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Foreword

EU annual inflation fell to 1.5% in April. This follows the drop from 2.0% in February to 1.7% in March, and is well down on the 2.6% recorded in April last year.

EU seasonally-adjusted unemployment was 10.8% again in April, same as in March. An estimated 18.1 million people were unemployed in the EU in February April.

The Union's trade balance with Hong Kong rose hugely in the six-year period - from ECU 445 million to 10.2 billion.

Hong Kong's share of total EU exports to the rest of the world went from 1.8% in 1990 to 2.8% last year. But imports' share fell from 1.5% to 1.2%.

In the EMS exchange rate mechanism (ERM), the Irish pound remained the strongest currency for the eighth month in succession, though weakening from a monthly average of DEM 2.664 in April to 2.578 in May.

On the basis of end-month data, there was little change in most EU government bond yields in May.

M3 growth in Greece accelerated in March to 13.7% in annual percentage terms, from 9.4% at the end of 1996. This compares with the Bank of Greece's target range for 1997 of 6% - 9%, unchanged from the previous year. The pace of monetary growth has also quickened in Italy, the Netherlands, and the UK since 1996 (year end).

Among EU countries, the biggest rise in reserves in January was in Spain, which climbed to ECU 51.3 billion, 5 billion higher than at the end of 1996.

The EU industrial production trend rose by 0.5% in the first quarter compared with the final quarter of 1996. This is the same as in the three months to end-February.

The "Dossier of the month" of this edition is devoted to *Poverty in Europe, Housewives and EU GDP : Fourth quarter 1996*.

European economy at a glance



	Dates	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR 15
GDP, seasonally adjusted volume trends, T/T-1 %	IV/96	:	0.36	0.12	:	0.78	0.17	:	-0.23	:	0.49	:	:	1.35	1.12	0.37	0,37
GFCF, seasonally adjusted volume trends, T/T-1 %	IV/96	:	0.88	-0.09	:	-0.16	0.42	:	-0.3	:	1.54	:	:	-0.21	-1.51	0.35	0,35
Private final national consumption volume trends, T/T-1 %	IV/96	:	0.44	0.22	:	0.54	-0.54	:	0.49	:	0.18	:	:	1.38	-0.02	0.27	0,27
Production index 1990=100 total, seasonally adjusted (1)	2/97	99.45	119.9	97.92	99.53	104.3	100.9	<i>191.75</i>	<i>104.99</i>	<i>102.35</i>	11041	:	<i>99.17</i>	121.4	122.55	104.75	104,75
Consumer price index T/T-12 %	04/97	0.9	1.5	1.2	5.7	1.6	1.0	:	1.9	1.1	1.2	1.3p	1.6	0.9	1.2	1.5p	1,5p
Conversion rate 1 ECU=... monthly average	05/97	40.4	7.45	1.96	312.1	165.2	6.60	0.76	1933	40.4	2.20	13.78	197.2	5.90	8.82	:	:
Exchange rate 1 USD=... monthly average	05/97	35.2	6.49	1.70	271.6	143.8	5.74	0.66	1682	35.2	1.92	11.99	171.6	5.14	7.67	:	:
Money supply, M1 T/T-12 %	02/97	3.3	:	9.8	15.6	12.6	1.7	15.9	8.5	:	11.7	6.9	10.1	12.2	:	:	:
Yield on public sector long-term bonds %	04/97	6.0	6.6	5.9	9.6	7.0	5.8	6.7	7.7	5.7	5.8	5.9	6.8	6.4	7.2	:	:
Unemployment rate seasonally adjusted %	04/97	9.6	6.3	9.6	:	20.9	12.5	10.9	:	3.7	5.5	4.4	6.9	15.9	10.8	10.8	10,8
Extra-EU trade balance BN ECU	12/96 ^(*)	-3.1 ^(*)	2.8	32.6	-3.4	-2.0	16.4	1.9	24.7	-3.1 ^(*)	-27.2	2.6	-2.8	6.1	12.3	43.9	43,9
Intra-EU trade balance BN ECU	12/96 ^(*)	124 ^(*)	1.3	21.2	-8.4	-6.9	-5.7	8.8	10.0	124 ^(*)	37.3	-10.2	-5.3	1.5	3.1	:	:

Data in italics are not necessarily for the indicated period but are the latest available (usually the previous month or quarter)

(1) Excluding construction

(2) : January to December 1996

(3) : BLEU



EU annual inflation down to 1.5% in April

EU annual inflation fell to 1.5% in April. This follows the drop from 2.0% in February to 1.7% in March, and is well down on the 2.6% recorded in April last year.

