GAMBLING WITH HISTORY:

AMERICA AND THE WORLD FACE A DECISIVE MOMENT

53rd TREND/FORECASTING REPORT

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Now well into 2016—an incredible year and our 26th year in business—please receive our 53rd Trend/Forecasting Report. We are grateful for the responses to previous reports and the recognition that we have gotten so many issues right.

Indeed, what follows is based on hundreds of discussions and interviews with some of the smartest and best-connected people in the world.

Everyone agrees your life is going to change dramatically in the period ahead as a result of the trends we foresee. It is best to start preparing now.

The world is in one of the most challenging situations since the start of World War II. And the United States, with only weeks to go until the November presidential election, is in an extraordinary position to shape the future.

There is good news out there.

Modern science is delivering extraordinary results every day. Much progress remains to be achieved, but we have made major steps in treating diabetes, cancer, heart disease and more.

NASA has its spacecraft orbiting around Jupiter (after a 1.7 billion mile trip,) and astrophysicists have found gravitational waves produced by the collision of two black holes more than a billion light-years away. Much is being done in gene therapy. The “cloud” has emerged and computers, computer media, new analytics and technology are taking us to places never imagined.

What is ahead?

Expect the campaign to eliminate ISIS to intensify. ISIS will push back and the result will be nasty. The migration of millions of refugees will accelerate and is creating a host of never-before-seen issues. More than 2,900 people have died or disappeared crossing the Mediterranean in 2016, a 37 percent increase over last year’s first half. European nations have tightened border controls, set naval controls to stop people traffickers, negotiated with Turkey to limit the numbers crossing and shut the Balkan route used by hundreds of thousands. China is now challenged by the validity of its claims in the South China Sea—but expect this resilient nation to try to press on. Europe’s economy will continue to stumble. Our educational and health care systems will be debated, criticized and changed even more than they have been. Technology will create exciting new opportunities that you will experience first-hand in your personal as well as professional life.

And this is just the front edge of the wave that is moving toward us as you read this letter.

Indeed, much of what is covered in the following pages will define the next generation and perhaps the generations after that for the next 50 to 60 years.

Just consider the following:

- The Indian economy is growing faster than any other in the world as domestic demand there boosts GDP;

- The rest of Asia, especially Japan, is extremely anxious about China and its intentions in the South China Sea and toward Taiwan, especially after a new U.S. president takes office;

- Elements in Saudi Arabia are supporting terrorism and the consequences for its rulers will be difficult at best. The Islamic State is painting the Royal Family as corrupt, which could lead to serious destabilization;

- Expect more Paris, Nice, Orlando and San Bernardino-like attacks. Turkey, given its strategic location, is equally vulnerable;

- The U.S. is faced with a choice: Should it take on the role of global policeman? If it does, that will cause problems domestically as well as backlash around the world;

- Regulation will continue to slow the engine of growth in America;

- The rule of law, critical to a civilized society, is under pressure in many parts of the world; when it is defied, rogue elements feel free to push their agendas;

- Look for protectionism to rise as populist politicians and political movements take hold in many areas of the world;

- The price of oil and other natural resources will not recover to 2014-15 levels;

- Growth in real personal disposable income increased 6.3% in the U.S. between 2000 and 2015. But for the bottom 20 percent of the population there was only 0.1% growth. The seeds for problems have been planted;

- Major infrastructure investments are promised—as they have been for years—and the public is waiting. We urgently need to upgrade our transportation, power-generation and communications systems;

- Civil unrest and the "War on Cops" will accelerate in many parts of the U.S. Expect the same around the world and in some places there may be social collapse.

In the U.S., culture wars, attacks on the police, the growing influence of Hispanics and the influence of African-Americans in comparison with Hispanics will increase polarization. People are angry. This, in turn, will lead to turmoil in many institutions, notably our universities.

In an unwelcome first for our nation, the children of the Baby Boomers will not have lives as good as their parents.

Surveys show most Americans are pessimistic about their economic futures. An overwhelming majority, in excess of 80 percent, believe the Country's moral compass is pointing in the wrong direction. Many see the U.S. broken apart by race, class and political struggles.

It is clear that those in the middle and lower income levels are not pleased with the enormous income gap between them and the rich. This will be a major, and possibly defining, issue in the year ahead.

Leadership has failed in many ways in business, politics and the social sector. New faces have emerged, but genuine leaders have yet to prove themselves. A major question is who will step forward on the big issues—the economy, the Middle East, Chinese expansion, ISIS, corruption and much more—and how will they assert their leadership?

And while we are on the subject of leadership, what has happened to the profession of journalism that is so critical to our democratic society, and what can we expect from it in the future?

As you read this, the only figure who has the power to "convene" to address global problems is Pope Francis.

Then there is Vladimir Putin. Forecasting what will happen in Russia is always difficult, but we can be certain that, at least for several years, it will not be good and will have a negative impact on the rest of the world.

All this said, the United States is very strong. Consider these ten points:

1. Nine of the 10 most valuable brands are American;
2. The U.S. is the leading energy producer;
3. America has 15 of the world's top 20 universities;
4. Hollywood remains as dominant as ever;
5. The median age in the U.S. is 37.8, compared with 46.5 for both Germany and Japan;
6. The U.S. dominates new technology;
7. 91 percent of online searches are done though American companies' services, and 99 percent of smartphones run on American-made operating systems;
8. American fund managers handle 55 percent of the world's assets;
9. American businesses host 61 percent of the world's social media users.
10. Over the past five years the U.S. has run a $320 billion trade surplus in manufactured goods with its free-trade partners.

With this broad perspective in mind, and based on our continuing discussions over the past 12 months with hundreds of experts in diverse fields, including business, finance, journalism, the arts, academia and the non-profit sector, we have identified another set of noteworthy trends for the remainder of 2016 and beyond.

In addition, the prestigious Ambrosetti Conference in Italy brought together some of the world's leading political, social, and economic thinkers. In attendance, among many others, were Philippe Aghion—Professor of Economics at the College de France and at the London School of Economics; Elizabeth Blackburn—President of the Salk Institute for Biological Studies; Peter Brabeck-Letmathe—Chairman of Nestlé; Arkady Dvorkovich—Deputy Prime Minister of the Russian Federation; Marcel Fratzscher—President of DIW Berlin, one of the leading economic research institutes and think tanks in Europe; Enrico Letta—Former Prime Minister of the Italian Republic and the current Dean of the Paris School of International Affairs; Manuel Valls—Prime Minister of France; Wu Hongbo—United Nations Under-Secretary-General for Economic and Social Affairs; and many more.

This Report, then, as it has for 26 years, focuses on critical thinking and on how you might apply it in your life, your business, or whatever pursuits you follow. Though there are many demands on your time, we urge you to put aside a few moments, whenever convenient, to read it thoroughly.

We would, of course, be pleased to hear any response you might have to this effort.

Best regards,

Robert L. Dilenschneider

This Report is dedicated to Joel Pomerantz, who died on August 18, 2016, and who, for more than 20 years, edited and developed material for this document.

His insight and fresh thinking are, and will, be missed.

A memorial has been created for Joel on the Literary Walk in New York's Central Park.

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

“The world is a dangerous place to live, not because of the people who are evil, but because of the people who don't do anything about it.”

— Albert Einstein

"SLOW AND STEADY WINS THE RACE"

--Aesop's Fables, the Tortoise and the Hare

Another year, another slow but steady U.S. economy, avoiding recession but not growing particularly fast. We said pretty much the same thing last year and we'll likely say the same thing again next year.

Sometimes boring isn't so bad.

The economy, presided over by a Federal Reserve board that seems intent on not raising interest rates so fast as to send the markets and growth spiraling downward, is a sort of slow and steady engine for the rest of the world. This indicates continued near-record low interest rates and low inflation fed by low commodity and oil prices, but probably not damaging stagflation. In other words, a non-frightening climate in which to invest and seek non-flashy but lasting growth opportunities.

The stock market certainly agrees, with the S&P and Dow Jones indexes nearing or beating all-time highs and the much-bigger bond market showing no signs of ending its 30-year-long rally. The benchmark 10-year U.S. Treasury note, a safe investment for everybody around the world, has never been more sought after, with its yield of about 1.5%. That also means investors don't fear a return of inflation, and interest rates for everything from mortgages to car loans should stay low. The dollar remains high versus major currencies, especially the pound and the euro, making this a great time to take a vacation in Europe or buy a company there.

The Fed has put off further interest rate increases so far, although Chairman Janet Yellen is now saying she sees a better case for an increase sometime soon. The U.S. economy created a strong 255,000 jobs in July, with wages rising 2.6%, good news for consumer spending.

U. S. gross domestic product, the measure of America's output of goods and services, grew at a slow 1.2% pace in the second quarter and is likely to end the year growing around 2%. That compares to growth in excess of 3% in the years before Obama took office.

The International Monetary Fund says the global economy may grow by 3% this year and 3.4% next year, again solid but unspectacular increases considering that China and other emerging markets had enjoyed growth of near double digits a decade ago.

One shadow is a measure of political uncertainty around the globe. The Middle East remains a powder keg, sending refugees throughout Europe, fueling fears that led to the British vote to leave the European Union, a phenomenon known as Brexit, and giving oxygen to separatist and anti-immigrant parties from France to Germany to Italy. South American economies including Venezuela's and Brazil's have been shaken by political instability, and in some cases by depressed oil prices that have ravaged budgets.

The fallout from Brexit seems to have mainly hurt Britain alone, with the pound falling, making imports more expensive and putting a dent in economic growth. After Prime Minister David Cameron, a proponent of the U.K.'s staying in the EU, resigned following the vote, his successor, Theresa May, pledged to invoke the legal notice, known as Article 50, to effect the exit after two years of negotiations. She's not likely to do this soon, and some observers now say Britain may not leave until 2019.

In the U.S., some businesses are seeing hesitant consumer spending during the current presidential and Senate and House campaigns. The CEOs of both Wendy's and McDonald's recently said they think slowing sales may be due in part to customers feeling uncertain about the economy because of the political climate. While it's hard to prove a direct connection, people do pull back on discretionary purchases when they feel unsettled.

Mr. Trump has proposed a large across-the-board tax cut, repeal of the estate tax, and a big increase in infrastructure spending. Mrs. Clinton has proposed tax increases for higher-end earners, wouldn't repeal the estate tax, and also favors higher infrastructure spending. She has pledged to find ways to pay for all this.

One question now being debated is whether the next president should actively try to encourage economic growth. The consensus seems to be no. Even Liberal economist Paul Krugman, best known for advocating government deficit spending to spur growth, says that demographics (including droves of retiring Baby Boomers) may have cut the potential U.S. growth rate from 3.5% to 1.5%, and that raising that potential would be difficult and expensive.

Conservative economist Tyler Cowen points out that 19th century growth rates more closely resembled what we have now, and produced widespread lifestyle gains.

"Today's world may resemble the 19th century more than the last few decades. That could mean fairly low measured growth rates, a premium on stability, few if any 'break out of the box' alternatives, and a time to invest in institutional quality."

IMPLICATIONS FOR BUSINESS: The U.S. is leading the world in steady economic growth, which makes America the best place to invest and expand, especially at historically low borrowing rates.

Although oil prices have recovered a bit from their bottom, they are still half of what they were two years ago. This offers assurance that inflation won't reignite any time soon and that interest rates will stay low.

Demographic trends suggest expanding younger and older populations, with a "donut hole" in the middle. This is seen in unemployment numbers showing less employment market participation by the young, who are remaining in school, and the elderly, who are retiring. This may suggest opportunities for sectors (education, health care) catering to these populations.

Investing abroad continues to require local knowledge of opportunities. Europe, even without the U.K. as part of the EU, remains a rich, slowly growing market, led as usual by Germany. The strong dollar makes this a good time to seek acquisition or investment opportunities there for U.S. companies.

DID YOU KNOW?

Those no longer in the workforce dedicate more than an hour a day to education, versus almost nothing for those who are employed.

A PRESIDENTIAL RACE LIKE NO OTHER

That collective post-Labor Day sigh is less about regret at summer's end and more about resignation that there are still two months to go in what is unarguably one of the nastiest presidential campaigns in history.

It has become a "change" election—Americans want something different; they do not want the status quo. But there are two unpopular candidates representing the two major parties, and both of them much older than usual. (Donald Trump at 70 would be the oldest man ever to take over the White House, and Hillary Clinton would turn 70 nine months after taking office as the first woman president.) Election 2016, also known as the Year of the Unimaginable, has become a name-calling referendum on which one is disliked more. At this writing 51 percent of Republicans wish that Trump were not their nominee; 42 percent of Democrats wish they had a different standard bearer.

But expect those numbers, indeed expect all polling numbers, to change dramatically in the next 60 days. Indeed polling has teetered back and forth and soon new poll numbers will become more serious and realistic. After Labor Day, likely voters pay closer attention to what the candidates are saying and doing. They will watch how the debates unfold. And it will become clearer whether policy issues begin to dominate or whether personality trumps all, so to speak.

And be mindful of the last few days of October and of early November, when attitudes—as much as 10 percent to 15 percent—will change.

Trump has alarmed college-educated voters, particularly women. His comments for a year on Hispanics, Muslims and, until recently, Blacks have not made him popular with minorities. Two-thirds of Americans think Trump's flamboyant, off-the-cuff verbal comments have earned him a reputation as sexist, racist, bigoted, xenophobic and uneducated in foreign affairs. Trump's recent acknowledgment to a biographer that if elected, he would not read briefing papers or consult experts on major policy decisions but would "rely on (his) gut" was not reassuring to those alarmed by the prospect of a Trump presidency.

For her part, Hillary Clinton's decades-old miasma of being deceptive or at least not fully on board with telling the whole truth has dismayed millions, including die-hard Democrats. Bill and Hillary Clinton have been front and center in American politics since 1992; except for her gender, she is not perceived as a change candidate. Hillary has spent 31 years in government life, yet, amazingly, many people say they don't know who she really is. They think she wears a mask. Lately, she has confounded them even more; once she supported the Trans Pacific Partnership trade pact, now she doesn't. She leaned in favor of the Keystone pipeline, now she doesn't. Will she change positions again if president? Who knows?

The email revelations about whether big donors to the Clinton Foundation received special access to Clinton while she was secretary of state has not helped her image, despite her statement that neither she nor Bill Clinton nor their daughter Chelsea ever received a dime of compensation for their work on their charitable foundation. The Clintons' insistence that if Hillary is elected no corporate or foreign donations would be accepted any more only leads to the question why that policy wasn't implemented when she was secretary of state. Her argument that ultimately President Obama was the chief policy maker doesn't pass muster.

After the well-organized Democratic convention in Philadelphia (a stark contrast to the Republican show in Cleveland), Clinton has held a substantial lead over Trump. But that has narrowed, as was expected and may narrow still further as we move toward November.

And, it must always be said, we have an Electoral College system, not election by popular vote. The candidate who gets 270 electoral votes wins, not the one who wins the popular votes as Al Gore famously found out in 2000 when the Supreme Court intervened to decide the notorious issue of hanging chads in Florida. Gore won the popular vote; George W. Bush won the Electoral College vote.

This year is fascinating because some so-called "red" (Republican) states are becoming more purple, while some traditionally swing "blue" or Democratic states are becoming redder. Colorado, Nevada and Virginia, for example, have usually been in the red column. This year all three could very well go Democratic. Pennsylvania or Ohio—no one can say for sure—are far more likely to vote red these days. Thus, the two campaigns are struggling to figure out where to put TV ads, where to send their candidate and how much money to devote to the "ground game." That is the usually all-important strategy of get-out-the-vote calls, organized yard-sign crews and chicken-supper rallies to gin up party loyalty. Trump's campaign has been stunningly lax in this area, but the Republican National Committee is stepping in to organize a state-by-state effort. One question is whether there is enough time.

What has political scientists biting their fingernails is the completely unknowable question of turnout. About four out of ten voters will choose Donald Trump, and four out of ten voters are reliably for Hillary Clinton.

Will Trump backers, who in the past have not been reliable voters, have more passion than Clinton voters? Will independents, who typically decide the vote, stay at home, disillusioned with the dreary, negative tone of the campaigns? Will Millennials vote?

American turnout is low by global standards. The uptick created by excitement over Obama in 2008 disappeared in 2012. There is growing fear that millions will stay home this year, write in somebody or vote for Libertarian Gary Johnson or Green Party candidate Jill Stein, neither of whom will become president. (Neither is close to getting 15 percent in five popular polls, the standard for getting into the debates.)

That raises concerns about a major issue this year—down-ballot voting, a reference to the other candidates on each state's ballot. One dramatic implication is control of the Senate. The Republican Party holds the majority in the Senate with 54 seats. Democrats have 44 seats but two independents (Bernie Sanders of Vermont and Angus King of Maine) usually vote with them. There is a strong possibility Democrats could take control of the Senate if Hillary wins. And the vice president breaks Senate ties if the result winds up being 50-50. Control of the House is almost certain to stay with Republicans, who have a large majority, 248 to 192. Democrats are poised to take more seats. And if Clinton wins in a landslide, it's remotely possible Republicans could lose control. But don't count on it.

What is brutally clear is that the United States needs a responsible and honest leader and it does not appear one is on the horizon.

The election is almost certain to fall short of a mandate for either party. Many of the sweeping promises will just not happen. These include Trump's promises of a wall on the southern border, the end of crime in black neighborhoods, deportation of all undesirable people who are in the United States without documents. Clinton's promises include eliminating public college tuition for in-state students whose families earn less than $125,000 a year, giving undocumented immigrants a path to citizenship, passing higher taxes on the rich, expanding Obamacare and melding it with mental health care, and instituting background checks on gun sales. Both candidates have vowed to improve America's crumbling infrastructure; where the money will come from is unclear.

