

DANMARKS NATIONALBANK

EUROPE – A POWERHOUSE IN THE FUTURE?

Lars Rohde, Chairman of the Board of Governors, at the VL Summit, 7 June 2018



DANMARKS
NATIONALBANK

Key messages



**Europe is better
than its reputation**



**Ageing will weigh
on future growth**



**Competition is
the engine of innovation**



**EU needs a single market
for financial services**

Europe is better than its reputation

Average GDP per capita growth 2008-17

Per cent

0.8

0.7

0.6

0.5

0.4

0.3

0.2

0.1

0.0

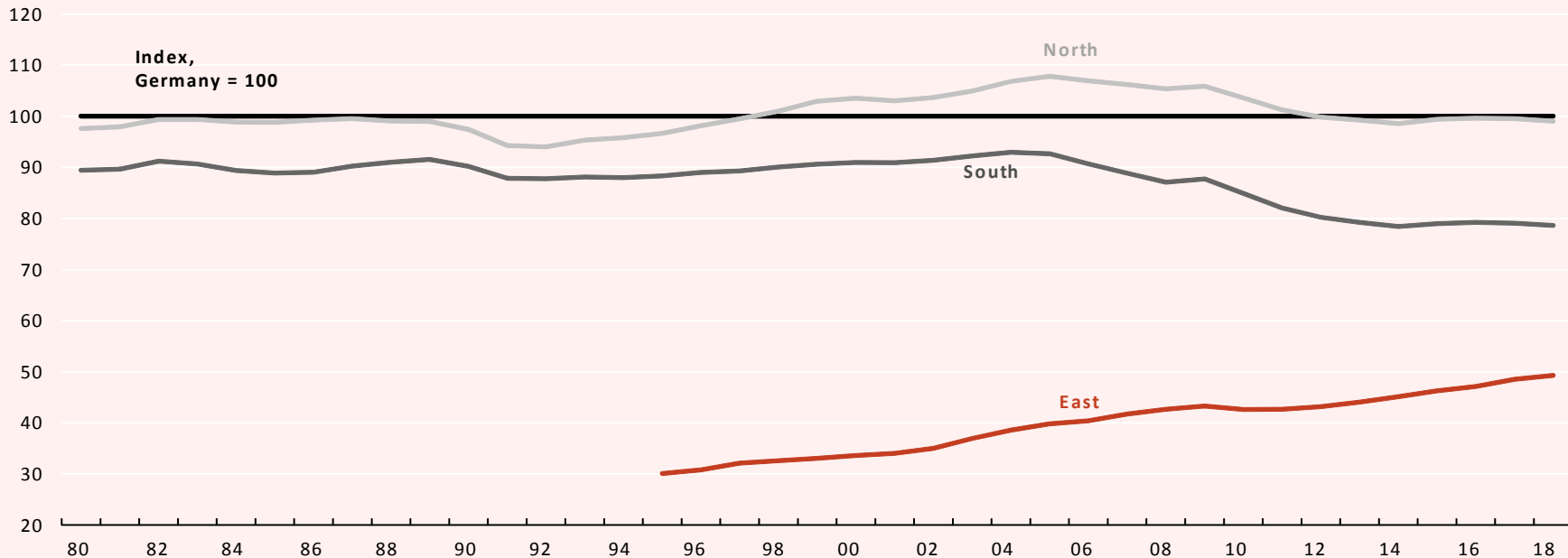


DANMARKS
NATIONALBANK

Source: IMF.
Friday den 8. June 18

Europe is a tale of three

GDP per capita 1980-2018



Note: GDP is measured at purchasing power parity.
Source: IMF.

