COMMISSION
OF THE
EUROPEAN COMMUNITIES

Directorate-General
for Economic and Financial Affairs

# Report of the Study group on medium term economic assessments

# OUTLOOK 1980

## One year after drawing up the Fourth Programme of medium-term economic policy

*This report has been prepared by a group of independent experts set up by the Commission in the context of its studies on medium-term economic assessments.*

*The opinions expressed in this report must not be considered to be or interpreted as the view of the Commission of the European Communities.*

Brussels, September 1977

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# STUDY GROUP ON MEDIUM-TERM ECONOMIC ASSESSMENTS

## O u t l o o k 1980

One year after drawing up the Fourth Programme
of medium-term economic policy for the Community

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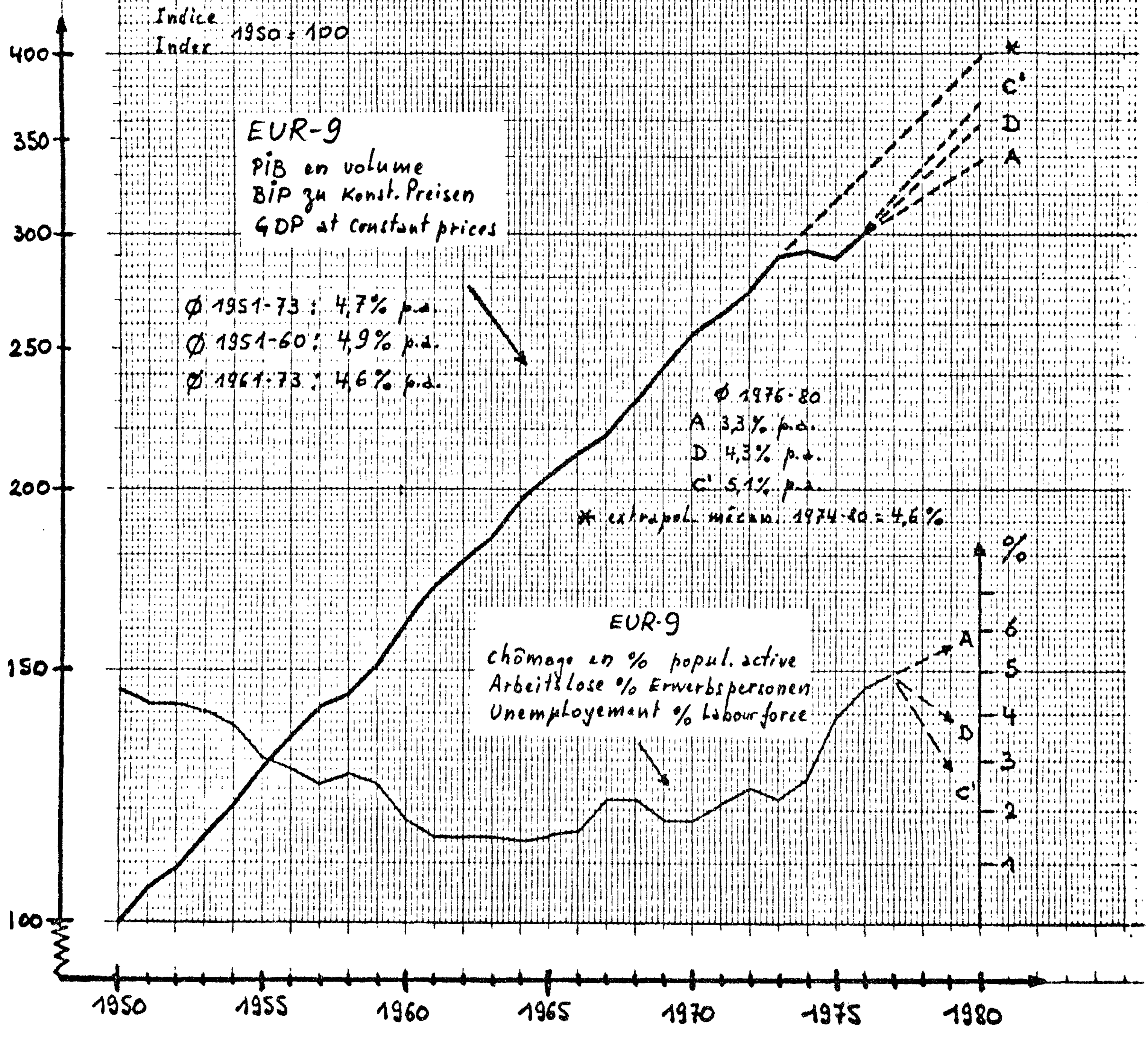

## FOREWORD

The present report was drawn up in the first six months of 1977 by the forecasting experts of the Study Group for Medium-term Economic Assessments, set up by the Commission.

"The task of this Study Group is to analyze, in collaboration with the Commission services, economic developments in the Community and the international environment, to make and regularly update medium-term projections, and to examine connected problems in the area of statistics and economic model building. With a view to preparing guidelines for economic policy the Group sets out the conditions for the achievement of the projections."

This work is mainly used as background to the elaboration of the Medium-term Economic Policy Programmes and the updating of the economic policy guidelines to assure a better convergence of economic policy and development in the Community.*

The members of the Study Group take part in the work as independent experts. The assessments contained in the report do not therefore commit either the Commission or the Governmental institutions of the member countries; they have been formulated from a Community point of view and the report as a whole has been approved by the forecasting experts of the Study Group, even if it does not reflect in every detail the opinions of each member.

**This report is accompanied by an annex which contains the graphs and tables on which the report was based.**

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* - Council Decision of 18 Feburary 1974 concerning the achievement of a high degree of convergence of the economic policy of the member states of the European Economic Community (74/120/EEC), notably articles 2 and 6.

- Council Directive of 18 February 1974 concerning stability, growth and full employment in the Community (74/121/EEC) notably article 4.

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## SUMMARY AND CONCLUSIONS PRESENTED BY THE CHAIRMAN OF THE GROUP

The work of the Study Group leads to the following conclusions:

- Given the possible growth of productive potential and the degree of capacity utilisation in the base year 1975, when the economic situation was particularly depressed, a medium-term growth rate of over 5% p.a. up to 1980 would be possible for the Community (cf. Fourth Programme).
- In order to reduce unemployment, a growth rate of more than 4.5% p.a. would be required. (Productivity per man year grows at about 4% p.a., the working population grows at nearly 1/2% p.a.)
- At present, because of a number of impediments to the growth of demand, it is to be feared that a medium term growth rate of only 3 1/2% p.a. will be achieved unless additional measures are taken.

These developments mean that future growth of output could be lower than the growth of productivity, so that unemployment would continue on a rising trend.

The impediments to growth have the following main causes:

- The persistence of high inflation rates and pronounced balance of payments disequilibria induces the countries most affected to follow restrictive economic policies.
- The fear of a new bout of inflation, and also certain specific problems in the area of public finance, prevents the stronger countries from pursuing deliberate expansionary policies.
- The continuing disequilibria in world economic relations, with the persistent large surplus of the OPEC countries and the deterioration of the position of the oil-importing developing countries, are a source of additional international difficulties.
- The growth of investment remains sluggish due to too low a rate of capacity utilisation, while in some countries difficulties have been put in the way of both public and private investment projects by certain pressure groups (notably in the areas of energy and protection of the environment).

It thus becomes more and more apparent that the achievement of the objectives of the Fourth Programme is much more difficult than it seemed a year ago. However, it is still not impossible, even if it has to be delayed. The Study Group has set out, at the end of its report, conditions which will enable the economy to develop in the desired direction : they can be set out round the following themes:

(1) The eradication of inflationary expectations remains a vital objective of economic policy, as long as current behaviour and economic structures have not been sufficiently modified.

(2) However the countries which are in the most favourable situation as regards the balance of payments and inflation must continue, as far as possible, to lead growth inside the Community; the countries which have not yet been able to reduce their inflation rate sufficiently must do their best to bring the growth of costs and prices quickly under control so that they too can in due course do more to sustain growth. The time remaining in which to bring about this desirable dynamic process is extremely short.

(3) The countries whose balance of payments have remained particularly adverse should seek medium-term finance for their deficits rather than relying on further exchange rate changes. It is essential that the vicious circle of devaluation, inflation and distributional struggles be broken.

(4) On the other hand those countries which have achieved equilibrium, or even a surplus, in their balance of payments must aim for a strong growth of real internal demand and not seek to run up unnecessary surpluses.

(5) Given the persistence of a large OPEC surplus, the Community as a whole should tolerate, in the next few years, an external deficit, while in 1980 its current account should move towards equilibrium rather than the large surplus shown in the projections of member countries. The Community would thus help to solve the balance of payments problem at world level, while the demand management measures recommended in the previous paragraphs would lead to a better distribution of the oil deficits inside the Community.

(6) In order that a growth-sustaining policy does not rekindle inflation by accelerating the growth of money incomes, certain forms of behaviour must change. This change may require some strengthening of the procedures by which the social partners are informed and consulted, with the aim of showing the links between the growth of incomes, costs and prices and the resulting constraints on expansionary policy. Hence the information and the debate should also bear on the medium-term outlook and policies for employment and, in some countries, on the inequality of incomes.

(7) The present outlook suggests that it is unlikely that growth in the Community will be led by extra-Community exports; moreover intra-Community trade can only transmit growth generated by other policies. These should rely mainly on the stimulation of investment, because of its effect not only on demand but also particularly on employment creation and the long-term improvement in the competitiveness of the Community. In some cases the recovery of investment itself depends on the growth of demand. This could come from an acceleration of private consumption, which would be compatible with price stability if it was brought about by a reduction of household savings or taxes. Growth could equally well be stimulated by increasing public investment, where programmes have been significantly reduced in the recession, or where there is a considerable lack of public equipment; it is thus desirable that public sector deficits are not eliminated too quickly.

(8) Whatever progress is achieved in sustaining growth, the employment situation will remain difficult for several years; a strengthening of the appropriate accompanying employment policy is thus indispensable.

## CHAPTER I : THE APPROACH

In 1975 and 1976 the Study Group on Medium-term Economic Assessments, in conjunction with the Commission services, examined the macroeconomic outlook for the Community for the period 1976-80 with a view to preparing the Fourth Medium-term Economic Policy Programme.

The starting point for this work was an analysis of the international economic outlook following the rise in the price of oil at the end of 1973 and the world recession of 1974/5. Allowing for the uncertainties, two sets of assumptions about the development of the world economy have been adopted, of which the chief characteristic is the growth rate of world imports (exclusive of state trading countries) of 5½ % p.a. and 8% - 8½ % p.a. respectively (cf. table 1).* As regards inflation, a rate of the order of 7 - 8% p.a. for the GDP deflator of industrial countries is assumed in both cases. This corresponds to the average achieved in preceding years, if the particularly high rates of 1974 and 1975, largely reflecting the effects of the oil price rise, are taken out. The assumption that inflation would also remain relatively high in the low-growth case appears to be justified in view of the fact that the resulting slower growth in living standards would intensify the struggle over the distribution of the national income.

At the end of 1975 two projections for the member countries (see table 2) were available :
a low-growth variant (outlook A : 3.3 % growth per year in the Community's GDP and a high growth variant (outlook B : 4.6 % growth per year).

Given these forecasts, the low-growth variant was considered as being socially and politically intolerable, mainly because of the level of unemployment and the little growth in the standard of living which it involved.

* For technical reasons the tables are presented in the Annex of the present report.

In effect, the slow growth of this variant would not only lead to a level of unemployment which could reach 5½ % - 6½% of the working population by 1980 (see diagram at the front of this report), but also to an inadequate growth in investment. For this reason growth prospects and the return to full employment would be compromised even during the period 1980-85. This outlook A thus signifies for the Community a long period of under-employment equilibrium without resolving to any extent the problems of inflation, public finance and resource allocation.

The Study Group in making this judgement was conscious of the fact that there was a danger of the outlook in practice taking this form if it should prove impossible to arrange the economic policy conditions necessary for the realization of a more optimistic outlook.

In order to spell out the conditions which would avoid such a development, the efforts of the Group were turned towards the analysis of the high-growth variant. This was considered as a central hypothesis and even as a minimum to be attained, given the objective of full employment. Even so, for certain countries this "optimistic" variant still left considerable problems, especially unemployment and inflation; for others it seemed difficult to achieve.

The persistance of difficulties in the way of full employment, even in this variant B, has led the Study Group to envisage an even faster growth rate but at the same time to demonstrate the problems of convergence in economic policies and trends between member countries and the problems of adjustment of the trend in incomes as well as relative costs and prices between member countries, problems which appeared difficult to solve; the persistent weakness of the international monetary system also appears as an additional source of difficulty.

The nature of the problem and the conditions for success derived from this outlook B (high growth case) directly influenced the content of the Fourth Programme. The present document can therefore be limited to recalling the main points and giving certain of the illustrative figures, notably for the Community, which could not appear in the text of the Programme.

The quantitative orientations of the Programme (outlook C - cf. table 2) are thus based on the "high" variant of the Study Group. But taking account of the self-imposed objectives of the countries, certain guidelines concerning growth were to be formulated in a more ambitious way. For the Community as a whole, the Programme sets a minimum target of a growth rate in the volume of GDP of 4.5 to 5 % per year for the period 1976-80 (see table 2). In effect a growth rate of 5.1 % p.a. for example, slightly exceeding this margin, would permit under certain conditions a reduction by half of the level of unemployment between 1976 and 1980 (cf. outlook C'in the diagram at the start of this report and line 5 of table 6).

At the end of the work on the Fourth Programme, the Study Group undertook a fuller analysis and updated the projections which were available as at the beginning of 1977. With a growth rate of 4.3 % per year for the Community over the period 1976-80, this outlook D remains a little below the objective of the Fourth Programme, but is generally similar to the optimistic variant of December 1975 (outlook B) although the growth rate is slightly lower. The presentation of the medium-term problems in the next chapter is done on the basis of these, generally more recent, projections (see chapter II of the present document).

The nature of the projections which constitute Outlook D needs to be spelled out: for certain countries (D, I, UK, IRL) the revised projections were made early in 1977; for the other five countries it did not appear possible (in December 1976 and January 1977) to change the projections made during 1976 which in certain cases (notably France and Belgium) served as technical bases in national programmes or plans. The developments since the presentation of the projections in combination with the lack of homogeneity in the timing of the updating of the projections leads to a too optimistic growth rate for the Community but does not affect the main conclusions of the present report; in effect the projections are only an illustration, more or less precise depending on the country, of a general set of medium-term problems which, today, seem to stand out clearly.

Bringing together the quantitative guidelines of the Fourth Programme with the short-term estimates (1976 and 1977) shows up the risks which weigh on the achievement of the objectives of this Programme. When the first forecasts made by the Commission services for 1978 on the assumption of unchanged policies are taken into consideration, the probable growth rate of Community GDP in volume for the period of the Fourth Programme ('76-80 ) is only 3.5 - 4.0 % p.a. The real risk of such a development, close to that described by the low-growth case of 1975 (outlook A) can only emphasize the need for some further thought about the possibility of a return to full employment. These aspects are treated in Chapter III of the present document.

## CHAPTER II : PROBLEMS PRESENTED BY THE PROJECTIONS

### 1. Population, employment and growth

The total population of the Community will grow less quickly in the period 1976-80 than in the last 15 years (cf. table 3). This is due to natural population movements as well as to migration. But, because of the age structure, the potential supply of labour will grow considerably more rapidly : the large numbers of children born between the last part of the 1950's and 1965 will reach working age, whilst the weakly represented age groups born during the first world war will reach retirement age. The percentage of the total population of working age (15 to 64 years) in the Community will thus go from 63.3 % in 1975 to 64.4 % in 1980. Starting from a total population of about 261 millions in 1980, this structural increase in the share of the population of working age of 1.1 percentage points represents around 2.9 million persons. Nevertheless, according to the figures of the projection (outlook D of Spring 1977), the activity rate **of the total population will rise only by 0.3 points from 41.6% to 41.9%, which represents about 0.8 million persons.**[2)]

**This small increase in the overall activity rate** is partly due to the continuation of the declining trend in the activity rates for specific age groups which does not completely offset the increase in female activity. A significant part of **this seems to be attributable to an implicit assumption** in the projections of an artifical reduction in the active population (early retirement, longer education at school or university, discouragement of female participation, and also the departure of foreign workers). Although it is possible at the Community level neither to make a precise

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1) The figures for 1980, unless otherwise indicated, are derived from the outlook D (Spring 1977).

2) In absolute terms, that is to say taking account of the growth of total population between 1975 and 1980, the population of working age should increase in the projection period by about 5.1 millions, whilst the working population should only increase by about 2.2 millions.

estimate of the weight of these different effects, nor to what extent it is a result of deliberate policy or simply of the discouragement of workers in presenting themselves for work, it is clear that, according to the projection an unusually high fraction of the potential increase in the labour supply will not present itself on the labour markets of the Community.

Taking account of the growth rate (4.3 % p.a.) and of productivity per head of the working population (3.8 % p.a.) used in the projections for 1976-80 made in Spring 1977, the unemployment rate in the Community remains high in 1980:3.7 % of the active population or roughly 4 million people.

The distribution of this unemployment between the member countries is uneven; the projections for certain countries assume a return to more tolerable levels (D, L, DK); for others the 1980 rate gives rise to anxieties (UK, IRL), (see table 4).

A particular uncertainty in this context resides in the adjustment of productivity per head of the working population to the different growth rates in the medium term. What appears to be of prime importance is the long run stability of the growth rate of productivity*. Experience of the period from the early nineteen-fifties in most member States only allows the documentation of conjunctural reactions and not trend adjustments. Nevertheless, the analyses made in this area suggest the following conclusions :

The medium and long-term development of productivity is closely linked with the investment share in GDP. It is through investment that technical progress is introduced in the production process. During recent years the investment share has diminished and the growth of net investment has been low or even negative in some cases. Nevertheless the scale of investment, especially of replacement investment, which continues to be undertaken** assures and will assure always a modernization of the productive apparatus. To a certain extent, technical progress and organizational progress have also been stimulated by the high relative cost of labour related to the growth in the wage share in GDP; therefore rationalization investment has been favoured and investment of the capital widening type, which creates new jobs has been discouraged. The thesis of a relative inertia in the growth of productivity per head of the working population is also supported by the fact that the mechanical effect of the reduction in working hours on productivity per head is in general partially compensated by additional rationalization. Naturally certain

* Cf. Annex, graph 17b.

** Even in the recession year 1975 the share of fixed investment in GDP in volume remained at 21.6 %.

structural effects due to the transfer of labour between sectors (e.g. from agriculture to industry) and to the change in the sectoral composition of production are also important; for example, an increase in the services sector, tends generally, though not in all cases, to somewhat reduce the growth of global productivity per head of the working population, whilst the development of new production areas with a low labour intensity such as in the past natural gas in the Netherlands, or from now on oil in the United Kingdom increases productivity per head.

The very clear slowing of productivity growth per head of the working population in the recession years 1974 and 1975 (cf. table 5) is essentially due to the under-utilization of resources of capital and labour within private industry. On the other hand, the example of the clearly faster acceleration of productivity than of production in 1976 (for the Community GDP in volume +4.6 %, global productivity +5.1 %) shows clearly the mobilization of productivity reserves in the cyclical upswing.

For the medium-term development from 1976 to 1980 the Study Group is of the opinion that productivity per occupied person in the Community could reach 4% again as a mean annual rate of growth (against 4.3 % per year in the period 1973/60) if the medium-term growth rate of GDP sufficiently exceeds this underlying growth of productivity, and if investment grows adequately (cf. paragraph 4 below of this chapter). This hypothesis of productivity appears prudent and does not include any medium-term catching up of the losses due to the recession, such as was observed after previous recessions.

In the case of a slower growth of GDP in the medium term, the development of measured productivity could be lower and similar to that of GDP, because of the continuation of the effects of the under-utilization of resources; such a development would have an unfortunate effect on behaviour, on the growth of investment and job creation; it would thus reinforce the lack of available employment at a time when the active population is growing and would lead to an under-employment equilibrium which would mark the end of the economic dynamism which has characterized almost all the European economies since the end of the war.

This reasoning has the following important implications :

- The growth of productivity per head of the working peopulation in the Community in the projections (3.8 % p.a.) lies at the lower limit of the plausible margin around the hypothesis of approximately 4 % per annum. As an illustration of this, if, other things being equal, the projections underestimated the growth of productivity by only 0.1 points per annum, the number of unemployed in the Community would be about half a million higher in 1980. The unemployment rate in 1980 resulting from the projections would appear optimistic therefore. This is equally true if one considers that the growth of the global activity rate in the projections appears low or perhaps underestimated with respect to the development of the population of working age mentioned at the beginning of this chapter.

A purely mechanical calculation, assuming either a constant activity rate of the population between 15 and 64 years of age at the 1975 level or productivity growth at the trend level (1973/60) of 4.3 % per annum, permits the quantification of the extreme value of these two effects which corresponds to an increase, compared with the projections, in the unemployment rate of respectively 1,0 and 2.0 points (cf. table 6, lines 2 and 3). Even if neither of these two hypotheses is realistic,this calculation illustrates the importance of the hypotheses concerning the activity rate and productivity for the rate of unemployment in 1980.

- If the plausible hypothesis on the underlying development of medium-term productivity growth (approx. 4% p.a.) is realized, it would be necessary - taking account of the growth of the active population (see table 3) - to achieve a rate of growth of Community GDP in volume surpassing 4½ % p.a. in the period 1976-80 in order to stabilize the unemployment level and to start reducing it in a healthy and non-artificial manner.

The Study Group thus confirms the option that the medium-term solution to the employment problem is primarily through sustained growth.

If the growth rate could be higher, considerable reserves of manpower and probably of productivity could be mobilized in the Community. This is precisely the objective of the Fourth Programme, which aims at solving the problem of unemployment mainly through growth and which seeks to avoid, as far as possible, the slowing of productivity and the artificial reduction of the labour supply beyond what is desirable from the social point of view in order to lower unemployment. An example of the achievement of the Fourth Programme objectives of a GDP growth rate in excess of the 4½ - 5 % minimum is given in line 5 of table 6; in fact, with a growth rate of 5.1 % p.a., under certain conditions, the unemployment rate could be cut back to 2.3 % of the active population between now and 1980.

2. Developments in prices and costs

The average rise in private consumption prices for the period 1976-80 remains high in the outlook D of Spring 1977 in all countries except Germany, and to a lesser extent Denmark (cf. table 7). The mean inflation rate in the Community* for the period 1976-80, at 8.5 % p.a., is only slightly lower than that for the previous five year period (1971-75 : 9.6 % p.a.). Nevertheless for all the countries this outlook implies a slowing of inflation during the period; the high average for the period 1976-80 masks therefore a downward movement whilst the mean of the previous period resulted from an upward one.

In all the projections, this slowing-down of inflation is related to a "normalization" of the relationship between wages and profits; in fact the corrected wage share (= share of wages in GDP in value terms corrected for the change in the proportion of wage and salary earners in total employment) would fall by 1980, according to the projections, to a level which in general is close to or below that of 1972/74 (cf. table 9 and diagram 14). At the same time these two asepcts, slowing of inflation and change in the wage share, represent in the projections, as indeed in the Fourth Programme, an important condition for an increase in investment activity and a vigorous and lasting medium-term growth.

However, **the process of decelerating inflation implied in all the projections**, has started very differently in the member countries.

In Germany the fall expected in the rate of inflation in the projections was achieved by 1977. In France and the Benelux countries a slowing-down of inflation can be detected but it occurred relatively late and still remains weak and delicate. In Denmark the rise in consumer prices is affected by the increase in VAT rates; if allowance is made for this factor, a deceleration in the rise of prices is discernible for this country too. In view of the very high inflation rates (over 20 % per year in 1975), the reduction of inflation in the United Kingdom and Ireland to rates of the order of 15 % in 1977 is noticeable but still not enough; the search for stability is closely

* Calculated on the basis of 1970 prices and exchange rates.

tied to the success of incomes policy, which is proving increasingly difficult to achieve. In Italy, after a remarkable slowing-down during 1975, with the annual rate falling from over 20 % in 1974 to around 10 % in December 1975 (over December 1974), inflation again accelerated rapidly in 1976 to reach, once more, annual rates in excess of 20 % in late 1976/early 1977.

Compared with the movement of GDP prices, the rise in wage costs per unit of output, according to the Economic Budgets, is less in 1976 and 1977 in almost all member countries (see table 7). This means that the return to normal in the wage-profits share foreseen in all the forecasts is indeed coming about. Nevertheless if in the majority of cases some often remarkable progress has been made in the direction indicated in the projections, some member countries still have a considerable way to go (notably, I, NL, UK* - see table 9).

Despite this favourable element, the slowing-down of inflation remained in almost all member countries insufficient to contribute decisively to the creation of favourable conditions for a lasting recovery in growth, particularly through investment as foreseen in the Fourth Medium-term Economic Policy Programme.

The scant success of the action taken in most member countries in achieving a worthwhile reduction in inflation rates with effect from the beginning of the forecast period is proving increasingly to be an obstacle to any durable resumption of growth. Rigidity in the development of wages and the lack of social consensus have led economic policy-makers in some member countries to be cautious in their use of macroeconomic weapons to combat inflation (particularly as regards monetary and credit policy) for fear of the effects on unemployment. On the other hand, the fear of rekindling inflation after the first successes of stabilization programmes inhibits economic policy-makers adopting policies overtly geared to growth.

