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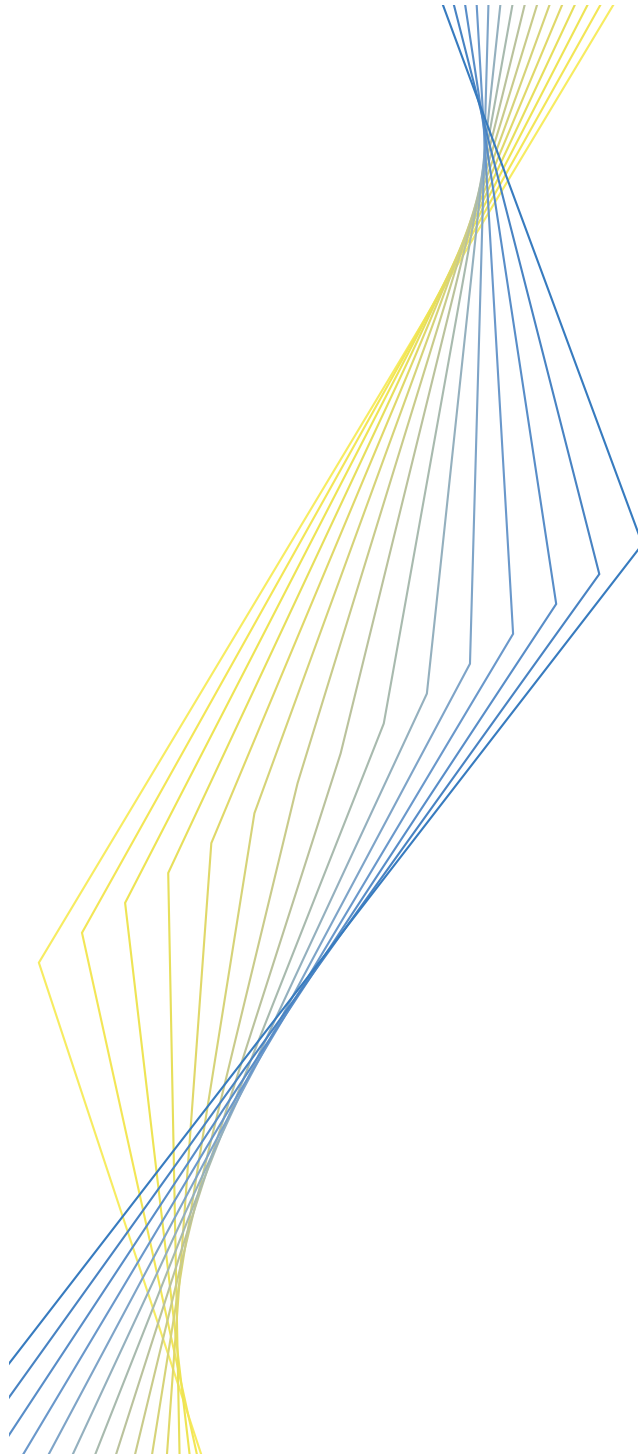
MONTHLY BULLETIN March 2003

**M O N T H L Y
B U L L E T I N**

March 2003



EUROPEAN CENTRAL BANK



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Abbreviations

Countries

BE	Belgium
DK	Denmark
DE	Germany
GR	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
LU	Luxembourg
NL	Netherlands
AT	Austria
PT	Portugal
FI	Finland
SE	Sweden
UK	United Kingdom
JP	Japan
US	United States

Others

BIS	Bank for International Settlements
BPM5	IMF Balance of Payments Manual (5th edition)
CDs	certificates of deposit
c.i.f.	cost, insurance and freight at the importer's border
CPI	Consumer Price Index
ECB	European Central Bank
ECU	European Currency Unit
EER	effective exchange rate
EMI	European Monetary Institute
EMU	Economic and Monetary Union
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
EUR	euro
f.o.b.	free on board at the exporter's border
GDP	gross domestic product
HICP	Harmonised Index of Consumer Prices
ILO	International Labour Organization
IMF	International Monetary Fund
MFIs	Monetary Financial Institutions
NACE Rev. 1	Statistical classification of economic activities in the European Community
NCBs	national central banks
PPI	Producer Price Index
repos	repurchase agreements
SITC Rev. 3	Standard International Trade Classification (revision 3)
ULCM	Unit Labour Costs in Manufacturing

In accordance with Community practice, the EU countries are listed in this Bulletin using the alphabetical order of the country names in the national languages.

Editorial

At its meeting on 6 March 2003, the Governing Council of the ECB decided to reduce the minimum bid rate on the main refinancing operations of the Eurosystem, conducted as variable rate tenders, by 25 basis points to 2.50%. The interest rates on the marginal lending facility and the deposit facility were also reduced by 25 basis points, to 3.50% and 1.50% respectively.

The decision to lower the key ECB interest rates reflects the Governing Council's assessment that the outlook for price stability over the medium term has improved in recent months, owing in particular to the subdued pace of economic growth and the appreciation of the exchange rate of the euro. This assessment was based on a comprehensive review of monetary, financial and economic developments under the two pillars of the ECB's monetary policy strategy.

With regard to the analysis under the first pillar, the three-month average of the annual growth rate of M3 was 7.1% in the period from November 2002 to January 2003, compared with 6.9% in the period from October to December 2002. The continued strong monetary growth reflects an ongoing pronounced preference for liquidity in an environment of high financial, economic and geopolitical uncertainty and low interest rates. Although liquidity remains ample, it is not expected at this stage to give rise to inflationary pressures, given the environment of weak economic growth and the expectation that some of the portfolio shifts will be reversed once the financial market uncertainty diminishes. Recent data on loans to the private sector, notably the weak growth in loans to non-financial corporations in late 2002, confirm this assessment.

Turning to the analysis under the second pillar, available information indicates that economic activity in the euro area remained sluggish at the turn of the year 2002/2003. Real GDP is estimated by Eurostat to have increased by 0.2% quarter-on-quarter in the fourth quarter of 2002, following a rise of between 0.3% and 0.4% in each of the first

three quarters of 2002. The lower real GDP growth in the final quarter of 2002 was mainly accounted for by a smaller contribution of net exports, reflecting in particular a strong decline in export growth. Meanwhile, consumption growth was relatively robust, but investment remained weak. As regards the first months of 2003, a number of leading indicators and survey data signal continued subdued economic activity.

In light of recent developments, the outlook for economic growth in the euro area in 2003 has weakened compared with previous expectations. This downward revision in expectations is especially due to the geopolitical tensions and the associated rise in oil prices.

Considering price developments, according to Eurostat, annual HICP inflation is estimated to have been 2.3% in February 2003, slightly up from 2.2% in January. The main factor behind this change seems to be the rise in oil prices. In addition, base effects related to food prices may have contributed to the renewed increase in annual inflation in February.

The ongoing tensions in oil markets make it difficult to forecast short-term inflation developments. However, once these tensions have eased, more fundamental factors should dominate price developments. First, the significant appreciation of the nominal effective exchange rate of the euro over the past year is expected to continue to feed through the economy into consumer prices, via import and producer prices. Second, the moderate pace of economic growth should also reduce inflationary pressures, influencing price and wage-setting behaviour. If oil prices moderate in the future, as currently expected by markets, the most likely outcome will be that inflation rates will fall below 2% in the course of 2003 and remain clearly at levels in line with price stability thereafter.

This baseline scenario relies on the assumption that, especially in an environment of subdued economic growth, wage

moderation will prevail. In fact, some recent indications suggest more modest wage developments towards the end of last year, but this picture would need to be confirmed in the future.

Overall, ECB key interest rates have reached very low levels. On the basis of currently available information, this policy stance, while contributing to the preservation of price stability over the medium term, provides some counterbalance to the factors which are currently having an adverse effect on economic activity.

Looking ahead, the most likely scenario is that real GDP growth will gradually increase once the prevailing uncertainties have diminished. While the expected weak economic activity at the beginning of this year will imply low average real GDP growth in 2003, a rise in quarterly growth rates should materialise in the course of the year. Over time, the euro area economy should benefit both from a global economic recovery, raising demand for euro area exports, and from the prevailing low levels of interest rates. Moreover, the expected fall in inflation should support real disposable income and underpin private consumption growth.

However, any judgement on future developments is overshadowed at present by the geopolitical tensions and their potential resolution. Monetary policy cannot address this kind of uncertainty. Depending on further developments which may change the medium-term outlook for price stability in any direction, the Governing Council stands ready to act decisively and in a timely manner.

The prospects for the euro area economy will depend very much on measures taken in other policy areas. As for fiscal policy,

adherence of all countries to the framework laid down in the Treaty and the Stability and Growth Pact will support stable and sustainable public finances, and will thereby contribute significantly both to confidence and to favourable financing conditions for the private sector. In most cases, the fiscal policy stance implicit in the updated stability programmes strikes a reasonable balance between letting automatic stabilisers operate and seeking further consolidation where needed. In some cases, current consolidation plans lack ambition. In order to further boost confidence in the fiscal framework and the economic environment, it is essential that appropriate consolidation plans are implemented in all countries with remaining imbalances. Hence, the commitments made in the stability programmes and the requests to further improve fiscal positions, as subsequently agreed in the ECOFIN Council, must be implemented in full. In this respect, the measures should be part of a comprehensive and growth-oriented strategy, which, for most countries, means putting the focus both on restraining the volume and on reforming the structure of public expenditure.

Finally, the outlook for the euro area economy could be significantly improved if governments strengthen their efforts to implement structural reforms in labour and product markets. Such reforms are important to ultimately raise the euro area's production potential, improve the flexibility of the economy and make the euro area more resilient to external shocks. The lack of clear and decisive progress in implementing structural reforms weighs on confidence at present. In particular at the current juncture, when economic activity is subdued, taking measures to make the euro area a more attractive place for investment can contribute substantially to fostering confidence.

Economic developments in the euro area

I Monetary and financial developments

Monetary policy decisions of the Governing Council of the ECB

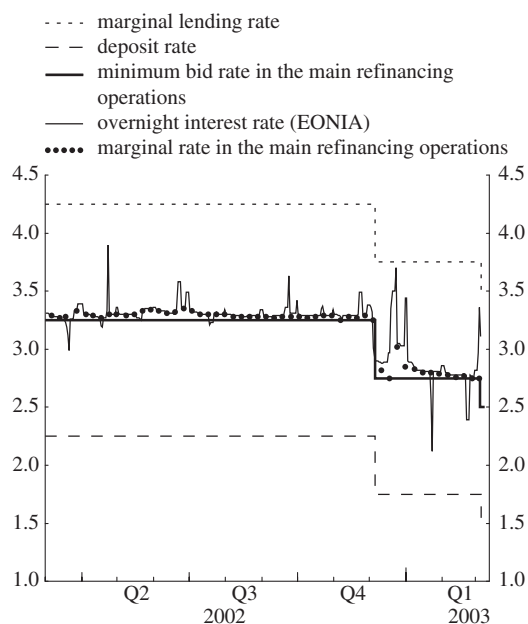
At its meeting on 6 March 2003, the Governing Council of the ECB decided to reduce the minimum bid rate in the main refinancing operations, conducted as variable rate tenders, by 25 basis points, to 2.50%, starting from the operations to be settled on 12 March 2003. The interest rates on both the marginal lending facility and the deposit facility were also reduced by 25 basis points, to 3.50% and 1.50% respectively, in both cases with effect from 7 March 2003 (see Chart 1).

M3 continued to grow at a fast pace in January

In January 2003, the annual rate of growth of M3 rose to 7.4%, from 6.8% in the previous month. The three-month average of the annual growth rates of M3 was 7.1% in the period from November 2002 to January 2003,

Chart 1 ECB interest rates and money market rates

(percentages per annum; daily data)

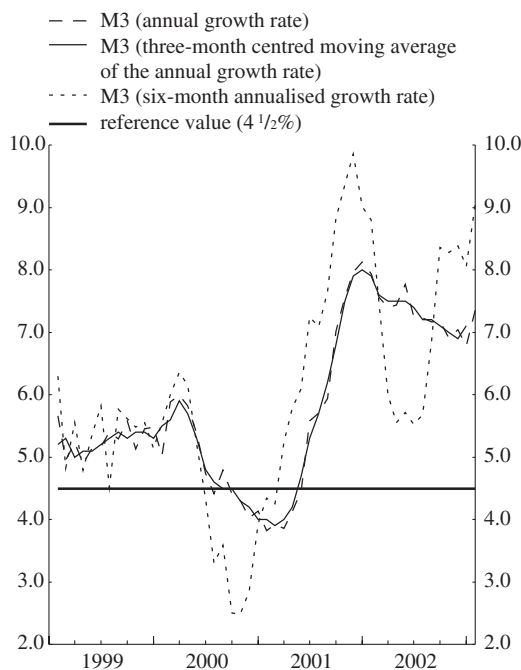


Sources: ECB and Reuters.

Chart 2

M3 growth and the reference value

(adjusted for seasonal and calendar effects)



Source: ECB.

compared with 6.9% in the period from October to December 2002 (see Chart 2). In recent months, the short-term dynamics of M3 have remained strong. The high level of annual M3 growth continues to be related to the high economic, financial market and geopolitical uncertainty, which has led to a strong rise in the demand for short-term liquid assets. In addition, the low opportunity costs of holding assets included in M3 are also likely to have contributed to the buoyant growth of this broad monetary aggregate.

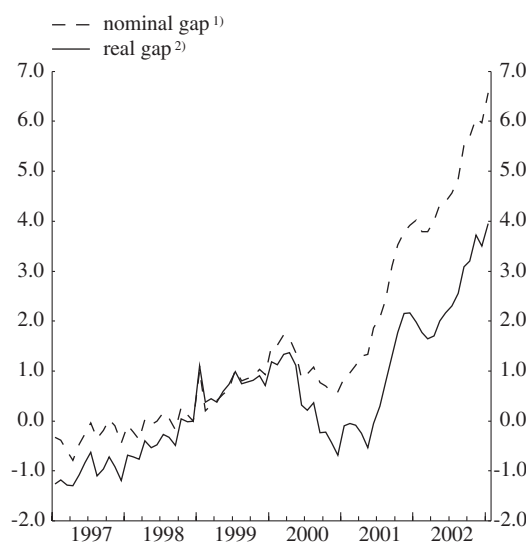
The protracted period of strong monetary growth has resulted in the accumulation of more liquidity in the euro area than may be needed to finance sustainable non-inflationary growth. The nominal money gap measure shown in Chart 3 refers to the difference between the actual level of M3 and the level of M3 which would have resulted from growth at the reference value (4½% p.a.) since December 1998 (chosen as the base period). The real money gap measure shows

the difference between the actual level of M3 deflated by the HICP and the level of M3 in real terms which would have resulted from nominal M3 growth at the reference value and HICP inflation in line with the definition of price stability – again using December 1998 as the base period. The evolution of both measures points to a continued accumulation of excess liquidity, with both the nominal and real money gaps reaching their highest levels since the start of Stage Three of Economic and Monetary Union.

The growth of M3 in the last quarter of 2002 continued to be above what would have been in line with its fundamental determinants, as shown by the significant gap between real M3 growth and real GDP growth (see Chart 4). The low opportunity cost of M3 in recent months helps to explain the strength in M3 growth, but cannot fully account for this discrepancy (see in particular the bottom panel of Chart 4). This indicates that portfolio shifts away from capital markets are likely to

Chart 3
Estimates of the nominal and real money gaps

(as a percentage of the stock of M3)

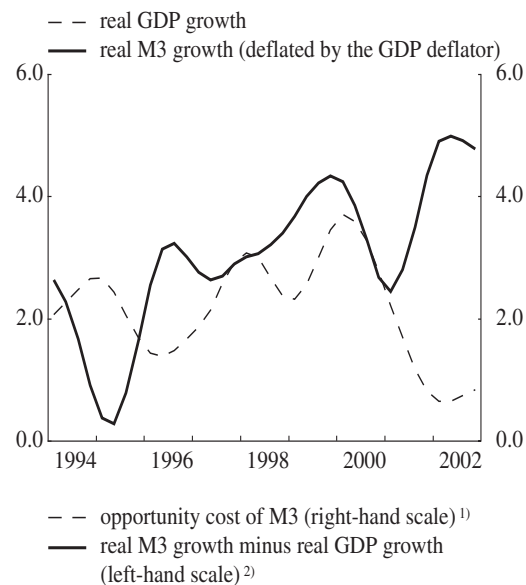


Source: ECB.

