

**Survey Date
May 18, 2015**

Every month, Consensus Economics surveys over 200 prominent Eastern European economic and financial forecasters for their estimates of a range of variables including future growth, inflation, foreign trade, interest rates and exchange rates. More than 25 countries are covered and the reference data, together with analysis and polls on topical issues, is rushed to subscribers by express mail and e-mail.

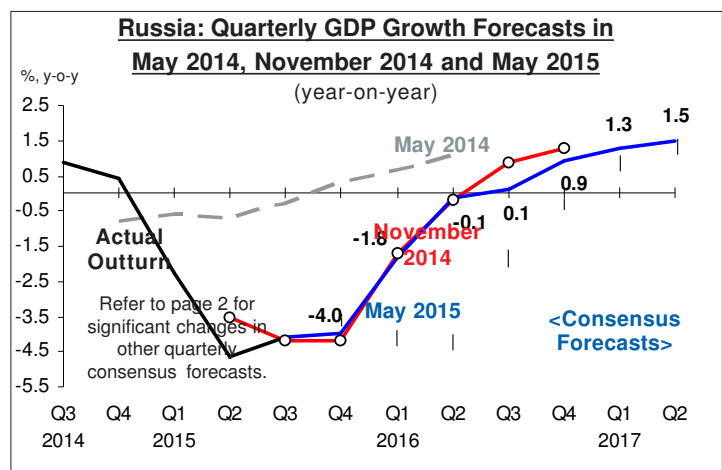
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Our next issue of EECF will be available late in the day on June 17, 2015.

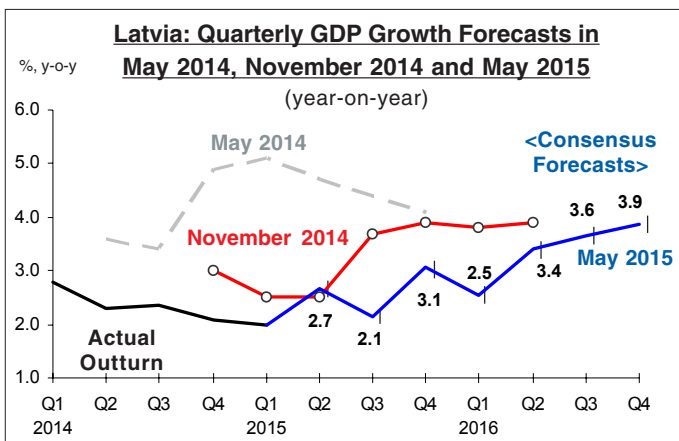
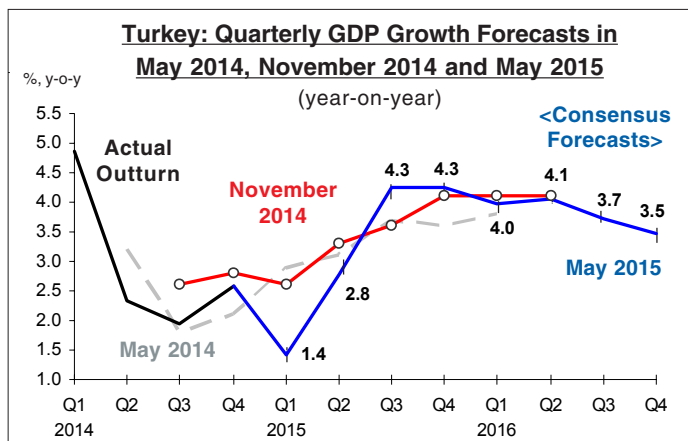
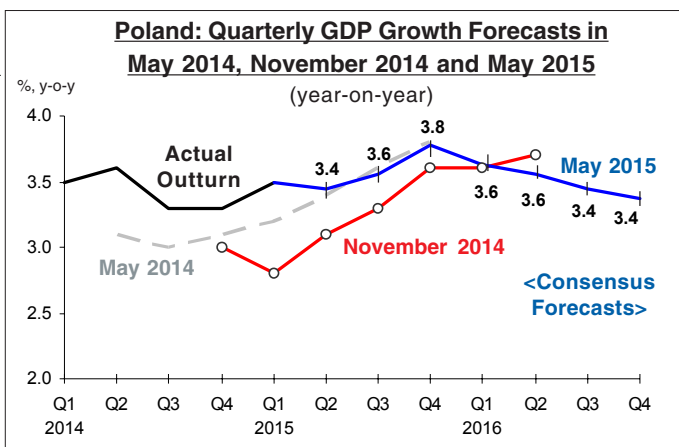
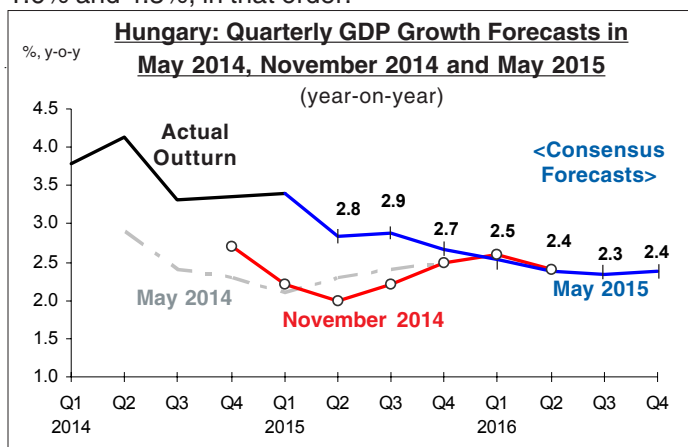
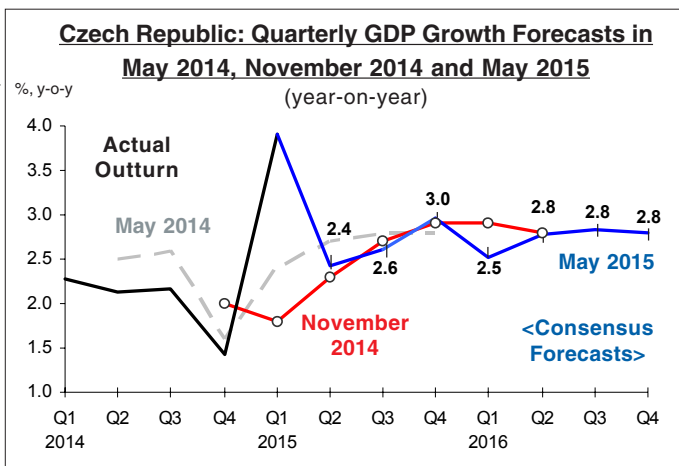
Survey Highlights

- ◆ **Russia** (pages 10-11) is in the grip of recession, but seems likely to avoid an outright collapse in 2015. Its economy shrank by 1.9% (y-o-y) in Q1, less than most panellists had feared, while the rouble has retraced some of its losses (page 25). The consensus upgraded its full year GDP growth forecast for a third straight month, from -4.3% in February to -3.7% in our latest survey.
- ◆ Confidence in the **Czech Republic** (pages 4-5) has climbed after an impressive Q1 GDP outturn, in which the economy expanded 3.9% (y-o-y). **Hungary** (pages 6-7), **Poland** (pages 8-9) and **Romania** (page 19) rose by 3.4% and 3.5% and 4.3%, respectively, in the same quarter, helping to trigger a regional uplift in forecasts for 2015.
- ◆ A recovery in **Crude Oil** (page 25) and sudden sell-off in government bonds in April-May has unnerved investors in some countries. **Turkey** (page 12) is under pressure to rein in its current account deficit and control inflation, while high uncertainty continues to surround the economic outlook for worn-torn **Ukraine** (page 22).
- ◆ Our special survey is devoted to **Quarterly Consensus Forecasts** (chart below and pages 2, 3, 26 and 27).



CEE Outlook Begins to Brighten

The chart on page 1 (**Russia**) and those on this page show the evolution of quarterly consensus GDP forecasts for selected countries. Each includes estimates from our surveys in May 2014 (**grey line**), November 2014 (**red**) and the latest poll (**blue** with data in tabular form on pages 3, 26 and 27). A cyclical current of recovery – supported by lower energy costs – appears to be flowing through **Central and Eastern Europe**. Available real GDP outturns for Q1 (mainly flash estimates) have generally been in line with, or exceeded, expectations, which bodes well for 2015. **Poland** expanded by a solid 1.0% (q-o-q) and 3.5% (y-o-y) in Q1, but was outshone by the **Czech Republic**, with its increase of 2.8% and 3.9%, respectively, and **Romania**, which surged 1.6% and 4.3%, in that order.



NOTES AND ABBREVIATIONS

- EBRD - European Bank for Reconstruction and Development
- EC - European Commission
- EU - European Union
- IMF - International Monetary Fund
- OECD - Organisation for Economic Cooperation and Development
- GDP - Gross Domestic Product
- fob - free on board
- y-o-y - year-on-year
- q-o-q - quarter-on-quarter
- na - not available
- Measures of GDP, Consumption, Investment and Industrial Production are expressed in real (i.e. inflation adjusted terms). Unless otherwise noted, these and certain other variables (see Historical Data tables) are expressed as average percentage changes over the previous calendar year.
- Most wage measures (unless noted as "real") are average nominal percentage changes over the previous calendar year.
- Measures of Trade, Current Account and Foreign Currency Reserves are expressed as nominal amounts in US dollars (billions).
- All individual country forecasters on pages 4-22 are listed in descending order of their 2015 real GDP estimates. Consensus forecasts are arithmetic mean averages of the listed individual estimates.

In addition to their regular annual forecasts, country panellists were asked to provide estimates for individual quarters through the fourth quarter of 2016. Figures in normal type are official, published data with consensus forecasts – representing the mean averages of our panels' forecasts – shown in *blue italics*. In most cases, the definitions correspond to those used on the individual country pages. Readers should note that the four quarterly consensus forecasts covering a year may not equate to the annual consensus forecast shown for that same variable on pages 4-22, since the groups of survey respondents may be different, or because of rounding.

Czech Republic												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.3	2.1	2.2	1.4	3.9	<i>2.4</i>	<i>2.6</i>	<i>3.0</i>	<i>2.5</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>
Household Consumption*	1.1	2.0	1.7	2.0	<i>2.5</i>	<i>2.4</i>	<i>2.6</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.2</i>
Industrial Production*	6.7	5.7	3.9	3.2	4.6	<i>4.8</i>	<i>5.0</i>	<i>5.3</i>	<i>4.9</i>	<i>5.2</i>	<i>4.7</i>	<i>4.5</i>
Consumer Prices*	0.2	0.2	0.6	0.4	0.1	<i>0.5</i>	<i>0.4</i>	<i>0.6</i>	<i>1.3</i>	<i>1.5</i>	<i>1.7</i>	<i>1.9</i>
Trade Balance (US\$bn)	3.9	3.4	2.4	1.8	<i>3.2</i>	<i>2.8</i>	<i>2.1</i>	<i>1.8</i>	<i>3.0</i>	<i>2.4</i>	<i>2.0</i>	<i>1.8</i>
Current Account (US\$bn)	4.2	-1.5	-1.5	0.2	<i>2.5</i>	<i>-0.9</i>	<i>-1.1</i>	<i>-0.5</i>	<i>2.0</i>	<i>-0.8</i>	<i>-1.1</i>	<i>-0.6</i>
3 mth PRIBOR Interbank Rate, % ¹	0.4	0.4	0.4	0.3	0.3	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>

¹ End period

Hungary												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.8	4.1	3.3	3.4	3.4	<i>2.8</i>	<i>2.9</i>	<i>2.7</i>	<i>2.5</i>	<i>2.4</i>	<i>2.3</i>	<i>2.4</i>
Household Consumption*	1.0	2.1	1.1	2.0	<i>2.3</i>	<i>2.5</i>	<i>3.0</i>	<i>2.8</i>	<i>2.5</i>	<i>2.4</i>	<i>2.3</i>	<i>2.3</i>
Industrial Production*	8.4	10.4	6.9	4.7	7.9	<i>5.3</i>	<i>6.0</i>	<i>6.4</i>	<i>5.4</i>	<i>5.3</i>	<i>5.4</i>	<i>5.5</i>
Consumer Prices*	0.1	-0.2	-0.1	-0.8	-1.0	<i>-0.2</i>	<i>0.0</i>	<i>1.2</i>	<i>2.1</i>	<i>2.1</i>	<i>2.2</i>	<i>2.3</i>
Trade Balance (US\$bn)	1.4	0.2	1.0	1.0	<i>1.5</i>	<i>1.0</i>	<i>1.2</i>	<i>1.0</i>	<i>1.6</i>	<i>1.0</i>	<i>1.2</i>	<i>1.1</i>
Current Account (US\$bn)	1.7	0.6	2.2	1.1	<i>1.5</i>	<i>1.1</i>	<i>1.5</i>	<i>1.1</i>	<i>1.4</i>	<i>1.0</i>	<i>1.3</i>	<i>1.0</i>
3 Month Treasury Bill Rate, % ¹	2.8	2.2	1.4	1.5	1.6	<i>1.6</i>	<i>1.6</i>	<i>1.7</i>	<i>1.7</i>	<i>1.8</i>	<i>1.9</i>	<i>2.1</i>

¹ End period

Poland												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.5	3.6	3.3	3.3	3.5	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.6</i>	<i>3.6</i>	<i>3.4</i>	<i>3.4</i>
Private Consumption*	3.0	3.0	3.2	3.0	<i>3.4</i>	<i>3.4</i>	<i>3.3</i>	<i>3.5</i>	<i>3.6</i>	<i>3.5</i>	<i>3.4</i>	<i>3.3</i>
Industrial Production*	4.9	3.7	1.8	2.8	5.3	<i>5.7</i>	<i>6.2</i>	<i>6.0</i>	<i>4.9</i>	<i>5.7</i>	<i>5.6</i>	<i>5.2</i>
Consumer Prices*	0.6	0.3	-0.3	-0.7	-1.5	<i>-0.8</i>	<i>-0.2</i>	<i>0.6</i>	<i>1.5</i>	<i>1.6</i>	<i>1.7</i>	<i>1.8</i>
Trade Balance (US\$bn)	-0.5	-0.6	0.0	-1.0	<i>2.2</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-1.5</i>	<i>0.7</i>	<i>-0.9</i>	<i>-0.8</i>	<i>-1.6</i>
Current Account (US\$bn)	-1.7	-1.1	-2.4	-2.5	<i>1.0</i>	<i>-1.2</i>	<i>-2.2</i>	<i>-2.5</i>	<i>-0.3</i>	<i>-1.7</i>	<i>-2.8</i>	<i>-3.7</i>
3 Month Interbank Deposit Rate, % ¹	2.8	2.6	2.1	2.0	1.7	<i>1.6</i>	<i>1.7</i>	<i>1.7</i>	<i>1.7</i>	<i>1.7</i>	<i>1.9</i>	<i>2.1</i>

¹ End period

Russia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	0.6	0.7	0.9	0.4	-1.9	<i>-3.5</i>	<i>-4.2</i>	<i>-4.2</i>	<i>-1.7</i>	<i>-0.2</i>	<i>0.9</i>	<i>1.3</i>
Household Consumption*	4.0	0.2	0.2	1.0	<i>-4.4</i>	<i>-3.8</i>	<i>-4.8</i>	<i>-4.7</i>	<i>-2.4</i>	<i>-0.6</i>	<i>0.9</i>	<i>1.6</i>
Industrial Production*	1.1	1.9	1.4	2.1	-0.4	<i>-2.4</i>	<i>-2.3</i>	<i>-1.7</i>	<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>
Consumer Prices*	6.4	7.6	7.7	9.6	16.2	<i>15.9</i>	<i>15.3</i>	<i>13.6</i>	<i>9.1</i>	<i>7.2</i>	<i>6.8</i>	<i>6.3</i>
Trade Balance (US\$bn)	50.5	51.7	45.3	42.3	<i>40.2</i>	<i>38.1</i>	<i>36.0</i>	<i>39.1</i>	<i>43.1</i>	<i>42.3</i>	<i>42.2</i>	<i>44.8</i>
Current Account (US\$bn)	25.9	12.2	6.0	15.4	<i>23.5</i>	<i>11.2</i>	<i>9.5</i>	<i>10.3</i>	<i>26.4</i>	<i>10.0</i>	<i>8.9</i>	<i>15.2</i>
Foreign Exch. Reserves (US\$bn) ¹	443	432	409	339	309	<i>302</i>	<i>296</i>	<i>280</i>	<i>282</i>	<i>281</i>	<i>281</i>	<i>281</i>

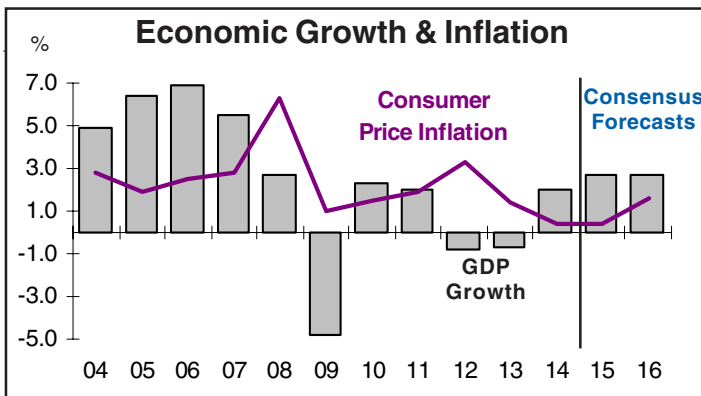
¹ End period

Continued on page 26

	Average % Change on Previous Calendar Year												End Year, % change		Annual Total	
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Average Nominal Wages		Money Supply (M2)		General Gov. Budget Balance, (% of GDP, ESA10)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
UniCredit	3.7	3.0	2.9	2.5	6.1	4.5	4.5	4.0	0.4	1.4	3.1	3.4	4.5	5.0	-2.0	-2.3
Generali Investments	3.3	2.6	2.4	2.1	4.7	4.5	5.6	6.0	0.6	1.5	3.0	3.3	na	na	-2.0	-2.0
ING Financial Markets	3.0	2.8	2.4	2.7	5.0	4.9	5.4	5.1	0.5	1.7	2.8	4.0	na	na	-2.0	-1.6
Econ Intelligence Unit	2.9	2.7	2.3	2.3	5.1	4.0	4.7	4.5	0.5	1.6	2.5	2.8	4.0	4.4	-2.1	-2.2
Komerční Banka	2.9	2.7	2.8	1.7	7.5	3.7	6.3	8.0	0.4	2.0	2.1	3.6	6.1	4.9	-2.5	-1.8
IHS Economics	2.8	3.1	2.4	2.8	3.8	4.1	5.2	4.8	0.3	1.7	3.5	3.5	5.0	5.1	-2.2	-2.7
Citigroup	2.7	3.2	2.2	2.5	4.7	4.3	na	na	0.5	1.7	2.9	4.4	na	na	-2.3	-2.0
CSOB	2.7	2.5	2.4	2.3	3.9	3.0	3.8	4.0	0.4	1.5	3.0	3.5	5.0	6.0	-2.4	-1.9
Deutsche Bank	2.7	2.5	1.6	2.0	4.4	3.7	5.8	5.6	0.5	2.0	na	na	5.0	5.3	-1.8	-1.6
Vienna Institute - WIW	2.7	2.4	2.4	2.5	5.5	5.5	4.5	5.0	0.4	1.5	3.4	4.0	7.0	7.5	-2.0	-2.0
Moody's Analytics	2.7	2.7	2.2	1.7	4.2	4.5	na	na	0.4	1.9	na	na	4.6	3.1	na	na
Ceska Sportelna	2.6	2.2	2.8	2.9	5.5	2.5	5.0	3.5	0.3	1.6	2.5	2.8	na	na	-2.1	-1.7
Oxford Economics	2.6	2.9	2.7	2.5	4.9	4.4	4.1	3.9	0.2	1.9	2.8	4.5	4.5	5.0	-2.0	-1.7
Euromonitor Intl	2.5	2.9	2.2	2.4	1.5	1.1	5.0	3.6	0.5	1.8	1.2	2.2	na	na	-1.4	-1.1
UBS	2.5	2.5	2.0	2.0	4.5	5.0	5.0	6.0	0.4	1.7	na	na	5.5	5.0	-2.0	-1.5
BNP Paribas	2.4	2.6	2.8	1.7	4.2	3.9	4.8	5.3	0.4	1.8	3.5	3.1	na	na	-1.6	-1.4
Raiffeisen Research	2.4	3.0	2.4	2.1	3.0	4.0	4.6	4.9	0.2	1.7	2.8	3.4	na	na	-2.5	-1.8
Goldman Sachs	2.4	2.8	2.5	2.3	3.0	3.0	5.4	4.0	0.3	1.2	na	na	na	na	-2.0	-2.4
Capital Economics	2.3	3.0	2.0	2.5	4.0	5.0	5.0	7.0	0.3	1.3	na	na	na	na	-1.8	-1.8
J&T Bank	2.2	2.5	2.0	2.5	3.3	3.5	4.7	3.5	0.4	1.3	3.0	3.3	na	na	-2.0	-1.8
HSBC	2.2	2.7	2.3	2.5	6.7	4.9	4.2	4.5	0.1	1.4	2.1	2.9	na	na	-2.0	-1.5
Consensus (Mean)	2.7	2.7	2.4	2.3	4.6	4.0	4.9	4.9	0.4	1.6	2.8	3.4	5.1	5.1	-2.0	-1.8
Last Month's Mean	2.5	2.7	2.3	2.3	4.3	4.0	4.9	5.0	0.3	1.7	2.8	3.4	5.5	5.2	-2.0	-1.8
3 Months Ago	2.5	2.8	2.2	2.3	3.7	3.9	4.6	4.9	0.4	1.7	3.1	3.5	4.6	4.8	-1.8	-1.7
High	3.7	3.2	2.9	2.9	7.5	5.5	6.3	8.0	0.6	2.0	3.5	4.5	7.0	7.5	-1.4	-1.1
Low	2.2	2.2	1.6	1.7	1.5	1.1	3.8	3.5	0.1	1.2	1.2	2.2	4.0	3.1	-2.5	-2.7
Standard Deviation	0.4	0.3	0.3	0.3	1.3	1.0	0.6	1.2	0.1	0.2	0.6	0.6	0.9	1.1	0.3	0.4
Comparison Forecasts																
Czech National Bank (Apr. '15)	2.6	3.2	2.3	2.4	5.7	3.6			0.2	1.7						
EC (Apr. '15)	2.5	2.6	2.1	2.3	5.0	2.5									-2.0	-1.5
Finance Min. (Apr. '15)	2.7	2.5	2.8	2.3	5.3	4.2			0.3	1.5					-1.9	
IMF (Apr. '15)	2.5	2.7							-0.1	1.3					-1.4	-1.2
OECD (Nov. '14)	2.3	2.7	1.9	2.3	4.0	3.4			2.0						-2.1	-1.5

Government and Background Data

President - Mr Milos Zeman. Prime Minister - Mr. Bohuslav Sobotka. Government - Elections were last held in October 2013. The Social Democrats have formed a Centre-Left coalition with the ANO Movement and the Christian Democrats. **Next Elections** - By 2017 (parliamentary); in 2018 (presidential). **Nominal GDP** - US\$198.6bn (2013). **Population** - 10.7 million (mid-year, 2013). **Koruna/US\$ Exchange Rate** - 19.56 (ave. 2013); **Koruna/€** - 25.97. (ave. 2013).



Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	2.0	-0.8	-0.7	2.0
Household Consumption*	0.2	-1.8	0.4	1.7
Gross Fixed Investment*	1.1	-2.9	-4.4	4.5
Industrial Production*	5.9	-0.8	-0.1	4.9
Consumer Prices*	1.9	3.3	1.4	0.4
Nominal Wages*	2.5	2.5	0.0	2.4
Money Supply (M2), end year*	4.1	4.6	5.0	6.6
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-2.7	-3.9	-1.2	-2.0
Merchandise Exports, fob¹	135.2	136.1	136.1	144.2
Merchandise Imports, fob¹	130.9	129.6	127.6	132.7
Trade Balance, fob-fob¹	4.3	6.4	8.4	11.5
Current Account Balance¹	-4.8	-3.2	-1.2	1.4
3 Month PRIBOR Interbank	1.2	0.6	0.4	0.3
Deposit Rate, % (end year)				
10 Year Gov. Bond Yield, % (end year)	3.6	1.9	2.2	0.8

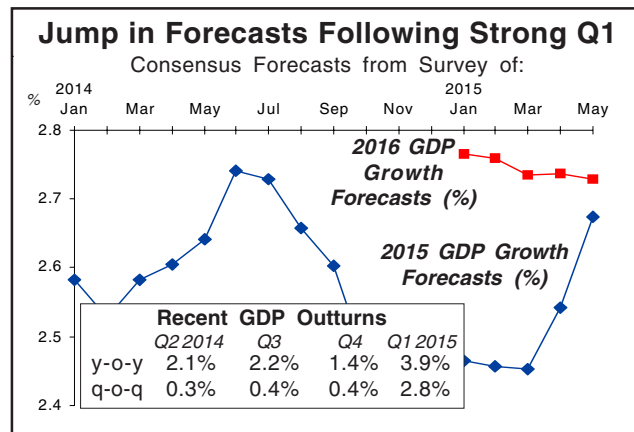
¹ US\$ billions

Annual Total								Rates on Survey Date			
Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (fob-fob US\$bn)		Current Account Balance (US\$bn)		3 Month PRIBOR Interbank Deposit Rate (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	2015	2016	2015	2016	End Aug 2015	End May 2016	End Aug 2015	End May 2016
129.5	141.0	119.8	131.0	9.7	10.0	0.2	0.6	0.3	0.3	0.8	1.4
145.0	150.0	133.0	140.0	12.0	10.0	1.5	-1.0	0.3	0.3	0.6	0.8
na	na	na	na	na	na	1.9	0.9	0.3	0.3	0.7	1.1
na	na	na	na	na	na	0.4	-0.2	na	na	na	na
128.2	134.1	119.6	125.9	9.1	8.2	0.3	-1.9	0.3	0.3	0.5	1.1
129.8	144.6	121.3	137.0	8.5	7.6	-1.7	-2.6	0.3	0.3	0.7	0.7
127.9	131.4	118.5	122.6	9.4	8.8	1.0	0.1	na	na	na	na
121.5	131.1	109.3	118.3	12.2	12.8	3.1	2.8	0.3	0.3	0.5	0.9
127.3	122.0	118.9	115.0	8.4	7.1	0.4	0.0	na	na	na	na
151.3	159.0	141.0	149.5	11.5	9.5	0.4	-1.5	0.3	0.4	0.4	1.0
na	na	na	na	na	na	-3.5	-4.1	na	na	0.3	0.4
na	na	na	na	na	na	na	na	0.3	0.3	0.4	0.5
132.7	141.1	119.8	127.8	12.9	13.3	-0.8	-3.9	0.4	0.4	0.3	0.4
na	na	na	na	na	na	1.2	0.5	na	na	0.5	0.4
140.7	140.4	129.7	130.7	11.0	9.7	1.0	-0.3	na	na	na	na
123.8	129.8	112.2	118.6	11.6	11.2	1.4	1.4	0.3	0.3	0.5	1.0
138.4	149.2	131.3	138.5	7.2	10.7	1.0	1.1	na	na	0.4	0.6
125.1	112.6	120.0	108.5	5.1	4.1	na	na	na	na	na	na
150.0	160.0	140.0	150.0	10.0	10.0	0.7	0.0	na	na	na	na
125.4	125.7	116.1	117.6	9.3	8.1	-0.4	-1.2	0.3	0.3	0.9	1.0
152.1	162.4	138.0	149.7	14.1	12.7	2.0	2.0	0.3	0.3	na	na
134.3	139.7	124.3	130.0	10.1	9.6	0.5	-0.4	0.3	0.3	0.5	0.8
132.8	138.7	122.8	128.8	10.1	9.9	0.1	-0.8				
137.2	143.8	126.3	133.9	10.9	9.9	-0.4	-1.2				
152.1	162.4	141.0	150.0	14.1	13.3	3.1	2.8	0.4	0.4	0.9	1.4
121.5	112.6	109.3	108.5	5.1	4.1	-3.5	-4.1	0.3	0.3	0.3	0.4
10.4	14.2	9.9	13.1	2.3	2.3	1.5	1.8	0.0	0.0	0.2	0.3
						2.9	1.6				

Q1 Growth Exceeds Expectations

The Czech economy stormed to its fastest pace of expansion in more than seven years in Q1 2015, surging by 3.9% (y-o-y) and 2.8% (q-o-q). The positive performance has been attributed to higher government expenditure and loose monetary policy. Monthly indicators suggest that the recovery is becoming more broad based. A weakened koruna has underpinned goods exports, while industrial output climbed by 6.2% (y-o-y) in March. In addition, the upturn in the manufacture of vehicles, rubber and plastic products has more than offset a slowdown in the mining and quarrying sector, which contracted by 13.1%. New industrial orders accelerated by 10.2% (y-o-y) in March, driven by overseas demand. As a result of the positive Q1 GDP outperformance, the consensus has upgraded its 2015 growth forecast to 2.7%, from 2.5% in April.

Inflation, measured by the CPI, was only 0.5% (y-o-y) in April (see monthly inflation data and forecasts, bottom box), supporting the central bank's decision to hold its benchmark rate at 0.05% and maintain a cap on the koruna. Price increases have been constrained by sluggish wage growth and lower energy costs, which may encourage the bank to consider additional policy measures to keep deflation risks at bay.



Central Bank Inflation Target
2.0% (with a band of +/-1%)

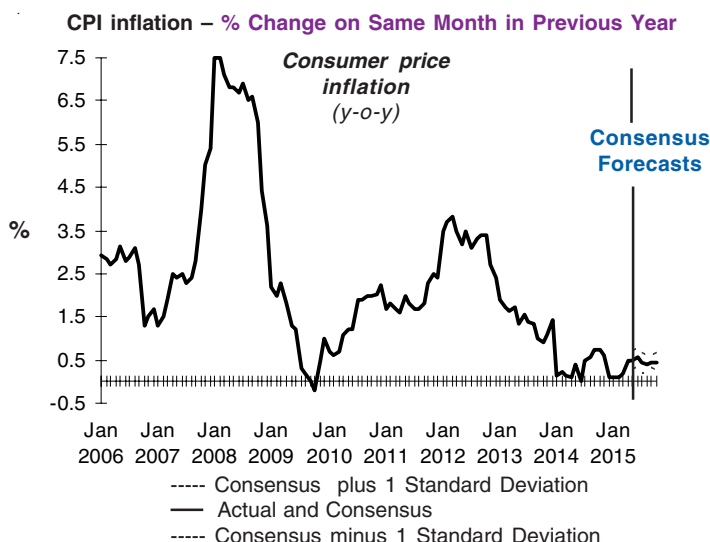
Monthly Inflation Forecasts

(Consumer prices, not seasonally adjusted)

Consensus forecasts
shown in bold italics

	% change on previous month ¹	% change on same month in previous year
2014 Nov	-0.2	0.6
Dec	-0.1	0.1
2015 Jan	0.1	0.1
Feb	0.2	0.1
Mar	0.1	0.2
Apr	0.3	0.5
May	0.1	0.5
Jun	0.1	0.6
Jul	0.1	0.4
Aug	-0.1	0.4
Sep	-0.2	0.4
Oct	0.2	0.5

¹ Monthly m-o-m projections (in bold italic) are implied changes derived from monthly y-o-y consensus forecasts.

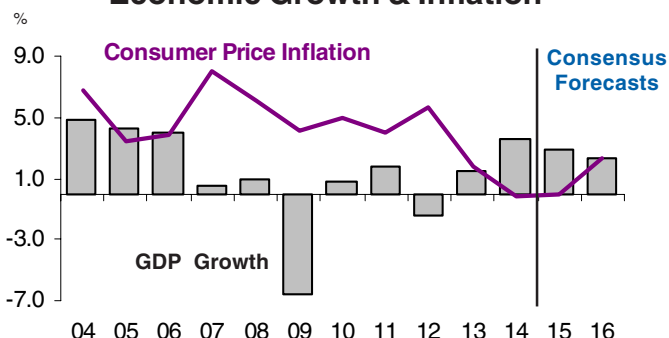


	Average % Change on Previous Calendar Year												End Year, % change		Annual Total	
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gross Nominal Monthly Earnings		Money Supply (M3)		General Gov. Budget Balance, (% of GDP, ESA10)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
ING Financial Markets	3.3	2.3	3.2	2.6	4.0	-1.0	7.3	5.7	0.1	2.2	3.4	3.4	6.0	6.2	-2.4	-2.0
Takarek Bank	3.3	2.5	3.1	2.6	2.4	1.0	7.5	5.7	0.0	2.5	4.0	4.3	na	na	-2.2	-2.0
Econ Intelligence Unit	3.3	3.0	2.1	1.2	2.0	2.8	4.5	5.8	0.3	2.3	4.7	4.5	na	na	-2.6	-2.6
BNP Paribas	3.2	2.6	4.1	2.4	7.3	6.4	6.1	6.7	-0.3	3.2	2.6	5.3	na	na	-2.5	-2.8
Kopint-Tarki	3.2	2.3	3.2	2.6	3.0	1.0	6.7	5.0	0.1	2.3	3.3	4.0	5.7	6.2	-2.4	-2.4
Raiffeisen Research	3.0	2.5	2.5	2.5	0.5	0.0	5.7	4.8	0.1	2.7	3.0	4.5	na	na	-2.8	-2.8
OTP Bank	3.0	1.9	3.5	2.2	1.0	-4.4	na	na	0.1	2.8	na	na	na	na	-2.3	-2.2
Citigroup	2.9	2.3	2.8	2.5	3.5	-1.0	na	na	-0.4	2.1	3.5	4.0	na	na	-2.4	-2.1
Vienna Institute - WIIW	2.9	2.1	2.3	1.5	4.0	1.0	6.0	5.0	0.0	2.5	na	na	na	na	-2.8	-2.9
Oxford Economics	2.8	2.5	3.2	3.3	2.8	3.1	4.8	3.3	-0.2	2.4	3.4	4.1	1.9	4.2	-2.6	-2.6
Goldman Sachs	2.8	3.1	1.5	2.5	3.5	2.1	7.9	5.9	0.0	2.3	na	na	na	na	-2.7	-2.7
CIB Budapest	2.8	2.0	3.4	2.8	3.5	2.4	5.9	5.7	0.1	2.4	2.9	4.0	na	na	-2.6	-2.6
HSBC	2.8	2.1	3.2	2.4	4.1	-1.3	5.2	4.1	-0.3	2.0	3.2	2.9	na	na	-2.4	-2.5
Deutsche Bank	2.7	2.4	3.4	2.7	4.5	3.8	7.0	6.0	-0.1	2.6	na	na	5.3	5.5	-2.7	-2.4
IHS Economics	2.7	2.4	2.5	2.4	3.5	2.7	6.2	5.6	0.5	2.7	3.0	5.0	7.2	6.8	-2.7	-2.6
Moody's Analytics	2.6	2.3	1.0	2.2	5.1	3.9	na	na	-0.9	0.1	na	na	5.2	6.0	na	na
Sberbank	2.9	na	1.7	na	-0.5	na	4.5	na	-0.3	na	na	na	na	na	-2.5	na
UBS	2.6	2.6	3.5	2.5	2.5	3.0	5.0	6.0	0.2	2.5	na	na	10.0	10.0	-2.5	-2.3
Erste Bank	2.5	2.2	2.4	2.5	3.3	-1.3	5.4	3.4	0.0	2.1	na	na	na	na	-2.5	-2.5
GKI Econ Research	2.5	2.0	2.5	1.5	0.0	-5.0	6.0	5.0	0.0	2.0	2.3	3.0	na	na	-2.2	-2.0
Euromonitor Intl	2.3	2.1	2.8	2.3	0.5	0.1	4.6	4.8	0.3	2.3	4.0	4.7	na	na	-2.6	-2.6
Capital Economics	2.3	2.3	2.5	2.5	3.0	3.0	6.0	8.0	-0.7	1.8	na	na	na	na	-2.5	-2.5
Consensus (Mean)	2.8	2.4	2.7	2.4	2.9	1.1	5.9	5.4	-0.1	2.3	3.3	4.1	5.9	6.4	-2.5	-2.5
Last Month's Mean	2.7	2.3	2.7	2.3	3.0	1.2	5.5	5.3	-0.1	2.3	3.3	4.3	6.8	6.8	-2.5	-2.5
3 Months Ago	2.3	2.2	2.3	2.1	2.9	1.6	5.1	5.4	0.2	2.4	3.4	4.2	5.9	6.0	-2.6	-2.5
High	3.3	3.1	4.1	3.3	7.3	6.4	7.9	8.0	0.5	3.2	4.7	5.3	10.0	10.0	-2.2	-2.0
Low	2.3	1.9	1.0	1.2	-0.5	-5.0	4.5	3.3	-0.9	0.1	2.3	2.9	1.9	4.2	-2.8	-2.9
Standard Deviation	0.3	0.3	0.7	0.5	1.8	2.8	1.0	1.1	0.3	0.6	0.6	0.7	2.4	1.8	0.2	0.3
Comparison Forecasts																
Central Bank of Hungary (Apr. '15)	3.2	2.5	3.2	2.7	5.2	-1.2			0.0	2.6	3.4	3.6			-2.4	-2.2
EBRD (Apr. '15)	2.6	2.3														
EC (Apr. '15)	2.8	2.2	3.0	2.7	4.6	-1.0									-2.5	-2.2
IMF (Apr. '15)	2.7	2.3							0.0	2.3					-2.7	-2.5
OECD (Nov. '14)	2.1	1.7	2.3	1.7	3.0	2.3			2.0	3.0					-2.6	-2.5

Government and Background Data

President - Mr. Janos Ader Prime Minister - Mr. Viktor Orban (Fidesz Party). Government - The ruling Fidesz Party won 133 of the 199 seats available at elections held in April 2014. Next Elections - By April 2018 (parliamentary); 2017 (presidential). Nominal GDP - US\$130.2bn (2013). Population - 9.95 million (mid-year, 2013). Forint/US\$ Exchange Rate - 223.6 (ave. 2013); Forint/€ - 296.9 (ave. 2013).

Economic Growth & Inflation



Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	1.8	-1.5	1.5	3.6
Household Consumption*	0.7	-2.0	0.2	1.6
Gross Fixed Investment*	-3.6	-4.2	5.2	11.7
Industrial Production*	5.6	-1.8	1.1	7.6
Consumer Prices*	4.0	5.7	1.7	-0.2
Gross Nom Mthly Earnings*	5.2	4.6	3.5	3.0
Money Supply (M3), end year*	5.9	-3.3	5.5	5.9
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-5.5	-2.3	-2.5	-2.6
Merchandise Exports, fob ¹	99.9	90.3	96.1	100.0
Merchandise Imports, fob ¹	95.8	86.5	91.4	96.4
Trade Balance, fob-fob ¹	4.1	3.8	4.7	3.6
Current Account Balance ¹	1.1	2.3	5.4	5.7
3 Month Treasury Bill Rate, % (end yr)	7.4	5.5	2.9	1.5
10 Year Government Bond Yield, % (end year)	8.7	6.0	5.5	3.8

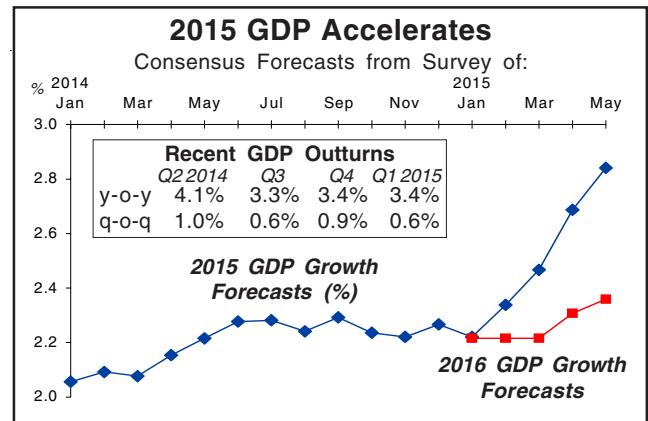
¹ US\$ billions

Annual Total								Rates on Survey Date			
Merchandise Exports (fob, US\$bn)	Merchandise Imports (fob, US\$bn)	Merchandise Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		3 Month Treasury Bill Rate (%)		10 Year Government Bond Yield (%)			
		2015	2016	2015	2016	2015	2016	2015	2016		
106.0	111.3	102.2	107.8	3.8	3.5	6.2	6.0	1.6	2.6	3.5	4.3
92.2	95.0	86.3	89.7	5.9	5.3	7.3	6.8	1.5	1.5	3.4	3.3
108.3	112.9	103.2	108.8	5.1	4.1	5.3	3.6	na	na	na	na
97.0	98.6	90.1	92.9	6.9	5.7	4.4	1.1	1.8	3.1	3.0	2.8
95.2	101.7	91.4	97.9	3.8	3.8	5.5	5.5	1.3	1.5	3.3	2.9
98.0	100.5	90.7	93.3	7.3	7.2	4.6	4.5	na	na	3.1	3.5
na	na	na	na	na	na	6.8	7.2	1.2	1.1	3.7	3.9
81.5	83.9	78.7	81.5	2.8	2.4	4.7	4.4	na	na	na	na
107.0	114.5	102.2	107.8	4.8	6.7	6.0	6.6	na	na	na	na
93.4	98.7	88.6	93.8	4.8	5.0	5.1	4.6	1.7	2.2	3.9	4.3
86.5	77.8	83.4	75.2	3.1	2.6	na	na	na	na	na	na
98.3	104.5	91.9	99.4	6.4	5.1	2.7	2.1	1.5	2.0	3.9	3.9
84.4	87.7	80.0	82.9	4.4	4.8	6.0	6.5	1.7	1.7	na	na
88.6	86.2	85.9	83.5	2.7	2.7	3.7	3.7	na	na	na	na
86.3	89.0	82.9	86.0	3.4	2.9	5.0	4.5	1.9	1.9	na	na
na	na	na	na	na	na	3.0	2.8	na	na	3.5	3.5
87.8	na	84.1	na	3.7	na	6.6	na	na	na	na	na
101.7	103.9	97.1	100.1	4.6	3.8	5.2	4.1	na	na	na	na
83.4	93.6	81.1	93.6	2.3	0.0	5.4	6.3	1.5	1.5	3.8	4.2
116.3	121.5	108.0	112.7	8.3	8.8	6.1	6.6	1.5	2.0	3.0	4.0
na	na	na	na	na	na	6.3	5.6	na	na	3.2	3.2
110.0	118.8	107.0	113.4	3.0	5.4	4.5	3.9	na	na	na	na
95.9	100.0	91.3	95.6	4.6	4.4	5.3	4.8	1.6	1.9	3.4	3.6
95.5	97.7	90.5	93.0	4.9	4.7	4.9	4.6				
99.3	100.9	93.4	95.2	5.9	5.7	4.7	4.4				
116.3	121.5	108.0	113.4	8.3	8.8	7.3	7.2	1.9	3.1	3.9	4.3
81.5	77.8	78.7	75.2	2.3	0.0	2.7	1.1	1.2	1.1	3.0	2.8
10.2	12.5	9.4	11.4	1.7	2.0	1.2	1.7	0.2	0.6	0.3	0.5
						6.0	5.4				

Resilient Q1 Lifts 2015 GDP Forecasts

The GDP flash estimate, released on May 13, showed a 3.4% (y-o-y) increase in Q1. A breakdown of the national accounts is not yet available, but industrial production and construction data have out-performed expectations so far this year. The former accelerated by 7.9% (y-o-y) in Q1, surging by 2.5% (m-o-m) in March due to resilience in the automotive industry. The outlook for exports has also been supported by a resurgence in the euro zone economy. Industrial sales, both domestic and foreign, soared in March, rising by 11% (y-o-y) and 14% respectively. Construction climbed 12.7% in the same month, led by infrastructure expenditure on road and railway networks. A slowdown in industry is likely later in the year as the volume of new contracts and EU funding begins to recede. Retail sales strengthened by 6.7% (y-o-y) in Q1, boosted by rising real disposable income. While autocratic, the prime minister's decision in late 2014 to force all households to convert foreign currency, notably Swiss franc, loans to forints has turned out to be a fortuitous move.

The IMF has backed the continuing efforts of the central bank to stimulate the economy with policy rate cuts. The bank dropped rates to a record-low 1.80% in April as inflation remained negative at -0.3% (y-o-y).



Central Bank Inflation Target
3% (medium term goal)

Monthly Inflation Forecasts

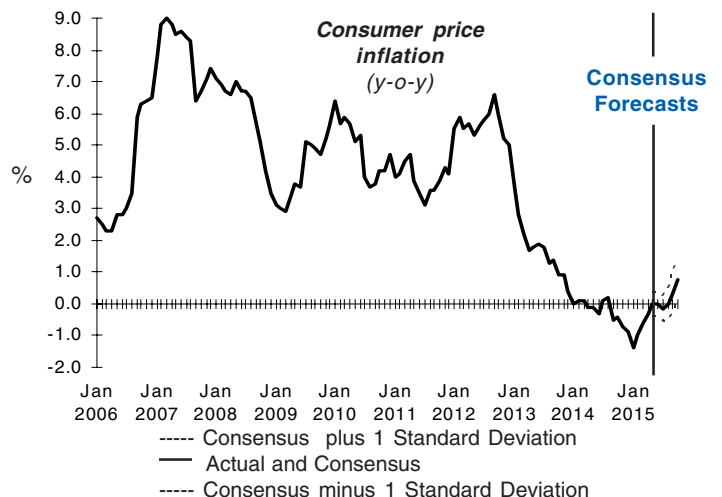
(Consumer prices, not seasonally adjusted)

Consensus forecasts
shown in bold italics

	% change on previous month ¹	% change on same month in previous year
2014 Nov	-0.4	-0.7
Dec	-0.7	-0.9
2015 Jan	-0.2	-1.4
Feb	0.5	-1.0
Mar	0.6	-0.6
Apr	0.4	-0.3
May	0.2	0.0
Jun	0.1	0.0
Jul	0.0	-0.1
Aug	-0.1	0.0
Sep	0.2	0.3
Oct	0.2	0.8

¹ Monthly m-o-m projections (in bold italic) are implied changes derived from monthly y-o-y consensus forecasts.

