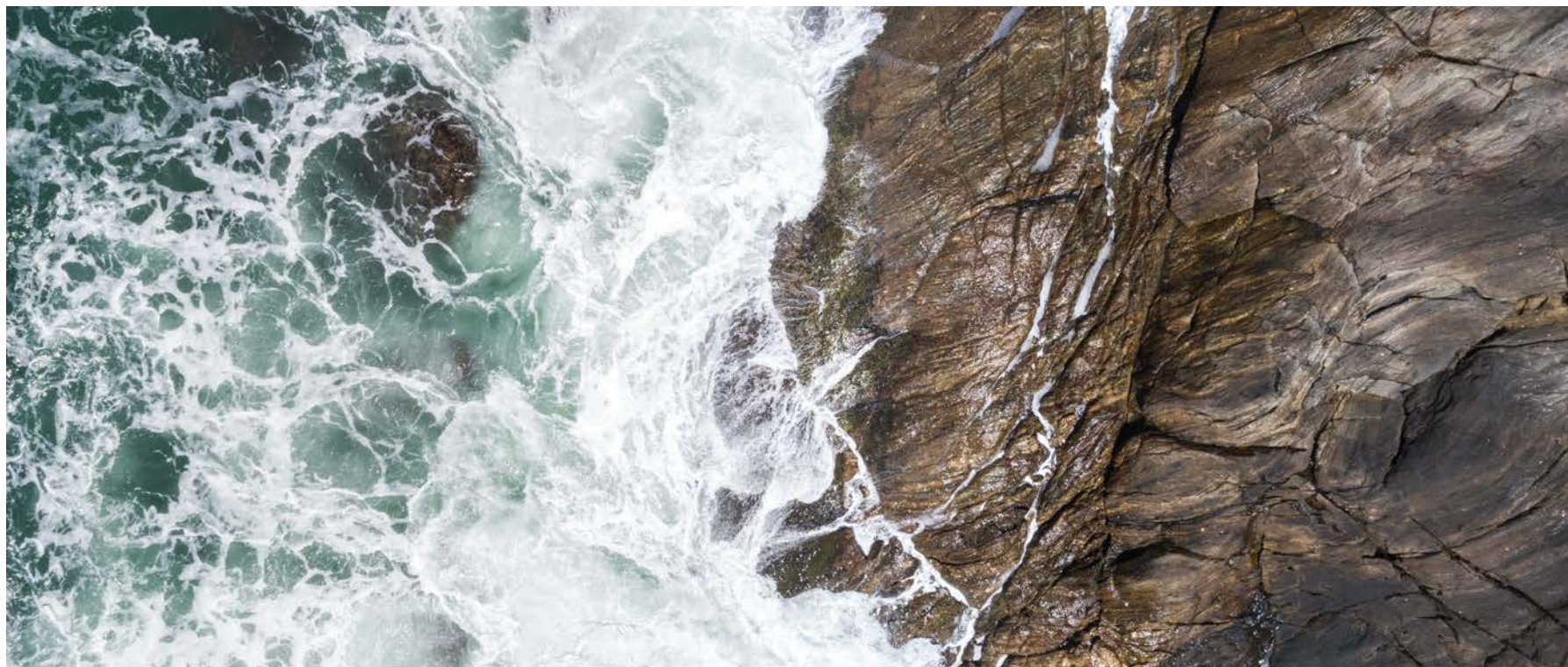


European Economic Snapshots

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Policy Is Keeping The Impact Of The Second COVID Wave At Bay

Dec. 16, 2020



S&P Global
Ratings

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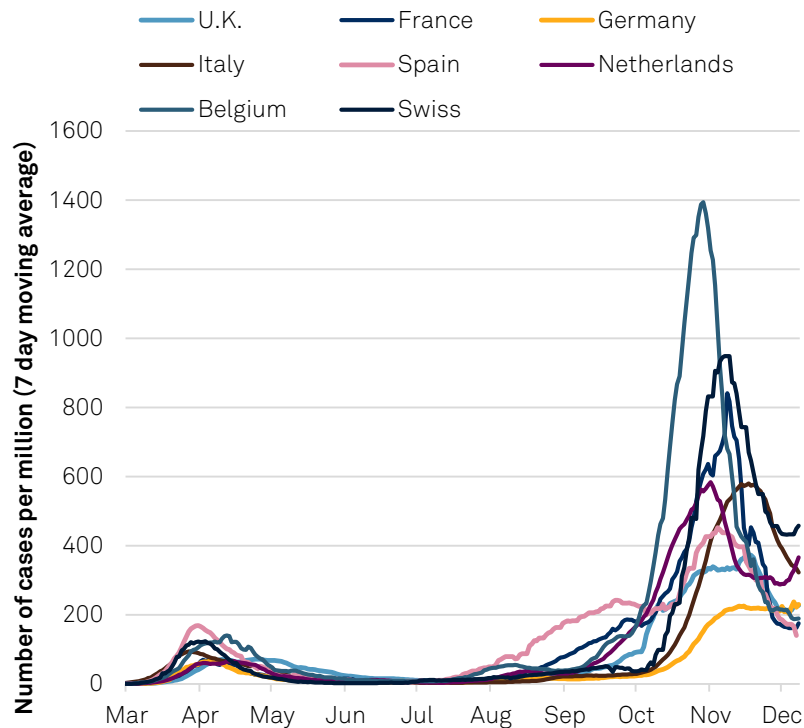
This report does not constitute a rating action.

Key Takeaways

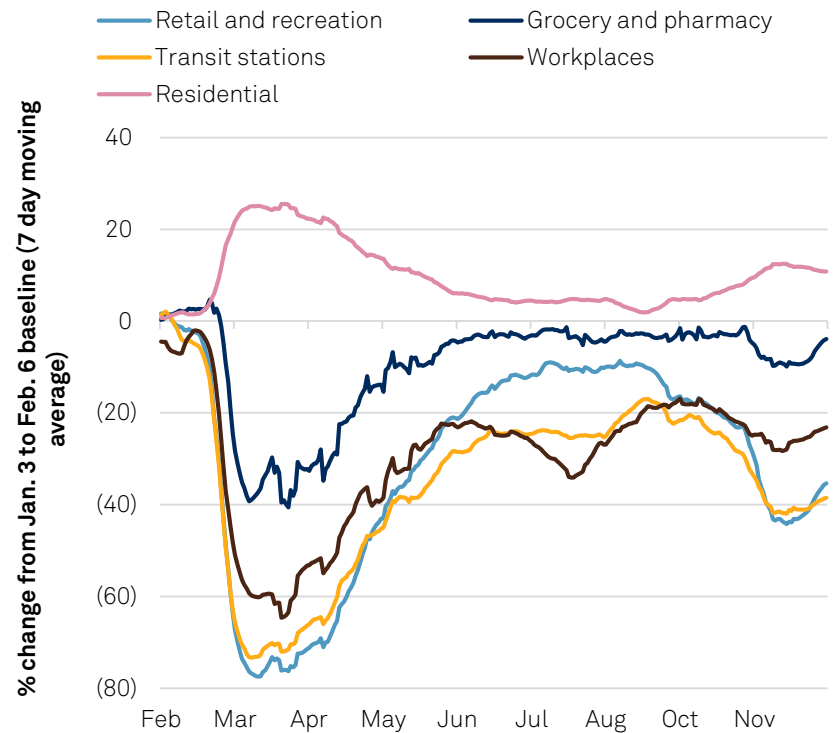
- As we enter 2021, **Europe's economic recovery is on hold** as the region battles a spike in COVID-19 cases.
- **The rebound will be slower** than we forecast in October, since some restrictions on economic activity will likely stay in place until second-quarter 2021, when a vaccine should be widely available.
- **Fiscal and monetary policy will likely continue to bridge the gap**, with measures easing financing conditions for firms and maintaining a safety net for households.

Policy Support Should Cushion Europe From A Second Wave Of COVID-19 Infections In 2021

The Number Of Cases Seems To Have Peaked



Restrictions Are Less Stringent This Time, So The Economic Slowdown Should Be Modest



Note: Mobility Trend is aggregate of Germany, France, Italy, Spain, Netherlands, Belgium, U.K., and Switzerland based on population. Google mobility data as of Dec, 8, 2020, Sources: Google, Ourworldindata.org, (Data as of Dec.,4, 2020 for new cases), S&P Global Economics Calculations

Eurozone | Recovery Is Slowing As Infections Spike

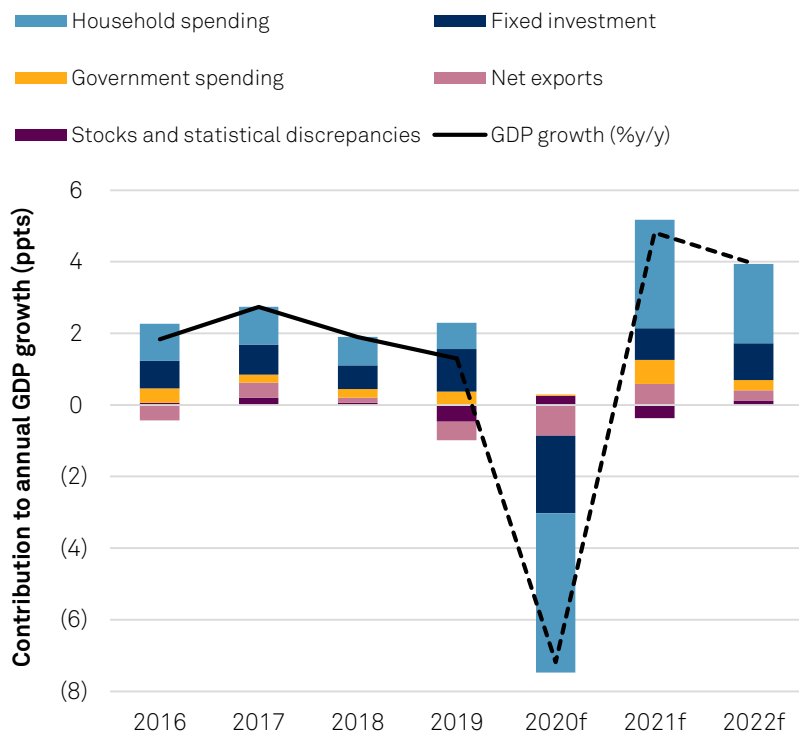
- We now expect GDP to decline by 7.2% this year rather than 7.4%, with a more modest rebound of 4.8% in 2021, versus our previous projection of 6.1%. New restrictions amid a fresh wave of COVID-19 have restricted consumer spending again and put the brakes on the recovery.
- Some restrictions on economic activity are likely to stay in place until Q2 2021, when a vaccine should be widely available. That said, the rebound in Q3 2020 was quicker than expected, suggesting that the economy could still return to prepandemic levels by mid-2022.
- Fiscal and monetary policy support will likely continue to bridge the gap to recovery in the meantime, with measures easing financing conditions for firms and maintaining a safety net for households, paving the way for a faster recovery.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	1.9	1.3	(7.2)	4.8	3.9	2.2
Real exports(% y/y)	3.6	2.5	(11.4)	6.2	5.7	3.2
Real imports(% y/y)	3.6	3.9	(10.5)	5.3	5.5	3.2
Real fixed investment (% y/y)	3.2	5.7	(9.9)	4.2	4.9	3.3
Real private consumption (% y/y)	1.5	1.4	(8.3)	5.7	4.1	2.0
Real government consumption (% y/y)	1.2	1.8	0.2	3.0	1.3	1.0
Consumer price inflation (% y/y)	1.8	1.2	0.2	1.0	1.3	1.3
Unemployment rate (%)	8.2	7.6	7.9	8.7	8.1	7.6
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	1.2	0.4	0.1	(0.1)	0.1	0.3
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

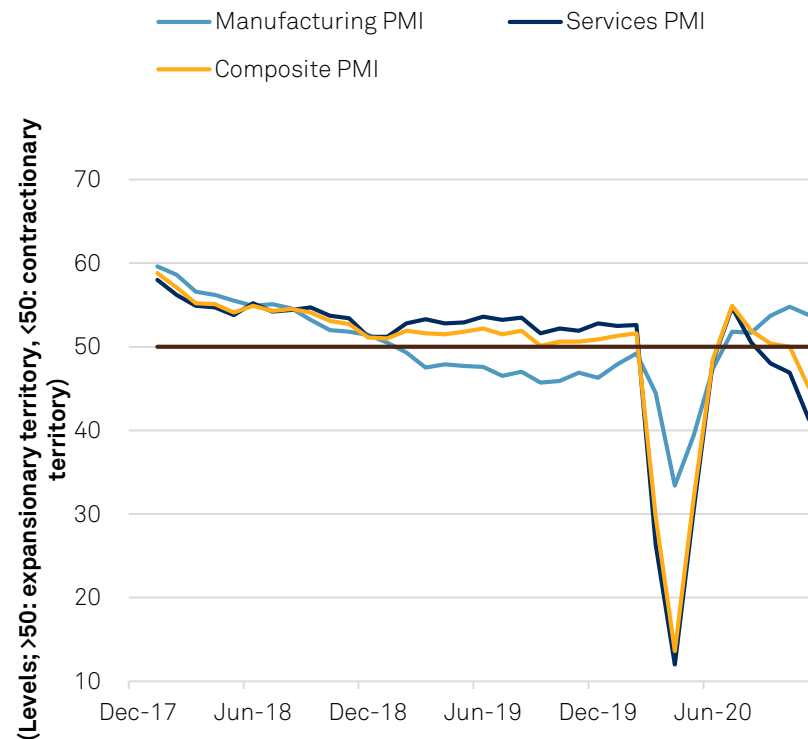
Eurozone | New Restrictions Are More Painful For Services Than Manufacturing

The Second COVID-19 Wave Implies Weaker Growth In 2021, Despite A Strong Showing In Q3



f--Forecast. ppts--Percentage points. y/y--year on year. Q--Quarter. Sources: Oxford Economics, S&P Global Economics.

