



The challenges of the euro area at the dawn of 2019

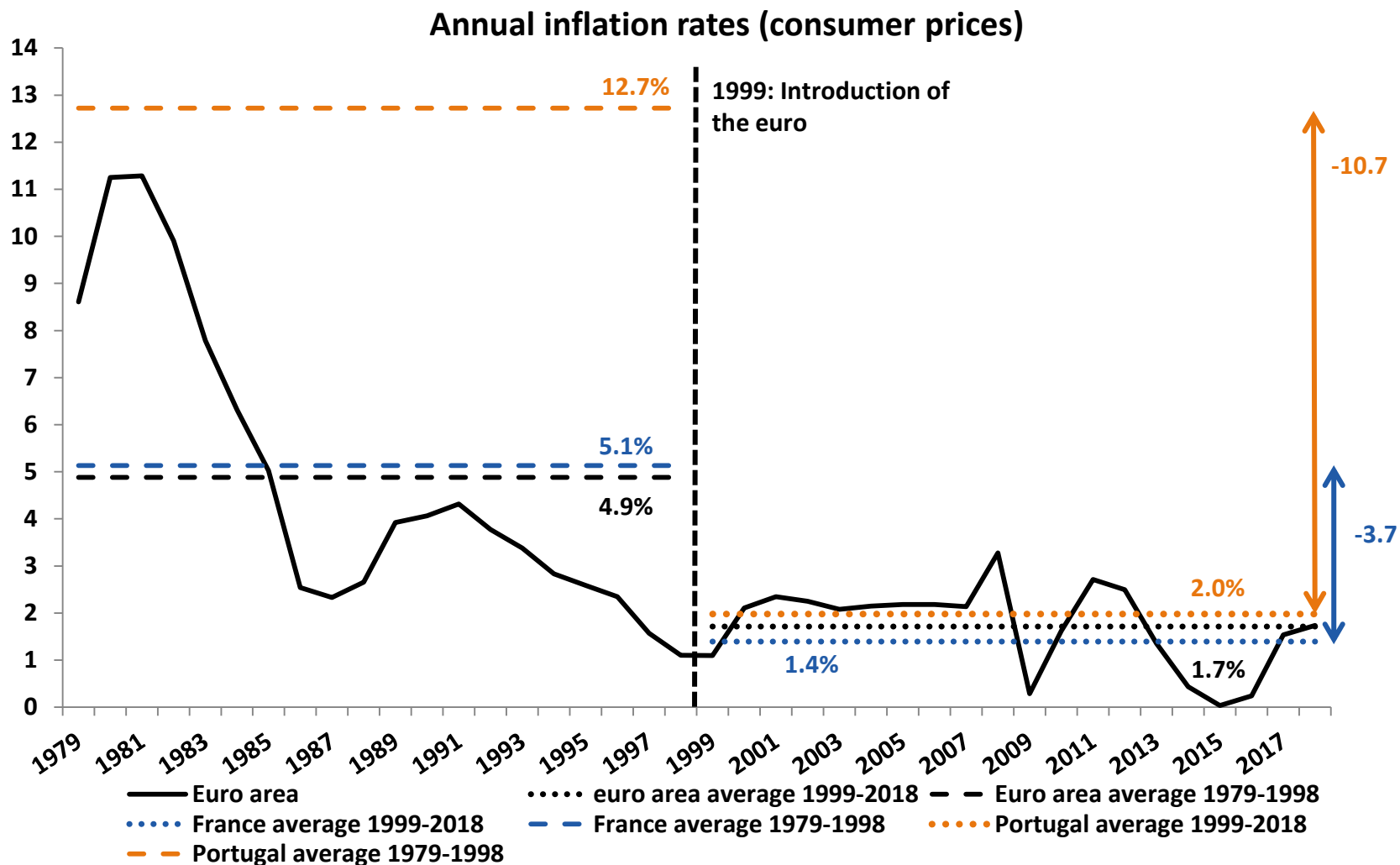
Banco de Portugal, Lisbon – 22 February 2019