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* Taking account of the correction made "ad hoc" to the current surplus of the United Kingdom (cf. page 17 of this report) the adjustment requirement as concerns income distribution is lessened but still exists.

Another very important factor in this context is the change in exchange rates. This is closely linked to the wide divergences between countries in the development of costs and prices (in national currencies) and appears at the same time as both cause and effect of the course of inflation in the member countries.

During the forecast period, the divergences between countries in the development of costs and prices remain a cause for anxiety (see table 8). If the Community mean, measured by the growth of the GDP deflator (8.6 % p.a.) is relatively close to the international hypothesis assumed at the start (cf. table 1), the divergences from this mean increase for the projection period to around 20 % below (Germany) and 27 % above (Italy). This corresponds to bilateral differences of 58 % between Italy and Germany and more than 40 % between the United Kingdom and Ireland on the one hand and Germany on the other. The trends in France and the Benelux countries are much closer to the Community average.

The cumulated deviations from the Community mean are also significant in the case of wages and salaries per unit of production as well. The deviation is negative in the case of Germany, Netherlands and Denmark (- 17% to - 10%) and positive in the case of Italy (+ 29 %). For France, Belgium, Luxembourg and also for the United Kingdom and Ireland the cumulative deviation from the mean does not exceed -1½% to +4½%. This result for the United Kingdom and Ireland, surprising to some extent considering their deviations in terms of the GDP price, is due to optimistic assumptions on the growth of productivity and especially the very moderate assumptions on the development of wages and salaries. In fact, the projections for these two countries assume a very marked reduction in the corrected wage share* (of the order of 10 points or 14 % on the starting value in 5 years).

The size of envisaged deviations in prices and costs clearly demonstrate the lack of convergence in the economic trends and economic policies within the Community. The difficulties involved in reaching a common monetary system remain therefore very great.

Changes in the exchange rate cannot therefore be excluded as a possibility during the remainder of the projection period. But it would be premature to conclude in the present situation, that the disparities described above will lead necessarily, between now and 1980, to compensating modifications in the exchange rate of the same order of magnitude. The massive revaluations

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* With respect to the United Kingdom, cf. note at foot of page 10.

and devaluations of recent years, notably in 1973 and 1976, have created differences in relative costs (given the changes in exchange rates) which for some time yet could permit - or even give rise to - developments in costs and in the general level in prices in the member states concerned (in national currency) in the opposite direction (cf. the diagrams 24a to 24i). Given the existence of these margins, the magnitude of the changes in exchange rates which may occur between now and 1980 depend more on the economic policy followed from now on than on the differences in cost (in national currency) described by the projections, which can still be influenced by economic policy and by the behaviour of the social partners.

The interaction between the variation in relative prices and the exchange rate has been analyzed up to now mainly from a short-term perspective and from the point of view of export prices or the prices of tradable industrial goods, which adapt rapidly when exchange rates change. The adjustment of relative costs and exchange rates in the medium and long term, as well as the structural effects which are related to them must be studied more deeply in the future. The Study Group **intends to develop this analysis in the coming months and afterwards to present its general conclusions.**

But even at the present stage of work, it would seem useful to underline the following aspects : *

- During the long period characterized by fixed rates of exchange (1950-70), inflation remained slow in the Community (1970/56 : 3.9 % p.a.). The divergences in the evolution of costs and prices which appeared were absorbed - sometimes with difficulty (Italy) - by changes in nominal incomes; if it was not possible (as in France 1958/59) or not opportune (Germany 1961, France and Germany 1969) to adjust nominal incomes, recourse was had to exchange rate changes which offset (or sometimes more than offset) the divergences in costs and prices by several percent.
  In certain cases divergences in the evolution of costs and prices seem to have been necessary for structural reasons (for example, rapid industrialization, exploitation of natural gas in the Netherlands).

*** Cf. on this point the tables 22 and 23 as well as the series of graphs 24a) to 24i) concerning the variations in relative costs taking account of the change in exchange rates.**

Since recourse to changing parities was exceptional in this system, a certain stabilizing pressure was forced on those countries where the rate of growth of costs tended to exceed the average rate in partner countries (abstracting from certain structural effects), whilst the countries in which costs rose less than in partner states would be subjected to imported inflation and an export orientation in their productive apparatus. These of course are medium-term adjustments.

- With the change to flexible exchange rates from 1971 on, the inflation rate was increased in all the industrialized countries (EUR-9: 1976/70 : 9½ - 10% p.a.) for different reasons. The freeing of the exchange rate gave increased autonomy - at least apparent - of economic policy, notably as far as the regulation of internal liquidity was concerned, which had been used in a very different way by certain member states. Thus pronounced disparities in economic policy, considerable changes in the exchange rate and considerable divergence in the growth rate of prices and of costs - which no one could have believed possible at the time of the development of the project for economic and monetary union - became possible. It should be noted that in this period, contrary to what occurred in the period of fixed exchange rates, the massive variations in the exchange rates clearly preceded the growth of differences in costs and the general price level (cf. diagrams 24a to 24i). The adjustment process thus started is likewise a medium-term process.

- Without the successive revaluation of the DM the spectacular price stabilization in Germany would not have been possible. But the combination of large revaluations, the continuation of the growth of the corrected wage share up to 1974/5 and the restrictive policies to fight against internal inflation is certainly connected to the weakness of investment in the period 1971-75 and the insufficient creation of jobs. At the present time it can be asked to what extent the moderation being exercised in wage and salary growth will result in the creation of additional jobs or will simply lead without complementary expansionary measures, to a new revaluation of the DM (example of 1976).

- In those countries which have had large devaluations, in the opinion of most of the experts, the continuation of the expansion of internal liquidity at a high rate and the effect of maintaining in this situation salary indexation systems has allowed costs and internal prices to follow the devaluations with a certain lag. The resulting high inflation rates have aggravated social tensions and distributional conflicts in these countries. This inflation has also discouraged investment, especially in export industries because of the permanent risk that growth in costs would absorb the profit margin gained through the devaluation, thus eliminating the profitability of such investment. At each devaluation, the question arose as to whether it would work in the direction of redressing the current balance or if it would not rather lead to a new dose of inflation. The development from devaluation to new devaluation and consecutive rises in prices and internal costs has only been slowed with difficulty by incomes policy. All in all, massive devaluations have certainly permitted some improvement of relative costs but without adequate accompanying policies have rendered high rates of inflation possible and have delayed the necessary major structural and behavioural adjustments; devaluation without success in stabilization policy is self-defeating.

These considerations obviously do not signify that it is possible, from now on, to return to a system of fixed rates of exchange within the Community, but further consideration of the size of exchange rate changes desirable in the Community, especially in view of the medium-term adjustments and the effects on inflation, seems to be advisable.

But if the persistence of high inflation rates today is an obstacle to growth and the return to full employment, the necessary stabilization of costs and prices in the countries especially concerned implies also a stabilization of the exchange rate, which however should be facilitated today if one considers the differences in existing relative costs following the exchange rate movements of recent years (cf. table 22 and diagrams 24a to 24i).

The achievement of a higher level of convergence of economic policy and better monetary organization of the Community is linked to the achievement of much lower inflation rates within the Community. If not, the stabilization of existing exchange rates could lead, for those countries having best mastered internal inflation, to further imported inflation. But also this problem seems to be temporarily reduced given the cost differences created by the revaluations of recent years. A moderate development of costs, in the absence, over a certain period, of new massive revaluations, would create in the countries most concerned at present, favourable conditions for a high rate of growth compatible with price stability and a more rapid return to full employment; such growth and the better control of inflation in the partner countries would also contribute to the realization of a more satisfactory situation on the balance of payments.

3. <u>The achievement of external equilibrium</u>

When the Fourth Programme was being drawn up, it seemed plausible to suppose that the OPEC countries might again show in 1980 a current account in balance with the industrialized countries (see point 55 of the Fourth Programme). In these circumstances, the Community would have been able to achieve a certain surplus in goods, services and factor incomes (0.5 to 1 % of GDP) which would have been available to finance development aid and transfers by foreign workers; thus the current balance of the Community would have been approximately in balance or slightly in deficit in 1980 (see point 75 of the Fourth Programme).

According to the latest estimates, the OPEC countries are more likely to maintain in 1980 a current surplus of the order of $ 30 Mrd.

According to outlook D (cf. table 10a), the Community as a whole would in 1980 show a current account surplus (or roughly a total net lending capacity) representing about 1 % of the value of its GDP, or something of the order of $ 22 Mrd. (at February 1977 exchange rates); some two-thirds of this surplus ($ 14 Mrd.) would come from the United Kingdom surplus. If it is assumed that the current surplus of the United Kingdom is only 2 % of current price GDP (see paragraph below on the United Kingdom), the surplus of the Community would be of the order of $ 14-15 Mrd., or 0.65 % of GDP.

It may be wondered whether such an amount can be incorporated into the system of overall balances at world level. If the $ 22 Mrd (or $ 14 Mrd) current account surplus now projected for the Community is added to the OPEC countries' $ 30 Mrd current surplus, equilibrium can only be achieved if considerable deficits persist elsewhere in the world.

There is therefore a danger of the current account projections available at present being incompatible at world level. The probability of this being so is all the greater since some national projections are either still based on the Fourth Programme's assumption of current account equilibrium between the OPEC countries and the industrialized countries, or are markedly normative in character.

Consequently, the uncertainty regarding the current balances projected at present for the member countries is particularly marked, although at Community level, examination of the figures does not, in general, show any obvious incompatibilities and although import elasticities appear, on the whole, plausible in view of the changes in exchange rates which have occurred. The projections, set out in tables 10a - 10c , must not therefore be interpreted as a firm forecast of the member countries' external situation in 1980; they are rather pointers, often normative in character, which nonetheless describe the nature of the problems.

The results by country suggest the following comments :

Germany and the Belgian-Luxembourg economic union will return to their traditional type of balance : a slight surplus of current account or slight total net lending permitting a certain net export of capital.

France, Italy and Denmark will have in 1980 a current account roughly in balance or slight total net borrowing. For Italy this means that the accumulated external debt over the years 1973 to 1977 will only be able to be paid back to any extent after 1980; nevertheless assessment of the external situation of this country must take account also of the outflows of private capital which accumulated in a considerable manner between 1960 and 1972. For Denmark the return to an approximate balance on current account in 1980 is envisaged by the projections.

Ireland will still have a current account deficit in 1980, but this will be more than offset by the inflow of capital from abroad.

The Netherlands and the United Kingdom are special cases.

The high current surplus of the Netherlands which is projected for 1980 is mainly due to natural gas, which is exported and also reduces energy imports, and to the trend of energy prices. This surplus, clearly, could be absorbed by an even faster development of internal prices and costs or by an even higher revaluation. This would mean nonetheless a significant loss of competitivity by the traditional export industries, the closure of firms and the creation of additional structural unemployment. Morever, when natural gas production and the revenue it earns begin to fall, the country will once again have to rely, for the achievement of its external balance, on its traditional export industries. It would therefore seem preferable to achieve a considerable export of capital in the present situation.

The surplus on current account of the United Kingdom would on the currently available projection reach 4 % of current price GDP in 1980. The Study Group considers nevertheless that a current account surplus in 1980 of the order of 2 % of GDP in value would appear more plausible in view of the domestic and international situation; this would ease adjustment problems, particularly as regards the trend of incomes and the allocation of resources. The emergence of a large external surplus can be explained by a favourable development of exports following the devaluations of the pound and by the very moderate development of real wages which is assumed in the projection, but notably also by the exploitation of North-Sea oil. The total net lending thus freed will be required for the rapid pay-off of the very high external debt which the United Kingdom has accumulated in the past. In order that this healthier outlook might be achieved, it is nevertheless necessary to halt the race between exchange rate and the trend of prices and incomes, to overcome the social tensions resulting therefrom and to make a real effort at industrial reorganization.

Given the situation at world level, the question remains whether the Community as a whole can achieve a current account surplus in 1980, even if the surplus were to be smaller than that produced by simply totalling the projections currently available. It may be useful here to recall a number of observations from the past and from recent years.

The developing countries as a group traditionally had, before the rise in oil prices, a deficit in goods and services of the order of 0.5 % to 0.6 % of the GDP of the OECD. This deficit was compensated for by development aid, granted partly in the form of transfers (their current account thus being much less in deficit) and partly in the form of credits. This situation already at the time aroused anxiety concerning the limits to the indebtedness of these countries.

Following the rise in oil prices, an extremely unequal distribution of the deficits corresponding to the OPEC surplus came about in the world. As table 11 shows, it was chiefly the USA, Japan and the Community as a whole which were able largely or wholly (USA) to compensate their oil deficits during 1974 to 1976 by surpluses with other regions of the world. The other OECD countries and especially the developing countries showed deficits equal to or, for the developing countries, more than double their oil deficits. It is worth noting also that the state-trading countries, which, on the whole, did not show a deficit with the OPEC countries, noticeably increased their trading deficit financed by credit during the same period from 1974 to 1976, which contributed to the growth of exports, particularly of the main western industrialized countries.

A similar phenomenon of unequal distribution of balance of payment situations has been evident within the Community (see table 12). Here, the effects of the rise in oil prices came on top of disequilibria which already existed in 1973, due mainly to divergences in economic policy between Germany on the one hand and Italy and the United Kingdom on the other. In addition to the effects produced by divergences in overall management of economies and in the trend of exchange rates and inflation, structural differences emerged in member countries' ability to respond, through exports, to the new demand created at world level.

These observations show that it has been possible for a very unequal distribution of external deficits and surpluses to exist in the world. If stable financing structures are found, and accepted, as was the case for the developing countries before the rise in oil prices, such a situation can continue over a long period.As far as the distribution and financing of oil deficits is concerned, the situation appears to be distinctly less stable: for obvious reasons, the deficit countries have sought and are still seeking to improve their external situation.

At Community level, the currently available projections -even without precise figures- show this clearly : in accordance with the short-term outlook (see the estimates for 1977 in table 10), they assume that balance of payments deficits will disappear or even be reversed (United Kingdom) within the Community. For the countries which have been in deficit up to now, this "change of debitor" is desirable, to avoid the accumulation of excessive external debts. The Community surplus resulting from such a trend implies that the Community's problems would be overcome primarily by an increase in the debts of the other industrialized countries*, the East bloc and the developing countries.

If this distribution of deficits and the corresponding indebtedness are not accepted, it seems likely that there will be defensive reactions,

* In the light of the foreseeable trend of its oil imports, the United States could build up a considerable external deficit by 1980. Attempts to reduce or eliminate this potential deficit could have important consequences, especially as regards exchange rates, growth and inflation.

overcompensatory devaluations, followed by inflationary adjustments, slowing down of growth, etc., such as has been observed during the past years within and outside the Community. Moreover, recourse to protectionist measures cannot be ruled out. If such a state of affairs came about at world level between now and 1980 the Community's surplus might not be achieved or might only be achieved by sacrificing growth and the return to full employment.* This trend is already becoming apparent at present. The situation and outlook for the balance of payments at the world level are therefore, together with the problem of inflation, a major obstacle to growth.

4. Resource utilization, primary incomes and public finance

The analysis of the Fourth Medium-Term Economic Policy Programme is largely confirmed by the present projections as far as resource utilization, primary incomes and public finance are concerned. It suffices therefore to recall here the main aspects at the Community level.

In the structure of GDP by expenditure category at constant prices (cf. table 13a)the extent of the reestablishment of the share of investment between 1975 and 1980 appears to be rather small (from 20.2 % in 1975 to 23 % in 1980); two thirds of this growth will be due to restocking and not to gross fixed capital formation. The share of net resources going to exports (balance of goods and services at 1970 prices) will grow quite fast (from 2.5 % in 1975 to 4.0 %** in 1980). The Community's return to a position of surplus on the balance of payments at current prices, which has just been examined in the previous chapter, will therefore be obtained through a reduction in the availability of real resources within the Community. The share at constant prices of private and public consumption is reduced in consequence respectively by 2.9 and 1.5 points. It should be underlined that insofar as

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* See on this subject the last five lines of point 75 of the Fourth Programme.

** In view of the "ad hoc" correction applied to the current surplus of the United Kingdom (cf. previous paragraph, page 17), this figure could be a few decimal points lower; this would slightly ease adjustment problems regarding allocation of resources and distribution of incomes.

it would seem difficult to further reduce the share of resources devoted to consumption, the restoration of an external surplus on the one hand and of investments on the other are in competition for real disposable resources. For the Community as a whole it would have been preferable on this point to have aimed at a balanced external payments situation in 1980 or to maintain a slight deficit at current prices so as to increase investment rather more and therefore growth and employment as well.

Applying the estimates for 1976 and 1977 to the Community (see table 13a) shows that the relative slowdown in the growth of the volume of private consumption, and the increase in the share of resources given over to exports are now in progress. However, the apparent growth at constant prices, of the share of total investment, is solely due to stock-rebuilding, and the share of gross fixed capital formation is probably still falling.

Thus, from the point of view of the structure of uses of GDP at current prices (see table 13b), it must be asked by what category of final demand growth could be led in the years ahead. In view of the medium-term guidelines and the need to restructure the use of resources, the contribution which consumption could provide would in most countries probably be small; in some cases nevertheless private consumer demand can make some contribution provided it is based not on an additional increase in nominal wages but on a fall in the rate of private saving. The balance of payments situation at world level (see previous paragraph) makes any general recovery based on exports unlikely. This means that stimulating the growth of private and public investment is the only remaining option.

<u>The share of wages and salaries in GDP</u> (at current prices) corrected for the changes in the ratio of employees to total employment (= the corrected wage share) for the Community as a whole in 1980 is about at the same level as before the crisis (cf. diagram 14 and table 9). This development is common to all the member states. The fall in the corrected wage share

will be particularly marked in the United Kingdom * and Ireland where it will decline up to 1980 by around 10 points or roughly 14% - 15% of the 1975 starting value. A trend in this direction began in 1976 and 1977, although it is still inadequate in some member countries (cf. page 9 of this document).

In the projections, this "normalization" of the corrected wage share is the condition for obtaining the slowdown in the volume growth of private consumption, itself essential to release an important share of resources necessary for investment and the balance of payments. The reconstitution of the profit margins of firms, which would be achieved at the same time, should increase their propensity to invest. Here it is useful to recall that the normalization of firms' profits is only a necessary but not a sufficient condition for the hoped for increase in investment. Apart from the creation of a climate of confidence, which is indispensable, it is essential also to have a sufficiently high degree of utilization of capacity, which can only be obtained through sustained growth.

In view of the present situation, other measures should therefore be envisaged in order to obtain investment-led growth; such measures might include the promotion of public investment, and/or special measures to stimulate private investment. **

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* Correcting the United Kingdom's current surplus (cf. previous paragraph, page 17) means that its need for adjustment will be less.

** Some experts consider that the trend of private investment can accelerate only if the growth rate of GDP and the degree of capacity utilization are distinctly higher; they particularly urge therefore stimulation through public investment. Other experts, while not denying the importance of growth of public investment, fear unfavourable effects from financing public investment by means of public indebtedness; the possible increase in interest rates might discourage private investment; they therefore argue for a recovery based mainly on private investment which would be made possible by an improvement in firms' profitability; this presupposes a faster and more marked normalization of the respective shares of wages and profits and, where appropriate, fiscal measures to stimulate private investment.

As far as the general development of public finance is concerned, the up-dating of the projections hardly adds any new information. Diagram 15a shows, at the Community level, how, apart from structural deficits already existing in certain member states, the recession has created a significant conjunctural deficit starting from 1974/75, less through a slowing-down of receipts than through a marked increase in the share of expenditure in GDP in value terms (because of the delays in tax returns and thus in the trend of revenue, faster growth of expenditure, especially transfer expenditure, unemployment benefits etc, but also tax reform in Germany). According to the short-term estimates and the information contained in the projections, this deficit should be markedly reduced between now and 1980, mainly through a stagnation or reduction in the share of expenditure with a more normal conjunctural situation.

In 1975 the public deficit at the Community level of 5% of GDP absorbed at the macroeconomic level considerable internal savings, which, because of the recession, were not used for investment. A net inflow of foreign savings did not take place in 1975, given that the recession led to the temporary disappearance in that year of the external deficit that the Community as a whole should have normally recorded after the rise in oil prices.

In 1980 the situation will be different : a higher rate of investment (almost 24 % of GDP in value for total investment) will be competing for internal private finance with a current external surplus projected to be 1 % (or 0.7 % after adjustment of the United Kingdom figure) of GDP and with the public deficit remaining. The sources of internal private financing of the Community - that is to say the financing capacity of households and the self-financing of businesses - represented roughly 24.5 to 25.5 % of GDP over the last 10 years (cf. table 16). If this percentage does not increase between now and 1980, which appears plausible, the public deficit should fall appreciably by 1980 (cf. table 16: 1980 a). In so far as this is impossible, mainly for specific structural reasons in certain countries, it would be preferable and conform better with the guidelines of the Fourth Programme, not to realize the projected external surplus (cf. table 16 : 1980 c) in order not to have to sacrifice investment (cf. table 16 : 1980 b) and thus growth and employment as was the case in 1975.

In the light of short-term developments, and in particular the lack of strong growth in gross fixed capital formation and the fall, in some countries, in the volume of public investment in 1976 and 1977, it must be asked whether the reduction of public deficits (cf. table 15b) has not been too rapid.

A more rapid increase in public investment, in addition to sustaining growth, would have the advantage of being reversible - apart from subsequent operating expenditure - and of being less in contradiction with the necessary improvement of public finance.

# CHAPTER III : THREATS TO THE ACHIEVEMENT OF THE GUIDELINES LAID DOWN IN THE FOURTH PROGRAMME, AND POSSIBLE SCOPE FOR A RETURN TO FULL EMPLOYMENT

## 1. The problem of the short-term path of gross domestic product and investment

In drawing up the Fourth Programme, a certain growth path was implicitly assumed for the period 1976-80. This underlying hypothesis was based in particular on the consideration that there could be no real recovery in investment until the degree of capacity utilization was considerably higher than in the base year 1975. In these circumstances, rapid economic recovery appeared all the more desirable since if capacity underutilization continued for too long, production capacity might become obsolete. However, it was also stressed that the scale of spare and reusable capacity also depended on the development of demand structure. Because of the changes which had taken place as a result of the recession and alterations in relative prices, it appeared probable that the "new" demand structure did not entirely correspond to the old production structure. Bottlenecks could therefore appear in some sectors before capacity was fully reutilized in others. In this case, new investment would have to be carried out so as to adapt the structure of production to the new configuration of demand. For this reason it was necessary, as from a certain phase in the recovery, to avoid too rapid an acceleration and go instead for a more regular growth profile.

The idea was therefore to have a relatively rapid recovery, so as to induce investment to pick up again as soon as possible, while at the same time avoiding sectoral overheating and, consequently, overheating of the economy as a whole during the second or third year of the recovery. In the first half of the projection period, the growth rate of GDP in volume terms would therefore have had to be higher than trend growth, subsequently reverting to its underlying trend rate. This "ideal" growth path for the Community had been illustrated as follows :

Community GDP in volume terms
- annual rates of change in % -

| | | | | * |
|---|---|---|---|---|
| 1971 | 3.4 | 1976 | 4½ | [4.6] |
| 1972 | 3.9 | 1977 | 5½ - 6 | [3.0] |
| 1973 | 5.5 | 1978 | 5 - 5½ | [3½] |
| 1974 | 1.7 | 1979 | 4 - 4½ | |
| 1975 | -2.0 | 1980 | 4 - 4½ | |
| Ø $\frac{1975}{1970}$ : | 2.5 | Ø $\frac{1980}{1975}$ : | 4½ - 5 | |

With regard to this average growth path for the Community, it was considered necessary that member countries' economies should be temporarily out of phase to some extent, so as to facilitate the reduction of divergences in balances of payments and price trends.

Recovery within the Community was to be led by Germany, whose situation regarding prices and balance of payments was most favourable, with the Benelux countries, then France and Denmark following suit, while Italy, the United Kingdom and Ireland were to endeavour to control their cost and price trends, so as to maintain the margin resulting from devaluation (at the same time stabilizing their exchange rates) and thus to rely on exports as one of the elements generating growth.

The need for economic cycles to be temporarily out of phase appeared all the greater since, contrary to "classical rules", economic policy had been rather expansionary in the countries whose currency had fallen substantially in value and rather restrictive in the countries whose currency had been considerable revalued. It can be argued that this divergence in economic policies lay behind the phenomena of overcompensation in exchange rate variations and subsequent divergences in cost and price trends. This prevented exchange rate variations from having their full effect on the balance of payments (cf. also Chapter II, paragraphs 2 and 3).

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* Commission estimates and short-term forecasts available May 1977.

Developments in 1976 were already well committed in this direction, notably in Germany. For other countries the recommended timing of growth was not always respected, and above all most countries were not sufficiently successful in the fight against inflation (cf. pp. 9-10 above). The latest available short-term forecasts (May 1977) show that the kind of timepath described above is not being followed either for the Community as a whole or for the majority of the member countries.

The considerations on the conjunctural timepath remain valid nevertheless, but time has been lost in achieving the guidelines laid down in the Fourth Programme, and the danger of a stop-go pattern (already pointed to in the Programme) has considerably increased. The time available to redress the situation seems to be limited : indeed there is a danger that Germany, in view of its internal situation, will be able to provide a lead as regards growth inside the Community only up to the middle or end of 1978. If this judgement is correct, stabilization should be established in the other "major countries" by then, so that these countries can then take over in maintaining growth.