Fresh Restrictions Are Hurting Services But Manufacturing Is Working Through Order Backlogs



PMI--Purchasing Managers' Index. Sources: IHS Markit, S&P Global Economics.

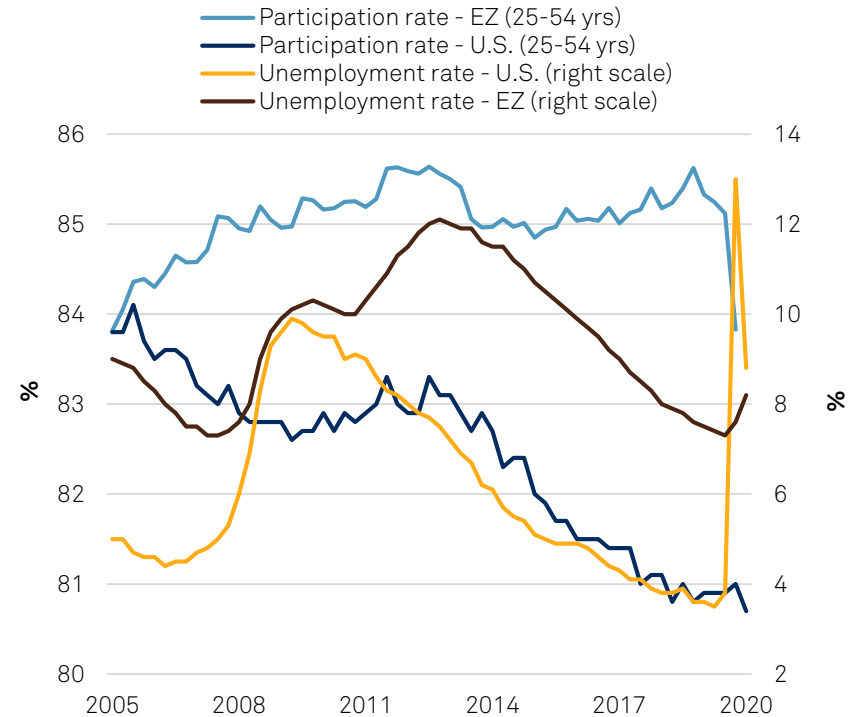
Eurozone | Massive Support Measures Cushion The Blow To Labor Markets And Households

Industry Is Still Lagging Retail, Where Sales Are 3.1% Higher Than Before The Pandemic



Sources: Eurostat, S&P Global Economics.

Unemployment Is Rising With The Participation Rate, Even Though Employment Is Recovering



Sources: Eurostat, U.S. Bureau of Labor Statistics, S&P Global Economics.

Germany | Set For A Swift Rebound Next Year

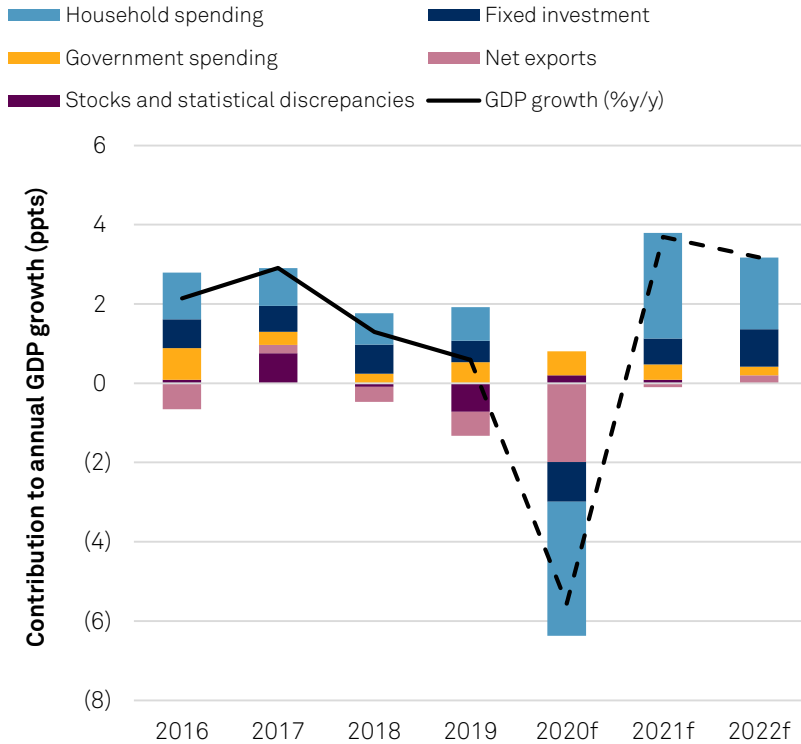
- We expect the German economy to decline 5.6% this year and rebound by 3.7% in 2021. Restrictions to curb a second wave of infections will cause a contraction in Q4 2020, although less pronounced than during the first wave. Restrictions will likely continue to weigh on activity in Q1 2021.
- High frequency data points to a renewed dichotomy between manufacturing and services, with the latter suffering from social-distancing measures into next year.
- Support and guarantee schemes, as well as short-time work programs, will continue to support corporations and workers, maintain domestic demand, and allow for a swift recovery from next year. We think the German economy will be back to pre-COVID levels in early 2022.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	1.3	0.6	(5.6)	3.7	3.2	1.9
Real exports (% y/y)	2.5	1.0	(12.2)	5.2	5.6	2.4
Real imports (% y/y)	3.8	2.6	(9.1)	6.0	5.6	2.9
Real fixed investment (% y/y)	3.6	2.6	(4.7)	3.1	4.4	3.7
Real private consumption (% y/y)	1.5	1.6	(6.4)	5.1	3.4	2.0
Real government consumption (% y/y)	1.2	2.7	3.0	1.7	1.0	1.0
CPI inflation (% y/y)	1.9	1.4	0.3	1.4	1.5	1.4
Unemployment rate (%)	3.4	3.1	4.3	4.8	4.3	3.9
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	0.5	(0.2)	(0.5)	(0.6)	(0.4)	(0.2)
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

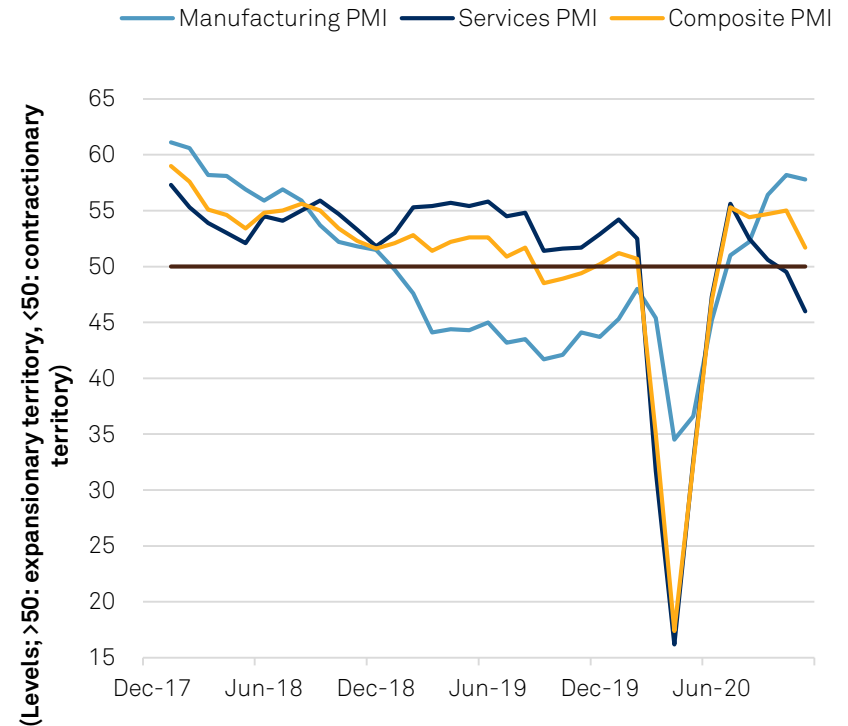
Germany | The New COVID-19 Wave Will Weigh On The Services Sector Through Early 2021

The Lockdown Due To The Second Wave Will Hamper Economic Growth In Early 2021



f--Forecast. ppts--Percentage points. y/y--Year on year. Source: Oxford Economics, IHS, S&P Global Economics.

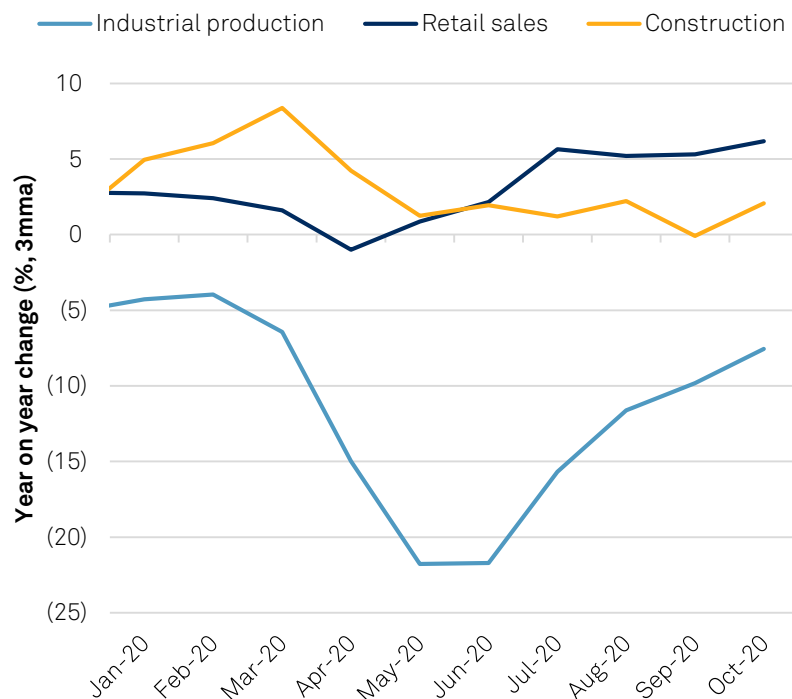
A Starker Dichotomy Between Manufacturing And Services As The Services PMI Contracts



PMI--Purchasing Managers' Index. Source: IHS Markit, S&P Global Economics.