We recommend that you watch the televised debates on Sept. 26 at Hofstra University in New York, the vice-presidential debate between Indiana Gov. Mike Pence and Virginia Sen. Tim Kaine at Longwood University in Virginia Oct. 4, the second Clinton-Trump debate Oct. 9 at Washington University in St. Louis and the final debate Oct. 19 at the University of Nevada-Las Vegas.

And watch polling over the new few weeks in Arizona, Georgia, North Carolina and Indiana. If Hillary Clinton is doing well in those traditionally Republican states, Trump will be in trouble. On the other hand, keep an eye on Pennsylvania, which Trump hopes to win, and, as always, watch Ohio and Florida, both of which could be too close to call until just before the election. It's also telling that Iowa, traditionally Republican and where it all began many months ago, is exactly split, 40-40.

And bear in mind that whoever does win, the next president will face a daunting array of challenges, including:

- A serious need for job creation
- Stagnant wages
- Crumbling infrastructure
- A belligerent, newly aggressive Russia
- A China whose bully-boy behavior threatens peace and stability in East Asia
- A European Union whose economic woes, combined with Brexit, could threaten the health of the U.S. economy
- A Middle East torn apart with terrorism and warfare—think Syria, Libya, Yemen, Iraq, Afghanistan
- Race relations that appear to be deteriorating
- Health care costs that continue to escalate—especially drug prices—despite the improvements under Obamacare
- An aging population that will put increasing strains on everything from the health care system to the federal budget
- Political paralysis in Washington where even a no-brainer like money to fight Zika cannot get approved
- The resulting loss of confidence in the system and in the nation's future among millions of Americans

IMPLICATIONS FOR BUSINESS: Hard to say, but nothing is certain. Business people will need to push their agendas as never before and watch literally minute by minute in the months following the election.

THE WORLD IN CHAOS

As you read this Report, please think about these issues:

- Among the 9 million high school seniors taking China's college entrance exam, anyone caught cheating goes to jail;

- ISIS recently took responsibility for the beheading of a 70-year old Bangladeshi priest;

- In Fallujah, Iraq ISIS fighters shoot civilians who try to flee. More than 50,000 people are trapped in the City;

- Healers and witch doctors in southern Africa use body parts of albinos to bring wealth and good luck, and albinos are being butchered in Malawi;

- At least 400,000 Syrians have died in the five-year civil war, and half the Country's 22 million residents have been displaced;

- There is so much solar power in Chile—thanks to an aggressive building program—that parts of the Country have gluts of electricity that cannot be transferred to areas that need it;

- Food riots continue in Venezuela, where people just cannot get nourishment;

- The government of Hungary has given itself the power to cut off social media, limit the right to assembly, and put the army in the streets if it believes the Country faces a terrorist threat;

- Cab drivers in Moscow are arrested if they discuss Vladimir Putin;

- In Zimbabwe banks have run out of cash and the government cannot pay workers;

- The Taliban are active in southeastern Afghanistan, inflicting heavy casualties on security forces. The Haqqani network, known for urban assaults, is creating a headquarters in Afghanistan.

IMPLICATIONS FOR BUSINESS: There is little "safe" out there and businesspeople will be well advised to consult their security people before travelling or making major investments.

TERRORISM: BE READY FOR ANYTHING

Several years ago we published a list of eleven horrific terrorist incidents. If we were to publish a list at this writing it would fill many, many pages. Consider:

- In Bangladesh six ISIS militants hacked 20 customers to death at a bakery.

- On a recent Sunday morning an ISIS truck bomb in Baghdad killed 250 people in a Shiite neighborhood—one of the deadliest bombings in Iraq since the 2003 U.S. invasion.

- An assault on the American University in Kabul killed at least 13 people.

- Five years ago al-Qaeda called for the use of cars and tanks as tools of terror. We all know what just happened in Nice, France.

Potential terrorist threats now come from 34 nations in the Middle East, Africa, Southwest Asia, Central Asia and East Asia. The specific list includes Afghanistan, Iran, Kuwait, Iraq, Lebanon, Syria, Eritrea, Libya, Saudi Arabia, Pakistan, Indonesia and Malaysia.

Terrorists are infiltrating from the Middle East into Europe and from South America and Mexico into the U.S.

They have planned out high-profile targets.

Specifically, Sunni extremists are entering the U.S. from South America. Networks are smuggling individuals from the Afghanistan-Pakistan region, the Middle East, and East Africa.

In 2015, 331,000 immigrants crossed the southwestern border of the U.S.; it is estimated that more than 30,000 were from countries of terrorist concern.

The spread of terror is hurting the tourism industry wherever the heinous acts have occurred. At Turkey's main airport in July three suspected ISIS gunmen in suicide vests and armed with automatic weapons slaughtered 45 passengers and airport staff. This followed the March airport bombing in Brussels that killed 32.

Following the attack in Nice, hotels in the area reported the cancellation of 30 percent of expected hotel bookings, many from Americans. And the Belgian government has reported a nearly $1.3 billion loss in business and tax revenue, primarily from travel and tourism.

Historically, the travel industry has rebounded fairly quickly from terrorist attacks, with American travelers being fairly resilient. But the frequency of the recent attacks has created a new situation of uncertainty.

Of course, the real risk of being part of a terrorist attack is extremely low. According to the U.S. State Department and reported by CNN, the chance of being killed by terrorism (one in 20 million) is far less than dying in a car accident (1 in 19,000); drowning in a bathtub (1 in 800,000); or being struck by lightning (1 in 5.5 million).

So what is to come? ISIS, desperate now that it is losing ground in Syria and Iraq, has cells around the world. And while ISIS is losing, it is lashing out and will continue to do so.

Expect lone-wolf terrorist attacks—such as the 12-year-old suicide bomber who killed more than 50 people at an August wedding in Turkey—to escalate. (ISIS recently claimed responsibility for this attack.)

And there is the frightening possibility of more coordinated and spectacular attacks as well. For example, it is rumored that Osama bin Laden's son has vowed to seek revenge on America for killing his father.

Will all this end?

Not for a long while. And the next president of the United States will carry a heavy burden in dealing with terrorism.

IMPLICATIONS FOR BUSINESS: What is happening is unprecedented. The question is: Why is this occurring? One thing is certain: Putting fears aside to continue living life is the most constructive solution. More to come from us on why this is all happening, but for now be ready for anything.

DID YOU KNOW?

The average person spends 6 months of his or her lifetime waiting for a red light to turn green.

THE WORLD IS MAD AS HELL

It's hard to remember a time when people all around the world seemed to be as angry as they are now, sometimes for obvious reasons of war or famine, sometimes for inchoate reasons of frustration at unresponsive political systems or vague worries about distant threats.

The litany seems endless: the issue of the 1% elites versus the other 99 percent, which has fueled much of the support for Donald Trump on the right and Bernie Sanders on the left; fears of immigration and faceless bureaucrats which drove the Leave vote that is taking Britain out of the European Union; fear of further terrorists attacks after Brussels, Paris and more recently Munich and the American University in Kabul; ballooning support for far-right parties in France, Belgium, Germany and elsewhere; Venezuela, where near-criminal economic and political mismanagement has left many store shelves—and stomachs—empty; violence against police officers, and so on. Virtually any politician will tell you: "The world is a mess."

Is it?

There is no doubt a grain, and sometimes a lot of grains, of truth in these feelings. Fear is real. ISIS is indeed a menace to the West. The global recovery from the Great Recession of 2007-2008 has been slow and spotty. Some developing countries such as Venezuela have been hammered by the drop in oil prices. Violence in Syria and Iraq seems insoluble. In the U.S. the middle class hasn't seen real wages rise substantially since the turn of the millennium.

But it can also be argued that the intensity of the anger is overdone. Many of the statistics used in political arguments about the economy or crime don't stand up to close scrutiny. The 24-hour cable news cycle, amplified by the one-minute news cycle of Twitter and Facebook, brings a fire hose of information to everyone around the world instantly, often obscuring the perspective and context of this data. News channels obsess over every "terrorist attack" whether terrorism proves to be the case or not. Murders in far-away places seem right outside the door when they're on television.

Indeed, one example of distortion by lack of perspective is the murder statistics that are often cited. For example, murders rose in New York City last year to 352, which was an increase over 2014. True, but it was an increase of just 19 cases. And in any event, the number is far below the 2,245 murders in 1990. Virtually every analyst concludes violent crime has plummeted, although there are exceptions, such as what is happening now in Chicago. On the other side, Democrats point to data showing unemployment falling and wages rising, even though in some parts of the country this economic improvement isn't being felt.

The various claims are used to incite fear, especially since the rapidity and all-pervasiveness of the news cycle seems to leave little time for verification or fact-checking, and "discussions" on Twitter seem to devolve into name-calling often instantly. Much of the "evidence" cited on both sides of the Brexit debate in Britain—leaving will doom us; remaining will save us—seems to have been debunked the day after the results were declared.

IMPLICATIONS FOR BUSINESS: Fear and distortions of the truth are never good for business. Unfounded fear of terrorist attacks, economic collapse or societal breakdown—all of which can be found on television or the Internet at any given moment—can lead to poor business decisions. The antidote to misinformation may well be, ironically, more information. If employees fear overseas travel, make sure they have access to the frequently updated and authoritative State Department Travel Advisories. If they fear domestic travel or their security commuting to work, offer police or outside security briefings on the real dangers and the precautions that should be taken.

Business leaders should be concerned with untrue or distorted information gaining currency, regardless of political viewpoint. Use every opportunity to transmit the truth of situations as you see it, and encourage clients and employees to seek context and perspective for news stories. Whenever you can provide this context, do so. Don't discourage the use of social media, but advise employees on proper use. If you don't have social media rules for your employees, adopt them.

Business leadership in sifting real from imagined fears has never been more crucial. The world is a complicated place. But misplaced anger isn't going to make it better. Informed people will.

THE RETURN OF AMERICAN ISOLATIONISM

American isolationism is not a revolutionary idea. The policy of shunning alliances with other nations to avoid being drawn into foreign wars and overseas entanglements dates back to the first days of our Republic.

George Washington, in his 1796 farewell address as president said: “Our detached and distant situation invites and enables us to pursue a different course.” It was advice that shaped national policy well into the 20th century.

Things changed dramatically after World War II when the U.S. emerged as one of two global superpowers and the leader of what became known as the Free World. Public opinion supported this new, interventionist policy; for example, in 1962, only 20 percent of U.S. citizens believed we should mind our own business when it came to international issues.

In 2013, however, that percentage had risen to 52 percent, and the number of Americans who favor a more cautious foreign policy has reportedly increased since then. The 2016 presidential race both reflects and reinforces this trend.

The popularity of the Trump and Sanders campaigns, and the influence they have had on other candidates, suggests that there is now strong sentiment in the U.S. for a new kind of isolationism: repudiating most international military and economic commitments. At the very least, there is growing American disillusionment with globalization.

Trump’s isolationism is often disguised by his rhetoric about rebuilding the military and getting tough with foreigners. But it is no accident that his signature initiative is to build a wall along America’s southern border. And he is the most explicitly protectionist candidate we’ve seen in decades, promising, for example, to make sure Americans buy U.S.-made cars and machinery, not foreign imports. He denounces the trade deals that the U.S. has signed as bad for America and has pledged to rip them up.

Sanders did not embrace the militarism of Trump, but he has opted for the leftwing version of isolationism: rejecting the idea that America should be “the policeman of the world.” He also shares Trump’s distaste for free trade, saying it “has been a disaster for working Americans.”

Hillary Clinton, while hardly an isolationist, has come out against the Trans-Pacific Partnership, a trade deal that she once championed when she was secretary of state.

<u>IMPLICATIONS FOR BUSINESS</u>: It remains to be seen whether the neo-isolationism that has surfaced during the presidential campaign is mostly political bluster or a serious shift in American values that will be reflected in the next president's foreign policy. There should be no doubt that the answer will have a profound effect on the global business climate. Complicating all this will be the question, "Should the U.S. be the policeman of the world?" The answer to that will have huge implications.

DID YOU KNOW?

An estimated 2 million annual concussions are sustained by U.S. children in sport and play.

PANDEMIC: THE OLDEST NEW THREAT

When most people think of a pandemic, images of the Bubonic Plague or fictional threats like a "zombie virus" come to mind. But the fact is that the threat of significant global infection has never been more real—or more preventable.

The emergence of epidemics and pandemics coincided with the rise of agriculture. Many pathogens started their life in domesticated animals, evolving to a level that could infect humans. These infections would spread because of the lack of preventative measures, weak immune systems, and improper waste management. Although modern countries like the United States and those in Western Europe have solved many of these problems, these measures do not prevent new diseases from forming and evolving in less developed nations.

This problem has been exacerbated by the relatively low cost of air travel and the globalization of business that increase the ability of people to move about the world. This creates the opportunity for both new and old diseases to spread quickly on a worldwide scale.

Because we are now living in a global society, it is important to recognize that the immunization of citizens in sub-Saharan Africa or Haiti is as important as vaccinating our own children. Epidemic diseases do not discriminate in whom they infect.

Another aspect of this problem is spending priorities. Currently, almost all the attention and money are going to whatever health crisis is in the public eye, from Ebola to Zika. Money and time are not being spent on the largest problems. For example, in 2015, there were roughly 214 million malaria cases and an estimated 438,000 malaria deaths. In the last reported data from the World Health Organization, Ebola saw about 12,000 cases and claimed 4,493 lives. Obviously, Ebola's impact is far smaller than that of malaria, but it's hard to see that looking at the news coverage.

Developing cures for the headline grabbing disease, making investments in public health organizations and immunization and vaccination programs can have the largest impact on disease control. According to the World Health Organization, for example, increased prevention and control measures have led to a 60 percent reduction in malaria mortality rates since 2000.

Beyond the obvious benefits of controlling such diseases, it has been shown that other ailments like various forms of cancer can be correlated to infectious diseases like hepatitis B and C or the herpes virus. Even influenza shares a correlation to diagnosed cases of schizophrenia.

On top of all this, the anti-vaccination movement has damaged the effort to extinguish diseases like the measles, putting everyone at risk of a possible resurgence of serious illnesses.

The world needs to come together to fight not only diseases and viral infections, but also the knowledge gap that is hampering proven solutions that could help avert a significant health crisis from being implemented.

IMPLICATIONS FOR BUSINESS: Health care is a global issue and, with rising costs and increasing risks, a problem that evolves faster than we can find solutions. This problem presents costs and challenges for businesses and their partners that include lost productivity, increasing insurance premiums, and restrictions on travel or trade.

The risk of pandemics underlines the need to ensure your business is ready for a possible supply chain interruption. Diversifying your supply chain will help maintain your ability to operate.

Finally, companies and governments need to focus on actionable strategies to help prevent pandemics, as well as stunt their spread beyond a localized area.

THE EVOLUTION & GLOBALIZATION OF FREE SPEECH

With the proliferation of online and social media, free speech has come under a new threat, one stemming from the aggression of others.

Before the online phenomena, when someone wanted to share a controversial opinion, there were only limited means of communication. Now that these divisive opinions can reach millions, some content has caused responses that range from verbal threats to actual violence, sometimes committed by lone individuals, sometimes by terrorists groups, and sometimes by governments.

As communications technology continues to evolve, it will be even more important to protect the right to free speech in the face of fear, hate, prejudice and a lack of understanding.

IMPLICATIONS FOR BUSINESS: It is important for businesses to help employees, suppliers, and partners to understand that posts on social media, even from personal accounts, can reflect back on the business. Education and media training, specifically for online media, should become a standard practice for businesses, proactively avoiding situations that include information leaks, rumors, and unauthorized messages or opinions.

DID YOU KNOW?

72 percent of working Americans take off days solely to catch up on sleep—on average five days a year.

THE COMPROMISED CEO: WHAT SHOULD A BOARD DO?

In recent months, the media have carried dozens of stories about erring CEOs who have been forced to walk the plank by their Boards of Directors in the wake of widely publicized accusations of dubious conduct.

Near the top of the current roster of fired chieftains was advertising giant J. Walter Thompson's Global COO Gustavo Martinez, who was ousted after charges of sexual harassment were made against him. In Silicon Valley, Michal Goguen, the senior partner in the powerful venture capital firm Sequoia Capital, was also terminated after sexual abuse charges were filed naming him.

And the CEO of Lincoln Center was bounced following sexual harassment claims by a female colleague. Although hardly everyday occurrences, such incidents occur more frequently than one might suspect.

Accusations made against CEOs have arisen not only from improper relations with employees and contractors, but also from making controversial public statements or for having a reputation for being arrogant, insensitive, verbally abusive, or callous in his or her personal conduct. To this, one might add such offenses as lying to shareholders about personal issues or providing inflated résumés. After disclosures of this nature, companies' share prices almost always drop.

It is also noteworthy that considerable research has found that bad behavior on the part of a CEO often moves down into an organization. The "tone at the top," when left uncorrected, too often spreads throughout a company. That makes it a quandary that Boards ignore at their peril.

Directors are supposed to monitor corporations on behalf of shareholders and, accordingly, should take action to remove offenders when appropriate. However, not infrequently, Boards are faced with the dilemma posed by a CEO whose behavior is perfectly legal but questionable and ignites a great deal of unwanted media attention.

Whether allegations of CEO misbehavior have any basis in fact or not, they have the ability to go viral, grabbing and holding media attention. Regrettably, such charges also appear to have a very lengthy life, often turning up long after the alleged event took place. In such instances, a Board must assess how much any resulting publicity will harm a company.

