BUSINESSEUROPE

ECONOMIC OUTLOOK SPRING 2019

EU GROWTH FALTERS

ECONOMIC SITUATION

- **EU economic growth fell considerably** in the second half of 2018, reflecting both declining global demand and one-off factors impacting on domestic activity.

- For 2019, we expect **GDP growth of 1.6% in the EU and 1.3% in the euro area,** considerably lower than our autumn forecast. But with tentative signs of a rebound in growth already in Q1 of this year, we expect growth to pick up in 2020 to 1.7% in the EU and 1.5% in the euro area.

- **EU unemployment levels have dropped as the economic recovery has progressed**, but, whilst well below pre-crisis levels, remain in many member states much larger than in other major global economies.

- **Risks to the outlook remain on the downside,** with alongside the continuing possibility of a **damaging, no-deal Brexit, the recent escalation of trade tensions,** particularly between the US and China, are an increasing concern for EU businesses.

POLICY CONSIDERATIONS

- The recent downturn has highlighted the fragility of the EU economy and the continuing need at both national and European level for **structural reforms in both labour and product markets** to increase long-run growth.

- Education is key to ensuring a modern competitive economy, with an urgent need to **address the shortage of qualified labour, especially in the expanding digital economy,** which is crucial to ensuring both growth and competitiveness.

- Reforming and enhancing economic governance in the EU through a deepening of the **EMU** is crucial to ensuring long-run stability and growth. It is essential that the June Ecofin Council demonstrates its commitment to such reform by agreeing detailed proposals for the new euro-area budgetary instrument.

- Member states must **respect the Stability and Growth Pact (SGP)**, drawing on in-built flexibility to support structural reforms and growth-enhancing investment. Proper enforcement of the SGP is essential to help member states put their public finances on a stronger footing.

- The **EU must remain open to trade and investment,** whilst demonstrating it is able to adapt to increasing geopolitical and economic challenges. Safeguarding a rules-based trade that covers multilateral and bilateral strategies is important in this respect.

WHAT IS THE ECONOMIC OUTLOOK?

The Economic Outlook twice a year provides a business insight into recent and projected economic developments in Europe, based on a survey of BusinessEurope member federations.

Answers to this spring's questionnaire were received in May 2019.

FOR FURTHER INFORMATION:

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1. OVERVIEW

Since the publication of our autumn 2018 Economic Outlook, we have seen a significant slowdown in the EU as a result of falls in growth of both exports and domestic consumption.

On the domestic front, different issues in various members states all reduced economic activity in autumn 2018, and may have in turn reduced business and consumer confidence. In particular, we saw a reduction in car production in Germany during the transition to new emissions standards; public protest in France; and concern regarding the fiscal plans in Italy, alongside continuing Brexit-related uncertainty.

Looking at the global economy, we have seen a fall in global trade growth, consistent with increasing obstruction to free trade and falling growth in global demand, particularly for investment goods. The latter has been particularly the case in China where, as our special article considers in depth, global imports fell in the final quarter of 2018, and were particularly weak for cars, an export sector in which the EU is quite specialised.

Whilst there are signs that domestic demand in particular has bounced back at the start of 2019, our forecast has nevertheless been revised down significantly from the autumn. We now expect economic growth of 1.6% in the EU in 2019 (1.3% in the euro area), 0.4 percentage points lower for the EU (0.6 percentage points lower for the euro area) than we forecast last autumn. For 2020, our central forecast is for growth to return to trend as recent weaknesses in demand fall away. However, such a return to growth will be dependent upon a continued commitment to growth-enhancing reforms at both EU and member states' level and avoiding both an increase in global trade tensions and a disorderly/no-deal Brexit.

Table 1: Economic growth expected to pick up in 2020

	EU		Euro area	
Main Variables	**2019**	**2020**	**2019**	**2020**
Real GDP (annual % growth)	1.6	1.7	1.3	1.5
Inflation (%)	1.6	1.8	1.3	1.6
Unemployment (%)	6.5	6.3	7.4	7.1
Government net lending (% of GDP)	-0.1	-0.2	0.5	0.4
Gross public debt (% of GDP)	79.8	78.4	87.0	85.5
	EU		**Euro area**	
GDP components	**2019**	**2020**	**2019**	**2020**
Private consumption (%)	1.7	1.7	1.5	1.4
Public consumption (%)	1.5	1.5	1.1	1.1
Gross fixed capital formation (%)	2.7	2.8	2.8	2.8
Exports (%)	2.2	2.9	1.7	2.7
Imports (%)	2.5	3.2	2.1	3.0

Source: BusinessEurope survey of Member federations

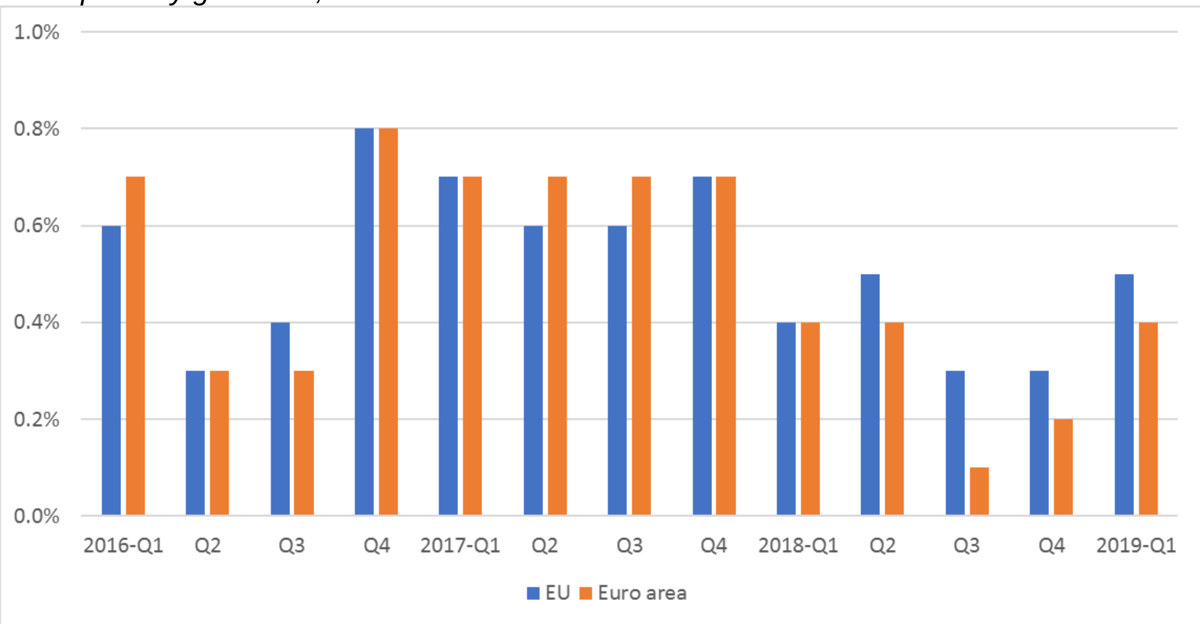
2. OUTLOOK FOR GDP GROWTH

Growth slowed considerably in the second half of 2018, although the more positive Q1 2019 growth suggests the recovery may be returning

Quarterly EU growth continued its downward trajectory in the second half of 2018 (figure 1), with quarterly EU growth of just 0.3% in Q3 and Q4. However, EU growth picked up and reached 0.5% in the first quarter of 2019.

