11.4	-6.9	-5.7	-6.9	9.3	1.5	17.3	0.6	-17.3	-4.3	2.9	15.8	20.0	10.4	0.5	-2.7	-8.8	-6.5	-6.6
New Zealand	-3.2	-3.2	-2.8	-3.1	-3.9	-5.4	-6.9	-7.5	-9.4	-10.1	-5.7	-6.8	-7.9	-7.3	-7.4	-8.2	-6.6	-5.7	-5.5	-5.1
Norway	-1.3	-2.3	0.2	0.6	1.4	0.5	3.3	0.3	-1.1	-2.7	2.4	4.5	4.7	4.2	5.5	21.5	19.6	20.1	20.3	20.7
Poland	-0.9	-0.5	-0.4	-0.8	-2.2	-8.1	-5.1	-7.2	-13.1	-10.2	-12.7	-15.6	-17.1	-15.6	-15.9	-18.6	-16.6	-17.6	-17.6	-17.8
Portugal	-0.7	-2.0	-2.7	-1.8	-1.6	-1.9	-2.8	-6.1	-7.3	-8.7	-9.3	-7.6	-6.5	-5.5	-2.7	-4.5	-5.0	-4.4	-2.4	-2.4
Russia	-7.8	-6.7	-4.2	-6.6	-13.2	-12.8	-18.5	-28.8	-28.8	-46.5	-39.7	-47.1	-60.4	-67.7	-79.6	-68.0	-37.0	-34.7	-38.2	-39.9
Slovak Republic	-0.2	-0.3	-0.2	-0.4	-1.5	-1.9	-1.7	-2.2	-3.0	-2.8	-0.8	-2.5	-3.3	-1.6	-0.7	-1.0	-0.9	-2.1	-2.2	-2.4
Slovenia	0.1	0.0	0.1	-0.1	-0.2	-0.4	-0.3	-0.5	-1.1	-1.5	-0.7	-0.5	-0.4	-0.3	-0.3	-0.2	-1.1	-0.7	-0.8	-0.8
South Africa	-3.2	-3.2	-3.8	-2.8	-4.6	-4.3	-4.9	-5.2	-9.8	-9.1	-6.7	-8.0	-10.7	-10.8	-9.6	-9.4	-7.9	-8.2	-10.4	-10.8
Spain	-6.0	-3.9	-8.2	-7.4	-6.9	-9.3	-16.6	-21.4	-36.5	-44.7	-26.7	-20.1	-25.5	-9.1	-7.0	-4.4	-0.7	0.9	1.2	1.2
Sweden	-1.9	-1.1	-1.1	-0.8	5.3	1.4	4.8	11.0	15.4	18.3	10.6	13.6	11.9	12.8	12.0	11.6	7.0	8.0	6.3	6.3
Switzerland	18.2	19.5	12.2	9.7	25.0	26.4	35.2	33.4	4.0	-35.0	10.7	35.2	10.4	15.3	16.2	4.3	18.4	8.2	8.4	10.2
Turkey	-3.5	-4.0	-5.0	-4.6	-5.6	-5.6	-5.4	-6.0	-6.3	-7.6	-7.7	-6.5	-7.2	-6.6	-8.6	-8.2	-9.6	-9.0	-8.8	-8.9
United Kingdom	-1.0	10.8	16.2	28.6	33.9	43.2	59.6	30.1	32.8	12.1	9.5	31.2	31.6	-3.5	-16.4	-38.9	-39.2	-32.4	-4.7	-4.5
United States	11.9	19.2	29.7	25.2	42.8	64.1	67.6	43.3	100.6	146.1	123.6	177.7	221.0	215.8	219.0	224.0	182.4	180.6	245.8	245.8
Euro area	-8.9	-24.6	-31.3	-54.1	-51.6	12.9	12.3	56.0	3.2	-46.2	33.6	62.0	88.1	100.7	97.0	77.8	26.9	30.0	42.3	51.0
Total OECD	-0.6	14.0	14.7	-1.1	46.2	146.2	179.2	175.6	140.3	83.8	192.8	329.3	393.4	379.3	363.4	346.3	267.3	263.3	361.5	386.9