IMPLICATIONS FOR BUSINESS: CEO misconduct is a tricky, delicate, often confounding issue for most Boards. Acting quickly and quietly, regardless of the issue, is a key.

Sometimes, a sharply worded reprimand or warning can mitigate the fallout. Sometimes more decisive action against the tainted leader is the wisest solution, keeping the media at bay and mollifying a company's various constituencies—most especially, shareholders. Nearly any kind of accusation made against a company's top executive, whether true or false, because of the unstoppable media coverage, is a net negative for the business. There is clear pressure on such firms to do a quality job.

DID YOU KNOW?

The U.S. tax code is now 2.4 million words in length.

THE NEW WISDOM: INVEST IN…YOURSELF?

Virtually every publicly-held company in America has publicly—and often, repeatedly—pledged its allegiance to the axiom that, above all else, shareholders come first. But the trick for companies, of course, is how best to demonstrate to your investors that you mean what you say—an undertaking that is proving especially ticklish in 2016, and one that comes with a surprise twist for one iconic business that may be a lesson for us all.

This is a tale of two threads of thinking on the topic in 2016. The first is the tried-and-true route that most companies still use to reward investors: using free cash flow (or, God forbid, borrowing) to increase dividends and/or repurchase shares. While few would quibble with the utility of a dividend hike, share buybacks are being subjected to a deeper level of scrutiny and questioning in 2016 than at any time in recent memory. While even critics acknowledge that buybacks are a perfectly reasonable solution for some companies in specific situations, as a group tactic they are increasingly under fire as "profits without prosperity," as the Harvard Business Review put it, and from quarters as diverse as politicians, big institutional investors, academicians and journalists.

Indeed, the influential Gretchen Morgenson of *The New York Times* has been on a crusade against buybacks in 2016, writing three separate Fair Game columns that variously termed them "a mirage," "an illusion," and "a shareholder boon (that) can backfire." Summing up her thinking, she quoted one institutional equity valuation firm owner thusly: "Buybacks provide only a one-time benefit, while smart investments in a company's operations can generate years of gains."

And therein lies the rub, and the second thread of thinking on rewarding shareholders. It consists of one simple example writ large in 2016: the rise of Walmart. While so many other brick-and-mortar retailers find themselves on the ropes these days, Walmart is heading in the opposite direction, attracting more customers and boosting its bottom line. And you don't have to search far to find the reason: It decided to invest in itself.

Indeed, in announcing a wholesale restructuring and lowering of guidance last October, Walmart (which does, truth be told, have a buyback plan of its own) also announced a bold and somewhat controversial plan to invest billions of dollars in a new e-commerce initiative, in wage hikes for employees and in a thoroughgoing overhaul and streamlining of its 4,700 stores—the end goal being a "seamless Walmart" that can deliver anything its customers want, any way they want, all while decluttering and streamlining its stores to achieve a "customer-friendly" experience.

Ten months later, when asked to account for its sales and traffic increases in a sparkling Q2 performance while so many retail rivals were floundering, Walmart's U.S. CEO said: "It's not one thing. It's the cumulative result of numerous factors, from improved grocery options, to tidier stores, to better customer service and discounted prices."

The market verdict? Walmart is still trading within a whisker of its 52-week high.

IMPLICATIONS FOR BUSINESS: We are all too aware of the relentless pressures at corporate budget/planning meetings to meet quarterly goals, and the concomitant reluctance to invest in initiatives that won't yield results for some time. Hence the temptation to go short-term and use cash flow to simply buy back shares—a no-brainer that will boost EPS and (probably) share price rather immediately. But as Walmart has proven, investing for the long term, and in yourself—your people, your product lines, your facilities, your R&D—can yield stellar results in months rather than years. What is more, done right, and done boldly without regard for critics who will find fault, it is a gift that has the capacity to keep on giving for years to come.

Worthy of consideration.

THE ERA OF SWEEPING NEW BANK REGULATION IS OVER

This will be disappointing news to millions of voters energized by promises from Bernie Sanders, Hillary Clinton and others to crack down on big banks. "Break up the banks!" was a staple slogan of both candidates in the race for the Democratic presidential nomination. At the Democratic National Convention, Mr. Sanders, Elizabeth Warren and others touted the fact that the party platform includes the restoration of Glass-Steagall and called for the dismantling of financial service firms deemed "too big to fail."

Such steps would mark a new and more aggressive phase in a movement that has transformed the regulatory framework for financial services in the United States since the global financial crisis. Eight years after that historic event, banks are still working to adjust business models and strategies to comply with the requirements of Dodd-Frank and other major reforms. And make no mistake: Regulators are far from done. The U.S. Federal Reserve has signaled it intends to further increase already heightened bank capital reserve requirements, put banks to rigorous tests on liquidity and funding practices, and push big banks to present more credible bankruptcy plans.

But the window for additional major reforms, such as reinstalling Glass-Steagall or breaking up too-big-to-fail banks, likely has closed. Passing Dodd-Frank took enormous political capital, and proponents had to beat back fierce opposition in both Washington D.C. and from the deep-pocketed financial services industry itself. And that battle occurred in the direct aftermath of the worst financial crisis since the Stock Market Crash of 1929, at a time when banks were viewed as villains that had caused the crisis and public opinion was galvanized for a regulatory crack-down.

Perhaps a more progressive politician like Mr. Sanders or Ms. Warren would take up that challenge again, had either become the standard bearer, but a more centrist and practical Hillary Clinton is unlikely to take the risk for a cause that—like her newfound opposition to global trade—has never been a signature issue. Even if a Clinton administration did come forward with a piece of historic legislation, opposition would be fierce. Republicans in Congress have already proposed legislation that would roll back parts of Dodd-Frank now in place. Although those proposals went nowhere, they demonstrate that Republicans are prepared to push back, and Democrats themselves are far from united on the issue.

Of course, there are wildcards that could change this situation dramatically. A new financial crisis could reignite broad anti-bank sentiment and open the door to bank break-ups or a return to Glass-Steagall.

IMPLICATIONS FOR BUSINESS: Despite the populist tone of this year's election cycle, the odds of additional major financial service reforms getting passed by Congress are extremely thin. Short of another market crash, it is highly unlikely that either Hillary Clinton or Donald Trump will even propose or back such a bill. In fact, for the first time in many years, be on the lookout for movement in the opposite direction. Democrats and Republicans have both endorsed plans to reduce the regulatory burden on struggling community banks.

One bank CEO has compared the task of handling post-crisis legal and regulatory issues as "chopping though a woodpile." If indeed the era of sweeping new regulation is over, most of the hardest chopping has been done, and banks will now concentrate on building profitable business models under the current regulatory framework. There are signs that U.S. banks are returning to health: Bank stock prices climbed over the course of the summer, and most big banks have passed Fed stress tests and announced increases to dividends and share buybacks. Those developments will not assuage the concerns of those hoping for stronger measures to rein in big banks, but a strengthening bank sector is good news for U.S. companies and the economy as a whole.

THE POOR ARE BECOMING POORER

Income inequality is rising in the United States, and the gap between the wealthiest 1% of Americans compared to the majority of income earners is now at unprecedented heights. There is no question that the American middle class—long considered the backbone of the nation—is dwindling in size, and that is an unhealthy trend.

Now here is more bad news: According to the Census Bureau, the percentage of Americans living in poverty is higher today than it was in the late 1960s.

While the nation's growing poverty level may be attributed to a multitude of causes, the factor that is most influential in determining a person's economic status is very simply the environment in which he or she grows up. Wealth tends to perpetuate wealth from generation to generation, and so unfortunately does poverty.

An analysis focused on Baltimore tracked about 800 students from the first grade through their late-20s. It found that only 4% of children from low-income families achieved a college education, compared with 45 percent of children from higher-income families. Cultural environment and surroundings determine available opportunities and govern how a child will perceive his or her social standing.

IMPLICATIONS FOR BUSINESS: When an economy is burdened by high numbers of poor people and struggling families, it is unhealthy for business. Redressing the imbalance is in the nation's long-term interest, and while the effort must be led by Washington, the business community should make its concerns known to Congress and the White House, and assist in any way it can.

DID YOU KNOW?

The U.S. now holds more recoverable oil reserves
than either Saudi Arabia or Russia.

WHY MUSLIMS ARE THE FASTEST-GROWING RELIGIOUS GROUP

By the end of the 21st century, Muslims could outnumber Christians for the first time in history.

Christianity is currently the world's largest religion, making up a third of the total population with 2.2 billion adherents. But Islam is the fastest growing religion. It will make up 30 percent of the world population by 2050, compared with just 23 percent in 2010. That means the number of Muslims will almost equal the number of Christians by mid-century and will surpass Christianity by 2100.

The major reason for Islam's growth is simple demographics.

Muslims have more children than members of the seven other major religious groups. Each Muslim woman has an average of 3.1 children, considerably above the next-highest religion (Christians at 2.7) and the average of all non-Muslims (2.3). In all major areas where there is a sizable Muslim population, their fertility exceeds that of non-Muslims.

This projected growth also has to do with the relatively young age of Muslims compared with other religious groups' aging populations. Among Buddhists, for example, half are older than 30 and the average birth rate is 1.6. By contrast, in 2010, a third of the Muslim population was under 15.

Religious conversions are expected to limit the growth of some groups, but are not expected to have a net impact on Islam. In comparison, between 2010 and 2050, Christianity is expected to have a loss of more than 60 million adherents worldwide because of religion switching.

IMPLICATIONS FOR BUSINESS: If the world population is on its way to becoming more Muslim, it would be wise for businesses to know more about Islam and the Muslim way of life.

WORLD'S POPULATION IS SHIFTING TOWARD NON-WHITE, NON-EUROPEAN NATIONS

Dramatic changes are ahead for the world's population, and they will take place faster than people expect.

China and India will continue to be the two most populous countries, with China now representing 19 percent and India 18 percent of the world's population. But by 2022, India is expected to surpass China, which now has an estimated 1.4 billion people.

Africa is fast overtaking Europe. It already has the highest population growth rate, and is expected to account for more than half the world's growth between now and 2050. By 2100, 10 African countries are expected to have increased their populations by at least five times: Angola, Burundi, the Democratic Republic of Congo, Malawi, Mali, Niger, Somalia, Uganda, Tanzania, and Zambia.

By 2050, Africa's population will have added 1.3 billion people, to reach 2.4 billion. Within that same time period, Europe will lose 32 million people. A quarter of Europeans are now 60 or older.

Slower population growth is due to lower fertility rates, which cause the proportion of older people to increase over time. That decline has been going on in virtually all areas of the world—even in Africa, where fertility is highest. Globally, the number of people aged 60 or above is expected to more than double by 2050 and more than triple by 2100.

In the United States, the population is expected to grow by 67 million by 2050 to more than 391 million. That growth will be largely among Hispanics, Asians, and African-Americans. In each of the past four years, non-Hispanic white Americans have recorded more deaths than births.

IMPLICATIONS FOR BUSINESS: The world will be a very different place in 2050, and even more so by 2100. Businesses will need to step up their planning to stay competitive. They will need to carefully reexamine their practices concerning hiring, locating facilities, and targeting their products and services to tomorrow's customers.

THE MILLENNIAL GENERATION'S DIFFERENT DEFINITION OF DIVERSITY

Millennials, America's youth born between 1982 and 2000, now number 83.1 million, more than one quarter of the nation's population. They have a definition of diversity and why it is not only essential, but required, to achieve business success that is different from previous generations. They view it as the combination of different backgrounds, experiences, and perspectives within a group, which they call "cognitive diversity."

They also use that phrase to describe the ways in which they think this combination of distinctive traits can conquer challenges and achieve business goals. Millennials view cognitive diversity as a necessary constituent for innovation, and are 71 percent more likely to focus on teamwork when they think it's operating.

Millennials are unique in viewing cognitive diversity as essential for a comprehensive business culture that supports engagement and empowerment.

They reject the traditional programs that organizations use to promote inclusiveness. Instead, Millennials value inclusion not as an end unto itself, but as a significant device that increases competitiveness and growth. As Millennials enter the leadership ranks, they will demand a shift in traditional diversity and inclusion models.

Inclusion for boomers and gen-Xers, on the other hand, is the practice of bringing individuals of all genders, races, religions, ethnicities and sexual orientations into the workplace. It's a moral and legal imperative—the right thing to do to achieve compliance and equality, regardless of whether it benefits the business.

Why is this distinction important? In 10 years, Millennials will comprise nearly 75 percent of the workforce.

This disconnect between the traditional definition of diversity and the millennial definition is already causing workplace frictions in the form of clashes with managers and upper-level executives who often don't allow Millennials to express themselves freely. One study revealed that while 86 percent of Millennials feel that the freedom to express differences of opinion allows teams to excel, only 59 percent believe their leaders share this point of view.

This, in turn, can be a hit on the company's balance sheet. An often-cited study has pegged the cost of disengaged employees at up to $350 billion per year in lost productivity.

IMPLICATIONS FOR BUSINESS: Millennials comprise 30 percent of the voting age population, and 38 percent of the working population. Among racial minorities their numbers are even more striking: 27 percent of the total, 38 percent of the voting age population, and 43 percent of the working age population.

Simply put, they are the future.

Millennials want acceptance of their opinions, and unlike older generations, they feel no need to downplay their differences in order to get ahead. Millennials are refusing to check their identities at the door, and they strongly believe these characteristics bring value to the business.

DID YOU KNOW?

Fidel Castro turned 90 August 13. Raul Castro is 85.

U.S. AND CUBA: A DELICATE DANCE

U.S. relations with Cuba continue to improve slowly but surely, with perhaps more emphasis on the slowly than surely. However, progress is occurring:

- Commercial airline service to Cuba resumed August 31 after a hiatus of more than five decades when JetBlue began service from Fort Lauderdale-Hollywood International Airport to Santa Clara, Cuba. Silver Airways and American Airlines are beginning service from Miami to five destinations in Cuba during September.

- Though American "tourism" is still prohibited, the number of Americans visiting the island has surged under exemptions to the ban—from Cuban-Americans visiting relatives to medical and religious missions to cultural exchanges and "people-to-people" visits. More than 450,000 U.S. citizens or residents were among the 3.5 million tourists to visit the island last year. Total American visitors through June grew 26 percent from the first half of 2015 to about 304,000, making them Cuba's second-largest tourist contingent after Canadians.

- Florida-based Stonegate Bank signed the first deal to set up a correspondent banking account in Cuba. The bank is now offering a Debit MasterCard that can be used at any of Cuba's 10,000 hotels, restaurants and other card-accepting merchants.

- The U.S. and Cuban governments have granted an Alabama company permission to build tractors in Cuba, making it potentially the first American manufacturer to open shop in Cuba since the 1959 revolution. The planned factory at the Cuban port of Mariel, just west of Havana, will build small tractors for sale to private farmers and builders in Cuba.

- Airbnb now has some 4,000 rental listings in Cuba.

Still, after more than 50 years of hostility, significant challenges remain, primarily in two major but very inter-related areas—politics and economics.

Among the challenges:

- Compensation claims. Cuba and the U.S. are accelerating discussions to try to settle hundreds of billions of dollars in claims made against each other over the past six decades. The Castro government is seeking hundreds of billions for what Cuban officials said were the economic and humanitarian costs of the U.S. trade embargo on Cuba.

- Nearly 6,000 certified U.S. claimants, meanwhile, are seeking compensation for assets nationalized following the 1959 Cuban revolution. This amount is estimated to be around $8 billion, according to U.S. officials.

- Human rights. The Havana-based Cuban Human Rights and Reconciliation Commission, the island's oldest and most respected non-governmental human-rights monitoring group, says short-term political detentions have gone up from a monthly average of 718 last year to a monthly average of 1,095 during the first six months this year. The number of political detentions skyrocketed during the months before and after President Obama's visit to the island in March.

- The embargo. Despite improvements in relations, the U.S. trade embargo remains intact and, since approved by Congress, can only be changed by Congress. Most types of trade with the island remain prohibited, a continuing thorn in the side of Cuba.

Lending urgency to these issues for Cuba is the crisis in Venezuela, traditionally one of Cuba's closest allies, and which for 15 years has supplied unspecified amounts of cash and about 90,000 barrels per day of oil—half of Cuba's energy needs. Havana in return sold medical and other professional services to Caracas. Reports are that oil deliveries to Cuba are down a fifth from last year.

One result is that President Raul Castro warned last month that the country faces sharply slower growth this year, as the economy expanded by a mere 1% in the first half of 2016. Cuba has begun cutting back on energy use, primarily in government offices, where workers are being told to leave early and limit the use of air conditioning.

So the question is to what degree market reforms will move forward more aggressively given the government's commitment to socialism and its pressing economic needs, especially with the economic situation in Venezuela.

IMPLICATIONS FOR BUSINESS: While tourism and trade are opening up to some degree, it will not be an easy or fast process on either side of the Florida Straits, as the U.S. trade embargo remains in place for now and Cuba remains committed to its socialist model. Those wishing to do business on the island should seek out those already experienced in doing business in Cuba, versus suddenly entertaining lofty expectations.

DID YOU KNOW?

Earth is the only planet not named after a god.

TRADE OUTLOOK, EUROPEAN PARTNERS

The result of the Brexit referendum, and the related backlash against the global open economy, threatens to disrupt Britain's relations with its main European trading partners, including Germany, France, Italy, the Netherlands, Spain and Portugal.

Eurozone GDP, according to the Washington D.C.-based International Monetary Fund, is now expected to grow 1.6% this year and just 1.4% in 2017, down from a 1.7% expansion in 2015, "mainly due to the negative impact of the U.K. referendum." That compares with IMF forecasts before the Brexit vote of 1.7% growth for the eurozone this year and next. (The IMF repeatedly warned before the referendum of the negative economic consequences of Brexit.)

