

FOCUS ECONOMICS

Economic Forecasts from the World's Leading Economists

CONSENSUS FORECAST

South-Eastern Europe • July 2015

SUMMARY	3
CALENDAR	15
ALBANIA	17
BOSNIA-HERZ.	20
BULGARIA	23
CROATIA	29
CYPRUS	35
GREECE	38
KOSOVO	47
MACEDONIA	50
MONTENEGRO	53
ROMANIA	56
SERBIA	66
TURKEY	73
NOTES	89

PUBLICATION DATE 7 July 2015

FORECASTS COLLECTED 30 June - 6 July 2015

INFORMATION AVAILABLE Up to and including 6 July 2015

NEXT EDITION 4 August 2015

Contributors

ARNE POHLMAN
Chief Economist

ARMANDO CICCARELLI
Head of Research

RICARDO ACEVES
Senior Economist

RICARD TORNÉ
Senior Economist

OLGA COSCODAN
Economist

CARL KELLY
Economist

TERESA KERSTING
Economist

DIRINA MANÇELLARI
Economist

ANGELA BOUZANIS
Economist

ROBERT HILL
Economist

ERIC DENIS
Economist

MIRIAM DOWD
Editor

© FocusEconomics 2015

ISSN 2385-5320

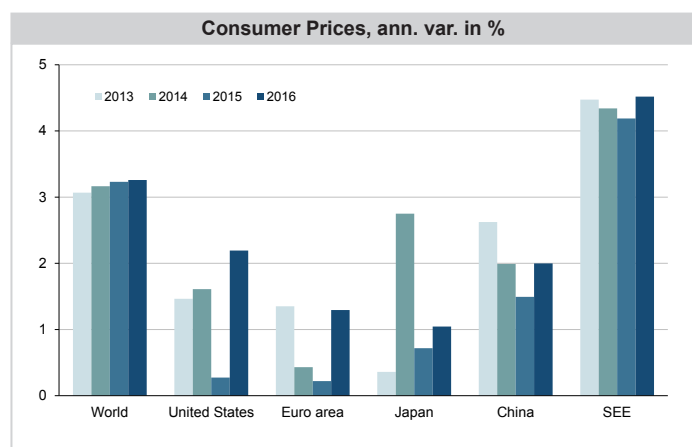
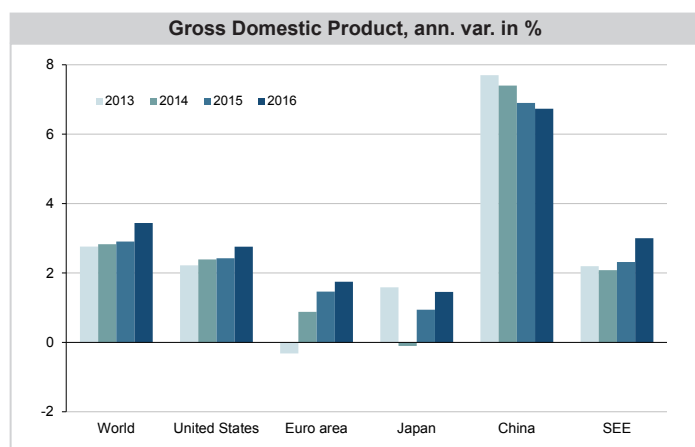
Gran Via 657 E-08010 Barcelona, Spain

P +34 932 651 040 F +34 932 650 804

info@focus-economics.com focus-economics.com

Forecast Summary | Major Economies and South-Eastern Europe

	Real GDP, annual variation in %					Consumer Prices, variation in %				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
World	2.6	2.8	2.8	2.9	3.4	3.4	3.1	3.2	3.2	3.3
United States	2.3	2.2	2.4	2.4	2.8	2.1	1.5	1.6	0.3	2.2
Euro area	-0.8	-0.3	0.9	1.5	1.7	2.5	1.4	0.4	0.2	1.3
Japan	1.7	1.6	-0.1	0.9	1.5	0.0	0.4	2.8	0.7	1.0
China	7.7	7.7	7.4	6.9	6.7	2.6	2.6	2.0	1.5	2.0
SEE	0.0	2.2	2.1	2.3	3.0	4.8	4.5	4.3	4.2	4.5
Turkey	2.1	4.2	2.9	3.0	3.5	6.2	7.4	8.2	7.4	6.9
EU Members	-3.0	-0.7	1.3	1.4	2.2	2.9	0.2	-0.4	-0.4	1.0
Bulgaria	0.5	1.1	1.7	1.7	2.1	4.2	-1.6	-0.9	0.8	1.8
Croatia	-2.2	-1.1	-0.4	0.3	1.1	3.4	2.2	-0.2	0.2	1.3
Cyprus	-2.4	-5.4	-2.3	0.2	1.4	3.1	0.4	-0.3	-0.4	0.6
Greece	-6.6	-3.9	0.8	-0.1	1.6	1.0	-0.9	-1.4	-1.3	0.4
Romania	0.6	3.4	2.8	3.4	3.3	5.0	1.6	0.8	0.3	1.4
Balkans	-0.1	2.0	0.7	1.6	2.4	4.5	2.3	0.3	1.3	2.4
Albania	1.0	1.5	1.9	2.8	3.6	2.0	1.9	1.6	1.8	2.4
Bosnia-Herz.	-1.2	2.5	0.8	2.3	3.1	2.1	0.2	-0.9	0.5	1.8
Kosovo	2.8	3.4	1.9	2.8	3.3	2.5	1.8	0.4	0.2	1.0
Macedonia	-0.5	2.7	3.8	3.7	3.7	3.3	2.8	-0.3	0.5	1.6
Montenegro	-2.6	3.3	1.5	3.4	3.1	3.6	2.1	-0.7	0.8	1.7
Serbia	-1.0	2.6	-1.8	-0.1	1.7	7.3	7.9	2.1	2.4	4.0



	Fiscal Balance, % of GDP					Current Account, % of GDP				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
World	-3.7	-3.0	-2.8	-3.1	-2.7	0.0	0.0	0.0	0.0	0.0
United States	-6.7	-4.1	-2.8	-2.7	-2.6	-2.8	-2.2	-2.2	-2.5	-2.7
Euro area	-3.6	-2.9	-2.4	-2.2	-1.8	1.2	1.9	2.0	2.7	2.6
Japan	-9.0	-9.1	-8.3	-7.0	-6.6	1.0	0.8	0.5	2.3	2.1
China	-1.6	-1.9	-1.8	-2.5	-2.6	2.5	1.5	2.1	2.8	2.5
SEE	-3.6	-3.5	-2.3	-2.3	-2.2	-5.1	-4.7	-3.5	-3.2	-3.6
Turkey	-2.1	-1.2	-1.3	-1.8	-1.7	-6.2	-7.9	-5.8	-4.9	-5.3
EU Members	-5.7	-6.8	-3.2	-2.8	-2.7	-2.8	-0.4	-0.3	-0.4	-0.6
Bulgaria	-0.7	-0.9	-2.8	-2.8	-2.5	-0.2	1.9	1.0	1.1	0.5
Croatia	-5.3	-5.4	-5.7	-5.3	-4.7	-0.2	0.9	0.7	0.9	0.6
Cyprus	-5.8	-4.9	-8.8	-1.9	-1.1	-6.2	-3.1	-5.1	-1.6	-1.4
Greece	-8.7	-12.3	-3.5	-3.0	-2.6	-2.4	0.6	0.9	0.8	0.8
Romania	-2.9	-2.2	-1.5	-2.0	-2.5	-4.6	-0.8	-0.4	-0.9	-1.5
Balkans	-3.1	-3.0	-4.1	-3.5	-3.0	-6.7	-4.5	-4.6	-4.5	-4.6
Albania	-3.4	-4.9	-5.1	-4.1	-2.9	-10.2	-10.6	-12.1	-13.0	-13.2
Bosnia-Herz.	-0.9	-0.5	-1.8	-1.1	-0.8	-9.0	-5.7	-7.6	-7.7	-7.5
Kosovo	-2.4	-3.0	-2.3	-2.8	-2.8	-7.6	-6.5	-7.6	-7.8	-8.3
Macedonia	-3.8	-3.9	-4.2	-3.4	-2.9	-3.1	-1.8	-1.4	-1.4	-2.3
Montenegro	-6.1	-6.5	-3.0	-5.1	-5.5	-18.7	-14.6	-15.4	-17.6	-19.4
Serbia	-6.8	-5.5	-6.7	-5.3	-4.5	-12.0	-6.3	-5.7	-5.0	-4.8

Summary

Regional outlook deteriorates

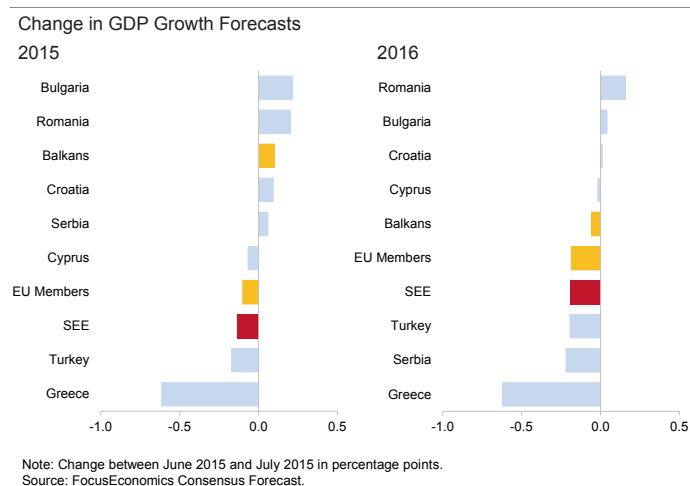
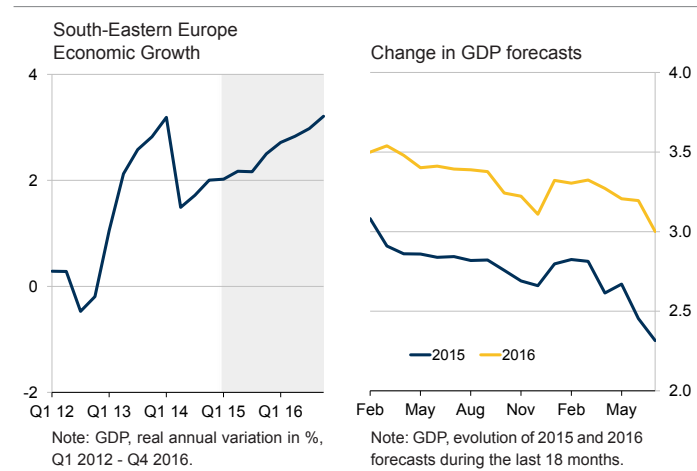
REAL SECTOR | South-Eastern Europe's economy sustains growth momentum in Q1

Economic growth in South-Eastern Europe (SEE) increased toward the end of 2014 and the momentum carried over into the first quarter this year. A GDP growth estimate for the region showed that the economy increased 2.0% year-on-year in Q1, which matched the expansion seen in Q4 2014. Although severe floods notably affected the economies of Bosnia and Herzegovina and Serbia last year, the region's economy showed considerable resilience as the majority of SEE economies benefited from low oil and energy prices as well as from the gradual economic recovery in the Eurozone. Growth momentum in SEE in Q1 was mainly supported by economic accelerations in Bulgaria, Croatia, Macedonia and Romania. In addition, Cyprus contributed to the region's growth as its economy exited recession in the first quarter. Conversely, economic growth in Turkey—the region's economic powerhouse—moderated at the beginning of the year. The Turkish economy, which remains trapped in the crossing currents of diverging monetary policies in the Eurozone and the U.S., softened from a 2.6% increase in Q4 to a 2.3% expansion in Q1.

Greece's economy recorded positive growth in 2014 after six years of deep depression, and economic activity continued to expand in Q1 (on a year-on-year basis), albeit at softer pace than in Q4. However, growth is falling rapidly due to the country's worsening debt crisis. Furthermore, the "No" result of the 5 July referendum opens up a wide range of possibilities for Greece, but also augments uncertainty regarding the possibility of a Eurozone exit. The result also adds pressure on international creditors to change their attitude towards Athens in order to re-build trust, but ultimately the continued pressure on the Greek economy and the government's weak cash position will continue to act as an important catalyst for developments in the coming weeks.

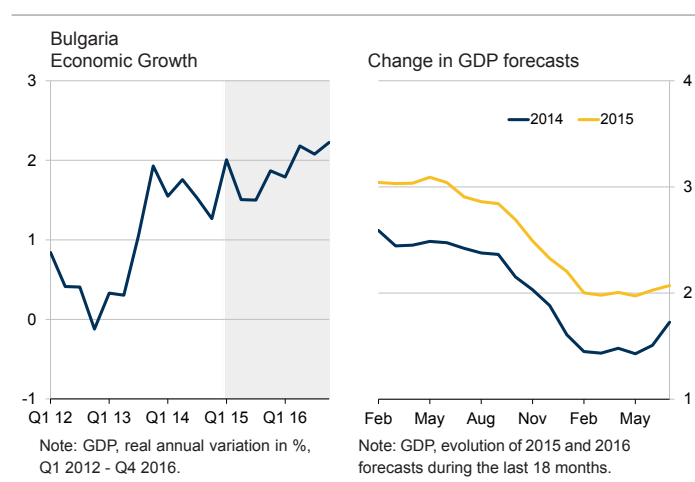
OUTLOOK | Greek debt crisis casts a shadow on region's growth prospects

The exacerbation of the Greek debt crisis and slower economic growth in Turkey at the beginning of the year prompted the FocusEconomics panel of economic experts to cut South-Eastern Europe's economic outlook this month. Analysts lowered the region's 2015 GDP growth forecast from the 2.5% expected last month to 2.3%. This month's result is 0.5 percentage points lower than the panel's projection in January.



The cut in the 2015 regional growth forecast resulted from a sharp revision to the projection for Greece. The panel now expects the Greek economy to contract 0.1% in 2015, which contrasts the mild 0.5% increase forecast last month. In addition, forecasters cut Turkey's GDP growth projection, from 3.2% to 3.0%, while analysts also lowered Kosovo's GDP growth estimate. Moreover, forecasts for 3 of the 12 economies in the survey were unchanged over the previous month, while projections for the remaining six economies improved.

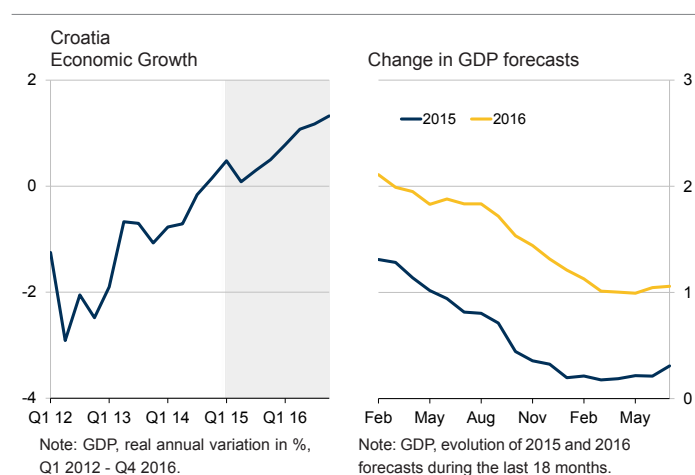
The gradual recovery in global oil prices and stronger global economic growth are expected to support faster economic growth in South-Eastern Europe in 2016, when panelists see the region expanding 3.0%.



BULGARIA | Data suggest moderation in Q2 following strong Q1 growth; Bulgarian banks may not suffer due to Greek crisis

Bulgaria's economy grew 2.0% in Q1 2015, thus marking the fastest pace since Q2 2011. The acceleration came on the back of a strong rebound in the external sector, which more than offset weaker domestic demand. However, the latest economic indicators cast a doubt on whether the economy can sustain such a pace of growth as industrial production fell to a three-month low in April. Meanwhile, on 30 June, the government stated that local banks were well prepared for the potential Greek banking crisis as their exposure to the Greek banking system has been drastically reduced in recent years. Bulgaria's financial system has only recently recovered from the bank run in 2014 and the international community still views its banking sector as fragile.

While the external sector is expected to drive growth in 2015 as the Eurozone recovers, spillover effects of the sanctions imposed on Russia and possible turmoil in neighboring Greece cast downside risks for the economy. According to the panel of economic analysts FocusEconomics surveyed this month, the economy is foreseen expanding 1.7% in 2015, which is up 0.2 percentage points from last month's forecast. In 2016, the panel expects the economy to pick up speed and grow 2.1%. ([see details on page 23](#))



CROATIA | Q1 marks second consecutive quarter of growth signaling likely end of recession this year

Croatia's economy grew 0.5% in Q1 2015, marking the second consecutive quarter of positive growth. This is an encouraging result for an economy that has recorded annual contractions since 2009. The reading came on the back of a rebound in domestic demand. In addition, recovery in the Eurozone and lower commodity prices have provided a welcome relief to the struggling economy. Meanwhile, pressure for desperately-needed structural reforms continues to mount as the country is burdened by a poor fiscal balance and overwhelming public debt. However, it is unlikely that such unpopular reforms will be undertaken this year as the center-left government is facing parliamentary elections early 2016.

The possible tightening of credit market conditions poses a significant downside risk to the Croatian economy if the country

cannot manage to balance its finances soon. Panelists participating in the Consensus Forecast expect that Croatia will exit recession this year, although just barely, with a timid expansion of 0.3%, which is up 0.1 percentage points from last month's projection. For 2016, the panel expects GDP growth to pick up to 1.1%. ([see details on page 29](#))

ROMANIA | Growth in Q2 firms up; parliament approves tax cuts despite EU and IMF advice

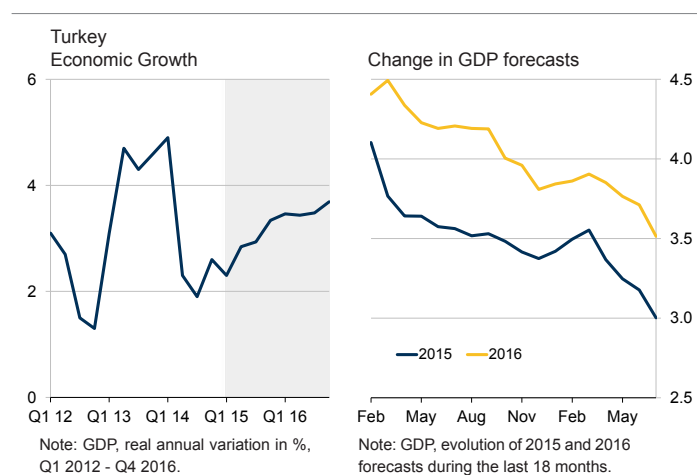
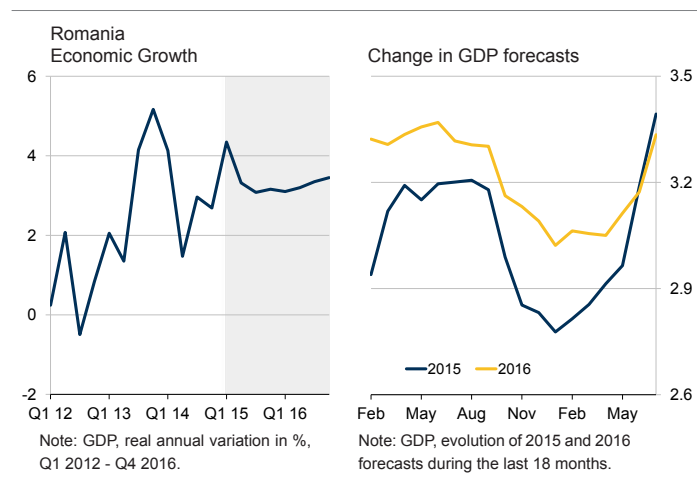
Romania started the year on a high note, expanding a remarkable 4.3% in the first quarter and recent data suggest that the economy remained on a solid growth track in Q2: retail sales picked up notably in April and the unemployment rate dropped to a multi-year-low in May. On 24 June, Romania's parliament approved far-reaching tax cuts in spite of warnings from the EU and the IMF that the move would drive up the budget gap and threatens to undermine fiscal consolidation. The key measure consists of the reduction of the general value-added tax (VAT) from 24% to the 2010 rate of 19%; this cut is 1.0 percentage points deeper than outlined in earlier proposals. The government plans for the approved tax package to take effect in 2016 at latest.

FocusEconomics Consensus Forecast panelists assessed Romania's growth prospects more positively again this month. They expect the economy to expand 3.4% in 2015, which is up 0.2 percentage points from last month's forecast. For 2016, the panel sees growth inching down to 3.3%. ([see details on page 56](#))

TURKEY | AKP party unable to form coalition government amid decelerating economy

In the first quarter, the Turkish economy expanded 2.3% on an annual basis, which was a deceleration over the previous quarter's expansion. Q1's slowdown was due to contracting exports given geopolitical tensions in neighboring countries. In June, businesses were less confident and the manufacturing PMI deteriorated over the previous month. Shortly after the 7 June parliamentary elections, the lira plunged to record lows against the U.S. dollar. The AK Party, which lost its absolute majority in parliament for the first time since 2002, has not yet been able to form a coalition government. While an alliance with the opposition Republican People's Party seems the most probable alternative right now, uncertainties remain given the large ideological and political differences between the two parties. Failure to find an ally will pave the way for snap elections in November.

Turkey's outlook is clouded with uncertainty. Whether a stable and effective government will be formed remains to be seen and lackluster economic data suggest that growth continues to be moderate. FocusEconomics Consensus Forecast panelists expect the economy to expand 3.0% in 2015, which is down 0.2 percentage points from last month's forecast. For 2016, the panel sees GDP expanding 3.5%. ([see details on page 73](#))



INFLATION | Turkey fuels regional inflation

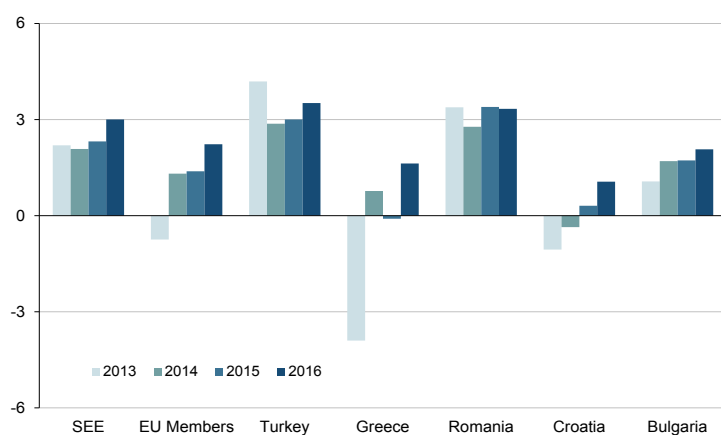
Recent data compiled by FocusEconomics showed that inflation in South-Eastern Europe rose from 4.3% in April to 4.5% in May, which marked the highest level since November 2014. The increase in the region's inflation stemmed mainly from rising inflation in Montenegro and Turkey.

Our panel of analysts raised their inflation projections for South-Eastern Europe in July. This mainly reflected an upward revision to the forecasts for Bosnia and Herzegovina, Bulgaria, Montenegro and Turkey. Panelists cut inflation projections for Greece, Romania and Serbia and three more economies. Meanwhile inflation forecasts for Croatia and Macedonia were left unchanged over the previous month. The FocusEconomics Consensus Forecast panel foresees inflation of 4.2% in 2015, which is up 0.1 percentage points from last month's forecast. For 2016, the panel expects inflation to rise to 4.5%.

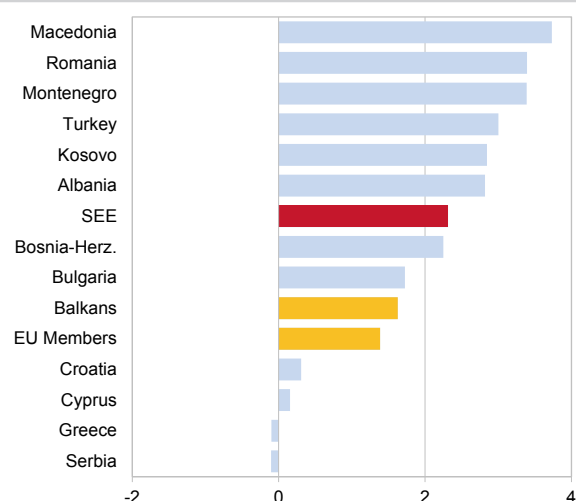
Ricardo Aceves
Senior Economist

Gross Domestic Product, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	1.5	1.9	2.8	3.6	3.8	4.0	4.1
Bosnia-Herz.	2.5	0.8	2.3	3.1	3.4	3.6	3.8
Bulgaria	1.1	1.7	1.7	2.1	2.5	2.7	3.0
Croatia	-1.1	-0.4	0.3	1.1	1.5	1.9	2.2
Cyprus	-5.4	-2.3	0.2	1.4	1.7	2.1	2.5
Greece	-3.9	0.8	-0.1	1.6	2.1	2.3	2.5
Kosovo	3.4	1.9	2.8	3.3	3.7	4.1	4.5
Macedonia	2.7	3.8	3.7	3.7	3.8	3.9	4.0
Montenegro	3.3	1.5	3.4	3.1	3.1	3.0	2.9
Romania	3.4	2.8	3.4	3.3	3.3	3.2	3.2
Serbia	2.6	-1.8	-0.1	1.7	2.5	3.2	3.8
Turkey	4.2	2.9	3.0	3.5	3.8	3.9	4.1
SEE	2.2	2.1	2.3	3.0	3.3	3.4	3.6
EU Members	-0.7	1.3	1.4	2.2	2.5	2.6	2.8
Balkans	2.0	0.7	1.6	2.4	2.9	3.2	3.6



GDP Growth, 2015

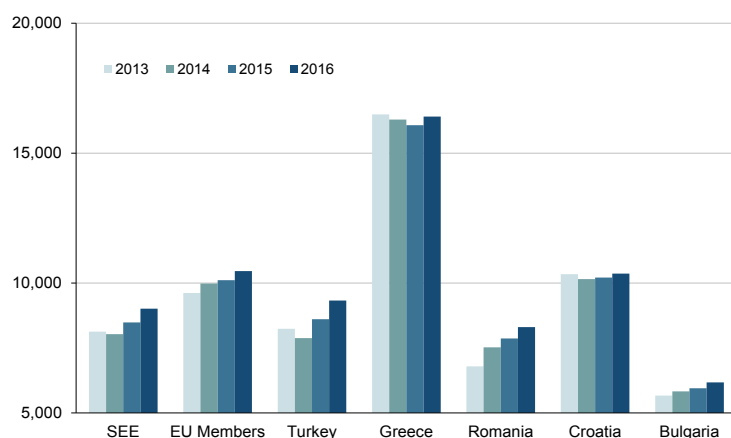


Notes and sources

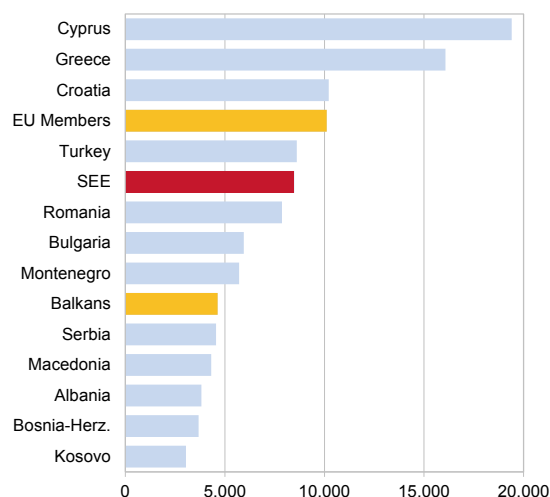
Note: Gross domestic product, real annual variation in %.
Sources: National statistical institutes and central banks.

GDP per capita, EUR

	2013	2014	2015	2016	2017	2018	2019
Albania	3,471	3,637	3,818	4,027	4,266	4,553	4,876
Bosnia-Herz.	3,476	3,571	3,678	3,865	4,089	4,342	4,625
Bulgaria	5,671	5,833	5,950	6,176	6,467	6,799	7,193
Croatia	10,338	10,151	10,214	10,361	10,696	11,114	11,627
Cyprus	20,545	19,641	19,404	19,604	19,992	20,575	21,345
Greece	16,491	16,290	16,074	16,409	16,905	17,519	18,256
Kosovo	2,930	2,990	3,040	3,149	3,285	3,446	3,633
Macedonia	3,926	4,128	4,310	4,522	4,764	5,032	5,334
Montenegro	5,340	5,489	5,711	5,969	6,262	6,572	6,900
Romania	6,792	7,527	7,867	8,303	8,837	9,486	10,227
Serbia	4,762	4,673	4,556	4,716	4,968	5,260	5,584
Turkey	8,241	7,880	8,608	9,326	9,742	10,250	10,753
SEE	8,130	8,033	8,482	9,015	9,425	9,921	10,448
EU Members	9,618	9,979	10,110	10,462	10,932	11,503	12,173
Balkans	4,500	4,576	4,633	4,822	5,069	5,352	5,675



GDP per capita, 2015



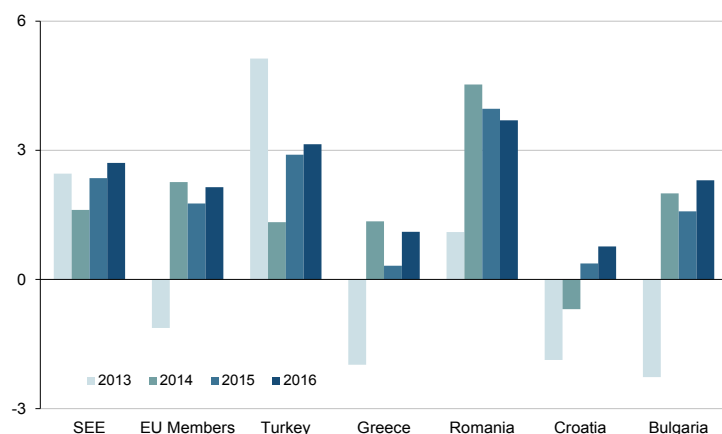
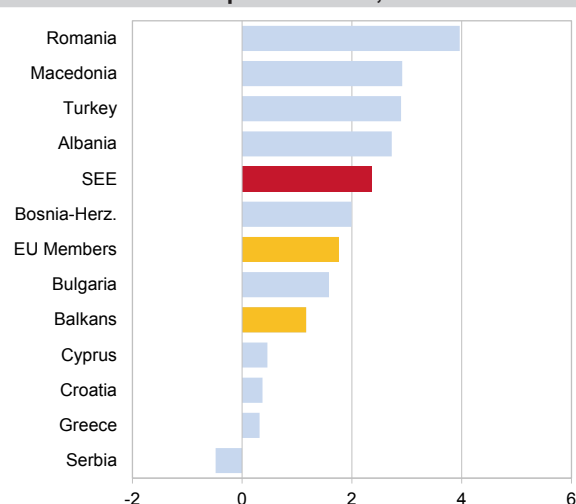
Notes and sources

Note: GDP per capita in current EUR.
Sources: National statistical institutes and central banks.

Consumption, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	1.8	2.0	2.7	3.3	3.8	4.4	5.1
Bosnia-Herz.	2.9	1.0	2.0	2.7	3.0	3.2	3.4
Bulgaria	-2.3	2.0	1.6	2.3	2.5	2.8	3.0
Croatia	-1.9	-0.7	0.4	0.8	1.2	1.5	1.8
Cyprus	-6.0	0.4	0.5	1.3	1.8	2.2	2.5
Greece	-2.0	1.4	0.3	1.1	1.7	2.1	2.5
Kosovo	-	-	-	-	-	-	-
Macedonia	2.1	2.3	2.9	3.3	3.4	3.6	3.8
Montenegro	-	-	-	-	-	-	-
Romania	1.1	4.5	4.0	3.7	3.4	3.2	3.0
Serbia	-0.4	-1.3	-0.5	1.2	2.1	2.8	3.4
Turkey	5.1	1.3	2.9	3.1	3.4	3.5	3.5
SEE	2.5	1.6	2.4	2.7	3.0	3.1	3.2
EU Members	-1.1	2.3	1.8	2.1	2.4	2.5	2.7
Balkans	-0.3	0.8	1.2	2.0	2.5	2.9	3.3

Consumption Growth, 2015



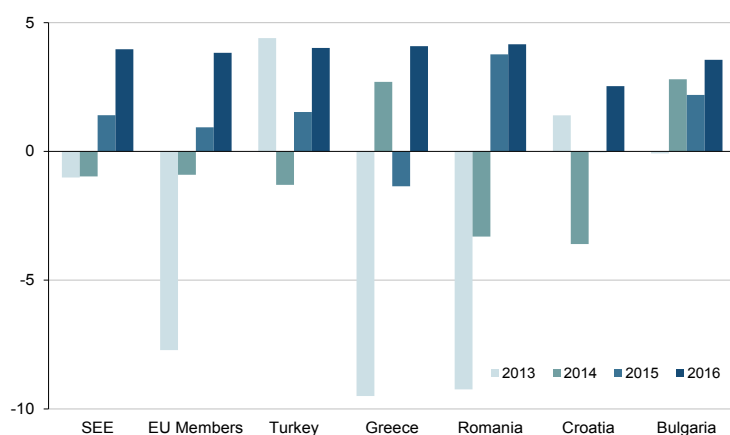
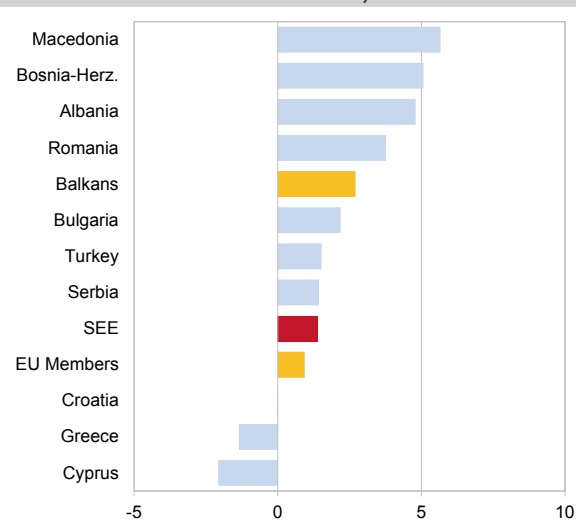
Notes and sources

Note: Private consumption, real annual variation in %.
Sources: National statistical institutes and central banks.

Investment, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	1.2	2.9	4.8	6.2	5.3	4.9	4.5
Bosnia-Herz.	-2.6	3.2	5.1	5.1	5.7	5.8	5.9
Bulgaria	-0.1	2.8	2.2	3.6	4.3	4.6	5.0
Croatia	1.4	-3.6	0.0	2.5	3.1	3.4	3.7
Cyprus	-17.1	-18.8	-2.1	2.1	2.8	3.4	3.9
Greece	-9.5	2.7	-1.4	4.1	4.4	4.3	4.3
Kosovo	-	-	-	-	-	-	-
Macedonia	-16.6	13.5	5.7	5.8	5.8	5.9	6.0
Montenegro	-	-	-	-	-	-	-
Romania	-9.2	-3.3	3.8	4.2	4.7	5.1	5.6
Serbia	-12.0	-2.7	1.4	4.0	4.6	4.9	5.3
Turkey	4.4	-1.3	1.5	4.0	4.8	4.9	5.0
SEE	-1.0	-1.0	1.4	4.0	4.6	4.8	4.9
EU Members	-7.7	-0.9	0.9	3.8	4.3	4.5	4.8
Balkans	-4.9	1.9	2.7	4.0	4.5	4.7	4.9

Investment Growth, 2015

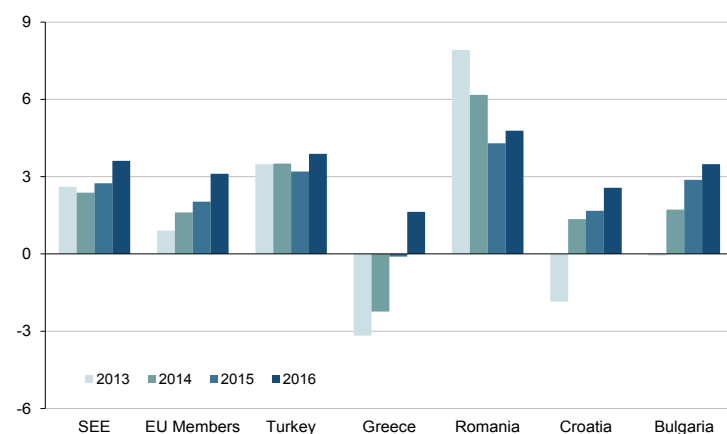


Notes and sources

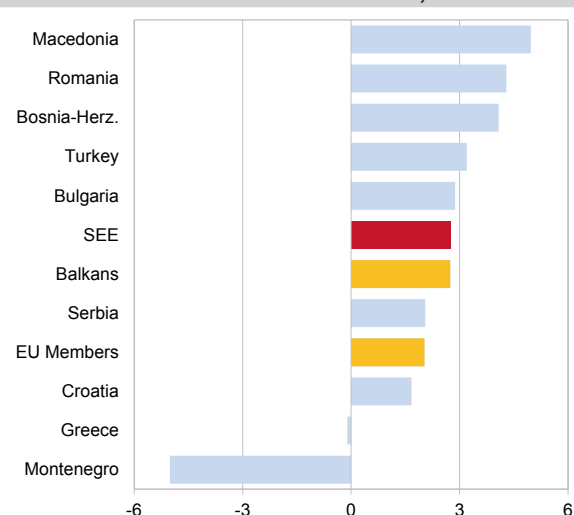
Note: Gross fixed investment, real annual variation in %. In Macedonia, data refer to total investment.
Sources: National statistical institutes and central banks.

Industrial Production, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	-	-	-	-	-	-	-
Bosnia-Herz.	6.6	0.3	4.1	4.8	5.4	5.4	5.3
Bulgaria	-0.1	1.7	2.9	3.5	3.8	4.0	4.1
Croatia	-1.9	1.4	1.7	2.6	2.8	3.0	3.1
Cyprus	-5.3	2.4	-	-	-	-	-
Greece	-3.2	-2.2	-0.1	1.6	1.8	2.0	2.1
Kosovo	-	-	-	-	-	-	-
Macedonia	3.2	4.8	5.0	5.0	5.2	5.3	5.4
Montenegro	10.7	-10.5	-5.0	-0.5	0.7	1.8	2.9
Romania	7.9	6.2	4.3	4.8	4.6	4.4	4.3
Serbia	5.6	-6.1	2.0	3.6	4.2	4.4	4.5
Turkey	3.5	3.5	3.2	3.9	4.1	4.1	4.2
SEE	2.6	2.4	2.7	3.6	3.8	3.8	3.9
EU Members	0.9	1.6	2.0	3.1	3.2	3.2	3.3
Balkans	3.3	-1.2	2.7	3.7	4.2	4.4	4.5



Industrial Production Growth, 2015

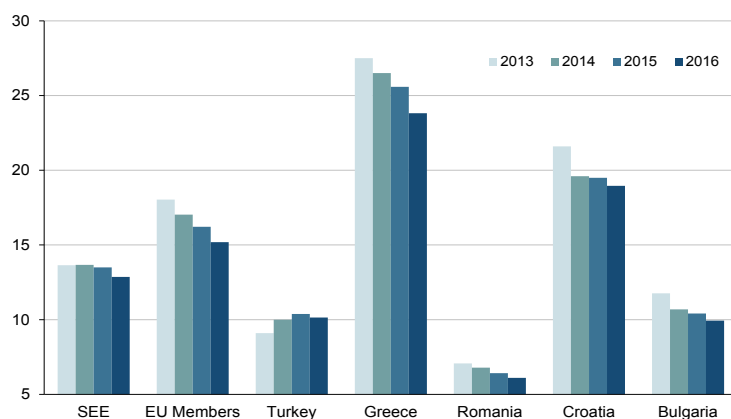


Notes and sources

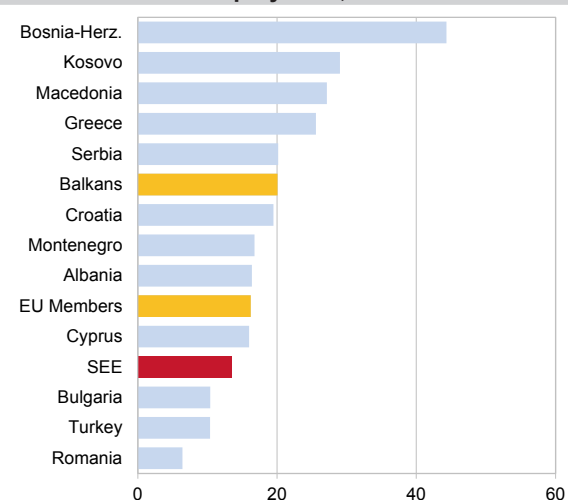
Note: Industrial production, real annual variation in %.
Sources: National statistical institutes.

Unemployment, % of active population

	2013	2014	2015	2016	2017	2018	2019
Albania	16.4	17.9	16.4	15.5	14.4	13.4	12.4
Bosnia-Herz.	44.6	43.6	44.3	43.6	43.3	43.1	42.8
Bulgaria	11.8	10.7	10.4	9.9	9.7	9.5	9.2
Croatia	21.6	19.6	19.5	19.0	18.1	17.3	16.5
Cyprus	15.9	16.1	16.0	15.1	14.1	13.1	12.1
Greece	27.5	26.5	25.6	23.8	21.4	19.4	17.4
Kosovo	30.0	29.5	29.0	28.8	28.6	28.6	28.5
Macedonia	29.0	28.0	27.2	26.3	25.1	24.1	23.0
Montenegro	14.9	15.0	16.8	16.9	16.8	16.6	16.5
Romania	7.1	6.8	6.4	6.1	5.9	5.7	5.5
Serbia	22.1	16.8	20.2	20.0	19.4	19.3	19.2
Turkey	9.1	10.0	10.4	10.1	9.6	9.2	8.7
SEE	13.6	13.7	13.5	12.9	12.1	11.4	10.7
EU Members	18.0	17.0	16.2	15.2	13.9	12.8	11.8
Balkans	21.1	19.0	20.1	19.6	19.2	18.8	18.5



Unemployment, 2015

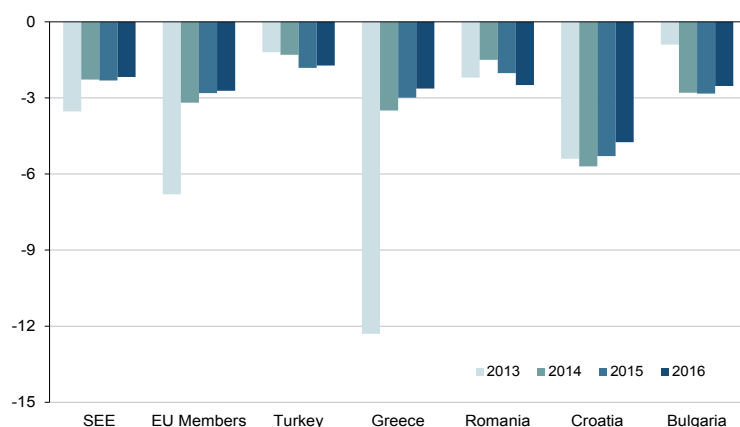


Notes and sources

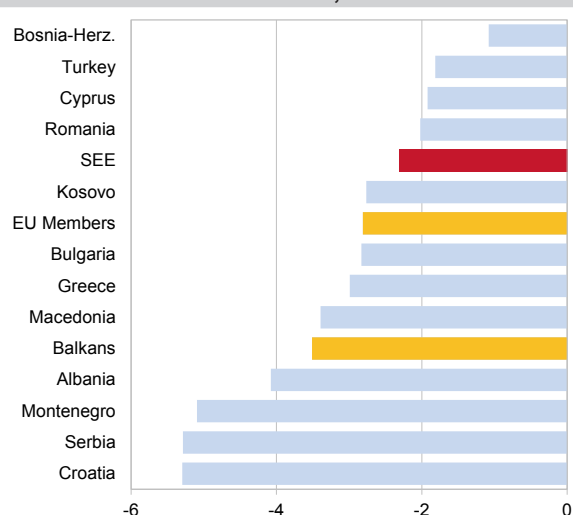
Note: End-of-year unemployment rate. In Albania, Cyprus, Greece, Kosovo, Macedonia, Serbia and Turkey, average rate.
Sources: National statistical institutes and Eurostat.

Fiscal Balance, % of GDP

	2013	2014	2015	2016	2017	2018	2019
Albania	-4.9	-5.1	-4.1	-2.9	-2.9	-2.4	-1.9
Bosnia-Herz.	-0.5	-1.8	-1.1	-0.8	-0.6	-0.5	-0.4
Bulgaria	-0.9	-2.8	-2.8	-2.5	-2.3	-2.1	-1.9
Croatia	-5.4	-5.7	-5.3	-4.7	-4.3	-3.6	-3.0
Cyprus	-4.9	-8.8	-1.9	-1.1	-1.1	-0.9	-0.7
Greece	-12.3	-3.5	-3.0	-2.6	-1.9	-1.4	-0.9
Kosovo	-3.0	-2.3	-2.8	-2.8	-3.0	-3.1	-3.2
Macedonia	-3.9	-4.2	-3.4	-2.9	-2.7	-2.5	-2.4
Montenegro	-6.5	-3.0	-5.1	-5.5	-4.5	-3.5	-2.5
Romania	-2.2	-1.5	-2.0	-2.5	-2.4	-2.3	-2.2
Serbia	-5.5	-6.7	-5.3	-4.5	-3.8	-3.3	-2.7
Turkey	-1.2	-1.3	-1.8	-1.7	-1.6	-1.6	-1.5
SEE	-3.5	-2.3	-2.3	-2.2	-1.9	-1.8	-1.6
EU Members	-6.8	-3.2	-2.8	-2.7	-2.3	-2.0	-1.7
Balkans	-3.0	-4.1	-3.5	-3.0	-2.7	-2.4	-2.1



Fiscal Balance, 2015



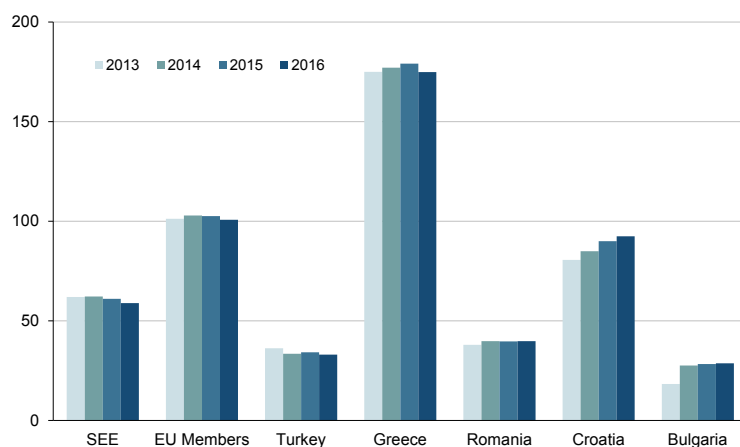
Notes and sources

Note: Fiscal balance in % of GDP.

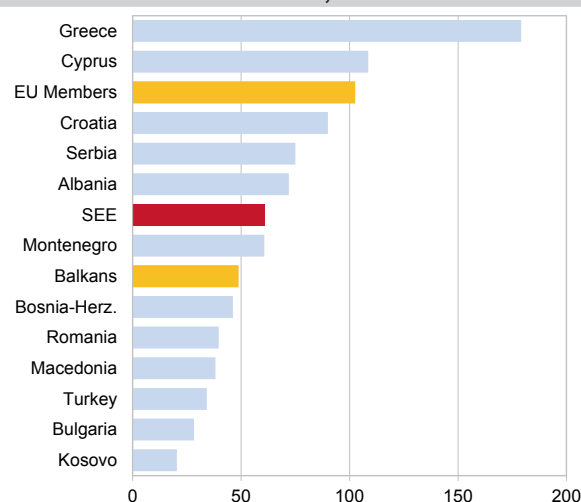
Sources: National statistical institutes and finance ministries.

Public Debt, % of GDP

	2013	2014	2015	2016	2017	2018	2019
Albania	64.9	69.2	72.0	69.7	65.7	60.8	56.0
Bosnia-Herz.	41.5	45.0	46.2	46.1	44.2	42.9	41.7
Bulgaria	18.3	27.6	28.3	28.7	28.3	27.7	27.2
Croatia	80.6	85.0	90.0	92.5	91.4	89.6	87.7
Cyprus	102.2	107.5	108.6	109.7	106.0	102.2	98.4
Greece	175	177	179	175	171	166	161
Kosovo	17.6	20.1	20.4	21.5	22.9	24.2	25.6
Macedonia	34.2	38.0	38.2	39.5	38.6	38.2	37.7
Montenegro	56.3	59.6	60.7	63.8	64.1	64.5	64.9
Romania	38.0	39.8	39.7	39.8	38.5	37.0	35.4
Serbia	56.8	68.4	75.0	77.1	75.0	72.9	70.8
Turkey	36.3	33.5	34.2	33.1	32.0	31.2	30.5
SEE	62.0	62.3	61.1	58.9	56.9	54.9	53.1
EU Members	101.3	102.9	102.6	100.7	97.6	94.1	90.6
Balkans	38.4	47.0	48.8	49.5	48.3	47.0	45.7



Public Debt, 2015



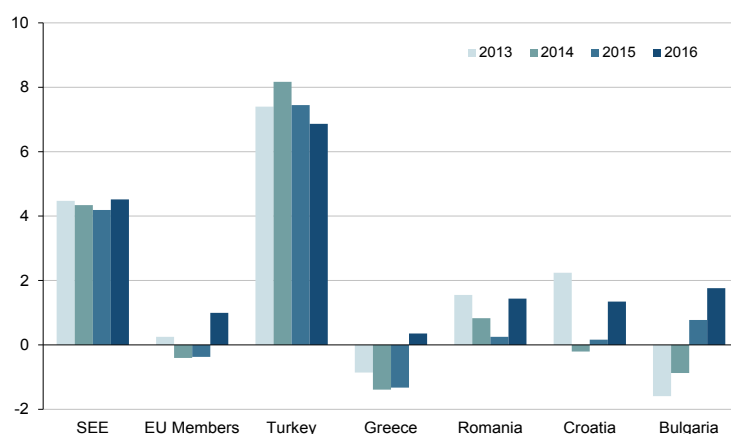
Notes and sources

Note: Public debt in % of GDP.

Sources: National statistical institutes and finance ministries.