Lowest April rates were in Belgium and Finland (both 0.9%), France (1.0%) and Luxembourg (1.1%). Then came Germany, the Netherlands and

Sweden, all 1.2%. Austria was also under the EU average at 1.3%. Denmark was on the average and the United Kingdom, Spain and Portugal just above at 1.6%. With Italy at 1.9%, Greece (5.7%) was the only country substantially above average. The Irish figure was unavailable but was 1.7% in February.

Annual % inflation measured by HICPs - in ascending order

April 97 / April 96		April 97 / April 96	
EUR 15	1.5p	The Netherlands	1.2
Finland	0.9	Denmark	1.5
Sweden	1.2	United Kingdom	1.6
France	1.0	Spain	1.6
Austria	1.3 p	Italy	1.9
Belgium	0.9	Portugal	1.6
Germany	1.2	Greece	5.7
Luxembourg	1.1	Ireland	:

p = provisional
: = not available.

EU unemployment remains at 10.8% in April

EU seasonally-adjusted unemployment was 10.8% again in April, same as in March. In April last year it was 10.9% and in April 1995 10.7%.

EU unemployment has been generally unchanged for several months. This applies equally to men (9.5% jobless in April) and women (12.6%). But it conceals a regular fall in unemployment of the under-25s - down to 20.9% in April from 22.0% a year earlier.

Different trends in Member States have compensated for each other. There

was a steady fall in the United Kingdom (to 7.0% in April), Ireland (10.9%), the Netherlands (5.5% - March) and Spain (20.9%). But the trend was up in Finland (to 15.9% in April) and Sweden (10.8%). In other Member States there was little change. Spain had by far the EU's highest rate. Lowest were Luxembourg's 3.7% and Austria's 4.4%.

An estimated 18.1 million people were unemployed in the EU in February April. This is a seasonally-adjusted figure in line with ILO criteria.

EU records 'outstanding' trade with Hong Kong

Trade with China soars too

EU export of goods to Hong Kong showed 'outstanding' average growth of 16.4% a year between 1990 and 1996. The value of exports soared from ECU 7 billion to 17.3 billion.

In the same period, EU exports to China rose by an average 16.7% per year - from ECU 5.8 billion to 14.3 billion.

EU sales to Taiwan were up by a 'remarkable' 10.7% per year, standing at ECU 9.9 billion last year. However, there was a 1.7% fall between 1995 and 1996.

Over the six years, EU imports from Hong Kong remained fairly stable at around ECU 7 billion a year, with sluggish growth of some 1.5% per year. But EU imports from China grew by an average 17.6% pa - from ECU

11.4 billion to 30 billion.

Imports from Taiwan rose by an average 4.2% from 1990-96 to reach ECU 12.9 billion.

The Union's trade balance with Hong Kong rose hugely in the six-year period - from ECU 445 million to 10.2 billion.

Hong Kong's share of total EU exports to the rest of the world went from 1.8% in 1990 to 2.8% last year. But imports' share fell from 1.5% to 1.2%.

EU trade with China, Hong Kong and Taiwan was 'impressive'. In the six years to 1996, exports rose from ECU 18.2 billion - 4.7% of the extra-EU total - to 41.9 billion (6.7%). Imports were ECU 28 billion - 6.4% of the extra-EU total - in 1990 and 50.1 billion (8.6%) last year. This left the EU ECU 8.1 billion in the red.

Italy: biggest surplus with Hong Kong

Not surprisingly, the UK is the biggest exporter to Hong Kong: goods worth ECU 3.5 billion last year, 15.3% up on 1995. Close behind were Italy (ECU 3.5 billion, up 16% on 1995) and Germany (ECU 3.3 billion, a rise of 8.4%).