Figure 1: Growth has decreased despite an upsurge in the first quarter of 2019

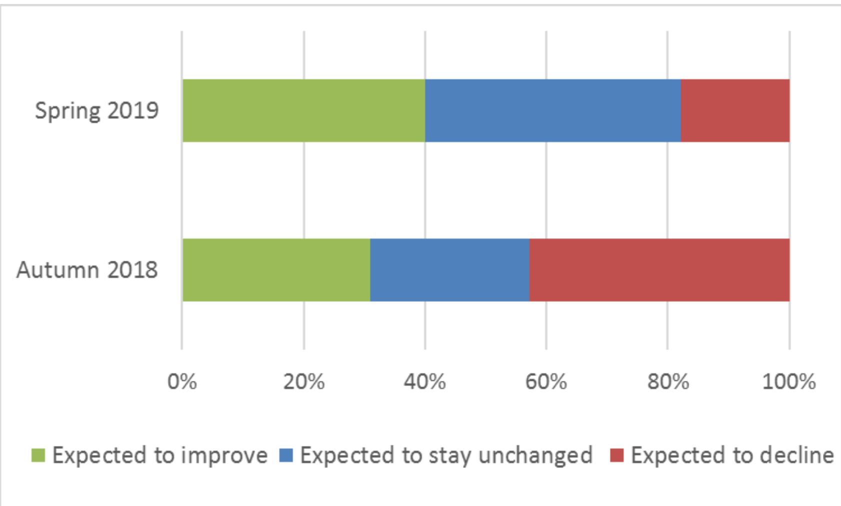
GDP quarterly growth %, 2016-2019



Source: Eurostat

Looking forward, our members are more optimistic about future prospects than they were in the autumn, with close to half of members expecting an improvement over the coming six months, whereas less than one in five expect a deterioration (figure 2).

Figure 2: How do you expect the overall business climate in your country to develop over the next six months?



Source: BusinessEurope survey of Member federations

With the potential that the slowdown in the second half of 2018 may in part have been the result of one-off factors impacting on domestic demand, we forecast a moderate pick-up in growth through the coming months leading to EU GDP growth of 1.6% in 2019 and 1.7% in 2020.

3. *KEY DRIVERS OF GROWTH*

Lower exports and a decrease in consumer growth drove the slowdown

In terms of the composition of EU growth (figure 3), weaker exports amidst the US-related trade tensions were a drag on GDP growth, while the growth contribution from household consumption continued to decrease. The growth contribution from government consumption remained unchanged, while the growth contribution from investment decreased slightly.

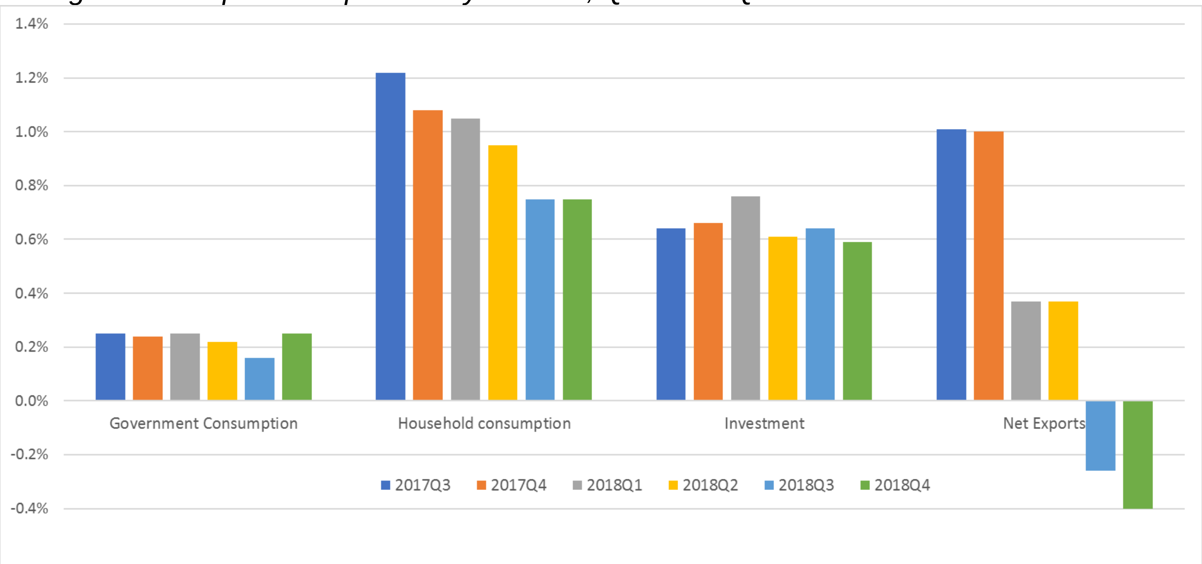
The fall in household consumption in particular can be seen as surprising given the simultaneous fall in unemployment and pick-up in wage growth.

However, the falls in both domestic demand and exports can in in part be ascribed to one-off domestic factors, in particular:

- Changing emission standards impacting car production, particularly in Germany, are likely to have reduced both domestic sales and exports.
- Street protests associated with the ‘Gilets Jaunes’ movement in France, particularly on Saturdays in the run up to Christmas, are likely to have reduced retail sales.
- Consumer and investor’s increasing concerns regarding Italy’s fiscal plans becoming more acute in the autumn, are likely to have damaged both consumer and investor confidence.

Figure 3: Contribution to EU GDP growth

Change to same period of previous year in %, Q3 2017- Q4 2018



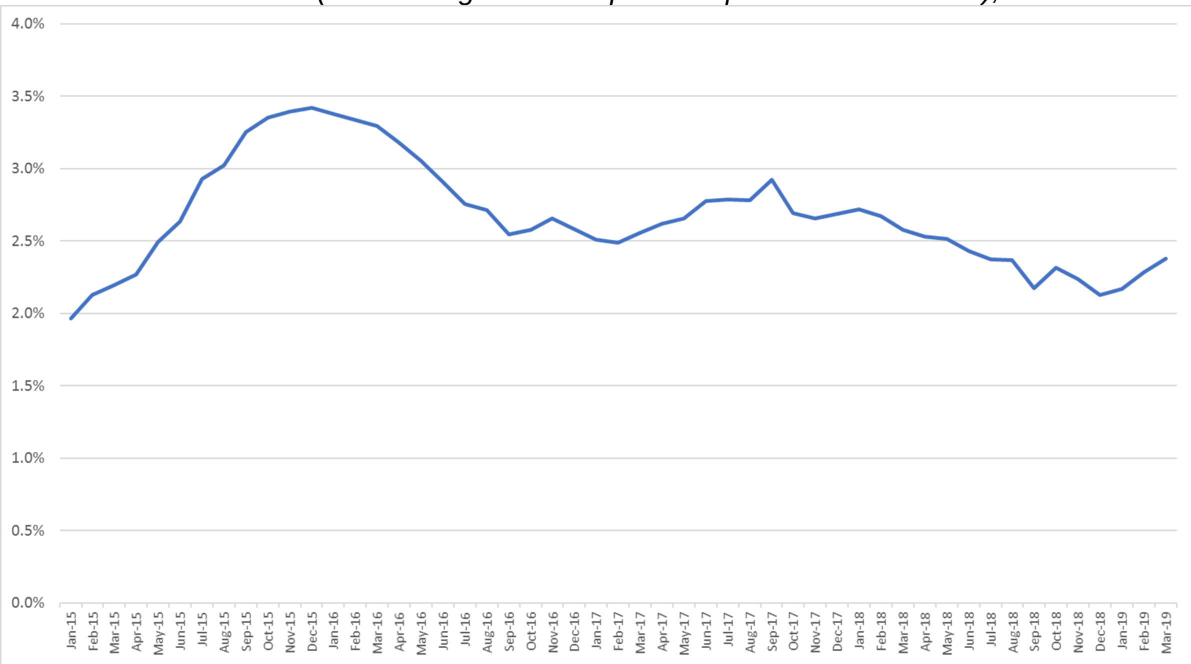
Source: Eurostat

Retail trade on the rise indicating an upsurge in consumer spending

Consumer spending growth fell significantly through the second half of 2018. The monthly data show in particular that the increase in retail sales in December was lower than in previous years, although this may be due to changing behaviour, for example as retailers increase sales activity at other points in the year (figure 4). The fact that we have seen a small bounce-back in growth at the start of 2019 reinforces the potential importance of such structural factors.