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504954

Annex Table 60. **Balance of secondary income**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	0.5	0.4	0.4	0.5	0.5	0.6	0.5	0.5	0.4	0.2	0.0	-0.4	-0.6	-0.5	-0.8	-0.2	-0.4	0.0	0.1	0.1
Australia	0.2	-0.1	0.3	0.3	0.2	-0.1	-0.4	-0.5	-0.2	-0.4	-0.9	-1.6	-2.2	-2.2	-1.9	-1.7	-1.4	-1.2	-1.3	-1.4
Austria	-4.4	-3.5	-3.6	-3.2	-3.7	-3.5	-3.7	-3.5	-3.7	-4.5	-3.8	-4.0	-4.2	-4.1	-5.2	-4.3	-3.8	-3.8	-5.2	-5.5
Belgium	-4.6	-4.1	-4.0	-4.1	-6.1	-6.0	-5.9	-5.9	-5.3	-8.3	-7.8	-6.8	-7.9	-7.7	-9.1	-8.6	-7.4	-8.2	-11.3	-11.4
Brazil	1.7	1.5	1.6	2.4	2.9	3.2	3.6	4.3	4.0	4.2	3.3	2.9	3.0	2.8	3.7	2.7	2.7	3.0	2.8	3.0
Canada	0.2	0.3	0.4	0.3	-0.2	-0.5	-1.5	-1.7	-2.2	-1.5	-3.1	-3.8	-3.7	-4.2	-3.9	-3.0	-2.8	-2.4	-2.4	-2.4
Chile	0.6	0.6	0.4	0.6	0.6	1.1	1.8	3.4	3.1	2.9	1.6	4.4	2.9	2.1	2.2	2.1	1.9	1.4	2.0	2.1
China	4.9	6.3	8.5	13.0	17.4	22.9	23.9	28.1	37.1	43.2	31.7	40.7	24.5	3.4	-8.7	1.4	-12.6	-9.5	-10.4	-8.9
Colombia	1.5	1.7	2.4	2.7	3.3	3.7	4.1	4.7	5.2	5.5	4.6	4.4	4.8	4.6	4.7	4.5	5.3	5.6	6.5	6.8
Costa Rica	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.5	0.4	0.3	0.4	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.4
Czech Republic	0.6	0.4	0.5	0.9	0.6	0.0	-0.7	-0.8	-1.1	-0.7	-1.1	-0.6	-1.0	-1.4	-0.5	-0.4	0.0	-1.1	-1.2	-0.5
Denmark	-3.6	-3.7	-3.3	-3.2	-4.4	-5.5	-5.5	-5.6	-6.2	-6.1	-6.5	-6.5	-6.6	-6.6	-6.9	-6.0	-4.8	-4.4	-4.1	-4.1
Estonia	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Finland	-0.8	-0.6	-0.8	-0.8	-1.2	-1.8	-2.2	-2.2	-2.4	-2.9	-3.0	-2.7	-2.7	-2.2	-3.2	-3.3	-2.6	-2.2	-3.2	-3.3
France	-19.6	-21.6	-22.5	-24.5	-31.9	-37.2	-39.3	-39.9	-45.5	-49.9	-50.8	-49.6	-52.1	-55.3	-59.2	-62.6	-45.6	-47.7	-41.2	-46.1
Germany	-28.4	-27.6	-26.0	-27.5	-35.3	-37.2	-39.2	-40.1	-48.1	-53.1	-51.7	-53.2	-49.8	-50.5	-55.8	-53.6	-43.3	-44.6	-49.3	-52.1
Greece	6.5	3.3	3.5	1.2	1.2	1.1	0.1	0.5	-1.6	-0.5	-1.3	-2.4	-2.1	-1.2	2.4	-0.4	-0.6	-0.7	-1.1	-1.1
Hungary	0.4	0.4	0.4	0.5	0.7	-0.5	-1.2	-1.2	-1.6	-1.9	-0.4	-0.5	-0.8	-1.0	-0.7	-0.9	-1.0	-1.8	-1.8	-1.9
Iceland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.2	-0.2
India[1]	12.6	13.1	15.8	16.8	22.3	20.7	24.6	30.0	41.8	45.0	52.3	53.3	63.6	64.0	65.3	65.6	62.6	55.1	56.5	57.7
Indonesia	..	..	..	..	..	1.1	4.8	4.9	5.1	5.4	4.6	4.6	4.2	4.1	4.2	5.2	5.5	4.4	4.8	4.8
Ireland	-1.4	-1.0	-0.3	-0.7	-1.5	-1.6	-2.2	-2.6	-3.5	-4.0	-4.1	-3.6	-3.7	-3.4	-3.9	-3.7	-3.5	-3.0	-3.3	-3.5
Israel	6.2	6.6	6.7	6.9	6.5	6.2	6.1	7.4	7.3	8.1	7.2	8.3	8.7	7.9	9.1	9.8	9.1	9.4	9.6	9.5
Italy	-5.7	-4.6	-5.0	-7.4	-9.0	-13.8	-17.4	-20.5	-24.6	-26.4	-25.7	-26.5	-26.8	-25.1	-23.9	-21.1	-16.7	-18.5	-19.6	-19.8