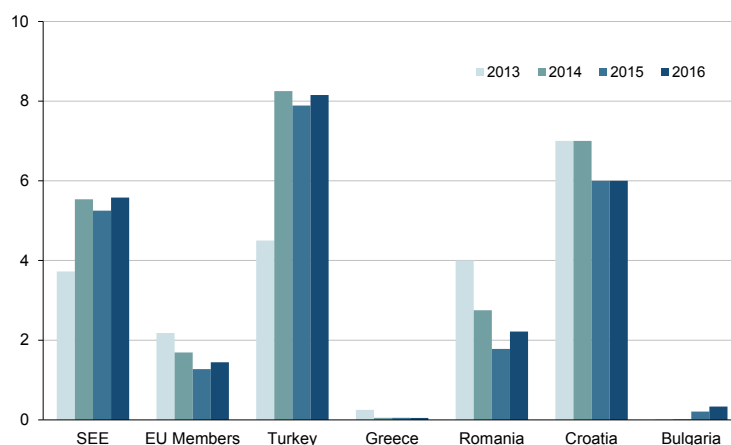
Inflation, variation of consumer prices in %

	2013	2014	2015	2016	2017	2018	2019
Albania	1.9	1.6	1.8	2.4	2.7	2.9	3.2
Bosnia-Herz.	0.2	-0.9	0.5	1.8	2.2	2.4	2.6
Bulgaria	-1.6	-0.9	0.8	1.8	2.1	2.4	2.7
Croatia	2.2	-0.2	0.2	1.3	1.8	2.2	2.5
Cyprus	0.4	-0.3	-0.4	0.6	1.3	1.7	2.2
Greece	-0.9	-1.4	-1.3	0.4	0.8	1.2	1.6
Kosovo	1.8	0.4	0.2	1.0	1.4	1.6	1.7
Macedonia	2.8	-0.3	0.5	1.6	1.9	2.1	2.4
Montenegro	2.1	-0.7	0.8	1.7	2.0	2.1	2.2
Romania	1.6	0.8	0.3	1.4	2.1	2.6	3.0
Serbia	7.9	2.1	2.4	4.0	3.9	3.7	3.6
Turkey	7.4	8.2	7.4	6.9	6.4	6.1	5.8
SEE	4.5	4.3	4.2	4.5	4.5	4.5	4.5
EU Members	0.2	-0.4	-0.4	1.0	1.6	2.0	2.4
Balkans	2.3	0.3	1.3	2.4	2.6	2.8	2.9

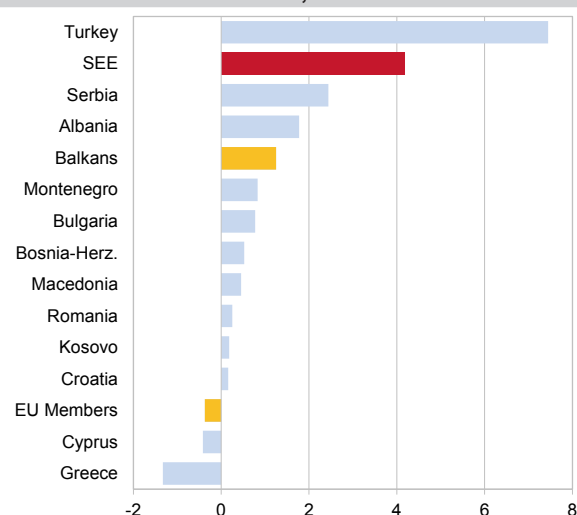


Interest Rate, %

	2013	2014	2015	2016	2017	2018	2019
Albania	3.00	2.25	2.00	2.50	2.80	2.95	3.10
Bosnia-Herz.	-	-	-	-	-	-	-
Bulgaria	0.02	0.02	0.21	0.33	0.57	0.67	0.77
Croatia	7.00	7.00	6.00	6.00	6.60	6.90	7.20
Cyprus	0.25	0.05	0.05	0.05	0.47	0.97	1.47
Greece	0.25	0.05	0.05	0.05	0.47	0.97	1.47
Kosovo	-	-	-	-	-	-	-
Macedonia	3.25	3.25	3.25	3.25	3.33	3.36	3.40
Montenegro	-	-	-	-	-	-	-
Romania	4.00	2.75	1.78	2.22	3.00	3.63	4.26
Serbia	9.50	8.00	5.71	6.36	6.40	6.56	6.73
Turkey	4.50	8.25	7.89	8.15	8.41	8.69	8.96
SEE	3.72	5.53	5.25	5.58	5.96	6.33	6.68
EU Members	2.18	1.69	1.27	1.45	2.01	2.51	3.02
Balkans	4.06	3.44	2.59	2.93	3.10	3.24	3.37



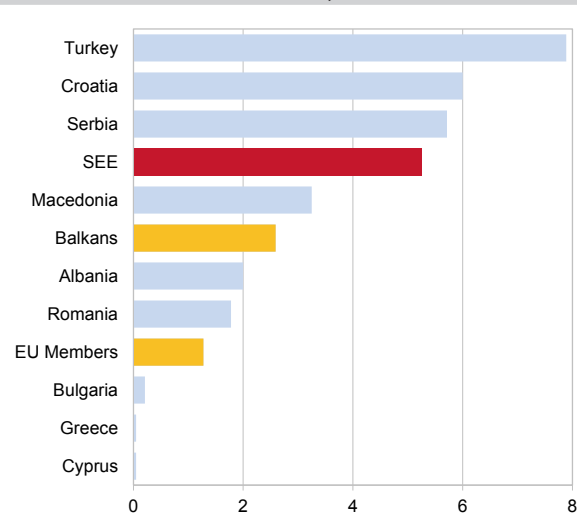
Inflation, 2015



Notes and sources

Note: Annual average variation of consumer price index in %. In Bulgaria, Romania and Turkey, data refer to end-of-year variation of consumer price index in %. In Cyprus and Greece data refer to annual average variation of harmonized index of consumer prices (HICP). Sources: National statistical institutes and central banks.

Interest Rate, 2015

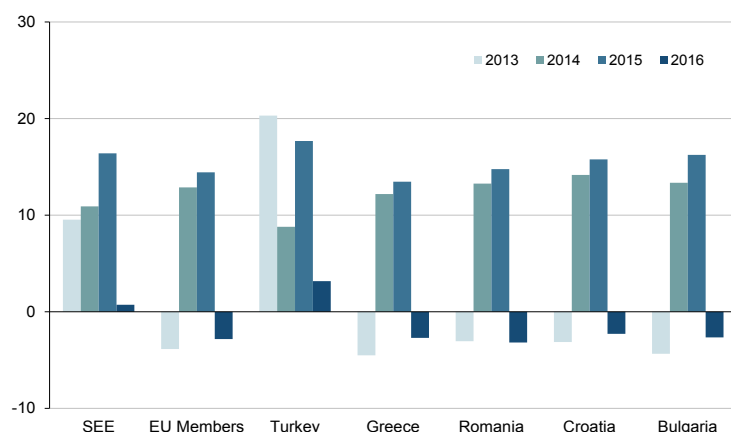


Notes and sources

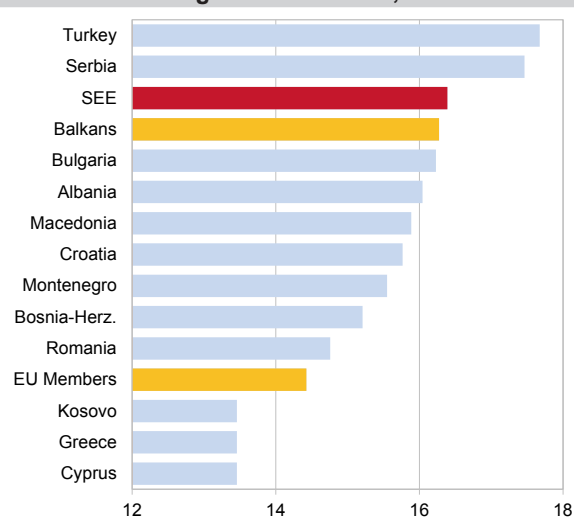
Note: Nominal end-of-year interest rates in %.
 Albania: Central Bank 1-week repo rate.
 Bulgaria: Base rate.
 Croatia: Central Bank discount rate.
 Cyprus: ECB refinancing rate.
 Greece: ECB refinancing rate.
 Macedonia: 28-day Central Bank Bill.
 Romania: Central Bank reference rate.
 Serbia: NBS reference rate.
 Turkey: Central Bank 1-week repo rate.
 Sources: National central banks.

Exchange Rates vs. USD, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	-3.8	13.1	16.0	-1.1	-2.1	-2.9	-2.8
Bosnia-Herz.	-4.3	13.9	15.2	-2.6	-2.7	-3.5	-3.4
Bulgaria	-4.4	13.3	16.2	-2.7	-2.2	-3.3	-3.2
Croatia	-3.1	14.2	15.8	-2.3	-2.6	-3.4	-3.3
Cyprus	-4.5	12.2	13.5	-2.7	-2.8	-3.7	-3.5
Greece	-4.5	12.2	13.5	-2.7	-2.8	-3.7	-3.5
Kosovo	-4.5	12.2	13.5	-2.7	-2.8	-3.7	-3.5
Macedonia	-5.4	13.3	15.9	-2.6	-2.4	-3.4	-3.3
Montenegro	-4.5	12.2	15.6	-2.6	-2.7	-3.5	-3.4
Romania	-3.0	13.3	14.8	-3.2	-3.8	-4.7	-4.5
Serbia	-2.1	20.4	17.5	-1.4	-2.0	-2.4	-2.3
Turkey	20.3	8.8	17.7	3.2	2.6	1.3	1.3
SEE	9.5	10.9	16.4	0.7	0.3	-0.8	-0.8
EU Members	-3.9	12.9	14.4	-2.8	-3.1	-4.0	-3.9
Balkans	-3.7	15.4	16.3	-2.2	-2.3	-3.1	-2.9



Exchange Rates vs. USD, 2015

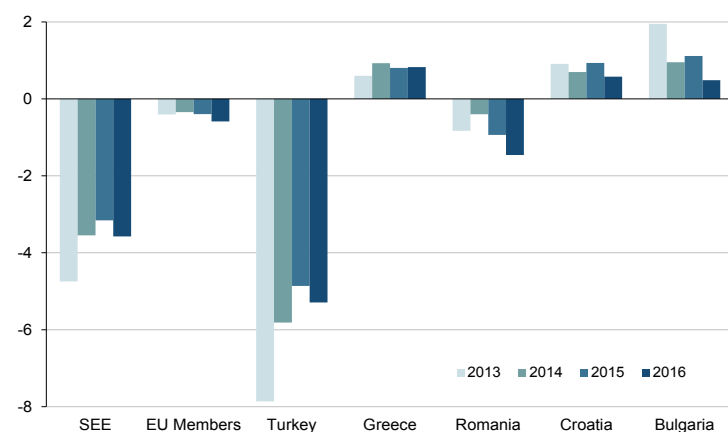


Notes and sources

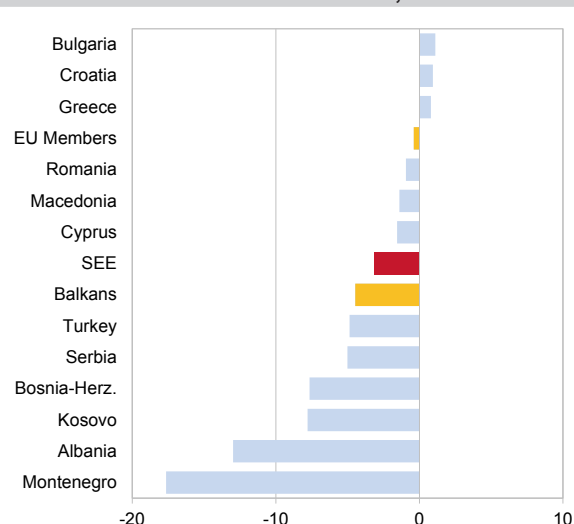
Note: Annual variation of national currencies versus USD in %. Positive number means currency is losing value against USD. Regional aggregates provided only as indicative information. Sources: Central banks and Thomson Reuters.

Current Account Balance, % of GDP

	2013	2014	2015	2016	2017	2018	2019
Albania	-10.6	-12.1	-13.0	-13.2	-12.7	-11.8	-10.9
Bosnia-Herz.	-5.7	-7.6	-7.7	-7.5	-7.2	-6.7	-6.2
Bulgaria	1.9	1.0	1.1	0.5	0.0	-0.2	-0.5
Croatia	0.9	0.7	0.9	0.6	0.3	-0.1	-0.4
Cyprus	-3.1	-5.1	-1.6	-1.4	-0.9	-0.7	-0.5
Greece	0.6	0.9	0.8	0.8	0.7	0.4	0.2
Kosovo	-6.5	-7.6	-7.8	-8.3	-8.3	-8.2	-8.0
Macedonia	-1.8	-1.4	-1.4	-2.3	-2.3	-2.2	-2.0
Montenegro	-14.6	-15.4	-17.6	-19.4	-17.9	-16.6	-15.3
Romania	-0.8	-0.4	-0.9	-1.5	-1.9	-2.3	-2.6
Serbia	-6.3	-5.7	-5.0	-4.8	-4.3	-3.9	-3.5
Turkey	-7.9	-5.8	-4.9	-5.3	-5.2	-5.1	-5.0
SEE	-4.7	-3.5	-3.2	-3.6	-3.6	-3.6	-3.7
EU Members	-0.4	-0.3	-0.4	-0.6	-0.7	-0.9	-1.1
Balkans	-4.5	-4.6	-4.5	-4.6	-4.3	-4.1	-3.9



Current Account Balance, 2015

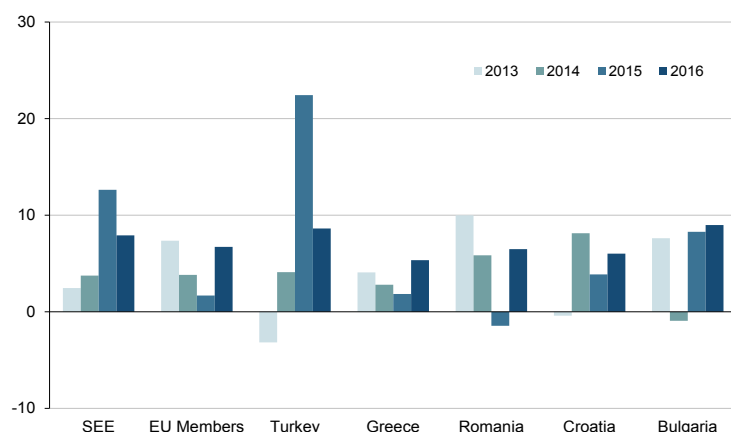


Notes and sources

Note: Current account balance as % of GDP. Sources: National statistical institutes and central banks.

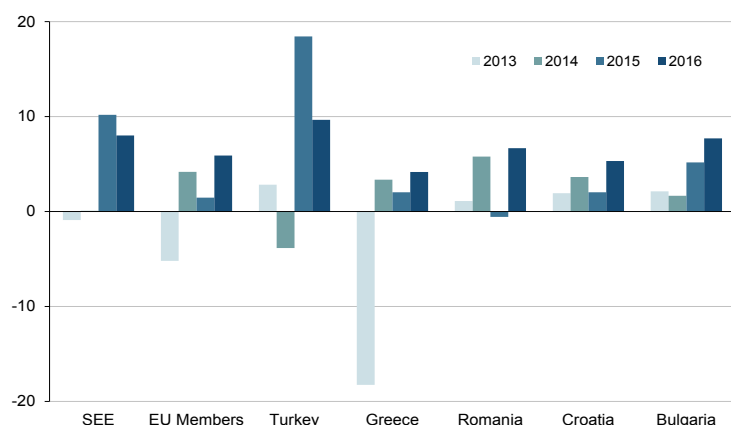
Exports, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	13.2	4.4	-10.1	8.8	9.6	9.7	9.8
Bosnia-Herz.	8.7	10.5	9.9	5.7	5.8	6.0	6.2
Bulgaria	7.6	-0.9	8.3	9.0	7.7	6.1	4.5
Croatia	-0.4	8.1	3.9	6.0	6.1	7.3	8.6
Cyprus	13.2	-10.4	1.6	3.1	4.7	6.0	7.3
Greece	4.1	2.8	1.8	5.3	5.7	5.9	6.0
Kosovo	6.5	10.5	2.3	10.1	8.5	5.1	1.7
Macedonia	3.7	11.0	16.1	9.9	11.7	13.1	14.5
Montenegro	1.0	-9.8	3.4	7.9	10.7	9.5	8.4
Romania	10.0	5.8	-1.5	6.5	7.5	8.6	9.7
Serbia	27.0	-3.7	6.7	9.2	8.7	6.6	4.6
Turkey	-3.2	4.1	22.4	8.6	3.5	3.7	4.1
SEE	2.5	3.7	12.6	7.9	5.2	5.4	5.7
EU Members	7.4	3.8	1.7	6.7	7.0	7.4	7.8
Balkans	12.4	0.0	7.6	8.8	8.2	6.9	5.7

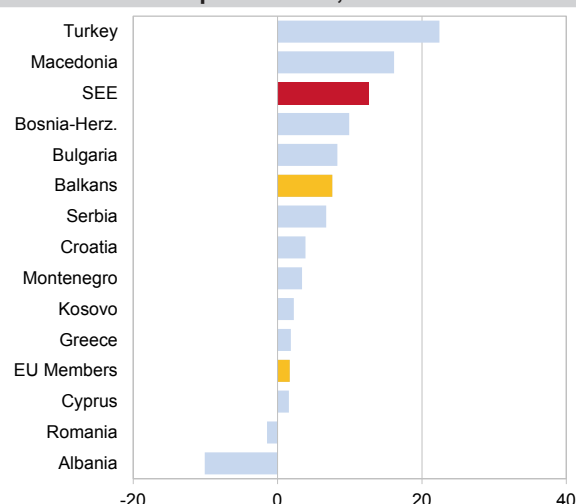


Imports, annual variation in %

	2013	2014	2015	2016	2017	2018	2019
Albania	-4.1	7.3	-1.0	5.6	6.0	6.5	6.9
Bosnia-Herz.	-1.5	9.2	7.7	5.0	4.6	5.6	6.7
Bulgaria	2.1	1.7	5.2	7.7	6.6	5.1	3.6
Croatia	1.9	3.6	2.0	5.3	5.7	7.4	9.2
Cyprus	-15.9	6.3	0.9	2.8	4.5	5.7	6.9
Greece	-18.3	3.4	2.0	4.2	4.4	4.7	4.9
Kosovo	-2.4	3.6	-1.0	5.2	8.3	5.8	3.4
Macedonia	-1.2	4.0	13.0	10.5	11.3	11.9	12.5
Montenegro	-3.2	0.6	8.5	8.8	6.2	5.5	4.8
Romania	1.1	5.8	-0.6	6.7	7.1	8.3	9.5
Serbia	-1.9	2.5	2.1	7.2	6.9	5.5	4.2
Turkey	2.8	-3.8	18.4	9.7	5.3	5.0	4.9
SEE	-0.9	0.1	10.2	8.0	5.7	5.7	5.9
EU Members	-5.2	4.2	1.5	5.9	6.1	6.6	7.2
Balkans	-0.4	3.3	4.7	7.3	6.8	6.0	5.2



Export Growth, 2015

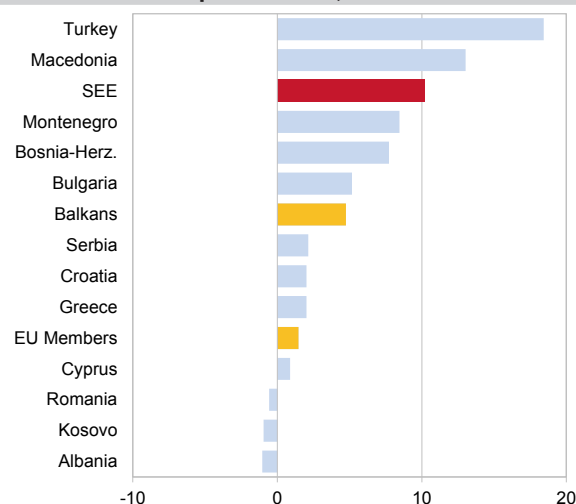


Notes and sources

Note: Nominal annual variation in % of merchandise exports in EUR. Data for Turkey originally reported in USD, calculated using EUR/USD exchange rate.

Sources: National statistical institutes and central banks.

Import Growth, 2015



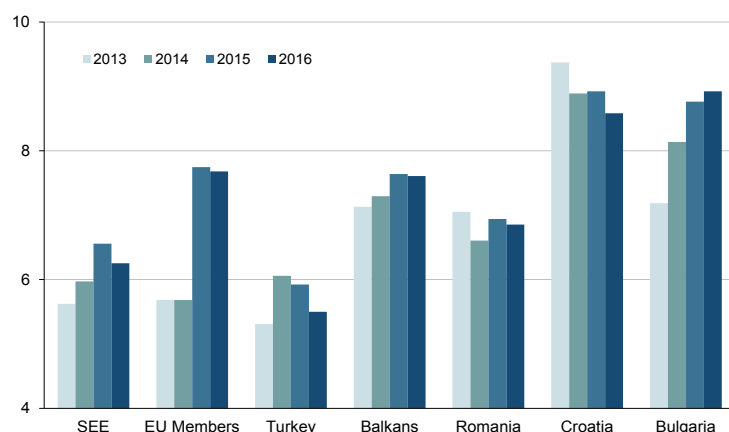
Notes and sources

Note: Nominal annual variation in % of merchandise imports in EUR. Data for Turkey originally reported in USD, calculated using EUR/USD exchange rate.

Sources: National statistical institutes and central banks.

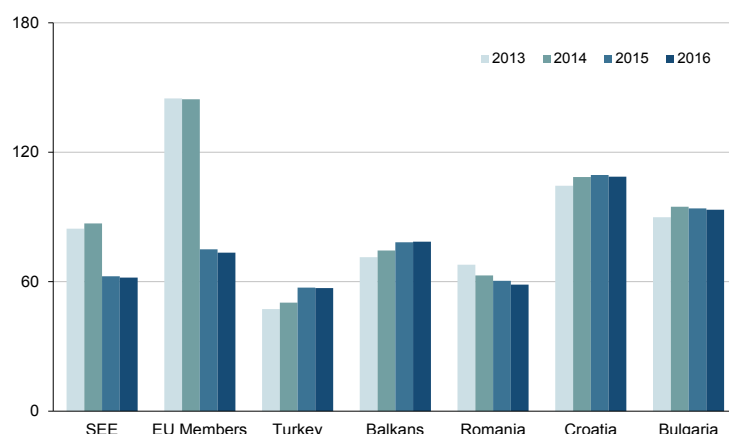
International Reserves, months of imports

	2013	2014	2015	2016	2017	2018	2019
Albania	6.6	6.7	7.4	7.3	6.8	6.3	5.9
Bosnia-Herz.	6.4	6.5	6.2	6.0	5.9	5.6	5.2
Bulgaria	7.2	8.1	8.8	8.9	8.6	8.4	8.3
Croatia	9.4	8.9	8.9	8.6	8.3	7.9	7.5
Cyprus	-	-	-	-	-	-	-
Greece	-	-	-	-	-	-	-
Kosovo	3.9	3.5	3.9	3.9	3.7	3.6	3.6
Macedonia	5.0	5.9	5.9	5.6	5.4	5.1	4.8
Montenegro	3.0	3.8	4.3	4.4	4.3	4.1	4.0
Romania	7.1	6.6	6.9	6.9	6.4	6.0	5.5
Serbia	9.2	7.9	8.2	8.0	7.5	7.2	6.9
Turkey	5.3	6.1	5.9	5.5	5.3	5.0	4.8
SEE	5.6	6.0	6.6	6.3	6.0	5.7	5.4
EU Members	5.7	5.7	7.7	7.7	7.3	6.9	6.5
Balkans	7.1	7.3	7.6	7.6	7.3	7.0	6.8

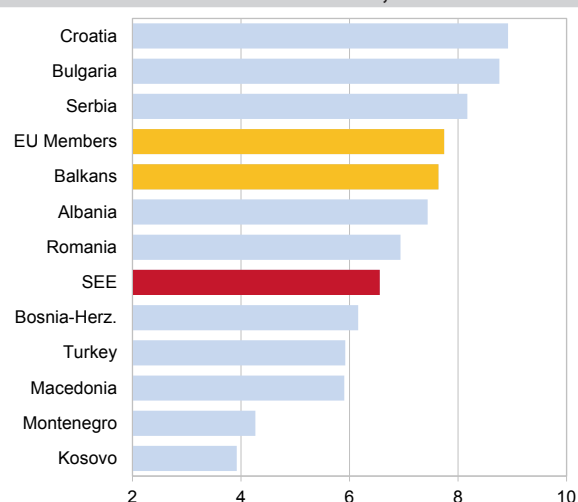


External Debt, % of GDP

	2013	2014	2015	2016	2017	2018	2019
Albania	26.8	29.2	30.1	33.0	31.3	29.5	27.7
Bosnia-Herz.	51.2	48.0	60.1	58.2	55.3	53.8	52.2
Bulgaria	89.9	94.7	94.0	93.3	91.7	88.1	84.1
Croatia	104	109	109	109	106	104	102
Cyprus	-	-	-	-	-	-	-
Greece	-	-	-	-	-	-	-
Kosovo	41.3	37.9	41.1	39.9	38.2	37.2	36.1
Macedonia	65.8	72.0	75.4	76.4	77.0	77.6	77.6
Montenegro	68.3	79.3	95.4	97.4	97.6	97.7	97.5
Romania	67.9	62.9	60.4	58.6	58.9	57.7	56.1
Serbia	75.5	77.1	86.3	87.7	85.7	82.2	78.5
Turkey	47.3	50.3	57.3	57.0	57.0	56.2	55.0
SEE	84.6	87.0	62.5	61.9	61.6	60.3	58.8
EU Members	144.9	144.5	75.0	73.4	72.7	70.7	68.4
Balkans	71.3	74.5	78.3	78.5	76.8	74.2	71.3



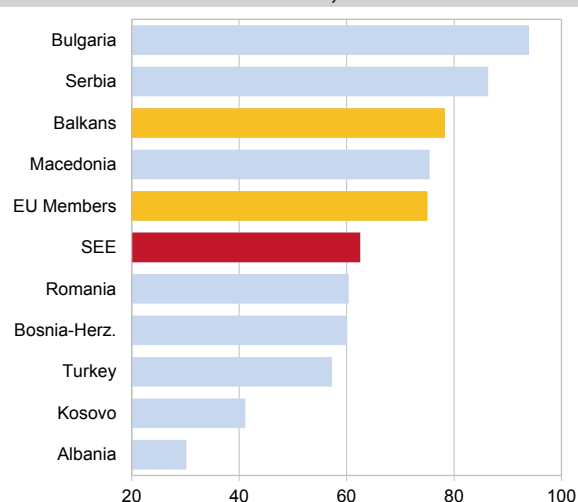
International Reserves, 2015



Notes and sources

Note: International reserves as months of imports.
Sources: Central banks.

External Debt, 2015



Notes and sources

Note: External debt as % of GDP.
Sources: National statistical institutes, central banks and finance ministries.

Economic Release Calendar

Date	Country	Event
7 July	Czech Republic	May Industrial Production
	Estonia	June Consumer Prices
	Poland	Central Bank Meeting
	Romania	May Industrial Production
	Ukraine	June Consumer Prices
	Macedonia	June Consumer Prices
8 July	Bulgaria	April Industrial Production
	Latvia	June Consumer Prices
	Turkey	May Industrial Production
9 July	Czech Republic	June Consumer Prices
	Lithuania	June Consumer Prices
	Serbia	Central Bank Meeting
10 July	Romania	June Consumer Prices
	Russia	Q2 2015 Consumer Confidence (**)
	Slovakia	May Industrial Production
	Slovenia	May Industrial Production
	Turkey	May Balance of Payments
	Belarus	June Consumer Prices
	Poland	June Consumer Prices (**)
13 July	Serbia	June Consumer Prices
	Kosovo	June Consumer Prices
	Croatia	June Consumer Prices
15 July	Russia	June Industrial Production (**)
	Kazakhstan	June Industrial Production
	Slovakia	June Consumer Prices (**)
17 July	Belarus	June Industrial Production
20 July	Poland	July Business Confidence (**)
	Poland	June Industrial Production (**)
21 July	Hungary	Central Bank Meeting
	Lithuania	June Industrial Production
22 July	Russia	June Merchandise Trade (**)
	Ukraine	June Industrial Production
23 July	Turkey	Central Bank Meeting
	Turkey	July Consumer Confidence
24 July	Poland	June Retail Sales (**)
27 July	Turkey	July Business Confidence
29 July	Croatia	June Industrial Production
	Macedonia	July Industrial Production
30 July	Bulgaria	June Consumer Prices
	Latvia	Q2 2015 National Accounts (*)
	Lithuania	Q2 2015 National Accounts (*)
	Ukraine	Central Bank Meeting
31 July	Estonia	June Industrial Production

(*) Preliminary estimate. (**) Approximate date.

Economic Release Calendar

Date	Country	Event
31 July	Russia	Central Bank Meeting
	Slovenia	July Consumer Prices
	Serbia	June Industrial Production
	Kazakhstan	June Merchandise Trade
	Kosovo	June Merchandise Trade
1 August	Czech Republic	July Markit Manufacturing PMI
	Kazakhstan	July Consumer Prices
2 August	Poland	July Markit Manufacturing PMI
3 August	Latvia	June Industrial Production
	Russia	July Markit Manufacturing PMI
	Turkey	July Markit PMI
	Turkey	July Consumer Prices

(*) Preliminary estimate. (**) Approximate date.

Albania



Outlook moderates

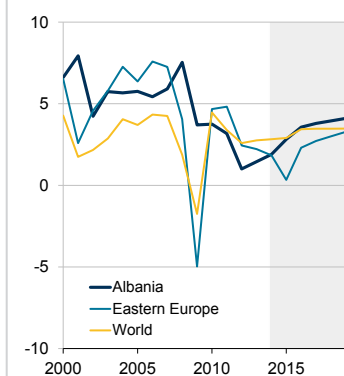
- Heavy floods took a toll on economic activity in the first months of the year. In fact, in the first quarter, confidence in all sectors of the economy deteriorated according to the Economic Sentiment Index published by Bank of Albania, which dropped to its lowest level in a year. However, growth in economic activity is expected to pick up during the remainder of the year due to better weather conditions and the Central Bank's monetary policy stimulus, which should help boost consumption and investment going forward. In other news, the ruling left-wing coalition triumphed in Albania's local elections, which were held on 21 June. Mayoral candidates from the Socialist-led coalition came in first in 46 out of 61 municipalities, including the capital Tirana.
- Looking forward, Albania's economic prospects are positive as growth is expected to be supported by robust domestic demand. FocusEconomics panels expects the economy to expand 2.8% in 2015 and 3.6% in 2016.
- Inflation fell from 2.3% in April to 1.8% in May. Against the backdrop of subdued inflationary pressures, on 1 July, the Bank kept its repo rate unchanged at 2.0%. FocusEconomics panelists expect inflation to average 1.8% in 2015 and 2.4% in 2016.

LONG-TERM TRENDS | 3-year averages

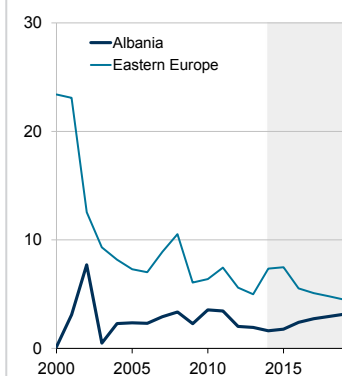
	2011-13	2014-16	2017-19
Population (million):	2.8	2.8	2.7
GDP (EUR bn):	9.5	10.6	12.4
GDP per capita (EUR):	3,380	3,827	4,565
GDP growth (%):	1.9	2.8	4.0
Fiscal Balance (% of GDP):	-3.9	-4.0	-2.4
Public Debt (% of GDP)	62.1	70.3	60.8
Inflation (%):	2.5	1.9	2.9
Current Account (% of GDP):	-11.3	-12.8	-11.8
External Debt (% of GDP):	26.5	30.8	29.5

Dirina Mançellari
Economist

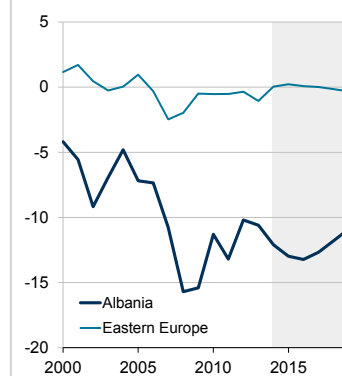
1 | GDP | variation in %



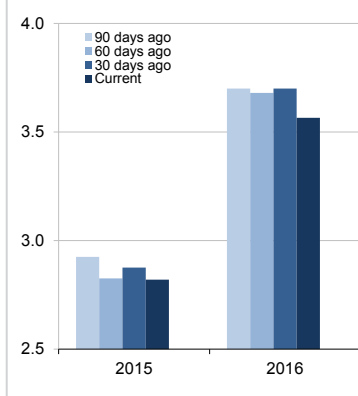
2 | Inflation | in %



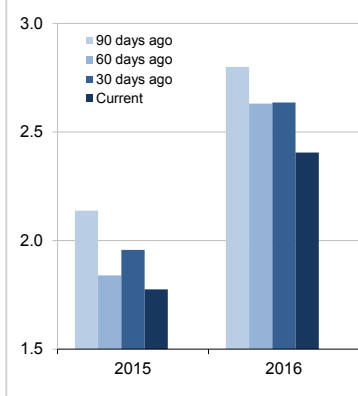
3 | Current Account | % of GDP



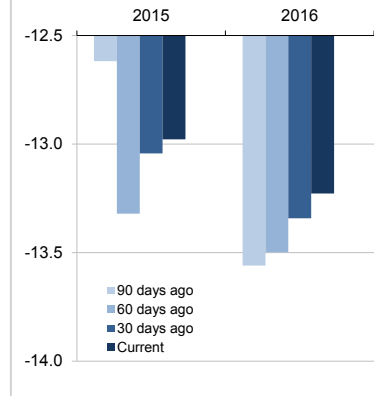
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	2.9	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7
GDP per capita (USD)	3,876	4,691	4,359	4,512	4,824	4,286	4,273	4,652	5,125	5,687
GDP (USD bn)	11.1	13.3	12.3	12.6	13.4	11.8	11.7	12.7	13.9	15.4
GDP per capita (EUR)	3,165	3,235	3,435	3,471	3,637	3,818	4,027	4,266	4,553	4,876
GDP (EUR bn)	9.1	9.2	9.7	9.7	10.1	10.5	11.1	11.7	12.4	13.2
GDP (ALL bn)	1,240	1,301	1,335	1,365	1,413	1,478	1,566	1,668	1,783	1,913
Economic Growth (Nominal GDP, ann. var. in %)	8.4	4.9	2.7	2.2	3.5	4.6	6.0	6.5	6.9	7.3
Economic Growth (GDP, annual var. in %)	3.7	3.2	1.0	1.5	1.9	2.8	3.6	3.8	4.0	4.1
Private Consumption (annual var. in %)	1.7	1.8	0.7	1.8	2.0	2.7	3.3	3.8	4.4	5.1
Fixed Investment (annual var. in %)	4.0	0.7	0.5	1.2	2.9	4.8	6.2	5.3	4.9	4.5
Retail Sales (annual variation in %)	2.5	6.5	4.8	6.3	5.1	-	-	-	-	-
Unemployment (% of active population, aop)	13.7	13.4	13.8	16.4	17.9	16.4	15.5	14.4	13.4	12.4
Fiscal Balance (% of GDP)	-3.1	-3.5	-3.4	-4.9	-5.1	-4.1	-2.9	-2.9	-2.4	-1.9
Public Debt (% of GDP)	57.7	59.4	62.0	64.9	69.2	72.0	69.7	65.7	60.8	56.0
Monetary and Financial Sector										
Inflation (CPI, annual variation in %, aop)	3.6	3.5	2.0	1.9	1.6	1.8	2.4	2.7	2.9	3.2
1-week Repo Rate (% eop)	5.00	4.75	4.00	3.00	2.25	2.00	2.50	2.80	2.95	3.10
Exchange Rate (ALL per USD, eop)	104	107	106	102	116	134	133	130	126	123
Exchange Rate (ALL per USD, aop)	104	101	108	106	106	125	133	131	128	124
Exchange Rate (ALL per EUR, eop)	139	138	140	141	140	141	143	144	145	146
Exchange Rate (ALL per EUR, aop)	138	140	139	140	140	140	142	143	144	145
External Sector										
Current Account Balance (% of GDP)	-11.3	-13.2	-10.2	-10.6	-12.1	-13.0	-13.2	-12.7	-11.8	-10.9
Current Account Balance (EUR bn)	-1.3	-1.8	-1.3	-1.3	-1.3	-1.4	-1.5	-1.5	-1.5	-1.4
Merchandise Trade Balance (EUR bn)	-2.3	-2.5	-2.3	-1.9	-2.1	-2.3	-2.3	-2.4	-2.5	-2.6
Merchandise Exports (EUR bn)	1.2	1.4	1.5	1.7	1.8	1.6	1.8	2.0	2.1	2.4
Merchandise Imports (EUR bn)	3.5	3.8	3.8	3.7	3.9	3.9	4.1	4.4	4.6	5.0
Merchandise Exports (annual variation in %)	47.3	20.5	10.8	13.2	4.4	-10.1	8.8	9.6	9.7	9.8
Merchandise Imports (annual variation in %)	5.6	11.0	-0.5	-4.1	7.3	-1.0	5.6	6.0	6.5	6.9
International Reserves (EUR bn)	1.9	1.9	2.0	2.0	2.2	2.4	2.5	2.5	2.4	2.4
International Reserves (months of imports)	6.6	6.0	6.2	6.6	6.7	7.4	7.3	6.8	6.3	5.9
External Debt (EUR bn)	2.2	2.4	2.6	2.6	2.9	3.2	3.7	3.7	3.7	3.7
External Debt (% of GDP)	24.4	26.1	26.5	26.8	29.2	30.1	33.0	31.3	29.5	27.7

Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the Central Bank of Albania (BoA) and the Albanian Institute of Statistics (INSTAT). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: INSTAT.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: INSTAT.
- 3 Current account balance, as % of GDP. Source: BoA.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current account balance, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Republic of Albania
Capital:	Tirana (0.621 m)
Other cities:	Durrës (0.113 m) Vlorë (0.08 m)
Area (km2):	28,748.00
Population (million, 2014 est.):	2.77
Population density (per km2, 2014):	96.49
Population growth rate (% , 2014 est.):	0.30
Life expectancy (years, 2014 est.):	77.96
Illiteracy rate (% , 2011):	3.20
Language:	Albanian, Greek
Measures:	Metric system
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	8.9
Telephones - mobile cellular (per 100 inhabit.):	116.2
Internet Users (per 100 inhabitants):	60.1
Broadband Subscriptions (per 100 inhabitants):	5.8

Energy (2012)

Primary Energy Production (trillion Btu):	79.0
Primary Energy Consumption (trillion Btu):	105.0
Electricity Generation (billion kW-h):	4.2
Electricity Consumption (billion kW-h):	4.1
Oil Supply (thousand bpd):	16.9
Oil Consumption (thousand bpd):	26.0
CO2 Emissions (million metric tons):	4.0

Transportation (2013)

Airports:	4.0
Railways (km):	339.0
Roadways (km):	18,000.0
Waterways (km):	41.0
Chief Ports:	Durrës, Vlorë

Political Data

Prime Minister:	Edi Rama
Last elections:	23 June 2013
Next elections:	2017
Central Bank Governor:	Gent Sejko

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	B1	Stable
S&P:	B	Positive
Fitch Ratings:	B	-

Strengths

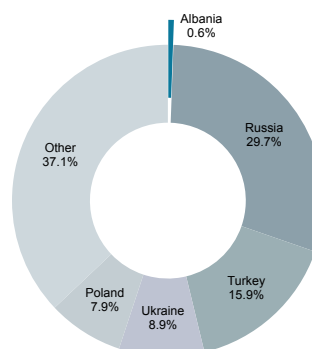
- Financial support from multilateral bodies
- Substantial remittances from abroad

Weaknesses

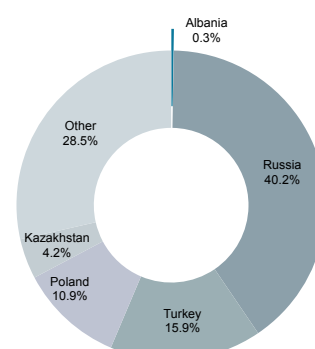
- Considerable size of grey economy
- High structural unemployment
- Corruption and organized crime

Albania in the Region

Population | %-share in Eastern Europe

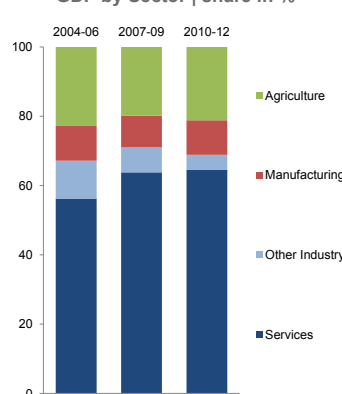


GDP | %-share in Eastern Europe

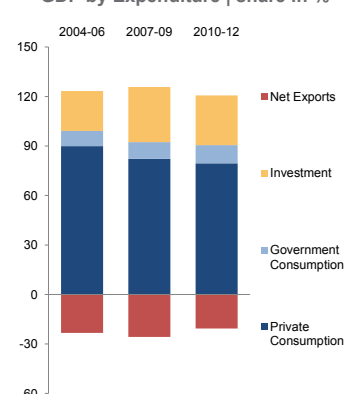


Economic Structure

GDP by Sector | share in %

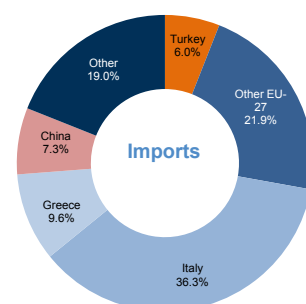
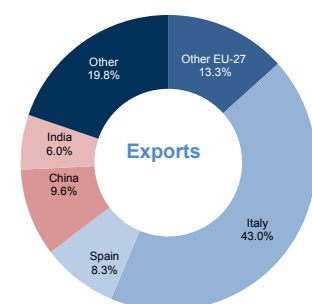


GDP by Expenditure | share in %

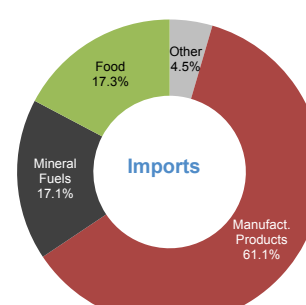
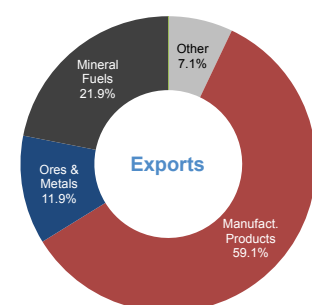


Trade Structure

Primary markets | share in %



Primary products | share in %



Bosnia-Herz.

Bosnia and Herzegovina



Outlook improves

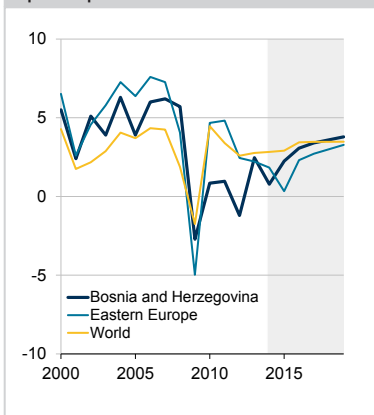
- Bosnia and Herzegovina's (BiH) economy grew 2.1% in Q1 2015 over the same period last year, according to the Agency for Statistics. The figure was above the 1.9% reading recorded last quarter. The expansion was due in a part to strong export growth of 4.6% in the first quarter. Meanwhile, BiH's accession bid to the EU faced another hurdle on 10 June when Bosnian Serb leaders refused to sign a reform agenda that the EU presented as a prerequisite for membership. The delays in implementing the reforms in question have also endangered BiH's agreements with international lenders, particularly the IMF, who has decided to withhold future funding until more progress is made on implementing the reforms.
- BiH will benefit from a Eurozone recovery, however, it must modernize its financial system if it is to expand at pre-crisis levels. FocusEconomics panelists expect the economy to grow 2.3% in 2015, which is up 0.1 percentage points from last month's forecast. For 2016, panelists see the economy expanding 3.1%.
- Annual consumer prices fell 0.1% in May, after recording flat growth in April. Panelists expect inflation to average 0.5% in 2015 and 1.8% in 2016.

LONG-TERM TRENDS | 3-year averages

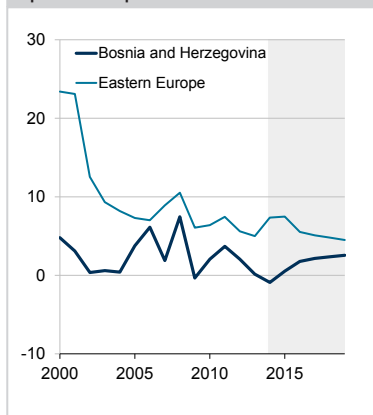
	2011-13	2014-16	2017-19
Population (million):	3.9	3.9	3.8
GDP (EUR bn):	13.1	14.3	16.7
GDP per capita (EUR):	3,377	3,705	4,352
GDP growth (%):	0.7	2.0	3.6
Fiscal Balance (% of GDP):	-1.3	-1.2	-0.5
Public Debt (% of GDP)	41.6	45.8	42.9
Inflation (%):	2.0	0.5	2.4
Current Account (% of GDP):	-8.2	-7.6	-6.7
External Debt (% of GDP):	48.8	55.4	53.8

Robert Hill
Economist

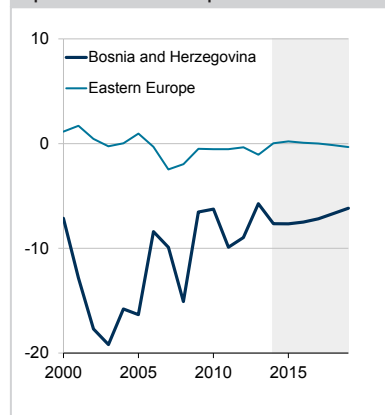
1 | GDP | variation in %



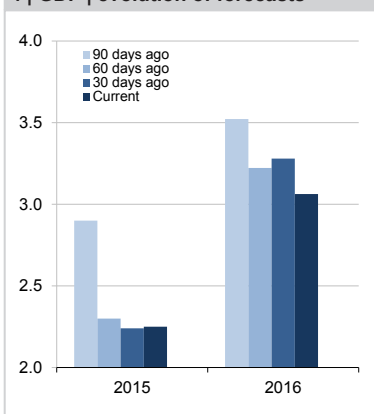
2 | Inflation | in %



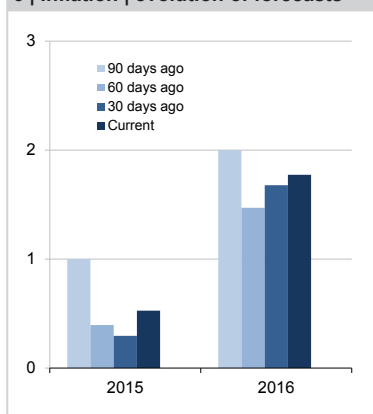
3 | Current Account | % of GDP



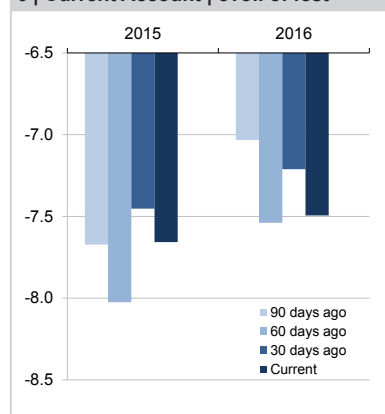
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.8
GDP per capita (USD)	3,939	4,786	4,254	4,519	4,790	4,124	4,101	4,459	4,887	5,393
GDP (USD bn)	15.4	18.6	16.5	17.5	18.5	15.9	15.8	17.1	18.8	20.7
GDP per capita (EUR)	3,216	3,301	3,352	3,476	3,571	3,678	3,865	4,089	4,342	4,625
GDP (EUR bn)	12.5	12.8	13.0	13.5	13.8	14.2	14.9	15.7	16.7	17.7
GDP (BAM bn)	24.9	25.8	25.7	26.3	27.0	27.7	29.0	30.7	32.5	34.5
Economic Growth (Nominal GDP, ann. var. in %)	2.4	3.6	-0.1	2.1	2.6	2.8	4.8	5.6	6.0	6.3
Economic Growth (GDP, annual var. in %)	0.8	1.0	-1.2	2.5	0.8	2.3	3.1	3.4	3.6	3.8
Private Consumption (annual var. in %)	0.9	1.6	2.2	2.9	1.0	2.0	2.7	3.0	3.2	3.4
Fixed Investment (annual var. in %)	-12.2	7.9	5.2	-2.6	3.2	5.1	5.1	5.7	5.8	5.9
Industrial Production (annual variation in %)	1.6	5.9	-5.3	6.6	0.3	4.1	4.8	5.4	5.4	5.3
Unemployment (% of active population, eop)	42.8	43.8	45.9	44.6	43.6	44.3	43.6	43.3	43.1	42.8
Public Debt (% of GDP)	39.1	39.7	43.6	41.5	45.0	46.2	46.1	44.2	42.9	41.7
Monetary and Financial Sector										
Inflation (CPI, annual variation in %, aop)	2.1	3.7	2.1	0.2	-0.9	0.5	1.8	2.2	2.4	2.6
Exchange Rate (BAM per USD, eop)	1.46	1.51	1.48	1.42	1.62	1.86	1.81	1.76	1.70	1.64
Exchange Rate (BAM per USD, aop)	1.48	1.41	1.52	1.47	1.47	1.74	1.84	1.79	1.73	1.67
Exchange Rate (BAM per EUR, eop)	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Exchange Rate (BAM per EUR, aop)	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
External Sector										
Current Account Balance (% of GDP)	-6.2	-9.9	-9.0	-5.7	-7.6	-7.7	-7.5	-7.2	-6.7	-6.2
Current Account Balance (EUR bn)	-0.8	-1.3	-1.2	-0.8	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1
Merchandise Trade Balance (EUR bn)	-3.9	-4.3	-4.3	-4.0	-3.9	-4.6	-4.8	-5.0	-5.2	-5.6
Merchandise Exports (EUR bn)	2.2	2.6	2.6	2.8	3.1	3.4	3.6	3.8	4.0	4.3
Merchandise Imports (EUR bn)	6.1	6.9	6.9	6.8	7.4	8.0	8.4	8.8	9.3	9.9
Merchandise Exports (annual variation in %)	33.2	19.9	-1.9	8.7	10.5	9.9	5.7	5.8	6.0	6.2
Merchandise Imports (annual variation in %)	8.3	13.2	0.0	-1.5	9.2	7.7	5.0	4.6	5.6	6.7
International Reserves (EUR bn)	3.3	3.3	3.3	3.6	4.0	4.1	4.2	4.3	4.3	4.3
International Reserves (months of imports)	6.5	5.7	5.8	6.4	6.5	6.2	6.0	5.9	5.6	5.2
External Debt (EUR bn)	5.7	6.1	6.2	6.9	6.6	8.5	8.7	8.7	9.0	9.2
External Debt (% of GDP)	45.4	47.7	47.5	51.2	48.0	60.1	58.2	55.3	53.8	52.2

Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the Central Bank of Bosnia and Herzegovina (CBBH), the Federal Office of Statistics (FZS) and the Agency for Statistics of Bosnia and Herzegovina (BHAS). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: BHAS.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: BHAS.
- 3 Current account balance, as % of GDP. Source: CBBH.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current account balance, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Bosnia and Herzegovina
Capital:	Sarajevo (0.7m)
Other cities:	Banja Luka (0.2m) Zenica (0.16m)
Area (km2):	51,197
Population (million, 2014 est.):	3.9
Population density (per km2, 2014):	75.6
Population growth rate (% , 2014 est.):	-0.1
Life expectancy (years, 2014 est.):	76.3
Illiteracy rate (% , 2011):	2.0
Language:	Bosnian, Croatian, Serbian
Measures:	Metric System
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	23.2
Telephones - mobile cellular (per 100 inhabit.):	91.2
Internet Users (per 100 inhabitants):	67.9
Broadband Subscriptions (per 100 inhabitants):	11.8

Energy (2009)

Primary Energy Production (trillion Btu):	247
Primary Energy Consumption (trillion Btu):	315
Electricity Generation (billion kW-h):	15.0
Electricity Consumption (billion kW-h):	10.2
Oil Supply (thousand bpd):	-
Oil Consumption (thousand bpd):	33.9
CO2 Emissions (million metric tons):	21.6

Transportation (2013)

Airports:	24
Railways (km):	601
Roadways (km):	22,926
Waterways (km):	-
Chief Ports:	Bosanska Gradiska, Brcko, Orasje

Political Data

Prime Minister:	Denis Zvizdić
Last elections:	12 October 2014
Next elections:	October 2018
Central Bank Governor:	Kemal Kozaric

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	B3	Stable
S&P:	B	Stable
Fitch Ratings:	-	-

Strengths

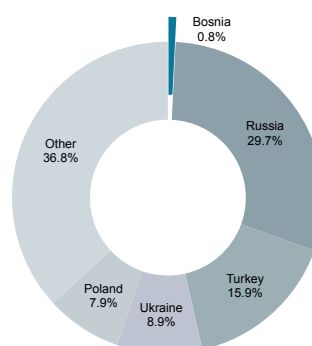
- Receiver of large amounts of foreign aid
- EU membership goals

Weaknesses

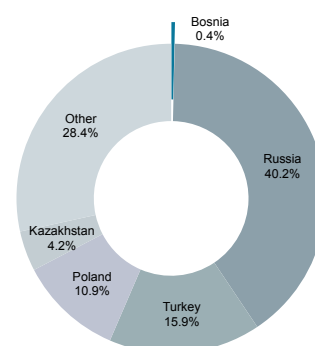
- Lack of structural reforms in key sectors
- Decentralized Government
- Fixed exchange rate restricts monetary policy

Bosnia and Herzegovina in the Region

Population | %-share in Eastern Europe

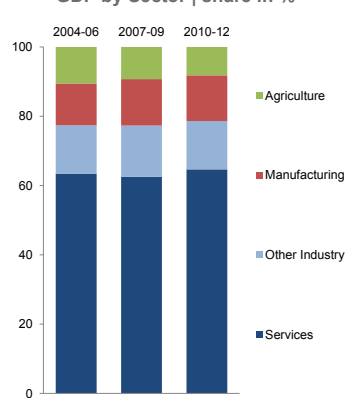


GDP | %-share in Eastern Europe

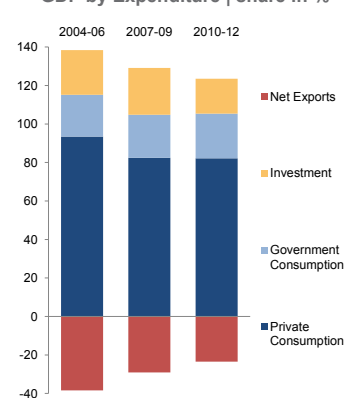


Economic Structure

GDP by Sector | share in %

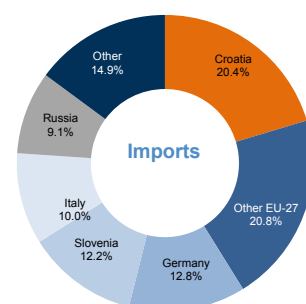
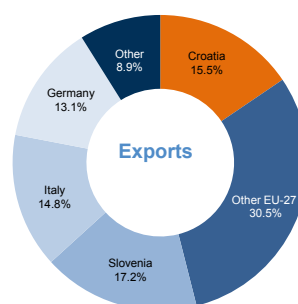


GDP by Expenditure | share in %

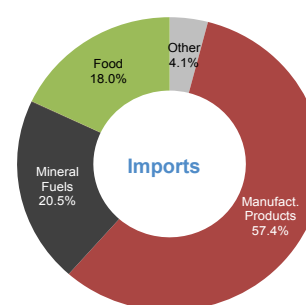
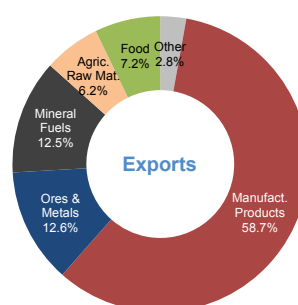


Trade Structure

Primary markets | share in %



Primary products | share in %



Bulgaria



Outlook improves

- Bulgaria's economy grew 2.0% in Q1 2015, thus marking the fastest pace since Q2 2011. The acceleration came on the back of a strong rebound in the external sector, which more than offset weaker domestic demand. However, the latest economic indicators cast a doubt on whether the economy can sustain such a pace of growth as industrial production fell to a three-month low in April. Meanwhile, on 30 June, the government stated that local banks were well-prepared for the potential Greek banking crisis as their exposure to the Greek banking system has been drastically reduced in recent years. Bulgaria's financial system has only recently recovered from its own bank run in 2014 and the international community still views its banking sector as fragile.
- While the external sector is expected to drive growth in 2015 as the Eurozone recovers, spillover effects of the sanctions imposed on Russia and possible turmoil in neighboring Greece cast downside risks for the economy. FocusEconomics Consensus Forecast panelists see the economy expanding 1.7% in 2015, which is up 0.2 percentage points from last month's forecast. In 2016, the panel expects the economy to pick up speed and grow 2.1%.
- Inflation rose from 0.5% in April to 0.9% in May, which marked the highest increase since June 2013. Panelists expect inflation to end 2015 at 0.8%, which is up 0.5 percentage points from last month's forecast. For 2016, panelists see inflation rising to 1.8%.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	7.3	7.2	7.1
GDP (EUR bn):	40.7	42.9	48.1
GDP per capita (EUR):	5,588	5,986	6,819
GDP growth (%):	1.2	1.8	2.7
Fiscal Balance (% of GDP):	-1.2	-2.7	-2.1
Public Debt (% of GDP)	17.3	28.2	27.7
Inflation (%):	2.7	-0.1	2.3
Current Account (% of GDP):	0.9	0.9	-0.2
External Debt (% of GDP):	90.8	94.0	88.0

Eric Denis
Economist

REAL SECTOR | Growth in industrial production decelerates in April

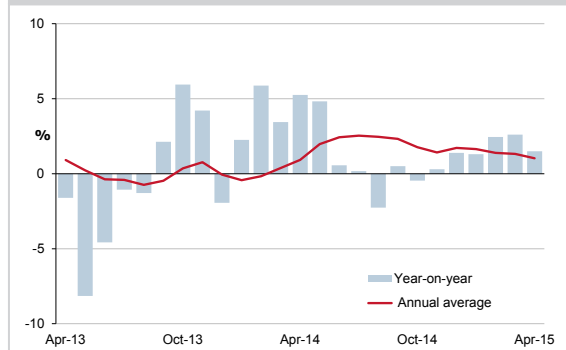
In April, industrial output expanded 1.5% over the same month last year in working-day adjusted terms, according to the National Statistical Institute. The figure was below March's 2.6% increase. April's reading was the lowest in three months and reflected a contraction in mining and quarrying as well as a significant deceleration in the manufacturing sector.

