BUSINESSEUROPE

SPEAKING POINTS

15 November 2012

HIGH-LEVEL SUMMIT ON INDUSTRY
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'LA VISION EMPRESARIAL EUROPEA DEL PAPEL DE LA INDUSTRIA'

BACKGROUND NOTE FOR PHILIPPE DE BUCK,
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<u>Content</u>

Economic situation

Indicators for Spain

Indicator	2010	2011	Estimates 2012	2013	2014
GDP (Annual % change)	-0,1	0,4	-1,4	-1,4	0,8
Inflation (Annual % change)	2	3,1	2,5	2,1	1,3
Current account balance (% of GDP)	-4,5	-3,7	-2,4	-0,5	0,4
Unemployment rate (%)	20,1	21,7	25,1	26,6	26,1
General Government Balance (% GDP)	-9,3	-9,4	-8	-6	-6,4
Government debt (% GDP)	61,5	69,3	86,1	92,7	97,1

Source: European Commission Forecast, Autumn 2012

Economic situation: some key highlights and figures

- GDP growth for 2012 will slightly contract this year (by -0.3% in the EU, and by -0.4% in the Euro Area)
- US and Japan will grow by around 2%
- **prospects for 2013 are now much weaker than previously foreseen**
- GDP growth for next year projected at **0.4% in the EU and 0.1% in the Euro Area** → we will probably not see a significant rebound in Europe before 2014, when GDP is expected to grow by 1.6% in the EU and 1.4% in the Euro Area

- **Consequences** of **lack of economic growth for this/next year**:

  - A substantial **increase in unemployment**, which is expected to reach around **11%** in the EU and **12%** in the Euro Area in **2013**
  - **Growth of public debt/GDP ratio**: general government debt in 2012 stands at 93% in the euro area and at 87% of GDP in the EU. For **2013**, it is **projected to rise** to 95% of GDP in the euro area and 89% in the EU, and to stabilise thereafter – when Europe should come back to growth

- Concerning public deficits, the Commission emphasises the **ongoing positive developments in fiscal consolidation**. In fact, government deficits are now expected to fall to 3.6% in the EU and 3.3% in the euro area in 2012, slightly faster than previous projections. This progress will continue in 2013, although is set to slowdown its pace. **For 2013, government deficits are projected at 3.2% of GDP in the EU and 2.6% in the euro area**.

Comments

- In recent weeks we have seen further bad news regarding the European economy. Uncertainty in financial markets, while it has fallen in the last couple of months, remains high.

- What do we notice:

- **business confidence falling** across the EU. The Economic Sentiment Indicator having reached its lowest level in 3 years;

- **domestic demand and industrial production contracting**. They are now respectively 1.5% and 1.8% lower than one year ago;

- **unemployment** reaching 11.6% in the Euro Area, and more than 25 million of unemployed, in the EU. These are **the highest** level **observed in almost 20 years**;

- **only through net trade we can see some positive impetus for growth.** European exports to international partners are growing at a faster pace than world trade's growth. Over the last year EU exports grew by 5%, compared to a world trade's growth of 1%. This proves that **European industry remains strong**.

- As consequence of this weak economic environment, and political uncertainty, **companies are reluctant to invest**. Businesses investment remains weak, well below its long-term potential.

- Access to finance in some Euro Area Member States is a growing source of concern. **Divergence in the cost of capital** within the single currency union **is rising**, and the **banking system is becoming more fragmented**. I would like to give two examples of this situation:
    - The interest rate asked by banks to non-financial corporations for a short-term loan (1 year maturity) is around 5.3% in Spain compared to 3% in Germany. We have never seen such a strong difference since the inception of the Euro.
    - In the last year, the cross-border lending between financial institutions fell from a 30% of the total outstanding loans to a current 24%. This is the highest fragmentation observed over the last 3 years.

[Table at annex gives an overview on a country-by-country basis, and includes also the forecasts for some key extra-European international partners]

How to restore confidence?