- 1) Deviation of the actual stock of M3 from the level consistent with monetary growth at the reference value, taking December 1998 as the base period.
- 2) Nominal money gap minus the deviation of consumer prices from a level compatible with the definition of price stability, taking December 1998 as the base period.

Chart 4
Real M3 and GDP growth, and opportunity costs

(four-quarter moving averages of annual percentage changes and percentage points; seasonally adjusted)



Source: ECB.

Note: The annual growth rates of GDP and the GDP deflator in the fourth quarter of 2002 are assumed to be equal to those in the third quarter of 2002.

- 1) Defined as the difference between the three-month money market rate and the own rate of return on M3.
- 2) Calculated as the difference between M3 growth deflated by the GDP deflator and real GDP growth.

have continued to play an important role in driving monetary growth in recent months (see also Box 1).

Stronger growth of the narrow monetary aggregate M1

The strong dynamics of M3 in the last few months have been mainly driven by developments in M1 and marketable

Box 1**Financial investment of the non-financial sectors in the euro area up to the third quarter of 2002**

The annual growth of the overall financial investment of the non-financial sectors (i.e. households, non-financial corporations and general government) remained relatively stable between the fourth quarter of 2001 and the third quarter of 2002 (see table below), at a level of around 5%. Over the same period, the non-financial sectors experienced considerable losses in their financial wealth due to the further fall in stock prices.

With regard to financial investment, as a result of financial market uncertainty and the further decline in stock prices, investors continued to prefer investments in relatively secure financial assets such as short-term assets, bonds and insurance and pension products. In this respect, the annual growth of short-term financial investment rose to 5.5% in the third quarter of 2002. This was mainly due to a recovery in investment in short-term debt securities. Moreover, investment in deposits and money market fund shares/units remained relatively strong. In addition to short-term assets, investors preferred secure long-term assets. The annual growth of investment in long-term debt securities declined somewhat, to 7.1%, probably reflecting lower bond yield levels as well as a rise in bond market volatility in the third quarter. Moreover, the annual growth of investment in insurance and pension products has continued to be relatively high, at somewhat above 7%, for a number of quarters (see Box 2).

By contrast, investment in quoted shares by the non-financial sectors remained very subdued in the third quarter, at an annual growth rate of around 1%. This is likely to be related to falling stock prices and a renewed rise in implied stock market volatility, as well as to reduced equity issuance during this period. As indicated by balance of payments data, euro area non-MFIs in net terms repatriated equity portfolio investment from abroad in the third quarter of 2002, after having continued to purchase foreign equity in previous quarters, although on a reduced scale. By contrast, non-residents of the euro area were net buyers of equity issued by

Financial investment of euro area non-financial sectors

	Outstanding amount as a percentage of financial investment ¹⁾	Annual growth rates									
		2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4
Financial investment	100	6.0	6.3	7.4	7.3	6.5	5.2	5.1	5.0	5.2	.
of which: short-term financial investment ²⁾	43.0	4.9	3.8	5.4	5.5	5.8	6.0	4.7	5.0	5.5	.
of which: long-term financial investment ³⁾	56.0	6.5	7.6	8.6	8.3	7.2	5.1	5.3	5.1	5.2	.
Currency and deposits	37.7	3.6	3.3	3.5	4.3	4.3	4.4	4.7	4.8	4.9	.
Securities other than shares	14.5	14.9	10.0	17.6	14.4	11.1	9.3	5.7	5.7	6.2	.
of which: short-term	1.9	88.5	34.4	65.9	39.3	23.7	11.5	-8.4	-10.4	0.3	.
of which: long-term	12.6	8.9	7.2	11.3	11.1	9.4	8.9	8.5	8.3	7.1	.
Mutual fund shares	11.8	2.3	6.0	5.7	5.0	6.0	5.5	5.4	6.0	6.5	.
of which: mutual fund shares, excluding money market fund shares/units	9.7	3.1	6.7	6.0	4.4	4.7	3.6	3.3	4.3	4.9	.
of which: money market fund shares/units	2.1	-3.7	-0.1	3.8	9.3	16.8	21.1	20.7	17.7	16.1	.
Quoted shares	12.2	3.7	7.1	9.3	9.5	7.1	1.7	2.1	1.1	1.1	.
Insurance technical reserves	23.8	9.5	8.5	7.6	7.5	7.2	7.4	7.6	7.3	7.3	.
M3 ⁴⁾		4.4	4.1	3.9	5.6	7.0	8.1	7.4	7.3	7.2	6.8

Source: ECB.

Note: For details, see footnote in Table 6.1 in the 'Euro area statistics' section of the Monthly Bulletin.

1) As at the end of the third quarter of 2002.

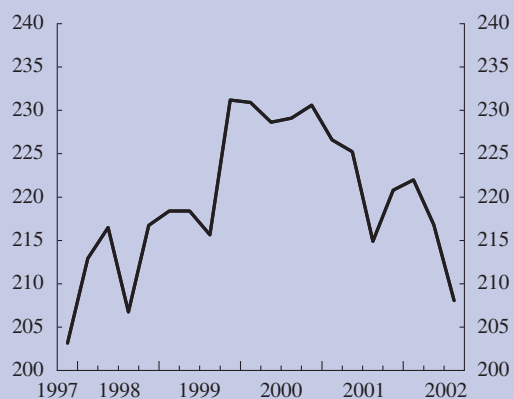
2) Short-term financial investment includes currency and deposits (excluding central government deposits), short-term debt securities and money market fund shares/units. Due to the exclusion of central government deposits, short-term and long-term financial investment do not add up to 100%. When interpreting these figures, it should be kept in mind that both short-term and long-term deposits are included in short-term investment as no maturity breakdown is available so far.

3) Long-term financial investment includes long-term debt securities, mutual fund shares excluding money market fund shares/units, quoted shares and insurance and pension products.

4) End of quarter. The monetary aggregate M3 includes monetary instruments held by euro area non-MFIs (i.e. the non-financial sector and non-monetary financial institutions) with euro area MFIs.

Financial wealth developments of the euro area non-financial sectors

(financial assets expressed as a percentage of GDP)



Source: ECB.

However, the decline in the value of financial assets has been partly compensated for by rising property prices and, in turn, a rise in residential property wealth in a number of euro area countries. While the overall economic implications of the loss in financial wealth are difficult to assess, for some sectors of the euro area economy there is reason to believe that the significant fall in stock prices worldwide and the relatively high level of debt (see Chart 12) were factors contributing to weak fixed capital formation over the last two years.

euro area corporations in the third quarter, in line with previous quarters. The amounts received from the sales of equity by euro area non-MFIs (to non-residents or to euro area MFIs) contributed to fuelling monetary growth in the euro area during that period.

The valuation losses stemming from declining stock prices have adversely affected the financial wealth of the non-financial sectors of the euro area, as indicated by the fall in the ratio of financial assets to GDP of these sectors since the start of 2000 (see chart). The ratio of financial assets of the non-financial sectors to GDP stood at a similar level in the third quarter of 2002 as at the end of 1997. All other things being equal, these negative financial wealth effects have led to a deterioration in the financial positions of the non-financial sectors of the euro area since 2000.

instruments (see Table 1). The annual growth rate of M1 increased significantly during the four quarters of 2002 to reach 9.8% in January. This rise seemed to mainly reflect the low opportunity costs of holding currency and overnight deposits. In addition, the turbulence in financial markets probably led to an increase in the demand for very liquid assets.

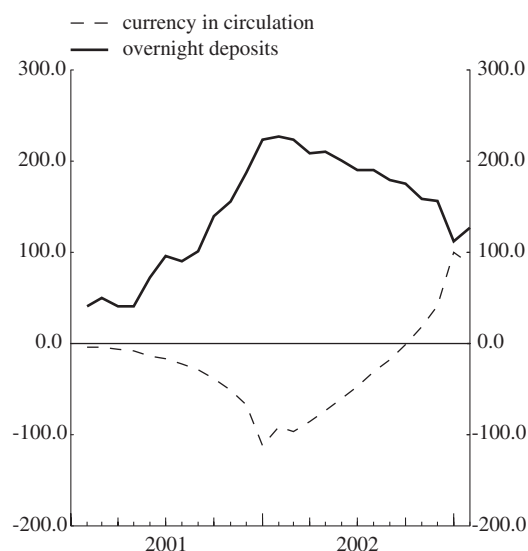
Within M1, the annual rate of change in currency in circulation became positive in the fourth quarter of 2002 and remained at very high levels in January 2003 (34.6%). This development reflects the rebuilding of currency holdings that occurred in the course of 2002 following the cash changeover. The recovery of currency in circulation seems to have resulted from the reversal of previous shifts from currency to overnight deposits and other short-term deposits included in

M3, and also from a revival in the demand for euro banknotes by non-euro area residents as suggested by euro area balance of payments data.

Conversely, the continued decline in the annual growth of overnight deposits in 2002 seems to be very much related to the rebuilding of currency holdings (see Chart 5). As regards the more recent data, the annual growth rate of overnight deposits increased to 6.6% in January 2003, from 5.8% in the previous month. At the same time, the short-term dynamics of overnight deposits have strengthened considerably in recent months, with the annualised six-month growth rate standing at 10.0% in January 2003. This buoyant behaviour of overnight deposits probably reflects the low level of interest rates and the continuing climate of high uncertainty.

Chart 5 Currency in circulation and overnight deposits

(annual flows, EUR billions)



Source: ECB.

The annual rate of growth of other short-term deposits declined to 4.0% in January 2003, from 4.9% in the last quarter of 2002, continuing the downward trend seen since the first quarter of 2002. Within these

deposits, those with an agreed maturity of up to two years continued to record a subdued annual growth rate of 0.6% (non-seasonally adjusted) in January, compared with -0.3% in the previous month. At the same time, the (non-seasonally adjusted) annual growth rate of deposits redeemable at a period of notice of up to three months increased to 6.9% in January, from 6.6% in the previous month. These different dynamics probably reflect the narrowing of the spread between the retail interest rates on these types of deposits in recent months, which made time deposits less attractive than savings deposits.

The pronounced preference of euro area non-MFI investors for safe and liquid instruments included in M3 is also reflected in the renewed strengthening in marketable instruments, the annual growth rate of which rose to 11.0% in January, after 8.4% in the fourth quarter of 2002. The strong pace of growth in marketable instruments reflects to a large extent the high growth of money market fund shares/units, which – like overnight deposits – are often used to “park” funds at times of high uncertainty.

Table I Components of M3

(annual percentage changes; quarterly averages)

	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Jan.
<i>Adjusted for seasonal and calendar effects</i>						
M1	5.5	6.2	6.6	7.6	8.8	9.8
of which: currency in circulation	-18.6	-28.0	-19.9	-7.7	12.9	34.6
of which: overnight deposits	10.4	13.0	11.7	10.3	8.2	6.6
M2 - M1 (= other short-term deposits)	5.9	6.7	6.4	5.5	4.9	4.0
M2	5.7	6.5	6.5	6.5	6.7	6.7
M3 - M2 (= marketable instruments)	20.6	15.9	14.0	11.6	8.4	11.0
M3	7.7	7.8	7.5	7.2	7.0	7.4
<i>Not adjusted for seasonal and calendar effects</i>						
Currency in circulation	-18.4	-27.9	-19.7	-7.7	12.9	35.2
Overnight deposits	10.1	13.0	11.7	10.4	8.3	6.1
Deposits with an agreed maturity of up to 2 years	7.3	3.6	2.9	1.4	1.3	0.6
Deposits redeemable at notice of up to 3 months	5.0	9.1	9.4	8.9	7.7	6.9
Repurchase agreements	19.5	4.6	2.3	2.9	2.3	11.9
Money market fund shares/units	25.5	29.5	25.1	22.4	18.6	17.2
Debt securities issued with a maturity of up to 2 years	11.5	1.6	3.9	-4.3	-9.2	-8.3

Source: ECB.

Growth in loans to the private sector stabilising in January

The annual rate of growth of total credit granted by MFIs to euro area residents has remained stable since the third quarter of 2002, at a rate of around 4.2% (see Table 2). However, this masks different sectoral developments, as the annual growth of credit to general government has increased over this period whereas the annual growth of credit to the private sector has decreased slightly.

In January, the annual growth of credit to the general government was slightly below 2%. As regards the instrument breakdown, the annual rate of change of MFI loans to general government remained negative, but this was more than offset by the positive growth of general government debt securities held by MFIs.

The annual growth of loans to the private sector showed a pronounced and protracted downward trend between the beginning of 2001 and the fourth quarter of 2002. While the data for December 2002 and January 2003 showed slight increases in the annual growth rates, it is too early to judge whether the slowdown in loans has come to an end. Weak economic activity in the euro area, high economic uncertainty, a significant decline in M&A activity and possibly the need for private

sector balance sheet restructuring seem to be the main reasons for the subdued loan growth. These factors appear to have more than counteracted the positive effects stemming from the low level of retail bank lending rates. Nevertheless, in real terms, the annual growth of loans to the private sector is at present only somewhat below its long-term average, and growth dynamics are not unusually low compared with other periods of weak economic growth.

The quarterly breakdown of loans to the non-financial private sector is now available for the fourth quarter of 2002. It shows that the decline in the annual growth of loans to the private sector in the fourth quarter of 2002 was mainly due to a significant decrease in the annual growth rate of loans to non-monetary financial intermediaries (except insurance corporations and pension funds). These non-monetary financial intermediaries include various types of financial intermediaries predominantly engaged in long-term financing (e.g. leasing corporations, special purpose vehicle and factoring corporations). In contrast, the annual growth of both MFI loans to non-financial corporations and MFI loans to households remained broadly unchanged. As in the third quarter, the annual growth of loans to non-financial corporations remained subdued, whereas that of loans to households was

Table 2
Counterparts of M3

(annual percentage changes; quarterly averages; not adjusted for seasonal and calendar effects)

	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Jan.
Longer-term financial liabilities (excluding capital and reserves)	2.9	3.1	4.0	5.1	5.2	5.7
Deposits with an agreed maturity of over 2 years	-0.2	0.2	0.9	1.9	2.6	2.6
Deposits redeemable at notice of over 3 months	-5.7	-11.5	-13.2	-11.1	-9.0	-5.3
Debt securities issued with a maturity of over 2 years	5.9	6.5	7.7	8.8	8.1	8.7
Credit to euro area residents	5.2	5.1	4.5	4.2	4.1	4.2
Credit to general government	-0.7	1.7	1.8	1.1	1.9	1.8
Securities other than shares	-0.7	3.5	3.8	2.5	4.1	3.5
Loans	-0.8	-0.8	-0.9	-0.9	-1.2	-0.8
Credit to other euro area residents	6.9	6.1	5.2	5.0	4.8	4.8
Securities other than shares	23.8	22.3	14.8	7.5	6.9	9.1
Shares and other equities	3.2	2.1	-3.5	1.0	3.3	0.4
Loans	6.5	5.7	5.6	5.3	4.8	5.0

Source: ECB.

relatively robust. Sectoral loan trends are analysed below in more detail in the subsection on the overall debt financing of the non-financial sectors.

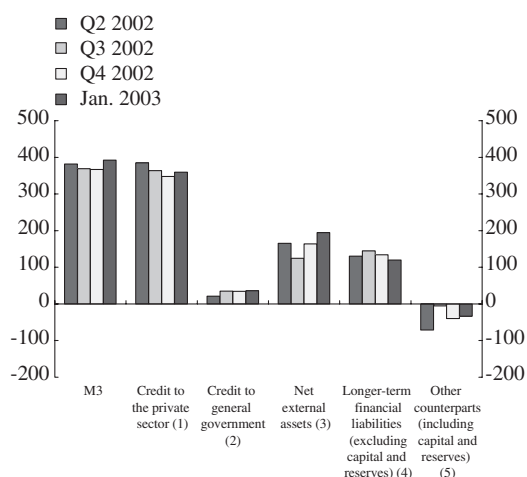
The annual growth rate of longer-term financial liabilities (excluding capital and reserves) of MFIs was broadly unchanged between the third and fourth quarters of 2002, at around 5.2%, increasing to 5.7% in January 2003. Within this counterpart of M3, longer-term deposits continued to grow at a slow pace, which contrasts with the strong pace of growth in debt securities issued with an initial maturity of over two years.