On a month-on-month basis, industrial production increased a seasonally-adjusted 0.2% in April, which contrasted the 1.4% contraction recorded in the previous month. Average growth in industrial production fell from March's 1.3% to 1.0% in April.

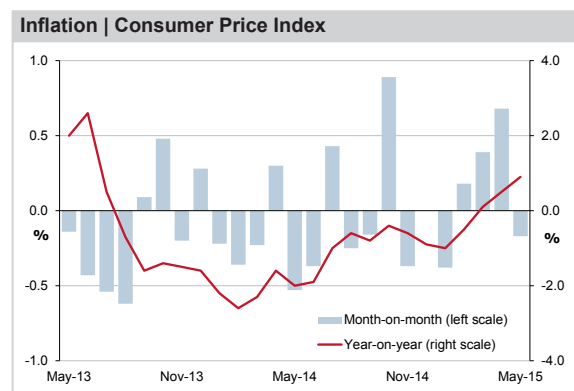
FocusEconomics Consensus Forecast participants see industrial production expanding 2.9% in 2015, which is down 0.3 percentage points from last month's Consensus. For 2016, panelists see industrial output growing 3.5%.

FocusEconomics Consensus Forecast participants expect GDP to expand 1.7% in 2015, which is up 0.2 percentage points from last month's Consensus. In 2016, panelists see the economy growing 2.1%.

Industrial Production | variation in %



Note: Year-on-year changes of working-day adjusted and annual average variation of industrial production index in %.
Source: National Statistical Institute (NSI).



Note: Year-on-year and month-on-month variation of consumer price index in %.
Source: National Statistical Institute (NSI).

MONETARY SECTOR | Inflation hits an almost two-year high in May

In May, consumer prices fell 0.17% over the previous month, which contrasted April's 0.68% increase and marked a four-month low. According to the National Statistical Institute, decreases in consumer prices were recorded in food and non-alcoholic beverages as well as in housing and recreation and culture. Conversely, prices of clothing and footwear as well as transport increased.

Inflation rose from 0.5% in April to 0.9% in May, which marked the highest rate since June 2013. As a result, annual average consumer prices fell 0.5%, which was above April's 0.8% drop.

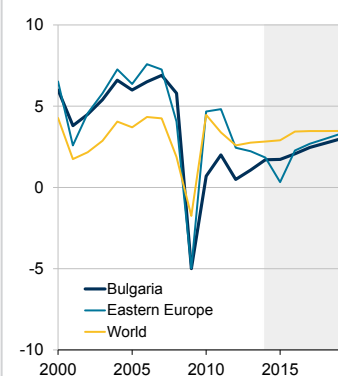
FocusEconomics Consensus Forecast participants see inflation at 0.8% in 2015, which is up 0.5 percentage points from last month's forecast. In 2016, panelists expect inflation to be 1.8%.

Economic Indicators | 2010 - 2019

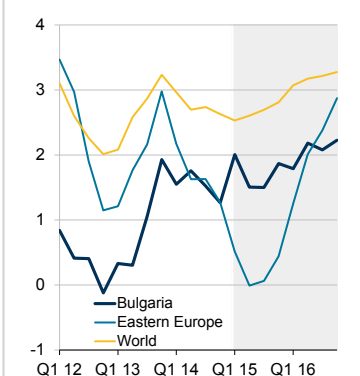
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	7.5	7.3	7.3	7.2	7.2	7.2	7.1	7.1	7.1	7.0
GDP per capita (USD)	6,409	7,634	7,140	7,509	7,744	6,520	6,561	7,052	7,653	8,389
GDP (USD bn)	48.1	55.9	52.0	54.3	55.8	46.7	46.8	50.0	54.0	58.9
GDP per capita (EUR)	4,899	5,474	5,620	5,671	5,833	5,950	6,176	6,467	6,799	7,193
GDP (EUR bn)	36.8	40.1	40.9	41.0	42.0	42.6	44.0	45.9	48.0	50.5
GDP (BGN bn)	71.9	78.4	80.0	80.3	82.2	83.4	86.2	90.0	94.5	99.8
Economic Growth (Nominal GDP, ann. var. in %)	1.9	9.1	2.1	0.3	2.3	1.6	3.3	4.4	5.0	5.5
Economic Growth (GDP, annual var. in %)	0.7	2.0	0.5	1.1	1.7	1.7	2.1	2.5	2.7	3.0
Private Consumption (annual var. in %)	0.4	1.9	3.8	-2.3	2.0	1.6	2.3	2.5	2.8	3.0
Government Consumption (ann. var. in %)	4.7	2.9	-2.5	2.0	5.8	-	-	-	-	-
Fixed Investment (annual var. in %)	-18.3	-4.6	2.0	-0.1	2.8	2.2	3.6	4.3	4.6	5.0
Industrial Production (annual variation in %)	2.0	6.0	-0.2	-0.1	1.7	2.9	3.5	3.8	4.0	4.1
Retail Sales (annual variation in %)	-8.4	0.6	5.3	3.8	4.4	5.1	5.6	5.8	6.1	6.3
Unemployment (% of active population, eop)	9.5	10.4	11.5	11.8	10.7	10.4	9.9	9.7	9.5	9.2
Fiscal Balance (% of GDP)	-3.2	-2.0	-0.7	-0.9	-2.8	-2.8	-2.5	-2.3	-2.1	-1.9
Public Debt (% of GDP)	15.9	15.7	18.0	18.3	27.6	28.3	28.7	28.3	27.7	27.2
Monetary and Financial Sector										
Money (annual variation of M2 in %)	6.4	12.1	8.5	9.0	1.2	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	4.5	2.8	4.2	-1.6	-0.9	0.8	1.8	2.1	2.4	2.7
Inflation (HICP, annual variation in %, aop)	3.0	3.4	2.4	0.4	-1.6	-	-	-	-	-
Inflation (PPI, annual var. in %, eop)	7.2	8.6	5.3	-1.3	-0.9	-	-	-	-	-
Base Rate (% eop)	0.18	0.22	0.03	0.02	0.02	0.21	0.33	0.57	0.67	0.77
10-Year Bond Yield (% eop)	5.83	5.24	3.43	3.60	3.15	-	-	-	-	-
Stock Market (SOFIX ann. var. in %)	-15.2	-11.1	7.3	42.3	6.2	-	-	-	-	-
Exchange Rate (BGN per USD, eop)	1.47	1.51	1.48	1.42	1.61	1.87	1.82	1.78	1.72	1.67
Exchange Rate (BGN per EUR, eop)	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.97	1.97	1.98
External Sector										
Current Account Balance (% of GDP)	-0.8	1.0	-0.2	1.9	1.0	1.1	0.5	0.0	-0.2	-0.5
Current Account Balance (EUR bn)	-0.3	0.4	-0.1	0.8	0.4	0.5	0.2	0.0	-0.1	-0.2
Merchandise Trade Balance (EUR bn)	-3.5	-2.6	-3.9	-2.9	-3.4	-3.0	-3.0	-2.9	-2.8	-2.6
Merchandise Exports (EUR bn)	14.2	19.1	19.7	21.2	21.0	22.7	24.8	26.7	28.3	29.6
Merchandise Imports (EUR bn)	17.7	21.7	23.6	24.1	24.5	25.8	27.8	29.6	31.1	32.2
Merchandise Exports (annual variation in %)	32.7	34.5	3.1	7.6	-0.9	8.3	9.0	7.7	6.1	4.5
Merchandise Imports (annual variation in %)	14.2	22.6	8.8	2.1	1.7	5.2	7.7	6.6	5.1	3.6
International Reserves (EUR bn)	13.0	13.3	15.6	14.4	16.6	18.8	20.6	21.1	21.6	22.2
International Reserves (months of imports)	8.8	7.4	7.9	7.2	8.1	8.8	8.9	8.6	8.4	8.3
External Debt (EUR bn)	37.0	36.3	37.7	36.9	39.8	40.1	41.1	42.1	42.3	42.5
External Debt (% of GDP)	100.6	90.5	92.1	89.9	94.7	94.0	93.3	91.7	88.1	84.1
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	1.5	1.3	2.0	1.5	1.5	1.9	1.8	2.2	2.1	2.2
Economic Growth (GDP, qoq s.a. var. in %)	0.4	0.4	0.9	-	-	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	-0.8	-0.9	0.1	0.9	0.6	0.8	0.9	1.3	1.5	1.8
Exchange Rate (BGN per USD, eop)	1.55	1.61	1.82	1.75	1.83	1.87	1.86	1.85	1.82	1.82
Monthly Data										
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Industrial Production (annual variation in %)	0.5	-0.5	0.3	1.4	1.3	2.5	2.6	1.5	-	-
Retail Sales (annual variation in %)	5.3	3.6	1.7	6.4	4.3	4.2	0.9	0.7	-	-
Unemployment (% of active population)	10.5	10.7	10.8	10.7	11.1	11.0	11.0	10.7	10.1	-
Inflation (CPI, mom variation in %)	-0.16	0.89	-0.37	0.00	-0.38	0.18	0.39	0.68	-0.17	-
Inflation (CPI, annual variation in %)	-0.8	-0.4	-0.6	-0.9	-1.0	-0.5	0.1	0.5	0.9	-
Exchange Rate (BGN per USD, eop)	1.55	1.56	1.57	1.61	1.73	1.74	1.82	1.74	1.78	1.75

Real Sector | Gross Domestic Product and Fiscal Balance

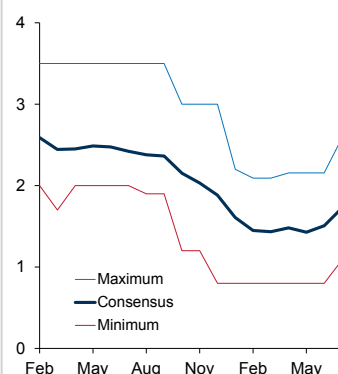
1 | Real GDP | 2000-2019 | var. in %



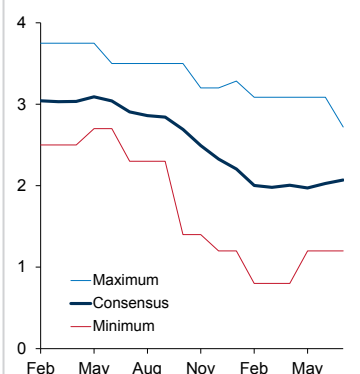
2 | Real GDP | Q1 12-Q4 16 | var. in %



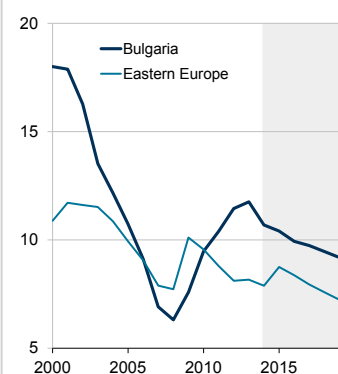
3 | GDP 2015 | evolution of forecasts



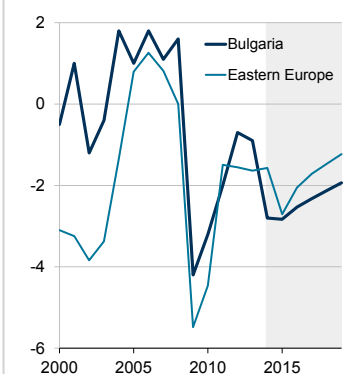
4 | GDP 2016 | evolution of forecasts



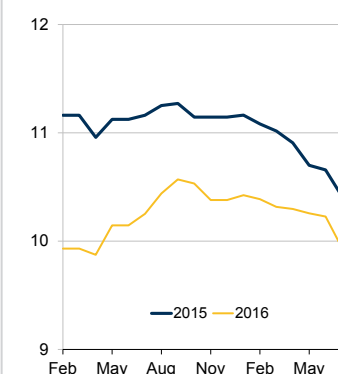
5 | Unemployment | % of active pop.



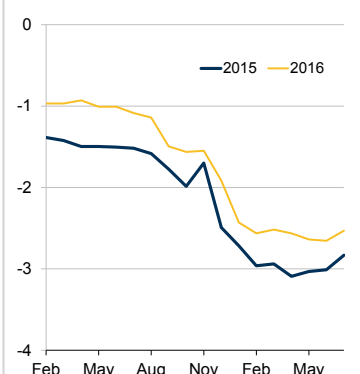
6 | Fiscal Balance | % of GDP



7 | Unemployment | evolution of fcst



8 | Fiscal Balance | evolution of fcst



Economic Growth and Fiscal Balance

Individual Forecasts	Real GDP variation in %		Fiscal Balance % of GDP	
	2015	2016	2015	2016
Alpha Bank	2.0	-	-	-
BMI Research	1.1	1.4	-2.9	-2.9
Capital Economics	1.8	1.5	-3.2	-2.7
Citigroup Global Mkts	1.4	2.0	-2.9	-2.8
Economic Policy Institute	1.2	2.5	-3.0	-2.5
EIU	1.7	2.6	-2.9	-2.4
Eurobank	1.8	-	-3.0	-
Frontier Strategy Group	1.7	1.8	-	-
ING	1.9	2.3	-2.5	-2.1
JPMorgan	1.5	1.2	-3.3	-2.8
KBC	1.7	2.0	-	-
National Bank of Greece	1.6	2.2	-3.0	-2.5
OTP Bank	1.7	2.0	-2.5	-2.3
Oxford Economics	1.9	2.6	-	-
Raiffeisen Research	2.0	2.1	-2.8	-2.5
UniCredit	2.1	2.4	-2.6	-2.5
United Bulgarian Bank	1.4	1.8	-3.0	-3.0
WIIW	2.6	2.7	-2.0	-2.0

Summary

Minimum	1.1	1.2	-3.3	-3.0
Maximum	2.6	2.7	-2.0	-2.0
Median	1.7	2.1	-2.9	-2.5
Consensus	1.7	2.1	-2.8	-2.5

History

30 days ago	1.5	2.0	-3.0	-2.7
60 days ago	1.4	2.0	-3.0	-2.6
90 days ago	1.5	2.0	-3.1	-2.6

Additional Forecasts

IMF (Apr. 2015)	1.2	1.5	-	-
Euro. Comm. (May 2015)	1.0	1.3	-	-

Notes and sources

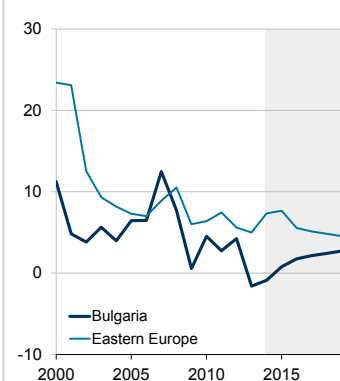
General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the National Statistical Institute (NSI) and the Bulgarian National Bank (BNB). Forecasts based on FocusEconomics Consensus Forecast.

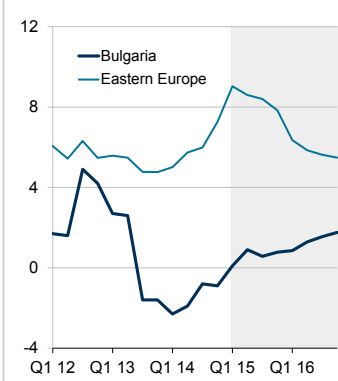
- 1 GDP, annual variation in %. Source: BNB and NSI.
- 2 Quarterly GDP (not seasonally adjusted), year-on-year variation in %. Source: BNB and NSI.
- 3 GDP, evolution of 2015 forecasts during the last 18 months.
- 4 GDP, evolution of 2016 forecasts during the last 18 months.
- 5 Unemployment, % of active population. Source: BNB.
- 6 Balance of non-financial public sector as % of GDP. Source: BNB.
- 7 Unemployment, evolution of 2015 and 2016 forecasts during the last 18 months.
- 8 Balance of non-financial public sector as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Monetary and External Sector | Inflation and Current Account Balance

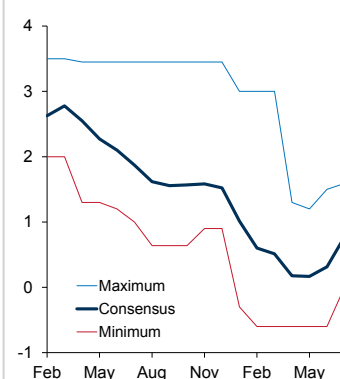
9 | Inflation | 2000 - 2019 | in %



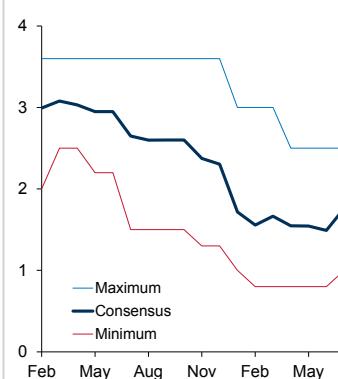
10 | Inflation | Q1 12-Q4 16 | var. in %



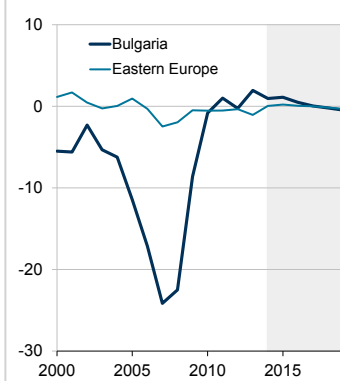
11 | Inflation 2015 | evolution of fcst



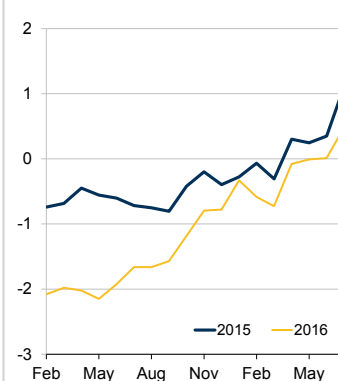
12 | Inflation 2016 | evolution of fcst



13 | Current Account | % of GDP



14 | Current Account | evol. of fcst



Consumer Price Index and Current Account Balance

Individual Forecasts	CPI variation in %		Current Account % of GDP	
	2015	2016	2015	2016
Alpha Bank	-	-	-	-
BMI Research	-	-	0.2	0.4
Capital Economics	-	-	0.5	0.0
Citigroup Global Mkts	0.3	2.3	1.0	0.2
Economic Policy Institute	-	-	-	-
EIU	1.5	2.5	1.2	-0.6
Eurobank	0.3	-	0.5	-
Frontier Strategy Group	0.2	1.0	-	-
ING	0.0	1.0	0.8	1.7
JPMorgan	1.4	1.9	-0.8	-0.8
KBC	-	-	-	-
National Bank of Greece	0.2	1.4	2.5	1.5
OTP Bank	1.6	2.3	0.5	0.5
Oxford Economics	1.6	2.3	1.1	1.9
Raiffeisen Research	1.0	2.2	2.4	-0.8
UniCredit	0.9	1.8	3.2	1.9
United Bulgarian Bank	0.1	1.0	0.1	-0.6
WIIW	1.0	1.5	2.3	1.1
Summary				
Minimum	0.0	1.0	-0.8	-0.8
Maximum	1.6	2.5	3.2	1.9
Median	0.9	1.9	0.9	0.4
Consensus	0.8	1.8	1.1	0.5
History				
30 days ago	0.3	1.5	0.3	0.0
60 days ago	0.2	1.5	0.2	0.0
90 days ago	0.2	1.5	0.3	-0.1
Additional Forecasts				
IMF (Apr. 2015)	-1.0	0.6	-	-
Euro. Comm. (May 2015)	-0.5	1.0	-	-

Notes and sources

General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary and external sector data are from the National Statistical Institute (NSI) and the Bulgarian National Bank (BNB). European Commission forecasts refer to annual average harmonized inflation. See below for details. Government forecasts refer to average of period harmonized inflation. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

9 Inflation, annual variation of consumer price index (CPI) in % (eop). Source: NSI.

10 Quarterly inflation, annual variation of consumer price index (CPI) in % (eop). Source: NSI.

11 Inflation, evolution of 2015 forecasts during the last 18 months.

12 Inflation, evolution of 2016 forecasts during the last 18 months.

13 Current account balance as % of GDP. Source: BNB.

14 Current account balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Fact Sheet

General Data

Official name:	Republic of Bulgaria
Capital:	Sofia (1.3m)
Other cities:	Plovdiv (0.7m) Varna (0.5m)
Area (km2):	110,879
Population (million, 2014 est.):	7.2
Population density (per km2, 2014):	65.0
Population growth rate (% , 2014 est.):	-0.8
Life expectancy (years, 2014 est.):	74.3
Illiteracy rate (% , 2011):	1.6
Language:	Bulgarian
Measures:	Metric System
Time:	GMT+2

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	26.9
Telephones - mobile cellular (per 100 inhabit.):	145
Internet Users (per 100 inhabitants):	53.1
Broadband Subscriptions (per 100 inhabitants):	19.0

Energy (2012)

Primary Energy Production (trillion Btu):	442
Primary Energy Consumption (trillion Btu):	758
Electricity Generation (billion kW-h):	43.7
Electricity Consumption (billion kW-h):	31.2
Oil Supply (thousand bpd):	3.4
Oil Consumption (thousand bpd):	91.0
CO2 Emmissions (million metric tons):	48.8

Transportation (2013)

Airports:	68
Railways (km):	4,152
Roadways (km):	19,521
Waterways (km):	470
Chief Ports:	Burgas, Varna

Political Data

Prime Minister:	Boiko Borisov
Last elections:	5 October 2014
Next elections:	2018
Central Bank President:	Ivan Iskrov

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Baa2	Stable
S&P:	BB+	Stable
Fitch Ratings:	BBB-	Stable

Strengths

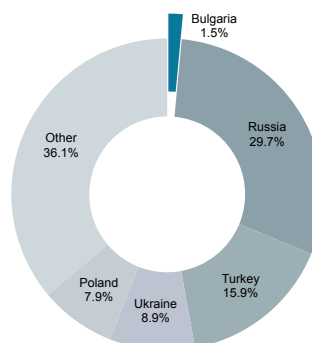
- Receiver of large amounts of EU funds
- EU membership shields economy against financial crises

Weaknesses

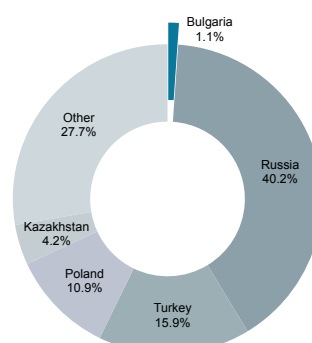
- Lack of structural reforms in key sectors
- Large external imbalances
- Fixed exchange rate restricts monetary policy
- Popular discontent on the state of the economy

Bulgaria in the Region

Population | % -share in Eastern Europe

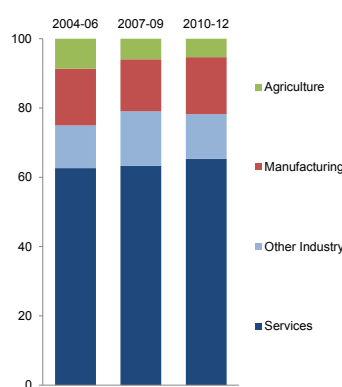


GDP | % -share in Eastern Europe

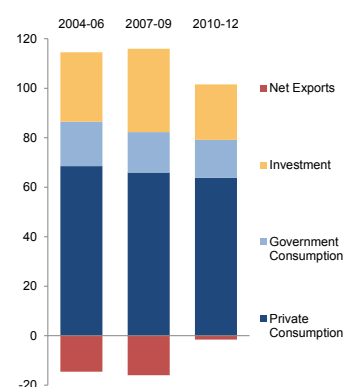


Economic Structure

GDP by Sector | share in %

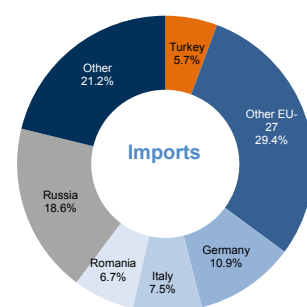
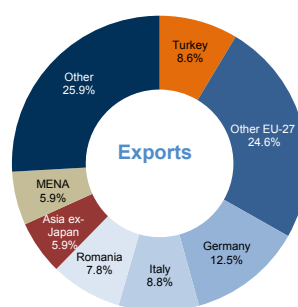


GDP by Expenditure | share in %

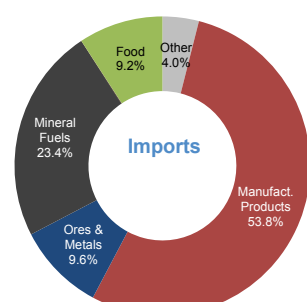
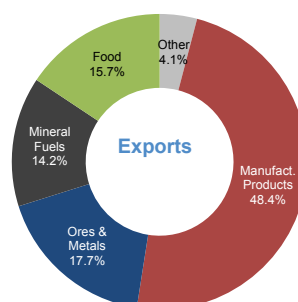


Trade Structure

Primary markets | share in %



Primary products | share in %



Croatia



Outlook improves

- Croatia's economy grew 0.5% in Q1 2015, marking the second consecutive quarter of positive growth. This is an encouraging result for an economy that has recorded annual contractions since 2009. The reading came on the back of a rebound in domestic demand. In addition, recovery in the Eurozone and lower commodity prices have provided a welcome relief to the struggling economy. Meanwhile, pressure for desperately-needed structural reforms continues to mount as the country is burdened by a poor fiscal balance and overwhelming public debt. However, it is unlikely that such unpopular reforms will be undertaken this year as the center-left government is facing parliamentary elections early 2016.
- The possible tightening of credit market conditions poses a significant downside risk to the Croatian economy if the country cannot manage to balance its finances soon. FocusEconomics Consensus Forecast panelists expect that Croatia will exit recession this year, although just barely, with a timid expansion of 0.3%, which is up 0.1 percentage points from last month's projection. For 2016, the panel expects GDP growth to pick up to 1.1%.
- Consumer prices were stable over the same month last year in May, which followed the 0.1% decrease tallied in April. Panelists expect inflation to average 0.2% in 2015. For 2016, they project that inflation will rise to 1.3%.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	4.3	4.2	4.2
GDP (EUR bn):	44.3	43.4	47.2
GDP per capita (EUR):	10,386	10,242	11,146
GDP growth (%):	-1.2	0.3	1.9
Fiscal Balance (% of GDP):	-6.1	-5.2	-3.6
Public Debt (% of GDP):	71.2	89.2	89.6
Inflation (%):	2.6	0.4	2.2
Current Account (% of GDP):	-0.1	0.7	-0.1
External Debt (% of GDP):	103.5	108.9	104.2

Eric Denis
Economist

REAL SECTOR | Industrial production growth accelerates in May

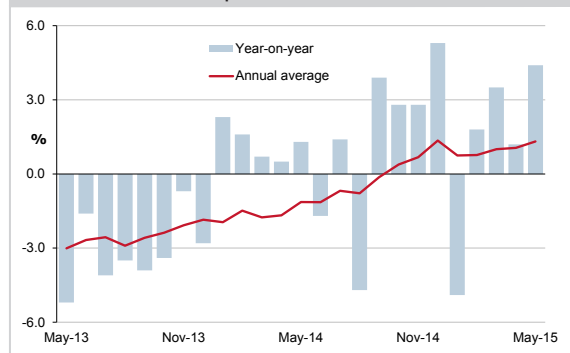
In May, industrial output rose 4.4% over the same month last year in working-day adjusted terms, coming in above April's 1.2% increase and marking a five-month high. The rise reflected a strong acceleration in manufacturing as well as in mining and quarrying. Conversely, electricity, gas and steam decreased in May compared to the previous month.

On a monthly basis, industrial production in May increased 2.6% in seasonally-adjusted terms, contrasting April's 4.1% fall. The overall trend improved as annual average growth in industrial production inched up from April's 1.1% to 1.3% in May.

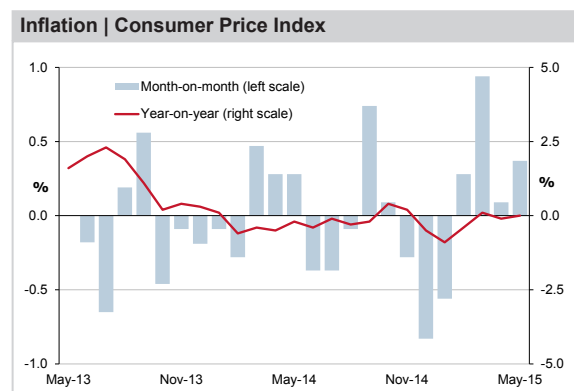
FocusEconomics Consensus Forecast panelists expect industrial production to expand 1.7% in 2015, which is unchanged from last month's estimate. In 2016, the panel sees industrial production growth at 2.6%.

The Central Bank sees the economy exiting recession and expanding 0.4% in 2015. FocusEconomics panelists expect GDP to rise 0.3% in 2015, which is up 0.1 percentage points from last month's estimate. In 2016, the panel expects economic growth to accelerate to 1.1%.

Industrial Production | variation in %



Note: Year-on-year and annual average variation of industrial production index in %.
Source: Croatian Bureau of Statistics (CBS).



Note: Year-on-year and month-on-month variation of consumer price index in %.
Source: Croatian Bureau of Statistics (CBS).

MONETARY SECTOR | Consumer prices record zero growth in annual terms in May

In May, consumer prices rose 0.4% over the previous month, coming in above April's 0.1% increase. According to the Croatian Bureau of Statistics (CBS), the print mainly reflected that higher prices for transport more than compensated for lower prices of food and non-alcoholic beverages.

In annual term, consumer prices recorded zero growth in May (April: -0.1% year-on-year). The overall trend remained unchanged as annual average consumer prices decreased 0.2% in May, matching April's result.

Meanwhile, the core consumer price index, which does not include more volatile categories such as fresh food and energy, rose 0.2% over the previous month, coming in below April's 0.6% increase. Core inflation remained at April's 0.8% in May.

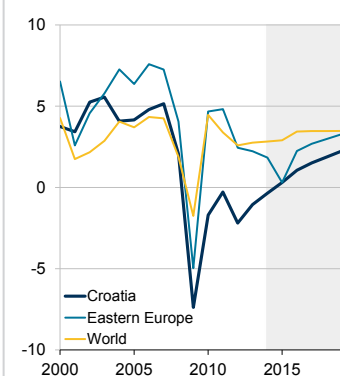
FocusEconomics Consensus Forecast panelists expect that inflation will end 2015 at 0.2%, which is unchanged from last month's forecast. For 2016, the panel sees inflation at 1.3%.

Economic Indicators | 2010 - 2019

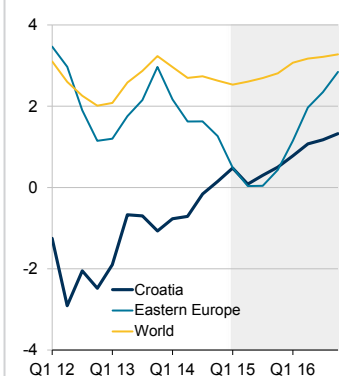
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2
GDP per capita (USD)	14,219	14,249	13,355	13,628	13,928	11,076	11,006	11,663	12,510	13,560
GDP (USD bn)	61.0	61.0	57.0	58.0	59.0	46.9	46.6	49.4	53.0	57.4
GDP per capita (EUR)	10,490	10,512	10,309	10,338	10,151	10,214	10,361	10,696	11,114	11,627
GDP (EUR bn)	45.0	45.0	44.0	44.0	43.0	43.3	43.9	45.3	47.1	49.3
GDP (HRK bn)	328	333	330	330	328	329	337	348	362	380
Economic Growth (Nominal GDP, ann. var. in %)	-0.9	1.4	-0.6	-0.3	-0.3	0.5	2.4	3.3	4.0	4.8
Economic Growth (GDP, annual var. in %)	-1.7	-0.3	-2.2	-1.1	-0.4	0.3	1.1	1.5	1.9	2.2
Private Consumption (annual var. in %)	-1.5	0.3	-3.0	-1.9	-0.7	0.4	0.8	1.2	1.5	1.8
Government Consumption (ann. var. in %)	-1.6	-0.3	-1.0	0.3	-1.9	-	-	-	-	-
Fixed Investment (annual var. in %)	-15.2	-2.7	-3.3	1.4	-3.6	0.0	2.5	3.1	3.4	3.7
Industrial Production (annual var. in %)	-1.5	-1.3	-5.3	-1.9	1.4	1.7	2.6	2.8	3.0	3.1
Retail Sales (annual variation in %)	-1.2	3.9	-0.8	1.7	-0.4	0.3	0.8	1.2	1.5	1.7
Unemployment (% of active population, eop)	18.6	18.6	20.9	21.6	19.6	19.5	19.0	18.1	17.3	16.5
Fiscal Balance (% of GDP)	-5.9	-7.5	-5.3	-5.4	-5.7	-5.3	-4.7	-4.3	-3.6	-3.0
Public Debt (% of GDP)	57.0	63.7	69.2	80.6	85.0	90.0	92.5	91.4	89.6	87.7
Monetary and Financial Sector										
Money (annual variation of M1 in %)	3.0	5.7	3.6	4.0	3.2	-	-	-	-	-
Inflation (CPI, annual variation in %, aop)	1.0	2.3	3.4	2.2	-0.2	0.2	1.3	1.8	2.2	2.5
Inflation (Core, annual variation in %, aop)	-0.8	1.8	1.9	1.9	-0.4	-	-	-	-	-
Inflation (HICP, annual variation in %, aop)	1.1	2.2	3.4	2.3	0.2	-	-	-	-	-
Inflation (PPI, annual variation in %, eop)	4.3	7.1	5.6	-0.2	-2.6	-	-	-	-	-
CNB Discount Rate (% eop)	9.00	7.00	7.00	7.00	7.00	6.00	6.00	6.60	6.90	7.20
Stock Market (variation of CROBEX in %)	5.3	-17.6	0.0	3.1	-3.1	-	-	-	-	-
Exchange Rate (HRK per USD, eop)	5.51	5.82	5.72	5.54	6.33	7.33	7.16	6.97	6.74	6.52
Exchange Rate (HRK per USD, aop)	5.50	5.34	5.84	5.70	5.76	7.03	7.25	7.07	6.86	6.63
Exchange Rate (HRK per EUR, eop)	7.37	7.54	7.55	7.62	7.66	7.67	7.70	7.71	7.72	7.73
Exchange Rate (HRK per EUR, aop)	7.29	7.43	7.51	7.58	7.63	7.63	7.70	7.71	7.72	7.73
External Sector										
Current Account Balance (% of GDP)	-1.1	-0.9	-0.2	0.9	0.7	0.9	0.6	0.3	-0.1	-0.4
Current Account Balance (EUR bn)	-0.5	-0.4	-0.1	0.4	0.3	0.4	0.3	0.1	0.0	-0.2
Merchandise Trade Balance (EUR bn)	-6.2	-6.7	-6.6	-6.9	-6.8	-6.7	-7.0	-7.3	-7.9	-8.7
Merchandise Exports (EUR bn)	8.9	9.6	9.6	9.6	10.4	10.8	11.4	12.1	13.0	14.1
Merchandise Imports (EUR bn)	15.1	16.3	16.2	16.5	17.1	17.5	18.4	19.4	20.9	22.8
Merchandise Exports (annual var. in %)	18.3	7.6	0.5	-0.4	8.1	3.9	6.0	6.1	7.3	8.6
Merchandise Imports (annual var. in %)	-0.5	7.6	-0.4	1.9	3.6	2.0	5.3	5.7	7.4	9.2
International Reserves (EUR bn)	10.7	11.2	11.2	12.9	12.7	13.0	13.2	13.4	13.8	14.3
International Reserves (months of imports)	8.5	8.2	8.3	9.4	8.9	8.9	8.6	8.3	7.9	7.5
External Debt (EUR bn)	46.9	46.4	45.3	46.0	46.7	47.3	47.7	48.1	49.2	50.2
External Debt (% of GDP)	104.2	103.1	102.9	104.5	108.5	109.4	108.6	106.2	104.4	101.9
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	-0.2	0.2	0.5	0.1	0.3	0.5	0.8	1.1	1.2	1.3
Inflation (CPI, annual variation in %, aop)	-0.2	0.0	-0.4	0.1	0.3	0.6	1.3	1.3	1.3	1.2
Exchange Rate (HRK per USD, eop)	6.07	6.33	7.13	6.82	7.12	7.33	7.31	7.28	7.16	7.16
Exchange Rate (HRK per EUR, eop)	7.66	7.66	7.65	7.59	7.63	7.67	7.70	7.70	7.71	7.70
Monthly Data										
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Industrial Production (annual variation in %)	3.9	2.8	2.8	5.3	-4.9	1.8	3.5	1.2	4.4	-
Unemployment (% of active population)	17.7	18.7	19.2	19.6	20.3	20.3	19.7	18.4	17.1	-
Inflation (CPI, mom variation in %)	0.7	0.1	-0.3	-0.8	-0.6	0.3	0.9	0.1	0.4	-
Inflation (CPI, annual variation in %)	-0.2	0.4	0.2	-0.5	-0.9	-0.4	0.1	-0.1	0.0	-
Exchange Rate (HRK per USD, eop)	6.07	6.12	6.17	6.33	6.81	6.85	7.13	6.75	6.89	6.82
Exchange Rate (HRK per EUR, eop)	7.66	7.67	7.68	7.66	7.69	7.67	7.65	7.57	7.57	7.59

Real Sector | Gross Domestic Product and Fiscal Balance

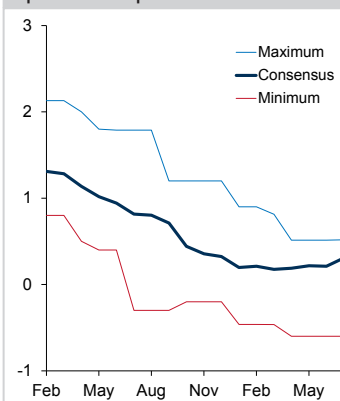
1 | Real GDP | 2000 - 2019 | var. in %



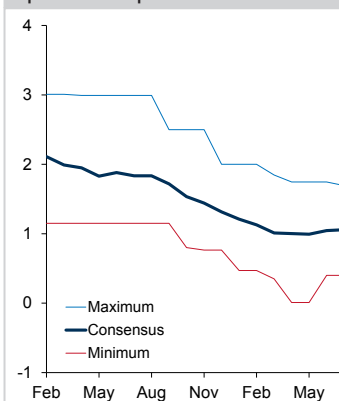
2 | Real GDP | Q1 12-Q4 16 | var. in %



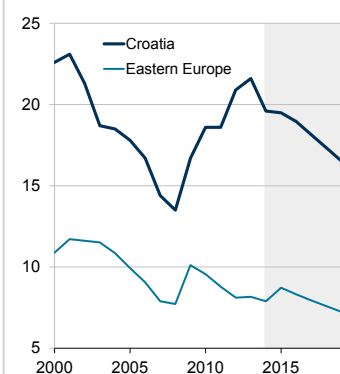
3 | GDP 2015 | evolution of forecasts



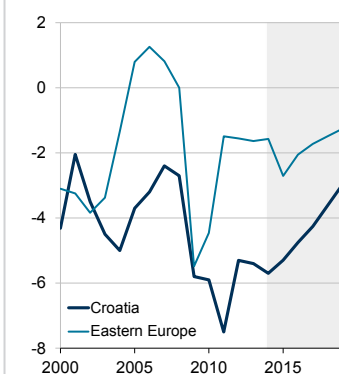
4 | GDP 2016 | evolution of forecasts



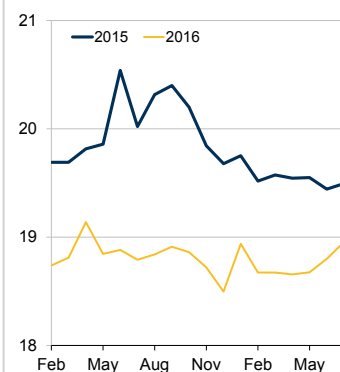
5 | Unemployment | % of active pop.



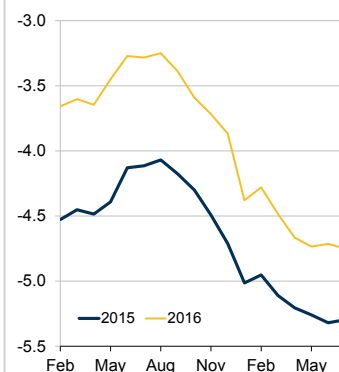
6 | Fiscal Balance | % of GDP



7 | Unemployment | evolution of fcst



8 | Fiscal Balance | evolution of fcst



Economic Growth and Fiscal Balance

Individual Forecasts	Real GDP variation in %		Fiscal Balance % of GDP	
	2015	2016	2015	2016
BMI Research	0.3	1.0	-5.6	-4.7
Capital Economics	0.5	1.5	-5.0	-5.0
Citigroup Global Mkts	0.3	1.3	-5.5	-4.7
EIU	0.4	1.6	-5.3	-4.3
Erste Bank	0.2	0.8	-5.2	-4.5
Frontier Strategy Group	-0.6	0.4	-	-
ING	0.3	0.9	-5.5	-5.3
Institute of Econ., Zagreb	0.2	0.8	-6.0	-5.5
Intercapital	0.5	0.8	-4.6	-3.8
JPMorgan	0.3	0.9	-5.2	-4.5
Kopint-Tárki	0.4	1.0	-5.0	-4.8
OTP Bank	0.5	1.4	-5.6	-5.3
Oxford Economics	0.3	1.7	-4.1	-3.8
Raiffeisen Research	0.5	1.0	-5.4	-5.0
Sberbank	0.3	1.1	-	-
Splitska Banka	0.4	0.8	-5.9	-4.5
UniCredit	0.3	0.8	-5.3	-4.6
WIIW	0.4	1.2	-5.5	-5.6

Summary

Minimum	-0.6	0.4	-6.0	-5.6
Maximum	0.5	1.7	-4.1	-3.8
Median	0.3	1.0	-5.3	-4.7
Consensus	0.3	1.1	-5.3	-4.7

History

30 days ago	0.2	1.0	-5.3	-4.7
60 days ago	0.2	1.0	-5.3	-4.7
90 days ago	0.2	1.0	-5.2	-4.7

Additional Forecasts

Central Bank (May 2015)	0.4	-	-	-
IMF (Apr. 2015)	0.5	1.0	-	-
Euro. Comm. (May 2015)	0.3	1.2	-	-

Notes and sources

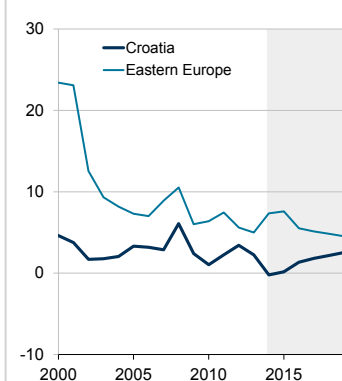
General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Croatian Bureau of Statistics (CBS). Forecasts based on FocusEconomics Consensus Forecast.

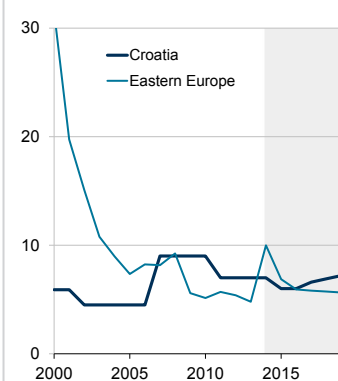
- 1 GDP, annual variation in %.
- 2 Quarterly GDP (not seasonally adjusted), year-on-year variation in %.
- 3 GDP, evolution of 2015 forecasts during the last 18 months.
- 4 GDP, evolution of 2016 forecasts during the last 18 months.
- 5 Unemployment, % of active population.
- 6 Balance of consolidated general government as % of GDP.
- 7 Unemployment, evolution of 2015 and 2016 forecasts during the last 18 months.
- 8 Balance of consolidated general government as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Monetary and External Sector | Inflation and Exchange Rate

9 | Inflation | in %



10 | Interest Rate | in %



Consumer Price Index and Exchange Rate

Individual Forecasts	Prices (CPI) variation in %		Exchange Rate HRK per EUR	
	2015	2016	2015	2016
BMI Research	0.2	1.0	7.73	7.80
Capital Economics	-0.5	0.5	-	-
Citigroup Global Mkts	-0.1	1.4	-	-
EIU	0.0	1.5	7.67	7.69
Erste Bank	-0.2	1.4	-	-
Frontier Strategy Group	-0.2	0.7	-	-
ING	0.2	1.5	7.70	7.76
Institute of Econ., Zagreb	0.1	1.0	7.67	7.68
Intercapital	0.6	1.4	7.68	7.68
JPMorgan	1.2	1.7	7.72	7.74
Kopint-Tárki	0.3	1.6	7.60	7.70
OTP Bank	0.4	1.4	7.70	7.73
Oxford Economics	0.3	2.4	-	-
Raiffeisen Research	0.0	1.4	7.70	7.70
Sberbank	-0.1	1.3	7.50	7.50
Splitska Banka	0.3	1.5	7.70	7.80
UniCredit	0.0	1.6	7.73	7.65
WIIW	0.4	1.0	7.65	7.68

Summary

Minimum	-0.5	0.5	7.50	7.50
Maximum	1.2	2.4	7.73	7.80
Median	0.2	1.4	7.70	7.70
Consensus	0.2	1.3	7.67	7.70

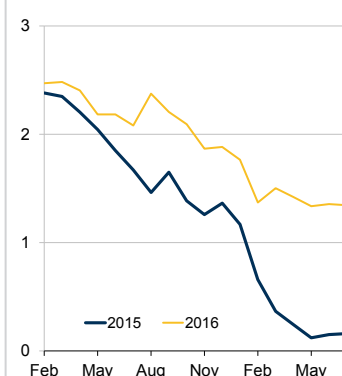
History

30 days ago	0.2	1.4	7.70	7.72
60 days ago	0.1	1.3	7.70	7.73
90 days ago	0.2	1.4	7.69	7.70

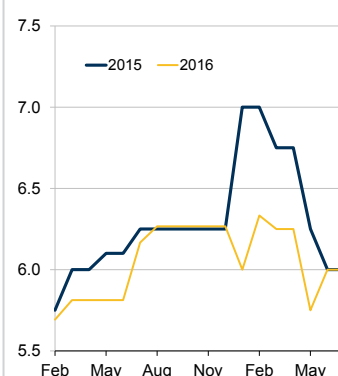
Additional Forecasts

IMF (Apr. 2015)	-0.9	0.9	-	-
Euro. Comm. (May 2015)	0.1	1.3	-	-

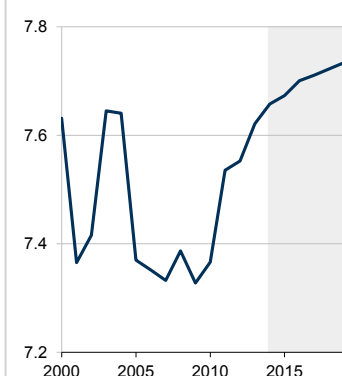
11 | Inflation | evolution of forecast



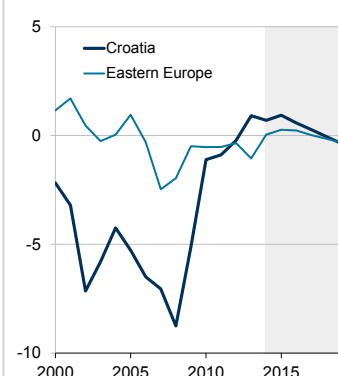
12 | Interest Rate | evolution of fcst



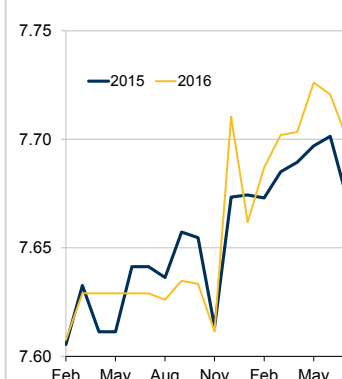
13 | Exchange Rate | HRK per EUR



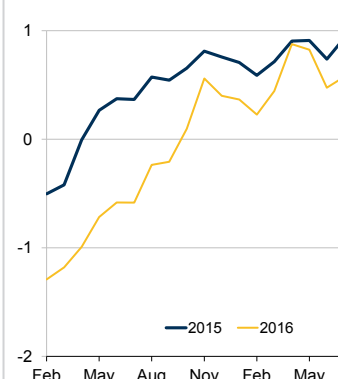
14 | Current Account | % of GDP



15 | HRK per EUR | evolution of fcst



16 | Current Account | evol. of fcst



Notes and sources

General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary and external sector data are from the Croatian Bureau of Statistics (CBS) and the Croatia National Bank (HNB, *Hrvatska Narodna Banka*). See below for details. European Commission forecasts refer to annual average harmonized inflation. Forecasts based on FocusEconomics Consensus Forecast.