- Importance of industry as the main engine for the economic recovery in this situation of crisis
- Growing out of the crisis - 5 steps to restore confidence
- **To restore confidence and growth** out of the crisis we need to:

1. Safeguard the Euro though immediate and concrete steps towards economic and political integration
2. At national level, put in place credible fiscal consolidations plans alongside growth enhancing investments. Structural reforms, long delayed, must also be taken forward.
3. Promote private investment making the EU an attractive place to invest.
4. Further integrate the EU single market removing obstacles and burdens that companies still face. By completing the single market in key areas and reducing the administrative burden for companies through smarter regulation, we can add an estimated €800 billion to EU GDP.
5. Expand external trade to deliver new market access opportunities for EU companies, thus helping to strengthen EU manufacturing and service industries.

1. Industrial policy

- In view of the publication in October 2010 of the EC Communication "An Integrated Industrial Policy for the Globalisation Era", BUSINESSEUROPE published some action recommendations for six policy areas (**the six "i"**) which are key for developing a dynamic European industrial policy.

1. **I**ntegrated EU policy approaches:

- Example of key policies to integrate: climate, energy and industrial competitiveness.

- The EU must have in place a comprehensive vision for climate, energy and industrial policies and must avoid focusing solely on targets.

- EU industry is committed to developing a low-carbon economy but costs deriving from climate policies, which drive investments away from the EU, must be minimized as they represent policy failures.

2. Innovation

- Forward-looking industrial policy must give priority to boosting research, innovation and technological development. This can best be achieved by improving the research and innovation legal framework and providing adequate financing to EU programmes. In this context, the role of Horizon 2020 is essential to ensure a sustainable recovery and strengthen the EU economy.

3. **I**nternal market

- The Single Market gives Europe its global strength. However, 20 years after its inception, the Single Market is still far from complete and still affected by obstacles to free movement of people, goods, capital and services.

- The responsibility for a stronger Single Market lies with the European institutions but also national parliaments and authorities. Unfortunately, especially in times of economic downturn, protectionist reflexes severely test the European freedoms leading to a split and weakened Single Market damaging European competitiveness. To counteract this trend, the EU's governance of the single market needs a fundamental change and better enforcement of existing rules at both EU and national level is key.

4. **I**nfrastructure

- Intelligent infrastructure in the area of transport, energy and information and communications technology is a precondition for a competitive European industry
  - Energy: the EU needs to accelerate investments in cross-border energy infrastructures in order to complete the internal energy market, enhance security of supply across Europe and connect renewable energy.

  - ICT: ICT is a key factor for growth and innovation. Europe must create a true digital single market which can boost competition and encourage private investment in the deployment of broadband infrastructure.
  - Transport: Industry in Europe needs a future-oriented and well-functioning transportation infrastructure. This includes the uptake of transportation-related technologies that foster speed, security, flexibility and tracking of transported goods.

- A policy framework needs to foster the deployment of key technology solutions in Europe, for instance by a joint EU project to create European intelligent transportation systems.

- The review of the guidelines for the Trans-European Networks development should put a special emphasis on developing an efficient, complete and interoperable transport system in Europe.

5. **I**<u>nternationalisation</u>

- Internationalisation is key for European industry. European industry draws huge benefits from the global economy. Open markets are a precondition for growth and jobs in the EU. The <u>EU needs an updated strategy to support the internationalisation of business</u>. A consistent approach would require addressing a range of policy areas where EU actions would bring clear added value to national policies e.g.
  - Fair, secure and uninterrupted access to raw materials: EU efforts on export restrictions and protectionism have to be pursued. We strongly support the EU Raw Materials Initiative, recognizing however that the development and geopolitical aspects of the strategy need to be reinforced.
  - Internationalisation of SMEs in order to allow them to fully exploit business opportunities abroad. Less than 15% of EU SMEs export to, or import from, countries outside the EU.