British industry is highly integrated with its European Union neighbors. Its manufacture of car components, for example, is critical to Germany, home to Europe's largest car industry. German car companies and their suppliers operate more than 100 factories in Britain.

Britain is Germany's No. 1 export market for cars. Britons spent a staggering €22 billion in 2015 on more than 800,000 BMWs, Mercedes, Volkswagens and other German cars. Britain's investments in the auto industry were made when it was firmly part of the EU's single market—without tariffs, border checks or customs declarations.

Now Britain's status is unclear. It could well lose its open access to Europe's markets once it triggers Article 50 of the European Union Treaty: its anticipated two-year exit from the EU, an action expected later this year. Already, analysts have lowered forecasts for German car sales in Britain, mainly because of the post-Brexit vote and 10 percent plunge in the British pound against the euro.

If trade barriers return, as some analysts predict, the changes would be wrenching. BMW, which ships Minis from its factory in Oxford, England, to mainland Europe, might have to shift production to the Netherlands. Opel could well make more of its Astra cars in Poland instead of Liverpool.

Brexit has unleashed an economic and political earthquake across the region, with Europe's populists suddenly empowered. The economic impact reaches far beyond Britain's borders. Because of its close ties with Britain and its tremendous dependence on exports, Germany will likely be the one country other than Britain to feel the greatest effect. Its exports represent 47 percent of GDP, significantly higher than France (30 percent) or Britain (27.4 percent).

How Britain and its neighbors navigate such difficult trade currents will determine the fate of Europe's future prosperity. For the moment, the picture remains unclear.

British Prime Minister Theresa May says that "Brexit means Brexit," underlining her desire to implement the vote even though she argued against it. There are many different interpretations about what the term means. In theory at least, every sovereign member of the European Union has a right of veto over the terms of Britain's exit from the group. Such considerations may make even a two-year exit process a challenging timeline.

IMPLICATIONS FOR BUSINESS: Business leaders with interests in Europe will need to monitor and assess the evolving negotiations between Europe's most powerful nations closely and carefully. Given the uncertainties in Europe, it may be a good time for business to re-evaluate its strategy. The U.K. and other European governments may well be willing to offer business more incentives to attract needed investments to bring the jobs and growth that Europe so badly needs.

BREXIT POSTSCRIPT

Britain is scrambling to ensure that the effects of its unexpected June 23 referendum vote to leave the European Union do not cause an economic downturn or even a recession.

Following Brexit—as the U.K.'s decision to leave the European Union is known—the Bank of England on August 4th cut interest rates by 0.25% to 0.25%, its first interest rate move in more than seven years. Britain's central bank also lowered its economic growth forecasts.

The fallout from the historic Brexit vote quickly changed Britain's political leadership with the resignation July 13—after six years in office—of Conservative (Tory) Prime Minister David Cameron. Mr. Cameron had called the referendum on Britain's EU membership in response to years of growing anti-EU pressure within the Conservative party. His close ally, George Osborne, the Chancellor of the Exchequer, as the British finance minister is known, also resigned.

Theresa May, the new prime minister, served as Mr. Cameron's Home Secretary from May 2010 until July 2016, the longest tenure in that office in generations. Mrs. May was widely seen as an experienced and moderate leader to restore calm after weeks of unprecedented British political turmoil around the Brexit vote. The close 52 percent-48 percent vote exposed significant divisions in the United Kingdom, highlighting EU support in the prosperous London and South East region, Scotland and Northern Ireland, and disaffection in the less prosperous and more industrial Midlands and North of the country.

Mrs. May has pledged to heal such divisions. A former Bank of England official, Mrs. May was elected Conservative MP for Maidenhead, near London, in May 1997. An Oxford graduate with experience in the payments industry, Mrs. May has emphasized her administration's wish to ensure that the whole country shares in prosperity, recalling the traditional creed of "one nation" Tories.

Speaking outside 10 Downing Street, the British prime minister's residence, as she took office, Mrs. May said it would be her mission to "build a better Britain" for all citizens. Mrs. May is the U.K.'s second female prime minister, after Margaret Thatcher who led Britain's government for 11 years (1979-1990).

Mrs. May has appointed a new Conservative (Tory) government that represents the winning Brexit faction yet includes many Tory leaders—who, like Mrs. May—voted to 'Remain' in the European Union. She appointed Boris Johnson MP, one of the leaders of the Brexit or 'Leave' campaign, her Foreign Secretary.

The two-year Brexit process, overseen by no less than three British ministers, will begin only once the U.K. applies to leave the economic club. Successfully extricating Britain from the EU while retaining most if not all the benefits of the single European market will be the greatest challenge for the May government, while ensuring it retains London's position as Europe's premier financial center.

IMPLICATIONS FOR BUSINESS: Companies that have interests in the United Kingdom and the countries on the continent of Europe will need to monitor closely the Brexit negotiations between London and Brussels and other European capitals. It will take years to disentangle the U.K. from the EU, and already many question whether it is possible or perhaps even desirable fully to separate the U.K. from the EU. Other major European countries—notably France and Germany—have their own ambitions to take over pieces of the U.K.'s successful international financial services businesses. There will likely be several years of uncertainty as negotiations continue. This is likely to result in under-investment and provide good openings for other regional financial centers such as Frankfurt, Amsterdam, Dublin and Paris.

THE FAR RIGHT RISES IN EUROPE, DRIVEN BY FACTORS FAMILIAR TO AMERICANS

In Europe, a toxic brew of events—the flood of refugees from the Mideast and Africa, economic stagnation, a steady stream of terrorist attacks, disillusionment with the European Union, and the United Kingdom's recent Brexit vote—has fueled what not so long ago seemed unimaginable: The rise of far right political parties in nations across the continent.

Austria, France, Germany, Greece, Hungary, the Netherlands, Poland, Sweden—all these countries and more have seen far right parties make significant gains in recent elections. In some places, they either have gained power or threaten to do so.

In Poland, the nationalist Law and Justice Party controls the parliament. In Hungary, Prime Minister Viktor Orban and his Fidesz Party are moving increasingly toward authoritarian right-wing rule. In Austria, there's a good chance a rightist candidate will win the rerun of last spring's presidential election (a Green Party candidate appeared to win the original vote, but that result was overturned because of widespread ballot fraud.) And French pundits are virtually unanimous in predicting that while Marine Le Pen, leader of the anti-immigrant National Front, will not win, she will get to the final round of next year's presidential election.

Brexit—the vote to exit the European Union—doesn't necessarily mean there's a shift to the hard right in Britain. True, the prime minister who called the referendum, David Cameron, resigned after a result he had opposed came in. But his successor, Theresa May, is a member of the same Conservative Party, so the political weight of the country remains moderate centrist.

Still, Brexit was propelled by the United Kingdom Independence Party, which waved the anti-immigrant flag throughout the campaign, thereby aligning itself with the continent's rightist movements and giving xenophobic politics an added boost. How successful UKIP will be in future elections remains to be seen, but for now it cannot be dismissed as a potential force.

Anyone looking at the rightward shift in European politics is bound to see similarities with current American politics. The belief that immigrants are stealing jobs, degrading the culture and committing terrible crimes; the anger at a political system that seems rigged in favor of the wealthy; the conviction that globalization is destroying the economy, and the certainty that regular people are disrespected by distant elites—all the factors that are roiling Europe have also fueled the candidacy of Donald Trump and, other than the immigration issue, Bernie Sanders.

Does this mean the U.S. is about to tilt to the extreme right like so many European nations? History indicates that isn't likely to happen. Americans have always made reasonable choices.

IMPLICATIONS FOR BUSINESS: Yet, the question for both Europe and the U.S. is how well can leaders respond to the social and economic angst that is driving today's politics. The rise of extremist parties is troubling for anyone doing business in Europe, but the exact circumstances vary from country to country, and conditions can certainly change. Gaining a thorough familiarity with the political situation and proceeding prudently when caution signals are flashing seems the best approach.

DID YOU KNOW?

0.002% of college sociologists are judged conservative
(12 out of 6,000 surveyed.)

FOR AN IMPERILED NEWSPAPER INDUSTRY, THE NEWS JUST KEEPS GETTING WORSE

The long-troubled condition of American newspapers became even more troubled during the past year. According to a Pew Research Center report on "The State of the News Media 2016," the key indicators for the industry not only continue to head south, but appear to be moving at an accelerating rate.

For example, circulation figures showed their greatest decline since 2010, with weekday sales down 7% and Sunday down 4%. Circulation determines advertising rates (the more copies a newspaper sells, the more it can charge for an ad, and vice versa) and so it's no surprise that ad revenues saw their greatest drop since 2009, down nearly 8%.

As might be expected, the continuing decline in revenues has led to staff reductions, mergers and closings. Pew reported that "the overall newspaper workforce has shrunk by about 20,000 positions, or 39 percent, in the last 20 years. And three newspaper companies—E.W. Scripps, Journal Communications and Gannett—are now one, reflecting a trend toward consolidation in the industry." As for closures, Editor & Publisher's DataBook listed 126 more daily newspapers in 2004 than in 2014.

The newspaper industry's decline began in the 1960s when television started to cut into its ad revenues and, to a lesser extent, circulation. But far and away the most serious blow has been the explosive growth of the Internet over the past 25 years. Virtually every paper in the country has sought to counter the digital invasion by going online, and many have enjoyed considerable success in attracting readers. Pew's 2016 report found that "most of the newspaper websites . . . experienced growth in traffic, and mobile traffic in particular."

But the challenge is finding ways to monetize those online visitors. People don't like to pay for news on the Internet so paywalls are not well received. And digital ads on the papers' websites, while welcome, just don't bring in that much revenue.

The one strategy that is working well, particularly for papers in smaller markets, is concentrating on local news. No one can cover events like school board meetings, city council debates or church socials as well as a local newspaper, so the ones that make this their specialty usually attract the readers and advertisers they need to stay solidly profitable.

IMPLICATIONS FOR BUSINESS: Whatever one's personal opinion of the news media, the downward spiral of the newspaper industry is not a healthy development for the nation. A properly functioning democracy depends in large measure on a well-informed public, and since newspapers still continue to do most of serious news reporting in the U.S., their decline has serious ramifications. No one is hitting the panic button yet—the industry is far from being on its death bed—but this is a development to be watched with concern.

THE NUCLEAR ACCORD IS HOLDING BUT IRAN REMAINS A TROUBLESOME NATION

There's good news and bad news about America's relationship with Iran.

The good news is that the 14-month-old agreement to dismantle the Iranian nuclear weapons program appears to be working.

According to the International Atomic Energy Agency, which is monitoring the pact, Iran has, among other steps, slashed its stock of 19,000 centrifuges by two-thirds, drastically reduced its stockpile of enriched uranium, and filled the core of a key heavy-water reactor with concrete. Iran could always revive its program, of course, but experts believe it would need more than a year to develop a nuclear warhead instead of just three months, an obviously crucial time difference.

These developments have convinced several Israeli officials to state publicly that Iran no longer poses an existential threat to the Jewish state. Former Defense Minister Moshe Ya'alon has framed it in exactly those words, and so in slightly different language has Lt. Gen. Gadi Eisenkot, chief of the Israel Defense Forces. Even Prime Minister Benjamin Netanyahu, once the agreement's most vehement opponent, seems to have gone silent on the subject, although he remains adamant that Iran is a permanent threat to Israel because of its ability to destabilize the Middle East.

Netanyahu has a point, and that's the bad news. Iran continues to support President Bashar al-Assad's murderous regime in Syria. It is the chief patron of Hezbollah, the terrorist organization that is Israel's sworn enemy. It is engaged in a bloody proxy war in Yemen as part of its ongoing rivalry with Saudi Arabia. And perhaps most disturbing, Iran is pursuing a ballistic missile program that could make it a threat to its neighbors. (It should be noted, however, that the Iranians are cooperating with the U.S. to destroy ISIS in Syria and Iraq, further evidence of how complicated Middle East relationships can get.)

U.S. policy under President Obama has been to treat the nuclear agreement as the first step toward convincing Tehran to give up its belligerent isolationism and become a functioning member of the international community. There are several reasons to think this strategy can eventually succeed—and several reasons to think it can't.

Working in its favor is the fact that Iran has a large population of well-educated young people who want to engage with the West to open up their closed society and create the jobs they desperately need. They are supported in this by President Hassan Rouhani, who has staked his political career on the improvements he hopes will flow from the end of sanctions. The hope of getting the sanctions lifted was Iran's chief motive for agreeing to the nuclear deal.

The expected boom has yet to materialize, however. One problem is that while the U.S. has kept its word about ending the sanctions specified in the nuclear accord, it is keeping many others in place to punish Iran for its human rights violations and support of terrorism. One of these sanctions penalizes European businesses that engage in financial transactions with Iran, and that's a turnoff for potential European investors there. And the economic uncertainty following Great Britain's Brexit vote makes many business people unwilling to take chances right now, especially in a place like Iran.

Then there is the fact that ultimate power in Iran rests in the hands of hard-line Muslim clerics supported by the brutal and corrupt Revolutionary Guards, all of whom are implacably hostile to the West. Even if every sanction on Iran were to disappear tomorrow, these reactionary forces undoubtedly would do everything in their power to keep their country isolated.

The next big event on the calendar is a vote in Congress to renew the U.S.'s current sanctions on Iran, which expire at year's end. Republicans want to ratchet them way up in hopes of undermining the nuclear agreement. But to do that they need to win over enough Democrats to reach 60 votes in the Senate, and that's not likely to happen. The more probable outcome is renewal of the existing sanctions without changes. If that happens, the nuclear pact will stay in effect, which means the one thing everyone in the West wants to prevent—Iran's getting its hands on nukes—will remain forestalled for the foreseeable future.

<u>IMPLICATIONS FOR BUSINESS:</u> The only U.S. company that has conducted significant business with the Iranians in the past year is Boeing, which has a tentative agreement to sell them more than 100 aircraft for $25 billion. That deal has run into strong headwinds, however, including two measures aimed at killing it that the Republican-run House has passed.

The lesson seems clear for companies interested in getting into a market of more than 80 million people, many of them eager for Western goods and services: The opportunities in Iran are great, but for the time being, caution is the watchword.

DID YOU KNOW?

22 million adults ages 18-24 are still living with their parents.

VENEZUELA: FROM BAD TO WORSE

"Socialism builds and capitalism destroys."

--Hugo Chavez, former president of Venezuela

"The Venezuelan people will never abandon the ideals President Chavez gave us. Modestly, we contribute to ensure the stability of the region."

--Nicolás Maduro, current president of Venezuela

The situation in Venezuela continues to worsen:

- According to the International Monetary Fund and World Bank, Venezuela's economy will shrink this year by 10 percent, the most in more than a decade, as the population struggles with food shortages and opposition to President Nicolás Maduro gains force.

- Crime is rampant. While figures vary, the homicide rate is pegged at anywhere from 58 per 100,000 to as many as 90 per 100,000 people. (For comparison, the homicide rate in the United States is about 5 per 100,000.)

- Consumer prices are expected to increase more than 700 percent this year—the nation has the worst inflation and growth performance in the world.

- On a given day, crowds form to sack supermarkets. The poor are stripping mangoes off the trees. About 87 percent of people say they don't have enough money to buy food, according to a recent study by Simon Bolivar University.

- Venezuela's President Maduro has now put the armed forces in charge of a new food supply system aimed at alleviating crippling shortages, ceding yet more power to a military apparatus that is already involved in everything from banking to imports.

Sinking oil prices, government price and currency controls, and nationalization of private business have all helped generate the crisis. However, things may actually get worse before they improve.

As the military plays a stronger role in the nation's affairs, while still technically a democracy, political change appears unlikely short-term.

Petitions for a referendum to remove Maduro from office are gaining strong momentum for the 4 million signatures needed. However, the country's electoral commission has suggested that if the petition drive is successful, the referendum would be held next year. Under the Venezuelan constitution, Venezuelans can elect a new president if the referendum is held before January 10 of next year. But if the vote happens after that date, and Maduro loses, his vice president would serve out the remainder of his term, which would keep the country's government in power until at least 2019.

Adding to the political unrest is the recent decision by a Venezuelan court in August to uphold the 14-year sentence of opposition leader Leopoldo López for allegedly inciting violence that led to deaths in anti-government protests in 2014. Many, including the U.S., European Union and United Nations, have condemned the judicial process that convicted him.

IMPLICATIONS FOR BUSINESS: Leading international businesses have fled the country, including Kimberly Clark, Bridgestone, Procter & Gamble and General Mills, due to the difficulty of doing business there. Until there is significant change in the government or its economic policy, doing business in Venezuela will continue to be a no-win situation for private enterprise.

INVESTORS CARE MORE ABOUT SUSTAINABILITY THAN EXECUTIVES THINK

Many of today's corporate executives don't seem to have caught up with the fact that investors are concerned about whether their companies are behaving sustainably.

While socially conscious investing has existed for decades, it has recently made major headway. For example, financial firms BlackRock and Goldman Sachs launched investment products last year that took into account environmental, social and governance (ESG) factors.

According to a survey by MIT Sloan Management Review (MIT SMR) and the Boston Consulting Group (BCG), 75 percent of senior executives at global investment firms agree that a company's sustainability performance is materially important to their investment decisions.

Larry Fink, Chief Executive Officer of BlackRock, the world's largest money manager with $4.6 trillion under management, said in a letter to the CEOs of S&P 500 companies and large European companies early this year: "Generating sustainable returns over time requires a sharper focus . . . on environmental and social factors facing companies today . . . Over the long-term, environmental, social and governance (ESG) issues . . . have real and quantifiable financial impacts."

