A moderate and fragile economic expansion

GDP growth, euro area

GDP growth, EU
Global growth has slowed down
European growth map 2016
Supportive tailwinds starting to fade away

- Rebounding oil prices
- Appreciation of the euro exchange rate
Supportive policy mix in the euro area

- Improved access to credit
- Reduced financing costs
- Supportive fiscal policy
Private consumption driving growth, though losing momentum

GDP breakdown, EA
Inflation still driven by oil prices

Inflation breakdown, EA
Favourable conditions for a rebound in investment

Investment breakdown, EA

- Construction
- Equipment
- Other
- Total investment (y-o-y%)

European Commission
Labour market conditions continue to improve

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Unemployment</th>
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<tbody>
<tr>
<td>2015 Euro area</td>
<td>1.1</td>
<td>10.9</td>
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<tr>
<td>2016 European Union</td>
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<tr>
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<tr>
<td>2017 European Union</td>
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<td>8.5</td>
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</tbody>
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Increased inequality

Median income: selected income groups, euro area

Index, 2005=100

- Below 40% of median income
- Total

Graph showing the increase in inequality over time.
Improving public finances

Deficit and debt, EA