

FOREWORD

This is the third annual report of the European Economic Advisory Group (EEAG) at CESifo. CESifo is one of the world's prominent research networks of professional economists including more than 350 university professors from 22 countries. Its home base is the Ifo Institute for Economic Research and the Center for Economic Studies (CES) of Ludwig Maximilian's University, Munich, with about 90 researchers in all fields of economics.

The EEAG, which is in toto responsible for this report, consists of a team of eight economists from seven European countries. It is chaired by Giancarlo Corsetti (European University Institute, Florence) and includes Lars Calmfors (University of Stockholm), Seppo Honkapohja (Universities of Helsinki and Cambridge, vice chairman), John Kay (St. John's College, Oxford), Willi Leibfritz (OECD, Paris), Gilles Saint-Paul (University of Toulouse), Xavier Vives (INSEAD, Fontainebleau), and myself. All members participate on a personal basis. They do not represent the views of the organisations they are affiliated with.

The aim of this report is to comment on the state and the prospects of the European economy. With the support of the Ifo Institute it provides a European economic forecast and discusses topical economic issues that are of general interest to policy makers, managers, academics and the European public in general.

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