



KEY ECONOMIC FIGURES

25 March 2019

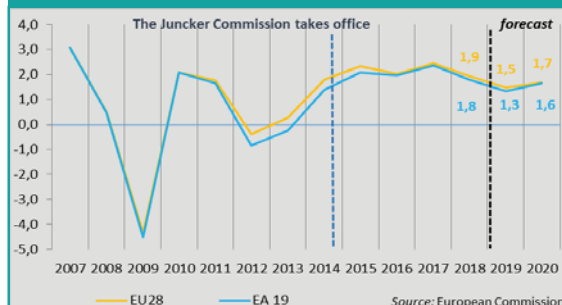


GROWTH

IN RECENT YEARS, EUROPE HAS MOVED FROM ECONOMIC RECOVERY TO EXPANSION

- In 2018, gross domestic product grew by 1.9% in the EU and 1.8% in the euro area (based on Eurostat estimates released on 7 March).
- The EU and euro area have now grown for 23 consecutive quarters.
- Economic growth is set to continue in 2019 and 2020. Euro area growth is forecast at 1.3% in 2019 and 1.6% in 2020. EU27 growth is forecast at 1.5% in 2019 and 1.8% in 2020 (source: Winter Economic Forecast).
- Gross domestic product grew in all Member States in 2018. It is forecast to continue to grow in 2019 and 2020.

Gross domestic product is expanding steadily % change in real gross domestic product

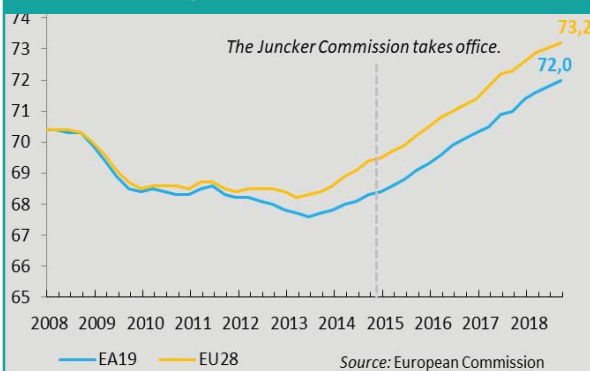


EMPLOYMENT

ECONOMIC GROWTH HAS HELPED TO CREATE JOBS AND MAKE EUROPE MORE SOCIAL (LATEST DATA: Q4/2018 or Q3/2018)

- The number of people in employment has reached the highest level ever recorded. 239.8 million people are employed in the EU, 158.9 million in the euro area.
- In the third quarter 2018, the employment rate, referring to the proportion of the working age population (20-64) that is in employment, was at a record high, at 73.2% in the EU and 72.0% in the euro area. On current trends, the EU is on course to meet its Europe 2020 target of a 75% employment rate by 2020.

Employment rate is increasing % of population age 20-64



- 15.7 million jobs have been created in the EU and 10.2 million in the euro area since the period with the lowest number of jobs after the economic and financial crisis (Q1/2013). 12.5 million jobs have been created in the EU (euro area: 8.8 million) since the beginning of the Juncker Commission (Q3/2014).
- **The unemployment rate in the EU28, at 6.5% in January 2019, is the lowest rate recorded since the start of the EU monthly unemployment series in January 2000. The unemployment rate in the euro area (7.8%) is the lowest rate since October 2008.**
- **The youth unemployment rate has decreased from a peak of 24% in January 2013 to 14.9% in January 2019 in EU28.** There are now 2.4 million fewer young people who are unemployed in the EU than in January 2013 and 2.8 million fewer young who are not in employment, education or training (between Q1/2013 and Q3/2018). The EU's Youth Guarantee helped.



INVESTMENT

INVESTMENT IS PICKING UP, FILLING THE GAP LEFT BY THE CRISIS YEARS

- **For the first time since 2007, investment is set to rise in all EU countries in 2019.**
- As of March 2019, the Juncker Plan is set to trigger more than EUR 389.8 billion in investments, create 750,000 jobs, increase EU Gross Domestic Product by 0.6% and benefit around 929,000 small businesses. By 2020, the Juncker Plan is set to increase EU gross domestic product by 1.3% and create 1.4 million jobs.
- As part of the extension of the European Fund for Strategic Investments, we have increased the investment target to EUR 500 billion by the end of 2020.



