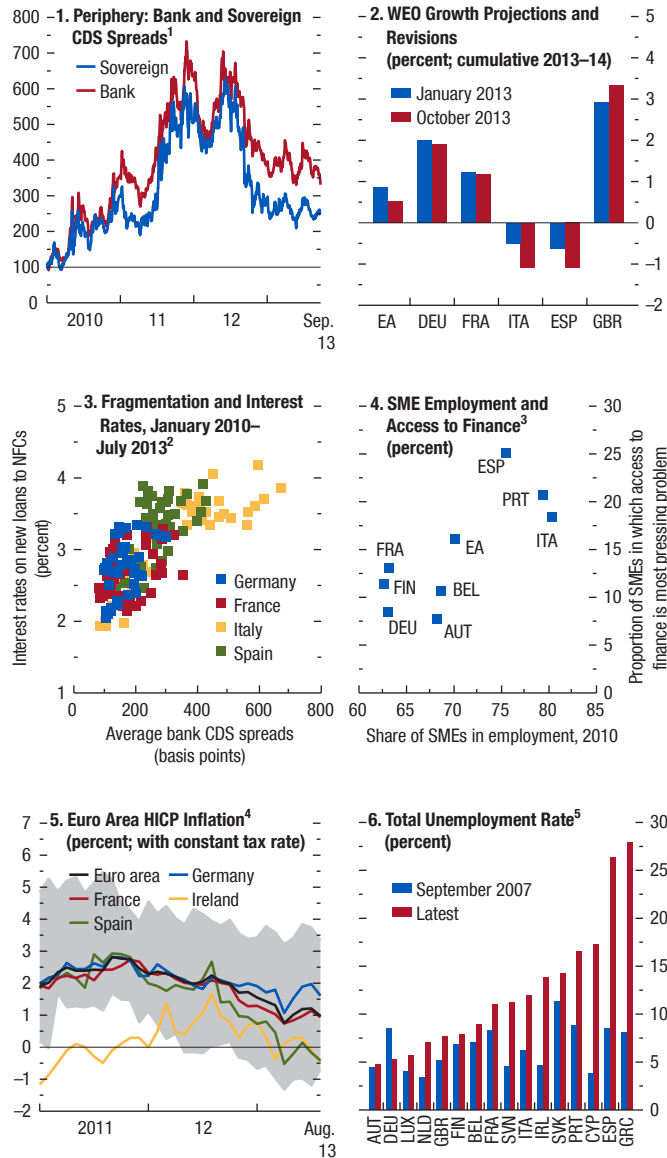


## Figure 2.5. Advanced Europe: Abating Tail Risks, but Prolonged Stagnation

Financial stresses have moderated in response to policy actions, but growth remains weak, spilling over from the periphery to the core. Financial fragmentation and impaired access to credit in the periphery continue. Inflation remains subdued. Unemployment remains high and is still rising.



Sources: Bloomberg, L.P.; European Central Bank; Eurostat; Haver Analytics; and IMF staff estimates.

Note: AUT = Austria; BEL = Belgium; CYP = Cyprus; DEU = Germany; EA = euro area; ESP = Spain; FIN = Finland; FRA = France; GBR = United Kingdom; GRC = Greece; IRL = Ireland; ITA = Italy; LUX = Luxembourg; NLD = Netherlands; PRT = Portugal; SVK = Slovak Republic; SVN = Slovenia. Periphery: ESP, GRC, IRL, ITA, PRT.

<sup>1</sup>Five-year credit default swap (CDS) spreads are in basis points weighted by general government gross debt. All periphery countries are included, except Greece.

<sup>2</sup>NFC = nonfinancial corporation.

<sup>3</sup>SME = small and medium enterprise.

<sup>4</sup>Ireland: Eurostat harmonized index of consumer prices (HICP) total excludes energy, food, alcohol, and tobacco. The band refers to the difference between the maximum and the minimum for the euro area, excluding Ireland.

<sup>5</sup>Latest data refer to July 2013, except for GRC (June 2013) and GBR (May 2013).