6. <u>Initiatives at sectoral level</u>

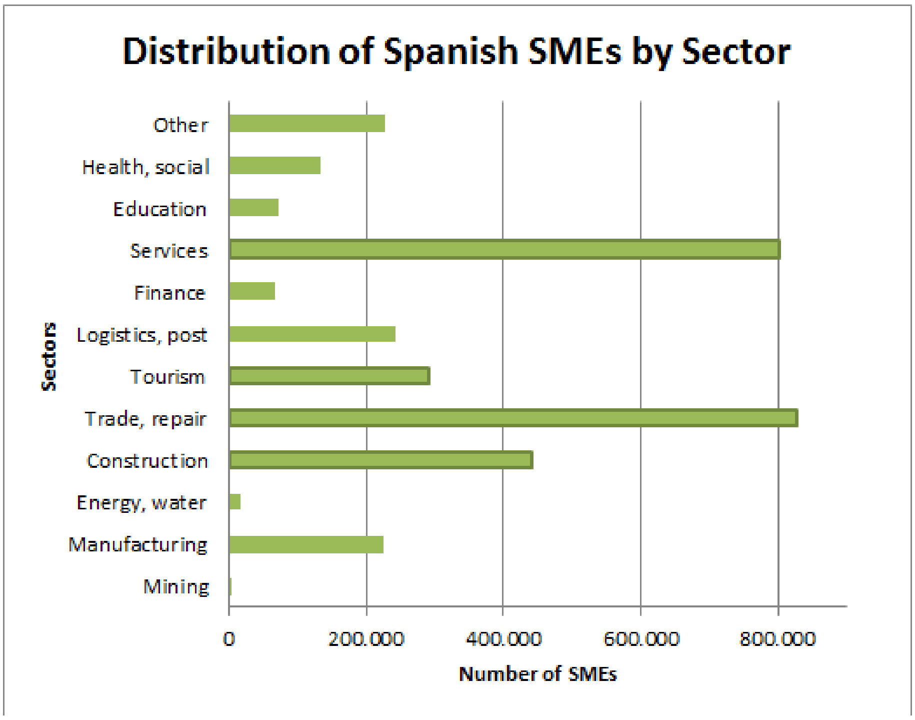
- Finally, BUSINESSEUROPE very much encourages the European Commission to intensify its dialogue with the industrial sectors and to learn lessons from its industrial sector-specific work for the further design of EU industrial policy.

- <u>October 2012</u>: new industrial policy communication published: it rightly points out:
  - the central role played by industry in the EU's economy and the importance of a strong and competitive European industry to ensure growth and jobs: for every 100 jobs created in industry, it is estimated that between 60 and 200 new jobs are created in the rest of the economy, depending on the industrial sector.
  - the challenges industry is confronted with e.g. affordable and reliable access to energy: energy prices for EU industry went up by 27% in real terms between 2005 and early 2012, which is higher than in most of other industrialised countries, especially the US.
  - However, industrial competitiveness is not yet present in many policy initiatives. EU policy agenda is full of contradictions. It is important to live up to smart regulation commitments and truly apply the promised competitiveness-proofing and fitness checks to all legislative proposals.

2. Internationalisation (of SMEs)

Spanish SME landscape

99,8% of all enterprises in Spain are SMEs (3.346.903 in total). Spanish SMEs have been widely affected by the economic recession. Most of these enterprises belong to the **services sector**, where activities such as **tourism**, **trade**, **construction**, and **logistics** are characteristic. Micro enterprises (94%) with and without employees are the most common type of company in the country. Some Spanish regions, like Madrid, Cataluña have higher SME density.



Most of the SME R&D spending are supported by funds from the public administration (32,8%), followed by own funds (25,5%), other businesses (24,8%) non-profit organizations (10,5%), international 5,0% and others (1,4%). These funds are mainly invested in internal R&D activities (46,52%), procurement of machinery, equipment and software (30,45%); and procurement of external R&D(13,4%).

Source: EC

General comments

- It is crucial to take into account the **broad nature of the internationalisation of SMEs**. It is not only about exporting, it can also be:

  - networking and participation in profitable networks
  - cross-border cooperation
  - foreign direct investments
  - setting up a business in another country
  - carrying construction work in another country
  - subcontracting and importing.

- BUSINESSEUROPE approves the objectives of the new EU SME internationalization strategy (Communication COM 2011-702), which are:

  - to provide SMEs with easily **accessible and adequate information** on how to expand their business **outside the EU**
  - to **improve the coherence** of support activities
  - to improve the **cost-effectiveness of support activities**
  - to fill existing gaps in support services.

- SMEs internationalisation should also be promoted through **cluster**, **export consortia** and **enterprise networks**.

