Bank lending remains anemic as... ...tight lending standards and elevated economic uncertainty...

Capital expenditure remains below its historical average.

Sources: European Commission; Eurostat; and IMF staff estimates.
Notes: Shows spreads of one- to five-year corporate loans of less than €1 million to five-year German bunds. SME = small- and medium-sized enterprises. Vulnerable euro area countries are those that have faced a sharp fall in bank lending. In this chart, the group includes Greece, Ireland, Italy, Portugal, and Spain. Other euro area comprises Austria, Belgium, France, Germany, and Netherlands.

... continue to dampen prospects for capital expenditure, while incoming data do not point to a strong pickup either.