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Claudia Broyer, Dr. Rolf Schneider, Alexander Schramm, Katharina Utermöhl

Euro Monitor 2015

Economic stability on the rise

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Euro Monitor 2015

AUTHORS:

CLAUDIA BROYER
Tel. +49.69.2 44 31-36 67
claudia.broyer@allianz.com

DR. ROLF SCHNEIDER
Tel. +49.69.2 44 31-5790
Rolf.schneider@allianz.com

ALEXANDER SCHRAMM
Tel. +49.69.2 44 31-51 44
alexander.schramm@allianz.com

KATHARINA UTERMÖHL
Tel. +49.69. 2 44 31-37 90
katharina.utermoehl@allianz.com

1. ECONOMIC STABILITY ON THE RISE

While the downturn in the eurozone is now over, a truly dynamic upswing is yet to emerge. While the eurozone economy expanded roughly in line with the potential rate last year, growth in both 2016 and 2017 is likely to marginally exceed it. This is encouraging. But the question as to how growth is achieved and how stable it is is at least just as important. This is the question that our annual Euro Monitor has been investigating for some time now, using a selected set of indicators that are designed to expose any macroeconomic imbalances and allow conclusions to be drawn as to the stability or health of the eurozone economies. This set of indicators is more exhaustive than its European Commission counterpart, which is used as part of the Macroeconomic Imbalances Procedure. One new feature of this year's Euro Monitor is that we have split the indicators into longer-term indicators on the one hand, and indicators that flag up shorter-term progress or retreat in the reduction of weaknesses/development of strengths on the other (cf. box below). Since our set of indicators has been expanded as a result, the historical results deviate from our earlier publications.

Our overall indicator of economic stability has risen again, which is clear testimony to the fact that the eurozone is addressing economic imbalances and becoming more resilient in the process. Not a single country features at the critical end of the scale. There is, however, still substantial room for improvement, with only Germany just managing to scrape a good overall rating. In particular, the distinction between longer-term and shorter-term changes allows the following conclusion to be drawn: the former problem countries will need a few good years yet before their return to economic stability can be classed as a "done deal". Conversely, countries like Germany cannot afford to rest on their laurels just because their economies enjoy a healthy basis for growth. Otherwise, this healthy foundation could well be eroded over time. In terms of the progress indicator, for example, Germany "only" comes in 6th, meaning that further efforts will need to be made if the country wants to stop the corresponding parameters from coming under pressure in the future.

Efforts to promote stable growth are all the more important given the mounting political risks in Europe. While the threat of a Grexit appears to have been laid to rest, the risk of a Brexit has flared up. Whereas during the debt crisis, the EU member states ultimately always managed to broker compromises on a common course of action, the influx of refugees is evidently proving to be a real test of the EU members' willingness to agree on a Europe-wide solution. What is more, the economic crisis and the tightening of the fiscal policy belts that came along with it have ultimately left the population disenchanted with the political mainstream. Elections fail to produce clear majorities as the established parties are losing ground. Populist political parties are wielding increasing clout – either because they are now involved in government or because the established parties are starting to emulate their policies to a certain extent. In this new political landscape, it is difficult to stick to reform and budget consolidation plans with the necessary resolve.

We would urge policymakers not to overdo it when imposing new reforms and further budget consolidation on the population. There is no need for austerity in countries that are in fairly good shape – like Germany, for example. In countries facing high levels of government debt, gradual steps to alleviate the burden are the way forward. And reforms to help fuel growth in the future are always an absolute must. By contrast, it would certainly be a mistake to gamble away the sacrifices and structural improvements that have already been made, along with their positive effects, by making a political U-turn. The relatively favorable economic outlook should allow governments to forge ahead with

key structural reforms and, if necessary, with budget consolidation measures while making the process a lot less painful than it was during the crisis. Finally, one key finding of this year's analysis should act as an incentive: countries that make only sluggish progress in an improved environment end up falling behind their peers.

Box: What contributes to economic stability?

Economic stability in the individual member states is essential to safeguard prosperity and underpin the credibility of the single currency. A host of factors play a role when determining whether an economy is stable. As a macroeconomic monitoring system, the Euro Monitor aims to expose existing and emerging imbalances in order to flag up the aberrations of the kind that led to the sovereign debt crisis in the euro area in a timely fashion. Given the influence that the financial markets have over the stability of individual member states and, as a result, over the euro area as a whole, the criteria must by definition rely heavily on macroeconomic data which financial markets consider to be material. We have developed what we believe to be a balanced measurement concept for economic stability in four key categories:

- Fiscal sustainability
- International competitiveness
- Employment and productivity
- Private and foreign debt

The past few years have shown that most of the structural weaknesses that many EMU countries are grappling with can only be resolved over a long period of time. The most important thing, however, is that reforms and consolidation efforts are made to get things moving in the right direction and that progress is made in reducing imbalances. Financial markets often attach more importance to the rate of change than to the level of a parameter.

In order to take greater account of this, we have changed the concept behind our Euro Monitor. In each category, we now make a distinction between indicators that show longer-term strengths and weaknesses and indicators that measure the progress made in reducing weaknesses/developing strengths. The first category tends to consist of parameters or ratios. The progress made in reducing imbalances tends to be expressed in the form of flow variables or changes in parameters and ratios. We then combine these two groups of indicators to form one sub-indicator for existing strengths and weaknesses (level indicator) and one sub-indicator that shows the progress made in reducing weaknesses (progress indicator). Both sub-indicators contain ten individual indicators each, meaning that they cover a very broad area. This has added five new indicators compared with last year's analysis, bringing the total number of indicators up to twenty.

Fiscal sustainability

The first economic stability category looks at "fiscal sustainability" based on four indicators: the government debt level and interest payments, both expressed in relation to gross domestic product, indicate the solidity of state finances, although long-term changes only tend to occur after a number of years. High debt levels do not necessarily translate into a considerable interest burden for a country's budget if investors are prepared to lend the government money at a low interest rate, as in the case of Japan, for

example. Unlike with the debt level, new government borrowing is an area in which fairly rapid improvements can be made. We have used net lending/borrowing as a fiscal indicator because, as a Maastricht criterion, it is one of the indicators that the financial markets keep a close eye on. We have also looked at structural net lending/borrowing and, if the overall balance is negative, at the rate of change in each case, because this parameter is of paramount importance in the reformed Stability and Growth Pact and is also deemed to be a better gauge of consolidation progress than the unadjusted balance.

International competitiveness

Competitiveness is a complex phenomenon and can be measured based on a whole range of different parameters. In this category, we have used three indicators that look at longer-term developments, and two focusing on shorter-term trends:

Without flexible exchange rates, above-average price and cost trends translate directly into a loss of competitiveness. Divergent wage trends, for example, are likely to be one of the main causes behind competitive differences and external imbalances within the euro area. Consequently, we have used nominal labor costs per unit of production as an indicator for assessing price competitiveness. We have looked, on the one hand, at the annual change in unit labor costs but also, on the other, at the longer-term trend, i.e. the extent to which structural imbalances have emerged. This shows the cumulative deviation of unit labor costs from what we deem to be a stable development level, i.e. an annual increase of 1.5%[1] since 2000.

But a lack of competitiveness is not only caused by cost disadvantages. The root can also lie in a lack of product innovation or a less attractive product range. Within this context, the development of a country's global trade share is a key sub-indicator, because this parameter also reflects changes in the quality and structure of the goods offered by a country on the global markets. The change in the share of global trade is compared with the year 2000. As with unit labor costs, however, we also take a look at the shorter-term trend to see whether real goods exports are expanding at a faster or slower rate than global trade in the year in question.

After all, a country could well have a stable or increasing share of global trade, but ultimately might not have a sufficient export base to cover its imports. This is why we have used the ratio of exports to GDP as a further indicator, although our rating scale differentiates between small and large economies. In large economies, the domestic sector tends to be bigger in relation to foreign trade than in small economies.

Jobs and productivity

The third category looks at “imbalances” on the labor market and the efficiency of a country’s economic output: the financial markets generally consider countries boasting higher economic growth to be better equipped to tackle debt problems. A country’s economic performance is tied to its growth in employment and labor productivity.

A high employment rate and low unemployment rate point towards balanced labor market development and are also a prerequisite for the good utilization of macroeconomic production capacities. As a result, we have included the employment rate and the unemployment rate as indicators in this category. Major imbalances on the

[1] Labor costs are a major determinant of domestic inflation. The target path of a 1.5% increase in labor costs per year is more or less consistent with the ECB’s price stability norm (close to but below 2%) if we include other costs, such as higher indirect taxes and phases of rising commodity prices, which result in further inflation pressures per se.

labor market, however, are virtually impossible to resolve in the short term. In order to record the progress made nonetheless, we have also looked at the changes in the unemployment rate and the number of people in work in a year-on-year comparison. We have measured productivity based on the change in productivity per person in work on a year earlier. Along with the change in the number of people in work and productivity per person in work, GDP growth is implicitly included in this category. Economic momentum provides key support in tackling a large number of structural weaknesses.

Private and foreign debt

For an economy to be stable, moderate government debt is not the only prerequisite; it is also extremely important for economies to keep a tight rein on private and foreign debt. Not least given the risk that private debt will transmute into a state liability. The property bubble that emerged in a number of countries triggered a dramatic rise in the demand for loans and a marked increase in household debt. Consequently, the Monitor looks at the level of the private debt ratio and its trend – measured in terms of the changes over the past three years. Similarly, it also includes both the level and the changes in the debt ratio of non-financial corporations.

As far as foreign debt is concerned, we have used the current account balance and the "net international investment position", which is based on a concept developed by the IMF and serves as a sort of "external solvency ratio" that is expanded to include capital market positions.[2]

Economies that have been reporting considerable current account deficits for many years generally need a long time to return to a more sustainable foreign asset position.

20 indicators to evaluate economic fundamentals and the four key categories of economic stability

C1 Fiscal sustainability

- (1A) Gross government debt as % of GDP
- (1B) General government interest payments as % of GDP
- (1C) General government deficit/surplus as % of GDP
- (1D) Change in the structural balance of general government as % of potential GDP

C2 Competitiveness

- (2A) Exports in relation to GDP
- (2B) Unit labor costs, deviation from the target path of 1.5% rise per year in index points
- (2C) Global merchandise trade shares, exports, deviation from base year 2000 in %
- (2D) Annual change in nominal unit labor costs in %
- (2E) Growth in export of goods (real) - growth in world trade volumes (real) in %-points

C3 Jobs & productivity (Labor market und growth)

- (3A) Unemployment rate in %
- (3B) Employment rate in %
- (3C) Annual change in the unemployment rate in %-points
- (3D) Annual change in employment in %
- (3E) Annual change in (real) labor productivity in %

C4 Private & foreign debt

- (4A) Debt-to-GDP ratio of households
- (4B) Debt-to-GDP ratio of non-financial corporations
- (4C) Net international investment position as % of GDP
- (4D) Debt-to-GDP ratio of households, change over three years in %-points
- (4E) Debt-to-GDP ratio of non-financial corporations, change over three years in %-points
- (4F) Current account balance as % of GDP

In order to enable an assessment of the 20 indicators and to tally the individual results up to produce the overall indicator, the values for each indicator are expressed on a scale from 1 (very poor) to 10 (very good). We have defined three rating classes: values 1-4 signal poor performance and an alert threshold, 5-7 indicate middling performance and 8-10 good performance.[3] If, say, a member state has a government debt level of more

[2] According to the IMF, the net international investment position refers to the stock of external assets minus the stock of external liabilities. The data includes direct investment, securities investments, financial derivatives and other investments, as well as currency reserves. The indicator is expressed as a percentage of GDP.
[3] The rating spectrum for each indicator is set out in the appendix on pp. 30 et seq.

than 60% of GDP, it is assigned a poor to moderate indicator rating of between 1 and 7 depending on the actual debt level. If the debt ratio is lower than 60%, the country is assigned a good indicator rating.