Graph 17a traces the conjunctural timepath of the growth rates of Community GDP in volume terms (trends for each country are given in table 20), the rates for 1976 (4.6 %) and 1977 (3.0%) being included in the Commission economic budgets (May 1977); the residual rate for 1978, 1979 and 1980 (4.6 % p.a.) necessary to achieve outlook D (1980/75 : 4.3 p.a.) seems optimistic, but not yet entirely out of reach if the necessary economic policies are followed rapidly. However, if one takes account, despite all the uncertainties involved, of the Commission's initial estimate for 1978 (3½ %), made on the hypothesis of the economic policy known at the present time, a growth rate of the order of 3.5% to 4.0% p.a. for 1976-80 would be more plausible than the present projection.

The Study Group considers that such a development is a very real danger. The consequences appear similar to those of the low-growth variant of end-1975 (outlook A, pp. 1-2 above) : the Community is therefore in danger of settling into under-employment equilibrium, and the possibility of growth and a return to full employment, even in the period 1980-85, is in danger of being seriously compromised.

As far as the trend of investment at Community level is concerned (cf. graph 18, for trends in each individual country, see table 19), the chances of achieving the rate assumed in outlook D (1980/75 : 5.0 % p.a.) seem even more uncertain.

The weak recovery in investment in 1976 (+ 3.2 %) could still be considered as being compatible with the growth path initially postulated. The weakness of this recovery is moreover linked to the very low growth, or indeed negative growth, in the volume of public investment in some member countries, which is, of course, a reflection of the public finance situation, but which cannot nevertheless be considered as being in line with what is demanded by the economic and employment situation.

**In this context it should be underlined that in certain countries of the Community, both public and private investment projects already decided on and for which financing is assured are being held back by the behaviour of certain groups in the population (notably in the energy sector and in environmental protection).**

The slowdown in growth anticipated for 1977 means a further fall in the growth rate of investment in volume terms in the short-term forecast (1977 : + 1.3 %). According to the "ideal" path, 1977 should have been, on the contrary, the year in which the trend of investment showed a real acceleration. The residual rate for 1978, 1979 and 1980 (6.9 % p.a.) in relation to outlook D (1980/75 : 5.0 % p.a.) has no chance of being achieved unless there is a marked acceleration in the growth of GDP in volume terms. The last time investment growth rates close to this residual rate were observed for three consecutive years at Community level was 1968 (+ 6.7 %), 1969 (+ 7.4 %) and 1970 (+ 7.5 %); however, during these three years the growth rate of GDP in volume terms was 5.3 %, 5.9 % and 5.3 % respectively, and the degree of capacity utilization was distinctly higher than at present; in addition, taxes and parafiscal charges and the division between wages and profits were more favourable to firms during this period.

When the first forecasts of fixed investment for 1978 - made in May 1977 assuming unchanged policies - are taken into account, the volume growth of 2.7 % for the Community implies a residual growth for 1979 and 1980 of 9.0 % p.a. in order to achieve the projections of outlook D. This rate can be regarded as unrealistic.

The danger which thus threatens achievement of the investment trend adopted in outlook D poses a serious threat to both future growth and a return to full employment in the Community beyond 1980. Insufficient investment activity in the present projection period would to a worrying extent limit the number of jobs available and the scope for growth in the years after 1980. This document can only underline the arguments put forward in the Fourth Programme concerning the need to create new jobs through investment, and the conditions under which investment activity can be revived (see points 115-119 of the

Fourth Programme). In view of the investment outlook described above, concrete and speedy implementation of these guidelines appears particularly important.

2. State of progress in achieving the Fourth Programme guidelines on growth; employment problems.

The considerations outlined in the preceding paragraph highlight the difficulties impeding achievement of the Fourth Programme guidelines on growth.

Real GNP growth of 4½ % to 5 % p.a. in the Community for the period 1976-80 was considered in the Fourth Programme as a minimum which had to be attained, particularly in view of employment problems. A slightly higher growth rate of (e.g.) 5.1 % p.a. would, under certain conditions, have cut the unemployment rate by half between 1876 and 1980 (from 4.6 % to 2.3 % of the working population - cf. table 6). Unless a vigorous recovery policy is achieved very rapidly, accompanied by strict discipline (an ambitious prospect) in the field of inflation and incomes, together with solid financing of the balance of payments deficits thus created, achieving an objective of 5 % p.a. would at present seem to be out of reach.

In view of the estimates for 1976 (4.6 %) and the forecasts for 1977 (3.0 %), the residual growth rate necessary for 1978, 1979 and 1980 would be 6 % p.a.* in order to achieve the target of 5.1 % over the period 1976-80. A growth rate of this order over three consecutive years has never yet been achieved by the Community as a whole.

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* If the Commission's initial estimate for 1978 (3½ %) is accepted, the residual rate for 1979 and 1980 becomes 7.2 % p.a.

It seems at present very unlikely that the Community could achieve a growth rate of 4 3/4 % p.a. (i.e. in the middle of the 4½ to 5 % range put forward in the Programme) for the period 1976-80 unless additional economic policy measures are taken. Even the lower limit of 4½ % p.a. will be difficult to achieve, especially if account is taken of the first estimates for 1978.

Despite the uncertainties of the short-term forecasts and certain methodological problems*, the following conclusions by country may be put forward in the light of the residual rates for the period 1978-80 (cf. table 20):

- it appears at present almost out of the question that the United Kingdom, Italy and Belgium ** can achieve growth equivalent to the average guidelines of the Fourth Programme;

- in the case of Ireland, the revised projection is more ambitious than the programme's original average guideline and is based principally on "export-led" growth and restraint of incomes;

- in the case of France, the Netherlands, and Denmark, achieving the programme's average guidelines poses serious problems;

- Germany, and Luxembourg, could possibly, in favourable conditions, still achieve the average guideline, put forward in the programme.

To the extent that the Fourth Programme guideline on growth is not achieved, the objective of restoring full employment by 1980 would be irreparably undermined.

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* The price base for constant price calculations is not the same for all the countries in the medium-term projections and short-term forecasts, and this could influence the annual growth rate by about 0.2 percentage points.

** The projection associated with the Belgian national plan contains a lower growth assumption (4.2 % instead of 4½ - 5 % p.a. in the Fourth Programme); moreover it has already been decided to revise the Belgian national plan.

Already the 4 million unemployed in the Community in 1980 estimated in the forecast available at present (outlook D) would mean failure to achieve the objective of full employment. If the growth rate were 3.5-4.0 % * (which the short-term forecasts, though still uncertain, show to be quite plausible at present), the number of unemployed in the Community could well rise to or even exceed 6 million in 1980 (cf. table 21a, case 3 "Risk"), i.e. it would be about 1 million above the level anticipated for 1977.

In this situation it may be asked to what extent the number of unemployed can be reduced despite the poor outlook for growth. This could be achieved for example, by a reduction in the activity rate. Table 21a shows that a reduction in the activity rate of 0.6 points (cf. table 21a, "case 2b" compared with Outlook D, case 2) will, ceteris paribus, reduce the number of unemployed in the Community in 1980 by about 1½ million. Another way in which a reduction in unemployment could be achieved is by slowing down the growth of productivity per man. To reduce the number of unemployed by around 1½ million in 1980 would in this case require a reduction in productivity growth of 0.3 percentage points per annum (cf. table 21a, case 2a compared with case 2). However, these mechanical solutions would be very difficult to achieve and would create numerous problems.

With regard to activity rates, it has been shown in chapter II-1 ( page 5) that outlook D already assumes a low activity rate, given the increase in the population of working age; any further reduction by artificial, non-reversible means could pose serious problems in the mid-1980's when the demographic trends swing round the other way.

Measures such as early retirement or raising the school-leaving age have been introduced or are envisaged in some member countries. Work carried out by the Economic Policy Committee has shown that such measures often have beneficial social consequences (e.g. reduction of the retirement age for particularly arduous occupations); as regards unemployment, they can also ease the situation somewhat (e.g. raising the school-leaving age), but do not provide an overall solution. In the same context, it has been stressed that increased opportunities for part-time work could even create a new demand for such jobs; in that event, the activity rate could well increase.

An additional reduction in the productivity per person employed seems difficult given that the growth rate assumed in the projections (3.8 % p.a.) is already

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* Cf. page 26 of this report.

at the lower end of the plausible range around the prudent assumption of 4 % for the underlying growth of productivity per head. Evidently, in the event of a slower medium-term GNP growth rate, the growth of productivity per person employed could also be slower, given the continuing effect of under-utilization of resources; however in this case, since growth would also be slower there would be no positive effect on employment compared with the situation described in the projections, but there would be adverse effects in many other areas (cf. p. 7).

On the other hand, speeding up the reduction in the number of annual hours worked could probably have a positive effect, though experience has shown that it is generally offset to some extent by an additional increase in hourly productivity. The number of working hours per annum has fallen by an annual average of 1% during the period 1960-75. Continuing this trend to 1980 would mean a reduction of about 2 hours in the working week, or an increase of about 2 weeks in annual holidays. Anticipating this trend, provided that there is no global acceleration in wage costs per unit output, but taking account, for certain countries, of the need to reduce inequalities could have a positive effect on the employment situation. Any such arrangement would have to be governed by collective agreements. However, even if it were introduced, it would be of limited scope : attempting to go too far and too fast along such lines would raise other serious problems. Strictly limiting overtime would have a considerably less marked effect on employment, and could well affect the flexibility of firms.

It is worth recalling in this context that a reduction in the rate of activity does not increase the wealth of the population, it merely shifts the burden, for example from unemployment benefits to pensions. By contrast, a slowdown in productivity per person employed would mean that, if inflationary effects were to be avoided, there would have to be an equivalent slowdown in the growth of real incomes, which would be added to the relative slowdown already assumed by the projections due to the "normalisation" of the corrected share of wages and salaries and firms' profit margins. Table 21 b gives some mechanical illustrations of the effects of the different hypotheses for growth and productivity used in table 21a on the 1980 level of GDP and real per capita income.

The specific employment measures mentioned above, apart from their positive social aspects, pose many problems and cannot provide an overall solution to the medium-term problem of unemployment. Nevertheless the outlook for employment presented in this report necessitates an accompanying employment policy in order to alleviate the situation as far as possible. These accompanying measures should also include, wherever necessary, some strengthening of the more classical measures of education, re-training and general improvement of mobility.

All these considerations merely confirm the argument put forward in the Fourth Programme that employment problems must be solved basically through steady growth. Despite the disillusionment with growth which is evident in some quarters, the objective of pursuing a further increase in material living standards is one which is also in line with the wishes of the very broad majority of the population, as shown, for example, by the continuing pressure for wage and salary increases.

3. Overcoming the obstacles to growth

Quite apart from the psychological discouragement created by an increase or continuation in unemployment and the pessimistic forecasts on growth, there are a number of objective obstacles standing in the way of growth : in particular inflation, which is still not under control, and the balance of payments problems.

These two phenomena are closely linked : the high rates of inflation in certain countries have contributed substantially to the inequal distribution of external deficits. Thus, the balance of payments problems resulting from the oil price rise were made more difficult. The large devaluation resulting from external deficits seem, in certain cases, to have further accelerated inflation. The defensive reactions in the face of this situation have affected growth. Inversely the fear of once again stimulating inflation and/or of causing important external deficits again after an initial success of stabilization policies prevents those responsible from adopting a clear policy in favour of growth.

The complexity of balance of payments and inflationary problems is connected with the fact, pointed out in the Fourth Programme, that the world recession of 1974/75 was both a crisis of stabilization, following a long period of continuous acceleration in inflation, and a crisis due to the deflationary effects of the escalation in oil prices. The hesitant nature of economic recovery and the mediocre outlook for growth show that the solution to these problems has not yet been found.

These two problems have a particular dimension today, often not well understood, in that they exist at the world level and not at the level of an individual country or even of the Community alone.

In so far as economic policy fails to find solutions which take this dimension of the two problems into account, its success would be limited, and psychological discouragement could produce negative effects which it would be difficult to reverse : under increased political pressure, ad hoc, specific measures, damaging to the economy as a whole and harmful to future development might be introduced; the rules of the game of the economic system would be prevented from operating properly, recourse to protectionist measures would be seen as an appropriate course of action, and the result might well be even less growth and even more unemployment, not to mention the political consequences at international and domestic level.

The fight against inflation remains a major task of economic policy.

As regards inflation there is no miracle cure. It is undoubtedly necessary to fight steadily against the structural causes. But these alone are not sufficient to explain the size of the acceleration of inflation and the degree of divergence between inflation rates which has been observed within the Community in recent years. An important part of the struggle against inflation must therefore continue to be concentrated on instruments for overall management of the economy, especially control of the growth of liquidity and the correct alignment of the public authorities' borrowing requirement with macroeconomic equilibria. At the same time, the growth of nominal incomes should contribute to the achievement of greater price stability within the macroeconomic framework thus established. Uncontrolled growth of nominal incomes unrelated to the real growth of social welfare does not resolve the problems of income distribution and can only increase the difficulty of getting back to satisfactory growth and full employment.

There is no need here to go into the use of these instruments in detail. The example given by a number of countries within and outside the Community which have successfully controlled inflation over recent years, shows that these instruments are still as important as ever. What is necessary, especially in the countries which have not yet been able to reduce sufficiently their inflation rates, is to apply those instruments effectively, together with restraint in the growth of nominal incomes. The precise mix of instruments is of course also a question of social consensus and the general political situation (cf. page 10). To the extent that the social consensus makes it possible to operate a wealth policy, this could make an important contribution to the solution of the problems of income distribution which, without rebuilding inflation, would be compatible with growth and the return to full employment.

In view of what was stated in paragraph 1 of this chapter, dealing with the conjunctural economic growth path (cf. page 26), the time available to achieve this stabilization no longer seems very great. If this time is not used, this would mean the failure of the strategy contained in the Fourth Programme, and the Community would be in danger of embarking on a prolonged period of low growth*, high unemployment and continuing inflation.

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* Medium-term growth could well be substantially below 4 % a year, whereas at least 4½ % a year would be needed to stabilize and begin to reduce the unemployment (cf. page 8).

As mentioned above, the divergence in balance of payments situations and outlooks (cf. pages 15 et seq, particularly page 18), is obviously closely linked to the divergences in the fields of economic policy, cost and price trends and exchange rates. However, this problem is made particularly complicated by the fact of the oil-exporting countries'surplus, which will continue for several years, and the inevitable corresponding deficit on the part of the oil-importing countries as a whole.

The persistent current account surplus of the OPEC countries has altered the balance of payments equilibrium norm for the oil-importing countries. For the industrialised countries as a whole, in view of their deficit with OPEC, the norm is no longer to achieve balance of payments equilibrium or a slight surplus (so as to be able to provide capital aid for the developing countries).

In purely theoretical terms, it is possible to develop new norms corresponding for example to the old norms minus the "oil effect" which the area or country in question has to cope with; this would mean that each economic area in the world and where appropriate, though with certain qualifications, each country would finance its "oil deficit". Chapter II, paragraph 3 showed that in practice the problem is much more complex than that.

Nevertheless, these considerations, although unrealistic, may be taken as a point of departure. If it was possible for the Community to act as an economic unit, one might conceivably envisage it managing to achieve sustained growth, while at the same time accepting an external deficit corresponding to its oil deficit. The Community has sufficient credit with the surplus countries (who themselves would be looking for safe investments for their capital) to be able to finance this deficit without difficulty for the few years in question. Thus the balance of payments problem, in so far as it is the result of the OPEC surplus, would cease to be an obstacle to growth.

A policy of this sort would not be inflationary in itself. The external deficit would in the end be financed by the oil countries' savings. These savings would find their natural domestic counterpart in a public deficit associated with the policy of supporting growth and subsequently in the borrowing requirement of firms, which would be increased by the recovery in investment activity. Obviously, the effects of this on the trend of monetary aggregates and the potential margin of price increases must be taken into consideration. This policy, while contributing to growth and to a return to full employment at domestic level, would reduce growth and debt problems and in the end, other political problems at world level. Furthermore, an increase in development aid from the OPEC countries and the industrialized countries, including the Community, could also stimulate exports of goods and services from the Community and thus also help to restore full employment.

./...

Putting such a solution into practice comes up not only against the lack of unity of the Community, but in particular against the difference between member countries in their success in controlling inflation.

Greater convergence towards stability in member countries' cost and price trends is therefore, from this viewpoint too, an essential precondition for achieving a return to growth and full employment.

The Community is therefore faced with the problem of achieving convergence towards cost and price stability while at the same time taking account of the fundamental change which has taken place in the world balance of payments situation. Given the disquieting outlook for growth and unemployment, the conditions for implementing a Community policy designed to achieve a return to adequate growth should be formulated now, a policy which would not run counter to the efforts directed towards stabilization and convergence and one which would allow financing of the external deficits which are inevitably due to the situation at world level. The main conditions for this purpose may be summed up in seven points :

- The effective application of the criteria for adjusting the conjunctural time-path according to the situation of the various countries, as outlined in paragraph 1 of this chapter, would represent an important first step in this direction. In effect, the countries in the most favourable position as regards prices and the balance of payments should continue to lead growth inside the Community, while the countries who have not yet sufficiently reduced their inflation rate should bring inflation rapidly under control so that they can subsequently take up the running in sustaining growth. Although this scenario was followed in 1976, notably in Germany, the latest available short-term forecasts show that it is no longer being followed, or is being followed with growth rates that are too low and inflation rates that are too high; this situation must therefore be rectified. The Study Group considers that very little time remains to do this (cf. page 26).

- A second aspect is connected with exchange rate policy: the large fall in the value of certain currencies has perhaps helped solve some of the problems of the countries concerned, but has also contributed to the acceleration in inflation which has sharpened the conflict over shares in national income and the divergences within the Community (cf. chapter II, page 13). The lesson to be learned here is not only that these countries must stabilize their domestic situation, but also that inevitable balance of payments deficits must be covered by medium-term financing, subject to the condition that the vicious circle of devaluation, inflation and increased struggles for shares of national income is broken.

- The third aspect concerns those countries which, in a situation where an external deficit would be the "theoretical normal" situation, have maintained external equilibrium or even a surplus through better control of inflation. These countries have a particular role to play : they are creditors not only because of their own surplus, but also because, for reasons of safety, oil money has and will continue to have a tendency to seek investment in their currencies. Thus these countries can formulate the economic policy conditions linked to this credit. But they also have the responsibility of pursuing firmly and for as long as possible the policy of achieving sustained growth in conditions of stability in line with the conjunctural time-path criteria already referred to. This would mean that their balances of payments would continue to move towards a more balanced situation and the problem of sharing oil deficits would be made easier.

- The policy of pursuing sustained growth in conditions of stability would not increase the OPEC surplus too much, but it would enable the Community to contribute to alleviating world balance of payments problems. In view of the continuing OPEC surplus, the Community as a whole could over the coming years accept an external deficit and, in 1980, could move towards current account equilibrium rather than the large surplus shown in the projections. Such a development would be entirely in line with the macroeconomic context, but would necessitate (fourth aspect) recourse to adequate means of financing. Community assistance might be envisaged through development of the Community's financial instruments, for example through loans floated on the international capital markets. The money thus collected could be used for example to promote investment and structural development in the Community in ways to be defined by the responsible authorities. If the Community were to provide overall assistance in financing external deficits, it would have to be given the power to enfore economic policy conditions which are binding, but at the same time compatible with the overall concept of the policy aimed at achieving sustained growth in conditions of stability.

- If growth support policy is not to rekindle inflation by boosting the growth of nominal incomes, there must be (fifth aspect) serious discussions, for example in the existing institutional framework of the "Tripartite Conferences", between the Community institutions, the governments of the Member States and the two sides of industry on the dangerous outlook for growth and unemployment and on the possibilities for a solution. A discussion of this kind must amount to more than a simple appeal for moderation, and must clearly show the link between nominal incomes, prices and costs and the room for manoeuvre available for a policy of growth and convergence towards stability, opening up the possibility of an increase in employment and a medium-term growth of real income faster than under any other solution. The discussion should also cover the aspects of specific employment policy as well as, for some countries, the problem of reducing inequalities.

- In order to promote the medium-term restructuring of the use of resources as described in the Fourth Programme and referred to again in this report, the policy of pursuing sustained growth in conditions of stability should in the main be based on stimulation of investment, although in certain cases private consumption could also make a contribution (cf. page 20). This sixth aspect means that there must be support for private and public investment activity. The objective, clearly, remains to develop private investment by creating a climate of confidence and by achieving the necessary conditions to ensure sufficient demand and profitability. But in the present situation it is necessary to stimulate public investment to help attain the objective. In some countries public investment has been restrained by an appreciable amount in the recession, in others it is noticeably lagging behind. The effect on the public sector deficit of such a programme could be alleviated by a reorganization of public spending and by the growth of revenue that will occur when the rate of growth of output returns to a more satisfactory level. An increase in public investment would also have the advantage of being to a large extent reversible - although maintenance costs are permanent - and would thus be less in contradiction with the medium-term reorganization of public finance. Moreover, a less rapid reduction of the public sector deficits would be compatible with the balance of payments outlook and would thus fit into the pattern of sectoral financial balances without generating inflation.

- The final aspect to be stressed is that a policy of sustained growth in conditions of stability should pay equal attention to the problems of the next few years and to the outlook beyond 1980. The employment situation will remain difficult for a few years yet; a strengthening of accompanying employment policies is therefore indispensable, in order to relieve the situation while the under-employment is being gradually eliminated by growth. The structural aspects of the present situation and of the medium and long-term developments should be studied more closely. In this context it must be remembered that investment in the coming years should take account of the need to economize energy and recycle scarce resources, and that the development of alternative energy sources, the adaptation of productive capacity to the outlook for the international division of labour, the fight against pollution and the preservation of the natural environment as well as the cleaning of the large urban agglomerations are areas which require further attention and which take a large amount of investment.

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On the basis of these considerations, it would be possible to work out the broad lines of a plan for sustained, vigorous growth and Community convergence towards price stability, which, on the basis of existing projections, would be compatible with the re-establishment of macroeconomic equilibria. Thus, an effort could be made to follow, at least, partially, the quantitative guidelines of the Fourth Programme, particularly with regard to employment.

II/236/3/77-F-D-E

| COMMISSION DES COMMUNAUTES EUROPEENNES | KOMMISSION DER EUROPÄISCHEN GEMEINSCHAFTEN | COMMISSION OF THE EUROPEAN COMMUNITIES |
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| DIRECTION GENERALE DES AFFAIRES ECONOMIQUES ET FINANCIERES | GENERALDIREKTION WIRTSCHAFT UND FINANZEN | DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS |

ANNEXE
ANHANG
ADDENDUM

GROUPE D'ETUDE DES PERSPECTIVES ECONOMIQUES A MOYEN TERME
SACHVERSTÄNDIGENGRUPPE FÜR MITTELFRISTIGE WIRTSCHAFTLICHE PERSPEKTIVEN
STUDY GROUP ON MEDIUM-TERM ECONOMIC ASSESSMENTS

| PERSPECTIVES 1980 | PERSPEKTIVEN 1980 | OUTLOOK 1980 |
| --- | --- | --- |
| Un an après l'élaboration du IVème Programme de politique économique à moyen terme de la Communauté | Ein Jahr nach der Ausarbeitung des IV. Programms für die mittelfristige Wirtschaftspolitik in der Gemeinschaft | One year after drawing up the Fourth Programme of medium-term economic policy for the Community |
| Annexe<br>Tableaux et graphiques | Anhang<br>Tabellen und Schaubilder | Addendum<br>Tables and graphs |
| Information chiffrée de Juin 1977 | Informationsstand Juni 1977 | Latest statistical information as of June 1977 |

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TABLEAU
TABELLE 1
TABLE

Hypothèses sur l'évolution économique internationale [1)]
Hypothesen zur internationalen Wirtschaftsentwicklung
Assumptions on world trade and price developments

$\varnothing \frac{1980}{1975}$ % p.a.

| | Cas A Hypothèse niedrige basse low | Cas B Hypothèse hohe haute high |
|---|---|---|
| 1. Volume des importations mondiales non pondérées (sans pays à commerce d'Etat)<br>Volumen der ungewichteteten Welteinfuhren (ohne Staatshandelsländer)<br>Volume of unweighted world imports (without state trading countries) | 5 ½ | 8 - 8 ½ |
| 2. Prix du PIB des pays industrialisés / PIB-Preisindex der Industrieländer / GDP-deflator of industrial countries — OCDE/OECD<br>CE/EG/EC | 7,5<br>8,3 | 7,5<br>8,3 |
| 3. Prix du pétrole - Erdölpreis - Oilprice | 2,8 | 5,4 |

1) Cf II/404/1/75

TABLEAU / TABELLE 2 / TABLE

Croissance du PIB en volume (prix et taux de change de 1970)*
BIP-Wachstum zu Preisen und Wechselkursen von 1970
Growth of GDP in real terms (1970-prices and 1970-exchange-rates)

% p.a.

| | Evolution Entwicklung 1961-75 | | | Perspectives Perspektiven Outlook 1976-80: Ø $\frac{1980}{1975}$ | | | |
|---|---|---|---|---|---|---|---|
| | Ø $\frac{1965}{1960}$ | Ø $\frac{1970}{1965}$ | Ø $\frac{1975}{1970}$ | Project. Dec. 1975 Variante A basse niedrige low | Project. Dec. 1975 Variante B haute hohe high | IV Programm Oct. 1976 Orientations Orientierungsd. Guidelines "Perspect. C" | Project. rev. Rev. Projekt. Printemps Frühjahr 1977 Spring "Perspect. D" |
| D** | 5,1 | 4,7 | 1,7 | 3,5 | 4,4 | 4 - 5 | 4,4 |
| F | 5,6 | 5,8 | 3,5 | 4,6 | 6,2 | 5 ½ | 5,4 |
| I | 5,1 | 6,0 | 2,2 | 2,0 | 4,2 | 4 ½ - 5 | 3,6 |
| NL | 4,9 | 5,7 | 3,1 | (3,0) | 4,0 | 4 - 5 | 4,0 |
| B | 5,0 | 4,8 | 3,4 | 3,9 | 4,6 | 4 ½ - 5 | 4,2 |
| L | 3,2 | 3,3 | 1,8 | (2,5) | 3,5 | 3 - 3 ½ | 3,5 |
| UK | 3,2 | 2,3 | 2,0 | (2,2) | 3,2 | 4 - 4 ½ | 3,0 |
| IRL | 3,7 | 4,7 | 2,7 | 2,0 | 3,5 | 4 ½ - 5 | 5,5 |
| DK | 5,3 | 4,4 | 2,1 | 3,3 | 4,6 | 4 ½ - 5 | 4,5 |
| EUR-9 | 4,7 | 4,6 | 2,5 | 3,3 | 4,6 | 4 ½ - 5*** | 4,3 |

* 1960-75: Comptes Nationaux SEC, Agregats, Annuaire 1976 - Volkswirtschaftl. Gesamtrechnungen, ESVG, Aggregate, Jahrbuch 1976 - National Accounts, ESA, Aggregates, Yearbook 1976.

