



THE EU'S ECONOMIC RECOVERY PICKS UP MOMENTUM

ECONOMIC SITUATION

- The EU economy saw a **pick-up in growth momentum at the beginning of this year**, boosted by strong business and consumer confidence. Output increased by 2.3% in the EU and 2.2% in the Euro Area, compared to the first half of last year.
- We have revised upwards our 2017 **growth expectations** for both the EU and the Euro Area by 0.4 percentage points to 2.3% and 2.1%, respectively. For 2018 we revised growth up by 0.3 pp to 2.1% for the EU and 2.0% for the Euro Area.
- **Consumer spending** is set to remain the key growth driver (2.1% in 2017 and 1.8% in 2018 for EU), bolstered by relatively strong job creation across the EU. **Investment** is expected to see a moderate increase (3.6% for both 2017 and 2018 for EU), albeit insufficient to swiftly close the pre-crisis investment gap. **Whilst exports will be boosted by** an improving global trading environment, the impact is dampened by the higher Euro exchange rate.
- We expect further improvements in the **labour market**, with unemployment in the EU coming down to 7.9% in the EU and 9.2% in the Euro Area this year and to 7.5% and 8.5%, respectively, in 2018 (current rates of 7.6% in the EU and 9.1% in the Euro Area in August). However, strong differences in countries' labour markets remain, with some firms in some countries seeing increasing difficulties in hiring skilled labour.

POLICY CONSIDERATIONS

- With the recovery boosted by temporary factors, further **reforms** at both national and EU level, particularly to reduce rigidities in product and labour markets, are required to raise long-term growth and ensure the recovery is both long-lasting and sustainable. The greatest risk to reform is complacency.
- We need to fully **embrace digital transformation** of Europe in order to compete effectively worldwide and shape this transformation, improving the free flow of data, e-government, cyber-security, etc. including through completion of the digital single market.
- Business investment requires a safe and predictable environment based on a **well-functioning EMU**. The Commission must set out a full road map in December outlining the measures it believes necessary to strengthen EMU, with a clear timetable for action.
- Key priorities for strengthening EMU include:
 - completion of the banking union, including further risk reduction at national level and a European Deposit Insurance,
 - reinforcing the role of the European Semester in supporting convergence, competitiveness, and;
 - conditional upon Members States implementing structural reforms and there being no increase in the overall tax burden, we support strengthening the long-term stability of EMU and its ability to handle asymmetric shocks to one or more of its economies through access to a Euro Area stabilisation fund.



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 autumn's questionnaire were received in October 2017.

FOR FURTHER INFORMATION:

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1. OVERVIEW

The European economy has experienced continuing growth momentum in the first half of this year. Economic output increased by 2.3% in the EU and 2.2% in the Euro Area, compared to the first half of last year.

European business federations expect a continuation of the recovery, with indications that the business climate is likely to see some further improvements. Consumer spending is forecast to remain the key driving factor behind growth, with rising consumer confidence bolstered by relatively strong job creation across the EU and increasing labour force participation. With an increasing number of companies starting to run up against capacity constraints, investment growth is expected to see a moderate increase, but growth remains insufficient to swiftly close the pre-crisis investment gap: At the current rate of investment and GDP growth, it would still take up to 2023 to close the pre-crisis gap, whilst it would take even longer in some countries. Finally, exports are likely to be somewhat dampened by a higher Euro exchange rate, but this is partly counterbalanced by an improving global trading environment.

Against this background, we have revised upwards our 2017 growth expectations for both the EU and the Euro Area by 0.4 percentage points to 2.3% and 2.1%, respectively. We have seen a similar upward revision for 2018 (+0.3 pp) and now expect EU growth of 2.1% and Euro Area growth of 2.0%.

However, it is important to keep in mind that growth continues to be supported by a number of temporary factors such as the ECB's policy support, a weaker euro exchange rate and a fall in energy prices during 2014. Most estimates of long-term sustainable growth in the EU are well below 2%, further emphasising that the present strong growth is in part cyclical in many Member States. The temporary nature of the factors supporting growth underlines the importance of boosting investment and pressing ahead with the implementation of both product and labour market reforms. Our members voice some concerns about potential losses of cost competitiveness resulting from a higher euro exchange rate, wages and taxation, as well as from remaining political uncertainties and geopolitical tensions.

Table 1 Uptick in growth momentum compared to last spring
BusinessEurope main forecast

Main Variables	EU28		Euro Area	
	2017	2018	2017	2018
Real GDP (annual % growth)	2.3 (+0.4)	2.1 (+0.3)	2.1 (+0.4)	2.0 (+0.3)
Inflation (%)	1.7	1.7	1.5	1.4
Unemployment (%)	7.9	7.5	9.2	8.5
Government net lending (% of GDP)	-1.6	-1.5	-1.4	-1.3
Gross public debt (% of GDP)	84.0	83.1	90.9	89.5

GDP components	EU28		Euro Area	
	2017	2018	2017	2018
Private consumption (%)	2.1	1.8	1.8	1.7
Public consumption (%)	1.5	1.3	1.4	1.2
Gross fixed capital formation (%)	3.6	3.6	4.0	3.7
Exports (%)	4.5	4.3	4.5	4.3
Imports (%)	5.2	4.4	4.8	4.5

Source: BusinessEurope's forecast based on survey of member federations



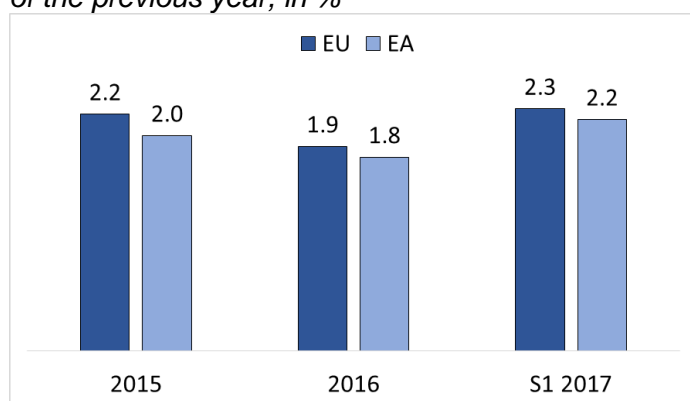
2. OUTLOOK FOR GDP GROWTH

Strong economic growth in the first half of 2017

Official data points to strong growth momentum in the first half of 2017. Output expanded by 0.5% in both the EU and Euro Area in the first quarter, compared to the previous quarter, and by 0.7% in the EU and 0.6% in the Euro Area in the second quarter. In the first half of this year, EU GDP thus increased by 2.3% compared to the first half of last year, while EA GDP increased by 2.2%. This is well above average GDP growth in 2016 and slightly higher than 2015 growth (fig. 1).