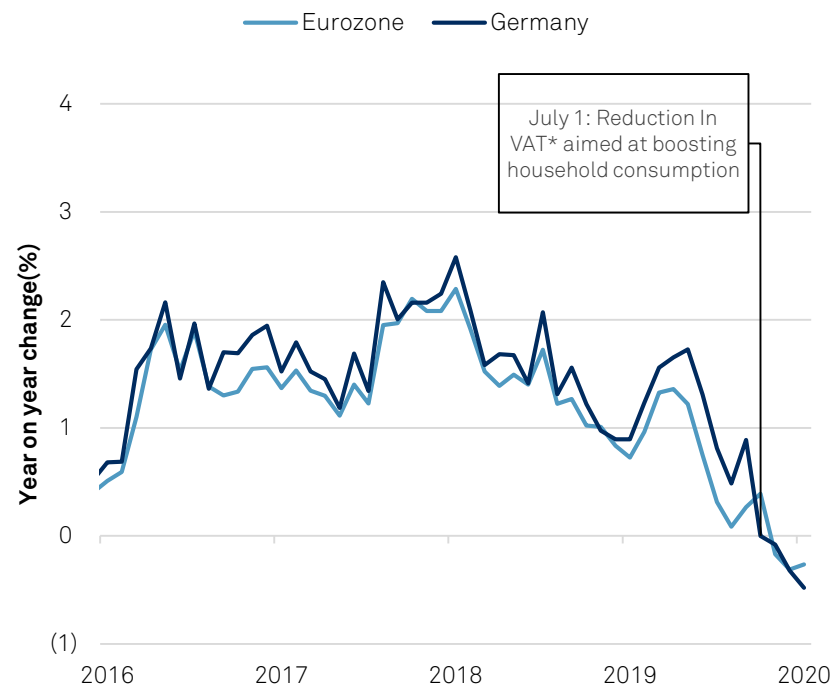
Germany | Consumer Demand Remains Bouyant

A Strong Rebound In Industrial Production, Especially Auto, With Solid Retail Sales and Construction Activity Through The Year



y/y--Year on year. Sources: Federal Statistical Office, S&P Global Economics.

Consumer Price Inflation Is Only Slightly Weaker Than The Eurozone Average Following VAT Cut



Note: *VAT--Value-added tax cut by 2pts-3 pts, depending on tax rates. Harmonized Consumer Price Inflation. Sources: Eurostat S&P Global Economics.

France | An Economic Upswing Is On The Cards

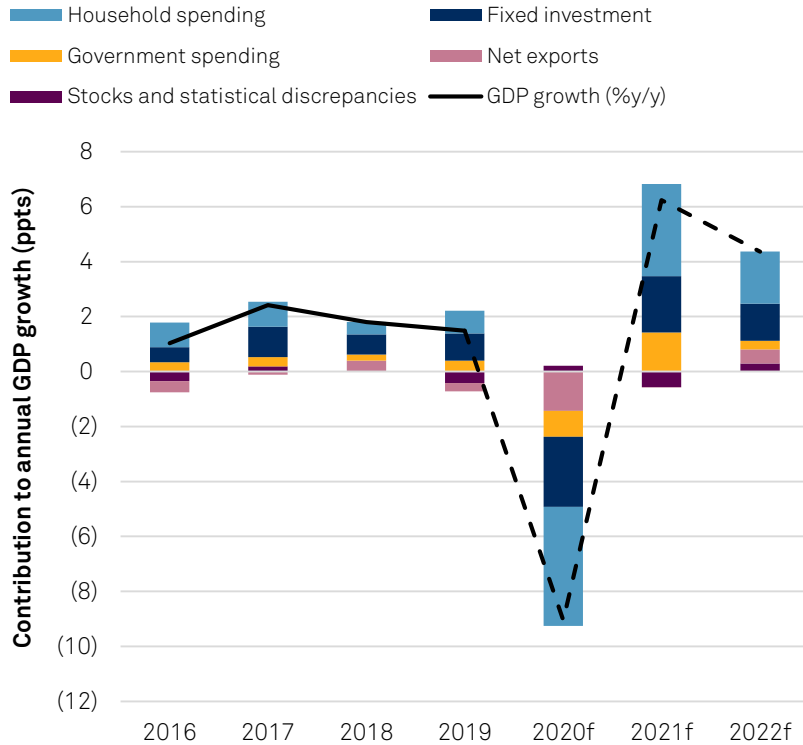
- The French economy is set to contract by 9% in 2020 with new lockdowns in November weighing on activity. However, short-time work schemes and credit guarantees helped support household income, underscoring the quick recovery in Q3, and will likely do so again in 2021, with GDP set to rebound by 6.2%.
- The recovery package the government unveiled in September, of about 4% of GDP, will boost the recovery from 2021. Coordinated fiscal stimulus at the EU level should limit leakages and help exports rebound more quickly. We expect GDP to reach prepandemic levels by 2022.
- The unemployment rate will remain elevated into 2023 since some long-term unemployed are likely to return to the workforce, but employment is likely to regain its prepandemic level by 2022.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	1.8	1.5	(9.0)	6.2	4.4	2.5
Real exports(% y/y)	4.6	1.8	(17.7)	7.1	6.2	4.0
Real imports(% y/y)	3.1	2.6	(12.6)	6.4	4.0	2.9
Real fixed investment (% y/y)	3.2	4.3	(10.8)	8.8	5.7	3.3
Real private consumption (% y/y)	0.8	1.5	(8.0)	6.1	3.5	1.9
Real government consumption (% y/y)	0.9	1.7	(4.0)	5.7	1.3	1.0
CPI inflation (% y/y)	2.1	1.3	0.5	0.7	1.3	1.2
Unemployment rate (%)	9.0	8.5	8.2	9.4	9.2	8.8
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	0.8	0.1	(0.2)	(0.3)	(0.1)	0.1
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

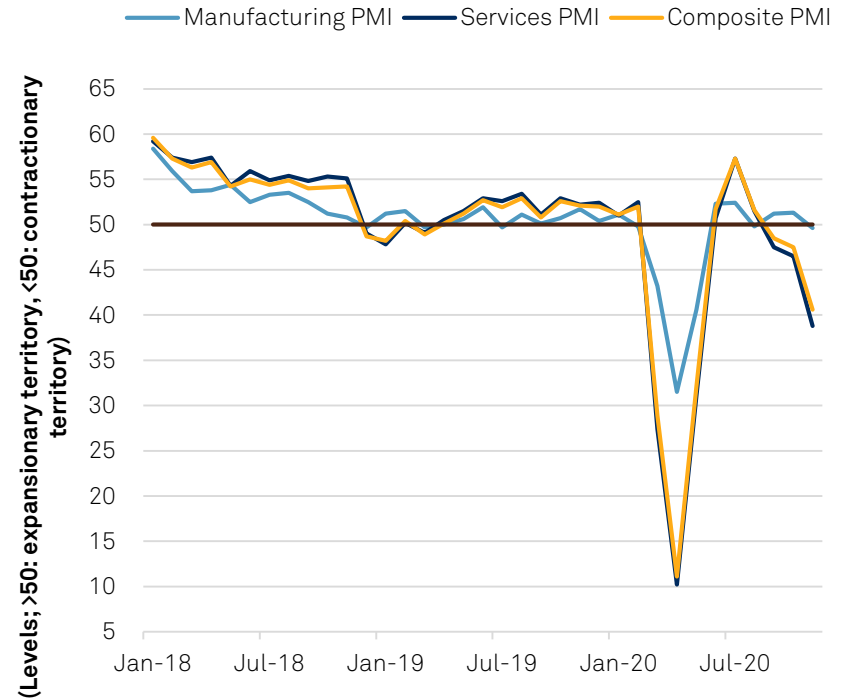
France | New Restrictions Have Hit The Relatively Large Services Sector

All Components Of Growth Should Recover From Lockdown Measures Next Year, As In Q3 2020



f-- Forecast. ppts--Percentage points. y/y--year on year. Q--Quarter.
Sources: Oxford Economics, IHS Markit, S&P Global Economics.

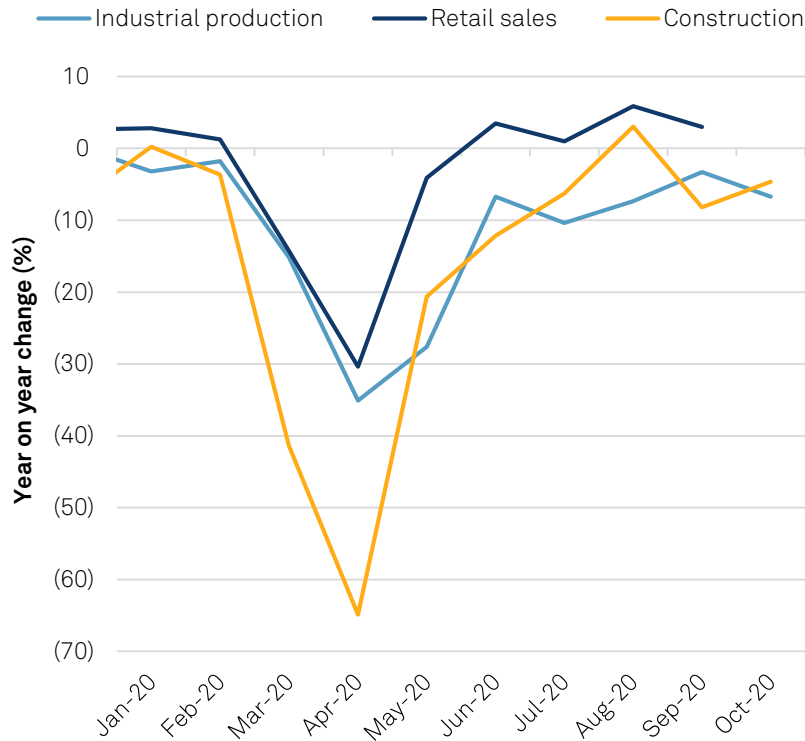
Reintroduction Of Restrictions Resulted In Weaker Services Activity In November



PMI--Purchasing Managers' Index. Sources: IHS Markit, S&P Global Economics.

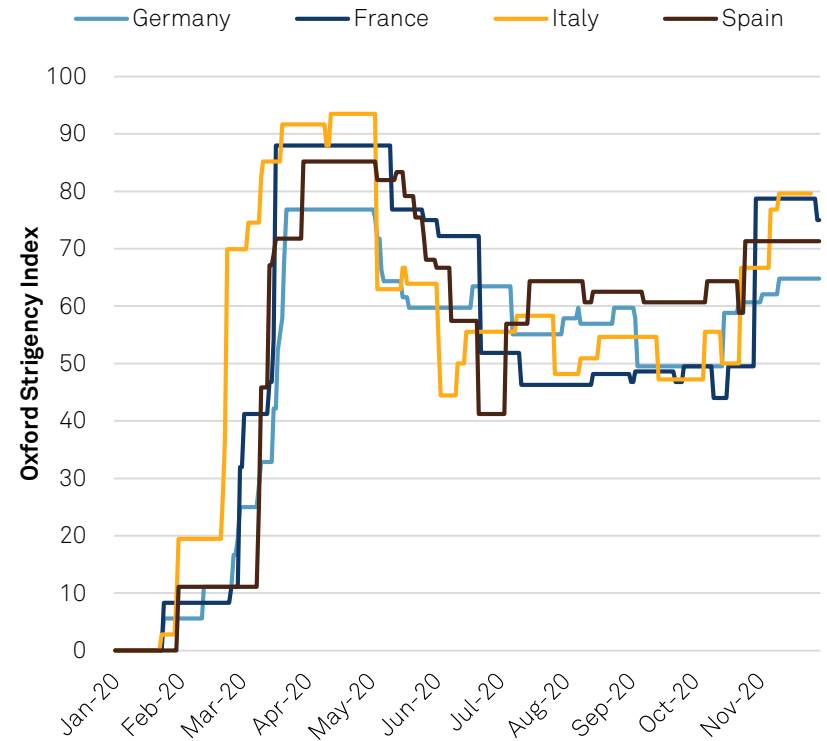
France | Recovery Was Swift After Lockdowns Ended

Industrial Production Weakened Again In October



Source: INSEE-Institut national de la statistique et des études économiques, S&P Global Economics.

Social-Distancing Measures In November Were less Strict Than In February-April



Source: Oxford COVID-19 Government Response Tracker (OxCGRT), Data as of November 30, 2020, S&P Global Economics.

