EUROPEAN CENTRAL BANK

EUROSYSTEM

Peter Praet

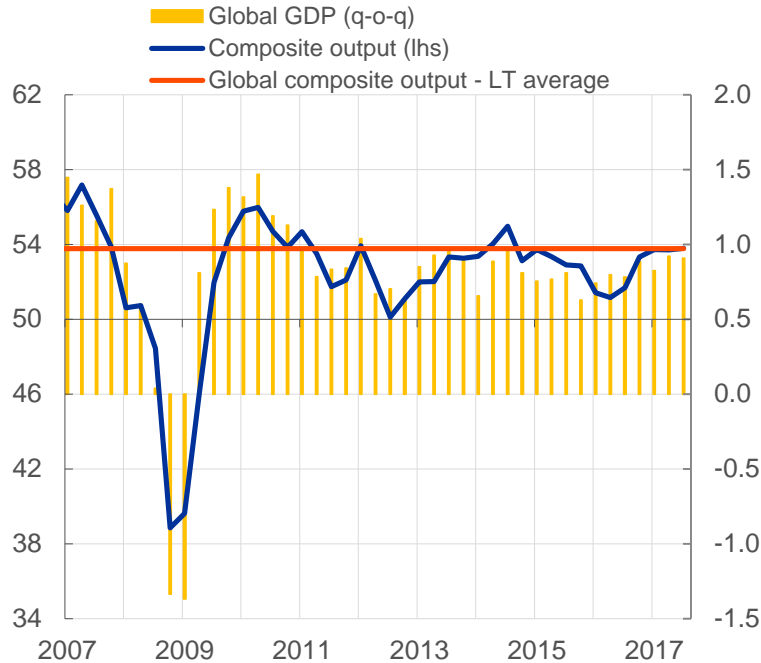Member of the
Executive Board of the ECB

The Outlook for Reform

Cementing Growth and Delivering

Sustainable Employment

Brussels, 30 November 2017

Ludwig Erhard lecture

Global PMI composite output and global output

(diffusion index, lhs; q-o-q % changes, rhs)

Legend:
- Global GDP (q-o-q)
- Composite output (lhs)
- Global composite output - LT average

Sources: Markit, ECB staff calculations.
Note: Long-term average refers to 1999 onwards. Latest observation: 2017Q3 for PMI and Q2 for global GDP. ECB staff calculation for 2017Q3 global GDP.

Composite output PMIs: euro area, advanced economies and EMEs

(diffusion index; monthly data)

Legend:
- Euro area
- Advanced economies excl. euro area
- Emerging market economies
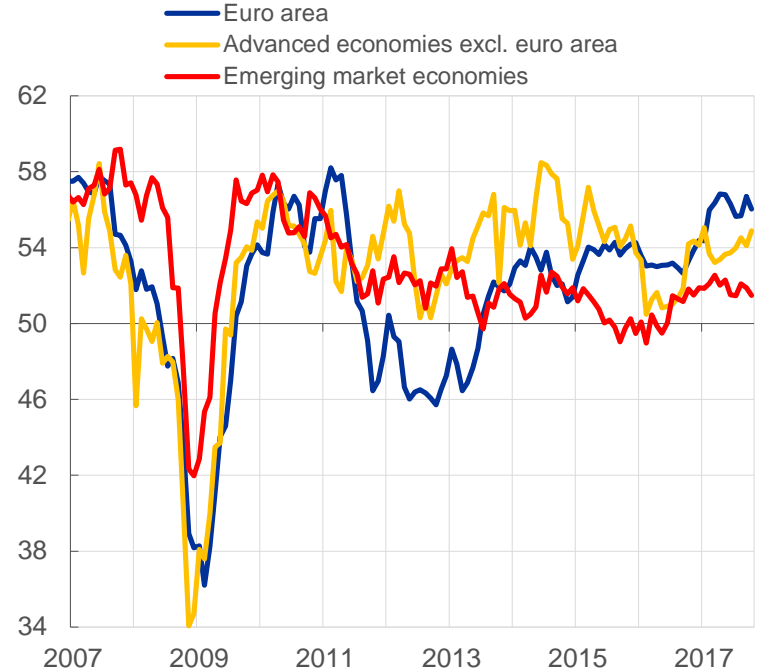
Sources: Markit, Haver Analytics, ECB staff calculations.
Notes: ECB staff calculations for the aggregate advanced economies excluding the euro area, comprising US, Japan and UK. Latest observation: October 2017.

G20 communique

"Our growth must be shored up by well-designed and coordinated policies. We are determined to use all policy tools - monetary, fiscal and structural - individually and collectively to achieve our goal of strong, sustainable, balanced and inclusive growth."