Figure 4: Tentative signs of a pick-up in retail trade growth

Growth of retail trade % (12-month growth compared to previous 12 months),



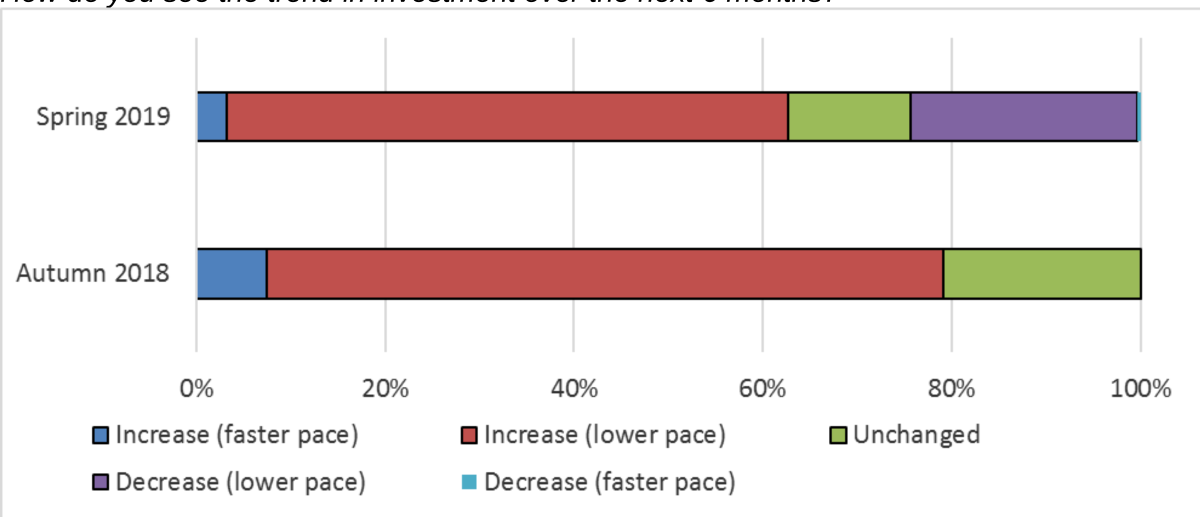
Source: Eurostat

4. INVESTMENT AND ACCESS TO FINANCE

Our survey of member federations shows that a majority of businesses still expect investment to increase over the next six months. However, compared to our outlook of six months ago, there is now also a significant proportion of businesses (25%) that expect a fall in investment. This has also impacted our estimates: we now expect EU-investment to grow at 2.7% in 2019, a decrease of 0.7pp compared to our autumn forecast.

Figure 5: Investment expected to increase in the coming six months.

How do you see the trend in investment over the next 6 months?



Source: BusinessEurope survey of Member federations

When looking at what factors will impact investments over the coming 6 months (positively or negatively), our members view high capacity utilisation as the strongest positive factor, with

Eurostat suggesting that capacity utilisation was over 80% in Q2 2019. Our survey shows that members are also more positive about the cost and availability of finance compared to six months ago. Regarding access to finance, the ECB's April 2019 bank lending survey indicates that credit standards for loans to enterprises eased slightly further in Q1 2019 (-1%), after easing in 2018's third (-6%) and fourth quarter (-1%). Whilst banking lending conditions are improving, it will be essential that member states also advance in the development of the Banking Union and Capital Markets Union proposals.

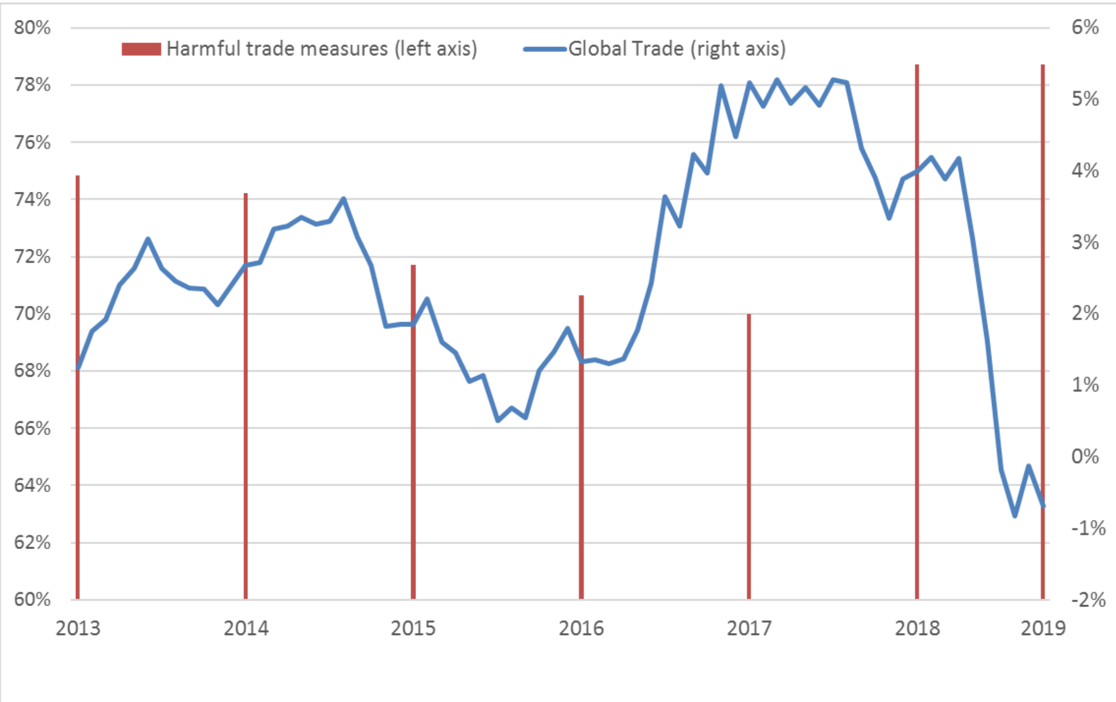
However, these positive factors are not enough to offset the ongoing global trade tensions and uncertainty surrounding Brexit, hence the fall in the investment forecast compared to our autumn outlook of six months ago.

Global trade falling due to trade tensions and weaker demand

The negative contribution to growth of net trade in the second half of 2018 can be attributed to falling EU exports as global demand fell. Whilst some of the fall in export demand can be attributed to lower global economic growth (our special box on China considers in particular the significantly falling growth in import demand in 2018 to the EU economy), growth in world trade has been stymied, in part due to concerns over the escalating trade tensions between the US and China. Graph 6 illustrates both the significant fall in global trade growth over the last 6 months, and the longer term (net) increase in harmful trade measures since 2013 (a result of a more rapid rise in harmful trade measures in recent years than liberalising measures).