Since the individual indicators are assigned an equal weighting in the overall rating score, the overall score for each country corresponds to the average rating of all 20 indicators, meaning that it is also expressed as a value from 1 to 10. The country rating is calculated as the average of the individual indicator ratings in the sub-indicator for existing strengths/weaknesses, in the progress indicator and in the four categories.

2. KEY FINDINGS OF THE 2015 ALLIANZ EURO MONITOR

- Economic stability in the euro area improved for the third year running in 2015, with the average overall indicator for all EMU countries coming in at 6.6 points, the highest level seen since 2007. Fifteen countries were able to improve their rating year-on-year in 2015, with only three losing ground (Estonia, Greece and Lithuania).

- This positive trend can also be attributed to the fact that significant shorter-term progress was made in reducing imbalances. At an average of 7.1 points for all EMU countries, this sub-indicator is now sitting in fairly positive territory. It had already bounced back to 6.8 points in 2014 after having plummeted to an alarming 2.8 points back in 2009.

- Germany remains the top-rated country in the euro area in terms of economic stability, with an overall rating of 8.1 in 2015. This is due, in particular, to the country's solid performance in the "fiscal sustainability", "private debt" and "foreign debt" categories. Some way behind, Luxembourg and Slovakia follow in second and third place.

Euro Monitor Rating 2015

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	DE	Germany	8.1	1	7.8	1	7.7
2	LU	Luxembourg	7.4	3	7.2	2	7.4
3	SK	Slovakia	7.3	6	6.8	7	5.9
4	IE	Ireland	7.1	10	6.4	18	3.8
5	SL	Slovenia	6.9	7	6.7	9	5.7
6	EE	Estonia	6.9	3	7.2	5	6.3
7	LT	Lithuania	6.8	2	7.5	4	6.4
7	NL	Netherlands	6.8	5	6.8	6	6.2
9	LV	Latvia	6.7	8	6.6	13	5.2
10	AT	Austria	6.6	9	6.5	3	6.9
10	MT	Malta	6.6	13	5.8	10	5.7
12	ES	Spain	6.1	11	6.0	15	4.0
13	BE	Belgium	6.1	12	5.9	10	5.7
14	FR	France	5.8	17	5.4	12	5.2
14	PT	Portugal	5.8	15	5.5	16	3.9
16	IT	Italy	5.7	18	5.1	14	4.7
17	FI	Finland	5.5	16	5.4	8	5.8
18	GR	Greece	5.0	14	5.6	19	2.5
19	CY	Cyprus	4.6	19	3.8	16	3.9
	US	USA	5.5		5.6		5.6

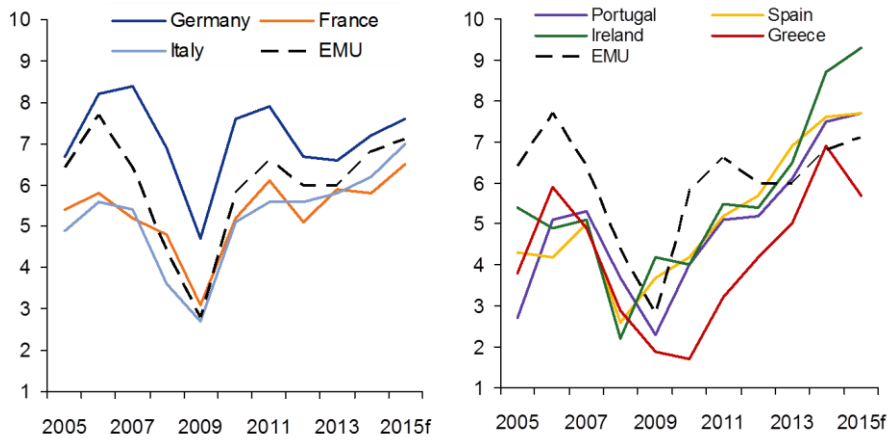
- The country that moved furthest up the rankings in 2015 was Ireland, which climbed up six notches in the overall rankings to come in fourth, with a rating of 7.1 points.

As recently as 2010, Ireland was only occupying 18th place in the EMU rankings with a score of 3.8 points.

- Italy's encouraging development is also worthy of mention, with the third-largest EMU economy managing to achieve the biggest improvement in its overall score - from 5.1 to 5.7 points – after Cyprus, Malta and Ireland, even if this still left it sitting in only 16th place in 2015.

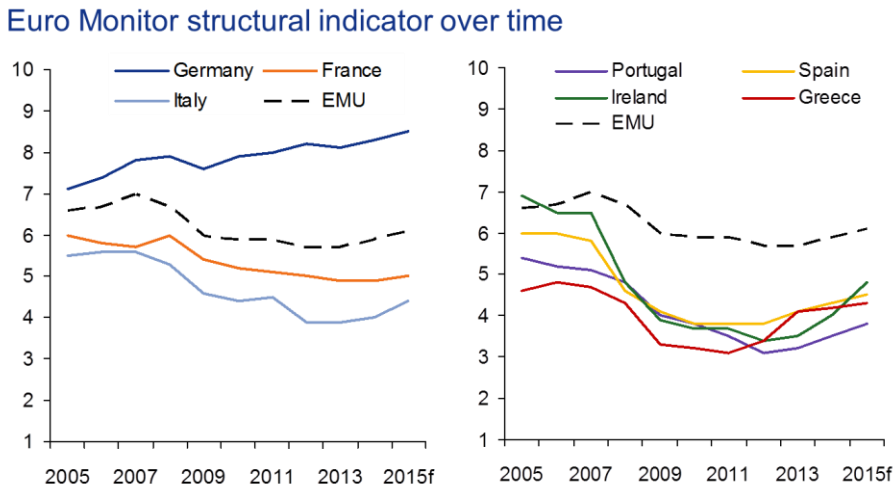
- As far as the level indicator is concerned, Germany leads the field with 8.5 points. Ireland, on the other hand, confidently tops the progress indicator table with a score of 9.3. Luxembourg, which comes in second with 8.2 points, has also made good progress.

Euro Monitor progress indicator over time



- One thing that is striking is the stark variation in the two sub-indicators in quite a few countries[4]. As far as existing imbalances are concerned, Estonia, Lithuania and Austria rank among the EMU members with the least problems on their hands, but they are also some of the poorest performers in the eurozone when it comes to improving their economic stability. On the other hand, while Ireland, Spain and Portugal remain plagued by fairly significant imbalances, they lead the field when it comes to reducing them. In principle, it comes as little surprise to learn that the countries that have to make major adjustments are making more of an effort than those that only have a bit of moderate tweaking to do. A negative interpretation, however, could be that countries that are in a fairly good starting position are living off their past successes.

[4] The country results for the two sub-indicators over time are set out in the Appendix on p. 21.



- The individual indicator that gave the most cause for concern in 2015 was once again, and despite a slight improvement, the unemployment rate. Only three countries – Germany, Malta and Austria – fell into the "good" category as far as jobless numbers are concerned. The share of world trade, which is down considerably on 2000 in many countries (with the exception of the central and eastern European EMU members), is another category that most countries only scored moderately on.

- Once again, the best results were achieved with regard to the current account indicator. With the exception of Cyprus, all EMU member states managed to report either a virtually balanced budget or a surplus in 2015. The development in unit labor costs has also been positive on the whole.

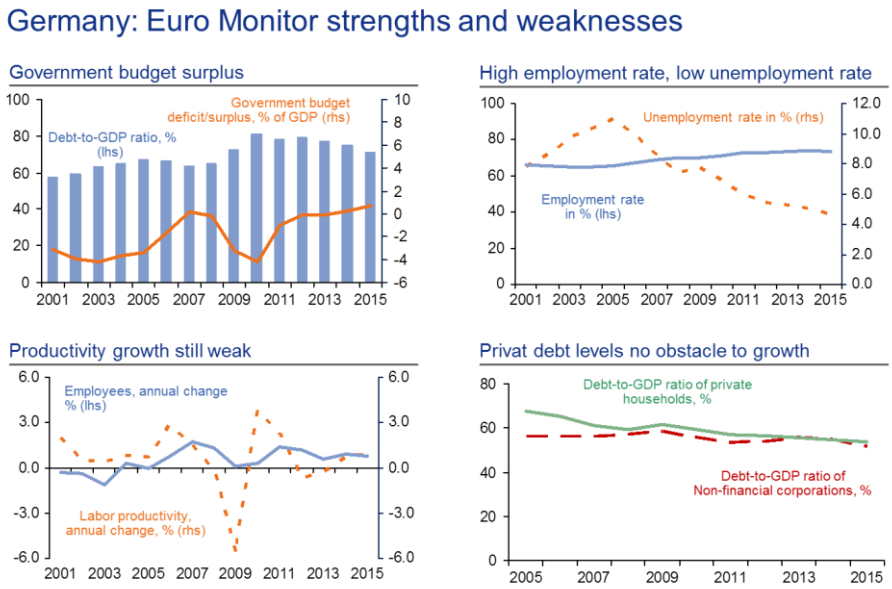
- All in all, the results of the Euro Monitor 2015 show that the eurozone is making slow but steady progress in terms of economic stability. Countries like Ireland and Portugal, which have been making considerable reform and consolidation efforts in recent years, are making particularly pleasing progress.

- Comparisons with the US show that eurozone growth is associated with fewer imbalances than growth on the other side of the pond, mainly due to the high and rising level of government debt in the US, the country's waning share of global trade and the relatively low employment rate. When it comes to "fiscal sustainability" and "competitiveness", the US fares much worse than the euro area. There is also a striking trend towards the US losing increasing ground against the eurozone in our ratings in recent years.

Eurozone country profiles

Germany: Few imbalances, but only modest momentum

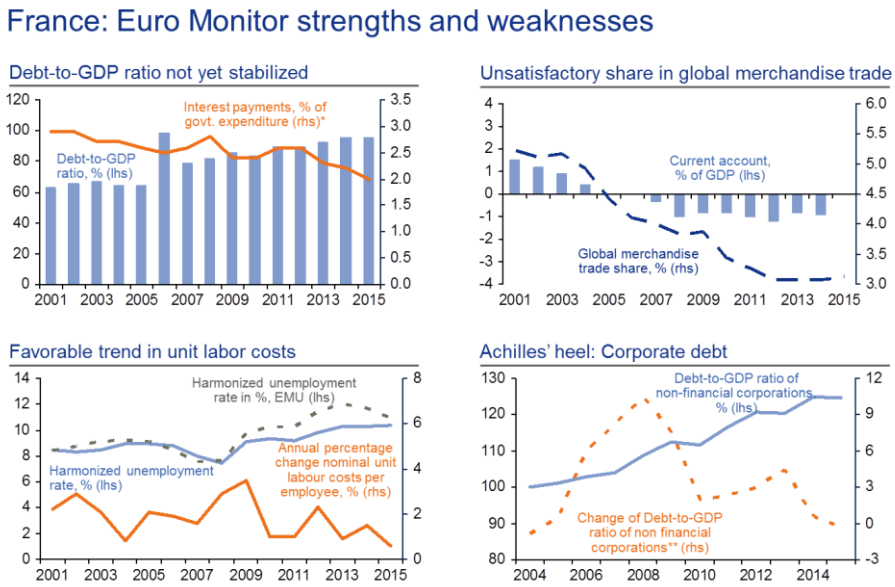
- Germany managed to defend its top spot in the 2015 overall ranking with a total value of 8.1 points, as against 7.8 points in 2014, and also reported a slight improvement in both competitiveness and personal debt in 2015.