- 9 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: CBS.
- 10 Interest rate, CNB Repo Rate in % (eop). Source: HNB.
- 11 Inflation, evolution of 2015 and 2016 forecasts during the last 18 months.
- 12 Interest rate, evolution of 2015 and 2016 forecasts during the last 18 months.
- 13 Exchange rate, HRK per EUR (eop). Source: Thomson Reuters.
- 14 Current account balance as % of GDP. Source: HNB.
- 15 Exchange rate, evolution of 2015 and 2016 forecasts during the last 18 months.
- 16 Current account balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Fact Sheet

General Data

Official name:	Republic of Croatia
Capital:	Zagreb (1.1 m)
Other cities:	Split (0.2 m) Rijeka (0.1 m)
Area (km2):	56,594
Population (million, 2014 est.):	4.2
Population density (per km2, 2014):	74.8
Population growth rate (% , 2014 est.):	-0.1
Life expectancy (years, 2014 est.):	76.4
Illiteracy rate (% , 2002):	1.1
Language:	Croatian
Measures:	Metric system
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	36.8
Telephones - mobile cellular (per 100 inhabit.):	115
Internet Users (per 100 inhabitants):	66.7
Broadband Subscriptions (per 100 inhabitants):	21.5

Energy (2012)

Primary Energy Production (trillion Btu):	148
Primary Energy Consumption (trillion Btu):	405
Electricity Generation (billion kW-h):	10.0
Electricity Consumption (billion kW-h):	19.6
Oil Supply (thousand bpd):	20.1
Oil Consumption (thousand bpd):	82.0
CO2 Emmissions (million metric tons):	20.2

Transportation (2013)

Airports:	69
Railways (km):	2,722
Roadways (km):	29,410
Waterways (km):	785
Chief Ports:	Rijeka, Split

Political Data

Prime Minister:	Zoran Milanović
Last elections:	4 December 2011
Next elections:	February 2016
Central Bank Governor:	Boris Vujčić

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Ba1	Negative
S&P:	BB	Stable
Fitch Ratings:	BB	Stable

Strengths

- Inflation relatively contained
- Competitive tourism industry
- EU accession promotes economic development

Weaknesses

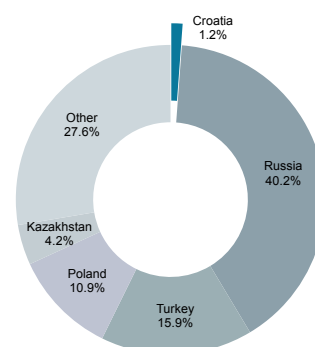
- Elevated external debt ratio
- High unemployment levels
- Lack of reforms in the judiciary system

Croatia in the Region

Population | % -share in Eastern Europe

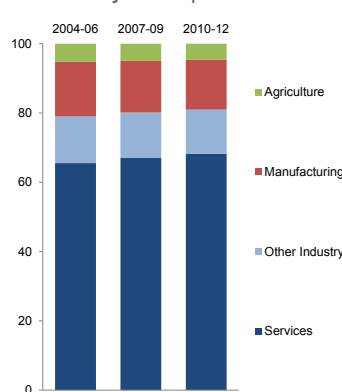


GDP | % -share in Eastern Europe

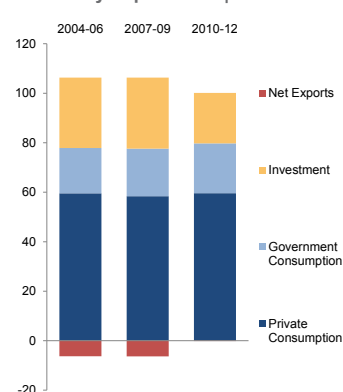


Economic Structure

GDP by Sector | share in %

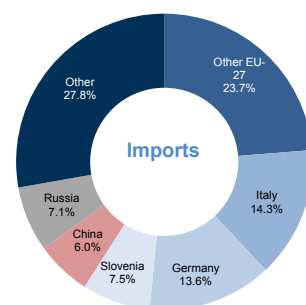
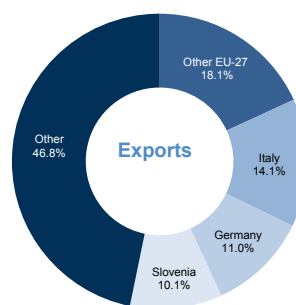


GDP by Expenditure | share in %

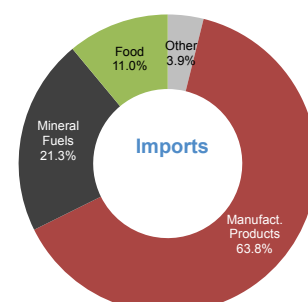
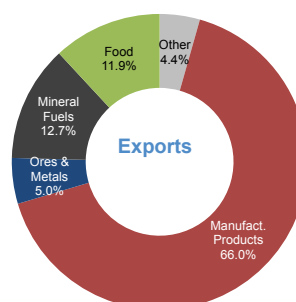


Trade Structure

Primary markets | share in %



Primary products | share in %



Cyprus

Outlook stable



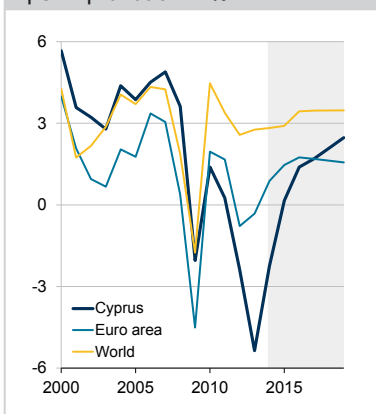
LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	0.9	0.9	0.9
GDP (EUR bn):	19.0	17.6	19.1
GDP per capita (EUR):	21,805	19,550	20,637
GDP growth (%):	-2.5	-0.2	2.1
Fiscal Balance (% of GDP):	-5.5	-3.9	-0.9
Public Debt (% of GDP):	82.6	108.6	102.2
Inflation (%):	2.3	0.0	1.7
Current Account (% of GDP):	-4.1	-2.7	-0.7

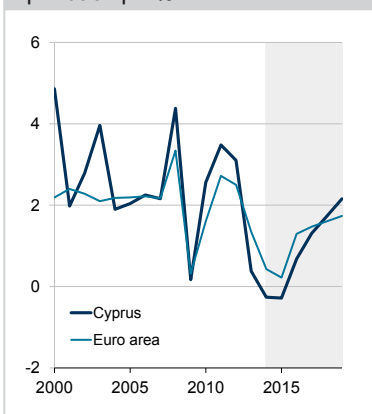
Teresa Kersting
Economist

- Cyprus' economy grew in Q1 for the first time in almost four years. The modest 0.4% annual expansion in Q1 came on the back of turnarounds in consumption and investment, indicating that structural reform efforts are delivering positive results. On 19 June, the IMF completed the fifth, sixth and seventh reviews of the country's bailout program and disbursed EUR 278.4 million. While the IMF praised the government for pushing through difficult reforms and for achieving better-than-expected economic and fiscal outcomes, at the same time the fund reiterated that reducing the high level of non-performing-loans, preserving financial stability and creating employment remain key priorities to be addressed.
- FocusEconomics Consensus Forecast panelists project that Cyprus will exit recession this year and achieve a timid 0.2% growth. For 2016, the panel expects the recovery to strengthen and sees GDP expanding 1.4%.
- Harmonized consumer prices recorded a sharp 1.7% drop in May, mirroring April's reading and largely reflecting lower utility and transport prices. Panelists expect harmonized consumer prices to fall 0.4% in 2015. For 2016, they project HICP inflation of 0.6%.

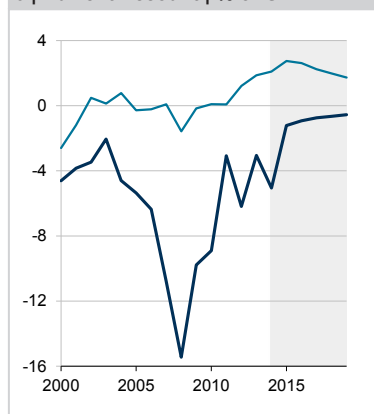
1 | GDP | variation in %



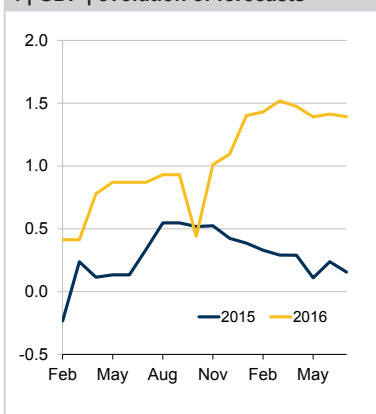
2 | Inflation | in %



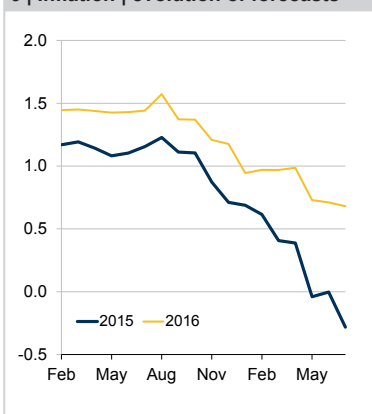
3 | Current Account | % of GDP



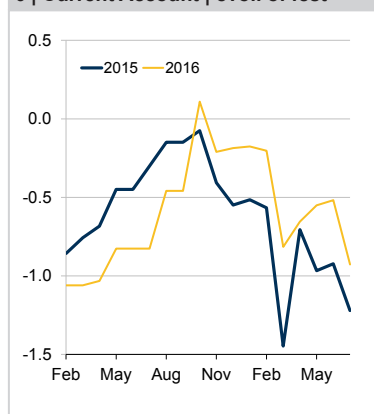
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
GDP per capita (EUR)	22,738	22,622	22,248	20,545	19,641	19,404	19,604	19,992	20,575	21,345
GDP (EUR bn)	19.1	19.5	19.4	18.1	17.5	17.5	17.8	18.4	19.1	19.9
Economic Growth (Nom. GDP, ann. var. in %)	3.5	2.3	-0.4	-6.6	-3.4	-0.3	2.0	3.0	3.8	4.6
Economic Growth (GDP, annual var. in %)	1.4	0.3	-2.4	-5.4	-2.3	0.2	1.4	1.7	2.1	2.5
Private Consumption (annual var. in %)	1.3	1.9	-0.7	-6.0	0.4	0.5	1.3	1.8	2.2	2.5
Government Consumption (annual var. in %)	-1.4	0.7	-2.7	-4.9	-8.7	-	-	-	-	-
Fixed Investment (annual variation in %)	-5.1	-9.4	-20.6	-17.1	-18.8	-2.1	2.1	2.8	3.4	3.9
Exports (G&S, annual variation in %)	2.6	4.2	-1.7	-5.0	5.7	2.0	2.5	3.4	4.3	5.2
Imports (G&S, annual variation in %)	4.5	-0.6	-4.6	-13.6	8.1	1.3	2.2	3.2	4.0	4.8
Industrial Production (annual variation in %)	-2.4	-9.1	-17.7	-5.3	2.4	-	-	-	-	-
Unemployment (% of active population, aop)	6.3	7.9	11.9	15.9	16.1	16.0	15.1	14.1	13.1	12.1
Fiscal Balance (% of GDP)	-4.8	-5.8	-5.8	-4.9	-8.8	-1.9	-1.1	-1.1	-0.9	-0.7
Public Debt (% of GDP)	56.5	66.0	79.5	102.2	107.5	108.6	109.7	106.0	102.2	98.4
Monetary and Financial Sector										
Inflation (HICP, annual variation in %, eop)	2.0	4.2	1.5	-1.3	-1.0	-	-	-	-	-
Inflation (HICP, annual variation in %, aop)	2.6	3.5	3.1	0.4	-0.3	-0.4	0.6	1.3	1.7	2.2
ECB Refinancing Rate (% eop)	1.00	1.00	0.75	0.25	0.05	0.05	0.05	0.47	0.97	1.47
3-Month EURIBOR (% eop)	1.01	1.36	0.19	0.29	0.08	0.00	0.05	0.52	1.04	1.56
Exchange Rate (USD per EUR, eop)	1.34	1.30	1.32	1.38	1.21	1.05	1.08	1.11	1.15	1.19
Exchange Rate (USD per EUR, aop)	1.33	1.39	1.29	1.33	1.33	1.09	1.06	1.09	1.13	1.17
External Sector										
Current Account Balance (% of GDP)	-8.9	-3.1	-6.2	-3.1	-5.1	-1.6	-1.4	-0.9	-0.7	-0.5
Current Account Balance (EUR bn)	-1.7	-0.6	-1.2	-0.6	-0.9	-0.3	-0.2	-0.2	-0.1	-0.1
Trade Balance (EUR bn)	-5.4	-4.9	-4.3	-3.2	-3.7	-	-	-	-	-

Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All data are from the Central Bank of Cyprus (CBC), the Statistical Service of the Republic of Cyprus (CYSTAT) and Eurostat. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: CYSTAT.
- 2 Inflation, annual average variation of harmonized index of consumer prices (HICP) in %. Source: CYSTAT.
- 3 Current account balance as % of GDP. Source: CBC.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 18 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 18 months.
- 6 Current account balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Fact Sheet

General Data

Official name:	Republic of Cyprus
Capital:	Nicosia (0.3m)
Other cities:	Limassol (0.2m) Larnaca (0.1m)
Area (km2):	9,251
Population (million, 2014 est.):	0.9
Population density (per km2, 2014):	96
Population growth rate (% , 2014 est.):	1.5
Life expectancy (years, 2014 est.):	78.3
Illiteracy rate (% , 2011 est.):	1.3
Language:	Greek and Turkish
Measures:	Metric system
Time:	GMT+2

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	30.6
Telephones - mobile cellular (per 100 inhabit.):	95
Internet Users (per 100 inhabitants):	65.5
Broadband Subscriptions (per 100 inhabitants):	19.9

Energy (2011)

Primary Energy Production (trillion Btu):	1.0
Primary Energy Consumption (trillion Btu):	120
Electricity Generation (billion kW-h):	4.6
Electricity Consumption (billion kW-h):	4.4
Oil Supply (thousand bpd):	0.1
Oil Consumption (thousand bpd):	55.4
CO2 Emissions (million metric tons):	8.7

Transportation (2013)

Airports:	15
Railways (km):	-
Roadways (km):	20,006
Waterways (km):	-
Chief Ports:	Limassol, Larnaca, Vasilicos

Political Data

President (Head of Government):	Nicos Anastasiades
Last elections:	28 February 2013
Next elections:	February 2018
Central Bank Governor:	Chrystalla Georgiadji

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	B3	Stable
S&P:	B+	Positive
Fitch Ratings:	B-	Positive

Strengths

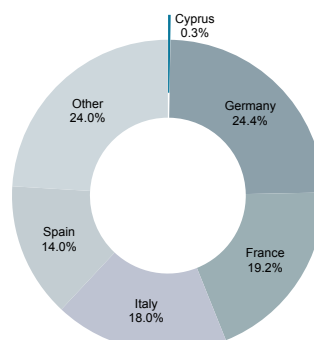
- Tourist attractiveness
- Commitment to medium-term fiscal stability

Weaknesses

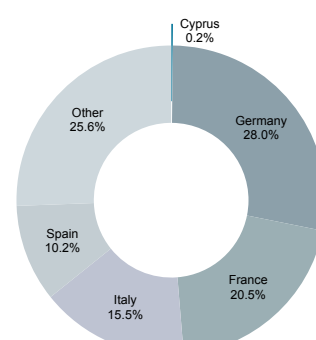
- Disproportionate banking sector
- High household indebtedness
- Large fiscal deficit and public debt

Cyprus in the Region

Population | %-share in Euro area

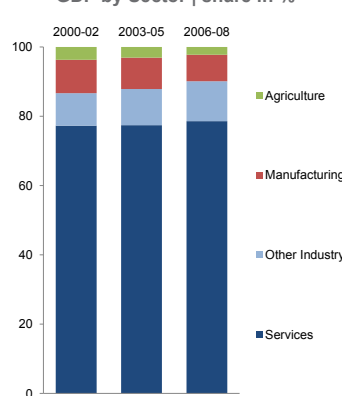


GDP | %-share in Euro area

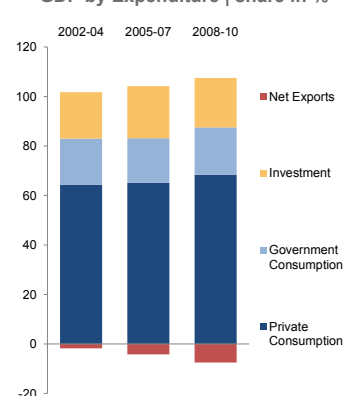


Economic Structure

GDP by Sector | share in %

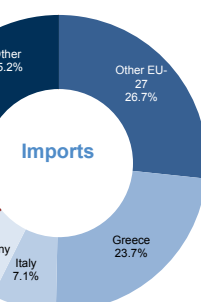
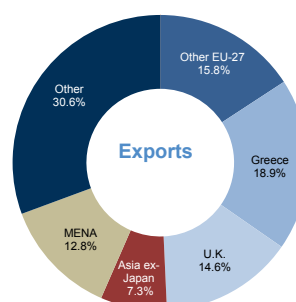


GDP by Expenditure | share in %

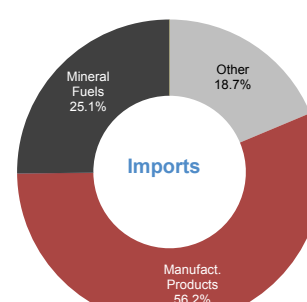
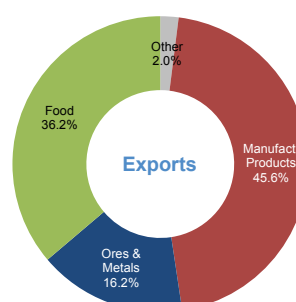


Trade Structure

Primary markets | share in %



Primary products | share in %



Greece



Outlook worsens*

- Negotiations between Greece and its international lenders have broken down following Prime Minister Alexis Tsipras' surprise call for a referendum on 5 July that will allow the Greek people to accept or reject the terms of an extended bailout program. The outcome of the vote is highly unpredictable, and what the consequences of either scenario will be is even harder to determine. A "Yes" vote would open the door to resumed negotiations, but also spark a political crisis at home given that the ruling SYRIZA party's has rejected the option for further austerity. A "No" vote would most likely set the stage for a Greek exit from the euro. Polls suggest that a majority of Greeks would prefer to stay in the euro, but accepting prolonged austerity measure may be too much to swallow.
- Greece's outlook is deteriorating rapidly. The government's funding gap is overwhelming and it is unclear what will happen in the coming days and weeks. FocusEconomics panelists have cut their 2015 forecasts by 0.6 percentage points as the situation deteriorates. The panel now expects the economy to contract 0.1% in 2015. For 2016, the panel sees the economy growing 1.6% (previous estimate: 2.3%).
- In May, harmonized consumer prices fell 1.4% over the same month last year, coming in above April's 1.8% decrease. Panelists expect consumer prices to fall an average of 1.3% in 2015. For 2016, the panel sees HICP inflation averaging 0.4%.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	11.1	11.0	10.9
GDP (EUR bn):	195	179	192
GDP per capita (EUR):	17,543	16,258	17,560
GDP growth (%):	-6.5	0.8	2.3
Fiscal Balance (% of GDP):	-10.4	-3.0	-1.4
Public Debt (% of GDP):	168	177	166
Inflation (%):	1.1	-0.8	1.2
Current Account (% of GDP):	-5.5	0.9	0.4

*Greece and other Eurozone economies are fully covered in the FocusEconomics Euro Area report, which was published on 30 June. The reported developments may not reflect the current situation in the country and some panelists' forecasts may not completely reflect their assessment of the situation and its impact on the outlook. The next edition for the Euro Area report is scheduled for 28 July.

Angela Bouzanis
Economist

POLITICS | Tsipras referendum call raises chances of Grexit; economy on the brink of disaster

Weeks of tense negotiations between Greece and its international lenders came to a sudden halt as the parties involved failed to reach an accord, pushing Greece dangerously close to default and a full-blown crisis. Talks ended abruptly when the Greek government announced that it has called for a referendum on the conditions required to extend its bailout program to be held on 5 July. This announcement came just a few days before the bailout program's expiration and IMF loan repayment deadline on 30 June. Facing ever-increasing liquidity shortages and with additional and more substantial loan repayment deadlines on the horizon, it is unclear what will happen in Greece in the coming days and weeks. The situation is in flux and there is a whole range of potential scenarios that could unfold, ranging from negotiations resuming to a perilous Grexit.

Late on 26 June, Greek Prime Minister Alexis Tsipras made a surprise move by calling for a referendum in Greece to let voters decide whether or not they accept a set of terms offered by international creditors that would keep the bailout program running. Greece's creditors have long been pushing for a series of reforms, including increases in the corporate tax rate, strict primary surpluses and increasing pension contributions. However, Tsipras' and his

left-leaning SYRIZA party were elected on an anti-austerity platform and making such concessions has proved to be politically unfeasible so far. The day after Tsipras' shocking announcement, European financial authorities refused Greece's request to extend the bailout program for a few days until after the referendum is held on 5 July.

The situation escalated when the European Central Bank announced on 28 June that it would not increase its emergency funding to Greece, therefore capping the amount of liquidity assistance made available to Greek banks. Without any additional funding, Greece is set to default on a EUR 1.6 billion loan repayment due to the International Monetary Fund (IMF) on 30 June. Greece would then become the first developed economy to default on an IMF loan and would not receive any further money from the international organization going forward. The Greek government responded swiftly to the deteriorating situation by introducing capital controls limiting cash withdrawals and officially closing banks until 6 July.

The burning question now is whether the interrupted negotiations and missed IMF payment set the stage for a potential Greek exit from the eurozone. Details of exactly what question will be asked in the upcoming referendum are not yet known, although in essence Greeks will vote to either accept or reject the terms stipulated by the lenders. A "Yes" vote would open the door to resuming negotiations between Greece and its lenders, but it would also ignite a severe internal political crisis given SYRIZA's staunch opposition to the conditions. Tsipras has stated that he does not want a Grexit, although he is urging people to vote against the austerity measures in hopes that it will bring the country a better deal. A "No" vote might pressure the European leaders, the ECB and the IMF to look for a solution, but would most likely push Greece towards an exit. Several European leaders have clearly framed the referendum as Greece's choice between remaining in or exiting the common currency area.

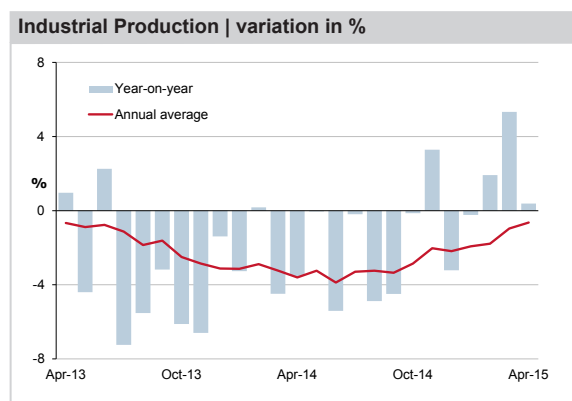
The Greek economy could very well spiral into a deep crisis in the coming days, although it is extremely difficult to determine what route the building drama will take. Amid looming uncertainties, the economy is now expected to contract this year, after having grown for the first time in seven years in 2014. FocusEconomics Consensus Forecast panelists foresee the economy declining 0.1% in 2015, which is down 0.6 percentage points from last month's forecast. For 2016, the panel expects growth to pick up to 1.6%.

REAL SECTOR | Industrial production falls to three-month low

In April, industrial production expanded a working-day adjusted 0.4% compared to the same month last year, which was notably below the 5.3% increase tallied in March and marked a three-month low. March's figure had represented the largest expansion since November 2007. April's decrease reflected an almost across-the-board deterioration, with only mining and quarrying improving compared to the previous month.

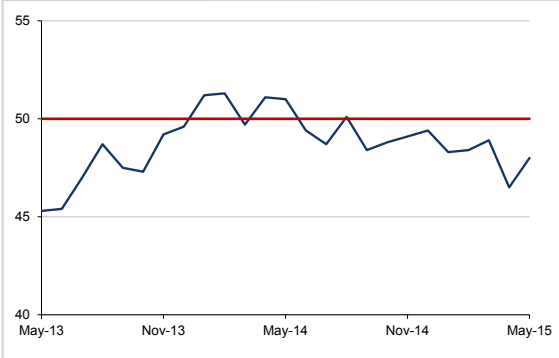
Industrial output in April fell 3.2% over the previous month in seasonally-adjusted terms, which contrasted March's 3.1% increase. Annual average variation in industrial production rose from minus 1.0% in March to minus 0.6% in April.

FocusEconomics Consensus Forecast panelists see industrial production falling 0.1% in 2015, which is up 0.2 percentage points from last month's forecast. In 2016, the panel sees industrial production increasing 1.6%.



Note: Year-on-year changes and annual average variation of industrial production index in %.
Source: Hellenic Statistical Authority (EL.STAT.) and FocusEconomics calculations.

Purchasing Managers' Index



Note: Markit manufacturing Purchasing Managers' Index (PMI). A reading above 50 indicates an expansion in business activity while a value below 50 points to a contraction.
Source: Markit.

REAL SECTOR | PMI rises but remains in contraction territory in May

The Markit manufacturing Purchasing Managers' Index (PMI) rose from 46.5 in April to 48.0 in May. April's result had marked a 22-month low. Despite May's improvement, the index remains below the 50-threshold that separates contraction from expansion in the manufacturing sector.

According to Markit, May's rise came on the back of a slower fall in output compared to the previous month. Meanwhile, new orders fell for the ninth consecutive month, with new orders from abroad decreasing at a rate that mirrored April's figure. However, the decrease in new orders resulted in a significant reduction of outstanding orders. Employment in May fell for the second consecutive month and at a slightly steeper pace than in April, although remaining modest overall. Regarding prices, cost inflation rose to a four-year high, against a backdrop of a weak euro and higher prices. Markit added, "the weaker euro is driving up costs but businesses aren't seeing the benefit of an increase in competitiveness, with the uncertainty that hangs over the country stifling demand."

FocusEconomics Consensus Forecast panelists see fixed investment falling 1.4% in 2015, which is down 1.7 percentage points from the previous month's estimate. For 2016, the panel expects fixed investment to increase 4.1%.

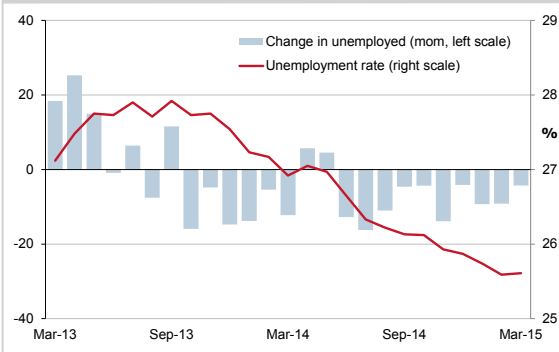
REAL SECTOR | Unemployment rate remains broadly unchanged in March

The number of unemployed fell by 4,283 in March, according to the Hellenic Statistical Authority (EL.STAT.). March's fall marked a smaller drop over February's 9,176 decrease.

The unemployment rate remained broadly unchanged in March at February's 25.6%. The reading was below that of the same month last year (March 2014: 26.9%). Despite the improvements registered in recent months, Greece's unemployment rate is still well above the Eurozone average.

FocusEconomics Consensus Forecast panelists expect unemployment to average 25.6% in 2015, which is up 0.1 percentage points from last month's forecast. For 2016, the panel expects the unemployment rate to average 23.8%.

Labor Market



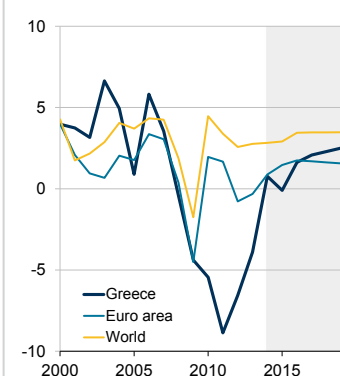
Note: Month-on month variation of unemployed people in thousands and unemployment rate in %.
Source: Hellenic Statistical Authority (EL.STAT.).

Economic Indicators | 2010 - 2019

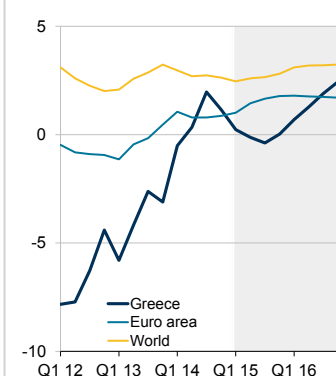
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	11.2	11.1	11.1	11.1	11.0	11.0	11.0	11.0	10.9	10.9
GDP per capita (EUR)	20,226	18,678	17,459	16,491	16,290	16,074	16,409	16,905	17,519	18,256
GDP (EUR bn)	226	208	194	182	179	177	180	185	192	200
Economic Growth (Nominal GDP, ann. var. in %)	-4.7	-8.2	-6.5	-6.1	-1.8	-1.4	2.0	2.9	3.5	4.1
Economic Growth (GDP, annual var. in %)	-5.5	-8.9	-6.6	-3.9	0.8	-0.1	1.6	2.1	2.3	2.5
Domestic Demand (annual variation in %)	-9.1	-10.8	-10.3	-3.9	1.0	-0.3	1.9	2.1	2.1	2.2
Private Consumption (annual var. in %)	-7.1	-10.6	-7.8	-2.0	1.4	0.3	1.1	1.7	2.1	2.5
Government Consumption (ann. var. in %)	-4.3	-6.6	-5.0	-6.5	-0.9	-	-	-	-	-
Fixed Investment (annual variation in %)	-20.9	-16.8	-28.7	-9.5	2.7	-1.4	4.1	4.4	4.3	4.3
Exports (G&S, annual variation in %)	4.6	0.0	1.2	2.1	9.0	3.2	5.0	4.9	4.6	4.4
Imports (G&S, annual variation in %)	-5.5	-9.0	-9.1	-1.6	7.4	3.3	3.8	3.6	3.4	3.3
Industrial Production (annual variation in %)	-5.9	-5.7	-2.0	-3.2	-2.2	-0.1	1.6	1.8	2.0	2.1
Unemployment (% of active population, aop)	12.7	17.9	24.6	27.5	26.5	25.6	23.8	21.4	19.4	17.4
Fiscal Balance (% of GDP)	-11.1	-10.2	-8.7	-12.3	-3.5	-3.0	-2.6	-1.9	-1.4	-0.9
Public Debt (% of GDP)	146	171	157	175	177	179	175	171	166	161
Monetary and Financial Sector										
Inflation (HICP, annual variation in %, eop)	5.2	2.2	0.3	-1.8	-2.5	-	-	-	-	-
Inflation (HICP, annual variation in %, aop)	4.7	3.1	1.0	-0.9	-1.4	-1.3	0.4	0.8	1.2	1.6
Inflation (PPI, annual variation in %, aop)	6.7	7.7	4.8	-0.9	-1.2	-	-	-	-	-
ECB Refinancing Rate (% eop)	1.00	1.00	0.75	0.25	0.05	0.05	0.05	0.47	0.97	1.47
3-Month EURIBOR (% eop)	1.01	1.36	0.19	0.29	0.08	0.00	0.05	0.52	1.04	1.56
10-Year Bond Yield (% eop)	12.54	35.49	11.84	8.50	9.60	9.12	7.25	7.10	6.92	6.75
Stock Market (var. of ASE in %)	-35.6	-51.9	33.4	28.1	-28.9	-	-	-	-	-
Exchange Rate (USD per EUR, eop)	1.34	1.30	1.32	1.38	1.21	1.05	1.08	1.11	1.15	1.19
Exchange Rate (USD per EUR, aop)	1.33	1.39	1.29	1.33	1.33	1.09	1.06	1.09	1.13	1.17
External Sector										
Current Account Balance (% of GDP)	-10.0	-9.9	-2.4	0.6	0.9	0.8	0.8	0.7	0.4	0.2
Current Account Balance (EUR bn)	-22.5	-20.6	-4.6	1.1	1.7	1.4	1.5	1.2	0.8	0.4
Trade Balance (EUR bn)	-29.8	-24.3	-19.8	-15.2	-17.0	-	-	-	-	-
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	2.0	1.2	0.2	-0.1	-0.4	0.0	0.7	1.3	1.9	2.4
Economic Growth (GDP, s.a. annual var. in %)	0.7	-0.4	-0.2	-	-	-	-	-	-	-
Inflation (HICP, annual variation in %, aop)	-0.7	-1.9	-2.2	-1.8	-1.3	0.0	0.2	0.3	0.6	0.7
ECB Refinancing Rate (% eop)	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
3-Month EURIBOR (% eop)	0.08	0.08	0.02	0.01	0.00	0.00	0.02	0.02	0.04	0.05
Exchange Rate (USD per EUR, eop)	1.26	1.21	1.07	1.09	1.07	1.05	1.05	1.06	1.08	1.08
Monthly Data										
	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Industrial Production (annual variation in %)	-4.9	-4.5	-0.1	3.3	-3.2	-0.2	1.9	5.3	0.4	-
Markit Manufacturing PMI (50-threshold)	50.1	48.4	48.8	49.1	49.4	48.3	48.4	48.9	46.5	48.0
Unemployment (% of active population)	26.2	26.1	26.1	25.9	25.9	25.7	25.6	25.6	-	-
Inflation (HICP, annual variation in %)	-0.2	-1.1	-1.8	-1.2	-2.5	-2.8	-1.9	-1.9	-1.8	-1.4
Exchange Rate (USD per EUR, eop)	1.32	1.26	1.25	1.25	1.21	1.13	1.12	1.07	1.12	1.10

Real Sector | Gross Domestic Product

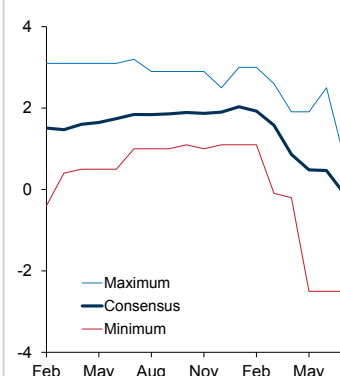
1 | Real GDP | 2000 - 2019 | var. in %



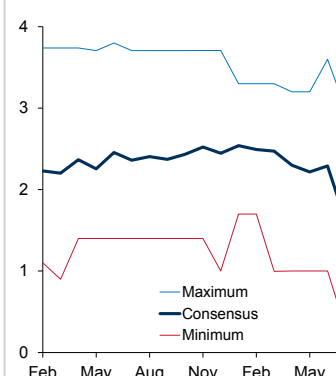
2 | Real GDP | Q1 12-Q4 16 | var. in %



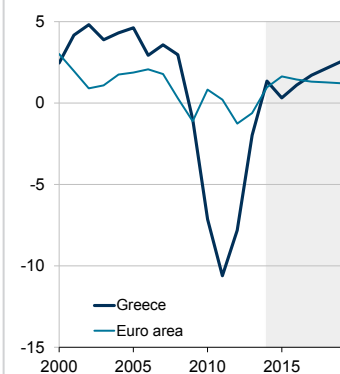
3 | GDP 2015 | evolution of forecasts



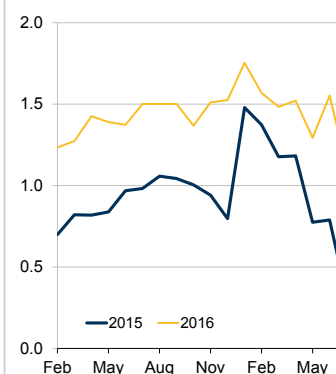
4 | GDP 2016 | evolution of forecasts



5 | Consumption | variation in %



6 | Consumption | evolution of fcst



Real GDP growth in %

Individual Forecasts	2015	2016
Alpha Bank	0.6	3.0
BMI Research	0.4	1.4
Citigroup Global Mkts	-0.2	1.6
Commerzbank	0.2	2.5
Credit Suisse	0.0	1.2
DekaBank	-0.4	1.6
Deutsche Bank	-0.3	1.3
DZ Bank	-0.1	0.5
EIU	0.0	2.0
Eurobank	0.0	2.0
Frontier Strategy Group	-2.5	1.2
ING	0.0	1.0
National Bank of Greece	0.3	2.5
Nomura	0.4	2.7
Oxford Economics	-0.1	1.6
Piraeus Bank	0.8	-
Raiffeisen Research	-0.3	1.2
Unicredit	-0.6	0.3
Summary		
Minimum	-2.5	0.3
Maximum	0.8	3.0
Median	0.0	1.6
Consensus	-0.1	1.6
History		
30 days ago	0.5	2.3
60 days ago	0.5	2.2
90 days ago	0.9	2.3
Additional Forecasts		
IMF (Apr. 2015)	2.5	3.7
European Commission (May 2015)	0.5	2.9

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Hellenic Statistical Authority (EL.STAT.) and Eurostat. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

1 GDP, annual variation in %. Source: Eurostat and EL.STAT.

2 Quarterly GDP (non seasonally adjusted), year-on-year variation in %. Source: Eurostat and EL.STAT.

3 GDP, evolution of 2015 forecasts during the last 18 months.

4 GDP, evolution of 2016 forecasts during the last 18 months.

5 Private consumption, annual variation in %. Source: Eurostat and EL.STAT.

6 Private consumption, change in 2015 and 2016 forecasts during the last 18 months.

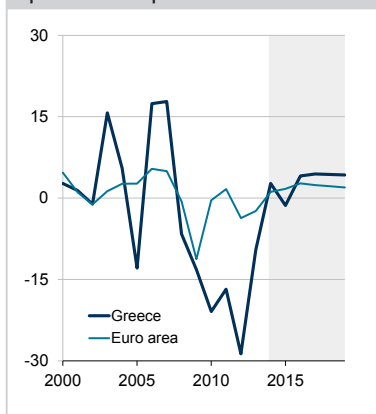
7 Gross fixed capital formation, annual variation in %. Source: Eurostat and EL.STAT.

8 Real exports of goods and services, annual variation in %. Source: Eurostat and EL.STAT.

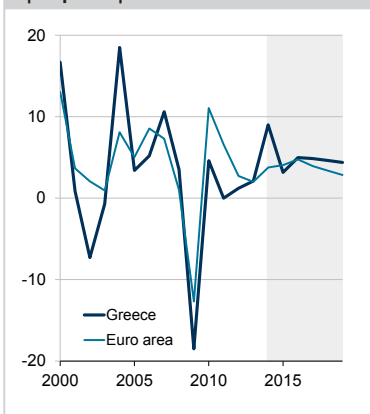
Real Sector | Additional forecasts

Individual Forecasts	Consumption variation in %		Investment variation in %		Exports variation in %		Imports variation in %	
	2015	2016	2015	2016	2015	2016	2015	2016
Alpha Bank	0.8	2.1	-5.2	5.2	4.1	3.4	2.0	4.5
BMI Research	-0.5	1.0	1.2	2.5	4.0	4.0	3.0	3.0
Citigroup Global Mkts	0.4	0.8	0.6	4.1	2.8	6.1	3.5	4.0
Commerzbank	-	-	-	-	-	-	-	-
Credit Suisse	-	-	-	-	-	-	-	-
DekaBank	-	-	-	-	-	-	-	-
Deutsche Bank	-	-	-	-	-	-	-	-
DZ Bank	0.5	-0.5	4.5	1.0	0.8	6.2	5.1	3.7
EIU	1.0	1.6	-7.0	2.0	2.5	3.8	2.2	3.2
Eurobank	0.3	2.0	-5.0	5.0	3.5	5.0	1.5	4.0
Frontier Strategy Group	-1.2	0.0	-	-	-	-	-	-
ING	-	-	-	-	-	-	-	-
National Bank of Greece	-0.2	1.2	-6.1	10.5	5.5	6.3	1.6	5.7
Nomura	1.2	1.7	1.6	3.9	4.8	5.7	5.8	3.3
Oxford Economics	0.9	1.1	3.2	2.6	0.5	4.4	5.4	2.9
Piraeus Bank	-	-	-	-	-	-	-	-
Raiffeisen Research	-	-	-	-	-	-	-	-
Unicredit	-	-	-	-	-	-	-	-
Summary								
Minimum	-1.2	-0.5	-7.0	1.0	0.5	3.4	1.5	2.9
Maximum	1.2	2.1	4.5	10.5	5.5	6.3	5.8	5.7
Median	0.4	1.2	0.6	3.9	3.5	5.0	3.0	3.7
Consensus	0.3	1.1	-1.4	4.1	3.2	5.0	3.3	3.8
History								
30 days ago	0.8	1.6	0.3	4.4	4.2	5.0	2.9	3.7
60 days ago	0.8	1.3	2.0	4.6	4.5	5.3	3.6	3.9
90 days ago	1.2	1.5	1.0	5.4	4.8	5.3	4.1	3.9

7 | Investment | variation in %



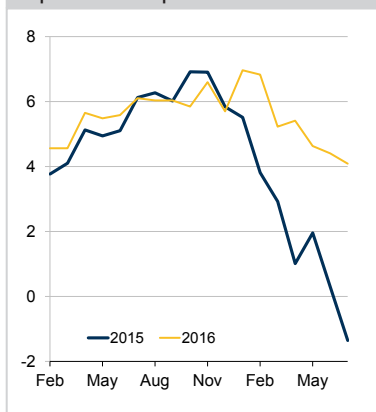
8 | Exports | variation in %



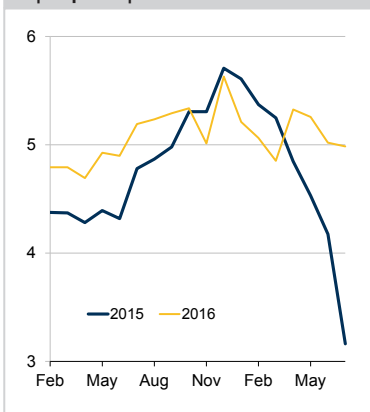
9 | Imports | variation in %



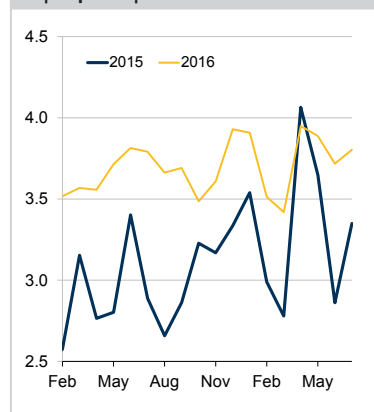
10 | Investment | evol. of forecasts



11 | Exports | evol. of forecasts

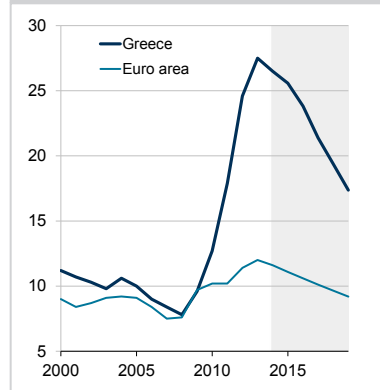


12 | Imports | evol. of forecasts

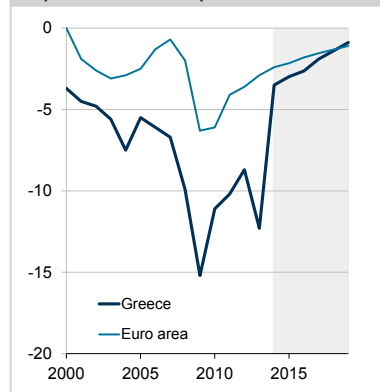


Real Sector | Additional forecasts

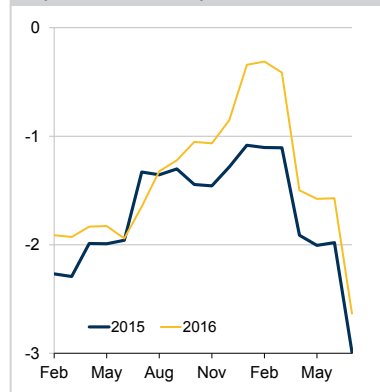
13 | Unemployment | % of active pop.



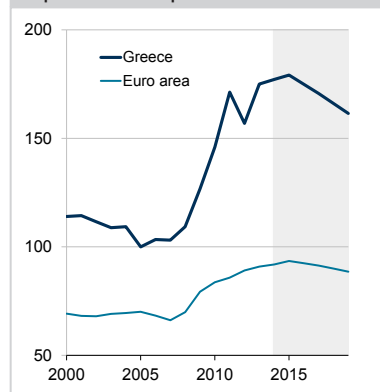
14 | Fiscal Balance | % of GDP



15 | Fiscal Balance | evolution of fcst



16 | Public Debt | % of GDP



Unemployment, Fiscal Balance and Public Debt

Individual Forecasts	Unemployment % of active pop.		Fiscal Balance % of GDP		Public Debt % of GDP	
	2015	2016	2015	2016	2015	2016
Alpha Bank	25.0	22.0	-	-	170	159
BMI Research	25.9	24.8	-3.2	-2.6	-	-
Citigroup Global Mkts	26.2	25.3	-2.8	-2.1	186	188
Commerzbank	-	-	-	-	-	-
Credit Suisse	25.0	22.0	-	-	180	174
DekaBank	-	-	-2.1	-2.2	-	-
Deutsche Bank	-	-	-3.6	-2.9	176	173
DZ Bank	-	-	-2.5	-3.0	181	178
EIU	25.7	24.2	-4.2	-3.6	177	171
Eurobank	26.0	24.5	-2.2	-2.0	181	175
Frontier Strategy Group	25.0	23.0	-	-	-	-
ING	-	-	-	-	-	-
National Bank of Greece	25.5	22.8	-3.0	-	181	-
Nomura	26.0	25.5	-3.3	-2.6	181	176
Oxford Economics	25.6	24.1	-3.6	-3.3	183	183
Piraeus Bank	25.5	-	-	-	177	-
Raiffeisen Research	-	-	-2.1	-2.2	180	174
Unicredit	-	-	-3.3	-2.5	176	173
Summary						
Minimum	25.0	22.0	-4.2	-3.6	170	159
Maximum	26.2	25.5	-2.1	-2.0	186	188
Median	25.6	24.2	-3.1	-2.6	180	174
Consensus	25.6	23.8	-3.0	-2.6	179	175
History						
30 days ago	25.5	23.7	-2.0	-1.6	176	171
60 days ago	25.4	23.8	-2.0	-1.6	175	171
90 days ago	25.5	23.9	-1.9	-1.5	173	168

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Hellenic Statistical Authority (EL.STAT.) and Eurostat. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

9 Real imports of goods and services, annual variation in %. Source: EL.STAT.

10 Gross fixed investment, evolution of 2015 and 2016 forecasts during the last 18 months.

11 Exports, evolution of 2015 and 2016 forecasts during the last 18 months.

12 Imports, evolution of 2015 and 2016 forecasts during the last 18 months.

13 Unemployment, % of active population. Source: EL.STAT.

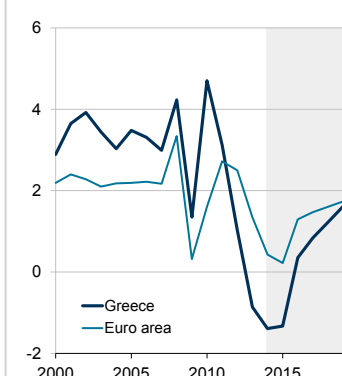
14 General government fiscal balance as % of GDP. Source: Eurostat.

15 General government fiscal balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

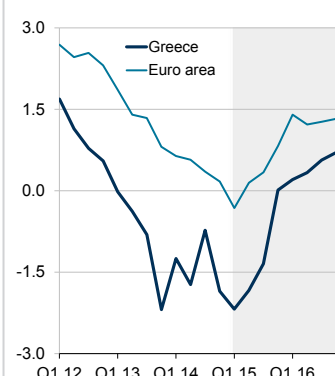
16 Public debt as % of GDP. Source: Eurostat.