Biggest importers were the Netherlands (ECU 1.9 billion), the UK (ECU 1.8 billion) and Germany (ECU 1.7 billion).

Italy had the biggest surplus with the colony in 1996: ECU 3.3 billion, half-a-billion up on 1995. France followed with ECU 2.3 billion. The UK surplus -

just behind Germany's - was ECU 1.6 billion, up ECU 408 million over the year.

Germany was the biggest exporter to China (ECU 5.7 billion) and Taiwan (ECU 3.5 billion). France and Italy were also important players, each with around ECU 2 billion to China ECU 1 billion to Taiwan.

Germany was also the biggest importer from China (ECU 8.8 billion) and Taiwan (ECU 3.7 billion). The UK followed with ECU 5.6 billion and 2.5 billion respectively.

What we traded...

Manufactured goods accounted for nearly 90% of EU exports to Hong Kong last year. Machinery and transport equipment formed nearly 38% of total exports.

Manufactured goods also accounted for over 97% of EU purchases from the

colony. Over a third of total exports was clothing and accessories.

Machinery and transport equipment accounted for 31%; two-thirds of this was electrical goods and office and automatic data-processing machines.

Japanese yen rebounds strongly in May

Little movement in the US dollar against ERM currencies

Following a long period of weakness, the Japanese yen rebounded in May, recovering to 116.5 against the US dollar at the end of the month. The yen had depreciated to 126.8 at the end of April, its lowest point since 1992. The latest rebound should be seen in the context of a two-year downward trend from the yen's record high level of 81.1. Against the Deutschmark the yen performed equally strongly in May, rising to 68.4 at the end of May from 73.4 a month earlier. The DEM / USD rate showed little change in May, averaging close to 1.70 for the second month running. This nevertheless represents a considerable increase in the dollar's value since the turn of the year, when it stood at 1.55 to the DEM.

In the EMS exchange rate mechanism (ERM), the Irish pound remained the strongest currency for the eighth month in succession, though weakening from a monthly average of DEM 2.664 in April to 2.578 in May. Excluding the IEP, ERM currencies continued to show little movement within a narrow band around their bilateral central rates. Official interest rate changes involving ERM members included Ireland, where the short-term facility was raised on 2 May by 0.5 percentage points to 6.75%. This rate had been stable since April 1996, when it was lowered. The Portuguese and Spanish authorities continued a series of interest rate cuts in May, to new record low levels, encouraged by further falls in domestic inflation.

The pound sterling reached a peak of DEM 2.829 on 6 May, its highest level since before sterling left the ERM in September 1992, but ended the month at 2.788, slightly below the end-April level. The UK base rate was raised by 0.25 percentage points on 6 May, to 6.25%, having last increased by a similar amount at the end of October 1996. On the same day the Government announced that the Bank of England would be responsible for the setting of interest rates in the future.

The Greek drachma and Swedish krona weakened slightly against the DEM between April and May. Their monthly average rates for May were GRD 159.48, and SEK 4.506. The Greek discount and Lombard rates were lowered by a percentage point on 13 May, to 14.5% and 19% respectively. The last cut was in February this year.

Outside the EU, the Czech koruna came under pressure on the foreign exchange markets, and the decision was announced by the Czech authorities on 26 May to 'float' the currency, which had been linked to an index comprising the DEM and USD. The koruna ended May at CZK 19.005 to the DEM, compared with 17.902 a month earlier. The Hungarian forint was also weaker, depreciating from HUF 105.48 to 107.16 over the same period.

Note: Exchange rates are as supplied to the European Commission by central banks on a daily basis.