Figure 1 Strong growth in the first half of 2017

Real GDP growth for the EU and the Euro Area, percentage change compared to the same period of the previous year, in %



Source: Eurostat

Our members expect to see further improvements in the business climate

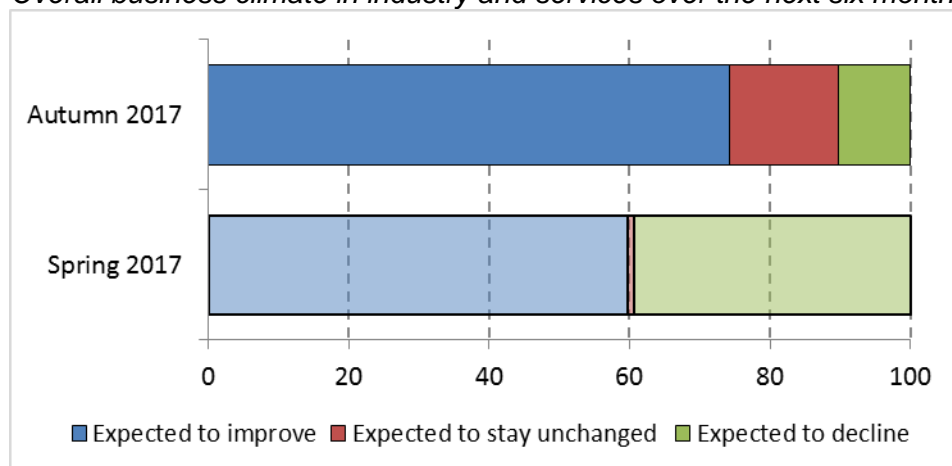
We have seen a strong pick-up of business confidence since the beginning of the year, with for example the Commission's Business Confidence Indicator increasing from 0.74 points in January to 1.34 points in September.

Our members expect to see further improvements in the business climate, as the clear majority of respondents (weighted average of 74%) to our survey point out. This is an improvement from our spring survey where, despite overall optimism, still a large share of respondents expected a deterioration in the business climate (fig. 2).

Strong business confidence indicates that economic growth is expected to remain robust in the second half of this year. For 2017 as a whole, we expect GDP growth of 2.3% in the EU and 2.1% in the Euro Area, an upward revision of 0.4 percentage points compared to our spring forecast. For 2018, we revised upwards our forecast by 0.3 percentage points and now expect growth of 2.1% in the EU and 2.0% in the Euro Area.



Figure 2 We expect the business climate to further improve in coming months
Overall business climate in industry and services over the next six months



Source: BusinessEurope's forecast based on survey of member federations

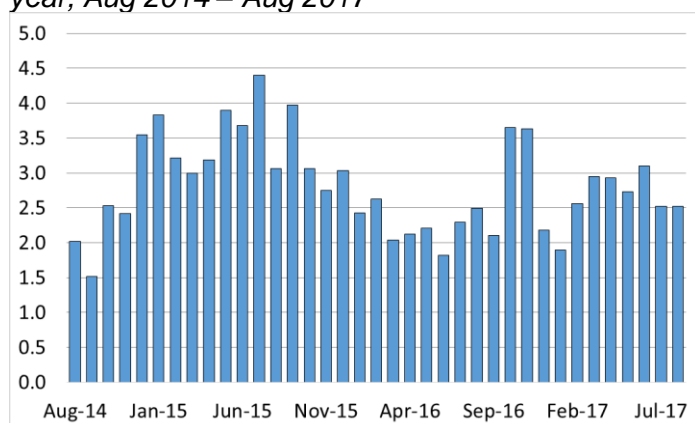
3. KEY DRIVERS OF GROWTH

Recent growth was driven by strong consumer spending

Looking at the drivers of growth, consumer spending, the largest component of demand, continues to constitute the key driving force behind economic growth. While growth in retail trade slowed down slightly compared to the high rates seen in 2015, it remains at rates higher than 2.5% in recent months (fig. 3).

Figure 3 Growth in retail sales continue growing at high rates

Real turnover of retail trade, percentage change compared to the same month of the previous year, Aug 2014 – Aug 2017



Source: Eurostat

Consumer spending is likely to remain the key growth driver

Consumer spending is expected to remain the key driver behind economic growth. As outlined in box 1, consumer confidence remains strong, pointing to resilient consumer spending over the coming months, also supported by the ongoing improvements in the labour market and further improving bank lending conditions to households.



Box 1: Consumer confidence indicators and household consumption in the EU

Given the delay in the release of “hard” economic data on household consumption, confidence indicators based on consumer surveys can provide an early gauge about how consumer spending may evolve.

One example at EU level is the European Commission’s monthly Consumer Confidence Indicator (CCI), which relies on a consumer survey consisting of 12 questions. The Commission then uses 4 of the 12 questions to construct a CCI for the EU.

However, the choice of the questions for a CCI is not an obvious one. In total, it is possible to construct over 4000 different CCI’s by using a different combination of questions. Ideally, the CCI should be a good yardstick to indicate where household consumption is heading. While one cannot predict the future, it is possible to try and construct one CCI that is able to ‘best explain’ historical consumption pattern.

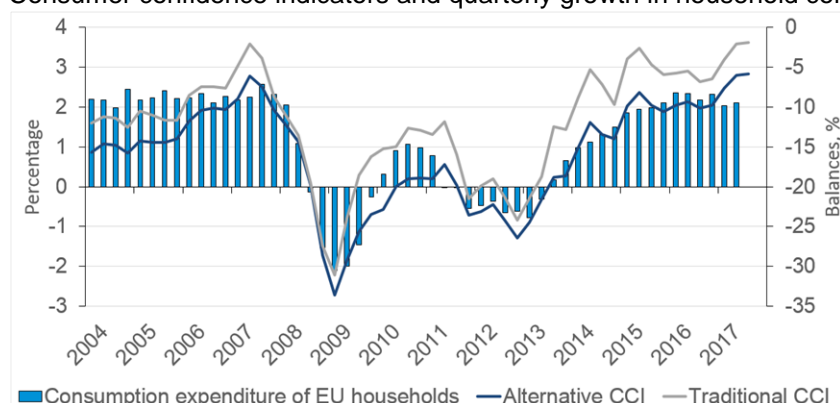
One of our Danish federation members, DI have examined all possible indicators to identify a set of questions that yields an indicator which is best able to more explain the variation in household consumption in recent years (simple regression between each indicator and year-on-year growth in household consumption).¹ This alternative CCI explains 87% of the variation in private consumption, while the traditional CCI explains 79%.