Italy | Restrictions Put The Brakes On Recovery

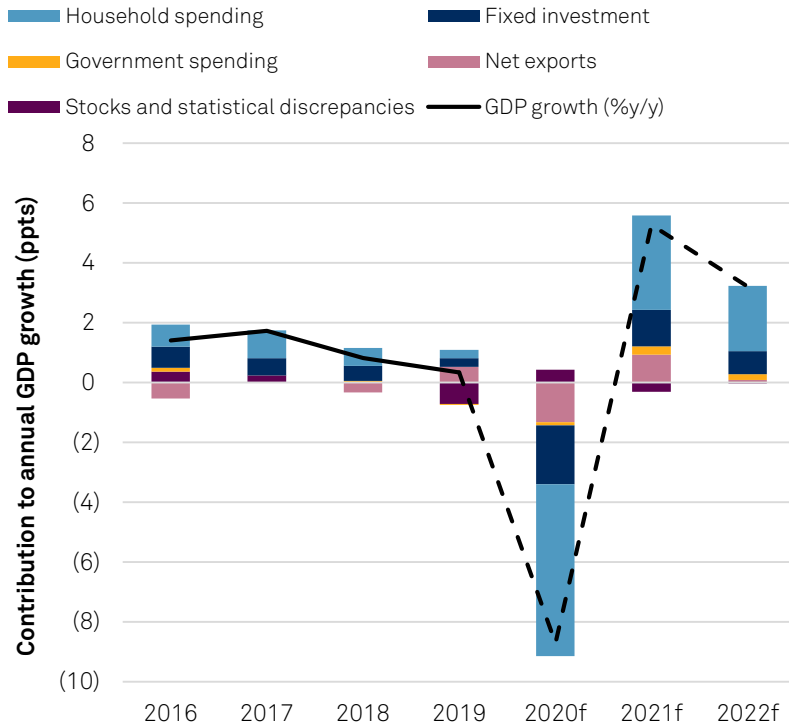
- GDP is set to shrink by 8.7% in 2020, with new COVID-19 restrictions dampening Q4 before a rebound by 5.3% in 2021. Yet, the quick recovery in Q3 points to potential for a sharp recovery in 2021 when the health situation normalizes, once fiscal and monetary policy support remains in place.
- Italy is in a slightly better position than some of its neighbors, thanks to its relatively large manufacturing sector, which is less affected by the second lockdown. It is also set to be the second largest beneficiary of the EU's Next Generation Fund, which will help it recover from 2021 and boost public investment, which has been about 30% lower than before the last financial crisis.
- The European Central Bank's (ECB's) asset purchases and a coordinated EU fiscal response have also helped lower the spread on Italian government bonds, easing financial conditions for the government.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	0.8	0.3	(8.7)	5.3	3.2	1.7
Real exports(% y/y)	1.6	1.3	(16.5)	10.2	5.3	3.7
Real imports(% y/y)	2.9	(0.4)	(13.4)	7.3	5.4	3.2
Real fixed investment (% y/y)	2.9	1.6	(10.8)	6.8	4.2	2.6
Real private consumption (% y/y)	1.0	0.5	(9.4)	5.2	3.6	1.5
Real government consumption (% y/y)	0.2	(0.2)	(0.6)	1.4	1.0	0.4
CPI inflation (% y/y)	1.2	0.6	(0.1)	0.8	1.1	1.1
Unemployment rate (%)	10.6	9.9	9.1	10.3	10.1	9.5
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	2.6	1.9	1.2	0.9	1.1	1.3
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

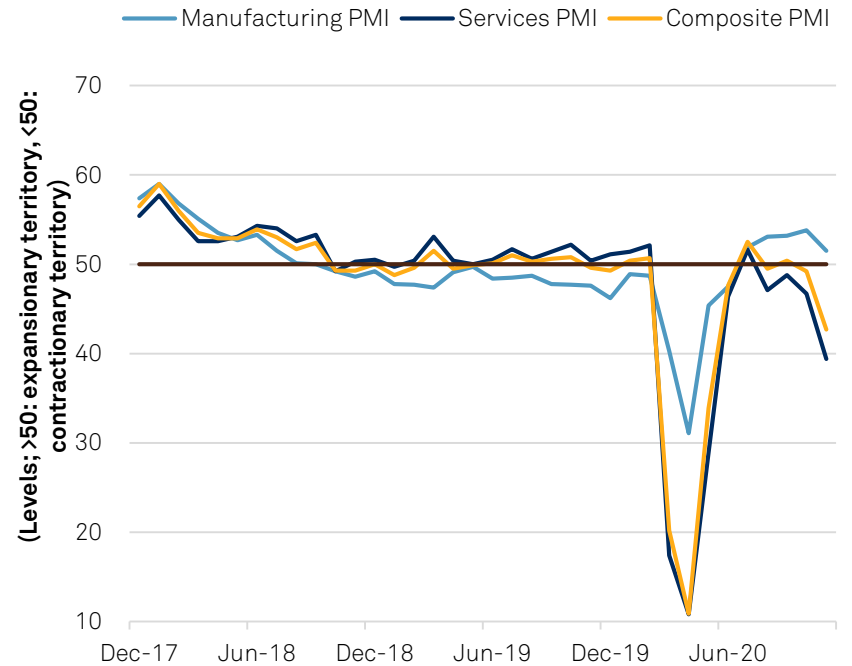
f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

Italy | New Restrictions Point To Contraction In Q4

Weak Household Consumption Is The Main Cause Of The Downturn In 2020



With Softer Lockdowns, Manufacturing Is Less Affected Than Services

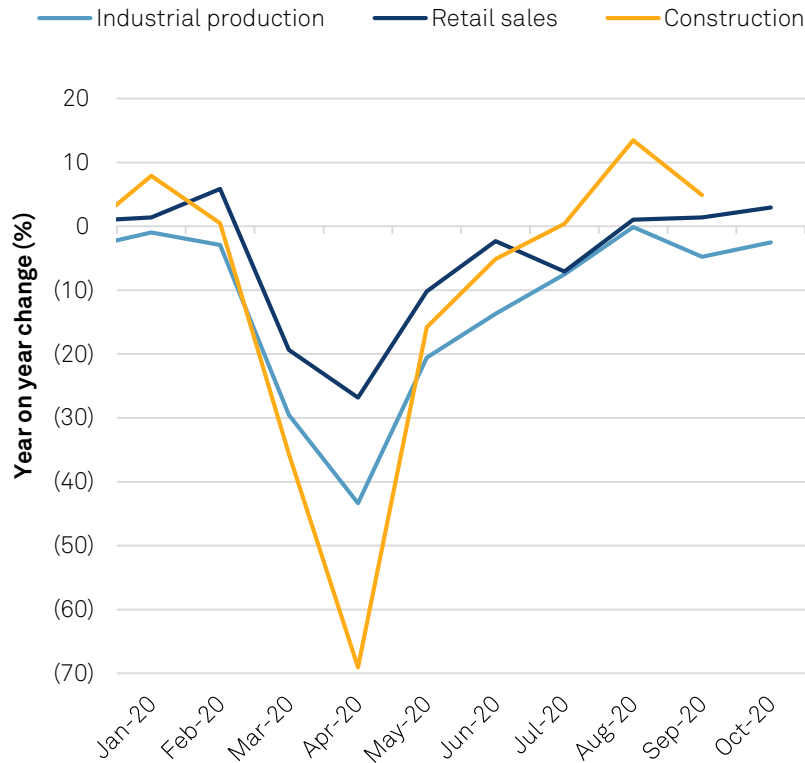


f--Forecast. ppts--Percentage points. y/y--year on year. Q--Quarter. Sources: Oxford Economics, S&P Global Economics.

PMI--Purchasing Managers' Index. Sources: IHS Markit, S&P Global Economics.

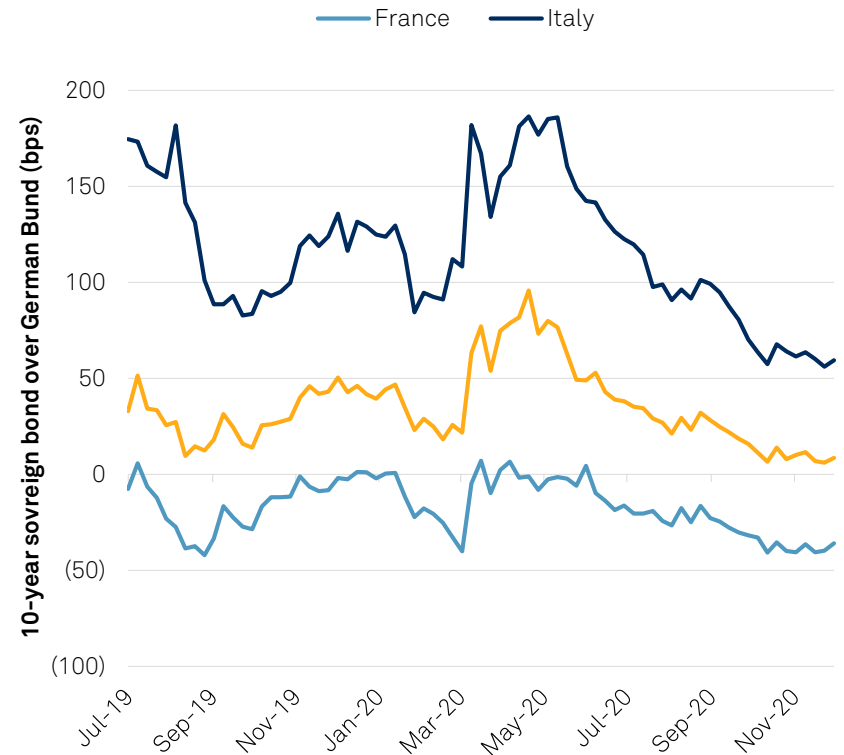
Italy | Industry, Construction, And Retail Recovered Well Before The Second Lockdown

Industrial Production, Construction, And Retail Recovered To Prepandemic Levels In August



Sources: ISTAT, S&P Global Economics.

Yields Are Still Low, Thanks To ECB Asset Purchases And EU Joint Recovery Initiative



bps--Basis points. Note: Yield spread is weekly data from DataStream data as of December 4. Source: S&P Global Economics.

Spain | Second COVID-19 Wave Means A Weak Winter

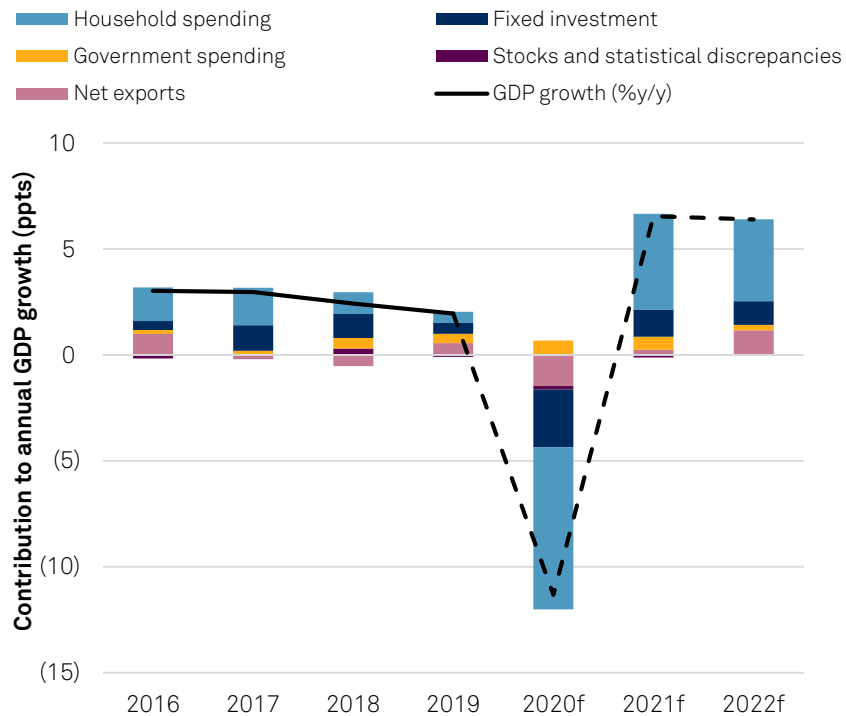
- We still forecast an 11.3% GDP decline in Spain this year, the steepest drop we expect in Europe as the country suffers from largely lost tourism revenue. A recent spike in infections and ensuing social-distancing measures should lead to another quarter of negative economic growth in Q4 2020.
- We think measures to contain the pandemic's spread will ease only gradually over the first quarter of 2021 so we expect subdued growth early next year. We consequently revised down our forecast for next year.
- Assuming availability of a vaccine by mid-2021, the country should see a solid tourism season next year. The country's furlough scheme will continue into early next year, and Spain is set to be one of the main beneficiaries of EU support, enhancing recovery via investment and employment creation.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	2.4	2.0	(11.3)	6.5	6.4	2.6
Real exports(% y/y)	2.3	2.3	(20.4)	7.0	8.8	4.0
Real imports(% y/y)	4.2	0.7	(18.0)	6.7	5.5	3.5
Real fixed investment (% y/y)	6.1	2.7	(14.0)	6.8	5.9	3.3
Real private consumption (% y/y)	1.8	0.9	(13.4)	8.1	6.8	2.6
Real government consumption (% y/y)	2.6	2.3	3.6	2.8	1.3	1.2
CPI inflation (% y/y)	1.7	0.8	(0.3)	0.9	1.4	1.5
Unemployment rate (%)	15.3	14.1	15.9	17.6	16.4	15.6
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	1.4	0.7	0.4	0.3	0.5	0.7
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