- **Export consortia** represent one of the best solutions among the instruments SMEs use to export. It is a simple and efficient way of internationalisation, which give the entrepreneur the choice to keep his identity and autonomy. The annual survey of *Federexport* (Italy) shows that small enterprises associated in export consortia **double their exports and are present in difficult markets**. The European Commission should therefore recognise the role of such instrument.

- The Commission should take initiatives concerning the setting up of transnational consortia and programs to train cluster, consortia and network managers.

- Enhancing **R&D activities** is one of the most significant factors in SMEs' long-term competitiveness. Internationalisation and global cooperation, in turn, create the base for R&D operations. Referring to that fact, however, at EU level the strategic approach for cooperation on R&D and innovation with third countries is insufficient.

- Existing private and public **information and support services** (at regional, national and European level) represent a significant **toolbox** deployed to help SMEs to export and invest in non-European countries. However, this toolbox is not optimised to enable European SMEs to exploit the full business potential of these countries. There are gaps in the service offer and missed opportunities for synergy between players.

- In order to use resources as effectively as possible, BUSINESSEUROPE calls on Member States to commit to designing a new division of labour between service providers based on win-win collaboration models, as proposed by the Commission.

- The current portfolio of EU support instruments for SME internationalisation should be carefully assessed and optimised. This should clarify whether and where the conditions are met for pursuing current actions and for developing new ones. The Enterprise Europe Network (EEN) should operate under a new governance model, involving business effectively in the definition of priority activities.

- **SMEs internationalisation should be mainstreamed also in other EU policies**. In particular the obstacles and barriers to SMEs internationalisation should be addressed in **EU trade policy**. The creation of contact points for SMEs in each EU **delegations** in a third country is a good starting point.

- **Specific challenges** occur **when the interests of large and small firms might diverge.** For example, the EU must firmly resist the "localisation" strategies of emerging countries. Otherwise, the SME suppliers of large corporations in the EU will lose market share.

- Trade restrictions to **access to raw materials** must be challenged even in cases where large firms can invest in the resource holding countries to get around the trade restrictions. Investment protection and investment market access should become a high priority for EU trade policy because small firms require more legal protection in high risk markets.

- The Commission should conduct more **market analyses of large emerging countries to better assess where EU industries and services could have a competitive edge**. This information could be shared with national trade promotion agencies to assist them in their work to support SMEs.

- The development of the EU SME internationalisation initiatives should therefore take place in close connection with the implementation of the Horizon 2020 programme for research and innovation.

3. Multi-annual financial framework (MFF)

- We are very concerned that the final agreement on the multiannual financial framework results in substantial reductions in competitiveness-related areas. We addressed a letter to President Van Rompuy, President Barroso and Commissioner Lewandowski two weeks ago, in which we expressed these concerns *(attached).*

- While strictly respecting the need for budgetary discipline, the budget must promote macro-economic convergence, and function alongside countries' structural reform efforts. The MFF also requires ambition to give the EU the means to reach its goals of **competitiveness, cohesion and prosperity** within a framework of transparency and fairness for all Member States.

- We would have deep concerns if the final agreement on the multiannual financial framework were to see reductions in the total expenditure affecting competitiveness-related areas which offer great potential to boost growth and jobs, fully respecting the European value-added principle.

- An agreement on the multiannual financial framework is an exercise of key political importance, not a mere accounting exercise. Europe urgently needs a budget that reflects the challenges of the future and invests in growth.

- To safeguard and revive the competitiveness of companies, Europe needs a budget that supports **business-driven** growth through investment in **research, development and innovation, skills, infrastructure and SME support.** The private sector will view the multiannual financial framework as the mirror image of the Union's priorities for the years ahead. We count on EU leaders to ensure that the final agreement on the multiannual financial framework focuses on supporting investment, growth and job creation across our continent**.**

(from speech "Friends of Cohesion")

- Multinational companies have a growing choice of locations across the world in which to create new jobs. If Europe wants to remain an attractive location, it needs to ensure it has a supportive business environment. This must include world-class infrastructure and communications networks.

- We welcome the continuation of the current budget level of around 1% of GNI (gross national income).