Figure 6: Harmful trade measures have impacted world trade growth

Fraction harmful trade measures (%, left axis), Global trade, average % change over last 3 months compared to the same period of the previous year (%, right axis)



Source: CPB

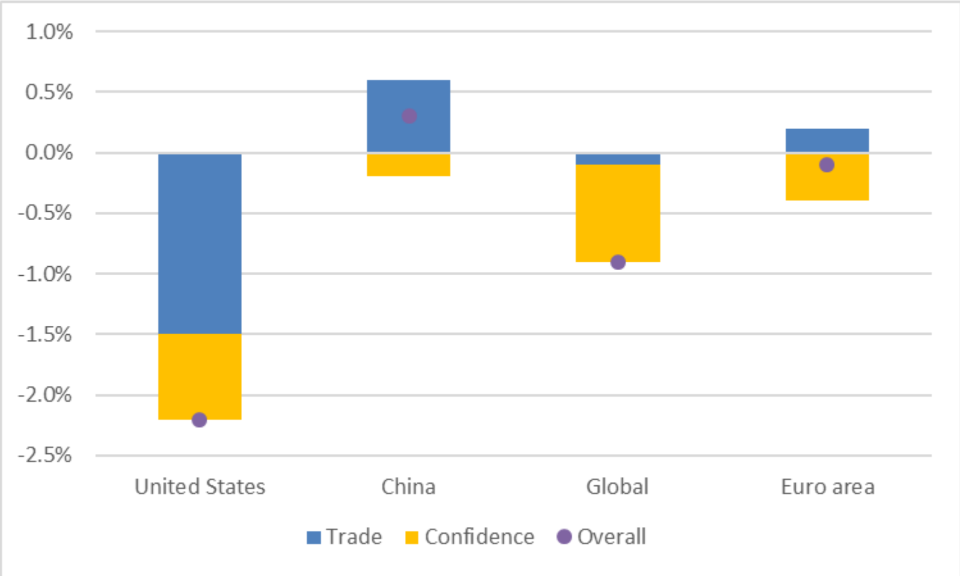
Clearly, the evolution of current trade tensions will be crucial for the development of global trade, with important implications for EU growth through import demand. A number of international institutions have attempted to model the potential impact of an increase in tensions for global trade growth, global economic growth and regional growth. While the models used differ, estimates from the ECB, the OECD and the IMF all show that trade will be significantly hit, damaging not only Chinese and American economic growth, but also significantly impacting EU-trade.

- In more detail: estimates from the ECB[1] suggest that the first-year effects of a further escalation of the ongoing trade conflict will entail a decrease in global trade of around 2.8%. The modelling focusses on two key transmission mechanisms of tariffs, both a direct effect on growth and an indirect effect through falling economic confidence.

  At regional level, the ECB modelling suggests that China will be much less impacted by a rise in tensions than the US, with Chinese producers more likely to supply the domestic market following a rise in Chinese tariffs, than will be the case vis à vis US-producers. Whilst EU exporters may see some increase in demand to markets impacted by rising tariffs, any positive effect is likely to be overshadowed by the fall in global economic confidence.

  Figure 7: Escalating trade tensions would further damage international trade

  GDP response %, deviation from baseline scenario



  Source: ECB calculations based on the ECB GMF model

- A study by the OECD[2] considers the impact of existing tariffs and in addition shows the impact of a further 25% tariff on all remaining non-commodity trade between China and the US, with the OECD also considering the impact of a global rise of 50 basis points in the investment risk premia that persists for three years.

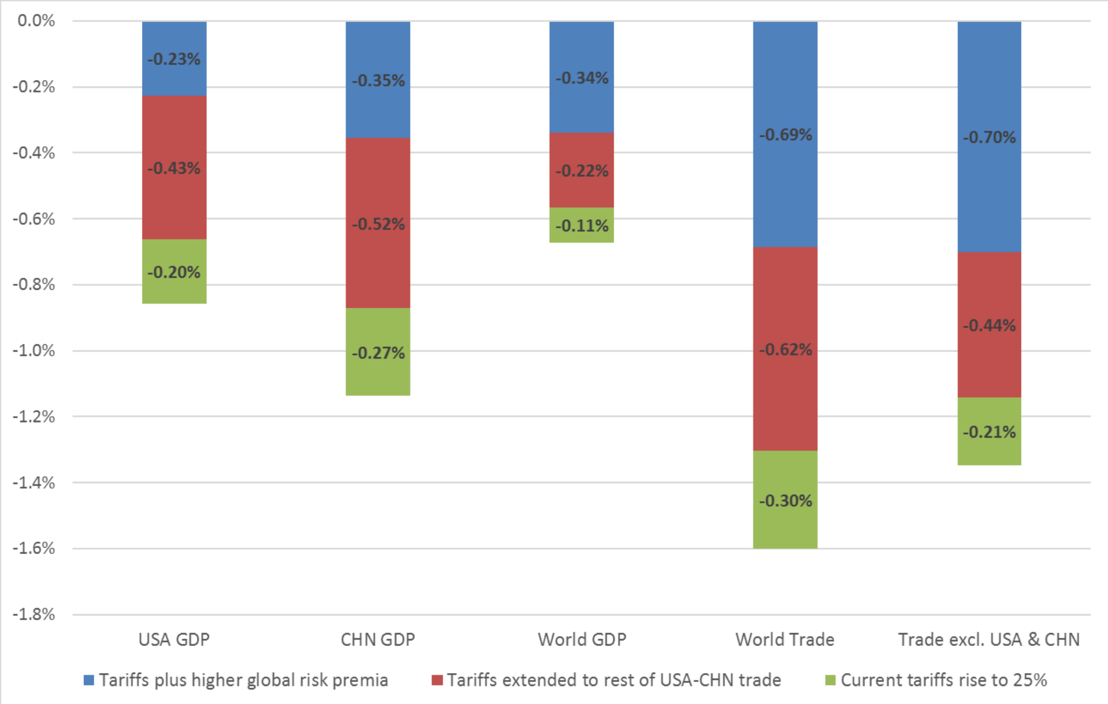
[1] Quaglietti and Gunnella (2019). 'The economic implications of rising protectionism: a euro area and global perspective'. The ECB's model incorporates a scenario of a hypothetical trade war in which the United States increases tariff and non-tariff barriers on imports from all trading partners by 10%, and the other countries retaliate symmetrically.

[2] OECD Economic Outlook (May 2019): based on simulations in the OECD's forward-looking model, the OECD considers 3 scenarios. The first scenario (grey) shows the impact of the United States raising the current tariffs (launched in Mid-May on USD 200 billion of imports from China by 10%) to 25% (with reciprocal action by China on USD 60 billion of imports from the United States). In a second scenario (orange), the OECD considers the additional impact if tariffs of 25% are imposed on all remaining US-China trade. In the third scenario (blue), the OECD estimates the impact from a global rise of 50 basis points in investment risk premia following the trade disputes.

Whilst they do not provide an estimate specifically for the EU, their modelling suggests a drop of up to 0.8% of GDP in the US, almost 1.2% on Chinese GDP, and a negative impact of more than 0.6% on world GDP.

Figure 8: The adverse effects of the US-Chinese trade war could increase

Percent different from baseline



Source: OECD Economic Outlook, Volume 2019, May

- The IMF, in its World Economic Outlook of April 2019, has also looked into the effects of the US-China trade dispute, by estimating the impact of a scenario in which tariffs on all US–China goods trade increase by 25 percentage points. Under the three theoretical models considered[3], China's real GDP would decrease more than that of the US, with the annual losses in Chinese GDP ranging from –0.5% to –1.5% and from –0.3% to –0.6% for the United States. The euro area's exports to the US would grow (1.7% - 8.4%), while its exports to China would decrease (-1.4%, -4.3%).

