

AIECE GENERAL REPORT

AUTUMN GENERAL MEETING

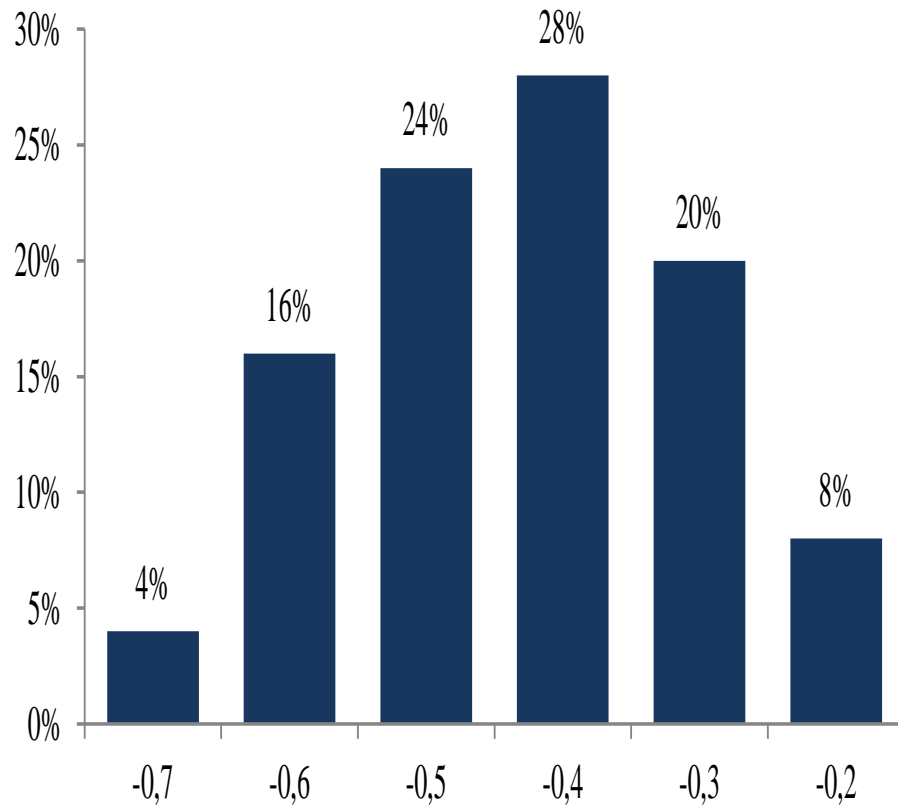
Brussels, 7-8 November 2013



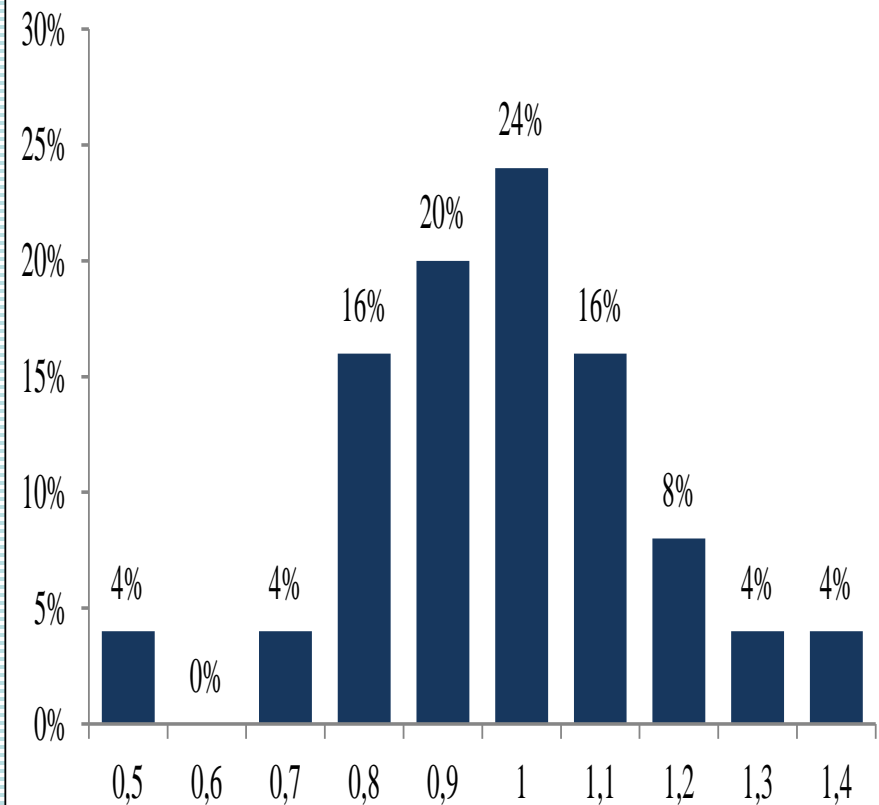
KOPINT-TÁRKI

Euro Area short term forecasts

Euro Area GDP growth 2013 frequency distribution

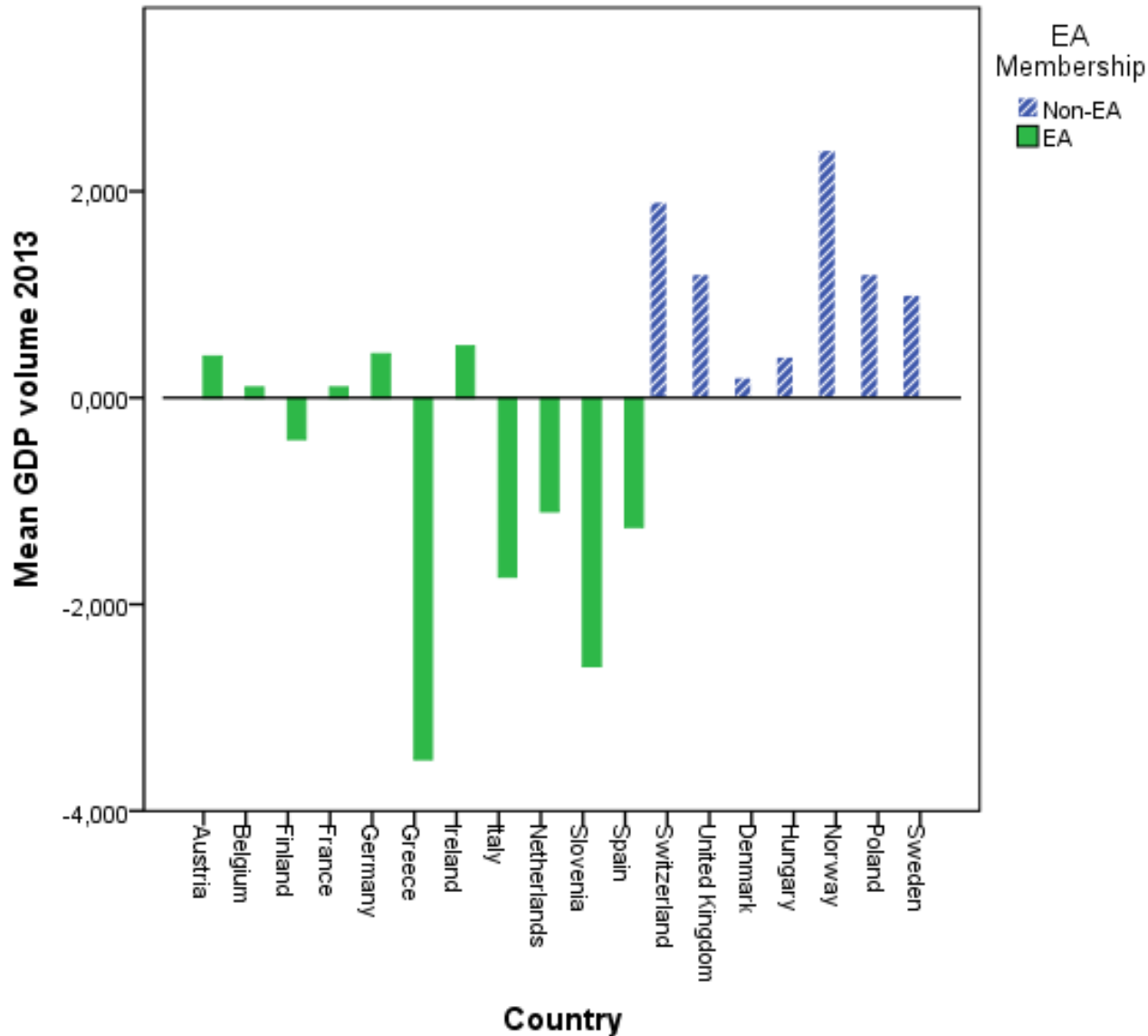


Euro Area GDP growth 2014 frequency distribution