    – However, further efforts should be placed on efficiency measures.
    – Budgetary discipline must be respected.
    – Macro-economic convergence must be promoted.
    – Structural reform must be undertaken.

- The EU budget must be used as an investment tool. It must focus on where it can boost growth and jobs, fully respecting the European value-added principle. In particular:

  - Research and Innovation are crucial requirements for sustained economic growth in Europe. The €80 billion proposed for **Horizon 2020** is the minimum required to translate political priorities into reality.

  - Well functioning cross-border infrastructures are essential for Europe's competitiveness and will directly advance the objectives of Europe 2020. Maintaining the **Connecting Europe Facility** budget would send a strong message to private investors: that there is a clear commitment to act on Europe's missing links.

  - Promoting entrepreneurship is crucial in the current context of limited access to credit and high unemployment. The **Competitiveness and SME programme (COSME)** contains powerful instruments for addressing the growing constraints that hamper access to finance for dynamic SMEs.

- These areas are crucial for the future of Europe. Their budget must be preserved.

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4. Access to finance

What are the facts:

A. The Economic Situation is deteriorating

- Confidence **and economic activity**, which appeared to be stabilising at the start of the year, **is** now **falling** across the whole of the euro area and beyond. It is **only through net trade**, thanks to exports made by businesses, that **we can see some positive impetus for growth**. But even here, growth prospects in countries ranging from China to Brazil are also been revised down, reducing the potential boost from exports.

B. Banks are not willing / able to extend lending to companies

- **Access to finance remains a major concern** now that companies will need to gear up for **new investments**.

- **Risk appetite for corporate loans is very limited among banks** at the moment and interest rates paid by companies in the eurozone's weaker economies have surged, highlighting the **fragmentation** in the EU despite encouraging signs observed since the ECB's liquidity injections and the announcement of its plans for purchasing sovereign debt.

- Eurozone banks have **reduced considerably cross-border exposures** worsening the credit squeeze in periphery countries.

- This problem is **especially intense because in Europe companies depend highly on bank intermediation** for their access to finance contrary to the US were venture capital plays a much bigger part in financing. As demand for capital intensifies, companies will find it increasingly difficult to obtain credit, especially if **securitisation markets remain dysfunctional, hindering banks' ability to free up capital** for new lending.

What should we learn from this:

- There is an immediate and tight link between the health of public finances, financial sector balance sheets and investment conditions for companies.

- **Athough bank funding and liquidity conditions have improved recently, a protracted credit squeeze** remains a very tangible risk.

So, what needs to be done:

- In this regard, we think four issues are of fundamental importance looking forward:

  1) Sustain the euro and ensure that member states undertake structural reform programmes;

2) Restore confidence in the financial sector through more centralised supervision;
3) Balanced agenda of financial markets reforms;
4) And development of alternative sources of financing for companies.

Let me illustrate the issue of a balanced agenda of financial markets reforms:

1) Financial Market Reform

- **BUSINESSEUROPE supports regulatory initiatives** that resolve the regulatory failures that led to the financial crisis.

- But to regain confidence, **reforms must strike the right balance** and be mindful of their consequences for non-financial companies.

- **Basel III** is a case in point. Tighter capital rules for banks are clearly needed but this will obviously **lead more restrictive lending conditions** for companies and greater reliance on market financing.

- For example, **new liquidity requirements** will create an additional bias in favour government debt as opposed to private sector securities, which is considered more risky.

- This will interact with other **prudential rules**, **such as those linked to Solvency II, which also discourage investment in riskier assets such as equity and favours government debt.**

- Another example is the rules' **treatment of trade finance**. If banks would be forced to hold much more capital to back trade finance business this would severely **hamper world trade**.

- New accounting rules will also impact on capital allocation such as requirements to bring securitised loans on to banks' books and rules related to the way financial institutions account for bad loans.

- **Smart regulation must ensure that the right solutions are found and that policies are effective and proportionate in their scope and nature**. **Comprehensive impact assessments** must therefore be carried out which address the **cumulative impact of different reform measures**.

- Lastly, there is also the issue of **consistent application at global level**. We expect the G20 to strengthen the resilience of global financial markets through close coordination. This should include efforts to avoid divergent policies. So G20 countries should **work cooperatively on the implementation and further calibration of new capital rules** – especially across the Atlantic – to ensure that access to finance and the competitiveness of European companies will not be unduly affected.