François VILLEROY de GALHAU, Governor of the Banque de France





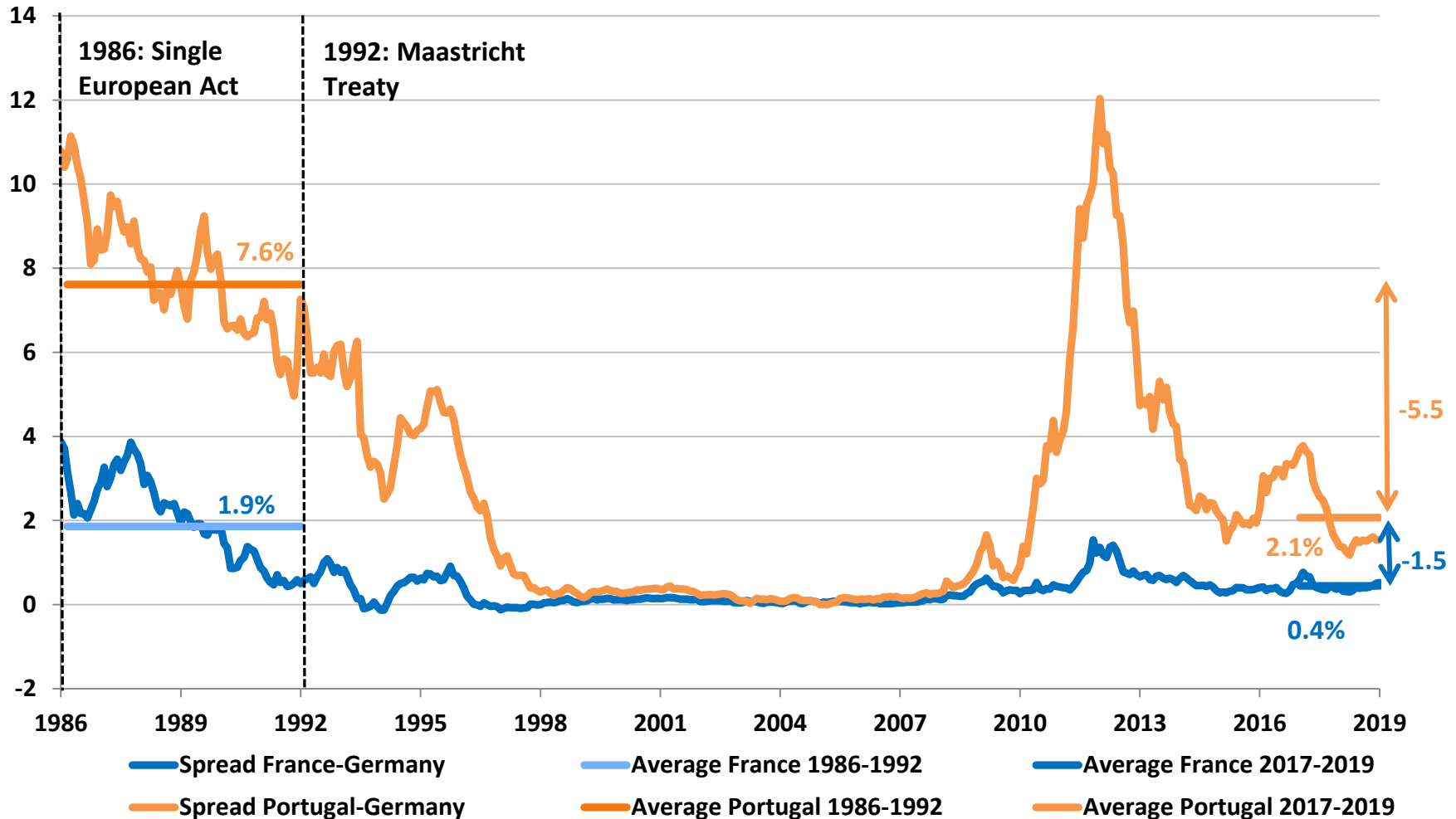
BENEFITS OF THE EURO: PRICES INCREASE LESS





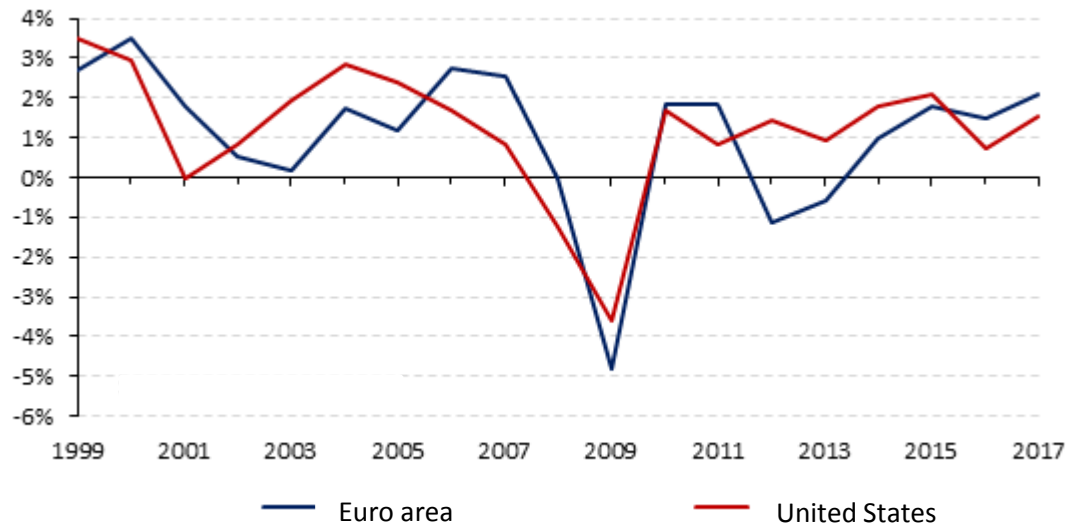
BENEFITS OF THE EURO: LOWER INTEREST RATES

10-year spreads versus Germany (%)



