

FOREWORD

This edition marks the fifth annual report of the European Economic Advisory Group (EEAG) at CESifo. CESifo is one of the world's prominent research networks of professional economists incorporating more than 430 university professors from 24 countries. Its home base includes 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 eight European countries. It is chaired by Seppo Honkapohja (Universities of Cambridge and Helsinki) and includes Lars Calmfors (University of Stockholm, vice chairman), Giancarlo Corsetti (European University Institute, Florence), John Kay (St. John's College, Oxford), Jan-Egbert Sturm (ETH Zürich, KOF – Swiss Institute for Business Cycle Research), Gilles Saint-Paul (University of Toulouse), Xavier Vives (IESE, INSEAD, ICREA-UPF), 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 prospects of the European economy. With the support of the Ifo Institute it provides a European business forecast and discusses topical economic issues which are of general interest to policy makers, managers, academics and the European public in general.

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