APRIL 2009 Policy Brief

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Economic Survey of France, 2009

Summary

The French economy has not escaped the severe recession gripping all developed countries. After ending the year 2008 with a sharp decline, output is likely to contract further during the rest of this year, and prospects for 2010 remain highly uncertain, despite the many stimulus plans at home and abroad. The recession should be less deep than elsewhere, due *inter alia* to powerful automatic stabilisers. However, while the finances of big banks and households do not appear to be in as bad shape as they are in several other countries, the capacity of the French private sector to revive activity in advance of a global recovery is limited. Moreover, given the already high deficit and debt levels, the crisis will leave public finances in a serious condition.

In this context, the principal short-term challenge is to pull the economy out of recession, while avoiding as far as possible recourse to budgetary measures that would be difficult to undo later. The recovery plan adopted at the beginning of the year meets many of these conditions, although the impact of certain measures will not be felt until the second half of 2009, at the earliest. If a further series of actions is deemed necessary, however, it will be more difficult to employ the same kind of self-reversing provisions targeted at business investment and cash flow.

Once the recovery is well underway, it will be necessary to urgently implement a programme for reducing the public deficit, consistent with obligations under the Stability and Growth Pact. A credible consolidation strategy will be especially important because of ongoing pressures on the Social Security accounts, which, in light of demographic trends, are likely to intensify. Given the already very high level of taxes and compulsory contributions, the effort to clean up public finances will have to rely essentially on government spending cuts. In order to control public spending more effectively, the General Policy Review (RGPP) applied to central government outlays will need to strive for more ambitious results. There are substantial potential savings in fields that the Review has not yet fully explored, *i.e.* Social Security and local government.

This Policy Brief presents the assessment and recommendations of the 2009 OECD Economic Survey of France. The Economic and Development Review Committee, which is made up of the 30 member countries and the European Commission, reviewed this Survey. The starting point for the Survey is a draft prepared by the Economics Department which is then modified following the Committee's discussion, and issued under the responsibility of the Committee.

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On the structural front, numerous reforms have been undertaken since the last *Survey*, but a continuing priority must be to increase the employment rate (which is still one of the lowest in the OECD). Such an increase would serve both to boost potential growth (temporarily) and to ease pressures on public finances significantly. To achieve this, further labour-market reforms will have to be pursued, in particular by cutting the cost of work for the less skilled and increasing the participation rate for older workers.

A second priority is to render French firms more competitive in order to halt the steady erosion of their market share in world trade. Restoring competitiveness will require, above all, efforts to achieve higher trend productivity growth and to reinforce its major determinants, such as research and innovation, while at the same time lowering the fiscal, social and administrative burdens that hamper business growth.

If productivity is to grow faster, domestic competition will have to be strengthened, especially in the services sector. While the legal and regulatory framework is clearly moving towards greater competition, there are still numerous barriers to entry in many sectors, particularly in regulated professions, due in part to the self-regulation mechanisms in place. When it comes to the electricity sector, one of the biggest obstacles to competition in retail markets is the persistence of regulated prices that reflect the low costs of production of French nuclear power plants and which are therefore below the supply costs facing any new distributor. ■

How is France affected by the global economic crisis?

Like other industrialised countries, France is facing the deepest economic recession of the post-war period. After the severe contraction recorded in the last quarter of 2008, activity seems to have slowed further in early 2009. Yet with financial-market turbulence a persistent threat and the risk of an even larger shrinkage in world trade, there is great uncertainty as to the timing and strength of the recovery. In any case, the decline in economic activity is likely to be very significant, even if less pronounced than elsewhere, with some likelihood of a gradual easing of the recession over the course of the year, supported by budgetary stimulus and interest-rate reductions in France and abroad. The resulting job losses are set to drive the unemployment rate steadily higher throughout the year; at the same time, the inflation rate will probably approach zero.