GDP PER CAPITA HAS IMPROVED ALMOST AS RAPIDLY AS IN THE UNITED STATES SINCE 1999

**GDP per capita in the euro area and the United States
(constant prices, year-on-year)**

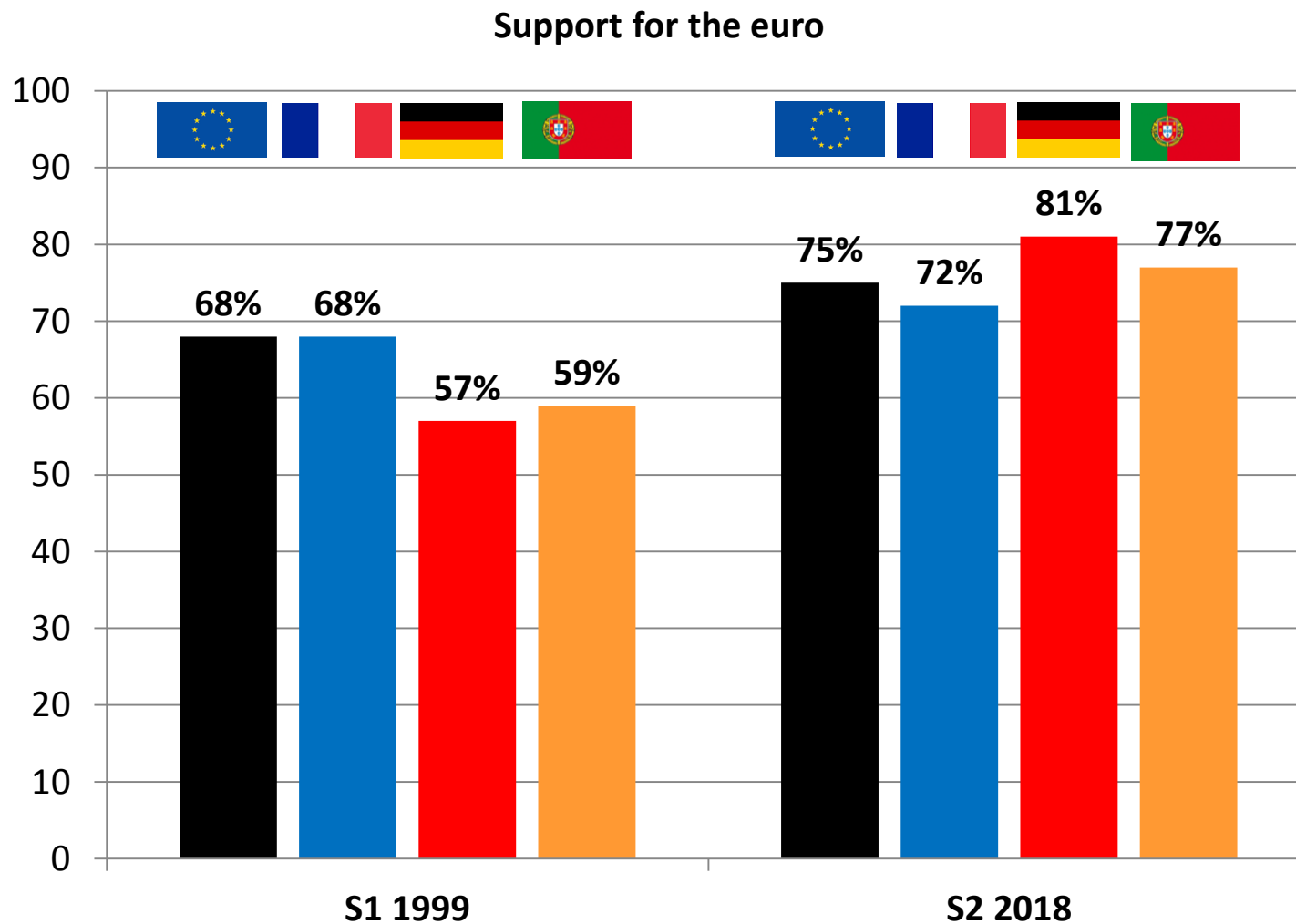


Annual average 1999 - 2017	
United States	1.2%
Euro area	1.1%

Source: World Bank



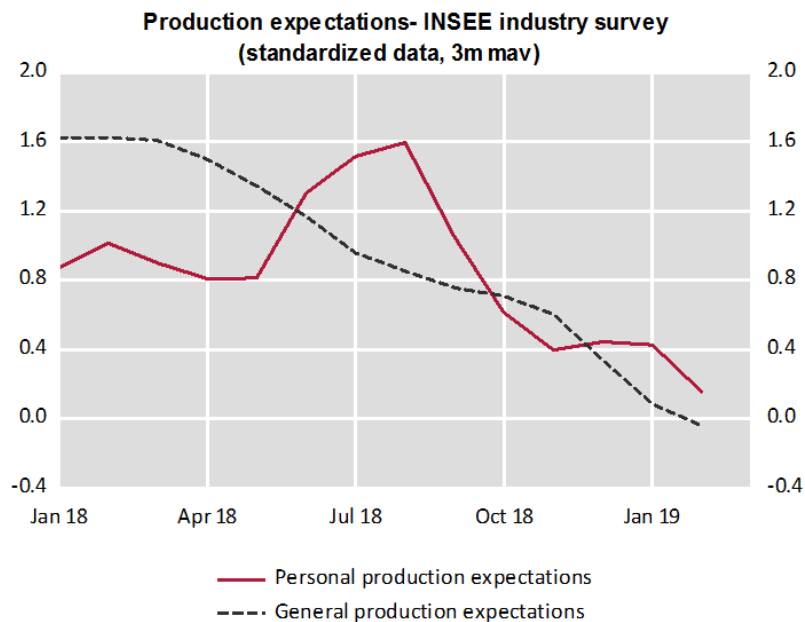
A STRONG AND INCREASING SUPPORT FROM CITIZENS