However, that message seems to have gotten through only partially to managers at publicly traded companies. Just 60 percent of them in the MIT SMR-BCG survey said they believe that sustainability practices in publicly traded companies have an impact on investment decisions. Only 60 percent of the companies in that survey have a sustainability strategy in place, and just 25 percent have generated a business case for sustainability.

Still, the trend for sustainable investing builds, and some investors believe it is spurred by an increased availability of ESG data, which enables them to analyze companies individually, rather than having to eliminate entire sectors based on their values. And the U.S. Labor Department last October ruled that managers of pension funds and 401(k) plans may consider ESG factors in their investment decisions.

IMPLICATIONS FOR BUSINESS: While socially-responsible investing has long occupied a niche in the investment scene, what is now called "sustainable investing" has reached critical mass as a factor investors consider. Public companies would be well advised to develop sustainability profiles of their businesses and communicate them carefully and thoroughly to investors.

IT'S NOT EASY BEING GREEN, BUT CLEAN AIR IS VITAL TO HEALTH AND PRODUCTIVITY

What makes for a "green building" and why is it important? And why is it better to work in a green building than one that isn't so green? As with other sustainability issues, the trend for green buildings has been growing.

A building can be green in two ways.

It can be built using processes that are "environmentally responsible and resource-efficient through the building's life cycle," according to the U.S. Green Building Council (USGBC). The organization maintains the LEED, or Leadership in Energy and Environmental Design certification program that guides the buildings' design and construction toward sustainability.

Buildings can also be green in how they affect the health and productivity of the people inside them. On that scale, a green building is the opposite of one suffering from "sick building syndrome"—a situation in which a building's occupants suffer acute health- or comfort-related effects that seem linked directly to the time spent in the building.

Much of whether a building is green or sick relates to the air its occupants breathe. A study led by the Harvard T.H. Chan School of Public Health's Center for Health and the Global Environment found that people who work in well-ventilated offices with below-average levels of indoor pollutants and carbon dioxide (CO_2) have significantly higher cognitive functioning scores.

The system used to purify the air in office buildings therefore becomes a major consideration in designing a structure that promotes worker productivity. Today, systems using a technology called bi-polar ionization are finding increased favor from building management companies, architects and engineers.

Providers of the bi-polar systems cite data indicating they remove 95 percent of ultra-fine particles and up to 90 percent of volatile organic compounds, while reducing costs, since less outside air then needs to be pumped into a building.

IMPLICATIONS FOR BUSINESS: While green buildings and the air that people inside them breathe are generally left to design, construction and HVAC professionals to manage, workers' health and productivity are a major concern for employers. Businesses might be well advised to take an active interest in the health of the spaces their employees occupy.

DID YOU KNOW?

Some 1,685,210 new cancer cases are expected to be diagnosed in the U.S. in 2016, and about 595,690 Americans are expected to die of cancer this year, which translates to about 1,630 people per day. The most common type of cancer is breast cancer, with more than 249,000 new cases expected in the United States in 2016. The next most common cancers are lung cancer and prostate cancer. Cancer is the second most common cause of death in the U.S., exceeded only by heart disease, and accounts for nearly 1 of every 4 deaths.

NEW WEAPONS IN THE WAR ON CANCER: CAR-T AND CRISPR

Two new treatments for cancer that use the body's own immune system to fight the disease (actually a group of diseases) are showing promise.

The first, known as CAR-T, is a therapy that involves removing millions of patients' T-cells, a type of white blood cell essential to the body's immune system. The cells are then genetically reengineered with special proteins, called Chimeric Antigen Receptors (hence CAR), to specifically target tumors when reintroduced into the patient.

Some are calling it the "fifth pillar" of cancer treatment in addition to surgery, chemotherapy, radiation and drugs targeted to molecules that support specific cancer cell growth.

The approach has been used only in small clinical trials thus far, but treatments using the engineered immune cells have generated some remarkable results, including where many patients' blood cancers have disappeared entirely.

Still, much work remains to be done.

For now it has only been proven effective for certain types of blood cancers versus solid tumors, and there are potentially lethal side effects. Just recently, a clinical trial was halted after three patients died from swelling of the brain. The cause was later identified as a certain drug given in prior chemotherapy to eliminate existing T-cells in the body so the reengineered T-cells could do their work. The trial has since resumed without the one chemo drug.

Given that the therapy has only been in use a short period of time, it remains to be seen how long patient cancers will remain in remission. But there is optimism.

In addition to CAR-T, a federal panel has approved the first study in patients of a genome-editing technology, CRISPR-Cas9, to attack three kinds of cancers. The technology would further re-engineer the T-cells to make them even more effective against tumors by altering two genes in the T-cell.

IMPLICATIONS FOR BUSINESS: U.S. science and medicine continue to generate major advances in treatment of some of the most difficult diseases, but there remains the question of at what price will these therapies be brought to market and be affordable for government and business health plans?

TECHNOLOGY ELIMINATING JOBS?

Contrary to popular belief, technology is not eliminating jobs. Instead, automation, robotics, and computer learning are changing the job landscape and evolving what a "traditional" workplace is. Just as with past decades of assembly line, computer and other technology advances, automation will eliminate some jobs, but it will also create new jobs at close to a commensurate rate.

The World Economic Forum (WEF) conducted a survey to assess the consequences of robots and automation, which covered 15 economies from around the globe, accounting for approximately 1.86 billion workers, or 65 percent of the world's total workforce. The results provided direct information on the expected relative employment changes to job families over the period 2015–2020. From there, it is possible to extrapolate the estimated net jobs in absolute worldwide terms. According to WEF, we could see a net loss of 5.1 million jobs lost to disruptive labor market changes.

Although that number could seem large on the surface, it would represent a rise in unemployment of only 0.3%. On a global scale, this change would be almost immeasurable considering the margin of error in most unemployment calculations. It should be noted that this change is smaller than the normal churn of the job market that includes people changing positions, quitting or being fired. Although the job loss will not be catastrophic, some industries will be significantly affected by specific technologies. For example, when a self-driving car or public transit mode becomes viable, taxi and car-service driving could become redundant and disappear as professions. Looking beyond to 2050, anything is possible and we could see a combination of artificial intelligence and robotics performing the majority of what we consider "work" today. But, as the human species is known to do, our society will evolve to integrate with these major lifestyle and cultural changes, and with the way technology progresses, these changes are almost impossible to predict, but they will not happen overnight.

For the immediate future, between now and 2025, we are not at risk of a massive unemployment boom. When thinking about the challenges of autonomous technology taking over tasks that were performed by human workers, it is important to avoid the idea that the sky is falling and focus instead on the need for businesses and workers to adapt to changes. Just like the computer replacing the typewriter, and assembly line replacing the single craftsman, change happens and we adapt.

IMPLICATIONS FOR BUSINESS: Because the job landscape and employment requirements are evolving, businesses need to invest more in talent, even for entry level positions. Professional development opportunities have been generally limited to specific industries and white collar workers, but with the pace of innovation in all aspects of business, costs of training employees will focus on talent retention.

INTERNET 2016

In the past year, mobile web traffic has eclipsed desktop operating system traffic for the first time. With smartphone growth remaining steady, especially in emerging markets, the traffic and potential customers on mobile devices is an essential segment of the consumer market.

Although mobile internet users are growing, mobile ad-blocker use has also skyrocketed in the past year. A few years ago, the use of mobile ad-blocking software was relegated to a small percentage of tech savvy users. Now, in 2016, mobile ad blocking tools have matured and become mainstream, some of them even built into mobile operating systems. With mobile advertising now accounting for a third of all online ad spending, the proliferation of mobile ad blocking will require advertisers and mobile/web developers to adjust the way they reach users. One example of an alternate way to reach mobile users was the use of "Poke Stops" and physical location for players to find items in-game, attracting users playing the ultra-popular Pokemon GO app to their business.

In the online advertising market place, two major players are solidifying their seats at the top of the market. Google dominates online advertising, earning almost $30 billion from pay-per-click ads, which is about equal to all other platforms combined. But Facebook has now managed a whopping 59 percent year-on-year growth, taking ad revenues to $8 billion. In addition, Facebook has announced a plan to allow businesses to leverage the company's data to deliver targeted ads on other sites, outside of the social network, which would be purchased through Facebook.

Messaging apps are now considerably outstripping the growth and use of established social networks like LinkedIn, Twitter and Instagram. Monthly users of messaging app WhatsApp now total more than 1 billion, and Facebook Messenger and WeChat are not far behind. This growth is following the trend of users looking for more personal communication though messaging apps instead of broadcasting to everyone on one's social networks. The growth of messaging apps is impressive, but monetizing these platforms will be a key challenge for the owners of these services in 2016 and beyond.

Similar to messaging apps, Snapchat has had a meteoric rise in the world of social media. From almost no traffic or attention in 2012, the platform now accounts for a third of daily photo shares. Snapchat, which is designed for photos and videos on the service to be viewed only once, is an excellent platform for business to reach customers, especially Millennials and younger people. However, because of the structure of the platform, it is not relevant for B2B businesses.

Video has continued to gain importance, with new players like Snapchat seeing massive growth in viewership. Previously, sites such as YouTube, Daily Motion, and Vimeo were the primary sources for online video content, but with the expansion of social media services with their own video hosting platforms, the balance of power has shifted. Facebook has seen an explosion of video views on the site, reaching a massive 8 billion views per day by Q3 last year. Snapchat has done even better, growing to a staggering 10 billion daily video views.

While voice assistants like Siri, Cortana, Okay Google and Amazon's Echo got off to a questionable start, with limited functionality and mediocre accuracy, they have now become a more integral part of how people interact with technology. Sixty-five percent of smartphone users now talk to their device though a voice assistant. The implication of this change for online searches is massive; it alters how people look for and access information. With people looking for a direct answer to their questions, search engine optimization (SEO) will have increasing importance in attractive page views.

IMPLICATIONS FOR BUSINESS: Moving forward, businesses need to be focused on the trend of users shifting to mobile platforms for searching, sharing and browsing online. This includes spending advertising dollars on initiatives that include mobile specific campaigns.

SEO investments should also be enhanced to increase visibility of the business and its online presence. Being at the top of search results will only grow in importance.

Finally, as users choose to interact though messaging apps instead of traditional social media platforms, businesses need to adapt and find ways to reach customers on these platforms though other means.

PUERTO RICO AT A PRECIPICE

Puerto Rico is at a harrowing time in its history. In addition to the $72 billion debt load and nearly $43 billion in unfunded pension liabilities that it faces, an exodus of working-age adults to the mainland is worsening conditions in the island's already depressed economy.

Puerto Rico missed more than $900 million in payments on $2 billion in debts that were due in July. This included its first-ever default on a general obligation bond. The three public pension programs with the most debt have a total shortfall greater than any state pension system. Public servants in Puerto Rico do not have Social Security to fall back on should their pensions fail them.

Adding to the tale of woe is the brain drain. The population has fallen 9% in the past decade. More than 200,000 tax-paying adults left the island during that period—100,000 in the last year alone. The more that leave, the greater the misery and the bleaker the outlook for economic growth.

This summer, Congress passed PROMESA (the Puerto Rican Management and Economic Stability Act), which authorizes a seven-member oversight board to decide how to restructure the island's debt, balance the budget and ensure pensions are adequately funded. Puerto Rico's Constitution calls for the island to pay its general obligation bonds ahead of public services or pensions. The obvious clash of interests this creates will complicate the problem of determining priorities. After all, paying off debts at the expense of job creation will only worsen the malaise and hasten the exodus. That in turn might create openings for litigation that could last years, as was the case in Argentina.

IMPLICATIONS FOR BUSINESS: Without a sound economic growth component, the PROMESA process will be no more than an exercise in futility. The island needs an economic development plan that includes tax and investment incentives and job growth opportunities. The plan must be developed with the participation of local business leaders who work closely with global investors.

THE AFRICAN SLOWDOWN

The “Africa is Rising” hype seems to have faded and looks unlikely to return for some years, despite strong African fundamentals. The IMF and World Bank sharply downgraded their annual growth estimates to 3-4% for Africa, which was once heralded as an economic beacon amidst the global recession. The cuts mean African economies are forecast to grow 25 percent more slowly, largely due to low global commodity prices.

The IMF and World Bank's current policy recommendations to African nations may also be insufficient to stimulate sustainable growth, as their own research points to deep-seated challenges.

A recent World Bank report shows that Rwanda, which regularly tops business reform lists, is attracting far less in foreign direct investment than expected, and points to carefully concealed corruption, a lack of transparency and an uneven playing field for businesses as probable causes. The same factors hobble many African nations. Ethiopia's self-reported economic growth rate was recently corrected downward by the IMF.

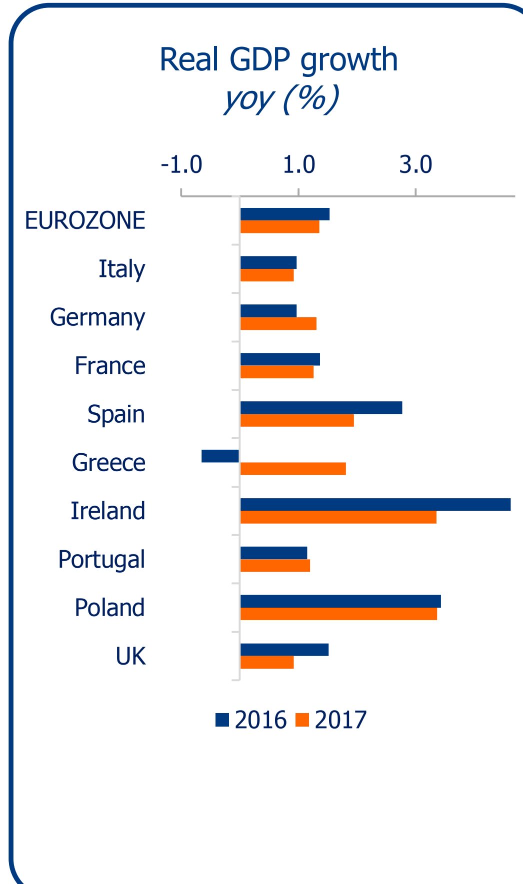
IMPLICATIONS FOR BUSINESS: Foreign firms that have made heavy investments in Africa, and particularly in “African Tigers” like Rwanda and Ethiopia, will see returns shrink and cash flows squeezed. New revelations are likely as government-reported figures come under greater scrutiny, and investors would be advised to seek out independent information sources. Drivers of African growth—such as a large consumer base and growing regional cooperation—remain present. But investors who expected the spate of African business reforms to unleash the true potential of the continent will find themselves having to wait for politicians to stop sabotaging their own nations.

APPENDIX:

CURRENT FORECASTS FOR KEY ECONOMIC AREAS AND THE EUROZONE

Forecast Table - Average (1/4)

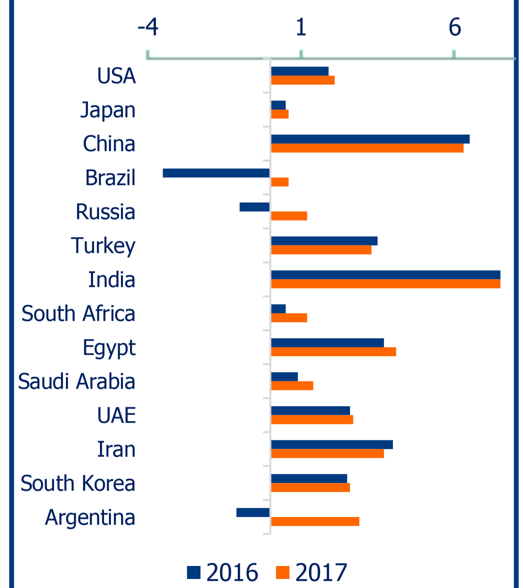
COUNTRIES		GDP	Unemployment	Investments	Private consumption	Consumer Prices
EUROZONE	*2016*	1.5	10.3	2.8	1.7	0.2
	2017	1.4	9.9	2.4	1.6	1.3
Italy	*2016*	1.0	11.5	2.0	1.3	0.0
	2017	0.9	11.2	2.1	1.1	1.0
Germany	*2016*	1.6	5.0	2.8	1.7	0.4
	2017	1.3	5.1	2.2	1.5	1.5
France	*2016*	1.4	10.0	2.2	1.8	0.2
	2017	1.3	10.0	2.0	1.5	1.1
Spain	*2016*	2.8	19.9	4.1	3.2	-0.4
	2017	1.9	18.8	3.4	2.1	1.3
Greece	*2016*	-0.7	24.4	0.3	-0.7	-0.1
	2017	1.8	23.3	6.8	1.4	0.7
Ireland	*2016*	4.6	8.2	12.5	3.3	0.4
	2017	3.4	7.5	7.0	2.3	1.6
Portugal	*2016*	1.2	11.8	0.2	2.1	0.6
	2017	1.2	11.3	2.9	1.5	1.1
Poland	*2016*	3.4	7.4	2.2	3.8	-0.5
	2017	3.4	7.1	4.9	3.8	1.5
United Kingdom	*2016*	1.5	5.2	0.4	2.3	0.7
	2017	0.9	5.5	0.1	1.3	2.3



Forecast Table - Average (2/4)