Putting theory to practice and looking at figure 4, we can see that both the traditional and alternative CCI are for most time pointing in the same direction. The difference however is often the size of the quarterly changes, with the traditional CCI becoming a bit too optimistic in the immediate aftermath of the financial crisis where consumers did not increase spending as much as the traditional CCI suggests. Similar after the sovereign debt crisis the traditional CCI was somewhat too optimistic and did not fit consumption patterns as well as previously.

In the recent period both indicators have seen a strong uptick, further emphasising the likelihood that we can expect a renewed uptick in consumer spending towards the end of this year.

Figure 4: Alternative CCI points to a strong uptick in consumer confidence

Consumer confidence indicators and quarterly growth in household consumption (y-o-y changes)



Note: The 3 questions used in the alternative CCI are chosen according to their ability to explain the variation (regression R-squared) in private consumption for the average during Q1 1996 to Q1 2012.

Source: European Commission and calculations by the Confederation of Danish Industry (DI)

Overall, we expect private consumption to grow by 2.1% in the EU and 1.8% in the Euro Area in 2017. For 2018, we expect roughly similar rates with 1.8% in the EU and 1.7% in the Euro Area.

¹ The questions from the Commission’s consumer survey we opted for in the end are: Q2: How do you expect the financial position of your household to change over the next 12 months? Q7: How do you expect the number of people unemployed in this country to change over the next 12 months? Q9: Compared with the past 12 months, do you expect to spend more or less money on major purchases (furniture, electrical/electronic devices, etc.) over the next 12 months? The difference between the CCI and alternative CCI is the addition of Q9 and the discarding of Q4 and Q11. All questions in the alternative CCI are forward looking, and the added question 9 is focused on future spending. The discarded questions relate to the consumer’s general economic situation in the future and on future savings (indirect future spending).



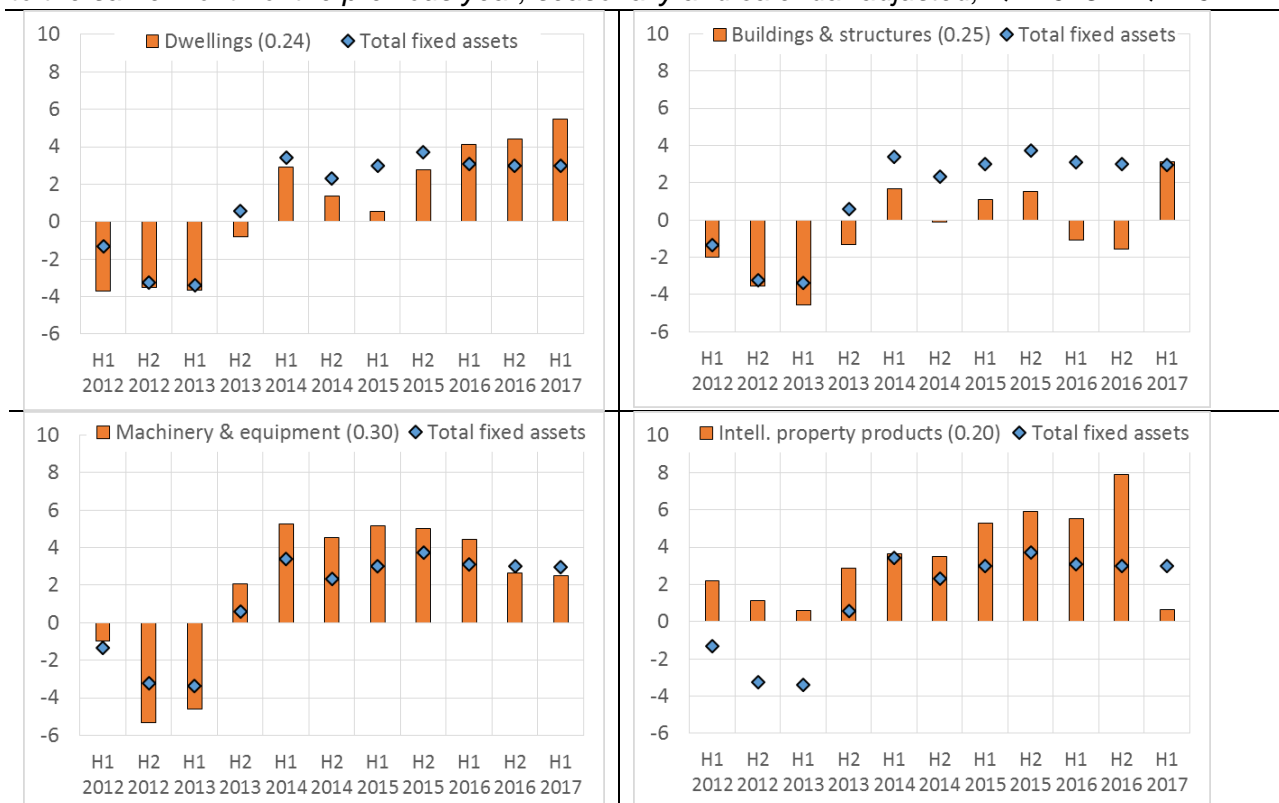
EU investment growth remains moderate

Investment growth proceeded in the recent two quarters at similar rates compared to that over the last three years. EU total investment grew at 3.5% in the first quarter of 2017, compared to the same period of the previous year, and at 2.5% in the second quarter (fig. 5). Investment made a slight positive contribution to quarterly GDP growth (0.0 pp in Q1 and 0.2 pp in Q2).