In January 2003, the net external asset position of the euro area MFI sector increased by €16 billion in absolute and non-seasonally adjusted terms. Over the 12 months to January, the net external assets of the MFI sector increased by €194 billion, compared with a rise of €164 billion over the 12 months to December (see Chart 6). This significant increase in the net external asset position of euro area MFIs reflected both a substantial improvement in the euro area current account balance and net inflows of combined direct and portfolio investment.

Chart 6

Movements in M3 and its counterparts

(annual flows, end of period; EUR billions; not adjusted for seasonal and calendar effects)



Source: ECB.

$M3 = 1 + 2 + 3 - 4 + 5$

Ample liquidity unlikely to translate into inflationary pressures

M3 continued to grow at a fast pace in the fourth quarter of 2002 and in January 2003, and liquidity remained very ample in the euro area. However, the general economic, financial market and geopolitical uncertainty seems to be a major factor underpinning these developments. This implies that the excess liquidity does not necessarily point to increased spending, but may rather reflect higher precautionary demand of a temporary nature. Furthermore, in the current environment of slow economic growth, it appears unlikely that excess liquidity will translate into inflationary pressures. The moderate growth of loans to the private sector supports this assessment.

Total balance sheet of investment funds declined in the third quarter of 2002

Balance sheet data of euro area investment funds are now available up to the third quarter of 2002 (see Tables 2.9-2.11 in the "Euro area statistics" section). These data complement data on balance sheets of MFIs and of insurance corporations and pension funds. Financial investment and financing data for the latter are published for the first time in this issue of the Monthly Bulletin (see Box 2). End-of-quarter stock figures for investment funds were reported for the first time in the January issue of the Monthly Bulletin. For investment funds, annual growth rates can only be derived from changes in stocks, since no data on flows (transactions) are available thus far.

The total balance sheet of euro area investment funds amounted to €2,853 billion at the end of the third quarter of 2002, 4% down from one year previously (see Chart 7). Underlying this decline in total investment fund assets were diverging trends for the assets of investment funds depending on the investment policy, trends that were in turn driven to a large extent by developments in financial asset prices. Indeed, the annual

Box 2

Financing and financial investment of insurance corporations and pension funds in the euro area

In this issue of its Monthly Bulletin, the ECB is publishing for the first time financial investment and financing data for insurance corporations and pension funds in the euro area (see new Table 6.2 in the “Euro area statistics” section). This data set complements the quarterly table on financing and financial investment of the non-financial sectors in the euro area and the data on balance sheets of monetary financial institutions and other financial intermediaries, as published in Table 6.1 and Tables 2.1 to 2.11 respectively in the “Euro area statistics” section.

According to the European System of Accounts 1995 (ESA 95), insurance corporations and pension funds are financial corporations engaged in financial intermediation as a result of risk pooling. Among pension funds, only those that have autonomy of decision and maintain a complete set of accounts are included. By contrast, non-autonomous pension funds remain part of the institutions that set them up, for instance non-financial corporations. Furthermore, government units that impose, control and finance social security schemes, whether funded or unfunded, are not covered.

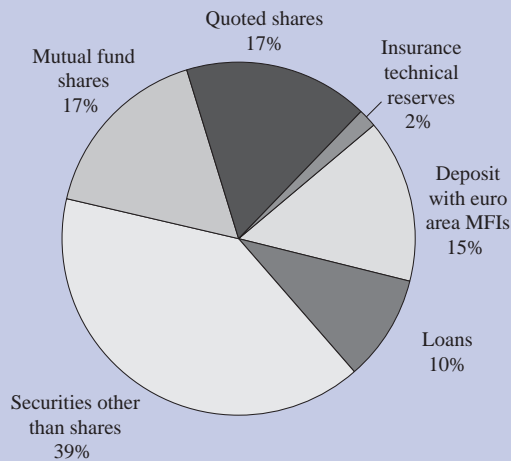
The quarterly table on financing and financial investment of insurance corporations and pension funds in the euro area

The financing of insurance corporations and pension funds mainly takes the form of insurance and pension fund reserves which cover the net equity of households in the provisions set aside for the purpose of satisfying, once the conditions are met, the claims and benefits foreseen. To a lesser extent, they also cover the prepayments of insurance premiums by policyholders and reserves for outstanding claims. The remaining financing components are of less importance, and include loans, debt securities and quoted shares.

Financial investment comprises, inter alia, deposits, debt securities, quoted shares and mutual fund shares. Insurance corporations and pension funds mainly invest in long-term debt securities and in quoted and mutual fund shares, in line with their long-term investment horizon (see Chart A). In so doing, they take into account various restrictions imposed on them in relation to their risk exposures. As for the non-financial sectors, the short-term investment of insurance corporations and pension funds is predominantly in monetary assets.

Chart A: Financial investment of insurance corporations and pension funds in the euro area

(amounts outstanding, as a percentage of main financial assets, at the end of the third quarter of 2002)



Source: ECB.

Developments in financing and financial investment of insurance corporations and pension funds since end-1997

Data have become available now for the period from end-1997 to the third quarter of 2002. These data make it possible to distinguish transactions from other changes in balance sheets, for instance valuation changes. Over this period, according to transaction data, insurance corporation and pension fund financing was almost exclusively through life insurance and pension fund reserves. The annual growth rate of these reserves has been relatively high over the last few years, reflecting the fact that the growth of the net equity of households in life insurance and pension fund reserves exceeded that of investment in many other assets (see Box 1). However, the annual growth rate declined from 9½% at the end of 1998 to 7¾% by the end of the third quarter of 2002 (see table below).

Insurance corporations and pension funds mainly invested in long-term debt securities and shares (see Chart B). With regard to long-term debt securities, the annual growth rate was between 7% and 8½% in 1998 and 1999, falling to

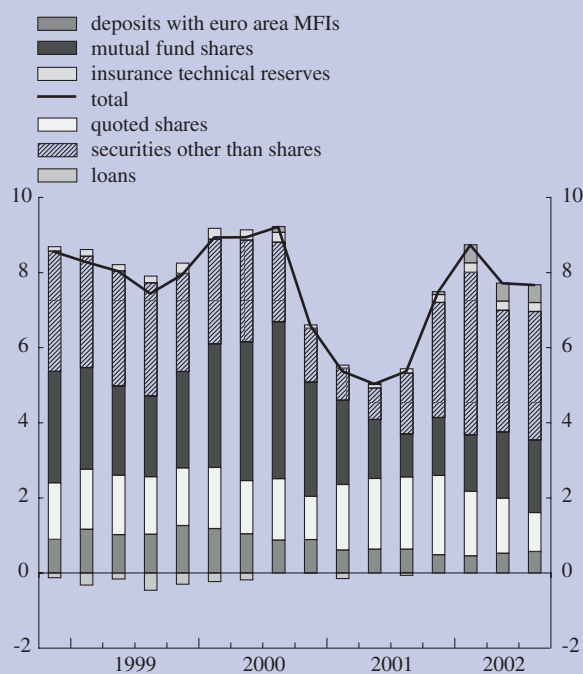
3.6% in the second quarter of 2001. Since then investment in these securities has rebounded considerably, with annual growth rates of between 9% and 12%. Investment in quoted shares showed a similar pattern throughout the period to end-2001. During 2002, however, the annual growth rate of investment in quoted shares declined substantially, in contrast to the rather high annual growth rate of investment in long-term debt securities over the same period. In the case of investment in mutual fund shares, annual growth rates were initially extraordinarily high (between 18% and 25%) until end-2000. Since the start of 2001 growth has been more moderate, with annual rates of between 6% and 13%.

As a result of these transactions, and also reflecting, in particular, the fall in stock prices since early 2000, the proportion of debt securities in the financial portfolio of insurance corporations and pension funds peaked at 40% in the third quarter of 2002, up from around 32½% in 2001. By contrast, the importance of quoted shares dropped slightly to less than 17% in the third quarter of 2002, down from 24% in the third quarter of 2000. The proportion of mutual fund shares in the financial portfolio of

insurance corporations and pension funds remained relatively stable between the third quarter of 2000 and the third quarter of 2002, ending the period at around 17% after having increased significantly in the late 1990s.

Chart B: Financial investment of insurance corporations and pension funds in the euro area

(annual growth rates; contributions in percentage points)



Source: ECB.

Financing and financial investment of insurance corporations and pension funds in the euro area

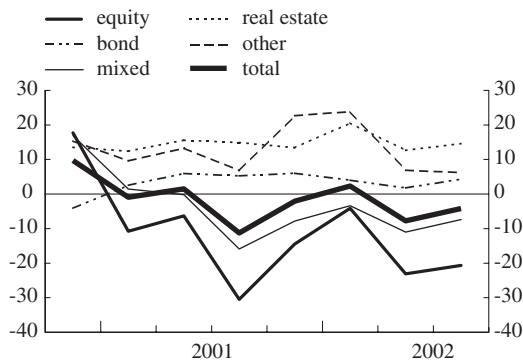
	Share of the amount outstanding 2002 Q3	Annual growth rates									
		1998 Q4	1999 Q4	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3
Financing	100.0	9.4	9.0	8.3	7.2	7.0	7.0	7.3	7.5	7.4	7.5
Loans	1.9	23.5	5.7	7.2	-2.2	-5.6	7.0	2.7	6.7	15.2	18.1
Securities other than shares	0.4	-46.4	161.2	83.7	64.7	73.1	19.1	9.9	10.1	6.4	5.4
Quoted shares	3.7	4.4	0.1	0.9	0.7	0.2	1.3	1.5	1.5	1.6	0.5
Insurance technical reserves	94.0	9.7	10.1	9.1	8.0	7.9	7.7	8.0	8.2	7.8	7.8
Financial investment	100.0	8.6	7.9	6.6	5.4	5.0	5.4	7.5	8.7	7.7	7.7
Deposits with euro area MFIs	15.0	5.4	8.2	6.2	4.4	4.6	4.6	3.3	3.1	3.6	3.8
Loans	9.6	-0.9	-2.5	0.0	-1.6	0.2	-0.7	0.8	5.1	5.1	4.9
Short-term	1.8	10.6	-0.9	22.3	11.9	15.0	12.2	10.5	11.7	15.3	19.6
Long-term	7.8	-2.4	-2.7	-3.4	-3.8	-2.3	-3.0	-1.0	3.9	3.0	1.9
Securities other than shares	40.0	8.4	6.9	4.3	2.6	2.5	5.0	9.2	12.7	9.6	9.6
Short-term	1.4	4.9	6.4	4.5	-23.3	-20.7	-19.5	-7.5	37.0	-0.1	22.8
Long-term	38.6	8.5	6.9	4.3	3.7	3.6	6.1	9.9	11.9	9.9	9.1
Mutual fund shares	16.9	25.4	18.9	18.3	12.8	8.7	6.2	8.4	8.4	9.8	11.2
Mutual fund shares, excluding money market fund shares/units	15.4	24.5	18.7	18.7	12.2	8.3	5.2	7.3	8.7	10.0	11.7
Money market fund shares/units	1.4	37.5	20.6	12.4	21.6	14.5	22.2	24.0	4.7	7.1	5.6
Quoted shares	16.7	9.0	8.3	4.9	7.3	8.0	8.1	9.5	7.8	6.6	5.1
Insurance technical reserves	1.8	4.5	12.4	4.7	4.7	4.9	6.3	11.2	13.7	13.4	12.2

Source: ECB.

Chart 7

Annual growth in the value of total assets of investment funds in the euro area broken down by investment policy

(annual percentage changes; end-of-period stock data)



Source: ECB.

growth rate of investment fund holdings of equity funds declined by 21% at the end of the third quarter of 2002, while the annual decline in the Dow Jones EURO STOXX index over the same period was 30%. At the same time, the value of bond portfolios was positively affected by the rise in government bond prices over this period.

Broadly stable growth in debt securities issuance in the fourth quarter

In the fourth quarter of 2002 the average annual percentage growth of the amount outstanding of debt securities issued by euro area residents was 7.1%, broadly unchanged from the third quarter (see Chart 8). However, the latest data mask the fact that the annual growth rate fell to 6.4% in December 2002. The breakdown by maturity shows that a broadly similar trend affected total and long-term issuance, given that the latter constitutes 90% of the total. Nevertheless, there has been a strong recovery in short-term issuance over recent months.

The breakdown by currency shows that the average annual growth of the amount outstanding of euro-denominated debt securities issued by euro area residents increased by 0.1 percentage point to 6.5% in the fourth quarter. At the same time, the

annual growth of non-euro-denominated debt securities issued by euro area residents decreased by 0.7 percentage point to 13.2%.

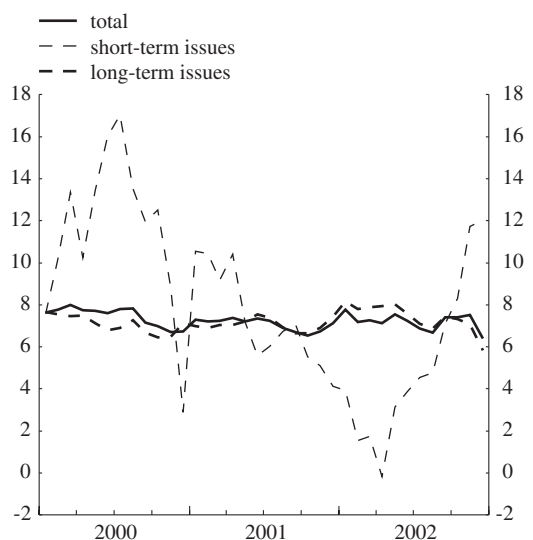
Turning to the sectoral breakdown of euro-denominated debt securities issuance, the average annual growth of the amount outstanding of debt securities issued by MFIs was 5.0% in the fourth quarter, compared with 4.9% in the third quarter (see Chart 9). The total financing by MFIs in the form of debt securities was low by historical standards, reflecting strong growth in MFIs' deposits and weak demand for credit from MFIs.

As regards non-financial corporations, the average annual growth of the amount outstanding of debt securities issued was 4.2% in the fourth quarter of 2002, 1.3 percentage points lower than in the previous quarter. The decline in issuance in the non-financial corporation sector may partly reflect lower demand by borrowers despite the decline in corporate bond yields in most rating categories. For a number of companies

Chart 8

Annual growth of debt securities issued by euro area residents

(percentage changes)



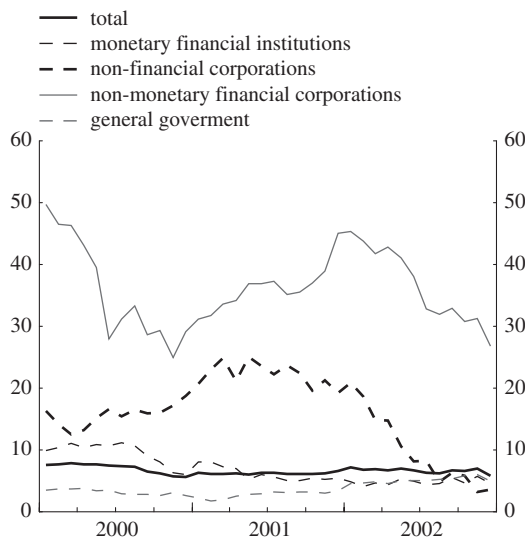
Source: ECB.

Note: Annual growth rates are based on financial transactions and are corrected for reclassifications, revaluations, exchange rate variations and other changes that do not arise from transactions.

Chart 9

Annual growth of euro-denominated debt securities issued by euro area residents

(percentage changes)



Source: ECB.