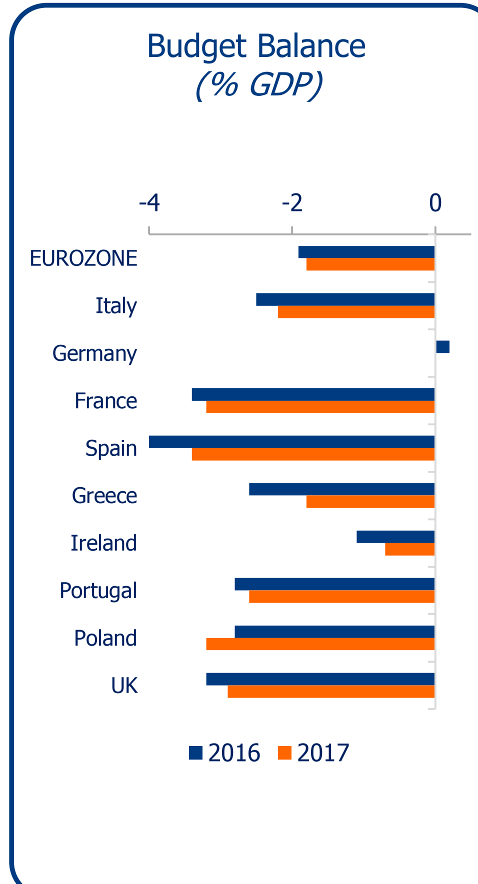
COUNTRIES		GDP	Unemployment	Investments	Private consumption	Consumer Prices
USA	*2016*	1.9	4.9	3.1	2.7	1.2
	2017	2.1	4.7	4.2	2.3	2.1
Japan	*2016*	0.5	3.2	0.7	0.1	-0.1
	2017	0.6	3.1	0.5	0.4	0.9
China	*2016*	6.5	4.1	7.0	7.2	1.9
	2017	6.3	4.1	6.6	6.8	2.0
Brazil	*2016*	-3.5	10.0	-11.9	-4.8	8.8
	2017	0.6	11.3	0.5	-0.5	6.0
Russia	*2016*	-1.0	6.1	-3.8	-2.7	7.4
	2017	1.2	5.9	1.8	2.0	5.6
Turkey	*2016*	3.5	10.7	2.0	4.1	8.0
	2017	3.3	10.5	3.4	3.3	7.9
India	*2016*	7.5	5.5	4.4	7.8	5.3
	2017	7.5	5.4	6.5	8.0	5.1
South Africa	*2016*	0.5	26.0	-0.8	0.6	6.5
	2017	1.2	26.2	1.1	0.9	6.3
Egypt	*2016*	3.7	13.0	-	-	9.7
	2017	4.1	12.4	-	-	10.4
Saudi Arabia	*2016*	0.9	-	-4.0	2.2	4.0
	2017	1.4	-	0.0	2.5	2.5
UAE	*2016*	2.6	-	-	-	2.4
	2017	2.7	-	-	-	2.3
Iran	*2016*	4.0	11.3	-	-	8.9
	2017	3.7	11.6	-	-	8.2
South Korea	*2016*	2.5	3.6	2.4	2.3	1.1
	2017	2.6	3.6	2.7	2.4	1.7
Argentina	*2016*	-1.1	7.7	1.9	0.1	39.1
	2017	2.9	7.8	4.0	3.1	23.9

Real GDP growth
yoy (%)



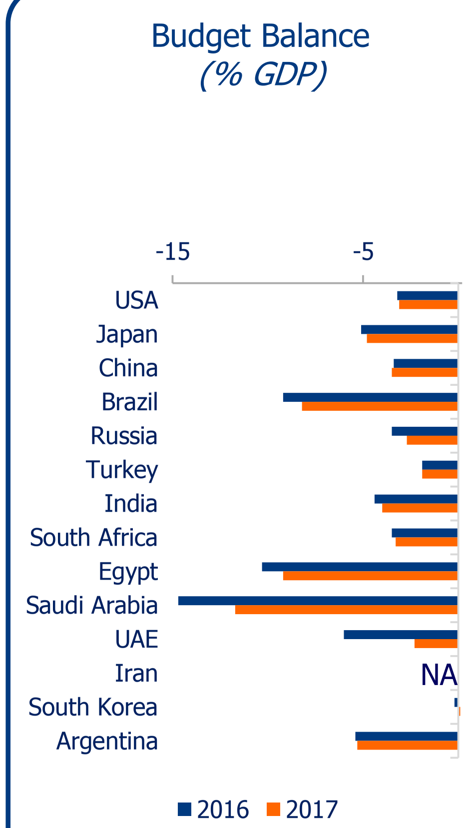
Forecast Table - Average (3/4)

COUNTRIES		Exports	Imports	Budget Balance (% of GDP)	Current Account Balance (% of GDP)	Government Gross Debt (% of GDP)
EUROZONE	*2016*	2.9	4.3	-1.9	3.0	91.3
	2017	3.6	4.4	-1.8	2.7	90.9
Italy	*2016*	0.8	2.0	-2.5	2.1	132.8
	2017	3.2	3.8	-2.2	2.0	132.4
Germany	*2016*	2.0	3.9	0.2	8.4	69.0
	2017	3.3	4.3	0.0	8.0	67.2
France	*2016*	2.1	4.3	-3.4	-0.6	96.5
	2017	3.3	3.7	-3.2	-0.7	97.3
Spain	*2016*	3.4	4.7	-4.0	1.3	100.2
	2017	4.1	4.9	-3.4	1.0	100.6
Greece	*2016*	-0.3	-1.3	-2.6	0.5	185.6
	2017	4.1	3.9	-1.8	0.8	182.0
Ireland	*2016*	5.6	5.2	-1.1	6.0	84.9
	2017	5.6	6.0	-0.7	4.6	82.6
Portugal	*2016*	4.1	4.3	-2.8	0.9	127.0
	2017	5.1	5.6	-2.6	0.8	126.1
Poland	*2016*	6.0	7.1	-2.8	-0.9	52.3
	2017	5.8	6.8	-3.2	-1.4	53.0
United Kingdom	*2016*	2.9	3.6	-3.2	-4.9	86.8
	2017	2.1	0.9	-2.9	-3.9	87.0



Forecast Table - Average (4/4)

COUNTRIES		Exports	Imports	Budget Balance (% of GDP)	Current Account Balance (% of GDP)	Government Gross Debt (% of GDP)
USA	*2016*	0.6	1.8	-3.2	-2.7	96.4
	2017	2.3	4.3	-3.1	-3.0	96.2
Japan	*2016*	0.2	-0.7	-5.1	3.5	241.2
	2017	0.8	1.5	-4.8	3.2	244.6
China	*2016*	-2.2	-3.4	-3.4	2.7	54.0
	2017	0.3	-0.1	-3.5	2.2	58.0
Brazil	*2016*	4.0	-17.1	-9.2	-1.3	66.7
	2017	3.2	5.5	-8.2	-1.3	71.1
Russia	*2016*	1.5	-4.1	-3.5	3.6	14.9
	2017	1.8	2.1	-2.7	4.1	15.1
Turkey	*2016*	1.8	4.8	-1.9	-4.6	33.3
	2017	3.3	5.0	-1.9	-5.1	32.7
India	*2016*	0.1	-0.2	-4.4	-1.1	57.8
	2017	6.0	7.1	-4.0	-1.5	55.8
South Africa	*2016*	3.0	1.0	-3.5	-4.3	50.2
	2017	3.4	2.1	-3.3	-4.5	50.6
Egypt	*2016*	-	-	-10.3	-3.5	-
	2017	-	-	-9.2	-3.3	-
Saudi Arabia	*2016*	2.0	-2.5	-14.7	-10.5	13.3
	2017	0.0	0.0	-11.7	-6.0	18.5
UAE	*2016*	-	-	-6.0	0.4	29.0
	2017	-	-	-2.3	1.4	31.0
Iran	*2016*	-	-	-	-0.8	-
	2017	-	-	-	0.0	-
South Korea	*2016*	0.5	0.9	-0.2	7.5	35.1
	2017	1.0	1.6	0.1	6.7	33.9
Argentina	*2016*	0.4	-3.2	-5.4	-2.1	50.0
	2017	8.3	10.5	-5.3	-2.4	50.4



Forecast Table (1/10)

Indicator	Organization	Italy		Germany		France		Spain		Greece		Ireland		Portugal		EUROZONE		Poland		United Kingdom	
		2016	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*
GDP	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	1.6	-	-	-	-
	Bank of America Merrill Lynch	1.0	1.0	1.5	1.0	1.5	0.9	2.8	1.7	-1.0	1.2	3.6	2.5	1.0	0.9	1.5	1.1	3.6	3.5	1.5	0.2
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.6	-	-	-	2.0	-
	BNP Paribas	0.9	0.3	1.5	1.1	1.3	1.0	2.9	1.6	-	-	-	-	-	-	1.5	1.0	2.8	2.5	1.6	0.7
	Commerzbank	1.0	1.0	1.5	1.3	1.4	1.3	2.9	2.5	-0.6	2.0	5.1	3.5	1.0	1.2	1.5	1.5	-	-	1.2	0.5
	Deutsche Bank	0.9	0.4	1.7	1.3	1.5	1.3	2.8	1.7	-0.7	1.2	5.0	2.9	1.0	1.1	1.6	1.1	3.6	3.3	1.7	0.9
	European Central Bank	1.1	1.2	1.6	1.6	1.4	1.5	2.7	2.3	-0.3	2.5	5.2	4.1	1.3	1.6	1.6	1.7	-	-	-	-
	European Commission	1.1	1.3	1.6	1.6	1.3	1.7	2.6	2.5	-0.3	2.7	4.9	3.7	1.5	1.7	1.6	1.8	3.7	3.6	1.8	1.9
	HSBC Bank	0.8	0.7	1.4	1.2	1.3	1.0	2.9	1.7	-	-	-	-	-	-	1.4	1.0	3.4	3.4	1.5	0.7
	IMF	1.0	1.1	1.5	1.6	1.1	1.3	2.6	2.3	-0.6	2.7	5.0	3.6	1.4	1.3	1.5	1.6	3.6	3.6	1.2	2.2
	Intesa Sanpaolo	1.2	1.4	1.7	1.6	1.5	1.7	2.8	1.6	-	-	-	-	-	-	1.7	1.6	-	-	-	-
	Morgan Stanley	0.8	0.7	1.5	1.0	1.3	0.9	2.7	1.5	-1.0	1.0	2.9	2.8	0.7	0.5	1.3	1.0	-	-	1.2	0.5
	OECD	1.0	1.4	1.6	1.7	1.4	1.5	2.8	2.3	-0.2	1.9	5.0	3.4	1.2	1.3	1.6	1.7	3.0	3.5	1.7	2.0
	UBS Investment Bank	0.9	0.9	1.4	1.1	1.4	1.4	2.8	1.9	-0.9	1.5	4.9	3.7	1.5	1.7	1.5	1.3	3.7	3.6	1.3	0.5
	UniCredit Group	0.9	0.6	1.7	0.9	1.4	0.9	2.7	1.7	-0.9	1.4	-	-	0.9	0.7	1.6	1.0	3.5	3.3	1.5	0.0
	Average	***1.0***	***0.9***	***1.6***	***1.3***	***1.4***	***1.3***	***2.8***	***1.9***	***-0.7***	***1.8***	***4.6***	***3.4***	***1.2***	***1.2***	***1.5***	***1.4***	***3.4***	***3.4***	***1.5***	***0.9***
Unemployment Rate	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.5	-	-	-	5.5	-
	BNP Paribas	11.5	11.2	6.2	6.1	10.1	10.0	20.3	20.2	-	-	-	-	-	-	10.1	9.9	9.0	8.5	5.1	5.6
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	11.4	11.1	4.4	4.5	10.1	10.0	20.1	18.8	24.1	22.8	8.2	7.5	11.9	11.3	10.2	9.9	-	-	-	-
	European Commission	11.4	11.2	4.6	4.7	10.2	10.1	20.0	18.1	24.7	23.6	8.2	7.5	11.6	10.7	10.3	9.9	6.8	6.3	5.0	4.9
	HSBC Bank	11.4	10.6	6.2	6.3	10.1	10.0	20.1	18.6	-	-	-	-	-	-	10.2	9.9	6.2	6.1	5.3	5.9
	IMF	11.4	10.9	4.6	4.8	10.1	10.0	19.7	18.3	25.0	23.4	8.3	7.5	11.6	11.1	10.3	9.9	6.9	6.9	5.0	5.0
	Intesa Sanpaolo	11.5	11.0	6.1	6.1	10.2	10.0	19.3	19.2	-	-	-	-	-	-	10.1	9.4	-	-	-	-
	Morgan Stanley	12.1	12.5	4.3	4.6	10.0	10.1	20.0	19.1	23.9	22.1	8.1	7.4	12.0	12.4	10.2	10.5	-	-	5.4	5.9
	OECD	11.3	10.8	4.4	4.6	9.8	9.7	19.8	18.4	24.0	23.2	8.2	7.6	12.1	11.5	10.2	9.8	6.6	6.3	5.1	5.2
	UBS Investment Bank	11.4	11.1	4.4	4.4	9.8	9.7	20.1	18.3	24.8	24.6	8.2	7.5	11.6	10.7	10.4	10.0	9.0	8.5	5.0	5.8
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***11.5***	***11.2***	***5.0***	***5.1***	***10.0***	***10.0***	***19.9***	***18.8***	***24.4***	***23.3***	***8.2***	***7.5***	***11.8***	***11.3***	***10.3***	***9.9***	***7.4***	***7.1***	***5.2***	***5.5***

The European House Ambrosetti

Forecast Table (2/10)

Indicator	Organization	USA		Japan		China		Brazil		Russia		Turkey		India		South Africa		Egypt		Saudi Arabia		UAE		Iran		South Korea		Argentina	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
GDP	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7	1.8	4.3	4.5	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	2.3	2.5	0.6	0.5	6.5	6.3	-	-	-	-	-	-	7.4	7.8	-	-	-	-	-	-	-	-	-	-	2.6	2.8	-	-
	Bank of America Merrill Lynch	1.5	2.1	0.6	0.9	6.4	6.5	-3.5	1.5	-0.5	1.1	3.7	3.7	7.7	8.3	0.7	1.2	3.5	3.5	1.7	1.8	-	-	-	-	2.7	2.9	-0.9	3.1
	Bank of China	2.0	-	0.5	-	6.7	-	-3.0	-	-1.0	-	3.0	-	7.5	-	1.0	-	-	-	-	-	-	-	-	-	2.5	-	0.0	-
	BNP Paribas	1.5	1.6	0.4	0.1	6.6	6.3	-3.0	2.0	0.0	2.2	2.7	3.0	7.6	8.2	0.4	1.3	-	-	-0.6	0.3	-	-	-	-	-	-	-1.5	4.0
	Commerzbank	1.8	2.2	0.5	0.5	6.3	5.8	-3.6	0.3	-1.0	1.3	-	-	7.0	6.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	1.5	1.7	0.2	1.1	6.6	6.5	-3.2	1.0	-	-	4.0	3.8	7.5	7.6	0.0	0.8	3.6	4.0	1.4	1.6	3.0	2.7	-	-	2.4	2.1	-1.0	2.2
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	2.3	2.2	0.8	0.4	6.5	6.2	-3.7	0.3	-1.9	0.5	3.5	3.7	7.4	7.4	-	-	-	-	-	-	-	-	-	-	2.6	2.8	-	-
	HSBC Bank	1.8	1.9	0.6	0.8	6.7	6.5	-3.3	1.0	0.0	1.5	2.9	2.3	7.4	7.2	-0.2	0.5	-	-	0.9	1.3	-	-	-	-	2.3	2.2	-1.0	2.5
	IMF	2.4	2.5	0.5	-0.1	6.5	6.2	-3.8	0.0	-1.8	0.8	3.8	3.4	7.5	7.5	0.6	1.2	3.3	4.3	1.2	1.9	2.4	2.6	4.0	3.7	2.7	2.9	-1.0	2.8
	Intesa Sanpaolo	1.9	2.3	0.3	0.5	6.3	6.1	-	-	-	-	-	-	7.5	7.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	1.7	1.5	0.2	0.8	6.4	6.2	-3.6	0.9	-0.6	1.4	3.3	3.1	7.7	7.8	0.3	0.9	-	-	-	-	-	-	-	-	2.5	2.3	-1.6	3.2
	OECD	1.8	2.2	0.7	0.4	6.5	6.2	-4.3	-1.7	-1.7	0.5	3.9	3.7	7.4	7.5	0.7	1.4	-	-	-	-	-	-	-	-	2.7	3.0	-	-
	UBS Investment Bank	1.7	2.3	0.5	1.1	6.6	6.3	-3.5	0.8	-0.6	1.5	4.0	3.5	7.4	7.6	0.6	1.7	-	-	-	-	2.4	2.8	-	-	2.3	2.3	-1.9	2.3
	UniCredit Group	1.9	2.0	0.6	0.7	6.5	6.2	-	-	-1.8	1.1	3.6	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	*1.9*	*2.1*	*0.5*	*0.6*	*6.5*	*6.3*	*-3.5*	*0.6*	*-1.0*	*1.2*	*3.5*	*3.3*	*7.5*	*7.5*	*0.5*	*1.2*	*3.7*	*4.1*	*0.9*	*1.4*	*2.6*	*2.7*	*4.0*	*3.7*	*2.5*	*2.6*	*-1.1*	*2.9*
Unemployment Rate	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	4.9	-	3.5	-	4.1	-	8.6	-	6.5	-	11.2	-	-	-	25.8	-	-	-	-	-	-	-	-	-	3.5	-	6.9	-
	BNP Paribas	4.9	5.1	3.2	3.3	-	-	10.9	11.2	6.0	6.1	10.1	9.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	4.8	4.5	3.4	3.3	-	-	-	-	6.1	6.4	10.8	10.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	4.8	4.5	3.2	3.1	-	-	9.5	10.0	5.6	5.4	10.6	11.0	-	-	26.0	26.0	-	-	-	-	-	-	-	-	3.8	4.0	7.2	7.7
	IMF	4.9	4.8	3.3	3.3	4.1	4.1	9.2	10.2	6.5	6.3	10.8	10.5	-	-	26.1	26.7	13.0	12.4	-	-	-	-	11.3	11.6	3.5	3.3	7.8	7.4
	Intesa Sanpaolo	4.8	4.6	3.0	2.7	4.1	4.1	-	-	-	-	-	-	5.5	5.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	4.8	4.8	3.2	3.1	-	-	-	-	5.7	5.5	11.1	11.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OECD	5.0	4.7	3.2	3.1	-	-	-	-	-	-	10.1	10.2	-	-	-	-	-	-	-	-	-	-	-	-	3.5	3.4	-	-
	UBS Investment Bank	4.8	4.6	3.0	2.9	-	-	11.6	13.6	-	-	10.5	10.6	-	-	26.0	25.8	-	-	-	-	-	-	-	-	3.7	3.8	8.8	8.2
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	*4.9*	*4.7*	*3.2*	*3.1*	*4.1*	*4.1*	*10.0*	*11.3*	*6.1*	*5.9*	*10.7*	*10.5*	*5.5*	*5.4*	*26.0*	*26.2*	*13.0*	*12.4*	*-*	*-*	*-*	*-*	*11.3*	*11.6*	*3.6*	*3.6*	*7.7*	*7.8*