Japan	-10.8	-9.8	-8.1	-5.6	-7.8	-8.0	-7.3	-10.6	-11.6	-13.1	-11.9	-12.7	-15.2	-14.1	-10.0	-19.0	-16.9	-20.4	-12.5	-12.5
Korea	0.8	-0.2	-1.3	-2.1	-3.2	-3.0	-3.3	-4.4	-4.4	-1.3	-2.2	-5.3	-4.7	-5.5	-4.2	-5.0	-5.0	-5.6	-4.6	-4.7
Latvia	..	0.2	0.1	0.3	0.5	0.7	0.5	0.4	0.3	0.5	0.6	0.6	0.5	0.5	0.4	0.0	0.2	0.2	0.2	0.2
Lithuania	..	..	..	..	..	0.4	0.4	0.6	0.8	0.8	0.7	1.3	1.0	0.5	1.3	1.5	1.0	0.9	0.9	0.9
Luxembourg	-0.7	-0.5	-0.7	-0.4	0.2	-0.1	0.1	0.1	0.3	0.2	-0.9	0.2	0.1	-0.3	0.4	0.5	1.0	0.7	0.1	-0.2
Mexico	6.3	7.0	9.3	10.3	15.6	18.8	22.1	25.9	26.4	25.5	21.6	21.5	23.0	22.6	21.7	22.9	24.3	26.7	25.5	24.7
Netherlands	-6.5	0.4	-2.0	-2.8	-2.8	-11.0	-12.1	-14.2	-16.5	-15.7	-11.4	-13.9	-14.5	-13.8	-17.7	-17.4	-12.2	-10.1	-2.4	-2.6
New Zealand	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.4	0.4	0.7	0.3	0.0	-0.2	-0.4	-0.4	-0.4	-0.3	-0.6	-0.7	-0.8
Norway	-1.4	-1.2	-1.7	-2.4	-3.3	-2.9	-2.7	-3.0	-3.5	-3.8	-4.8	-5.9	-7.1	-6.7	-7.9	-7.8	-7.0	-6.6	-4.8	-2.2
Poland	0.3	-0.4	0.6	1.3	2.2	0.7	0.2	0.7	1.1	1.4	-1.4	-0.1	1.1	-0.2	-0.5	-0.6	-1.0	-1.2	-1.1	-1.1
Portugal	2.5	2.1	2.2	1.4	1.1	1.5	0.7	0.9	1.5	1.5	0.2	0.3	0.8	1.3	2.0	2.1	1.7	1.6	0.9	1.0
Russia	0.5	0.1	-0.9	-0.8	-0.4	-1.0	-1.6	-2.6	-5.7	-6.8	-5.5	-6.3	-5.7	-6.1	-9.3	-8.2	-5.6	-6.4	-10.6	-11.5
Slovak Republic	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.3	-0.6	-1.1	-1.4	-0.7	-1.1	-1.3	-2.0	-1.7	-1.4	-1.5	-1.3	-1.0
Slovenia	0.2	0.1	0.1	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.2	-0.1	-0.3	-0.7	-0.6	-0.6	-0.5	-0.4	-0.4
South Africa	-0.9	-0.9	-0.7	-0.6	-1.0	-1.7	-2.5	-2.4	-2.3	-2.3	-2.7	-2.3	-2.0	-3.8	-3.2	-3.2	-2.6	-1.9	-1.3	-1.2
Spain	-2.4	-4.2	-4.7	-4.9	-8.6	-9.6	-12.7	-18.0	-18.3	-22.7	-20.6	-17.7	-19.1	-14.7	-17.1	-14.8	-12.0	-13.2	-13.0	-14.2
Sweden	-3.2	-3.1	-3.1	-3.6	-4.2	-5.4	-6.0	-6.4	-6.8	-8.4	-6.3	-8.1	-9.4	-10.8	-10.3	-10.3	-8.3	-6.9	-4.6	-4.6
Switzerland	-3.2	-3.0	-4.1	-4.7	-4.0	-4.3	-8.7	-6.7	-6.4	-9.4	-8.6	-8.7	-8.9	-8.7	-13.0	-19.4	-13.2	-10.0	-9.8	-9.9
Turkey	4.9	4.8	3.0	2.4	1.0	1.1	1.5	1.9	2.2	2.1	2.4	1.5	1.8	1.4	1.2	1.2	1.4	1.8	1.9	1.9
United Kingdom	-12.7	-15.1	-9.9	-14.1	-17.7	-20.3	-23.4	-23.4	-28.0	-26.5	-24.7	-32.0	-34.7	-34.7	-42.0	-41.1	-37.7	-32.9	-28.5	-26.9
United States	-48.8	-57.4	-63.5	-64.3	-70.2	-88.0	-98.8	-88.3	-113.9	-128.2	-123.8	-125.0	-132.7	-125.5	-123.5	-125.9	-145.0	-161.2	-135.0	-132.5
Euro area	-65.2	-61.5	-63.4	-73.3	-97.1	-118.6	-133.7	-145.6	-168.2	-187.0	-182.0	-180.0	-182.4	-178.0	-192.5	-189.3	-146.7	-151.4	-150.1	-159.9
Total OECD	-128.3	-135.4	-136.7	-149.8	-184.6	-229.3	-261.1	-258.3	-313.5	-347.6	-344.7	-355.3	-372.2	-366.1	-384.2	-394.7	-354.6	-368.5	-323.8	-327.5

