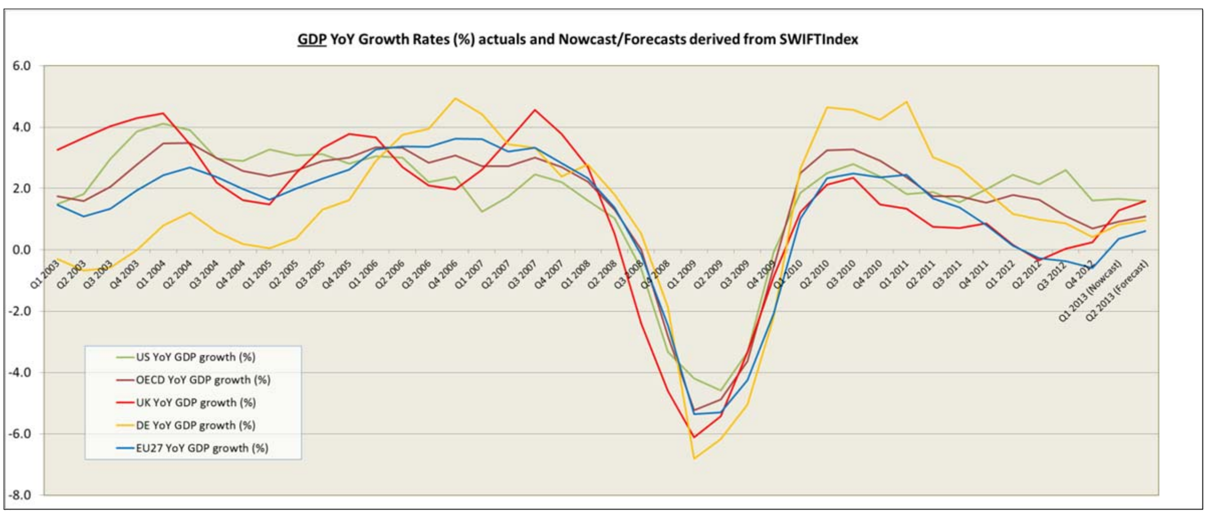
Press release

# Latest SWIFT Index Forecasts EU27 is moving out of recession

*Financial payments volumes which make up the SWIFT Index point to gradual recovery during 2013*

**Brussels, 21 March 2013** – SWIFT, the financial messaging provider for more than 10,000 financial institutions and corporations in 212 countries, has released its latest SWIFT Index data. Using global financial payments volumes, the SWIFT Index forecasts the EU27 bloc is moving out of recession into a positive GDP growth rate, from -0.6% in Q4 2012 to 0.4% in Q1 2013 and 0.6% in Q2 2013. The EU27 recovery will be very gradual and could take all of 2013 to gain momentum. Since its launch in March 2012, the Index, based on an average of 2 million SWIFT payments messages per day, has successfully predicted OECD GDP growth with limited deviation.

The following graph shows a year-on-year GDP estimate by SWIFT based on the SWIFT Index, which captures global payments traffic. It clearly indicates a recovery for the four aggregates (OECD, UK, EU27, DE) and a nearly flat evolution for the US.




For Germany, the GDP growth rate should improve slightly moving from 0.4% during Q4 2012 into a more positive value of 0.8% Q1 and 1.0% Q2 2013.

After the very marginal growth of 0.3% in Q4 2012, the SWIFT Index predicts that the UK economy will gain momentum and reach GDP growth of 1.3% during Q1 2013. With further growth expected during Q2 2013, it is expected that the UK economy will reach the 2010 post crisis recovery levels around 1.6% GDP growth by July 2013.

The US GDP growth rate will maintain its current level (1.6%) from Q4 2012 during Q1 2013 (1.7%) and Q2 2013 (1.6%).

SWIFT payments volumes predict a year-on-year OECD growth rate of 0.9% for Q1 2013, up from 0.7% Q4 2012. The Index predicts that collectively, the OECD member countries will start to recover from the decreasing trend that started during the second half of 2010.