Generally little change in bond yields in May

But EU yields converge further

On the basis of end-month data, there was little change in most EU government bond yields in May. Significantly, however, the yields on Italian and Swedish bonds fell by around 0.3 percentage points, and on Portuguese and UK bonds by 0.2 percentage points. Because of the relatively strong performance of these bonds, the differential between the highest- and lowest-yielding EU bonds narrowed to a record low level of 1.4 percentage points, representing the gap between French and Dutch yields on the

one hand (which were steady at around 5.8%), and the Italian yield on the other (7.3%). The Portuguese bond yielded 6.5% in May, a record end-month low. The Japanese bond yield moved further away from its record end-month low of 2.3% in March, up to 2.5% in May. Meanwhile, the US Treasury yield was almost unchanged on the month at around 6.7%. Since the start of the year the US yield has kept within a range of 6.5% - 6.9%.

Note: The above-mentioned yields relate to government bonds of around 10 years to maturity. No data are available for Greece, as there are no comparable bonds. Latest month data are not yet available for Luxembourg. Data are end month.

German money supply growth slows, but stays above target

Pace of growth quickens in Italy, the Netherlands, Greece, UK

Germany's M3 monetary measure grew by 8.3% (annualised on the fourth quarter of the previous year) in March 1997, which is slower than in the previous two months, but above the Bundesbank's target range for 1997 of 3.5% - 6.5%.

M3 growth in Greece accelerated in March to 13.7% in annual percentage terms, from 9.4% at the end of 1996. This compares with the Bank of Greece's target range for 1997 of 6% - 9%, unchanged from the previous year. The pace of monetary growth has also quickened in Italy, the Netherlands, and the UK since 1996 (year end). Italian M2 expanded by 8.4% in the year to March, from

3.2%, and an official target limit for 1997 of 5%. Over the same period, Dutch M2 growth accelerated from 5.4% to 8.2%. The UK's M4 measure grew by 11.2% in February, up from 9.5% in 1996.

Growth in France's M3 monetary aggregate remained negative in February, falling at an annual rate of 3.1%, compared with a 3.2% decline in 1996. The medium-term objective for monetary growth in France is 5%. Finland's M3 monetary stock has started to expand in annual percentage terms: it grew 0.9% in February, compared with a fall of 1.3% in 1996.

*Generally, M1 = notes and coin in circulation + bank sight deposits;
M2 = M1 + savings deposits + other short-term claims on banks;
M3 = M2 + certain placements in a less liquid or longer-term form;
M4 for the UK is broader than M3, including all sterling deposits held with UK banks and building societies by the public.*

EU reserves tend to rise in January 1997

Supported by a stronger US dollar

The strength of the US dollar had a positive effect on the level of EU foreign official reserves in January, when valued in terms of ECU. Because the dollar is the largest component of countries' foreign exchange reserves, the level of reserves when expressed in another currency (such as the ECU) tends to increase when the dollar appreciates in value.

Among EU countries, the biggest rise in reserves in January was in Spain, which climbed to ECU 51.3 billion, 5 billion higher than at the end of 1996. In the year to January, Spain saw the largest percentage increase in its reserves - of almost 84%. Nevertheless, the level of Spain's reserves is slightly below the record levels of 1992. Italy's reserves also continued on an upward trend in January, rising 3.5 billion on the month to ECU 40.2 billion, an increase of 48.5% over January 1996. This represents the third highest level in the EU after Spain and

Germany, whose reserves rose 2.2 billion to ECU 68.6 billion.

Greece saw the biggest monthly percentage rise in reserves in January, of 17.8%, to a record ECU 16.5 billion. Another record was set by Ireland, whose reserves moved up 15.9% to ECU 7.6 billion. Three EU members saw a decline in January compared with the previous month: the Netherlands, Sweden, and the UK. Dutch reserves were 2.2% lower at ECU 20.9 billion, those of Sweden fell 6.2% to ECU 14.3 billion, while those of the UK were down 5.4% to ECU 30.1 billion.

The strength of the dollar helped Japan's reserves to reach a new world record in January in ECU terms of 181.6 billion, 25.6% higher than a year earlier, whereas those of the USA fell to ECU 48.1 billion, more than 15% down on the year.

Note: The definition of foreign official reserves used here excludes gold. January data were not yet available for Finland.