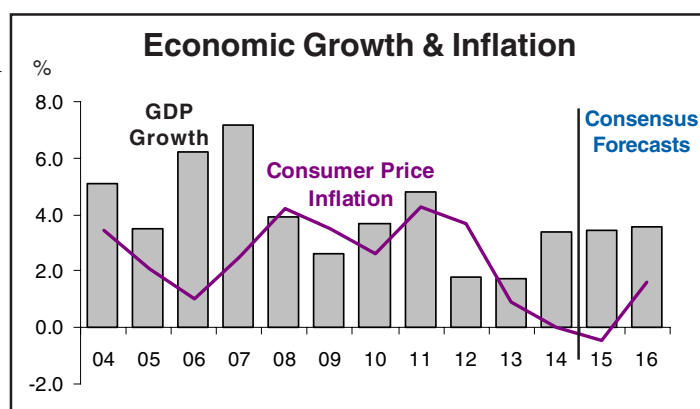
CPI inflation - % Change on Same Month in Previous Year



	Average % Change on Previous Calendar Year												End Year, % change		Annual Total	
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Nominal Gross Mthly Wages & Salaries (Corporate Sector)		Money Supply (M3)		General Govt Budget Balance, ESA 10 (% of GDP)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Citigroup	3.9	3.7	3.4	3.2	6.7	6.0	na	na	-0.7	1.9	4.0	4.8	na	na	-2.7	-2.5
PKO Bank Polski	3.8	3.6	3.5	3.4	7.9	5.3	5.8	3.9	-0.6	1.4	4.6	4.8	8.9	8.6	-3.4	-3.1
Oxford Economics	3.7	3.9	4.0	3.7	6.1	6.0	5.7	4.6	-0.3	2.1	3.7	4.5	9.0	7.6	-2.4	-2.2
Bank Zachodni	3.7	3.2	3.5	3.5	8.6	6.1	6.5	5.0	-0.6	2.0	5.2	5.0	9.0	6.7	-2.7	-2.3
BNP Paribas	3.7	3.2	3.8	2.6	8.0	8.4	7.1	5.9	-0.4	1.8	3.9	5.3	na	na	-2.6	-2.8
ING Bank Slaski	3.6	3.8	3.2	3.6	6.8	7.7	6.8	5.7	-0.6	1.4	4.4	4.6	10.4	7.4	-2.7	-2.3
IHS Economics	3.5	3.8	3.0	3.8	5.2	5.0	5.4	5.6	-0.1	1.6	3.5	3.9	6.8	7.4	-2.9	-2.4
Raiffeisen Research	3.5	3.4	3.2	3.5	7.3	4.2	6.0	7.0	-0.4	1.3	4.0	5.0	na	na	-2.7	-2.0
BoA - Merrill Lynch	3.5	3.7	3.0	4.0	3.1	3.0	na	na	-0.5	1.5	na	na	9.0	10.0	-2.7	-2.3
Erste Bank	3.5	3.6	3.1	3.2	8.6	9.2	3.8	5.6	-0.6	1.1	4.1	4.8	na	na	-2.9	-2.4
Gdansk Institute	3.5	3.8	3.2	3.5	8.8	9.0	5.0	5.5	-0.6	1.1	4.2	4.4	9.0	9.2	-3.0	-3.0
KUKE	3.5	4.0	3.0	3.9	4.8	5.6	7.2	6.7	-0.5	1.9	4.5	5.3	8.9	8.4	na	na
UBS	3.5	3.4	3.5	3.5	5.0	6.0	4.5	5.5	-0.6	2.0	na	na	8.0	8.0	-3.0	-2.5
Vienna Institute - WIW	3.5	3.2	3.5	3.5	8.0	7.0	5.0	5.0	-0.6	1.5	3.8	5.0	8.5	9.0	-2.9	-2.8
Econ Intelligence Unit	3.5	3.5	2.7	2.9	5.6	5.5	4.3	4.6	-0.5	2.2	3.0	4.3	na	na	-3.0	-2.7
Deutsche Bank	3.4	3.5	3.2	3.3	6.5	6.3	6.0	6.5	-0.4	1.5	na	na	6.0	6.3	-2.9	-2.7
HSBC	3.4	3.5	3.6	3.6	6.5	6.4	4.4	5.2	-0.5	1.0	3.7	3.9	na	na	-2.9	-2.7
Euromonitor Intl	3.4	3.5	3.0	3.0	6.1	3.9	5.5	6.6	0.3	1.9	na	na	na	na	-3.2	-3.1
Goldman Sachs	3.4	3.5	3.9	4.3	5.3	5.1	5.4	5.4	-0.9	1.7	na	na	na	na	-3.0	-2.9
Moody's Analytics	3.3	3.3	3.0	3.4	5.8	6.1	na	na	-0.6	1.7	2.5	4.6	8.3	8.0	na	na
Roubini Global Econ	3.1	3.2	2.5	2.2	5.8	4.6	na	na	-0.8	1.4	na	na	na	na	-3.0	-2.5
Capital Economics	3.0	3.8	3.3	3.5	5.0	6.0	4.0	6.0	-0.5	1.3	na	na	na	na	-2.5	-2.3
Sberbank	2.9	na	2.2	na	5.6	na	2.8	na	0.1	na	na	na	na	na	-2.9	na
Consensus (Mean)	3.5	3.5	3.2	3.4	6.4	6.0	5.3	5.6	-0.5	1.6	3.9	4.7	8.5	8.1	-2.9	-2.6
Last Month's Mean	3.5	3.5	3.3	3.4	6.3	5.8	5.3	5.7	-0.4	1.7	3.9	4.7	8.6	8.1	-2.9	-2.5
3 Months Ago	3.3	3.6	3.2	3.5	6.4	6.1	5.0	5.8	0.1	1.8	3.8	4.7	8.2	7.9	-2.8	-2.5
High	3.9	4.0	4.0	4.3	8.8	9.2	7.2	7.0	0.3	2.2	5.2	5.3	10.4	10.0	-2.4	-2.0
Low	2.9	3.2	2.2	2.2	3.1	3.0	2.8	3.9	-0.9	1.0	2.5	3.9	6.0	6.3	-3.4	-3.1
Standard Deviation	0.2	0.2	0.4	0.5	1.4	1.5	1.2	0.8	0.3	0.3	0.7	0.4	1.1	1.1	0.2	0.3
Comparison Forecasts																
EBRD (Apr. '15)	3.4	3.4														
EC (Apr. '15)	3.3	3.4	3.4	3.6	6.9	5.0									-2.8	-2.6
IMF (Apr. '15)	3.5	3.5							-0.8	1.2					-2.9	-2.3
OECD (Nov. '14)	3.0	3.5	2.9	3.3	5.1	6.0									-2.9	-2.6

Government and Background Data

President - Mr. Bronislaw Komorowski. **Prime Minister** - Ms. Ewa Kopacz. **Government** - Civic Platform party (209 of 460 seats in parliament) has formed a coalition with the smaller Peasant party. **Next Elections** - May 24, 2015 (presidential); October 2015 (parliamentary). **Nominal GDP** - US\$517.7bn (2013). **Population** - 38.2 million (mid-year, 2013). **Zloty/US\$** - 3.160 (ave. 2013); **Zloty/€** - 4.196 (ave. 2013).



Historical Data

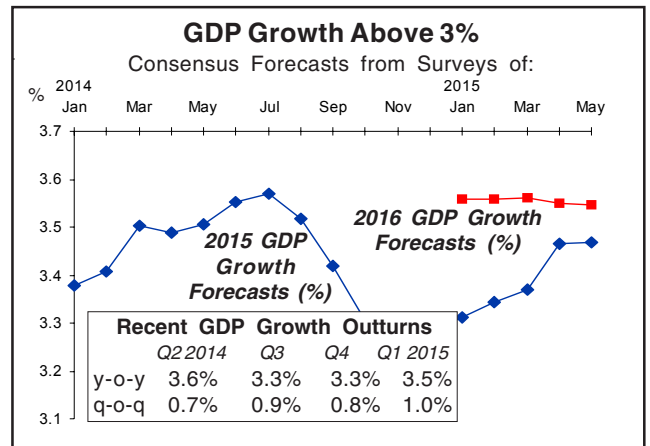
	2011	2012	2013	2014
Gross Domestic Product*	4.8	1.8	1.7	3.4
Private Consumption*	3.0	1.0	1.2	3.1
Gross Fixed Investment*	9.3	-1.5	1.1	9.2
Industrial Production*	7.5	0.5	1.8	3.3
Consumer Prices*	4.3	3.7	0.9	0.0
Nominal Wages & Salaries*	5.0	3.4	2.9	3.7
Money Supply (M3) end year*	12.6	4.5	6.2	8.2
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-4.9	-3.7	-4.0	-3.2
Merchandise Exports, fob¹	184.2	181.0	197.8	208.8
Merchandise Imports, fob¹	201.6	190.2	197.0	211.0
Trade Balance, fob-fob¹	-17.4	-9.2	0.8	-2.1
Current Account Balance¹	-27.0	-17.6	-6.9	-7.6
3 Month Interbank Deposit Rate, %, end year	4.9	4.0	2.6	2.0
10 Yr Government Bond, Yield, %, end year	5.8	3.7	4.4	2.4
			1 US\$ billions	

Annual Total								Rates on Survey Date			
Merchandise Exports (fob, US\$bn)	Merchandise Imports (fob, US\$bn)	Merchandise Trade Balance (fob-fob, US\$bn)	Current Account Balance (US\$bn)	1.6%		2.8%		3 month Interbank Deposit Rate (%)	10 Year Government Bond Yield (%)		
				End Aug 2015	End May 2016	End Aug 2015	End May 2016				
2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
178.8	186.3	175.0	185.7	3.8	0.6	-3.3	-6.7	na	na	na	na
182.3	198.0	180.5	197.4	1.8	0.6	-2.0	-3.6	na	na	na	na
186.5	195.6	185.7	195.5	0.8	0.1	-5.0	-6.1	1.5	1.9	2.8	3.7
195.0	226.8	194.1	230.0	0.9	-3.2	-1.9	-6.5	1.7	1.7	2.8	3.0
183.2	180.9	179.0	189.5	4.2	-8.6	-4.9	-10.3	1.6	2.1	2.0	2.1
183.5	176.3	183.8	183.2	-0.3	-6.9	-2.7	-8.8	1.7	1.8	2.8	2.9
189.5	217.0	191.2	220.0	-1.8	-3.0	-7.4	-9.7	1.7	1.6	2.9	3.5
191.2	199.1	191.1	202.6	0.2	-3.6	-6.9	-9.8	1.7	1.8	2.5	2.8
220.6	232.8	218.4	228.3	2.2	4.5	-5.8	-5.3	1.3	1.8	2.3	2.5
229.0	243.0	230.4	247.2	-1.4	-4.2	-8.4	-13.1	1.6	1.7	2.1	2.4
225.0	230.0	225.0	235.0	0.0	-5.0	-8.0	-10.0	1.7	1.8	2.3	2.6
201.9	221.4	198.0	219.1	3.9	2.3	-2.5	-4.6	1.7	2.0	2.8	2.9
200.0	203.3	197.6	201.8	2.3	1.5	-6.0	-6.4	na	na	na	na
224.0	237.0	226.0	241.0	-2.0	-4.0	-6.0	-9.0	1.8	2.0	2.2	2.3
203.2	213.4	202.1	214.3	1.0	-0.9	-5.1	-8.4	na	na	na	na
186.5	183.4	188.7	187.0	-2.2	-3.6	-8.0	-8.4	na	na	na	na
188.4	192.7	183.0	187.2	5.4	5.5	-1.5	-1.2	1.6	1.6	na	na
na	na	na	na	na	na	-7.3	-9.5	na	na	2.3	2.6
184.8	177.5	185.6	181.3	-0.8	-3.8	-3.6	-6.3	na	na	na	na
na	na	na	na	na	na	-10.5	-13.7	na	na	2.5	2.6
na	na	na	na	na	na	-8.6	-9.9	na	na	na	na
215.0	232.2	220.0	237.6	-5.0	-5.4	-3.0	-5.0	na	na	na	na
177.7	na	176.2	na	1.5	na	-2.5	na	na	na	na	na
197.3	207.7	196.6	209.7	0.7	-2.0	-5.3	-7.8	1.6	1.8	2.5	2.8
194.2	206.0	194.2	209.1	0.0	-3.1	-6.1	-8.6				
197.5	210.9	197.7	213.7	-0.2	-2.7	-7.4	-9.5				
229.0	243.0	230.4	247.2	5.4	5.5	-1.5	-1.2	1.8	2.1	2.9	3.7
177.7	176.3	175.0	181.3	-5.0	-8.6	-10.5	-13.7	1.3	1.6	2.0	2.1
16.7	22.0	17.8	22.1	2.6	3.8	2.6	3.0	0.1	0.2	0.3	0.4
						-8.9	-12.6				
						-7.4	-8.4				

Upswing in Growth Momentum

According to the flash estimate, the Polish economy expanded by a stronger-than-expected 3.5% (y-o-y) in Q1. The expenditure-based breakdown of GDP is not released until May 29, but it looks likely that robust consumer spending provided significant impetus to growth once again. Retail sales, weak in February, rebounded to a ten-month high of 3.1% (y-o-y) in March. Q1 activity was also driven by resurgent industrial production, which leapt 5.3%. While the PMI for manufacturing has retreated a little, it remains in expansionary territory of above 50 (54.0 in April), supported by gains in productivity and exports.

The latest spate of positive economic indicators has seen the zloty climb to four-year highs versus the euro, fuelling fears that ongoing currency strength will encourage deflation. Consumer prices fell by 1.1% (y-o-y) in April – a tenth straight monthly decline. However, the central bank held rates at 1.5% on May 6 amid hopes of support from the nascent euro zone recovery. The bank also reaffirmed its pledge to keep interest rates unchanged until at least the end of the year, citing downward price risks from excess slack in the Polish economy. Our panel forecasts inflation of -0.5% and 1.6% in 2015 and 2016, respectively.



Central Bank Inflation Target
2.5% (with a band of +/-1%)

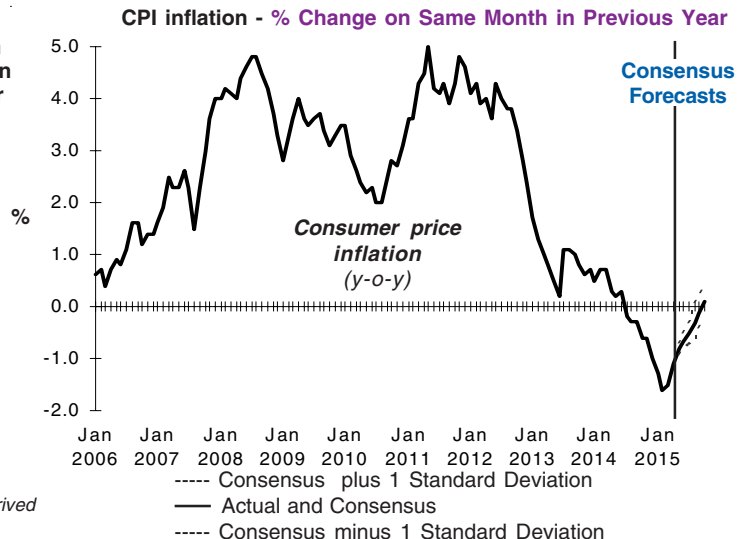
Monthly Inflation Forecasts

(Consumer prices, not seasonally adjusted)

Consensus forecasts shown in bold italics

	% change on previous month ¹	% change on same month in previous year
2014 Nov	-0.2	-0.6
Dec	-0.3	-1.0
2015 Jan	-0.2	-1.3
Feb	-0.1	-1.6
Mar	0.2	-1.5
Apr	0.4	-1.1
May	0.3	-0.8
Jun	0.1	-0.7
Jul	0.0	-0.5
Aug	0.4	-0.3
Sep	-0.4	-0.1
Oct	0.1	0.1

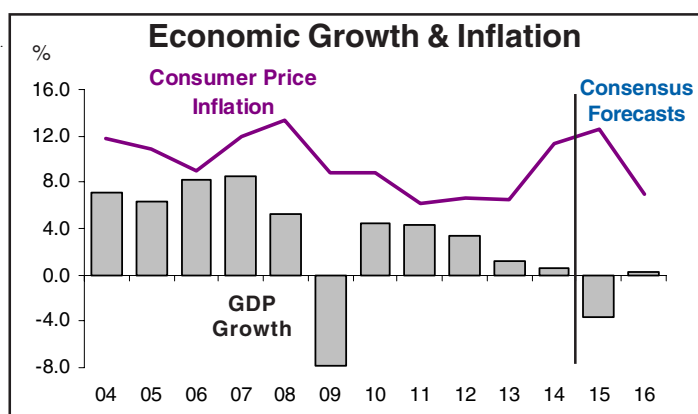
¹ Monthly m-o-m projections (in bold italic) are implied changes derived from monthly y-o-y consensus forecasts.



	Average % Change on Previous Calendar Year								% Change Dec-on-Dec		Annual Avg % change		End Year, % Change		Annual Total	
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Real Average Monthly Wages Due		Money Supply (M2)		Federal Govt Budget Bal, IMF defn, excluding privatisation (% of GDP)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Sberbank	-1.5	2.5	-5.0	3.0	-8.0	6.0	2.0	3.0	12.5	7.0	-5.0	3.0	8.0	10.0	-2.5	0.0
BNP Paribas	-2.5	1.5	-5.0	2.5	-6.0	0.5	-3.3	1.3	9.0	6.1	-3.3	2.4	na	na	-2.9	-1.5
Goldman Sachs	-2.7	1.5	-7.0	2.5	-6.5	4.9	na	na	10.0	4.0	na	na	na	na	-2.5	0.0
JP Morgan	-2.8	1.8	-6.0	2.0	-8.0	5.5	-1.0	2.0	11.2	5.7	na	na	15.0	11.0	-2.7	-1.5
Citigroup	-3.0	1.6	-7.0	1.0	-5.6	2.5	na	na	10.5	6.7	na	na	na	na	-3.0	-1.5
Alfa Bank	-3.0	na	-7.0	na	-2.0	na	-2.0	na	11.0	na	na	na	na	na	na	na
Gazprombank	-3.0	0.8	-7.9	1.8	-7.0	5.5	0.1	1.7	11.8	7.0	-7.3	3.7	11.1	9.2	-2.9	-0.9
Kopint-Tarki	-3.0	-1.0	-5.0	0.0	-8.0	0.0	0.0	1.0	14.6	9.0	-4.0	0.0	5.0	5.0	-4.2	-2.2
Moody's Analytics	-3.3	-1.0	-4.4	-0.9	-4.9	-2.7	na	na	15.7	6.7	na	na	na	na	na	na
ING Bank	-3.3	0.5	-8.5	0.7	-8.6	1.2	-2.0	1.0	11.0	5.0	na	na	8.0	7.0	-5.0	-2.5
Econ Intelligence Unit	-3.3	0.2	-8.1	0.7	-12.8	1.8	-1.0	0.6	10.2	5.8	-8.7	-1.1	na	na	-3.5	-1.6
HSBC	-3.5	-1.5	-6.0	-1.2	-12.5	-5.0	-0.4	-0.3	13.0	5.9	na	na	4.7	7.5	-0.8	0.4
Timetric	-3.9	-1.0	-6.3	-0.5	-8.0	-1.2	-1.5	0.2	13.5	9.6	na	na	3.7	5.0	-2.5	-1.3
Vienna Institute - WIW	-3.9	1.9	-6.0	2.0	-10.0	5.0	1.0	3.0	15.0	10.0	-5.0	3.0	na	na	-3.0	-2.0
Allianz	-4.0	-1.0	-6.0	-1.0	-10.0	-5.0	-2.5	0.3	13.0	7.5	-6.5	-0.5	na	na	-2.5	-3.0
Raiffeisen Research	-4.0	0.5	-6.0	1.0	-8.0	0.0	-4.0	1.0	15.2	7.5	na	na	na	na	-3.2	-2.0
Feri	-4.0	-0.5	-3.5	0.0	-15.0	-3.6	-3.8	0.7	10.0	3.7	-5.6	0.7	8.2	7.2	-1.7	-1.8
Euromonitor Intl	-4.2	-0.9	-2.9	-0.2	-7.0	-3.9	-3.3	0.0	14.8	4.9	na	na	na	na	na	na
Oxford Economics	-4.2	0.9	-6.2	1.1	-11.1	-1.0	-2.7	-0.1	14.4	7.8	na	na	na	na	-0.4	0.3
Renaissance Capital	-4.3	2.1	-4.0	2.5	-16.3	3.5	-3.8	2.8	11.5	7.1	na	na	na	na	-2.5	-1.1
UBS	-4.5	0.0	-7.0	1.4	-10.0	-2.0	-1.5	1.0	11.5	4.7	na	na	4.0	7.0	-2.7	-1.6
UniCredit	-4.5	0.0	-5.0	0.0	-9.0	0.5	-2.5	0.7	11.0	7.0	-6.0	0.5	7.0	10.0	-3.0	-1.0
IHS Economics	-4.8	-1.4	-4.7	-2.6	-14.8	-7.5	-3.0	-1.8	12.1	10.2	-5.0	-1.5	12.2	15.0	-2.3	-2.8
Capital Economics	-5.0	2.0	-6.0	2.0	-13.0	1.0	0.0	0.0	13.0	7.0	na	na	na	na	-4.0	-2.5
Consensus (Mean)	-3.6	0.4	-5.9	0.8	-9.3	0.3	-1.7	0.9	12.3	6.8	-5.6	1.0	7.9	8.5	-2.8	-1.4
Last Month's Mean	-4.0	0.2	-5.3	0.6	-10.2	-0.4	-2.3	0.8	13.0	7.2	-5.4	0.5	7.8	8.0	-2.7	-1.8
3 Months Ago	-4.3	0.3	-5.0	0.3	-10.9	-0.3	-2.2	0.9	11.7	6.9	-4.5	0.4	7.4	7.9	-2.5	-1.7
High	-1.5	2.5	-2.9	3.0	-2.0	6.0	2.0	3.0	15.7	10.2	-3.3	3.7	15.0	15.0	-0.4	0.4
Low	-5.0	-1.5	-8.5	-2.6	-16.3	-7.5	-4.0	-1.8	9.0	3.7	-8.7	-1.5	3.7	5.0	-5.0	-3.0
Standard Deviation	0.8	1.3	1.4	1.4	3.5	3.8	1.7	1.2	1.9	1.8	1.6	1.9	3.6	2.9	1.0	1.0
Comparison Forecasts																
EBRD (Apr. '15)	-4.5	-1.8														
EC (Apr. '15)	-3.5	0.2	-5.5	0.5	-11.7	-1.5										
IMF (Apr. '15)	-3.8	-1.1							12.0	8.0					-3.7	-2.6
OECD (Nov. '14)	0.0	1.6														

Government and Background Data

President - Mr. Vladimir Putin. **Prime Minister** - Mr. Dmitry Medvedev
Government - The United Russia party has a reduced majority in the Duma (parliament). **Next Elections** - 2015 (parliamentary); March 2018 (presidential). **Nominal GDP** - US\$2096.4bn (2013). **Population** - 142.8 million (mid-year, 2013). **Rouble/US\$ Exchange Rate** - 31.84 (ave. 2013). **Rouble/€ Exchange Rate** - 42.28 (ave. 2013).