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504973

Annex Table 61. **Current account balances**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-11.9	-9.0	-3.8	8.7	8.1	3.1	5.1	6.2	5.7	5.3	7.0	-2.2	-5.6	-2.3	-13.0	-8.9	-16.8	-15.0	-18.8	-24.4
Australia	-21.8	-15.5	-8.0	-16.0	-29.3	-41.3	-43.3	-45.3	-64.0	-52.3	-48.8	-44.3	-44.1	-64.4	-48.1	-42.4	-58.2	-32.8	-15.4	-14.0
Austria	-4.4	-1.8	-2.0	6.9	5.3	7.8	8.0	11.1	14.8	19.5	10.4	11.2	7.0	6.1	8.3	10.2	7.2	6.7	7.4	7.9
Belgium	11.4	8.3	6.9	10.2	11.3	12.2	8.2	8.0	9.0	-4.7	-5.0	8.2	-5.7	-0.3	-1.5	-3.6	2.0	-1.9	-1.6	-1.3
Brazil	-25.9	-24.8	-23.7	-8.1	3.8	11.3	13.5	13.0	0.4	-30.6	-26.3	-75.8	-77.0	-74.2	-74.8	-104.2	-58.9	-23.5	-4.0	-2.8
Canada	0.8	18.5	15.8	12.5	10.3	23.2	21.9	17.9	10.9	3.3	-40.7	-58.2	-49.7	-65.7	-59.4	-43.6	-52.9	-51.2	-35.3	-30.8
Chile	0.5	-0.5	-0.7	-0.1	-0.3	2.8	1.8	6.9	7.3	-6.7	3.1	3.0	-4.2	-10.6	-11.4	-4.3	-4.5	-3.4	-2.7	-3.5
China	21.1	20.4	17.4	35.4	43.1	68.9	132.4	231.8	353.2	420.6	243.3	237.8	136.1	215.4	148.2	236.0	304.2	196.4	176.5	216.4
Colombia	0.7	0.8	-1.0	-1.3	-0.9	-0.8	-1.9	-2.9	-6.0	-6.5	-4.6	-8.7	-9.7	-11.2	-12.3	-19.4	-18.8	-12.5	-11.1	-11.5
Costa Rica	-0.7	-0.7	-0.6	-0.9	-0.9	-0.8	-1.0	-1.0	-1.6	-2.8	-0.6	-1.2	-2.3	-2.4	-2.4	-2.5	-2.4	-1.9	-2.0	-2.2
Czech Republic	-1.5	-2.7	-3.3	-4.2	-5.7	-4.4	-2.9	-3.9	-8.8	-4.4	-4.5	-7.4	-5.0	-3.3	-1.1	0.3	0.5	2.2	2.0	3.0
Denmark	3.3	2.5	4.1	5.0	7.3	5.7	11.2	9.4	4.7	10.4	11.2	21.2	22.7	20.5	26.7	31.3	27.6	24.9	26.4	28.1
Estonia	-0.2	-0.3	-0.4	-0.8	-1.3	-1.5	-1.2	-2.6	-3.3	-2.1	0.5	0.4	0.3	-0.4	-0.1	0.2	0.5	0.6	0.4	0.3
Finland	7.0	9.5	10.4	11.5	8.0	11.5	6.2	8.1	9.8	6.5	4.9	3.1	-4.8	-5.0	-4.3	-3.5	-1.4	-2.5	-2.9	-1.8
France	49.9	15.9	20.5	17.3	15.9	9.0	-0.3	0.7	-8.3	-27.5	-22.5	-22.0	-28.2	-32.7	-24.6	-30.8	-4.8	-22.6	-29.8	-33.0
Germany	-31.8	-35.1	-6.0	40.9	35.4	122.2	129.4	169.9	233.4	208.7	195.7	186.1	226.9	251.0	254.9	293.2	289.6	286.5	261.6	270.7
Greece	-6.4	-11.3	-10.8	-10.6	-17.1	-18.5	-21.9	-31.5	-48.6	-53.8	-40.9	-34.3	-28.9	-9.5	-4.9	-3.8	0.2	-1.2	-3.8	-4.7
Hungary	-3.9	-4.0	-3.1	-4.3	-6.8	-8.8	-7.9	-8.0	-9.9	-11.1	-0.9	0.4	1.0	2.2	5.2	2.9	4.1	6.1	4.6	3.0
Iceland	-0.6	-0.9	-0.4	0.1	-0.6	-1.4	-2.7	-4.0	-2.9	-4.4	-1.3	-0.9	-0.8	-0.6	0.9	0.7	0.9	1.6	1.3	1.5
India[1]	-5.0	-2.9	3.3	6.4	13.9	-3.5	-10.3	-9.5	-15.8	-26.2	-37.5	-48.2	-78.3	-88.4	-32.8	-26.6	-22.2	-16.1	-24.5	-34.3
Indonesia	5.8	8.0	6.9	7.8	8.1	1.6	0.3	10.9	10.5	0.1	10.6	5.1	1.7	-24.4	-29.1	-27.5	-17.5	-16.9	-14.8	-16.9
Ireland	0.3	-0.3	-0.7	-1.2	0.8	-0.2	-7.4	-12.4	-17.6	-17.4	-11.1	-2.7	-3.9	-5.9	5.2	4.1	29.0	14.3	12.5	16.8
Israel	-1.5	-2.0	-1.9	-1.1	0.8	2.0	4.4	6.7	6.1	2.4	7.4	8.3	6.1	1.4	10.3	12.2	13.0	11.6	15.2	14.1