- It is, however, important to note that Germany's pole position is due more to a good starting position - i.e. few existing imbalances - than to any particular improvement in its economic indicators. If we look at the progress indicator, then we see that Germany comes in 6th with a score of 7.6, which only puts it in a good mid-table position. The change in productivity is one area in which Germany's score comes in at a mediocre 5 points, hindering economic momentum considerably.
- Germany's best results are in the "fiscal sustainability" category (8.8 points). This is where the country's positive government net lending/borrowing ratio, structural surplus and low interest burden on the budget are paying off. Germany also scores well on the whole in the "personal and foreign debt" category (8.5 points).

France: Not enough progress made compared with other EMU countries

- Our rankings put France in a disappointing 14th place. Although the total indicator value is not in the red, at 5.8 points, and has improved by 0.4 points on a year earlier, France is more or less treading water in an environment that is improving on the whole.
- France's lowest score yet again relates to its share of world trade (individual indicator value of 1), which has stabilized at around 3% in recent years. Although 2015 brought a much more pronounced increase in real exports than 2014, foreign trade once again put pressure on economic growth.

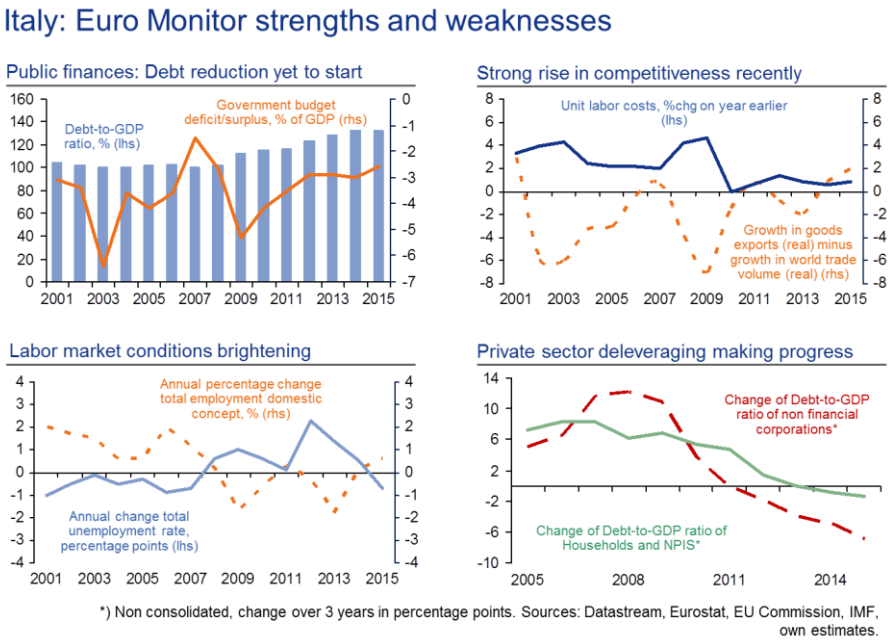


*) General government interest payments as % of government expenditure. **) Non consolidated, change over 3 years in percentage points. Sources: Datastream, Eurostat, EU Commission, IMF, WTO, own estimates.

- France's second-poorest individual indicator value, with a score of 2, relates to the level of corporate debt. The fact that earnings have been improving since last year, also thanks to measures taken by the government ("responsibility pact"), should give companies more scope for debt reduction and/or investment.
- The government's measures to take pressure off the corporate sector are also having a favorable impact on unit labor costs. Our shorter-term and longer-term unit labor cost indicators are up on 2014 to a solid score of 8.

Italy: Increasing signs of an economic turnaround

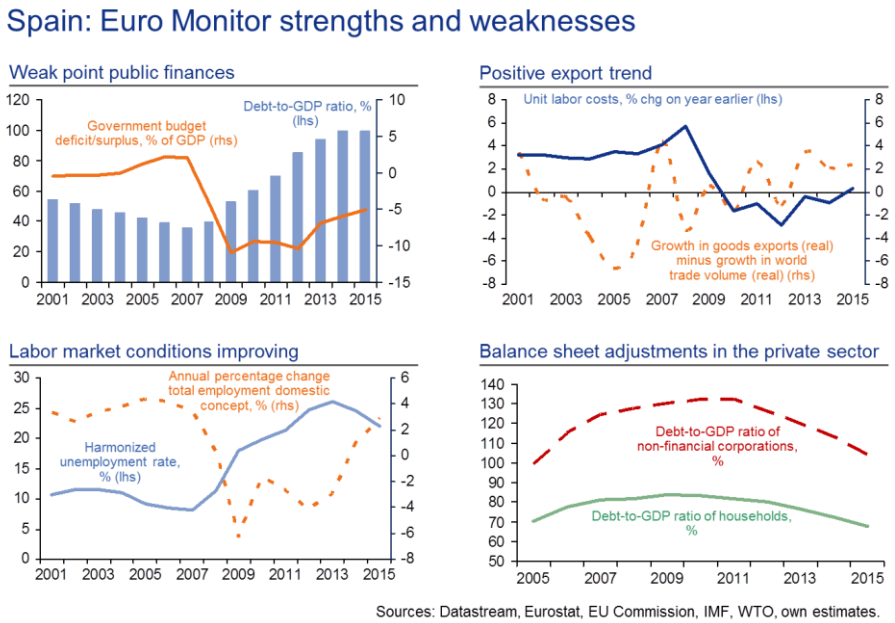
- Italy is one of the shootings stars of the year in the overall rankings. And yet, despite a marked 0.6 point improvement in its overall score to 5.7 points, the country still only manages to secure the 16th spot. The third-largest EMU economy managed to improve in 10 out of 20 indicators, with not a single indicator deteriorating.
- There is much to suggest that Renzi's reforms are starting to bear fruit. In the sub-ranking that measures the progress made in reducing weaknesses, for example, Italy has surpassed France, the Netherlands and Austria to come in 9th, the highest position achieved since 2001. The fact that the country is still lingering in the bottom third of the overall rankings is mainly due to the acute imbalances already inherent in the Italian economy. This means that Italy has to show "iron resolve" in sticking to its reform plans.



- The worst scores for Italy come in the "employment and productivity" category, where the country comes in at the very bottom of the EMU pile - together with Greece - scoring only 4.2 points. As a result, it is encouraging to see that the Italian labor market finally made a return to a positive trajectory in 2015: unemployment was down for the first time since 2007 and the employment rate - which is the second-lowest in the euro area at 56% - edged up slightly for the second time running.
- The country also made good progress in the "competitiveness" category, albeit at a low level in some cases. The favorable development in unit labor costs, relatively robust growth in real exports in relation to global trade and the general trend towards a rising share of global trade mean that Italy is ideally placed to translate reform progress into stronger economic growth in the near future.
- Italy's Achilles' heel remains its mound of government debt, which equates to around 133% of its economic output. As a result, it is all the more disappointing to see that Italy has made no progress at all since 2012 in terms of narrowing its government deficit. There is no doubt that this is largely due to the pronounced growth slump that the country has been hit with.

Spain: The legacies of the past are being eliminated only gradually

- Spain slipped one place to 12th. The overall score improved by only one-tenth of a point to 6.1 points. This might seem a little surprising compared with the largely upbeat news in the course of the dynamic upswing currently being seen in Spain.
- The explanation lies in the fact that, on our shorter-term progress indicators, Spain is among the best in 4th place, but the level figures have barely moved, as reflected in the 15th place seen in this sub-ranking. For instance, Spain gets top marks both for the reduction in the unemployment rate and the increase in the participation rate, but for the stubbornly high level of unemployment and the low level of the participation rate it still gets the lowest score of 1.



- From our breakdown into four categories, government finances emerge as the country's biggest millstone. Despite buoyant growth, the debt ratio is not falling significantly but is stabilizing at around 100%. Although the budget deficit in relation to GDP has been trimmed, at over 5% last year it was still well above the Brussels target and the Spanish government has asked for an extension as it will be unable to meet the 3% Maastricht target in 2016 as originally planned.
- On the positive side, by contrast, are ongoing private and corporate deleveraging and Spain's export growth. On the latter front, this has been helped by Spanish companies' intensified search for sales markets abroad during the domestic crisis. Moderate growth in unit labor costs has also helped.
- A major risk not covered by our indicator set is the political situation in Spain. Ein zentrales von unserem Indikatorset nicht erfasstes Risiko ist Spaniens politische Situation. Spain needs an effective government that does not endanger the positive effects of the radical reforms enacted to date.

Netherlands: New strengths, old weaknesses

- With an overall score of 6.8 points, the Netherlands comes in 7th. However, despite its unchanged score, the country slips two places in the eurozone table.
- In 2015 the Netherlands recorded substantial progress in the category Employment and productivity. With an average score of 7.0 after 6.2 in 2014 the country ensured fourth place in the eurozone. The reduction in the unemployment rate along with the positive trend in the participation rate – at around 74% the highest in the eurozone – were pivotal here.
- The Netherlands also performs better than the eurozone average in the category Sustainability of public finances. Despite a marked rise in the structural deficit in 2015, the average score of 7.3 points in this category was still well above the eurozone average of 6.0 points.
- The Netherlands gets its worst scores in the category Private and foreign debt. Although the country is awarded full points for its robust net international investment position and the large current account surplus – both are top readings in

the EU– towering private sector debt remains a major weakness, with the level indicators still in the critical zone.

Belgium: Government and corporate debt still high

- In 2015 Belgium managed to lift its overall score to 6.1 points from 5.9 points in 2014. The country saw an improvement in six indicators, two worsened slightly. But the over score is still middling (13th place).
- A high government debt ratio of 106% and towering debt of non-financials of around 155% in relation to GDP remain problematic. However, private debt at just under 60% of GDP is relatively low.
- The picture on the foreign debt front is favorable. The current account is in surplus and the net foreign investment position at around 60% of GDP is in comfortably positive territory.
- Belgium also notches up good scores on unit labor costs. However, this is not thanks to healthy productivity gains but to exceptionally low wage increases. Belgium's stubbornly moderate economic momentum still leaves much to be desired.

Austria: Still in midfield

- In the overall ranking Austria comes in 10th in 2015 with 6.6 points. Despite a small rise of 0.1 points, the country slips one place in the eurozone comparison.
- The fact that Austria has managed to defend its position in midfield is due mainly to the relatively good starting point. The solid labor market, the longer-term trend in unit labor costs, low private-sector debt and high net foreign assets all helped. In the component ranking measuring shorter-term progress in reducing imbalances, Austria comes in only 16th. The country has evidently been resting on the laurels of its past successes in the past – back in 2011 it occupied 3rd place in the overall ranking.
- Austria scores worst in the category Competitiveness: the average score of 6.0 is well below the eurozone average (7.4 points). Austria's low exports as a share of GDP, the declining share in world trade and weak growth in real exports in relation to real world trade all cast a shadow. At 4 points, the rating for the labor productivity indicator is actually in the critical zone.
- Austria clocks up its best scores in the categories private and foreign debt as well as sustainability of public finances. Although the government debt ratio has crept up again in recent years to around 86% of economic output in 2015, the low public-sector interest burden as well as the marked drop in the budget deficit (-1.2% of GDP in 2015) and progress in reducing the structural deficit augur well for a reduction in the debt mountain in the years ahead.