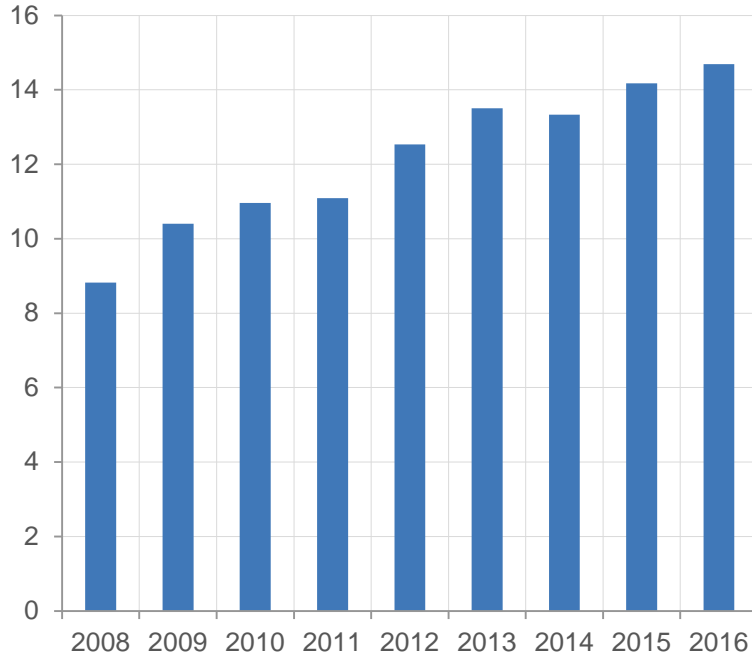*G20 Leaders' Communique, Hangzhou Summit, 4-5 September 2016*

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GDP composition

(annual percentage changes, p.p.)
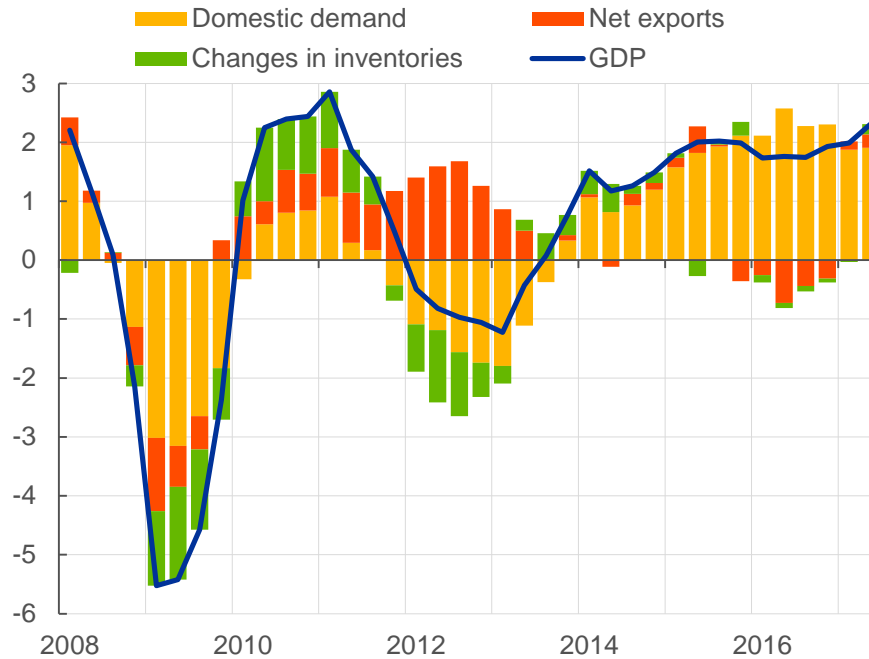
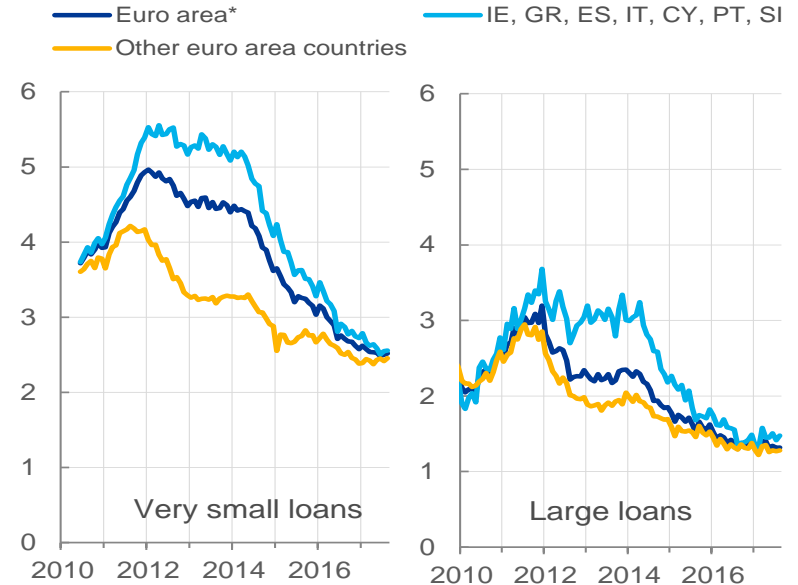Sources: Eurostat, ECB staff calculations.
Latest observation: 2017Q2.