** Données nationales, aux prix de 1962 - Nationale Angaben in Preisen von 1962 - National data in 1962-prices

( ). Estimation des services de la Commission - Schätzung der Kommissionsdienststellen
Estimation of the Commission's staff

*** Croissance minimale selon l'Avant-Projet du IVème Programme - Mindestwachstum nach dem Vorentwurf des IV. Programms - Minimum growth following the prel. draft of the IVth Programme

TABLEAU / TABELLE 3 / TABLE

Population et emploi dans la Communauté *
Bevölkerung und Beschäftigung in der Gemeinschaft
Population and employment in the Community

| | % p.a. | | | Mio Person. | En % de la population totale / In % der Wohnbevölkerung / As % of total population | | | |
|---|---|---|---|---|---|---|---|---|
| | Ø 1970/1960 | Ø 1975/1970 | Ø 1980/1975** | 1975 | 1960 | 1970 | 1975 | 1980** |
| Population totale, Wohnbevölkerung, total population | 0,80 | 0,55 | 0,25 | 258,5 | 100,0 | 100,0 | 100,0 | 100,0 |
| Population 15-64 ans - Years Bevölkerung 15-64 Jahre | 0,51 | 0,52 | 0,68 | 163,5 | 65,0 | 63,4 | 63,3 | 64,4 |
| Population active, Erwerbspersonen, Labour force | 0,24 | 0,33 | 0,40 | 107,6 | 44,5 | 42,1 | 41,6<br>41,6 | 41,9 |
| Population occupée, Erwerbstätige, Employed population | 0,25 | -0,12 | 0,44 | 103,4 | 43,7 | 41,4 | 40,0<br>39,9 | 40,3 |

* En raison des définitions non harmonisées, les indications concernant des niveaux (chiffres absolus ou parts relatives) sont approximatives - Wegen nicht harmonisierter Definitionen stellen die Angaben bezüglich der Niveaus (absolute Zahlen oder Anteile) nur grobe Annäherungen dar - Because of non-harmonized definitions the figures concerning levels (absolute figures or shares) are only rough estimations

** La projection 1980/75 est dérivée de la "Perspective D" (printemps 1977) - Die Projektion 1980/75 wurde aus der "Perspektive D" abgeleitet (Frühjahr 1977) - The projection 1980/75 was derived from the "Perspective D" (Spring 1977)

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TABLEAU
TABELLE 4
TABLE

Chômage en % de la population active
Arbeitslosigkeit (% der Erwerbspersonen)
Unemployment as % of Labour force

| | Ø 1961-65 | Ø 1966-70 | Ø 1971-75 | Budget écon. Wirtsch.budg. Econ.budgets ** | | | | | Projection * | Chômeurs - Arbeitsl. - Unempl. x 1000 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 73 | 74 | 75 | 76 | 77 | 1980 | 1975 | 1980* |
| D | 0,6 | 1,0 | 1,8 | 1,0 | 2,2 | 4,1 | 4,1 | 3,7 | 2,5 | 1074 | 643 |
| F | 1,2 | 1,7 | 2,7 | 2,1 | 2,8 | 4,1 | 4,4 | 4,8 | 2,9 | 850 | 666 |
| I | 3,0 | 3,4 | 3,3 | 3,5 | 2,9 | 3,2 | 3,7 | 3,9 | 4,1 | 650 | 870 |
| NL | 0,8 | 1,5 | 2,7 | 2,4 | 3,0 | 4,3 | 4,6 | 4,4 | 3,1 | 206 | 150 |
| B | 1,6 | 2,1 | 2,7 | 2,4 | 2,6 | 4,5 | 6,1 | 5,8 | 2,8 | 181 | 116 |
| L | 0 | 0 | 0 | 0 | 0 | 0,2 | 0,4 | 0,3 | 0 | 3 | 0 |
| UK | 1,3 | 1,8 | 2,9 | 2,5 | 2,5 | 3,8 | 5,2 | 5,9 | 5,5 | 978 | 1450 |
| IRL | 4,8 | 5,3 | 6,4 | 5,9 | 5,7 | 8,0 | 9,4 | 9,6 | 6,8 | 90 | 80 |
| DK | 1,1 | 1,2 | 2,0 | 0,8 | 2,0 | 5,0 | 5,1 | 6,0 | 2,5 | 134 | 60 |
| EUR-9 | 1,5 | 1,9 | 2,6 | 2,2 | 2,6 | 4,0 | 4,5 | 4,7 | 3,7 | 4162 | 4035 |

* Perspective D, printemps 1977 - Perspektive D, Frühjahr 1977 - Perspective D, Spring 1977
** Budgets économiques - Wirtschaftsbudgets - Economic Budgets - 18.5.1977

TABLEAU
TABELLE 5
TABLE

Productivité - PIB en volume/population occupée
Produktivität - BIP zu konstanten Preisen/Erwerbstätige
Productivity - GDP at constant prices/employed population

- % p.a. -

| | Ø 1965/1960 | Ø 1970/1965 | 1971/1970 | 1972/1971 | 1973/1972 | 1974/1973 | 1975/1974 | Ø 1975/1970 | Projection Ø 1980/1975 "Persp. D" | Budget économique 1976/1975 | Budget économique 1977/1976 | Reste Ø 1980/1977 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D* | 4,5 | 4,7 | 2,9 | 3,6 | 4,8 | 2,6 | 0,0 | 2,7 | 4,2 | 6,5 | 4,6 | 3,4 |
| F | 5,0 | 4,9 | 4,7 | 5,0 | 3,8 | 2,1 | 0,2 | 3,2 | 4,2 | 5,7 | 3,8 | 3,8 |
| I | 6,1 | 5,9 | 1,7 | 4,5 | 6,1 | 2,1 | -3,5 | 2,1 | 3,1 | 4,9 | 2,5 | 2,7 |
| NL | 3,3 | 4,8 | 3,8 | 4,8 | 5,9 | 2,5 | -0,2 | 3,3 | 3,45 | 4,0 | 3,7 | 3,2 |
| B | 4,0 | 4,6 | 2,9 | 5,5 | 4,9 | 2,4 | -0,8 | 3,0 | 3,0 | 4,6 | 3,5 | 2,3 |
| L | 3,0 | 3,0 | -0,2 | 1,6 | 4,9 | 0,8 | -7,9 | -0,3 | 2,8 | 4,6 | 2,8 | 2,2 |
| UK | 2,4 | 2,7 | 4,0 | 2,7 | 3,5 | -0,1 | -0,9 | 1,8 | 3,2 | 2,6 | 1,1 | 4,1 |
| IRL | 3,5 | 5,1 | 3,9 | 5,9 | 3,8 | -0,6 | 1,5 | 2,9 | 4,5 | 5,0 | 2,2 | 4,8 |
| DK | 3,6 | 3,1 | 3,3 | 4,0 | 2,2 | 0,8 | 1,1 | 2,3 | 2,9 | 3,3 | 2,3 | 3,0 |
| EUR-9 | 4,3 | 4,5 | 3,5 | 4,1 | 4,3 | 1,6 | -0,6 | 2,6 | 3,8 | 5,1 | 3,0 | 3,6 |

1960-1975: Eurostat: Comptes Nationaux SEC Agregats — Annuaire
Volkswirtschaftl. Gesamtrechnungen 1960-1975 — Jahrbuch 1976
National Accounts ESA Aggregates — Yearbook

1976-1977: Budgets économiques
Wirtschaftsbudgets 18.5.1977
Economic Budgets

*) Données nationales, nationale Angaben, national data

Prix
Preise 1962
Prices

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TABLEAU
TABELLE 6
TABLE

**Le taux de chômage de la Communauté**
**illustré en fonction de différentes hypothèses mécaniques de croissance, de productivité et de taux d'activité**

Die Arbeitslosenquote in der Gemeinschaft
Illustration in Abhängigkeit von verschiedenen mechanisch angewandten Hypothesen über Wachstum, Produktivität und Erwerbsquote

The Unemployment Rate of the Community
illustrations of the consequences of different mechanical assumptions concerning growth, productivity and activity rate

| | PIB, BIP, GDP volume $\frac{1980}{1975}$ % p.a. | Productivité par pers.occ. je Erwerbsp. per head empl. population Ø $\frac{1980}{1975}$ % p.a. | Taux d'acitité de Erwerbsquote der Bevölkerung von Activity rate of the the population of 15-64 ans - years Jahren 1970 | 1975 | 1980 | Chômage Arbeitslosigkeit Unemployment % Populat.active Erwerbspersonen Labour force 1980 |
|---|---|---|---|---|---|---|
| 1. "Perspective D" Printemps, Frühjahr, Spring 1977 | 4,3 | 3,8 | 66,3 | 65,8 | 65,1 | 3,7 |
| 2. Taux d'activité au niveau de 1975 pour la population de 15-64 ans / Erwerbsquote wie 1975 für Bevölkerung von 15-64 Jahren / Activity rate at 1975 level for population of 15-64 years | 4,3 | 3,8 | 66,3 | 65,8 | $\boxed{65,8}$ | (4,7) |
| 3. Productivité selon la tendance 1973/60 / Produktivt.entspr.d.Tendenz 1973/60 / Productivity according to 1973/60 | 4,3 | $\boxed{4,3}$ | 66,3 | 65,8 | 65,1 | (5,8) |
| 4. Combinaison 2 et 3 / Verknüpfung von 2 und 3 / Connection of 2 and 3 | 4,3 | $\boxed{4,3}$ | 66,3 | 65,8 | $\boxed{65,8}$ | (6,8) |
| 5. Une manière de réal. l'objectif du IVe Programme - Ein Weg zur Verwirklichung des IV.Programms - One way implementing the target of the IVth Programm (Perspective C') | $\boxed{5,1}$ | $\boxed{4,3}$ | 66,3 | 65,8 | $\boxed{65,2}$ | 2,3 |

TABLEAU
TALELLE 7
TABLE

Prix de la consommation privée
Preise des privaten Verbrauchs % p.a.
Price of private consumption

| | Ø 1970/1960 | Ø 1975/1970 | 1971/1970 | 1972/1971 | 1973/1972 | 1974/1973 | 1975/1974 | 1976/1975 | 1977/1976 | Ø 1980/1975 "Persp.D" | Reste Ø 1980/1977 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| D* | 2.8 | 6,3 | 5,4 | 5,5 | 7,0 | 7,3 | 6,1 | 4,5 | 3,8 | 4,0 | 3,9 |
| F | 4,2 | 8,8 | 5,7 | 6,1 | 7,0 | 13,8 | 11,4 | 9,8 | 9,0 | 7,3 | 6,0 |
| I | 4,0 | 12,3 | 5,8 | 6,5 | 12,2 | 20,3 | 17,4 | 17,5 | 19,0 | 13,9 | 11,1 |
| NL | 4,2 | 9,2 | 8,1 | 3,4 | 9,0 | 9,9 | 10,5 | 9,3 | 7 | 7,0 | 6,2 |
| B | 3,[illegible] | 8,0 | 5,0 | 4,7 | 6,0 | 12,9 | 11,9 | 8,8 | 7,5 | 6,7 | 5,7 |
| L | 2,5 | 7,2 | 4,7 | 5,2 | 6,1 | 9.6 | 10,6 | 9,8 | 7,8 | 7,0 | 5,8 |
| UK | 4,0 | 12,4 | 3,4 | 6,7 | 8,4 | 16,3 | 23,1 | 15,2 | 15,0 | 11,2 | 8,5 |
| IRL | 5,7 | 13,3 | 9,1 | 9,0 | 12,0 | 15,7 | 21,2 | 18,0 | 15,0 | 10,7 | 6,2 |
| DK | 5,5 | 8,4 | 4,9 | 6,0 | 8,3 | 14,1 | 8,9 | 8,0*** | 8,7*** | 5,5*** | 3,6*** |
| EUR-9** | 3,8 | 9,6 | 6,5 | 6,4 | 8,3 | 13,5 | 13,6 | 11,0 | 10,8 | 8,5 | 6,9 |

1960-75 Comtes Nationaux SEC Agregats / Volkswirtschaftliche Gesamtrechnungen ESVG / National Accounts ESA Aggregates — Annuaire / Jahrbuch 1976 / Yearbook

1976 1977 Budgets économiques / Wirtschaftsbudgets / Economic Budgets 18.5.1977

EUR-9: Pondération aux taux de change de / Gewichtung zu Wechselkursen von / Weighting at 1970 exchange-rates 1970

* Données nationales - Nationale Angaben - National figures

** en / in EUR 1970

*** **Corrigé de l'effet des impôts indirects - Bereinigt um die Wirkung indirekter Steuern - Adjusted for the effect of indirect taxes.**

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TABLEAU
TABELLE 8
TABLE

Divergences de l'évolution des prix et des coûts 1976-80
Abweichungen der Preis- und Kostenentwicklung 1976-80
Divergencies of price and cost trends 1976-80

| | Evolution des prix du PIB<br>Entwicklung der BIP-Preise<br>Evolution of GDP-prices | | | | | Coûts salariaux par unité produite *<br>Lohnkosten je Produkteinheit<br>Wage costs per unit of output | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1976/1975 | 1977/1976 | 1980/1975 | | 80/75 % divergence<br>% Abweichung<br>Ø EUR-9 = 0 | 1976/1975 | 1977/1976 | 1980/1975 | | 80/75 % divergence<br>% Abweichung<br>Ø EUR-9 = 0 |
| | % p.a. | | | index | | % p.a. | | | index | |
| D | 3,1 | 3,6 | 4,0 | 121,7 | - 19,6 | 1,4 | 2,9 | 3,3 | 117,7 | - 16,8 |
| F | 9,6 | 8,7 | 7,3 | 142,5 | - 5,8 | 8,7 | 7,7 | 6,9 | 139,5 | - 1,4 |
| I | 17,8 | 19,0 | 13,9 | 192,0 | + 26,9 | 15,6 | 19,0 | 12,9 | 183,0 | + 29,3 |
| NL | 9,2 | 7,1 | 6,7 | 138,3 | - 8,6 | 6,3 | 4,3 | 4,9 | 126,9 | - 10,3 |
| B | 8,6 | 8,3 | 7,5 | 143,6 | - 5,1 | 7,5 | 7,7 | 7,0 | 140,03 | - 0,9 |
| L | 4,0 | 9,1 | 8,6 | 151,1 | - 0,1 | 5,2 | 7,2 | 7,0 | 140,28 | - 0,9 |
| UK | 15,0 | 12,8 | 11,6 | 173,1 | + 14,4 | 12,0 | 9,9 | 8,1 | 147,7 | + 4,4 |
| IRL | 20,0 | 14,9 | 11,3 | 170,8 | + 12,9 | 13,5 | 8,5 | 8,0 | 146,7 | + 3,7 |
| DK | 9,0 | 8,5 | 5,5 | 130,7 | - 13,6 | 7,6 | 5,1 | 4,5 | 124,7 | - 11,9 |
| EUR-9 ** | 10,4 | 10,1 | 8,6 | 151,3 | 0 | 8,4 | 8,7 | 7,2 | 141,5 | 0 |

* Indice de la rémunération des salariés par salarié divisé par l'indice de la productivité par personne occupé
Index der Löhne je Beschäftigten dividiert durch den Index der Produktivität je Erwerbsperson
Index of wages/head divided by index of productivity per head of employed population

** Pondération 1975 des comptes nationaux SEC, en EUR aux taux de change de 1970
Gewichtung 1975 aus der Volkswirtschaftlichen Gesamtrechnung ESVG in EUR zu Wechselkursen von 1970
Weighting 1975 from the National Accounts ESA in EUR at 1970 exchange-rates

1976-1977: Budgets économiques
Wirtschaftsbudgets
Economic Budgets
18.5.1977

Projection Ø $\frac{1980}{1975}$ II/824/1/76

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TABLEAU
TABELLE 9
TABLE

Part salariale corrigée en % PIB *
Korrigierte Lohnquote in % BIP *
Adjusted Wage Share in % GDP *

| | ø 1961-65 | ø 1966-70 | ø 1971-75 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | Budgets économiques Wirtschaftsbudgets Economic Budgets 1976 | 1977 | 1978 | 1980 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D ** | 51,8 | 51,4 | 53,6 | 51,9 | 52,7 | 52,8 | 53,8 | 54,9 | 53,9 | 52,9 | 52,5 | . | 52,2 |
| F | 49,6 | 49,1 | 49,5 | 48,9 | 49,1 | 48,5 | 48,8 | 49,9 | 51,2 | 50,8 | 50,1 | 48,8 | 49,2 |
| I | 47,9 | 47,4 | 51,5 | 48,3 | 50,2 | 50,1 | 50,6 | 51,3 | 54,9 | 53,9 | 54,0 | 54,1 | 52,0 |
| NL | 53,6 | 56,1 | 58,1 | 56,8 | 57,3 | 56,7 | 56,9 | 59,1 | 60,6 | 59,1 | 57,6 | 57,3 | 55,5 |
| B | 50,5 | 51,3 | 53,3 | 50,0 | 51,3 | 52,8 | 53,1 | 53,7 | 55,8 | 55,3 | 55,0 | 54,8 | 54,5 |
| L | 54,5 | 53,0 | 56,4 | 48,7 | 53,8 | 54,4 | 51,4 | 55,0 | 67,4 | 68,2 | 66,9 | 65,3 | 62,6 |
| UK | 59,9 | 59,4 | 62,2 | 60,2 | 59,4 | 60,1 | 60,6 | 64,5 | 66,4 | 54,6 | 62,9 | 63,2 | 56,7 |
| IRL | 52,8 | 51,5 | 52,0 | 51,5 | 51,5 | 50,1 | 49,6 | 54,5 | 54,2 | . | . | . | 46,5 |
| DK | 50,5 | 52,3 | 54,3 | 52,7 | 53,6 | 52,3 | 52,9 | 56,1 | 56,5 | 55,7 | 54,0 | 53,2 | 53,9 |
| EUR-9 *** | 52,6 | 52,2 | 54,2 | 52,5 | 53,1 | 53,0 | 53,4 | 55,1 | 56,5 | 55,5 | 55,0 | 54,7 | 53,1 |

*) Corrigé par la variation de la part des salariés dans la population occupée 1970 = 100
Korrigiert mit der Veränderung des Anteils der unselbständig Beschäftigten an den Erwerbstätigen 1970 = 100
Adjusted with the variation of the share of wage and salary earners in the occupied population 1970 = 100

**) Données nationales - Nationale Angaben - National Data

1960-1975: Eurostat: Comptes Nationaux SEC Agregats / Volkswirtschaftl. Gesamtrechnungen ESVG / National Accounts ESA Aggregates — Annuaire / Jahrbuch / Yearbook 1976

1976-1977: Budgets économiques / Wirtschaftsbudgets / Economic Budgets 18.5.1977 — Projection ø $\frac{1980}{1975}$ II/824/1/76

***) Prix et taux de change courants, 1980 taux de change de février 1977
Jeweilige Preise und Wechselkurse, 1980 Wechselkurs von Februar 1977
Current prices and exchange rates, 1980 exchange rate February 1977

TABLEAU / TABELLE / TABLE 10a

Capacité (+) ou besoin (-) de financement de la nation en % du PIB en valeur
Finanzierungsüberschuß (+) bzw. -defizit (-) der Volkswirtschaft in % BIP zu jew. Preisen
Net lending (+) or net borrowing (-) of the nation as % of GDP at current prices

| | Ø 1961-65 | Ø 1966-70 | Ø 1971-75 | 1972 | 1973 | 1974 | 1975 | Budget économique 1976 | Budget économique 1977 | "Perspect.D" 1980 |
|---|---|---|---|---|---|---|---|---|---|---|
| D | - 0,[illegible] | + 1,0 | - 0,8 | - 0,0 | + 0,9 | + 2,4 | + 0,8 | 0,5 | 0,4 | + 0,5 |
| F | + 0,4 | + 0,5 | - 0,3 | + 0,5 | - 0,2 | - 2,2 | - 0,1 | -1,7 | -0,9 | - 0,3 |
| I | + 1,0 | + 2,4 | - 0,8 | + 1,7 | - 1,9 | - 5,2 | - 0,3 | -1,7 | -0,4 | + 0,6 |
| NL | + 0,5 | - 0,6 | + 2,1 | + 2,7 | + 3,8 | + 2,9 | + 1,8 | 2,7 | 2,7 | ≈ + 2,6 |
| B | + 0,1 | + 0,9 | + 1,4 | + 3,8 | + 2,4 | + 0,9 | + 0,5 | -0,6 | 0,1 | + 0,8 |
| L | - 0,1 | + 5,3 | + 3,7 | + 2,6 | + 8,9 | + 9,6 | - 4,3 | | | |
| UK | + 0,2 | - 0,0 | - 1,5 | - 0,0 | - 1,8 | - 5,0 | - 2,3 | -1,2 | 0,2 | + 4,0 (2,0)(a) |
| IRL | - 2,4 | - 2,1 | - 4,6 | - 2,2 | - 2,9 | -10,0 | - 4,2 | -3,9 | -5,5 | - 0,9 |
| DK | - 2,0 | - 2,8 | - 2,1 | - 0,5 | - 2,2 | - 3,4 | - 1,8 | -1,8 | -3,6 | - 0,2 |
| EUR-9 | + 0,1 | + 0,5 | 0,0 | - 0,[illegible] | ± 0,0 | - 1,2 | - 0,1 | -0,7 | - 0,0 | + 1,0*(0,67) |
| EUR-9 B+S*** | 0,0 | + 0,6 | + 0,7 | + 1,2 | + 0,7 | - 0,3 | + 0,9 | -0,2 | 0,4 | +1,9 ** |

1961-75: Comptes nationaux SEC Agrégats, Annuaire 1976 - Volkswirtschaftl. Gesamtrechnungen ESVG, Jahrbuch 1976 - National Accounts ESA Aggregats, Yearbook 1976

1976-77: Budgets économiques état de 8.6.1977, solde du compte courant de la nation - Wirtschaftsbudgets, Stand vom 8.6.1977, Leistungsbilanzsaldo - Economic budgets, as available 8.6.1977, Current balance

1980: Agrégation avec les taux de change de février 1977 - Aggregierung mit den Wechselkursen vom Feb. 1977 - Aggregation with exchange-rates of Feb. 1977

* Sans UK: 0,3 % - Ohne UK: 0,3 % - Without UK: 0,3 %

** Sans UK: 1,2 % - Ohne UK: 1,2 % - Without UK: 1,2 %

*** Biens et services - Waren und Dienstleistungen - Goods and services

(a) Projection mars, März, March 1977: 4,0 %; hypothèse de travail du Group d'étude, Arbeitshypothese der Sachverständigengruppe, Working assumption of the Study Group: 2,0 %