The financial system remains the primary source of major risks. Those risks will persist as long as there are doubts about bank balance sheets, and until the risk revaluation process reaches a stage where markets can regain the level of liquidity needed to function normally. French banks are, on the whole, in a somewhat better position than their counterparts in many other countries, primarily because they have diversified their activities and adopted more defensive prudential lending standards. This helps explain why household indebtedness has remained lower than in other countries heavily hit by the crisis. Moreover, the measures taken by the government in October 2008 to boost the liquidity and solvency of the big banks have allowed the bank credit market to keep on functioning, thus offsetting to some extent the drying-up of the new-issues market. In this regard, the recession may lead directly to further deterioration in banks' assets, just at the time when their financial health is particularly vulnerable. *The financial authorities will need to keep paying close attention to developments throughout the year.*

In this context, the authorities' essential challenge is to keep the recession as short as possible without letting the public deficit and debt mount to unsustainable proportions. The economic stimulus package adopted at the beginning of the year – equivalent to 1½ per cent of GDP – largely respects these conditions, to the extent that most of the planned actions focus on investment and on business cash flow, and they involve bringing forward to 2009 expenditures that were previously to be spread over the next two or three years. Not only do they appear sustainable, but the actions taken to date seem fairly well targeted: they are aimed primarily at the productive apparatus and are designed, on the one hand, to relieve the liquidity constraints that suddenly confronted SMEs and, on the other, to speed investment in various infrastructure projects. At first glance, given the primary objective of shoring up the economy in the very short term, the choice of promoting infrastructure investment might appear questionable, in light of the long gestation periods associated with such investments and the risk of waste through haste. In practice, however, these drawbacks may not be as important as they seem: it is quite possible to favour programmes that have already been assessed in terms of their costs and benefits but that have been held up for want of financing. *The government will need to take great care, however, to keep an eye on the expeditious and efficient implementation of the plan by ensuring the best possible co-ordination among the players involved in distributing the additional resources.* Since the deficit grew again already in 2007, at a time when the economy was still in a favourable cyclical position, the budgetary scope for dealing with the crisis is limited, especially as the public debt is nearly 70% of GDP. Nevertheless, if the recession proves to be more severe than expected, the government could consider additional measures, preferably transitory or automatically reversible (such as the temporary dispensations from income tax payments announced in February 2009) so as to safeguard the sustainability of the public finances. ■

What strategy to eliminate the general government budget deficit?

Once the recovery is well underway, *priority will have to be given to resolutely enforcing a general-government deficit-reduction plan,* consistent with the obligations imposed by the Stability and Growth Pact and the government's own objectives. Since publishing its Stability Programme at the end of 2008, the government has had to revise downwards the growth outlook for 2009 and 2010, and to revise upwards the projected deficits for those years, to 5.6 and 5.2% of GDP, respectively. *A credible consolidation strategy will be all the more urgent,* as the starting point will be a much larger imbalance than before the crisis, and pressures on the Social Security accounts will continue and could even intensify, given demographic trends. As in 1993, the recession will be accompanied by a jump in social transfers and hence in overall public expenditures, which in that year reached a historic high as a share of GDP (nearly 55%). While that proportion has declined somewhat in the meantime, it is still well above its 1990 level. That episode highlights the importance of *steering away, as much as possible, from any supplementary measures involving expenditure increases that cannot be readily reversed as soon as the economy turns around.*

Despite improvements to the budgetary framework contained in the 2001 Organic Law on Budgets, government expectations for reducing the public deficit have hardly ever been achieved, especially those set for two or more years out. Repeated commitments to restore budget balance have failed to bring the deficit below 2% of GDP since 2001. The budget framework was recently bolstered by Parliament's adoption of a "balanced general-government accounts objective" in conjunction with the new public budgeting act. *In the light of these perpetual postponements of achieving the balanced budget goal, it seems necessary to take advantage of the implementation of this legislation to restore the credibility of the process as soon as possible.* Unless this is done, efforts to win public acceptance of the need to clean up public finances will be undermined by an impression that any sacrifices are made in vain. One of the factors contributing to the discrepancy between budget deficit commitments and outcomes is the failure to achieve the short- and medium-term growth rates assumed, even if these had been fairly close to the consensus view at the moment of their setting. To restore credibility, *the authorities could consider an approach whereby their spending and revenue forecasts would be made deliberately and openly conservative for any given growth scenario, so as to maximise the probability that the objectives will be achieved, year after year.* ■

What are the main sources of potential savings?