Members' assessment of risks to the forecast

Our survey of member federations underlines the continuing negative impact of both geopolitical tensions and broader policy uncertainty on the growth forecast (figure 9).

On the domestic front, growing wage pressures continue to be a negative factor for growth, with members also increasingly concerned about a rise in overall tax levels, emphasising the importance of continuing to comply with the Stability and Growth Pact, and stressing the uncertainty created by the ongoing discussions around issues such as digital taxation, minimum taxation and the Financial Transaction Tax.

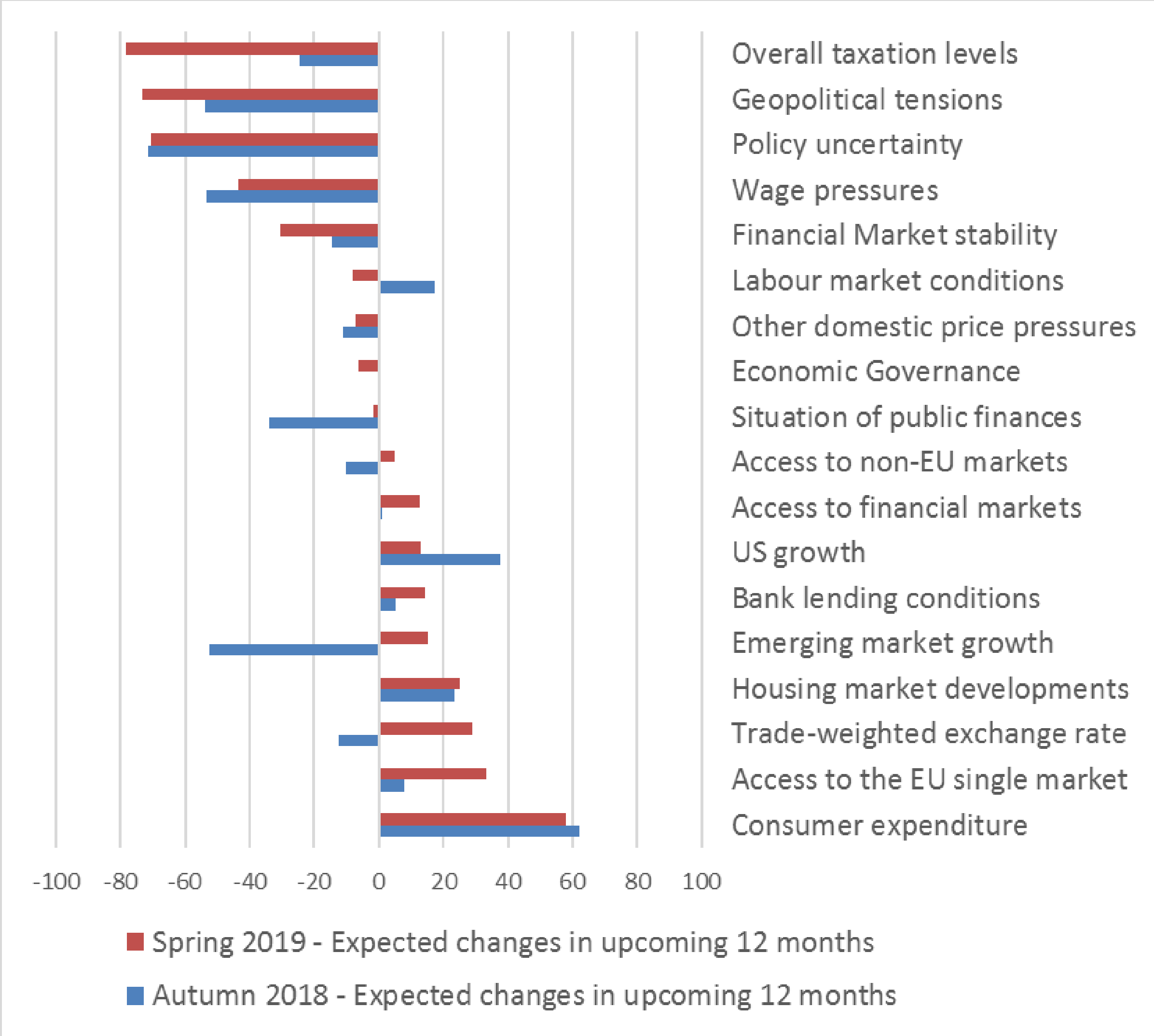
[3] The IMF's models are GIMF, GTAP and CFRT. The Global Integrated Monetary and Fiscal model, or GIMF stresses the aggregate effects over time in both the short and long run. The Global Trade Analysis Project, or GTAP and the CFRT stress the reallocating factors of production and the disruption and inefficiencies this causes. In the CFRT-model 'the extent of reallocation is amplified by the presence of increasing returns to scale associated with firm-level fixed costs of entering domestic and export markets.'

Whilst the optimism regarding consumer confidence seen in the autumn did not come to fruition, members remain confident that consumers can play an increasing role in the coming months in driving demand.

Finally, on a positive note, the concern over weaknesses in emerging market demand seen in the autumn appear to have passed, with members now expecting that growth in such economies can be a slight, but positive factor in supporting EU growth.

Figure 9: Uncertainty increasingly coming from political factors

How did expected changes in the following factors impact on your growth forecast? (Weighted average of members' responses. Balance of responses: negatively ←→ positively)



Source: BusinessEurope survey of Member federations.

Box: Understanding the recent slowdown in Chinese import demand, and its potential impact on the EU

As noted elsewhere, a slowing global economy has been cited by many commentators as a key factor behind the EU's more muted growth expectations. Analysts have in particular noted the importance of the slowdown in Chinese growth as a significant dampener on EU expansion, with for example, the Commission referring to 'a plunge in China's imports' in the final quarter of 2018, and suggesting that, 'the euro area appears to be particularly impacted given the geographical orientation of its external trade and its product specialisation'.

This box examines the extent of the recent slowdown in the Chinese economy, and in particular, how this has impacted upon import demand for different products. We look in more detail at the extent to which different EU member states export to China, and in particularly which products they specialise in. In the context of expected continuing weakening in Chinese growth, particularly in the context of continuing global trade tensions, we consider the extent to which this might impact on EU growth.

Single quarter falls in Chinese imports are not unusual – but two successive falls is significant

Chart 10 shows the quarterly growth of (global) Chinese imports in recent years, alongside quarterly GDP growth[4]. Whilst a slowdown in import growth in Q4 is apparent[5] (and was accompanied by a fall in GDP growth), and is significant given strong long-term growth, we can also see that such a fall is not unique, with a similar reduction in short-term import demand occurring in Q1 2018. Arguably, more significant is the subsequent fall in Q1 of this year, which despite being an annual seasonal feature of the Chinese economy, nevertheless marks the first time in five years that quarterly import growth has been negative on two consecutive occasions.