Italy	14.1	0.8	6.1	-3.7	-9.4	-6.4	-16.6	-29.2	-30.9	-66.6	-41.2	-72.6	-68.7	-7.6	20.6	40.2	26.3	47.8	39.9	44.0
Japan	115.1	130.4	87.0	108.6	139.4	182.1	170.3	175.7	213.0	142.6	146.5	221.2	128.4	62.2	46.2	36.8	133.9	183.1	176.7	203.7
Korea	21.6	10.4	2.7	4.7	11.9	29.7	12.7	3.6	11.8	3.2	33.6	28.9	18.7	50.8	81.1	84.4	105.9	98.7	89.2	94.9
Latvia	..	-0.4	-0.6	-0.6	-0.9	-1.8	-2.0	-4.6	-6.4	-4.5	2.1	0.5	-0.9	-1.0	-0.8	-0.6	-0.2	0.4	0.3	0.1
Lithuania	..	..	..	..	..	-1.7	-1.9	-3.2	-6.1	-6.5	0.8	-0.1	-1.7	-0.5	0.7	1.7	-1.0	-0.4	-0.8	-1.0
Luxembourg	1.5	2.5	1.5	2.1	2.0	4.1	4.1	4.2	5.0	4.3	3.6	3.6	3.6	3.3	3.4	3.3	3.0	2.8	2.9	3.2
Mexico	-14.0	-18.8	-17.8	-14.9	-8.3	-7.0	-9.1	-7.5	-14.5	-20.4	-8.7	-5.3	-14.0	-17.0	-31.0	-26.2	-33.3	-27.9	-29.2	-30.3
Netherlands	15.9	7.8	10.3	11.8	30.1	49.9	48.3	66.6	58.3	48.1	47.5	59.0	77.8	85.9	85.5	78.5	66.1	64.8	75.1	80.4
New Zealand	-2.9	-1.8	-0.4	-1.3	-2.0	-4.7	-8.0	-7.9	-9.1	-10.4	-2.8	-3.3	-4.7	-6.9	-5.8	-6.4	-5.7	-5.0	-6.5	-6.7
Norway	8.9	25.1	27.5	24.2	27.6	32.8	50.7	56.6	50.3	74.2	42.3	47.4	62.5	64.3	54.4	60.6	33.7	18.1	32.5	34.5
Poland	-13.0	-10.8	-6.2	-5.8	-5.7	-13.8	-8.0	-13.9	-27.4	-35.8	-17.9	-25.9	-27.4	-18.6	-6.7	-11.4	-2.9	-1.4	-0.7	-0.5
Portugal	-11.3	-12.8	-12.7	-11.4	-11.9	-15.8	-19.5	-22.2	-23.5	-31.9	-25.5	-24.2	-14.8	-3.9	3.5	0.2	0.1	1.7	0.8	1.8
Russia	23.8	45.4	32.1	27.5	33.1	58.6	84.4	92.3	72.2	103.9	50.4	67.5	97.3	71.3	33.4	57.5	69.0	25.0	65.3	63.7
Slovak Republic	-1.0	-0.7	-1.7	-1.9	-1.9	-3.3	-4.1	-4.4	-4.1	-6.1	-3.0	-4.2	-4.9	0.9	1.8	1.2	0.1	-0.6	-0.1	0.7
Slovenia	-0.9	-0.7	0.0	0.2	-0.2	-0.9	-0.6	-0.7	-2.0	-3.0	-0.3	-0.1	0.1	1.2	2.3	3.1	2.2	3.0	3.4	3.5
South Africa	-0.7	-0.2	0.3	1.1	-1.5	-6.4	-8.1	-12.1	-16.2	-16.3	-8.1	-5.6	-9.2	-20.2	-21.6	-18.7	-13.9	-9.5	-9.2	-10.7
Spain	-20.7	-26.2	-27.5	-26.5	-35.3	-59.8	-86.7	-114.0	-143.3	-152.4	-64.0	-56.0	-47.2	-3.3	20.6	14.6	16.3	24.1	26.0	27.9
Sweden	10.6	10.2	11.4	11.8	19.6	22.9	23.5	34.5	40.0	40.8	26.0	29.2	31.4	30.4	30.5	26.6	23.3	23.7	26.9	28.5
Switzerland	30.8	32.0	22.3	25.7	44.9	57.9	55.3	62.0	48.6	13.6	41.4	86.9	55.5	69.8	78.7	61.7	77.4	70.6	74.8	78.2
Turkey	-0.9	-9.9	3.8	-0.6	-7.6	-14.2	-21.0	-31.2	-36.9	-39.4	-11.4	-44.6	-74.4	-48.0	-63.6	-43.6	-32.1	-32.6	-39.2	-42.5
United Kingdom	-39.9	-35.2	-31.3	-35.0	-33.5	-42.0	-30.2	-59.9	-75.1	-101.3	-68.6	-66.7	-46.3	-97.5	-120.1	-139.7	-122.4	-115.7	-100.3	-102.5
United States	-295.5	-410.8	-395.3	-458.1	-521.3	-633.8	-745.4	-806.7	-718.6	-690.8	-384.0	-442.0	-460.4	-446.5	-366.4	-392.1	-463.0	-481.2	-473.1	-566.3
Euro area	23.2	-44.8	-6.6	44.1	30.6	108.6	43.9	47.2	42.1	-82.8	51.2	56.0	107.5	278.8	370.0	406.4	436.4	423.8	392.4	416.3
Total OECD	-180.6	-328.5	-300.4	-304.7	-328.7	-303.6	-482.7	-567.7	-532.6	-769.3	-226.9	-196.1	-297.0	-198.6	-9.7	14.1	81.7	113.2	139.4	108.6