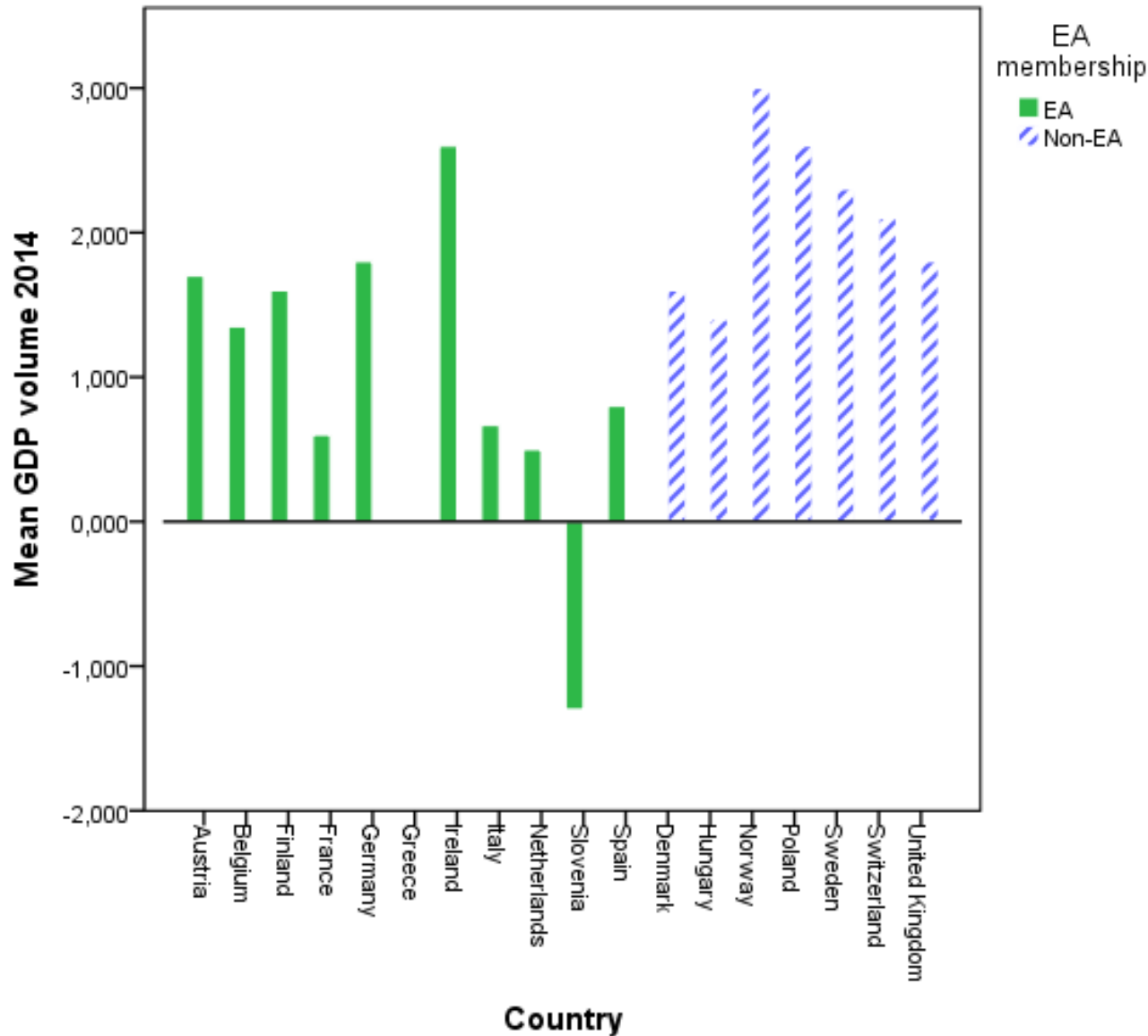
Heterogeneity in Europe in 2013

(home country assessments)



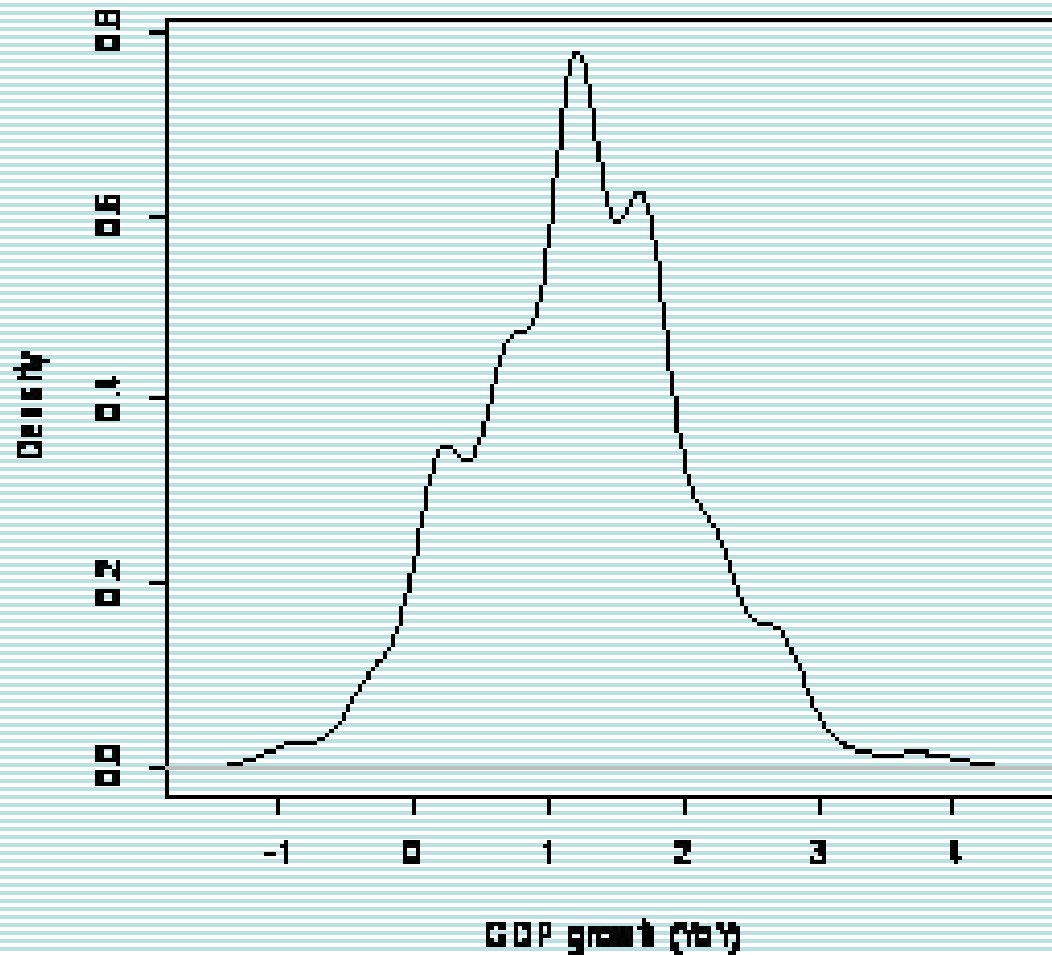
Heterogeneity in Europe in 2014

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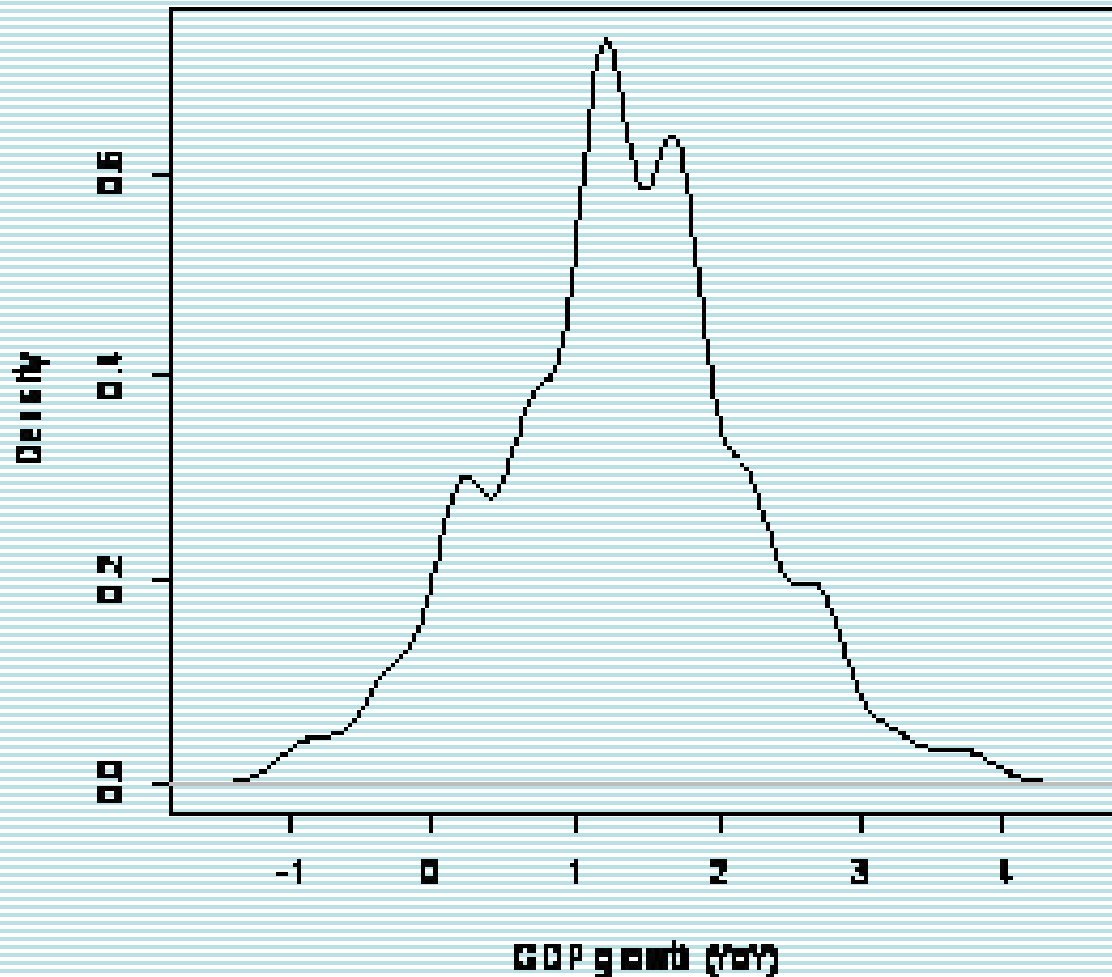
Probability forecast for 2015