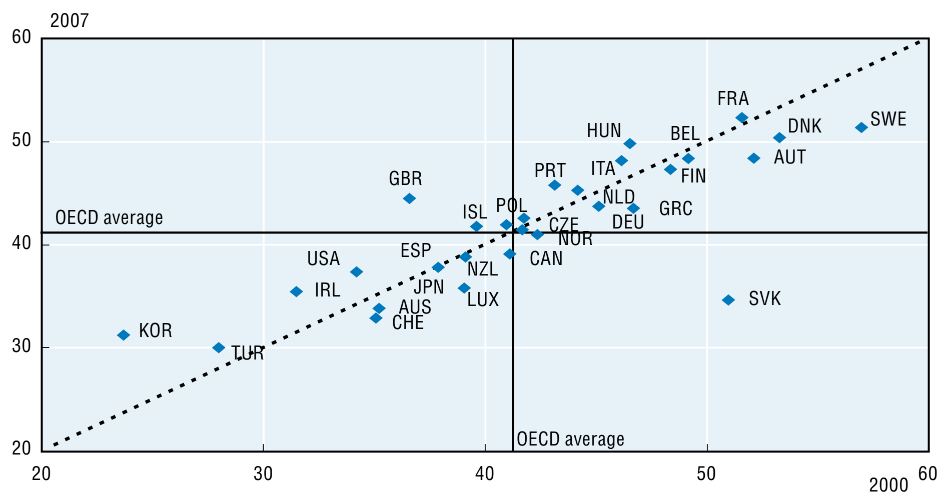
Many other countries will emerge from the crisis with heavy public deficits and rapidly mounting debt – France will not be alone in this regard. Yet, given the already very high tax burden in France, and the need to eventually lower it, *the drive to restore health to the public finances will have to focus essentially on reducing outlays.* While several other countries in the throes of budgetary problems have succeeded in reducing the expenditure-to-GDP ratio, the French ratio has increased steadily from cycle to cycle. Experience abroad shows that making meaningful spending cuts requires extensive rethinking of the role and the forms of State intervention in various fields. In this connection, *the initiative taken with the General Policy Review (RGPP) deserves to be highlighted and encouraged, in particular for its highly methodical approach to evaluating government programmes and services and identifying reform tracks that would make public services more efficient*. Nevertheless, the savings it has yielded to date seem modest indeed – less than 1% of public expenditure – especially since the RGPP was supposed to take a critical look at the boundaries of State action and the effectiveness of all its interventions. One reason for this is that the approach was confined primarily to central government outlays, which account for around one-third of total public spending. Thus, *there remains considerable potential for savings in fields that the RGPP has not fully explored, namely social security and local government spending*.

When it comes to sub-national government, incentives to exert better control over expenditures could be reinforced by shedding greater light on the cost, in terms of taxes and compulsory contributions, of measures taken by each level of local government. To achieve this, *it would be advisable to reverse the tendency of recent years and to fund a growing share of local government resources from local taxes rather than from State transfers*. Over the longer term, however, the greatest potential for savings must probably be sought in the plethora of local government levels, which is a source of duplication in services and programmes. In particular, the establishment of the *intercommunalités* (groupings of municipalities) as an administrative level seems to have failed to produce the expected economies of scale in procurement and facilities management. On this point, *the authorities would be well advised to follow up on the report of the commission that examined this question so as to clarify responsibilities and enhance expenditure control*. As for the Social Security, to make really significant savings will surely require a critical reappraisal of certain benefits that have not demonstrated their effectiveness. *Introduction of the new provision boosting incentives to seek work for those with low earnings potential (the* Revenu de solidarité active, RSA*) should have led to a greater refocusing of the existing provision (the earned income tax credit,* prime pour l'emploi), whose effectiveness has been reduced by the fact that it is too broadly targeted.

Figure 1.

THE LEVEL OF PUBLIC EXPENDITURE REMAINS AMONG THE HIGHEST IN OECD

As a percentage of GDP



Source: OECD Economic Outlook No. 84 database.

More generally, as called for by the new budgeting act, all *tax exemptions and loopholes, which have mushroomed in recent years, should be subjected to a review similar to the RGPP.* ■

How to raise the employment rates of youth and older workers?