Looking at the breakdown of investment by asset classes, the strong growth in investment in intellectual property since the second half of 2013 is striking, with growth rates exceeding 5% throughout 2015 and 2016, emphasising the growing importance of digitalisation and the broader knowledge based economy within the EU. Whilst machinery and equipment investment was also around 5% for much of 2014 and 2015, over the past 12 months there has been a clear decline. These factors together emphasise both the importance of the EU making progress in rapidly completing the digital single market, and in the EU [industrial strategy].

Figure 5 Investment growth proceeds at similar rates to that over the last 3 years, with construction investment having a positive impulse

EU total investment growth by asset breakdown and asset weight, percentage change compared to the same month of the previous year, seasonally and calendar adjusted, Q1 2015 – Q2 2017



* The asset class “cultivated biological resources” was left out due to its small weight (0.3%).

Source: Eurostat

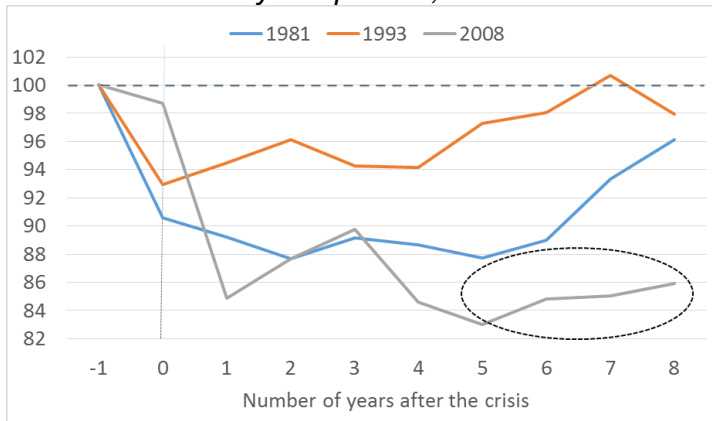
Such investment rates remain however insufficient to close the existing gap compared to pre-crisis levels in the near future. In 2016, EU investment as a share of GDP was, with 2.0 percentage points, well below the historical (1995-2008) average of 21.9%.

As shown in figure 6, which compares the recent recovery of investment with that of previous recessions, it becomes clear that the current recovery in investment proceeds at a particularly slow



pace. While four to five years after the recessions of 1981 and 1993 investment experienced a strong rebound, this has not been the case yet even eight years after the 2008 crisis. As shown in the dotted part of the graph, investment as a share of GDP saw barely any improvement over the recent four years.

Figure 6 Investment recovery proceeds only very slowly compared to past recoveries
Investment recovery comparison, index based on total investment as % of GDP in EU



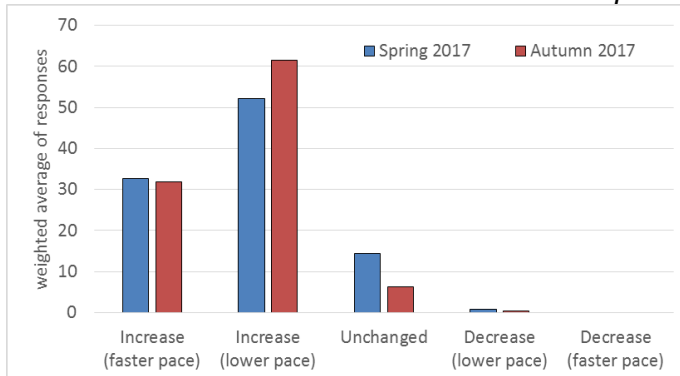
Source: IMF, WEO October 2017

While investment growth is expected to see some improvement in the future, it remains insufficient to swiftly close the pre-crisis investment gap

Our survey points out that the majority of respondents expect EU investment to see a moderate increase over the coming six months (fig. 7). This is in line with expectations for investment growth our members had in spring. Overall, we forecast investment to grow at 3.5-3.6% in the EU in both 2017 and 2018. For the Euro Area we expect investment growth of 4.0% for this year and 3.7% for the next.

This implies that at the current rate of investment and GDP growth, it would still take up to 2023 to close the pre-crisis investment gap.

Figure 7 Investment expected to increase only at a moderate rate over coming months
Investment trend over the next six months compared to the last six



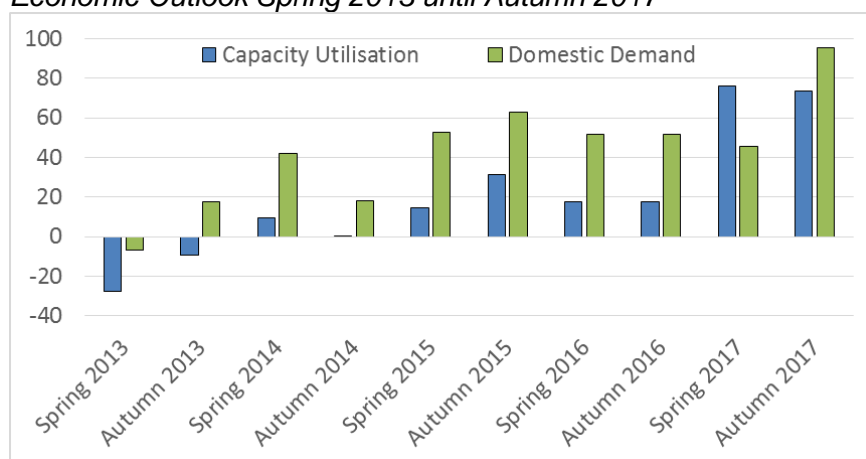
Source: BusinessEurope's forecast based on survey of member federations



Looking at the factors that influence business investment decisions, figure 8 shows that both capacity utilization and domestic demand have become increasingly important. With demand for companies' products continuing to pick up, companies see an increasingly pressing need to expand their production capacity. According to Eurostat, capacity utilisation in the EU continued to increase, to 83.5% in the third quarter of 2017. It is thus at the highest level since the third quarter of 2008 and well above the long-term historic average of 80.5%.

However, there are still several factors that continue to weigh on the outlook for business investment, including remaining rigidities in product markets and expectations of weaker potential output growth. In addition, a number of geopolitical uncertainties remain.