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TABLEAU
TABELLE 10b
TABLE

Commerce extérieur en volume
Aussenhandel zu konstanten Preisen *
External trade at constant prices

| | Exportations, Ausfuhren, Exports** % p.a. | | | Importations, Einfuhren, Imports** % p.a. | | | Elasticité d'import *** Einfuhrelastizitäten Import elasticities | | |
|---|---|---|---|---|---|---|---|---|---|
| | ø 1970/1960 | ø 1975/1970 | ø 1980/1975 | ø 1970/1960 | ø 1975/1970 | ø 1980/1975 | ø 1970/1960 | ø 1975/1970 | ø 1980/1975 |
| D | 8,8 | 6,2 | 8,0 | 10,0 | 5,5 | 8,3 | 2,1 | 2,9 | 1,9 |
| F | 10,2 | 8,3 | 8,9 | 10,4 | 7,1 | 8,7 | 1,8 | 2,0 | 1,6 |
| I | 12,0 | 7,1 | 9,7 | 11,2 | 2,9 | 6,9 | 2,0 | 1,3 | 1,9 |
| NL | 8,2 | 6,7 | 7,6 | 8,6 | 3,3 | 7,2 | 1,6 | 1,1 | 1,8 |
| B | 9,3 | 4,7 | 8,3a) | 8,7 | 4,9 | 9,4a) | 1,8 | 1,4 | 2,2 |
| L | 5,4 | 2,4 | 6,5 | 7,3 | 5,4 | 6,6 | 2,2 | 3,0 | 1,9 |
| UK | 4,7 | 4,4 | 7,8 | 3,9 | 4,2 | 5,0 | 1,4 | 2,1 | 1,7 |
| IRL | 8,1 | 6,4 | 13,8 | 9,2 | 2,5 | 12,7 | 2,2 | 0,9 | 2,3 |
| DK | 6,9 | 5,8 | 8,3 | 8,1 | 2,9 | 7,2 | 1,7 | 1,4 | 1,6 |
| EUR-9 | 8,3 | 6,2 | 8,4 | 8,5 | 4,8 | 7,6 | 1,8 | 1,9 | 1,8 |

* 1960-75: EUROSTAT Comptes nationaux SEC Agrégats ; Volkswirtschaftl. Gesamtrechnungen ESVG; National Accounts ESA Aggregates

** Biens et services; Waren und Dienstleistungen; goods and services

*** Rapport taux annuel moyen importations/PIB - Verhältnis durchschnitt-Jahresraten Einfuhr/BIP
Relation average rates of imports/GDP

a) Revenus de facteurs inclus, einschl. Faktoreinkommen, factor incomes included

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TABLEAU
TABELLE 10c
TABLE

Commerce extérieur en valeur
Aussenhandel zu jeweiligen Preisen *
External trade at current prices

| | Exportations, Ausfuhren, Exports ** % p.a. | | | Importations, Einfuhren, Imports ** % p.a. | | |
|---|---|---|---|---|---|---|
| | ø 1970/1960 | ø 1975/1970 | ø 1980/1975 | ø 1970/1960 | ø 1975/1970 | ø 1980/1975 |
| D | 11,2 | 15,2 | 11,6 | 11,4 | 14,2 | 12,2 |
| F | 10,6 | 17,2 | 17,6 | 11,6 | 16,7 | 17,5 |
| I | 13,5 | 13,8 | 22,6 | 12,4 | 14,0 | 20,4 |
| NL | 10,5 | 16,9 | 13,0 | 11,0 | 14,6 | 12,8 |
| B | 11,8 | 13,7 | 15,4 | 11,2 | 14,6 | 15,6 |
| L | 8,4 | 7,6 | 15,0 | 7,2 | 13,4 | 13,0 |
| UK | 6,3 | 9,6 | 22,1 | 5,3 | 12,4 | 17,4 |
| IRL | 10,0 | 14,0 | 27,1 | 11,0 | 11,3 | 25,3 |
| DK | 8,3 | 15,4 | 15,3 | 9,5 | 13,6 | 14,2 |
| EUR-9 *** | 10,0 | 14,4 | 14,0 | 9,8 | 14,3 | 13,2 |

* 1960-75 EUROSTAT: Comptes nationaux SEC Agrégats Annuaire
Volkswirtschaftl. Gesamtrechnungen ESVG Jahrbuch 1976
National Accounts ESA Aggregates Yearbook

** Biens et services; Waren und Dienstleistungen; Goods and services

*** Agrégation aux taux de change courants, 1980: taux de change de février 1977
Aggregierung mit jeweiligen Wechselkursen, 1980: Wechselkurs Februar 1977
Aggregation with current exchange rates, 1980: exchange rate February 1977

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TABLEAU
TABELLE 11
TABLE

Répartition des soldes des balances de paiements au plan mondial
Verteilung der Zahlungsbilanzsalden auf Weltebene
Distribution of balance of payments surpluses and deficits at world level

- Mrd $ -

| | Solde bilaterale avec l'OPEP* Bilat.Saldo gegenüber OPEC* Bilateral balance with OPEC* | | Balance commerciale Handelsbilanz ** Trade balance | | Balance courante Leistungsbilanz ** Current balance | |
|---|---|---|---|---|---|---|
| | 1973 | Σ 1974-76 | 1973 | Σ 1974-76 | 1973 | Σ 1974-76 |
| EUR-9 | - 4,8 | - 77,7 | + 6,5 | + 4,5 | 1,1 | - 20,0 |
| USA | - 3,5 | - 54,3 | + 0,9 | - 5,0 | + 0,3 | + 9,5 |
| Jap. | - 3,2 | - 43,2 | + 3,7 | + 16,9 | - 0,2 | - 1,7 |
| Rest OCDE OECD | - 1,3 | - 27,4 | - 3,6 | - 50,4 | + 0,8 | - 49,8 |
| OCDE - OECD | -12,8 | -202,6 | + 7,5 | - 34,0 | + 2,0 | - 62,0 |
| PVD non-pétrol. Entwicklungsl.o.Erdölexport Non-oil developing countries | - 2,0 | - 30,1 | - 2,5 | - 72,0 | - 5,5 | - 81,0 |
| OPEP - OPEC | . | . | +19,5 | +195,5 | + 4,0 | +142,5 |
| Reste du monde Übrige Welt Rest of the world | . | . | - 6,0 | - 34,0 | - 2,5 | - 31,5 |
| Erreurs - Stat. Fehler - Errors and omissions | . | . | -18,5 | - 55,5 | + 2,0 | + 32,0 |

* Estimations approximatives des services de la Commission des importations de pétrole nettes soldées par les exportations vers les pays de l'OPEP - Grobe Schätzungen der Dienststellen der Kommission der Nettoerdöleinfuhren abzüglich der Ausfuhren in die OPEC-Länder - Rough estimations of the Commission's staff of net oil imports balanced with exports to OPEC-countries

** Source: OECD Economic Outlook N° 17-20 - Calculs des services de la Commission
Quelle:.OCDE, Perspectives économiques N° 17-20 Berechnungen der Dienststellen der Kommission
Calculations of the Commission's staff

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TABLEAU Répartition des soldes des balances de paiements à l'intérieur de la Communauté
TABELLE 12 Verteilung der Zahlungsbilanzsalden innerhalb der Gemeinschaft 1973-76
TABLE Distribution of balance of payments surpluses and deficits within the Community

Mrd US-$

| | Solde bilatérale avec l'OPEP * Bilat. Saldo gegenüber OPEC Bilateral balance with OPEC | | Balance commerciale Handelsbilanz Trade balance | | Balance courante Leistungsbilanz Current balance | |
|---|---|---|---|---|---|---|
| | 1973 | 1974-76 | 1973 | 1974-76 | 1973 | 1974-76 |
| 1. D | - 0,6 | - 16,2 | + 15,0 | + 53,9 | + 4,3 | + 16,2 |
| 2. NL | - 0,3 | - 5,2 | + 0,7 | + 3,2 | + 1,8 | + 5,9 |
| 3. B/L | - 0,1 | - 4,5 | + 1,4 | + 0,5 | + 1,3 | + 0,9 |
| Σ 1 + 2 + 3 | - 1,0 | - 25,9 | + 17,1 | + 57,6 | + 7,4 | + 23,0 |
| 4. F | - 0,8 | - 18,3 | + 0,8 | - 7,0 | - 0,8 | - 11,7 |
| 5. I | - 0,9 | - 15,8 | - 4,0 | - 14,5 | - 2,8 | - 12,4 |
| 6. UK | - 0,5 | - 11,6 | - 5,7 | - 26,5 | - 2,0 | - 14,9 |
| 7. IRL | - 0,1 | - 0,9 | - 0,6 | - 1,9 | - 0,2 | - 1,1 |
| 8. DK | - 0,3 | - 3,8 | - 1,1 | - 5,0 | - 0,4 | - 3,2 |
| Σ 4 - 8 | - 2,6 | - 50,4 | - 10,6 | - 54,9 | - 6,2 | - 43,3 |
| EUR-9 | - 3,6 | - 76,3 | + 6,5 | + 2,7 | + 1,2 | - 20,3 |

Source: OCDE, OECD - OSCE: Balances des paiements, ventilation géographique; SAEG: Zahlungsbilanzen,
Quelle: regionale Gliederung; SOEC: Balances of payments, geographical breakdown.

* cf. tableau 11 - vgl. Tab. 11 - see Table 11

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TABLEAU
TABELLE 13a
TABLE

Structure de l'utilisation du PIB de la Communauté (aux prix et taux de change de 1970)
Verwendungsstruktur des BIP der Gemeinschaft (zu Preisen und Wechselkursen von 1970)
Structure of GDP uses of the Community (at 1970 prices and exchange-rates)

| | Ø1961-65 | Ø1966-70 | Ø1971-75 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976* | 1977* | "Perspect D" 1980 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cpr | 61,1 | 60,7 | 61,1 | 60,3 | 60,8 | 61,2 | 60,7 | 60,4 | 62,4 | 61,7 | 61,5 | 59,5 |
| Cpub | 15,4 | 14,5 | 14,2 | 13,9 | 14,1 | 14,1 | 13,8 | 14,0 | 14,9 | 14,7 | 14,6 | 13,4 |
| FBC/BI/GCF | 23,3 | 23,9 | 23,2 | 25,2 | 24,1 | 23,9 | 24,7 | 23,2 | 20,2 | 21,5 | 21,0 | 23,0 |
| dont, darunter, of which FBCF, BAI, GFCF | 21,9 | 22,5 | 22,4 | 23,2 | 23,2 | 23,1 | 22,8 | 21,9 | 21,1 | 20,9 | 20,4 | 22,0 |
| Exp | 16,2 | 19,9 | 25,1 | 21,9 | 22,9 | 23,9 | 25,4 | 27,0 | 26,2 | 27,5 | 28,6 | 31,8 |
| Imp | 15,9 | 19,0 | 23,5 | 21,2 | 21,8 | 23,1 | 24,6 | 24,5 | 23,7 | 25,3 | 25,7 | 27,8 |
| Exp - Imp | 0,3 | 0,9 | 1,6 | 0,7 | 1,1 | 0,8 | 0,8 | 2,5 | 2,5 | 2,2 | 2,9 | 4,0 |
| PIB/BIP GDP | 100,0 | 100,0 | 100,0 | 100.0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

1960-1975: Eurostat: Comptes nationaux SEC Agrégats — Annuaire
Volkswirtschaftl. Gesamtrechnungen ESVG — Jahrbuch 1976
National Accounts ESA Aggregates — Yearbook

* 1976-1977: Budgets économiques
Wirtschaftsbudgets 18.5.1977
Economic Budgets

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TABLEAU Structure de l'utilisation du PIB de la Communauté (aux prix et taux de change courants)
TABELLE 13 b Verwendungsstruktur des BIP der Gemeinschaft (zu jeweiligen Preisen und Wechselkursen)
TABLE Structure of GDP uses of the Community (at current prices and exchange rates)

| | Ø1961-65 | Ø1966-70 | Ø1971-75 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976* | 1977* | "Perspect D" 1980 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cpr | 62,6 | 61,6 | 60,7 | 60,3 | 60,3 | 60,5 | 59,9 | 60,6 | 62,0 | 61,7 | 61,9 | 58,5 |
| Cpub | 13,7 | 14,0 | 15,1 | 13,9 | 14,6 | 14,7 | 14,5 | 15,3 | 16,4 | 16,1 | 16,0 | 15,6 |
| FBC/BI/GCF | 23,8 | 23,8 | 23,5 | 25,1 | 24,0 | 23,6 | 24,8 | 24,3 | 20,8 | 22,3 | 21,6 | 23,7 |
| dont, darunter, of which FBCF, BAI, GFCF | 22,2 | 22,3 | 22,7 | 23,2 | 23,1 | 22,9 | 23,0 | 22,7 | 21,6 | 21,2 | 20,8 | 22,5 |
| Exp | 18,5 | 20,3 | 24,3 | 21,9 | 22,0 | 22,0 | 23,5 | 28,0 | 26,0 | 27,3 | 28,3 | 31,3 |
| Imp | 18,5 | 19,7 | 23,6 | 21,2 | 20,9 | 20,8 | 22,8 | 28,3 | 25,1 | 27,3 | 27,8 | 29,1 |
| Exp - Imp | 0,0 | 0,6 | 0,7 | 0,7 | 1,1 | 1,2 | 0,7 | -0,3 | 0,9 | -0,0 | 0,5 | 2,2 |
| PIB/BIP GDP | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

1960-1975: Eurostat: Comptes nationaux SEC Agrégats — Annuaire
Volkswirtschaftl. Gesamtrechnungen ESVG — Jahrbuch 1976
National Accounts ESA Aggregates — Yearbook

* 1976-1977: Budgets économiques
Wirtschaftsbudgets 18.5.1977
Economic Budgets

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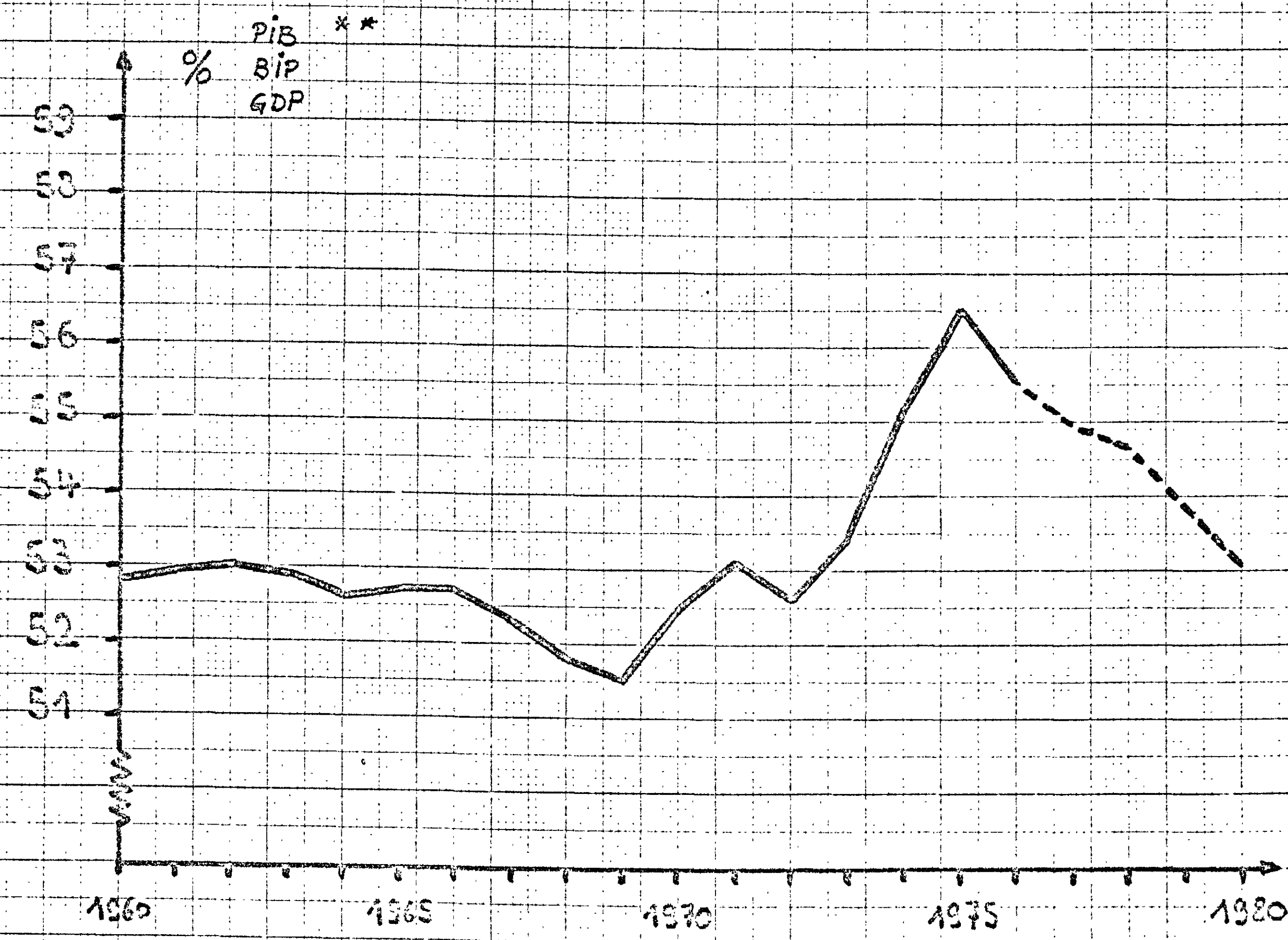
Graphique 14. EVOLUTION DE LA PART SALARIALE CORRIGÉE DANS LA COMMUNAUTÉ * EUR-9

Schaubild 14. ENTWICKLUNG DER KORRIGIERTEN LOHNQUOTE IN DER GEMEINSCHAFT * EUR-9

Graph 14. DEVELOPMENT OF THE ADJUSTED WAGE SHARE IN THE COMMUNITY * EUR-9



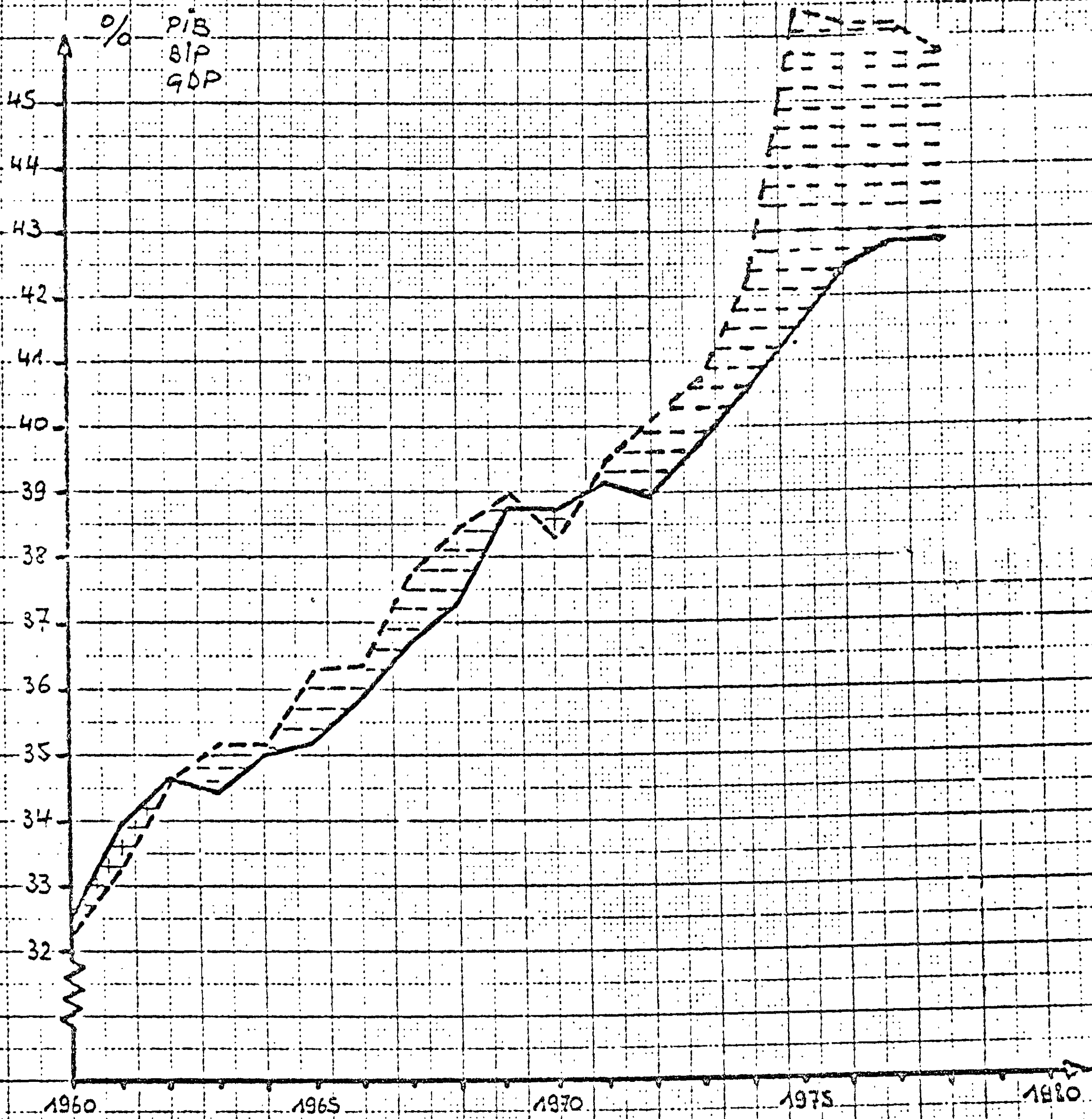

* Corrigée par la variation de la part des salariés dans la population occupée (1970 = 100)
Korrigiert mit der Veränderung des Anteils der unselbständig Beschäftigten an den Erwerbstätigen (1970 = 100)
Adjusted with the variation of the share of wage and salary earners in the occupied population (1970 = 100)

** Taux de change courants – laufenden Wechselkurse – Current exchange rates –
1980 – taux de change / Wechselkurse / exchange rates feb 1977.

Graphique 15a EUR-9 RECETTES ET DEPENSES DE L'ENSEMBLE DES ADMINISTRATIONS PUBLIQUES EN % DU PIB EN VALEUR

Schaubild 15a EUR-9 AUSGABEN UND EINNAHMEN DES STAATES INGESAMT % DES BIP IN JEWEILIGEN PREISEN

Graph 15a EUR-9 EXPENDITURE AND RECEIPTS OF GENERAL GOVERNMENT AS % OF GDP AT CURRENT PRICES




Recettes Einnahmen Receipts
Dépenses Ausgaben Expenditure



II/236/3/77-F-D-E

Tableau
Tabelle 15b
Table

Capacité (+) ou besoin (-) de l'ensemble des administrations publiques % PIB
Finanzierungsüberschuß (+) oder -defizit (-) des Staates insgesamt % BIP
Net lending (+) or net borrowing (-) of General government % GDP

| Année Jahr Year | D | F | I | NL | B | L | UK | IRL | DK | EUR-9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1960 | 3,3 | -0,1 | -0,4 | 0,5 | -2,7 | 3,1 | -1,0 | -2,2 | 3,1 | 0,5 |
| 1 | 3,0 | 0,5 | -0,2 | 0,1 | -1,1 | 4,9 | -3,0 | -3,0 | 0,1 | 0,7 |
| 2 | 1,6 | -0,5 | -0,1 | -0,6 | -1,2 | 2,3 | 0,0 | -3,5 | 0,6 | 0,5 |
| 3 | 1,1 | -0,3 | -0,3 | -1,3 | -1,9 | 2,6 | -2,8 | -3,4 | +1,9 | -0,6 |
| 4 | 1,2 | 0,3 | -0,1 | -1,3 | -0,7 | 2,1 | -1,6 | -3,9 | 1,8 | -0,1 |
| 5 | -0,4 | 0,4 | -3,2 | -0,8 | -1,4 | 2,7 | -2,1 | -4,1 | 1,8 | -1,0 |
| 6 | -0,1 | 0,3 | -3,3 | -0,9 | -0,8 | 1,9 | -0,3 | -2,6 | 2,3 | -0,5 |
| 7 | -1,3 | -0,3 | -1,7 | -1,3 | -1,1 | -0,7 | -1,5 | -3,1 | 0,4 | -1,1 |
| 8 | -0,8 | -0.9 | -2,5 | -0,9 | -2,3 | -2,5 | -1,0 | -3,2 | 1,1 | -1,2 |
| 9 | 1,2 | 0,7 | -2,7 | -0,5 | -1,6 | 0,6 | -0,9 | -4,0 | 1,4 | -0,2 |
| 1970 | 0,5 | 0,9 | -2,5 | -0,8 | -1,1 | 3,1 | 2,6 | -4,1 | 1,9 | 0,4 |
| 1 | 0,2 | 0,6 | -4,7 | -0,5 | -2,1 | 2,6 | 1,4 | -3,9 | 3,0 | -0,3 |
| 2 | -0,1 | 0,6 | -6,6 | 0,1 | -3,2 | 2,5 | -2,1 | -4,3 | 3,6 | -1,3 |
| 3 | 1,5 | 0,6 | -8,0 | 1,4 | -1,9 | 2,2 | -3,6 | -4,7 | 5,5 | -0,9 |
| 4 | -1,3 | 0,6 | -5,4 | 1,0 | -1,9 | 4,5 | -4,5 | -9,1 | 5,2 | -1,7 |
| 5 | -5,8 | -2,2 | -11,3 | -1,9 | -3,9 | +0,1 | -5,1 | -13,9 | -1,9 | -5,1 |
| 6 | -3,7 | -0,8 | -8,7 | -1,8 | -5,3 | -0,5 | -4,8 | -10,0 | -1,0 | -3,7 |
| 7 | -3,1 | -0,9 | -7,6 | -1,9 | -5,4 | -1,0 | -3,8 | -10,2 | -1,1 | -3,3 |
| 8 | -2,6 | -0,6 | -7,5 | -1,9 | [illegible] | -1,0 | -2,2 | -10,2 | . | -2,8 |
| 1980 | -1,0 | -0,4 | -4,6 | -2,3 | [illegible] | . | . | . | . | . |