Over time, a very significant rise in the employment rate (still one of the lowest in the OECD) would do much to balance the public accounts while allowing contribution rates to be cut. Once the crisis is over, *the government should refocus on boosting the employment rate. The well-known priorities for doing so can be summarised in three points:* i) *maintain efforts to reduce the minimum labour cost of low-skilled workers (relying henceforth more directly on moderation of the minimum wage but without undoing the reductions in social contributions for low-wage earners) and increase their financial incentives to work;* ii) *take further steps to relax legislation governing dismissals and layoffs, while making the unemployment insurance system more effective;* and iii) *enhance the incentives to continue working beyond 60 years of age (let alone after age 55), while ensuring that businesses cannot abuse the new mutual-consent termination provisions by foisting older workers onto the unemployment insurance system*. Reforms have been introduced in each of these areas, but additional efforts will be needed if they are to produce significant changes.

For example, the fact that the minimum wage (SMIC) has been raised more slowly than median income over the last few years is noteworthy, as is the planned creation of a group of independent experts to advise on appropriate changes to the SMIC. These decisions should reinforce the trend decline in the share of workers paid the SMIC. As well, with the introduction of the RSA, the social insurance system has been significantly reformed to increase the incentives to work for those least attached to the labour market, helping to reduce poverty and social exclusion. At the same time, numerous changes have relaxed the rules governing working time, *but retention of the legally mandated 35-hour week has been made costly to the treasury in terms of foregone tax revenues from work in excess of that limit; its effectiveness should be closely assessed.*

When it comes to dismissals and layoffs, the regulations governing indefinite-term labour contracts have been relaxed slightly, with the introduction of termination by mutual consent of employer and employee (*rupture conventionnelle*). Yet, in its current form, this type of agreement poses the risk of abuse of the unemployment insurance system. Moreover, while the various other changes introduced under the agreement between the unions and management on "modernising the labour market" have marginally improved flexibility in hiring and firing procedures, they have done nothing to overcome the dualism that exists in that market. As the notion of a "single contract" was rejected outright by both sides, there is nothing in the accord that will serve to narrow the gap, even partly, between workers who benefit from significant protection and those in a much more precarious situation. In addition, the public employment service has also been reformed through the creation of the "*Pôle emploi*", a one-stop shop, as the OECD recommended in its last *Survey*, resulting from the merger of the ANPE and UNEDIC. However, the reform could go further by ending the two organisations' distinct systems of governance. At the same time, the recently approved definition of what constitutes a "reasonable job offer" will strengthen the incentive to look for work and thereby help shorten the duration of unemployment spells.

Finally, a number of appropriate measures have raised the incentives for older workers to pursue employment: these include the progressive lengthening of the pension contribution period, an increased *surcote* (the additional pension given to those who contribute for more than the normal number of years), withdrawal of the waiver of job-search requirements, the possibility of combining employment income and pensions, an increase in the mandatory retirement age and reform of the special pension regimes. Yet an increase in the employment rate for seniors is also hostage to the legal retirement age, which is still below the level prevailing in many other OECD countries. Consequently, *one of the best options for enhancing the sustainability of the pay-as-you-go pension system would be for the coming negotiations to yield an agreement to raise the legal retirement age.* ■

What explains the gradual erosion of French export market shares?

Because the employment rate is low, the contributions needed to finance Social Security are high, and they add considerably to the tax burden on business, which hampers innovation and thus firms competitiveness. In spite of their well-targeted sectoral and geographic specialisation and favourable relative price and cost trends, French exporters have been losing market shares since early this decade, with a steadily worsening trade balance. In particular, the technological innovation content of French products seems to be declining, while the search for lower costs has no doubt driven several large firms to shift part of their production offshore. With the appearance of highly export-oriented emerging-market economies on the world scene, firms in the more advanced countries must constantly innovate, upgrade their product quality and burnish their brand names in order to preserve existing markets and conquer new ones. While French firms have on the whole succeeded in remaining fairly price-competitive, this has been done to some extent at the expense of their margins. Lacking the means to invest, they have been obliged to sustain their competitiveness by restructuring, *i.e.* shedding workers and abandoning the least profitable activities, rather than looking to technological innovation and product differentiation for productivity gains. In this context, apart from horizontal policies to bolster French competitiveness (such as support for R&D), the authorities have introduced a number of measures to encourage firms to look for international opportunities and to assist them in export markets. *Targeted sectoral policies that could distort resource allocation between the tradeables and non-tradeables sectors should be avoided*. The best way to restore competitiveness is to *reduce the fiscal, social and administrative burdens that are hobbling business growth, and more broadly to take action on the main determinants of productivity, in particular research, innovation and SME growth*.