Tier 1 capital ratio
(%,)

Bank lending rates for very small versus large loans to NFCs (% per annum)

Responsiveness rate to OECD going for growth recommendations
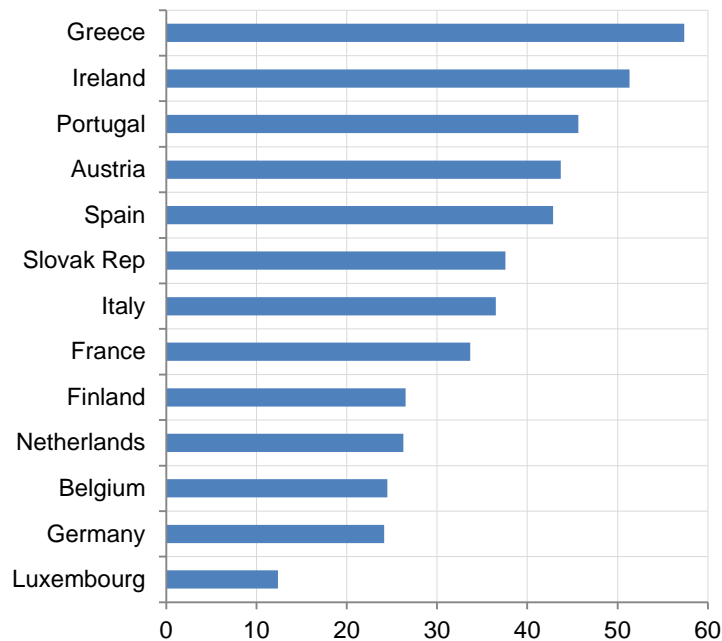
(%, average over period 2007-2016, interquartile range, minimum and maximum values)
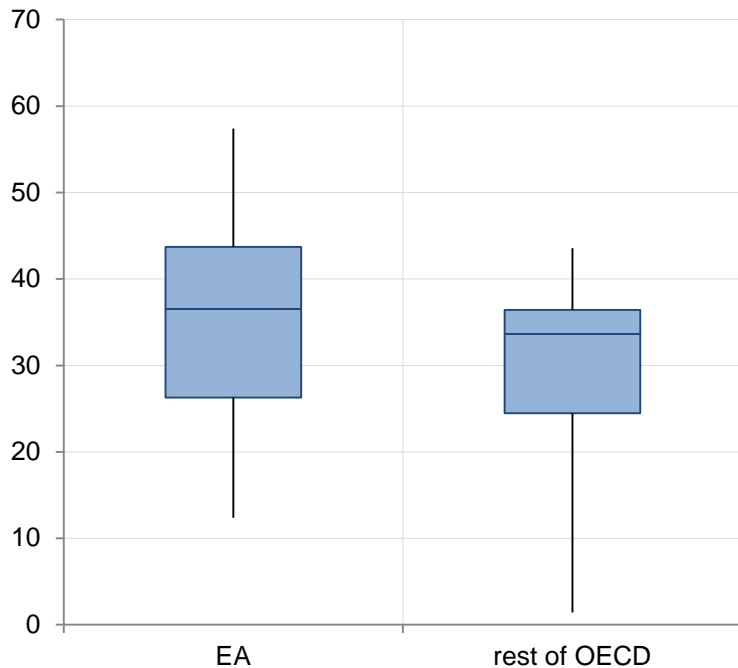
Responsiveness rate to OECD going for growth recommendations

(%, average over the period 2007-2016)

Sources: OECD Going for Growth and ECB staff calculations
Note: The average responsiveness rate over the period 2007-2016 is calculated as the unweighted average of the annual responsiveness rates to the OECD Going for Growth recommendations for each the country. The left hand chart shows the median, maximum, minimum and interquartile range of these calculations for the euro area and rest of OECD countries,

