

Summary for non-specialists
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This edition sheds some light on the euro area's medium term growth picture. *Chapter 1* presents growth projections for the coming decade and concludes that, if current policies remain unchanged, GDP growth is likely to be significantly lower than in the decade before the economic and financial crisis. *Chapter 2* provides a quantitative assessment of the potential macroeconomic effects of structural reforms. It shows that comprehensive structural reforms would not only yield large gains in output and employment, but also contribute to debt sustainability. *Chapter 3* takes a closer look at firms' investment decisions in the tradable sector of vulnerable Member States. The analysis indicates that tight credit supply conditions may play an important role in explaining the currently low level of investment in these countries. Finally, *Chapter 4* provides evidence on the responsiveness of investment to corporate tax incentives. It concludes that taxation may not only affect the level of investment but also its composition.