Notes: R: Recettes, Einnahmen, receipts
D: Dépenses, Ausgaben, payments

Sources: 1960-1973: OCDE, CN
Quellen: OECD, National Accounts

1974-1977: Budgets économiques
Wirtschaftsbudget
Economic Budget
12.1.77, 8.5.77
1978 sans DK
ohne
without

DK 1970-1977:
Données d'expert
Sachverständigenangaben
Expert's indication

Tableau
Tabelle 15o
Table

Recettes et dépenses publiques totales en % PIB
Öffentliche Einnahmen und Ausgaben insgesamt in % BIP
Total public receipts and payments in % GDP

| Année Jahr Year | D | | F | | I | | NL | | B | | L | | UK | | IRL | | DK | | EUR-9 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | R | D | R | D | R | D | R | D | R | D | R | D | R | D | R | D | R | D | F | D |
| 1960 | 35,8 | 32,5 | 33,5 | 33,6 | 30,1 | 30,4 | 34,0 | 33,2 | 27,6 | 30,3 | 33,6 | 30,5 | 31,3 | 32,2 | 25,3 | 27,5 | 28,1 | 25,1 | 32,7 | 32,2 |
| 1 | 36,7 | 33,6 | 35,3 | 34,8 | 29,5 | 29,7 | 35,1 | 35,0 | 28,6 | 29,9 | 35,0 | 30,3 | 33,1 | 33,8 | 26,2 | 29,3 | 27,4 | 27,3 | 33,9 | 33,2 |
| 2 | 37,3 | 35,7 | 35,6 | 36,1 | 30,5 | 30,6 | 35,0 | 35,6 | 29,3 | 30,5 | 34,4 | 32,2 | 34,7 | 34,7 | 25,7 | 29,2 | 28,7 | 28,1 | 34,6 | 34,5 |
| 3 | 37,2 | 36,1 | 36,5 | 36,9 | 31,1 | 31,4 | 36,3 | 37,6 | 29,5 | 31,5 | 35,4 | 32,8 | 32,3 | 35,1 | 26,7 | 30,1 | 30,4 | 28,6 | 34,4 | 35,1 |
| 4 | 36,9 | 35,7 | 37,4 | 37,0 | 31,7 | 31,8 | 36,3 | 37,6 | 30,2 | 30,8 | 34,3 | 32,1 | 33,7 | 35,4 | 27,5 | 31,4 | 30,3 | 28,4 | 35,0 | 35,1 |
| 5 | 36,0 | 36,4 | 37,8 | 37,5 | 31,9 | 35,0 | 37,9 | 38,7 | 30,9 | 32,3 | 36,2 | 33,5 | 34,4 | 36,5 | 28,6 | 32,7 | 31,7 | 29,9 | 35,2 | 36,2 |
| 6 | 36,6 | 36,7 | 37,7 | 37,3 | 31,8 | 35,1 | 39,8 | 40,7 | 32,7 | 33,4 | 37,1 | 35,2 | 35,7 | 36,1 | 30,6 | 33,2 | 34,0 | 31,7 | 35,9 | 36,3 |
| 7 | 37,2 | 38,5 | 37,7 | 37,9 | 33,1 | 34,8 | 41,2 | 42,5 | 33,4 | 34,5 | 37,4 | 38,1 | 37,2 | 38,7 | 31,2 | 34,4 | 34,6 | 34,3 | 36,7 | 37,7 |
| 8 | 36,9 | 37,7 | 37,9 | 38,8 | 33,8 | 36,3 | 42,6 | 43,5 | 34,0 | 36,3 | 41,0 | 43,7 | 38,9 | 39,9 | 31,7 | 34,8 | 37,5 | 36,3 | 37,3 | 38,4 |
| 9 | 38,7 | 37,6 | 39,9 | 39,2 | 33,2 | 35,9 | 43,4 | 43,9 | 34,5 | 36,1 | 40,4 | 39,8 | 41,1 | 42,0 | 32,3 | 36,3 | 37,7 | 36,3 | 38,7 | 38,9 |
| 1970 | 37,9 | 37,4 | 39,3 | 38,3 | 32,9 | 35,4 | 44,7 | 45,5 | 35,4 | 36,5 | 41,0 | 38,0 | 42,4 | 39,8 | 33,9 | 38,1 | 41,9 | 40,0 | 38,7 | 38,2 |
| 1 | 39,4 | 39,2 | 38,7 | 38,0 | 34,6 | 39,2 | 46,9 | 47,4 | 36,0 | 38,1 | 44,8 | 42,1 | 40,5 | 39,1 | 35,2 | 39,0 | 45,4 | 42,4 | 39,1 | 39,4 |
| 2 | 39,3 | 39,4 | 38,6 | 38,0 | 34,6 | 41,2 | 47,9 | 47,8 | 36,0 | 39,2 | 46,5 | 44,0 | 38,8 | 40,9 | 34,4 | 38,8 | 45,6 | 42,0 | 38,9 | 40,1 |
| 3 | 41,6 | 40,1 | 38,6 | 38,1 | 33,6 | 41,5 | 50,5 | 49,1 | 37,6 | 39,5 | 46,5 | 44,3 | 38,4 | 41,9 | 36,0 | 40,7 | 45,0 | 39,5 | 39,7 | 40,6 |
| 4 | 42,0 | 43,3 | 39,8 | 39,2 | 34,3 | 39,7 | 51,6 | 50,6 | 39,4 | 41,3 | 44,1 | 39,6 | 39,2 | 43,7 | 35,6 | 44,7 | 48,0 | 42,8 | 40,6 | 42,3 |
| 5 | 41,6 | 47,4 | 41,5 | 43,8 | 34,7 | 46,0 | 53,2 | 55,0 | 42,7 | 46,6 | 51,3 | 51,2 | 40,1 | 45,2 | 35,9 | 50,7 | 44,5 | 46,4 | 41,3 | 46,4 |
| 6 | 42,9 | 46,6 | 43,4 | 44,2 | 36,5 | 45,4 | 54,4 | 56,3 | 43,4 | 48,8 | 55,3 | 55,9 | 40,2 | 44,9 | 38,7 | 48,6 | 45,2 | 46,2 | 42,4 | 46,2 |
| 7 | 43,5 | 46,6 | 43,8 | 44,8 | 37,9 | 45,6 | 53,9 | 55,8 | 45,2 | 50,6 | 56,1 | 57,1 | 40,0 | 43,7 | 38,6 | 48,8 | 44,4 | 45,5 | 42,8 | 46,2 |
| 8 | 44,1 | 46,7 | 44,0 | 44,7 | 36,6 | 44,1 | 54,3 | 56,2 | 46,3 | 51,4 | 56,3 | 57,3 | 40,3 | 42,5 | 37,2 | 47,3 | . | . | 42,8 | 45,8 |
| 1980 | 43,1 | 44,1 | 41,6 | 42,0 | 42,1 | 46,[illegible] | 54,6 | 56,9 | 44,8 | 46,2 | . | . | . | . | . | . | . | . | . | . |

Sources et notes cf. tableau 15b - Quelle und Fußnoten vgl. Tabelle 15b - Sources and footnotes cf. table 15b

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TABLEAU
TABELLE 16
TABLE

Illustration de la structure de financement de la Communauté
Illustration der Finanzierungsstruktur der Gemeinschaft
Illustration of the structure of financial flows in the Community
% PIB - BIP - GDP
en valeur - jeweilige Preise - current prices

| | Agrégats à financer - zu finanzierence Aggregate - aggregates to be financed | | | Total | Sources de financement - Finanzierungsquellen - Sources of finance | | |
|---|---|---|---|---|---|---|---|
| | FBC BI GCF | Déficit public a) Öffentlicher Defizit Publ.deficit | Excéd.ext. b) Außenwirt. Überschuß External surplus | 4=1+2+3 =5+6+7 | Moyens privés c) Priv.Finanzierungsmittel Private finance | Excédent public a) Öffentl. Übersch. Publ.surpl. | Déficit extérieur b) Außenwirt. Defizit Ext.deficit |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1960-62 | 23,5 | - | 0,5 | 24,0 | 23,4 | 0,6 | - |
| 1963-64 | 24,0 | 0,3 | - | 24,3 | 24,1 | - | 0,2 |
| 1965-69 | 23,6 | 0,8 | 0,4 | 24,8 | 24,8 | - | - |
| 1970 | 25,1 | - | 0,4 | 25,5 | 25,1 | 0,4 | - |
| 1971-72 | 23,8 | 0,8 | 0,7 | 25,3 | 25,3 | - | - |
| 1973 | 24,8 | 0,9 | - | 25,7 | 25,7 | - | 0,0 |
| 1974 | 24,2 | 1,7 | - | 25,9 | 24,8 | - | 1,1 |
| 1975 | 20,8 | 5,1 | - | 25,9 | 25,8 | - | 0,1 |
| 1976 | 22,3 | 3,7 | - | 26,0 | 25,3 | - | 0,7 |
| (1977) | 21,6 | 3,3 | 0,0 | 24,9 | 24,9 | - | - |
| 1980 (a) | 23,7 | 0,8* | 1,0 | 25,5 | 25,5* | - | - |
| 1980 (b) | 22,3 | 2,2* | 1,0 | 25,5 | 25,5* | - | - |
| 1980 (c) | 23,7 | 2,2* | - | 25,9 | 25,5* | - | 0,4* |

* Illustration

a) Capacité ou besoin de financement des administrations publiques - Finanzierungsüberschuß bzw. -defizit des Staates - Net lending or net borrowing of general government

b) Capacité ou besoin de financement de la nation - Finanzierungsüberschuß bzw. -defizit der Volkswirtschaft - Net lending or net borrowing of the nation

c) Capacité de financement des ménages + auto-financement des entreprises (= FBC - besoin de financement) Finanzierungsüberschuß der privaten Haushalte + Selbstfinanzierung der Unternehmen (= Bruttoinvestitionen - Finanzierungsdefizit)- Net financial borrowing of private housholds + internal financing of enterprises (= GCF - net borrowing).

(a) Project. Projektionen (b) Risque Risiko (c) Une solution Eine Lösung

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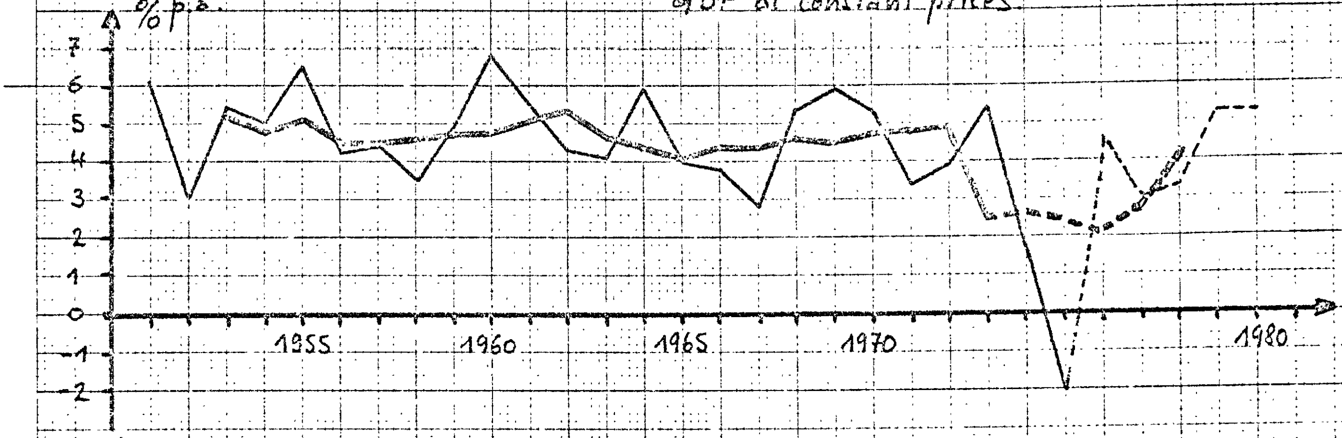
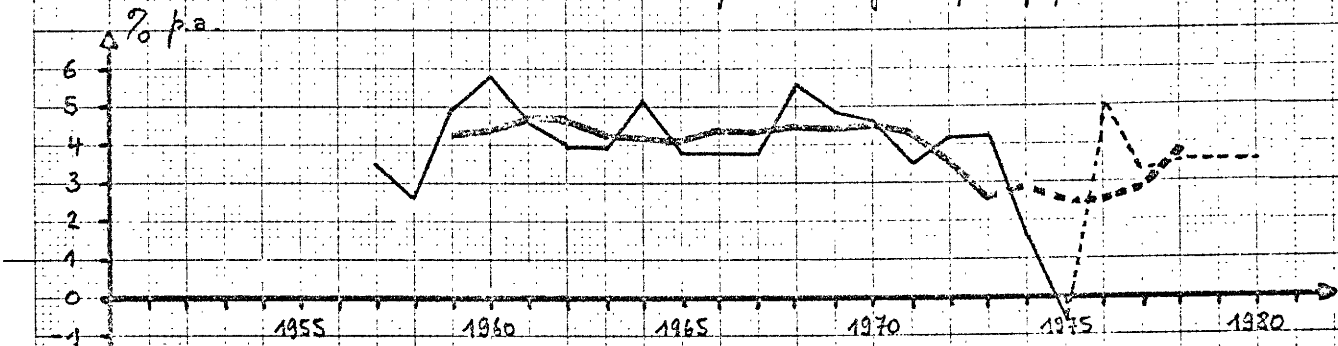
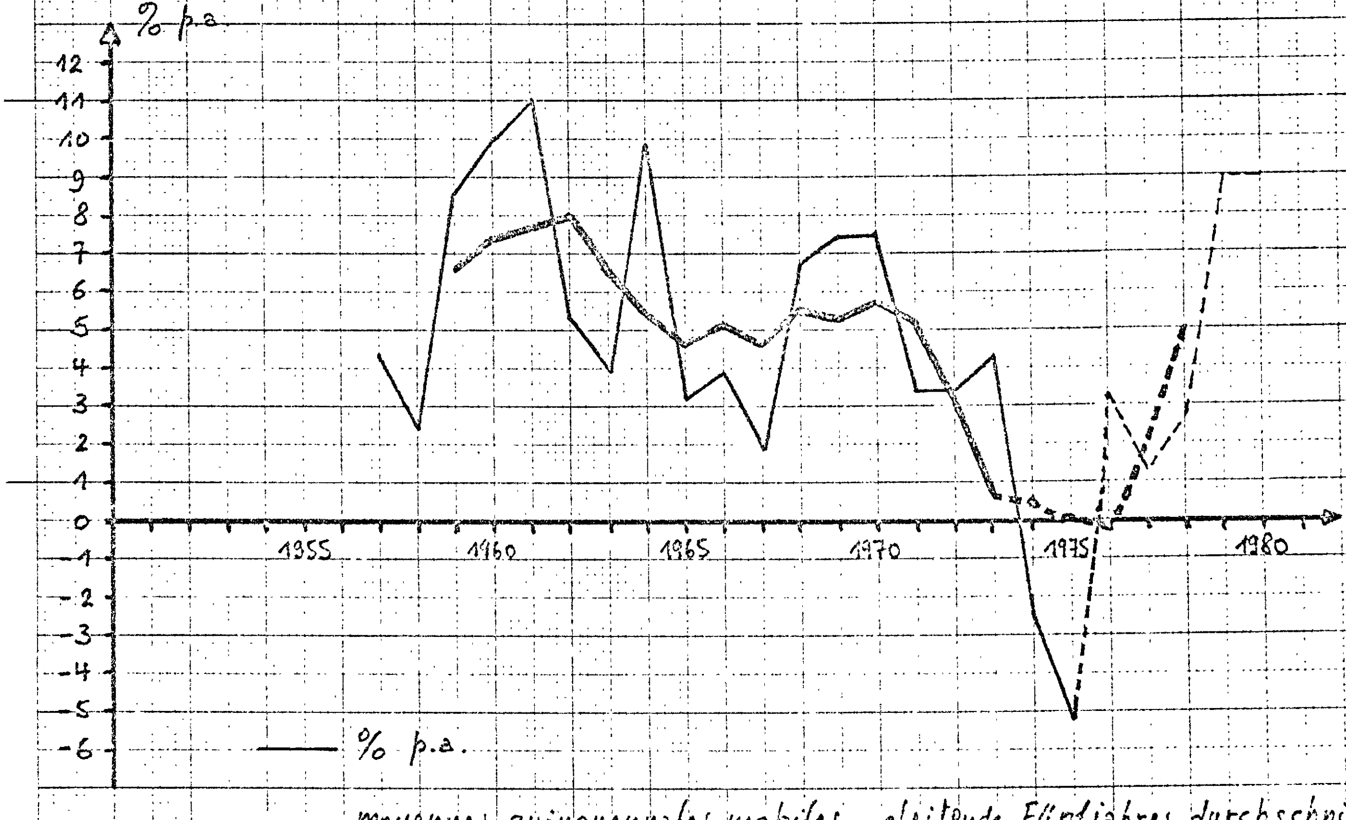
Graphique 17a _ EUR-9 _ PIB en volume.
BIP zu konst. Preisen.
GDP at constant prices.




Graphique 17b _ EUR-9 _ PIB par personne occupée.
BIP je Erwerbstätigen.
GDP per head of occupied population.




Graphique 18 _ EUR-9 _ FBCF en volume.
BAI zu konst. Preisen.
GFCF at constant prices.




—— % p.a.

—— moyennes quinquennales mobiles _ gleitende Fünfjahres durchschnitte _ moving fiveyears' averages.



II/235/3/77-F-D-E

TABLEAU / TABELLE / TABLE 19

FBCF en volume au prix de 1970
BAI zu Preisen von 1970
GFCF in 1970-prices

% p.a.

| | ø 1965/1960 | ø 1970/1965 | ø 1975/1970 | 1970/1969 | 1971/1970 | 1972/1971 | 1973/1972 | 1974/1973 | 1975/1974 | Budgets écon. Wirtsch.Budg. Econom.Budget 1976/1975 | 1977/1976 | "Perspective D" ø 1980/1975 | Reste ø 1980/1977 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D* | 6,7 | 4,5 | -1,0 | 11,5 | 4,5 | 2,7 | 0,6 | -8,1 | -4,1 | 4,4 | 5,7 | 5,0 | 4,9 |
| F | 8,9 | 7,5 | 3,5 | 6,7 | 7,1 | 7,1 | 6,7 | 1,2 | -4,3 | 4,5 | 0,4 | 5,9 | 8,3 |
| I | 2,6 | 7,3 | -0,8 | 3,4 | -3,1 | 1,0 | 8,4 | 3,7 | -12,7 | 2,3 | 2,0 | 5,5 | 7,8 |
| NL | 7,0 | 7,0 | -0,6 | 10,6 | 3,3 | -3,5 | 5,6 | -4,2 | - 3,9 | -1,8 | 4,3 | 2,2 | 2,9 |
| B | 7,3 | 4,4 | 2,6 | 8,8 | -1,7 | 3,6 | 7,3 | 7,5 | - 3,4 | -0,2 | 2,7 | 6,2 | 9,6 |
| L | 6,9 | 0,5 | 3,6 | 16,3 | 12,8 | 3,1 | 10,1 | 3,6 | -10,1 | -4,5 | 4,3 | 4,3 | 7,4 |
| UK | 6,4 | 3,7 | 1,0 | 2,0 | 2,6 | 2,1 | 4,0 | -2,4 | - 1,3 | -4,3 | -3,4 | 3,8 | 9,2 |
| IRL | 13,0 | 6,9 | 1,4 | -0,9 | 9,5 | 2,6 | 14,0 | -10,3 | - 6,6 | 3,0 | 8,0 | 7,6 | 9,0 |
| DK | 8,9 | 5,3 | -0,8 | 6,0 | 2,9 | 8,2 | 6,1 | - 8,9 | -10,7 | 13,7 | 0,5 | 5,3 | 4,2 |
| EUR-9 | 6,7 | 5,5 | 0,6 | 7,0 | 3,4 | 3,3 | 4,3 | - 2,5 | - 5,2 | 3,2 | 1,3 | 5,0 | 6,9 |

* Données nationales, Nationale Angaben, National figures - base, Basis 1962

1960-1975 SEC, ESVG, ESA

1976 + 1977 Budgets économiques, 18.5.1977 - Wirtschaftsbudgets, 18.5.1977
Economic Budgets, 18.5.1977

TABLEAU
TABELLE 20
TABLE

**Croissance du PIB en volume (prix et aux de change de 1970)**
BIP-Wachstum zu Preisen und Wechselkursen von 1970
Growth of GDP in real terms (1970-prices and exchange-rates)

% p.a.

| | 1973/1972 | 1974/1973 | 1975/1974 | Budgets économiques** Wirtschaftsbudgets Economic Budgets 1976/1975 C | 1976/1975 N | 1977/1976 C | 1977/1976 N | 1978/1977 C | IV. Programme ∅ 1980/75 Fourchette Marge Range | IV. Programme ∅ 1980/75 Moyenne Mittel Average | IV. Programme ∅ 1980/1977 Reste C | ∅ 1980/1977 Reste N | "Perspective D" ∅ 1980/1975 | "Perspective D" ∅ 1980/1977 Reste C | ∅ 1980/1977 Reste N |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D* | 5,1 | 0,7 | -3,3 | 5,7 | 5,7 | 4,0 | 4½ | 3½ | 4 - 5 | 4,5 | 4,3 | 4,1 | 4,4 | 4,1 | 3,9 |
| F | 5,2 | 2,9 | -1,3 | 5,2 | . | 3,1 | . | 3,9 | 5½ | 5,5 | 6,4 | . | 5,4 | 6,2 | . |
| I | 6,8 | 3,4 | -3,7 | 5,6 | . | 3,0 | . | 3½ | 4½ - 5 | 4,75 | 5,1 | . | 3,6 | 3,1 | . |
| NL | 5,9 | 2,4 | -1,1 | 3,5 | . | 4,0 | . | 3,3 | 4 - 5 | 4,5 | 5,0 | . | 4,0 | 4,2 | . |
| B | 6,3 | 3,9 | -2,1 | 3,0 | 2,0 | 3,5 | . | 3,6 | 4½ - 5 | 4,75 | 5,8 | . | 4,2 | 4,8 | . |
| L | 7,1 | 3,4 | -7,7 | 3,0 | . | 2,0 | . | 2,8 | 3 - 3½ | 3,25 | 3,8 | . | 3,5 | 4,2 | . |
| UK | 6,0 | 0,3 | -1,3 | 1,8 | 1,4 | 0,8 | 0,9 | 3,2 | 4 - 4½ | 4,25 | 6,3 | 6,4 | 3,0 | 4,1 | 4,2 |
| IRL | 4,4 | 0,1 | -0,3 | 3,5 | 3,5 | 3,7 | 41/4 | 4,½ | 4½ - 5 | 4,75 | 5,5 | 5,3 | 5,5 | 6,8 | 6,6 |
| DK | 2,9 | 0,3 | -0,7 | 4,8 | . | 1,5 | . | 2½ | 4½ - 5 | 4,75 | 5,8 | . | 4,5 | 5,4 | . |
| EUR-9 | 5,5 | 1,7 | -2,0 | 4,6 | . | 3,0 | | 3½ | 4½ - 5 | 4,75 | 5,4 | . | 4,3 | 4,6 | . |

1973-1975: SEC, ESVG, ESA; *1973-1975: Données nationales, Nationale Angaben, National figures, base - Basis 19
** Budgets économiques - Wirtschaftsbudgets - Economic Budgets
C: Estimations des services de la Commission - Schätzungen der Dienststellen der Kommission - Estimates of the Commission's staff 18.5.1977
N: Estimations nationales - nationale Schätzungen - National estimates 18.5.1977

TABLEAU
TABELLE 21a
TABLE

Croissance, productivité et emploi
Wachstum, Produktivität und Beschäftigung EUR-9
Growth, productivity and employment

| Cas No / Fall Nr. / Case No | Hypothèses de départ / Ausgangshypothesen / Starting assumptions — Ø 1980/75 % p.a. — PIB vol. / BIP real / GDP r.t. | Productivité* / Produktivität / Productivity | Taux d'act. / Erwerbsq. / Activity rate 1980** | Résultats, Ergebnisse, Outcome 1980 — Population active / Erwerbspersonen / Labour force *** △/cas, Fall, case 1 — Mio | % | Populat. occupée / Erwerbstätige / Employed popul. *** △/cas, Fall, case 1 — Mio | % | Chômage / Arbeitslose / Unemployment — Mio | % pop.act. / % Erw.pers. / % Lab.force |
|---|---|---|---|---|---|---|---|---|---|
| IV. Progr. | | | | | | | | | |
| 1. Persp. C' | 5,1 | 4,3 | 42,0 % | 0 | 100,0 | 0 | 100,0 | 2,3 | 2,3 |
| 1a Persp. C | 4,75 | 4,1 | 42,0 % | 0 | 100,0 | -0,7 | 99,3 | 3,3 | 3,0 |
| 2. "Persp.D" | 4,3 | $\boxed{3,8}$ | 41,9 % | -0,2 | 99,8 | -1,7 | 98,4 | 4,0 | 3,7 |
| 2a | 4,3 | $\boxed{3,5}$ | 41,9 % | -0,2 | 99,8 | -0,2 | 99,8 | 2,5 | 2,3 |
| 2b | 4,3 | 3,8 | $\boxed{41,3}$ % | -1,7 | 98,4 | -1,7 | 98,4 | 2,5 | 2,3 |
| 3. Risque, Risiko **** | 3,75 | 3,75 | 41,9 % | -0,2 | 99,8 | -4,0 | 96,3 | 6,4 | 5,8 |
| 3a | 3,75 | $\boxed{3,5}$ | 41,9 % | -0,2 | 99,8 | -2,8 | 97,4 | 5,1 | 4,6 |
| Perspective A 4. Variante basse niedrig low | 3,3 | $\boxed{3,3}$ | 41,9 % | -0,2 | 99,8 | -4,0 | 96,3 | 6,4 | 5,8 |
| 4a | 3,3 | 3,3 | $\boxed{41,5}$ % | -1,4 | 98,7 | -4,0 | 96,3 | 5,2 | 4,8 |
| 4b | 3,3 | $\boxed{3\frac{1}{2}}$ | 41,5 % | -1,4 | 98,7 | -5,0 | 95,3 | 6,3 | 5,8 |