5. Skills/training

Skills needs

- In a medium-term skills forecast up to 2020, the European Centre for the Development of Vocational Training (Cedefop) has found that Europe's economy is increasingly characterised by employment in services and knowledge and skill-intensive occupations. Spain is projected to see an increase in employment in the service sector by about 15% in the period 2010 – 2020;

- Therefore, greater emphasis needs to be placed upon up-skilling and (re)training those people already active in the labour market, including opportunities for ICT based learning to reduce barriers to education and enhance education outcomes;

- So-called STEM skills is another area that more people need to be encouraged into. In 2015, the estimated shortage of qualified ICT staff in the EU will rise to somewhere between 384,000 and 700,000. Generally, the supply of STEM skills will not match the increasing demand of companies;

Dual-learning

- Labour market needs must be at the centre of education to ensure that the skills people have when they enter the labour market are those that employers need;

- Despite the high youth unemployment levels, young people have never been more educated than they are today, which points towards a *youth paradox.* This is, unfortunately, well exemplified in Spain where around 40% of people have a university degree, yet overall unemployment stands at over 25% and youth unemployment at 52.9%;

- To address this mismatch and to facilitate the transition from education to work young people need to have the skills that companies are looking for to be innovative and competitive;

- Young people's transition from education to employment can be facilitated by expanding access to dual-learning systems, such as in the form of apprenticeships;

- Apprenticeships give young people professional experience, which means that when they finish their education they already have a foothold in the labour market. Employers also benefit from having a pool of available labour with the skills and experience that meets their demand for staff;

- National governments also feel the benefit of employer engagement in dual-learning schemes in the form of reduced spending and sharing the task of educating and training young people;

- Germany, Austria, Denmark and the Netherlands are the Member States with the lowest levels of youth unemployment - not exceeding 15% and also have the most developed dual education systems;

- This has not always been the case. For example, 10-15 years ago Germany had problems with high levels of youth unemployment, but investment in its dual-learning system over a prolonged period of time is now bearing fruit.

- Spain is now taking important steps to reduce the high level of youth unemployment. This is shown in the draft law that was presented on 9 November, which is a first step to establishing a basis for a successful dual-learning system;

- **CEOE and companies in Spain seem to be willing to take a more active role in developing and implementing the dual-learning system**. We support this. Part of the reason why the German system is so successful is due to the active engagement of German businesses and their organisations. German companies invest in the region of €24 billion per year into the dual-learning system for around 1.5 million apprentices per year.

Combating early school leaving

- CEOE attaches great importance to reduce high levels of early school leaving in Spain. 31.2% (14.4% EU average) of Spanish young people aged 18-24 have attained at most lower secondary education and/or are not in education or training (2009).

- Making progress in this area is the main responsibility of governments through improving the numeracy and literacy of pupils at the end of primary and secondary education.

Training

- Continuous training and skills development once in employment is an important element and this should determined between the employer and employee according to their respective needs;

Building partnerships

- To ensure that Europe's economy is competitive in the years ahead, there needs to be stronger links between business and educational providers. For example, some companies take initiatives to cooperate with schools and teachers to raise young people's interest in technical fields of education;

- In the short-term, there might be an interest in bilateral negotiations between countries with high youth unemployment such as Spain and countries where vacancies are posted like in Germany to match labour market offer and demand.