A number of significant reforms have been launched recently to breathe new life into public research by increasing its funding, but also by strengthening its organisation and governance. Creation of the Research and Higher Education Evaluation Agency (AERES) has laid the foundation for evaluating universities and research laboratories more systematically against criteria such as publications and patents. *It is important that this principle be reinforced*. Indeed, the recent decision to upgrade university career profiles is an opportunity to raise the performance bar for the entire teaching-research profession. The reform underway at the CNRS, designed to enhance its co-operation with universities and other national research organisations, is a welcome step and should also help improve the productivity of public research. As well, *the newly created National Research Agency* *should be supported and its role expanded inasmuch as it promotes project-oriented public research,* which will make for a more balanced allocation of resources in comparison with a situation where funds are awarded essentially on an institutional basis.

France is in fact the leader among G7 countries for the share of higher education institutions in the total number of patents filed by inventors living in the country, but few of them are actually brought to market. *The spillover effects of public research could be enhanced by creating technology transfer and licensing offices in the universities,* as a useful supplement to the "business incubators" policy. Finally, the "Universities Freedom and Responsibility Act" has laid the initial groundwork for autonomy in the French universities, which should boost the quality and efficiency of higher education. Notwithstanding the many helpful measures taken to date, however, *the effort to reinforce university autonomy should be pursued further, particularly in the areas of budgeting and hiring and remuneration of personnel. This goal would be well served by allowing the universities greater freedom to select incoming students and to set tuition fees.* Higher fees should be paired with an expansion of the system of students loans recently introduced. ■

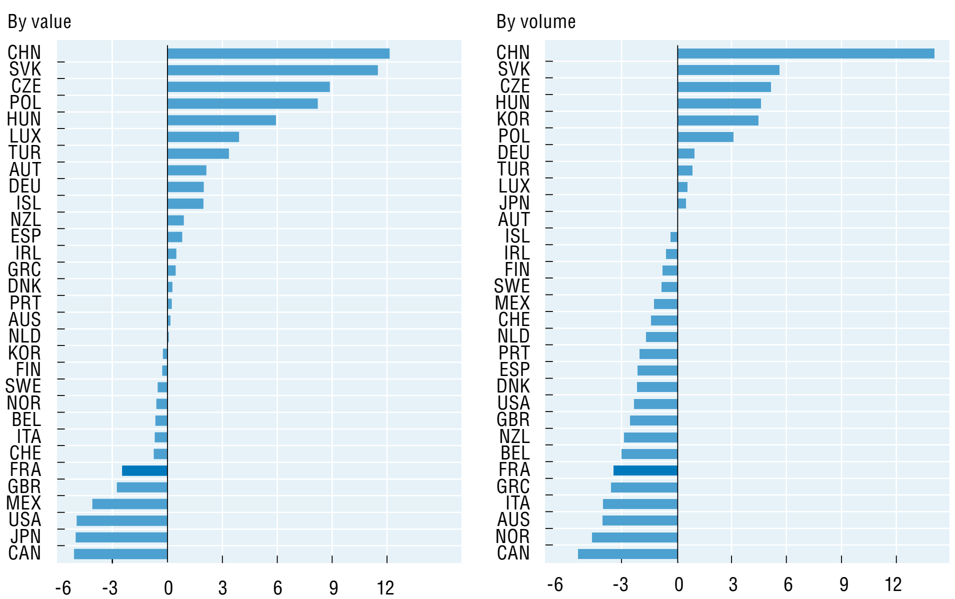
To what extent should private R&D be supported by public funding?