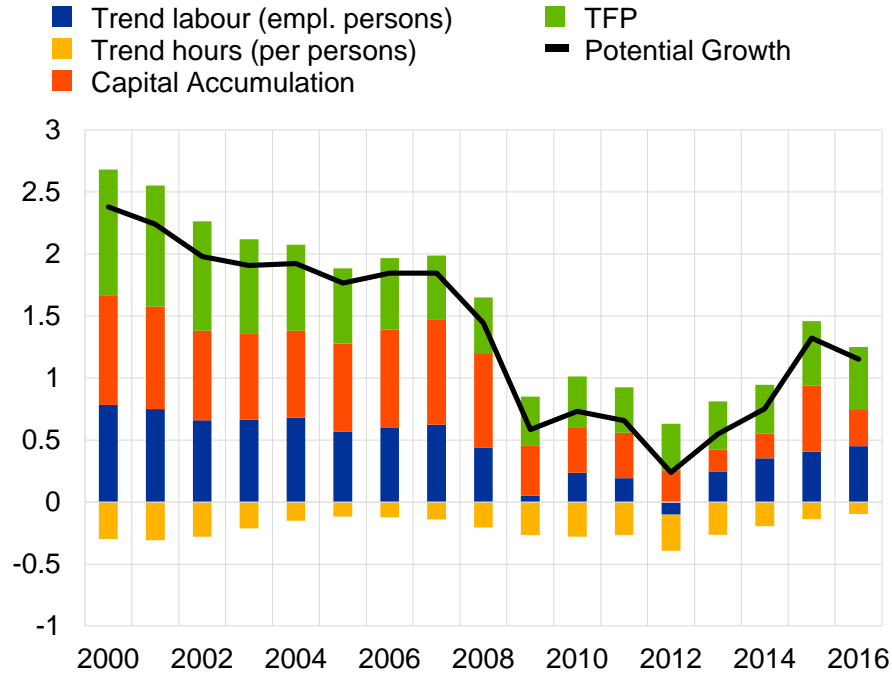# Expected real GDP growth in 6-10 years in the euro area and selected countries
(annual percentage change)
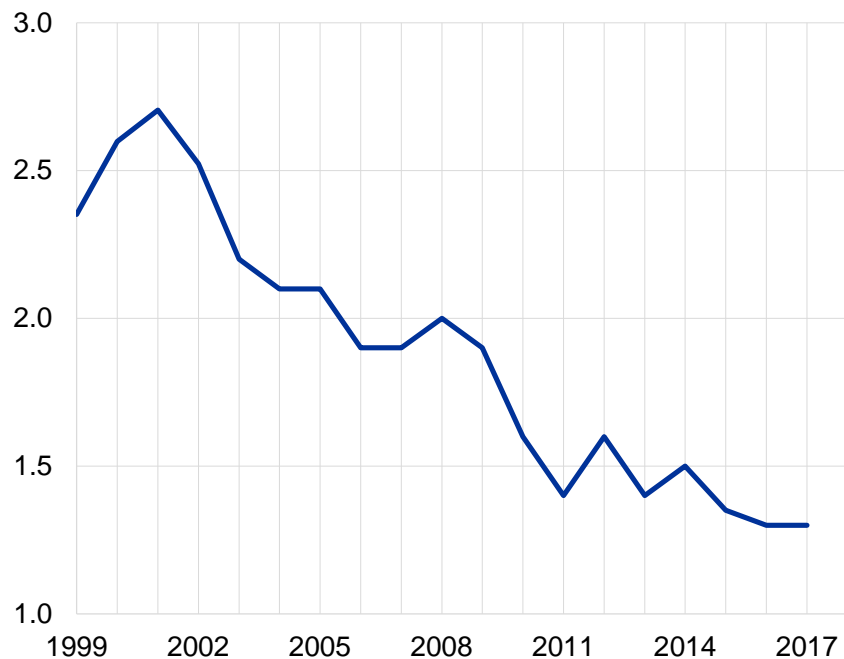
Sources: Market Data Services
Note: Data from October 2017.

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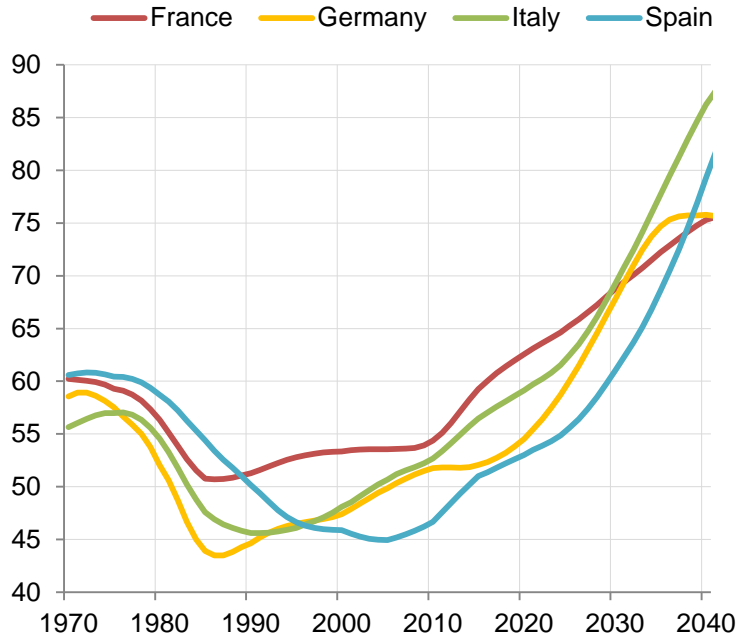# Contributions to euro area potential growth
(Annual growth rate)