Figure 8 Investment expected to increase only at a moderate rate over coming months
Influence of capacity utilization and domestic demand on companies' investment decisions, Economic Outlook Spring 2013 until Autumn 2017



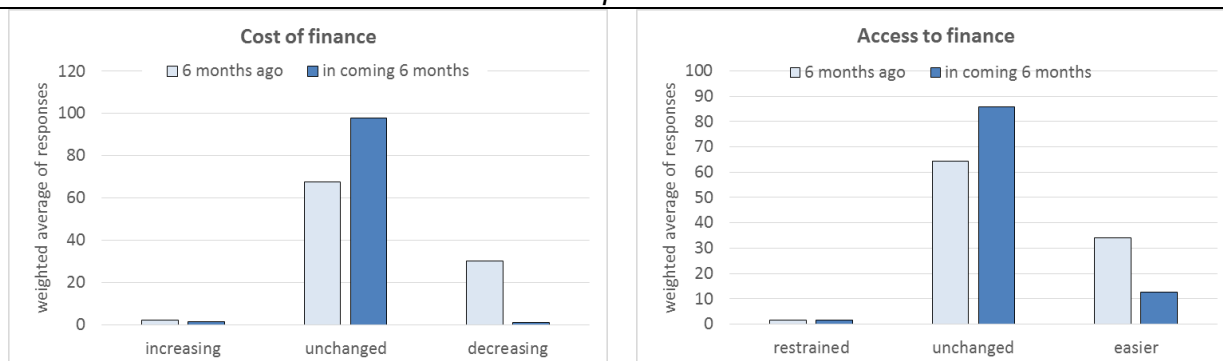
Source: BusinessEurope's forecast based on survey of member federations

Companies' investment plans are supported by improving access to finance

Companies' investment decisions are also dependent on the availability of finance. While we have previously seen strong improvements in both cost and access to finance since mid-2014, our survey indicates that both cost and access are expected to remain largely unchanged over the coming 6 months (fig. 9). Thus whilst financing conditions will remain supportive in a number of Member States, it also remains the case that in other Member States, there is much to do to ensure that companies with viable business models are able to obtain the finance they require to invest and support employment growth. Rapid completion of both the capital markets union and the banking union, including the European Deposit Insurance Scheme should be a priority for the EU. In many member states, national reforms to implement the bank recovery and resolution directive and the creation of harmonised deposit insurance systems, are necessary steps on the way towards establishing a common system.



Figure 9 Investment expected to increase only at a moderate rate over coming months
Investment trend over the next six months compared to the last six



Source: BusinessEurope's forecast based on survey of member federations

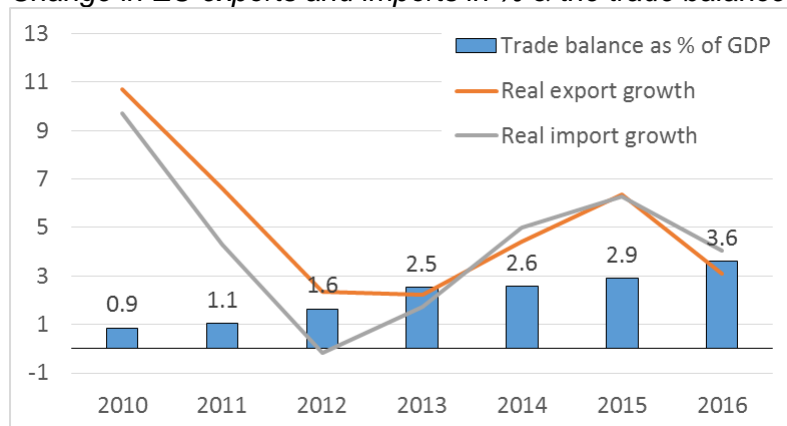
Net exports contributed little to recent growth

Similar to investment, net exports made only a slightly positive contribution to GDP growth in the first half of this year (0.1 pp in Q1 and none in Q2). This comes with both exports and imports growing at around 4.0-4.5%.

Whilst net exports made an important contribution to growth between 2010 and 2013, leading to the build-up of a positive trade balance of 2.5%, in more recent years import growth has matched that of export growth at around 5% (fig. 10).

Figure 10 Net exports made a positive contribution during the Euro crisis but barely contributed to growth thereafter

Change in EU exports and imports in % & the trade balance as % of GDP, 2010-2016



Source: Ameco

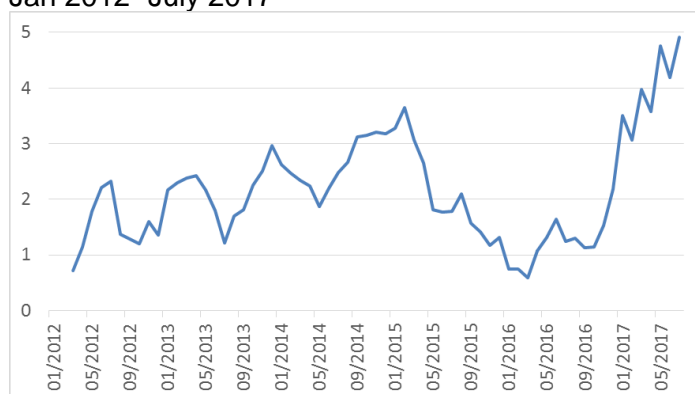
Export growth expected to be unchanged as boost from increasing global growth is dampened by a higher Euro exchange rate

After a period of historically-speaking relatively low growth, global trade growth has seen a strong uptick towards the end of last year (fig. 11).



Figure 11 Strong increase in global trade growth since the end of 2016

Global trade, average change over last 3 months compared to the same period of the previous year, Jan 2012- July 2017



Source: CPB, BusinessEurope staff calculations

However, the impact of the increase in global trade growth on extra-euro area exports is expected to be somewhat dampened by competitive losses coming from the appreciation of the Euro effective exchange rate since April this year (up by over 5%) (fig. 12).

Figure 12 Strong increase of Euro effective exchange rate since April 2017

Nominal effective exchange rate for the Euro Area, 04 Oct 2016 – 04 Oct 2017



Source: ECB

Overall, we expect net exports to make a slightly negative contribution in the EU this year with exports growth at 4.5% compared to import from growth of 5.2%. For 2018, we expect exports to grow roughly at the same pace as imports (around 4.3-4.5% in both EU and EA).