When it comes to public financing of investment in innovation, there are several issues at stake. Various studies of the clusters policy have highlighted the useful role that such policies can play in forging closer linkages between scientific research and industry, especially by co-ordinating multi-disciplinary research around specific economic and financial challenges (health, environment, etc.). But the potential pitfalls should not be overlooked: these include the difficulty of having the State pick winners in the context of rapidly evolving, globalised markets; the temptation to spread funds too thinly; and the danger that the authorities will be captured by firms with a large stake in the programme. To

Figure 2.

FRENCH EXPORTERS HAVE BEEN LOSING MARKET SHARES SINCE 2000

Market shares in world exports: average annual growth, 2000-07



Source : OECD Economic Outlook No. 84 database.

minimise these risks, *it is essential that government financing for competitiveness clusters be made conditional upon results, and funding should be terminated for those that miss their pre-established performance goals. For clusters that prove successful, it would be better over the longer run to gradually replace public subsidies with private financing,* recognising that a mix of funding sources is especially critical for sparking innovative activities. As to the other major tool of public support for private research, the research tax credit, it is true that the 2008 reform simplified its use considerably and increased its visibility, but at the same time it made it one of the most generous incentives anywhere in the OECD. *It will be important, therefore, to monitor its impact closely so as to measure its effectiveness in terms of increasing research effort.*

One of the main obstacles to business growth is the burden of various levies, foremost of which being social security contributions, the *taxe professionnelle* and the tax on wages. Because they tax production factors directly, levies of this kind penalise investment and growth. *It is therefore important that the government's recent commitment to make permanent the suspension of the taxe professionnelle in 2010 be implemented, preferably as part of a more comprehensive overhaul of local taxation that would raise the taxe foncière (property tax) and possibly share VAT proceeds.* Moreover, even if the effective corporate tax rate is not particularly high by international standards, the gap *vis-à-vis* the statutory rate is very wide, thanks to the many exemptions and deductions that narrow the tax base. Apart from reducing the distortions that multiple exemptions inevitably produce, lowering the statutory rate while broadening the tax base would render the tax system more transparent, thereby easing the administrative burden, and make France a more attractive location for investment. *A thorough restructuring of targeted support for businesses could help finance a reduction in the tax burden on the productive apparatus as a whole.* ■

What measures to foster competition in services sectors?

France enjoys one of the highest hourly productivity rates among OECD countries, but productivity growth has been relatively sluggish over the last 10 years. This disappointing performance has been particularly evident in various service sectors, not only in absolute terms but also in comparison with many other countries. There is still a lack of competition in several service sectors, and this is holding back innovation, productivity and job creation, especially for less-skilled workers, and severely impairing consumers' well-being by depriving them of quality goods and services at the lowest possible prices. Considerable progress has been made over the last decade in opening up various services that were previously completely or partly sheltered from competition. Yet there remain numerous barriers to entry in several sectors, including the regulated professions, due in part to self-regulation mechanisms. In the retail trade, real strides have been made, but further progress is needed in areas such as commercial zoning.

The Economic Modernisation Act (LME) transformed the former Competition Council into an Authority with enough extended powers and increased resources to develop an authentic competition culture. For example, merger control will be placed solely under the aegis of the Authority, with the Minister of the Economy retaining the right to overrule it on grounds of public interest other than those related to competition. The Competition Authority will also have its own investigators, as well as heightened powers over staff of the Ministry who may be made available to it to assist in investigations. The Authority will also be able to issue opinions on any competition-related topic at its own initiative. The strengthening of the competition policy framework and the means given to the independent Authority raise the possibility that the good results obtained, for example, in certain telecommunications sub-markets, be replicated in other sectors, including in the regulated professions that are still marked by formidable barriers to entry.