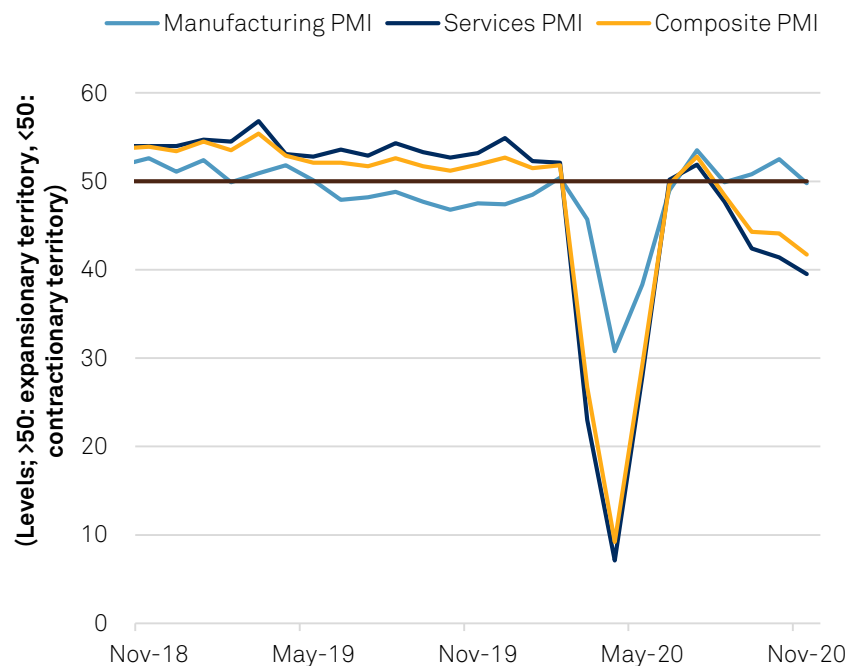
Spain | Services Sector Is Suffering From The Recent Spike In Infections

Household Spending And Investment Should Fuel Growth In The Coming Years



f--Forecast. ppts--Percentage points. y/y--year on year. Sources: Oxford Economics, S&P Global Economics.

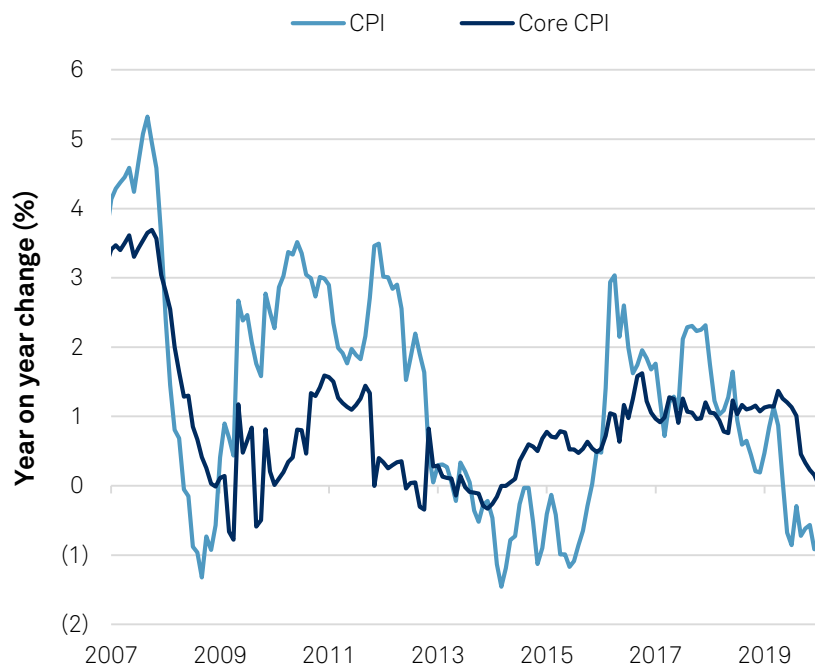
Increasing Dichotomy Between Manufacturing And Services As The Latter Suffers Most From Lockdown Measures



PMI--Purchasing Managers' Index. Sources: IHS Markit, S&P Global Economics.

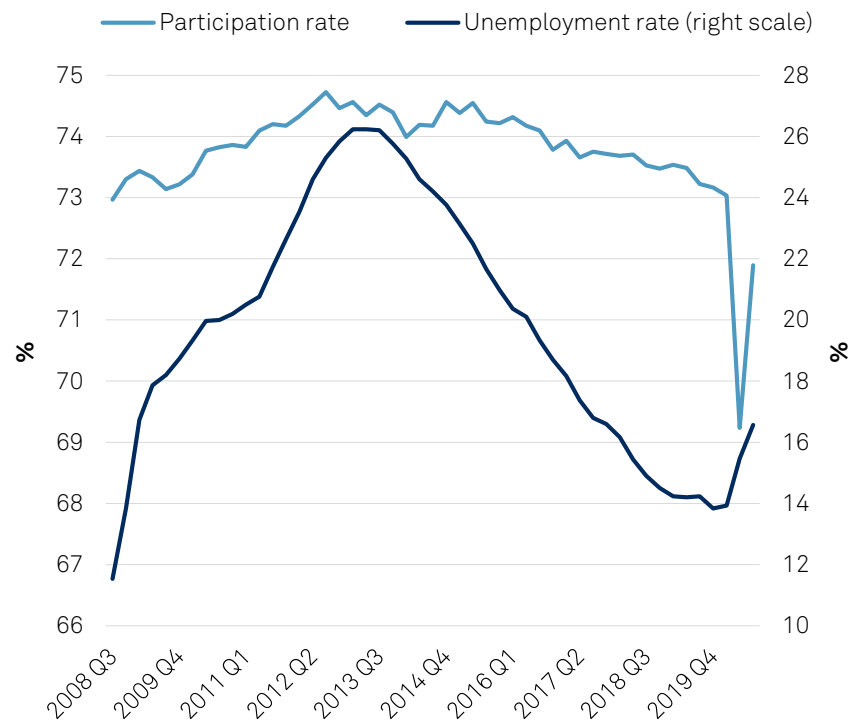
Spain | Weakened Demand Results In Deflationary Pressures

Weak Demand Has Resulted In Negative Consumer Price Inflation Since April



CPI--Consumer Price Index. Sources: Eurostat, S&P Global Economics.

Unemployment Is Up As Workers Return To The Labor Market; Around Two-thirds Of This Year's Job Losses Were Recovered By End Of Q3



Q--Quarter. Source: S&P Global Economics.

Netherlands | A Solid Rebound Is In Sight

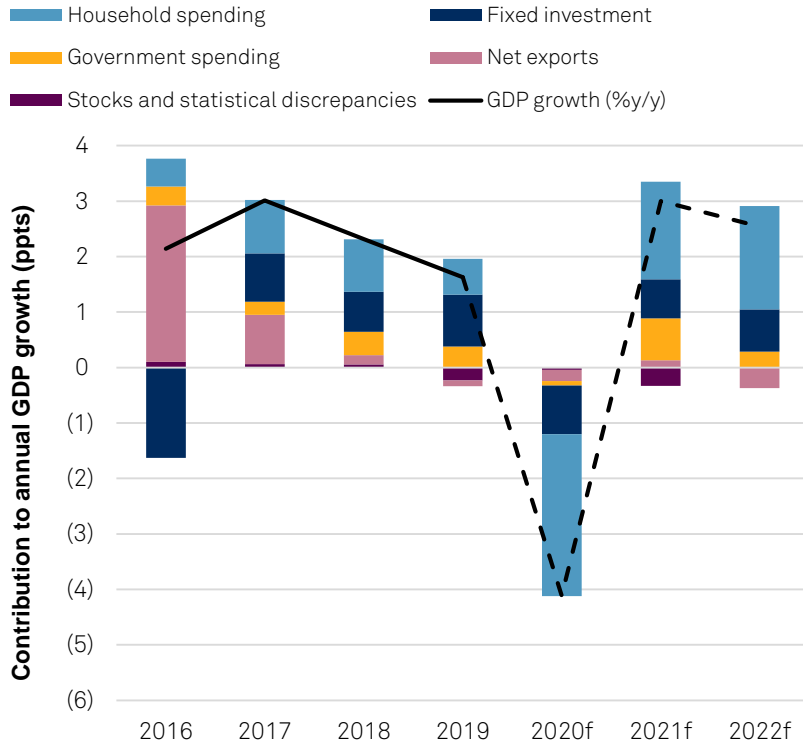
- We expect the Dutch economy to contract 4.1% this year, an upward revision from our September forecast, due to the strong rebound in Q3. We foresee GDP of 3.0% next year.
- The economy will dip for a second time in Q4 due to a partial lockdown after a resurgence of COVID-19 cases. However, the hit to economic activity should be less severe than in spring because businesses are better prepared, restrictions less stringent, and global trade less affected.
- The government announced a top up of €0.5 billion to its third support package of €11 billion. This extra support includes compensation for fixed costs to all sectors and specific compensation for bars and restaurants.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	2.3	1.6	(4.1)	3.0	2.5	2.2
Real exports(% y/y)	4.2	2.6	(4.8)	4.5	4.6	3.2
Real imports(% y/y)	4.6	3.1	(5.2)	4.9	5.7	3.2
Real fixed investment (% y/y)	3.5	4.5	(4.1)	3.3	3.6	2.2
Real private consumption (% y/y)	2.1	1.5	(6.6)	4.1	4.3	2.6
Real government consumption (% y/y)	1.7	1.6	(0.3)	3.0	1.1	1.1
CPI inflation (% y/y)	1.6	2.7	1.2	1.3	1.4	1.6
Unemployment rate (%)	3.8	3.4	4.1	5.2	4.3	3.6
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	0.6	(0.1)	(0.3)	(0.4)	(0.2)	(0.1)
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

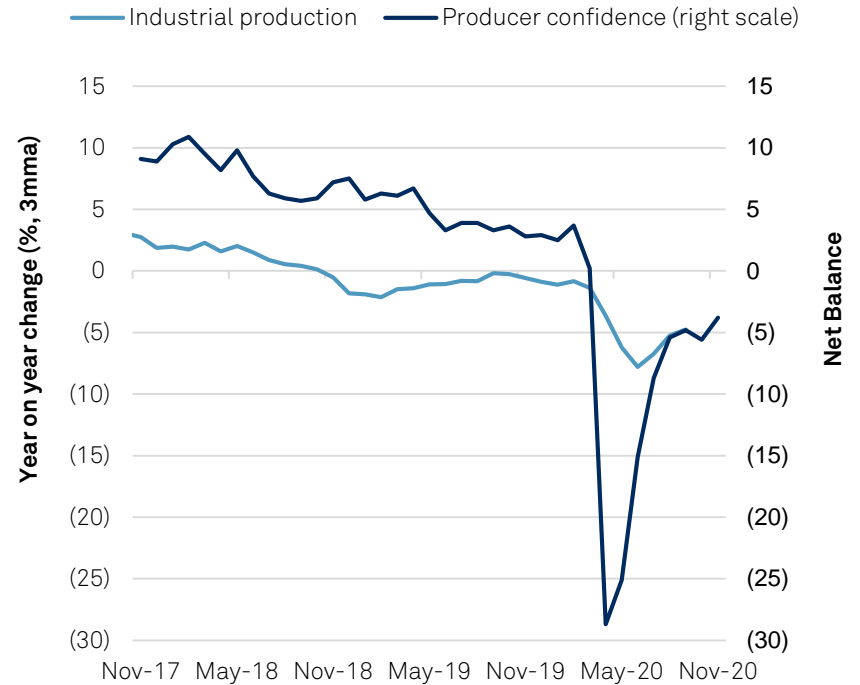
f--S&P Global Ratings Research forecast. y/y--Year on year. Bn– Billion. Source: Oxford Economics, and S&P Global Economics.