Monetary and External Sector | Inflation and Current Account Balance

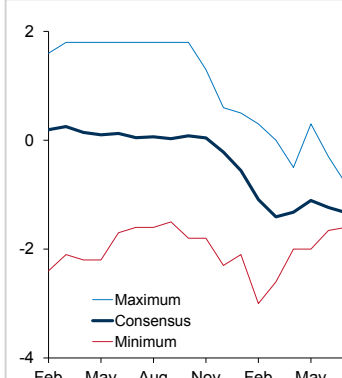
17 | Inflation | 2000 - 2019 | in %



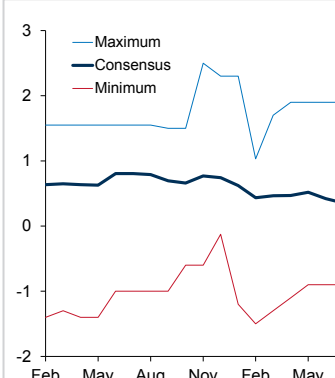
18 | Inflation | Q1 12-Q4 16 | in %



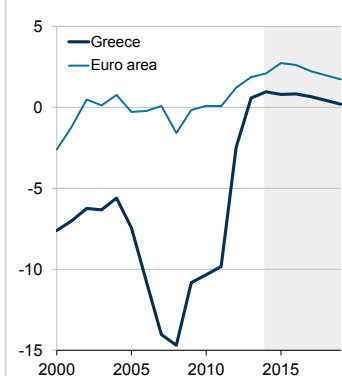
19 | Inflation 2015 | evolution of fcst



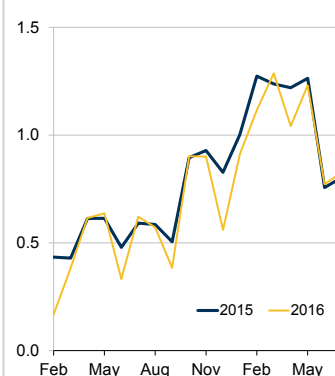
20 | Inflation 2016 | evolution of fcst



21 | Current Account | % of GDP



22 | Current Account | evol. of fcst



Consumer Prices and Current Account Balance

Individual Forecasts	Prices (HICP) var. in %		Current Acct % of GDP	
	2015	2016	2015	2016
Alpha Bank	-1.0	0.0	0.9	0.9
BMI Research	-1.5	0.3	0.8	1.0
Citigroup Global Mkts	-1.6	0.3	0.3	0.6
Commerzbank	-1.5	0.0	-	-
Credit Suisse	-1.4	0.2	1.2	1.4
DekaBank	-1.1	1.0	-1.5	-0.9
Deutsche Bank	-1.4	1.0	1.5	1.2
DZ Bank	-	-	-	-
EIU	-1.2	0.9	2.3	1.9
Eurobank	-1.4	-0.5	0.5	-
Frontier Strategy Group	-	-	-	-
ING	-1.2	0.4	-	-
National Bank of Greece	-0.8	1.9	1.7	-
Nomura	-1.6	-0.9	-	-
Oxford Economics	-1.5	-0.4	0.2	0.2
Piraeus Bank	-1.2	-	1.0	-
Raiffeisen Research	-1.4	0.8	1.0	1.2
Unicredit	-1.5	0.3	0.6	0.8
Summary				
Minimum	-1.6	-0.9	-1.5	-0.9
Maximum	-0.8	1.9	2.3	1.9
Median	-1.4	0.3	0.9	0.9
Consensus	-1.3	0.4	0.8	0.8
History				
30 days ago	-1.2	0.4	0.8	0.8
60 days ago	-1.1	0.5	1.3	1.2
90 days ago	-1.3	0.5	1.2	1.0
Additional Forecasts				
IMF (Apr. 2015)	-0.3	0.3	-	-
Euro. Comm. (May 2015)	-1.5	0.8	-	-

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary and external sector data are from the Hellenic Statistical Authority (EL.STAT.) and the Bank of Greece (BoG). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

17 Inflation, annual average variation of harmonized index of consumer prices (HICP) in %. Source: EL.STAT.

18 Inflation, annual variation of quarterly average harmonized index of consumer prices (HICP) in %. Source: EL.STAT.

19 Inflation, evolution of 2015 forecasts during the last 18 months.

20 Inflation, evolution of 2016 forecasts during the last 18 months.

21 Current account balance as % of GDP. Source: BoG.

22 Current account balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Fact Sheet

General Data

Official name:	Hellenic Republic
Capital:	Athens (4.1m)
Other cities:	Thessaloniki (1.2m)
Area (km ²):	131,957
Population (million, 2014 est.):	11.0
Population density (per km ² , 2014):	83.3
Population growth rate (% , 2014 est.):	0.0
Life expectancy (years, 2014 est.):	80.3
Illiteracy rate (% , 2011):	3.7
Language:	Greek
Measures:	Metric system
Time:	GMT+2

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	47.9
Telephones - mobile cellular (per 100 inhabit.):	117
Internet Users (per 100 inhabitants):	59.9
Broadband Subscriptions (per 100 inhabitants):	26.2

Energy (2012)

Primary Energy Production (trillion Btu):	408
Primary Energy Consumption (trillion Btu):	1,225
Electricity Generation (billion kW-h):	57.6
Electricity Consumption (billion kW-h):	57.7
Oil Supply (thousand bpd):	7.5
Oil Consumption (thousand bpd):	306
CO2 Emissions (million metric tons):	87.6

Transportation (2013)

Airports:	77
Railways (km):	2,548
Roadways (km):	116,960
Waterways (km):	6
Chief Ports:	Piraeus, Thessaloniki

Political Data

Prime Minister:	Alexis Tsipras
Last elections:	25 January 2015
Next elections:	24 February 2019
Central Bank Governor:	Yannis Stournaras

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Caa2	RUR
S&P:	CCC+	Negative
Fitch Ratings:	CCC	-

Strengths

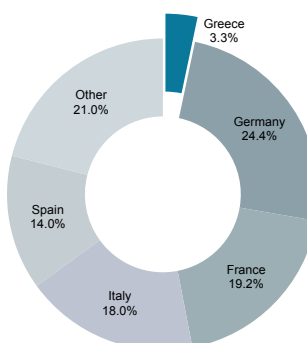
- Leading ship owner
- Tourist potential
- Ongoing external rebalancing process

Weaknesses

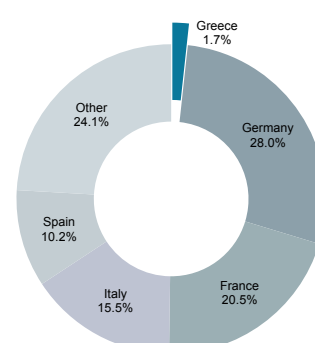
- Large public debt
- High structural unemployment
- High levels of household debt
- Widespread tax evasion

Greece in the Region

Population | % -share in Euro area

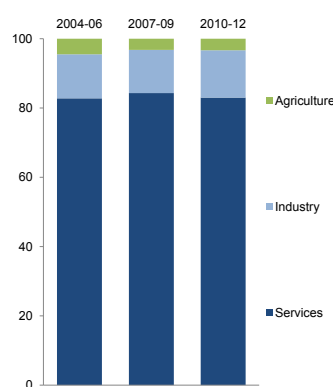


GDP | % -share in Euro area

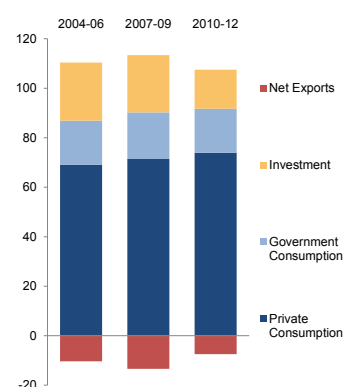


Economic Structure

GDP by Sector | share in %

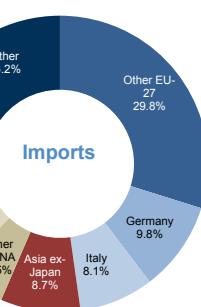
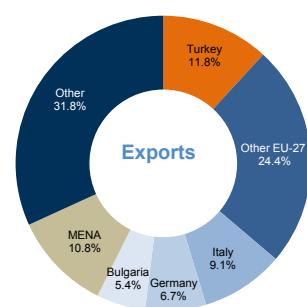


GDP by Expenditure | share in %

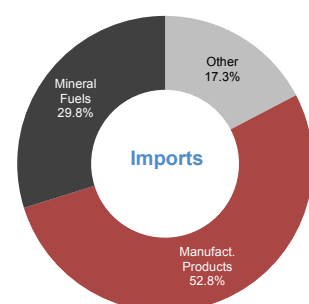
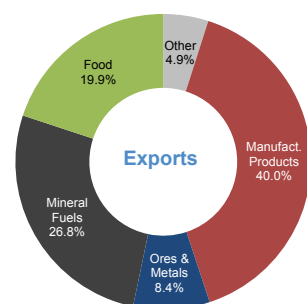


Trade Structure

Primary markets | share in %



Primary products | share in %



Kosovo



Outlook deteriorates

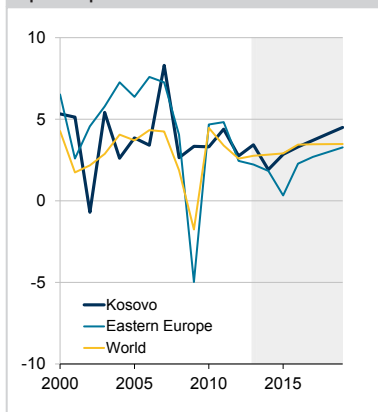
- Six months of political stalemate following the June 2014 elections ended with the formation of a grand coalition government in December. The new government began 2015 holding a majority in parliament and approving an economic program for the period between 2015 and 2018. The program focuses on economic development, effective governance and strengthening the rule of law. Moreover, Kosovo has been making progress in normalizing international relations. At present, the country is recognized by 108 United Nations member states and 23 European Union countries and is progressing in stabilizing relations with Serbia under an EU-sponsored dialogue.
- Steady inflows of remittances are expected to continue supporting private consumption and consequently economic growth this year. However, the worsening of the Greek debt crisis is casting a shadow on the entire Balkans area. FocusEconomics panelists expect the economy to grow 2.8% in 2015. In 2016, panelists see the economy growing 3.3%.
- Harmonized consumer prices fell 0.4% annually in May. FocusEconomics panelists expect inflation to average 0.2% this year and 1.0% in 2016.

LONG-TERM TRENDS | 3-year averages

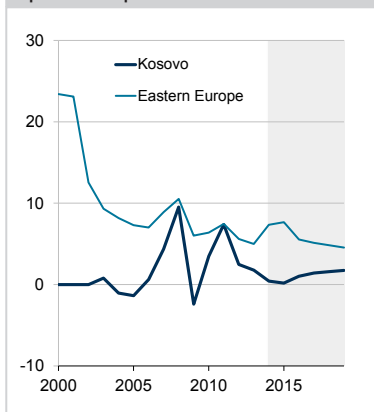
	2011-13	2014-16	2017-19
Population (million):	1.8	1.8	1.9
GDP (EUR bn):	5.1	5.6	6.5
GDP per capita (EUR):	2,807	3,060	3,455
GDP growth (%):	3.5	2.7	4.1
Fiscal Balance (% of GDP):	-2.4	-2.6	-3.1
Public Debt (% of GDP)	16.4	20.7	24.2
Inflation (%):	3.8	0.5	1.6
Current Account (% of GDP):	-9.6	-7.9	-8.2
External Debt (% of GDP):	38.7	39.6	37.2

Ricardo Aceves
Senior Economist

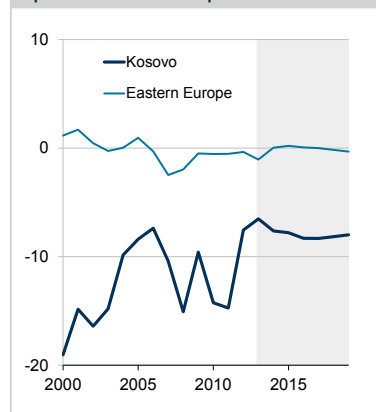
1 | GDP | variation in %



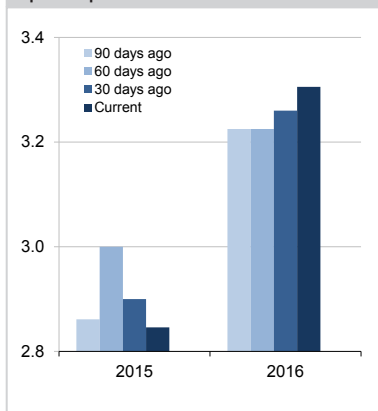
2 | Inflation | in %



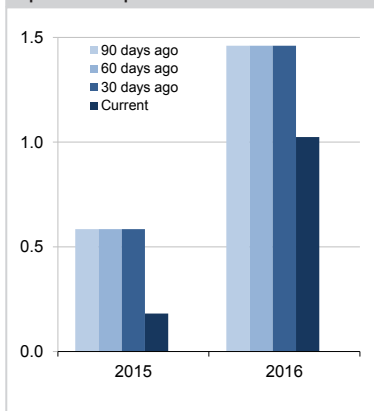
3 | Current Account | % of GDP



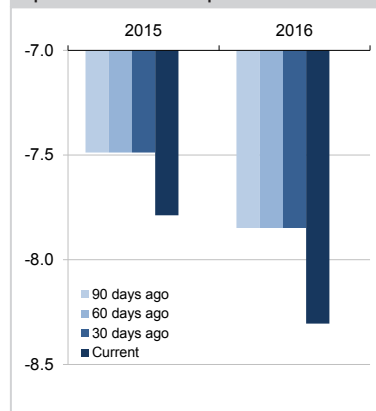
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9
GDP per capita (USD)	3,037	3,897	3,556	3,808	2,251	2,794	2,964	3,012	3,060	3,114
GDP (USD bn)	5.4	7.0	6.4	6.9	4.1	5.2	5.5	5.6	5.8	5.9
GDP per capita (EUR)	2,479	2,688	2,802	2,930	2,990	3,040	3,149	3,285	3,446	3,633
GDP (EUR bn)	4.4	4.8	5.1	5.3	5.5	5.6	5.9	6.2	6.5	6.9
Economic Growth (Nominal GDP, ann. var. in %)	8.2	9.4	5.1	5.3	2.3	3.0	4.3	5.1	5.7	6.2
Economic Growth (GDP, annual var. in %)	3.3	4.4	2.8	3.4	1.9	2.8	3.3	3.7	4.1	4.5
Unemployment (% of active population, aop)	40.6	35.7	30.9	30.0	29.5	29.0	28.8	28.6	28.6	28.5
Fiscal Balance (% of GDP)	-2.2	-1.8	-2.4	-3.0	-2.3	-2.8	-2.8	-3.0	-3.1	-3.2
Public Debt (% of GDP)	16.1	14.6	17.1	17.6	20.1	20.4	21.5	22.9	24.2	25.6
Monetary and Financial Sector										
Inflation (CPI, annual variation in %, aop)	3.5	7.4	2.5	1.8	0.4	0.2	1.0	1.4	1.6	1.7
Exchange Rate (USD per EUR, eop)	1.34	1.30	1.32	1.38	1.21	1.05	1.08	1.11	1.15	1.19
Exchange Rate (USD per EUR, aop)	1.33	1.39	1.29	1.33	1.33	1.09	1.06	1.09	1.13	1.17
External Sector										
Current Account Balance (% of GDP)	-14.2	-14.7	-7.6	-6.5	-7.6	-7.8	-8.3	-8.3	-8.2	-8.0
Current Account Balance (EUR bn)	-0.6	-0.7	-0.4	-0.3	-0.4	-0.4	-0.5	-0.5	-0.5	-0.6
Merchandise Trade Balance (EUR bn)	-1.9	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.5	-2.6	-2.7
Merchandise Exports (EUR bn)	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Merchandise Imports (EUR bn)	2.2	2.5	2.5	2.4	2.5	2.5	2.6	2.9	3.0	3.1
Merchandise Exports (annual variation in %)	79.4	7.8	-13.5	6.5	10.5	2.3	10.1	8.5	5.1	1.7
Merchandise Imports (annual variation in %)	11.5	15.5	0.6	-2.4	3.6	-1.0	5.2	8.3	5.8	3.4
International Reserves (EUR bn)	0.63	0.57	0.84	0.80	0.75	0.82	0.86	0.89	0.92	0.95
International Reserves (months of imports)	3.5	2.7	4.0	3.9	3.5	3.9	3.9	3.7	3.6	3.6
External Debt (EUR bn)	1.5	1.7	2.0	2.2	2.1	2.3	2.3	2.4	2.4	2.5
External Debt (% of GDP)	33.1	35.3	39.6	41.3	37.9	41.1	39.9	38.2	37.2	36.1

Notes and sources

General:
 The designation of the Republic of Kosovo is without prejudice to positions on status, and is in line with the United Nations Security Council Resolution 1244 (UNSCR 1244) and the International Court of Justice (ICJ) advisory opinion on the Kosovo Declaration of Independence.
 Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the Kosovo Agency of Statistics (ASK) and the World Bank (WB). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: ASK.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: ASK.
- 3 Current Account, % of GDP. Source: WB.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current Account, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Republic of Kosovo
Capital:	Prishtina (0.55 m)
Other cities:	Prizren (0.36 m) Gnjilan (0.003 m)
Area (km2):	10,887
Population (million, 2014 est.):	1.8
Population density (per km2, 2014):	167
Population growth rate (% , 2014 est.):	0.6
Life expectancy (years, 2014 est.):	71.3
Illiteracy rate (% , 2011):	91.9
Language:	Albanian, Bosnian and Serbian
Measures:	Metric system
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	10.6
Telephones - mobile cellular (per 100 inhabit.):	56.2
Internet Users (per 100 inhabitants):	-
Broadband Subscriptions (per 100 inhabitants):	-

Energy (2012)

Primary Energy Production (trillion Btu):	78.0
Primary Energy Consumption (trillion Btu):	80.0
Electricity Generation (billion kW-h):	5.6
Electricity Consumption (billion kW-h):	4.8
Oil Supply (thousand bpd):	-
Oil Consumption (thousand bpd):	-
CO2 Emissions (million metric tons):	7.6

Transportation (2013)

Airports:	6
Railways (km):	430
Roadways (km):	6,955
Waterways (km):	-
Chief Ports:	-

Political Data

Prime Minister:	Isa Mustafa
Last elections:	8 June 2014
Next elections:	June 2017
Central Bank Governor:	Bedri Hamza

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	-	-
S&P:	-	-
Fitch Ratings:	-	-

Strengths

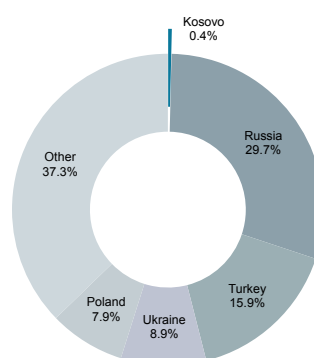
- Generally well-capitalized and liquid banking system
- Large remittances inflows from diaspora
- Progress in normalizing international relations

Weaknesses

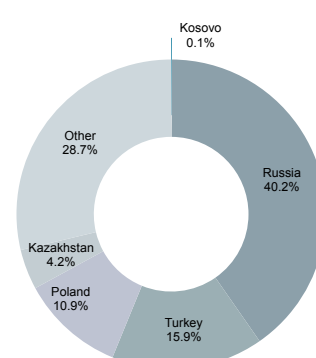
- Elevated twin deficits
- Lack of full international recognition
- Low level of credit penetration despite healthy banking system
- High structural unemployment

Kosovo in the Region

Population | %-share in Eastern Europe

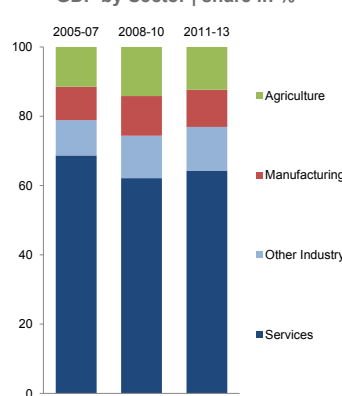


GDP | %-share in Eastern Europe

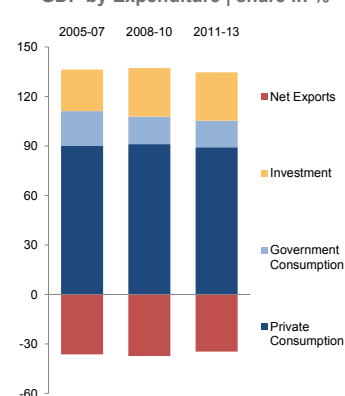


Economic Structure

GDP by Sector | share in %

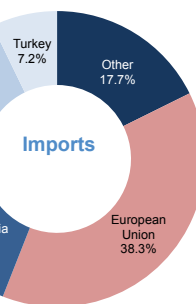
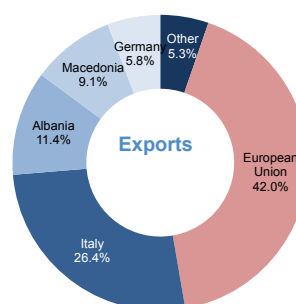


GDP by Expenditure | share in %

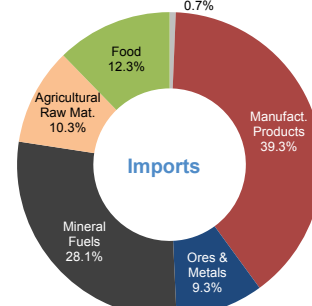
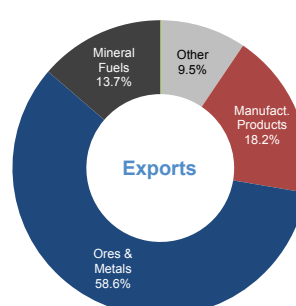


Trade Structure

Primary markets | share in %



Primary products | share in %



Macedonia



Outlook stable

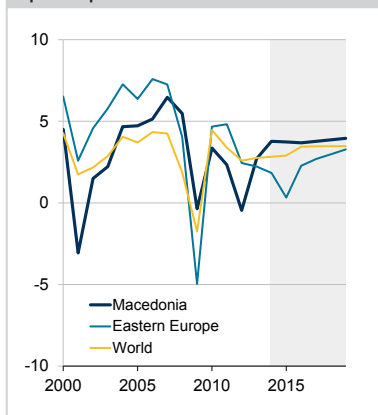
- While the country's main political forces and mediators from the European Union made a joint announcement in early June stating that the country would hold snap elections in April 2016, representatives from all parties failed to reach an agreement on a transitional government that would prepare the upcoming elections. In the economic arena, GDP accelerated in Q1 on the back of stronger growth in total investment. The economy expanded 3.2% annually in Q1, which marked an expansion over the 2.7% increase tallied in Q4. The current political turmoil, along with poor economic developments in the region, is likely to have impacted growth in Q2. In May, industrial production fell 5.0% in annual terms, which was below April's 0.9% drop.
- Rising political tensions are expected to take a toll on economic growth this year. FocusEconomics Consensus Forecast expect GDP to expand 3.7% in 2015. For 2016, the panel sees growth stable at 3.7%.
- Inflation rose from 0.1% in April to 0.3% in May. Despite the increase, inflationary pressures remain at historically-low levels. Panelists expect inflation to average 0.5% in 2015 and 1.6% in 2016.

LONG-TERM TRENDS | 3-year averages

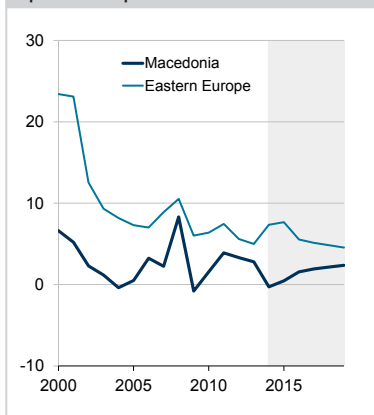
	2011-13	2014-16	2017-19
Population (million):	2.1	2.1	2.1
GDP (EUR bn):	7.7	9.0	10.5
GDP per capita (EUR):	3,756	4,320	5,043
GDP growth (%):	1.5	3.7	3.9
Fiscal Balance (% of GDP):	-3.4	-3.5	-2.5
Public Debt (% of GDP)	31.9	38.6	38.2
Inflation (%):	3.3	0.6	2.1
Current Account (% of GDP):	-2.4	-1.7	-2.2
External Debt (% of GDP):	64.2	74.6	77.4

Ricard Torné
Senior Economist

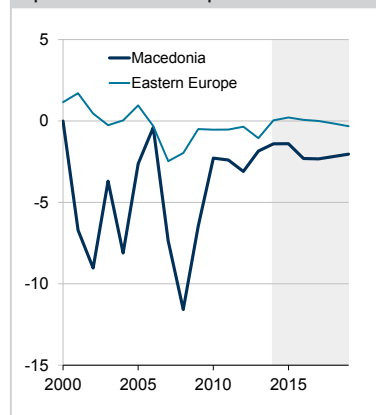
1 | GDP | variation in %



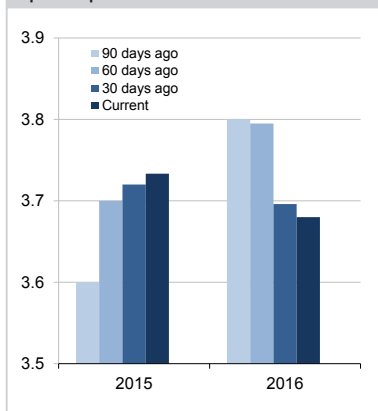
2 | Inflation | in %



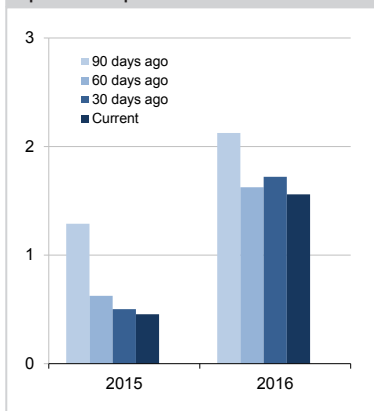
3 | Current Account | % of GDP



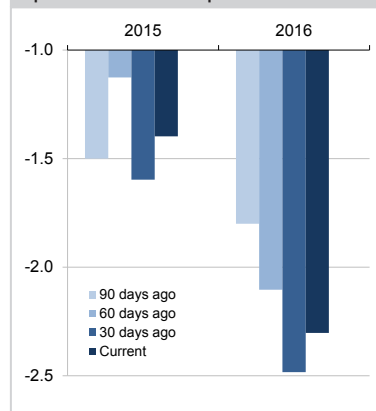
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
GDP per capita (USD)	4,573	5,095	4,726	5,128	5,628	4,838	4,799	5,195	5,665	6,221
GDP (USD bn)	9.4	10.5	9.7	10.6	11.6	10.0	10.0	10.8	11.8	13.0
GDP per capita (EUR)	3,456	3,662	3,678	3,926	4,128	4,310	4,522	4,764	5,032	5,334
GDP (EUR bn)	7.1	7.5	7.6	8.1	8.5	8.9	9.4	9.9	10.5	11.1
GDP (MKD bn)	437	464	467	500	526	548	577	609	646	687
Economic Growth (Nominal GDP, ann. var. in %)	5.5	6.1	0.5	7.0	5.3	4.2	5.2	5.7	6.0	6.3
Economic Growth (GDP, annual var. in %)	3.4	2.3	-0.5	2.7	3.8	3.7	3.7	3.8	3.9	4.0
Private Consumption (annual var. in %)	3.6	-5.4	1.2	2.1	2.3	2.9	3.3	3.4	3.6	3.8
Total Investment (annual var. in %)	-3.8	17.9	10.2	-16.6	13.5	5.7	5.8	5.8	5.9	6.0
Industrial Production (annual variation in %)	-4.8	6.9	-2.8	3.2	4.8	5.0	5.0	5.2	5.3	5.4
Unemployment (% of active population, aop)	32.1	31.4	31.0	29.0	28.0	27.2	26.3	25.1	24.1	23.0
Fiscal Balance (% of GDP)	-2.4	-2.5	-3.8	-3.9	-4.2	-3.4	-2.9	-2.7	-2.5	-2.4
Public Debt (% of GDP)	24.3	27.7	33.7	34.2	38.0	38.2	39.5	38.6	38.2	37.7
Monetary and Financial Sector										
Money (annual variation of M2 in %)	8.4	7.5	0.5	0.2	7.2	-	-	-	-	-
Inflation (CPI, annual variation in %, aop)	1.6	3.9	3.3	2.8	-0.3	0.5	1.6	1.9	2.1	2.4
28-Day Central Bank Bills (% eop)	4.10	4.00	3.73	3.25	3.25	3.25	3.25	3.33	3.36	3.40
Exchange Rate (MKD per USD, eop)	46.9	47.6	47.2	44.7	50.6	58.6	57.1	55.7	53.8	52.0
Exchange Rate (MKD per USD, aop)	46.5	44.3	48.0	46.5	46.4	54.6	57.9	56.4	54.8	52.9
Exchange Rate (MKD per EUR, eop)	62.7	61.7	62.3	61.4	61.2	61.4	61.4	61.6	61.7	61.8
Exchange Rate (MKD per EUR, aop)	61.5	61.6	61.6	61.8	61.6	61.3	61.4	61.5	61.6	61.7
External Sector										
Current Account Balance (% of GDP)	-2.3	-2.4	-3.1	-1.8	-1.4	-1.4	-2.3	-2.3	-2.2	-2.0
Current Account Balance (EUR bn)	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Merchandise Trade Balance (EUR bn)	-1.7	-1.8	-2.0	-1.9	-1.8	-2.0	-2.2	-2.4	-2.7	-2.9
Merchandise Exports (EUR bn)	2.1	2.3	2.3	2.4	2.7	3.1	3.4	3.8	4.3	5.0
Merchandise Imports (EUR bn)	3.8	4.1	4.4	4.3	4.5	5.1	5.6	6.2	7.0	7.9
Merchandise Exports (annual variation in %)	58.4	7.8	1.5	3.7	11.0	16.1	9.9	11.7	13.1	14.5
Merchandise Imports (annual variation in %)	23.4	8.7	6.0	-1.2	4.0	13.0	10.5	11.3	11.9	12.5
International Reserves (EUR bn)	1.5	1.8	1.9	1.8	2.2	2.5	2.6	2.8	3.0	3.2
International Reserves (months of imports)	4.7	5.2	5.3	5.0	5.9	5.9	5.6	5.4	5.1	4.8
External Debt (EUR bn)	4.4	4.3	5.2	5.3	6.1	6.7	7.2	7.6	8.1	8.6
External Debt (% of GDP)	61.4	57.6	69.1	65.8	72.0	75.4	76.4	77.0	77.6	77.6

Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the State Statistical Office (SSO) and the National Bank of the Republic of Macedonia (NBRM). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: SSO.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: SSO.
- 3 Current account balance, as % of GDP. Source: NBRM.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current account balance, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Republic of Macedonia
Capital:	Skopje (0.5m)
Other cities:	Bitola (0.08m)
Area (km ²):	25,713
Population (million, 2014 est.):	2.1
Population density (per km ² , 2014):	80.5
Population growth rate (% , 2014 est.):	0.2
Life expectancy (years, 2014 est.):	75.8
Illiteracy rate (% , 2011):	2.6
Languages:	Macedonian, Albanian, Turkish
Measures:	Metric System
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	19.0
Telephones - mobile cellular (per 100 inhabit.):	106
Internet Users (per 100 inhabitants):	61.2
Broadband Subscriptions (per 100 inhabitants):	15.7

Energy (2009)

Primary Energy Production (trillion Btu):	65.0
Primary Energy Consumption (trillion Btu):	115
Electricity Generation (billion kW-h):	6.5
Electricity Consumption (billion kW-h):	6.7
Oil Supply (thousand bpd):	-
Oil Consumption (thousand bpd):	19.1
CO ₂ Emissions (million metric tons):	8.4

Transportation (2013)

Airports:	10
Railways (km):	699
Roadways (km):	14,038
Waterways (km):	-
Chief Ports:	-

Political Data

Prime Minister:	Nikola Gruevski
Last elections:	27 April 2014
Next elections:	2019*
Central Bank Governor:	Dimitar Bogov

*Snap elections announced for April 2016

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	-	-
S&P:	BB-	Stable
Fitch Ratings:	BB+	Stable

Strengths

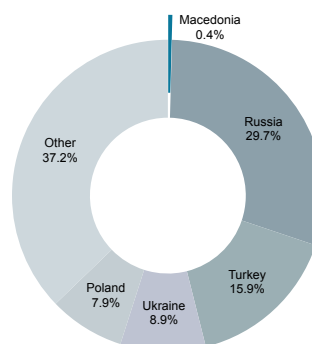
- Low public debt
- Strong remittances inflows
- Business-friendly environment

Weaknesses

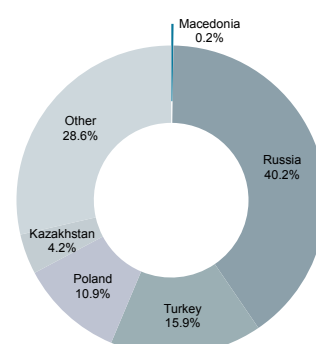
- Inter-ethnic tensions between the Macedonian majority and Albanian minority
- Dispute with Greece over the country's name slows down negotiations for EU and NATO membership
- High unemployment rate

Macedonia in the Region

Population | %-share in Eastern Europe

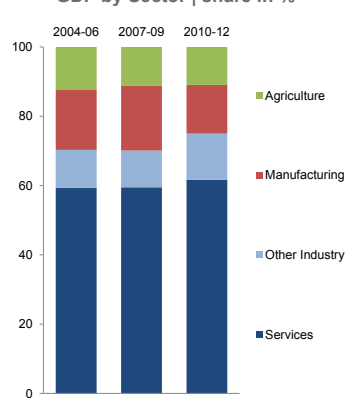


GDP | %-share in Eastern Europe

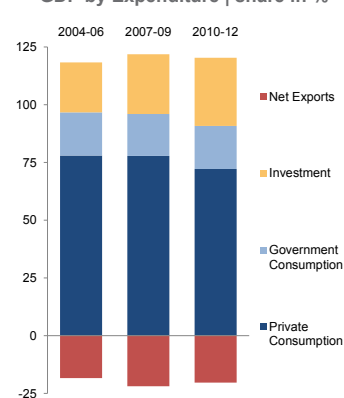


Economic Structure

GDP by Sector | share in %

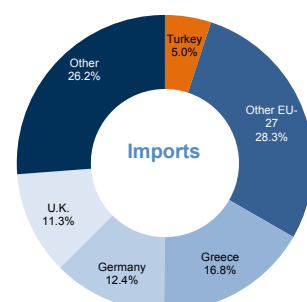
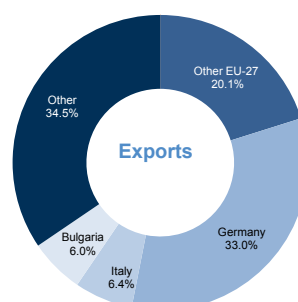


GDP by Expenditure | share in %

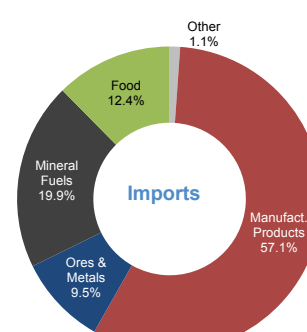
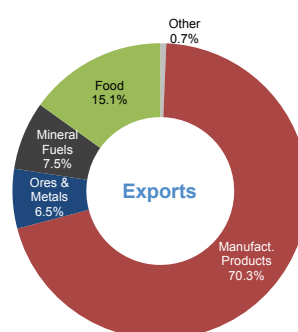


Trade Structure

Primary markets | share in %



Primary products | share in %



Montenegro



Outlook improves

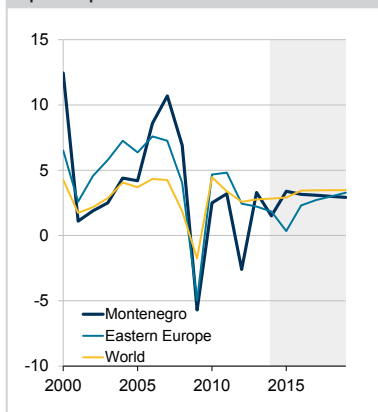
- Montenegro's economy slowed significantly in 2014 and expanded 1.5% (2013: +3.3%), according to a preliminary estimate. A downturn in external demand from Russia and other Eastern European countries contributed to a contraction in exports and delays in infrastructure projects dragged on investment. The economy is expected to speed up this year as spending increases on the Belgrade-Bar highway project, which will connect the country's largest port to nearby Serbia. In addition, the measures the government envisages to boost the country's important tourism sector that include large tax cuts starting next year, are also likely to lift GDP growth.
- Large-scale infrastructure spending will prop up growth this year, however, the projects will place a large burden on government finances and will likely increase public debt. FocusEconomics Consensus Forecast panelists see the economy growing 3.4% in 2015 and 3.1% in 2016.
- Inflation rose from 2.1% in April to a nearly-two-year high of 2.3% in May. May's increase mainly resulted from higher prices for food and non-alcoholic beverages. The FocusEconomics panel foresees inflation averaging 0.8% in 2015 and 1.7% in 2016.

LONG-TERM TRENDS | 3-year averages

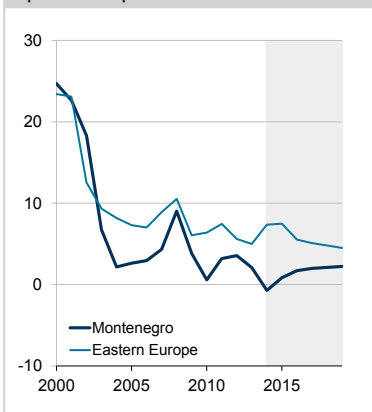
	2011-13	2014-16	2017-19
Population (million):	0.6	0.6	0.6
GDP (EUR bn):	3.2	3.6	4.1
GDP per capita (EUR):	5,204	5,723	6,578
GDP growth (%):	1.3	2.7	3.0
Fiscal Balance (% of GDP):	-5.4	-4.5	-3.5
Public Debt (% of GDP)	52.0	61.4	64.5
Inflation (%):	2.9	0.6	2.1
Current Account (% of GDP):	-17.0	-17.5	-16.6
External Debt (% of GDP):	63.1	90.7	97.6

Teresa Kersting
Economist

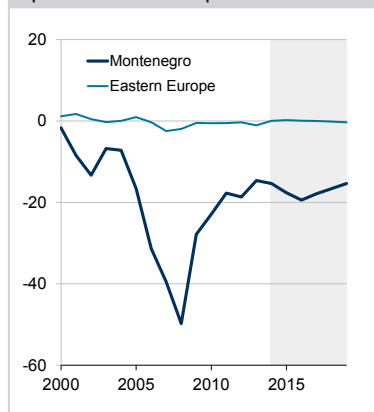
1 | GDP | variation in %



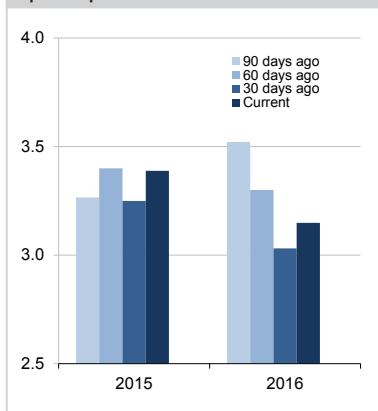
2 | Inflation | in %



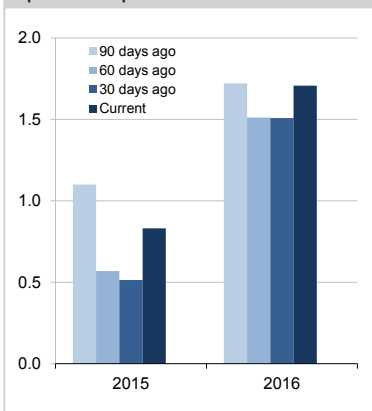
3 | Current Account | % of GDP



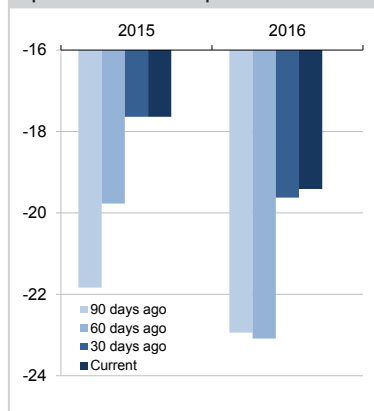
4 | GDP | evolution of forecasts



5 | Inflation | evolution of forecasts



6 | Current Account | evol. of fcst



Economic Indicators | 2010 - 2019

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
GDP per capita (USD)	6,142	7,550	6,424	6,942	7,515	5,248	5,619	5,742	5,836	5,914
GDP (USD bn)	3.8	4.7	4.0	4.3	4.7	3.3	3.5	3.6	3.7	3.7
GDP per capita (EUR)	5,015	5,208	5,062	5,340	5,489	5,711	5,969	6,262	6,572	6,900
GDP (EUR bn)	3.1	3.2	3.1	3.3	3.4	3.6	3.7	3.9	4.1	4.3
Economic Growth (Nom. GDP, ann. var. in %)	4.1	4.2	-2.6	5.7	2.9	4.2	4.9	5.1	5.1	5.2
Economic Growth (GDP, annual var. in %)	2.5	3.2	-2.6	3.3	1.5	3.4	3.1	3.1	3.0	2.9
Industrial Production (annual variation in %)	23.3	-8.7	-6.2	10.7	-10.5	-5.0	-0.5	0.7	1.8	2.9
Unemployment (% of active population, eop)	12.2	13.2	13.5	14.9	15.0	16.8	16.9	16.8	16.6	16.5
Fiscal Balance (% of GDP)	-4.9	-3.7	-6.1	-6.5	-3.0	-5.1	-5.5	-4.5	-3.5	-2.5
Public Debt (% of GDP)	41.0	45.9	54.0	56.3	59.6	60.7	63.8	64.1	64.5	64.9
Monetary and Financial Sector										
Inflation (CPI, annual variation in %, aop)	0.6	3.2	3.6	2.1	-0.7	0.8	1.7	2.0	2.1	2.2
Exchange Rate (USD per EUR, eop)	1.34	1.30	1.32	1.38	1.21	1.05	1.08	1.11	1.15	1.19
Exchange Rate (USD per EUR, aop)	1.33	1.39	1.29	1.33	1.33	1.09	1.06	1.09	1.13	1.17
External Sector										
Current Account Balance (% of GDP)	-22.9	-17.7	-18.7	-14.6	-15.4	-17.6	-19.4	-17.9	-16.6	-15.3
Current Account Balance (EUR bn)	-0.7	-0.6	-0.6	-0.5	-0.5	-0.6	-0.7	-0.7	-0.7	-0.7
Merchandise Trade Balance (EUR bn)	-1.3	-1.3	-1.4	-1.3	-1.4	-1.5	-1.6	-1.7	-1.8	-1.9
Merchandise Exports (EUR bn)	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Merchandise Imports (EUR bn)	1.6	1.8	1.8	1.7	1.7	1.9	2.0	2.2	2.3	2.4
Merchandise Exports (annual variation in %)	20.6	33.6	-17.8	1.0	-9.8	3.4	7.9	10.7	9.5	8.4
Merchandise Imports (annual variation in %)	0.4	9.8	-0.1	-3.2	0.6	8.5	8.8	6.2	5.5	4.8
International Reserves (EUR bn)	0.4	0.3	0.3	0.4	0.5	0.7	0.8	0.8	0.8	0.8
International Reserves (months of imports)	3.1	2.0	2.3	3.0	3.8	4.3	4.4	4.3	4.1	4.0
External Debt (EUR bn)	1.3	1.6	2.2	2.3	2.7	3.4	3.6	3.8	4.0	4.2
External Debt (% of GDP)	42.2	50.2	70.8	68.3	79.3	95.4	97.4	97.6	97.7	97.5

Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the Central Bank of Montenegro (CBCG) and the Statistics Office of Montenegro (MONSTAT). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: MONSTAT.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: MONSTAT.
- 3 Current account balance, as % of GDP. Source: CBCG.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current account balance, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Montenegro
Capital:	Podgorica (0.16 m)
Other cities:	Nikšić (0.057 m) Pljevlja (0.02 m)
Area (km ²):	13,812
Population (million, 2014 est.):	0.6
Population density (per km ² , 2014):	45.2
Population growth rate (% , 2014 est.):	-0.5
Life expectancy (years, 2014 est.):	73.3
Illiteracy rate (% , 2011):	1.5
Languages:	Serbian, Montenegrin, Bosnian, Albanian
Measures:	Metric system
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	27.2
Telephones - mobile cellular (per 100 inhabit.):	159.9
Internet Users (per 100 inhabitants):	56.8
Broadband Subscriptions (per 100 inhabitants):	12.8

Energy (2012)

Primary Energy Production (trillion Btu):	32
Primary Energy Consumption (trillion Btu):	44
Electricity Generation (billion kW-h):	2.7
Electricity Consumption (billion kW-h):	3.3
Oil Supply (thousand bpd):	0.0
Oil Consumption (thousand bpd):	4.7
CO2 Emissions (million metric tons):	20

Transportation (2013)

Airports:	5
Railways (km):	250
Roadways (km):	7,763
Waterways (km):	-
Chief Ports:	Bar

Political Data

Prime Minister:	Milo Djukanovic
Last elections:	7 April 2013
Next elections:	2016
Central Bank Governor:	Milojica Dakić

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Ba3	Negative
S&P:	B+	Stable
Fitch Ratings:	-	-

Strengths

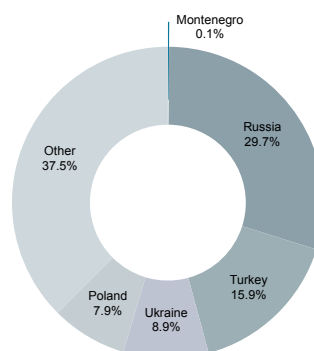
- EU accession promotes economic development
- Strong tourism and hydroelectric potential

Weaknesses

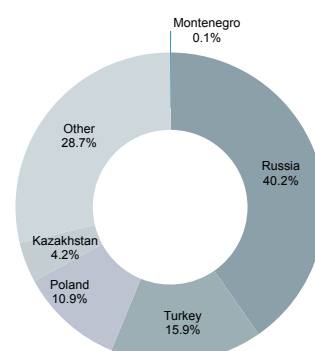
- Large external imbalances
- High levels of private foreign debt
- Small domestic market

Montenegro in the Region

Population | %-share in Eastern Europe

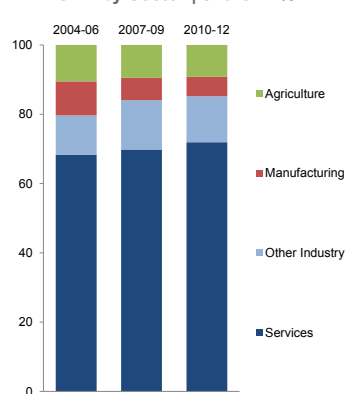


GDP | %-share in Eastern Europe

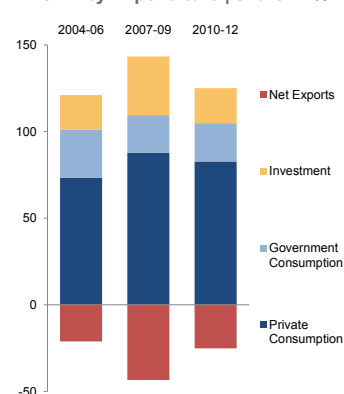


Economic Structure

GDP by Sector | share in %

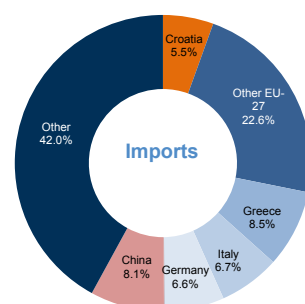
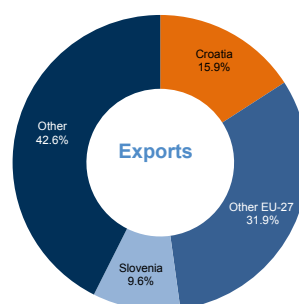


GDP by Expenditure | share in %

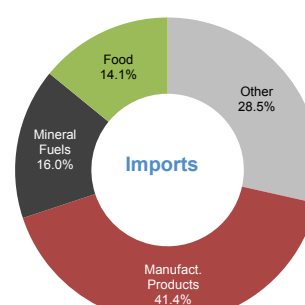
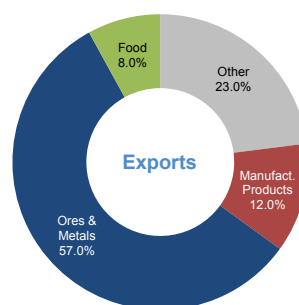


Trade Structure

Primary markets | share in %



Primary products | share in %



Romania



Outlook improves

- Romania started the year on a high note, expanding a remarkable 4.3% in the first quarter and recent data suggest that the economy remained on a solid growth track in Q2: retail sales picked up notably in April and the unemployment rate dropped to a multi-year-low in May. On 24 June, Romania's parliament approved far-reaching tax cuts in spite of warnings from the EU and the IMF that the move would drive up the budget gap and threatens to undermine fiscal consolidation. The key measure consists of the reduction of the general value-added tax (VAT) from 24% to the 2010 rate of 19%; this cut is 1.0 percentage points deeper than outlined in earlier proposals. The government plans for the approved tax package to take effect in 2016 at latest.
- FocusEconomics Consensus Forecast panelists assessed Romania's growth prospects more positively again this month. They expect the economy to expand 3.4% in 2015, which is up 0.2 percentage points from last month's forecast. For 2016, the panel sees growth inching down to 3.3%.
- Inflation jumped from 0.7% in April to 1.2% in May. Inflationary pressures will be subdued during the remainder of this year due to June's large cut in the VAT on food items. In its 1 July monetary policy meeting, the Central Bank decided to maintain both the key policy rate and the reserve requirement unchanged. FocusEconomics panelists foresee inflation ending 2015 at 0.3% and 2016 at 1.4%.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	21.3	19.8	19.5
GDP (EUR bn):	137	157	186
GDP per capita (EUR):	6,423	7,899	9,517
GDP growth (%):	1.7	3.2	3.2
Fiscal Balance (% of GDP):	-3.5	-2.0	-2.3
Public Debt (% of GDP)	36.5	39.8	37.0
Inflation (%):	3.2	0.8	2.6
Current Account (% of GDP):	-3.4	-0.9	-2.3
External Debt (% of GDP):	72.3	60.6	57.6

Teresa Kersting
Economist

FISCAL | Parliament approves larger-than-expected cut to VAT despite EU and IMF warnings

Romania's parliament approved far-reaching tax cuts on 24 June in spite of warnings from key international bodies that the move could trigger an unsustainable increase in the country's fiscal deficit next year. The key measure consists of the reduction of the general value-added tax (VAT) from 24% to the 2010 rate of 19%, which is a 1.0 percentage-point deeper cut than outlined in earlier proposals. Other measures comprise the elimination of special levies and the reduction of excise duties. The approved tax package will be included in Romania's 2016 budget and is planned to be effective from 2016 through 2019. However, according to a recent statement from Prime Minister Victor Ponta, the government is currently discussing the possibility of enacting the approved measures this year.

At 24%, Romania's VAT is one of the highest rates in the European Union (EU) and the recently-approved tax cuts form part of a wider initiative to loosen fiscal policy and partly reverse the tough austerity policies that were implemented in the aftermath of the 2009 financial crisis. This year, Romania's government lowered the VAT on food items from 24% to 9% and increased both the minimum wage and state subsidies for children.

Prior to the parliament's decision, the International Monetary Fund (IMF) and the EU cautioned that such fiscal easing threatened to undermine the country's fiscal consolidation efforts and pointed out that Romania had not examined the sustainability of the plan thoroughly enough. Romania managed to reduce its fiscal deficit from 8.9% of GDP in 2009 to 1.5% of GDP last year. According to the Finance Minister, the new fiscal measures will widen Romania's fiscal deficit to up to 2.9% of GDP in 2016, which by far exceeds the 1.2% of GDP that previously had been projected by the government. The European Commission recently warned that the approved changes in the tax code could drive next year's fiscal deficit above the EU's threshold of 3.0% of GDP.

In breaking the fiscal targets that had been agreed on with the EU and the IMF, Romania risks not completing a EUR 4 billion precautionary loan agreement that ends in September and therefore may not achieve a new deal with the two bodies. Moreover, breaking the EU's fiscal rules can jeopardize Romania's envisaged entry to the Euro area in 2019. However, Romania claimed that these concerns were unjustified, arguing that the fiscal easing would boost economic growth and help fight tax evasion and increase tax collection. The government also pointed out that the country's tax revenues were higher than expected in the first months of this year.

FocusEconomics Consensus Forecast panelists expect a fiscal deficit of 2.0% of GDP next year. For 2016, they project the deficit to widen to 2.4% of GDP.

The government expects GDP to expand 2.5% in 2015. FocusEconomics Consensus Forecast panelists expect the economy to grow 3.4% in 2015, which is up 0.2 percentage points over the previous month's projection. For 2016, the panel expects the economy also to expand 3.3%.

REAL SECTOR | Industrial production growth decelerates in April

Industrial output increased 1.8% in April over the same month last year, which came in below March's 4.4% rise. According to the National Institute of Statistics, April's deceleration resulted from a steep contraction in mining and quarrying as well as lower manufacturing output. Electricity, gas, steam and air conditioning supply grew at a faster pace in April compared to March.

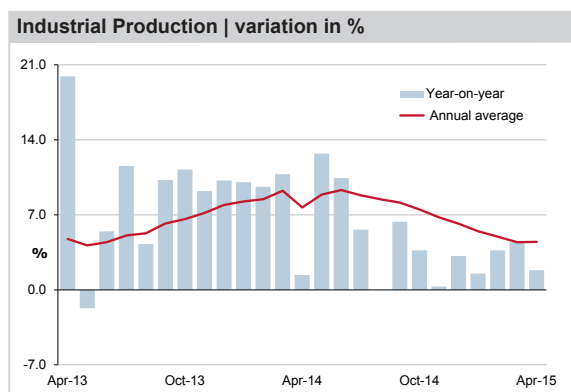
On a month-on-month basis, industrial production grew 0.1% in April, which was down from the 0.2% rise tallied in the previous month. However, annual average growth in industrial production increased from 4.4% in March to 4.5% in April.

FocusEconomics Consensus Forecast panelists expect industrial production to expand 4.3% in 2015, which is down 0.1 percentage points from last month's estimate. The panel estimates that industrial output will increase 4.8% in 2016.

MONETARY SECTOR | Inflation jumps in May

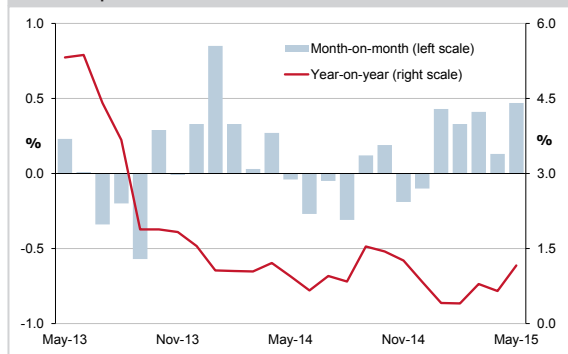
In May, consumer prices rose 0.5% over the previous month, which came in above the 0.1% increase observed in April and represented the largest rise since January 2014. According to the National Institute of Statistics (INSSE), May's result reflected higher prices for all categories that comprise the index, including food, goods and services.

Headline inflation jumped from 0.7% in April to 1.2% in May, marking the highest reading in half a year. As a result, inflation moved closer to the Central



Note: Year-on-year changes and annual average variation of industrial production index in %.
Source: National Institute of Statistics.

Inflation | Consumer Price Index



Note: Year-on-year and month-on-month variation of consumer price index in %.
Source: National Institute of Statistics.

Bank's tolerance margin of plus/minus 1.0% around its target of 2.5% target. Annual average inflation in May remained at April's 0.9%.

The Central Bank foresees inflation of 0.2% in 2015 and 1.9% in 2016. FocusEconomics Consensus Forecast panelists see inflation at 0.3% by the end of 2015, which is down 0.3 percentage points from last month's forecast. For 2016, panelists forecast inflation at 1.5%. Panelists lowered their inflation projections substantially as the planned tax cuts are expected to curb the increase in prices.

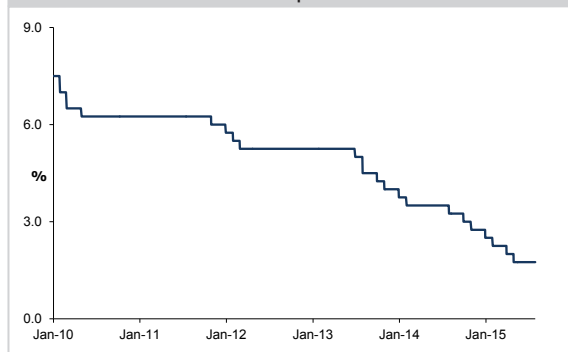
MONETARY SECTOR | Central Bank keeps policy rate and reserve requirement unchanged in July

At its 1 July meeting, the National Bank of Romania (NBR) decided to keep the monetary policy rate unchanged at 1.75%. The Bank's decision came as a surprise to market analysts who had expected that the Bank would cut the rate once again. In addition, the Bank did not change the symmetrical corridor of interest rates on the NBR's standing facilities around the policy rate and kept it at plus/minus 1.50%. As a result, the interest rate on the NBR's lending facility (Lombard) remains at 3.25% and the deposit facility rate remains at 0.25%. In addition, the Bank decided to maintain the minimum reserve requirement ratio on *leu*-denominated liabilities of credit institutions at 8.00% and kept the reserve requirement on foreign-currency-denominated liabilities at 14.00%.