Probability density of Euro Area GDP forecasts for 2015



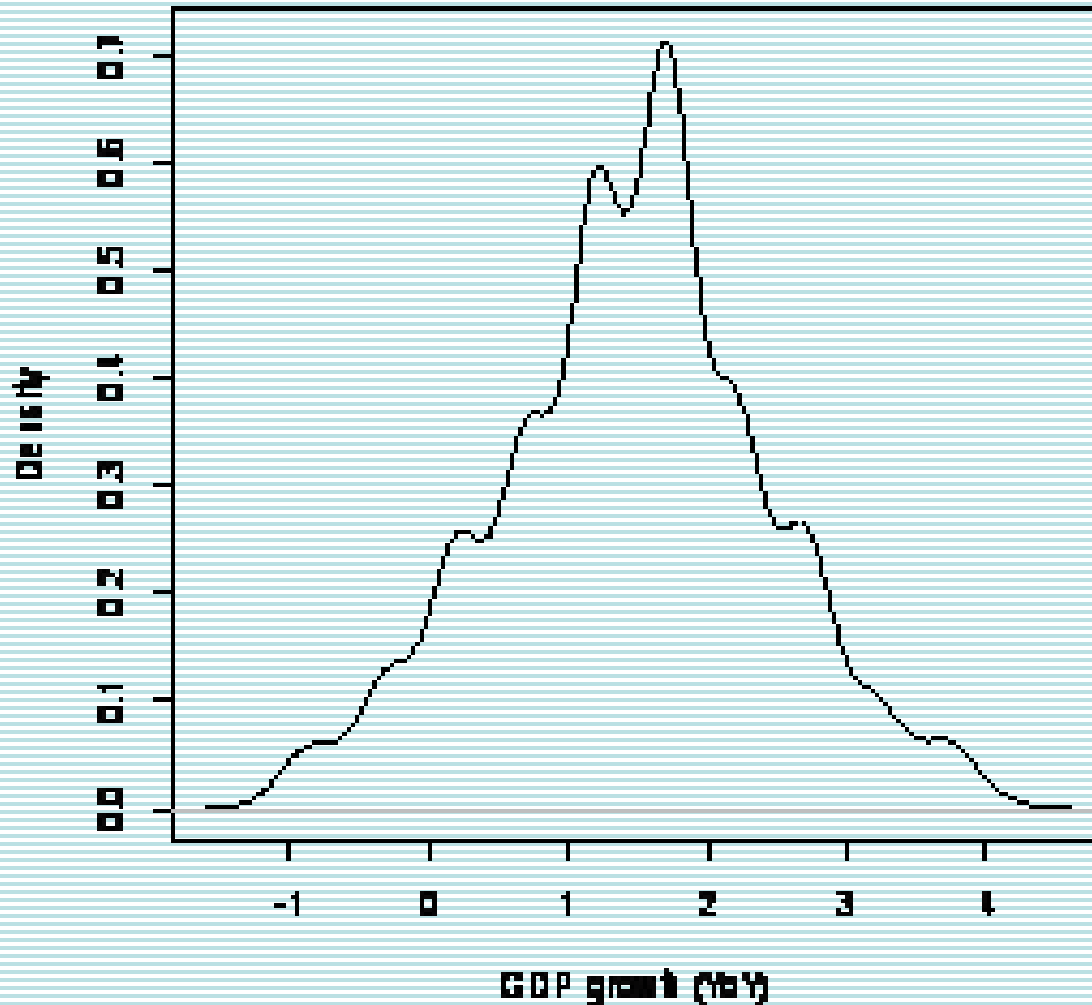
Probability forecast for 2016

Probability density of Euro Area GDP forecasts for 2016

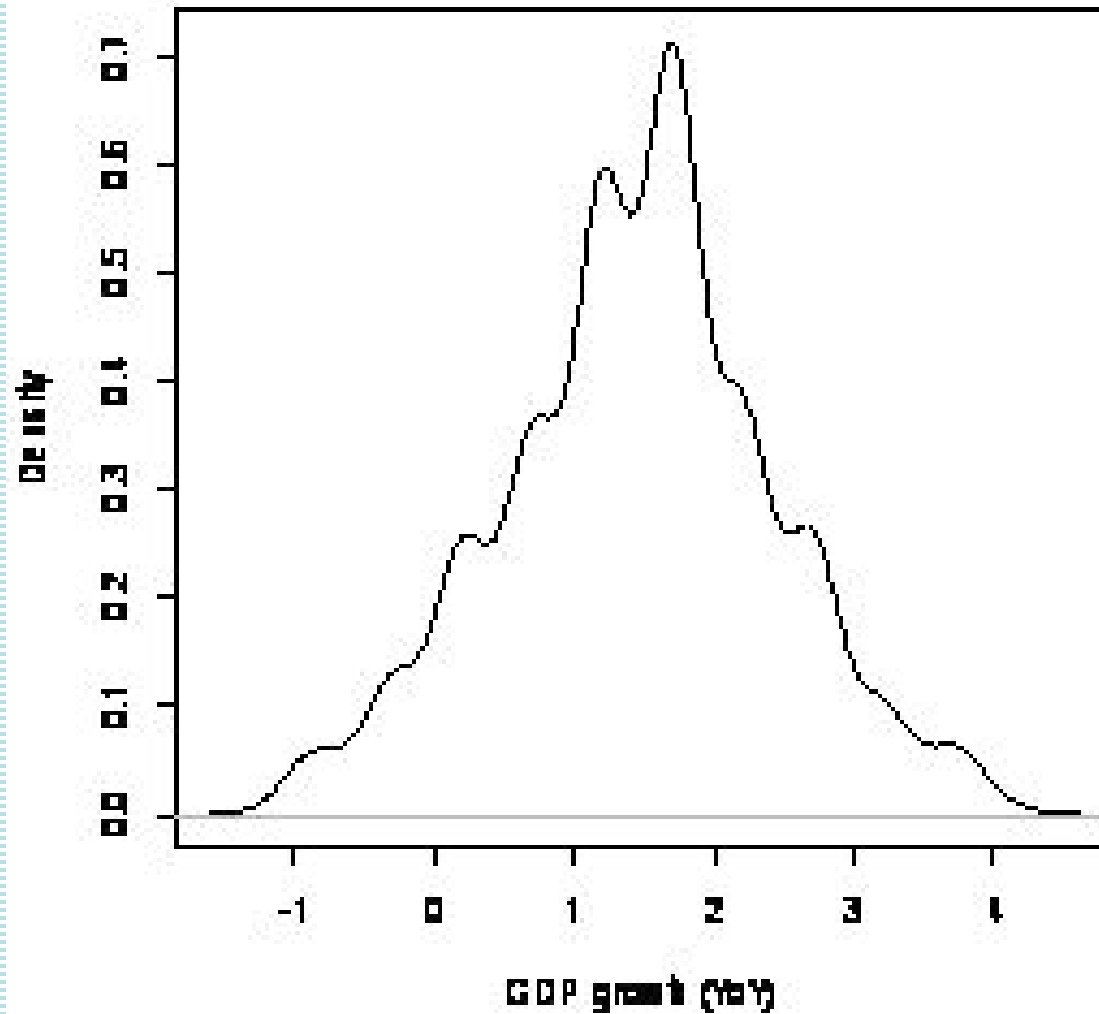


Probability forecast for 2017

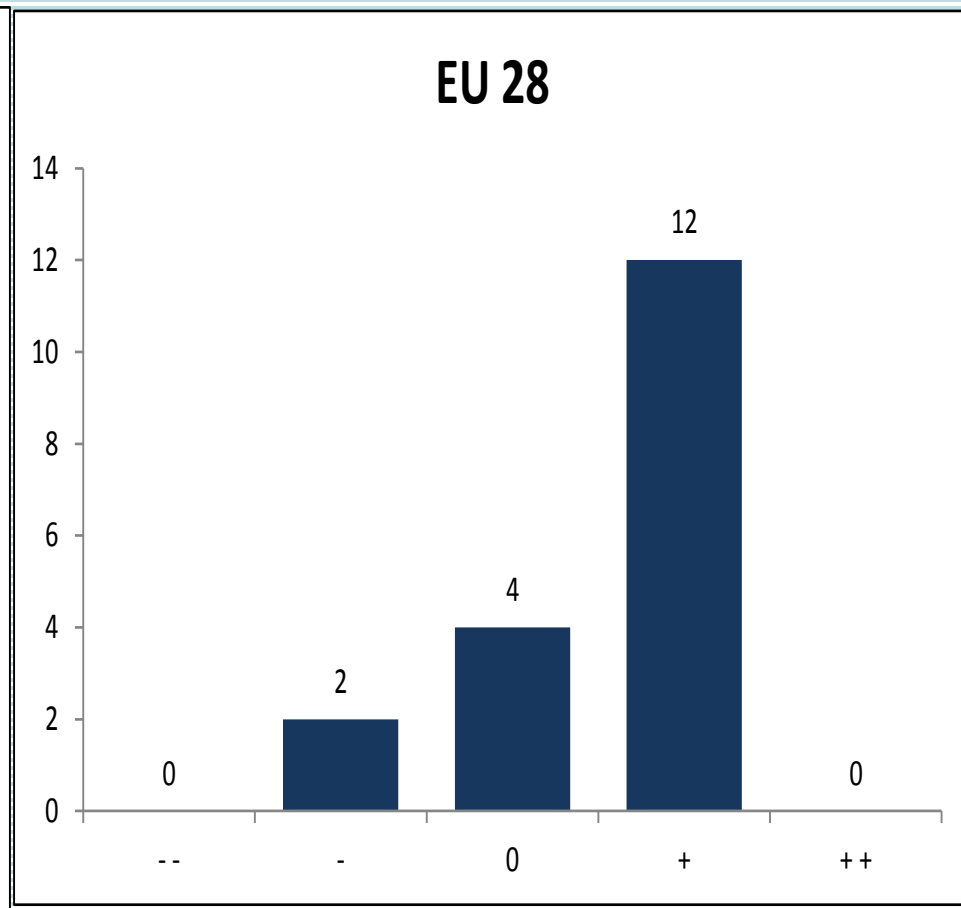
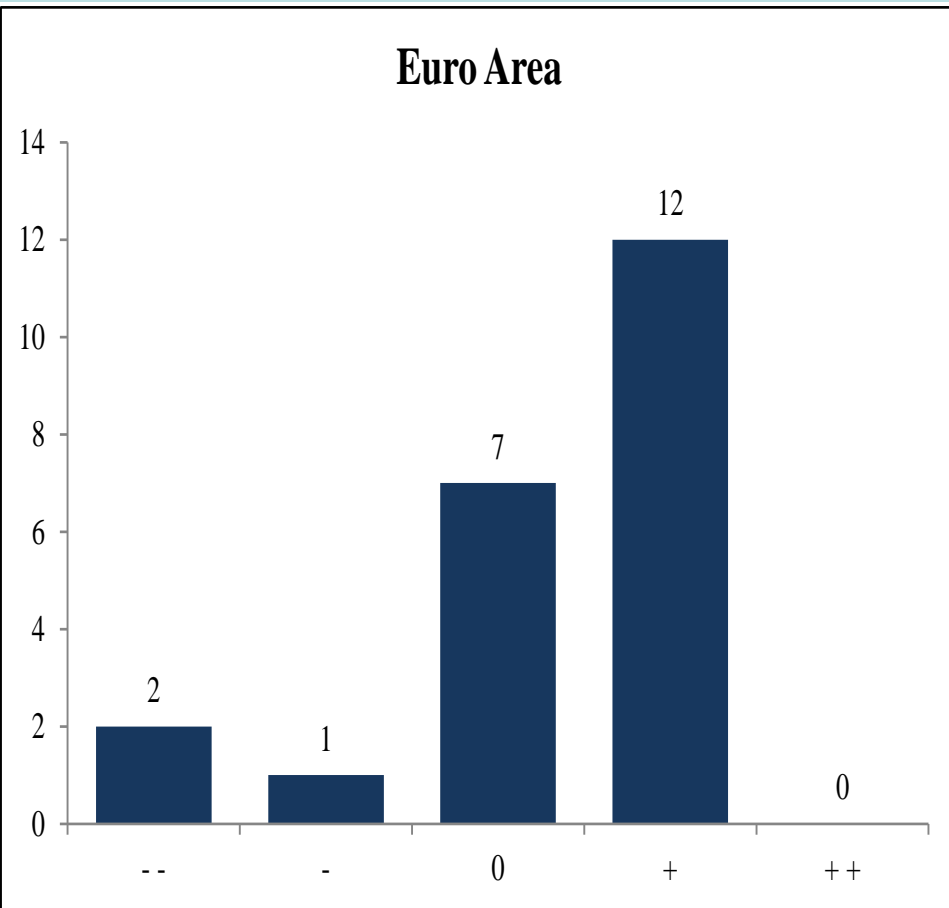
Probability density of Euro Area GDP forecasts for 2017