Historical Data

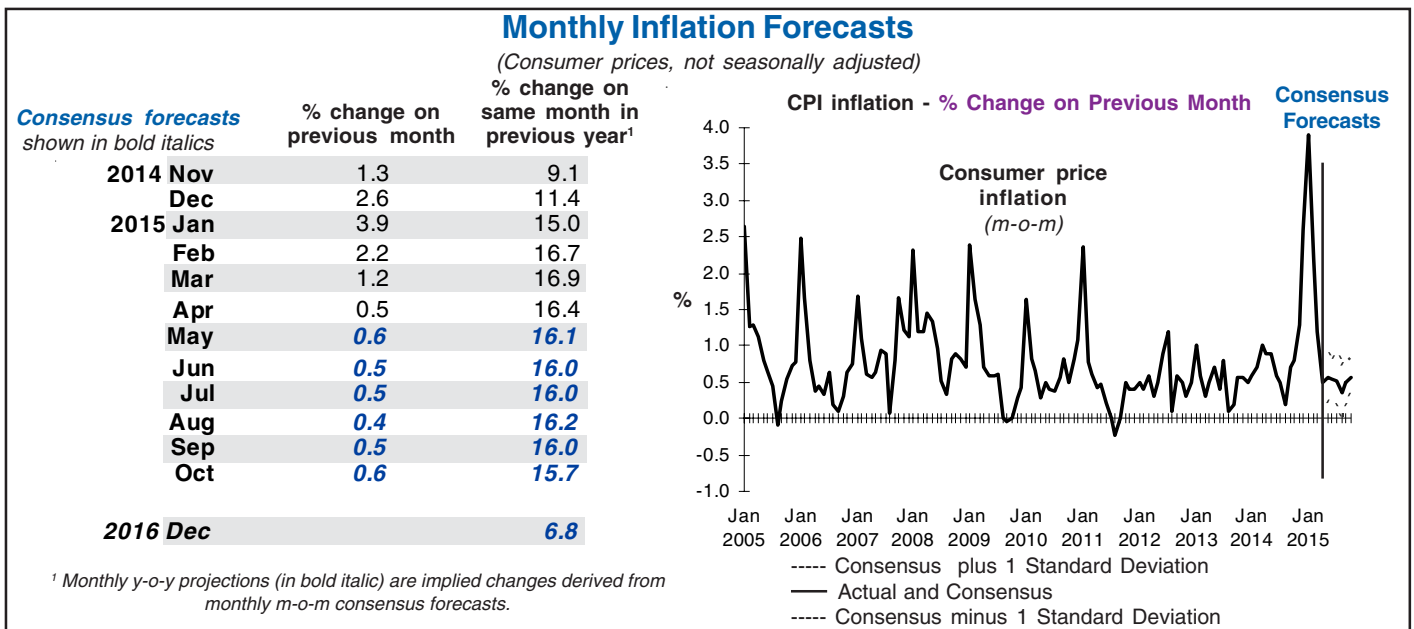
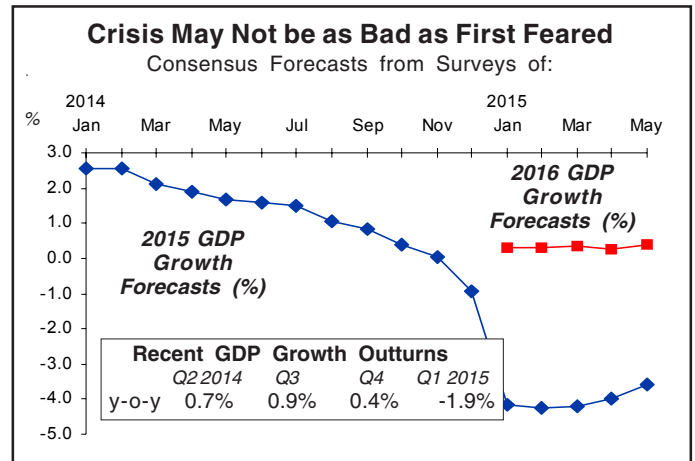
	2011	2012	2013	2014
Gross Domestic Product*	4.3	3.4	1.3	0.6
Household Consumption*	6.8	7.8	5.0	1.9
Gross Fixed Investment*	9.1	6.6	1.4	-2.5
Industrial Production*	4.7	2.6	0.4	1.7
Consumer Prices (Dec/Dec)	6.1	6.6	6.5	11.4
Real Av. Mthly Wages Due*	4.1	8.6	5.3	1.5
Money Supply (M2), end yr*	22.3	11.9	14.6	2.2
<i>* average % change on previous year</i>				
Federal Gov. Budget Balance, IMF, excluding privatisation proceeds, % of GDP	1.5	0.4	-1.3	-1.2
Merchandise Exports, fob¹	515	527	523	498
Merchandise Imports, fob¹	319	336	341	308
Trade Balance, fob-fob¹	197	192	182	190
Current Account Balance¹	97.3	71.3	34.8	59.5
Foreign Currency Reserves, ex. Gold & SDRs, end year¹	454	487	470	339
	¹ US\$, billions			

Annual Total								End Year	
Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		Foreign Currency Reserves (IMF, US\$bn)	
2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
340.0	345.0	205.0	220.0	135.0	125.0	50.0	40.0	315.0	315.0
392.5	466.5	223.7	247.1	168.8	219.5	42.3	48.3	na	na
367.5	378.0	236.8	244.3	130.8	133.7	73.8	77.4	na	na
368.4	397.9	217.7	242.6	150.8	155.4	71.2	63.5	351.4	361.4
378.3	389.6	200.2	212.2	178.1	177.4	57.9	50.2	295.6	295.9
na	na	na	na	na	na	na	na	na	na
370.5	421.6	215.7	236.7	154.8	184.9	65.2	75.5	325.0	355.0
370.0	420.0	220.0	250.0	150.0	170.0	40.0	40.0	300.0	300.0
na	na	na	na	na	na	38.1	63.3	na	na
383.0	454.0	201.0	220.0	182.0	234.0	88.2	102.0	305.0	335.0
364.5	420.1	214.3	238.9	150.3	181.2	64.1	72.5	257.8	218.1
370.0	382.0	174.0	174.0	196.0	208.0	112.7	122.3	307.8	284.8
401.2	419.5	245.1	251.4	156.1	168.1	49.4	51.3	305.4	299.3
352.0	363.0	220.0	242.0	132.0	121.0	37.0	45.0	300.0	na
398.0	440.0	225.0	240.0	173.0	200.0	62.0	87.0	280.0	280.0
346.0	345.9	215.9	230.2	130.1	115.6	64.4	44.7	347.1	222.4
454.7	489.3	252.0	277.1	202.7	212.2	29.2	4.3	262.7	261.6
383.4	415.3	216.2	228.2	167.2	187.0	53.0	57.4	260.5	254.4
299.9	347.0	179.8	184.7	120.1	162.4	29.8	59.5	267.1	231.6
380.0	453.0	233.0	287.0	147.0	166.0	55.9	70.2	330.0	340.0
342.0	384.2	194.0	208.4	148.0	175.7	47.6	65.7	300.0	300.0
380.0	430.0	215.0	250.0	165.0	180.0	40.0	40.0	265.0	200.0
286.2	284.1	159.4	137.0	126.7	147.1	23.6	19.7	244.9	189.3
510.0	410.0	380.0	260.0	130.0	150.0	20.0	30.0	na	na
374.5	402.5	220.2	231.0	154.3	171.6	52.8	57.8	295.8	280.2
385.6	415.9	233.9	246.3	151.7	169.6	44.9	50.0	291.9	267.8
380.9	405.2	229.9	247.9	151.0	157.2	44.6	44.7	289.3	262.4
510.0	489.3	380.0	287.0	202.7	234.0	112.7	122.3	351.4	361.4
286.2	284.1	159.4	137.0	120.1	115.6	20.0	4.3	244.9	189.3
45.7	47.4	41.9	33.4	22.8	31.9	21.4	25.9	30.6	52.4
						63.3	86.1		

Has Crisis Passed a Trough?

Hit by a rout in oil prices and Western sanctions over the Kremlin's intrusion into eastern Ukraine, Russia's economy contracted by 1.9% (y-o-y) in Q1. The decline in output, though, was not as severe as expected and President Vladimir Putin has sought to reassure investors that the worst of the crisis has now passed. A lifting of negative sentiment is partly reflected in a rebound in the rouble, which also garnered support from a recovery in oil prices. A stronger currency afforded the central bank room to cut rates by 150bp to 12.5% on April 30 and further monetary easing is anticipated. These developments have culminated in a tentative reversal in capital outflows, while FX reserves, which had plummeted in 2014, are being rebuilt by the central bank. Geopolitical tensions between Moscow and the West will continue to hamper foreign investment, however.

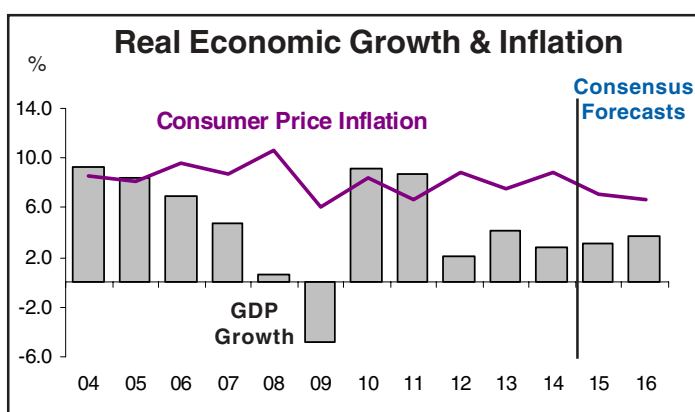
Inflation inched lower to 16.4% (y-o-y) in April, but its high level, alongside economic and financial uncertainties, continues to undermine households' purchasing power. The MNI consumer sentiment index plunged to a six-year low in Q1, while investment and industrial production remained entrenched in negative territory in March. Our panel expects a 3.6% slump in GDP in 2015, with the downturn bottoming out in y-o-y terms in Q4 (see quarterly forecasts, page 3).



	Average % Change on Previous Calendar Year												End Year, % Change		Annual Total	
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Producer Prices		Money Supply (M2Y)		Consol Pub Sector Budget Balance, incl privatisation (% of GDP)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
UBS	3.7	3.8	3.5	3.5	2.5	6.0	4.5	5.0	7.7	6.1	na	na	13.0	13.0	-1.5	-1.2
Turkiye Finans	3.6	4.2	3.5	4.5	4.0	7.0	4.0	5.0	6.2	7.4	5.0	7.5	na	na	na	na
Odeabank	3.4	4.0	3.1	3.5	3.6	5.4	4.0	4.5	7.3	5.6	4.0	4.7	na	na	-1.3	-1.1
Vienna Institute - WIW	3.3	3.5	2.4	3.2	1.5	1.2	4.0	3.8	7.1	6.3	7.4	6.2	15.0	13.0	-3.0	-1.5
Oxford Economics	3.3	4.2	3.6	6.0	3.3	6.9	3.3	7.1	6.7	6.5	11.1	10.6	11.8	10.8	-1.8	-1.0
ING Bank	3.3	3.7	3.0	4.2	2.4	4.0	4.0	4.6	7.2	6.5	5.0	6.6	10.7	11.4	-1.8	-1.6
Euromonitor Intl	3.3	4.0	3.4	2.5	1.8	2.6	3.3	3.2	6.5	6.1	na	na	na	na	na	na
Garanti Bank	3.2	4.3	2.5	4.1	3.0	5.4	na	na	7.3	7.2	na	na	na	na	na	na
JP Morgan	3.1	3.5	1.9	2.5	3.0	6.5	3.2	3.7	7.4	5.8	4.3	5.2	na	na	-1.3	-1.2
Deutsche Bank	3.1	3.5	3.0	3.7	2.8	5.5	3.4	3.9	7.4	7.6	na	na	10.3	11.8	-2.1	-1.7
Istanbul Bilgi Univ	3.1	3.7	2.2	3.2	2.6	4.9	4.3	5.1	6.4	5.7	5.0	5.1	14.0	14.0	-1.4	-1.3
Erste Bank	3.0	3.5	3.1	3.5	3.0	3.8	2.5	3.5	7.0	6.5	na	na	na	na	-1.9	-1.3
IS Investment	3.0	4.0	2.7	3.5	2.9	5.4	2.8	4.5	6.4	6.6	6.9	6.5	12.8	12.4	-1.2	-1.9
Oyak Securities	3.0	4.0	2.5	3.5	2.0	3.0	3.5	4.5	7.5	7.5	5.5	7.0	na	na	-2.0	-2.0
Feri	3.0	2.9	3.0	2.2	2.2	3.9	2.7	3.2	7.9	7.2	6.2	7.8	16.7	10.8	-1.4	-1.6
IHS Economics	2.8	3.6	2.7	3.5	2.1	3.9	3.2	4.4	7.9	6.3	5.7	6.3	14.3	11.8	-2.6	-2.1
Roubini Global Econ	2.8	3.5	2.7	3.1	3.1	2.8	na	na	6.7	6.9	na	na	na	na	-1.9	-1.8
Capital Economics	2.8	3.0	2.0	3.0	2.0	4.0	4.0	5.0	7.8	8.8	na	na	na	na	-2.0	-2.0
Citigroup	2.5	3.4	1.2	3.5	1.7	2.4	na	na	7.0	6.5	na	na	na	na	-1.5	-2.9
TEB	2.2	4.1	0.6	3.5	1.8	5.9	na	na	6.9	7.2	na	na	na	na	-1.1	-2.4
Consensus (Mean)	3.1	3.7	2.6	3.5	2.6	4.5	3.5	4.4	7.1	6.7	6.0	6.7	13.2	12.1	-1.8	-1.7
Last Month's Mean	3.1	3.7	2.6	3.5	2.4	4.5	3.5	4.4	6.5	6.6	5.9	6.7	12.7	11.7	-1.8	-1.7
3 Months Ago	3.4	3.8	2.9	3.5	2.6	4.5	4.1	4.5	6.0	6.2	5.5	6.3	12.0	11.7	-1.7	-1.7
High	3.7	4.3	3.6	6.0	4.0	7.0	4.5	7.1	7.9	8.8	11.1	10.6	16.7	14.0	-1.1	-1.0
Low	2.2	2.9	0.6	2.2	1.5	1.2	2.5	3.2	6.2	5.6	4.0	4.7	10.3	10.8	-3.0	-2.9
Standard Deviation	0.4	0.4	0.8	0.8	0.7	1.6	0.6	1.0	0.5	0.8	2.0	1.6	2.1	1.1	0.5	0.5
Comparison Forecasts																
EBRD (Apr. '15)	3.0	3.0														
EC (Apr. '15)	3.2	3.7	2.9	3.9	2.3	3.5									-1.4	-1.3
IMF (Apr. '15)	3.1	3.6							6.6	6.5					-1.4	-0.9
OECD (Nov. '14)	3.2	4.0	2.8	3.3	5.7	7.3			7.4							

Government and Background Data

President - Mr. Recep Tayyip Erdogan (AKP). **Prime Minister** - Mr. Ahmet Davutoglu (AKP). **Government** - Justice and Development Party (AK Party) won a third term in parliament in June 2011. **Next Elections** - June 7, 2015 (parliamentary); 2019 (presidential). **Nominal GDP** - US\$820.7bn (2013). **Population** - 74.9 million (mid-year, 2013). **Lira/US\$ Exchange Rate** - 1.903 (ave. 2013). **Lira/€ Exchange Rate** - 2.526 (ave. 2013).



Historical Data

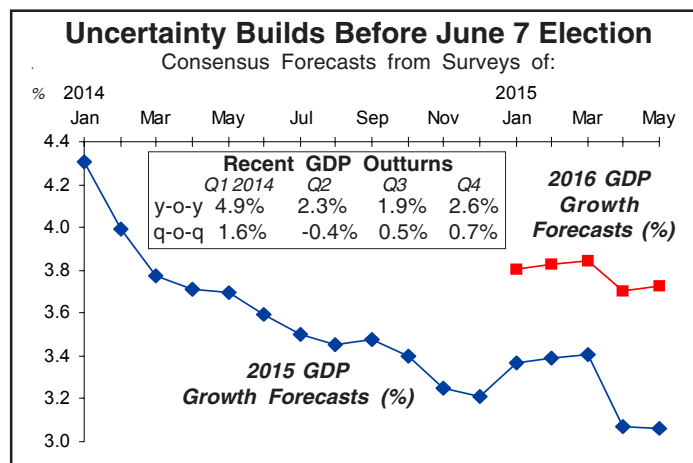
	2011	2012	2013	2014
Gross Domestic Product*	8.8	2.1	4.2	2.9
Private Consumption*	7.7	-0.5	5.1	1.3
Gross Fixed Investment*	18.0	-2.7	4.4	-1.3
Industrial Production*	10.1	2.5	3.0	3.6
Consumer Prices*	6.7	8.9	7.5	8.9
Producer Prices*	11.1	6.1	4.5	10.3
Money Supply (M2), end yr*	14.8	10.2	22.2	11.9
<i>* average % change on previous year</i>				
Consol. Gov. Budget Balance % of GDP	-1.1	-2.1	-1.2	-1.3
Merchandise Exports, fob¹	142.4	161.9	161.8	169.0
Merchandise Imports, fob¹	231.6	227.3	241.7	232.6
Trade Balance, fob-fob¹	-89.2	-65.4	-79.9	-63.6
Current Account Balance¹	-75.0	-48.5	-64.7	-45.8
Overnight Interbank Lending Rate, %, end period	12.5	9.0	7.8	11.3

¹ US\$ billions

Annual Total								Rate on Survey Date: 10.75%	
Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		Overnight Interbank Interest Rate (%)	
2015	2016	2015	2016	2015	2016	2015	2016	End Aug 2015	End May 2016
180.9	195.3	232.6	253.5	-51.8	-58.2	-37.8	-44.2	na	na
170.0	180.0	225.0	255.0	-55.0	-75.0	-39.1	-47.7	10.8	12.0
154.4	160.8	204.0	210.4	-49.6	-49.6	-33.2	-32.8	10.8	11.5
183.9	198.7	247.2	258.4	-63.3	-59.7	-45.8	-44.4	10.8	10.0
166.4	181.4	215.0	238.9	-48.6	-57.4	-34.3	-42.3	8.2	7.3
171.8	183.7	225.2	245.6	-53.4	-62.0	-35.3	-43.4	10.8	12.0
na	na	na	na	na	na	-33.3	-38.3	na	na
na	na	na	na	na	na	-31.2	-37.2	10.8	10.5
na	na	na	na	na	na	-45.8	-45.8	na	na
165.7	176.4	218.3	237.9	-52.6	-61.5	-36.9	-44.7	10.8	12.0
162.0	175.0	212.0	225.0	-50.0	-50.0	-31.0	-29.0	10.5	9.5
161.0	182.0	211.0	241.0	-50.0	-59.0	-33.5	-39.0	na	na
169.0	174.0	223.0	244.0	-54.0	-70.0	-33.4	-37.7	10.8	11.5
170.0	185.0	225.0	245.0	-55.0	-60.0	-35.0	-40.0	12.0	na
166.4	181.3	218.9	235.1	-52.5	-53.8	-30.2	-30.9	na	na
167.9	176.9	228.3	238.2	-60.4	-61.3	-41.2	-40.4	10.8	10.0
na	na	na	na	na	na	-39.8	-42.2	10.8	11.3
180.0	195.0	230.0	250.0	-50.0	-55.0	-40.0	-45.0	na	na
157.6	174.5	208.2	229.4	-50.6	-55.0	-30.7	-32.5	na	na
158.8	167.6	210.2	223.0	-51.4	-55.5	-31.1	-35.2	10.8	9.0
167.9	180.5	220.9	239.4	-53.0	-58.9	-35.9	-39.6	10.6	10.5
171.1	185.4	222.8	242.8	-51.7	-57.4	-34.9	-38.6		
172.0	185.3	226.3	245.4	-54.3	-60.1	-36.1	-39.9		
183.9	198.7	247.2	258.4	-48.6	-49.6	-30.2	-29.0	12.0	12.0
154.4	160.8	204.0	210.4	-63.3	-75.0	-45.8	-47.7	8.2	7.3
8.4	10.0	11.0	12.8	4.0	6.5	4.8	5.4	0.8	1.5
						-31.7	-38.0		

Political Risks Fuel Lira Volatility and Rising Prices
 Political uncertainty is building in the run-up to the June 7 parliamentary election due to concerns about policy under an increasingly autocratic president. The risk of capital flight has also risen due to the country's high current account deficit (US\$35.9bn forecasted in 2015) and expected rate hikes in the US later in the year. In its April 22 monetary policy meeting, the Turkish central bank held off raising rates despite volatility in the lira (which has collapsed to record low levels against the dollar) and risks to inflation, which reached 7.9% (y-o-y) in April. Sadly, the bank's credibility has been tarnished by perceived political influence from the president who has demanded faster policy rate cuts to kick-start the flagging economy. In January 2014, the bank more than doubled rates to 10% to arrest a plunge in the lira.

Industrial production rose by 1.3% (q-o-q) in Q1 as its pace picked up with a 2.2% (m-o-m) jump in March. The solid performance was led by manufacturing, notably in the automotive sector. April's PMI data, though, disappointed, hit by much slower output and new export business. Furthermore, wage disputes among workers from several large firms constrained car production in mid-May. Private consumption has been muted by the stalling jobs outlook as the unemployment rate reached 11.2% in February.



Central Bank End-Year Inflation Targets:
 2013: 5.0% 2014: 5.0% 2015: 5.0%

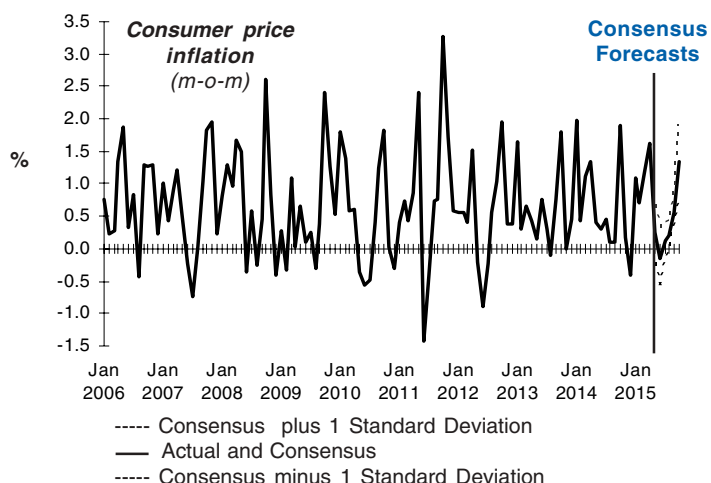
Monthly Inflation Forecasts

(Consumer prices, not seasonally adjusted)

Consensus forecasts shown in bold italics	% change on previous month	% change on same month in previous year ¹
2014 Nov	0.2	9.2
Dec	-0.4	8.2
2015 Jan	1.1	7.2
Feb	0.7	7.6
Mar	1.2	7.6
Apr	1.6	7.9
May	0.2	7.8
Jun	-0.1	7.3
Jul	0.1	7.0
Aug	0.2	7.1
Sep	0.6	7.6
Oct	1.3	6.9
2015 Dec		7.5
2016 Dec		6.7

¹ Monthly y-o-y projections (in bold italic) are implied changes derived from monthly m-o-m consensus forecasts.