Note: Annual growth rates are based on financial transactions and are corrected for reclassifications, revaluations, exchange rate variations and other changes that do not arise from transactions.

(particularly in the telecommunications sector), the lower issuance reflects an effort towards debt reduction and balance sheet restructuring. In the non-financial corporate sector there was a significant contrast between strong long-term and weak short-term issuance. However, the difference between the two rates of change seems to have narrowed slightly from the third to the fourth quarter of 2002. The average annual growth of the amount outstanding of bonds declined from 14.3% in the third quarter to 10.5% in the fourth quarter. The annual rate of change for outstanding short-term paper was still negative in the fourth quarter, but the rate of decline was smaller than in the previous month.

Concerning non-monetary financial corporations, the average annual growth rate of the amount outstanding of debt securities remained high despite declining from 32.6% in the third quarter to 29.6% in the fourth quarter of 2002. An important driver of growth in this sector in the fourth quarter

was the large issuance of asset-backed securities (ABS) in some euro area countries. The strong issuance in the non-monetary financial corporation sector also reflects a shift from direct bond issuance by corporations to indirect issuance, e.g. via special purpose vehicles (SPVs). In particular, companies in the automotive, oil and telecommunications sectors issued a large amount of securities in the fourth quarter of 2002 via their financial subsidiaries which are classified in the non-monetary financial sector.

As regards the general government sector, the average annual growth of the amount outstanding of debt securities issued by central government increased from 4.3% in the third quarter to 4.8% in the fourth quarter. The annual rate of growth of short-term debt securities outstanding in the fourth quarter of last year increased markedly to 18.1%. This could reflect incentives to take advantage of the present low level of short-term interest rates.

At the same time, the average annual growth rate of the amount outstanding of debt securities issued by other general government sub-sectors declined from 33.6% in the third quarter to 28.0% in fourth quarter.

Weak economic growth continued to dampen developments in the overall financing of the non-financial sectors

The annual growth of debt financing of the non-financial sectors in the euro area is estimated to have declined slightly further in the fourth quarter of 2002, to around 4¼%, from 4.7% in the third quarter (see Table 3). The decrease resulted from a fall in the annual growth of debt financing of non-financial corporations and general government, while the annual growth of debt financing of households remained stable. As regards the maturity breakdown, in the fourth quarter the annual growth of short-term debt financing stabilised somewhat, albeit remaining at a very low level, while the annual growth of long-term debt financing is

Table 3
Financing of euro area non-financial sectors

	Outstanding amount as a percentage of (sector) financing ¹⁾	Annual growth rates									
		2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4 ²⁾
Non-financial sectors	100	6.7	6.3	6.1	6.2	5.5	4.7	4.5	4.1	3.9	.
<i>of which:</i> long-term financing ³⁾	84.8	5.8	5.6	5.4	5.6	5.2	4.6	4.8	4.5	4.5	.
Debt financing ⁴⁾	85.0	7.1	7.2	6.8	6.6	6.1	5.4	5.4	5.1	4.7	4 ¼
<i>of which:</i> short-term debt financing	15.2	12.4	11.0	11.4	9.7	7.1	5.4	3.0	1.6	0.8	1 ½
long-term debt financing	69.9	5.9	6.4	5.8	5.9	5.9	5.4	5.9	5.9	5.6	5
Households ^{4),5)}	23.0	8.1	7.4	6.5	6.5	5.9	5.7	5.7	5.9	6.1	6
<i>of which:</i> short-term debt financing	8.1	7.9	6.3	3.7	2.2	0.7	-0.7	-0.6	1.1	1.2	2 ½
long-term debt financing	91.9	8.1	7.5	6.8	6.9	6.4	6.3	6.3	6.4	6.6	6 ¼
Non-financial corporations	43.3	9.6	8.7	8.7	8.5	7.1	5.5	4.3	3.4	2.7	.
<i>of which:</i> long-term financing	80.0	7.2	6.8	7.1	7.4	6.9	5.6	4.9	4.7	4.2	.
Debt financing ⁴⁾	65.4	13.5	14.3	14.1	12.6	10.8	8.3	6.4	5.6	4.2	3 ¼
<i>of which:</i> short-term debt financing	20.0	22.1	20.2	18.7	14.3	8.6	5.0	1.0	-2.9	-3.4	-2 ¼
long-term debt financing	45.4	9.6	11.7	12.0	11.8	12.0	9.9	9.2	10.0	8.0	6 ¼
loans	53.7	14.4	15.0	13.5	11.4	9.5	6.8	5.5	5.4	3.9	4
securities other than shares	8.0	13.2	16.0	25.6	27.4	24.9	23.0	15.1	8.7	6.8	3 ¼
pension fund reserves	3.7	3.5	3.3	3.4	3.5	3.6	2.6	2.7	2.7	2.8	4
Quoted shares	34.6	5.3	4.1	4.5	5.0	3.8	2.8	1.9	0.8	0.7	.
General government ⁴⁾	33.7	1.9	1.8	1.4	2.1	2.4	2.9	4.3	4.0	4.2	3 ½
<i>of which:</i> short-term debt financing	13.8	-1.6	-2.8	1.5	4.2	7.1	9.2	8.9	11.6	9.7	9
long-term debt financing	86.2	2.4	2.5	1.4	1.7	1.7	2.0	3.6	2.8	3.3	2 ¼
loans	16.8	-1.5	-1.3	-0.8	-2.2	-1.1	0.0	0.8	-0.2	-1.0	-2 ¼
securities other than shares	79.7	2.5	2.5	1.9	3.0	3.1	3.4	4.7	4.6	4.9	4 ¾
central government deposit liabilities	3.4	7.0	2.6	4.9	5.1	5.5	7.7	12.9	13.5	14.0	12

Source: ECB.

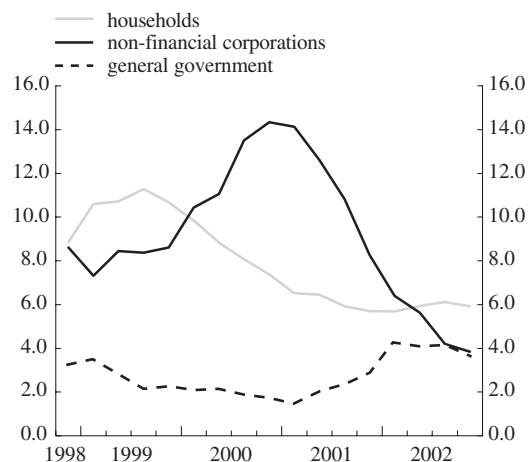
Note: For details, see footnote in Table 6.1 in the 'Euro area statistics' section of the Monthly Bulletin.

- 1) As at the end of the third quarter of 2002. Short-term and long-term (debt) financing and sector financing as a percentage of financing. Sector short-term and long-term (debt) financing and financing instruments as a percentage of sector financing. Figures may not add up exactly due to rounding.
- 2) Figures for the most recent quarter shown in the table have been estimated on the basis of transactions as reported in money and banking statistics and securities issues statistics.
- 3) Long-term financing, i.e. with an original maturity of over one year, includes long-term loans, long-term debt securities issued, quoted shares issued and pension fund reserves of non-financial corporations.
- 4) Debt financing includes loans, debt securities issued, pension fund reserves of non-financial corporations and deposit liabilities of central government. Short-term debt financing, i.e. with an original maturity of up to one year, includes short-term loans, short-term debt securities issued and deposit liabilities of central government. Long-term debt financing equals long-term financing excluding quoted shares issued.
- 5) Including non-profit institutions serving households.

estimated to have decreased. This further fall in the annual growth of debt financing has to be seen in the context of subdued gross fixed capital formation and weak economic confidence. These seem to have more than counteracted the positive effects stemming from the decline in the cost of debt financing, as indicated by the decreases in retail bank lending rates as well as government and corporate bond yields during the past few months.

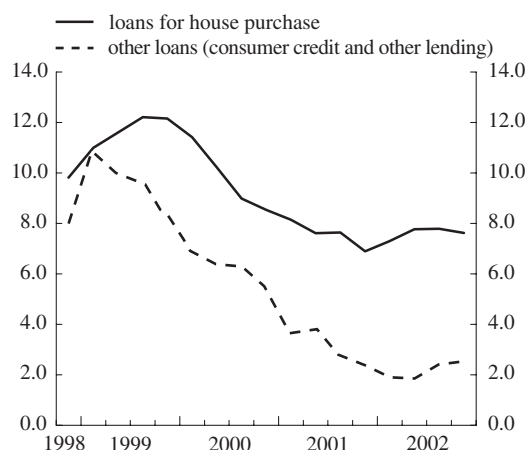
With regard to the household sector, the annual growth of debt financing remained robust in the fourth quarter of 2002, at around 6% (see Chart 10). This was mainly

due to a broad stability of the annual growth of long-term debt financing, which accounts for more than 90% of all household debt and mostly consists of housing loans. The decline in retail bank lending rates for housing to historically low levels as well as the ongoing relatively rapid rise in residential property prices in some euro area countries are continuing to fuel the demand for housing loans (see Table 4 and Chart 11). The annual growth of short-term debt financing, which accounts for slightly less than 10% of all debt financing to the household sector, is estimated to have recovered somewhat from the previously very low levels. As a result of the continued relatively strong annual growth

Chart 10**Debt financing of the non-financial sectors***(annual percentage changes)*

Source: ECB.

Note: For details, see Table 3.

Chart 11**Breakdown of loans to households by purpose***(annual percentage changes)*

Source: ECB.

of debt financing, the debt-to-GDP ratio of households rose slightly (see Chart 12).

The annual growth of debt financing of non-financial corporations, by contrast, is estimated to have fallen further in the fourth quarter of 2002, although at a slower pace, to slightly below 4%, from 4.2% in the third quarter. While the annual growth of loan

financing stabilised in the fourth quarter, there was a considerable drop in the issuance of debt securities. In addition to low financing needs for the purpose of gross fixed capital formation in the context of weak demand, non-financial corporations are likely to have continued their debt consolidation, leading to a broadly stable debt-to-GDP ratio (see Chart 12). This has to be seen in the context

Table 4**MFI loans to households and non-financial corporations***(end of quarter; not adjusted for seasonal and calendar effects)*

	Outstanding amount as a % of total ¹⁾	Annual growth rates					
		2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4
Non-financial corporations	47.5	7.6	6.2	5.0	4.4	3.5	3.5
Up to 1 year	33.2	5.2	2.1	-1.6	-3.1	-2.6	-1.6
Over 1 year	66.8	9.0	8.6	8.8	8.8	6.9	6.3
Over 1 and up to 5 years	17.3	9.9	12.8	12.3	12.2	8.5	6.0
Over 5 years	49.5	8.6	7.2	7.7	7.6	6.3	6.5
Households ²⁾	52.5	5.9	5.2	5.4	5.7	5.9	5.8
Consumer credit ³⁾	15.8	3.6	3.0	3.7	3.0	3.2	3.7
Lending for house purchase ³⁾	66.4	7.6	6.9	7.3	7.8	7.8	7.6
Other lending	17.8	2.1	1.7	0.4	0.9	1.7	1.5

Source: ECB Money and Banking Statistics.

Note: For further details, see footnotes to Table 2.5 in the 'Euro area statistics' section of the Monthly Bulletin and the relevant technical notes.

1) As at the end of the fourth quarter of 2002. Sector loans as a percentage of total MFI loans to the non-financial private sector (excluding non-profit institutions serving households); maturity breakdown and breakdown by purpose as a percentage of MFI loans to the respective sector. Figures may not add up exactly due to rounding.

2) In line with the ESA 95 definition of households.

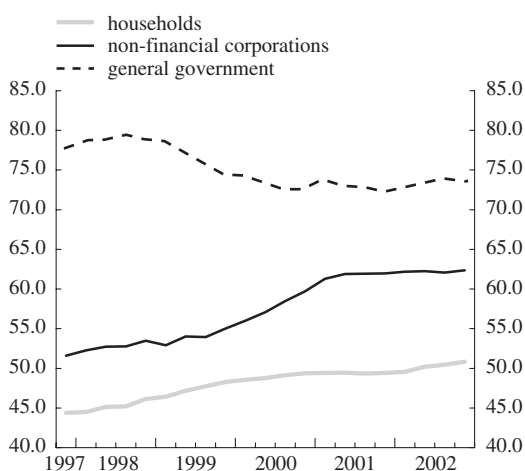
3) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.

of the impact of the decline in the valuation of financial assets on corporate balance sheet positions during 2002 which led, on average, to a higher financial leverage (as measured by the ratio of debt to financial assets) (see Box 1). In this respect, it cannot be excluded that lenders may have continued to take a cautious attitude on account of concerns about the creditworthiness of some borrowers. This may have affected particularly highly indebted borrowers in some sectors of the economy. Current developments do not point, however, to credit constraints in the euro area as a whole.

Overall, while the debt consolidation might initially imply a postponement of investment plans, it will improve corporate balance sheet positions over time. Non-financial corporations' efforts to reduce their relative debt levels might have already had a positive impact on market participants' assessments of corporate credit risk premia in financial markets during months, as suggested by the fall in yield spreads between corporate and government bonds (see Chart 24).

Chart 12
Ratio of debt to GDP of the non-financial sectors

(in percentages)

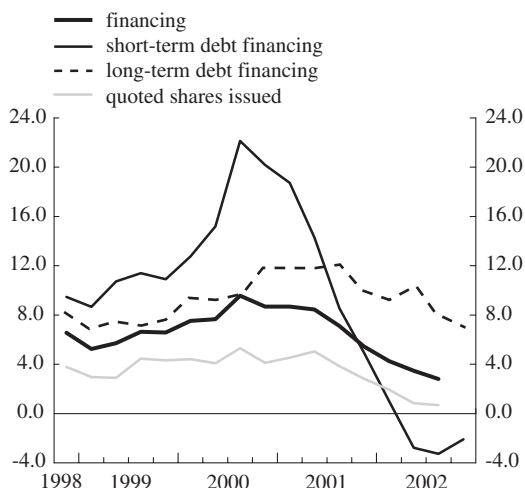


Source: ECB.

Note: For details, see Table 3. Compared with the annual financial accounts, the ratio of debt to GDP is somewhat lower on the basis of the quarterly financial accounts, mainly due to the fact that loans granted by non-financial sectors and by banks outside the euro area are not included.

Chart 13
Short-term and long-term financing of non-financial corporations

(annual percentage changes)



Source: ECB.

Note: For details, see Table 3.

As regards the financing of non-financial corporations via the issuance of quoted shares, information is only available up to the third quarter of 2002. As in the second quarter, the annual growth of quoted shares issued by non-financial corporations was very subdued in the third quarter, at 0.7%, reflecting weak economic growth and the high cost of equity financing (see Chart 13). As shown in Box 3, both initial and secondary public offerings remained very low in 2002, including in the fourth quarter.