Probability density of Euro Area GDP forecasts for 2017



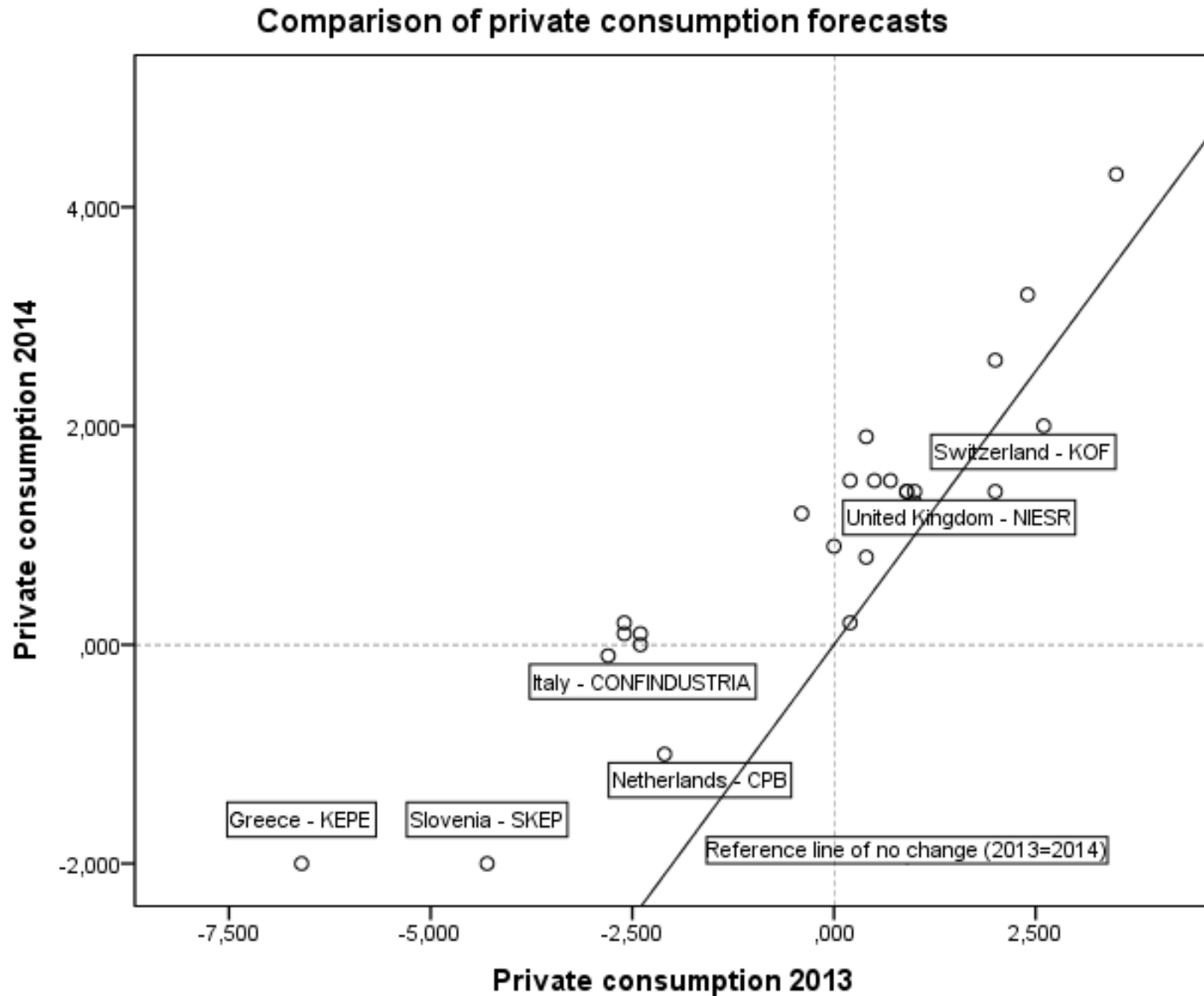
Assessment concerning the sustainability of economic growth until 2015



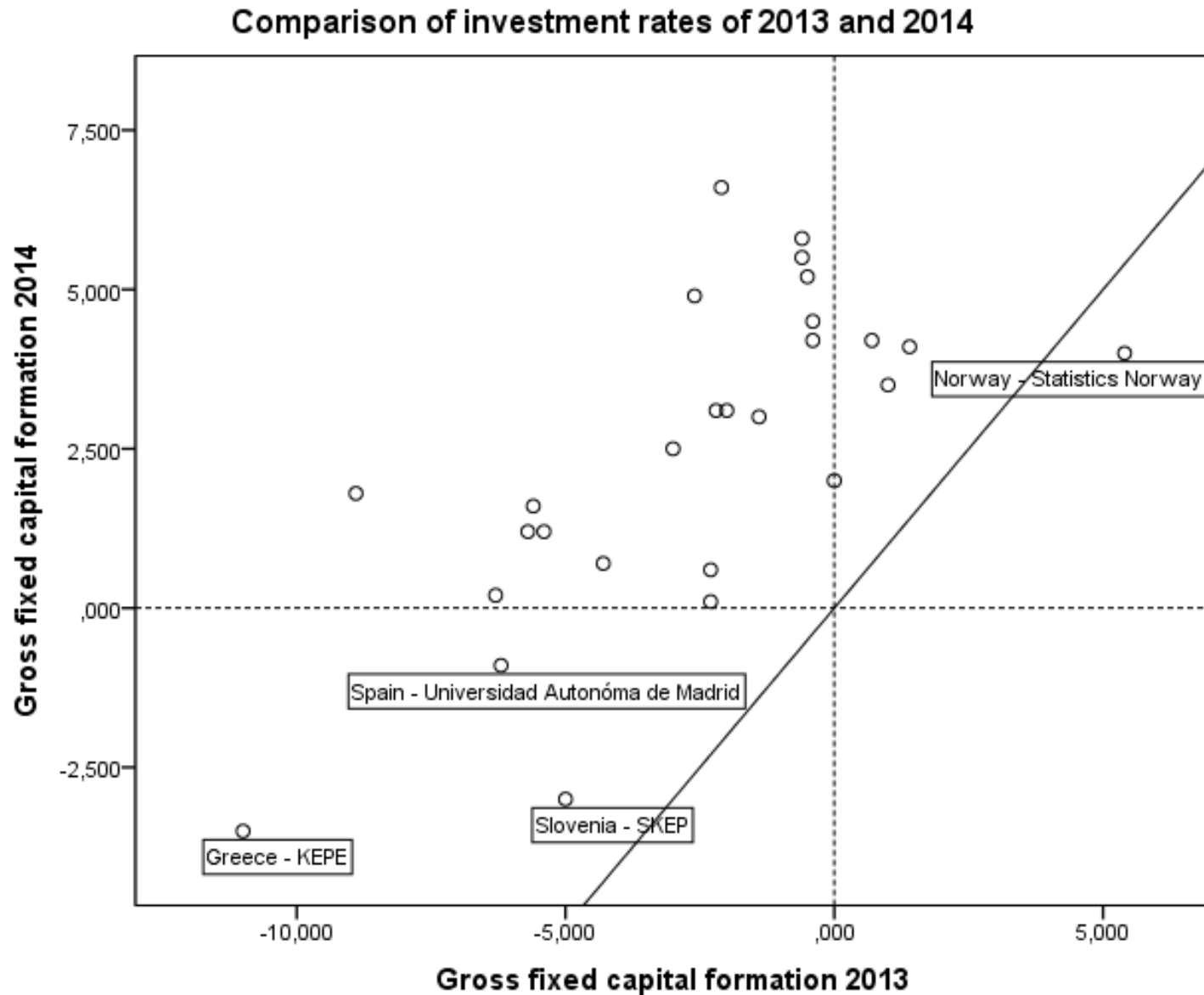
Questions to be discussed

- Can these relatively low growth rates (compared to pre-crisis period) regarded as the potential ones?
- How sustainable is economic growth in the Euro Area and in the European Union in the long run?
- How much will be the growth gap between Euro Area and non Euro Area countries?

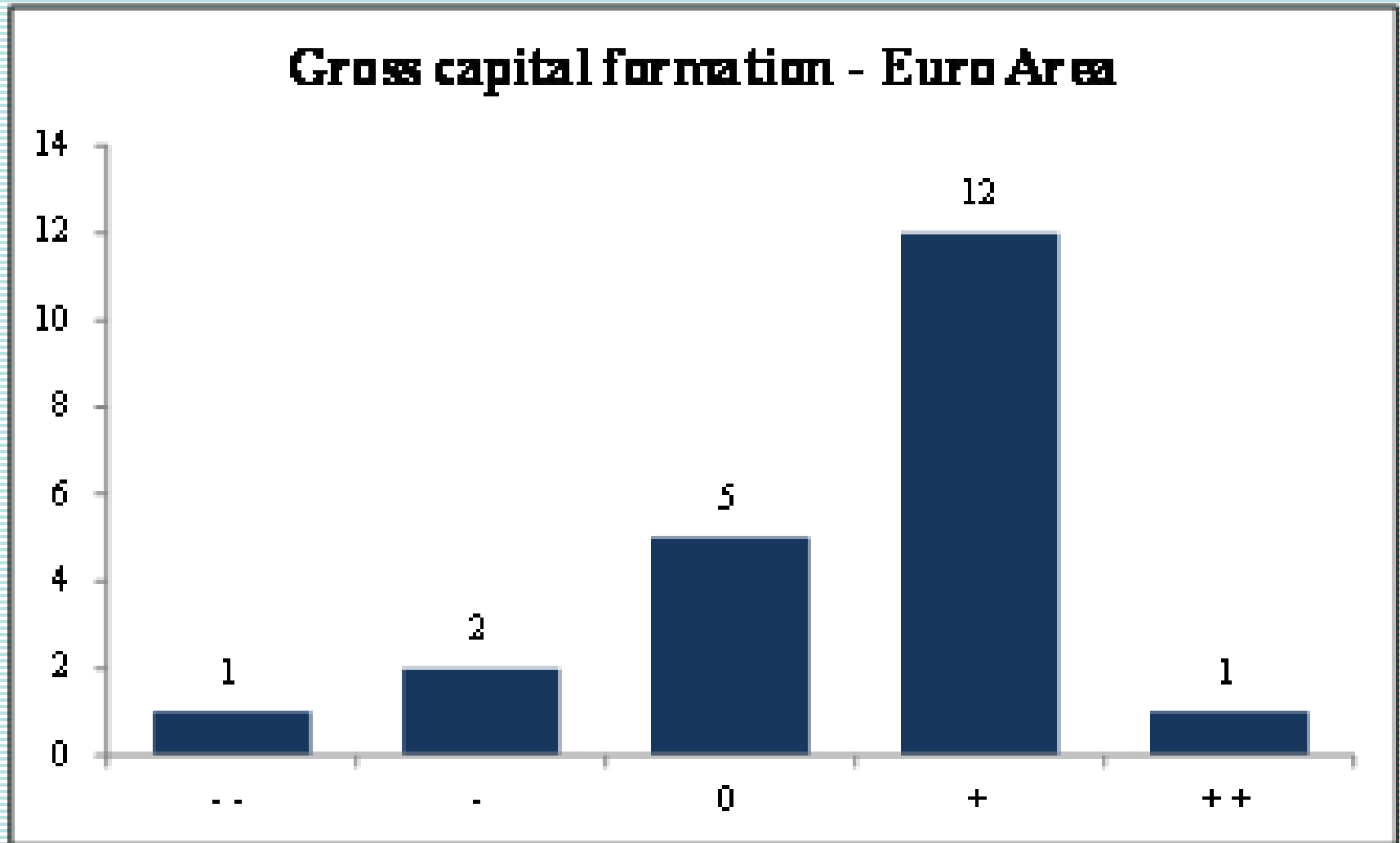
Low contribution of private consumption to growth (home country assessments)