Industrial production

EU industrial production up 0.5%

Similar trend across all industry

EU industrial production trend¹ rose by 0.5% in the first quarter compared with the final quarter of 1996. This is the same as in the three months to end-February. The low trend was seen across all main industrial groups - intermediate, capital and consumer goods.

Among Member States, quarterly changes ranged from 2.3% in Sweden and 1.8% in Finland to -0.2% in the United Kingdom, the only country to record a fall. Greece, Italy and the Netherlands were on the EU average and the other Member States close.

Production trend index ¹			
Changes (%) Q4 '96 to Q1 '97			
Member States with available data.			
Sweden	2.3	EUR 15	0.5
Finland	1.8	Spain	0.8
Germany	0.7	France	0.3
Denmark	0.3	Greece	0.5
United Kingdom	-0.2	Belgium	0.1
The Netherlands	0.5	Italy	0.5
Portugal	0.1		

¹Production volume of total industry (excl. construction) adjusted for seasonal and one-off fluctuations.

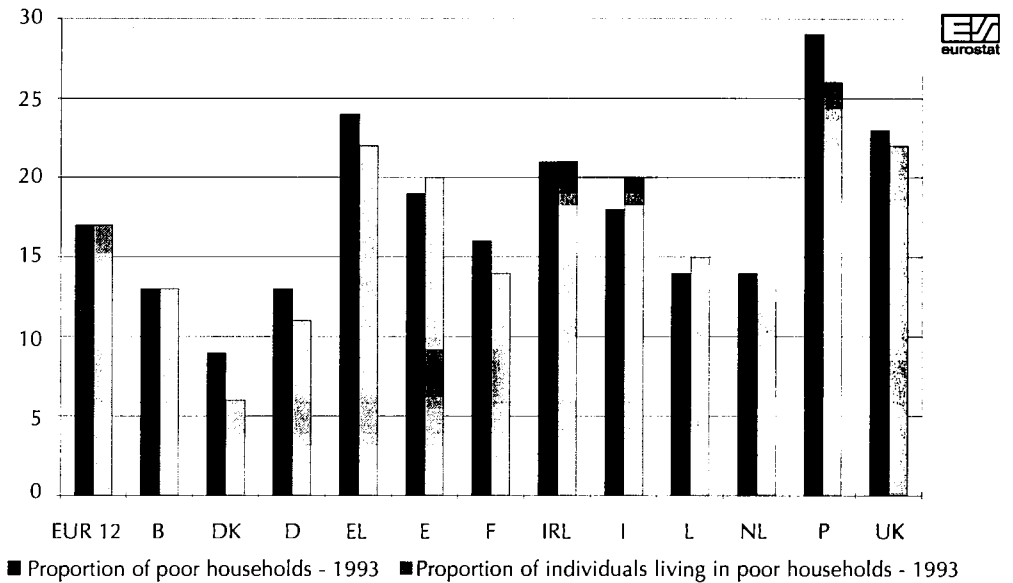
Dossier of the month

Poverty in Europe 57 million poor people in 1993 in the EU 12

In the EU 12 in 1993 some 57 million people were living in almost 23 million poor households¹

In EU 12 as a whole, 17% of households were below the poverty line. In Portugal the figure was considerably higher than the Community average (29%), followed by Greece (24%) and the United Kingdom (23%). Denmark had the lowest poverty rate (9%). The rate in Luxembourg was relatively high (14%) owing to its high average income.

Increase in poverty - Proportion per Member State, 1993



Increase in poverty in 1993 ('000)