* PIB par personne occupée - BIP je Erwerbstätigen - GDP per head of employed population

** 1975 = 41,5 %

***Variations par rapport au cas 1 - Veränderungen im Verhältnis zu Fall 1 - Changes in relation to case 1

****** Cf. pages 26 et 30 du rapport - Vergl. Seite 26 und 30 des Berichts - See pages 26 and 30 of the report**

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TABLEAU
TABELLE 21b
TABLE

Croissance, productivité et niveaux de revenu réel
Wachstum, Produktivität und reale Einkommensniveaus EUR-9
Growth, productivity and levels of real income

| Cas No<br>Fall Nr.<br>Case No * | Hypothèses<br>Hypothesen<br>Assumptions<br>$\varnothing \frac{1980}{1975}$ % p.a. | | PIB, BIP, GDP - Niveau - Level 1980 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Mrd EUR (70) | par habitant<br>je Einwohner<br>per head of pop. | | par pers.occupée<br>je Erwerbstätigen<br>per head of empl. popul. | | par pers. non-occ.<br>je Nicht-Erwerbstät.<br>per head of non-employed popul. | |
| | PIB<br>BIP<br>GDP | Productivité<br>Produktivität<br>Productivity | | EUR (70) | cas<br>%Fall 1<br>case | EUR (70) | cas<br>%Fall 1<br>case | EUR (70) | cas<br>%Fall 1<br>case |
| IV. Progr.<br>1.Perspect.C' | 5,1 | 4,3 | 895,6 | 3.423 | 100,0 | 8.334 | 100,0 | 5.808 | 100,0 |
| 1a Perspect.C | 4,75 | 4,1 | 880,8 | 3.366 | 98,3 | 8.254 | 99,0 | 5.684 | 97,9 |
| 2."Persp. D" | 4,3 | 3,8 | 862,0 | 3.294 | 96,2 | 8.136 | 97,6 | 5.528 | 95,2 |
| 2a | 4,3 | 3,5 | 862,0 | 3.294 | 96,2 | 8.019 | 96,2 | 5.582 | 96,1 |
| 3. Risque<br>Risiko | 3,75 | 3,75 | 839,5 | 3.208 | 93,7 | 8.117 | 97,4 | 5.305 | 91,3 |
| 3a | 3,75 | 3,5 | 839,5 | 3.208 | 93,7 | 8.019 | 96,2 | 5.347 | 92,1 |
| Perspective A<br>4. Variante basse niedrig low | 3,3 | 3,3 | 821,5 | 3.140 | 91,7 | 7.942 | 95,3 | 5.192 | 89,4 |
| 4b | 3,3 | 3,5 | 821,5 | 3.140 | 91,7 | 8.019 | 96,2 | 5.158 | 88,8 |

* Cf Tabl. 21 - Vgl. Tabelle 21a

TABLEAU 22 Evolution des coûts relatifs* - compte tenu de la variation pondérée des taux de change -
TABELLE Entwicklung der relativen Kosten* - unter Berücksichtigung der gewichteten Wechselkursänderungen -
TABLE Development of relative costs* - taking account of weighted variations of exchange-rates

| | Indices 1970/50** | | | Indices 1975/70*** | | | Indices 1980/75 *** | | | 1980/70 | 1980/50 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Prix PIB relatifs BIP-Preise GDP-prices | Taux de change Wech-sel-kurse Exchange-rates | Effet total Gesamt-effekt | Prix PIB relatifs BIP-Preise GDP-prices | Taux de change Wech-sel-kurse Exchange-rates | Effet total Gesamt-effekt | Prix PIB relatifs BIP-Preise GDP-prices | Taux de change Wech-sel-kurse Exchange-rates | Effet total Gesamt-effekt | Effet totaux Gesamteffekte Indices | |
| | 1 | 2 | 3=1x2 | 4 | 5 | 6=4x5 | 7 | 8 | 9=7x8 | 10=6x9 | 11=3x10 |
| D | 86,7 | 119,6 | 103,7 | 88,4 | 122,0 | 107,8 | 81,2 | 113,9 | 92,5 | 99,7 | 103,4 |
| F | 150,0 | 61,7 | 92,6 | 100,1 | 105,1 | 105,2 | 98,3 | 95,5 | 93,8 | 98,7 | 91,4 |
| I | 98,5 | 101,8 | 100,3 | 116,4 | 74,5 | 86,7 | 146,4 | 77,9 | 114,0 | 98,9 | 99,2 |
| NL | 115,7 | 105,4 | 121,9 | 101,9 | 112,0 | 114,1 | 96,9 | 110,2 | 106,8 | 121,9 | 148,6 |
| B/L | 79,0 | 102,8 | 81,2 | 99,3 | 105,4 | 104,7 | 101,1 | 108,3 | 109,5 | 114,6 | 93,1 |
| UK | 107,9 | 86,2 | 93,0 | 120,5 | 77,7 | 93,6 | 118,9 | 82,7 | 98,3 | 92,0 | 85,6 |
| IRL | . | . | . | 110,2 | 92,8 | 102,2 | 105,0 | 94,8 | 99,5 | 101,7 | . |
| DK | . | . | . | 99,8 | 113,0 | 112,8 | 84,6 | 109,4 | 92,6 | 104,5 | . |

* Le prix du PIB est interprété comme indicateur de coût, la pondération est dérivée de la structure d'exportation de chacun des pays vers ses partenaires industrialisés - Die BIP-Preise werden als Kosten interpretiert; die Gewichtung ist aus der Struktur der Ausfuhren jedes Landes in seine industrialisierten Handelspartner abgeleitet - GDP-prices are considered as indicator for costs, the weighting was derived from the structure of each country's exports to her industrial partners

** Pondération variable - Variable Gewichtung - variable weighting

*** Pondération de 1972 - Gewichtung von 1972 - Weights of 1972

Colonne 8: Taux de change février 1977 par rapport à la moyenne 1975 - Spalte 8: Wechselkurse vom Februar 1977 im Verhältnis zum Jahresdurchschn.75 - Column 8: Exchange-rates of February 1977 in relation to the average of 1975

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TABLEAU
TABELLE 23
TABLE

# Variations bilatérales des coûts et des taux de change
# Bilaterale Veränderungen der Kosten und Wechselkurse
# Bilateral changes in costs and exchange rates

Indices 1976/1966

| Pays ci-après / Folgende Länder / Follow.countr.→ <br> par rapport à / im Verhältnis zu / in relation to↓ | D | F | I | NL | B | L | UK | IRL | DK |
|---|---|---|---|---|---|---|---|---|---|
| **1. Variation des coûts salariaux par unité produite (en monnaies nationales) - Veränderung der Lohnkosten je Produkteinheit (in nationaler Währung - Changes in wage costs per unit of output (national currency)** | | | | | | | | | |
| D | - | 124,5 | 158,9 | 123,6 | 117,4 | 133,5 | 167,1 | 167,3 | 134,0 |
| F | 80,3 | - | 127,6 | 99,3 | 94,2 | 107,2 | 134,2 | 134,4 | 107,6 |
| I | 63,0 | 78,4 | - | 77,8 | 73,9 | 84,0 | 105,2 | 105,3 | 84,3 |
| NL | 81,0 | 100,8 | 128,5 | - | 95,0 | 108,0 | 135,2 | 135,4 | 108,4 |
| B | 85,2 | 106,1 | 135,4 | 105,3 | - | 113,8 | 142,4 | 142,6 | 114,2 |
| L | 74,9 | 93,3 | 119,0 | 92,6 | 87,7 | - | 125,2 | 125,3 | 100,4 |
| UK | 59,9 | 74,5 | 95,1 | 74,0 | 70,2 | 79,9 | - | 100,1 | 80,2 |
| IRL | 59,8 | 74,4 | 95,0 | 73,9 | 70,2 | 79,8 | 99,9 | - | 80,1 |
| DK | 74,6 | 93,0 | 118,6 | 92,3 | 87,6 | 99,7 | 124,7 | 124,9 | - |
| **2. Variation des taux de changes / Veränderung der Wechselkurse (12.1976/ Ø 1966) / Changes in exchange-rates** | | | | | | | | | |
| D | - | 58,3 | 42,4 | 85,2 | 81,1 | 81,1 | 35,3 | 35,3 | 69,1 |
| F | 171,5 | - | 72,7 | 153,3 | 139,0 | 139,0 | 60,5 | 60,5 | 118,4 |
| I | 235,8 | 137,5 | - | 211,8 | 191,2 | 191,2 | 83,2 | 83,2 | 162,8 |
| NL | 117,4 | 65,3 | 47,2 | - | 90,7 | 90,7 | 39,5 | 39,5 | 77,3 |
| B | 123,3 | 71,9 | 52,3 | 110,2 | - | 100,0 | 43,5 | 43,5 | 85,2 |
| L | 123,3 | 71,9 | 52,3 | 110,2 | 100,0 | - | 43,5 | 43,5 | 85,2 |
| UK | 283,5 | 165,4 | 120,2 | 253,4 | 229,9 | 229,9 | - | 100,0 | 195,8 |
| IRL | 283,5 | 165,4 | 120,2 | 253,4 | 339,9 | 229,9 | 100,0 | - | 195,8 |
| DK | 144,8 | 84,5 | 61,4 | 129,4 | 117,4 | 117,4 | 51,1 | 51,1 | - |
| **3. Effet total / Gesamtwirkung (= 1x2) / Overall effect** | | | | | | | | | |
| D | - | 72,6 | 67,4 | 105,3 | 95,2 | 108,3 | 58,9 | 59,0 | 92,5 |
| F | 137,7 | - | 92,8 | 152,1 | 131,0 | 149,1 | 81,1 | 81,3 | 127,4 |
| I | 148,4 | 107,8 | - | 164,8 | 141,3 | 160,7 | 87,5 | 87,6 | 137,3 |
| NL | 95,0 | 65,7 | 60,7 | - | 86,1 | 98,0 | 53,4 | 53,4 | 83,7 |
| B | 105,1 | 76,3 | 70,8 | 116,1 | - | 113,8 | 61,9 | 62,0 | 97,2 |
| L | 92,4 | 67,1 | 62,2 | 102,0 | 87,7 | - | 54,4 | 54,5 | 85,5 |
| UK | 169,7 | 123,2 | 114,3 | 187,4 | 161,5 | 183,7 | - | 100,1 | 157,0 |
| IRL | 169,5 | 123,1 | 114,2 | 187,2 | 161,3 | 183,5 | 99,9 | - | 156,7 |
| DK | 108,1 | 78,5 | 72,8 | 119,4 | 102,9 | 117,0 | 63,7 | 63,8 | - |

Sources - Quellen: 1966-1975: Comptes nationaux SEC Agrégats Annuaire 1976 - Volkswirtschaftl.Gesamtrechnungen ESVG Jahrbuch 1976 - National Accounts ESA Aggregates Yearbook 1976 - Ireland 1966-70: Comptes nationaux Agrégats 1973 - Volkswirtschaftl. Gesamtrechnungen ESVG 1973 - National Accounts Aggregates 1973 - 1976: Budgets économiques - Wirtschaftsbudgets - Economic Budgets Jan. 1977 - Taux de changes - Wechselkurse - Exchange rates Dec.1976

| | |
|---|---|
| GRAPHIQUES | EVOLUTION DES COUTS RELATIFS 1950-80<br>(compte tenu de la variation pondérée des taux de change) |
| SCHAUBILDER | ENTWICKLUNG DER RELATIVEN KOSTEN 1950-80<br>(unter Berücksichtigung der gewichteten Wechselkursänderungen) |
| GRAPHS | DEVELOPMENT OF RELATIVE COSTS 1950-80<br>(taking account of weighted variations of exchange rates) |

Le prix du PIB est interprété comme indicateur de coût, la pondération est dérivée de la structure d'exportation de chacun des pays vers ses partenaires industrialisés.
1951-70 Pondération variable.
1971-80 Pondération 1972.

Die BIP-Preise werden als Kosten interpretiert; die Gewichtung ist aus der Struktur der Ausfuhren jedes Landes in seine industrialisierten Handelspartner abgeleitet.
1951-70 Variable Gewichtung.
1971-80 Gewichtung von 1972.

GDP-prices are considered as indicator for costs, the weighting was derived from the structure of each country's exports to her industrial partners.
1951-70 Variable weighting.
1971-80 Weights of 1972.

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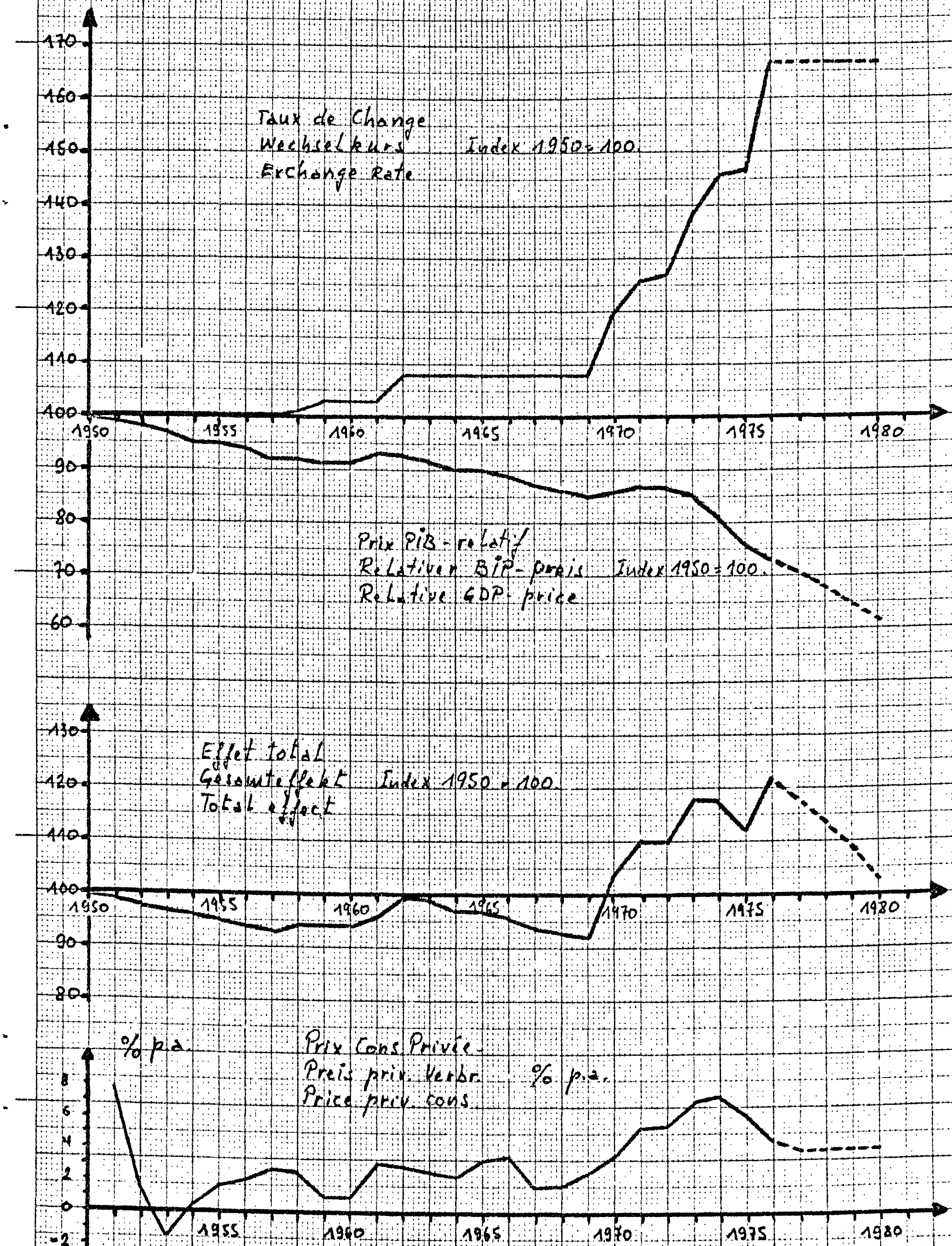
# B.R. DEUTSCHLAND.



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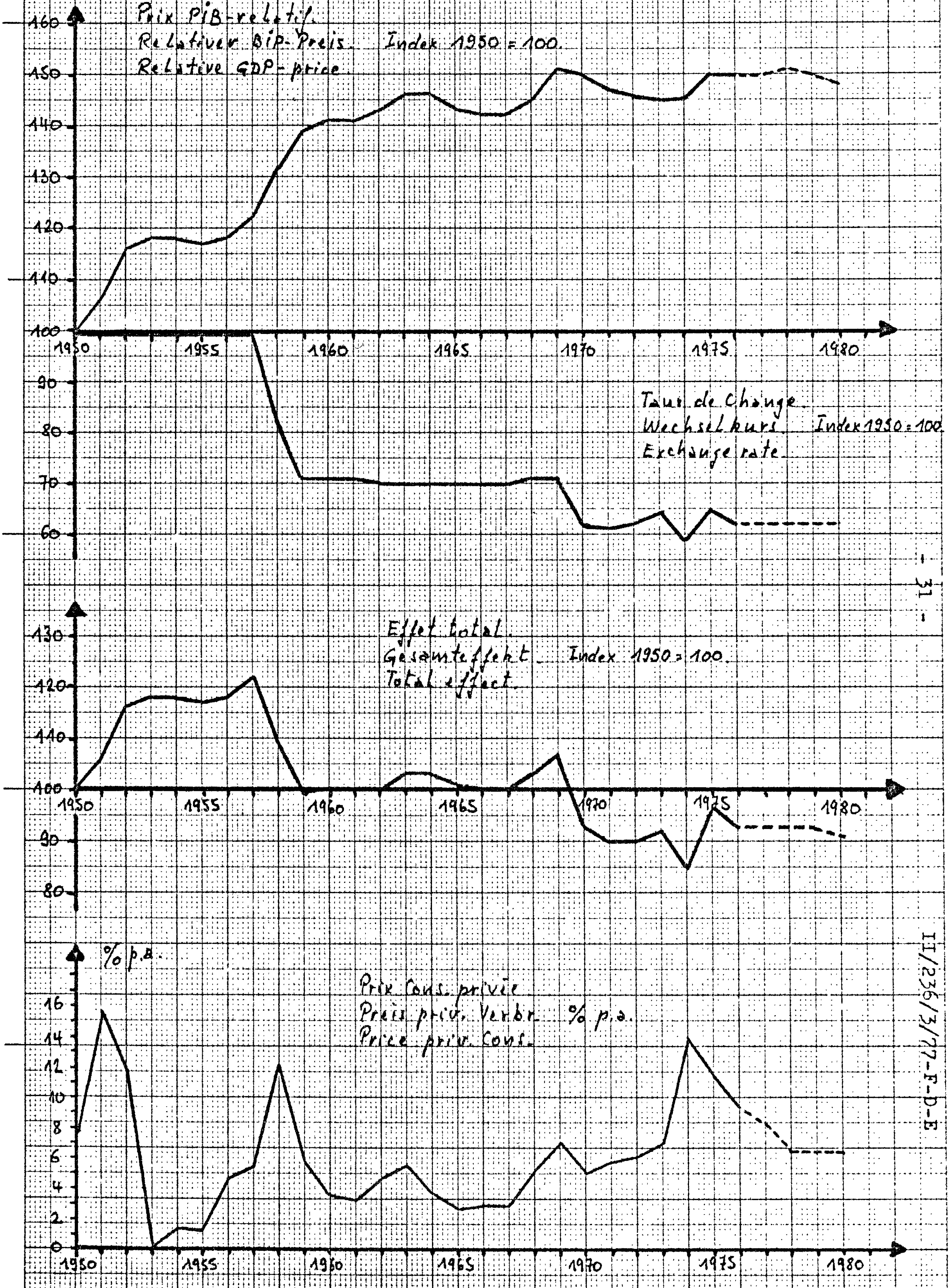


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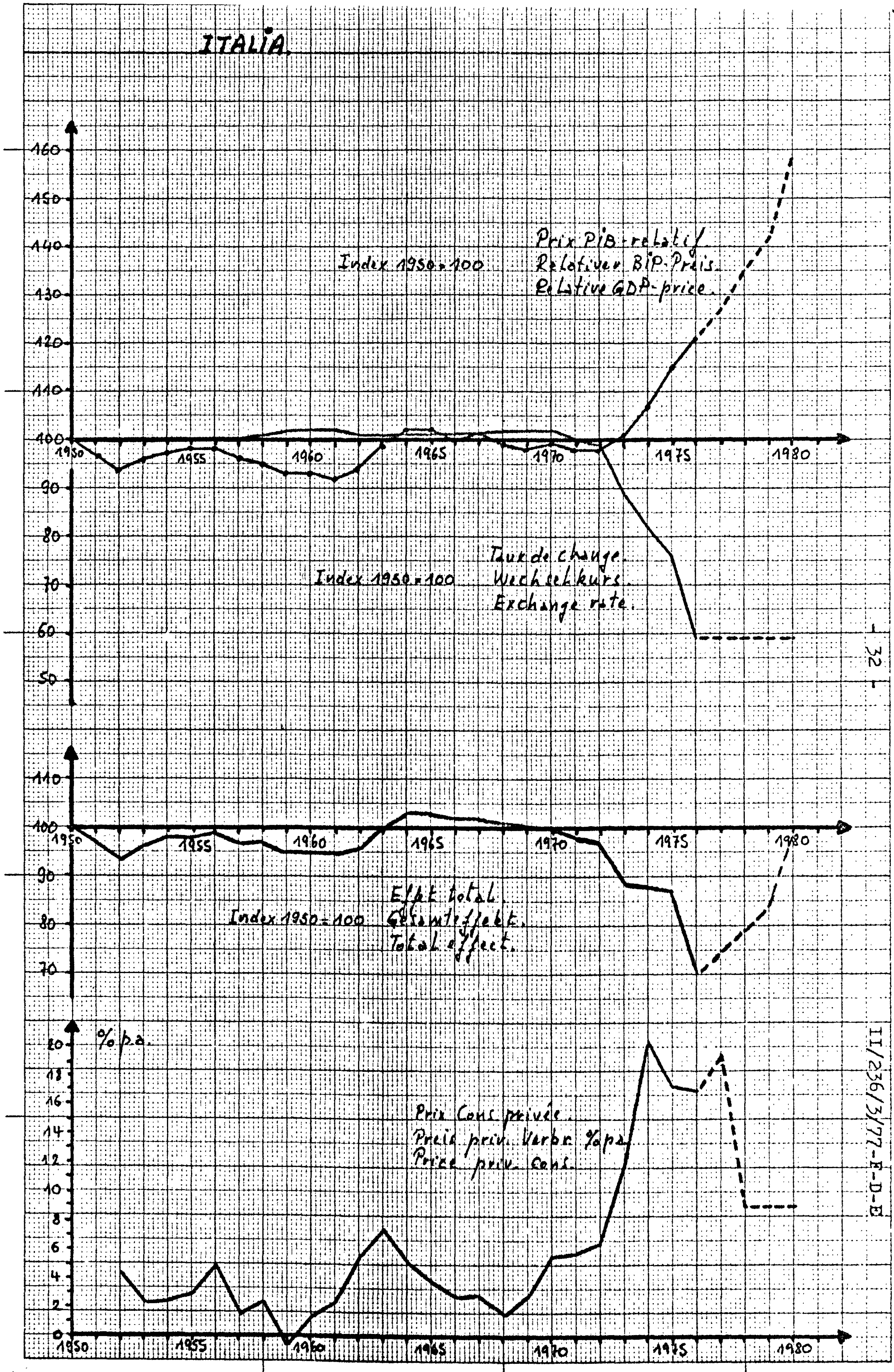
73

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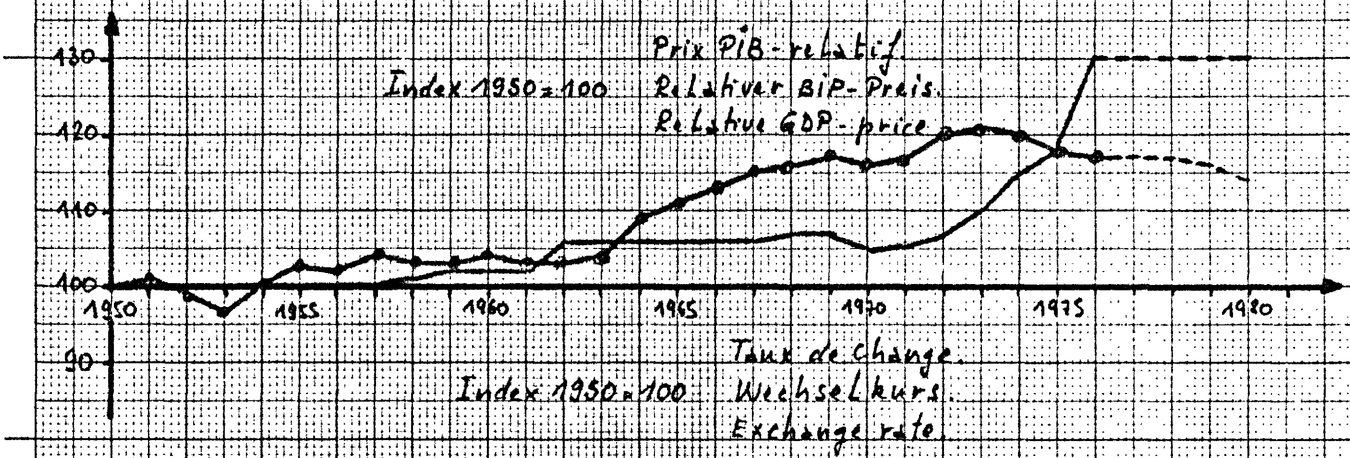
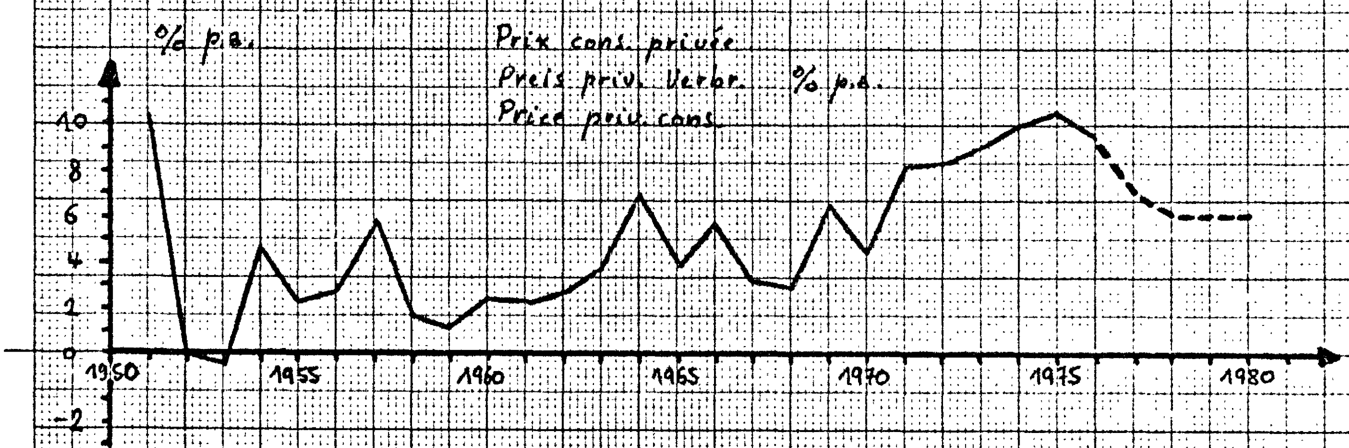
# NEDERLAND.