"A mixture of the worlds most advanced and emerging countries, the OECD group provides a strong indication of the direction the global economy is moving in" commented Andre Boico, Head of Pricing & Analytics, SWIFT. "With strong GDP growth expected over the next two quarters, 2013 could prove to be the recovery year for the global economy in recent times, should the observed trend continue."

Boico added, "the double dip recession worries seem to be behind for most of the major economies".

**Notes to the editor:**

Below, you can find a summary table of the GDP estimates derived from the SWIFT Index and the forecast trend compared to the last actual figure (Q4-2012).

| **Region/ Country** | ***Q4-2012 vs. Q1-2012 (Year-on-Year %)*** | ***Q1-2013 vs. Q1-2012 (Year-on-Year %)*** | ***Q2-2013 vs. Q2-2012 (Year-on-Year %)*** | ***Forecast Q2-2013 Trend*** | |
|---|---|---|---|---|---|
| | *GDP Actual [(1)] (published by OECD)* | *GDP Nowcast* | *GDP Forecast* | *Direction[(2)]* | *Rate of change[(3)]* |
| **OECD** | *0.7%* | *0.9%* | *1.1%* | *Growing* | *Faster* |
| **EU27** | *-0.6%* | *0.4%* | *0.6%* | *Moderate Growth* | *From Contracting* |
| **US** | *1.6%* | *1.7%* | *1.6%* | *Growing* | *Stable* |
| **UK** | *0.3%* | *1.3%* | *1.6%* | *Growing* | *Faster* |
| **Germany** | *0.4%* | *0.8%* | *1.0%* | *Growing* | *Faster* |

Published by OECD & downloaded on 12 March 2013.

Dictionary of terms:

(1) Direction: sign of the GDP forecast figure. Positive growth rate (>0%) is equivalent to 'Growing'. Negative growth rate (<0%) is equivalent to 'Contracting'. Flat is used when GDP shows no change at 0%.

(2) Rate of change: we compare the GDP growth rate forecast (here Q2-2013) to the last known actual (Q4-2012). If the forecasted GDP growth rate is higher than the last actual, then the "rate of change" can be 'Faster',' Slightly Faster' or 'From Contracting' (if there is a change in sign from negative growth to positive growth). If the forecasted GDP growth rate is lower than the last actual, then the "rate of change" can be 'Slower', 'Slightly Slower' or 'From Growing' (if there is a change in sign from positive growth to negative growth).

..........................................................................................................................................................

**About SWIFT Index**

Part of the Business Intelligence portfolio, the SWIFT Index provides quantitative fact-based Business Intelligence aggregated from SWIFT data on payments traffic and can be used to derive an early forecast of GDP growth on a monthly basis. The SWIFT Index utilizes Year-on-Year data to calculate GDP growth to deseasonalize annual variations in volumes and highlight economic trends of relevance.

As announced in October 2012, SWIFT can now offer an Index for UK, Germany, US and EU27 in addition to the World Index and OECD Index. These four new additional indices will support business decision-making in these major economies and will act as leading indicators of national and regional GDP growth. SWIFT is able to forecast GDP growth through a methodology that has been validated by academic experts from the Centre for Operations Research and Econometrics (CORE – Université Catholique de Louvain, Belgium).

The SWIFT Business Intelligence (BI) portfolio offers clients a suite of intuitive tools including analytics, insights and economic indicators, designed to grow with a customer's business needs.

For further information about the SWIFT Index and its methodology, please visit www.swift.com/swiftindex.

**About SWIFT**

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,000 banking organisations, securities institutions and corporate customers in 212 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

For more information, please visit www.swift.com or follow us on Twitter: @swiftcommunity and Linkedin: SWIFT.

Contact:
SWIFT
Press Office
T +32 2 655 3377
E pressoffice@swift.com