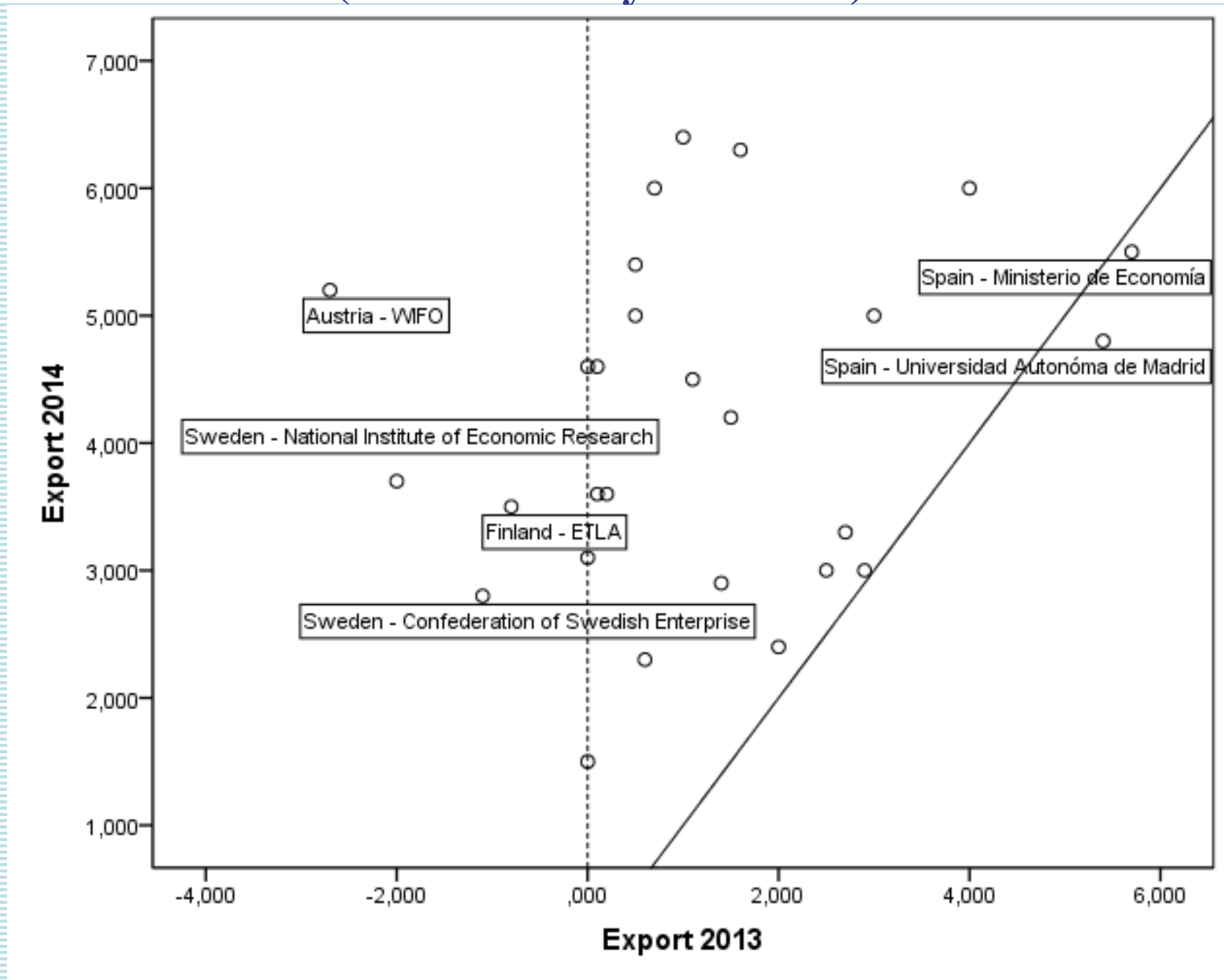
Is an investment recovery ahead? (home country forecasts)



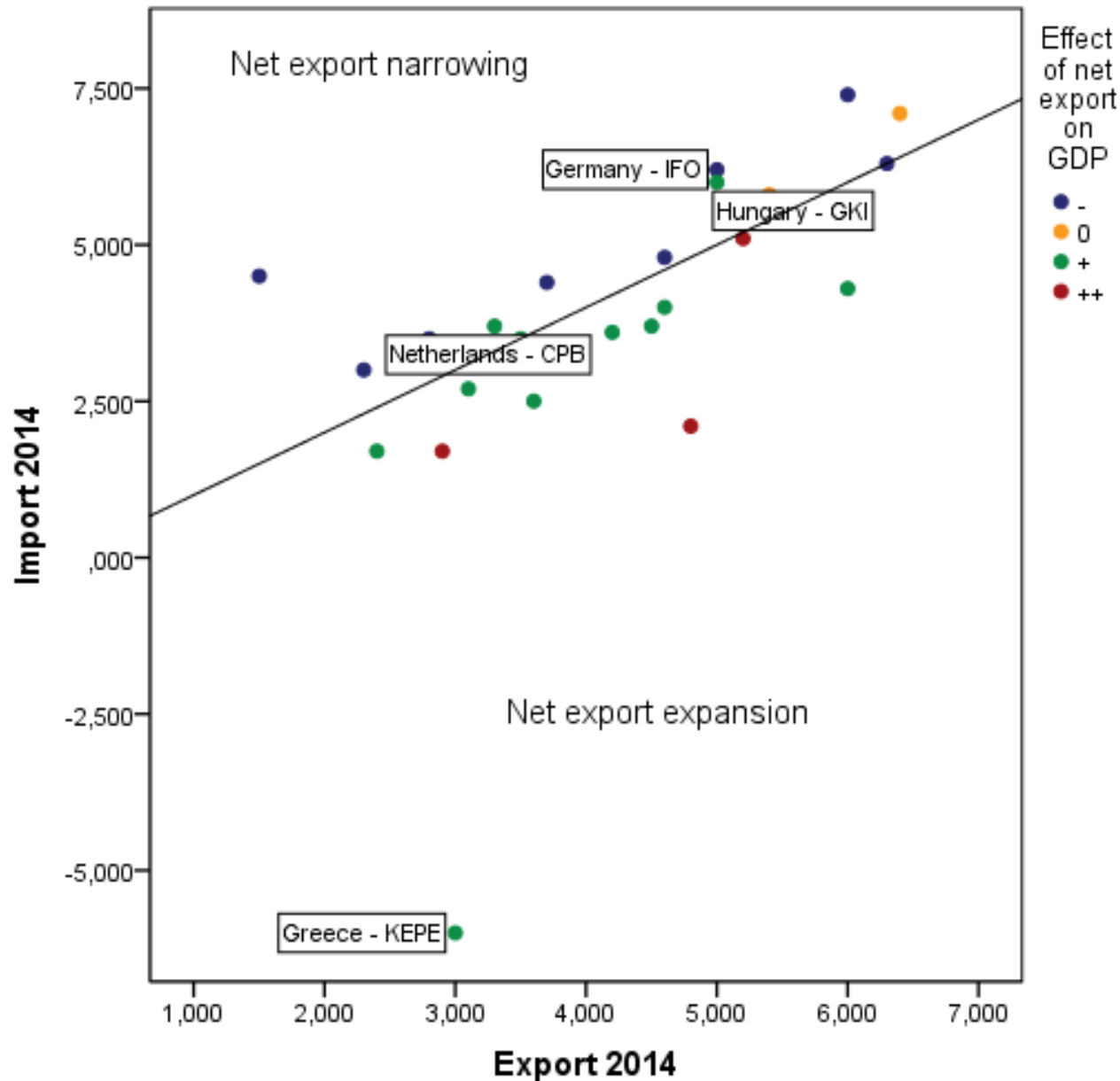
Assessment concerning the importance of gross capital formation