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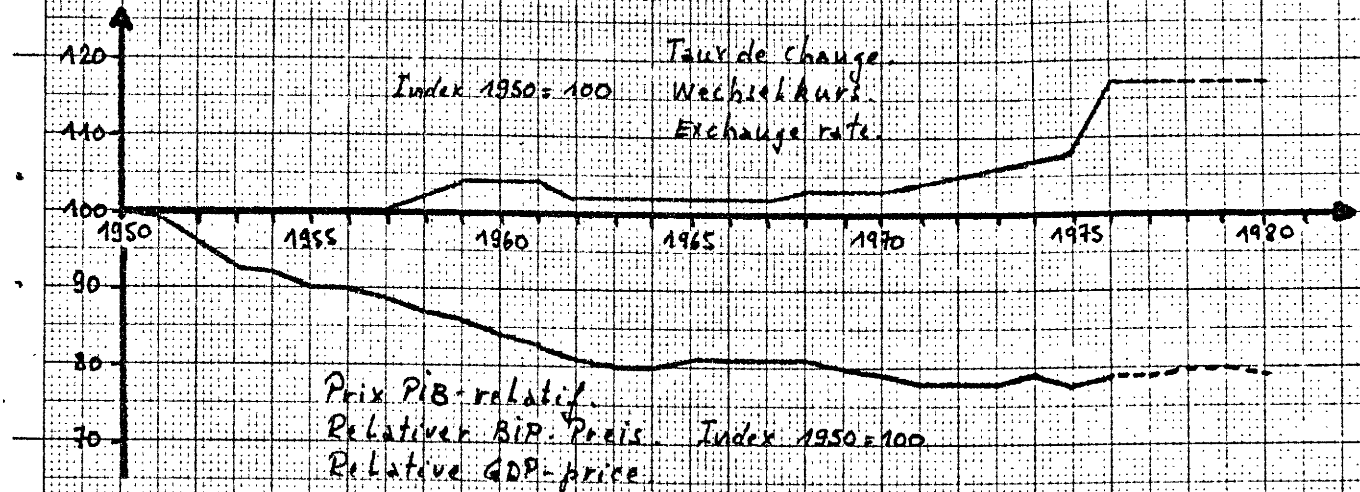


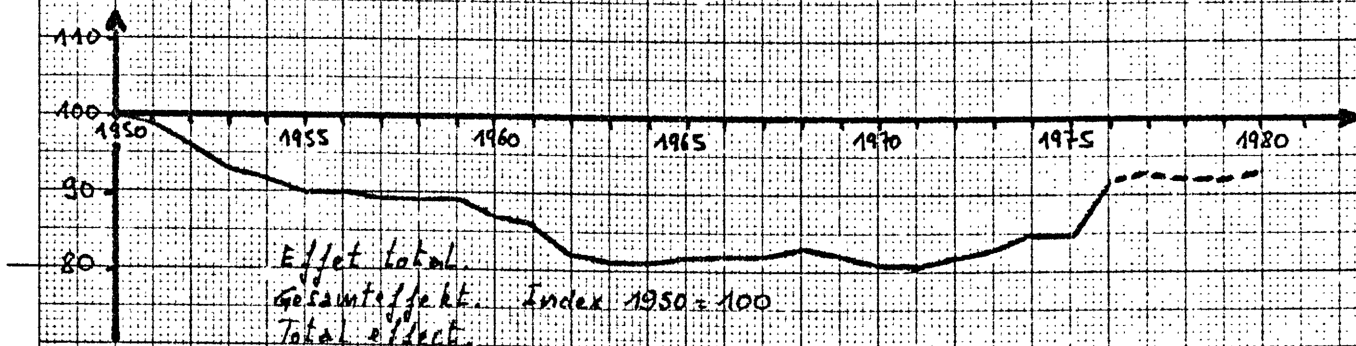




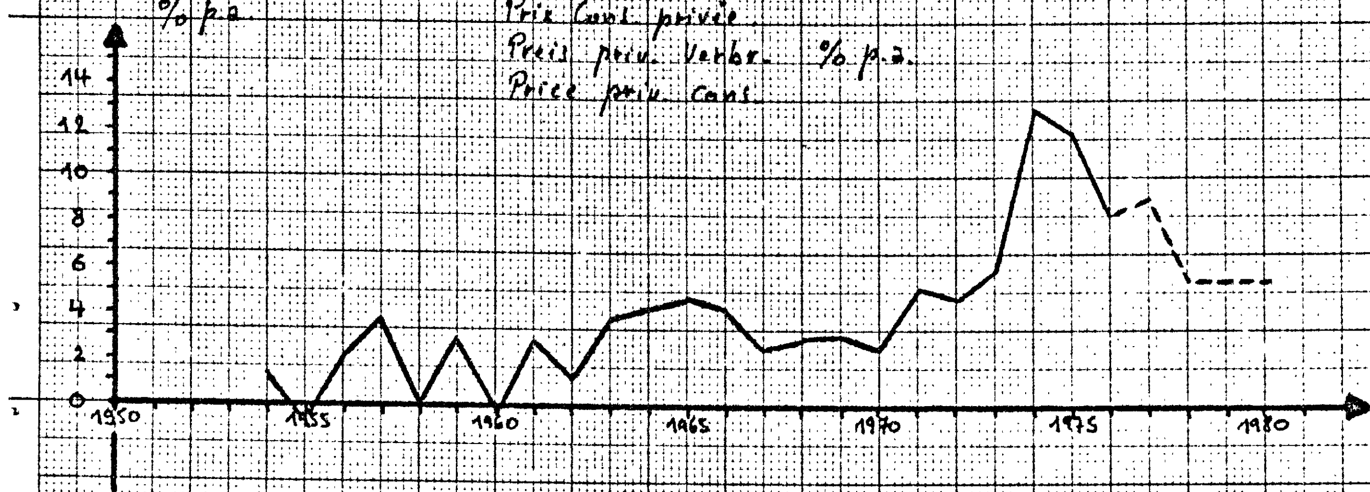


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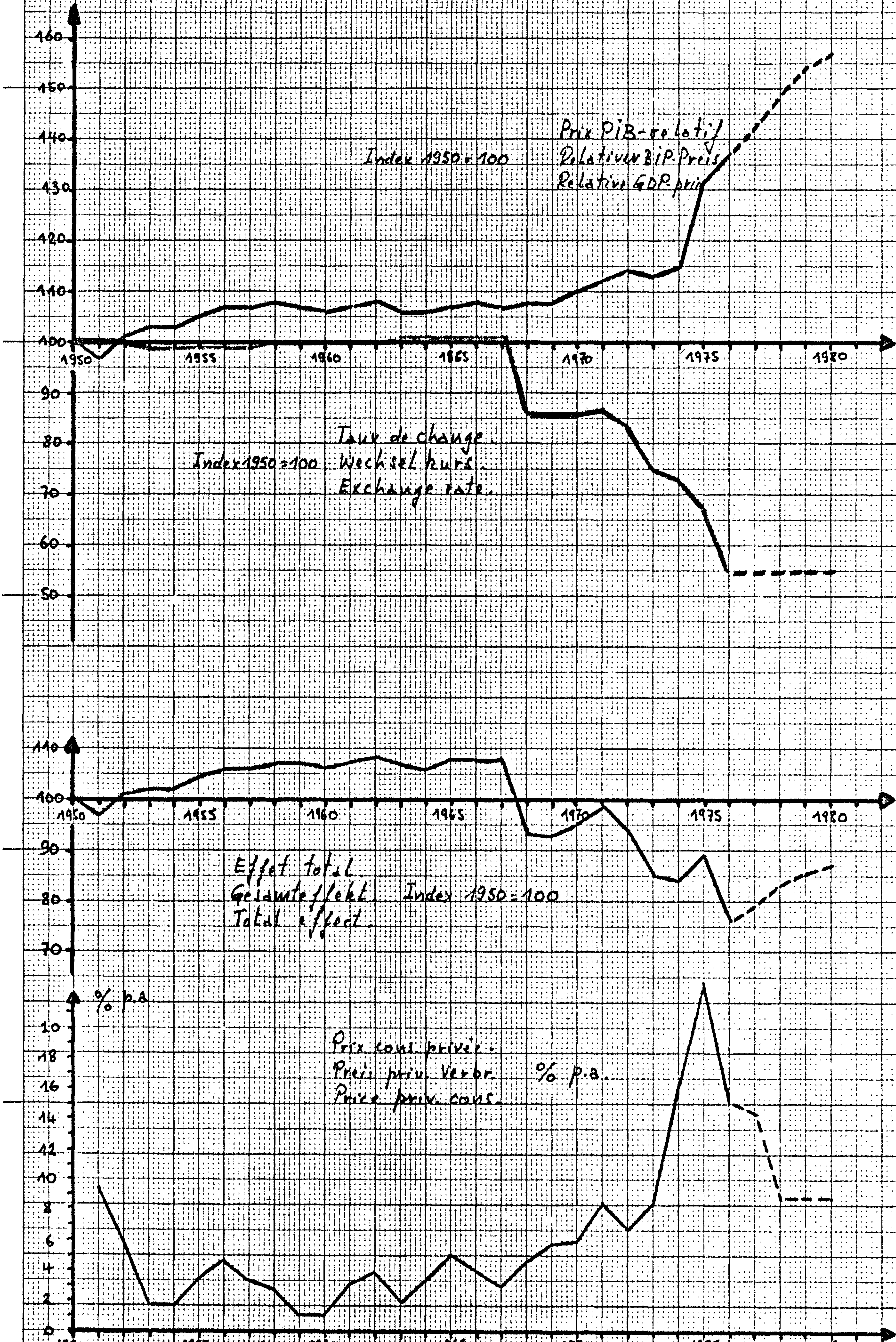


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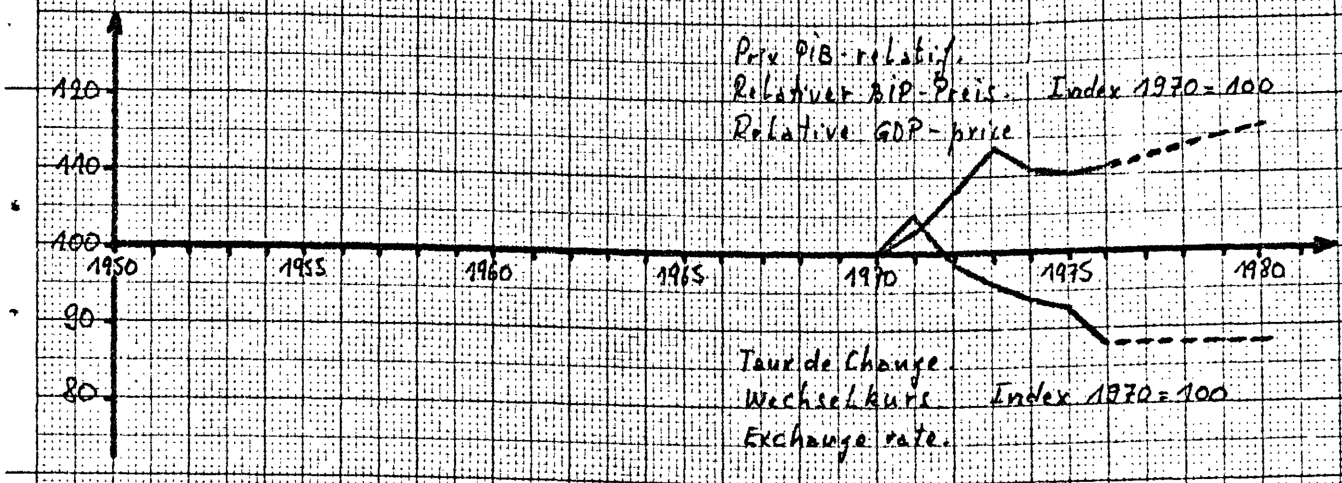
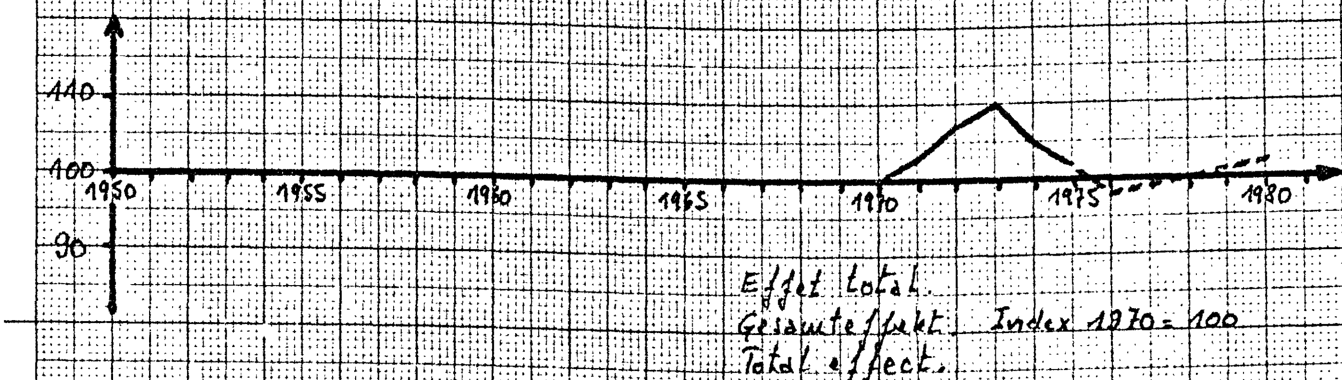
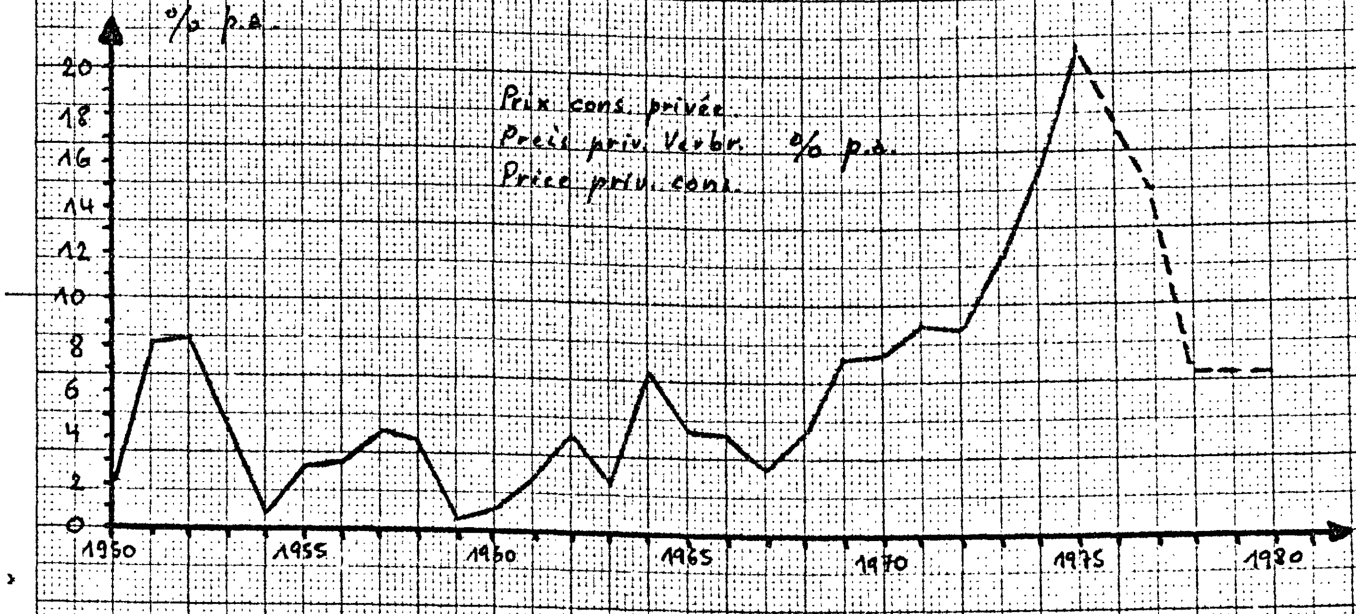
# IRELAND.



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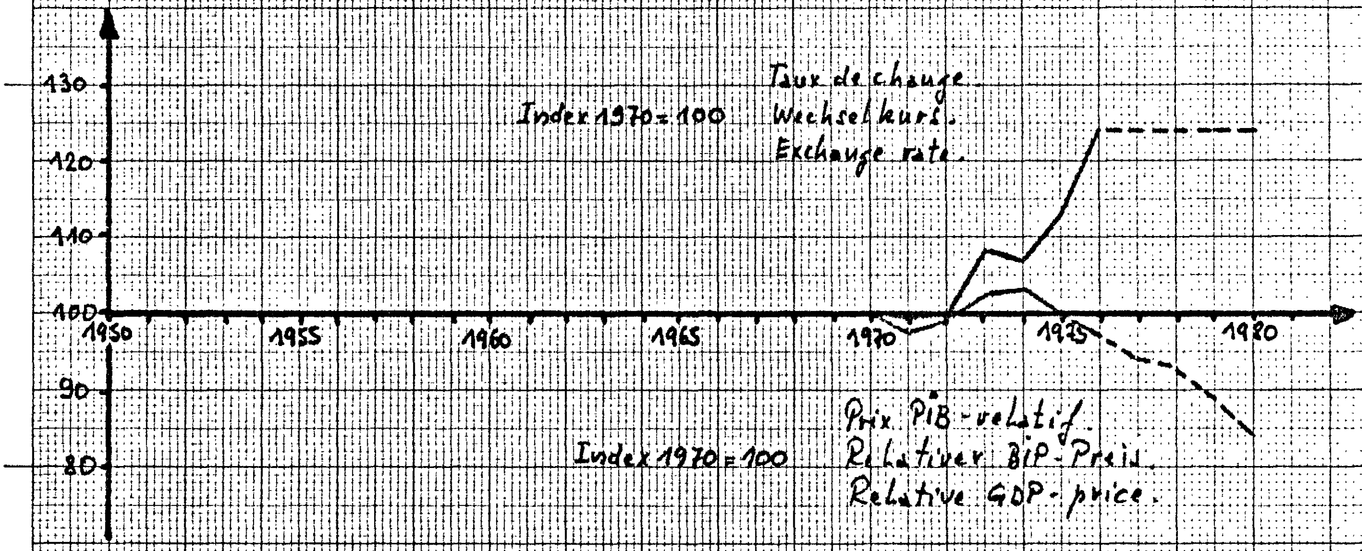
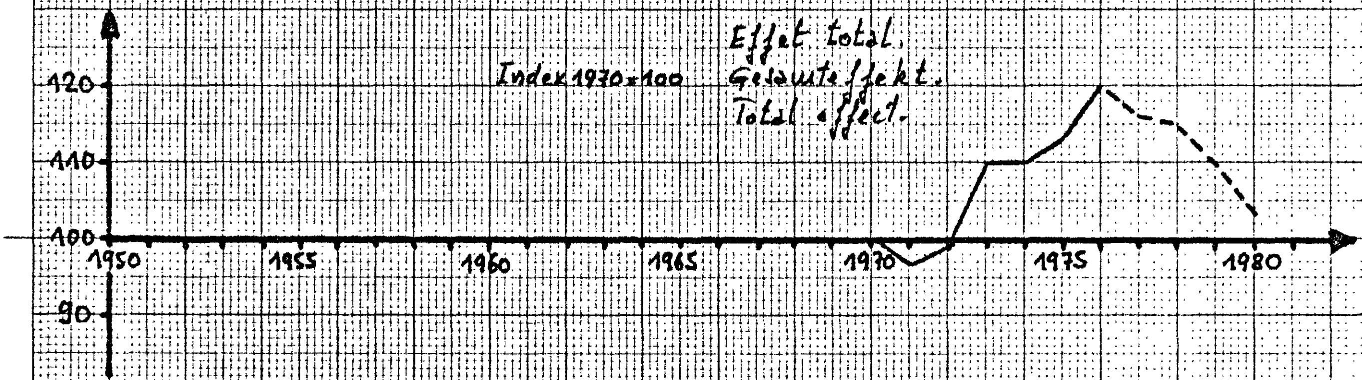
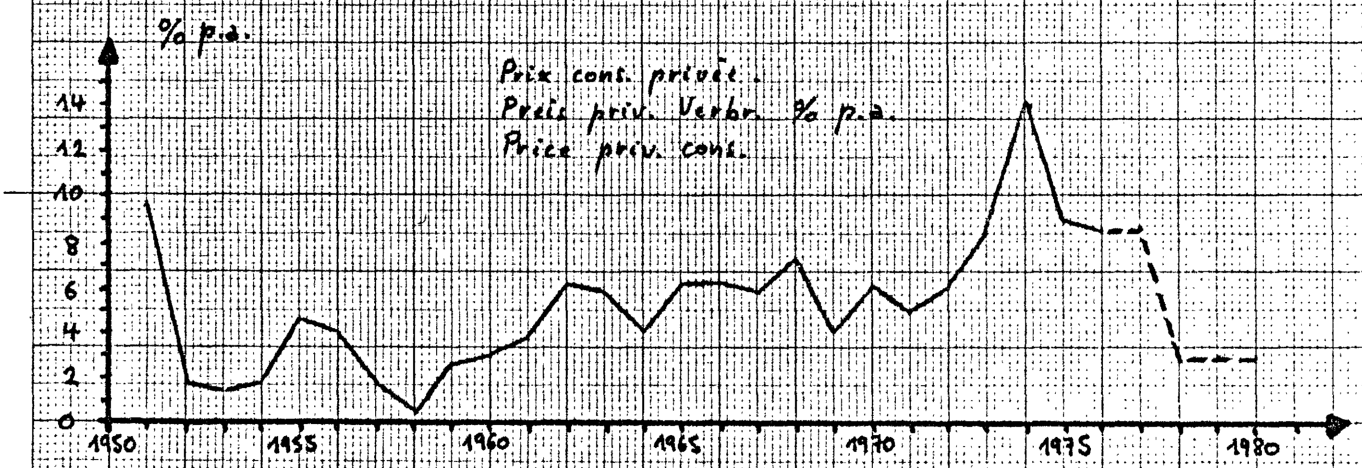
# DANMARK.



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