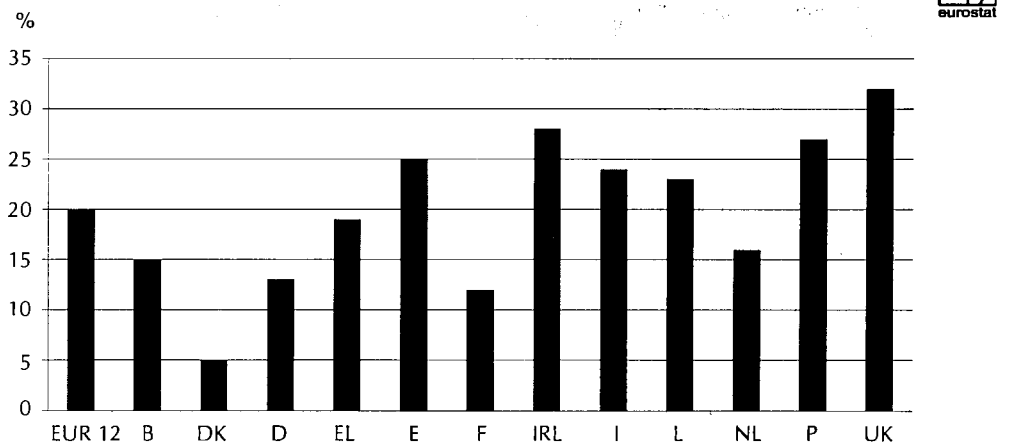
	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
1	22 825	508	216	4 515	872	2 272	3 525	238	3 429	22	842	915	5 474
2	57 162	1 289	318	9 099	2 258	7 631	7 591	759	10 895	60	1 919	2 537	12 805

1: Households below poverty line
2: Individuals living in "poor" households

In 1993 there were more than 13 million children living in poor households in the 12 Member States, i.e. 20% of all children in the European Union

The percentage was higher in the United Kingdom (32%), Ireland (28%), Portugal (27%), Spain (25%), Italy (24%) and Luxembourg (23%). The lowest rate was recorded in Denmark (5%).

Children living in poor households - 1993



Children living in poor households - 1993

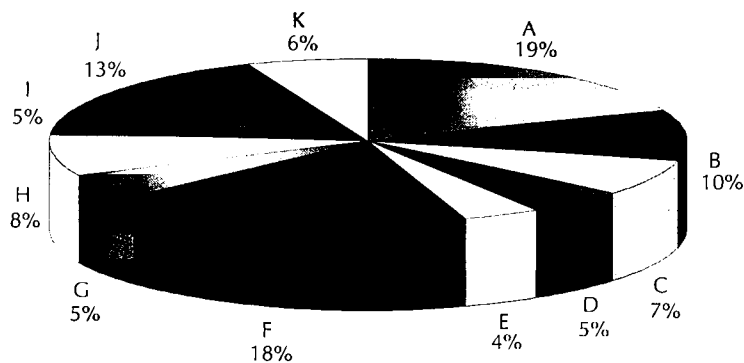
	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
'000	13 292	302	42	1 888	380	1 730	1 487	322	2 245	18	443	577	3 859
%	20	15	5	13	19	25	12	28	24	23	16	27	32

¹ According to a methodology followed by Eurostat to produce comparable results. For details, see final section to the following page

In 1993, the most common type of poor household, with 19% of the total, was a household consisting of one person over 65, followed by a household consisting of a couple without children (18%)

Certain types of household are more likely to be poor than others. As measured by the poverty rate, the risk of poverty is greatest for "single-parent families with all children under 16", with a rate of 36% in EUR 12.

Distribution by type of household in EU 12 - 1993



Distribution by type of household in EU 12 - 1993

	A	B	C	D	E	F	G	H	I	J	K
% of poor households	19	10	7	5	4	18	5	8	5	13	6
Poverty rate	27	15	31	36	17	13	11	14	23	15	17