In the accompanying statement, the NBR pointed out that economic growth was strong and that it had sped up markedly in the first quarter of this year, boosted by consumption and investment. At the same time, the Bank said that inflation remained below its inflation target range and is projected, "to enter and remain in negative territory over the short term," resulting from the reduction in the value-added tax on food items that became effective in June, a narrowing output gap and increasing labor costs. According to the Bank, *leu*-denominated loans have grown at a faster pace recently, partly due to the Central Bank's monetary policy easing in recent months. Conversely, forex loans continued to decrease with their share in total private sector credit dropping to 54%, the lowest level since 2007. The Bank sees this as beneficial for financial stability. Regarding the exchange rate, the Bank noted that the *leu* recently recorded larger fluctuations, reflecting concerns over the Greek crisis and volatility in financial markets. The NBR added that, "all these, combined with the current state of affairs, i.e. the situation in Greece, uncertainty surrounding Romania's agreements with international institutions and the divergence between the monetary policy stances of major central banks worldwide, call for a prudent reconsideration of the monetary policy cycle." The next monetary policy meeting is scheduled for 4 August.

FocusEconomics Consensus Forecast panelists expect the policy rate to end 2015 at 1.78%. For 2016, the panel foresees the rate closing the year at 2.22%.

Central Bank Reference Rate | in %



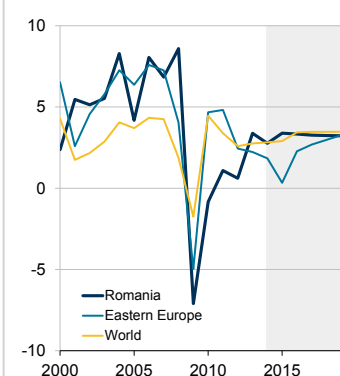
Note: National Bank of Romania reference rate in %.
Source: National Bank of Romania (NBR).

Economic Indicators | 2010 - 2019

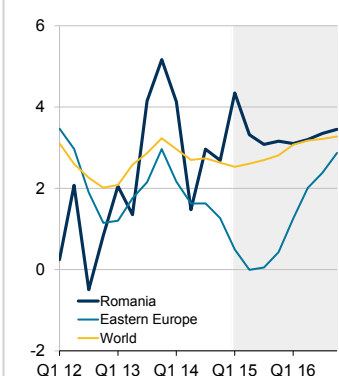
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	21.4	21.4	21.3	21.3	19.9	19.8	19.7	19.6	19.5	19.4
GDP per capita (USD)	7,726	8,662	7,954	8,996	9,974	8,623	8,820	9,636	10,677	11,926
GDP (USD bn)	166	185	170	191	199	171	174	189	209	232
GDP per capita (EUR)	5,901	6,214	6,262	6,792	7,527	7,867	8,303	8,837	9,486	10,227
GDP (EUR bn)	127	133	134	145	150	156	164	173	185	199
GDP (RON bn)	534	565	597	638	667	693	724	760	803	851
Economic Growth (Nom. GDP, ann. var. in %)	4.6	5.8	5.6	6.9	4.6	3.9	4.4	5.1	5.6	6.0
Economic Growth (GDP, annual var. in %)	-0.8	1.1	0.6	3.4	2.8	3.4	3.3	3.3	3.2	3.2
Private Consumption (annual var. in %)	1.0	1.0	0.8	1.1	4.5	4.0	3.7	3.4	3.2	3.0
Government Consumption (annual var. in %)	-12.3	-2.7	-5.6	14.0	13.6	-	-	-	-	-
Fixed Investment (annual var. in %)	-5.8	2.9	0.6	-9.2	-3.3	3.8	4.2	4.7	5.1	5.6
Industrial Production (annual var. in %)	5.5	7.8	2.4	7.9	6.2	4.3	4.8	4.6	4.4	4.3
Retail Sales (annual variation in %)	-7.0	-1.2	4.1	0.5	6.4	-	-	-	-	-
Unemployment (% of active population, aop)	7.0	7.1	6.9	7.1	6.8	6.4	6.1	5.9	5.7	5.5
Fiscal Balance (% of GDP)	-6.6	-5.3	-2.9	-2.2	-1.5	-2.0	-2.5	-2.4	-2.3	-2.2
Public Debt (% of GDP)	29.9	34.2	37.3	38.0	39.8	39.7	39.8	38.5	37.0	35.4
Monetary and Financial Sector										
Money (ann. var. of M2 in %)	6.2	6.3	4.6	8.8	8.4	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	8.0	3.1	5.0	1.6	0.8	0.3	1.4	2.1	2.6	3.0
Inflation (Core, annual variation in %, eop)	6.2	2.8	3.5	0.7	1.7	-	-	-	-	-
Inflation (HICP, annual variation in %, aop)	6.1	5.8	3.4	3.2	1.4	-	-	-	-	-
Inflation (PPI, annual variation in %, eop)	7.0	6.0	4.8	-0.1	-1.4	-	-	-	-	-
NBR Reference Rate (% eop)	6.25	6.00	5.25	4.00	2.75	1.78	2.22	3.00	3.63	4.26
Stock Market (BET variation in %)	124.8	12.0	-13.8	12.1	16.4	-	-	-	-	-
Exchange Rate (RON per USD, eop)	3.20	3.34	3.36	3.26	3.69	4.23	4.10	3.94	3.76	3.59
Exchange Rate (RON per USD, aop)	3.18	3.05	3.47	3.33	3.35	4.05	4.16	4.02	3.85	3.67
Exchange Rate (RON per EUR, eop)	4.28	4.32	4.43	4.48	4.48	4.43	4.41	4.36	4.31	4.26
Exchange Rate (RON per EUR, aop)	4.21	4.24	4.46	4.42	4.44	4.44	4.42	4.38	4.33	4.28
External Sector										
Current Account Balance (% of GDP)	-4.6	-4.7	-4.6	-0.8	-0.4	-0.9	-1.5	-1.9	-2.3	-2.6
Current Account Balance (EUR bn)	-5.8	-6.2	-6.1	-1.2	-0.6	-1.5	-2.4	-3.3	-4.2	-5.2
Merchandise Trade Balance (EUR bn)	-9.5	-9.7	-9.6	-5.7	-6.0	-6.4	-7.0	-7.3	-7.7	-8.4
Merchandise Exports (EUR bn)	37.4	45.3	45.1	49.6	52.5	51.7	55.1	59.2	64.3	70.5
Merchandise Imports (EUR bn)	46.9	54.9	54.7	55.3	58.5	58.2	62.0	66.5	72.0	78.9
Merchandise Exports (annual variation in %)	28.5	21.1	-0.4	10.0	5.8	-1.5	6.5	7.5	8.6	9.7
Merchandise Imports (annual variation in %)	20.3	17.1	-0.4	1.1	5.8	-0.6	6.7	7.1	8.3	9.5
International Reserves (EUR bn)	32.4	33.2	31.2	32.5	32.2	33.6	35.4	35.4	35.7	36.0
International Reserves (months of imports)	8.3	7.3	6.8	7.1	6.6	6.9	6.9	6.4	6.0	5.5
External Debt (EUR bn)	92.5	98.7	99.7	98.1	94.3	94.2	96.1	102.2	106.9	111.6
External Debt (% of GDP)	73.1	74.3	74.6	67.9	62.9	60.4	58.6	58.9	57.7	56.1
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	3.0	2.7	4.3	3.3	3.1	3.2	3.1	3.2	3.4	3.5
Economic Growth (GDP, qoq variation in %)	2.2	1.0	1.6	-	-	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	1.5	0.8	0.8	0.6	0.6	0.3	0.5	1.6	1.5	1.4
NBR Reference Rate (% eop)	3.25	2.75	2.25	1.75	1.76	1.78	1.82	1.91	2.05	2.22
Exchange Rate (RON per USD, eop)	3.50	3.69	4.11	4.00	4.13	4.23	4.19	4.16	4.12	4.10
Exchange Rate (RON per EUR, eop)	4.41	4.48	4.41	4.47	4.42	4.43	4.41	4.41	4.43	4.41
Monthly Data										
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Industrial Production (annual variation in %)	6.4	3.7	0.3	3.1	1.5	3.7	4.4	1.8	-	-
Retail Sales (annual variation in %)	4.7	3.8	5.9	6.4	6.3	3.6	0.3	7.1	-	-
Unemployment (% of active population)	6.7	6.7	6.6	6.6	6.8	6.8	6.9	6.9	4.2	-
Inflation (CPI, mom variation in %)	0.1	0.2	-0.2	-0.1	0.4	0.3	0.4	0.1	0.5	-
Inflation (CPI, annual variation in %)	1.5	1.4	1.3	0.8	0.4	0.4	0.8	0.7	1.2	-
Exchange Rate (RON per USD, eop)	3.50	3.51	3.55	3.69	3.92	3.95	4.11	3.95	4.04	4.00
Exchange Rate (RON per EUR, eop)	4.41	4.41	4.42	4.48	4.44	4.44	4.41	4.42	4.44	4.47

Real Sector | Gross Domestic Product

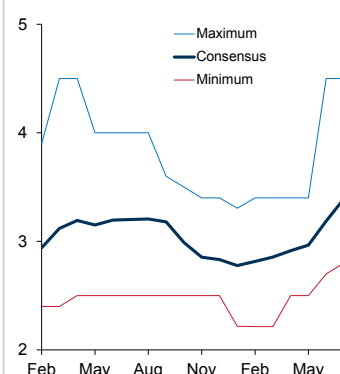
1 | Real GDP | 2000-2019 | var. in %



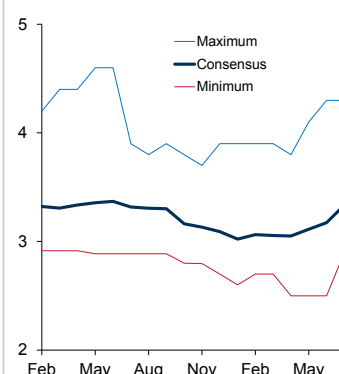
2 | Real GDP | Q1 12-Q4 16 | var. in %



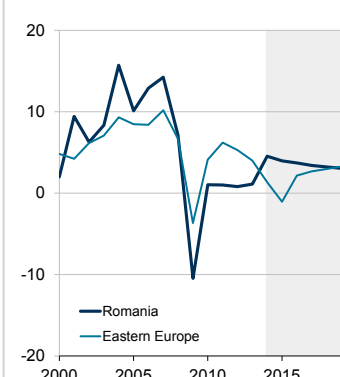
3 | GDP 2015 | evolution of forecasts



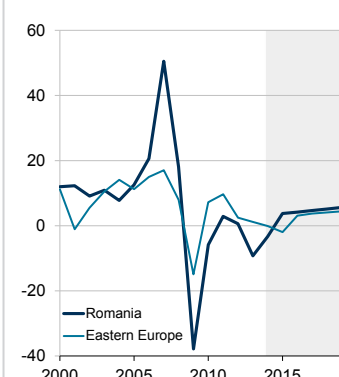
4 | GDP 2016 | evolution of forecasts



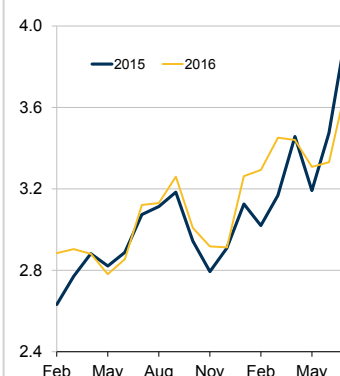
5 | Consumption | variation in %



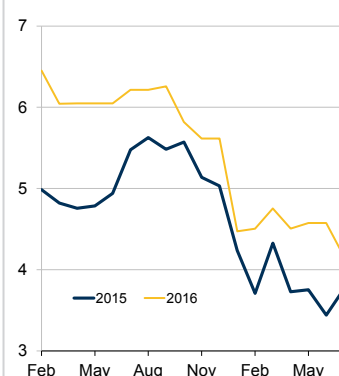
6 | Investment | variation in %



7 | Consumption | evolution of fcst



8 | Investment | evolution of forecasts



Real GDP growth in %

Individual Forecasts	2015	2016
Alpha Bank	2.8	-
BMI Research	3.6	3.6
BofA Merrill Lynch	3.4	3.3
Capital Economics	4.0	3.5
Citigroup Global Mkts	3.5	3.0
Credit Agricole	2.8	3.0
Danske Bank	3.3	3.0
Deutsche Bank	3.0	3.2
EIU	3.5	3.8
Erste Bank	3.2	3.5
Eurobank	3.1	-
Frontier Strategy Group	2.8	3.0
HSBC	2.9	3.0
ING	4.5	4.3
JPMorgan	4.2	2.9
National Bank of Greece	3.4	3.2
Nomura	3.0	3.0
OTP Bank	4.0	4.0
Oxford Economics	3.1	3.2
Raiffeisen Research	4.0	3.5
The Bleyzer Foundation	3.2	-
UniCredit	3.7	3.4
WIIW	3.0	3.3

Summary

Minimum	2.8	2.9
Maximum	4.5	4.3
Median	3.3	3.3
Consensus	3.4	3.3

History

30 days ago	3.2	3.2
60 days ago	3.0	3.1
90 days ago	2.9	3.1

Additional Forecasts

IMF (Apr. 2014)	2.7	2.9
European Commission (May 2015)	2.8	3.3
Government (Dec. 2014)	2.5	-

Notes and sources

General:

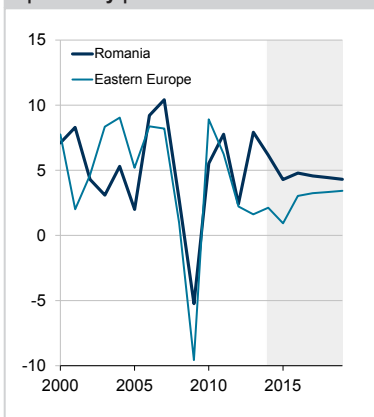
Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the National Institute of Statistics (INS, *Institutul National de Statistica*), the National Bank of Romania (NBR) and Eurostat. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: INS.
- 2 Quarterly GDP (not seasonally adjusted), year-on-year variation in %. Source: INS.
- 3 GDP, evolution of 2015 forecasts during the last 18 months.
- 4 GDP, evolution of 2016 forecasts during the last 18 months.
- 5 Private consumption, annual variation in %. Source: INS.
- 6 Gross fixed investment, annual variation in %. Source: INS.
- 7 Private consumption, change in 2015 and 2016 forecasts during the last 18 months.
- 8 Gross fixed investment, change in 2015 and 2016 forecasts during the last 18 months.
- 9 Industrial production, annual variation in %. Source: INS.
- 10 Unemployment, % of active population. Source: Eurostat.
- 11 Balance of central government as % of GDP. Source: NBR.
- 12 Industrial production, evolution of 2015 and 2016 forecasts during the last 18 months.
- 13 Unemployment, evolution of 2015 and 2016 forecasts during the last 18 months.
- 14 Balance of central government as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

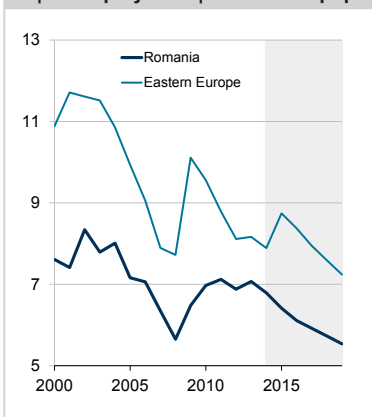
Real Sector | Additional forecasts

Individual Forecasts	Consumption variation in %		Investment variation in %		Industry variation in %		Unemployment % of active pop.		Fiscal Balance % of GDP		Public Debt % of GDP	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Alpha Bank	-	-	-	-	-	-	-	-	-2.0	-	-	-
BMI Research	3.2	2.6	-	-	2.0	2.2	6.0	5.7	-2.5	-2.7	-	-
BofA Merrill Lynch	-	-	-	-	-	-	-	-	-1.9	-1.9	41.0	40.6
Capital Economics	5.0	4.0	3.0	2.0	-	-	6.0	5.8	-2.3	-2.3	-	-
Citigroup Global Mkts	3.5	3.5	3.3	1.4	-	-	-	-	-1.9	-2.1	-	-
Credit Agricole	-	-	-	-	-	-	-	-	-	-	-	-
Danske Bank	3.9	3.9	5.8	5.8	-	-	-	-	-	-	-	-
Deutsche Bank	4.1	3.5	5.0	5.5	-	-	-	-	-2.5	-2.6	40.8	41.5
EIU	4.4	4.6	2.5	5.0	5.0	4.5	6.4	5.9	-	-	40.4	39.8
Erste Bank	-	-	-	-	-	-	6.6	6.5	-1.6	-2.8	39.9	40.3
Eurobank	4.2	-	2.0	-	-	-	6.5	-	-1.9	-	39.1	-
Frontier Strategy Group	2.8	3.1	-	-	4.7	5.3	6.5	6.2	-	-	-	-
HSBC	3.4	2.5	-	-	4.9	6.1	-	-	-1.4	-1.5	38.4	37.7
ING	6.2	5.9	1.8	2.7	4.5	5.3	6.2	5.9	-1.8	-3.3	39.0	41.8
JPMorgan	-	-	-	-	4.3	6.5	6.3	5.7	-1.2	-3.2	38.1	37.5
National Bank of Greece	-	-	2.8	4.5	-	-	-	-	-2.2	-3.4	40.9	41.3
Nomura	-	-	-	-	-	-	-	-	-2.0	-2.0	40.0	40.0
OTP Bank	2.7	3.7	2.9	4.1	-	-	-	-	-1.6	-3.0	-	-
Oxford Economics	4.3	4.2	5.6	6.8	4.0	4.1	-	-	-2.5	-2.0	-	-
Raiffeisen Research	4.0	3.5	-	-	4.5	5.0	6.7	6.5	-2.3	-2.3	39.8	39.8
The Bleyzer Foundation	-	-	-	-	4.0	-	6.4	-	-2.5	-	40.0	-
UniCredit	4.6	2.8	5.5	3.9	-	-	6.7	6.3	-1.5	-1.9	38.4	37.8
WIIW	3.2	4.0	5.0	4.0	5.0	4.0	6.7	6.6	-2.8	-3.0	40.0	40.0
Summary												
Minimum	2.7	2.5	1.8	1.4	2.0	2.2	6.0	5.7	-2.8	-3.4	38.1	37.5
Maximum	6.2	5.9	5.8	6.8	5.0	6.5	6.7	6.6	-1.2	-1.5	41.0	41.8
Median	4.0	3.6	3.2	4.1	4.5	5.0	6.5	6.1	-2.0	-2.5	39.9	40.0
Consensus	4.0	3.7	3.8	4.2	4.3	4.8	6.4	6.1	-2.0	-2.5	39.7	39.8
History												
30 days ago	3.5	3.3	3.4	4.6	4.4	5.1	6.5	6.3	-2.1	-2.2	39.7	39.7
60 days ago	3.2	3.3	3.8	4.6	5.0	5.5	6.6	6.4	-2.1	-2.1	39.4	39.7
90 days ago	3.5	3.4	3.7	4.5	5.3	5.7	6.6	6.3	-2.1	-2.0	39.0	39.3

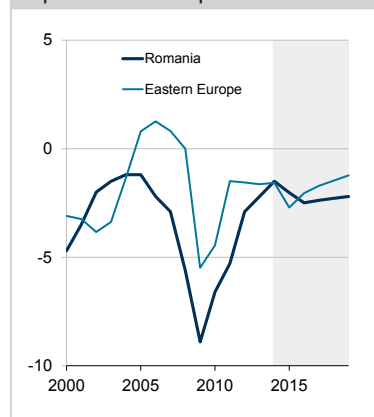
9 | Industry | variation in %



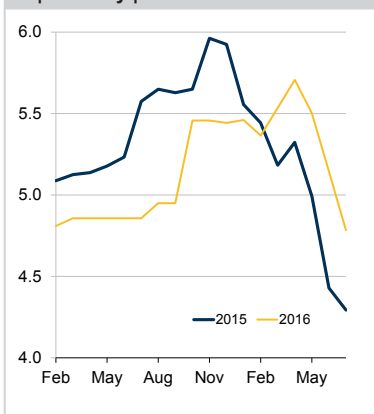
10 | Unemployment | % of active pop.



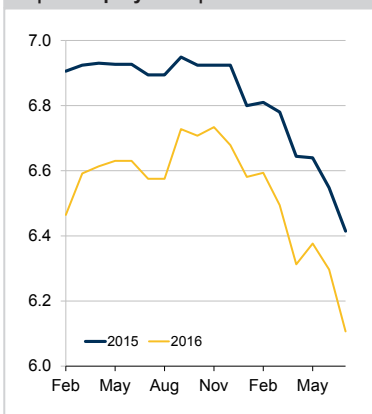
11 | Fiscal Balance | % of GDP



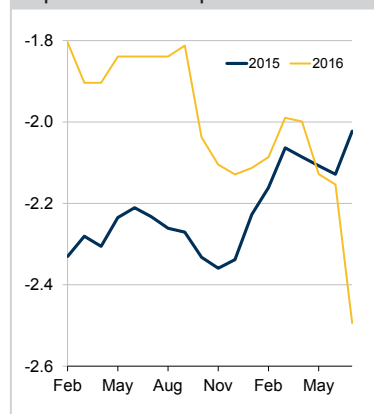
12 | Industry | evolution of forecasts



13 | Unemployment | evolution of fcst

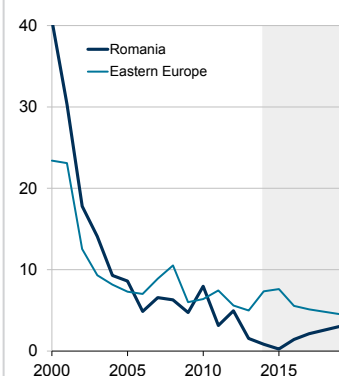


14 | Fiscal Balance | evolution of fcst

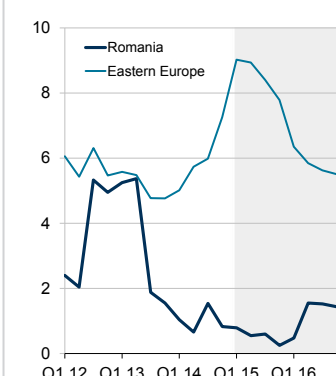


Monetary Sector | Inflation

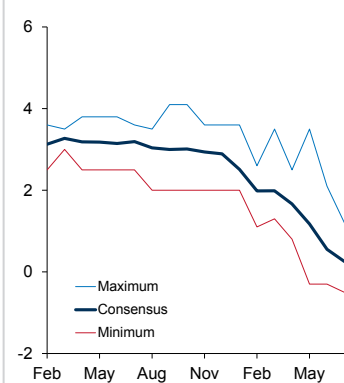
15 | Inflation | 2000 - 2019 | in %



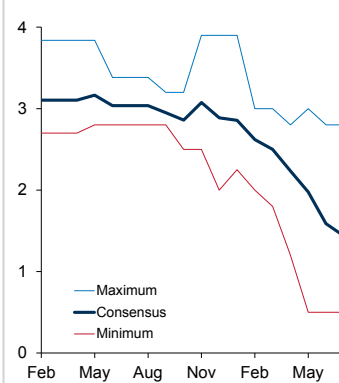
16 | Inflation | Q1 12-Q4 16 | in %



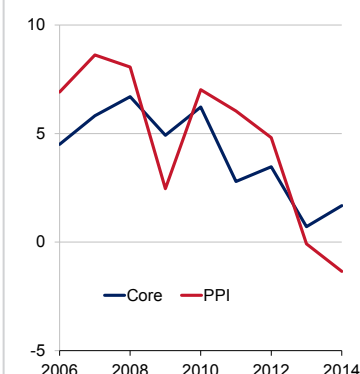
17 | Inflation 2015 | evolution of fcst



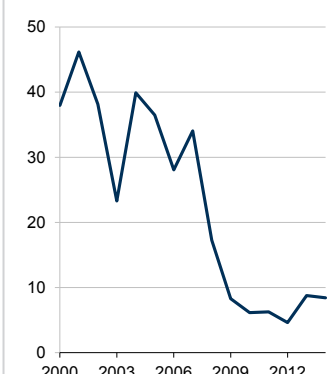
18 | Inflation 2016 | evolution of fcst



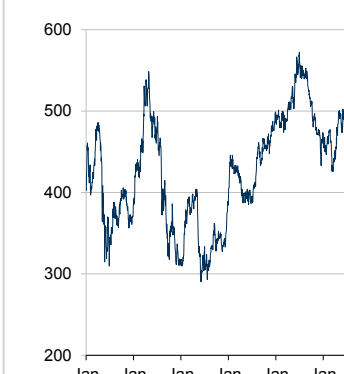
19 | Core and Producer Prices | % var.



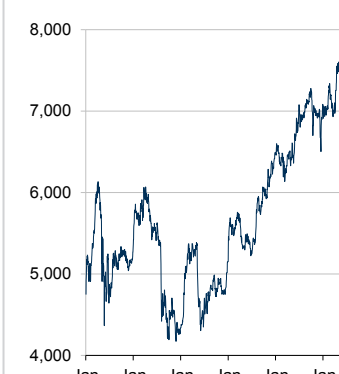
20 | Money | variation in %



21 | MSCI Price Index



22 | Stock Market | BET



Inflation | annual variation of consumer price index in %

Individual Forecasts	2015	2016
Alpha Bank	-	-
BMI Research	0.4	1.3
BofA Merrill Lynch	0.0	1.7
Capital Economics	0.3	1.5
Citigroup Global Mkts	0.1	0.7
Credit Agricole	0.4	0.6
Danske Bank	-	-
Deutsche Bank	0.3	1.1
EIU	0.3	2.0
Erste Bank	-	-
Eurobank	0.2	-
Frontier Strategy Group	0.3	1.0
HSBC	0.0	1.0
ING	-0.3	0.5
JPMorgan	1.2	2.4
National Bank of Greece	-0.5	1.0
Nomura	-	-
OTP Bank	-	-
Oxford Economics	-	-
Raiffeisen Research	0.0	2.8
The Bleyzer Foundation	0.2	-
UniCredit	0.6	2.5
WIIW	0.8	1.5

Summary

Minimum	-0.5	0.5
Maximum	1.2	2.8
Median	0.3	1.3
Consensus	0.3	1.4

History

30 days ago	0.6	1.6
60 days ago	1.2	2.0
90 days ago	1.7	2.2

Additional Forecasts

IMF (Apr. 2015)	2.2	2.2
European Commission (May 2015)	0.2	0.9
Central Bank (May 2015)	0.2	1.9

Notes and sources

General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary sector data are from the National Institute of Statistics (INS, *Institutul National de Statistica*) and the Central Bank (NBR, *National Bank of Romania*). See below for details. Forecasts based on FocusEconomics Consensus Forecast. European Commission forecasts refer to annual average harmonized inflation. Forecasts based on FocusEconomics Consensus Forecast.

15 Inflation, annual variation of consumer price index (CPI) in % (eop). Source: INS.

16 Quarterly inflation, annual variation of consumer price index (CPI) in % (eop). Source: INS.

17 Inflation, evolution of 2015 inflation forecasts during the last 18 months.

18 Inflation, evolution of 2016 inflation forecasts during the last 18 months.

19 Core and producer price indices, annual variation in % (eop). 2006-2014. Source: INS.

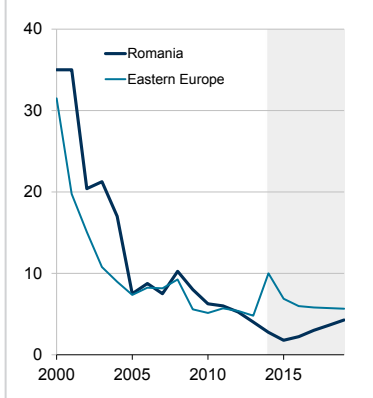
20 Money, annual variation of M2 in %. 2000-2014. Source: NBR.

21 Daily MSCI Price index in EUR. Source: MSCI Barra. From Jan. 2010 until end of previous week.

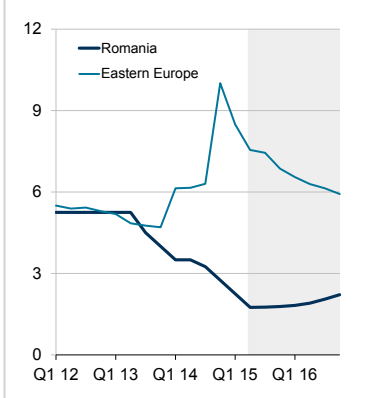
22 Daily index levels, BET Index. Source: Bucharest Stock Exchange. Jan. 2010 until end of previous week.

Monetary Sector | Interest Rate and Exchange Rate

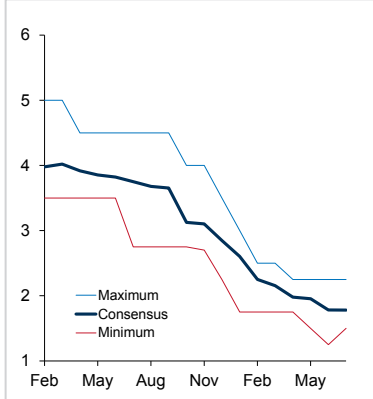
23 | Interest Rate | 2000 - 2019 | in %



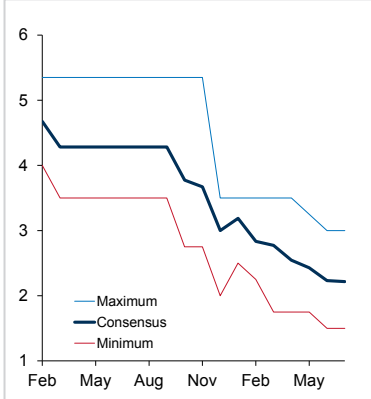
24 | Interest Rate | Q1 12-Q4 16 | in %



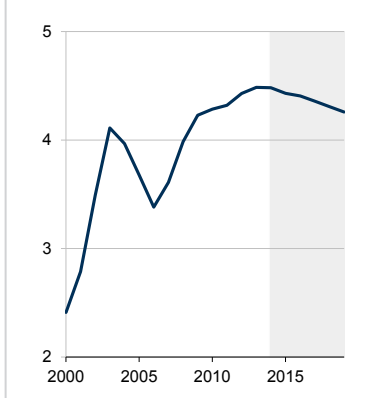
25 | Int. Rate 2015 | evolution of fcst



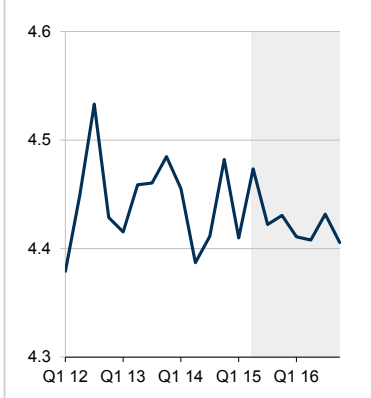
26 | Int. Rate 2016 | evolution of fcst



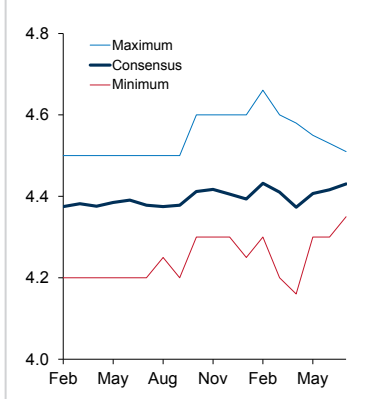
27 | Exchange Rate | RON per EUR



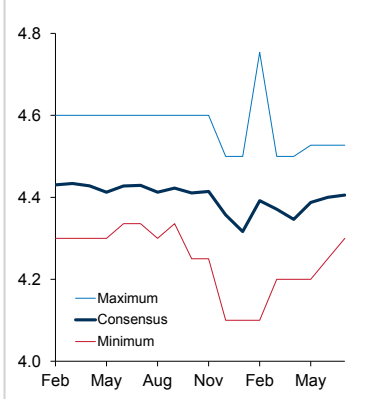
28 | Exchange Rate | RON per EUR



29 | RON per EUR 2015 | evol. of fcst



30 | RON per EUR 2016 | evol. of fcst



Policy Interest Rate and Exchange Rate

Individual Forecasts	Interest Rate %		Exchange Rate RON per EUR	
	2015	2016	2015	2016
Alpha Bank	-	-	-	-
BMI Research	1.75	1.75	4.48	4.52
BofA Merrill Lynch	2.00	2.50	4.40	4.30
Capital Economics	1.50	1.50	-	-
Citigroup Global Mkts	1.50	2.50	4.51	4.50
Credit Agricole	1.75	2.00	4.45	4.30
Danske Bank	-	-	4.40	-
Deutsche Bank	1.75	2.25	-	-
EIU	-	-	4.40	4.40
Erste Bank	-	-	-	-
Eurobank	1.50	-	4.45	-
Frontier Strategy Group	-	-	-	-
HSBC	1.75	2.50	4.40	4.40
ING	1.75	1.75	4.40	4.30
JPMorgan	1.75	1.75	4.45	4.40
National Bank of Greece	2.25	3.00	4.40	4.40
Nomura	2.00	2.50	4.35	4.40
OTP Bank	2.00	2.75	4.40	4.35
Oxford Economics	-	-	4.49	4.53
Raiffeisen Research	1.75	2.00	4.45	4.40
The Bleyzer Foundation	1.75	-	4.43	-
UniCredit	1.75	2.50	4.45	4.43
WIIW	1.75	2.00	4.44	4.46
Summary				
Minimum	1.50	1.50	4.35	4.30
Maximum	2.25	3.00	4.51	4.53
Median	1.75	2.25	4.44	4.40
Consensus	1.78	2.22	4.43	4.41

History

30 days ago	1.78	2.23	4.42	4.40
60 days ago	1.95	2.43	4.41	4.39
90 days ago	1.98	2.55	4.37	4.35

Notes and sources

General:

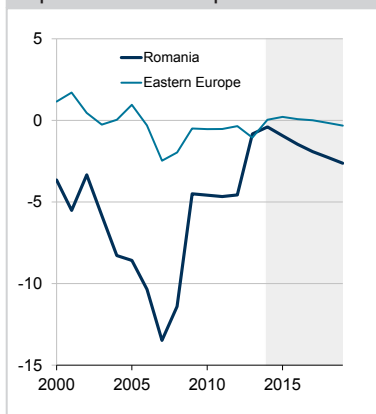
Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary and external sector data are from the Central Bank (NBR, *National Bank of Romania*). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 23 Interest rate, Central Bank Reference Rate in % (eop).
- 24 Quarterly interest rate, Central Bank Reference Rate in % (eop).
- 25 Interest rate, evolution of 2015 forecasts during the last 18 months.
- 26 Interest rate, evolution of 2016 forecasts during the last 18 months.
- 27 Exchange rate, RON per EUR (eop).
- 28 Quarterly exchange rate, RON per EUR (eop).
- 29 Exchange rate, evolution of 2015 forecast during the last 18 months.
- 30 Exchange rate, evolution of 2016 forecast during the last 18 months.
- 31 Current account balance as % of GDP.
- 32 Trade balance, imports and exports, in EUR bn.
- 33 International reserves, months of imports.
- 34 Current account balance as % of GDP, evolution of 2015 and 2016 forecast during the last 18 months.
- 35 Exports, annual variation in %.
- 36 External debt as % of GDP.

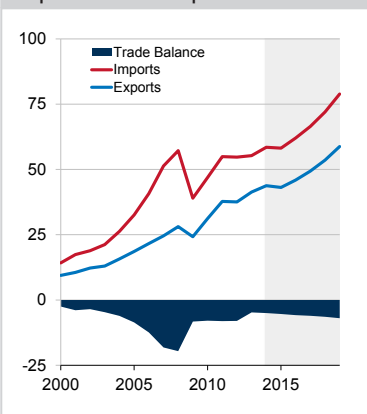
External Sector | Current Account, Trade and International Reserves

Individual Forecasts	Current Account % of GDP		Trade Balance EUR bn		Exports EUR bn		Imports EUR bn		Int. Reserves EUR bn	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Alpha Bank	-	-	-	-	-	-	-	-	-	-
BMI Research	-2.0	-2.4	-7.6	-8.2	48.7	51.4	56.3	59.5	-	-
BofA Merrill Lynch	-1.0	-1.6	-6.4	-8.0	53.4	57.0	59.8	65.0	34.4	38.3
Capital Economics	-	-	-	-	-	-	-	-	-	-
Citigroup Global Mkts	-1.0	-2.2	-	-	-	-	-	-	-	-
Credit Agricole	-1.4	-1.4	-	-	-	-	-	-	-	-
Danske Bank	-	-	-	-	-	-	-	-	-	-
Deutsche Bank	-0.6	-1.0	-6.0	-6.5	50.5	51.2	56.6	57.7	-	-
EIU	-1.0	-2.2	-	-	-	-	-	-	-	-
Erste Bank	-0.7	-0.8	-	-	-	-	-	-	-	-
Eurobank	-1.0	-	-	-	-	-	-	-	35.0	-
Frontier Strategy Group	-	-	-	-	-	-	-	-	-	-
HSBC	-0.6	-1.1	-6.7	-7.7	50.3	54.1	57.0	61.8	32.2	33.9
ING	-0.8	-1.2	-6.9	-8.3	49.2	52.2	56.1	60.5	-	-
JPMorgan	-0.2	-1.2	-3.9	-3.1	60.8	63.7	64.7	66.8	35.1	35.4
National Bank of Greece	-0.5	-1.1	-5.8	-7.0	51.0	57.1	56.8	64.1	33.1	36.7
Nomura	-1.7	-2.0	-	-	-	-	-	-	-	-
OTP Bank	-1.0	-1.8	-	-	-	-	-	-	-	-
Oxford Economics	-1.3	-1.7	-7.5	-5.8	51.3	57.2	58.8	63.0	37.6	40.3
Raiffeisen Research	-1.5	-2.0	-6.7	-7.9	49.9	54.9	56.6	62.8	32.5	33.5
The Bleyzer Foundation	-0.4	-	-7.2	-	55.0	-	62.2	-	34.0	-
UniCredit	-0.5	-0.3	-	-	-	-	-	-	32.6	35.4
WIIW	-0.6	-0.8	-6.0	-7.0	49.0	52.0	55.0	59.0	30.0	30.0
Summary										
Minimum	-2.0	-2.4	-7.6	-8.3	48.7	51.2	55.0	57.7	30.0	30.0
Maximum	-0.2	-0.3	-3.9	-3.1	60.8	63.7	64.7	66.8	37.6	40.3
Median	-1.0	-1.4	-6.7	-7.4	50.5	54.5	56.8	62.3	33.5	35.4
Consensus	-0.9	-1.5	-6.4	-7.0	51.7	55.1	58.2	62.0	33.6	35.4
History										
30 days ago	-1.0	-1.3	-6.4	-6.6	52.1	55.8	58.5	62.5	33.5	35.6
60 days ago	-0.9	-1.3	-6.3	-6.7	52.4	56.5	58.8	63.2	33.8	35.5
90 days ago	-0.9	-1.3	-6.1	-6.6	54.5	59.2	60.6	65.8	33.7	35.4

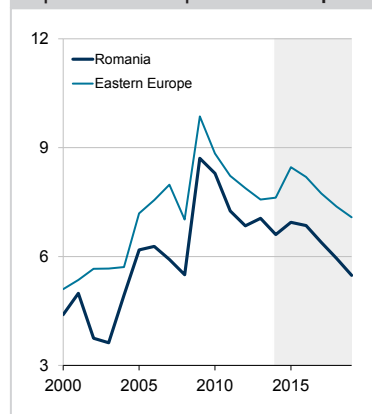
31 | Current Account | % of GDP



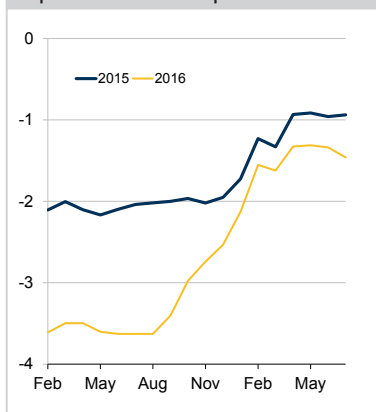
32 | Trade Balance | EUR billion



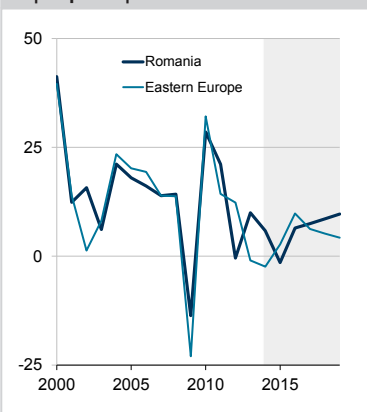
33 | Int. Reserves | months of imports



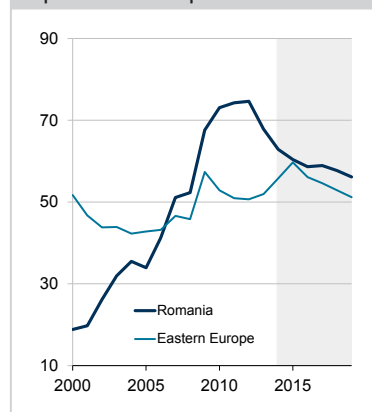
34 | Current Account | evol. of fcst



35 | Exports | annual variation in %



36 | External Debt | % of GDP



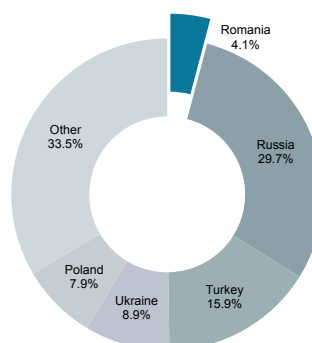
Fact Sheet

General Data

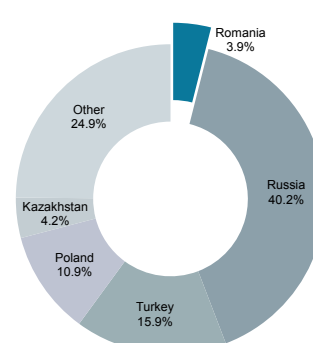
Official name:	Romania
Capital:	Bucharest (2.3m)
Other cities:	Constanta (0.7m) Iasi (0.8m)
Area (km2):	238,391
Population (million, 2014 est.):	19.9
Population density (per km2, 2014):	83.6
Population growth rate (% , 2014 est.):	-0.3
Life expectancy (years, 2014 est.):	74.7
Illiteracy rate (% , 2011):	2.3
Language:	Romanian
Measures:	Metric system
Time:	GMT+2

Romania in the Region

Population | %-share in Eastern Europe



GDP | %-share in Eastern Europe



Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	21.8
Telephones - mobile cellular (per 100 inhabit.):	106
Internet Users (per 100 inhabitants):	49.8
Broadband Subscriptions (per 100 inhabitants):	17.3

Energy (2012)

Primary Energy Production (trillion Btu):	1,092
Primary Energy Consumption (trillion Btu):	1,461
Electricity Generation (billion kW-h):	56.0
Electricity Consumption (billion kW-h):	46.2
Oil Supply (thousand bpd):	102
Oil Consumption (thousand bpd):	216
CO2 Emissions (million metric tons):	86.1

Transportation (2013)

Airports:	45
Railways (km):	10,777
Roadways (km):	84,185
Waterways (km):	1,731
Chief Ports:	Constanta, Braila

Political Data

Prime Minister:	Victor-Viorel Ponta
Last elections:	9 December 2012
Next elections:	December 2016
Central Bank President:	Mugur Isărescu

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Baa3	Stable
S&P:	BBB-	Stable
Fitch Ratings:	BBB-	Stable

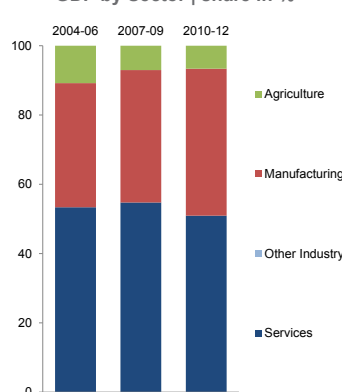
Strengths

Weaknesses

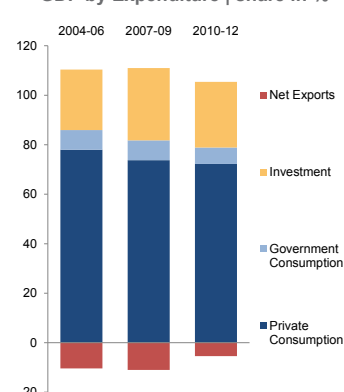
- Receiver of large amount of EU funds
- Low unemployment levels
- EU membership shields the economy against emerging markets crises
- Large external imbalances
- Political instability
- Lack of structural reforms in key economic sectors

Economic Structure

GDP by Sector | share in %

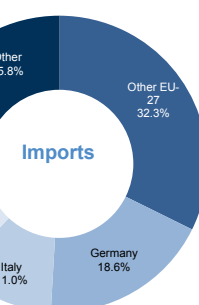
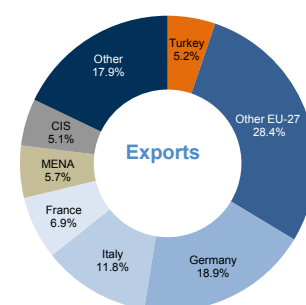


GDP by Expenditure | share in %

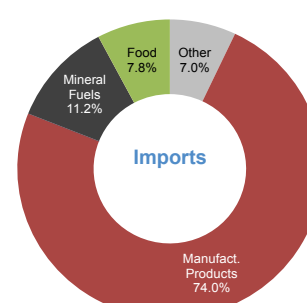


Trade Structure

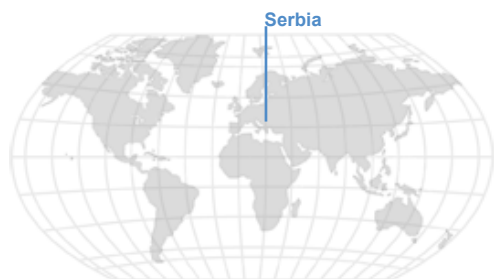
Primary markets | share in %



Primary products | share in %



Serbia



Outlook improves

- Economic activity remained in the doldrums in the first quarter with GDP contracting for the fifth consecutive period. The economy fell 1.8% annually in Q1 as the ongoing fiscal consolidation under an agreement with the International Monetary Fund (IMF) continues to drag on growth. That said, there are a few signs that suggest that a nascent recovery may be under way. Growth in industrial production soared in May, while retail sales expanded for the second consecutive month. Meanwhile, on 11 June, Minister of Mining and Energy Aleksandar Antic announced a 12% increase in the electricity tax starting in August. This initiative was agreed upon in the EUR 1.2 billion precautionary loan deal with the IMF.
- Although the gradual recovery in the Eurozone will have a positive impact on the external sector, continued fiscal consolidation is expected to dampen growth this year. FocusEconomics panelists expect that the economy will contract 0.1% in 2015, which is up 0.1 percentage points from last month's projection. For 2016, the panel sees GDP growth at 1.7%.
- Inflation fell from April's 1.8% to 1.5% in May. Inflationary pressures are expected to be contained on the back of subdued economic growth and low global commodity prices. At its 11 June monetary policy meeting, the National Bank of Serbia decided to cut the key policy rate by 50 basis points to 6.00%. Panelists expect inflation to average 2.4% in 2015, which is down 0.2 percentage points from last month's forecast. They project inflation to rise to 4.0% in 2016.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	7.2	7.2	7.2
GDP (EUR bn):	33.0	33.3	37.8
GDP per capita (EUR):	4,578	4,649	5,270
GDP growth (%):	1.0	-0.1	3.2
Fiscal Balance (% of GDP):	-5.7	-5.5	-3.3
Public Debt (% of GDP)	51.7	73.5	72.9
Inflation (%):	8.8	2.9	3.7
Current Account (% of GDP):	-9.7	-5.2	-3.9
External Debt (% of GDP):	76.6	83.7	82.1

Ricard Torné
Senior Economist

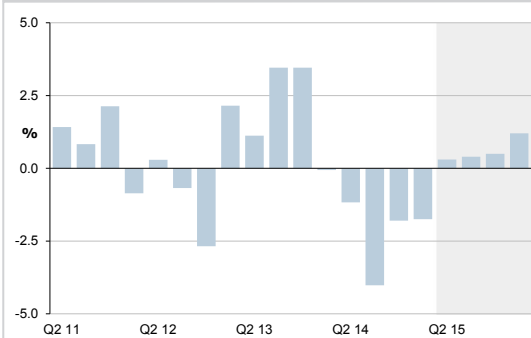
REAL SECTOR | Economy contracts for fifth consecutive quarter in Q1

In Q1, the economy declined 1.8% over the same quarter last year (Q4: -1.8% year-on-year), according to data released by the Statistical Office of the Republic of Serbia (SORS) on 29 May. The reading represented the fifth consecutive quarter of declining output and mostly reflected a sharp deterioration in the external sector and public spending.

Private consumption fell 0.6% in annual terms in Q1, which was up from the 1.2% drop observed in Q4. Government spending contracted 3.5% over the same quarter last year (Q4: +1.9% yoy), which represented the largest decline since Q2 2013. Conversely, growth in gross fixed capital formation accelerated to an over two-year high in Q1, rising to 4.4% (Q4: +0.9% yoy).

On the external side of the economy, exports of goods and services accelerated from a 0.4% increase in Q4 to a 9.7% rise in Q1. Imports also accelerated, rising from a 1.1% increase in Q4 to an 11.0% expansion in Q1. As a result of the sharp increase in imports, the net contribution from the external sector edged down from minus 0.4 percentage points in Q4 to minus 1.9 percentage points in Q1.

Gross Domestic Product | variation in %



Note: Year-on-year changes of GDP in %.

Source: The Statistical Office of the Republic of Serbia (SORS) and FocusEconomics Consensus Forecast.

Compared to the previous period, GDP fell a seasonally-adjusted 0.4% in Q1, which contrasted the 0.2% expansion recorded in the previous quarter.

The National Bank of Serbia expects zero economic growth this year. For 2016, the Bank sees economic growth picking up to 1.5%. FocusEconomics Consensus Forecast panelists expect the economy to contract 0.1% in 2015, which is up 0.1 percentage points over the previous month's projection. For 2016, the panel sees GDP increasing 1.7%.

REAL SECTOR | Growth in industrial production soars in May

In May, industrial production rose 17.7% over the same month last year. The print largely contrasted the 0.1% drop tallied in the previous month and marked an all-time high. The improvement was broad-based as all main subcategories recorded large increases compared to the previous month. Particularly, both manufacturing output and mining and quarrying hit their highest readings since 2013, while the electricity, gas, steam and air conditioning category posted the largest expansion on record.

On a monthly basis, industrial production in May expanded 6.2% in seasonally-adjusted terms, following April's 1.8% rise. As a result of the strong annual increase, the overall trend improved as annual average growth in industrial production rose from April's minus 7.5% to minus 5.4% in May, the highest reading in seven months.

FocusEconomics Consensus Forecast panelists expect industrial production to expand 2.0% in 2015, which is down 0.5 percentage points from last month's estimate. In 2016, the panel sees industrial production growth at 3.6%.

MONETARY SECTOR | Inflation declines in May

In May, consumer prices fell 0.3% over the previous month, contrasting April's 0.5% increase. According to the Statistical Office of the Republic of Serbia (SORS), the print mainly reflected lower prices for food and non-alcoholic beverages, health as well as for recreation and culture.

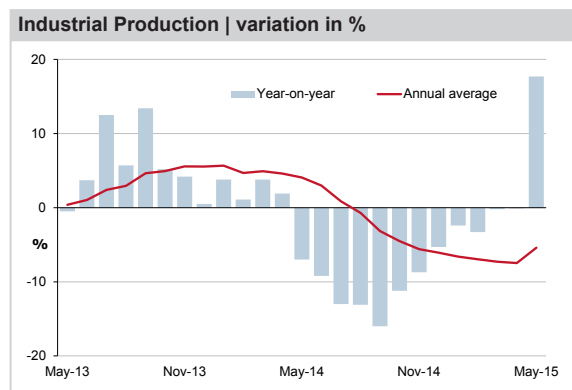
Inflation eased from April's 1.8% to 1.5% in May, which marked a three-month low. The overall trend stabilized in May as annual average inflation remained at the previous month's 1.6%, which represented the lowest print since the current series began in 2007. As a result, inflation remains below the target tolerance band of $4 \pm 1.5\%$.