4. KEY GROWTH DRIVERS – MEMBER SURVEY:

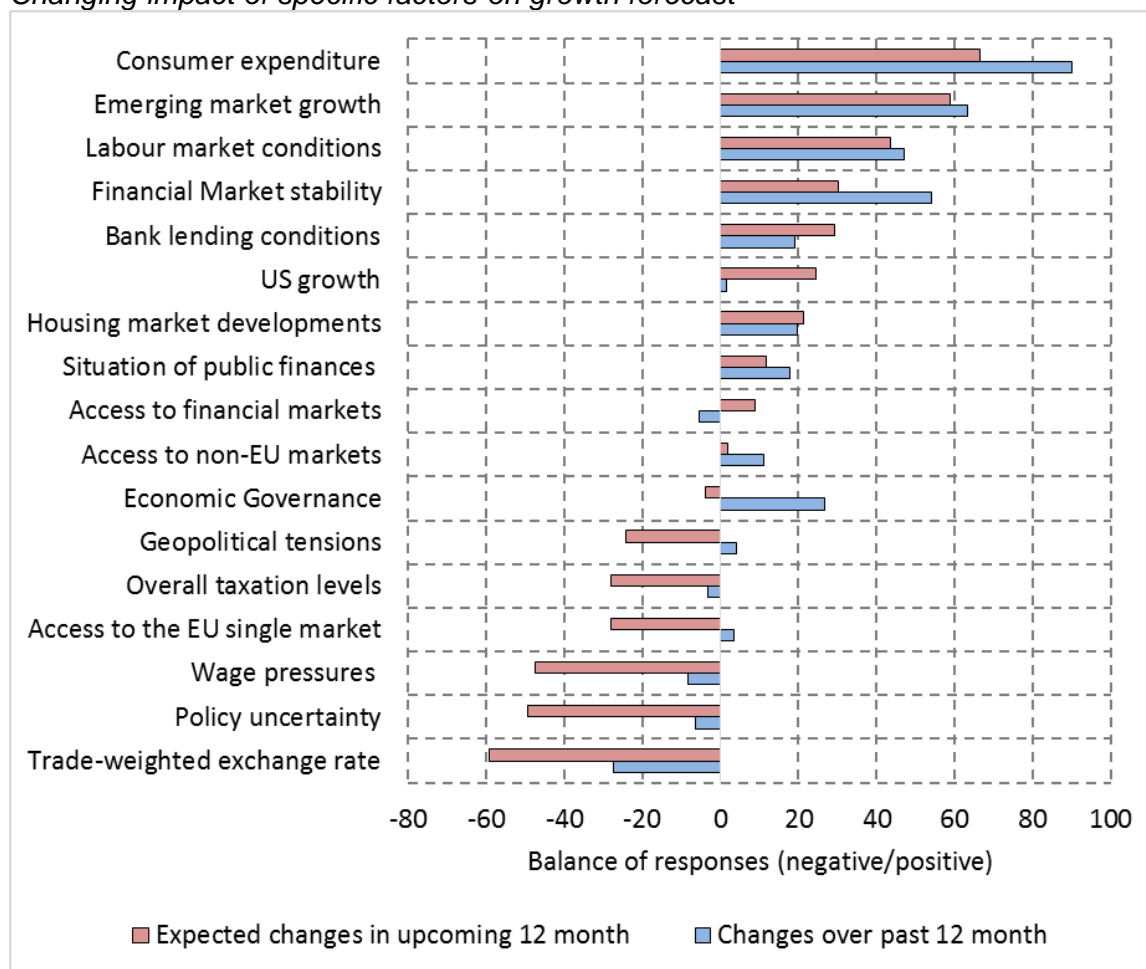
The overall picture of growth driven by consumer spending, and supported by improving labour market conditions as well as an improving external environment in both emerging market and advanced economies such as the US, is emphasized by our specific survey of what member federations see as growth drivers (fig. 13).

But our survey also emphasises that members are concerned about the negative impact of a higher euro trade-weighted exchange rate, expected increasing cost pressures from wages and taxation as well as political uncertainties and geopolitical tensions.

Growth in the past was strongly supported by a number of temporary factors such as the ECB’s policy support, a weaker euro exchange rate and a fall in energy prices during 2014. Most estimates of long-term sustainable growth in the EU are well below 2%, further emphasising that the present strong growth is in part cyclical in many Member States. The temporary nature of the factors supporting growth underlines the importance of boosting investment and moving ahead with the so far relatively slow implementation of product and labour market reforms.

Figure 13 Higher euro exchange rate and geopolitical tensions remain key obstacles to growth

Changing impact of specific factors on growth forecast



Source: BusinessEurope’s forecast based on survey of member federations



5. UNEMPLOYMENT, INFLATION AND PUBLIC FINANCES

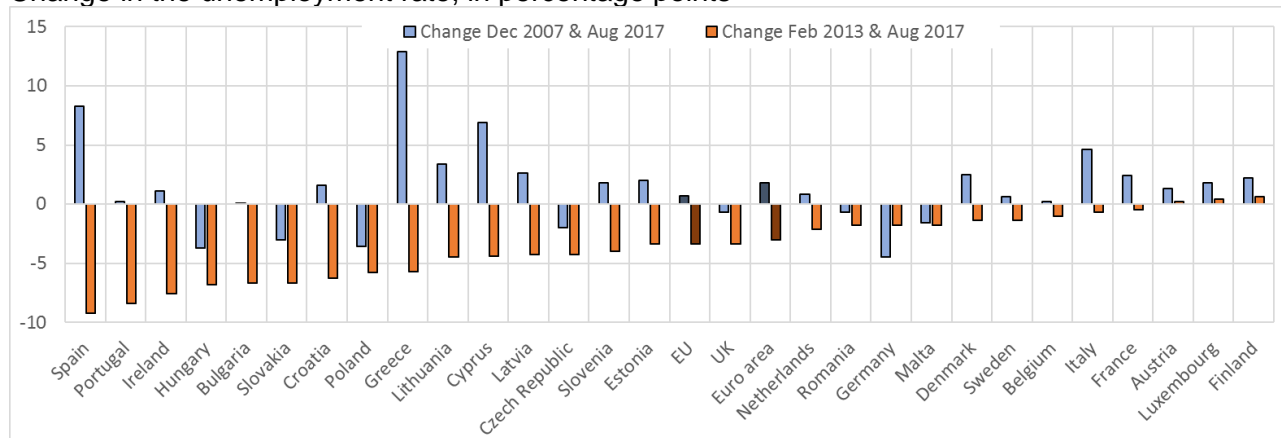
Labour market prospects remain uneven across countries

Together with higher economic growth, there has been a continuous improvement in countries' labour markets. As shown in figure 14, most countries managed to reduce their unemployment rates compared to the levels during the European sovereign debt crisis. However, unemployment rates in several countries remain significantly above their levels before the financial crisis.