Source: European Commission, Output Gap Working Group
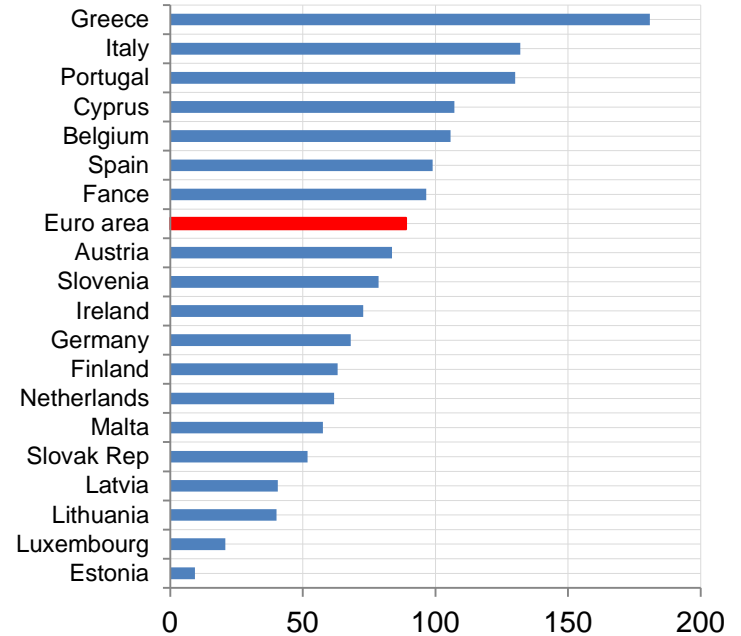
Dependency ratio

(Ratio of population age 0-14 and 65+ per hundred population age 15-64)

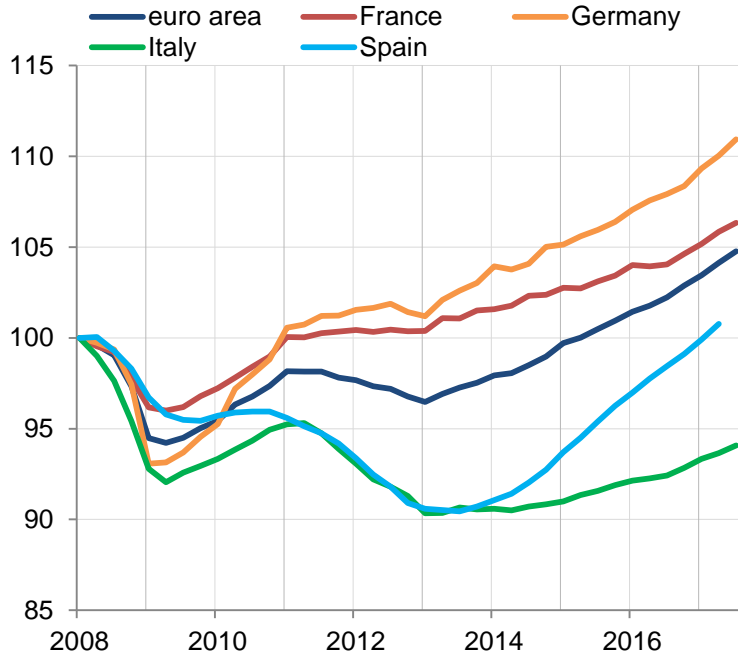Source: Haver Analytics and UN population statistics. Chart shows projections from 2017 onwards.
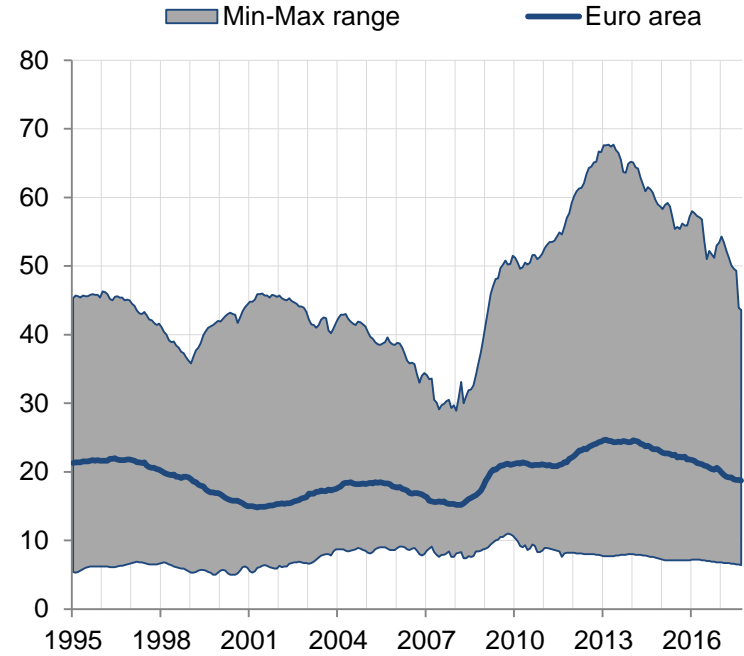
General government debt to GDP ratio