Figure 10: China, import of goods (€ billion) and quarterly GDP growth (%), 2017-2019

Source: International Trade Centre (ITC)

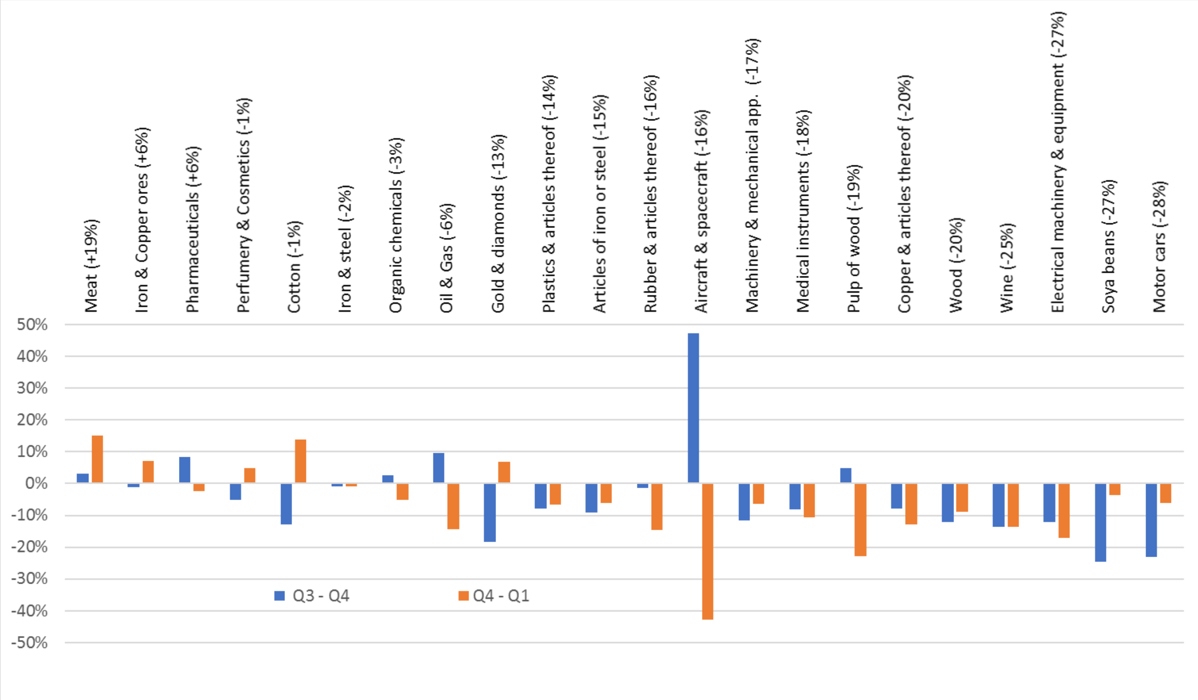
[4] All trade data in the box, unless otherwise noted, is from the International Trade Centre (ITC). Data were collected in May 2019.

[5] IMF data on global exports to China actually shows a small increase in Chinese imports for Q4 2018.

Meat and pharma imports increase, but car imports fall significantly

As chart 11 shows, the falls in Chinese imports in both Q4 2018 and Q1 2019 varied considerably between sectors. Whilst the imports of goods such as meat, metal ores and pharmaceuticals actually increased, imports of both cars and electrical equipment fell by over 25% during the six-months period. The decline in car imports is more dramatic when considered against the long-term picture of strong growth, with the European Automobile Manufacturer's Association (ACEA) suggesting that the 3.5% fall in size of the overall Chinese car market in 2018 was the first fall in almost thirty years.

Figure 11: China, import of goods, comparison Q3 2018 - Q1 2019, %



Source: International Trade Centre (ITC)

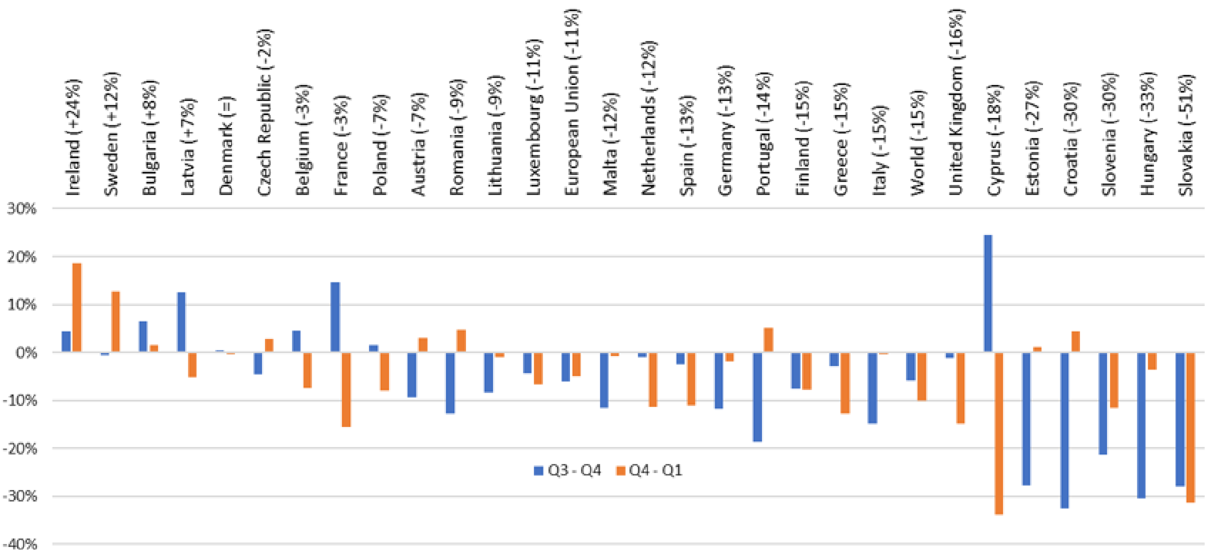
Sectoral differences help drive short-term EU member states differences

These sectoral differences have in turn been significant in determining the different impact of the Chinese slowdown on different EU member states. As chart 12 shows, whilst Ireland and Sweden, both with significant pharmaceutical industries, saw the strongest export growth to China during this period, Hungary and Slovakia, both with a strong export concentration in vehicles[6] saw the largest downturns. The volatility of French exports reflected the volatility of aircraft imports.[7]

[6] Hungary and Slovakia's export of motorcars to China represented respectively 31% and 81% of their total exports to China in 2018.

[7] The aircraft sector also serves as a useful reminder of the weakness of trade data. Despite the fact that many of the aircraft parts were imported from other EU member states, the full value of finished aircraft exported from France to China will appear in the French export data. For this reason, organisations such as the OECD are developing trade data for actual valued in a country.

Figure 12: China, import of goods, EU member states, comparison Q3 2018 - Q1 2019, %