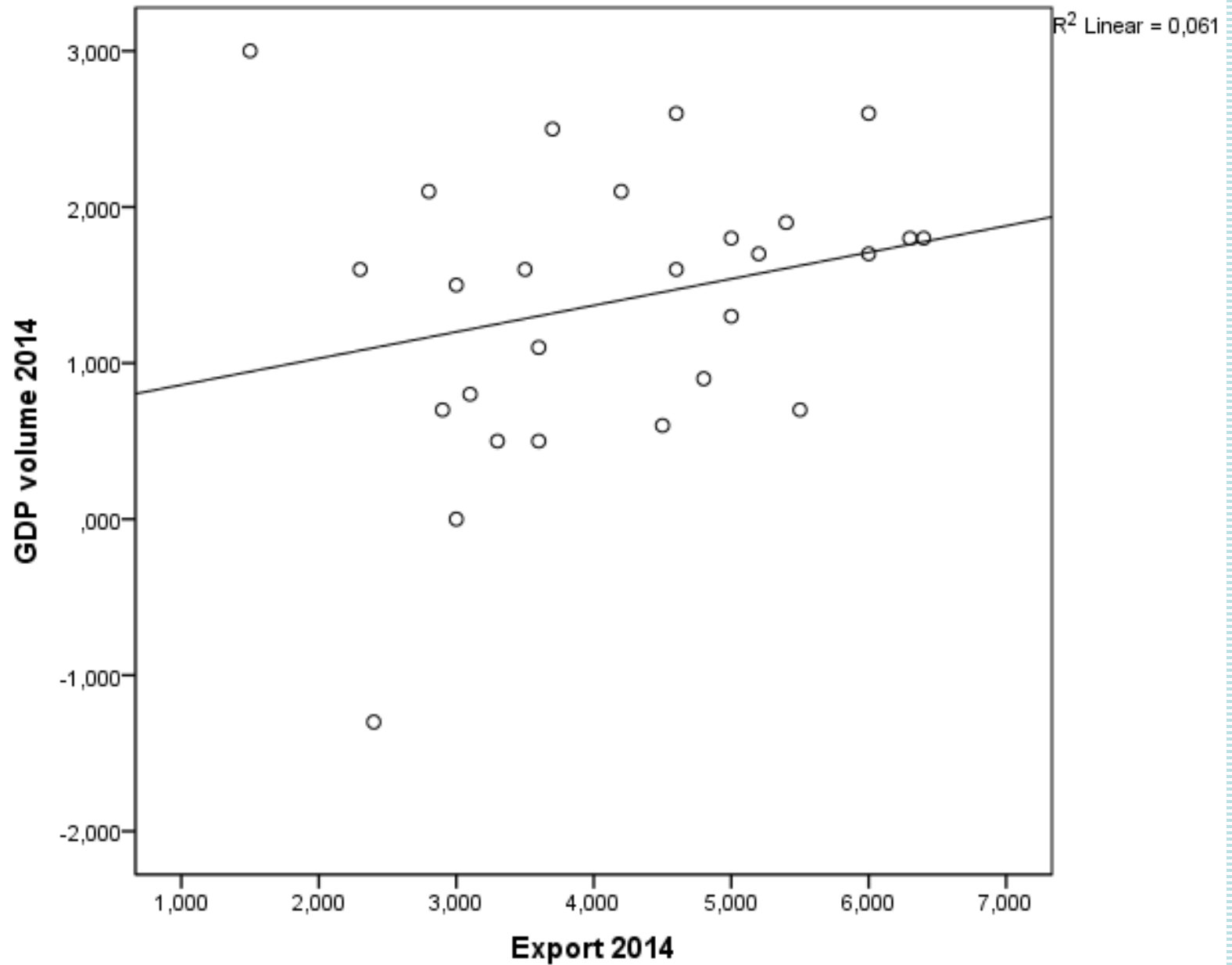
Export remains the main driving force? (home country forecasts)



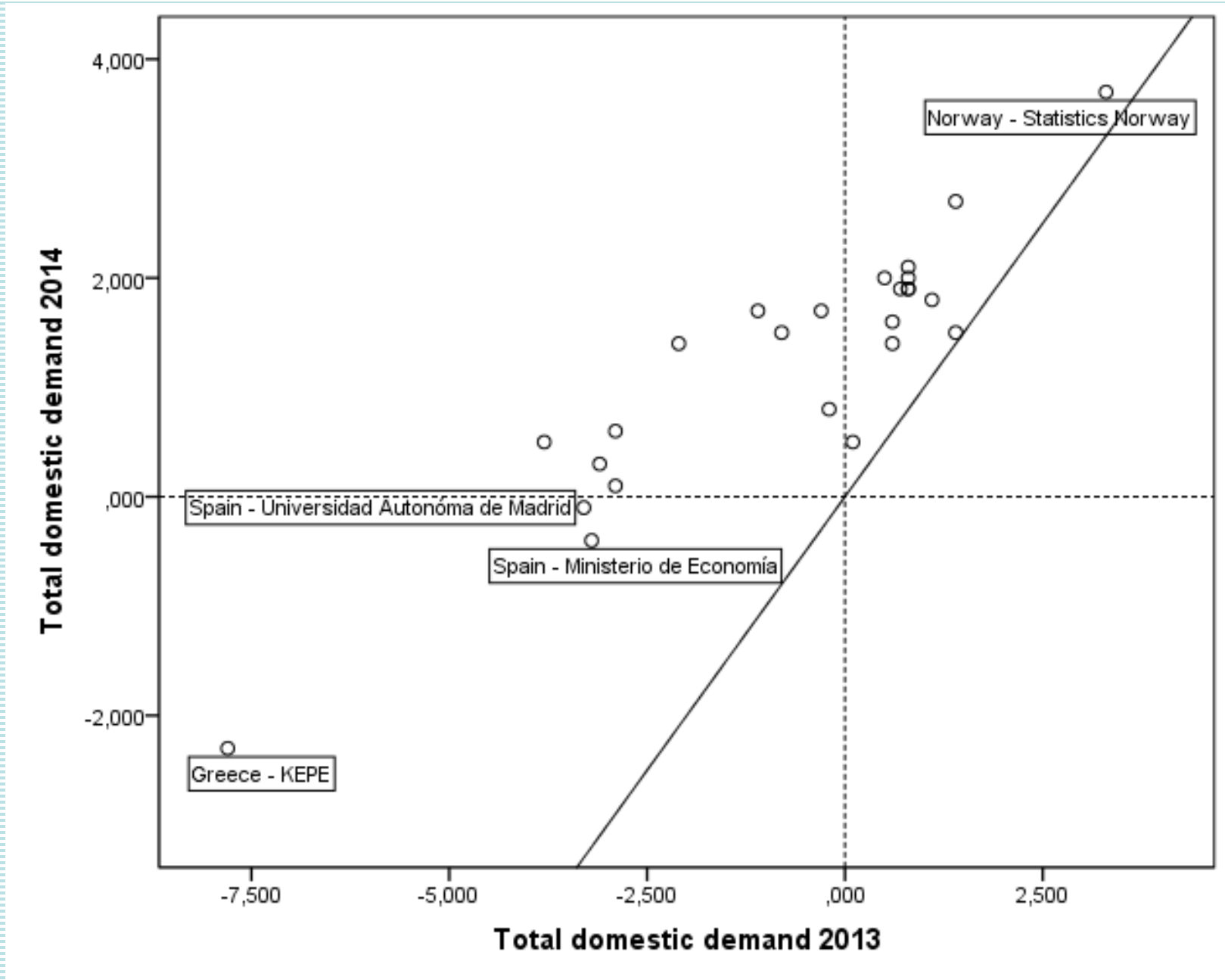
Diverging export performance



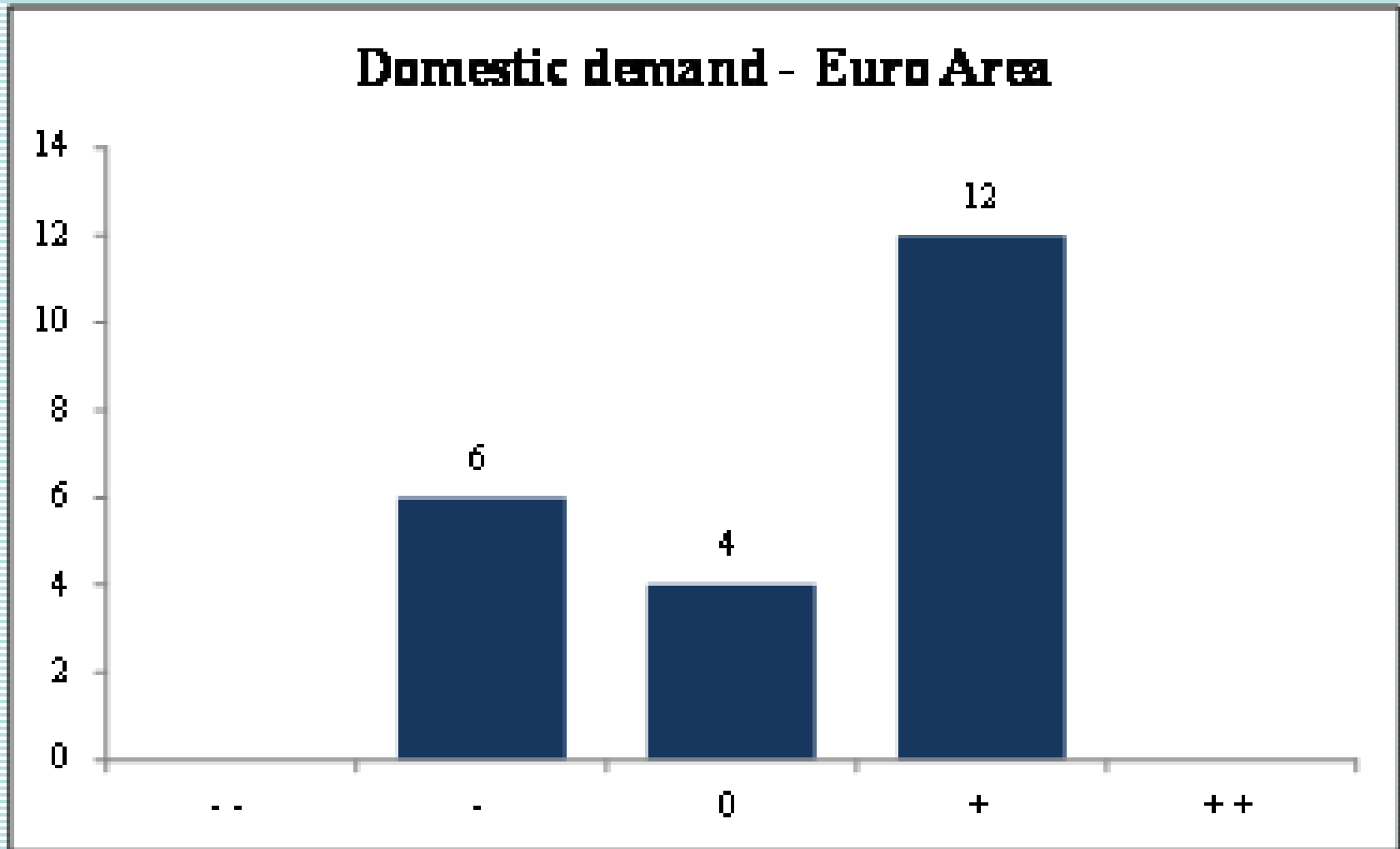
Improved net export performance is not enough