Finland: No progress without growth

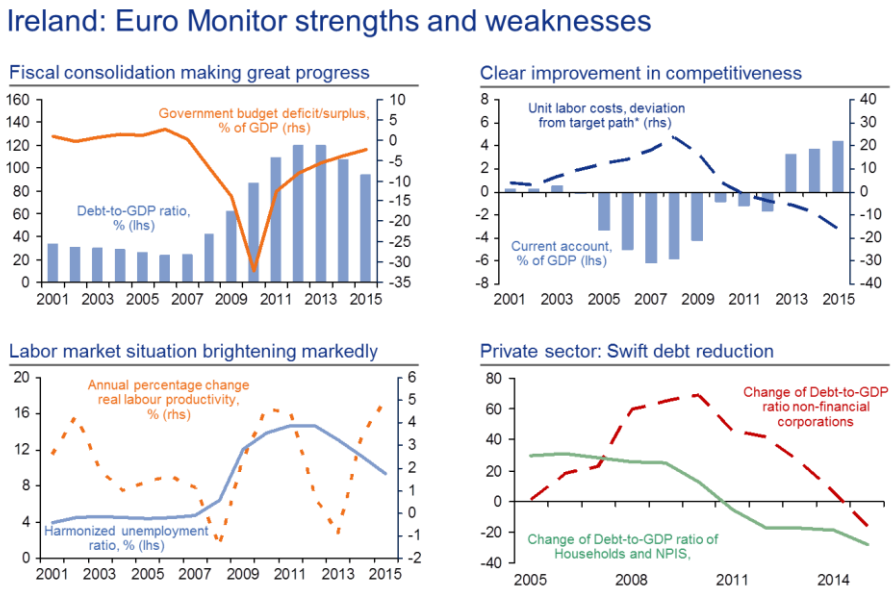
- The overall score of the Finnish economy, which stagnated in 2015 having shrunk for three years, improved marginally compared with 2014 (+0.1). Nonetheless, this is only enough for 17th place in our ranking. The main reasons behind the poor score are weak international competitiveness, high corporate debt and the negative trend on the labor market.
- Structural factors such as the shrinking electronics industry and the economic crisis in Russia, its key trading partner, are exerting a substantial drag on economic

momentum. On the sub-indicator for progress on the stability front, Finland brings up the rear in the eurozone in 2015.

- But there are also positive aspects. The country enjoys a balanced current account and the net international investment position is also broadly in balance. Furthermore, government debt is also still moderate and, at 1.2% of GDP, the government interest burden is one of the lowest in the eurozone.

Ireland: In the fast lane

- Ireland is the climber of the year in our ranking. With an overall score of 7.1 points, the country climbed six places in 2015 to 4th place.
- The reduction of economic imbalances is proceeding at full throttle: in the sub-ranking for progress, Ireland records the highest possible score on 7 of the 10 indicators and with 9.3 points tops the ranking for the second year running. But it is not yet time to take the foot off the reform pedal. But the comparatively markedly weaker performance on the level indicator (4.8 points, 14th place) illustrates that the need for adjustment remains enormous.

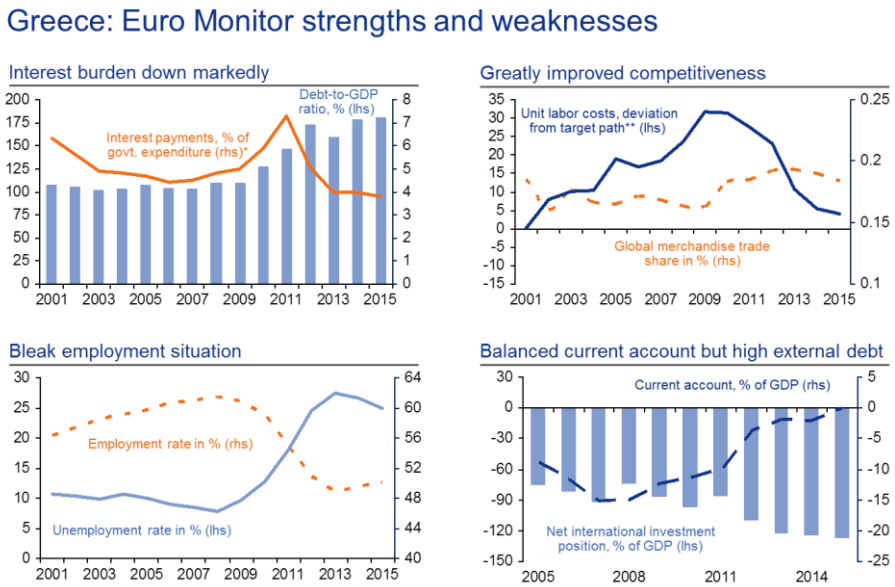


*) Base year 2000, deviation from the target path of 1.5% rise per year in index points. **) Non consolidated, change over 3 years in percentage points. Sources: Datastream, Eurostat, EU Commission, IMF, own estimates.

- The high debt ratio of non-financials and the unfavorable net international investment position still provide cause for concern, but thanks not least to buoyant economic growth, deleveraging in the private sector – as well as in the public sector – is progressing in leaps and bounds.
- In the category Employment and productivity Ireland is one of the eurozone's leaders. This is thanks not only to the rapid reduction in unemployment (9.4% in 2015 after 14.7% in 2012) and lively jobs growth (2015: 2.6%) but also to hefty gains in productivity (2015: 5%).

Greece: Hefty setback

- Having climbed to 14th place in 2014 on the back of considerable progress on the adjustment front, Greece slipped back sharply in 2015. With a score of 5.0 points after 5.6 points in 2014, it dropped back to 18th, second to last. Although there were small improvements on five individual indicators, a total of five indicators also saw a sharp deterioration.
  - The sub-indicator for adjustment progress tumbled to 5.7 points in 2015, down from 6.9 points in 2014. Compared with 2014, the overall public-sector deficit, the structural deficit, growth in labor productivity and to a lesser extent year-on-year unit labor costs and the trend in real exports in relation to world trade all worsened.



*) General government interest payments as % of government expenditure. **) Base year 2000, deviation from the target path of 1.5% rise per year in index points. Sources: Datastream, Eurostat, EU Commission, WTO, own estimates.

- Last year's political and economic turmoil with bank closures and capital controls left deep scars in the Greek economy. Although Greece requires high structural surpluses to reduce its towering debt, in 2015 the structural deficit slipped back into negative territory. However, the unadjusted deficit that shot up to 7.2% of GDP is overstated by an estimated 4 percentage points due to the bank recapitalization. Due to the economic downturn, productivity per employee fell by 2.1%, having risen in the previous two years. Greek labor productivity is still well below the level seen prior to the global crisis 2008/2009. Greece's export base remains inadequate and the situation on the labor market is bleak.

Portugal: Substantial progress, but still major imbalances

- Portugal was able to lift its score from 5.5 points in 2014 to 5.8 points in 2015, climbing one place to rank 14th. Eight indicators saw an improvement, only two deteriorated.
- The shorter-term indicators show that the country made progress towards greater economic stability in 2015. The respective progress indicator climbed to 7.7 points from 7.5 points in 2014. This puts Portugal now in fifth place among all Eurozone countries. Significant progress has been made in reducing the relatively high debt ratios of households and businesses. Portugal also scores well on the indicators

pointing to an improvement in competitiveness. In 2015 the country saw an increase in real merchandise exports for the sixth year running, once again well in excess of the growth rate in real world trade. This was doubtless also helped by a renewed dip in unit labor costs.

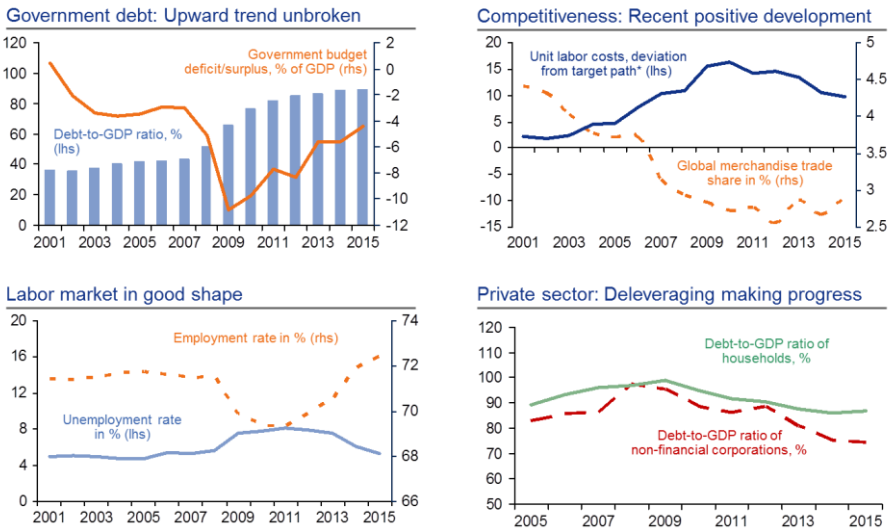
- Despite the pleasing progress made in recent years it has to be said that Portugal still faces huge challenges if it is to lastingly reduce its imbalances. On the component indicator that flags up longer-term weaknesses, Portugal still registers a poor score of 3.8 points. This is the second lowest score in the eurozone. The towering government debt ratio and that of non-financials, along with the not unrelated poor net investment position all had a negative impact. On top of this, the unemployment rate is also still very high.

Selected EU countries

UK: Lower mid-field in the EU

- Despite a marked improvement of 0.5 points, the UK can only move up one place in our ranking, coming in 15th in the EU comparison with 6.6 points. This middling ranking might come as a surprise given the buoyant growth and healthy employment trends with low unemployment seen in recent years. The reasons are to be found in relatively weak international competitiveness and only middling performance on public finances.
- In the competitiveness category the UK's overall score of 5.6 points is well below the EU average of 7.4 points. This is mainly due to the sharp drop in the share in world trade since the year 2000 (-34%) and the relatively weak export base in terms of economic output. In this context, it is encouraging that in 2015 the growth rates in real goods exports in relation to world trade growth were the highest since 2006. Despite healthy export growth, the UK has not managed to rein in the yawning current account deficit of 5.2%.

United Kingdom: Euro Monitor strengths and weaknesses



*) Base year 2000, deviation from the target path of 1.5% rise per year in index points..
Sources: Datastream, Eurostat, EU Commission, IMF, own estimates.

- The UK labor market is in healthy shape. With an unemployment rate of 5.3% and a participation rate of over 72%, the UK ranks among the EU leaders.
- The UK logged a marked improvement over the previous year in the category sustainability of public finances. Although the upward trend in government debt continues unabated (89.2% in 2015), the progress made in reducing the budget deficit – particularly the structural components – pave the way for an imminent descent from the debt mountain.

Poland: Steady improvement

- Over the last four years Poland has steadily improved its overall score to reach 7.3 points, putting it well above the eurozone average.
- With a score of 8.2 points, Poland performs particularly well in the competitivenes. This is thanks in particular to a persistent rise in its share of world trade and positive developments in unit labor costs.
- With 7.3 points Poland also does well with regard to the sustainability of public finances. With a government debt ratio of just over 50% of GDP the country is doing well, but given the healthy economy, the deficit ratio of 2.6% of GDP is somewhat disappointing.
- Poland also achieves good scores on the employment and labor productivity front. Both reflect strong economic growth (2015: 3.6%). It is to be hoped that the political decisions taken since the last parliamentary elections do not stoke uncertainty in the economy, dampening growth.