Note: Balance-of-payments data in this table are based on the concepts and definition of the International Monetary Fund, Fifth and Sixth Balance of Payments Manual.

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933504992

Annex Table 62. **Current account balances as a percentage of GDP**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-3.9	-2.9	-1.3	8.4	5.8	1.8	2.5	2.7	2.0	1.4	2.1	-0.5	-1.1	-0.4	-2.2	-1.5	-2.7	-2.8	-2.9	-3.1
Australia	-5.3	-3.8	-2.1	-3.7	-5.4	-6.3	-5.9	-5.8	-6.7	-4.8	-4.7	-3.5	-2.9	-4.1	-3.2	-2.9	-4.8	-2.6	-1.2	-1.0
Austria	-2.0	-0.9	-1.0	3.2	2.0	2.6	2.6	3.3	3.8	4.5	2.6	2.9	1.6	1.5	2.0	2.4	1.9	1.7	1.9	1.9
Belgium	4.4	3.5	2.9	4.0	3.5	3.3	2.1	1.9	2.0	-1.0	-1.1	1.8	-1.1	-0.1	-0.3	-0.7	0.4	-0.4	-0.3	-0.3
Brazil	-4.3	-3.8	-4.2	-1.3	0.7	1.7	1.5	1.2	0.1	-1.8	-1.5	-3.4	-2.9	-3.0	-3.0	-4.2	-3.1	-1.3	-0.2	-0.1
Canada	0.1	2.5	2.1	1.7	1.1	2.3	1.8	1.4	0.8	0.1	-2.9	-3.6	-2.8	-3.6	-3.2	-2.4	-3.4	-3.3	-2.2	-1.9
Chile	0.7	-0.7	-0.9	-0.1	-0.3	2.8	1.4	4.5	4.3	-3.9	1.8	1.3	-1.7	-4.0	-4.1	-1.6	-1.9	-1.4	-1.0	-1.2
China	1.9	1.7	1.3	2.4	2.6	3.5	5.8	8.4	9.9	9.1	4.8	3.9	1.8	2.5	1.5	2.3	2.8	1.7	1.5	1.6
Colombia	0.7	0.8	-1.1	-1.4	-1.0	-0.7	-1.3	-1.8	-2.9	-2.7	-2.0	-3.0	-2.9	-3.0	-3.2	-5.2	-6.4	-4.5	-3.5	-3.5
Costa Rica	-4.5	-4.6	-3.8	-5.2	-5.1	-4.3	-4.9	-4.5	-6.2	-9.0	-1.8	-3.2	-5.3	-5.2	-4.9	-4.9	-4.3	-3.3	-3.3	-3.3
Czech Republic	-2.3	-4.4	-4.9	-5.1	-5.7	-3.7	-2.1	-2.5	-4.6	-1.9	-2.3	-3.6	-2.1	-1.6	-0.5	0.2	0.2	1.1	1.0	1.4
Denmark	1.9	1.6	2.5	2.8	3.4	2.3	4.2	3.3	1.4	2.9	3.5	6.6	6.6	6.3	7.8	8.9	9.2	8.1	8.5	8.7
Estonia	-4.3	-5.4	-7.1	-11.1	-12.9	-12.0	-8.7	-15.0	-15.0	-8.7	2.5	1.8	1.3	-2.0	-0.4	0.9	2.2	2.7	1.8	1.3
Finland	5.2	7.5	8.1	8.2	4.6	5.8	3.0	3.8	3.8	2.2	1.9	1.2	-1.8	-1.9	-1.6	-1.3	-0.6	-1.1	-1.2	-0.7
France	3.3	1.2	1.5	1.2	0.9	0.4	0.0	0.0	-0.3	-0.9	-0.8	-0.8	-1.0	-1.2	-0.9	-1.1	-0.2	-0.9	-1.2	-1.3
Germany	-1.4	-1.8	-0.3	1.9	1.4	4.3	4.5	5.6	6.8	5.5	5.7	5.4	6.0	7.1	6.8	7.6	8.6	8.3	7.5	7.4
Greece	-4.4	-8.5	-7.9	-6.8	-8.4	-7.7	-8.9	-11.5	-15.2	-15.1	-12.3	-11.4	-10.0	-3.8	-2.0	-1.6	0.1	-0.6	-1.9	-2.3
Hungary	-7.8	-8.4	-5.8	-6.2	-7.9	-8.5	-7.0	-6.9	-7.0	-7.0	-0.8	0.3	0.7	1.7	3.8	2.1	3.3	4.9	3.6	2.1
Iceland	-7.2	-10.3	-4.3	1.1	-4.9	-9.8	-15.9	-23.3	-14.0	-22.6	-9.6	-6.6	-5.3	-4.0	6.0	4.0	5.5	8.0	5.2	5.6
India[1]	-1.1	-0.6	0.7	1.3	2.3	-0.5	-1.3	-1.0	-1.3	-2.2	-2.8	-2.9	-4.3	-4.8	-1.7	-1.3	-1.1	-0.7	-0.9	-1.2
Indonesia	3.4	4.5	3.9	3.7	3.1	0.6	0.1	2.7	2.2	0.0	1.8	0.7	0.2	-2.7	-3.1	-3.1	-2.0	-1.8	-1.4	-1.5
Ireland	0.2	-0.4	-0.6	-1.0	0.5	-0.1	-3.5	-5.4	-6.5	-6.2	-4.7	-1.2	-1.6	-2.6	2.1	1.7	10.2	4.7	4.1	5.3