Domestic demand is increasingly supporting growth



Assessment concerning the importance of domestic demand



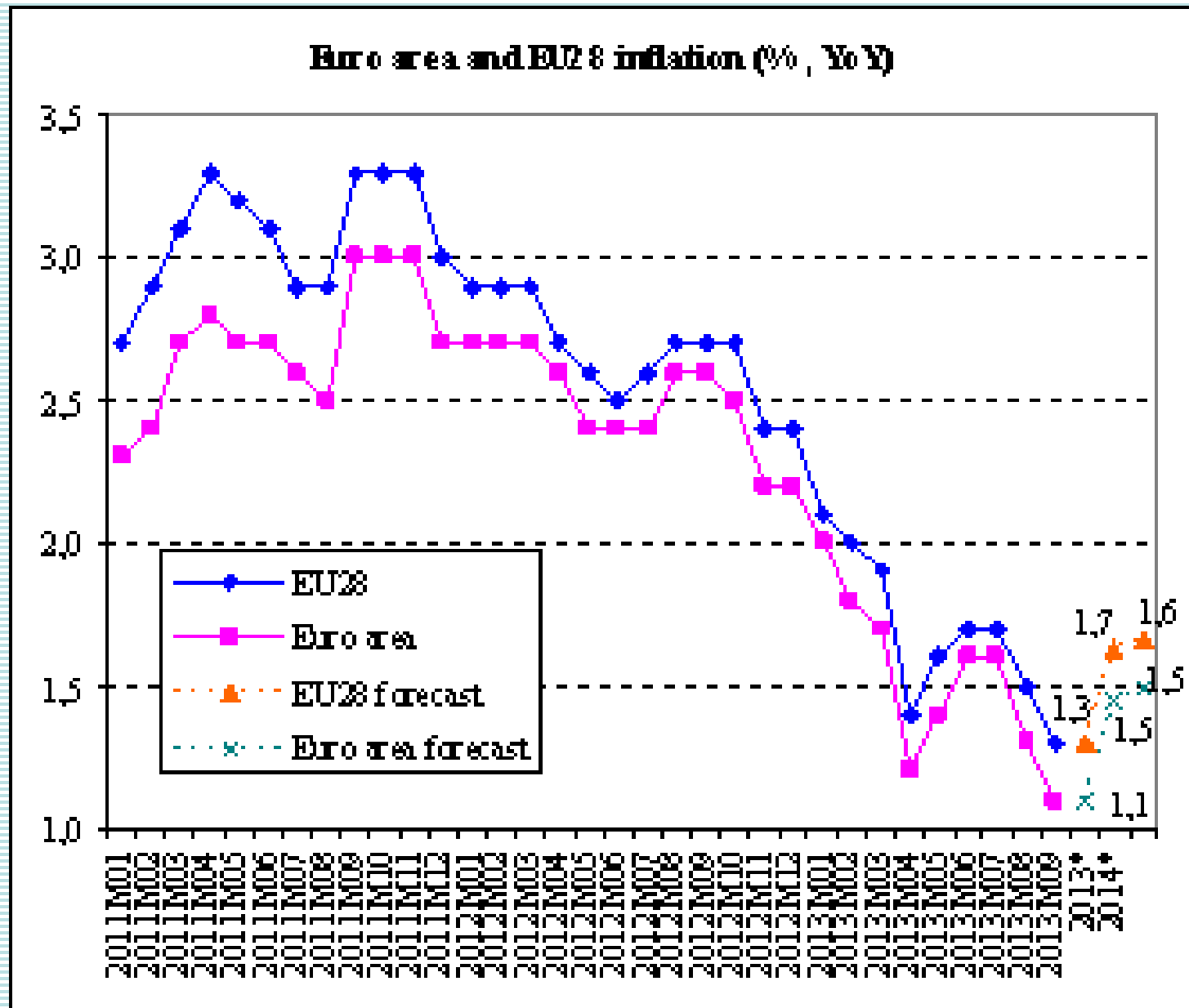
Questions to be discussed

- Beside net export what other endogenous and exogenous factors influence your forecasts?
- What is your assessment on the export market potential of the USA and China on the medium run?
- Export of goods or export of services?

Countries facing special challenges

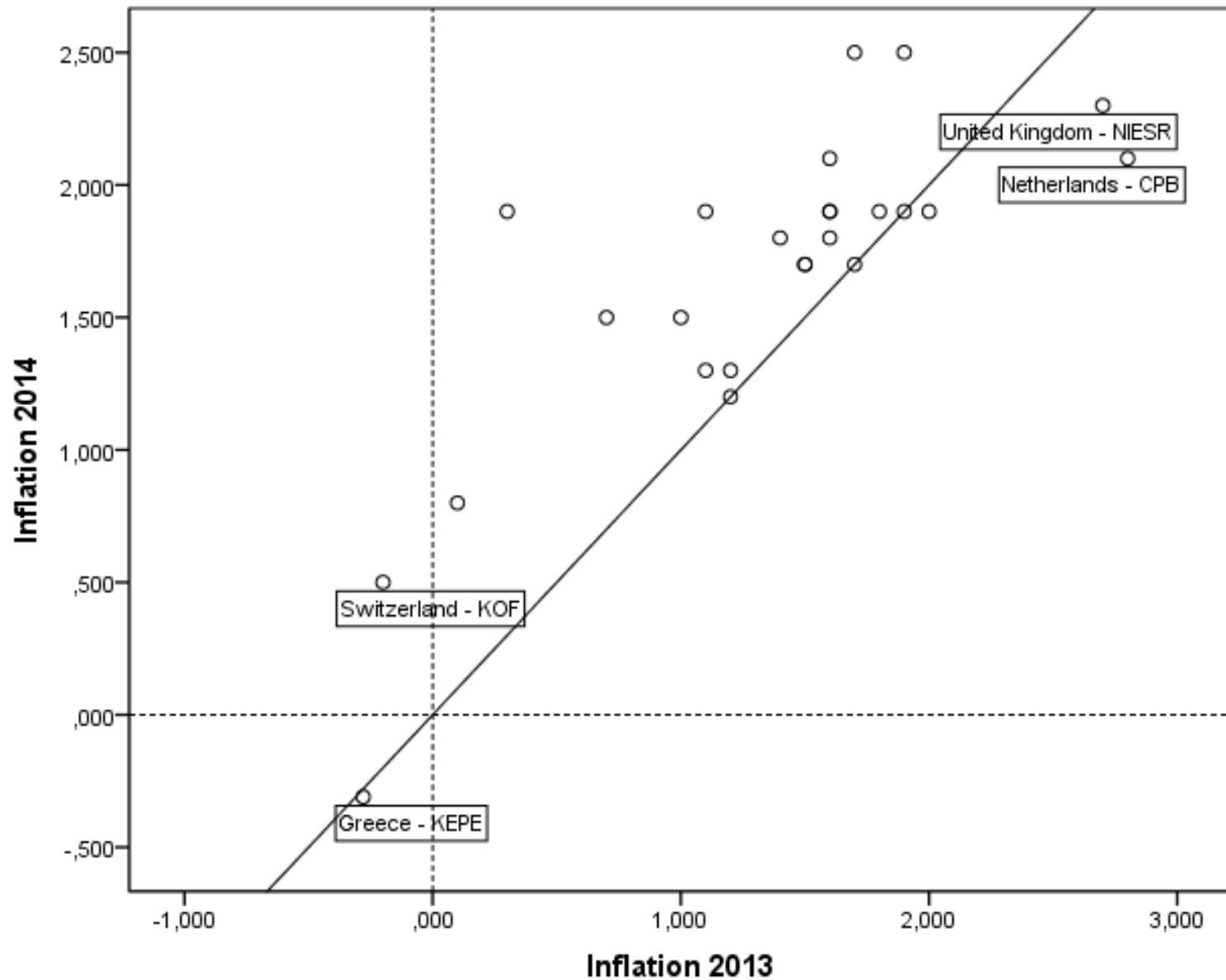
- Ireland
 - Finland
 - Greece
 - Hungary
 - Poland
 - Slovenia
 - Spain
- *How far consequences of the crisis could be offset in your country?*
 - *Do you see a recovery in the credit business in your country?*
 - *What kind of internal structural problems are characteristic for your country?*
 - *Please describe special policy challenges for the national government in your country.*

EA and EU28 HIPC forecasts



Slight acceleration of inflation next year?

(home country)