Forecast Table (3/10)

Indicator	Organization	Italy		Germany		France		Spain		Greece		Ireland		Portugal		EUROZONE		Poland		United Kingdom	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Investments	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	2.1	0.1	2.3	0.5	2.3	1.1	3.7	2.6	-	-	-	-	-	-	2.4	0.9	-1.5	4.3	-1.7	-2.4
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	3.2	4.1	2.5	2.7	1.5	4.0	4.7	5.0	-0.9	11.6	13.4	8.3	1.6	4.9	2.9	3.8	4.4	4.5	3.8	3.8
	HSBC Bank	1.4	1.1	2.9	1.5	2.9	1.4	3.2	1.8	-	-	-	-	-	-	2.6	1.4	2.8	5.5	-1.6	-7.2
	IMF	1.9	2.6	2.2	2.3	1.1	2.1	4.5	2.9	-	-	-	-	-	-	2.6	2.8	-	-	2.5	3.9
	Intesa Sanpaolo	2.0	2.2	3.3	2.7	3.3	2.0	3.3	2.8	-	-	-	-	-	-	3.0	2.8	-	-	-	-
	Morgan Stanley	1.5	2.5	1.8	1.8	2.8	1.6	5.0	4.3	1.5	5.6	-	-	-1.0	0.7	-	-	-	-	-1.0	-2.0
	OECD	2.7	3.7	3.5	3.0	2.2	2.2	4.6	3.8	3.6	4.0	10.7	4.3	-1.5	1.2	3.3	3.2	1.2	4.7	1.0	5.6
	UBS Investment Bank	1.5	0.6	3.8	2.8	1.8	1.5	3.8	3.7	-3.0	6.0	13.4	8.3	1.6	4.9	2.7	1.8	4.0	5.5	-0.2	-1.3
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***2.0***	***2.1***	***2.8***	***2.2***	***2.2***	***2.0***	***4.1***	***3.4***	***0.3***	***6.8***	***12.5***	***7.0***	***0.2***	***2.9***	***2.8***	***2.4***	***2.2***	***4.9***	***0.4***	***0.1***
Private consumption	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	1.2	0.3	1.6	1.1	1.7	1.2	3.4	2.0	-	-	-	-	-	-	1.6	1.1	4.1	3.5	2.4	0.9
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.9	1.7	-	-	-	-
	European Commission	1.5	1.1	2.0	1.4	1.5	1.4	3.0	2.3	-0.4	1.8	2.7	2.0	1.8	1.7	1.8	1.5	4.1	4.0	2.4	2.1
	HSBC Bank	1.3	1.2	1.5	1.4	1.8	1.1	3.3	2.1	-	-	-	-	-	-	1.6	1.4	3.8	4.1	2.3	0.8
	IMF	1.0	1.1	1.6	1.7	1.5	1.5	3.0	2.3	-	-	-	-	-	-	1.6	1.6	-	-	2.4	2.3
	Intesa Sanpaolo	1.3	1.2	1.8	1.9	1.8	1.5	3.2	2.1	-	-	-	-	-	-	1.8	1.7	-	-	-	-
	Morgan Stanley	1.0	0.7	1.7	1.5	1.8	1.6	3.0	1.3	-0.9	1.0	4.7	2.1	2.4	1.1	-	-	-	-	1.9	0.1
	OECD	1.3	1.3	1.8	1.9	1.9	1.7	3.1	2.1	-0.1	1.3	3.0	3.0	2.2	1.5	1.8	1.7	3.0	3.9	2.1	1.6
	UBS Investment Bank	1.6	1.7	1.9	1.4	2.1	1.8	3.4	2.4	-1.5	1.5	2.7	2.0	1.8	1.7	1.8	1.7	4.0	3.5	2.5	1.2
	UniCredit Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Average	***1.3***	***1.1***	***1.7***	***1.5***	***1.8***	***1.5***	***3.2***	***2.1***	***-0.7***	***1.4***	***3.3***	***2.3***	***2.1***	***1.5***	***1.7***	***1.6***	***3.8***	***3.8***	***2.3***	***1.3***

Forecast Table (4/10)

Indicator	Organization	USA		Japan		China		Brazil		Russia		Turkey		India		South Africa		Egypt		Saudi Arabia		UAE		Iran		South Korea		Argentina	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Investments	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	6.1	4.3	3.7	0.7	8.9	8.5	-8.9	4.3	-4.3	3.3	1.5	4.4	3.9	2.9	-1.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	3.6	4.0	1.4	-0.4	-	-	-	-	-4.6	0.3	3.7	4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	1.5	2.7	0.0	1.8	10.1	9.6	-12.0	2.0	-2.8	2.5	0.5	2.1	6.5	7.6	-2.1	0.6	-	-	-4.0	0.0	-	-	-	-	1.8	2.0	1.9	4.0
	IMF	3.6	4.4	0.8	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	-	-	-0.8	0.0	4.7	4.0	-	-	-	-	-	-	3.8	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	3.6	5.7	-	-	5.6	5.1	-12.7	0.2	-2.2	0.8	0.7	1.0	3.4	7.2	-	-	-	-	-	-	-	-	-	-	2.8	2.5	-	-
	OECD	2.4	4.5	-0.1	0.3	-	-	-14.0	-4.5	-5.1	1.8	1.8	4.0	4.5	7.1	1.0	1.4	-	-	-	-	-	-	-	-	3.5	3.4	-	-
	UBS Investment Bank	0.9	4.1	0.0	0.0	5.9	5.8	-	-	-4.0	2.0	4.0	5.0	-	-	-0.5	2.0	-	-	-	-	-	-	-	-	1.6	2.7	-	-
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***3.1***	***4.2***	***0.7***	***0.5***	***7.0***	***6.6***	***-11.9***	***0.5***	***-3.8***	***1.8***	***2.0***	***3.4***	***4.4***	***6.5***	***-0.8***	***1.1***	-	-	***-4.0***	***0.0***	-	-	-	-	***2.4***	***2.7***	***1.9***	***4.0***
Private consumption	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	2.5	2.1	0.3	0.1	-	-	-4.1	0.5	-1.3	4.6	3.0	2.8	7.4	8.5	0.4	0.5	-	-	-	-	-	-	-	-	-	-	-	-
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	2.9	2.4	-0.3	0.0	-	-	-	-	-4.2	0.2	3.8	3.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	2.7	2.4	0.0	0.8	7.2	7.3	-4.9	0.5	-0.7	2.5	3.5	3.1	7.7	7.5	0.4	1.0	-	-	2.2	2.5	-	-	-	-	2.3	2.8	0.1	3.1
	IMF	2.9	2.7	0.3	-0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	-	-	0.2	0.9	7.3	6.8	-	-	-	-	-	-	7.8	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	2.6	1.9	0.1	1.3	7.0	6.5	-5.3	0.6	-2.5	2.1	4.3	3.0	7.4	7.5	-	-	-	-	-	-	-	-	-	-	2.3	2.1	-	-
	OECD	2.7	2.1	0.3	0.0	-	-	-4.8	-3.5	-4.5	0.2	4.2	4.0	8.3	8.5	0.9	1.2	-	-	-	-	-	-	-	-	2.5	3.0	-	-
	UBS Investment Bank	2.4	2.6	0.1	0.6	7.1	6.6	-	-	-2.8	2.1	6.0	3.5	-	-	0.5	1.0	-	-	-	-	-	-	-	-	2.2	1.8	-	-
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***2.7***	***2.3***	***0.1***	***0.4***	***7.2***	***6.8***	***-4.8***	***-0.5***	***-2.7***	***2.0***	***4.1***	***3.3***	***7.8***	***8.0***	***0.6***	***0.9***	-	-	***2.2***	***2.5***	-	-	-	-	***2.3***	***2.4***	***0.1***	***3.1***

Forecast Table (5/10)

Indicator	Organization	Italy		Germany		France		Spain		Greece		Ireland		Portugal		EUROZONE		Poland		United Kingdom	
		2016	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*
Exports	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-0.1	2.1	1.9	2.6	0.7	2.1	2.3	2.5	-	-	-	-	-	-	2.2	2.4	6.6	5.2	1.6	1.8
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.2	4.2	-	-	-	-
	European Commission	2.4	4.0	2.3	4.8	4.1	4.8	4.5	5.2	0.5	4.2	6.9	6.6	4.1	5.1	3.5	4.7	6.2	6.6	2.5	2.8
	HSBC Bank	1.5	4.0	2.2	1.9	1.0	1.0	3.6	4.0	-	-	-	-	-	-	2.2	1.9	6.3	4.5	6.1	2.3
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	0.4	3.6	2.3	3.4	2.5	4.5	-	-	-	-	-	-	-	-	2.8	3.9	-	-	-	-
	Morgan Stanley	-	-	0.9	3.0	-	-	-	-	-	-	3.1	3.7	-	-	-	-	-	-	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	-0.1	2.4	2.2	4.0	2.4	4.2	3.0	4.7	-1.0	4.0	6.9	6.6	4.1	5.1	3.2	4.5	5.0	7.0	1.2	1.6
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***0.8***	***3.2***	***2.0***	***3.3***	***2.1***	***3.3***	***3.4***	***4.1***	***-0.3***	***4.1***	***5.6***	***5.6***	***4.1***	***5.1***	***2.9***	***3.6***	***6.0***	***5.8***	***2.9***	***2.1***
Imports	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	1.2	2.1	3.7	3.3	2.7	2.4	3.5	3.2	-	-	-	-	-	-	3.3	2.7	9.0	6.3	2.1	1.2
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.7	4.7	-	-	-	-
	European Commission	3.8	4.7	4.4	6.1	4.8	4.7	5.8	5.8	-0.1	3.8	7.7	7.4	4.3	5.6	4.6	5.3	7.1	7.4	4.0	3.0
	HSBC Bank	2.6	5.0	3.9	2.7	4.7	2.4	4.5	4.4	-	-	-	-	-	-	4.2	3.3	7.4	5.6	5.2	-1.3
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	1.2	3.6	4.6	5.7	4.4	4.2	-	-	-	-	-	-	-	-	4.2	5.3	-	-	-	-
	Morgan Stanley	-	-	2.5	2.7	-	-	-	-	-	-	0.2	3.3	-	-	-	-	-	-	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	1.4	3.8	4.3	5.4	5.1	4.7	4.9	6.2	-2.5	4.0	7.7	7.4	4.3	5.6	4.6	5.2	5.0	8.0	3.0	0.8
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***2.0***	***3.8***	***3.9***	***4.3***	***4.3***	***3.7***	***4.7***	***4.9***	***-1.3***	***3.9***	***5.2***	***6.0***	***4.3***	***5.6***	***4.3***	***4.4***	***7.1***	***6.8***	***3.6***	***0.9***

Forecast Table (6/10)

Indicator	Organization	USA		Japan		China		Brazil		Russia		Turkey		India		South Africa		Egypt		Saudi Arabia		UAE		Iran		South Korea		Argentina	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Exports	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-0.2	2.0	-1.3	-0.1	-4.0	3.0	6.2	1.5	1.1	2.3	2.5	5.0	-5.2	3.0	0.8	2.9	-	-	-	-	-	-	-	-	-	-	-	-
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	1.0	3.5	2.0	3.0	2.1	3.0	-	-	2.5	2.0	0.8	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	1.0	1.9	-1.4	-4.6	-5.5	-10.0	9.6	3.0	2.0	1.0	2.4	1.7	6.1	6.0	2.1	1.7	-	-	2.0	0.0	-	-	-	-	0.3	0.7	-1.4	6.1
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	0.5	3.8	0.6	2.1	-2.7	4.8	-	-	-	-	-	-	3.2	5.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	1.4	2.2	-	-	-6.8	-2.5	-	-	-1.1	1.2	-0.5	2.0	-3.6	10.9	-	-	-	-	-	-	-	-	-	-	0.5	0.7	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	0.0	0.6	1.0	3.7	3.5	3.6	-3.7	5.0	3.1	2.6	4.0	5.0	0.0	4.5	6.0	5.5	-	-	-	-	-	-	-	-	0.6	1.5	2.2	10.5
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	*0.6*	*2.3*	*0.2*	*0.8*	*-2.2*	*0.3*	*4.0*	*3.2*	*1.5*	*1.8*	*1.8*	*3.3*	*0.1*	*6.0*	*3.0*	*3.4*	-	-	*2.0*	*0.0*	-	-	-	-	*0.5*	*1.0*	*0.4*	*8.3*
Imports	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	1.1	4.2	-0.9	1.3	-5.8	5.0	-16.9	10.0	-5.1	7.8	4.2	6.2	-2.8	4.1	-1.6	0.4	-	-	-	-	-	-	-	-	-	-	-	-
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	3.7	5.1	0.6	2.0	2.7	3.7	-	-	-3.2	0.8	3.5	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	1.5	4.0	-3.2	-3.9	-10.5	-6.0	-15.1	0.0	-2.9	3.0	5.7	7.0	6.4	7.0	0.7	1.8	-	-	-2.5	0.0	-	-	-	-	0.4	0.8	-0.1	11.4
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	1.8	3.8	0.5	4.1	1.8	3.9	-	-	-	-	-	-	0.9	4.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	1.8	4.2	-	-	-11.0	-9.9	-	-	-5.0	-7.4	1.6	2.0	-4.9	14.6	-	-	-	-	-	-	-	-	-	-	1.7	1.8	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	0.6	4.6	-0.5	3.9	2.5	3.0	-19.3	6.4	-4.4	6.5	9.0	6.0	-0.5	5.0	4.0	4.0	-	-	-	-	-	-	-	-	0.7	2.3	-6.3	9.5
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	*1.8*	*4.3*	*-0.7*	*1.5*	*-3.4*	*-0.1*	*-17.1*	*5.5*	*-4.1*	*2.1*	*4.8*	*5.0*	*-0.2*	*7.1*	*1.0*	*2.1*	-	-	*-2.5*	*0.0*	-	-	-	-	*0.9*	*1.6*	*-3.2*	*10.5*

Forecast Table (7/10)