Czech Republic: Remarkable competitiveness

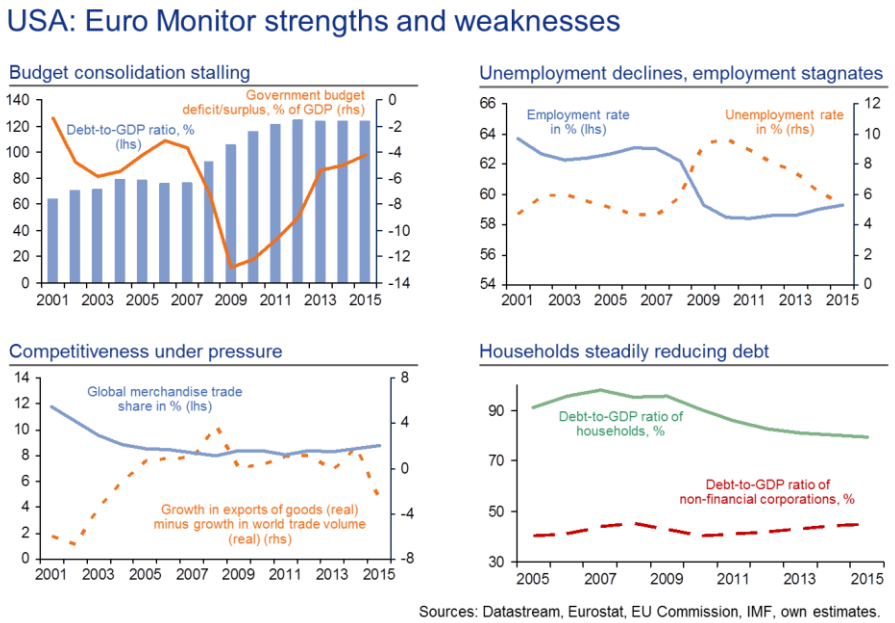
- With an overall score of 7.9 points, the Czech Republic ranks second in our overall EU ranking.
- Due to a marked rise in its share of world trade over many years, ongoing dynamic export growth and in the meantime a high share of exports in GDP along with broadly stable unit labor costs, the Czech Republic tops the EU table in the category "Competitiveness" with a score of 8.8 points (EU average: 7.2 points)
- Both public and private debt ratios remain moderate. However, the debt ratio among non-financials is now rising substantially.
- Healthy jobs growth and a steep rise in labor productivity (2.9%) round off the picture of a dynamic economy that notched up growth of 4.2% in 2015.

Euro Monitor Rating 2015 – EU28

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	DE	Germany	8.1	1	7.8	1	7.7
2	CZ	Czech Republic	7.9	3	7.4	4	6.8
3	LU	Luxembourg	7.4	4	7.2	2	7.4
4	SK	Slovakia	7.3	9	6.8	9	5.9
4	PL	Poland	7.3	4	7.2	17	5.2
6	BG	Bulgaria	7.1	25	5.4	16	5.3
7	IE	Ireland	7.1	15	6.4	27	3.8
7	RO	Romania	7.1	7	7.1	15	5.4
9	SL	Slovenia	6.9	11	6.7	11	5.7
10	EE	Estonia	6.9	4	7.2	7	6.3
10	HU	Hungary	6.9	14	6.4	21	4.9
12	LT	Lithuania	6.8	2	7.5	6	6.4
12	NL	Netherlands	6.8	8	6.8	8	6.2
14	LV	Latvia	6.7	12	6.6	20	5.2
15	AT	Austria	6.6	13	6.5	3	6.9
15	MT	Malta	6.6	20	5.8	12	5.7
15	UK	United Kingdom	6.6	16	6.1	17	5.2
18	SE	Sweden	6.5	16	6.1	5	6.6
19	DK	Danmark	6.4	10	6.7	14	5.5
20	HR	Croatia	6.2	22	5.5	22	4.8
21	ES	Spain	6.1	18	6.0	24	4.0
22	BE	Belgium	6.1	19	5.9	12	5.7
23	FR	France	5.8	25	5.4	17	5.2
23	PT	Portugal	5.8	22	5.5	25	3.9
25	IT	Italy	5.7	27	5.1	23	4.7
26	FI	Finland	5.5	24	5.4	10	5.8
27	GR	Greece	5.0	21	5.6	28	2.5
28	CY	Cyprus	4.6	28	3.8	25	3.9
	US	USA	5.5		5.6		5.6

USA: Growth with imbalances

- The overall score for the USA deteriorated by one-tenth to 5.5 points, thus widening slightly the gap to the eurozone average (6.6 points in 2015). It is striking that in recent years the US has lagged behind the EU in reducing macroeconomic imbalances. In 2012 the US achieved a score putting it somewhere in the middle of the EU ranking; it has now fallen back to joint 26th with Finland.
- The main reason that the US does not perform better than the eurozone lies in its poor score in the competitiveness category, with the steep slide in the world trade share (-27%) compared with the base year 2000 the main culprit. Given the murky outlook on the external front over the shorter term, this is unlikely to change so quickly: the score on the individual indicator measuring the trend in real goods exports in relation to world trade tumbled by a full 4 points in 2015, slipping into the critical zone with a score of 3 points. Alongside the rise in the dollar, the unfavorable shorter-term trend in unit labor costs is mainly to blame here. Although growth rates in the US in recent years and in 2015 with 2.4% easily outstripped those in the eurozone (1.5% in 2015), faltering international competitiveness could impede sustained high growth.



- The weak position in the area of public finances is another reason behind the US' poor overall score. At 125% of GDP (eurozone: 90.7%), the US debt ratio is still close to the peak seen during the crisis and the overall budget deficit, which has now more than halved compared with the years 2009-11, is substantially higher than the eurozone figure (2.1%) at 4.3%. Within the eurozone, only Greece, Spain and Portugal have a higher deficit. The inferior US rating is in part due to the differing significance of the pension systems for public-sector employees, which in recent years has pushed up the debt ratio by around 20 percentage points and the deficit ratio by a good one percentage point.
- The US outscores the eurozone only in the category Employment and productivity. This is primarily thanks to the low unemployment rate and healthy jobs growth in the US. In terms of the participation rate, however, the US comes off worse than the eurozone.

APPENDIX

Scaling

For each indicator the countries are rated on a scale from 1 (very poor) to 10 (very good):

- Ratings from 1 to 4 are considered poor performance and a sort of alert indicator,
- Ratings from 5 to 7 are considered middling performance
- Ratings from 8 to 10 are considered good performance.

If, say, a member state has a government debt level of more than 60% of GDP, it is assigned a poor to moderate indicator rating of between 1 and 7 depending on the actual debt level. If the debt ratio is lower than 60%, the country is assigned a good indicator rating.

The scales for each indicator are listed on the following pages, as well as the Euro Monitor country ratings for 2010 to 2015

Euro Monitor structural indicator over time

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	DE	Germany	8.5	1	8.3	1	7.9
2	EE	Estonia	7.2	3	7.2	10	5.6
3	LT	Lithuania	7.1	2	7.3	6	6.6
4	SK	Slovakia	7.0	6	6.7	7	6.5
5	AT	Austria	6.9	5	6.8	2	7.0
6	NL	Netherlands	6.8	4	6.9	2	7.0
7	LV	Latvia	6.7	8	6.3	13	5.0
8	LU	Luxembourg	6.5	7	6.5	4	6.8
9	SL	Slovenia	6.0	9	5.8	5	6.7
10	MT	Malta	5.8	11	5.6	11	5.5
11	BE	Belgium	5.7	11	5.6	9	5.7
12	FI	Finland	5.5	10	5.7	8	6.1
13	FR	France	5.0	13	4.9	12	5.2
14	IE	Ireland	4.8	16	4.0	18	3.7
15	ES	Spain	4.5	14	4.3	16	3.8
16	IT	Italy	4.4	16	4.0	14	4.4
17	GR	Greece	4.3	15	4.2	19	3.2
18	PT	Portugal	3.8	18	3.5	16	3.8
19	CY	Cyprus	3.1	19	3.1	15	4.1

Euro Monitor progress indicator over time

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	IE	Ireland	9.3	1	8.7	16	4.0
2	LU	Luxembourg	8.2	2	7.9	1	8.1
3	SL	Slovenia	7.8	5	7.5	14	4.7
4	PT	Portugal	7.7	5	7.5	16	4.0
4	ES	Spain	7.7	3	7.6	15	4.2
6	DE	Germany	7.6	7	7.2	2	7.6
7	SK	Slovakia	7.5	10	6.8	9	5.3
8	MT	Malta	7.4	16	5.9	6	5.9
9	IT	Italy	7.0	13	6.2	13	5.1
10	NL	Netherlands	6.7	12	6.7	11	5.2
11	LV	Latvia	6.6	10	6.8	9	5.3
12	EE	Estonia	6.5	7	7.2	3	7.1
12	FR	France	6.5	17	5.8	11	5.2
14	BE	Belgium	6.4	14	6.1	7	5.7
14	LT	Lithuania	6.4	3	7.6	5	6.2
16	AT	Austria	6.3	14	6.1	4	6.9
17	CY	Cyprus	6.1	19	4.4	18	3.7
18	GR	Greece	5.7	9	6.9	19	1.7
19	FI	Finland	5.4	18	5.1	8	5.4

Fiscal Sustainability Rating 2015

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	EE	Estonia	10.0	1	10.0	1	10.0
1	LU	Luxembourg	10.0	1	10.0	2	9.7
3	DE	Germany	8.8	3	8.8	11	5.7
4	LT	Lithuania	8.5	3	8.8	5	7.3
5	LV	Latvia	8.3	6	7.5	9	6.3
6	FI	Finland	7.5	9	6.8	3	8.7
7	CY	Cyprus	7.3	13	5.3	7	7.0
7	NL	Netherlands	7.3	5	7.8	5	7.3
7	SK	Slovakia	7.3	7	7.0	7	7.0
10	AT	Austria	7.0	9	6.8	11	5.7
10	MT	Malta	7.0	7	7.0	9	6.3
12	FR	France	6.0	11	6.5	14	5.3
12	IE	Ireland	6.0	12	5.8	16	4.0
12	SL	Slovenia	6.0	17	4.8	4	7.7
15	BE	Belgium	5.8	15	5.0	15	5.0
16	IT	Italy	4.5	18	4.0	18	3.7
17	ES	Spain	4.3	15	5.0	11	5.7
18	PT	Portugal	3.3	19	3.8	16	4.0
19	GR	Greece	2.3	13	5.3	19	1.0

Competitiveness Rating 2015

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	SK	Slowakia	8.6	2	8.0	3	8.0
2	IE	Ireland	8.2	1	8.2	11	6.0
3	DE	Germany	7.8	4	7.4	1	8.6
4	NL	Netherlands	7.4	4	7.4	6	7.2
4	PT	Portugal	7.4	9	7.0	13	5.4
4	ES	Spain	7.4	3	7.6	13	5.4
7	BE	Belgium	7.2	7	7.2	10	6.4
8	SL	Slovenia	7.0	4	7.4	12	5.6
9	GR	Greece	6.6	7	7.2	18	3.8
10	AT	Austria	6.0	12	5.6	3	8.0
11	FR	France	5.8	17	4.6	17	4.2
12	IT	Italy	5.6	14	5.0	15	4.4
12	LU	Luxembourg	5.6	13	5.2	8	6.6
14	MT	Malta	5.4	19	3.8	8	6.6
15	CY	Cyprus	5.0	11	5.8	19	3.4
16	LT	Lithuania	4.8	10	6.2	2	8.2
17	LV	Latvia	4.2	14	5.0	6	7.2
18	EE	Estonia	4.0	16	4.8	5	7.6
18	FI	Finland	4.0	18	4.4	15	4.4

Private and Foreign Debt Rating 2015

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	DE	Germany	8.5	2	8.0	1	8.2
2	SL	Slovenia	8.3	4	7.8	9	5.5
3	LV	Latvia	8.0	2	8.0	12	4.7
3	LT	Lithuania	8.0	1	8.5	2	7.5
5	IT	Italy	7.8	5	7.7	8	5.8
6	LU	Luxembourg	7.5	6	7.3	4	6.5
7	EE	Estonia	7.3	6	7.3	5	6.0
8	AT	Austria	7.0	8	7.2	3	6.7
8	SK	Slovakia	7.0	8	7.2	5	6.0
8	ES	Spain	7.0	10	6.5	15	3.3
11	IE	Ireland	6.7	18	5.0	17	2.5
11	MT	Malta	6.7	10	6.5	13	4.5
11	PT	Portugal	6.7	16	5.8	18	2.2
14	FR	France	6.5	12	6.2	5	6.0
15	BE	Belgium	6.2	14	6.0	9	5.5
15	GR	Greece	6.2	17	5.7	16	3.2
17	FI	Finland	5.8	14	6.0	11	5.3
18	NL	Netherlands	5.7	12	6.2	14	4.3
19	CY	Cyprus	2.3	19	2.0	19	1.2