Across the EU, we are still seeing strong differences in countries labour markets, with five EU countries still facing unemployment rates above 10%, while some firms in some countries are seeing increasing difficulties in hiring skilled labour.

Figure 14 While most EU countries made strong efforts in reducing unemployment from February 2013, rates remain above pre-crisis levels in several countries

Change in the unemployment rate, in percentage points



Source: Eurostat, BusinessEurope staff calculations

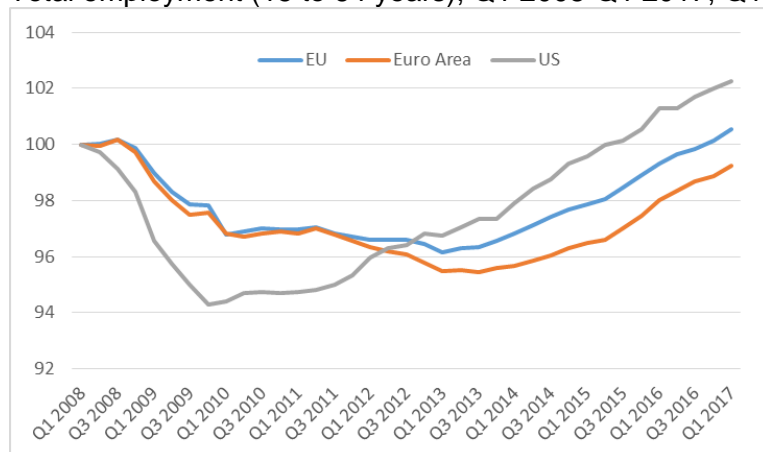
The general reduction in unemployment in Europe resulted from higher job creation and came despite an increasing labour force participation

The general reduction in unemployment rates compared to the beginning of 2013 has been driven by strong employment creation. As shown in figure 15, employment creation in the EU and Euro Area started in the second quarter of 2013 and proceeded at rates almost comparable to those in the US. In this period, a total of 9.6 million jobs were created in the EU and 5.4 million in the Euro Area. This comes after a period where the EU and Euro Area saw still employment falling, while the US economy already started to add jobs since the end of 2009.



Figure 15 Strong employment creation in the EU and Euro Area as of Q1 2014 at rates similar to that of the US

Total employment (15 to 64 years), Q1 2008-Q1 2017, Q1 2008 = 100



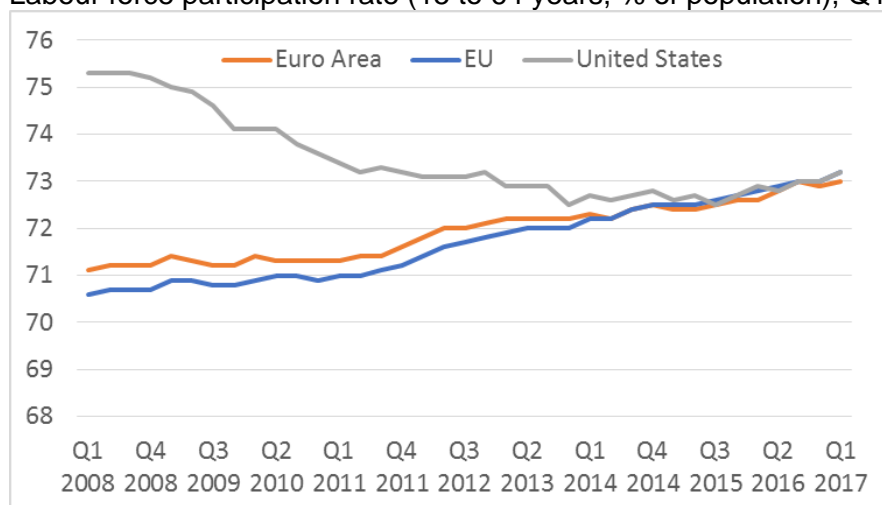
Source: Eurostat, BusinessEurope staff calculations

Europe's job growth has also been accompanied by a gradual increase in its labour force participation. As shown in figure 16, the EU's and Euro Area's labour force participation increased gradually over the last years and is now at levels comparable to that of the US which has seen a steady decline. This not only makes unemployment rates now more comparable between the EU and the US, but also shows that the recent reduction in the EU unemployment rate came despite a higher participation rate.

For 2017 and 2018, we expect a further reduction in the EU unemployment rate to 7.9% and 7.5%, respectively. For the Euro Area we expect an unemployment rate of 9.2% for 2017 and 8.5% in 2018. Rates thus remain well above those forecasted for the US (4.6% acc. to IMF).

Figure 16 EU's and Euro Area's labour force participation now at similar levels to the US

Labour force participation rate (15 to 64 years, % of population), Q1 2008-Q1 2017



Source: Eurostat, BusinessEurope staff calculations

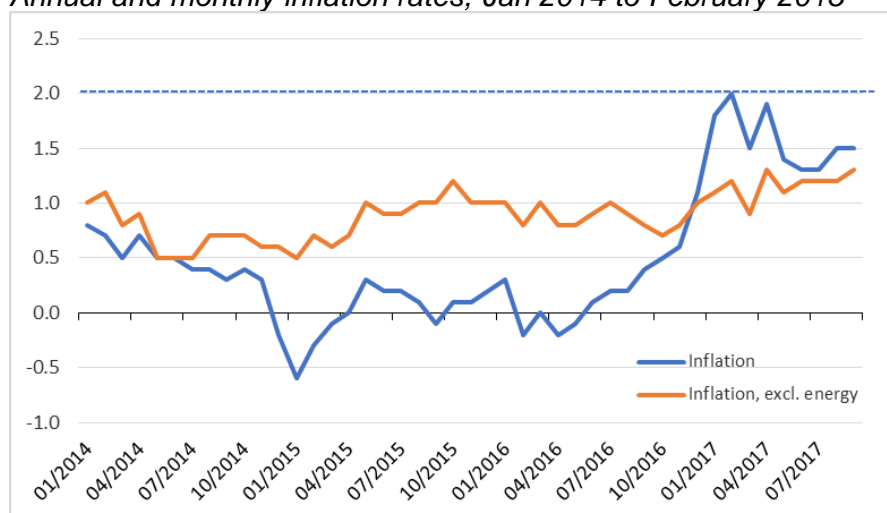


No strong pick-up in inflation prospects over the forecast horizon

Euro Area inflation, while recently volatile, has overall seen a clear increase over the last year (fig. 17). While inflation reached 2% at the start of this year, inflation was 1.5% in September. The fluctuation has mainly been due to the effect of energy prices. When looking at core inflation (i.e. inflation excluding energy prices) the increase over the recent year has been much more gradual and amounted to 1.3% in September.