Netherlands | Household Spending Will Make Up For Curbed Growth

Domestic Demand Will Fuel Economic Recovery Next Year



Producer Confidence Keeps Recovering Despite A Second COVID-19 Wave

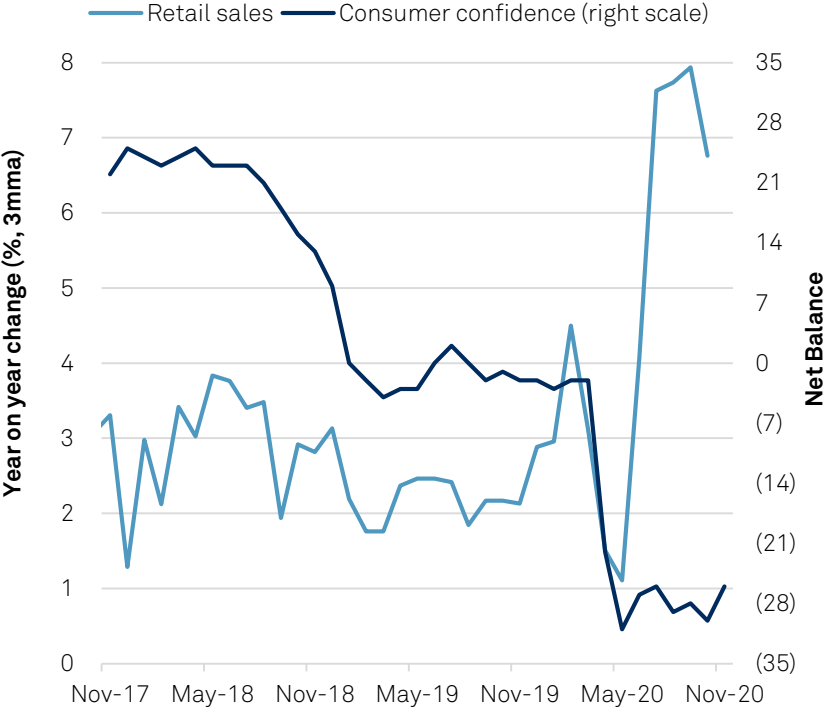


f--Forecast. ppts--Percentage points. y/y--Year on year. Sources: Oxford Economics, CBS, and S&P Global Economics.

3mma--Three month moving average. Sources: Statistics Netherlands, and S&P Global Economics.

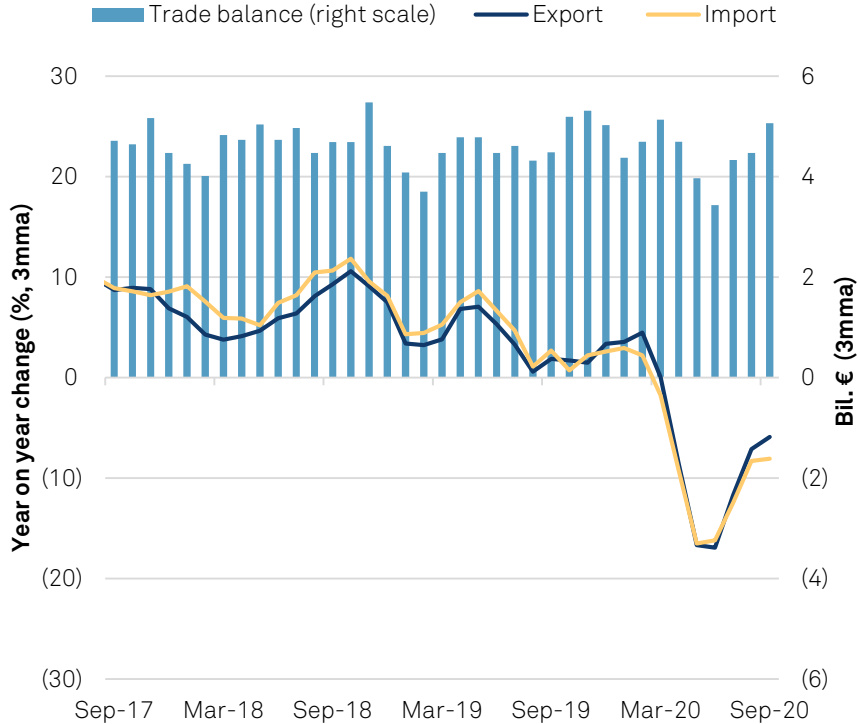
Netherlands | Consumer Confidence Remains Subdued

Buoyant Retail Sales Stem From Release Of Pent Up Demand Rather Than Consumer Confidence



3mma--Three month moving average. Sources: Statistics Netherlands, and S&P Global Economics.

Exports Recovered Faster Than Imports Over The Third Quarter Of 2020



3mma--Three month moving average. Sources: Statistics Netherlands, and S&P Global Economics.

Belgium | Second Lockdown Overshadows Stronger-Than-Expected Third Quarter Growth

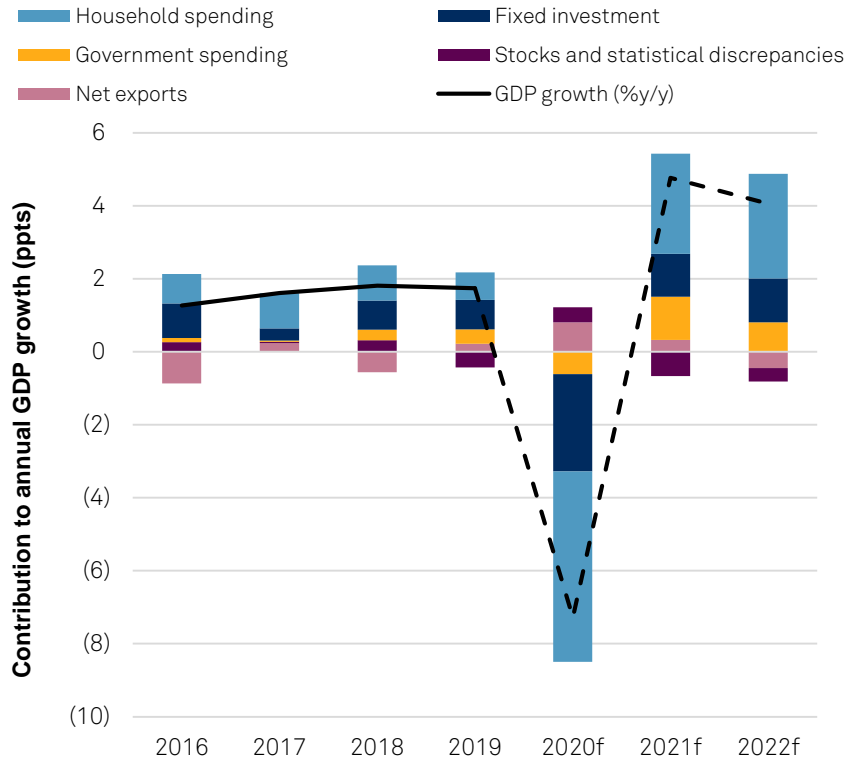
- We forecast the Belgian economy to shrink by 7.3% this year, with a rebound of 4.8% in 2021, mainly due to household consumption and investment. In September, GDP was 5.7% below its pre-COVID level, and we expect it to recover by midyear 2022.
- Economic activity will drop in the last quarter due to new lockdown measures, although less than during the first wave, since they are less stringent and businesses are better prepared.
- The formation of the new government should facilitate the implementation of measures to support investment and economic recovery (announced at €10 billion-€20 billion).

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	1.8	1.7	(7.3)	4.8	4.1	1.7
Real exports(% y/y)	0.6	1.0	(6.7)	5.7	6.9	3.4
Real imports(% y/y)	1.3	0.8	(7.7)	5.4	7.6	3.2
Real fixed investment (% y/y)	3.4	3.4	(10.9)	5.1	5.1	1.8
Real private consumption (% y/y)	1.9	1.5	(10.1)	5.5	5.7	2.1
Real government consumption (% y/y)	1.3	1.7	(2.7)	4.9	3.4	1.2
CPI inflation (% y/y)	2.3	1.2	0.5	1.4	1.7	1.8
Unemployment rate (%)	6.0	5.4	5.2	6.1	5.8	5.6
Short-term interest rate (%)	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Long-term interest rate (%)	0.8	0.2	(0.1)	(0.2)	(0.0)	0.1
Exchange rate (\$ per €)	1.2	1.1	1.1	1.2	1.2	1.2

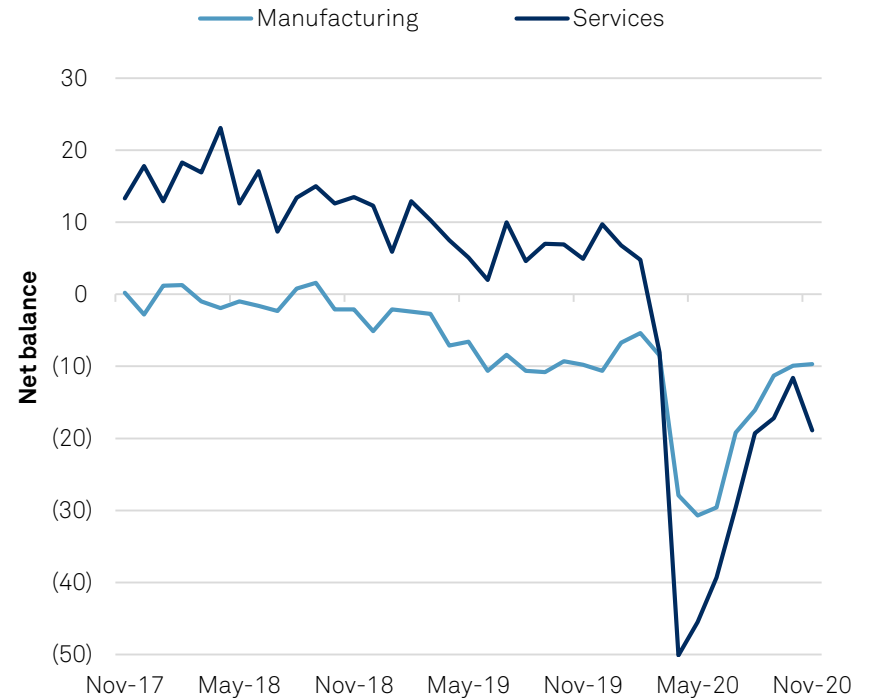
f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics, and S&P Global Economics.

Belgium | Solid Recovery From 2021

Household Consumption And Investment Will Fuel The Recovery Next Year



Manufacturing Sentiment Continued To Improve While Services Sentiment Dropped Amid Surge In COVID-19 Cases And New Restrictions

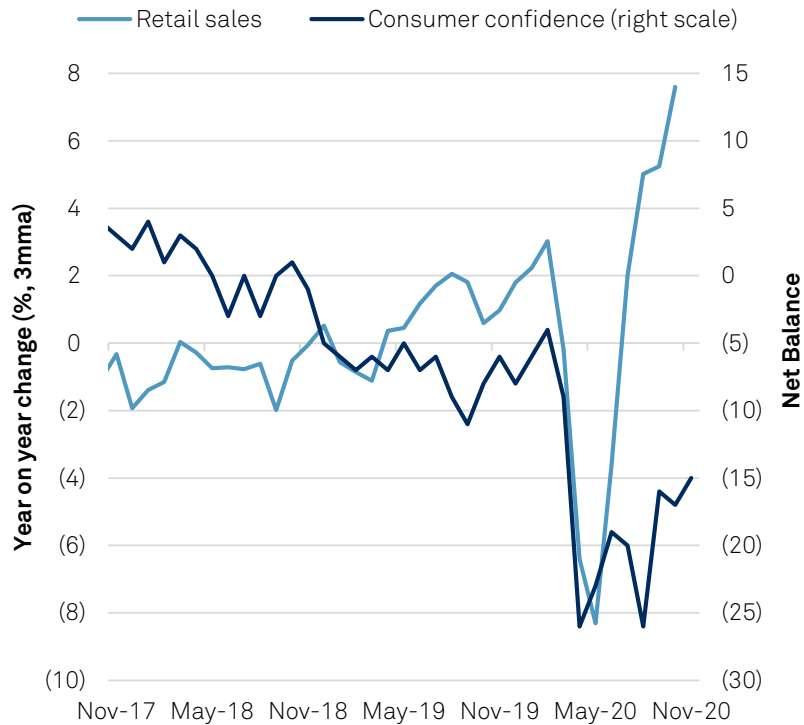


f--Forecast. ppts--Percentage points. y/y--year on year. Sources: Oxford Economics, Directorate General For Economic and Financial Affairs, S&P Global Economics.