(2016, %)

Source: Eurostat

Real GDP levels
(2008Q1=100)

Legend: euro area, France, Germany, Italy, Spain

Sources: Haver Analytics and ECB staff calculations
Note: Latest observation 2007Q2.

Unemployment rate in the euro area
(% of the labour force)
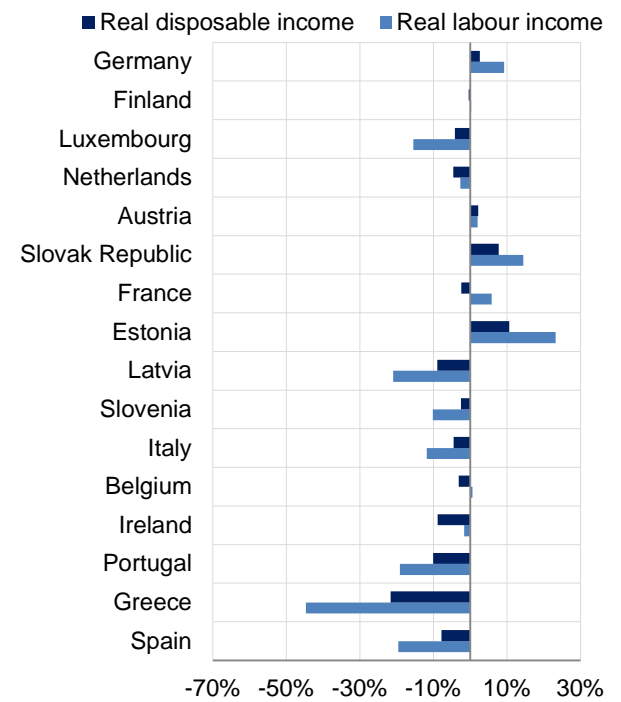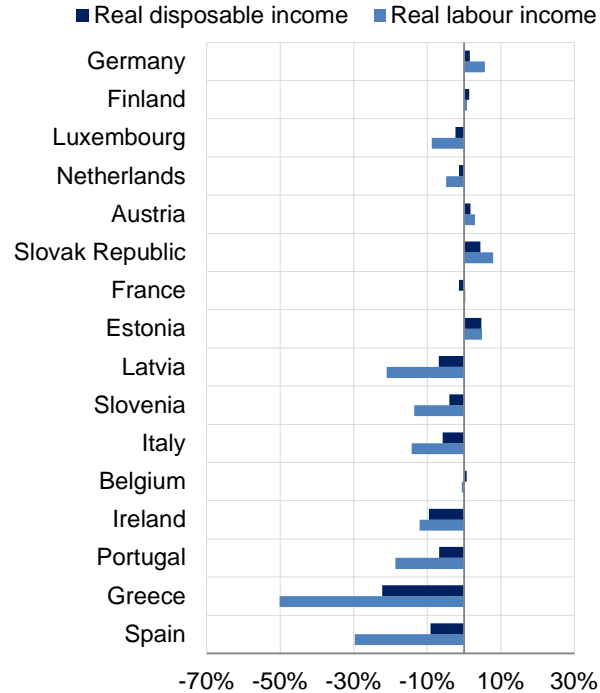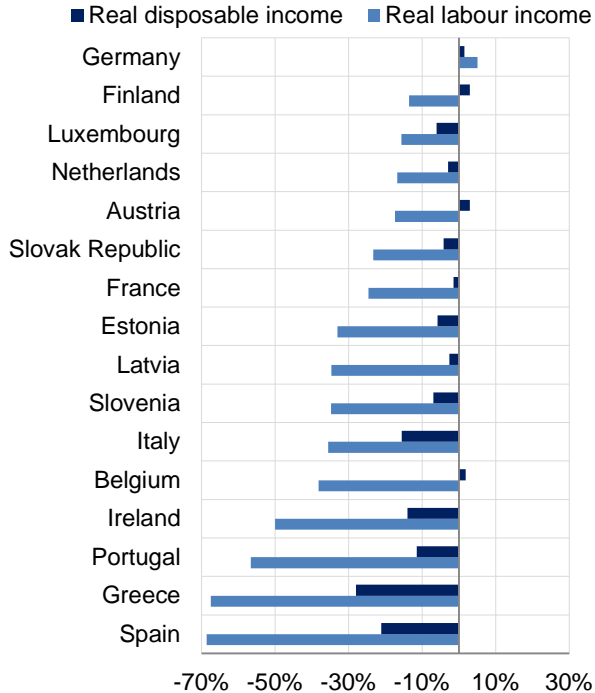