Employment and Productivity Rating 2015

Rank 2015	Country Code	EWU Member State	Rating 2015	Rank 2014	Rating 2014	Rank 2010	Rating 2010
1	MT	Malta	7.4	9	5.8	6	5.8
2	DE	Germany	7.2	2	7.0	2	7.6
2	IE	Ireland	7.2	4	6.6	13	3.2
4	NL	Netherlands	7.0	6	6.2	4	6.6
5	LU	Luxembourg	6.8	3	6.8	1	8.0
6	EE	Estonia	6.6	1	7.2	13	3.2
7	AT	Austria	6.4	6	6.2	3	7.0
8	LV	Latvia	6.2	10	5.6	16	3.0
8	SK	Slovakia	6.2	13	4.8	13	3.2
10	LT	Lithuania	5.8	5	6.4	17	2.8
10	SL	Slovenia	5.8	8	6.0	10	5.0
12	ES	Spain	5.2	15	4.4	18	2.4
13	BE	Belgium	5.0	11	5.0	8	5.6
13	PT	Portugal	5.0	11	5.0	11	4.4
15	CY	Cyprus	4.8	19	2.6	6	5.8
15	FI	Finland	4.8	14	4.6	5	6.0
17	FR	France	4.6	16	4.2	9	5.2
18	GR	Greece	4.2	17	4.0	19	1.2
18	IT	Italy	4.2	18	3.0	11	4.4

Euro Monitor 2015

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt-to-GDP ratio of households	Debt-to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt-to-GDP ratio of households, change over three years in %-points	Debt-to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum over all indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM15	Rank
Germany	6	9	10	10	9	10	6	6	8	9	9	6	7	5	8	9	10	7	7	10	161	20	8.8	7.8	7.2	8.5	8.05	1.
Luxembourg	10	10	10	10	10	1	3	10	4	7	5	4	10	8	8	1	10	6	10	10	147	20	10.0	5.6	6.8	7.5	7.35	2.
Slovakia	8	9	7	5	9	6	10	8	10	2	3	9	10	7	10	10	3	3	8	8	145	20	7.3	8.6	6.2	7.0	7.25	3.
Ireland	4	6	7	7	10	10	1	10	10	4	3	9	10	10	6	1	3	10	10	10	141	20	6.0	8.2	7.2	6.7	7.05	4.
Slovenia	5	6	7	6	7	1	10	9	8	4	4	7	8	6	10	7	6	7	10	10	138	20	6.0	7.0	5.8	8.3	6.90	5.
Estonia	10	10	10	10	7	1	10	1	1	7	7	8	10	1	10	5	5	7	7	10	137	20	10.0	4.0	6.6	7.3	6.85	6.
Lithuania	9	9	9	7	7	2	10	2	3	4	5	8	8	4	10	10	5	6	9	8	135	20	8.5	4.8	5.8	8.0	6.75	7.
Netherlands	7	10	8	4	8	8	6	9	6	7	9	6	7	6	2	1	10	8	3	10	135	20	7.3	7.4	7.0	5.7	6.75	7.
Latvia	10	10	8	5	5	1	10	1	4	4	6	7	8	6	10	7	4	9	10	8	133	20	8.3	4.2	6.2	8.0	6.65	9.
Austria	5	8	8	7	5	8	5	7	5	8	8	5	7	4	8	5	9	5	5	10	132	20	7.0	6.0	6.4	7.0	6.60	10.
Malta	7	7	8	6	10	3	1	10	3	8	4	6	10	9	7	1	10	5	7	10	132	20	7.0	5.4	7.4	6.7	6.60	10.
Spain	4	6	4	3	5	9	7	8	8	1	1	10	10	4	7	4	1	10	10	10	122	20	4.3	7.4	5.2	7.0	6.10	12.
Belgium	3	7	7	6	8	8	4	9	7	5	3	5	7	5	8	1	10	4	4	10	121	20	5.8	7.2	5.0	6.2	6.05	13.
France	4	8	6	6	4	8	1	8	8	3	4	5	6	5	8	2	8	5	6	10	115	20	6.0	5.8	4.6	6.5	5.75	14.
Portugal	1	3	5	4	4	10	5	9	9	1	4	8	8	4	6	3	1	10	10	10	115	20	3.3	7.4	5.0	6.7	5.75	14.
Italy	1	4	7	6	5	5	3	8	7	2	1	7	7	4	9	7	7	6	8	10	114	20	4.5	5.6	4.2	7.8	5.70	16.
Finland	7	10	7	6	3	6	1	8	2	4	6	4	5	5	7	3	8	4	3	10	109	20	7.5	4.0	4.8	5.8	5.45	17.
Greece	1	5	2	1	3	8	8	8	6	1	1	9	9	1	7	8	1	6	6	9	100	20	2.3	6.6	4.2	6.2	5.00	18.
Cyprus	3	7	9	10	5	8	1	10	1	1	3	8	7	5	1	1	1	4	1	6	92	20	7.3	5.0	4.8	2.3	4.60	19.
Euro Area	4	8	7	5	8	9	4	8	8	3	4	7	8	5	8	5	8	7	6	10	132	20	6.0	7.4	5.4	7.3	6.60	
EU28	5	8	7	5	8	10	5	5	8	4	5	7	8	5	7	5	#	7	7	10	126	19	6.3	7.2	5.8	7.2	6.63	
USA	1	5	5	6	3	9	2	6	3	8	2	7	9	5	6	10	5	7	4	7	110	20	4.3	4.6	6.2	6.5	5.50	

Euro Monitor 2014

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt-to-GDP ratio of households	Debt-to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt-to-GDP ratio of households, change over three years in %-points	Debt-to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum over all indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM14	Rank
Germany	6	9	10	10	8	10	6	6	7	8	9	6	7	5	8	9	10	6	5	10	155	20	8.8	7.4	7.0	8.0	7.75	1.
Lithuania	9	9	9	8	8	4	10	4	5	3	5	8	10	6	10	10	5	7	9	10	149	20	8.8	6.2	6.4	8.5	7.45	2.
Estonia	10	10	10	10	8	1	10	2	3	6	7	8	7	8	10	5	5	8	6	10	144	20	10.0	4.8	7.2	7.3	7.20	3.
Luxembourg	10	10	10	10	10	1	3	7	5	7	5	5	10	7	8	1	10	5	10	10	144	20	10.0	5.2	6.8	7.3	7.20	3.
Netherlands	7	10	7	7	8	8	7	8	6	6	9	5	5	6	2	2	10	8	5	10	136	20	7.8	7.4	6.2	6.2	6.80	5.
Slovakia	8	9	7	4	9	5	10	8	8	1	2	7	8	6	10	10	3	3	7	10	135	20	7.0	8.0	4.8	7.2	6.75	6.
Slovenia	5	6	5	3	7	1	10	10	9	4	4	6	7	9	10	6	5	6	10	10	133	20	4.8	7.4	6.0	7.8	6.65	7.
Latvia	9	10	8	3	5	1	10	1	8	3	5	7	3	10	10	7	3	10	10	8	131	20	7.5	5.0	5.6	8.0	6.55	8.
Austria	5	7	7	8	5	8	5	5	5	8	8	5	7	3	8	5	9	6	5	10	129	20	6.8	5.6	6.2	7.2	6.45	9.
Ireland	3	4	6	10	10	10	1	10	10	2	3	9	9	10	5	1	1	10	3	10	127	20	5.8	8.2	6.6	5.0	6.35	10.
Spain	4	6	4	6	5	9	7	9	8	1	1	9	7	4	6	3	1	9	10	10	119	20	5.0	7.6	4.4	6.5	5.95	11.
Belgium	3	6	6	5	8	7	5	9	7	5	3	5	6	6	8	1	10	4	4	9	117	20	5.0	7.2	5.0	6.0	5.85	12.
Malta	7	7	8	6	10	2	1	5	1	8	3	7	10	1	7	1	10	5	6	10	115	20	7.0	3.8	5.8	6.5	5.75	13.
Greece	1	4	6	10	3	8	8	10	7	1	1	7	6	5	7	8	1	6	5	7	111	20	5.3	7.2	4.0	5.7	5.55	14.
Portugal	1	3	2	9	4	10	5	9	7	1	3	10	8	3	5	2	1	9	8	10	110	20	3.8	7.0	5.0	5.8	5.50	15.
Finland	8	10	6	3	3	6	1	7	5	5	6	4	4	4	7	3	8	4	5	9	108	20	6.8	4.4	4.6	6.0	5.40	16.
France	4	8	6	8	4	7	1	6	5	3	4	5	6	3	8	2	8	5	5	9	107	20	6.5	4.6	4.2	6.2	5.35	17.
Italy	1	3	7	5	4	5	2	8	6	1	1	4	6	3	9	7	7	6	7	10	102	20	4.0	5.0	3.0	7.7	5.10	18.
Cyprus	3	7	1	10	6	7	1	10	5	1	3	5	1	3	1	1	1	3	1	5	75	20	5.3	5.8	2.6	2.0	3.75	19.
Euro Area	4	7	7	7	8	9	4	7	7	2	4	6	7	4	8	5	8	7	6	10	127	20	6.3	7.0	4.6	7.3	6.35	
EU28	5	7	7	6	8	10	5	7	7	3	4	7	8	4	7	5	#	7	6	10	123	19	6.3	7.4	5.2	7.0	6.47	
USA	1	5	4	6	1	9	2	5	7	7	2	8	9	5	6	10	5	8	4	7	111	20	4.0	4.8	6.2	6.7	5.55	

Euro Monitor 2013

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt-to-GDP ratio of households	Debt-to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt-to-GDP ratio of households, change over three years in %-points	Debt-to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum over all indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM13	Rank
Lithuania	10	9	7	7	8	4	10	3	10	2	4	9	8	8	10	10	5	8	10	10	152	20	8.3	7.0	6.2	8.8	7.60	1.
Germany	6	8	9	10	8	10	5	5	4	8	9	6	7	3	8	9	10	7	5	10	147	20	8.3	6.4	6.6	8.2	7.35	2.
Luxembourg	10	10	10	10	10	1	3	7	9	8	5	4	9	9	8	1	10	5	1	10	140	20	10.0	6.0	7.0	5.8	7.00	3.
Estonia	10	10	9	4	8	1	10	1	7	5	6	8	8	4	10	5	5	10	8	9	138	20	8.3	5.4	6.2	7.8	6.90	4.
Slovakia	8	9	7	10	9	5	10	8	8	1	2	5	4	8	10	10	3	4	5	10	136	20	8.5	8.0	4.0	7.0	6.80	5.
Latvia	10	9	9	3	6	1	10	1	3	2	5	10	10	5	10	6	3	10	10	7	130	20	7.8	4.2	6.4	7.7	6.50	6.
Austria	5	7	8	7	5	9	5	5	2	8	8	5	7	3	8	5	9	7	5	10	128	20	6.8	5.2	6.2	7.3	6.40	7.
Netherlands	7	9	7	10	8	7	7	6	4	6	9	2	4	4	2	2	10	7	6	10	127	20	8.3	6.4	5.0	6.2	6.35	8.
Malta	7	7	7	8	10	3	1	7	1	7	2	5	10	4	7	1	10	5	5	10	117	20	7.3	4.4	5.6	6.3	5.85	9.
Slovenia	6	7	1	5	7	1	10	8	6	3	4	3	3	4	10	6	5	6	8	10	113	20	4.8	6.4	3.4	7.5	5.65	10.
Finland	8	10	7	6	3	5	1	7	5	5	6	5	4	4	7	3	9	4	5	8	112	20	7.8	4.2	4.8	6.0	5.60	11.
Spain	4	6	3	10	5	8	6	9	9	1	1	3	1	6	6	3	1	8	10	10	110	20	5.8	7.4	2.4	6.3	5.50	12.
France	4	8	6	8	4	7	1	8	4	3	4	4	6	5	8	2	8	5	4	9	108	20	6.5	4.8	4.4	6.0	5.40	13.
Belgium	3	6	7	8	8	6	4	5	4	5	3	4	5	4	8	1	10	4	2	9	106	20	6.0	5.4	4.2	5.7	5.30	14.
Ireland	1	4	4	10	10	10	1	8	1	1	2	9	10	2	4	1	1	10	1	10	100	20	4.8	6.0	4.8	4.5	5.00	15.
Italy	1	3	7	7	4	4	2	8	4	1	1	3	2	4	9	7	7	6	7	10	97	20	4.5	4.4	2.2	7.7	4.85	16.
Portugal	1	3	5	7	3	10	5	6	9	1	2	4	1	7	5	1	1	7	5	10	93	20	4.0	6.6	3.0	4.8	4.65	17.
Greece	1	4	1	10	3	6	9	10	5	1	1	1	1	4	7	8	1	4	6	8	91	20	4.0	6.6	1.6	5.7	4.55	18.
Cyprus	3	6	5	10	5	4	2	10	1	1	3	1	1	4	1	1	1	3	2	5	69	20	6.0	4.4	2.0	2.2	3.45	19.
Euro Area	4	7	7	8	8	8	4	7	4	2	4	4	4	4	7	5	8	6	6	10	117	20	6.5	6.2	3.6	7.0	5.85	
EU28	5	7	6	8	8	10	4	8	4	3	4	5	5	5	7	5	#	6	6	10	116	19	6.5	6.8	4.4	6.8	6.11	
USA	1	5	4	10	1	9	1	7	5	6	1	7	8	4	5	10	6	9	4	7	110	20	5.0	4.6	5.2	6.8	5.50	