Meanwhile, the core inflation, which does not include more volatile categories such as energy, food, alcohol and tobacco, stabilized in May at the previous month's 1.9%.

FocusEconomics Consensus Forecast panelists expect that inflation will end 2015 at 2.4%, which is down 0.2 percentage points from last month's forecast. For 2016, the panel sees inflation at 4.0%.

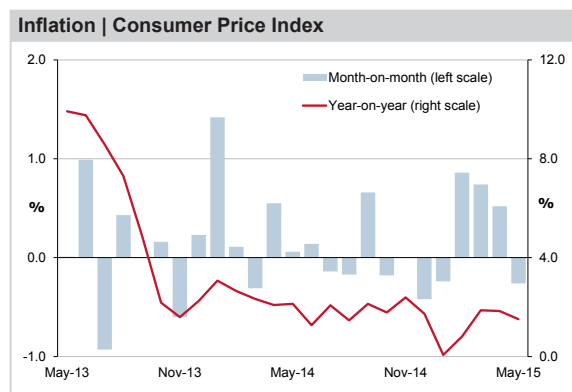
MONETARY SECTOR | NBS cuts reference rate to new record low in June

At its 11 June monetary policy meeting, the Executive Board of the National Bank of Serbia (NBS) decided to cut the reference rate by 50 basis points to 6.00%. This represents the lowest rate since the NBS introduced an inflation targeting mandate in 2006. The decision represented the fourth consecutive time that the NBS has cut its key policy rate.



Note: Year-on-year changes and annual average variation of industrial production index in %.

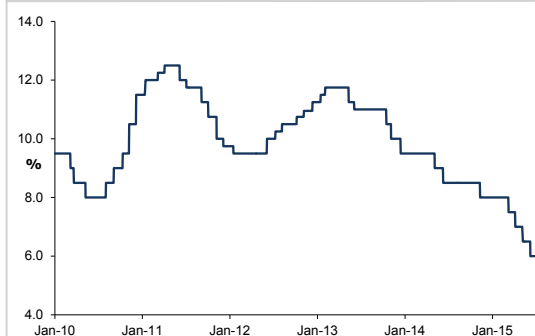
Source: The Statistical Office of the Republic of Serbia (SORS).



Note: Year-on-year and month-on-month variation of consumer price index in %.

Source: The Statistical Office of the Republic of Serbia (SORS).

Monetary Policy Rate | in %



Note: NBS Reference Rate in %.
Source: National Bank of Serbia (NBS).

In its accompanying statement, the NBS acknowledged that inflation is well below the Central Bank's lower band of $4.0\% \pm 1.5$. That said, the NBS expects inflation to return within the band in the second half of the year as a result of the continued monetary easing and the impact of administered and petroleum product prices. According to the Bank, the current disinflationary environment stems from weak domestic demand and low global commodity prices. Moreover, the current fiscal tightening in the country is exerting downward pressure on prices.

The Executive Board of the Bank stated that the current monetary policy stance will support lending and economic growth. The next meeting is scheduled for 9 July.

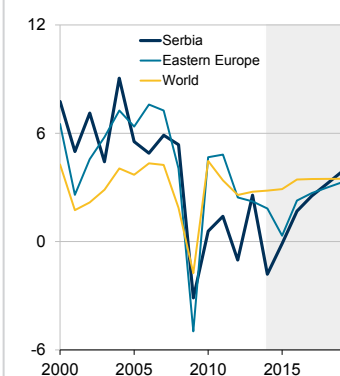
FocusEconomics Consensus Forecast panelists expect the policy rate to end 2015 at 5.71%. For 2016, the panel sees the rate ending the year at 6.36%.

Economic Indicators | 2010 - 2019

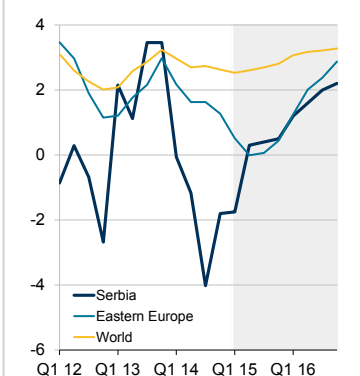
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	7.3	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
GDP per capita (USD)	4,928	6,774	5,457	6,190	6,398	4,990	5,005	5,417	5,921	6,513
GDP (USD bn)	35.9	49.0	39.3	44.3	45.8	35.7	35.9	38.8	42.4	46.7
GDP per capita (EUR)	4,023	4,672	4,300	4,762	4,673	4,556	4,716	4,968	5,260	5,584
GDP (EUR bn)	29.3	33.8	31.0	34.1	33.5	32.6	33.8	35.6	37.7	40.0
GDP (RSD bn)	3,067	3,408	3,584	3,876	3,878	3,969	4,196	4,466	4,774	5,129
Economic Growth (Nominal GDP, ann. var. in %)	6.5	11.1	5.2	8.2	0.0	2.3	5.7	6.4	6.9	7.4
Economic Growth (GDP, annual var. in %)	0.6	1.4	-1.0	2.6	-1.8	-0.1	1.7	2.5	3.2	3.8
Private Consumption (annual var. in %)	-0.6	0.9	-2.1	-0.4	-1.3	-0.5	1.2	2.1	2.8	3.4
Fixed Investment (annual var. in %)	-6.5	4.6	13.2	-12.0	-2.7	1.4	4.0	4.6	4.9	5.3
Industrial Production (annual var. in %)	3.1	2.0	-3.4	5.6	-6.1	2.0	3.6	4.2	4.4	4.5
Unemployment (% of active population, aop)	19.2	23.0	23.9	22.1	16.8	20.2	20.0	19.4	19.3	19.2
Fiscal Balance (% of GDP)	-4.6	-4.8	-6.8	-5.5	-6.7	-5.3	-4.5	-3.8	-3.3	-2.7
Public Debt (% of GDP)	43.7	46.6	51.6	56.8	68.4	75.0	77.1	75.0	72.9	70.8
Monetary and Financial Sector										
Money (ann. var. of M2 in %)	-6.0	18.9	-1.5	13.9	12.2	-	-	-	-	-
Inflation (CPI, annual variation in %, aop)	6.1	11.2	7.3	7.9	2.1	2.4	4.0	3.9	3.7	3.6
Inflation (Core, annual variation in %, aop)	6.7	6.6	6.5	6.6	2.7	-	-	-	-	-
NBS Reference Rate (% eop)	11.50	9.75	11.25	9.50	8.00	5.71	6.36	6.40	6.56	6.73
3-Month BELIBOR (% eop)	13.53	11.04	11.75	8.88	9.85	6.00	7.25	7.41	7.72	8.02
Exchange Rate (RSD per USD, eop)	79.3	82.8	85.2	83.3	100.3	117.9	116.2	113.9	111.2	108.6
Exchange Rate (RSD per USD, aop)	77.8	73.4	88.0	85.1	88.5	111.0	117.0	115.1	112.6	109.9
Exchange Rate (RSD per EUR, eop)	106.0	106.1	112.3	114.6	121.1	123.4	125.0	126.0	127.5	129.0
Exchange Rate (RSD per EUR, aop)	103.0	102.0	113.0	113.1	117.3	121.6	124.2	125.5	126.7	128.2
External Sector										
Current Account Balance (% of GDP)	-6.9	-10.8	-12.0	-6.3	-5.7	-5.0	-4.8	-4.3	-3.9	-3.5
Current Account Balance (EUR bn)	-2.0	-3.7	-3.7	-2.1	-1.9	-1.6	-1.6	-1.5	-1.5	-1.4
Merchandise Trade Balance (EUR bn)	-5.5	-5.6	-6.1	-3.4	-4.2	-3.8	-3.8	-3.8	-3.9	-4.0
Merchandise Exports (EUR bn)	8.0	8.1	8.8	11.2	10.8	11.6	12.6	13.7	14.6	15.3
Merchandise Imports (EUR bn)	13.4	13.7	14.9	14.6	15.0	15.3	16.4	17.5	18.5	19.3
Merchandise Exports (annual variation in %)	34.4	1.6	8.9	27.0	-3.7	6.7	9.2	8.7	6.6	4.6
Merchandise Imports (annual variation in %)	19.3	1.9	8.8	-1.9	2.5	2.1	7.2	6.9	5.5	4.2
International Reserves (EUR bn)	10.0	12.1	10.9	11.2	9.9	10.4	10.9	11.0	11.1	11.2
International Reserves (months of imports)	8.9	10.6	8.8	9.2	7.9	8.2	8.0	7.5	7.2	6.9
External Debt (EUR bn)	23.8	24.1	25.6	25.7	25.8	28.2	29.6	30.5	31.0	31.4
External Debt (% of GDP)	81.1	71.4	82.8	75.5	77.1	86.3	87.7	85.7	82.2	78.5
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	-4.0	-1.8	-1.8	0.3	0.4	0.5	1.2	1.6	2.0	2.2
Economic Growth (GDP, qoq variation in %)	-1.2	0.2	-0.4	-	-	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	2.1	1.7	1.9	1.5	2.8	3.5	3.7	3.8	4.1	4.3
NBS Reference Rate (% eop)	8.50	8.00	7.50	6.00	5.75	5.71	5.87	6.05	6.22	6.36
3-Month BELIBOR (% eop)	7.78	9.85	7.98	5.76	5.97	6.00	6.37	6.54	6.85	7.25
Exchange Rate (RSD per USD, eop)	93.6	100.3	111.9	108.0	114.5	117.9	117.5	117.3	116.4	116.2
Exchange Rate (RSD per EUR, eop)	119.0	121.1	120.2	120.2	122.7	123.4	123.8	124.3	125.3	125.0
Monthly Data										
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Industrial Production (annual variation in %)	-16.0	-11.2	-8.7	-5.3	-2.4	-3.3	-0.2	-0.1	17.7	-
Retail Sales (annual variation in %)	1.6	1.5	0.3	4.2	3.6	-0.8	-5.1	0.2	1.5	-
Inflation (CPI, mom variation in %)	0.7	-0.2	0.0	-0.4	-0.2	0.9	0.7	0.5	-0.3	-
Inflation (CPI, annual variation in %)	2.1	1.8	2.4	1.7	0.1	0.8	1.9	1.8	1.5	-
Exchange Rate (RSD per USD, eop)	93.6	94.9	96.8	100.3	109.1	107.4	111.9	107.0	109.7	108.0
Exchange Rate (RSD per EUR, eop)	119.0	119.0	120.6	121.1	123.2	120.1	120.2	120.1	120.6	120.2

Real Sector | Gross Domestic Product and Fiscal Balance

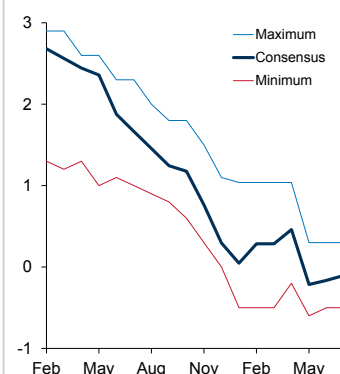
1 | Real GDP | 2000-2019 | var. in %



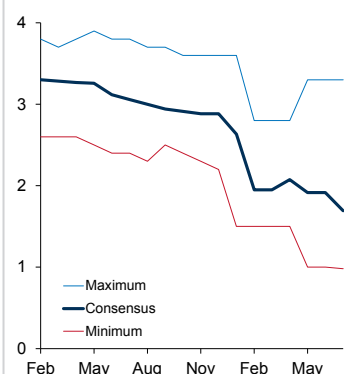
2 | Real GDP | Q1 12-Q4 16 | var. in %



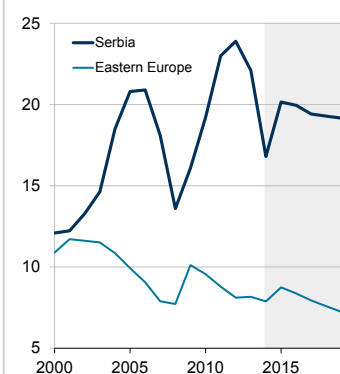
3 | GDP 2015 | evolution of forecasts



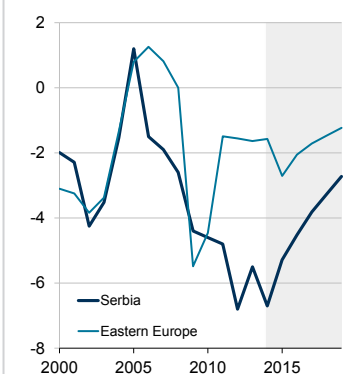
4 | GDP 2016 | evolution of forecasts



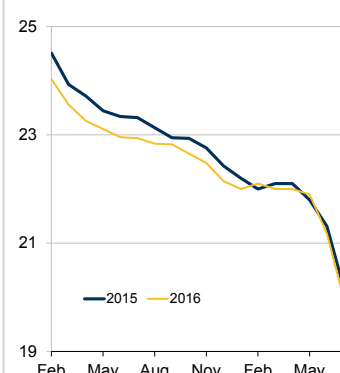
5 | Unemployment | % of active pop.



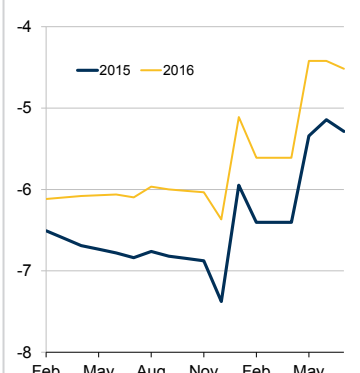
6 | Fiscal Balance | % of GDP



7 | Unemployment | evolution of fcst



8 | Fiscal Balance | evolution of fcst



Economic Growth and Fiscal Balance

Individual Forecasts	Real GDP variation in %		Fiscal Balance % of GDP	
	2015	2016	2015	2016
BMI Research	0.2	1.0	-5.7	-4.8
Citigroup Global Mkts	-0.2	1.5	-5.0	-4.5
EIU	-0.2	2.5	-5.0	-4.2
Erste Bank	-0.5	1.0	-5.5	-4.5
HSBC	0.3	3.3	-4.9	-4.0
ING	-0.3	1.4	-4.9	-4.8
JPMorgan	-0.2	1.0	-5.6	-4.8
National Bank of Greece	0.0	2.0	-5.2	-4.2
OTP Bank	-0.2	1.4	-4.9	-4.3
Oxford Economics	-0.2	1.7	-	-
Raiffeisen Research	0.0	2.5	-6.0	-4.8
Sberbank	-0.2	1.2	-	-
Unicredit	0.2	1.5	-5.5	-4.8
Summary				
Minimum	-0.5	1.0	-6.0	-4.8
Maximum	0.3	3.3	-4.9	-4.0
Median	-0.2	1.5	-5.2	-4.5
Consensus	-0.1	1.7	-5.3	-4.5
History				
30 days ago	-0.2	1.9	-5.1	-4.4
60 days ago	-0.2	1.9	-5.3	-4.4
90 days ago	0.5	2.1	-6.4	-5.6
Additional Forecasts				
IMF (June 2015)	0.0	1.5	-	-
Eur. Comm. (May 2015)	-0.1	1.2	-	-
Central Bank (May 2015)	0.0	1.5	-	-

Notes and sources

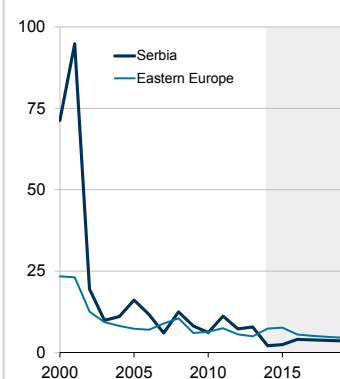
General:

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Ministry of Finance (MoF) and the Statistical Office of the Republic of Serbia (SORS). Forecasts based on FocusEconomics Consensus Forecast.

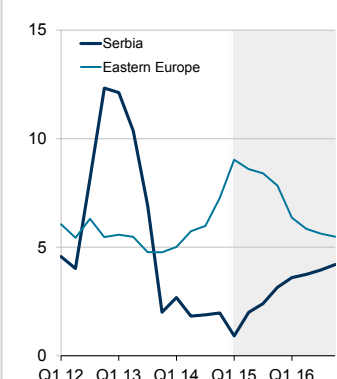
- 1 GDP, annual variation in %. Source: SORS.
- 2 Quarterly GDP (not seasonally adjusted), year-on-year variation in %. Source: SORS.
- 3 GDP, evolution of 2015 forecasts during the last 18 months.
- 4 GDP, evolution of 2016 forecasts during the last 18 months.
- 5 Unemployment, % of active population. Source: SORS.
- 6 Balance of non-financial public sector as % of GDP. Source: MoF.
- 7 Unemployment, evolution of 2015 and 2016 forecasts during the last 18 months.
- 8 Balance of non-financial public sector as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Monetary and External Sector | Inflation and Current Account Balance

9 | Inflation | 2000 - 2019 | in %



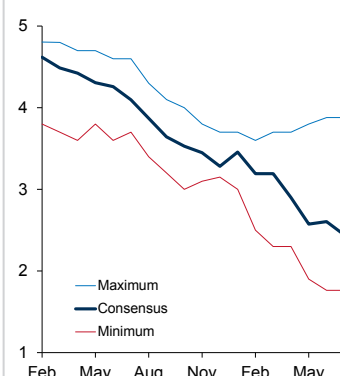
10 | Inflation | Q1 12-Q4 16 | var. in %



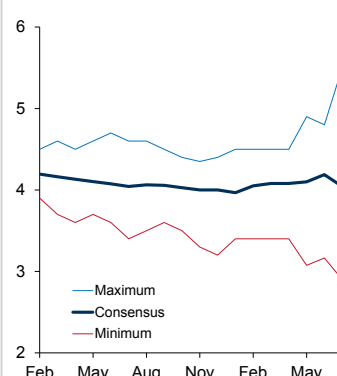
Consumer Price Index and Current Account Balance

Individual Forecasts	CPI variation in %		Current Account % of GDP	
	2015	2016	2015	2016
BMI Research	2.0	4.0	-5.2	-4.7
Citigroup Global Mkts	2.1	4.7	-4.5	-4.5
EIU	1.8	3.2	-5.1	-4.2
Erste Bank	2.2	3.3	-6.5	-6.9
HSBC	2.2	4.5	-5.4	-4.7
ING	3.0	5.5	-4.9	-5.0
JPMorgan	2.6	4.5	-4.8	-5.0
National Bank of Greece	1.8	3.0	-4.1	-3.6
OTP Bank	2.3	2.9	-5.0	-4.7
Oxford Economics	3.9	4.1	-4.1	-3.9
Raiffeisen Research	2.0	4.0	-5.9	-5.6
Sberbank	3.0	4.5	-	-
Unicredit	2.9	4.4	-4.5	-4.6
Summary				
Minimum	1.8	2.9	-6.5	-6.9
Maximum	3.9	5.5	-4.1	-3.6
Median	2.2	4.1	-5.0	-4.7
Consensus	2.4	4.0	-5.0	-4.8
History				
30 days ago	2.6	4.2	-4.9	-4.7
60 days ago	2.6	4.2	-5.0	-4.7
90 days ago	2.9	4.0	-5.0	-4.2
Additional Forecasts				
IMF (June 2015)	2.7	3.8	-	-
Eur. Comm. (May 2015)	2.1	2.4	-	-
Central Bank target	4.0±1.5	4.0±1.5		

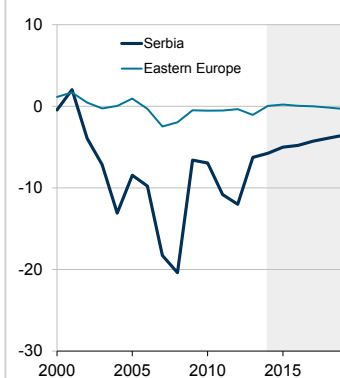
11 | Inflation 2015 | evolution of fcst



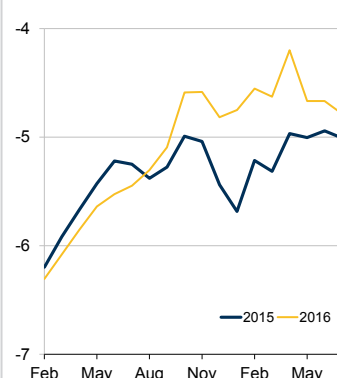
12 | Inflation 2016 | evolution of fcst



13 | Current Account | % of GDP



14 | Current Account | evol. of fcst



Notes and sources

General:
Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary and external sector data are from the Statistical Office of the Republic of Serbia (SORS) and the National Bank of Serbia (NBS). European Commission forecasts refer to annual average harmonized inflation. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 9 Inflation, annual variation of consumer price index (CPI) in % (eop). Source: SORS.
10 Quarterly inflation, annual variation of consumer price index (CPI) in % (eop). Source: SORS.
11 Inflation, evolution of 2015 forecasts during the last 18 months.
12 Inflation, evolution of 2016 forecasts during the last 18 months.
13 Current account balance as % of GDP. Source: NBS.
14 Current account balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Fact Sheet

General Data

Official name:	Republic of Serbia
Capital:	Belgrade (1.2 m)
Other cities:	Novi Sad (0.3 m) Niš (0.2 m)
Area (km ²):	77,474
Population (million, 2014 est.):	7.2
Population density (per km ² , 2014):	92.5
Population growth rate (% , 2014 est.):	-0.5
Life expectancy (years, 2014 est.):	75.0
Illiteracy rate (% , 2011):	2.0
Languages:	Serbian, Hungarian, Romani
Measures:	Metric system
Time:	GMT+1

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	39.3
Telephones - mobile cellular (per 100 inhabit.):	119
Internet Users (per 100 inhabitants):	51.5
Broadband Subscriptions (per 100 inhabitants):	13.9

Energy (2012)

Primary Energy Production (trillion Btu):	479
Primary Energy Consumption (trillion Btu):	718
Electricity Generation (billion kW-h):	31.8
Electricity Consumption (billion kW-h):	26.6
Oil Supply (thousand bpd):	19.7
Oil Consumption (thousand bpd):	80.0
CO2 Emissions (million metric tons):	41.4

Transportation (2013)

Airports:	26
Railways (km):	3,809
Roadways (km):	44,248
Waterways (km):	587
Chief Ports:	-

Political Data

Prime Minister:	Aleksandar Vučić
Last elections:	16 March 2014
Next elections:	March 2018
Central Bank Governor:	Jorgovanka Tabaković

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	B1	Stable
S&P:	BB-	Negative
Fitch Ratings:	B+	Stable

Strengths

- Customs union with EU benefits external sector
- Large domestic market
- Sound economic policy

Weaknesses

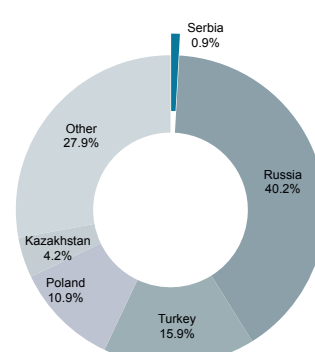
- Large external imbalances
- Persistent geopolitical tensions
- High structural unemployment

Serbia in the Region

Population | %-share in Eastern Europe

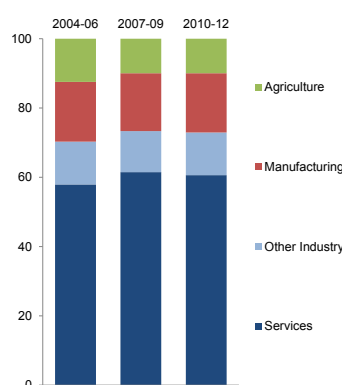


GDP | %-share in Eastern Europe

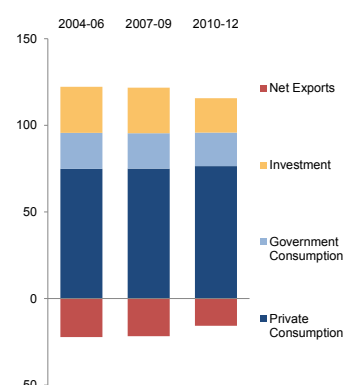


Economic Structure

GDP by Sector | share in %

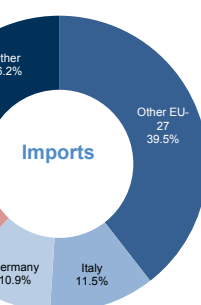
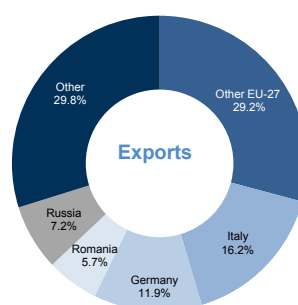


GDP by Expenditure | share in %

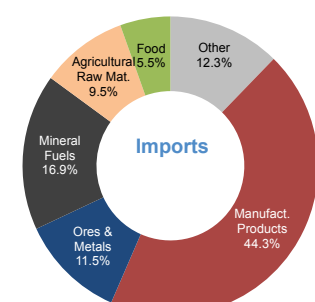
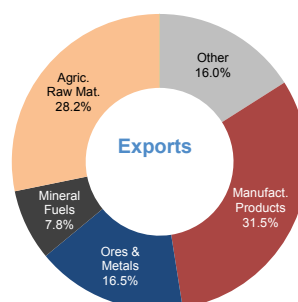


Trade Structure

Primary markets | share in %



Primary products | share in %



Turkey



Outlook deteriorates

- In the first quarter, the Turkish economy expanded 2.3% on an annual basis, which was a deceleration over the previous quarter's expansion. Q1's slowdown was due to contracting exports given geopolitical tensions in neighboring countries. In June, businesses were less confident and the manufacturing PMI deteriorated over the previous month. Shortly after the 7 June parliamentary elections, the *lira* plunged to record lows against the U.S. dollar. The AK Party, which lost its absolute majority in parliament for the first time since 2002, has not yet been able to form a coalition government. While an alliance with the opposition Republican People's Party seems the most probable alternative right now, uncertainties remain given the large ideological and political differences between the two parties. Failure to find an ally will pave the way for snap elections in November.
- Turkey's outlook is clouded with uncertainty. Whether a stable and effective government will be formed remains to be seen and lackluster economic data suggest that growth continues to be moderate. FocusEconomics Consensus Forecast panelists expect the economy to expand 3.0% in 2015, which is down 0.2 percentage points from last month's forecast. For 2016, the panel sees GDP expanding 3.5%.
- Inflation dropped to 7.2% in June, which was down from May's 8.1%. At its 23 June meeting, the Central Bank decided to keep the one-week repo rate unchanged at 7.50%. Panelists expect inflation to end 2015 at 7.4% and 2016 at 6.9%.

LONG-TERM TRENDS | 3-year averages

	2011-13	2014-16	2017-19
Population (million):	75.2	77.7	80.2
GDP (USD bn):	794	770	928
GDP per capita (USD):	10,560	9,911	11,572
GDP growth (%):	5.0	3.1	3.9
Fiscal Balance (% of GDP):	-1.6	-1.6	-1.6
Public Debt (% of GDP):	37.2	33.6	31.2
Inflation (%):	7.6	8.5	7.5
Current Account (% of GDP):	-7.9	-5.3	-5.1
External Debt (% of GDP):	43.3	54.9	56.1

Angela Bouzanis
Economist

REAL SECTOR | Economy slows in Q1

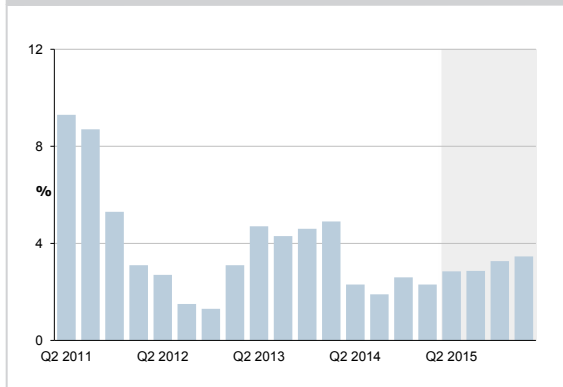
In Q1, GDP rose 2.3% over the same quarter of the previous year, which was below the 2.6% increase recorded in Q4. Nevertheless, the reading came in above the 1.7% expansion the market had expected.

The result tallied in Q1 reflected a worse performance of the external sector while domestic demand improved. Growth in private consumption accelerated from 2.4% in Q4 to 4.5% in Q1. In addition, government consumption picked up pace, rising from a 1.7% expansion to 2.5% Q1. In addition, fixed investment improved from a 1.0% contraction to flat growth in Q1.

Exports of goods and services contracted 0.3% in Q1, which contrasted the 3.4% expansion recorded in Q4 and marked the worst result in over one year. Imports expanded 4.1%, which was below the previous quarter's 4.6% increase. As a result, the external sector's net contribution to overall growth fell from minus 0.4 percentage points in Q4 to minus 1.2 percentage points in Q1.

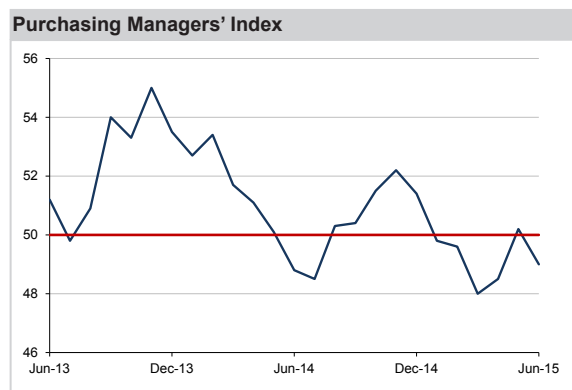
A quarter-on-quarter analysis does not corroborate the deceleration suggested by the annual figures. GDP rose 1.3% over the previous quarter in seasonally-

Gross Domestic Product | variation in %

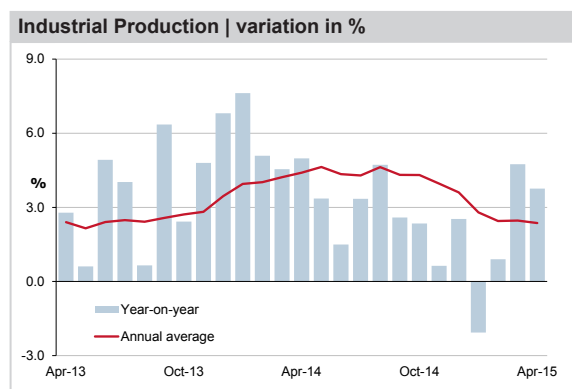


Note: Year-on-year variation of GDP in %.

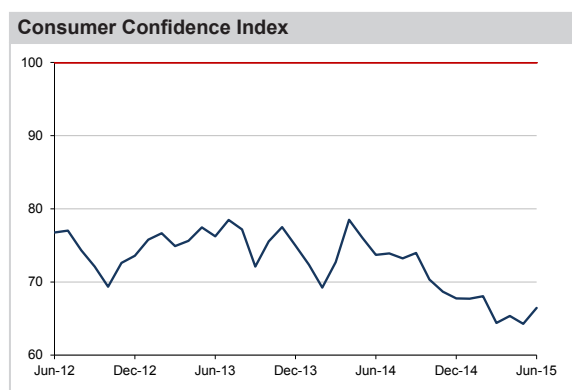
Source: Turkish Statistical Institute (TurkStat) and FocusEconomics Consensus Forecast.



Note: Markit Turkey Purchasing Managers' Index (PMI). A reading above 50 indicates an expansion in business activity while a value below 50 points to a contraction.
Source: Markit.



Note: Year-on-year and annual average variation of industrial production index in %.
Source: Turkish Statistical Institute (TurkStat) and FocusEconomics calculations.



Note: Consumer Confidence Index. Values above 100 indicate an optimistic outlook while values below 100 indicate a pessimistic outlook.
Source: Turkish Statistical Institute (TurkStat).

and calendar-day adjusted terms. The reading was up from the 0.8% increase observed in Q4.

The Turkish government expects the economy to expand 4.0% in 2015 and 5.0 in 2016. FocusEconomics Consensus Forecast panelists are less optimistic than the government and see GDP expanding 3.0% this year, which is down 0.2 percentage points from last month's forecast. For 2016, the panel sees the economy accelerating to a 3.5% increase.

REAL SECTOR | Manufacturing PMI falls into contractionary territory in June

The Markit Manufacturing Purchasing Managers' Index (PMI) dropped from 50.2 in May to 49.0 in June. May's result had marked a five-month high. As a result, the PMI now lies below the 50-threshold that separates expansion from contraction in manufacturing conditions.

June's drop reflected a steeper decline in manufacturing output. In addition, new orders recorded the sixth consecutive drop. In fact, in June, the rate of contraction was steeper compared to the previous month's drop as firms reported increased uncertainty following the general elections. Moreover, new export business recorded a decline, despite the weak currency. Markit analysts pointed out that, "manufacturers also continue to face higher input costs as a result of the weak *lira*. Recent PMI data suggest that official IP growth will turn down in the coming months."

REAL SECTOR | Industrial production loses steam in April

In April, industrial production expanded a calendar-adjusted 3.8% over the same month last year, which was below the 4.7% increase tallied in March. March's print had marked the largest expansion in seven months. April's result overshot the 2.6% expansion that market analysts had expected. According to the statistical institute, the slowdown reflected a broad-based deterioration across the index.

A month-on-month comparison corroborates the slowdown suggested by the annual figures as industrial production recorded zero growth in seasonally- and calendar-adjusted terms. The reading was below the 2.3% increase tallied in March (previously reported: +2.2% mom). Annual average growth in industrial output fell slightly from March's 2.5% to 2.4% in April.

FocusEconomics Consensus Forecast participants expect industrial production to rise 3.2% in 2015, which is down 0.1 percentage points from last month's estimate. The panel sees industrial output increasing 3.9% in 2016.

OUTLOOK | Consumer sentiment rises in June

The consumer confidence index, which is published by the Statistical Institute in cooperation with the Central Bank, rose from May's 64.3 points to 66.4 points in June, which marked a four-month high. Despite the increase, consumer confidence still remains far below the 100-point threshold that separates pessimistic from optimistic territory.

June's increase was a result of an almost across-the-board improvement. Consumers were more optimistic regarding their economic situation and financial situation in the next 12 months. In addition, consumers were less worried about unemployment compared to the previous month. Conversely, consumers' attitudes were more pessimistic regarding their probability of saving in the next 12 months.

FocusEconomics Consensus Forecast panelists see private consumption expanding 2.9% in 2015, which is up 0.3 percentage points from last month's forecast. For 2016, the panel expects private consumption to grow 3.1%.

OUTLOOK | Business confidence falls in June

The Real Sector Confidence Index published by the Central Bank fell from 109.0 in May to 104.9 in June. As a result, business confidence remains above the 100-point threshold, which indicates an optimistic outlook for business conditions.

June's result showed that businesses were less optimistic regarding the volume of output and exports orders for the next three months. In addition, firms were more pessimistic regarding the general business situation in Turkey. Conversely, firms were more optimistic regarding the total amount of orders for the following three months.

FocusEconomics Consensus Forecast panelists see fixed investment experiencing a 1.5% expansion in 2015, which is down 0.9 percentage points compared to last month's estimate. In 2016, panelists expect investment growth to accelerate to 4.0%.

MONETARY SECTOR | Inflation drops to lowest level in over two years in June

In June, consumer prices dropped 0.51% over the previous month, which contrasted May's 0.56% increase. According to the statistical office, lower prices were recorded for food and non-alcoholic beverages.

Inflation dropped from May's 8.1% to 7.2% in June, marking the lowest rate since May 2013. The core inflation index, which excludes more volatile categories such as unprocessed food and energy, increased 0.34% in June (May: +1.56% month-on-month). Core inflation was stable at May's 7.7%.

The Central Bank of Turkey (CBRT) sees year-end inflation at 6.8% in 2015 and 5.5% in 2016. FocusEconomics panelists expect inflation to close 2015 at 7.4%, which is up 0.2 percentage points from last month's forecast. For 2016, the panel sees inflation moderating to 6.9% by year-end.

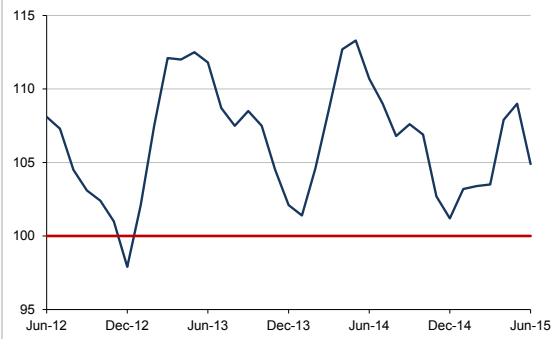
MONETARY SECTOR | Central Bank leaves key rates unchanged

At its 23 June monetary policy meeting, the Central Bank (CBRT) decided to keep the one-week repo rate unchanged at 7.50%. The decision was in line with market expectations. The Bank also decided to maintain the borrowing rate at 7.25%, the marginal funding rate at 10.75%, and the interest rate on borrowing facilities provided for primary dealers at 10.25%.

Mirroring the previous statement, the CBRT pointed out that loan growth remains at reasonable levels amidst a backdrop of tight monetary policy and macroprudential measures. The Bank added that although external demand is still weak, domestic demand is contributing to moderate growth. Regarding the external sector, the Bank restated that favorable terms of trade and the moderate path of consumer loans continued to facilitate the improvement in the current account balance. In addition, the Bank stated that the implementation of structural reforms will support potential economic growth notably.

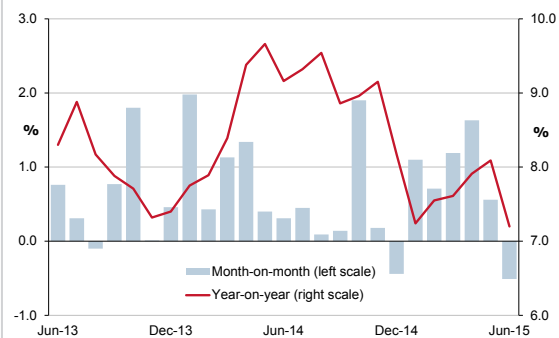
Regarding consumer price developments, the Central Bank stated that inflation is expected to fall partly due to a correction in food prices. However, the Bank added that exchange rate pressures have delayed the anticipated

Business Confidence Index



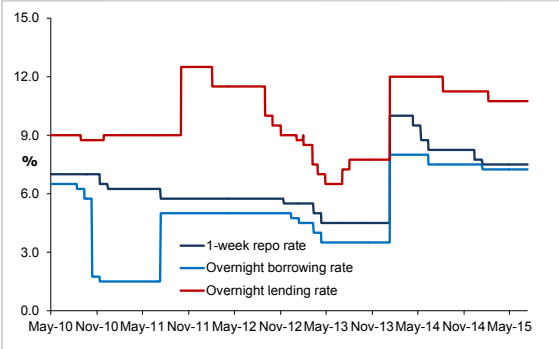
Note: Real Sector Confidence Index. Values above 100 indicate an optimistic outlook while values below 100 indicate a pessimistic outlook.
Source: Central Bank of the Republic of Turkey (CBRT).

Inflation | Consumer Price Index



Note: Year-on-year and month-on-month variation of consumer price index in %.
Source: Turkish Statistical Institute (TurkStat).

Monetary Policy Rates | in %



Note: 1-week repo rate, overnight borrowing rate and marginal funding rate in %.
Source: Central Bank of the Republic of Turkey (CBRT).

improvement. Moreover, the Bank pointed out that recent movements in the *lira* combined with global uncertainty is making it necessary to maintain the current monetary policy stance. Against this backdrop, the CBRT decided to keep interest rates unchanged.

Looking forward, the Bank commented that, “future monetary policy decisions will be conditional on the improvements in the inflation outlook.” Moreover, the Bank reaffirmed its tight monetary policy stance by, “keeping a flat yield curve, until there is a significant improvement in the inflation outlook.” The next monetary policy meeting is scheduled for 23 July.

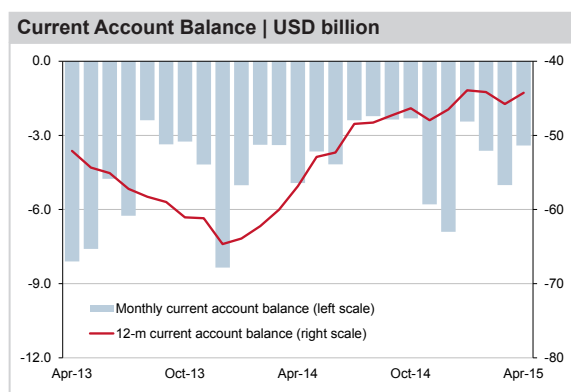
FocusEconomics Consensus Forecast panelists see the one-week repo rate ending the year at 7.89%. For 2016, the panel expects the rate to rise to 8.15%. Meanwhile, FocusEconomics Consensus Forecast panelists see the marginal funding rate ending the year at 11.59%. For 2016, the panel expects the rate at 11.38%.

EXTERNAL SECTOR | Current account deficit narrows in April

The current account balance recorded a USD 3.4 billion deficit in April (March: USD 5.0 billion deficit), which marked an improvement over the USD 4.9 billion shortfall recorded in the same month last year. The print undershot market expectations of a USD 2.9 billion deficit. The 12-month trailing current account deficit also narrowed from USD 45.8 billion in March to USD 44.3 billion in April (roughly equivalent to 5.5% of GDP).

In April, exports fell 0.2% in USD terms over the same month last year, which was a notable improvement from the 16.4% drop tallied in March. Imports fell 11.4%, which followed March's 5.6% annual contraction. As a result, the trade deficit came in at USD 3.3 billion in April, which marked an improvement over the USD 4.9 billion shortfall recorded in the same month last year.

FocusEconomics Consensus Forecast panelists expect the current account deficit to reach 4.9% of GDP this year. For 2016, the panel sees the current account deficit worsening slightly to 5.3% of GDP.



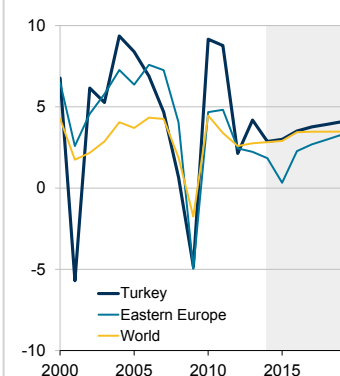
Note: Monthly and 12-month sum of current account balance in USD billion.
Source: Central Bank of the Republic of Turkey (CBRT).

Economic Indicators | 2010 - 2019

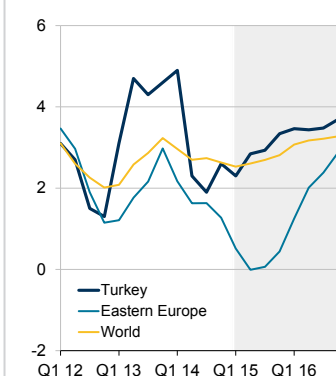
Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	73.1	74.2	75.2	76.1	76.9	77.7	78.6	79.4	80.2	80.9
GDP per capita (USD)	9,964	10,399	10,469	10,813	10,398	9,428	9,908	10,627	11,543	12,546
GDP (USD bn)	729	772	787	822	800	733	778	843	925	1,015
GDP per capita (EUR)	7,645	7,444	8,263	8,241	7,880	8,608	9,326	9,742	10,250	10,753
GDP (EUR bn)	559	553	621	627	606	669	733	773	822	870
GDP (TRY bn)	1,099	1,298	1,417	1,567	1,750	1,941	2,176	2,421	2,708	3,010
Economic Growth (Nominal GDP, ann. var. in %)	15.3	18.1	9.2	10.6	11.6	10.9	12.1	11.3	11.8	11.2
Economic Growth (GDP, annual var. in %)	9.2	8.8	2.1	4.2	2.9	3.0	3.5	3.8	3.9	4.1
Domestic Demand (annual var. in %)	13.5	9.5	-1.8	6.7	1.0	2.9	3.7	4.1	4.1	4.1
Private Consumption (annual var. in %)	6.7	7.7	-0.5	5.1	1.3	2.9	3.1	3.4	3.5	3.5
Government Consumption (ann. var. in %)	2.0	4.7	6.2	6.5	4.6	-	-	-	-	-
Fixed Investment (annual var. in %)	30.5	18.0	-2.7	4.4	-1.3	1.5	4.0	4.8	4.9	5.0
Industrial Production (annual var. in %)	12.4	9.6	2.4	3.5	3.5	3.2	3.9	4.1	4.1	4.2
Unemployment (% of active population, aop)	11.2	9.2	8.4	9.1	10.0	10.4	10.1	9.6	9.2	8.7
Fiscal Balance (% of GDP)	-3.6	-1.4	-2.1	-1.2	-1.3	-1.8	-1.7	-1.6	-1.6	-1.5
Public Debt (% of GDP)	42.3	39.1	36.2	36.3	33.5	34.2	33.1	32.0	31.2	30.5
Monetary and Financial Sector										
Money (annual variation of M2 in %)	19.0	11.5	12.9	22.8	11.2	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	6.4	10.5	6.2	7.4	8.2	7.4	6.9	6.4	6.1	5.8
Inflation (Core, annual variation in %, eop)	5.3	9.8	6.0	7.1	9.4	-	-	-	-	-
Inflation (PPI, annual variation in %, eop)	8.5	11.1	6.2	4.5	10.3	-	-	-	-	-
1-Week Repo Rate (% eop)	6.50	5.75	5.50	4.50	8.25	7.89	8.15	8.41	8.69	8.96
Marginal Funding rate (% eop)	9.00	12.50	9.00	7.75	11.25	11.59	11.38	12.05	12.45	12.85
10-year Bond Yield (% eop)	8.6	10.0	6.6	10.3	8.1	9.7	9.5	8.7	8.0	7.3
Stock Market (variation of BIST in %)	25.0	-22.3	52.6	-13.3	26.4	-	-	-	-	-
Exchange Rate (TRY per USD, eop)	1.54	1.89	1.78	2.15	2.33	2.75	2.83	2.91	2.95	2.98
Exchange Rate (TRY per USD, aop)	1.51	1.68	1.80	1.91	2.19	2.65	2.80	2.87	2.93	2.96
Exchange Rate (TRY per EUR, eop)	2.06	2.44	2.35	2.95	2.82	2.88	3.05	3.21	3.38	3.54
Exchange Rate (TRY per EUR, aop)	2.00	2.34	2.31	2.53	2.90	2.90	2.97	3.13	3.30	3.46
External Sector										
Current Account Balance (% of GDP)	-6.2	-9.7	-6.2	-7.9	-5.8	-4.9	-5.3	-5.2	-5.1	-5.0
Current Account Balance (USD bn)	-45.3	-75.0	-48.5	-64.7	-46.5	-35.6	-41.2	-43.8	-47.2	-50.9
Merchandise Trade Balance (USD bn)	-56.3	-89.2	-65.4	-79.9	-63.6	-56.3	-62.0	-70.3	-78.8	-87.5
Merchandise Exports (USD bn)	121.0	142.4	162.0	161.8	168.9	169.2	179.4	190.6	204.1	220.1
Merchandise Imports (USD bn)	177.3	231.6	227.3	241.7	232.5	225.5	241.4	261.0	282.9	307.6
Merchandise Exports (annual variation in %)	10.3	17.7	13.7	-0.1	4.4	0.2	6.0	6.3	7.1	7.8
Merchandise Imports (annual variation in %)	31.8	30.6	-1.8	6.3	-3.8	-3.0	7.1	8.1	8.4	8.7
International Reserves (USD bn)	80.7	78.5	99.9	110.9	106.9	107.1	112.0	117.0	120.7	124.5
International Reserves (months of imports)	5.5	4.1	5.3	5.5	5.5	5.7	5.6	5.4	5.1	4.9
External Debt (USD bn)	292	304	339	389	402	420	444	481	520	559
External Debt (% of GDP)	40.1	39.4	43.1	47.3	50.3	57.3	57.0	57.0	56.2	55.0
Quarterly Data										
	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16
Economic Growth (GDP, annual var. in %)	1.9	2.6	2.3	2.8	2.9	3.3	3.5	3.4	3.5	3.7
Economic Growth (GDP, qoq variation in %)	0.4	0.8	1.3	-	-	-	-	-	-	-
Inflation (CPI, annual variation in %, eop)	8.9	8.2	7.6	7.2	7.5	7.4	7.3	6.8	6.9	6.9
1-Week Repo Rate (% eop)	8.25	8.25	7.50	7.50	7.70	7.89	7.91	7.97	8.16	8.15
Marginal Funding rate (% eop)	11.25	11.25	10.75	10.75	11.30	11.59	11.53	11.44	11.41	11.38
Exchange Rate (TRY per USD, eop)	2.28	2.33	2.60	2.68	2.75	2.75	2.77	2.79	2.83	2.83
Exchange Rate (TRY per EUR, eop)	2.88	2.82	2.79	2.99	2.95	2.88	2.92	2.95	3.04	3.05
Monthly Data										
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Industrial Production (annual variation in %)	2.6	2.3	0.6	2.5	-2.1	0.9	4.7	3.8	-	-
Unemployment (% of active population)	10.5	10.4	10.7	10.9	11.3	11.2	10.6	-	-	-
Consum. Confid. Index (100-point threshold)	74.0	70.3	68.7	67.7	67.7	68.1	64.4	65.4	64.3	66.4
Business Confid. Index (100-point threshold)	107.6	106.9	102.7	101.2	103.2	103.4	103.5	107.9	109.0	104.9
Markit Manufacturing PMI (50-threshold)	50.4	51.5	52.2	51.4	49.8	49.6	48.0	48.5	50.2	49.0
Capacity Utilization (in %)	74.4	74.9	74.5	74.6	73.7	72.8	72.4	74.1	74.9	75.1
Inflation (CPI, mom variation in %)	0.14	1.90	0.18	-0.44	1.10	0.71	1.19	1.63	0.56	-0.51
Inflation (CPI, annual variation in %)	8.9	9.0	9.2	8.2	7.2	7.6	7.6	7.9	8.1	7.2
Exchange Rate (TRY per USD, eop)	2.28	2.22	2.22	2.33	2.45	2.51	2.60	2.67	2.66	2.68
Exchange Rate (TRY per EUR, eop)	2.88	2.79	2.76	2.82	2.76	2.81	2.79	3.00	2.93	2.99
Current Account Balance (USD bn)	-2.4	-2.3	-5.8	-6.9	-2.4	-3.6	-5.0	-3.4	-	-

Real Sector | Gross Domestic Product

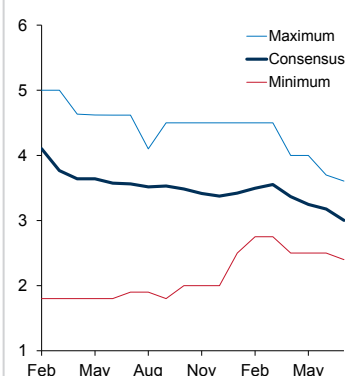
1 | Real GDP | 2000 - 2019 | var. in %



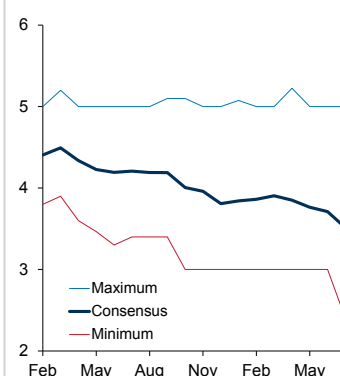
2 | Real GDP | Q1 12-Q4 16 | var. in %



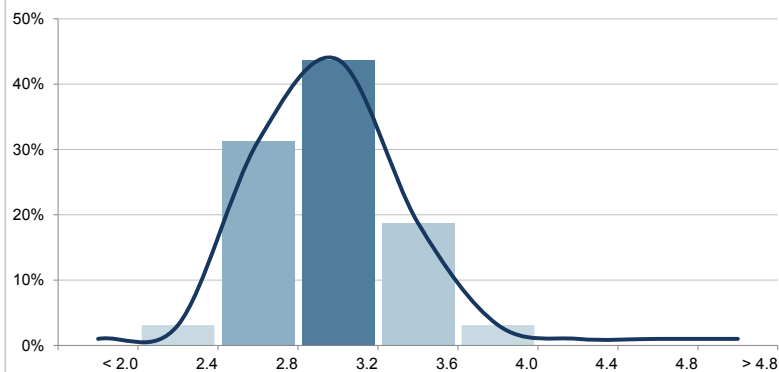
3 | GDP 2015 | evolution of forecasts



4 | GDP 2016 | evolution of forecasts



5 | GDP 2015 | Panelist Distribution



Real GDP growth in %

Individual Forecasts	2015	2016
Berenberg	2.8	3.4
BMI Research	2.8	3.5
BofA Merrill Lynch	2.7	3.0
Capital Economics	2.5	2.5
Citigroup Global Mkts	2.5	3.4
Credit Agricole	3.5	3.8
Credit Suisse	3.1	3.0
Danske Bank	2.8	3.6
DekaBank	3.6	4.0
Deutsche Bank	3.0	3.0
EIU	3.2	4.0
Erste Bank	3.0	3.5
Finansbank	3.0	4.0
Frontier Strategy Group	3.1	3.4
Garanti Bank	3.2	4.3
Goldman Sachs	2.8	3.0
HSBC	2.4	3.0
ING	3.1	3.4
Isbank	3.0	4.0
JPMorgan	3.1	3.5
KBC	3.1	3.6
National Bank of Greece	3.4	3.8
Nomura	2.8	3.1
Oxford Economics	3.2	3.5
Raiffeisen Research	3.0	3.5
Sberbank	3.1	3.5
Scotiabank	3.3	3.9
Seker Invest	3.0	5.0
Standard Chartered	3.5	4.0
UBS	3.0	3.8
UniCredit	2.7	2.4
WIIW	2.8	3.1

Summary

Minimum	2.4	2.4
Maximum	3.6	5.0
Median	3.0	3.5
Consensus	3.0	3.5

History

30 days ago	3.2	3.7
60 days ago	3.2	3.8
90 days ago	3.4	3.9

Additional Forecasts

IMF (Apr. 2015)	3.1	3.6
European Commission (May 2015)	3.2	3.7
Government (Mar. 2015)	4.0	5.0

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Turkish Statistical Institute (TurkStat). Forecasts based on FocusEconomics Consensus Forecast.