Legend: Min-Max range, Euro area

Source: Eurostat and ECB staff calculations
Last observation: September 2017.

Cumulated change in real income and real disposable income 2007-2014

Bottom 10%

Mean

Top10%

Source: OECD inequality report.

www.ecb.europa.eu ©

Legal framework: distance to frontier

(Frontier = 100, Chart shows the minimum, maximum and interquartile range
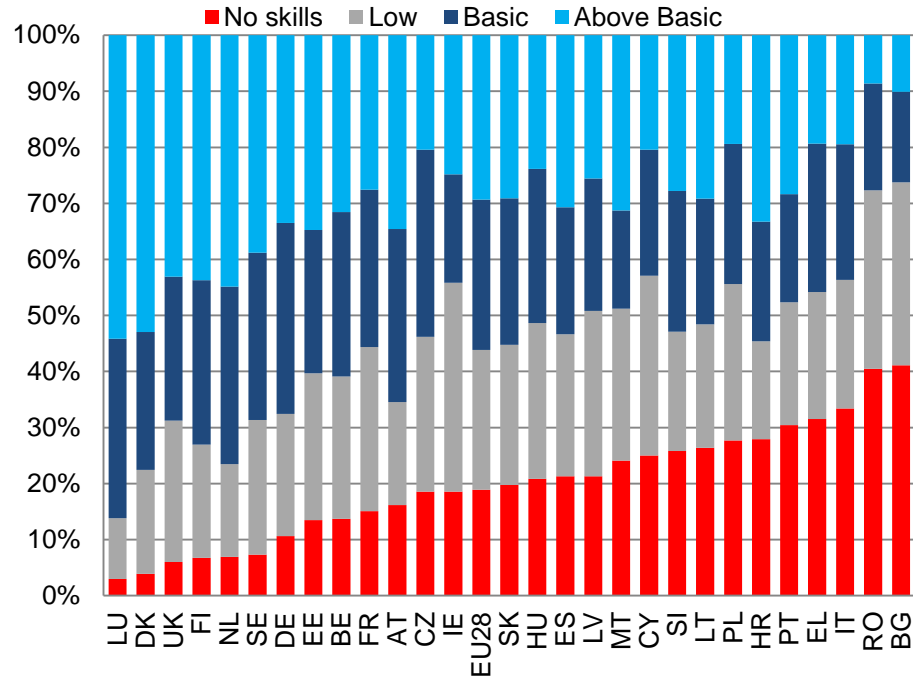Green: euro area countries, Blue: rest of OECD)

Sources: World Bank Doing Business 2017
Note: The chart shows the distance to frontier for the four World Bank Doing Business indicator. The green bars show euro area countries. The light blue bars show the rest of the OECD countries.

Digital skills of the workforce
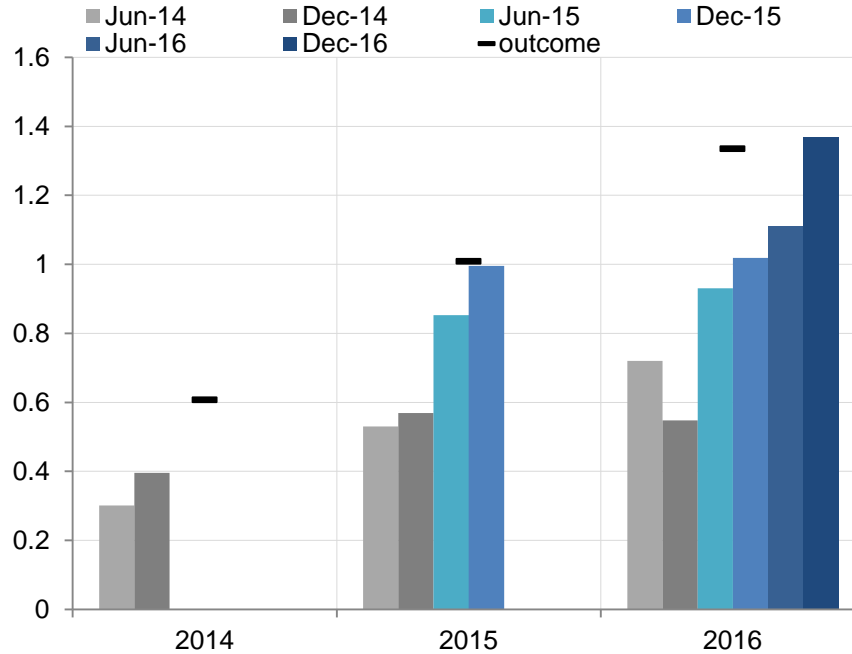
(% of individuals in 2016)