Euro Monitor 2012

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt/to-GDP ratio of households	Debt/to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt/to-GDP ratio of households, change over three years in %-points	Debt/to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum overall indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM12	Rank
Lithuania	10	8	6	9	8	5	10	5	10	1	3	9	9	8	10	10	4	9	10	8	152	20	8.3	7.6	6.0	8.5	7.60	1.
Germany	6	8	9	9	9	10	5	3	5	8	9	6	8	2	8	9	10	8	7	10	149	20	8.0	6.4	6.6	8.7	7.45	2.
Estonia	10	10	9	4	8	1	10	3	9	3	6	10	9	10	9	5	4	10	10	7	147	20	8.3	6.2	7.6	7.5	7.35	3.
Latvia	9	9	9	9	6	1	10	2	10	1	3	8	8	9	10	6	3	10	9	6	138	20	9.0	5.8	5.8	7.3	6.90	4.
Slovakia	8	9	5	7	9	5	10	7	10	1	2	5	6	7	10	10	3	4	6	10	134	20	7.3	8.2	4.2	7.2	6.70	5.
Luxembourg	10	10	10	10	10	1	3	1	1	8	5	5	10	1	8	1	10	6	10	10	130	20	10.0	3.2	5.8	7.5	6.50	6.
Austria	5	7	7	8	5	9	5	3	4	9	8	5	8	3	8	5	8	6	6	10	129	20	6.8	5.2	6.6	7.2	6.45	7.
Netherlands	7	9	6	10	8	7	7	3	7	8	9	4	5	2	2	2	10	5	6	10	127	20	8.0	6.4	5.6	5.8	6.35	8.
Slovenia	8	8	5	10	7	1	10	8	3	5	4	4	4	1	10	5	5	5	6	10	119	20	7.8	5.8	3.6	6.8	5.95	9.
Malta	7	6	6	3	10	3	1	3	10	7	2	6	10	4	7	1	10	5	2	10	113	20	5.5	5.4	5.8	5.8	5.65	10.
Finland	8	10	7	4	3	5	1	1	4	6	7	6	7	1	7	4	9	4	6	8	108	20	7.3	2.8	5.4	6.3	5.40	11.
Belgium	3	5	5	8	8	7	4	3	2	6	3	5	6	3	8	1	10	4	6	9	106	20	5.3	4.8	4.6	6.3	5.30	12.
France	5	7	5	8	4	7	1	5	4	4	4	4	6	3	8	2	8	4	4	8	101	20	6.3	4.2	4.2	5.7	5.05	13.
Spain	5	6	1	10	5	7	5	10	4	1	1	1	1	7	5	2	1	7	7	9	95	20	5.5	6.2	2.2	5.2	4.75	14.
Italy	1	2	7	10	4	4	2	7	5	3	1	1	5	1	9	6	7	5	6	9	95	20	5.0	4.4	2.2	7.0	4.75	14.
Ireland	1	4	2	9	10	10	1	9	1	1	1	5	4	5	4	1	1	10	1	8	88	20	4.0	6.2	3.2	4.2	4.40	16.
Portugal	1	3	4	10	3	10	4	10	7	1	3	1	1	4	4	1	1	6	1	8	83	20	4.5	6.8	2.0	3.5	4.15	17.
Greece	1	2	1	10	2	2	9	10	10	1	1	1	1	1	7	8	1	1	1	6	76	20	3.5	6.6	1.0	4.0	3.80	18.
Cyprus	6	7	4	7	5	2	1	8	3	2	4	1	1	5	1	1	1	1	5	4	69	20	6.0	3.8	2.6	2.2	3.45	19.
Euro Area	5	6	6	10	8	8	4	6	5	2	4	3	5	3	7	5	8	6	6	10	117	20	6.8	6.2	3.4	7.0	5.85	
EU28	5	7	5	9	8	10	4	4	5	3	4	4	5	3	7	5	#	6	7	10	111	19	6.5	6.2	3.8	7.0	5.84	
USA	1	5	1	10	1	9	1	6	7	5	1	7	9	4	5	10	7	10	6	7	112	20	4.3	4.8	5.2	7.5	5.60	

Euro Monitor 2011

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt-to-GDP ratio of households	Debt-to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt-to-GDP ratio of households, change over three years in %-points	Debt-to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum over all indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM11	Rank
Germany	6	7	9	8	8	10	6	8	9	8	8	7	8	8	8	9	10	6	6	10	159	20	7.5	8.2	7.8	8.2	7.95	1.
Estonia	10	10	10	10	8	1	10	9	10	1	5	10	10	6	9	5	4	7	10	10	155	20	10.0	7.6	6.4	7.5	7.75	2.
Austria	5	7	7	8	5	10	6	8	6	9	8	6	9	6	8	5	8	5	6	10	142	20	6.8	7.0	7.6	7.0	7.10	3.
Luxembourg	10	10	10	10	10	1	5	5	6	9	4	5	10	3	8	1	10	4	10	10	141	20	10.0	5.4	6.2	7.2	7.05	4.
Lithuania	10	9	1	4	7	5	10	8	10	1	2	10	7	10	10	10	4	7	9	6	140	20	6.0	8.0	6.0	7.7	7.00	5.
Slovakia	9	9	5	10	8	4	10	7	10	1	2	7	9	6	10	10	3	3	4	5	132	20	8.3	7.8	5.0	5.8	6.60	6.
Latvia	9	9	6	9	5	1	10	9	10	1	2	10	9	10	9	5	2	6	1	7	130	20	8.3	7.0	6.4	5.0	6.50	7.
Finland	9	10	9	6	3	7	1	5	3	6	7	7	8	6	7	4	9	2	6	8	123	20	8.5	3.8	6.8	6.0	6.15	8.
Slovenia	9	9	3	5	7	1	10	9	8	5	4	4	2	8	10	5	5	4	3	10	121	20	6.5	7.0	4.6	6.2	6.05	9.
Netherlands	7	9	5	5	7	8	8	7	4	8	9	5	7	5	2	2	9	2	1	10	120	20	6.5	6.8	6.8	4.3	6.00	10.
Belgium	3	5	5	5	8	8	5	4	9	6	3	8	8	4	8	1	10	3	6	8	117	20	4.5	6.8	5.8	6.0	5.85	11.
France	5	7	4	8	4	7	1	7	6	4	4	6	7	6	8	3	8	3	5	9	112	20	6.0	5.0	5.4	6.0	5.60	12.
Malta	7	6	7	10	10	3	1	1	2	7	1	6	10	2	8	1	9	3	1	7	102	20	7.5	3.4	5.2	4.8	5.10	13.
Italy	2	3	6	5	4	4	3	8	6	5	1	5	6	4	9	7	7	4	6	6	101	20	4.0	5.0	4.2	6.5	5.05	14.
Ireland	3	6	1	10	10	10	1	10	1	1	1	4	2	10	3	1	1	8	1	8	92	20	5.0	6.4	3.6	3.7	4.60	15.
Spain	7	7	1	8	4	5	6	9	8	1	1	2	1	7	5	1	1	6	4	6	90	20	5.8	6.4	2.4	3.8	4.50	16.
Portugal	2	4	2	10	3	9	5	10	8	1	4	4	2	4	4	2	1	5	2	4	86	20	4.5	7.0	3.0	3.0	4.30	17.
Cyprus	7	8	4	4	5	2	1	6	10	6	6	2	7	3	1	1	1	1	1	6	82	20	5.8	4.8	4.8	1.8	4.10	18.
Greece	1	1	1	10	2	1	8	10	5	1	1	1	1	1	7	8	1	1	1	1	63	20	3.3	5.2	1.0	3.2	3.15	19.
Euro Area	5	6	5	8	7	9	5	8	7	3	4	5	6	7	7	5	8	5	5	10	125	20	6.0	7.2	5.0	6.7	6.25	
EU28	5	7	5	8	7	10	5	8	7	4	4	5	6	7	7	5	#	4	5	10	119	19	6.3	7.4	5.2	6.2	6.26	
USA	1	5	1	10	1	4	1	5	7	5	1	7	8	5	5	10	7	9	7	7	106	20	4.3	3.6	5.2	7.5	5.30	