Source: European Commission



BANKING SECTOR

A DECADE AFTER THE FINANCIAL CRISIS, EUROPEAN BANKS ARE STRONGER, SAFER AND MORE SECURE

- **The ratio of non-performing loans in EU banks has come down to 3.3% (Q3/2018) from more than 6% in 2014.** It has been reduced by more than half since the fourth quarter of 2014. Although challenges remain in some Member States, significant risk-reduction has already taken place and the ratio of non-performing loans is approaching pre-crisis levels.
- European banks are higher capitalised. The average total capital ratio for EU banks is approaching 20%. This constitutes a marked increase since the start of the economic and financial crisis, up from 10.3% (Q4/2007).

- The capital ratio of euro area banks stands at 18% (Q3/2018), up 2.3 percentage points since 2014 and 7.7% percentage points since Q4/2007.

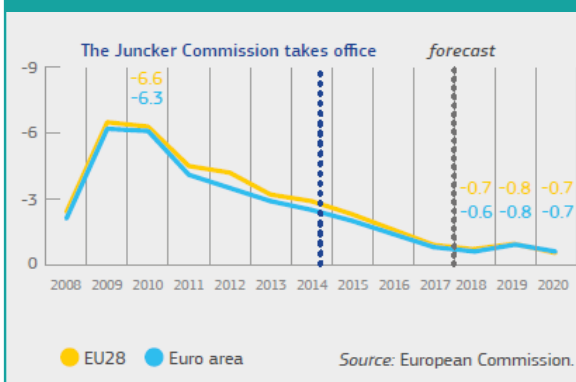


PUBLIC FINANCES

EUROPE'S PUBLIC FINANCES ARE INCREASINGLY SOUND, SUSTAINABLE AND CAPABLE OF ABSORBING FUTURE SHOCKS

- **The public deficit in the euro area has decreased from 6.2% in 2009 to an expected 0.6% in 2018.** All euro area Member States are expected to have been below the 3% deficit threshold set out in the Treaties in 2018. This will also have been the first time that the aggregate euro area public deficit is below 1.0%.
- Only Spain remains under the corrective arm of the Stability and Growth Pact, down from 24 Member States in 2011 after the financial crisis.
- The debt-to-Gross Domestic Product ratio in the euro area is set to fall from a peak of 91.8% in 2014 to an expected 86.9% in 2018. This trend will continue over 2019-2020.

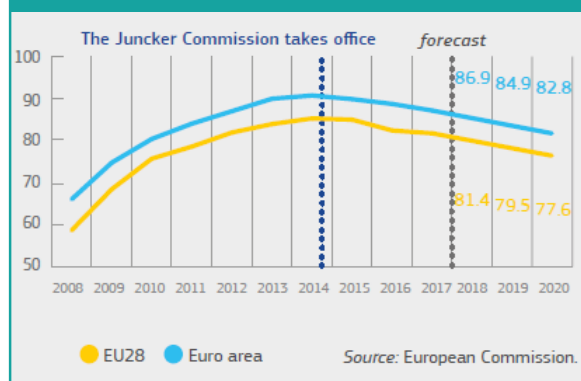
Public deficit is decreasing
% of GDP



THE USE OF FLEXIBILITY WITHIN THE RULES OF THE STABILITY AND GROWTH PACT HELPED

- Estimates suggest that the **overall agreed breathing space has boosted the EU Gross Domestic Product by 0.8% over the last four years** and resulted in around 1.5 million jobs (an order of magnitude broadly similar to the Investment Plan).
- **Government debt still decreased by 7 percentage points over 2015-2018.** While country-specific priorities differ, the "virtuous triangle" of boosting investment, pursuing reforms and responsible public finances has worked in practice.

Government debt is on a downward path
% of GDP



TRADE

90% OF FUTURE GLOBAL GROWTH WILL HAPPEN OUTSIDE EUROPE'S BORDERS. MORE THAN 30 MILLION JOBS - ALMOST ONE IN SEVEN - ALREADY DEPEND ON EXPORTS OUTSIDE THE EU

EU-JAPAN FREE TRADE AGREEMENT

- The EU exports over EUR 80 billion of goods and services to Japan every year. More than 600,000 jobs in the EU are tied to exports to Japan. Japanese companies in the EU employ more than half a million people.
- **This trade deal has the potential to increase the EU's annual exports to Japan by 13.2%, or EUR 13.5 billion.**