Overview - the autumn 2012 forecast

	Real GDP	Autumn 2012 forecast			Inflation	Autumn 2012 forecast			Unemployment rate	Autumn 2012 forecast		
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Belgium	1.8	-0.2	0.7	1.6	3.5	2.6	1.8	1.6	7.2	7.5	7.7	7.8
Germany	3.0	0.8	0.8	2.0	2.5	2.1	1.9	1.8	5.9	5.5	5.6	5.5
Estonia	8.3	2.5	3.1	4.0	5.1	4.3	4.1	3.3	12.5	10.5	9.8	9.0
Ireland	1.4	0.4	1.1	2.2	1.2	2.0	1.3	1.4	14.4	14.8	14.7	14.2
Greece	-7.1	-6.0	-4.2	0.6	3.1	1.1	-0.8	-0.4	17.7	23.6	24.0	22.2
Spain	0.4	-1.4	-1.4	0.8	3.1	2.5	2.1	1.3	21.7	25.1	26.6	26.1
France	1.7	0.2	0.4	1.2	2.3	2.3	1.7	1.7	9.6	10.2	10.7	10.7
Italy	0.4	-2.3	-0.5	0.8	2.9	3.3	2.0	1.7	8.4	10.6	11.5	11.8
Cyprus	0.5	-2.3	-1.7	-0.7	3.5	3.2	1.5	1.3	7.9	12.1	13.1	13.9
Luxembourg	1.7	0.4	0.7	1.5	3.7	2.9	1.9	1.8	4.8	5.4	6.4	6.4
Malta	1.9	1.0	1.6	2.1	2.5	2.9	2.2	2.2	6.5	6.3	6.3	6.2
Netherlands	1.0	-0.3	0.3	1.4	2.5	2.8	2.4	1.6	4.4	5.4	6.1	6.2
Austria	2.7	0.8	0.9	2.1	3.6	2.4	1.8	1.9	4.2	4.5	4.7	4.2
Portugal	-1.7	-3.0	-1.0	0.8	3.6	2.9	0.9	1.3	12.9	15.5	16.4	15.9
Slovenia	0.6	-2.3	-1.6	0.9	2.1	2.8	2.2	1.6	8.2	8.5	9.3	9.6
Slovakia	3.2	2.6	2.0	3.0	4.1	3.7	1.9	2.0	13.6	13.5	13.5	13.1
Finland	2.7	0.1	0.8	1.3	3.3	3.0	2.5	2.2	7.8	7.9	8.1	8.0
Euro area	**1.4**	**-0.4**	**0.1**	**1.4**	**2.7**	**2.5**	**1.8**	**1.6**	**10.1**	**11.3**	**11.8**	**11.7**
Bulgaria	1.7	0.8	1.4	2.0	3.4	2.5	2.6	2.7	11.3	12.7	12.7	12.5
Czech Republic	1.9	-1.3	0.8	2.0	2.1	3.6	1.1	1.1	6.7	7.0	7.3	7.1
Denmark	0.8	0.6	1.6	1.3	2.7	2.4	2.0	1.7	7.6	7.7	7.7	7.6
Latvia	5.5	4.3	3.6	3.9	4.2	2.4	2.1	2.3	16.2	15.2	14.3	12.7
Lithuania	5.9	2.9	3.1	3.6	4.1	3.4	3.1	3.0	15.4	13.5	12.4	10.9
Hungary	1.6	-1.2	0.3	1.3	3.9	5.6	5.3	3.9	10.9	10.8	10.8	10.6
Poland	4.3	2.4	1.8	2.6	3.9	3.8	2.6	2.4	9.7	10.1	10.5	10.3
Romania	2.5	0.8	2.2	2.7	5.8	3.5	4.9	3.3	7.4	7.4	7.3	7.3
Sweden	3.9	1.1	1.9	2.5	1.4	1.0	1.3	1.8	7.5	7.5	7.4	6.9
United Kingdom	0.9	-0.3	0.9	2.0	4.5	2.7	2.1	1.9	8.0	7.9	8.0	7.8
EU	**1.5**	**-0.3**	**0.4**	**1.6**	**3.1**	**2.7**	**2.0**	**1.8**	**9.7**	**10.5**	**10.9**	**10.7**
Croatia	0.0	-1.9	0.0	1.4	2.2	3.4	3.2	2.1	13.5	14.2	13.9	12.9
USA	1.8	2.1	2.3	2.6	3.2	2.1	2.0	2.1	8.9	8.2	7.9	7.5
Japan	-0.8	2.0	0.8	1.9	-0.3	-0.2	-0.1	0.2	4.6	4.8	4.7	4.6
China	9.2	7.7	7.7	7.8	5.4	:	:	:	:	:	:	:
World	**3.8**	**3.1**	**3.3**	**3.9**	**:**	**:**	**:**	**:**	**:**	**:**	**:**	**:**