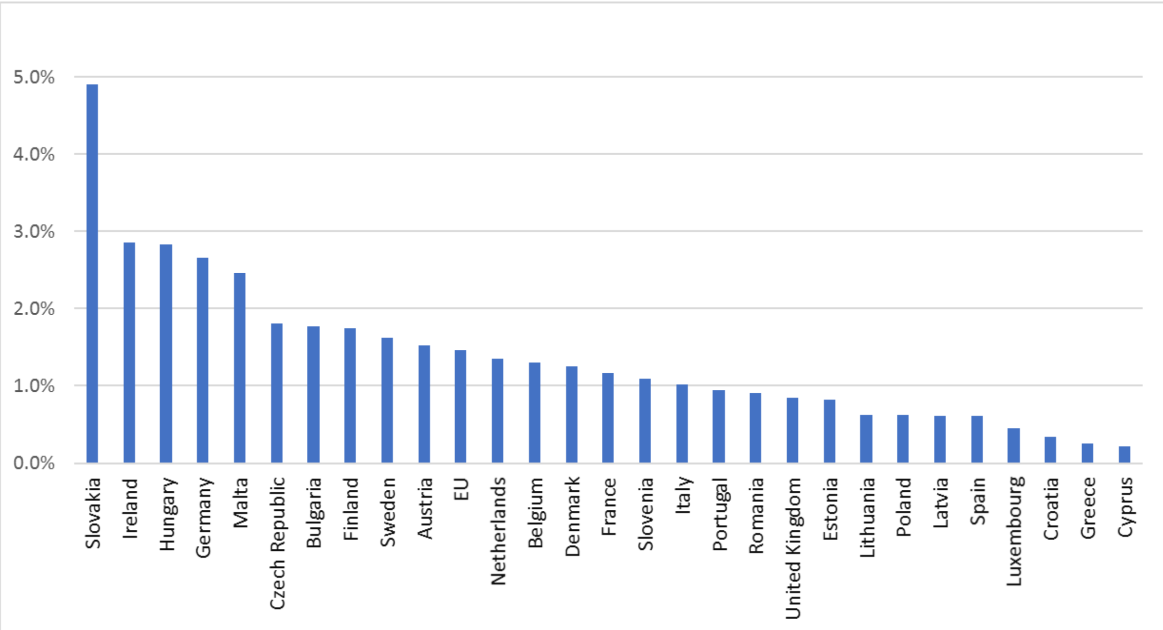


Source: International Trade Centre (ITC)

Member states' Chinese exports capacity varies considerably…

The fact that EU growth bounced back in Q1 2019, despite the continuing fall in Chinese imports reminds us that export demand, and in particular Chinese export demand, is only one of a number of factors impacting on domestic growth. Graph 13 shows that whilst Chinese exports accounted for almost 5% of GDP in Slovakia[8], they account for less than 1% of GDP in almost half of EU member states. In absolute terms, Germany is the by far the largest EU exporter to China, accounting for around a third of the EU's €230bn exports, with all other countries exporting less than €30bn.

Figure 13: EU member states, exports to China as a % of GDP, 2018



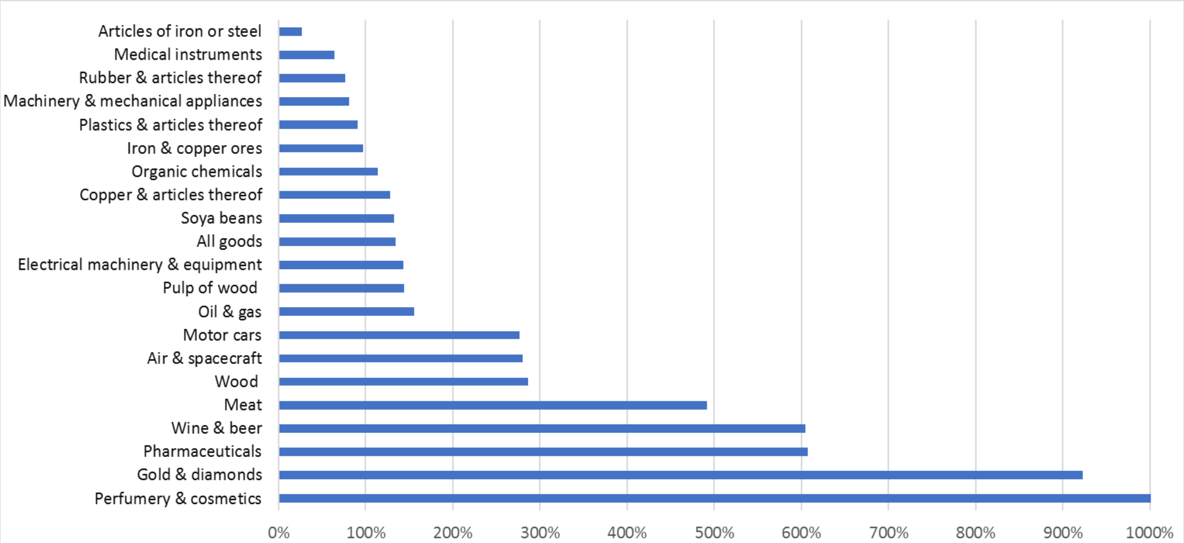
Source: International Trade Centre (ITC)

[8] As we note earlier, it does not mean that value-added was 5% of GDP, given much of the export content from Slovakia will have been imported.

And sectoral specialisation will be important in determining future export growth

The above analysis also reminds us of the potential importance of member states' sectoral specialisations in enabling them to benefit from future Chinese growth. Chart 14 shows the considerable variation in the growth of China's sectoral imports over the last decade. In particular, growth has been most rapid in luxury goods such as perfumes, jewellery and wine, as well as high-tech products such as pharmaceuticals, aircraft and cars.

Figure 14: China, growth of import sectors in %, 2008-2018

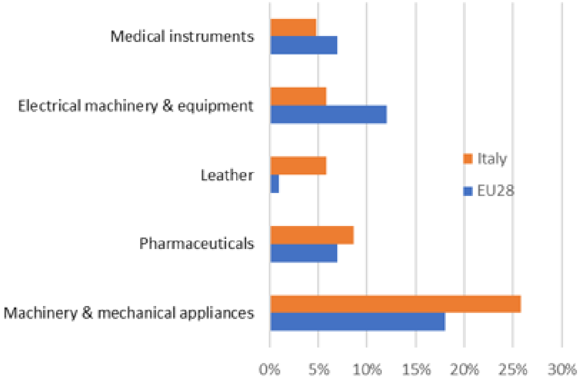


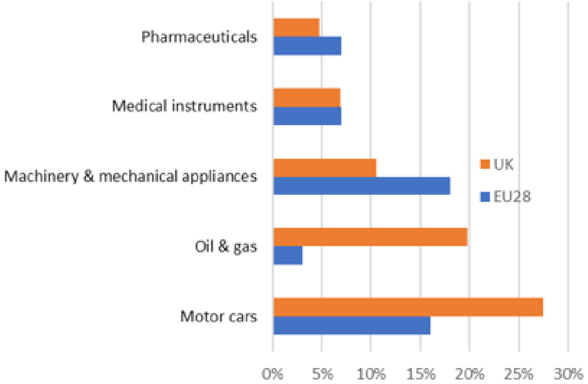
Source: International Trade Centre (ITC)

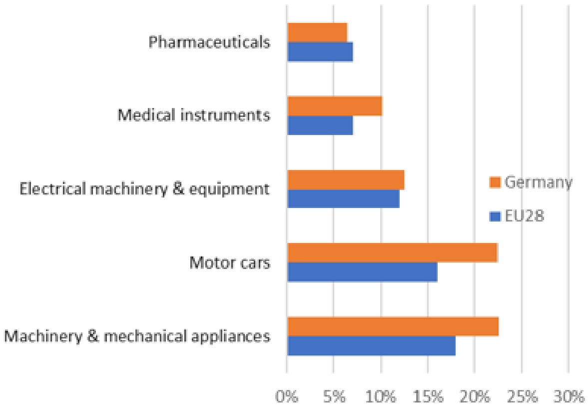
The specific sectoral goods specialisations of the EU's four largest member states are shown in figure 15. We can see for example that Italy has a strong specialism in leather exports (notably handbags), as well as machinery, with French exports focused on cosmetics and wine, as well aircraft, while the UK is focussed on cars and oil/gas. Germany, as the largest exporter is most in line with EU averages, but with a particular emphasis on cars and machinery.

