INVESTMENT IN THE EURO AREA:
AN INTERNATIONAL PERSPECTIVE

Jeffrey Franks
Director, IMF Europe Office
International Monetary Fund
THE EURO AREA’S INVESTMENT RECOVERY HAS BEEN SLOW AND UNEVEN

**Real Investment**
Gross Fixed Capital Formation, 2008=100

- US
- Euro area
- Japan
- UK

**Investment Recovery (2015)**
Gross Fixed Capital Formation, Percent, 2008=100

Source: Haver Analytics, and IMF staff calculations.

Source: WEO, and IMF staff calculations.
DEEP CUTS IN PUBLIC INVESTMENT HAVE NOT BEEN REVERSED

**Real Public Investment**
General Government Gross Fixed Capital Formation, 2008=100

**Structural Balance Fiscal Impulse**
(2008-2016, Percent of Potential GDP)
HIGH NPLS HOLD BACK CREDIT...

Nonperforming Loans and Write-offs

Bank Credit to Non-Financial Corporations
Annual Growth Rates

Note: */ as of end-Sept. 2015 for the United States and end-June 2015 for the Euro Area.

Sources: ECB Statistical Data Warehouse, FRED, and IMF staff calculations.
... IMPEDING INVESTMENT BY BANK-DEPENDENT SMEs²

Euro Area: NFC Leverage
(Debt to Assets; in percent)

Source: Banque de France, BACH database.

Euro area: Contribution to Investment Growth (Percent)


PRODUCTIVITY GROWTH IS WEAK ACROSS ADVANCED ECONOMIES

**Average Total Factor Productivity Growth**
(Annual, Percent)

Source: AMECO database, and IMF staff calculations.

**Service Sector Productivity: US and Euro Area (Index 2007 = 100)**

Source: Haver Analytics.
Thank You!

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