A. One person aged 65 or over.

B. One person aged between 30 and 64.

C. One person aged under 30.

D. Single-parent family with children < 16.

E. Single-parent family with at least 1 child > 16.

F. Couple without children.

G. Couple with 1 child < 16.

H. Couple with 2 children < 16.

I. Couple with 3 or more children.

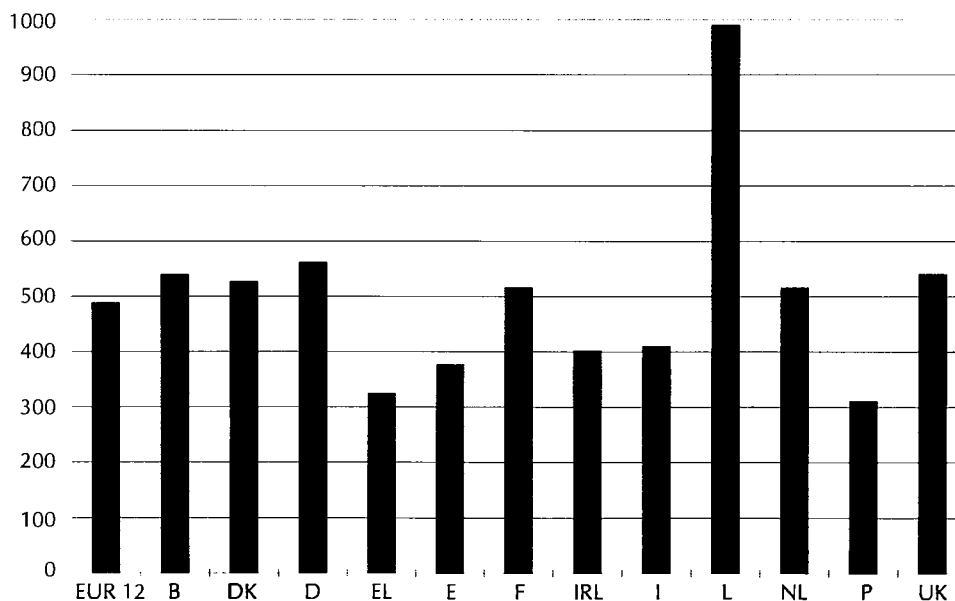
J. Couple with at least 1 child > 16.

K. Other households.

The poverty line is a benchmark of income for determining whether a household is poor

The poverty lines used here are country-specific since they are defined as half (50%) of the average equivalised net monthly income of the households in a country. In 1993, half of the average equivalised net monthly income was 489 Purchasing Power Parities in EU 12.

Poverty line in Purchasing Power Parities (PPP)(¹), 1993



Poverty thresholds in 1993 - 50% of the average equivalised net monthly income

	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
National currency	-	22330	5328	1248	67940	48090	3716	294	667600	38750	1175	42580	378
PPP ¹	489	540	527	562	325	377	516	403	411	990	516	311	541



¹ Purchasing Power Parities (PPP) are used to convert national currencies into monetary units with the same purchasing power in all the countries so that inter-country comparisons can be made.

A third of EU 12 women are "housewives"

Considerable differences between Member States

The percentage of women between 25 and 59 describing themselves as housewives - 33% at EU 12¹ level - varies considerably between Member States.

In Ireland 60% are housewives. The proportion is also high - over 40% - in Spain, Greece, Italy and Luxembourg. But in Denmark only

4% describe themselves this way.

In most Member States the proportion of women at home rises after age 40. This could result from a combination of women who have never worked, more prevalent in the past, and those who stopped to bring up children and do not wish to - or can not - find a job again.

Percentage of housewives in EU 12 among women aged 25 to 59

Denmark	4%	The Netherlands	36%
Portugal	22%	Italy	40%
Belgium	23%	Greece	42%
France	25%	Luxembourg	45%
United Kingdom	27%	Spain	49%
Germany	31%	Ireland	60%

42% stop work because of children

Barely 6% of women between 25 and 39 without children stay at home compared with 36% with one child under 5 and 52% with at least two children under 5.

EU-wide, only 7%² of today's housewives stopped working because of marriage - but 15% in Greece and 14% in Spain. However, 42% stop because of children. In Germany, Luxembourg, the Netherlands and the United Kingdom it's over 50%. Other reasons: breach of contract by employer (10% EU-wide), non-renewal of contract and health (both 8%).

Family obligations - housework, caring for children or others - are

the main reason 84% of housewives are not looking for work. Other reasons: ill-health (6%) and fear of not finding a job (2%).

Being a housewife is strongly related to the level of education. Housewives represent 45% of EU women from 25 to 59 with lower secondary education, 26% with upper secondary and 13% with higher.

The lower the percentage of housewives, as for instance in Denmark, the smaller the influence of the level of education; although in Portugal and Italy it seems to be the determining factor.