Euro Area inflation is not expected to pick up strongly over our forecast horizon, with 1.5% in 2017 and 1.4% in 2018.

Figure 17 Inflation increased since mid-2016 mainly due to energy price developments
Annual and monthly inflation rates, Jan 2014 to February 2015



Source: Eurostat

While we have seen a gradual reduction in public deficits, debt levels remain high

There has been strong progress in reducing deficits in recent years, with the EU's deficit falling from -6.6% of GDP in 2009 to -1.7% in 2016 (Euro Area: -6.3% and -1.5%, respectively). However, public debt, which peaked at 88.4% in 2014 in the EU (Euro Area: 94.3%), fell only very slowly to 85.1% in 2016 (Euro Area: 91.3%).

For 2017 and 2018, we expect the reduction of deficits and debt to proceed at only a very slow pace (EU debt: 84.0% in 2017 and 83.1% in 2018; Euro Area deficit: -1.6% in 2017 and -1.5% in 2018).



6. COUNTRY DIFFERENCES

Growth is more widely shared across countries, with all countries expected to see positive growth in 2017 and 2018

There are increasing signs that the recovery is becoming more broad-based, with growth more widely shared across Euro Area countries and with fewer differences in the growth rates between countries (fig 18a). No Member State, besides Greece, saw negative growth last year.

We expect to see positive growth rates in all EU countries both in 2017 and 2018. Growth is expected to be strongest with 4% and above in Malta, Slovenia, Estonia, Luxembourg and Romania in 2017. Greece, where growth was still negative last year, is expected to see positive growth this year and the next. Growth is expected to be weakest in three of the larger Member States, namely Italy, the United Kingdom and France.

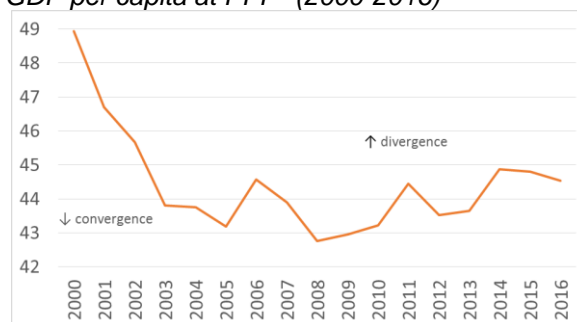
But whilst differences in **growth rates** between Euro Area members have fallen, this does not mean that real convergence (i.e. lower income **countries moving towards the income levels of the richest members**) has taken place. As figure 18b) illustrates real convergence has stalled since the financial crisis and countries income levels started to see some divergence, with the notable expectation of the most recent period between 2014 and 2016. In fact, for real convergence 'low income' countries would need to see growth at higher rates than that of their EU peers with high per-capita income.

Figure 18 While growth became more widely shared across Euro Area countries, no real convergence of income levels took place

a) Standard deviation of EA Member States' quarterly growth rates (y-o-y)*, Q1 2008 – Q2 2017



b) Coefficient of variation of EA Member States' GDP per capita at PPP* (2000-2016)



*Excluding Ireland

Source: Eurostat & Ameco



Table 2: Wide growth divergence in surveyed countries in 2016 and 2017²

Main forecasts for all the economies surveyed.

% Change	Real GDP growth		Inflation		Unemployment	
	2017	2018	2017	2018	2017	2018
Austria	2.6	2.1	2.0	2.1	5.6	5.4
Belgium	1.7	1.7	2.1	1.2	7.4	7.1
Cyprus	3.6	3.0	1.1	1.0	11.0	9.5
Estonia	4.3	3.3	3.4	2.7	6.9	8.3
Finland	2.0	1.8	0.8	1.1	8.5	8.1
France	1.7	1.6	1.1	1.1	9.1	8.7
Germany	1.8	2.0	1.5	1.7	5.7	5.5
Greece	1.8	2.4	1.2	1.1	22.0	20.8
Ireland	4.2	3.2	0.5	0.9	6.5	5.8
Italy	1.5	1.3	1.4	1.2	11.2	10.6
Latvia	3.2	3.5	2.2	2.0	9.2	8.7
Lithuania	2.9	3.1	2.8	2.0	7.6	7.2
Luxembourg	4.3	4.5	2.2	2.3	6.1	6.0
Malta	4.6	4.4	1.6	1.8	4.9	4.9
Netherlands	3.3	2.5	1.3	1.3	4.9	4.3
Portugal	2.5	2.0	1.6	1.4	9.0	8.2
Slovak Republic	3.2	3.5	2.2	2.0	9.2	8.7
Slovenia	4.4	3.9	1.5	1.6	6.8	6.2
Spain	3.0	2.3	1.9	1.1	17.1	14.9
Bulgaria	3.7	3.5	1.4	0.7	6.1	5.8
Croatia	3.2	2.9	1.1	1.2	11.6	10.5
Czech Republic	3.9	3.3	2.5	2.3	3.0	2.9
Denmark	2.1	2.0	1.1	1.2	5.9	5.5
Hungary	3.8	3.8	2.5	3.0	4.2	4.0
Poland	4.0	3.8	1.6	2.0	4.6	4.5
Romania	4.3	3.7	1.1	3.0	5.4	5.3
Sweden	2.7	2.5	1.8	1.9	6.6	6.5
United Kingdom	1.6	1.4	2.7	2.7	4.7	4.7
Norway	1.6	1.8	1.4	1.5	4.3	4.1







































Source: BusinessEurope's survey of member federations

² Note that for blank surveys we used figures from the spring 2017 forecast of the European Commission. This is the case for Latvia, Lithuania, Slovakia and Romania.

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