Retail bank interest rates continued to decline in January 2003

Having remained broadly stable in the first five months of 2002, from May 2002 onwards short-term retail interest rates followed a downward trend (see Chart 14). This trend, which was reinforced by the reduction in key ECB interest rates in early December, continued in January 2003. From May 2002 to January 2003 the average retail interest rate on deposits with an agreed maturity of up to one year declined by 50 basis points. This was broadly in line with the 65 basis

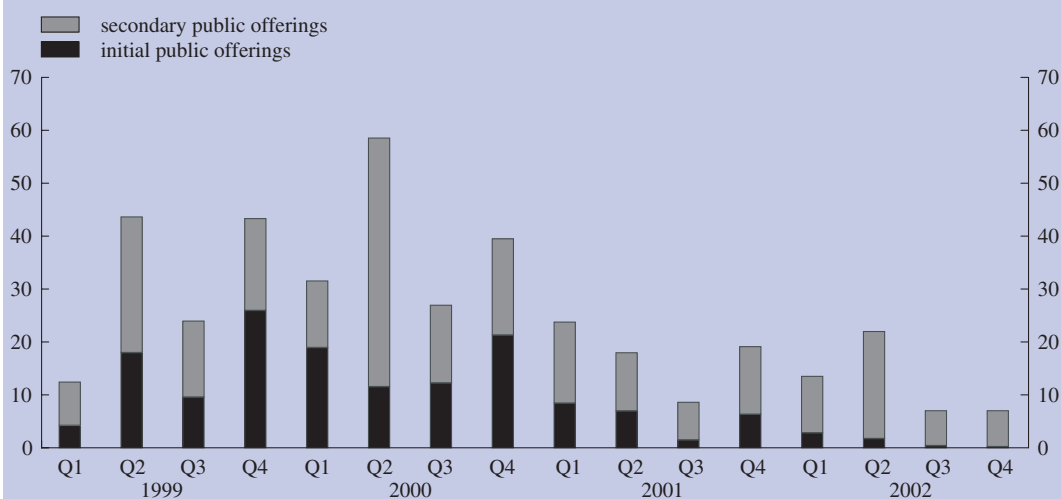
Box 3

Recent trends in equity issuance in the euro area

During the stock market boom of the late 1990s and early 2000, corporations in the euro area raised significant amounts of equity capital either in the form of initial public offerings (IPOs) or secondary public offerings (SPOs). Since then corporations have become increasingly reluctant and/or have found it more difficult to issue equity capital on public stock exchanges (see Chart A). This box examines some of the factors characterising the market for equity capital in the euro area and provides some explanations for the current low level of activity.

Chart A: Gross issuance of equity capital in the euro area

(EUR billions)



Source: Bondware.

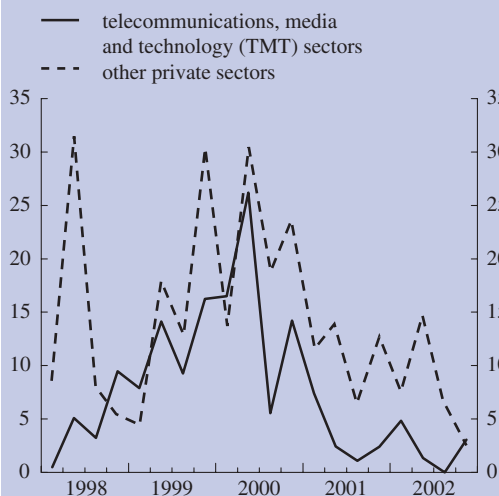
According to Bondware, a private financial data provider, in 2002 the value of total gross issuance of equity was at its lowest level since 1996 and only accounted for around 45% of the annual average for the preceding four years. The downward trend has been particularly marked with regard to IPOs, which virtually dried up in the second half of 2002 and, for the year as a whole, only amounted to 13% of the annual average since 1999. In the fourth quarter of 2002 only eight IPOs were registered in the euro area, with a total value of just €170 million. This should be compared with a quarterly average over the last four years of 49 IPOs and a value of €9.4 billion. Moreover, the evidence recorded so far, although anecdotal, suggests that the low level of activity on the equity markets has continued, and may even have declined further, in early 2003.

The extent to which companies turn to the stock markets to obtain funding for their activities is determined by a confluence of factors. First of all, the capital demand of firms is closely linked to economic activity. Hence, when the economy is booming there are plenty of investment opportunities and thus there is a great need to raise capital (either in the form of equity or through other sources of finance). Seen in this light, the subdued economic growth in 2001 and 2002 is likely to have contributed to the decrease in issuance activity on the equity market. Secondly, the cost of equity capital, estimated as the return demanded by investors to bear the risk of an equity investment, plays an important role in determining issuance activity.¹ When the cost of raising equity capital is high, the amount of shares offered to the public is likely to be low. The significant decline in stock prices and the low level of interest rates observed in the last three years, resulting in a higher cost of equity, may therefore have reduced many companies' interest in obtaining finance via the public stock

¹ See the box entitled "Activity in the euro area initial public offering market" on page 34 of the December 2002 Monthly Bulletin.

Chart B: Gross issuance of equity in the euro area by sector

(EUR billions)



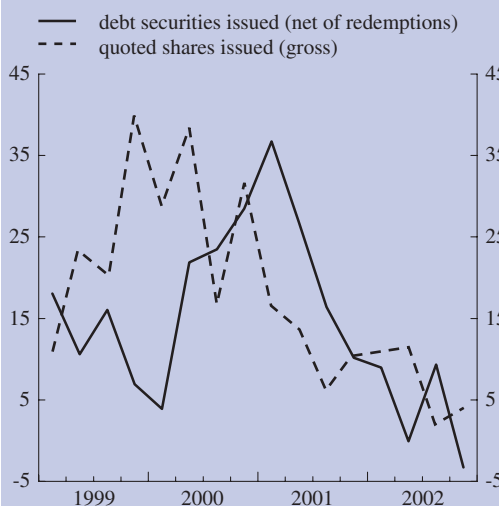
Source: Bondware.

which began in 2000, and, partly as a result of this, the gross issuance of TMT-related stocks declined sharply in 2001 and 2002. Yet, while the TMT sectors may have been the driving force behind both the boom and the subsequent slowdown in IPO activity, quoted share issuance by other sectors also declined substantially in recent years. In the fourth quarter of 2002 gross issuance by non-TMT sectors in terms of value amounted to just 20% of the quarterly average of the last four years.

As regards non-financial corporations, the slowdown in equity issuance activity in 2001 and 2002 was accompanied by a broadly similar decline in debt securities issuance (see Chart C). In the last quarter of 2002

Chart C: Securities issued by non-financial corporations

(EUR billions)



Sources: Bondware and ECB.

Note: Debt securities issues are net of redemptions, while quoted share issuance is shown in gross amounts.

markets. Thirdly, problems of asymmetrical information about the “true value” of firms might amplify the swings in IPO (and SPO) activity. In periods of widespread uncertainty about the correct valuation of firms, investors may be reluctant to buy equity. 2002 was a year of high uncertainty on the stock markets owing, among other things, to the continued concerns about accounting standards and corporate earnings statements. This is likely to have adversely affected the number of investors interested in financing share issuance.

Turning to the sectoral composition, public offerings in the euro area in the late 1990s and in 2000 were very much influenced by telecommunications, media and technology (TMT) companies which, at times, accounted for more than half of the value of all quoted shares issued (see Chart B). The TMT sectors were especially affected by the stock market correction,

net issuance of debt securities by non-financial corporations was -€3.3 billion compared with +€14.7 billion on average per quarter in the preceding four years, while gross issuance of quoted shares by this sector in the fourth quarter of 2002 had fallen to €4 billion, which was significantly lower than the four-year average of €18 billion per quarter. These declines in securities financing partly point to lower capital demand following the economic slowdown. The worsening of capital market sentiment in recent years may also have induced companies to rely increasingly on other sources of finance, such as private equity and internal financing. Furthermore, additional funding may have been obtained through special purpose vehicles (SPVs) and other non-monetary financial intermediaries. Indeed, by contrast with non-financial corporations, issuance of debt securities by non-monetary financial institutions remained strong throughout 2002, which may in part reflect the fact that many companies increasingly tend to use SPVs to issue debt.

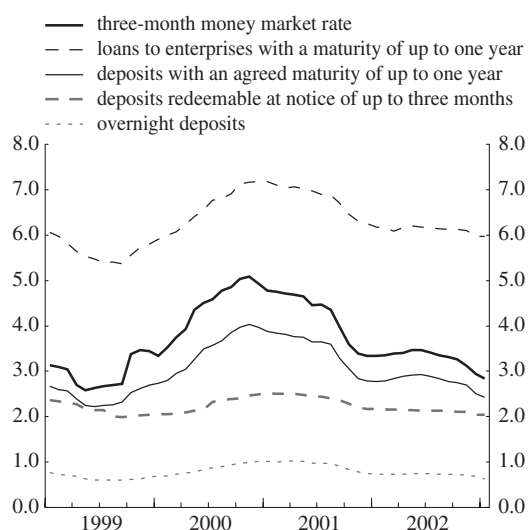
point fall in money market interest rates in the same period. During the same period, the average retail bank rate on overnight deposits and the rate on deposits redeemable at a period of notice of up to three months decreased by only 10 basis points in line with the typically more sluggish adjustment of these rates.

Short-term lending rates also declined, with the average retail bank interest rate on loans to enterprises with a maturity of up to one year declining by about 20 basis points between May 2002 and January 2003. However, the pass-through from money market rates to short-term retail bank interest rates on loans to enterprises has been slightly more sluggish than previous experience would suggest. This sluggishness indicates that banks may have slightly increased their risk premia charged on loans in order to compensate for higher credit risk.

Long-term retail bank interest rates also declined in January, following the general trend observed since May 2002

Chart 14
Short-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)

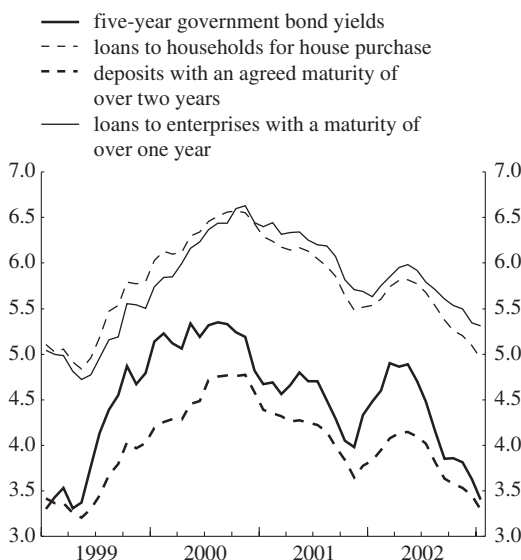


Sources: ECB aggregation of individual country data and Reuters.

Note: From January 2001, data include Greece.

Chart 15
Long-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)



Sources: ECB aggregation of individual country data and Reuters.

Note: From January 2001, data include Greece.

(see Chart 15). Between May 2002 and January 2003 the average retail bank interest rates on deposits with an agreed maturity of over two years and on loans to households for house purchase fell by around 85 basis points, while the rate for loans to enterprises over one year decreased by about 70 basis points. These declines compare with a fall in the average five-year government bond yield of around 150 basis points during the same period.

Overall, the movements in most long-term retail bank interest rates over recent months were broadly in line with past experience. However, developments in the long-term lending rates to enterprises have been affected not only by falling market interest rates, but also by corporate credit risk concerns. In that respect, the level of corporate bond spreads, albeit having declined substantially since the summer of 2002, remained relatively high by historical standards in early 2003 (see Chart 24).

Money market interest rates decreased over the past few months

Money market interest rates have declined in recent months, continuing the fall seen since mid-May 2002. The decline in these rates was most pronounced at the longer maturities (see Chart 16). Consequently, the slope of the money market yield curve, as measured by the difference between the twelve-month and the one-month EURIBOR, which was virtually flat at the beginning of December 2002, has since turned negative. This reflected a gradual downward adjustment of market participants' expectations about future short-term interest rates.

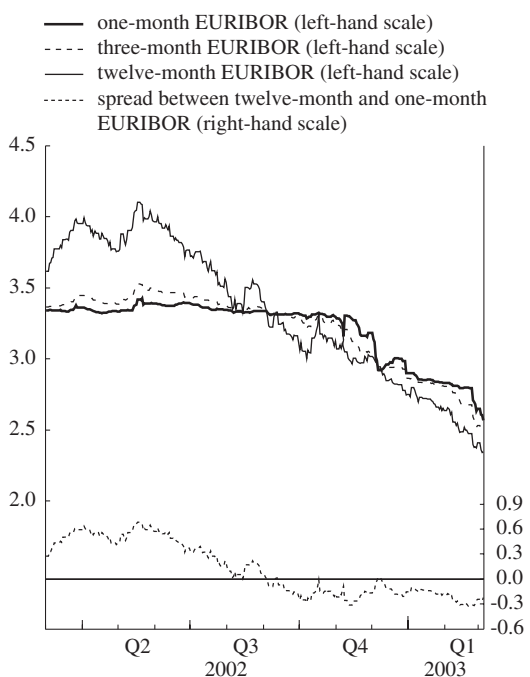
In early 2003, following relatively high values in December 2002, the overnight interest rate, as measured by the EONIA, gradually declined to a level close to the minimum bid rate in the Eurosystem's main refinancing operations. Between the end of January and

5 March, the EONIA varied between 2.75% and 2.82%, with a few short-lived exceptions. The two-week EONIA swap rate remained close to the minimum bid rate in February. The marginal and average rates of allotment in the Eurosystem's main refinancing operations settled so far in 2003 were, on average, respectively 3 and 4 basis points above the minimum bid rate (see Box 2).

The one-month and three-month EURIBOR decreased by 26 and 33 basis points respectively between the end of January and 5 March, to stand at 2.57% and 2.48% on the latter date. Developments in the interest rates of allotment in the longer-term refinancing operations of the Eurosystem over the past few months have largely reflected those in the three-month EURIBOR. In the operation settled on 27 February 2003, the marginal and average rates of allotment were 2.48% and 2.51%. This was respectively 30 and 29 basis points lower than the corresponding rates in the longer-term refinancing operation settled on 30 January, and 45 and 44 basis points lower than the corresponding rates in the longer-term refinancing operation settled on 23 December 2002.

Chart 16
Short-term interest rates in the euro area and the slope of the money market yield curve

(percentages per annum; percentage points; daily data)



Source: Reuters.

The decline in yields over recent months was most pronounced at the longer end of the money market yield curve. More recently, between the end of January and 5 March, the six-month and twelve-month EURIBOR declined by 32 and 30 basis points respectively, to stand at 2.40% and 2.34% on the latter date. On the same day, the slope of the money market yield curve, as measured by the difference between the twelve-month and the one-month EURIBOR, was -23 basis points, slightly steeper than at the end of January.

The expected path of the three-month EURIBOR, as implied in the futures prices on contracts with delivery dates in 2003, has also moved downwards over the past few months. Compared with the beginning of December 2002, on 5 March 2003 market participants expected a considerably lower

Box 4**Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 February 2003**

During the reserve maintenance period under review, the Eurosystem settled four main refinancing operations (MROs) and one longer-term refinancing operation (LTRO).

Regular monetary policy operations

(EUR billions; interest rates in percentages per annum)

Operation	Date of settlement	Date of maturity	Bids (amount)	Allotment (amount)	Bid-cover ratio	Number of participants	Minimum bid rate	Marginal rate	Weighted average rate
MRO	29/01/2003	12/02/2003	114.9	83.0	1.38	272	2.75	2.79	2.81
MRO	05/02/2003	19/02/2003	115.8	86.0	1.35	279	2.75	2.78	2.79
MRO	12/02/2003	26/02/2003	100.5	75.0	1.34	269	2.75	2.76	2.78
MRO	19/02/2003	04/03/2003	125.1	95.0	1.32	283	2.75	2.77	2.78
LTRO	30/01/2003	30/03/2003	31.7	15.0	2.11	156	2.75	2.78	2.80

Source: ECB.

The weighted average MRO rate decreased gradually from 2.81% to 2.78% during the period, with the marginal rate in each operation either one or two basis points lower. The bid-cover ratio and the number of participants in MROs were remarkably stable.

On all but two business days the EONIA was stable between 2.77% and 2.81%. On 31 January it increased to 2.86% due to the regular end-of-month effect and, on the last business day of the maintenance period, it dropped to 2.39%, reflecting slightly loose liquidity conditions. Indeed, the maintenance period ended with an aggregate net recourse to the deposit facility of €3.9 billion (reflecting a net recourse of €1.3 billion on Friday 21 February, which automatically accumulated on both Saturday 22 and Sunday 23 February). The average difference between current account holdings of credit institutions with the Eurosystem and minimum reserve requirements was €0.71 billion.

The net liquidity-absorbing impact of the autonomous factors, i.e. factors not related to monetary policy operations (item (b) of the table below), averaged €82.5 billion. The published estimates of the average liquidity needs stemming from autonomous factors ranged from €76.7 billion to €89.0 billion. The largest deviation between the published estimate and the actual figure occurred in the first days of the maintenance period, and amounted to €1.5 billion.