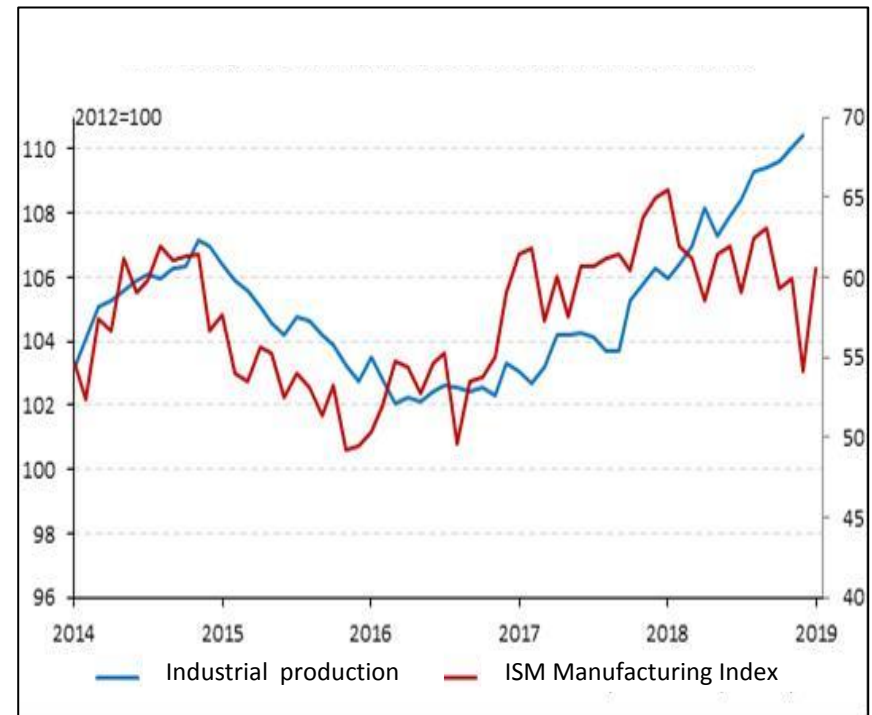
THE IMPACT OF UNCERTAINTY ON BUSINESS CONFIDENCE

France: Larger decline in *general* production expectations than in *personal* production expectations



Source: Insee

US: Divergence between the ISM manufacturing index (soft data) and industrial production (hard data)



Source: Federal Reserve / Institute for Supply Management