Indicator	Organization	Italy		Germany		France		Spain		Greece		Ireland		Portugal		EUROZONE		Poland		United Kingdom	
		2016	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*
Consumer Prices	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-0.1	0.4	0.4	1.5	0.2	1.0	-0.3	1.3	0.3	0.6	0.9	1.7	0.7	0.9	0.2	1.0	-0.4	1.5	0.9	2.7
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-0.1	0.8	0.3	1.4	0.4	1.1	-0.4	1.2	-	-	-	-	-	-	0.2	1.1	-0.4	1.9	0.5	2.2
	Commerzbank	0.1	1.1	0.5	1.9	0.2	0.9	-0.5	1.3	0.5	1.5	0.1	1.3	0.0	1.4	0.3	1.3	-	-	0.7	2.0
	Deutsche Bank	0.0	1.1	0.4	1.4	0.2	1.0	-0.4	1.3	-0.3	0.7	0.3	1.4	0.8	1.3	0.2	1.2	-0.7	1.1	0.7	2.2
	European Central Bank	0.0	0.9	0.2	1.5	0.2	1.1	-0.5	1.5	0.0	0.9	0.3	1.7	0.7	1.4	0.2	1.3	-	-	-	-
	European Commission	0.2	1.4	0.3	1.5	0.1	1.0	-0.1	1.4	-0.3	0.6	0.3	1.3	0.7	1.2	0.2	1.4	0.0	1.6	0.8	1.6
	HSBC Bank	-0.1	0.8	0.3	1.2	0.3	0.9	-0.5	0.9	-	-	-	-	-	-	0.2	0.9	-0.6	1.4	0.7	3.2
	IMF	0.2	0.7	0.5	1.4	0.4	1.1	-0.4	1.0	0.0	0.6	0.9	1.4	0.7	1.2	0.4	1.1	-	-	0.8	1.9
	Intesa Sanpaolo	-0.1	1.1	0.7	1.4	0.3	1.4	-0.1	1.8	-	-	-	-	-	-	0.3	1.4	-	-	-	-
	Morgan Stanley	0.0	1.0	0.5	2.0	0.2	1.1	-0.2	0.5	-1.1	0.4	0.2	2.0	0.5	0.8	0.3	1.5	-0.6	1.6	0.6	2.2
	OECD	0.2	0.9	0.3	1.5	0.1	0.8	-0.5	1.0	-0.5	0.0	0.3	2.2	0.3	0.8	0.2	1.2	-0.5	1.1	0.4	1.6
	UBS Investment Bank	0.1	1.7	0.3	1.6	0.2	1.6	-0.4	2.1	0.5	1.0	0.3	1.3	0.7	1.2	0.3	1.8	-0.4	1.9	0.8	3.4
	UniCredit Group	0.0	1.0	0.4	1.6	0.2	1.0	-0.5	1.1	-0.1	0.4	-	-	0.5	0.7	0.2	1.2	-	-	0.7	2.5
	Average	***0.0***	***1.0***	***0.4***	***1.5***	***0.2***	***1.1***	***-0.4***	***1.3***	***-0.1***	***0.7***	***0.4***	***1.6***	***0.6***	***1.1***	***0.2***	***1.3***	***-0.5***	***1.5***	***0.7***	***2.3***
Current Account Balance (% of GDP)	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	2.2	2.1	8.2	7.5	-0.2	-0.4	1.2	1.0	-	-	-	-	-	-	2.9	2.7	-1.3	-1.7	-5.9	-4.4
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	2.6	1.9	8.1	7.6	-0.3	-0.3	1.1	0.3	1.0	0.9	4.0	2.9	1.0	0.7	2.6	2.0	-0.7	-1.6	-4.0	-3.5
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.9	2.8	-	-	-	-
	European Commission	2.4	2.3	8.5	8.3	-1.1	-1.0	1.5	1.3	0.6	1.3	4.6	4.6	0.3	0.5	3.7	3.6	-0.3	-0.9	-4.9	-4.4
	HSBC Bank	1.9	1.6	8.1	7.9	-1.7	-1.9	1.1	0.5	-	-	-	-	-	-	2.4	2.2	-0.4	-0.7	-6.7	-5.0
	IMF	2.3	2.0	8.4	8.0	0.6	0.3	1.9	2.0	-0.2	-0.3	4.0	3.5	0.9	0.4	3.5	3.2	-1.8	-2.1	-4.3	-4.0
	Intesa Sanpaolo	2.3	1.9	8.3	8.0	-0.9	-1.1	-	-	-	-	-	-	-	-	2.8	2.0	-	-	-	-
	Morgan Stanley	1.5	2.5	8.8	8.2	-1.3	-1.5	1.1	0.9	0.2	1.1	12.5	7.4	0.6	0.7	2.8	2.9	-	-	-4.5	-3.6
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	1.7	1.9	8.6	8.5	0.2	0.3	1.3	1.2	1.0	1.2	4.7	4.8	1.5	1.7	3.1	2.9	-0.6	-1.1	-3.7	-2.4
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***2.1***	***2.0***	***8.4***	***8.0***	***-0.6***	***-0.7***	***1.3***	***1.0***	***0.5***	***0.8***	***6.0***	***4.6***	***0.9***	***0.8***	***3.0***	***2.7***	***-0.9***	***-1.4***	***-4.9***	***-3.9***

The European House Ambrosetti

Forecast Table (8/10)

Indicator	Organization	USA		Japan		China		Brazil		Russia		Turkey		India		South Africa		Egypt		Saudi Arabia		UAE		Iran		South Korea		Argentina	
		2016	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*
	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.8	7.0	8.8	10.2	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	1.7	2.0	-	-	-	-	-	-	5.4	5.8	-	-	-	-	-	-	-	-	-	-	1.4	2.0	-	-
	Bank of America Merrill Lynch	1.4	2.4	-0.2	1.0	1.8	1.3	8.8	5.6	7.1	5.3	7.9	8.7	5.6	6.0	6.2	6.0	10.0	12.5	4.3	2.5	-	-	-	-	1.2	2.2	38.5	22.9
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	1.2	2.1	-0.2	0.5	2.0	2.2	8.8	5.0	7.1	5.4	7.9	8.5	5.4	5.0	6.4	6.3	-	-	4.1	3.5	-	-	-	-	-	-	43.0	25.0
	Commerzbank	1.2	2.4	0.0	0.9	1.8	2.0	10.3	9.3	8.0	7.0	-	-	5.0	5.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	1.4	2.0	-0.1	0.8	1.8	1.8	8.9	5.8	-	-	7.6	7.4	5.4	5.0	6.4	5.8	10.5	9.5	4.0	4.0	2.9	3.3	-	-	1.1	1.6	40.2	32.0
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer Prices	**European Commission**	1.2	2.2	0.2	1.1	-	-	-	-	7.5	5.4	8.6	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	1.2	1.9	-0.2	0.2	2.0	1.7	8.8	6.3	7.2	4.6	7.8	7.3	5.3	5.0	6.7	6.4	-	-	4.0	1.3	-	-	-	-	1.0	1.6	39.3	26.1
	IMF	0.8	1.5	-0.2	1.2	1.8	2.0	8.7	6.1	8.4	6.5	9.8	8.8	5.3	5.3	6.5	6.3	9.6	9.5	3.8	1.0	3.2	2.7	8.9	8.2	1.3	2.2	-	19.9
	Intesa Sanpaolo	1.2	2.2	0.2	0.6	2.0	2.2	-	-	-	-	-	-	5.2	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	1.6	1.9	-0.2	0.9	1.8	1.5	8.9	5.8	7.2	5.5	7.6	8.3	5.1	4.5	6.5	6.1	-	-	-	-	-	-	-	-	1.1	1.6	40.8	24.1
	OECD	1.1	2.0	0.1	2.1	2.6	3.0	9.2	5.7	7.3	5.3	7.9	7.3	5.0	4.6	6.5	6.3	-	-	-	-	-	-	-	-	1.0	1.7	-	-
	UBS Investment Bank	1.3	2.2	0.0	0.5	1.9	2.0	6.4	4.7	7.1	5.4	7.4	7.0	5.2	4.2	6.5	6.7	-	-	-	-	1.2	1.0	-	-	0.9	0.9	32.5	17.0
	UniCredit Group	1.3	2.4	0.0	1.0	1.9	2.0	-	-	7.3	5.8	7.6	7.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***1.2***	***2.1***	***-0.1***	***0.9***	***1.9***	***2.0***	***8.8***	***6.0***	***7.4***	***5.6***	***8.0***	***7.9***	***5.3***	***5.1***	***6.5***	***6.3***	***9.7***	***10.4***	***4.0***	***2.5***	***2.4***	***2.3***	***8.9***	***8.2***	***1.1***	***1.7***	***39.1***	***23.9***
	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-4.1	-4.0	-1.1	-1.4	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	2.7	2.5	-	-	-	-	-	-	-1.6	-1.8	-	-	-	-	-	-	-	-	-	-	6.5	5.5	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-2.6	-2.7	3.6	3.2	2.6	1.9	-1.0	-1.5	2.8	3.5	-4.7	-4.9	-1.1	-1.3	-4.3	-4.2	-	-	-12.0	-7.9	-	-	-	-	-	-	-2.2	-2.3
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-2.4	-2.6	3.7	3.2	2.8	2.4	-0.7	-1.4	-	-	-4.5	-4.8	-1.2	-1.5	-3.4	-4.0	-4.0	-3.2	-12.2	-6.8	2.5	3.5	-	-	7.0	6.4	-1.8	-2.6
Current Account Balance (% of GDP)	**European Central Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	-2.8	-3.1	3.9	4.1	3.3	3.0	-	-	5.1	5.0	-4.8	-5.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	-2.7	-2.9	2.8	2.4	2.4	1.8	-1.6	-1.3	3.0	2.0	-4.4	-5.4	-1.3	-1.5	-4.4	-4.8	-	-	-7.4	-3.2	-	-	-	-	7.2	6.9	-3.0	-2.8
	IMF	-2.9	-3.3	3.8	3.7	2.6	2.1	-2.0	-1.5	4.2	5.1	-3.6	-4.1	-1.5	-2.1	-4.4	-4.9	-5.3	-5.3	-10.2	-6.1	-1.0	0.1	-0.8	0.0	8.2	7.4	-1.7	-2.2
	Intesa Sanpaolo	-2.7	-2.4	3.9	3.5	2.5	1.8	-	-	-	-	-	-	-0.5	-0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	-3.0	-3.9	3.0	2.2	2.7	2.2	-1.1	-0.8	3.0	4.9	-5.6	-6.0	-0.8	-1.4	-5.0	-5.1	-	-	-	-	-0.4	0.6	-	-	8.7	7.3	-1.8	-2.1
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***-2.7***	***-3.0***	***3.5***	***3.2***	***2.7***	***2.2***	***-1.3***	***-1.3***	***3.6***	***4.1***	***-4.6***	***-5.1***	***-1.1***	***-1.5***	***-4.3***	***-4.5***	***-3.5***	***-3.3***	***-10.5***	***-6.0***	***0.4***	***1.4***	***-0.8***	***0.0***	***7.5***	***6.7***	***-2.1***	***-2.4***

The European House Ambrosetti

Forecast Table (9/10)

Indicator	Organization	Italy		Germany		France		Spain		Greece		Ireland		Portugal		EUROZONE		Poland		United Kingdom	
		2016	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*
Budget Balance (% of GDP)	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-2.8	-2.8	0.3	0.1	-3.1	-2.8	-4.6	-3.5	-	-	-	-	-	-	-2.1	-1.9	-2.8	-3.4	-1.9	-2.5
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-2.5	-2.4	0.0	-0.2	-3.3	-2.9	-4.0	-3.6	-3.7	-2.0	-1.1	-1.1	-2.8	-2.8	-2.0	-1.9	-2.9	-3.0	-3.0	-3.0
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-1.9	-1.7	-	-	-	-
	European Commission	-2.4	-1.9	0.2	0.1	-3.4	-3.2	-3.1	-3.2	0.0	-0.6	-2.0	-1.0	-2.2	-2.5	-1.3	-1.4	-3.0	-3.3	-3.6	-2.7
	HSBC Bank	-2.5	-2.4	0.0	0.0	-3.5	-3.5	-4.5	-3.9	-	-	-	-	-	-	-2.0	-1.9	-2.6	-3.2	-3.2	-2.8
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	-2.6	-1.4	0.3	0.1	-3.4	-3.2	-4.2	-3.2	-	-	-	-	-	-	-2.1	-1.9	-	-	-	-
	Morgan Stanley	-2.9	-2.8	0.2	-0.3	-3.4	-3.7	-4.1	-3.6	-3.2	-2.3	-0.8	-0.4	-3.2	-2.6	-1.9	-2.5	-	-	-	-
	OECD	-2.3	-2.0	0.3	0.4	-3.4	-3.0	-3.7	-2.7	-1.9	-0.5	-0.7	-0.3	-2.9	-2.6	-1.8	-1.4	-2.6	-3.2	-3.8	-2.7
	UBS Investment Bank	-2.4	-2.3	0.2	0.0	-3.4	-3.1	-3.8	-3.0	-3.4	-2.2	-1.1	-0.6	-2.7	-2.3	-2.0	-1.7	-2.8	-2.8	-3.4	-2.8
	UniCredit Group	-2.5	-2.2	0.0	0.0	-3.4	-3.1	-4.0	-3.5	-3.4	-2.9	-	-	-3.0	-2.8	-2.0	-2.1	-	-	-3.7	-3.5
	Average	***-2.5***	***-2.2***	***0.2***	***0.0***	***-3.4***	***-3.2***	***-4.0***	***-3.4***	***-2.6***	***-1.8***	***-1.1***	***-0.7***	***-2.8***	***-2.6***	***-1.9***	***-1.8***	***-2.8***	***-3.2***	***-3.2***	***-2.9***
Government Gross Debt (% of GDP)	**African Development Bank**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	133.5	134.7	68.8	66.8	96.4	96.7	100.7	101.9	-	-	-	-	-	-	90.3	89.9	52.5	53.6	88.9	90.4
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90.0	89.0	-	-	-	-
	European Commission	132.7	131.8	68.6	66.3	96.4	97.0	100.3	99.6	182.8	178.8	89.1	86.6	126.0	124.5	92.1	91.1	52.0	52.7	89.7	89.1
	HSBC Bank	132.9	133.2	68.9	66.4	96.6	98.0	100.4	101.8	-	-	-	-	0.0	0.0	92.5	92.3	52.0	52.7	-	-
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	131.5	128.8	70.1	68.8	96.4	97.0	100.6	100.1	-	-	-	-	-	-	92.7	92.2	-	-	-	-
	Morgan Stanley	133.3	134.4	68.9	68.6	96.9	97.9	99.5	101.1	189.8	189.5	76.5	74.7	128.9	129.3	90.3	91.0	-	-	89.7	91.4
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	132.7	131.5	68.6	66.3	96.4	97.0	99.9	99.2	184.1	177.8	89.1	86.6	126.0	124.5	-	-	52.5	53.0	78.9	77.0
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***132.8***	***132.4***	***69.0***	***67.2***	***96.5***	***97.3***	***100.2***	***100.6***	***185.6***	***182.0***	***84.9***	***82.6***	***127.0***	***126.1***	***91.3***	***90.9***	***52.3***	***53.0***	***86.8***	***87.0***

The European House Ambrosetti

Forecast Table (10/10)

Indicator	Organization	USA		Japan		China		Brazil		Russia		Turkey		India		South Africa		Egypt		Saudi Arabia		UAE		Iran		South Korea		Argentina	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Budget Balance (% of GDP)	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-3.3	-3.1	-9.6	-8.7	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	-3.1	-3.1	-4.3	-3.9	-3.0	-3.2	-10.1	-9.4	-3.4	-2.2	-1.8	-2.4	-3.9	-3.5	-4.0	-3.8	-	-	-17.9	-14.9	-	-	-	-	-	-	-4.9	-4.5
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-2.9	-2.9	-4.0	-3.8	-4.0	-4.0	-8.8	-9.1	-	-	-1.8	-1.2	-3.8	-3.7	-3.5	-3.4	-11.0	-9.6	-	-	-	-	-	-	-0.3	-0.6	-6.4	-6.1
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	-2.8	-3.1	-4.5	-4.2	-	-	-	-	-2.5	-1.3	-1.7	-1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	-2.9	-2.9	-4.1	-3.8	-3.0	-3.0	-8.0	-7.0	-3.3	-2.2	-2.2	-2.2	-3.5	-3.0	-3.4	-3.2	-	-	-11.5	-8.5	-	-	-	-	-0.6	0.1	-3.8	-5.5
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	-3.4	-3.4	-5.6	-6.4	-4.5	-4.3	-	-	-	-	-	-	-3.8	-3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	-3.1	-2.9	-5.2	-5.8	-4.0	-4.6	-9.3	-7.9	-3.4	-2.8	-1.5	-1.5	-6.4	-5.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OECD	-4.3	-3.7	-5.1	-4.0	-1.8	-2.0	-10.0	-7.8	-4.2	-3.6	-	-	-6.1	-5.8	-3.3	-3.0	-	-	-	-	-	-	-	-	1.1	1.6	-	-
	UBS Investment Bank	-3.0	-2.9	-7.0	-6.6	-3.2	-	-9.0	-7.9	-3.8	-3.2	-1.7	-1.5	-3.5	-3.0	-3.5	-3.2	-	-	-	-	-6.0	-2.3	-	-	-0.8	-0.8	-6.3	-5.1
	UniCredit Group	-3.6	-3.3	-6.0	-5.0	-3.5	-3.5	-	-	-3.7	-3.4	-2.8	-3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***-3.2***	***-3.1***	***-5.1***	***-4.8***	***-3.4***	***-3.5***	***-9.2***	***-8.2***	***-3.5***	***-2.7***	***-1.9***	***-1.9***	***-4.4***	***-4.0***	***-3.5***	***-3.3***	***-10.3***	***-9.2***	***-14.7***	***-11.7***	***-6.0***	***-2.3***	-	-	***-0.2***	***0.1***	***-5.4***	***-5.3***
Government Gross Debt (% of GDP)	African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank of China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BNP Paribas	72.2	72.5	212.0	216.0	-	-	73.3	78.3	13.5	13.7	34.1	34.1	47.6	46.1	51.2	51.0	-	-	13.2	18.3	-	-	-	-	-	-	48.0	45.0
	Commerzbank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deutsche Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Central Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	European Commission	-	-	247.5	248.1	-	-	-	-	22.6	23.7	32.0	31.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HSBC Bank	104.9	104.7	246.2	247.8	-	-	75.0	81.0	14.1	13.2	32.3	31.9	68.1	66.4	49.9	51.4	-	-	13.3	18.6	-	-	-	-	31.5	29.8	57.0	57.1
	IMF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Intesa Sanpaolo	125.6	123.7	234.1	239.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Morgan Stanley	105.0	106.0	253.0	259.0	54.0	58.0	74.0	76.0	11.0	12.0	34.0	33.0	69.0	66.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UBS Investment Bank	74.4	74.3	254.2	257.4	-	-	44.6	48.9	13.3	12.9	34.0	33.5	46.4	44.6	49.5	49.5	-	-	-	-	29.0	31.0	-	-	38.7	37.9	44.9	49.0
	UniCredit Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Average	***96.4***	***96.2***	***241.2***	***244.6***	***54.0***	***58.0***	***66.7***	***71.1***	***14.9***	***15.1***	***33.3***	***32.7***	***57.8***	***55.8***	***50.2***	***50.6***	-	-	***13.3***	***18.5***	***29.0***	***31.0***	-	-	***35.1***	***33.9***	***50.0***	***50.4***

"We always live in an uncertain world. What is certain is that the United States will go forward over time."

- *Warren Buffett*

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