Contributions to the banking system's liquidity

(EUR billions)

Daily average during the reserve maintenance period from 24 January to 23 February 2003

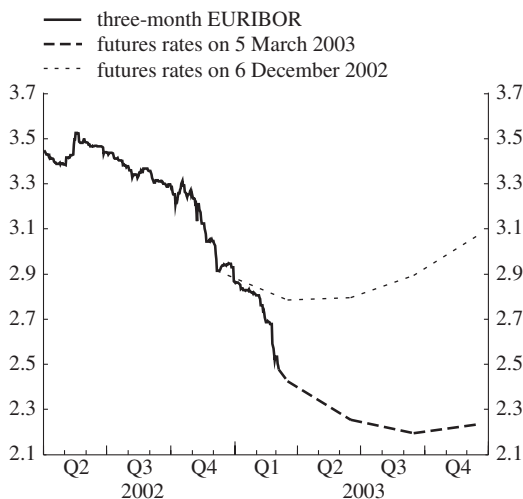
	Liquidity-providing	Liquidity-absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	213.9	0.3	+213.6
Main refinancing operations	168.6	-	+168.6
Longer-term refinancing operations	45.0	-	+ 45.0
Standing facilities	0.3	0.3	0.0
Other operations	0.0	-	0.0
(b) Other factors affecting the banking system's liquidity	356.4	438.9	-82.5
Banknotes in circulation	-	340.7	-340.7
Government deposits with the Eurosystem	-	50.2	-50.2
Net foreign assets (including gold)	356.4	-	+356.4
Other factors (net)	-	48.0	-48.0
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			131.1
(d) Required reserves			130.4

Source: ECB.

Note: Totals may not add up due to rounding.

Chart 17
Three-month interest rates and futures rates in the euro area

(percentages per annum; daily data)



Source: Reuters.

Note: Three-month futures contracts for delivery at the end of the current and next three quarters as quoted on Liffe.

path for short-term interest rates in 2003 (see Chart 17). In the recent past, between the end of January and 5 March, implied futures rates on contracts with delivery dates in March, June, September and December 2003 declined by 22, 23, 27 and

33 basis points respectively to stand at 2.25%, 2.20%, 2.24% and 2.32% on the latter date.

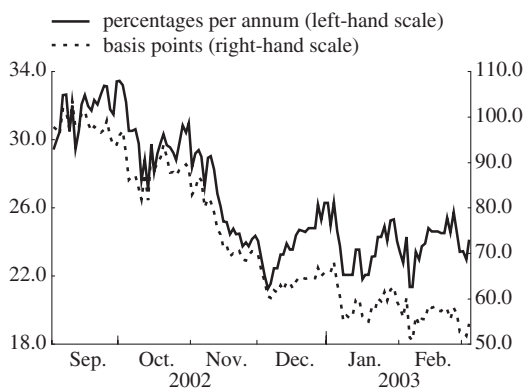
The volatility of the three-month EURIBOR implied in options on futures contracts maturing in June 2003 reflects the uncertainty that market participants attach to the three-month EURIBOR in mid-June 2003. This volatility decreased in the last quarter of 2002 and remained at relatively low levels in early 2003 (see Chart 18).

Long-term government bond yields in the euro area declined further in February

Long-term government bond yields in the euro area continued to decline in February and early March in line with bond yield developments in the United States. Between the end of January and 5 March, ten-year government bond yields in the euro area and the United States declined by 20 and 30 basis points to 4.0% and 3.7% respectively (see Chart 19). As a consequence, the differential between US and euro area ten-year government bond yields widened somewhat in February, standing at -30 basis points on 5 March 2003 (see Chart 20).

Chart 18
Implied volatilities from options on three-month EURIBOR futures maturing in June 2003

(daily data)



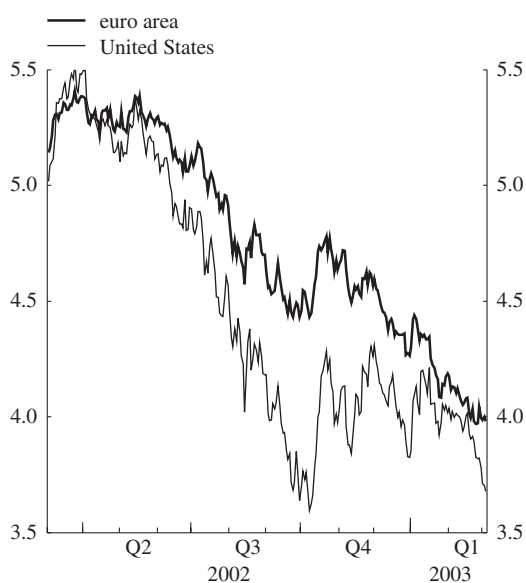
Sources: Bloomberg and ECB calculations.

Note: The basis point measure is obtained as the product of implied volatility in percentages and the corresponding interest rate (see also the box entitled 'Measures of implied volatility derived from options on short-term interest rate futures' on pages 13-16 of the May 2002 Monthly Bulletin).

Compared with early October 2002, however, the nominal ten-year bond yield differential narrowed markedly by early March 2003, reflecting the fact that euro area bond yields fell strongly during that period while bond yields in the United States changed only slightly overall. This development was accompanied by a decline also in the differential between real ten-year interest rates in the United States and the euro area as measured by the yields on index-linked government bonds (see Chart 20). In an environment of generally declining real yields in both economic areas, it appears that stronger downward revisions of market participants' growth expectations for the euro area economy were among the main driving factors behind the decline in nominal and real interest rate differentials in recent months.

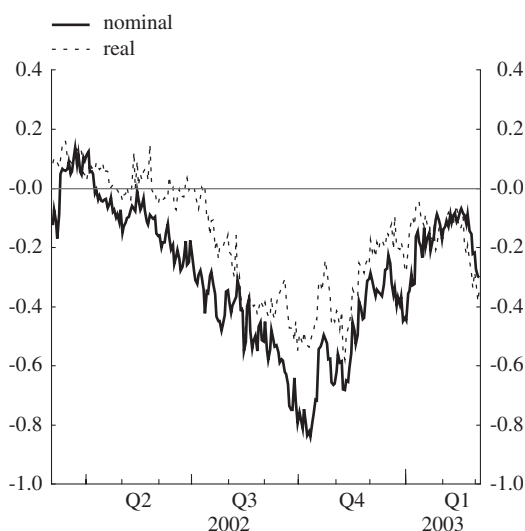
In the United States, recent bond market developments seem to be dominated by market participants' changing perceptions of macroeconomic fundamentals in addition to the continued strong influence of fragile stock market conditions. Over recent months bond market investors appear to have continuously revised downwards their long-term growth expectations for the US economy. This more pessimistic market mood has resulted from deteriorating economic sentiment closely related to heightened geopolitical tensions together with a negative market perception of economic data releases. Market participants' declining growth expectations have also been reflected in a strong decline in US real long-term interest rates. Between the end of September 2002 and 5 March 2003, the ten-year real yield on index-linked government bonds declined by 50 basis points to a new record low of 1.6%. Meanwhile, increasing inflation expectations – driven by rising commodity prices and the fall in the US dollar over recent months – have exerted countervailing upward pressures on nominal bond yields. This is reflected in a relatively

Chart 19
Long-term government bond yields in the euro area and the United States
(percentages per annum; daily data)



Source: Reuters.
 Notes: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity.

Chart 20
Ten-year nominal and real interest rate differential between the United States and the euro area
(percentages per annum; daily data)



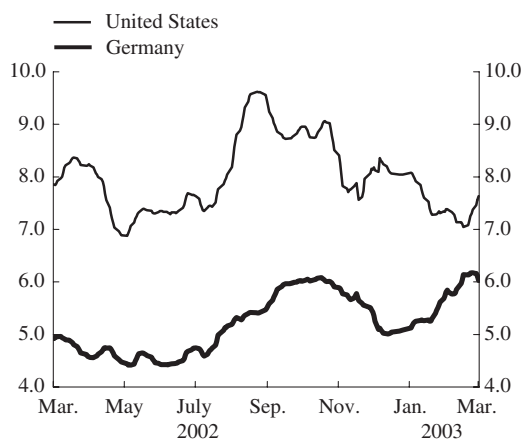
Sources: Reuters and ECB calculations.
 Notes: The ten-year real bond yields are derived from the market prices of inflation-indexed bonds which mature in 2012.

strong increase in the ten-year break-even inflation rate, measured as the yield difference between comparable nominal and index-linked US government bonds. Between the end of September 2002 and 5 March 2003, the US ten-year break-even inflation rate rose by about 50 basis points.

The strong positive short-term correlation between stock prices and long-term bond yields over recent months suggests that bond market developments have also been influenced by the rather volatile stock market conditions in the United States. The sustained portfolio reallocation away from riskier assets such as stocks – reflecting market participants' generally increased risk aversion – seems to have contributed to the fact that recent long-term government bond yields in the United States have hovered around the lowest levels since the early 1960s. Market participants' heightened uncertainty about future bond yield developments is underlined by the fact that implied volatility on ten-year US Treasury futures contracts increased somewhat in February 2003

Chart 21
Implied volatility for futures contracts on the ten-year German Bund and the ten-year US Treasury note

(percentages per annum; ten-day moving average of daily data)



Source: Bloomberg.
 Note: The implied volatility series represent the nearby implied volatility on the near-contract generic future, rolled over 20 days prior to expiry, as defined by Bloomberg. This means that 20 days prior to expiry of the contracts, a change in the choice of contracts used to obtain the implied volatility is made, from the contract closest to maturity to the next contract.

(see Chart 21). This recent increase notwithstanding, implied bond volatility at the end of February 2003 was still markedly below the peaks recorded in the summer of 2002.

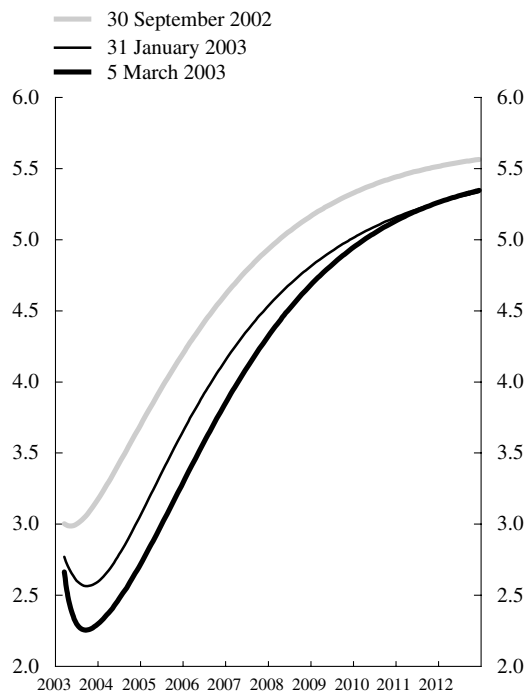
In Japan, government bond yields have continued to move more or less independently from global bond market developments in recent months. After declining throughout 2002 and January 2003, ten-year bond yields changed little overall in February 2003. By 5 March 2003, ten-year government bond yields stood at 0.8%, close to the historical low reached in September 1998. The overall yield declines in recent months mainly reflected more gloomy prospects for the recovery of the Japanese economy as perceived by market participants against the background of a weakened outlook for the global economy and the appreciation of the yen, in particular vis-à-vis the US dollar.

In the euro area, government bond yields declined across the entire maturity spectrum

in recent months in line with an overall trend that began in May 2002. In addition to flight-to-safety portfolio flows away from stock markets, a main factor behind these developments was more pessimistic market views about the short to medium-term growth prospects of the euro area economy reflecting recent economic data releases, higher oil prices and heightened geopolitical tensions. This interpretation is supported by the movement of the implied forward overnight interest rate curve (see Chart 22), which reveals that the more or less parallel downward shift of the euro area yield curve mainly reflects significant downward revisions in market participants' interest rate expectations over the short to medium term. By contrast, the implied forward overnight rate changed only little for the longer

Chart 22
Implied forward euro area overnight interest rates

(percentages per annum; daily data)



Source: ECB estimate.
 Note: The implied forward yield curve, which is derived from the term structure of interest rates observed in the market, reflects the market expectation of future levels for short-term interest rates. The method used to calculate these implied forward yield curves was outlined on page 26 of the January 1999 issue of the ECB's Monthly Bulletin. The data used in the estimate are derived from swap contracts.

horizons, suggesting that investors did not change their assessment of long-term growth prospects. The more pessimistic short to medium-term growth expectations of market participants were also reflected in the sharp decline in real long-term interest rates in the euro area that began in October 2002 (see Chart 23). Between the end of January and 5 March 2003, the real yield on ten-year index-linked bonds issued by the French government (indexed on the euro area HICP excluding tobacco) fell by 30 basis points to 1.9%, which is about 0.7 percentage point below the levels prevailing at the end of September 2002.

At the same time, market expectations of longer-term inflation prospects in the euro area seem to have increased slightly over recent months. The ten-year break-even inflation rate, derived from the difference between ten-year nominal bond yields and

ten-year index-linked bond yields (indexed on the euro area HICP excluding tobacco), increased by 10 basis points between the end of January and 5 March 2003 to around 1.9% (see Chart 23).

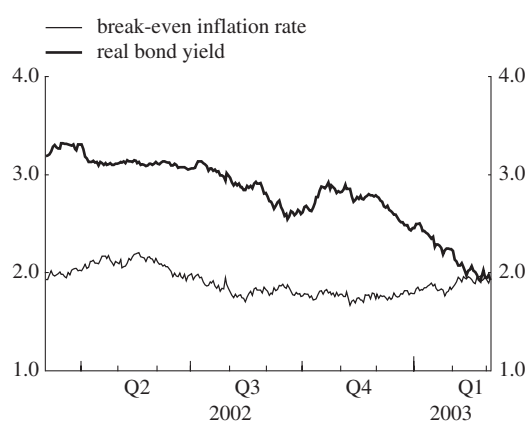
The degree of uncertainty prevailing in the euro area bond market, as measured by the implied volatility of options on futures contracts on German long-term government bonds, increased somewhat in recent months, probably reflecting the heightened geopolitical risks. The ten-day moving average of implied volatility in the euro area stood at 5.9% on 5 March 2003, which was almost one percentage point higher than the average for the last two years (see Chart 21).

Following the trend set by government bond yields, corporate bond yields have declined strongly over recent months. Moreover, the relative cost of corporate bond financing as measured by the yield differential with comparable government bond yields fell markedly from early October 2002. Compared with the end of September 2002, the differential between the yields on bonds issued by BBB-rated corporations and government bond yields in the euro area was around 40 basis points lower on 5 March 2003, with 10 basis points of that decline being attributed to developments after the end of January (see Chart 24). However, part of the overall decline since October 2002 is of a technical nature: the composition of the group of companies used for the corresponding yield index was changed at the end of 2002, resulting in a one-off decrease in the measured yield spread. Nevertheless, the decline in corporate bond spreads also reflects issuing corporations' general efforts to reduce their relative levels of indebtedness (to "deleverage") which seems to have affected positively market participants' assessment of credit risk.

Chart 23

Euro area real bond yield and break-even inflation rate

(in percentages; daily data)

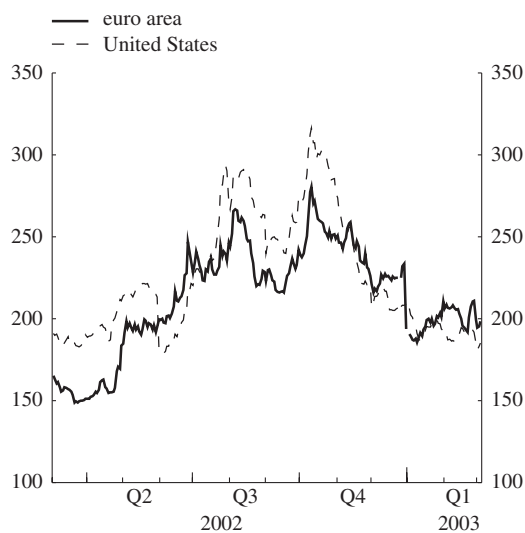


Source: Reuters.