CPI inflation - % Change on Previous Month



	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance, ESA 10 (% of GDP)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Oxford Economics	2.2	3.1	2.4	3.0	3.8	4.7	4.3	4.4	0.1	2.2	-3.0	-2.5	23.5	24.3	26.5	26.8	-3.0	-2.4	0.3	0.9
Kopint-Tarki	2.0	2.0	2.1	2.7	3.5	4.2	2.9	3.5	0.4	1.7	-2.9	-2.4	32.0	35.0	36.0	38.0	-4.0	-3.0	0.0	0.0
UniCredit Bulbank	1.9	2.3	2.4	2.8	1.0	3.3	3.1	3.2	-0.3	0.7	-2.6	-2.5	24.4	25.7	27.1	29.1	-2.7	-3.4	0.2	-0.3
IHS Economics	1.9	2.6	1.3	2.3	7.2	5.6	2.6	2.5	0.3	1.6	-2.5	-2.0	29.0	30.5	33.9	35.7	-4.9	-5.2	0.0	-0.4
GKI Econ Research	1.8	2.1	1.6	2.1	3.2	4.5	3.0	4.0	0.4	1.8	-2.5	-2.7	31.0	32.1	35.0	36.3	-4.0	-4.2	-0.2	-0.5
Econ Intelligence Unit	1.7	2.6	1.2	2.1	3.5	4.0	3.5	4.0	0.5	2.1	-2.9	-2.4	26.8	28.8	31.0	33.2	-4.2	-4.4	0.5	-0.2
OTP Bank	1.7	2.0	1.5	1.7	2.5	4.5	na	na	0.3	2.0	-2.5	-2.3	na	na	na	na	na	na	0.2	0.2
Euromonitor Intl	1.7	2.4	1.3	2.9	3.1	3.7	1.9	2.4	0.1	1.7	-2.6	-2.5	27.6	31.0	31.8	34.7	-4.2	-3.7	0.2	0.2
Sberbank	1.5	na	2.1	na	1.2	na	2.6	na	0.1	na	-3.0	na	24.5	na	26.7	na	-2.2	na	0.4	na
Vienna Institute - WIW	1.5	1.9	1.0	2.5	0.0	3.0	2.0	4.0	0.0	1.0	-3.0	-2.0	24.7	23.9	28.5	27.7	-3.8	-3.8	0.6	0.3
Econ Policy Institute	1.4	2.2	1.5	2.0	3.8	5.3	4.0	5.5	-0.1	1.0	-2.9	-2.5	30.5	30.0	34.0	33.5	-3.5	-3.5	na	na
United Bulgarian Bank	1.4	1.8	2.5	3.0	3.0	3.3	3.5	4.0	0.5	0.8	-3.0	-3.0	28.2	31.8	32.6	35.8	-4.4	-4.0	1.1	1.0
Raiffeisen Research	1.2	2.1	2.0	2.5	3.1	4.1	2.4	3.4	-0.1	2.2	-2.8	-2.5	23.4	24.9	27.1	29.3	-3.7	-4.4	-0.2	-0.4
Capital Economics	1.0	2.0	1.0	3.5	1.0	3.0	na	na	-0.3	0.8	-2.8	-2.5	34.0	36.0	37.5	39.8	-3.5	-3.7	0.6	0.3
Consensus (Mean)	1.6	2.2	1.7	2.5	2.9	4.1	3.0	3.7	0.1	1.5	-2.8	-2.4	27.7	29.5	31.4	33.3	-3.7	-3.8	0.3	0.1
Last Month's Mean	1.7	2.2	1.8	2.6	3.3	4.4	2.8	3.5	0.1	1.6	-2.6	-2.2	28.9	30.8	32.4	34.3	-3.5	-3.5	0.5	0.5
3 Months Ago	1.7	2.2	1.7	2.5	3.0	4.3	2.4	3.4	0.4	1.7	-2.5	-2.3	30.8	32.7	34.8	37.0	-4.0	-4.3	0.0	-0.3
High	2.2	3.1	2.5	3.5	7.2	5.6	4.3	5.5	0.5	2.2	-2.5	-2.0	34.0	36.0	37.5	39.8	-2.2	-2.4	1.1	1.0
Low	1.0	1.8	1.0	1.7	0.0	3.0	1.9	2.4	-0.3	0.7	-3.0	-3.0	23.4	23.9	26.5	26.8	-4.9	-5.2	-0.2	-0.5
Standard Deviation	0.3	0.4	0.5	0.5	1.7	0.8	0.8	0.9	0.3	0.6	0.2	0.3	3.5	4.1	3.8	4.2	0.7	0.7	0.4	0.5
Comparison Forecasts																				
EBRD (Apr. '15)	1.0	1.5																		
EC (Apr. '15)	1.0	1.3	1.0	1.5	-1.7	-2.9					-2.9	-2.9								
IMF (Apr. '15)	1.2	1.5							-1.0	0.6	-3.0	-2.5							0.1	-0.4

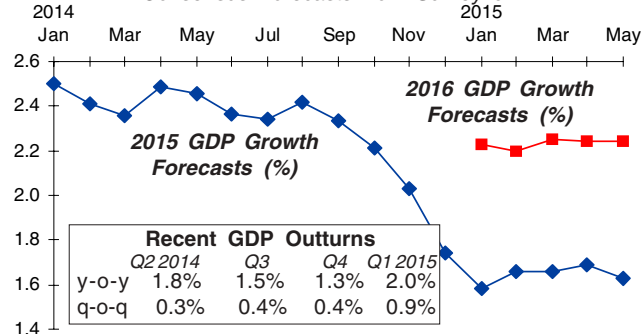
GDP rose by 0.9% (q-o-q) and 2.0% (y-o-y) in Q1 2015, led by higher demand for the exports of goods, which increased by 12.7% (y-o-y), and a 2.2% expansion in industrial production. Inflation advanced to 0.5% (y-o-y) in April, influenced by higher food costs. In a bid to bolster foreign investment, Bulgaria has enhanced bilateral trade with South Korea, paving the way for an increase in infrastructure projects.

Government and Background Data

President - Mr. Rosen Plevneliev. **Prime Minister** - Mr. Boiko Borisov.
Next Elections - 2016 (presidential); 2018 (parliamentary). **Nominal GDP** - US\$53.0bn (2013). **Population** - 7.2 million (mid-2013). **Lev/US\$** - 1.473 (average, 2013). **Lev/Euro** - 1.956 (average, 2013).

GDP Growth - Similar to 2014

Consensus Forecasts from Survey of:



(Individual forecasts available in our Excel spreadsheet service.)	Foreign Exchange Reserve Forecasts	
	End Year (IMF definition, US\$ bn)	
	2015	2016
Consensus (Mean)	19.0	20.0
High	21.0	22.2
Low	17.8	17.0
Standard Deviation	1.0	1.9

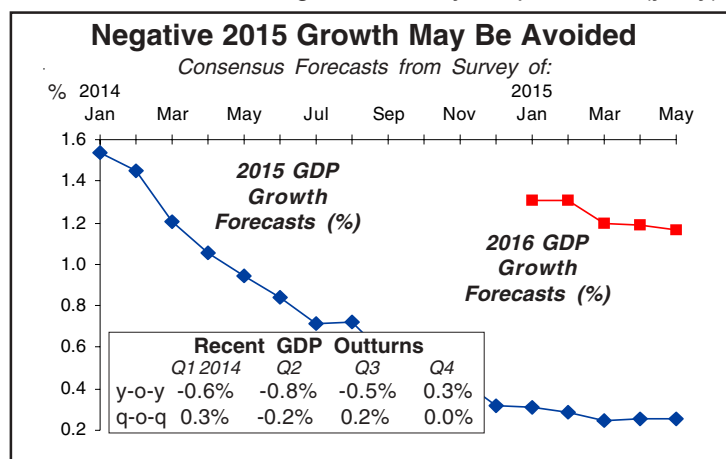
Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	2.0	0.5	1.1	1.7
Household Consumption*	1.9	3.8	-2.3	2.0
Gross Fixed Investment*	-4.6	2.0	-0.1	2.8
Industrial Production*	5.8	-0.4	-0.1	2.0
Consumer Prices*	4.2	3.0	0.9	-1.4
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-2.0	-0.7	-0.9	-2.8
Merchandise Exports, fob¹	28.2	26.7	29.5	29.4
Merchandise Imports, fob¹	31.2	31.1	32.8	33.2
Trade Balance, fob-fob¹	-3.0	-4.4	-3.3	-3.9
Current Account Balance¹	0.0	-0.6	1.1	0.0
Foreign Exchange Reserves excl. Gold & SDRs, end year¹	15.3	18.4	18.3	18.6

¹ US\$, billions

	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance (% of GDP, ESA 10)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Oxford Economics	0.5	1.7	0.0	1.2	-0.7	1.8	1.0	2.3	0.3	2.4	-4.1	-3.8	11.6	13.1	18.8	21.0	-7.2	-7.9	na	na
Feri	0.5	1.5	0.1	0.9	-2.8	1.4	2.9	1.3	0.3	1.5	-4.8	-5.0	11.4	11.3	17.6	18.1	-6.2	-6.9	0.9	0.7
Capital Economics	0.5	1.5	0.3	0.8	1.0	2.0	na	na	-0.5	0.5	-3.5	-3.0	13.5	13.9	22.5	22.5	-9.0	-8.6	0.9	0.9
GKI Econ Research	0.4	1.3	0.4	0.9	0.7	3.0	2.0	3.0	0.4	1.3	-5.2	-5.0	14.0	14.8	23.0	21.3	-9.0	-6.5	0.5	0.0
Kopint-Tarki	0.4	1.0	0.6	1.0	0.0	2.0	1.5	3.0	0.3	1.6	-5.0	-4.8	13.8	14.2	22.0	23.0	-8.2	-8.8	0.3	0.3
Privredna Banka Zagreb	0.3	1.5	0.3	0.5	-1.0	3.0	1.5	2.5	0.0	1.4	-5.5	-4.5	11.7	12.4	19.3	20.3	-7.6	-7.9	0.5	0.4
Vienna Institute - WIW	0.3	1.1	-0.3	0.5	1.0	3.0	1.5	2.5	0.4	0.7	-5.5	-5.6	13.9	14.2	22.3	22.8	-8.4	-8.6	0.1	0.1
Dun & Bradstreet	0.3	1.0	0.2	2.6	2.5	3.0	na	na	0.3	0.9	-5.0	-4.5	13.3	13.7	23.0	23.4	-9.7	-9.7	-0.3	0.7
OTP Bank	0.3	1.3	0.1	0.5	1.5	3.5	na	na	0.2	1.4	-5.6	-5.3	na	na	na	na	na	na	0.6	0.7
Euromonitor Intl	0.3	1.5	0.9	1.4	-0.7	1.2	1.9	2.0	-0.6	1.0	-5.9	-6.2	na	na	na	na	na	na	0.4	0.7
Econ Intelligence Unit	0.2	1.6	0.1	0.8	-1.5	4.0	2.6	4.1	-0.1	1.5	-5.4	-4.2	11.1	11.9	18.1	19.6	-7.0	-7.7	0.1	-0.3
Econ Institute Zagreb	0.2	0.8	0.0	0.2	-1.5	2.2	3.0	2.0	0.1	1.0	-5.5	-5.5	12.9	13.2	21.2	21.7	-8.3	-8.5	0.5	0.5
IHS Economics	0.2	1.1	0.1	1.3	-0.2	2.6	1.9	3.0	0.9	1.9	-5.0	-3.7	13.0	13.6	21.1	21.8	-8.1	-8.2	0.6	0.5
ING Bank	0.2	0.9	0.2	1.5	-1.4	1.2	1.0	1.8	0.2	1.5	-5.5	-5.3	na	na	na	na	na	na	0.5	0.4
Sberbank	0.1	na	-0.5	na	-2.6	na	1.6	na	0.0	na	-5.5	na	11.2	na	18.1	na	-6.9	na	1.7	na
Hypo Alpe-Adria-Bank	0.0	0.3	0.1	0.2	-2.0	2.1	2.1	2.9	-0.5	1.2	-6.0	-5.0	12.2	12.9	20.5	21.6	-8.3	-8.7	0.7	1.0
Raiffeisen Research	0.0	1.0	0.1	0.7	0.3	3.8	1.5	2.5	0.2	1.4	-5.4	-5.0	10.7	11.1	17.2	17.4	-6.4	-6.3	0.2	0.3
UniCredit Group	-0.2	0.8	-0.3	0.5	0.5	4.8	2.0	5.0	0.0	1.9	-5.4	-4.6	11.1	12.3	18.1	20.0	-7.0	-7.7	0.4	0.3
Consensus (Mean)	0.3	1.2	0.1	0.9	-0.4	2.6	1.9	2.7	0.1	1.4	-5.2	-4.8	12.4	13.0	20.2	21.0	-7.8	-8.0	0.5	0.5
Last Month's Mean	0.3	1.2	0.1	0.8	0.0	2.7	1.9	2.8	0.1	1.4	-5.1	-4.7	12.5	13.0	20.5	21.3	-8.1	-8.3	0.4	0.5
3 Months Ago	0.3	1.3	0.2	0.9	0.6	2.8	1.8	2.7	0.4	1.4	-5.0	-4.4	12.8	13.3	21.3	22.0	-8.5	-8.6	0.2	0.2
High	0.5	1.7	0.9	2.6	2.5	4.8	3.0	5.0	0.9	2.4	-3.5	-3.0	14.0	14.8	23.0	23.4	-6.2	-6.3	1.7	1.0
Low	-0.2	0.3	-0.5	0.2	-2.8	1.2	1.0	1.3	-0.6	0.5	-6.0	-6.2	10.7	11.1	17.2	17.4	-9.7	-9.7	-0.3	-0.3
Standard Deviation	0.2	0.4	0.3	0.6	1.5	1.0	0.6	0.9	0.4	0.5	0.6	0.8	1.2	1.1	2.1	1.8	1.0	0.9	0.4	0.3
Comparison Forecasts																				
EBRD (Apr. '15)	0.5	0.5																		
EC (Apr. '15)	0.3	1.2	0.1	0.5	-1.8	1.6					-5.6	-5.7								
IMF (Apr. '15)	0.5	1.0							-0.9	0.9	-4.8	-3.8							1.1	1.0

The IMF has warned that the government needs to overhaul its finances to get growth prospects back on track. Growing public debt, soft exports and stagnant investment are weighing heavily on the economy's hopes of bouncing back from a six-year recession. Industrial production advanced by 3.5% (y-o-y) in March to add some optimism to the Q1 GDP release on May 29. Inflation fell back into negative territory in April at -0.1 (y-o-y).



Government and Background Data

President - Mrs. Kolinda Grabar-Kitarovic. **Prime Minister** - Mr. Zoran Milanovic. **Next Elections** - By Feb 2016 (parliamentary); 2020 (presidential). **Nominal GDP** - US\$57.9bn (2013). **Population** - 4.0 million (mid-year, 2013). **Kuna/US\$ Exchange Rate** - 5.665 (average, 2013).

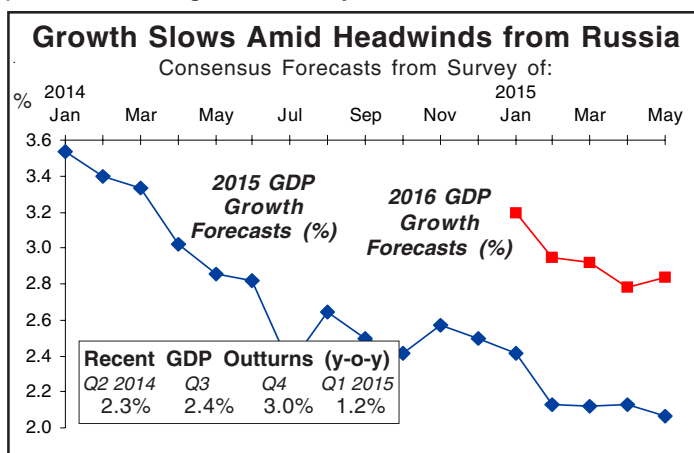
Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	0.0	-2.0	-0.9	-0.4
Household Consumption*	0.3	-3.0	-1.3	-0.7
Gross Fixed Investment*	-6.4	-4.6	-1.0	-4.0
Industrial Production*	-1.2	-5.5	-1.8	1.2
Consumer Prices*	2.3	3.3	2.3	-0.2
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-7.5	-5.3	-5.4	-5.7
Merchandise Exports, fob¹	12.2	11.1	11.8	13.0
Merchandise Imports, fob¹	22.1	19.2	20.6	21.4
Trade Balance, fob-fob¹	-8.5	-8.1	-8.7	-8.4
Current Account Balance¹	-0.5	-0.1	0.5	0.4

¹ US\$, billions

	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance (% of GDP, ESA 10)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
IHS Economics	2.6	3.6	4.2	3.9	3.1	5.3	4.0	5.3	0.3	2.8	-0.6	-0.4	12.9	13.8	14.0	15.1	-1.2	-1.3	-0.2	-0.4
Oxford Economics	2.5	3.0	3.5	3.9	2.2	4.5	2.4	4.2	0.5	2.1	-0.1	-0.4	13.7	14.8	15.1	16.5	-1.3	-1.7	0.1	0.0
Dun & Bradstreet	2.3	2.0	4.7	1.8	4.9	2.1	na	na	0.8	1.0	-0.4	-0.2	11.7	12.0	13.0	13.3	-1.3	-1.3	0.0	0.2
Econ Intelligence Unit	2.3	2.8	4.3	4.0	3.5	5.0	2.8	3.0	0.5	1.9	na	na	13.4	14.4	14.4	15.6	-1.0	-1.2	-0.1	-0.1
Euromonitor Intl	2.2	3.0	2.9	2.4	3.2	4.5	3.3	5.3	0.7	2.4	-0.1	0.0	na	na	na	na	na	na	-0.2	-0.5
Est Inst of Econ Rsrch	2.0	3.0	4.0	3.5	2.0	4.0	4.0	4.0	0.7	2.0	-0.5	-0.5	15.5	16.0	17.0	17.8	-1.5	-1.8	-0.2	-0.2
Nordea Bank	2.0	3.2	4.1	3.5	0.2	4.6	2.8	4.0	-0.5	2.2	-0.4	-0.4	12.2	12.5	13.2	13.6	-1.1	-1.1	-0.1	-0.2
Feri	1.8	2.8	3.4	2.8	-4.3	3.8	2.0	3.5	0.5	2.2	-0.4	-0.4	13.1	13.5	13.6	13.8	-0.5	-0.4	-0.2	-0.2
Capital Economics	1.0	2.0	2.0	3.0	1.0	2.0	na	na	-0.3	1.3	-0.5	-0.5	18.5	19.1	21.0	21.8	-2.5	-2.8	-0.6	-0.7
Consensus (Mean)	2.1	2.8	3.7	3.2	1.8	4.0	3.0	4.2	0.4	2.0	-0.4	-0.4	13.9	14.5	15.2	16.0	-1.3	-1.4	-0.2	-0.2
Last Month's Mean	2.1	2.8	3.7	3.2	2.7	4.0	3.7	4.1	0.5	2.1	-0.4	-0.3	14.5	15.1	15.9	16.7	-1.4	-1.6	-0.3	-0.4
3 Months Ago	2.1	2.9	3.4	3.4	2.6	4.3	4.0	4.2	0.7	2.2	-0.5	-0.3	14.8	15.5	16.2	17.0	-1.4	-1.5	-0.3	-0.4
High	2.6	3.6	4.7	4.0	4.9	5.3	4.0	5.3	0.8	2.8	-0.1	0.0	18.5	19.1	21.0	21.8	-0.5	-0.4	0.1	0.2
Low	1.0	2.0	2.0	1.8	-4.3	2.0	2.0	3.0	-0.5	1.0	-0.6	-0.5	11.7	12.0	13.0	13.3	-2.5	-2.8	-0.6	-0.7
Standard Deviation	0.5	0.5	0.8	0.8	2.7	1.2	0.8	0.9	0.5	0.6	0.2	0.2	2.2	2.2	2.7	2.8	0.6	0.7	0.2	0.3
Comparison Forecasts																				
Bank of Estonia (Dec. '14)	2.1	3.3	3.9	3.6	1.7	4.7			0.8	2.1	-0.6	-0.4	15.0	15.9	16.1	17.1	-1.1	-1.2	-0.2	-0.3
EBRD (Apr. '15)	2.2	3.0																		
EC (Apr. '15)	2.3	2.9	4.8	4.3	1.0	3.2					-0.2	-0.1								
Finance Min. (May '15)	2.0	2.8	4.8	2.8	2.7	3.6	4.0	5.0	0.2	2.2	-0.5	-0.1	12.8	13.5	14.3	15.1	-1.5	-1.6	-0.2	-0.2
IMF (Apr. '15)	2.5	3.4							0.4	1.7	-0.5	-0.1							-0.1	-0.2
OECD (Nov. '14)	2.4	3.4	3.8	4.2	2.2	4.8					-0.3	-0.2							0.0	0.0

The Estonian economy slowed markedly in Q1, held back by the downturn in neighbouring Russia. GDP advanced by 1.2% (y-o-y), down from 3.0% in Q4 2014. Against the backdrop of an uncertain geopolitical situation, our panel has slashed its outlook for investment in 2015. Inflation climbed to -0.1% (y-o-y) in April, from -0.6% in March, and is expected to average 0.4% this year.



Government and Background Data

President - Mr. Toomas Hendrik Ilves. **Prime Minister** - Mr. Taavi Roivas. **Next Elections** - 2016 (presidential); 2019 (parliamentary). **Nominal GDP** - US\$24.5bn (2013). **Population** - 1.3 million (mid-year, 2013). **Euro/US\$ Exchange Rate** - 1.328 (average, 2013).

Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	8.3	4.7	1.6	2.1
Private Consumption*	2.3	5.1	3.8	4.5
Gross Fixed Investment*	32.7	10.9	2.2	-2.8
Industrial Production*	19.9	1.1	4.1	2.0
Consumer Prices*	5.0	3.9	2.8	-0.1
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	1.2	-0.2	-0.2	0.6
Merchandise Exports, fob¹	14.4	14.3	15.1	15.2
Merchandise Imports, fob¹	14.9	15.8	16.4	16.5
Trade Balance, fob-fob¹	-0.5	-1.5	-1.3	-1.3
Current Account Balance¹	0.3	-0.6	-0.3	0.0
¹ US\$, billions				

	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance (% of GDP, ESA 10)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Oxford Economics	2.9	3.9	3.3	3.9	2.7	4.5	1.3	2.5	0.6	2.4	-1.4	-1.4	12.3	13.4	15.0	16.3	-2.7	-2.9	-0.1	-0.2
IHS Economics	2.8	3.4	3.9	3.2	0.3	5.5	3.6	2.8	1.1	1.9	-1.3	-0.9	12.0	13.0	14.6	15.8	-2.6	-2.8	-0.8	-1.0
Dun & Bradstreet	2.8	3.2	3.9	3.5	6.5	5.0	na	na	0.8	1.8	-1.0	-1.2	14.4	15.7	17.8	19.4	-3.4	-3.7	-0.9	-1.0
Euromonitor Intl	2.5	3.5	4.0	4.0	3.5	5.2	0.9	4.0	0.4	2.0	-1.1	-1.2	na	na	na	na	na	na	-0.7	-0.8
Feri	2.5	3.3	2.6	3.3	2.8	4.8	1.6	2.3	0.5	1.8	-1.4	-1.1	11.2	11.6	13.4	13.2	-2.2	-1.6	-0.4	-0.2
SEB Banka	2.4	2.7	2.5	2.8	2.6	3.1	1.2	2.0	0.7	2.1	-1.5	-1.5	12.9	13.4	15.2	15.6	-2.3	-2.2	-1.3	-1.5
Citadele Asset Mgmt	2.4	3.4	2.6	3.6	-1.0	6.0	na	na	0.8	2.0	-1.6	-1.2	11.0	11.7	13.7	14.6	-2.7	-3.0	-0.6	-0.7
Econ Intelligence Unit	2.3	3.1	2.8	3.1	0.0	4.8	4.0	3.8	0.7	2.2	-1.2	-1.1	13.2	13.9	16.5	17.3	-3.3	-3.4	-0.8	-0.9
Swedbank	1.9	3.5	3.5	4.0	-0.5	10.0	na	na	0.8	2.7	-1.6	-1.2	10.6	10.6	13.3	13.6	-2.7	-3.0	-0.7	-1.1
Capital Economics	1.7	2.0	2.5	3.0	1.0	2.0	na	na	0.3	1.5	-1.0	-1.0	15.0	15.5	18.5	19.2	-3.5	-3.8	-0.8	-0.9
Sberbank	1.6	na	2.0	na	2.1	na	0.2	na	0.5	na	-1.0	na	11.1	na	13.1	na	-2.0	na	-0.7	na
Consensus (Mean)	2.3	3.2	3.0	3.5	1.8	5.1	1.8	2.9	0.6	2.0	-1.3	-1.2	12.4	13.2	15.1	16.1	-2.7	-2.9	-0.7	-0.8
Last Month's Mean	2.5	3.2	3.0	3.3	2.1	4.8	1.0	2.8	0.6	2.2	-1.2	-1.1	12.7	13.4	15.5	16.4	-2.8	-3.0	-0.7	-0.8
3 Months Ago	2.6	3.3	3.1	3.2	3.1	4.9	2.5	3.2	0.8	1.9	-1.2	-1.1	13.0	13.7	15.8	16.7	-2.8	-3.0	-0.6	-0.6
High	2.9	3.9	4.0	4.0	6.5	10.0	4.0	4.0	1.1	2.7	-1.0	-0.9	15.0	15.7	18.5	19.4	-2.0	-1.6	-0.1	-0.2
Low	1.6	2.0	2.0	2.8	-1.0	2.0	0.2	2.0	0.3	1.5	-1.6	-1.5	10.6	10.6	13.1	13.2	-3.5	-3.8	-1.3	-1.5
Standard Deviation	0.4	0.5	0.7	0.4	2.2	2.1	1.4	0.8	0.2	0.3	0.2	0.2	1.5	1.7	1.9	2.2	0.5	0.7	0.3	0.4
Comparison Forecasts																				
Bank of Latvia (Jan. '15)	2.0								0.9											
EBRD (Apr. '15)	2.3	3.1																		
EC (Apr. '15)	2.3	3.2	3.3	3.9	0.5	4.4					-1.4	-1.6								
IMF (Apr. '15)	2.3	3.3							0.5	1.7										-0.6 -0.9

Real GDP rose 2.0% (y-o-y) in Q1, helped by a resilient export performance and an upturn in consumer spending. Retail sales leapt by almost 8.0% (y-o-y) in Q1 as lower oil prices boosted households' purchasing power. Growth in 2015 will hinge largely on geopolitical headwinds involving Russia. Inflation ticked up to 0.5% (y-o-y) in April and is forecast to average 0.6% for 2015 as a whole.

