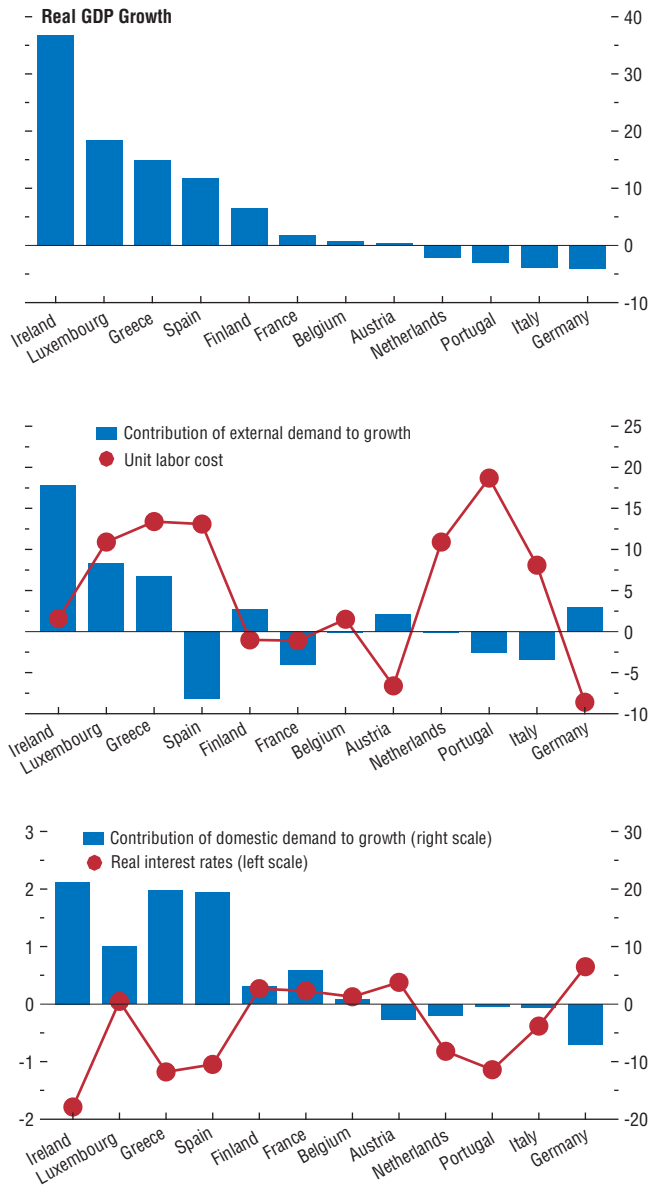


Figure 1.12. Euro Area: Growth Divergences Since EMU
(Cumulative difference from euro area average in percent, 1999–2004)

The level and composition of growth have differed widely across euro area countries over the past five years. This has partly resulted from differences in inflation rates across the area, reflected in both real interest rates and unit labor costs.



Sources: OECD, *Economic Outlook*; and IMF staff calculations.