Note: Real bond yields are derived from the market prices of French government bonds which are indexed to the euro area HICP (excluding tobacco prices) and which mature in 2012. The method used to compute the break-even inflation rate was outlined on page 16 of the February 2002 issue of the Monthly Bulletin.

Chart 24
Corporate bond spreads in the euro area and the United States

(in basis points; daily data; BBB rating)



Sources: Bloomberg and ECB calculations.
 Note: Corporate bond spreads are calculated as the difference between seven to ten-year corporate bond yields and seven to ten-year government bond yields.

Stock prices continued to fall in February amid heightened uncertainty

Stock markets in the euro area and the United States began to slide back in December, and by early March 2003 they again stood at the lows of early October 2002 (see Chart 25). Thus the rebound in October and November, against a background of better than expected corporate earnings reports and rising investor optimism, proved to be only a brief interlude. The downward trend in stock prices in the first months of 2003 took place against a background of mixed macroeconomic data releases and some downward revisions of corporate earnings forecasts. The growing nervousness among market participants about intensified geopolitical tensions and the prospects of a war in Iraq seem to have significantly influenced the sentiment on global stock markets in recent months. In addition, the increase in the number of under-funded corporate pension plans may have raised concerns about corporate balance sheets and put further downward pressure on stock

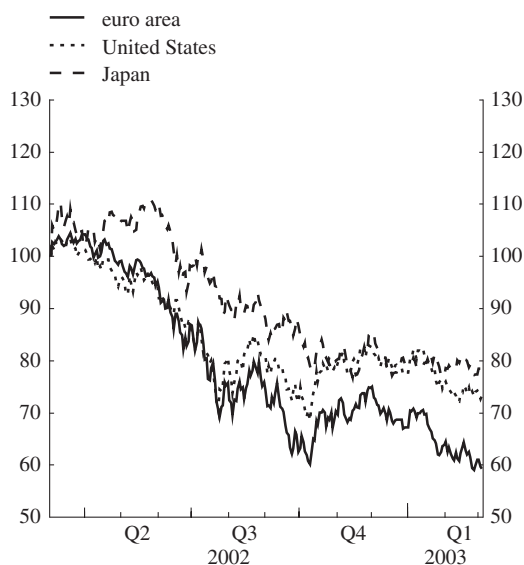
prices in the United States, and to some extent also in the euro area.

More recently, between the end of January and 5 March stock prices in the euro area, as measured by the broad Dow Jones EURO STOXX index, declined overall by 7% (see Chart 25). Stock prices in the United States, as measured by the Standard & Poor's 500 index, declined by around 3%, while in Japan the Nikkei 225 index overall remained broadly unchanged over the same period. Concomitant with the stock price declines, uncertainty, as measured by implied stock market volatility, increased considerably over recent weeks in both the euro area and the United States, to levels above the averages recorded in the last two years (see Chart 26).

In the United States, notwithstanding a short-lived rebound at the beginning of the year possibly related to an announcement of plans to lower dividend taxation, stock prices have been on a declining trend since early December. This decline took place against a

Chart 25
Stock price indices in the euro area, the United States and Japan

(index: 1 March 2002 = 100; daily data)



Source: Reuters.
 Notes: Dow Jones EURO STOXX broad (stock price) index for the euro area, Standard & Poor's 500 for the United States and Nikkei 225 for Japan.

background of macroeconomic data releases which appeared to be somewhat weaker than market participants had expected. At the same time, although data on fourth quarter 2002 earnings for US corporations tended to be better than expected, many corporate earnings forecasts for the first and second quarters of 2003 were revised downwards. In this respect, the fact that the defined-benefit pension plans of many larger US companies are likely to have become increasingly under-funded following the decline in stock prices and bond yields (reducing the discount factor for future liabilities) may have put additional downward pressure on corporate earnings forecasts.

Probably reflecting the mounting geopolitical tensions and their potential impact on corporate profitability, stock market uncertainty in the United States, as measured by the ten-day moving average of the implied volatility derived from options on the Standard & Poor's 500 index, increased during February by around 2 percentage points and

on 5 March was some 5 percentage points higher than its average for the past two years.

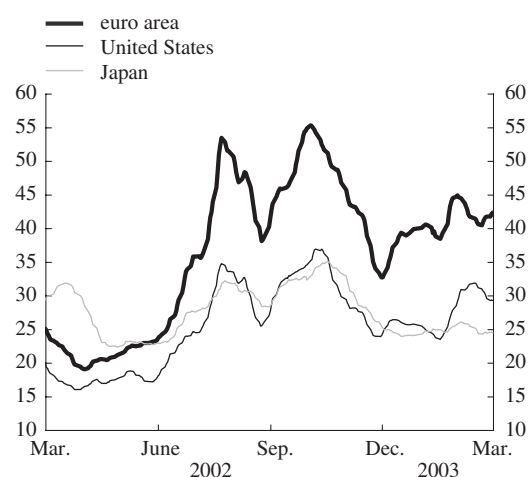
In Japan, after having declined in late 2002, stock prices remained broadly unchanged in the first two months of 2003. While some economic data releases were perceived to be on the positive side, thereby supporting stock prices, market concerns about non-performing loans in the Japanese banking sector continued to negatively affect stock prices. The announcement by some major banks of massive equity disposals and the issuance of bonds, including bonds that could be converted into equity, in order to restructure their balance sheets, contributed to the downward pressure on stock prices. In addition, the stock prices of export-oriented firms were adversely affected by the strengthening of the Japanese yen vis-à-vis the US dollar. In contrast with developments in the other major stock markets, uncertainty in the Japanese stock market, as measured by the ten-day moving average of the implied volatility extracted from options on the Nikkei 225 index, remained more or less unchanged during February, somewhat below the average of the past two years.

In the euro area, the decline in stock prices in February continued the trend observed over previous months. Recent macroeconomic indicators and weaker than expected corporate profitability seemed to strengthen the view among market participants of a delay in the economic recovery. Moreover, the strengthening of the euro was perceived to have adverse implications for the profitability of euro area exporters. As in the United States, heightened geopolitical tensions and the prospect of a war in Iraq are likely to have increased the uncertainty surrounding the short-term outlook for euro area corporate earnings. Against this background, uncertainty in the euro area, as measured by the ten-day moving average of the implied volatility extracted from options on the Dow Jones EURO STOXX 50 index, increased significantly in recent months and by 5 March 2003 had reached a level 10 percentage points above its two-year average.

Chart 26

Implied stock market volatility in the euro area, United States and Japan

(percentages per annum; ten-day moving average of daily data)



Source: Bloomberg.

Note: The implied volatility series reflect the expected standard deviation of percentage stock price changes over a period of up to three months, as implied in the prices of options on stock price indices. The equity indices to which the implied volatilities refer are the Dow Jones EURO STOXX 50 for the euro area, the Standard & Poor's 500 for the United States, and the Nikkei 225 for Japan.

Table 5**Price changes and historical volatility in the Dow Jones EURO STOXX economic sector indices***(price changes as percentages of end-of-period prices; historical volatility as percentages per annum)*

	Basic materials	Consumer cyclical	Consumer non-cyclical	Energy	Financial	Healthcare	Industrial	Technology	Telecommunications	Utility	EURO STOXX
Share of sector in market capitalisation <i>(end-of-period data)</i>	5.0	13.2	6.9	13.2	27.0	4.4	6.3	8.6	9.1	6.3	100.0
Price changes <i>(end-of-period data)</i>											
2001 Q4	15.4	26.8	6.0	5.5	9.7	1.9	17.5	58.0	21.7	-1.4	15.4
2002 Q1	8.5	2.1	1.6	10.4	4.1	-10.1	7.8	-3.2	-10.0	-0.4	1.6
2002 Q2	-6.4	-17.1	-7.6	-8.5	-13.8	-14.4	-11.4	-36.3	-33.9	-7.8	-16.5
2002 Q3	-28.8	-29.3	-18.0	-21.0	-36.7	-22.7	-27.8	-35.6	-11.7	-23.8	-28.2
2002 Q4	4.0	2.9	-1.2	3.8	13.6	-0.9	0.8	21.4	21.8	-3.4	7.6
January	-10.5	-3.8	-7.8	-7.0	-6.8	-7.5	-3.9	-4.8	3.6	5.2	-4.8
February	-7.4	-5.7	-9.6	-3.1	-1.6	-6.8	-3.1	-4.7	-5.1	-9.0	-4.6
End-Dec. to 5 March 2003	-19.7	-13.4	-17.9	-10.7	-11.3	-15.8	-8.8	-12.1	-5.5	-6.1	-11.8
Volatilities <i>(period averages)</i>											
2001 Q4	21.2	32.6	17.3	34.8	26.8	20.9	23.4	54.8	37.6	17.0	26.3
2002 Q1	13.0	20.7	10.3	18.3	18.8	20.2	14.1	38.7	26.7	12.8	17.6
2002 Q2	16.4	24.9	14.5	23.6	22.2	27.5	14.5	44.3	36.3	17.2	20.9
2002 Q3	38.4	46.0	32.2	46.5	51.2	49.5	28.0	59.7	48.0	39.7	43.4
2002 Q4	34.2	40.7	20.8	31.1	44.3	30.6	28.8	61.1	35.7	29.8	34.9
January	32.7	30.8	20.2	27.6	31.0	30.2	22.9	45.2	27.9	26.9	27.3
February	28.5	32.7	31.8	26.7	38.0	32.7	23.1	40.7	34.0	31.5	30.6
End-Dec. to 5 March 2003	30.3	32.3	25.3	26.0	33.3	30.1	21.8	41.2	30.2	28.2	27.8

*Sources: STOXX and ECB calculations.**Notes: Historical volatilities are calculated as the annualised standard deviation of daily index level changes over the period. Sector indices are shown in the 'Euro area statistics' section of this issue of the Monthly Bulletin.*

The declines in euro area stock prices in early 2003 were broadly based, affecting all economic sectors (see Table 5). Whereas developments in the euro area stock markets in 2002 were largely driven by the telecommunications, technology and financial sectors, in the first two months of 2003 other sectors, and notably the consumer (both

cyclical and non-cyclical), healthcare and basic materials sectors, also recorded significant declines. This may reflect the fact that the factors affecting stock price developments in early 2003, such as uncertainty about the economic recovery and geopolitical tensions, are having an impact on most sectors of the economy.

2 Price developments

HICP inflation is estimated to have increased slightly in February 2003

According to Eurostat's flash estimate, euro area HICP inflation increased by 0.1 percentage point to 2.3% in February 2003 (see Table 6). Although no detailed HICP breakdown is available for February, the main factor behind the recent rise in inflation is likely to have been energy prices, reflecting the recent increase in oil prices. However, this was partly counteracted by the appreciation of the euro. In addition, base effects related to unprocessed food prices may have played a role.

In January 2003, the most recent month for which detailed HICP information exists, inflation declined to 2.2%, from 2.3% in

December 2002. Meanwhile, the year-on-year rate of change in the HICP excluding unprocessed food and energy declined to 2.0% in January 2003, from 2.2% in the previous month. The main factors contributing to the decline in overall inflation can therefore be found within the less volatile components of the HICP.

With the release of January 2003 data, past euro area HICP data were also revised, reflecting revisions to the German HICP due to an update of the base year. The new figures put the average annual increase in the euro area HICP in 2000 at 2.1%, and at 2.4% in 2001. This represents a downward revision of 0.2 and 0.1 percentage point respectively. The average increase in 2002 was not affected by the revisions and remains unchanged at

Table 6
Price and cost developments in the euro area

(annual percentage changes, unless otherwise indicated)

	2000	2001	2002	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2002 Sep.	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.
Harmonised Index of Consumer Prices (HICP) and its components													
Overall index ¹⁾	2.1	2.4	2.2	2.5	2.1	2.1	2.3	2.1	2.2	2.3	2.3	2.2	2.3
<i>of which:</i>													
Goods	2.5	2.3	1.6	2.1	1.4	1.3	1.8	1.4	1.7	1.8	1.9	1.6	.
Food	1.4	4.4	3.1	4.9	2.9	2.3	2.3	2.4	2.3	2.4	2.2	1.4	.
Processed food	1.2	2.8	3.1	3.5	3.2	3.0	2.7	2.9	2.7	2.6	2.7	2.8	.
Unprocessed food	1.8	7.0	3.1	7.0	2.4	1.4	1.7	1.8	1.6	1.9	1.4	-0.6	.
Industrial goods	3.0	1.2	0.9	0.8	0.7	0.8	1.5	0.9	1.5	1.5	1.7	1.8	.
Non-energy industrial goods	0.5	0.9	1.4	1.7	1.6	1.3	1.2	1.3	1.2	1.2	1.2	0.6	.
Energy	13.1	2.3	-0.6	-2.1	-2.3	-0.7	2.8	-0.2	2.5	2.3	3.8	6.0	.
Services	1.5	2.7	3.1	3.1	3.1	3.3	3.1	3.2	3.2	3.1	3.0	2.8	.
Other price and cost indicators													
Industrial producer prices	5.5	2.2	-0.1	-0.8	-0.8	-0.1	1.2	0.1	0.9	1.1	1.5	2.0	.
Unit labour costs	1.2	2.7	.	3.5	2.5	2.0	.	-	-	-	-	-	-
Labour productivity	1.3	0.0	.	-0.4	0.1	0.6	.	-	-	-	-	-	-
Compensation per employee	2.6	2.7	.	3.0	2.6	2.6	.	-	-	-	-	-	-
Total hourly labour costs	3.3	3.4	.	3.9	3.5	3.6	.	-	-	-	-	-	-
Oil prices (EUR per barrel)	31.0	27.8	26.5	24.6	27.8	27.2	26.5	28.9	27.9	24.2	27.1	28.3	29.8
Commodity prices	16.7	-7.6	-1.7	-3.6	-5.5	-1.6	4.4	4.7	7.8	3.4	2.1	-2.3	-4.5

Sources: Eurostat, national data, Thomson Financial Datastream, HWWA (Hamburg Institute of International Economics) and ECB calculations.

Note: For periods prior to 2001, HICP data do not include Greece. The other price and cost indicators include Greece for periods prior to 2001. For further detail on the data, refer to the statistical section of the Monthly Bulletin.

1) HICP inflation in February 2003 refers to Eurostat's flash estimate.

2.2%. As is the case every year, the item and country weights of the euro area HICP were revised with the release of January data. The purpose of this practice is to maintain the representative nature of the index in terms of consumer expenditure and country shares. The greatest change was for services prices, for which the weight in the euro area HICP was revised upwards to 40.9% in 2003, from 40.3% in 2002.

The annual rate of change in energy prices increased from 3.8% in December 2002 to 6.0% in January 2003 (see Chart 27). This development mainly reflects higher euro oil prices, but also tax increases on energy in a number of euro area countries. Meanwhile,

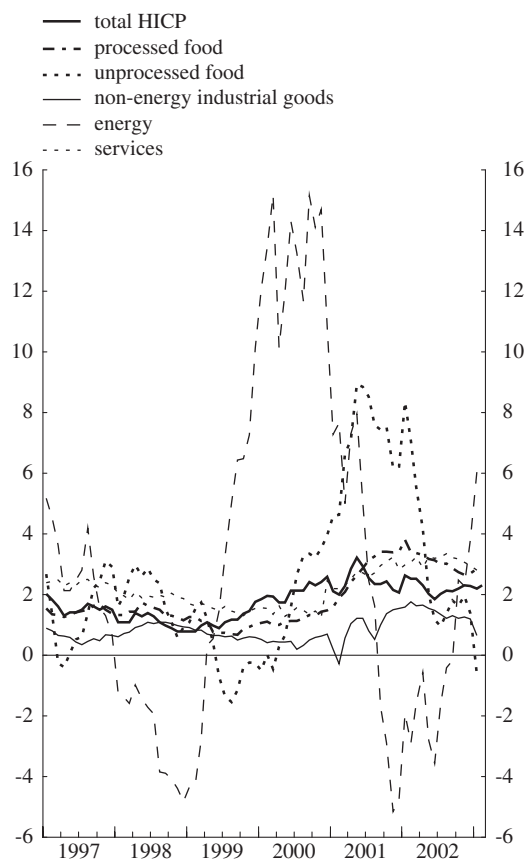
the year-on-year rate of change of unprocessed food prices stood at -0.6% in January 2003, down from 1.4% in the previous month. This was mainly driven by a base effect, as the strong increases in vegetable and fruit prices at the beginning of 2002 dropped out of the index.