Israel	-1.3	-1.5	-1.5	-0.9	0.6	1.5	3.1	4.4	3.4	1.2	3.6	3.6	2.3	0.6	3.5	4.0	4.3	3.6	4.3	3.8
Italy	1.1	0.1	0.5	-0.3	-0.6	-0.3	-0.9	-1.5	-1.4	-2.8	-1.9	-3.4	-3.0	-0.4	1.0	1.9	1.4	2.6	2.1	2.3
Japan	2.5	2.7	2.0	2.6	3.1	3.8	3.6	3.9	4.7	2.8	2.8	3.9	2.1	1.0	0.9	0.8	3.1	3.7	3.7	4.1
Korea	4.4	1.9	0.5	0.8	1.7	3.9	1.4	0.3	1.1	0.6	3.8	2.7	1.6	4.1	6.2	6.0	7.7	7.0	6.0	6.0
Latvia	..	-4.7	-7.5	-6.5	-7.8	-12.3	-11.8	-20.9	-20.8	-12.3	7.8	2.0	-3.2	-3.6	-2.7	-2.0	-0.8	1.5	1.2	0.2
Lithuania	..	..	..	..	..	-7.7	-7.3	-10.6	-15.1	-13.3	2.1	-0.3	-3.9	-1.2	1.5	3.6	-2.3	-0.9	-1.7	-2.1
Luxembourg	6.8	11.5	7.1	9.3	6.5	11.8	11.0	9.9	9.7	7.6	7.2	6.7	6.0	5.9	5.6	5.0	5.1	4.7	4.7	4.8
Mexico	-2.4	-2.8	-2.4	-2.0	-1.2	-0.9	-1.0	-0.8	-1.4	-1.9	-1.0	-0.5	-1.2	-1.4	-2.5	-2.0	-2.9	-2.6	-2.7	-2.6
Netherlands	3.6	1.9	2.4	2.5	5.2	7.6	7.1	9.2	7.0	5.0	5.5	7.0	8.7	10.4	9.9	8.9	8.8	8.4	9.6	9.8
New Zealand	-4.9	-3.2	-0.8	-2.2	-2.4	-4.6	-7.1	-7.1	-6.8	-7.7	-2.3	-2.2	-2.8	-3.9	-3.1	-3.2	-3.3	-2.7	-3.4	-3.4
Norway	5.5	14.7	15.8	12.3	12.1	12.4	16.5	16.3	12.4	15.8	10.8	11.0	12.5	12.6	10.4	12.1	8.7	4.9	8.5	8.8
Poland	-7.8	-6.3	-3.2	-2.9	-2.6	-5.5	-2.6	-4.0	-6.4	-6.6	-4.0	-5.4	-5.2	-3.7	-1.3	-2.1	-0.6	-0.3	-0.2	-0.1
Portugal	-8.9	-10.8	-10.4	-8.5	-7.2	-8.3	-9.9	-10.7	-9.7	-12.1	-10.4	-10.1	-6.0	-1.8	1.6	0.1	0.1	0.8	0.4	0.8
Russia	11.6	16.4	9.8	7.5	7.2	9.3	10.4	8.8	5.2	5.8	3.8	4.1	4.8	3.3	1.5	2.8	5.1	1.9	4.0	3.7
Slovak Republic	-4.7	-3.4	-8.1	-7.7	-5.8	-7.6	-8.3	-7.7	-5.2	-6.2	-3.4	-4.7	-5.0	0.9	1.9	1.1	0.2	-0.7	-0.1	0.7
Slovenia	-4.0	-3.2	0.0	0.9	-0.8	-2.7	-1.8	-1.8	-4.1	-5.3	-0.6	-0.1	0.2	2.6	4.8	6.2	5.2	6.8	7.4	7.2
South Africa	-0.5	-0.1	0.3	0.9	-0.8	-2.8	-3.1	-4.5	-5.4	-5.5	-2.7	-1.5	-2.2	-5.1	-5.9	-5.3	-4.4	-3.3	-2.7	-3.0
Spain	-3.3	-4.4	-4.4	-3.7	-3.9	-5.6	-7.5	-9.0	-9.6	-9.3	-4.3	-3.9	-3.2	-0.2	1.5	1.1	1.4	2.0	2.1	2.1
Sweden	3.9	4.0	4.7	4.5	5.9	6.0	6.1	8.2	8.2	7.8	6.0	6.0	5.6	5.6	5.3	4.6	4.7	4.7	5.2	5.3
Switzerland	10.7	11.7	8.0	8.4	12.7	14.7	13.5	14.4	10.2	2.4	7.5	14.9	8.0	10.5	11.5	8.8	11.5	10.7	11.3	11.4
Turkey	-0.6	-3.7	2.0	-0.3	-2.4	-3.5	-4.2	-5.7	-5.4	-5.0	-1.7	-5.7	-8.9	-5.5	-6.7	-4.7	-3.7	-3.8	-4.8	-4.6
United Kingdom	-2.4	-2.1	-1.9	-2.0	-1.7	-1.8	-1.2	-2.2	-2.4	-3.5	-3.0	-2.7	-1.8	-3.7	-4.4	-4.7	-4.3	-4.4	-3.9	-3.8
United States	-3.1	-4.0	-3.7	-4.2	-4.5	-5.2	-5.7	-5.8	-5.0	-4.7	-2.7	-3.0	-3.0	-2.8	-2.2	-2.3	-2.6	-2.6	-2.4	-2.8
Euro area	0.3	-0.7	-0.1	0.6	0.3	1.1	0.4	0.4	0.3	-0.6	0.4	0.4	0.8	2.2	2.8	3.1	3.8	3.6	3.3	3.4
Total OECD	-0.7	-1.2	-1.1	-1.1	-1.0	-0.9	-1.3	-1.4	-1.2	-1.7	-0.5	-0.4	-0.6	-0.4	0.0	0.0	0.2	0.2	0.3	0.2