In the retail sector, the LME relaxed the rules governing the negotiability of terms of sales between suppliers and distributors (the Galland law), in particular by removing the prohibition on discriminatory commercial practices. In addition, although the ban on "resale below cost" was maintained, its definition was amended to make it much less binding. Moreover, the LME amended the Royer-Raffarin laws by raising the floor-area threshold above which any new store must obtain special authorisation and by changing the composition of the licensing commission to exclude the applicant's competitors. While these reforms represent progress, *the best policy in the realm of commercial zoning would be to abolish the Royer-Raffarin laws outright*. To the extent that these laws have heightened concentration among large-scale retailers at the national level, their repeal would seem a necessary step if the reform to the Galland law is to bear fruit in terms of increasing consumer purchasing power. *Applications to open large-scale retail outlets should in this case be examined and decided on the basis of criteria established in the overall zoning plans without distinction as to size.*

In most OECD countries, many professions are subject to a broad range of regulations (in the form of self-regulation and/or of regulation imposed by the State), and some of these have a direct impact on competition. In France, barriers to entry and restrictions on professional practice most likely exceed what is necessary to protect the consumer. A number of reports based on international comparisons show that barriers to entry are needlessly high in several regulated professions related to health and beauty treatments (physiotherapists, veterinarians, pharmacists and hairdressers), as are obstacles to competition between partially substitutable professions (conventional physicians, practitioners of alternative medicine) and more generally in services to businesses and/or individuals (accountants, architects, lawyers). Greater competition in health-related sectors could potentially help reduce public outlays with equivalent service quality.

While it can be difficult to pursue reforms that would do away with long-entrenched entitlements, the government has in fact taken steps to foster competition in specific sectors, especially legal services. In addition, the LME introduced the status of "independent entrepreneur" (*auto-entrepreneur*), greatly simplifying the formalities involved in creating a micro-enterprise, and this could in time favour competition, especially in various personal services. Similarly, the principles of freedom of establishment and freedom to offer services that underlie the European Union's Services Directive could make it easier for foreigners to set up operations in France. For this to be the case, however, *the government will have to agree with its European partners to apply the Directive as broadly as possible so as to reduce to a minimum the sectors excluded from its scope*. In several areas, these changes alone will not be enough to stimulate competition as long as regulatory barriers to entry or practice are maintained. Thus, *more flexible rules (*e.g., *minimum geographic quotas) should be substituted for the overly strict quota mechanisms currently in* *force in specific legal services (notaries and bailiffs), as well as in health care (pharmacists). For other professions, entry conditions should be relaxed* by reconsidering the required years of study (architects, veterinarians, hairdressers). Competition could also be strengthened by *facilitating access by legal and accounting firms and pharmacies to outside sources of financing.*

Among the major network industries, telecommunications was the first whose retail markets were opened to competition (nearly 10 years ago). While there has been relatively solid progress in the development of fixed-line services (telephony and broadband Internet access), within a highly competitive market, the situation is more worrisome in mobile telephone service, primarily because of the very limited success of virtual mobile network operators (VMNOs). In this context, the advent of a fourth operator will boost competition by weakening the current situation of oligopoly. Indeed, given its initially small market share, it will have an interest in making its network more profitable by offering better terms of access to the VMNOs. *In that regard, awards of new frequencies should be based* inter alia *on a criterion of the quality of access terms offered. More generally, the regulatory authority could intervene to relax the conditions operators impose on the VMNOs, in particular as they relate to contract length, exclusivity clauses and ownership rights.*

In the energy sector, an important step for competition was struck in 2007 with the complete opening of the gas and electricity markets, in compliance with European directives. Yet the historic operators still hold dominant market shares. Among the major obstacles to real competition in the retail electricity market, the greatest is no doubt the maintenance of regulated prices which reflect the low costs of French nuclear power plants and are therefore below the supply costs of any new entrant. The government introduced a new provision in 2005 whereby customers who had previously opted for market prices were allowed to revert to administered rates (the *Tartam*), which have been kept below market prices. It may be quite legitimate for the government to let French society enjoy the economic benefits from the "nuclear option", but to maintain a rate below the market price – particularly for electricity-intensive industrial customers – is surely not the most efficient and equitable way of doing so. This practice could in fact skew the industrial structure towards more electricity-intensive production. If there is to be real competition, *the Tartam should not be renewed beyond 2010.* More generally, *it would be well to reconsider the scope of application of regulated retail prices, at least for the non-residential sector.* At the same time, it will be important *to pursue efforts to integrate European energy markets by facilitating the interconnection of gas and electricity networks*, so as to promote the development of liquid and efficient wholesale markets. ■

For further information

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Economic Outlook Interim Report, March 2009.
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Economic Policy Reforms: Going for Growth, 2009 edition.
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