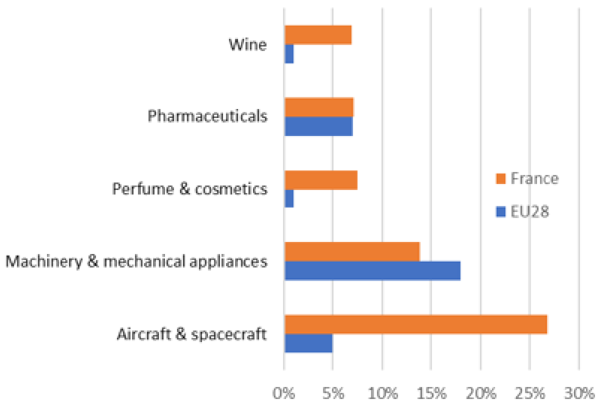
Figure 15: Sector specialisation

Sector exports to China as a % of overall exports to China (Italy, United Kingdom, Germany and France) compared to EU, 2018





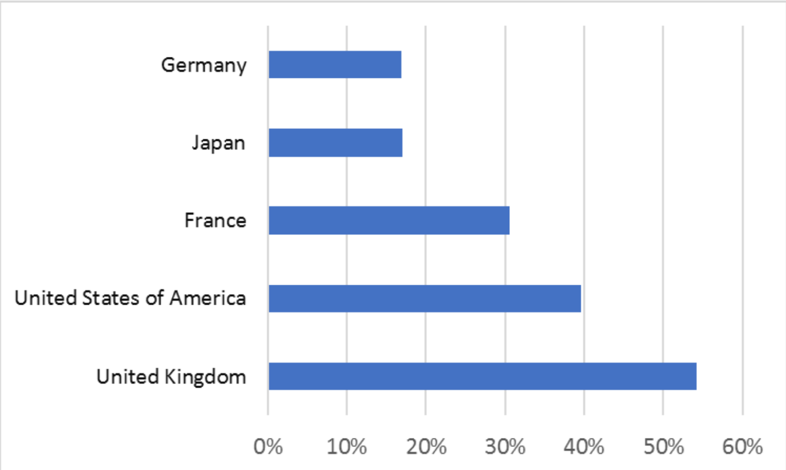




Source: International Trade Centre (ITC)

Data for services exports is more limited, and not available for some EU member states. But as chart 16 shows, there are strong variations in the extent to which members states' exports are concentrated on services, with over 50% of the UK's exports in the category compared to less than 20% in Germany (although this in part reflected Germany's strong performance in exporting goods to China: as a share of GDP, Germany's services exports to China were 0.5% of GDP compared to 0.8% in the UK.

Figure 16: Export of services to China as a % of overall exports to China, 2016



Source: International Trade Centre

The final quarter of 2018 saw a downturn in overall Chinese imports. Whilst such quarterly falls are not unusual, the fall in car imports was perhaps more remarkable, given the strong growth in this sector for a number of years, with clear implications for EU growth, particularly in Germany.

But the importance of the Q4 downturn should not be overplayed. EU growth bounced back in 2019, despite a further fall in Chinese global imports, emphasising that broader domestic factors have more importance in determining growth performance.

In the longer-term, it is to be hoped that Chinese imports will resume their strong growth rates, which will be more likely if current trade tensions subside. But our analysis suggests that growth rates will continue to vary widely between different products with high-tech and luxury products most likely to offer growth opportunities for EU companies. It will be important that the EU, both in terms of trade policy and domestic competitiveness policy, supports EU companies in exploiting these opportunities.

5. UNEMPLOYMENT, INFLATION AND PUBLIC FINANCES

Over the next two years, we expect the unemployment rate to decrease moderately with unemployment at 6.5% in the EU and 7.4% in the euro area, returning to pre-crisis levels. While more and more people are getting into work across the EU, with around 1 million jobs created in 2018, unemployment rates in 2019 are still markedly different, from 3.2% in Germany to 18% in Greece, and remains at two-digit numbers in countries like Italy and Spain as well. Moreover, the EU also continues to lag behind other major global economies in terms of unemployment, with the USA at 3.6% and Japan at 2.5%.

Inflation expectations have slightly picked up with our survey estimating 1.6% (2019) and 1.8% (2020), reflecting strong recent wage growth (2.2% on a year to year basis in the last quarter of 2018), as a consequence of increasing tightness in the labour market.

Consolidation of public finances continues, with average government debt in the EU estimated to fall slightly to 79.8% in the course of 2019, from 81.5% in 2018, while the euro area's debt is forecast to decrease to 87.0% (from 87.1%). However, the ongoing uncertainty surrounding Brexit and trade disputes, along with an ageing population, emphasize the need for member states to put their public finances on a stronger footing, and bring them in line with the SGP-reference levels.

6. COUNTRY DIFFERENCES

Economic growth is expected to continue in all EU member states through 2020, according to our member federation survey.

The German economy is expected to pick up with growth increasing from 1.0% to 1.8%, while France is expected to grow at 1.3%. The Italian economy continues to be a drag on economic growth, but we do expect growth to return to 0.4% in 2020. The recovery in Greece is set to continue with 2.0% growth rate in 2020, and growth outlooks continue to be strong in Eastern Europe.

Table 2: Growth rates expected to increase slightly in most economies in 2020

	Real GDP growth		Inflation		Unemployment	
% Change	2019	2020	2019	2020	2019	2020
Austria	1.5	1.6	1.8	1.9	4.8	4.8
Belgium	1.4	1.3	1.9	1.9	6.0	6.1
Cyprus	3.6	3.2	0.5	1.2	7.0	6.0
Estonia	3.1	2.7	2.1	2.2	5.6	5.7
Finland	1.4	1.2	1.2	1.4	6.7	6.7
France	1.3	1.3	1.2	1.4	8.6	8.4
Germany	1.0	1.8	1.5	1.8	3.2	3.1
Greece	2.0	2.0	0.6	1.3	18.0	16.6
Ireland	4.0	2.7	1.0	1.3	5.5	5.4
Italy	0.0	0.4	0.9	1.9	10.7	10.6
Latvia	3.2	3.0	2.5	2.2	7.0	6.5
Lithuania	2.7	2.6	2.4	2.3	6.0	5.9
Luxembourg	2.9	2.7	1.6	1.7	4.9	4.8
Malta	5.2	4.6	1.8	1,9	3.4	3.4
Netherlands	1.5	1.5	2.3	1.4	3.8	3.8
Portugal	1.7	1.7	0.8	1.2	6.1	5.5
Slovakia	4.4	3.9	2.7	2.0	4.6	4.6

Slovenia	3.4	3.1	1.6	1.9	4.3	3.9
Spain	2.1	1.8	1.0	1.2	13.8	12.4
Bulgaria	3.6	3.8	2.6	2.1	4.8	4.3
Croatia	2.5	2.4	1.4	1.4	8.0	7.7
Czech Republic	2.8	2.0	2.5	2.5	2.2	2.2
Denmark	1.8	1.7	1.1	1.5	4.7	4.5
Hungary	3.5	2.7	3.2	3.5	3.5	3.5
Poland	4.2	3.6	1.8	2.5	3.8	3.5
Romania	3.3	3.1	3.6	3.0	4.1	4.0
Sweden	1.4	1.5	1.9	2.0	6.2	6.4
United Kingdom	1.4	1.6	2.2	2.0	4.3	4.3

Source: BusinessEurope survey of Member federations

BusinessEurope is the leading advocate for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for all-sized enterprises in 35 European countries whose national business federations are our direct members.

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Denmark	Denmark	Estonia	Finland	France	Germany
Germany	Greece	Hungary	Iceland	Iceland	Ireland
Italy	Latvia	Lithuania	Luxembourg	Malta	Montenegro
Norway	Poland	Portugal	Rep. of San Marino	Romania	Serbia
Slovak Republic	Slovenia	Spain	Sweden	Switzerland	Switzerland
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