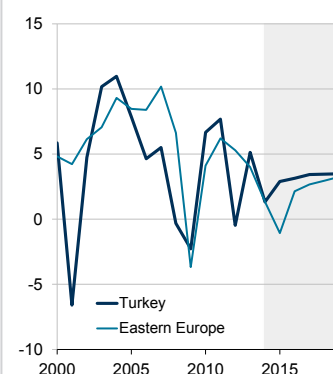
- 1 GDP, real annual variation in %.
- 2 Quarterly GDP (not seasonally adjusted), year-on-year variation in %.
- 3 GDP, evolution of 2015 forecasts during the last 18 months.
- 4 GDP, evolution of 2016 forecasts during the last 18 months.
- 5 GDP, panelist distribution of 2015 forecasts. Concentration of panelists in forecast interval in %. Higher columns with darker colors represent a larger number of panelists.

Real Sector | Additional forecasts

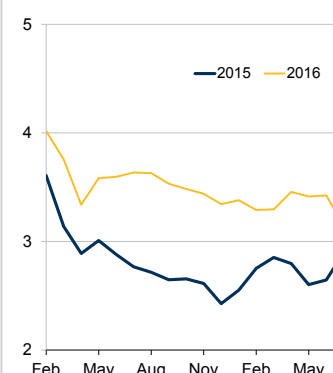
Consumption and Investment

Individual Forecasts	Consumption variation in %		Investment variation in %	
	2015	2016	2015	2016
Berenberg	-	-	-	-
BMI Research	2.1	2.2	2.5	4.2
BofA Merrill Lynch	2.7	2.7	-	-
Capital Economics	3.0	2.5	1.0	2.0
Citigroup Global Mkts	1.2	3.5	1.7	2.4
Credit Agricole	-	-	-	-
Credit Suisse	3.0	2.5	1.0	2.0
Danske Bank	3.3	3.4	2.2	3.4
DekaBank	-	-	-	-
Deutsche Bank	3.1	3.1	-0.7	2.4
EIU	2.5	2.6	3.0	6.5
Erste Bank	-	-	-	-
Finansbank	-	-	-	-
Frontier Strategy Group	2.6	3.4	-	-
Garanti Bank	2.5	4.1	3.0	5.4
Goldman Sachs	-	-	-	-
HSBC	3.3	3.1	1.2	6.1
ING	3.8	4.0	-0.6	2.2
Isbank	-	-	-	-
JPMorgan	-	-	-	-
KBC	-	-	-	-
National Bank of Greece	-	-	-	-
Nomura	-	-	-	-
Oxford Economics	3.6	3.8	1.9	4.0
Raiffeisen Research	2.1	-	2.0	-
Sberbank	-	-	-	-
Scotiabank	-	-	-	-
Seker Invest	-	-	-	-
Standard Chartered	-	-	-	-
UBS	3.0	3.5	2.0	6.0
UniCredit	4.2	3.0	-	-
WIIW	3.2	2.8	1.2	5.5
Summary				
Minimum	1.2	2.2	-0.7	2.0
Maximum	4.2	4.1	3.0	6.5
Median	3.0	3.1	1.8	4.0
Consensus	2.9	3.1	1.5	4.0
History				
30 days ago	2.6	3.4	2.4	4.4
60 days ago	2.6	3.4	2.5	4.3
90 days ago	2.8	3.5	2.6	4.5

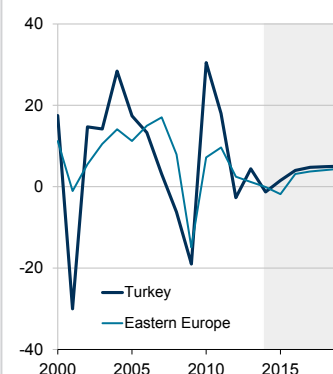
6 | Consumption | variation in %



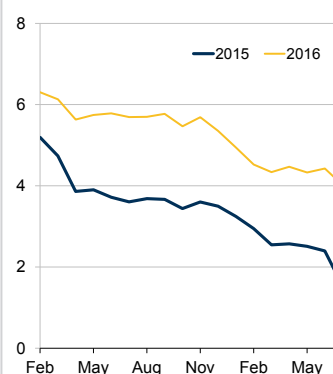
7 | Consumption | evolution of fcst



8 | Investment | variation in %



9 | Investment | evol. of forecasts



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Turkish Statistical Institute (TurkStat). Forecasts are based on FocusEconomics Consensus Forecast.

6 Private consumption, annual variation in %.

7 Private consumption, evolution of 2015 and 2016 forecasts during the last 18 months.

8 Gross fixed investment, annual variation in %.

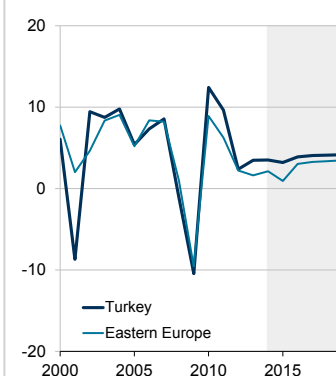
9 Gross fixed investment, evolution of 2015 and 2016 forecasts during the last 18 months.

Real Sector | Additional forecasts

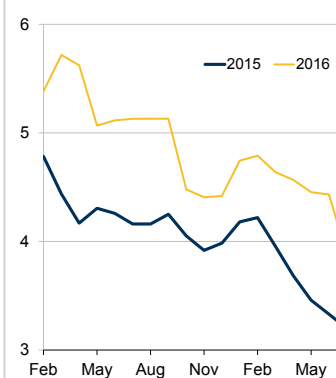
Industrial Production and Unemployment

Individual Forecasts	Industry variation in %		Unemployment % of active pop.	
	2015	2016	2015	2016
Berenberg	-	-	10.0	9.8
BMI Research	4.8	5.0	10.7	10.5
BofA Merrill Lynch	-	-	10.7	10.8
Capital Economics	2.5	4.0	11.5	12.0
Citigroup Global Mkts	-	-	10.8	10.9
Credit Agricole	-	-	-	-
Credit Suisse	-	-	10.4	10.5
Danske Bank	-	-	9.5	9.5
DekaBank	-	-	-	-
Deutsche Bank	-	-	-	-
EIU	2.9	3.7	9.7	8.8
Erste Bank	-	-	9.8	9.4
Finansbank	-	-	-	-
Frontier Strategy Group	2.9	3.5	11.0	10.6
Garanti Bank	-	-	-	-
Goldman Sachs	-	-	-	-
HSBC	1.7	2.7	11.0	11.0
ING	3.8	4.1	10.2	10.0
Isbank	-	-	-	-
JPMorgan	-	-	-	-
KBC	-	-	-	-
National Bank of Greece	-	-	10.2	10.6
Nomura	-	-	-	-
Oxford Economics	3.4	3.8	9.8	9.0
Raiffeisen Research	3.0	3.5	10.5	10.0
Sberbank	-	-	10.2	9.8
Scotiabank	-	-	-	-
Seker Invest	2.5	3.5	11.0	10.0
Standard Chartered	-	-	-	-
UBS	4.5	5.0	9.7	9.5
UniCredit	-	-	-	-
WIIW	-	-	10.5	10.0
Summary				
Minimum	1.7	2.7	9.5	8.8
Maximum	4.8	5.0	11.5	12.0
Median	3.0	3.8	10.4	10.0
Consensus	3.2	3.9	10.4	10.1
History				
30 days ago	3.3	4.4	10.3	9.6
60 days ago	3.5	4.5	10.2	10.0
90 days ago	3.7	4.6	10.1	9.9

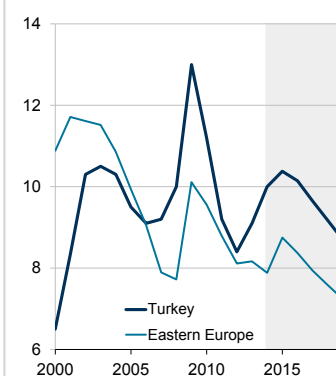
10 | Industry | variation in %



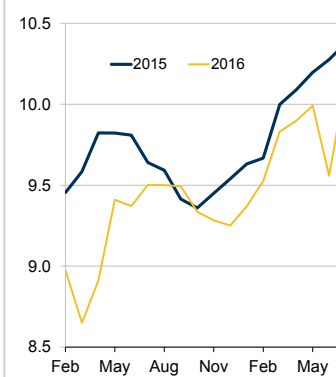
11 | Industry | evol. of forecasts



12 | Unemployment | % of active pop.



13 | Unemployment | evol. of forecasts



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Turkish Statistical Institute (TurkStat). Forecasts are based on FocusEconomics Consensus Forecast.

10 Industrial production, annual variation in %.

11 Industrial production, evolution of 2015 and 2016 forecasts during the last 18 months.

12 Unemployment, % of active population.

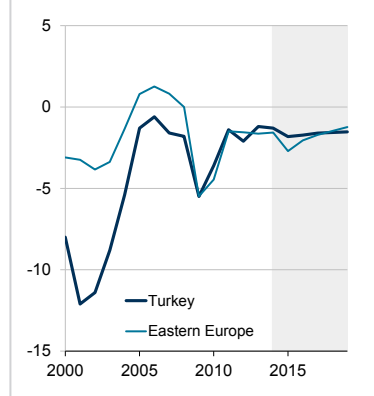
13 Unemployment, evolution of 2015 and 2016 forecasts during the last 18 months.

Real Sector | Additional forecasts

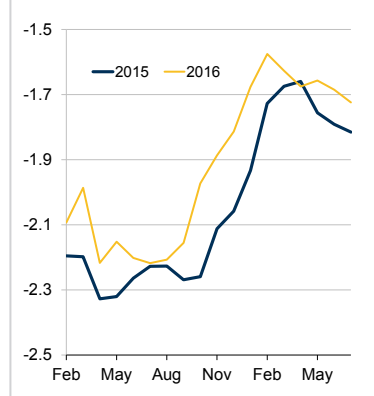
Fiscal Balance and Public Debt

Individual Forecasts	Fiscal Balance % of GDP		Public Debt % of GDP	
	2015	2016	2015	2016
Berenberg	-1.8	-2.0	-	-
BMI Research	-1.8	-1.8	-	-
BofA Merrill Lynch	-1.7	-2.0	33.8	31.6
Capital Economics	-1.5	-1.5	35.0	33.0
Citigroup Global Mkts	-1.5	-2.9	35.4	35.0
Credit Agricole	-	-	-	-
Credit Suisse	-1.7	-1.9	35.1	33.6
Danske Bank	-	-	-	-
DekaBank	-1.7	-1.6	-	-
Deutsche Bank	-2.5	-2.5	37.4	37.3
EIU	-1.7	-1.6	33.9	32.7
Erste Bank	-1.9	-1.3	34.1	32.3
Finansbank	-1.3	-1.1	33.1	31.8
Frontier Strategy Group	-	-	-	-
Garanti Bank	-	-	-	-
Goldman Sachs	-	-	-	-
HSBC	-1.6	-1.2	33.1	31.8
ING	-1.9	-1.8	32.2	31.1
Isbank	-	-	-	-
JPMorgan	-1.3	-1.2	-	-
KBC	-	-	-	-
National Bank of Greece	-1.4	-1.2	33.5	32.8
Nomura	-1.8	-1.4	33.9	33.1
Oxford Economics	-1.8	-1.1	-	-
Raiffeisen Research	-1.5	-1.5	34.0	32.0
Sberbank	-	-	-	-
Scotiabank	-	-	-	-
Seker Invest	-2.5	-2.5	-	-
Standard Chartered	-	-	-	-
UBS	-1.5	-1.2	34.5	33.5
UniCredit	-2.6	-3.2	34.1	34.2
WIIW	-3.0	-1.5	-	-
Summary				
Minimum	-3.0	-3.2	32.2	31.1
Maximum	-1.3	-1.1	37.4	37.3
Median	-1.7	-1.6	34.0	32.8
Consensus	-1.8	-1.7	34.2	33.1
History				
30 days ago	-1.8	-1.7	34.1	32.9
60 days ago	-1.8	-1.7	34.1	33.0
90 days ago	-1.7	-1.7	33.9	32.8

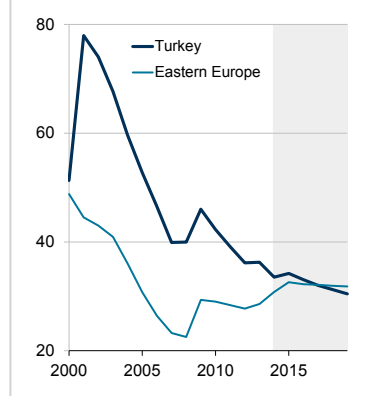
14 | Fiscal Balance | % of GDP



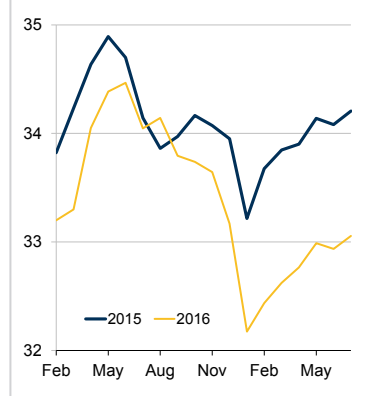
15 | Fiscal Balance | evol. of forecasts



16 | Public Debt | % of GDP



17 | Public Debt | evol. of forecasts



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real sector data are from the Ministry of Finance. Forecasts based on FocusEconomics Consensus Forecast.

14 Central government balance as % of GDP.

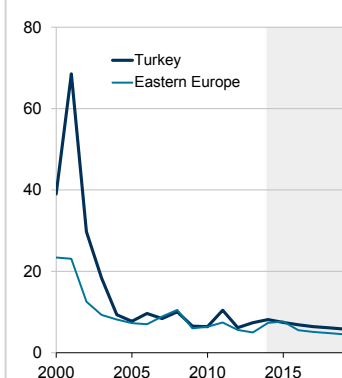
15 Central government balance as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

16 Public debt as % of GDP.

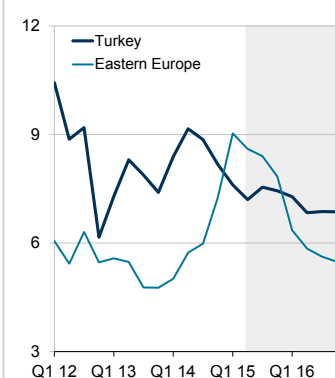
17 Public debt as % of GDP, evolution of 2015 and 2016 forecasts during the last 18 months.

Monetary Sector | Inflation

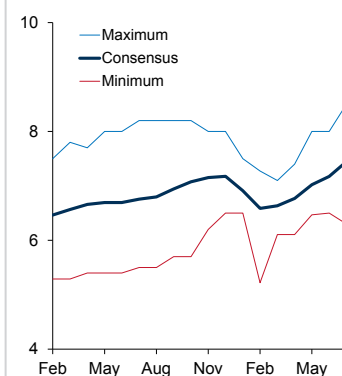
18 | Inflation | 2000 - 2019 | in %



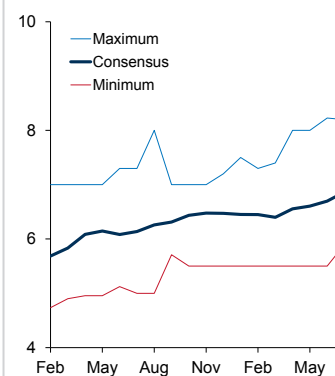
19 | Inflation | Q1 12-Q4 16 | in %



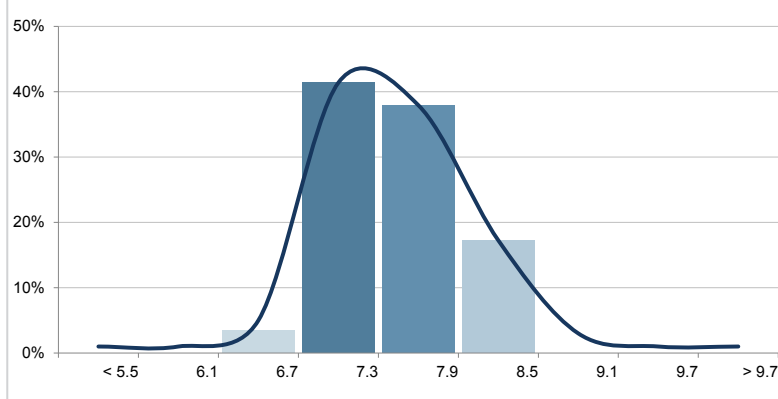
20 | Inflation 2015 | evolution of fcst



21 | Inflation 2016 | evolution of fcst



22 | Inflation 2015 | Panelist Distribution



Inflation | annual variation of consumer price index in %

Individual Forecasts	2015	2016
Berenberg	7.5	6.8
BMI Research	7.2	6.5
BofA Merrill Lynch	8.0	7.5
Capital Economics	-	-
Citigroup Global Mkts	7.8	6.5
Credit Agricole	7.2	8.0
Credit Suisse	7.8	7.2
Danske Bank	-	-
DekaBank	7.3	6.3
Deutsche Bank	8.0	8.2
EIU	6.8	6.1
Erste Bank	7.3	7.2
Finansbank	7.6	7.0
Frontier Strategy Group	7.0	6.5
Garanti Bank	7.3	7.0
Goldman Sachs	7.3	7.5
HSBC	7.3	7.6
ING	7.7	6.8
Isbank	8.0	6.3
JPMorgan	7.6	6.3
KBC	6.8	6.6
National Bank of Greece	7.4	6.2
Nomura	8.5	7.5
Oxford Economics	-	-
Raiffeisen Research	8.1	7.0
Sberbank	7.6	6.8
Scotiabank	7.3	5.9
Seker Invest	6.8	7.0
Standard Chartered	7.4	7.0
UBS	7.7	6.1
UniCredit	6.3	6.9
WIIW	7.3	6.8

Summary

Minimum	6.3	5.9
Maximum	8.5	8.2
Median	7.4	6.8
Consensus	7.4	6.9

History

30 days ago	7.2	6.7
60 days ago	7.0	6.6
90 days ago	6.8	6.6

Additional Forecasts

IMF (Apr. 2015)	6.6	6.5
Central Bank (Apr. 2015)	6.8	5.5

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary sector data are from the Turkish Statistical Institute (TurkStat). Forecasts are based on FocusEconomics Consensus Forecast.

18 Inflation, annual variation of consumer price index (CPI) in % (eop).

19 Quarterly inflation, annual variation of consumer price index (CPI) in % (eop).

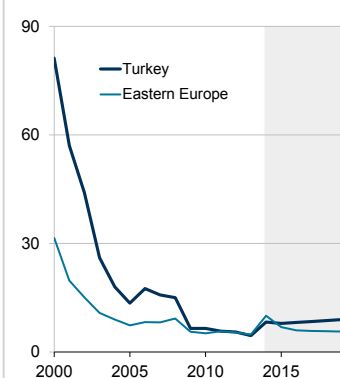
20 Inflation, evolution of 2015 forecasts during the last 18 months.

21 Inflation, evolution of 2016 forecasts during the last 18 months.

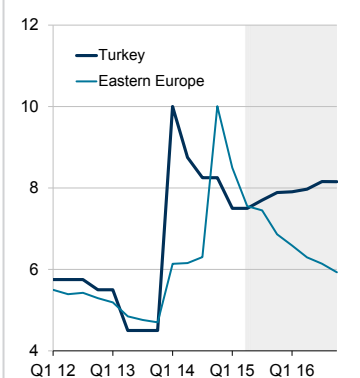
22 Inflation, panelist distribution of 2015 forecasts. Concentration of panelists in forecast interval in %. Higher columns with darker colors represent a larger number of panelists.

Monetary Sector | Interest Rate

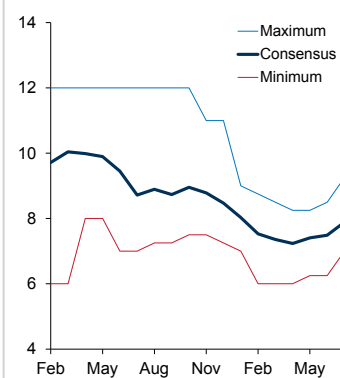
23 | Interest Rate | 2000 - 2019 | in %



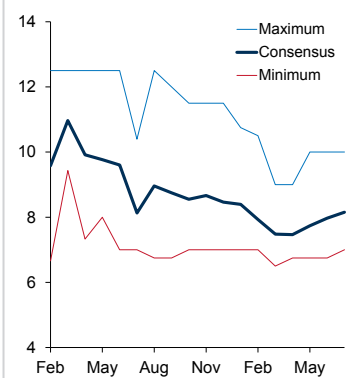
24 | Interest Rate | Q1 12-Q4 16 | in %



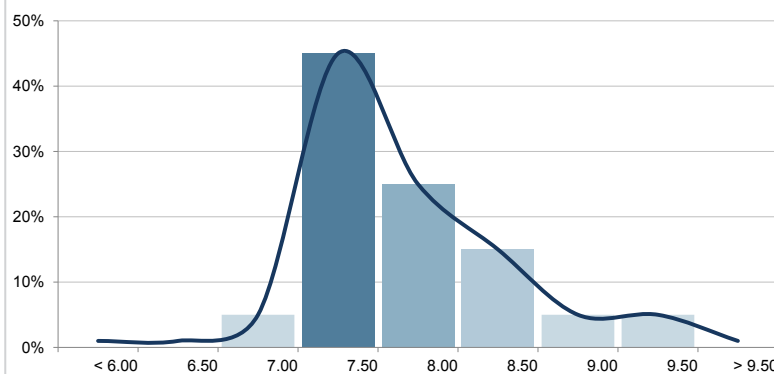
25 | Int. Rate 2015 | evolution of fcst



26 | Int. Rate 2016 | evolution of fcst



27 | Interest Rate 2015 | Panelist Distribution



Interest Rate | 1-Week Repurchase Rate

Individual Forecasts	2015	2016
Berenberg	-	-
BMI Research	8.00	8.50
BofA Merrill Lynch	9.00	9.00
Capital Economics	7.50	7.50
Citigroup Global Mkts	-	-
Credit Agricole	8.00	8.25
Credit Suisse	7.50	7.50
Danske Bank	7.00	-
DekaBank	-	-
Deutsche Bank	8.00	9.50
EIU	-	-
Erste Bank	-	-
Finansbank	8.50	10.00
Frontier Strategy Group	-	-
Garanti Bank	7.50	7.00
Goldman Sachs	7.50	10.00
HSBC	8.00	8.00
ING	8.00	9.00
Isbank	-	-
JPMorgan	7.50	7.50
KBC	8.25	-
National Bank of Greece	8.25	7.00
Nomura	7.50	7.50
Oxford Economics	-	-
Raiffeisen Research	7.50	8.00
Sberbank	-	-
Scotiabank	-	-
Seker Invest	-	-
Standard Chartered	-	-
UBS	7.50	7.50
UniCredit	9.25	8.00
WIIW	7.50	7.00

Summary

Minimum	7.00	7.00
Maximum	9.25	10.00
Median	7.75	8.00
Consensus	7.89	8.15

History

30 days ago	7.49	7.97
60 days ago	7.41	7.74
90 days ago	7.24	7.47

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary sector data are from the Central Bank of the Republic of Turkey (CBRT). Forecasts are based on FocusEconomics Consensus Forecast.

23 Interest rate, Central Bank 1-Week Repo Rate in % (eop).

24 Quarterly interest rate, Central Bank 1-Week Repo Rate in % (eop).

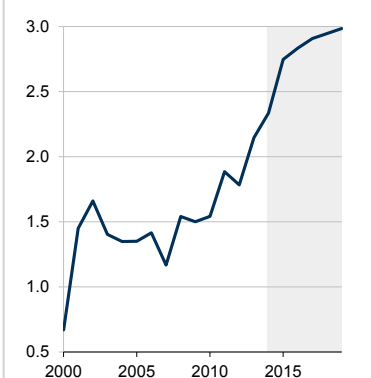
25 Interest rate, evolution of 2015 forecasts during the last 18 months.

26 Interest rate, evolution of 2016 forecasts during the last 18 months.

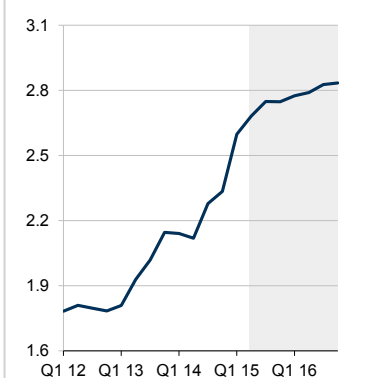
27 Interest rate, panelist distribution of 2015 forecasts. Concentration of panelists in forecast interval in %. Higher columns with darker colors represent a larger number of panelists.

Monetary Sector | Exchange Rate

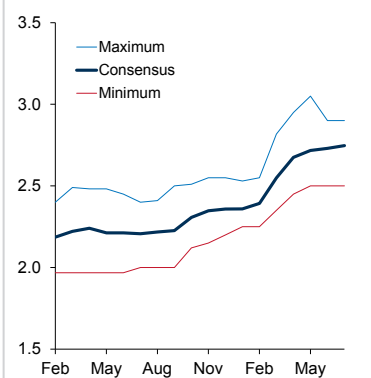
28 | Exchange Rate | TRY per USD



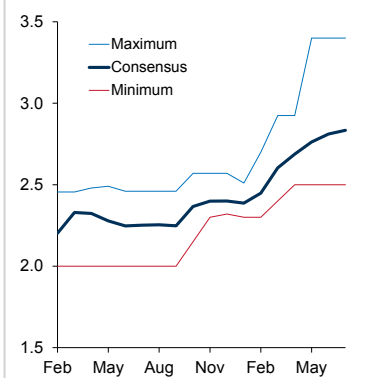
29 | Exchange Rate | TRY per USD



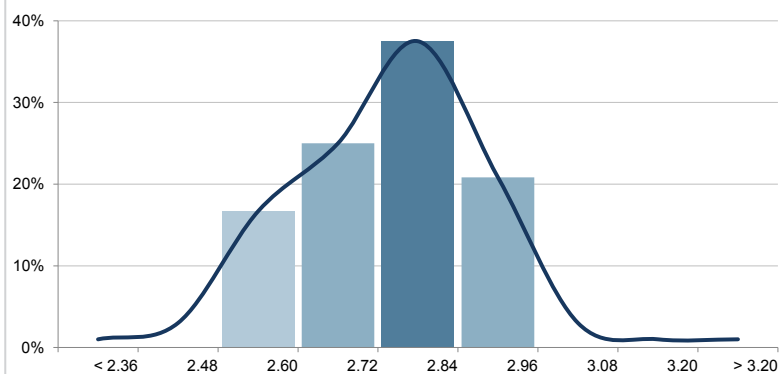
30 | TRY per USD 2015 | evol. of fcst



31 | TRY per USD 2016 | evol. of fcst



32 | TRY per USD 2015 | Panelist Distribution



Exchange Rate | TRY per USD

Individual Forecasts	2015	2016
Berenberg	-	-
BMI Research	2.80	2.95
BofA Merrill Lynch	2.50	2.50
Capital Economics	2.65	2.70
Citigroup Global Mkts	2.77	2.87
Credit Agricole	2.60	2.60
Credit Suisse	2.87	2.94
Danske Bank	2.65	-
DekaBank	-	-
Deutsche Bank	2.79	3.04
EIU	2.70	2.73
Erste Bank	-	-
Finansbank	2.90	3.02
Frontier Strategy Group	-	-
Garanti Bank	-	-
Goldman Sachs	2.90	3.40
HSBC	2.80	2.80
ING	2.80	3.00
Isbank	-	-
JPMorgan	2.70	2.80
KBC	2.90	-
National Bank of Greece	-	-
Nomura	2.75	2.60
Oxford Economics	2.79	2.75
Raiffeisen Research	2.70	2.75
Sberbank	2.60	2.80
Scotiabank	2.80	2.65
Seker Invest	2.82	2.92
Standard Chartered	2.55	-
UBS	2.70	2.85
UniCredit	2.90	2.85
WIIW	-	-

Summary

Minimum	2.50	2.50
Maximum	2.90	3.40
Median	2.78	2.80
Consensus	2.75	2.83

History

30 days ago	2.73	2.81
60 days ago	2.72	2.76
90 days ago	2.68	2.69

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All monetary sector data are from Thomson Reuters. Forecasts based on FocusEconomics Consensus Forecast.

28 Exchange rate, TRY per USD (eop).

29 Quarterly exchange rate, TRY per USD (eop).

30 Exchange rate, evolution of 2015 forecast during the last 18 months.

31 Exchange rate, evolution of 2016 forecast during the last 18 months.

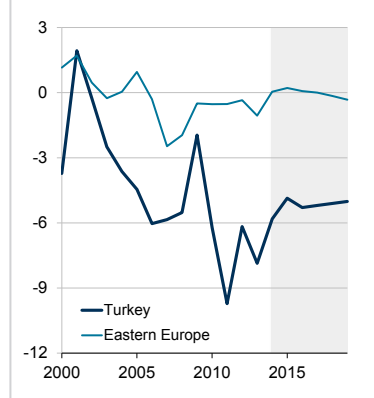
32 Exchange rate, panelist distribution of 2015 forecasts. Concentration of panelists in forecast interval in %. Higher columns with darker colors represent a larger number of panelists.

External Sector | Current Account and Trade Balance

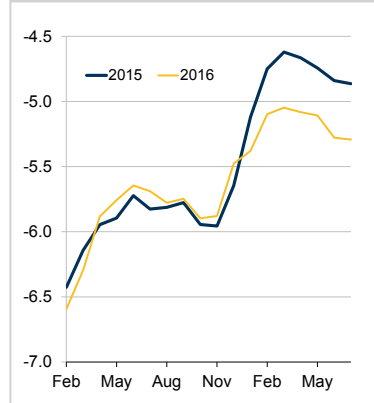
Current Account and Trade Balance

Individual Forecasts	Current Account % of GDP		Trade Balance USD bn	
	2015	2016	2015	2016
Berenberg	-	-	-	-
BMI Research	-5.1	-5.3	-56.6	-58.4
BofA Merrill Lynch	-4.9	-5.0	-64.9	-70.0
Capital Economics	-5.0	-5.0	-	-
Citigroup Global Mkts	-4.5	-4.8	-60.2	-61.7
Credit Agricole	-5.0	-5.6	-	-
Credit Suisse	-4.8	-5.4	-50.8	-55.8
Danske Bank	-5.0	-5.5	-	-
DekaBank	-5.3	-5.9	-	-
Deutsche Bank	-5.1	-5.8	-51.3	-58.1
EIU	-5.3	-5.9	-58.9	-69.3
Erste Bank	-4.6	-4.9	-	-
Finansbank	-5.3	-6.1	-76.0	-84.0
Frontier Strategy Group	-	-	-	-
Garanti Bank	-4.2	-4.6	-	-
Goldman Sachs	-4.5	-4.6	-	-
HSBC	-4.1	-4.5	-51.4	-56.6
ING	-4.7	-5.3	-50.7	-55.8
Isbank	-5.1	-4.9	-	-
JPMorgan	-4.4	-4.9	-	-
KBC	-	-	-	-
National Bank of Greece	-5.2	-5.4	-51.8	-57.9
Nomura	-3.8	-4.8	-	-
Oxford Economics	-5.0	-5.4	-51.2	-57.2
Raiffeisen Research	-5.1	-6.0	-52.2	-59.5
Sberbank	-	-	-	-
Scotiabank	-4.9	-5.1	-	-
Seker Invest	-4.8	-4.5	-	-
Standard Chartered	-5.0	-6.5	-	-
UBS	-5.1	-5.8	-	-
UniCredit	-4.9	-5.5	-	-
WIIW	-5.5	-5.2	-	-
Summary				
Minimum	-5.5	-6.5	-76.0	-84.0
Maximum	-3.8	-4.5	-50.7	-55.8
Median	-5.0	-5.3	-52.0	-58.2
Consensus	-4.9	-5.3	-56.3	-62.0
History				
30 days ago	-4.8	-5.3	-57.3	-63.9
60 days ago	-4.7	-5.1	-53.6	-60.0
90 days ago	-4.7	-5.1	-53.4	-61.0

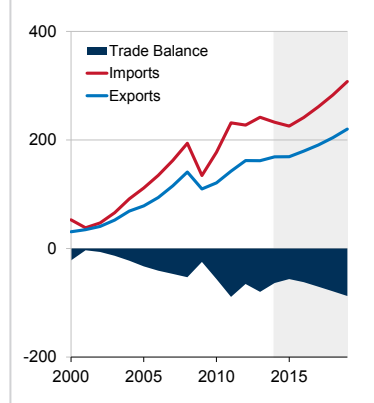
33 | Current Account | % of GDP



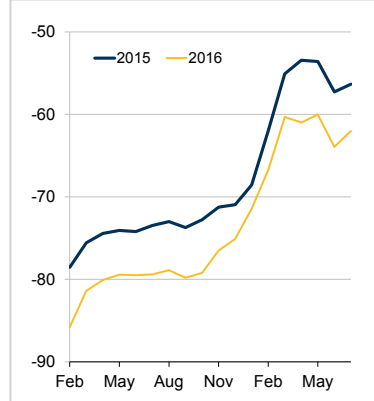
34 | Current Account | evol. of fcst



35 | Trade Balance | USD bn



36 | Trade Balance | evol. of forecasts



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All external sector data are from the Central Bank of the Republic of Turkey (CBRT). Forecasts based on FocusEconomics Consensus Forecast.

33 Current account balance, as % of GDP.

34 Current account balance, evolution of 2015 and 2016 forecasts during the last 18 months.

35 Trade balance, exports and imports, in USD.

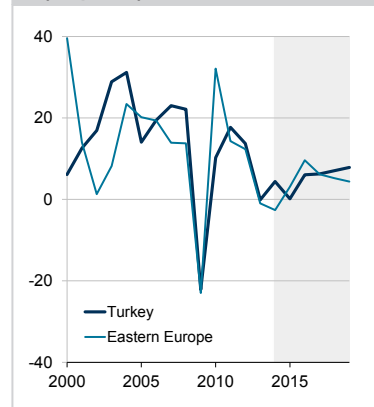
36 Trade balance, evolution of 2015 and 2016 forecasts during the last 18 months.

External Sector | Exports and Imports

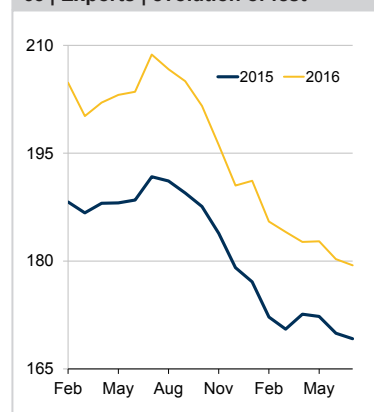
Exports and Imports

	Exports USD bn		Imports USD bn	
Individual Forecasts	2015	2016	2015	2016
Berenberg	-	-	-	-
BMI Research	178	195	235	253
BofA Merrill Lynch	167	183	232	253
Capital Economics	-	-	-	-
Citigroup Global Mkts	177	184	237	246
Credit Agricole	-	-	-	-
Credit Suisse	162	166	213	222
Danske Bank	-	-	-	-
DekaBank	-	-	-	-
Deutsche Bank	165	175	216	233
EIU	175	189	234	258
Erste Bank	-	-	-	-
Finansbank	150	156	226	240
Frontier Strategy Group	-	-	-	-
Garanti Bank	-	-	-	-
Goldman Sachs	-	-	-	-
HSBC	178	192	229	249
ING	167	179	218	235
Isbank	-	-	-	-
JPMorgan	-	-	-	-
KBC	-	-	-	-
National Bank of Greece	176	181	228	239
Nomura	-	-	-	-
Oxford Economics	165	181	217	239
Raiffeisen Research	171	169	223	229
Sberbank	-	-	-	-
Scotiabank	-	-	-	-
Seker Invest	-	-	-	-
Standard Chartered	-	-	-	-
UBS	-	-	-	-
UniCredit	-	-	-	-
WIIW	-	-	-	-
Summary				
Minimum	150	156	213	222
Maximum	178	195	237	258
Median	169	181	227	240
Consensus	169	179	226	241
History				
30 days ago	170	180	227	244
60 days ago	172	183	226	243
90 days ago	173	183	226	244

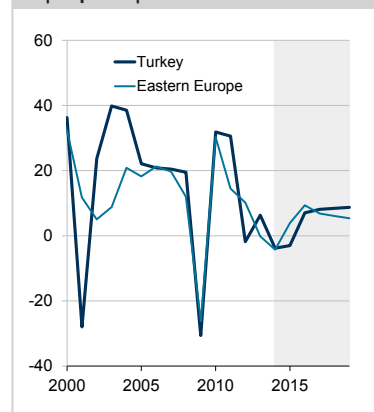
37 | Exports | variation in %



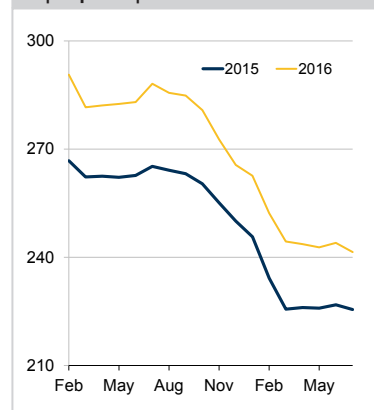
38 | Exports | evolution of fcst



39 | Imports | variation in %



40 | Imports | evol. of forecasts



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All external sector data are from the Central Bank of the Republic of Turkey (CBRT). Forecasts based on FocusEconomics Consensus Forecast.

37 Exports, annual variation in %.

38 Exports, evolution of 2015 and 2016 forecasts during the last 18 months.

39 Imports, annual variation in %.

40 Imports, evolution of 2015 and 2016 forecasts during the last 18 months.

External Sector | Additional forecasts

International Reserves and External Debt

Individual Forecasts	Int. Reserves USD bn		External Debt USD bn	
	2015	2016	2015	2016
Berenberg	-	-	-	-
BMI Research	102	103	450	487
BofA Merrill Lynch	117	126	432	466
Capital Economics	-	-	-	-
Citigroup Global Mkts	110	117	411	434
Credit Agricole	-	-	-	-
Credit Suisse	110	113	413	427
Danske Bank	-	-	-	-
DekaBank	-	-	-	-
Deutsche Bank	-	-	-	-
EIU	101	107	389	405
Erste Bank	-	-	-	-
Finansbank	-	-	-	-
Frontier Strategy Group	-	-	-	-
Garanti Bank	-	-	-	-
Goldman Sachs	-	-	-	-
HSBC	106	103	419	443
ING	104	108	409	414
Isbank	-	-	-	-
JPMorgan	-	-	-	-
KBC	-	-	-	-
National Bank of Greece	107	113	440	473
Nomura	-	-	-	-
Oxford Economics	114	121	454	488
Raiffeisen Research	100	110	439	416
Sberbank	-	-	-	-
Scotiabank	-	-	-	-
Seker Invest	-	-	-	-
Standard Chartered	-	-	-	-
UBS	-	-	-	-
UniCredit	-	-	361	431
WIIW	-	-	-	-
Summary				
Minimum	100	103	361	405
Maximum	117	126	454	488
Median	107	111	419	434
Consensus	107	112	420	444
History				
30 days ago	111	117	420	441
60 days ago	110	117	421	442
90 days ago	111	117	422	441

Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All external sector data are from the Central Bank of the Republic of Turkey (CBRT) and the Turkish Treasury. See below for details. Forecasts based on FocusEconomics Consensus Forecast.

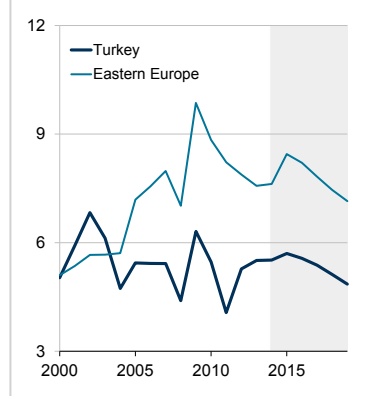
41 International reserves, months of imports. Source: CBRT.

42 International reserves, evolution of 2015 and 2016 forecasts during the last 18 months.

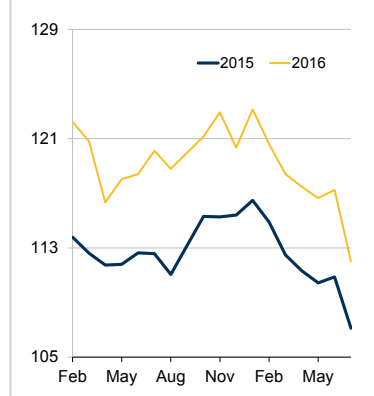
43 External debt as % of GDP. Source: Turkish Treasury.

44 External debt, evolution of 2015 and 2016 forecasts during the last 18 months.

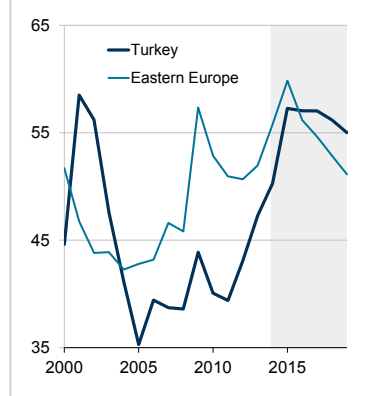
41 | Int. Reserves | months of imports



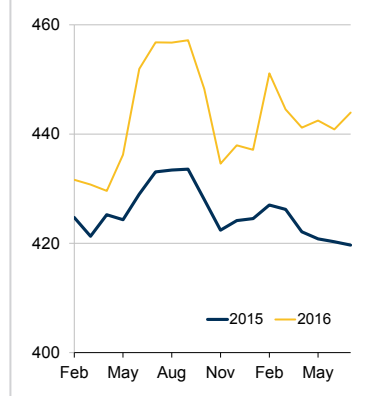
42 | Int. Reserves | evolution of fcst



43 | External Debt | % of GDP



44 | External Debt | evol. of forecasts



Fact Sheet

General Data

Official name:	Republic of Turkey
Capital:	Ankara (4.3 m)
Other cities:	Istanbul (13.8 m)
	Izmir (3.3 m)
Area (km2):	783,562
Population (million, 2014 est.):	76.9
Population density (per km2, 2014):	98.1
Population growth rate (% , 2014 est.):	1.1
Life expectancy (years, 2014 est.):	73.3
Illiteracy rate (% , 2011):	5.9
Language:	Turkish
Measures:	Metric system
Time:	GMT+2

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	18.1
Telephones - mobile cellular (per 100 inhabit.):	93.0
Internet Users (per 100 inhabitants):	46.3
Broadband Subscriptions (per 100 inhabitants):	11.2

Energy (2012)

Primary Energy Production (trillion Btu):	1,381
Primary Energy Consumption (trillion Btu):	5,054
Electricity Generation (billion kW-h):	228
Electricity Consumption (billion kW-h):	197
Oil Supply (thousand bpd):	56.7
Oil Consumption (thousand bpd):	689
CO2 Emissions (million metric tons):	297

Transportation (2013)

Airports:	98
Railways (km):	12,008
Roadways (km):	385,748
Waterways (km):	1,200
Chief Ports:	Istanbul, Izmir, Eregli

Political Data

Prime Minister:	Ahmet Davutoğlu
Last elections:	7 June 2015
Next elections:	2019
Central Bank Governor:	Erdem Başçı

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Baa3	Negative
S&P:	BB+	Negative
Fitch Ratings:	BBB-	Stable

Strengths

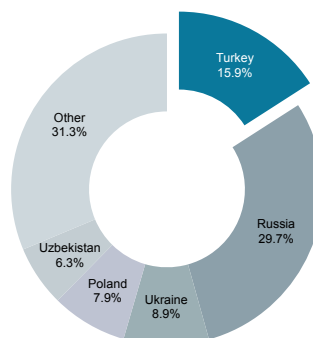
- Customs union with EU benefits external sector
- Large domestic market
- Sound economic policy

Weaknesses

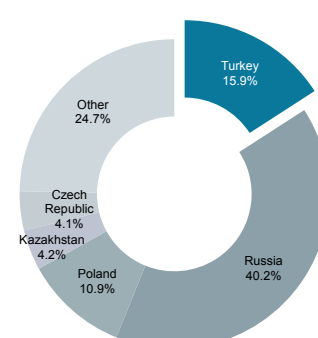
- Large external imbalances
- Persistent geopolitical tensions
- High structural unemployment

Turkey in the Region

Population | % -share in Eastern Europe

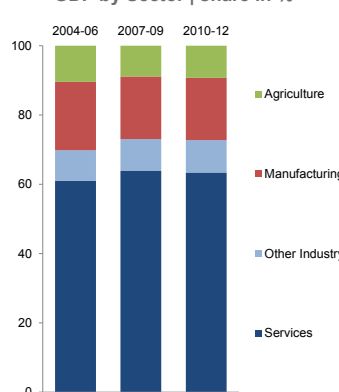


GDP | % -share in Eastern Europe

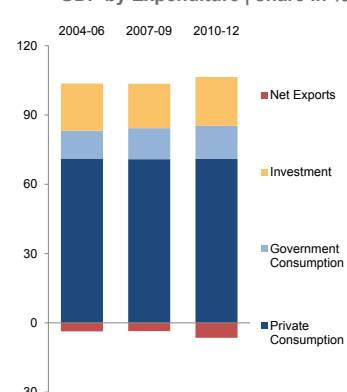


Economic Structure

GDP by Sector | share in %

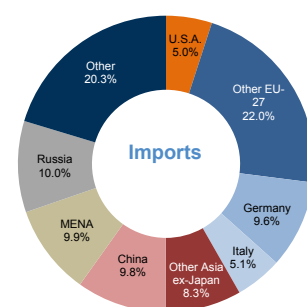
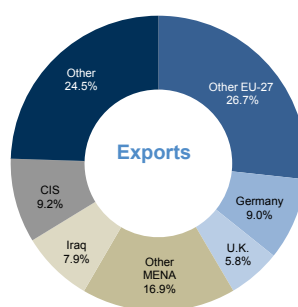


GDP by Expenditure | share in %

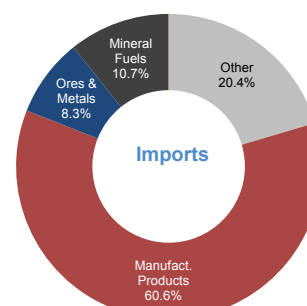


Trade Structure

Primary markets | share in %



Primary products | share in %



Notes and Statements

PUBLICATION NOTE

Consensus forecasts are mean averages of projections of economic forecasters surveyed by FocusEconomics for our monthly publication. Quarterly averages may not correspond to the annual figures due to different forecast panels.

The GDP-weighted averages for the regional aggregates refer to economies surveyed by FocusEconomics on a monthly basis, and include the following countries:

Central and Eastern Europe (11 countries): Bulgaria, Croatia, Czech Republic, Hungary, Poland, and Romania; Estonia, Latvia, Lithuania, Slovakia and Slovenia are also Euro area members.

South-Eastern Europe (12 countries): Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia and Turkey; Bulgaria, Croatia and Romania are also Central and Eastern Europe members; Cyprus and Greece are also Euro area members.

Balkans (7 countries): Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Montenegro and Serbia.

CIS countries (12 countries): Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan; Georgia, Turkmenistan and Ukraine are not members of CIS, but are included for reasons of geography and similarity in economic structure.

Central Asia (5 countries): Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Caucasus (3 countries): Armenia, Azerbaijan and Georgia.

Weights are based on market exchange rates and reflect the latest forecasts on GDP growth, inflation and exchange rates.

COPYRIGHT NOTE

© Copyright 2015 FocusEconomics S.L. Duplication, reproduction, transmission, publication or redistribution in any form or by any means electronic, mechanical, or otherwise without prior written consent of FocusEconomics S.L. is strictly prohibited. Please cite source when quoting. All rights reserved under International Copyright Conventions.

The FocusEconomics Consensus Forecast Eastern Europe is a monthly publication of FocusEconomics. Communications to the Editor or FocusEconomics in general should be addressed as follows:

FocusEconomics S.L.

Gran Via 657, E-08010 Barcelona, Spain

E-mail: info@focus-economics.com

DISCLOSURE STATEMENT

The FocusEconomics Consensus Forecast Eastern Europe ("Forecast") is based on information obtained from sources believed to be reliable. FocusEconomics and the participating panelists ("Information Providers") do not guarantee that the information supplied in the Forecast is accurate, complete or timely. The Information Providers do not make any warranties with regard to the results obtained from the Forecast. The Information Providers are not responsible for any errors or omissions, or for any injuries or damages resulting from the use of this information, including incidental and consequential damages. Recipients should not regard the Forecast as a substitute for the exercise of their own judgement. The recommendations made in the Forecast may be unsuitable for investors depending on their specific investment objectives and financial position. The Forecast has been prepared solely for informational purposes and is not a solicitation of any transaction or an offer to enter into any transaction. Any opinions expressed in this report are subject to change without notice and the Information Providers are under no obligation to update the information contained herein.

FOCUSECONOMICS

FocusEconomics Consensus Forecast reports cover economic forecasts for over 1,600 unique indicators in 127 countries. Every monthly report includes the Consensus Forecast for each indicator. The Consensus Forecast, based on an average of the forecasts provided by the most reputable economic research authorities in the world, is the one number you can rely on to make important business decisions.

WHY CHOOSE FOCUSECONOMICS

- REDUCE RISK** Instantly diversify your intelligence portfolio with dozens of forecasts.
- SAVE TIME** Get just the information you need, all in one place.
- OPTIMIZE RESEARCH** Streamline research efforts by utilizing our comprehensive survey of leading economists.
- ANALYZE TRENDS** Prepare for what may occur next by studying how forecasts have evolved over time.
- ANTICIPATE DEVELOPMENTS** Gain key insight into political and economic developments in a country or region to assess the potential impact on business prospects.

KEY INDICATORS INCLUDE

REAL SECTOR

GDP per capita
Economic Growth
Consumption
Investment
Industrial Production
Unemployment Rate
Fiscal Balance
Public Debt

EXTERNAL SECTOR

Current Account
Trade Balance
Exports
Imports
International Reserves
External Debt

MONETARY & FINANCIAL SECTOR

Money
Inflation Rate
Policy Interest Rate
Exchange Rate

127 COUNTRIES IN 12 REGIONS

ASEAN Countries Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand & Vietnam; Australia, New Zealand

East & South Asia Bangladesh, China, Hong Kong, India, Korea, Mongolia, Pakistan, Sri Lanka & Taiwan; Australia, New Zealand

Central America & Caribbean Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico & Trinidad and Tobago

Latin America Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay & Venezuela

Central & Eastern Europe Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia & Slovenia

CIS Countries Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan & Uzbekistan; Georgia, Turkmenistan, Ukraine

South-Eastern Europe Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Greece, Kosovo, Macedonia, Montenegro, Romania, Serbia & Turkey

Major Economies G7 (Canada, France, Germany, Italy, Japan, United Kingdom & United States), plus an overview of the BRIC countries (Brazil, Russia, India & China); Switzerland

Euro Area Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia & Spain

Nordic Economies Denmark, Finland, Norway, Sweden & Iceland

Middle East & North Africa Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates & Yemen

Sub-Saharan Africa Angola, Botswana, Cote d'Ivoire, DR Congo, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, South Africa, Tanzania, Uganda & Zambia