Legend: No skills, Low, Basic, Above Basic

Countries (x-axis): LU, DK, UK, FI, NL, SE, DE, EE, BE, FR, AT, CZ, IE, EU28, SK, HU, ES, LV, MT, CY, SI, LT, PL, HR, PT, EL, IT, RO, BG

Projected annual employment growth from Eurosystem projections and outcomes
(Annual growth rates)

Sources: BMPE projections database and ECB staff calculations
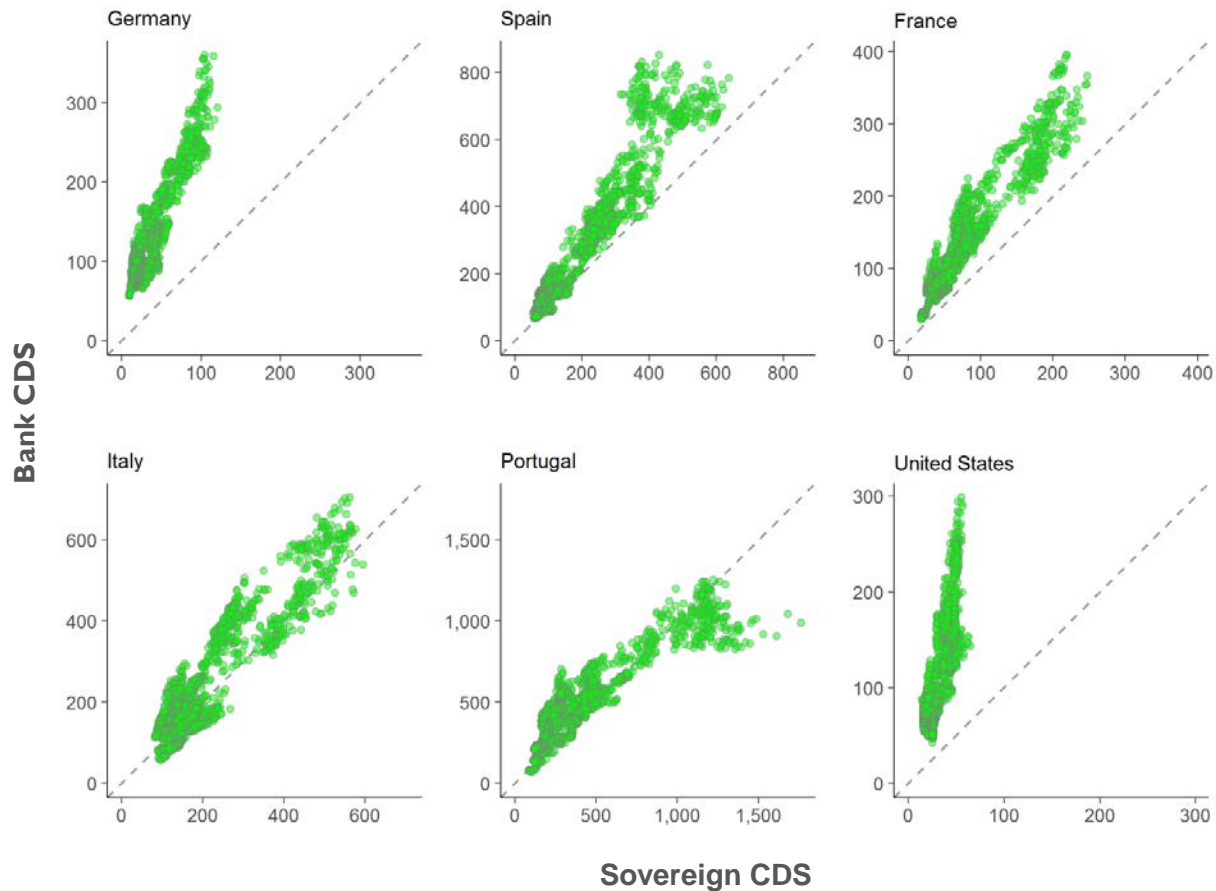
Source: Bloomberg.
Note: Sample period is 1-1-2010 to 22-11-2017.