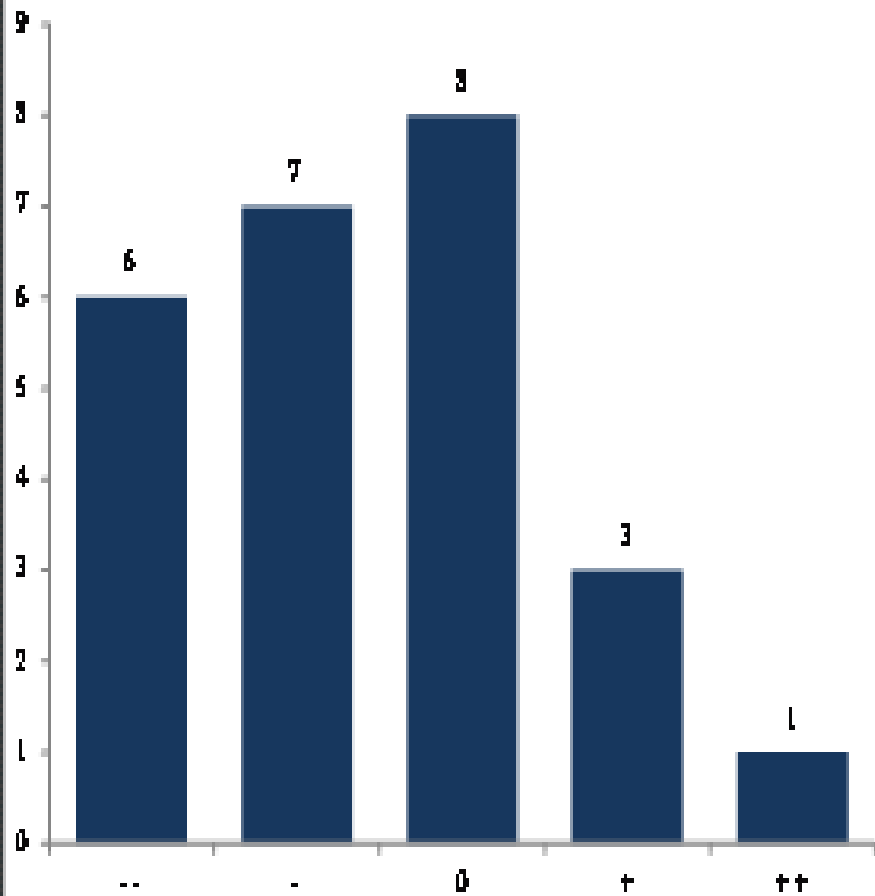


Questions to be discussed

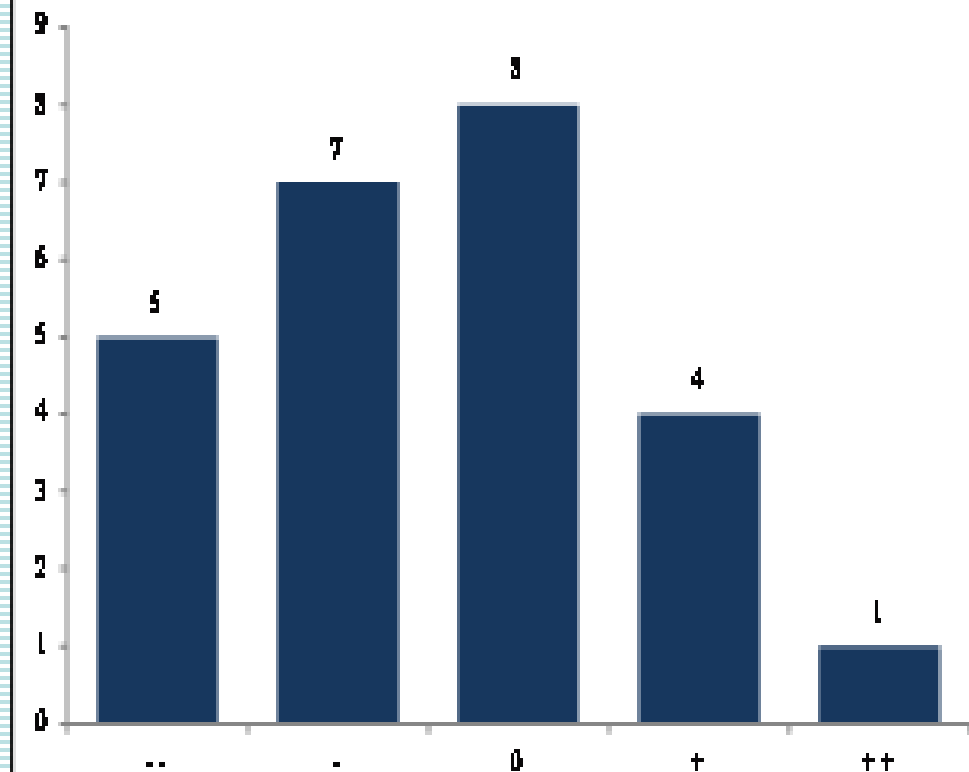
- How do you evaluate the necessity of further base rate cuts?
- What do you think about the impacts of the base rate cut of yesterday by the ECB?
- What consequences would have further base rate cuts on your inflation expectations?
- How do you evaluate the availability of and demand for consumer loans in your country?

Evaluation concerning possible change of monetary policy on behalf of the ECB

The ECB will change its base rate until the end of 2014



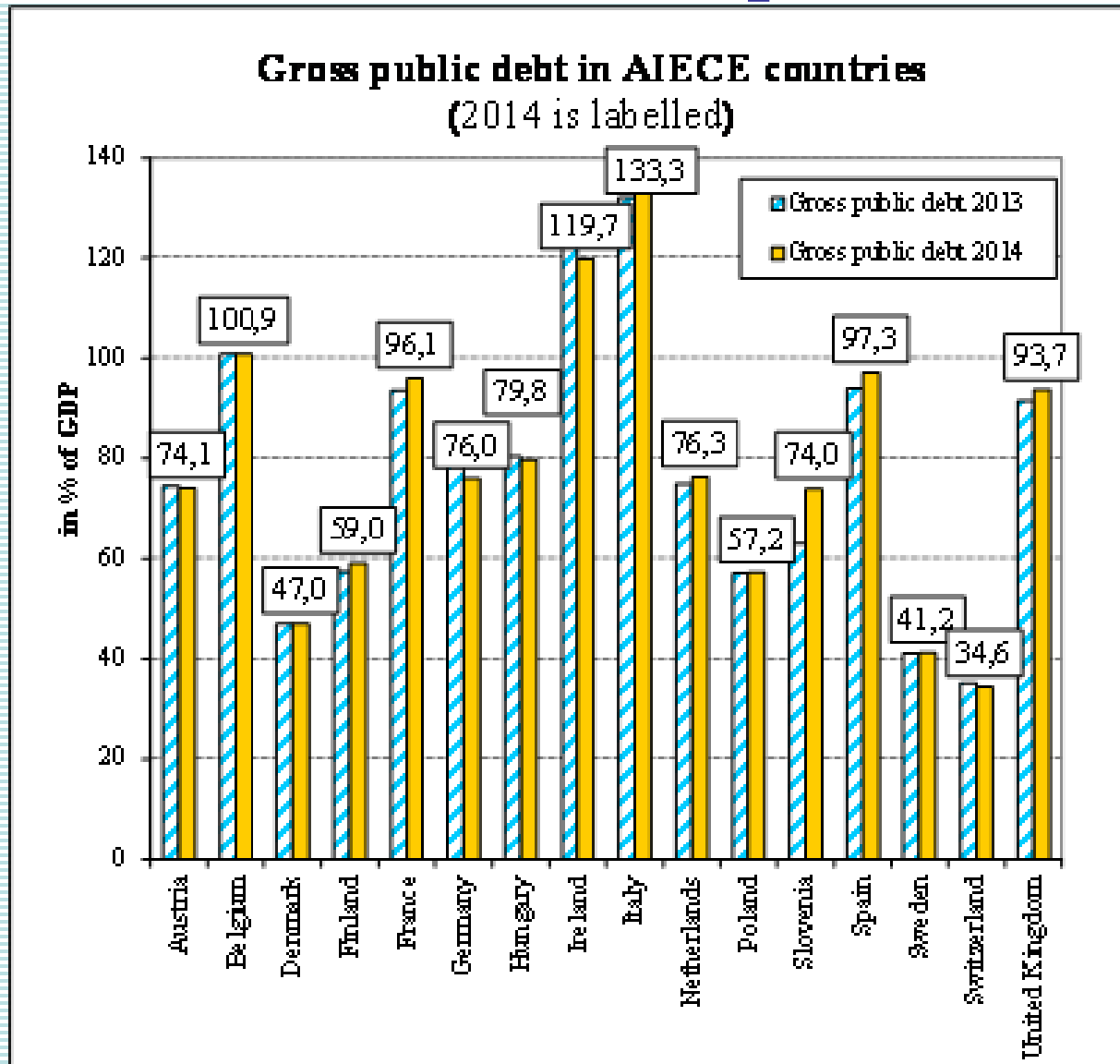
The ECB will change its monetary policy in 2014



Questions to be discussed

- What consequences will have a failing compromise concerning the US fiscal policy for global growth and the Euro area?
- Do you consider that standard deviation of CDS spreads will increase or decrease in 2014?
- What do you think when and under what conditions will the FED start to change its asset purchase program?

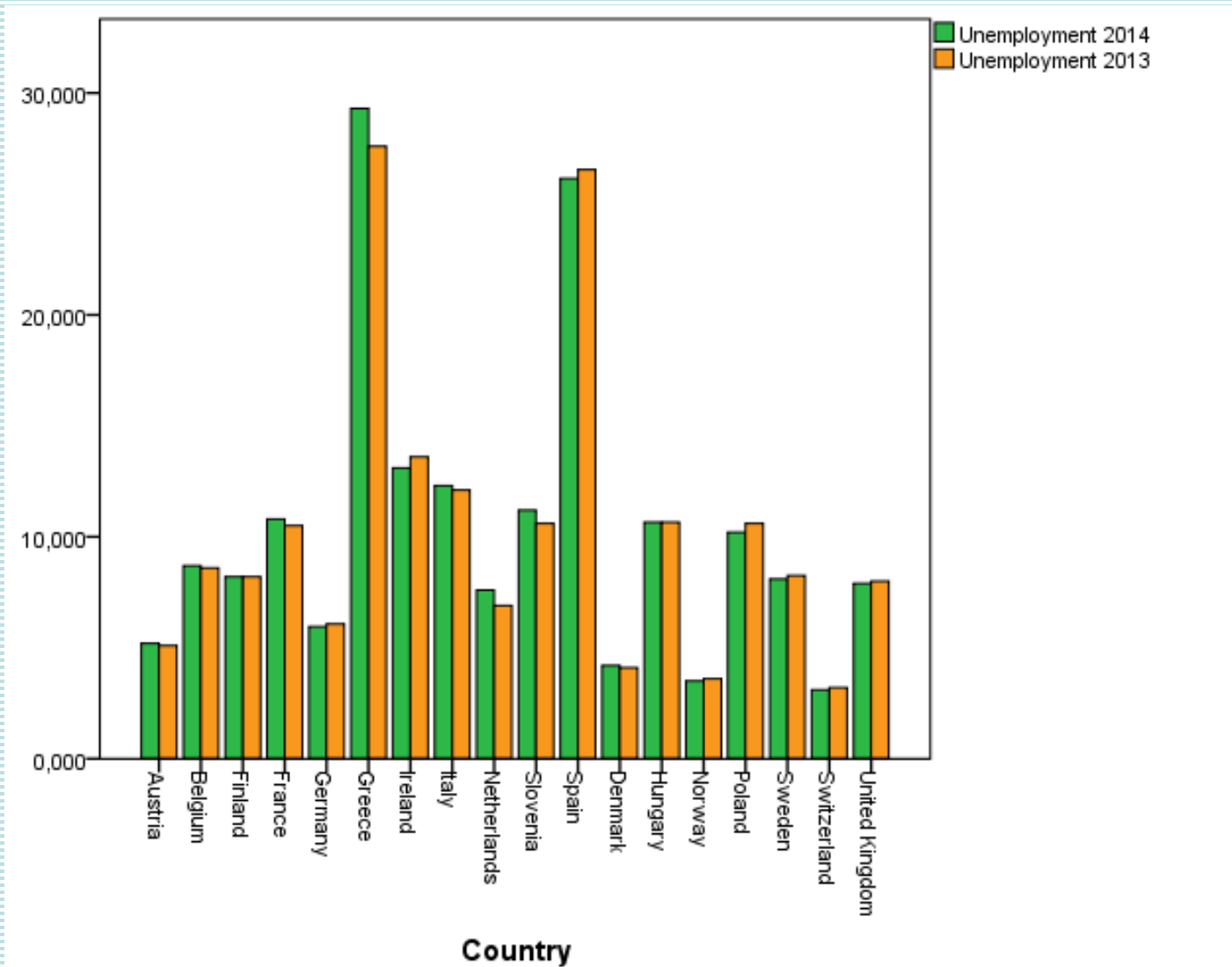
Fiscal policy problems still the largest risk for most of Europe



Questions to be discussed

- What is your opinion regarding the crisis management in the European Union?
- Do you consider that bailing out is the right solution on the long-run or there are other possibilities?
- What are the chances of an easing of fiscal restrictions?
- Under what conditions should a member state leave the euro area?

Diverging unemployment rates



Question to be discussed

- Should be regarded this labour market situation in Europe as characteristic in the longer run?

**Thank you
for your attention!**