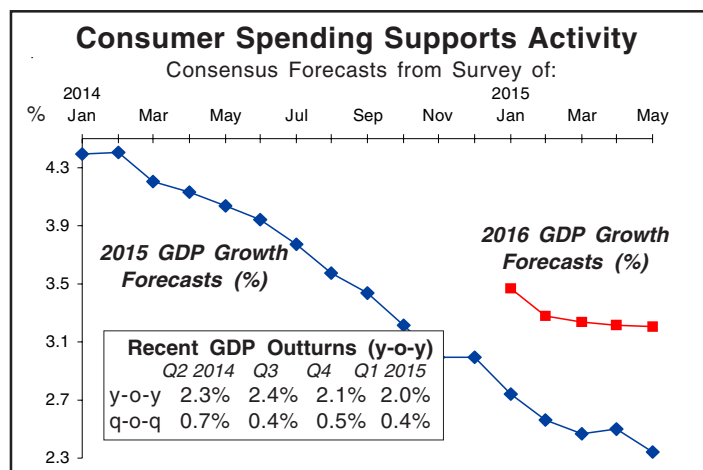
Government and Background Data

President - Mr. Andris Berzins. **Prime Minister** - Ms. Laimdota Straujuma. **Next Elections** - 2018 (parliamentary). **Nominal GDP** - US\$31.0bn (2013). **Population** - 2.1 million (mid-year, 2013). **Euro/US\$ Exchange Rate** - 1.328 (average, 2013).

Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	5.0	4.8	4.2	2.4
Private Consumption*	2.8	2.7	6.4	2.3
Gross Fixed Investment*	24.2	14.5	-5.2	1.6
Industrial Production*	8.9	6.2	-0.3	-0.9
Consumer Prices*	4.4	2.2	0.0	0.7
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-3.3	-0.8	-0.7	-1.4
Merchandise Exports, fob¹	11.5	12.4	13.0	13.4
Merchandise Imports, fob¹	14.9	15.7	16.4	16.7
Trade Balance, fob-fob¹	-3.4	-3.3	-3.4	-3.2
Current Account Balance¹	-0.8	-0.9	-0.7	-1.0

¹US\$, billions



	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance (% of GDP, ESA 10)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Oxford Economics	3.1	3.9	4.1	4.4	2.4	5.0	2.8	3.9	-0.4	1.5	-0.7	-0.7	27.3	28.5	28.6	30.1	-1.3	-1.6	0.8	0.2
Econ Intelligence Unit	2.9	3.0	3.7	3.5	5.0	6.5	3.2	3.5	0.0	1.1	-1.9	-1.9	29.3	33.3	32.5	36.9	-3.2	-3.6	-0.8	-0.8
Dun & Bradstreet	2.9	3.2	3.5	4.0	4.5	7.0	na	na	0.1	1.8	-1.9	-1.5	33.8	37.4	36.2	40.1	-2.4	-2.7	-0.2	-0.4
IHS Economics	2.8	3.9	4.2	3.9	4.4	5.1	2.4	4.8	-0.8	1.7	-1.1	0.0	29.5	33.1	31.3	33.7	-1.8	-0.7	-0.3	1.0
Euromonitor Intl	2.5	3.5	2.5	4.2	4.9	7.2	3.9	5.0	-0.5	1.5	-0.6	-0.5	na	na	na	na	na	na	0.0	-0.2
Swedbank Lithuania	2.3	3.5	4.3	4.5	2.0	8.0	na	na	-0.5	2.5	-1.6	-1.0	23.8	23.9	25.7	26.2	-1.9	-2.3	-0.6	-1.1
Capital Economics	2.0	2.0	2.5	3.0	2.0	3.0	na	na	0.3	1.5	-2.5	-2.5	37.0	38.1	39.0	40.6	-2.0	-2.5	-0.5	0.8
Feri	1.2	2.5	2.5	3.6	-2.0	1.2	3.4	3.3	-0.6	1.7	-0.7	-0.7	25.3	26.2	27.8	28.4	-1.9	-1.9	-0.1	-0.1
Consensus (Mean)	2.5	3.2	3.4	3.9	2.9	5.4	3.1	4.1	-0.3	1.7	-1.4	-1.1	29.4	31.5	31.6	33.7	-2.1	-2.2	-0.2	-0.1
Last Month's Mean	2.8	3.4	3.8	3.8	3.8	5.9	3.5	3.8	0.3	1.7	-1.6	-1.5	30.2	32.3	32.3	34.6	-2.0	-2.3	-0.1	-0.1
3 Months Ago	2.9	3.5	3.4	3.8	4.1	5.8	4.8	4.2	0.5	1.7	-1.7	-1.4	30.1	31.7	32.1	34.1	-2.0	-2.3	-0.2	-0.3
High	3.1	3.9	4.3	4.5	5.0	8.0	3.9	5.0	0.3	2.5	-0.6	0.0	37.0	38.1	39.0	40.6	-1.3	-0.7	0.8	1.0
Low	1.2	2.0	2.5	3.0	-2.0	1.2	2.4	3.3	-0.8	1.1	-2.5	-2.5	23.8	23.9	25.7	26.2	-3.2	-3.6	-0.8	-1.1
Standard Deviation	0.6	0.7	0.8	0.5	2.4	2.3	0.6	0.8	0.4	0.4	0.7	0.8	4.7	5.5	4.8	5.7	0.6	0.9	0.5	0.7
Comparison Forecasts																				
Bank of Lithuania (Mar. '15)	2.7	3.5	3.4	4.0	3.0	4.0			-0.3	1.6									0.0	-0.6
EBRD (Apr. '15)	2.7	3.2																		
EC (Apr. '15)	2.8	3.3	3.8	4.3	4.3	5.8					-1.5	-0.9								
IMF (Apr. '15)	2.8	3.2							-0.3	2.0	-1.4	-1.6							0.1	-0.4

Lithuanian forecasts have been cut this month on news the economy shrank by 0.6% (q-o-q) in Q1. Exports to number one trading partner, Russia, plunged amid the Kremlin's embargoes on EU goods. Consumer spending was likely hit by uncertainty surrounding the adoption of the euro on January 1. The consensus for 2015 inflation has been slashed to -0.3% this month after consumer prices fell 1.0 (y-o-y) in April.

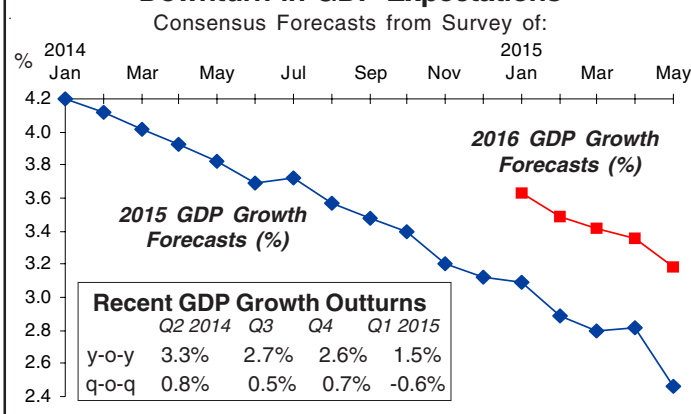
Government and Background Data

President - Ms. Dalia Grybauskaitė. **Prime Minister** - Mr. Algirdas Butkevicius (SDP). **Next Elections** - Oct 2016 (parliamentary); 2019 (presidential). **Nominal GDP** - US\$45.9bn (2013). **Population** - 3.0 million (mid-year, 2013). **Litas/US\$** - 2.603 (ave. 2013). **Litas/€** - 3.453.

Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	6.1	3.8	3.3	2.9
Private Consumption*	4.6	3.6	4.2	5.6
Gross Fixed Investment*	19.4	-1.6	7.0	8.0
Industrial Production*	6.4	3.7	3.3	0.0
Consumer Prices*	4.1	3.2	1.2	0.2
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-8.9	-3.1	-2.6	-0.7
Merchandise Exports, fob¹	27.0	28.8	31.9	31.5
Merchandise Imports, fob¹	29.9	30.3	33.1	33.5
Trade Balance, fob-fob¹	-2.9	-1.4	-1.2	-1.9
Current Account Balance¹	-1.7	-0.5	0.8	-0.2
¹ US\$, billions				

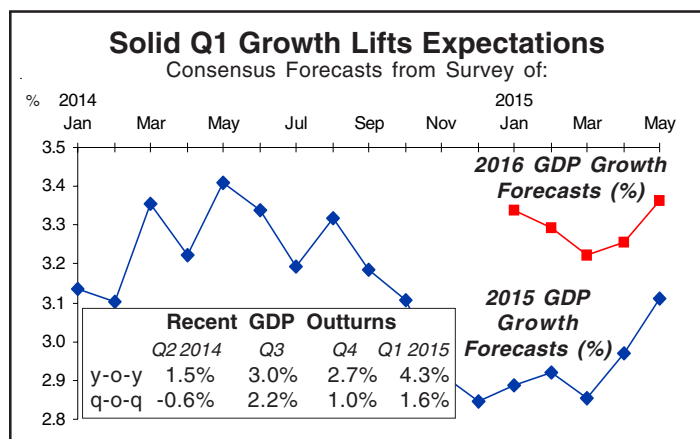
Downturn in GDP Expectations



	Average % Change on Previous Year										Annual Total										
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance, ESA 10 (% of GDP)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)		
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
JP Morgan	4.2	2.9	5.0	3.5	4.5	4.9	4.4	6.5	0.1	1.6	-2.0	-2.5	65.3	70.6	71.9	80.0	-6.6	-9.4	0.8	1.0	
Dun & Bradstreet	3.8	4.5	5.0	5.7	7.0	8.0	na	na	0.2	0.8	-1.5	-1.5	na	na	na	na	na	na	-2.5	-3.2	
Goldman Sachs	3.7	4.4	5.0	4.9	5.5	11.5	na	na	-0.8	1.2	na	na	52.2	49.5	59.5	58.5	-7.4	-9.0	-1.9	-4.0	
ING	3.3	4.1	2.8	4.0	7.8	8.0	5.4	6.4	-0.4	-0.5	-1.8	-3.3	58.1	53.5	66.0	61.9	-7.9	-8.4	-1.3	-1.4	
BNP Paribas	3.2	4.3	5.1	6.4	5.9	10.0	na	na	0.5	-1.0	-2.5	-3.5	52.8	55.6	57.6	62.3	-4.8	-6.7	-3.3	-4.7	
Kopint-Tarki	3.2	3.0	3.5	3.5	5.2	5.0	5.5	5.5	1.0	2.0	-2.0	-2.1	68.0	75.0	74.0	81.0	-6.0	-6.0	-2.0	-3.0	
UniCredit Tiriac Bank	3.2	2.5	3.9	2.7	3.2	4.5	4.5	5.0	-0.4	1.2	-1.8	-1.7	53.4	58.2	59.9	65.2	-6.5	-7.0	-0.2	0.1	
Oxford Economics	3.1	3.2	4.3	4.2	5.6	6.8	4.0	4.1	0.9	1.9	-2.5	-2.0	56.9	61.0	65.3	67.2	-8.4	-6.2	-2.3	-3.0	
OTP Bank	3.0	3.3	3.9	3.5	2.9	4.1	na	na	-0.3	0.0	-1.6	-3.0	na	na	na	na	na	na	-1.7	-3.2	
Capital Economics	3.0	3.3	3.0	4.0	3.0	5.0	8.0	8.0	0.8	1.8	-1.8	-1.8	80.0	86.4	83.0	89.6	-3.0	-3.2	-3.9	-5.3	
Deutsche Bank	3.0	3.2	4.1	3.5	5.0	5.5	8.5	7.8	0.9	2.1	-2.5	-2.6	55.4	54.4	62.0	61.3	-6.6	-6.9	-1.0	-1.6	
Raiffeisen Research	3.0	3.0	3.0	3.0	8.0	8.0	4.5	4.5	1.0	2.4	-2.3	-2.3	51.9	56.5	58.6	64.4	-6.7	-7.9	-2.5	-3.5	
Citigroup	3.0	3.0	3.5	3.5	4.0	1.7	na	na	-0.2	-0.1	-1.9	-2.1	49.7	48.7	55.4	56.1	-5.7	-7.5	-1.6	-3.4	
Econ Intelligence Unit	3.0	3.4	3.8	4.1	2.5	5.0	5.0	4.5	0.9	1.4	na	na	63.5	70.3	71.4	80.3	-7.9	-10.0	-3.2	-3.4	
IHS Economics	2.9	3.5	3.8	3.8	2.0	4.0	4.6	4.2	0.9	1.5	-1.8	-1.8	70.2	74.6	75.1	80.2	-4.9	-5.6	0.1	-0.6	
HSBC	2.9	3.0	3.4	2.5	7.9	5.0	4.9	6.1	-0.3	1.0	-1.4	-1.5	54.7	57.5	62.0	65.7	-7.3	-8.2	-1.0	-2.0	
Banca Com Romana	2.8	3.0	3.2	2.9	2.0	3.5	3.0	2.8	0.0	1.0	-2.2	-2.0	56.2	59.4	63.7	67.5	-7.5	-8.1	-1.1	-1.5	
Vienna Institute - WIW	2.8	3.0	2.5	3.0	4.0	4.0	4.0	5.0	0.6	2.0	-2.0	-2.0	65.0	68.0	72.0	75.0	-7.0	-7.0	-1.0	-2.0	
Euromonitor Intl	2.7	3.3	2.4	3.3	3.6	3.9	5.2	5.0	1.2	2.2	-1.0	-1.0	na	na	na	na	na	na	-2.1	-2.6	
Sberbank	2.4	na	2.7	na	1.6	na	4.1	na	0.9	na	-2.3	na	53.1	na	59.1	na	-6.0	na	-0.1	na	
Consensus (Mean)	3.1	3.4	3.7	3.8	4.6	5.7	5.0	5.4	0.4	1.2	-1.9	-2.2	59.2	62.4	65.7	69.8	-6.5	-7.3	-1.6	-2.5	
Last Month's Mean	3.0	3.3	3.5	3.8	4.5	5.4	5.0	5.1	0.8	1.6	-2.0	-2.1	60.6	64.2	67.3	71.7	-6.7	-7.4	-2.3	-2.9	
3 Months Ago	2.9	3.3	3.5	3.8	3.8	5.3	5.2	5.2	1.2	2.3	-1.9	-2.0	64.4	68.8	70.9	75.8	-6.5	-7.0	-2.7	-3.5	
High	4.2	4.5	5.1	6.4	8.0	11.5	8.5	8.0	1.2	2.4	-1.0	-1.0	80.0	86.4	83.0	89.6	-3.0	-3.2	0.8	1.0	
Low	2.4	2.5	2.4	2.5	1.6	1.7	3.0	2.8	-0.8	-1.0	-2.5	-3.5	49.7	48.7	55.4	56.1	-8.4	-10.0	-3.9	-5.3	
Standard Deviation	0.4	0.6	0.9	1.0	2.0	2.4	1.5	1.4	0.6	1.0	0.4	0.7	8.2	10.6	7.6	9.8	1.3	1.6	1.2	1.6	
Comparison Forecasts																					
EBRD (Apr. '15)	3.0	3.2																			
EC (Apr. '15)	2.8	3.3	3.5	3.8	3.2	4.2					-1.6	-3.5									
IMF (Apr. '15)	2.7	2.9							1.0	2.4	-1.8	-1.7								-2.1	-3.1
National Commission for Prognosis (May '15)	3.2	3.4	3.5	3.6	4.5	5.5	4.3	4.4	0.2	2.0			55.5	59.4	62.2	66.4	-6.7	-7.0	-2.1	-2.6	

Real GDP rose 4.3% (y-o-y) in Q1, partly reflecting resilience in industrial production, which rose 3.3%. The National Bank cut rates to a fresh low of 1.75% in early May, as inflation slipped to 0.65% (y-o-y) in April, well below its 2.5% target. A reduction in value added tax for food from June 1 should provide further support for consumer spending.

Government and Background Data	
President - Mr. Klaus Iohannis. Prime Minister - Mr. Victor Ponta.	
Next Elections - 2016 (parliamentary); 2019 (presidential).	
Nominal GDP - US\$190.5bn (2013). Population - 21.7 million (mid-2013).	
Leu/US\$ - 3.291 (average, 2013). Leu/Euro - 4.371 (average, 2013).	



(Individual forecasts available in our Excel spreadsheet service.)	Foreign Exchange Reserve Forecasts	
	End Year (IMF definition, US\$ bn)	
	2015	2016
Consensus (Mean)	36.4	37.4
High	40.8	44.8
Low	31.0	28.9
Standard Deviation	3.1	5.1

Historical Data				
	2011	2012	2013	2014
Gross Domestic Product*	1.1	0.6	3.4	2.8
Household Consumption*	1.0	0.8	1.1	4.9
Gross Fixed Investment*	2.9	0.6	-9.2	-3.3
Industrial Production*	7.5	2.4	7.9	6.1
Consumer Prices*	5.8	3.3	4.0	1.1
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-5.3	-2.9	-2.2	-1.5
Merchandise Exports, fob¹	55.6	51.2	58.2	61.9
Merchandise Imports, fob¹	68.2	62.7	65.5	69.3
Trade Balance, fob-fob¹	-12.6	-11.5	-7.3	-7.4
Current Account Balance¹	-8.7	-7.9	-1.6	-1.0
Foreign Exchange Reserves	42.9	41.2	44.8	39.2
¹ US\$ billions				

	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance, ESA 10 (% of GDP)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Econ Institute SAV	3.0	3.5	3.1	3.0	4.3	3.9	5.2	5.5	0.3	1.3	-2.4	-1.9	82.0	87.8	77.8	83.3	4.2	4.5	na	na
GKI Economic Rsrch	3.0	3.5	2.8	3.0	4.0	5.0	5.5	6.2	0.6	1.5	-2.8	-2.5	79.0	84.0	74.5	79.0	4.5	5.0	2.0	2.0
Slovenska Sporitelna	3.0	3.0	2.2	2.2	3.5	3.0	4.5	5.0	0.0	1.0	-2.5	-2.0	69.1	80.3	64.4	74.8	4.7	5.5	2.3	2.9
Komercni Banka	3.0	3.1	3.2	2.8	4.3	5.1	7.2	6.7	0.1	2.1	-3.5	-2.4	77.7	85.3	70.7	77.8	7.0	7.5	0.9	1.9
UniCredit	2.9	3.2	2.8	2.5	3.9	3.8	4.5	6.0	0.1	1.7	-2.5	-1.5	71.8	81.5	67.1	76.6	4.6	4.9	0.0	0.2
Vienna Institute - WIW	2.9	3.3	2.5	2.7	4.0	3.5	5.0	6.0	0.4	1.4	-2.8	-2.6	73.0	76.0	69.0	72.3	4.0	3.7	0.1	0.1
Econ Intelligence Unit	2.9	2.7	3.5	2.9	4.3	3.6	6.8	6.6	-0.1	1.7	na	na	80.2	84.4	77.0	81.9	3.2	2.4	-0.5	-1.4
OTP Bank	2.9	3.2	2.5	2.8	3.6	3.5	na	na	0.6	1.8	-2.7	-2.6	na	na	na	na	na	na	1.8	1.5
Citigroup	2.9	3.3	2.9	2.8	3.8	4.5	na	na	0.0	2.0	-2.8	-2.1	71.8	75.7	68.6	72.1	3.2	3.7	-0.2	0.4
IHS Economics	2.8	3.5	2.6	2.8	3.7	4.3	5.0	6.3	0.0	1.8	-2.4	-1.6	71.9	77.8	67.4	72.9	4.6	4.9	1.2	1.3
Oxford Economics	2.8	3.2	2.5	2.7	3.7	3.9	4.7	4.8	0.4	1.9	-2.8	-1.9	74.6	78.8	69.3	72.0	5.3	6.8	0.7	0.7
Euromonitor Intl	2.8	3.2	2.1	2.6	3.0	3.2	4.8	6.2	0.3	2.0	-3.5	-3.7	83.1	88.4	77.5	82.3	5.5	6.0	0.4	0.2
Capital Economics	2.5	3.0	2.5	3.0	4.0	6.0	5.0	7.0	-0.3	1.5	-2.3	-2.3	90.0	96.0	86.0	93.0	4.0	3.0	2.0	1.4
Tatra Banka	2.5	3.5	2.7	2.0	3.5	5.0	4.0	4.5	0.0	1.5	-2.3	-1.4	72.0	73.5	68.3	69.9	3.6	3.6	0.1	0.1
Consensus (Mean)	2.8	3.2	2.7	2.7	3.8	4.2	5.2	5.9	0.2	1.7	-2.7	-2.2	76.6	82.3	72.1	77.5	4.5	4.7	0.8	0.9
Last Month's Mean	2.7	3.1	2.6	2.7	3.7	4.2	4.8	5.6	0.2	1.6	-2.7	-2.2	75.9	80.9	71.7	76.4	4.2	4.5	1.1	1.1
3 Months Ago	2.7	3.1	2.4	2.6	3.6	4.2	5.1	5.5	0.6	1.7	-2.7	-2.0	81.5	85.2	76.0	79.8	5.5	5.4	1.8	1.7
High	3.0	3.5	3.5	3.0	4.3	6.0	7.2	7.0	0.6	2.1	-2.3	-1.4	90.0	96.0	86.0	93.0	7.0	7.5	2.3	2.9
Low	2.5	2.7	2.1	2.0	3.0	3.0	4.0	4.5	-0.3	1.0	-3.5	-3.7	69.1	73.5	64.4	69.9	3.2	2.4	-0.5	-1.4
Standard Deviation	0.2	0.2	0.4	0.3	0.4	0.9	0.9	0.8	0.3	0.3	0.4	0.6	6.0	6.2	6.0	6.4	1.0	1.5	0.9	1.1
Comparison Forecasts																				
EBRD (Apr. '15)	2.8	3.3																		
EC (Apr. '15)	3.0	3.4	2.4	2.7	4.6	3.7					-2.7	-2.5								
Finance Min. (Feb. '15)	2.9	3.6	2.8	2.7	3.7	1.8			0.0	1.6	-2.5	-1.4	73.6	78.0	68.0	71.3	5.6	6.7	1.6	2.6
IMF (Apr. '15)	2.9	3.3							0.0	1.4	-2.6	-2.3							0.4	0.4
Infostat (May '15)	3.0	3.2	2.3	2.4	3.9	3.9	4.9	4.9	0.0	1.0	-2.8	-2.8	71.4	74.0	67.3	69.9	4.1	4.1	0.4	0.4
OECD (Nov. '14)	2.8	3.4	2.4	2.5	3.5	3.9					-2.6	-2.2							1.0	1.5

Forecasts for the Slovak economy have inched higher in our latest survey, following news that GDP growth accelerated to a three-year high of 3.1% (y-o-y) in Q1. Domestic demand has been buoyed by an improving labour market, while industrial production surged 10.4% (y-o-y) in March. Inflation stood at -0.1% (y-o-y) in April, but is expected to turn positive over the coming months.