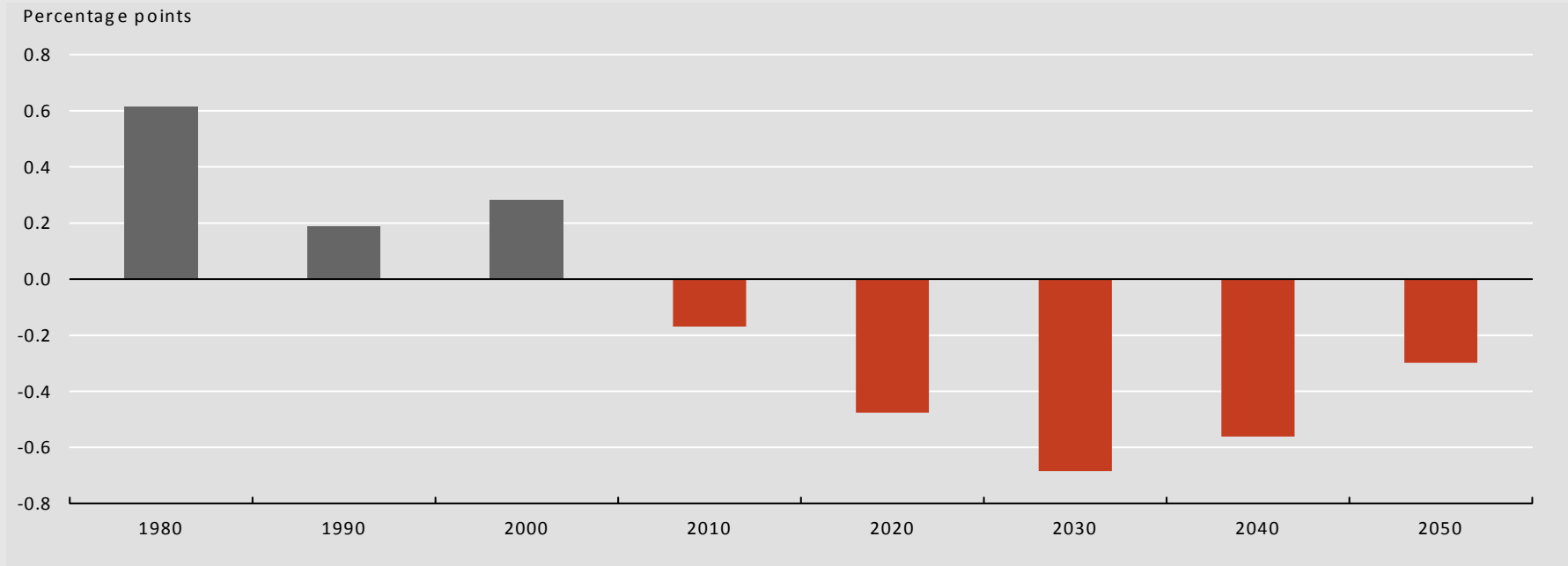
Friday den 8. June 18



DANMARKS
NATIONALBANK

Ageing will weigh on future growth

Demographic contribution to average annual growth in EU GDP per capita



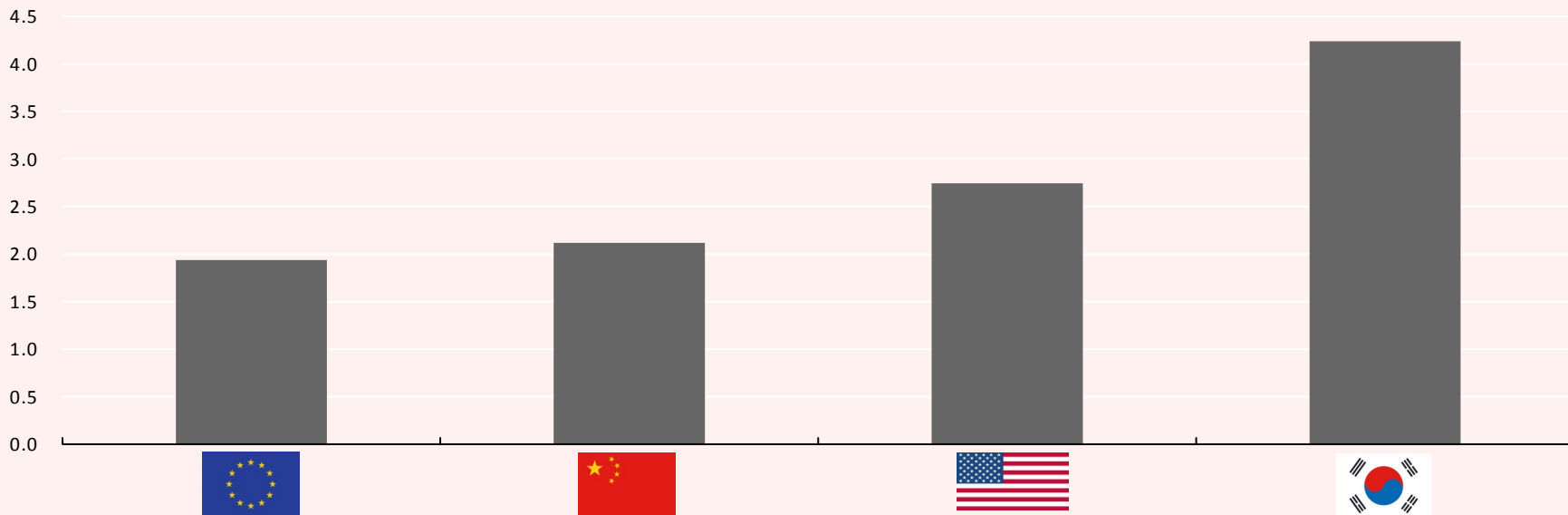
Source: The estimates are based on the methodology in Jinill Kim, The Effects of Demographic Change on GDP Growth in OECD Economies, Board of Governors of the Federal Reserve System, *IFDP Notes*, 2016, and population projections from the United Nations.