Source: Directorate General For Economic and Financial Affairs, S&P Global Economics.

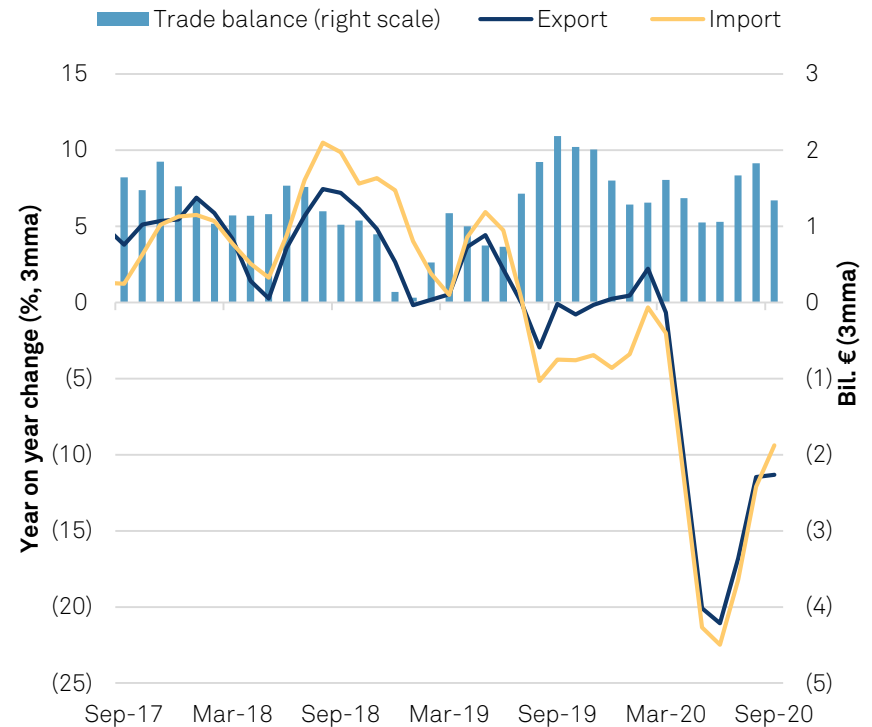
Belgium | Consumer Confidence Is Rising Despite New Restrictions

Consumer Confidence, Although Still Deep In Negative Territory, Ticked Up Again In November



3mma--Three month moving average. Source: Statistics Belgium, and S&P Global Economics.

Imports Continued To Recover On The Back Of Strong Demand, While Exports Stagnated



3mma--Three month moving average. Source: Statistics Belgium, and S&P Global Economics.

U.K. | Fresh Lockdown Stalls Economic Recovery

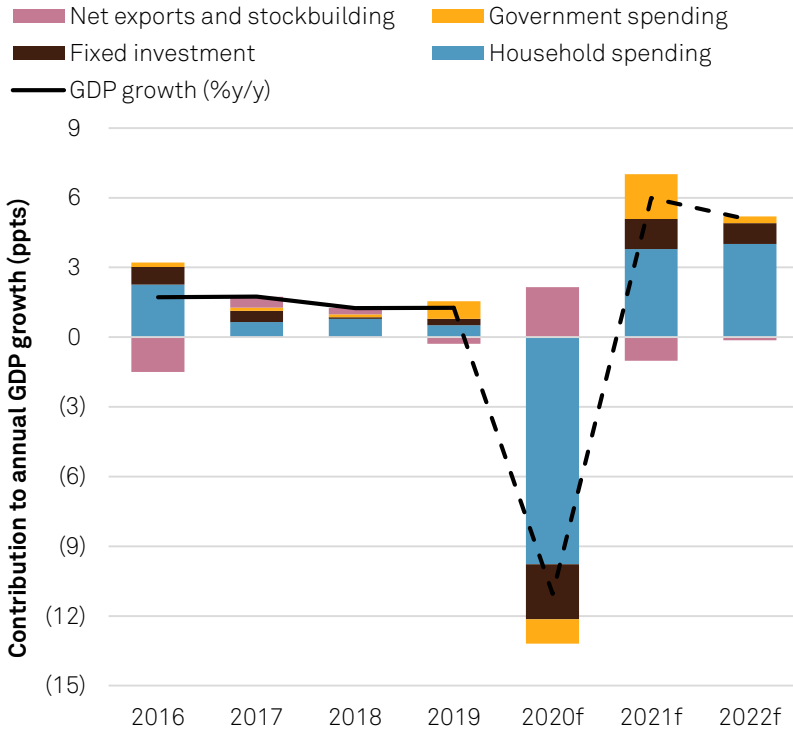
- We now expect a steeper contraction of 11.0% for 2020 rather than the 9.7% decline forecast in September, before growth rebounds at 6.0% in 2021. The downward revision mainly reflects the economic impact from the second lockdown introduced to contain the second wave of infections.
- Consumer spending was recovering quickly until mid-October, but the recent surge in COVID-19 cases and subsequent lockdown have dampened household spending, especially on services.
- Recent survey and mobility data coincides with renewed weakness, particularly for the services sector. Industry however remained on an upward trajectory, reflecting the lack of restrictions on manufacturing as well as stock building before the Brexit transition phase ends.
- The recently announced extension of the furlough scheme, along with other measures, will limit most of the damage from the second wave, but not give much of a boost to growth beyond that.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	1.3	1.3	(11.0)	6.0	5.0	2.4
Real exports (% y/y)	3.0	2.8	(11.3)	1.2	6.0	2.1
Real imports (% y/y)	2.7	3.3	(19.9)	7.3	8.8	3.1
Real fixed investment (% y/y)	0.4	1.5	(13.3)	7.5	5.0	2.8
Real private consumption (% y/y)	1.3	0.8	(15.7)	6.4	6.8	3.0
Real government consumption (% y/y)	0.6	4.1	(5.5)	9.5	1.4	1.4
CPI inflation (% y/y)	2.5	1.8	0.9	1.8	1.9	1.9
Unemployment rate (%)	4.1	3.8	4.8	6.7	5.2	4.5
Short-term interest rate (%)	0.6	0.8	0.2	0.1	0.1	0.1
Long-term interest rate (%)	1.5	0.9	0.4	0.3	0.4	1.0
Exchange rate (€ per Pound)	1.3	1.3	1.3	1.3	1.3	1.3

f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

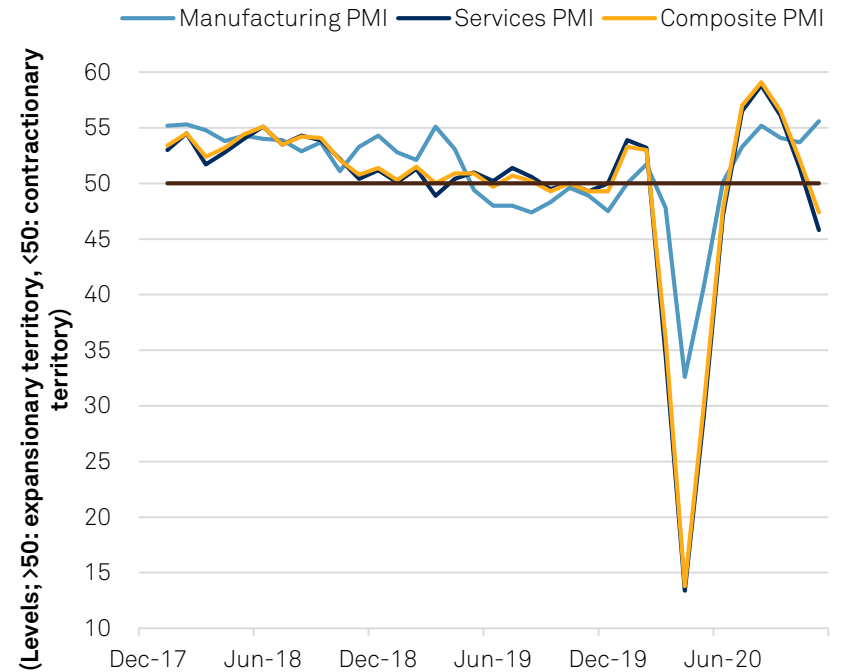
U.K. | Services Sector Suffers Once More As Fresh Lockdown Bites

We Have Revised Down Our 2020 And 2021 GDP Forecast Further



f--Forecast. ppts--Percentage points. y/y--year on year. Source: Oxford Economics, IHS, S&P Global Economics.

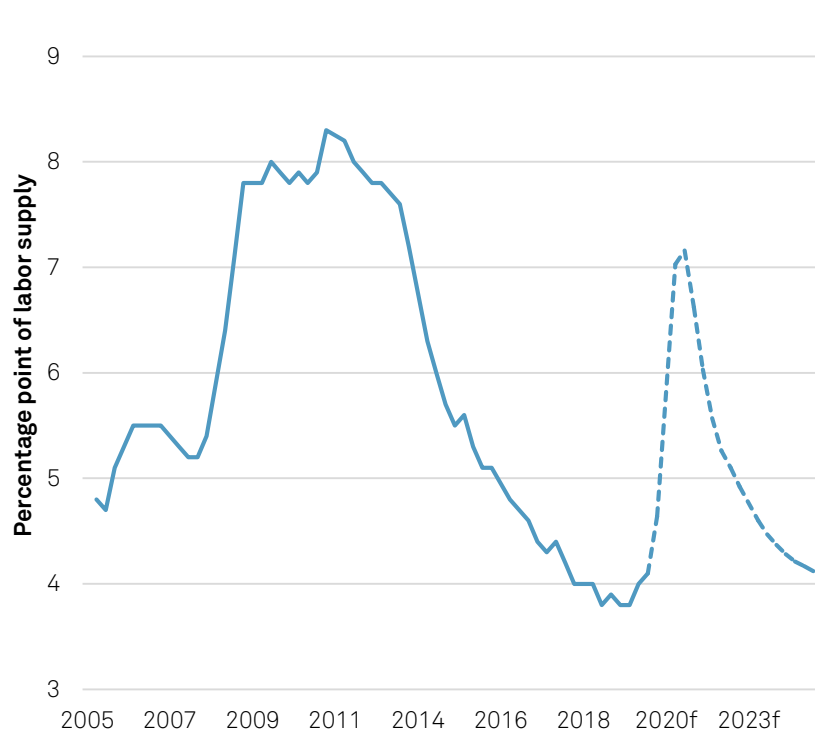
Services PMI Fell Sharply With New Restrictions; While Manufacturing PMI At 33 Months Peak



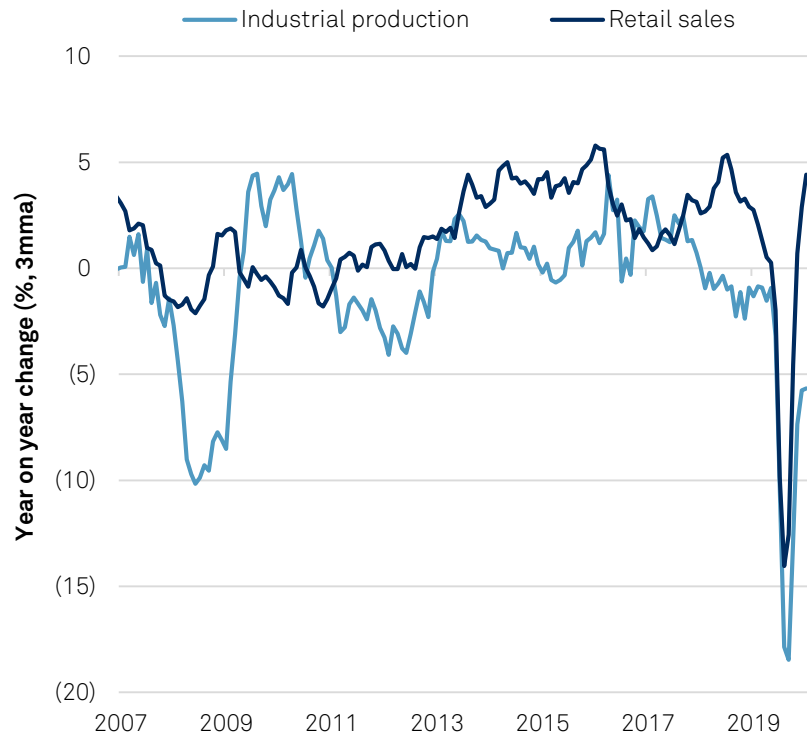
PMI--Purchasing Managers' Index. Sources: IHS Markit, S&P Global Economics.