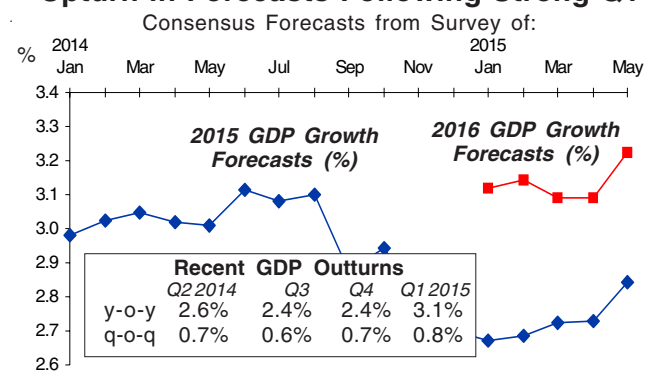
Interest Rate Forecasts

Rate on Survey Date	0.0%		0.9%	
(Individual forecasts available in our Excel spreadsheet service.)	3 mth EURO Interbank Rate (%)		10 Year Gov. Bond Yield (%)	
	End Aug. 2015	End May 2016	End Aug. 2015	End May 2016
Consensus (Mean)	0.0	0.1	0.9	1.5

Government and Background Data

President - Mr. Andrej Kiska. **Prime Minister** - Mr Robert Fico
Next Elections - By March 2016 (parliamentary); 2019 (presidential).
Nominal GDP - US\$95.8bn (2013). **Population** - 5.5 million (mid-year, 2013). **Euro/US\$ Exchange Rate** - 1.328 (average, 2013).

Upturn in Forecasts Following Strong Q1



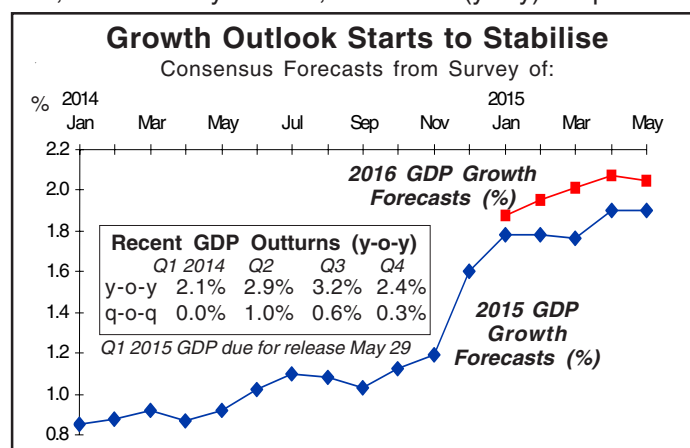
Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	2.7	1.6	1.4	2.4
Household Consumption*	-0.7	-0.5	-0.8	2.2
Gross Fixed Investment*	12.7	-9.3	-2.7	5.7
Industrial Production*	5.3	8.0	5.1	3.4
Consumer Prices*	3.9	3.6	1.4	-0.1
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-4.1	-4.2	-2.6	-2.9
Merchandise Exports, fob¹	83.6	77.3	82.7	83.3
Merchandise Imports, fob¹	80.1	74.1	78.2	78.8
Trade Balance, fob-fob¹	3.5	3.2	4.5	4.4
Current Account Balance¹	-4.9	0.9	1.5	0.1
3 month Euro Interbank Rate, %, end year	1.4	0.2	0.3	0.1
10 Yr Government Bond Yield, %, end year	5.2	2.2	2.6	1.3

¹US\$, billions

	Average % Change on Previous Year										Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Gen. Gov Budget Balance, ESA 10 (% of GDP)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)		Merchandise Trade Balance (US\$bn)		Current Account Balance (US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Hypo Alpe Adria	2.3	2.5	1.0	1.4	2.5	3.5	4.2	4.0	-0.3	1.1	-3.1	-2.9	33.1	34.8	31.2	32.6	1.9	2.2	4.0	4.2
Oxford Economics	2.2	2.4	1.2	1.3	5.7	4.4	4.9	4.1	-0.1	1.2	-3.9	-3.1	26.3	25.4	24.2	24.2	2.0	1.1	2.8	2.6
Chamber of Commerce	2.1	1.8	1.2	1.4	2.5	-1.0	4.2	4.0	0.0	1.1	-2.9	-2.9	26.9	28.3	25.2	26.2	1.7	2.1	2.5	2.6
Econ Institute EIPF	2.1	2.4	1.4	1.7	0.8	1.5	2.2	3.0	0.8	1.6	-3.3	-2.7	na	na	na	na	na	na	2.6	2.5
IHS Economics	2.1	2.2	0.9	1.8	2.5	3.3	3.8	2.6	-0.1	1.0	-4.0	-4.7	25.4	27.7	21.9	23.7	3.6	4.0	1.2	1.2
Econ Intelligence Unit	2.0	1.7	0.9	1.2	3.4	3.0	2.9	3.0	0.8	1.8	-4.0	-3.8	32.0	35.6	30.8	35.1	1.2	0.5	1.6	0.7
Raiffeisen Research	2.0	2.0	1.5	1.3	4.0	3.0	2.5	2.0	0.1	1.2	-4.0	-3.0	25.1	na	24.8	na	0.3	na	2.1	2.0
Vienna Institute - WIW	2.0	1.8	1.0	1.3	3.5	3.0	3.5	3.0	0.5	1.0	-3.5	-3.0	31.5	32.5	30.0	31.5	1.5	1.0	2.3	2.2
Kopint-Tarki	1.9	2.1	0.7	1.2	2.7	2.9	3.3	3.3	0.2	1.2	-3.5	-2.9	29.0	30.1	27.6	28.9	1.4	1.2	2.7	2.5
Moody's Analytics	1.9	2.0	0.8	1.7	3.0	3.2	na	na	0.3	1.5	na	na	na	na	na	na	na	na	2.7	2.7
GKI Econ Research	1.6	2.2	1.0	1.6	2.8	3.7	3.5	4.3	1.0	1.4	-3.7	-3.3	31.0	32.6	30.0	31.8	1.0	0.8	1.1	1.0
Dun & Bradstreet	1.5	1.7	0.5	1.3	3.5	3.2	na	na	1.2	2.3	-5.5	-4.0	30.8	32.8	30.7	32.9	0.1	-0.1	1.6	1.6
Euromonitor Intl	1.5	1.9	0.9	2.3	0.6	1.6	3.5	2.3	0.3	1.5	-4.4	-3.9	28.8	32.2	28.3	31.8	0.5	0.4	2.5	2.3
Sberbank	1.4	na	0.4	na	-0.4	na	1.0	na	0.6	na	-2.8	na	27.3	na	26.2	na	1.1	na	2.8	na
Consensus (Mean)	1.9	2.0	1.0	1.5	2.6	2.7	3.3	3.2	0.4	1.4	-3.7	-3.4	28.9	31.2	27.6	29.9	1.4	1.3	2.3	2.2
Last Month's Mean	1.9	2.1	0.9	1.5	2.9	3.0	3.1	3.1	0.5	1.5	-3.9	-3.3	29.0	31.3	27.8	30.2	1.3	1.1	2.4	2.3
3 Months Ago	1.8	2.0	0.9	1.4	3.1	3.1	3.0	3.1	0.7	1.5	-3.6	-3.0	29.7	31.4	28.7	30.6	1.0	0.8	2.5	2.2
High	2.3	2.5	1.5	2.3	5.7	4.4	4.9	4.3	1.2	2.3	-2.8	-2.7	33.1	35.6	31.2	35.1	3.6	4.0	4.0	4.2
Low	1.4	1.7	0.4	1.2	-0.4	-1.0	1.0	2.0	-0.3	1.0	-5.5	-4.7	25.1	25.4	21.9	23.7	0.1	-0.1	1.1	0.7
Standard Deviation	0.3	0.3	0.3	0.3	1.5	1.4	1.0	0.8	0.5	0.4	0.7	0.6	2.7	3.3	3.1	3.9	0.9	1.2	0.8	0.9
Comparison Forecasts																				
Bank of Slovenia (Apr. '15)	2.2	1.8	0.5	1.2	1.9	-0.1			-0.1	1.1									2.4	2.5
EBRD (Apr. '15)	2.0	2.3																		
EC (Apr. '15)	2.3	2.1	0.7	1.3	4.3	0.3					-2.9	-2.8								
IMAD - MoF (Mar. '15)	2.4	2.0	1.1	1.6	4.8	-2.0			-0.2	1.0	-2.9	-2.3	28.1	30.1	25.8	27.5	2.3	2.6	2.6	2.7
IMF (Apr. '15)	2.1	1.9							-0.4	0.7									3.0	2.8
OECD (Nov. '14)	1.4	2.2	0.0	1.0	-1.2	0.8					-2.9	-2.4							2.8	3.1

Exports and public investment remain the main drivers of the Slovenian economy, which is expected to expand 1.9% in 2015 (consensus). Industrial production rose 5.2% (y-o-y) in Q1, much higher than that of Q4 2014, partly reflecting the euro zone upturn. However, the high rate of unemployment (12.8% in March) continues to constrain household consumption, which remains in a state of stagnation. Inflation, measured by the CPI, was -0.7% (y-o-y) in April.



Government and Background Data

President - Mr. Borut Pahor. **Prime Minister** - Mr. Miro Cerar. **Next Elections** - 2017 (presidential); by 2018 (parliamentary). **Nominal GDP** - US\$46.8bn (2013). **Population** - 2.1 million (mid-year, 2013). **Euro/US\$** - 1.328 (average, 2013).

Historical Data

	2011	2012	2013	2014
Gross Domestic Product*	0.6	-2.6	-1.0	2.6
Household Consumption*	0.0	-2.9	-4.0	0.3
Gross Fixed Investment*	-4.6	-8.9	1.9	4.8
Industrial Production*	2.1	-0.7	-1.1	1.4
Consumer Prices*	1.8	2.6	1.8	0.2
* average % change on previous year				
General Government Budget Balance (% of GDP, ESA10)	-6.6	-4.0	-14.9	-4.9
Merchandise Exports, fob¹	29.2	27.3	28.8	30.7
Merchandise Imports, fob¹	30.6	27.4	27.8	29.0
Trade Balance, fob-fob¹	-1.3	0.0	1.0	1.7
Current Account Balance¹	0.1	1.2	2.7	2.9

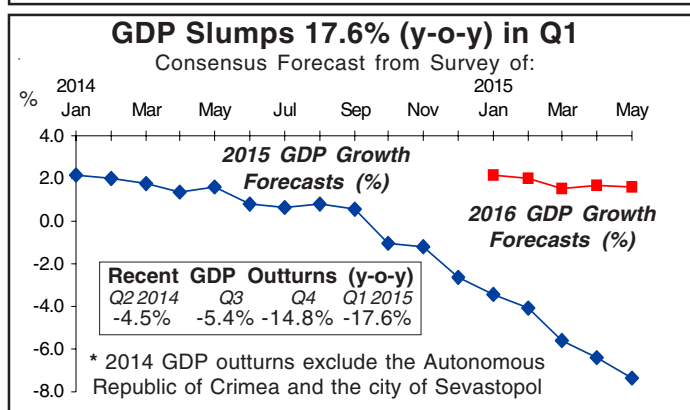
¹ US\$, billions

	Average % Change on Previous Year										End Year, %change		Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Money Supply (M2)		Gov. Budget Balance (% of GDP)		Merchandise (fob)			Current Account Balance (US\$bn)				
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Capital Economics	-3.0	2.5	-3.0	2.0	-5.0	7.0	na	na	25.0	10.0	na	na	-5.0	-4.0	60	70	60	69	0.0	1.0	-6.0	-7.0
UBS	-5.0	0.0	-9.0	1.0	na	na	-15.0	2.5	47.8	26.0	na	na	-7.9	-3.7	53	55	51	53	1.9	2.2	0.2	3.0
Euromonitor Intl	-5.5	0.8	-5.4	1.0	-9.0	-0.3	-8.4	2.4	35.7	13.5	na	na	na	na	na	na	na	na	na	na	-1.3	-1.4
Econ Intelligence Unit	-5.6	3.4	-14.6	1.1	-20.0	4.0	-10.5	3.1	46.1	10.3	14.3	15.9	na	na	48	52	49	52	-1.2	-0.9	1.2	1.7
CASE	-6.2	na	-12.0	na	-18.1	na	-13.4	na	51.4	na	27.3	na	-4.1	na	na	na	na	na	na	na	-1.5	na
Concorde Ukraine	-6.5	na	-14.2	na	-20.9	na	-14.6	na	52.8	na	23.0	na	-4.1	na	40	na	44	na	-3.7	na	-1.7	na
Credit Agricole	-6.5	1.8	-7.9	1.2	-11.5	2.2	-10.5	2.4	47.2	14.0	25.0	13.0	-4.8	-3.3	47	49	48	48	-0.9	1.2	-2.2	-0.8
IHS Economics	-7.0	-0.7	-12.8	-1.0	-20.2	-3.6	-16.8	0.8	35.0	7.0	27.5	17.5	-2.9	-2.5	45	47	52	54	-6.9	-7.0	2.9	2.9
Citigroup	-7.3	2.1	-6.5	3.5	-17.5	6.4	na	na	35.4	13.8	na	na	na	na	57	59	59	60	-2.6	-1.5	-1.6	-1.5
OTP Bank	-7.3	1.3	-9.9	1.0	-6.0	2.8	na	na	40.0	13.0	na	na	-4.2	-4.0	na	na	na	na	na	na	-2.9	-2.6
Nat Acad of Sciences	-7.5	-0.3	-7.2	0.3	-26.7	-4.8	-13.6	-2.3	55.6	24.6	24.5	20.0	-5.2	-4.5	48	50	51	53	-3.1	-3.6	-2.2	-2.7
Vienna Institute - WIW	-8.0	0.0	-9.0	-0.5	-10.0	-5.0	-9.0	0.0	49.0	17.0	na	na	-5.5	-5.0	40	41	44	44	-4.0	-3.0	-2.0	-1.0
Dragon Capital	-8.5	1.0	-15.0	-2.0	-15.0	15.0	-13.0	2.5	47.0	17.2	-4.0	7.7	-3.8	-3.5	41	43	43	44	-2.3	-1.5	-1.8	-0.5
HSBC	-8.8	2.1	-9.8	2.0	-13.8	3.0	-10.0	6.0	31.6	15.1	10.0	15.0	-7.2	-5.4	45	46	38	38	7.3	7.3	6.8	6.8
ING Bank	-10.0	1.5	-26.1	-12.0	-17.3	7.4	-12.0	4.5	52.9	28.0	20.0	16.0	-5.0	-4.0	42	46	40	42	2.5	3.7	-1.5	3.0
Oxford Economics	-10.0	6.5	-9.0	6.5	-15.7	13.0	-15.0	7.0	39.5	13.4	25.5	20.8	-4.5	-4.1	42	49	46	55	-4.4	-6.0	-3.5	-4.7
Raiffeisen Research	-10.0	1.5	-10.0	-2.0	-10.0	0.0	-7.0	0.0	53.7	14.0	na	na	-7.0	-5.5	51	54	54	55	-2.7	-0.7	-2.6	-0.6
Sberbank	-10.0	na	-8.0	na	-20.0	na	-15.0	na	50.0	na	15.0	na	-5.5	na	47	na	51	na	-3.3	na	-1.0	na
Consensus (Mean)	-7.4	1.6	-10.5	0.1	-15.1	3.4	-12.2	2.4	44.2	15.8	18.9	15.7	-5.1	-4.1	47	51	49	51	-1.6	-0.7	-1.1	-0.4
Last Month's Mean	-6.4	1.7	-8.7	1.9	-12.8	4.1	-11.4	3.0	32.7	14.2	20.2	16.2	-5.9	-4.8	50	53	53	56	-2.8	-2.9	-1.4	-1.6
3 Months Ago	-4.1	2.0	-5.2	1.5	-9.5	3.6	-6.2	2.9	20.5	10.5	13.4	14.0	-4.8	-3.8	55	58	59	62	-3.7	-3.8	-2.2	-2.9
High	-3.0	6.5	-3.0	6.5	-5.0	15.0	-7.0	7.0	55.6	28.0	27.5	20.8	-2.9	-2.5	60	70	60	69	7.3	7.3	6.8	6.8
Low	-10.0	-0.7	-26.1	-12.0	-26.7	-5.0	-16.8	-2.3	25.0	7.0	-4.0	7.7	-7.9	-5.5	40	41	38	38	-6.9	-7.0	-6.0	-7.0
Standard Deviation	2.0	1.8	5.0	4.0	5.9	6.1	2.9	2.6	8.8	6.0	9.6	4.1	1.4	0.9	6.1	7.6	6.4	8.2	3.4	3.9	2.7	3.4
Comparison Forecasts																						
EBRD (Apr. '15)	-7.5	3.0																				
IMF (Apr. '15)	-5.5	2.0							33.5	10.6												-1.2 -1.2

Real GDP growth forecasts have been further slashed in our latest survey due to high uncertainty caused by a standoff between the government and its creditors over debt restructuring. Inflation surged to 60.9% (y-o-y) in April, following cuts to energy subsidies demanded under the conditions of Ukraine's US\$17.5bn bailout program, which is currently being reviewed by the IMF.

(Individual forecasts available in our Excel spreadsheet service.)	Foreign Exchange Reserve Forecasts	
	End Year (IMF definition, US\$ bn)	
	2015	2016
Consensus (Mean)	11.7	14.3
High	16.5	22.6
Low	6.4	5.5
Standard Deviation	3.0	5.2

Government and Background Data
President - Mr. Petro Poroshenko. **Prime Minister** - Mr. Arseniy Yatsenyuk. **Next Elections** - 2019 (parliamentary and presidential). **Nominal GDP** - US\$178.9bn (2013). **Population** - 45.2 million (mid-year, 2013). **Hryvnia/US\$** - 8.131 (ave. 2013).



Historical Data	2011	2012	2013	2014
Gross Domestic Product*	5.2	0.3	0.0	-6.8
Household Consumption*	15.7	9.1	7.8	-9.6
Gross Fixed Investment*	7.1	2.8	-6.6	-23.0
Industrial Production*	8.0	-0.5	-4.3	-10.1
Consumer Prices*	8.0	0.6	-0.3	12.1
Money Supply (M2), end year	14.2	13.1	17.5	5.4
* average % change on previous year				
Conso. Gov. Budget Balance	-1.8	-3.6	-4.3	-4.6
% of GDP				
Merchandise Exports, fob¹	69.4	70.2	65.0	55.3
Merchandise Imports, fob¹	85.7	89.7	85.0	61.3
Trade Balance, fob-fob¹	-16.3	-19.5	-20.0	-6.1
Current Account Balance¹	-10.2	-14.3	-16.5	-5.3
Foreign Exchange Reserves	30.4	22.7	18.8	6.6
excl. Gold & SDRs, end year ¹				

¹ US\$ billions

Forecasts for a number of additional countries, shown below and on the following page, were provided by the following leading economic forecasters:

<i>Citigroup</i>	<i>Economist Intelligence Unit</i>	<i>Euromonitor</i>
<i>HSBC</i>	<i>Hypo Alpe-Adria Bank</i>	<i>IHS Economics</i>
<i>ING</i>	<i>Kopint-Tarki</i>	<i>Oxford Economics</i>
<i>Raiffeisen Research</i>	<i>Sberbank</i>	<i>Vienna Institute - WIIW</i>

e = consensus estimate based on latest survey

ALBANIA	Population - 3.2mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$12.6bn (2012)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		2.5	1.6	1.4	1.6	2.5	3.3
Consumer Prices (annual average % change)		3.4	2.0	1.9	1.6	2.0	2.5
Current Account (US Dollars, bn)		-1.7	-1.3	-1.4	-1.7	-1.4	-1.5

ARMENIA	Population - 3.0mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$10.4bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		4.7	7.2	3.5	3.4	0.2	2.5
Industrial Production (annual average % change)		13.9	8.8	6.8	0.2 e	0.4	1.3
Consumer Prices (annual average % change)		7.7	2.6	5.8	3.0	5.9	4.5
Current Account (US Dollars, bn)		-1.2	-1.2	-1.1	-1.0	-0.8	-0.8

AZERBAIJAN	Population - 9.4mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$73.6bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		0.1	2.2	5.8	2.8	1.6	2.4
Industrial Production (annual average % change)		-5.0	-2.3	1.8	0.2 e	0.5	1.9
Consumer Prices (annual average % change)		7.9	1.1	2.4	1.5	5.7	3.9
Current Account (US Dollars, bn)		17.2	14.9	13.1	10.3	2.8	4.1

BELARUS	Population - 9.4mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$71.7bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		5.5	1.7	1.0	1.6	-0.7	1.8
Industrial Production (annual average % change)		9.1	5.8	-4.9	1.9	-0.9	2.3
Consumer Prices (annual average % change)		53.2	59.2	18.3	18.1	18.8	15.7
Current Account (US Dollars, bn)		-5.1	-1.9	-7.6	-5.1	-3.9	-3.6

BOSNIA & HERZEGOVINA	Population - 3.8mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$17.8bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		0.9	-1.2	2.7	1.3	2.2	3.0
Industrial Production (annual average % change)		0.9	-3.7	5.3	0.1	4.1	4.3
Consumer Prices (annual average % change)		3.7	2.1	-0.2	-0.7	0.4	2.1
Current Account (US Dollars, bn)		-1.8	-1.6	-1.1	-1.4 e	-1.1	-1.1

CYPRUS	Population - 0.9mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$21.9bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		0.3	-2.4	-5.4	-2.3	0.3	1.7
Industrial Production (annual average % change)		-7.1	-10.1	-12.7	-0.2	0.2	3.9
Consumer Prices (annual average % change)		3.3	2.4	-0.4	-1.4	-0.4	1.5
Current Account (US Dollars, bn)		-0.8	-1.6	-0.4	-1.1	-0.4	-0.3

ADDITIONAL COUNTRIES
MAY 2015

GEORGIA	Population - 4.3mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$16.1bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		7.2	6.2	3.3	4.8	2.1	3.3
Industrial Production (annual average % change)		32.6	6.8	6.3	4.6	4.0	4.3
Consumer Prices (annual average % change)		8.5	-0.9	-0.5	3.1	4.1	5.0
Current Account (US Dollars, bn)		-1.8	-1.9	-0.9	-1.6	-1.3	-1.3