1. Fiscal year.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505011

Annex Table 63. **Structure of current account balances of major world regions**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Goods and services trade balance[1]																				
Total OECD	-45	-198	-172	-147	-205	-236	-412	-501	-387	-528	-78	-179	-348	-261	-45	3	117	213	108	66
China	31	29	28	37	36	51	125	209	308	349	220	223	182	232	235	221	358	250	201	240
Other industrialised Asia[2]	68	62	64	76	93	78	86	116	140	56	105	84	77	18	60	120	156	171	172	165
Russia	33	52	40	38	50	74	106	128	115	158	94	126	167	148	126	132	111	66	106	107
Brazil	-11	-15	-13	3	13	23	30	30	19	-4	-7	-23	-20	-34	-58	-65	-25	7	36	42
Other oil producers	43	128	82	80	117	178	309	375	354	505	154	335	650	639	587	406	-2	43	80	58
Rest of the world	-57	-51	-49	-35	-41	-60	-81	-110	-171	-250	-149	-161	-190	-232	-241	-239	-238	-217	-221	-228
World[3]	63	8	-20	52	62	108	164	248	378	286	339	406	517	511	665	578	479	533	483	450
Balance of primary income																				
Total OECD	-1	14	15	-1	46	146	179	176	140	84	193	329	393	379	363	346	267	263	362	387
China	-14	-15	-19	-15	-10	-5	-16	-5	8	29	-9	-26	-70	-20	-78	13	-41	-44	-14	-14
Other industrialised Asia[2]	-7	-10	-6	-10	-7	-22	-33	-24	-24	-27	-29	-45	-50	-76	-84	-83	-80	-76	-89	-90
Russia	-8	-7	-4	-7	-13	-13	-19	-29	-29	-46	-40	-47	-60	-68	-80	-68	-37	-35	-38	-40
Brazil	-18	-17	-19	-18	-18	-20	-26	-27	-29	-42	-35	-67	-70	-54	-33	-52	-42	-41	-42	-48
Other oil producers	4	-4	-7	-16	-14	-10	7	19	14	-18	-29	-58	-109	-85	-93	-99	-70	-51	-45	-36
Rest of the world	-23	-29	-29	-29	-38	-44	-50	-57	-62	-73	-65	-84	-109	-108	-114	-97	-82	-96	-107	-122
World[3]	-68	-68	-70	-95	-54	32	43	53	18	-94	-13	2	-76	-31	-118	-39	-85	-79	25	36
Balance of secondary income																				
Total OECD	-128	-135	-137	-150	-185	-229	-261	-258	-314	-348	-345	-355	-372	-366	-384	-395	-355	-369	-324	-328
China	5	6	8	13	17	23	24	28	37	43	32	41	25	3	-9	1	-13	-10	-10	-9
Other industrialised Asia[2]	14	15	16	19	26	26	36	44	56	70	68	72	84	91	92	94	85	80	84	87
Russia	1	0	-1	-1	0	-1	-2	-3	-6	-7	-6	-6	-6	-6	-9	-8	-6	-6	-11	-11
Brazil	2	2	2	2	3	3	4	4	4	4	3	3	3	3	4	3	3	3	3	3
Other oil producers	-18	-19	-20	-20	-19	-19	-20	-11	-20	-28	-38	-42	-49	-56	-68	-74	-76	-73	-77	-78
Rest of the world	40	45	51	57	67	78	90	103	121	139	127	138	150	157	167	174	167	174	182	190
World[3]	-85	-87	-80	-79	-90	-120	-130	-92	-122	-127	-158	-150	-166	-173	-208	-205	-194	-201	-152	-146
Current balance																				
Total OECD	-181	-328	-300	-305	-329	-304	-483	-568	-533	-769	-227	-196	-297	-199	-10	14	82	113	139	109
China	21	20	17	35	43	69	132	232	353	421	243	238	136	215	148	236	304	196	177	216
Other industrialised Asia[2]	59	47	60	77	102	76	69	122	156	84	135	99	99	13	53	122	148	171	158	154
Russia	24	45	32	27	33	59	84	92	72	104	50	67	97	71	33	58	69	25	65	64
Brazil	-26	-25	-24	-8	4	11	14	13	0	-31	-26	-76	-77	-74	-75	-104	-59	-24	-4	-3
Other oil producers	29	118	60	42	81	145	295	383	348	459	88	236	493	499	426	230	-144	-82	-42	-57
Rest of the world	-38	-34	-26	-4	-8	-25	-41	-62	-112	-183	-86	-107	-148	-182	-186	-160	-153	-140	-148	-162
World[3]	-111	-157	-181	-135	-74	31	71	213	285	84	177	262	303	344	391	396	246	261	345	321

Note: Historical data for the OECD area are aggregates of reported balance-of-payments data of each individual country. Because of various statistical problems as well as a large number of non-reporters among non-OECD countries, trade and current account balances estimated on the basis of these countries' own balance-of-payments records may differ from corresponding estimates shown in this table.

1. National-accounts basis for OECD countries and balance-of-payments basis for the non-OECD regions.
2. Chinese Taipei, Hong Kong - China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
3. Reflects statistical errors and asymmetries. Given the very large gross flows of world balance-of-payments transactions, statistical errors and asymmetries easily give rise to world totals (balances) that are significantly different from zero.

Source: OECD Economic Outlook 101 database.

StatLink http://dx.doi.org/10.1787/888933505030

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(12 2017 03 1 P) ISBN 978-92-64-27763-2 – 2017

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Volume 2017/1
No. 101, June

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ISBN 978-92-64-27763-2
12 2017 03 1 P

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