U.K. | Unemployment Could Peak By Mid-2021

Unemployment Rate To Rise Further As Employers Continue To Plan Beyond Furloughs



Retail Sales Were Up Strongly Before The Second Lockdown, But Industry Is Yet To Catch Up



f--Forecast. Q--Quarter. Sources: Oxford Economics, ONS, S&P Global Economics.

3mma--Three month moving average. Sources: ONS, S&P Global Economics.

Switzerland | Loose Restrictions Hasten Recovery

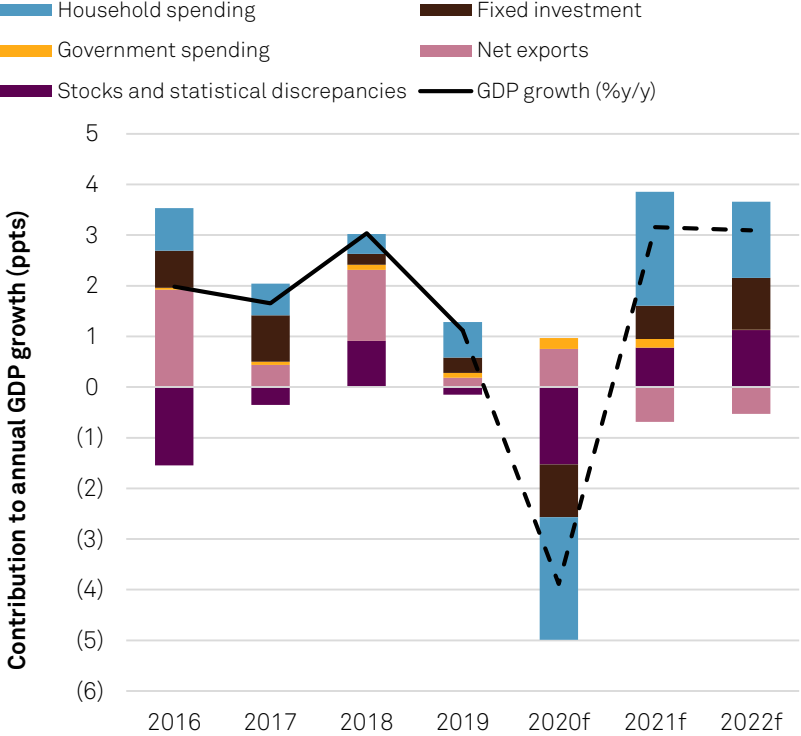
- GDP is set to contract by 3.9% in 2020 and rebound by 3.2% in 2021, much quicker than its neighbors since COVID-19 restrictions to economic activity are much looser than elsewhere. With restaurants and ski resorts still open in most cantons, the hit to the services sector will be contained in this second wave. Switzerland will also benefit from its large manufacturing order backlogs.
- Inflationary pressures remain low because the economy has accumulated significant slack since March. Lower employment will put a cap on wages and labor costs in the near future, while the stronger Swiss franc will also fuel disinflationary import prices.
- The SNB will likely wait for the ECB to tighten its monetary policy to avoid a sudden appreciation of the **franc**. Therefore, we don't expect any tightening of rates before the end of 2023.

	2018	2019	2020f	2021f	2022f	2023f
Real GDP (% y/y)	3.0	1.1	(3.9)	3.2	3.1	2.0
Real exports(% y/y)	5.0	2.2	(5.3)	3.3	3.3	2.4
Real imports(% y/y)	3.2	2.5	(8.9)	6.3	5.7	4.3
Real fixed investment (% y/y)	0.8	1.2	(4.1)	2.6	4.0	2.6
Real private consumption (% y/y)	0.8	1.4	(4.8)	4.5	3.0	2.2
Real government consumption (% y/y)	0.9	0.9	2.0	1.5	0.0	0.6
CPI inflation (% y/y)	0.9	0.4	(0.7)	0.3	0.5	0.5
Unemployment rate (%)	4.7	4.4	4.7	4.6	4.5	4.3
Short-term interest rate (%)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Long-term interest rate (%)	0.0	(0.5)	(0.5)	(0.4)	(0.3)	(0.1)
Exchange rate (\$ per €)	1.0	1.0	0.9	0.9	1.0	1.0

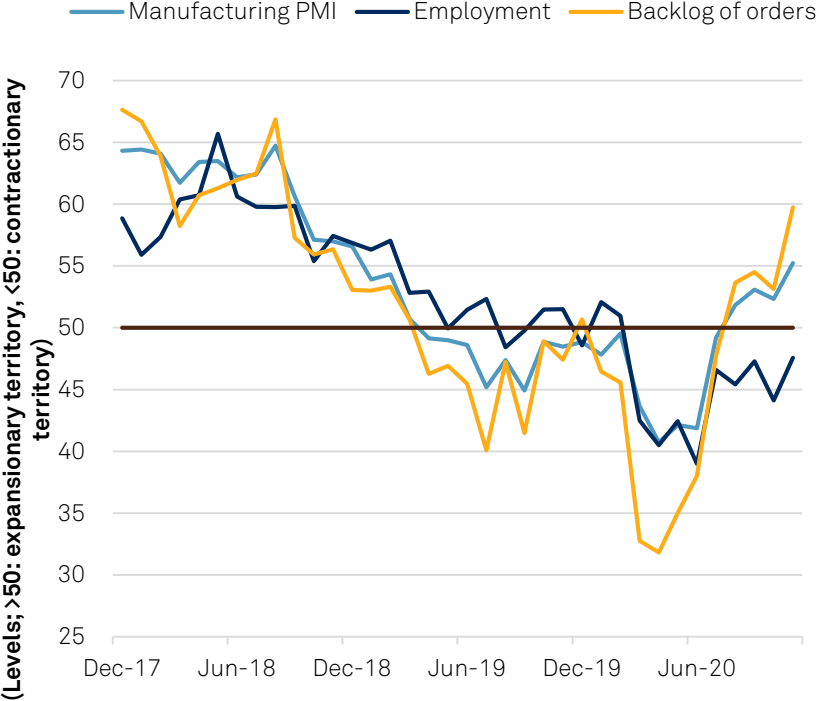
f--S&P Global Ratings Research forecast. y/y--Year on year. Source: Oxford Economics.

Switzerland | Economic Activity Is Holding Up Better Than For Neighbors

Economy To Rebound Swiftly Since Restrictions Are Much Milder In Q4 Than In March



Manufacturing PMI Points To More Recovery Momentum In November

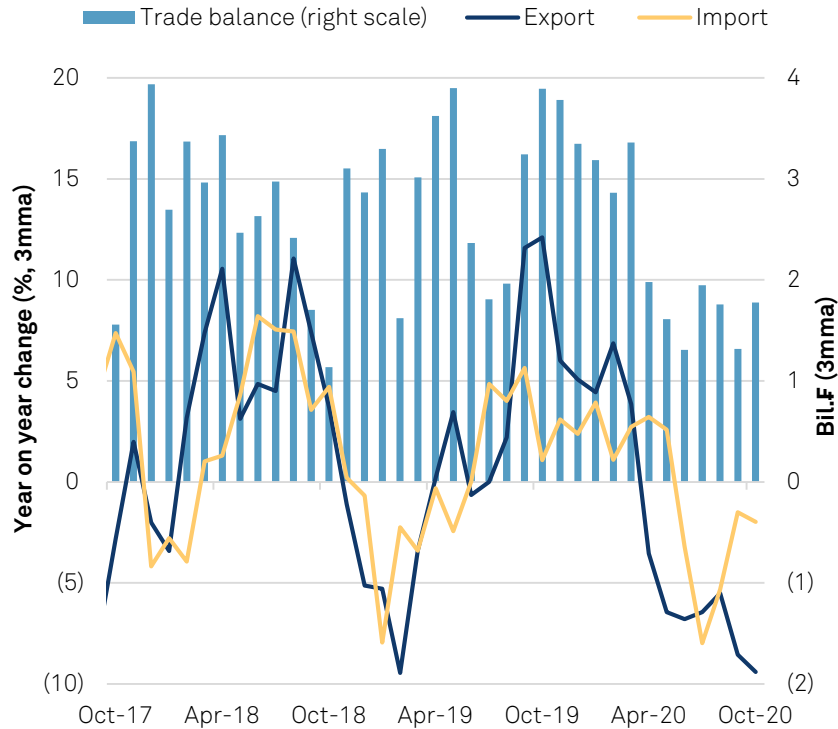


Q--Quarter. f-- Forecast. ppts--Percentage points. y/y--year on year. Sources: Oxford Economics, S&P Global Economics.

PMI--Purchasing Managers' Index. Sources :Credit Suisse Group, S&P Global Economics.

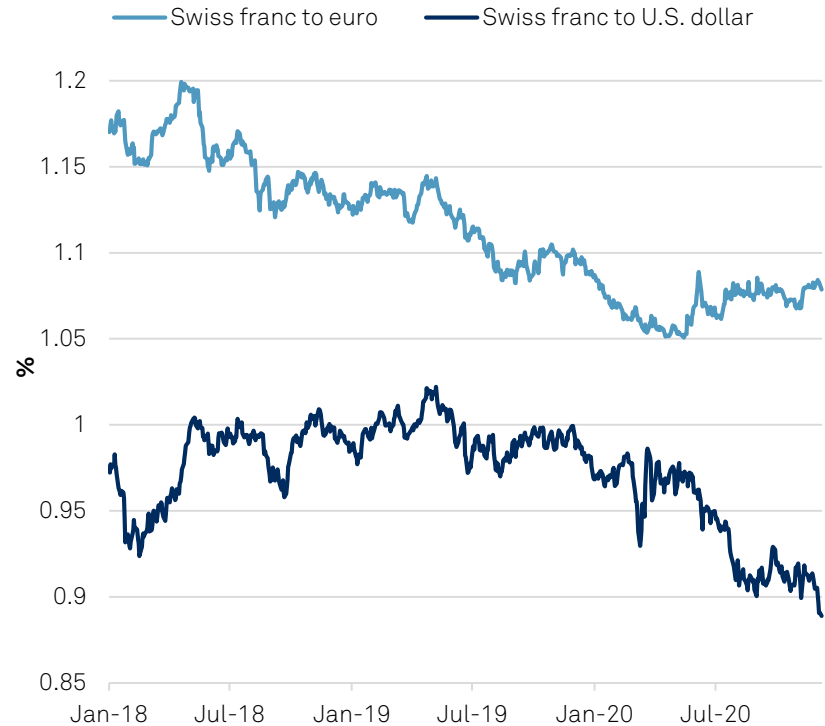
Switzerland | Domestic Demand More Resilient Than External, As Q4 Outlook Worsens In Europe

Pandemic Continues To Weigh On Global Demand. With Exports Declining In October



Q--Quarter. 3mma--three month moving average Source: Federal Customs Administration, S&P Global Economics.

Swiss Franc Retains Safe-Haven Attractiveness Amid Uncertainty Over Global Outlook



Source: Reuters Swiss franc to euro and dollar are data as of 7th December, S&P Global Economics.

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S&P Global Ratings believes there remains a high degree of uncertainty about the evolution of the coronavirus pandemic. While the early approval of a number of vaccines is a positive development, countries' approval of vaccines is merely the first step toward a return to social and economic normality; equally critical is the widespread availability of effective immunization, which could come by mid-2021. We use this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

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