Euro Monitor 2010

European Monetary Union Member State	Gross government debt as % of GDP	General government interest payments as % of GDP	General government deficit/surplus as % of GDP	Change in the structural balance of general government as % of potential GDP	Exports in relation to GDP	Unit labor costs, deviation from the target path of 1.5% rise per year	Global merchandise trade shares, exports, deviation from base year 2000 in %	Annual change in nominal unit labor costs in %	Growth in export of goods (real) - growth in world trade volumes (real) in %-points	Unemployment rate in %	Employment rate in %	Annual change in the unemployment rate in %-points	Annual change in employment in %	Annual change in (real) labor productivity in %	Debt-to-GDP ratio of households	Debt-to-GDP ratio of non-financial corporations	Net international investment position as % of GDP	Debt-to-GDP ratio of households, change over three years in %-points	Debt-to-GDP ratio of non-financial corporations, change over three years in %-points	Current account balance as % of GDP	Sum over all indicators	Number of indicators observed	(C1) Fiscal Sustainability = sum 1a - 1d / obs 1a - 1d	(C2) Competitiveness = sum 2a - 2e / obs 2a - 2e	(C3) Employment and Productivity = sum 3a - 3e / obs 3a - 3e	(C4) Private and Foreign Debt = sum 4a - 4h / obs 4a - 4h	Monitor Rating = sum / obs	Euro Monitor Rank
	1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	4A	4B	4C	4D	4E	4F	Sum	Obs	C1	C2	C3	C4	EM10	Rank
Germany	5	7	5	#	8	10	7	10	8	7	8	7	6	10	8	9	10	6	6	10	147	19	5.7	8.6	7.6	8.2	7.74	1.
Luxembourg	10	10	9	#	10	1	7	10	5	9	5	7	9	10	8	1	7	3	10	10	141	19	9.7	6.6	8.0	6.5	7.42	2.
Austria	5	7	5	#	5	9	7	9	10	9	7	6	7	6	8	5	8	4	5	10	132	19	5.7	8.0	7.0	6.7	6.95	3.
Lithuania	10	9	3	#	6	5	10	10	10	1	1	1	1	10	10	10	4	4	8	9	122	19	7.3	8.2	2.8	7.5	6.42	4.
Estonia	10	10	10	#	7	1	10	10	10	1	3	1	1	10	8	4	2	3	9	10	120	19	10.0	7.6	3.2	6.0	6.32	5.
Netherlands	8	9	5	#	7	8	8	10	3	8	9	4	4	8	2	2	9	2	1	10	117	19	7.3	7.2	6.6	4.3	6.16	6.
Slovakia	9	10	2	#	7	4	10	10	9	1	1	1	3	10	10	10	3	3	5	5	113	19	7.0	8.0	3.2	6.0	5.95	7.
Finland	9	10	7	#	3	7	1	10	1	5	6	5	4	10	7	4	9	1	1	10	110	19	8.7	4.4	6.0	5.3	5.79	8.
Slovenia	10	9	4	#	6	1	10	8	3	6	5	3	1	10	10	5	5	3	1	9	109	19	7.7	5.6	5.0	5.5	5.74	9.
Belgium	4	5	6	#	7	8	6	9	2	5	3	5	7	8	8	1	10	3	1	10	108	19	5.0	6.4	5.6	5.5	5.68	10.
Malta	7	6	6	#	10	5	1	8	9	7	1	5	9	7	8	1	9	3	1	5	108	19	6.3	6.6	5.8	4.5	5.68	10.
France	5	8	3	#	4	7	1	7	2	4	4	5	6	7	8	3	8	3	5	9	99	19	5.3	4.2	5.2	6.0	5.21	12.
Latvia	9	9	1	#	5	1	10	10	10	1	1	2	1	10	9	4	1	3	1	10	98	19	6.3	7.2	3.0	4.7	5.16	13.
Italy	2	4	5	#	3	4	3	8	4	5	1	4	4	8	9	6	7	3	4	6	90	19	3.7	4.4	4.4	5.8	4.74	14.
Spain	7	9	1	#	3	4	6	10	4	1	1	1	2	7	5	1	1	5	2	6	76	19	5.7	5.4	2.4	3.3	4.00	15.
Cyprus	8	8	5	#	5	2	1	8	1	7	6	4	8	4	2	1	1	1	1	1	74	19	7.0	3.4	5.8	1.2	3.89	16.
Portugal	4	7	1	#	2	7	5	10	3	1	5	3	3	10	4	2	1	4	1	1	74	19	4.0	5.4	4.4	2.2	3.89	16.
Ireland	5	6	1	#	10	8	1	10	1	1	2	2	1	10	2	1	1	1	1	9	73	19	4.0	6.0	3.2	2.5	3.84	18.
Greece	1	1	1	#	2	1	8	7	1	1	2	1	1	1	7	8	1	1	1	1	47	19	1.0	3.8	1.2	3.2	2.47	19.
Euro Area	5	7	3	#	7	8	5	9	4	3	4	4	5	9	7	5	8	4	4	10	111	19	5.0	6.6	5.0	6.3	5.84	
EU28	6	7	3	#	7	10	5	8	5	4	4	4	4	9	7	5	#	4	3	10	105	18	5.3	7.0	5.0	5.8	5.83	
USA	2	5	1	7	1	10	1	9	6	4	1	5	5	9	4	10	8	9	7	7	111	20	3.8	5.4	4.8	7.5	5.55	

Indicator Rating Spectrum

(1A) Gross government debt as % of GDP		(1B) General government interest payments as % of GDP		(1C) General government deficit/surplus as % of GDP		(1D) Change in the structural balance of general government as % of potential GDP	
%	Rating	%	Rating	%	Rating	Percentage Points	Rating
40 > x	10	1.5 > x ≥ 0	10	x ≥ 0	10	x ≥ 1.2	10
50 > x ≥ 40	9	2 > x ≥ 1.5	9	0 > x ≥-1	9	1.2 > x ≥ 0.9	9
60 > x ≥ 50	8	2.5 > x ≥ 2	8	-1 > x ≥-2	8	0.9 > x ≥ 0.6	8
70 > x ≥ 60	7	3 > x ≥ 2.5	7	-2 > x ≥-3	7	0.6 > x ≥ 0.3	7
80 > x ≥ 70	6	3.5 > x ≥ 3	6	-3 > x ≥-4	6	0.3 > x ≥ 0	6
90 > x ≥ 80	5	4 > x ≥ 3.5	5	-4 > x ≥-5	5	0 > x ≥-0.3	5
100 > x ≥ 90	4	4.5 > x ≥ 4	4	-5 > x ≥-6	4	-0.3 > x ≥-0.6	4
110 > x ≥100	3	5 > x ≥ 4.5	3	-6 > x ≥-7	3	-0.6 > x ≥-0.9	3
120 > x ≥110	2	5.5 > x ≥ 5	2	-7 > x ≥-8	2	-0.9 > x ≥-1.2	2
x ≥120	1	x ≥ 5.5	1	-8 > x	1	-1.2 > x	1

Indicator Rating Spectrum

(2A) Exports in relation to GDP - Large economies (ES, DE, IT, FR, UK, USA)	
%	Rating
x ≥ 50	10
50 > x ≥ 46	9
46 > x ≥ 42	8
42 > x ≥ 38	7
38 > x ≥ 34	6
34 > x ≥ 30	5
30 > x ≥ 26	4
26 > x ≥ 22	3
22 > x ≥ 18	2
18 > x	1

(2A) Exports in relation to GDP - Small economies (rest)	
%	Rating
x ≥ 100	10
100 > x ≥ 90	9
90 > x ≥ 80	8
80 > x ≥ 70	7
70 > x ≥ 60	6
60 > x ≥ 50	5
50 > x ≥ 40	4
40 > x ≥ 30	3
30 > x ≥ 20	2
20 > x	1

(2B) Unit labor costs, deviation from the target path of 1.5 % rise per year in index points	
Index Points	Rating
0 > x	10
3 > x ≥ 0	9
6 > x ≥ 3	8
9 > x ≥ 6	7
12 > x ≥ 9	6
15 > x ≥ 12	5
18 > x ≥ 15	4
21 > x ≥ 18	3
24 > x ≥ 21	2
x ≥ 24	1

(2C) Global merchandise trade shares, exports, deviation from base year 2000 in %	
%	Rating
x ≥ 10	10
10 > x ≥ 5	9
5 > x ≥ 0	8
0 > x ≥-5	7
-5 > x ≥-10	6
-10 > x ≥-15	5
-15 > x ≥-20	4
-20 > x ≥-25	3
-25 > x ≥-30	2
-30 >x	1

(2D) Annual change in nominal unit labor costs in %	
%	Rating
-1 > x	10
0 > x ≥ -1	9
1 > x ≥ 0	8
1.5 > x ≥ 1	7
2 > x ≥ 1.5	6
2.5 > x ≥ 2	5
3 > x ≥ 2.5	4
3.5 > x ≥ 3	3
4 > x ≥ 3.5	2
x ≥ 4	1

(2E) Growth in export of goods (real) minus growth in world trade volumes (real) in percentage points	
Percentage points	Rating
x ≥ 4	10
4 > x ≥ 3	9
3 > x ≥ 2	8
2 > x ≥ 1	7
1 > x ≥ 0	6
0 > x ≥-1	5
-1 > x ≥-2	4
-2 > x ≥-3	3
-3 > x ≥-4	2
-4 > x	1

Indicator Rating Spectrum

(3A) Unemployment rate in %	
%	Rating
4 > x	10
5 > x ≥ 4	9
6 > x ≥ 5	8
7 > x ≥ 6	7
8 > x ≥ 7	6
9 > x ≥ 8	5
10 > x ≥ 9	4
11 > x ≥ 10	3
12 > x ≥ 11	2
x ≥ 12	1

(3B) Employment rate in %	
%	Rating
x ≥ 75	10
75 > x ≥ 73	9
73 > x ≥ 71	8
71 > x ≥ 69	7
69 > x ≥ 67	6
67 > x ≥ 65	5
65 > x ≥ 63	4
63 > x ≥ 61	3
61 > x ≥ 59	2
59 > x	1

(3C) Annual change in the unemployment rate in percentage points	
Percentage Points	Rating
-2 > x	10
-1.5 > x ≥-2	9
-1 > x ≥-1.5	8
-0.5 > x ≥-1	7
0 > x ≥-0.5	6
0.5 > x ≥ 0	5
1 > x ≥ 0.5	4
1.5 > x ≥ 1	3
2 > x ≥ 1.5	2
x ≥ 2	1

(3D) Annual change in employment in %	
%	Rating
x ≥ 2	10
2 > x ≥ 1.5	9
1.5 > x ≥ 1	8
1 > x ≥ 0.5	7
0.5 > x ≥ 0	6
0 > x ≥-0.5	5
-0.5 > x ≥-1	4
-1 > x ≥-1.5	3
-1.5 > x ≥-2	2
-2 > x	1

(3E) Annual change real labor productivity in %	
%	Rating
x ≥ 3	10
3 > x ≥ 2.5	9
2.5 > x ≥ 2	8
2 > x ≥ 1.5	7
1.5 > x ≥ 1	6
1 > x ≥ 0.5	5
0.5 > x ≥ 0	4
0 > x ≥-0.5	3
-0.5 > x ≥-1	2
-1 > x	1

Indicator Rating Spectrum

(4A) Debt-to-GDP ratio of households	
%	Rating
40 > x	10
50 > x ≥ 40	9
60 > x ≥ 50	8
70 > x ≥ 60	7
80 > x ≥ 70	6
90 > x ≥ 80	5
100 > x ≥ 90	4
110 > x ≥ 100	3
120 > x ≥ 110	2
x ≥ 120	1

(4B) Debt-to-GDP ratio of non-financial corporations	
%	Rating
50 > x	10
60 > x ≥ 50	9
70 > x ≥ 60	8
80 > x ≥ 70	7
90 > x ≥ 80	6
100 > x ≥ 90	5
110 > x ≥ 100	4
120 > x ≥ 110	3
130 > x ≥ 120	2
x ≥ 130	1

(4C) Net international investment position as % of GDP	
%	Rating
x ≥ 20	10
20 > x ≥ 0	9
0 > x ≥-20	8
-20 > x ≥-30	7
-30 > x ≥-40	6
-40 > x ≥-50	5
-50 > x ≥-60	4
-60 > x ≥-70	3
-70 > x ≥-80	2
-80 > x	1

(4D) Debt-to-GDP ratio of households, change over three years in percentage points	
Percentage Points	Rating
-10 > x	10
-7.5 > x ≥-10	9
-5 > x ≥-7.5	8
-2.5 > x ≥-5	7
0 > x ≥-2.5	6
2.5 > x ≥ 0	5
5 > x ≥ 2.5	4
7.5 > x ≥ 5	3
10 > x ≥ 7.5	2
x ≥ 10	1

(4E) Debt-to-GDP ratio of non-financial corporations, change over three years in percentage points	
Percentage Points	Rating
-10 > x	10
-7.5 > x ≥-10	9
-5 > x ≥-7.5	8
-2.5 > x ≥-5	7
0 > x ≥-2.5	6
2.5 > x ≥ 0	5
5 > x ≥ 2.5	4
7.5 > x ≥ 5	3
10 > x ≥ 7.5	2
x ≥ 10	1

(4F) Current account balance as % of GDP	
%	Rating
x ≥ 0	10
0 > x ≥-1	9
-1 > x ≥-2	8
-2 > x ≥-3	7
-3 > x ≥-4	6
-4 > x ≥-5	5
-5 > x ≥-6	4
-6 > x ≥-7	3
-7 > x ≥-8	2
-8 > x	1

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