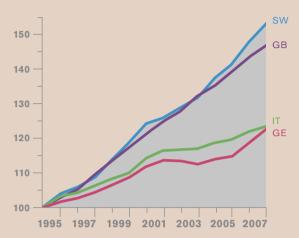
\$¹

HOW THE ECONOMY GROWS

GROWTH IN GDP

(represented with an initial value of 100 for 1994)

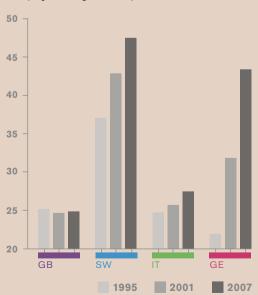


The years between 1994 and 2007 saw the longest period of sustained growth in the OECD since the beginning of the oil crisis in 1974/75.

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EXPORT SHARE OF GDP

(in percentage of GDP)



Exports are price-sensitive, particularly when industrial products are involved. This means that an export-oriented economy profits from low wages.

GREAT BRITAIN

Consumption-oriented growth model

- High current account deficit: imports exceed exports
- · High consumer spending
- High demand for services, also from moderately skilled and low skilled providers



Important economic factors

- Financial services
- Oil industry / petrochemicals
- Gas turbines

ITALY

Growth model neither consumption-oriented nor export-oriented

- Small export sector, specialization in labor-intensive goods
- Real Euro exchange rate too high in relation to economic performance
- Low consumption



Important economic factors

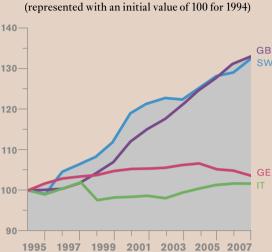
- Tourism
- Footwear and fashion
- Wine
- Furniture

SWEDEN

Consumption-oriented and export-oriented growth

- · Simultaneous growth in export and consumption
- service sector

model • Price-insensitive exports: particularly IT services • Wage growth in industry and the



GROWTH IN REAL WAGES

The majority of economic performance still depends on private household consumption and consequently on disposable income.

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Important economic factors

- · Research and development services
- Flat steel
- Refined copper
- Timber

GERMANY

Export-based growth model

- · Sustained current account surpluses: exports exceed imports
- Real Euro exchange rate too low in relation to economic performance
- Growing inequality by due to low

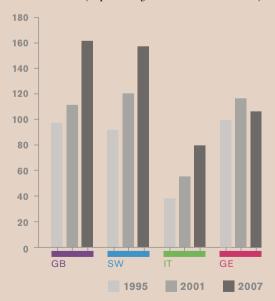
Important economic factors

- Aircraft construction
- Machine construction • Automobile construction

wages in the service sector

PRIVATE HOUSEHOLD DEBT

(as percentage of available net income)



Borrowing boosts spending and consequently economic growth. However, this type of "growth on credit" is also viewed critically.