Europe faces a R&D gap...

...but prosperous neighbours do not make us worse off

R&D expenditures

Per cent of GDP



Global competition is the engine of innovation

Patent applications in top regions



Note: The bubbles are scaled to match the number of PCT patent applications. A larger bubble indicates more patents.

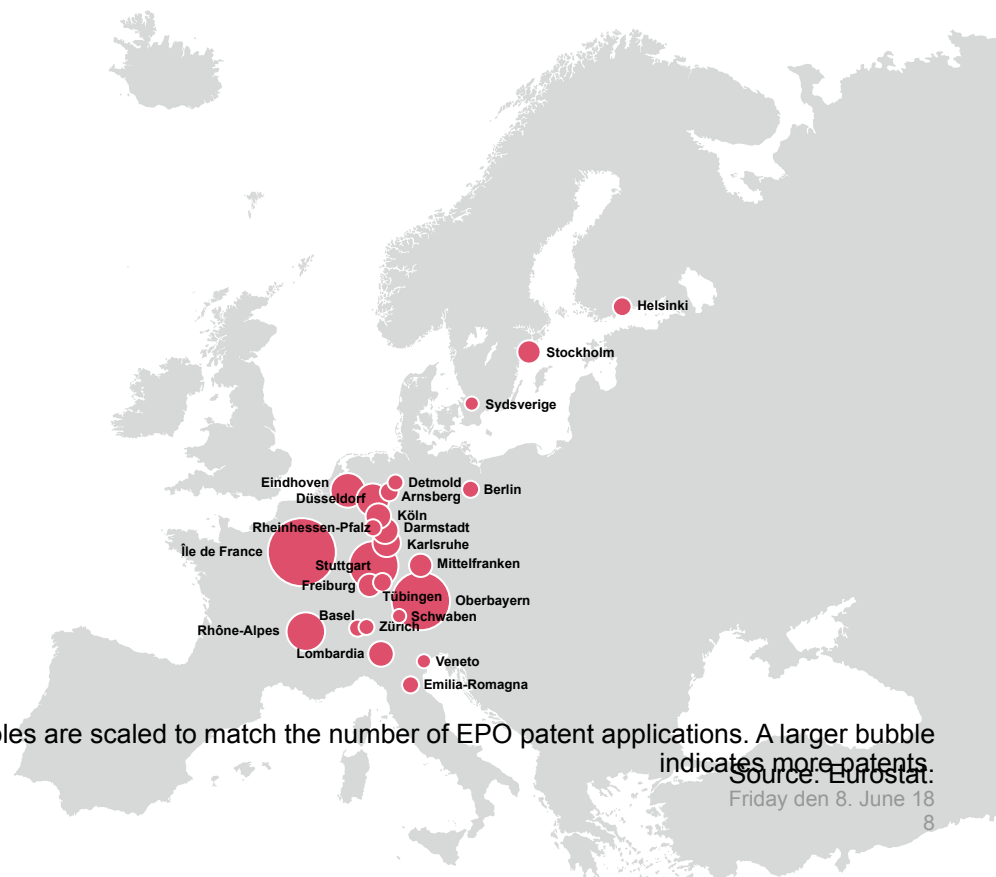
Source: OECD.

Friday den 8. June 18



Regional dimension to European innovation

Patent applications in top regions



Note: The bubbles are scaled to match the number of EPO patent applications. A larger bubble indicates more patents.

Source: Eurostat.

Friday den 8. June 18

8



DANMARKS
NATIONALBANK

A single market for financial services – What's in it for you?

- Increases competition
- Free movement of financial services
- 500 million customers
- Improves efficiency and allocation of resources
- Reduces trade costs



A level playing field
for banks is important