KAZAKHSTAN	Population - 16.4mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$224.4bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		7.5	5.0	6.0	4.3	1.2	3.1
Industrial Production (annual average % change)		3.5	0.5	1.3	0.2	-1.3	2.2
Consumer Prices (annual average % change)		8.3	5.2	5.8	6.7	5.7	5.9
Current Account (US Dollars, bn)		10.2	1.1	0.9	4.6	-8.2	-4.1

MACEDONIA	Population - 2.0mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$10.2bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		2.3	-0.5	2.7	3.8	3.6	4.0
Industrial Production (annual average % change)		6.9	-2.8	3.2	4.8	4.1	4.6
Consumer Prices (annual average % change)		3.9	3.3	2.7	-0.2	0.6	2.0
Current Account (US Dollars, bn)		-0.3	-0.3	-0.2	-0.2	-0.1	-0.2

MOLDOVA	Population - 3.5mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$8.0bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		6.8	-0.7	9.4	4.6	0.2	3.7
Industrial Production (annual average % change)		9.6	-2.0	6.8	7.3	1.8	4.3
Consumer Prices (annual average % change)		7.6	4.6	4.6	5.1	7.4	5.8
Current Account (US Dollars, bn)		-0.8	-0.6	-0.5	-0.6	-0.5	-0.5

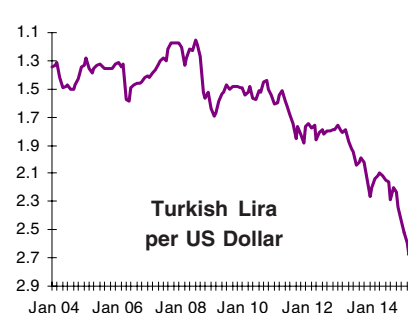
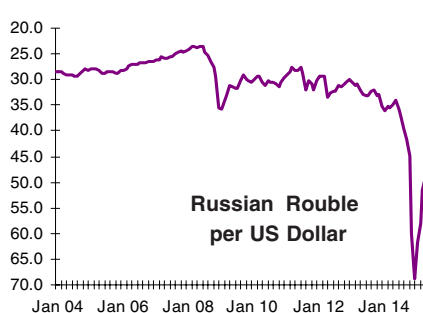
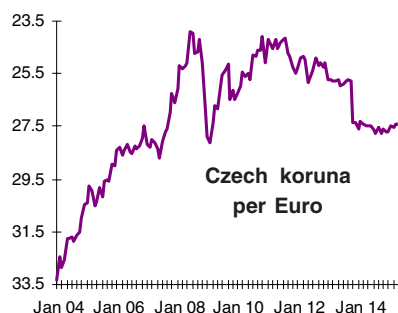
SERBIA	Population - 7.6mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$39.1bn (2012)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		1.4	-1.0	2.6	-1.8	0.0	1.9
Industrial Production (annual average % change)		2.5	-2.2	5.4	-6.4	2.7	3.3
Consumer Prices (annual average % change)		11.1	7.3	7.7	2.1	2.6	4.1
Current Account (US Dollars, bn)		-4.2	-4.7	-2.8	-2.6	-1.7	-1.7

TURKMENISTAN	Population - 5.1mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$33.7bn (2012)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		14.7	11.1	10.2	10.4 e	8.6	8.2
Consumer Prices (annual average % change)		5.3	5.3	6.0	8.4 e	9.5	7.9
Current Account (US Dollars, bn)		0.6	0.0	0.2	-0.2 e	0.3	0.5

UZBEKISTAN	Population - 29.1mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$39.2bn (2012)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (annual average % change)		8.3	8.2	8.0	7.3 e	6.1	6.4
Industrial Production (annual average % change)		6.3	7.7	8.8	6.9 e	7.2	4.9
Consumer Prices (annual average % change)		12.8	12.1	11.2	11.1 e	9.8	9.3
Current Account (US Dollars, bn)		2.6	1.4	2.1	0.7 e	-0.5	0.0

Foreign exchange forecasts represent the consensus (mean) estimates of those forecasters polled in our latest survey.

All rates are amount of currency per US\$ or euro. A positive (+) sign for the percent change implies an appreciation of the currency.	Historical Data				Spot Rate May 18 2015	Consensus Forecasts						
	Rates at the end of:					Forecast End Jun. 2015	Forecast End Aug. 2015	%	Forecast End May 2016	%	Forecast End May 2017	%
	2011	2012	2013	2014								
AGAINST US\$												
Armenian Dram	385.8	402.0	405.1	475.0	482.3	488.0	495.0	-2.6	490.0	-1.6	430.0	12.2
Azerbaijani Manat	0.786	0.784	0.783	0.783	1.047	1.053	1.055	-0.7	1.052	-0.5	1.052	-0.5
Belarussian Rouble	8350	8570	9530	11000	14090	15527	15959	-11.7	16470	-14.5	17614	-20.0
Georgian Lari	1.670	1.655	1.735	1.848	2.348	2.335	2.319	1.3	2.212	6.2	2.100	11.8
Kazakhstani Tenge	148.4	150.4	154.1	182.5	186.0	189.5	192.9	-3.6	199.7	-6.9	200.0	-7.0
Russian Rouble	32.19	30.37	32.86	60.00	49.04	51.55	52.76	-7.1	55.11	-11.0	55.28	-11.3
Turkish Lira	1.893	1.782	2.149	2.338	2.578	2.679	2.709	-4.9	2.760	-6.6	2.832	-9.0
Turkmenistani Manat	2.845	2.846	2.845	2.850	3.400	3.400	3.400	0.0	3.810	-10.8	3.810	-10.8
Ukrainian Hryvnia	7.989	7.993	8.240	15.82	21.75	22.08	22.55	-3.5	24.13	-9.9	25.30	-14.0
Uzbekistani Som	1795	1984	2202	2422	2528	2546	2580	-2.0	2862	-11.7	2962	-14.7
AGAINST EURO												
Albanian Lek	139.1	139.5	140.0	139.9	141.0	140.1	140.4	0.4	140.8	0.1	141.1	-0.1
Bosnian Marka	1.956	1.956	1.956	1.956	1.956	1.956	1.956	0.0	1.956	0.0	1.956	0.0
Bulgarian Lev	1.956	1.956	1.956	1.956	1.956	1.957	1.957	0.0	1.957	0.0	1.956	0.0
Croatian Kuna	7.530	7.550	7.634	7.657	7.533	7.612	7.620	-1.1	7.660	-1.7	7.660	-1.7
Czech Koruna	25.80	25.81	27.37	27.72	27.40	27.64	27.70	-1.1	27.46	-0.2	26.79	2.3
Hungarian Forint	311.4	291.3	297.1	315.8	308.7	304.9	305.9	0.9	307.6	0.3	306.9	0.6
Macedonian Denar	61.50	62.40	61.47	61.44	61.59	61.44	61.44	0.2	61.44	0.2	61.44	0.2
Moldovan Leu	15.16	15.90	17.99	19.00	20.17	19.80	19.70	2.4	19.20	5.0	18.40	9.6
Polish Zloty	4.422	4.087	4.158	4.298	4.068	4.067	4.066	0.0	4.019	1.2	3.917	3.9
Romanian Leu	4.320	4.430	4.464	4.484	4.453	4.427	4.437	0.4	4.418	0.8	4.433	0.4
Serbian Dinar	104.6	113.5	114.4	121.1	120.4	121.0	121.9	-1.2	124.2	-3.0	126.4	-4.7



Brent, US\$ per barrel		
Range 1990-2015	9.10 - 143.95	
Spot Rate (May 11)	62.82	
Brent, May Survey (source: Consensus Forecasts)	Forecast for End Aug. 2015	End May 2016
	62.6	69.2
Mean Forecast	62.6	69.2
High	72.0	86.0
Low	51.9	56.9
Standard Deviation	4.1	6.1
No. of Forecasts	67	62

Oil Prices Gain Some Ground

After falling to the US\$50-mark in January, European benchmark Brent has been making sharp gains, rising to US\$66.22 per barrel on May 6. On May 11, Brent stood at US\$62.82. Crude prices have rallied over the past month, boosted by a strong US dollar and hedging in the market that demand will improve, thereby alleviating the supply glut currently plaguing the sector. Brent slipped on May 8 despite data showing record high crude imports to China in April. However, some observers suggest that low prices for the commodity could encourage China to stockpile barrels rather than buying more. In general, the outlook for both Brent and WTI (which saw eight straight weeks of gains recently) is still volatile as supply outstrips demand.

Continued from page 3

Turkey												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	4.9	2.3	1.9	2.6	1.4	2.8	4.3	4.3	4.0	4.1	3.7	3.5
Private Consumption*	2.6	0.4	0.1	2.4	1.5	2.5	4.1	3.7	3.6	3.7	3.5	3.4
Industrial Production*	5.7	2.8	3.7	2.5	1.3	3.6	4.2	4.2	4.3	4.2	3.7	3.6
Consumer Prices*	8.0	9.4	9.2	8.8	7.5	7.1	6.6	6.9	6.6	6.0	6.2	6.5
Trade Balance (US\$bn)	-12.0	-17.3	-16.1	-18.1	-10.2	-15.0	-16.2	-16.0	-12.5	-18.4	-18.2	-19.2
Current Account (US\$bn)	-11.7	-12.6	-6.7	-14.8	-8.7	-10.7	-6.9	-11.5	-10.1	-11.4	-7.5	-13.2
Overnight Interbank Rate, % ¹	12.0	12.0	11.3	11.3	10.8	10.8	10.9	11.1	11.1	10.9	10.6	10.3

¹End period

Bulgaria												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	1.5	1.8	1.5	1.3	2.0	1.3	1.7	1.8	2.2	2.1	2.2	2.3
Household Consumption*	2.1	1.0	1.6	2.2	1.9	1.4	1.8	2.0	2.5	2.5	2.5	2.5
Industrial Production*	3.3	4.5	-0.5	0.4	2.2	2.8	2.7	3.0	3.2	3.3	3.4	3.2
Consumer Prices*	-2.4	-1.8	-0.8	-0.6	-0.5	0.0	0.2	0.5	1.0	1.2	1.3	1.7
Trade Balance (US\$bn)	-1.2	-1.0	-0.7	-1.0	-0.9	-1.0	-0.8	-1.1	-1.0	-1.0	-0.8	-1.1
Current Account (US\$bn)	-0.4	-0.1	1.2	-0.7	0.1	0.1	0.2	-0.1	-0.1	0.0	0.1	-0.1

Croatia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	-0.6	-0.8	-0.5	0.3	0.1	0.4	0.2	0.2	0.7	0.9	1.3	1.3
Household Consumption*	-0.5	-0.5	-1.1	-0.6	0.1	0.1	0.1	0.4	0.6	0.7	0.8	0.9
Industrial Production*	0.7	-0.4	0.4	4.1	-0.1	3.3	3.1	1.8	4.5	1.2	3.5	2.7
Consumer Prices*	-0.3	-0.3	-0.2	0.0	-0.4	0.1	0.2	0.5	1.5	1.3	1.4	1.3
Trade Balance (US\$bn)	-2.1	-2.5	-2.2	-1.6	-2.0	-2.3	-2.1	-1.7	-1.8	-2.2	-2.0	-1.7
Current Account (US\$bn)	-2.1	-0.5	3.7	-0.8	-1.5	-0.4	2.9	-0.6	-1.6	-0.4	3.0	-0.6

Estonia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	0.5	2.3	2.4	3.0	1.2	2.1	2.2	2.2	3.0	2.9	3.1	3.2
Private Consumption*	3.8	3.4	5.2	5.7	4.8	4.5	3.8	2.9	3.2	3.1	2.9	2.9
Industrial Production*	-1.3	0.7	3.3	5.2	2.7	3.2	2.9	5.2	4.4	4.9	4.7	5.0
Consumer Prices*	0.6	0.0	-0.6	-0.5	-0.9	0.0	0.7	1.8	2.6	2.4	2.5	2.4
Trade Balance (US\$bn)	-0.4	-0.3	-0.4	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.4	-0.4	-0.4
Current Account (US\$bn)	-0.3	0.1	0.0	0.2	-0.1	0.0	-0.1	0.0	-0.2	-0.1	-0.1	0.0

Latvia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.8	2.3	2.4	2.1	2.0	2.7	2.1	3.1	2.5	3.4	3.6	3.9
Private Consumption*	2.7	2.3	2.1	2.2	4.0	4.0	2.8	5.1	3.5	3.7	3.6	3.7
Industrial Production*	-2.0	-0.2	-0.8	-0.7	1.6	3.7	0.8	2.9	4.6	3.6	2.4	3.0
Consumer Prices*	0.4	0.7	0.8	0.6	0.0	0.5	0.9	1.6	2.0	1.8	1.9	2.1
Trade Balance (US\$bn)	-0.8	-0.9	-0.9	-0.7	-0.6	-0.6	-0.8	-0.7	-0.8	-0.6	-0.7	-0.6
Current Account (US\$bn)	-0.3	-0.3	-0.3	-0.1	-0.1	-0.2	-0.3	-0.1	-0.2	-0.2	-0.3	-0.3

Lithuania												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.4	3.3	2.7	2.6	1.5	1.5	1.7	3.7	3.4	3.4	3.7	2.8
Private Consumption*	6.0	6.4	4.0	6.0	3.6	2.9	2.8	2.8	3.4	3.6	3.6	3.6
Industrial Production*	-7.5	3.6	0.4	3.6	4.6	2.8	2.6	2.7	4.5	3.7	5.6	5.8
Consumer Prices*	0.3	0.2	0.2	0.2	-1.3	-0.7	-0.3	-0.1	1.9	1.2	1.5	1.9
Trade Balance (US\$bn)	-0.5	-0.5	-0.3	-0.7	-0.6	-0.5	-0.4	-0.4	-0.2	-0.1	-0.1	-0.3
Current Account (US\$bn)	-0.1	-0.1	0.2	-0.3	-0.1	-0.1	0.0	0.0	0.1	0.1	0.1	0.1

Romania												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	4.1	1.5	3.0	2.7	4.3	3.5	2.8	2.9	3.2	3.2	3.4	3.4
Household Consumption*	6.7	4.2	4.3	6.5	3.5	3.9	3.2	3.6	3.8	3.8	3.9	3.8
Industrial Production*	10.2	8.0	4.2	2.4	3.3	4.5	5.4	4.8	4.8	4.9	4.9	5.2
Consumer Prices*	1.1	0.9	1.1	1.2	0.5	0.5	0.0	0.4	0.3	0.8	1.6	2.1
Trade Balance (US\$bn)	-1.4	-2.1	-1.9	-2.0	-1.3	-1.5	-1.5	-2.1	-1.4	-1.6	-1.5	-2.0
Current Account (US\$bn)	-0.4	-0.8	0.1	0.2	0.2	-0.3	-0.6	-0.9	-0.4	-0.7	-0.6	-0.8

Slovakia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.3	2.6	2.4	2.4	3.1	3.0	3.0	2.9	3.3	3.3	3.3	3.4
Household Consumption*	2.9	2.3	1.6	2.2	2.3	2.9	2.8	2.6	2.8	2.8	2.7	2.7
Industrial Production*	6.5	5.5	2.5	0.5	5.3	4.8	6.1	6.1	5.8	6.1	5.9	6.1
Consumer Prices*	-0.1	-0.1	-0.1	0.0	-0.4	0.0	0.4	0.8	1.7	1.6	1.7	1.7
Trade Balance (US\$bn)	1.6	1.5	1.0	0.6	1.3	1.4	1.4	1.1	1.3	1.5	1.5	1.2
Current Account (US\$bn)	0.6	0.3	-0.2	-0.5	0.4	0.5	0.1	-0.1	0.4	0.5	0.2	0.0
3 Mth BRIBOR Interbank Rate, % ¹	0.3	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.3

¹End period

Slovenia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.1	2.9	3.2	2.4	2.2	1.8	1.5	1.9	2.0	2.0	2.1	2.2
Household Consumption*	1.1	0.7	0.3	-0.8	-0.1	0.4	1.2	2.1	2.0	1.8	1.6	1.3
Industrial Production*	-0.5	1.5	2.6	2.1	5.2	3.5	3.3	3.4	3.3	3.3	3.3	3.3
Consumer Prices*	0.5	0.6	-0.2	-0.1	-0.4	0.0	0.6	0.9	1.2	1.3	1.4	1.3
Trade Balance (US\$bn)	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3
Current Account (US\$bn)	0.5	0.8	0.8	0.8	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5

Ukraine												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	-1.2	-4.5	-5.4	-14.8	-17.6	-8.1	-3.8	0.6	0.0	0.2	-0.3	-0.2
Household Consumption*	2.2	-9.0	-15.5	-13.6	-15.3	-12.2	-7.9	-2.8	0.0	0.2	0.0	-0.1
Industrial Production* ¹	-5.1	-3.1	-15.5	-16.6	-21.4	-17.4	-8.2	-4.6	-1.2	0.2	0.8	1.4
Consumer Prices*	1.7	9.9	14.8	22.2	36.3	52.4	44.7	40.0	23.1	15.0	13.2	11.1
Trade Balance (US\$bn)	-2.0	-0.9	-1.2	-2.0	-1.3	-0.2	-0.1	-0.4	0.0	-0.2	-0.2	-0.6
Current Account (US\$bn)	-1.5	-0.9	-1.3	-1.5	-0.5	0.0	0.0	-0.2	-0.1	-0.1	-0.1	-0.2
Foreign Exch. Reserves (US\$bn) ²	13.3	15.4	14.8	6.6	9.1	8.6	9.3	8.5	8.5	9.0	9.2	8.2

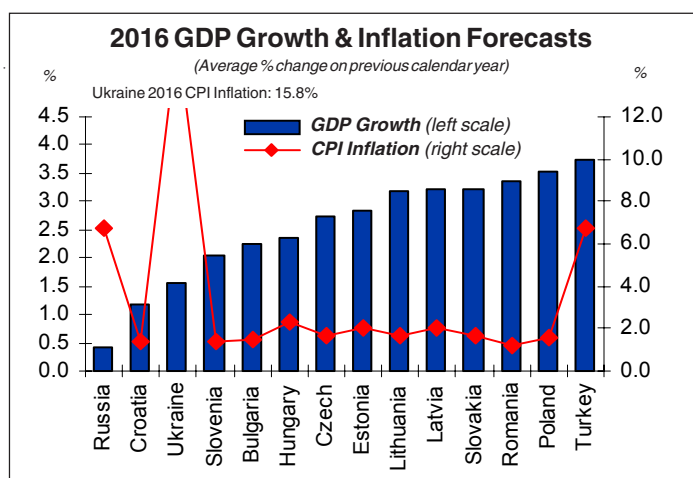
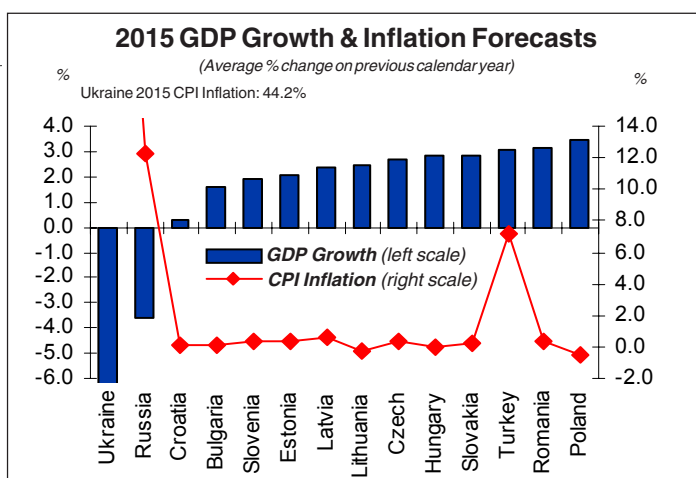
¹ Quarterly (y-o-y) estimates for actual outturns (Q1 2014 to Q4 2014) derived from cumulative index numbers ²End period

EASTERN EUROPE CONSENSUS FORECASTS: WORLD ECONOMIC ACTIVITY

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May 2015 Survey	Real GDP % increase			Consumer Prices % increase			Current Account Balance, US\$bn		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Bulgaria	1.7	1.6	2.2	-1.4	0.1	1.5	0.0	0.3	0.1
Croatia	-0.4	0.3	1.2	-0.2	0.1	1.4	0.4	0.5	0.5
Czech Republic	2.0	2.7	2.7	0.4	0.4	1.6	1.4	0.5	-0.4
Estonia	2.1	2.1	2.8	-0.1	0.4	2.0	0.0	-0.2	-0.2
Hungary	3.6	2.8	2.4	-0.2	-0.1	2.3	5.7	5.3	4.8
Latvia	2.4	2.3	3.2	0.7	0.6	2.0	-1.0	-0.7	-0.8
Lithuania	2.9	2.5	3.2	0.2	-0.3	1.7	-0.2	-0.2	-0.1
Poland	3.4	3.5	3.5	0.0	-0.5	1.6	-7.6	-5.3	-7.8
Romania	2.8	3.1	3.4	1.1	0.4	1.2	-1.0	-1.6	-2.5
Russia	0.6	-3.6	0.4	11.4	12.3	6.8	59.5	52.8	57.8
Slovakia	2.4	2.8	3.2	-0.1	0.2	1.7	0.1	0.8	0.9
Slovenia	2.6	1.9	2.0	0.2	0.4	1.4	2.9	2.3	2.2
Turkey	2.9	3.1	3.7	8.9	7.1	6.7	-45.8	-35.9	-39.6
Ukraine	-6.8	-7.4	1.6	12.1	44.2	15.8	-5.3	-1.1	-0.4
Eastern Europe¹	1.6	-0.3	2.0	7.4	8.6	5.7	9.2	0.7	3.9
CIS²	0.8	-2.9	1.0	10.8	13.7	7.5	61.3	39.6	51.8
South-East Europe³	1.6	2.1	2.7	0.6	0.6	1.7	-6.5	-5.1	-6.4
Central Europe⁴	3.0	3.1	3.1	0.1	-0.1	1.7	2.5	3.7	-0.4
Western Europe⁵	1.2	1.7	1.9	0.7	0.2	1.3	417.5	379.4	380.2
North America⁶	2.4	2.4	2.8	1.6	0.3	2.2	-450.4	-485.9	-519.0
Asia Pacific⁷	4.6	4.7	4.9	2.6	1.7	2.2	403.2	603.9	563.6
Latin America⁸	1.1	0.4	2.0	11.3	14.1	11.9	-176.3	-174.1	-162.6

Regional totals for real GDP and consumer prices are weighted averages calculated using 2013 GDP weights, converted at average 2013 exchange rates.¹ Includes countries above plus those on pages 23-24. ² Commonwealth of Independent States includes Russia, Ukraine, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Moldova, Turkmenistan, Uzbekistan. ³ Albania, Bosnia, Bulgaria, Croatia, Macedonia, Romania, Serbia. ⁴ Czech Republic, Hungary, Poland, Slovakia, Slovenia. ⁵ Germany, France, the United Kingdom, Italy, Austria, Belgium, Denmark, Finland, Greece, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland. ⁶ USA and Canada. ⁷ Fifteen countries taken from the latest monthly issue of **Asia Pacific Consensus Forecasts**. ⁸ Eighteen countries taken from the latest monthly issue of **Latin American Consensus Forecasts**, with inflation forecasts on a December/December basis. Western Europe and North America forecasts taken from the latest monthly issue of **Consensus Forecasts**.



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