Reconciling job and family

The employment rate of EU women is rising steadily. For those from 25 to 59 it was up from 50% in 1987 to 56% in 1994. For men the trend is more or less stable: from 85% to 83%. The employment rate for women varies from country to country: 73% in Denmark and 67% in the United Kingdom but under 50% in Spain, Greece, Italy, Ireland and Luxembourg.

For many women, part-time work is the solution. Part-time work is mostly

undertaken by women. It is most widespread in the Netherlands (66% of female employment) and the United Kingdom (44%); less frequent in Greece (8%), Italy and Portugal (both 12%).

The decision to work part-time is often explained by the need to stay at home. Across the EU, 55% of women part-timers give family ties as the determining factor - as high as 76% in Germany.

Childcare differences between sexes remain clear

In families with children under 16 and both parents working for at least 30 hours a week, 77% of women and 50% of men claim they look after them on a daily basis. "In all countries", reports Eurostat, "mothers look after children much more than fathers." This is particularly so in the southern Member States, Ireland and Luxembourg; least marked in Denmark and the Netherlands.

Of those who look after children, 32% of men and 6% of women spend fewer than two hours a day doing so; 69% of women and 27% of men look after them for over four hours.

When it comes to children under 5,

80% of women look after them for at least four hours a day compared with 32% of men. Differences between the behaviour of fathers and mothers remain clear. Again, it's in Denmark and the Netherlands where women can count most on the help of their partner.

At Community level, 14% of women and 7% of men over 50 say they look after children free of charge - likely to be mostly grandparents looking after grandchildren. In Italy and Greece 29% and 25% respectively of women over 50 say they look after children; in Denmark only 5%.

Looking after elderly and ill

Looking after the elderly or ill is also mostly in women's hands. Of people aged 25 to 59 who work at least 30

hours a week, 9% of EU women and 5% of men say they devote some time to looking after other people.

16% of housewives 'dissatisfied'

Housewives are twice as likely to be unhappy than women at work; EU-wide, 16% of housewives are dissatisfied compared with 7% of women working at least 30 hours a week. In Italy and Greece over a third of house-

wives say they are dissatisfied with their situation; in Portugal, a quarter. But in Denmark, the Netherlands and Luxembourg over 60% of housewives say they are satisfied. In Germany, France and Ireland it's over 50%.

Notes :

¹Excluding new Member States.

²Only those who stopped working after 1980 were asked this question.

Source: Eurostat News release, Memo No5/97.

EU GDP GROWS BY 0.4%

1.6% up between 1995 and 1996

EU GDP rose by 0.4% in real terms between the third and fourth quarters of last year. This compares with 0.8% growth between the second and third quarters. This slowdown contrasts with acceleration in the USA and Japan.

The rise between 1995 and 1996 was 1.6%, in line with the initial estimate issued on 2 April. It was 2.4% in the USA and 3.6% in Japan.

Between the third quarter and the fourth quarter, growth in the USA was 0.9% and 1.0% in Japan. For the G7 it was 0.7% - driven by the USA, Japan and the UK and

counterbalanced by slowdowns in Germany, France and Canada and a fall in Italy. (See table)

Most EU Member States experienced lower growth in the fourth quarter. Exceptions, in addition to the UK, were Sweden and Spain.

EU GDP was 2.0% up in the fourth quarter compared with the fourth quarter of 1995. This compares with 3.1% in both the USA and Japan.

The slowdown in the final quarter of 1996 was most notable in private and public consumption and gross fixed capital formation.

GDP in volume, second half of 1996. % change on previous quarter. Countries with available data

	Q3	Q4
Denmark	0.9	0.4
Germany	1.1	0.1
Spain	0.6	0.8
France	0.8	0.2
Italy	0.5	-0.2
The Netherlands	0.7	0.5
Finland	2.4	1.4
Sweden	0.6	1.1
UK	0.4	1.1
EU	0.8	0.4
G7	0.6	0.7
USA	0.5	0.9
Japan	0.3	1.0
Canada	0.8	0.7
Switzerland	-0.2	0.1

Source: Eurostat News release, No38/97.

For further information:**EUROSTAT DATA SHOP**

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