With regard to the components of the HICP excluding unprocessed food and energy, the year-on-year rate of change of processed food prices increased by 0.1 percentage point to 2.8% – mainly reflecting higher tobacco prices induced by tax increases. Tobacco prices rose by 4.2% in January 2003 as compared with the previous month, the highest month-on-month increase recorded for this component since 1995. Box 5 reviews the direct impact on HICP inflation from changes in administered prices and indirect taxes in more detail.

The year-on-year rate of change in prices of non-energy industrial goods declined to 0.6% in January 2003, from 1.2% in December 2002. This relatively sharp decline can mainly be explained by stronger sales price reductions on clothes compared with last year – possibly related to weak consumer spending. Since it peaked at 1.8% in February 2002, the year-on-year rate of change in non-energy industrial goods prices has been gradually falling. In particular, a breakdown of this component shows that the declines in the annual rates of change in durable, semi-durable and non-durable consumer goods prices were broadly similar throughout last year (see Chart 28). This supports the view that recent declines in the year-on-year rate of change in non-energy industrial goods prices can to a large extent be explained by the unwinding of past price shocks. In addition, the appreciation of the euro should, through lower import prices, put downward pressure on goods prices.

As regards services prices, the year-on-year rate of change declined to 2.8% in January 2003, from 3.0% the previous month. This can largely be explained by base effects stemming from price increases in January

Chart 27
Breakdown of HICP inflation in the euro area by component
(annual percentage changes; monthly data)



Source: Eurostat.
 Note: For periods prior to 2001, HICP data do not include Greece.

Box 5

Direct impact of changes in administered prices and indirect taxes on euro area HICP developments

Governments influence prices of consumer goods and services to varying degrees and through different channels. This can be through a direct determination of the price, through various market or product regulations, or through indirect taxes and subsidies. The impact on the euro area HICP is usually less significant than at the country level, while the frequency with which the measures impact on HICP is higher. This reflects the different timing of the implementation of these various measures across countries and the fact that some country measures influence prices in opposite directions. Nonetheless, when analysing inflation developments, it is important to have good estimates of the impact of these governmental measures on prices. Currently, however, reliable estimates of the effects of changes in administered prices and indirect taxes on the HICP do not exist for the euro area. The main reason for this is that only a few euro area countries compile such estimates regularly, and then only on the basis of national CPIs.

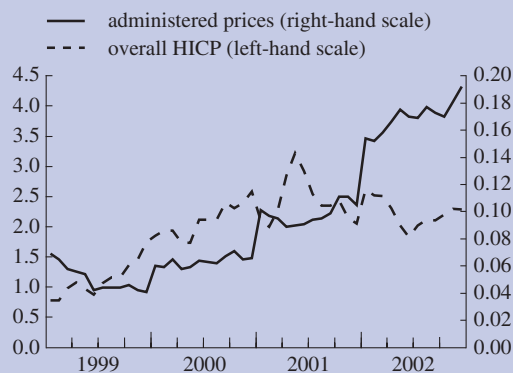
This box presents two rough estimates of changes in administered prices and indirect taxes and their direct impact on inflation. It reviews, in particular, their contributions to the annual HICP inflation rate in the euro area over the past few years. The indirect impact, such as second-round effects triggered by changes in government measures, is not considered in this box.

Administered prices

To measure administered prices is by no means a straightforward task. For example, some measures are only implemented at a regional or local level, some are income-dependent, and some depend on the consumer's socio-economic characteristics. In addition, some causes of price changes are borderline cases, i.e. they fall between the definitions of administered pricing and market pricing (e.g. telephone tariffs, basic foodstuffs subject to the EU's Common Agricultural Policy). However, one approach to compiling a very rough and partial measure showing the impact of administered prices on HICP inflation is to identify the HICP components – at the lowest level of aggregation available – that are considered to be heavily influenced by administered price setting. In the analysis below, the following individual euro area sub-components are included in the measure: refuse collection (HICP weight in 2003 0.5%), sewerage collection (0.5%), medical and paramedical services (0.9%), dental services (0.6%), hospital services (0.7%), passenger transport by railway (0.4%), postal services (0.2%), education (0.9%) and social protection (0.9%). Their aggregate HICP weight is 5.6% and they account for 13.6% of the services component.

Chart A: Changes in administered prices and overall HICP

(annual percentage point contribution to HICP inflation; annual percentage changes)



Sources: Eurostat and ECB calculations.

Although not all of these items are directly administered by governments in all euro area countries, these components may be subject to some kind of specific regulation in most countries. However, the list of items is not exhaustive, as it does not cover all the items that might be administered at the national level (e.g. rents). In addition, although this measure of administered prices is constructed from the highest level of disaggregation available for the euro area HICP, a further breakdown is required to obtain a more precise and reliable measure. For example, it is not possible to separate out television licences as they are currently included in the broader category of cultural services.

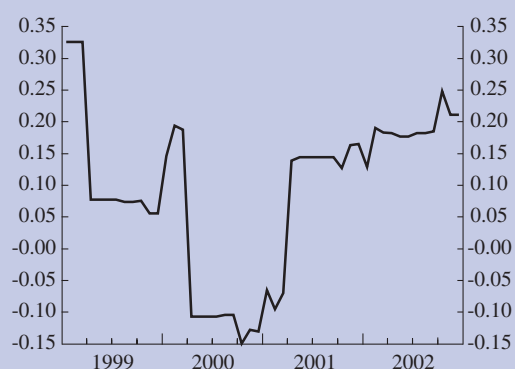
Chart A depicts the contribution from this synthetic administered price index to the year-on-year rate of change in overall HICP together with actual HICP inflation. It suggests that the impact from changes in administered prices on HICP inflation increased slightly in 2001 and 2002. This development reflects price increases in most of the components listed above, but particularly for dental services in 2002. The contribution of changes in administered prices to the overall annual rate of change in the HICP currently stands at approximately 0.2 percentage point. It is important to note that the sharp increases in January 2001 and 2002 mostly reflect an extension of the HICP coverage (concerning health, social protection and education services), and are not only due to changes in government policies. Hence, notwithstanding these statistical artefacts, the contribution to inflation from changes in administered prices was broadly stable in the period prior to 2002.

Indirect taxation

As regards indirect taxes, it is also possible to construct a synthetic measure by aggregating different taxes. This measure is obtained by aggregating country information on value-added tax (VAT) with energy and tobacco excise duties. However, it is very crude since it relies on a number of simplifying assumptions. For example, it is assumed that half of the energy and tobacco price components are tax-related. In addition, it is assumed that any tax change has been passed on to consumers immediately and in full. This assumption of a full pass-through is sometimes unsatisfactory, reflecting the fact that retailers may absorb at least part of a tax increase in the form of lower profit margins.

Chart B: Changes in indirect taxation

(annual percentage point contribution to HICP inflation)



Source: ECB calculations.

Chart B shows that the contribution from changes in indirect taxes to HICP inflation has been broadly stable over the last two years. Between 1999 and early 2001, however, developments in this measure showed some volatility. The temporary decline in most of 2000 and early 2001 can mainly be explained by changes in average VAT rates in some euro area countries. The contribution to overall HICP inflation in the euro area from changes in indirect taxation was similar to that from changes in administered prices in late 2002, i.e. around 0.2 percentage point.

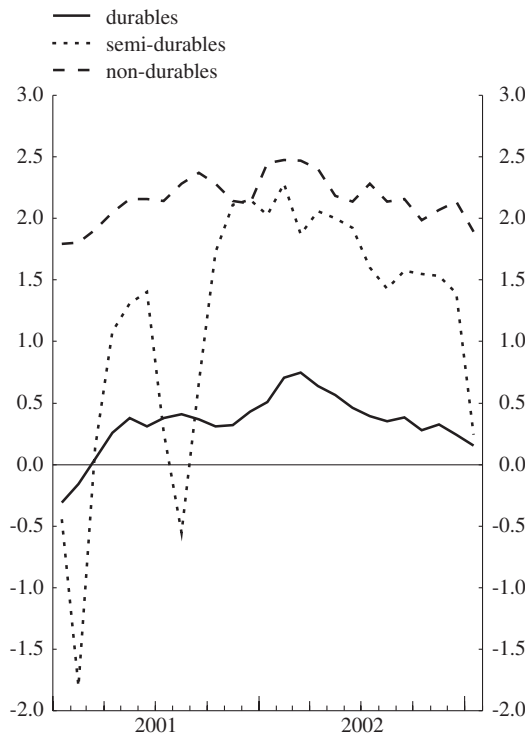
2002, which in turn are probably related to the euro cash changeover. For instance, in January 2003 the month-on-month rate of change in prices of restaurant and café services was only one-third of the increase

recorded in January 2002. Similar developments were observed in the prices of hairdressing services and dry cleaning in January 2003, components for which prices also rose more than usual in January 2002.

Chart 28

Developments in prices of non-energy industrial goods in the euro area

(annual percentage changes; monthly data)



Source: Eurostat.

Note: For periods prior to 2001, HICP data do not include Greece.

Annual rate of change in producer prices increased further in January 2003

The annual rate of change in euro area industrial producer prices rose further in January 2003 to reach 2.0%, from 1.5% in December (see Chart 29). This increase mainly reflects developments in the energy price component. The year-on-year rate of change in producer prices excluding energy remained unchanged at 1.1%.

Reflecting oil price developments, the annual rate of change in energy prices increased further to 6.1% in January 2003, from 4.2% in December. Moreover, the year-on-year rate of change in intermediate goods prices also continued to move upwards, increasing to 1.2% in January from 1.0% in December. Further along the production chain producer price pressures remained relatively contained.

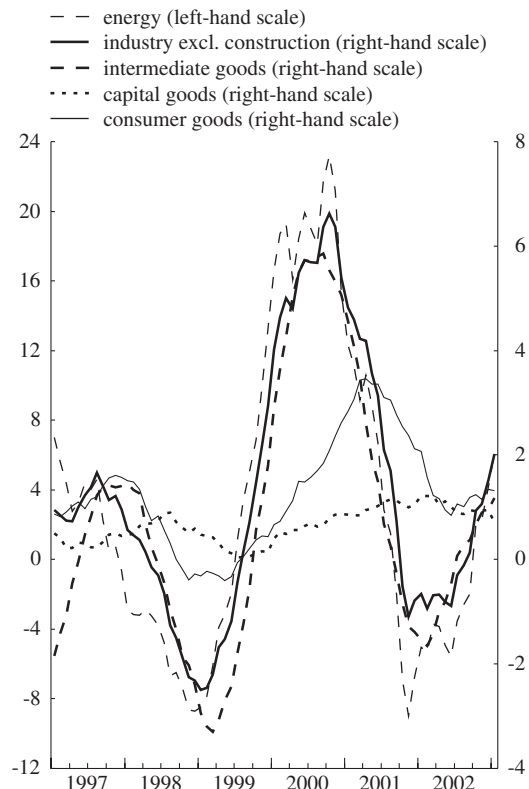
Whereas the year-on-year rate of change in capital goods prices declined by 0.2 percentage point to 0.7% between December 2002 and January 2003, the year-on-year rate of change in consumer goods prices remained unchanged at 1.3% between the same months. The latter rate of change has gradually been moving upwards since June 2002, suggesting that the unwinding of previous price shocks has come to an end.

The Eurozone Price Index (EPI) from the Purchasing Managers' Survey increased further in February 2003 to 59.3, from 55.2 in January, which is the fastest rate of input price increase observed since January 2001 (see Chart 30). Rising fuel prices were again mentioned by survey respondents as the primary cause behind this. In February 2003,

Chart 29

Breakdown of industrial producer prices for the euro area

(annual percentage changes; monthly data)

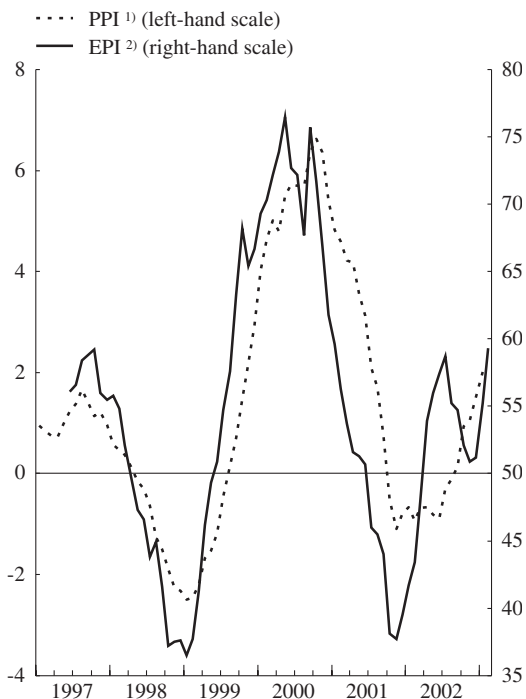


Source: Eurostat.

Note: Data refer to the Euro 12 (including periods prior to 2001).

Chart 30
Overall producer prices and
manufacturing input prices for the
euro area

(monthly data)



Sources: Eurostat and Reuters.

Note: When available, data refer to the Euro 12 (including periods prior to 2001).

- 1) Producer Price Index; annual percentage changes; excluding construction.
- 2) Eurozone Price Index; manufacturing input prices from the Purchasing Managers' Survey. An index value above 50 indicates an increase in manufacturing input prices, whereas a value below 50 indicates a decrease.

oil prices (in euro) were 5.4% higher than in January and some 23% higher than in November 2002 when the latest increase in oil prices started. In contrast to recent months, base effects will not play a significant role in explaining the year-on-year rate of change in overall producer prices in February 2003. In March and April 2003, however, base effects will exert some downward pressure on annual producer price inflation.

Annual growth in compensation per
employee remained unchanged in the
third quarter of 2002

The annual growth rates of most labour cost indicators have been on the rise since 1999. This was also the case in 2001 and early 2002, despite the slowdown in economic activity. In the second and third quarters of 2002, however, available labour cost indicators provide a mixed picture.

The annual rate of change of compensation per employee was unchanged at 2.6% in the third quarter of 2002, after having declined in the second quarter (see Chart 31). This reflects offsetting developments within the main sectors of compensation per employee for which Eurostat has recently made data available (see Box 6 for a detailed presentation of these new data). The annual growth rate in gross monthly earnings also remained unchanged at 3.3% between the second and third quarters of 2002. Meanwhile, the year-on-year rate of change in total hourly labour costs (in the non-agricultural business sector) increased by 0.1 percentage point to 3.6% between the second and third quarters, whereas the annual growth in negotiated wages declined from 2.8% to 2.6%. Data for negotiated wages show an unchanged rate of increase in the fourth quarter, which puts the annual increase in 2002 at 2.7%, a level which is somewhat higher than it was the previous year. However, caution is warranted when interpreting recent developments in negotiated wages, as they reflect a lower number of wage agreements signed in the fourth quarter of 2002 and may thus not be fully representative of trends in the wage formation process in the euro area as a whole.

Reflecting the cyclical pick-up in labour productivity growth, annual unit labour cost growth declined to 2.0% in the third quarter of 2002, which represents a marked slowdown compared with the first quarter of the year, when it stood at 3.5%. Notably, the decline in unit labour cost growth in the course of 2002 was broadly based across sectors.

Box 6

Developments in compensation per employee and unit labour costs in the main euro area sectors

In its latest release of ESA 95 national accounts data in February 2003 Eurostat published for the first time total compensation of employees for the euro area broken down by main sectors of economic activity, which in statistical terminology are also called branches. These data, which are presented in Table 5.4 in the statistical section of this Monthly Bulletin, enable the ECB to calculate quarterly frequency compensation per employee at a sectoral level and, when combined with estimates for labour productivity, nominal unit labour costs broken down by sector. This box shows that developments in compensation per employee have been broadly similar across sectors over the last ten years. In addition, it provides evidence that unit labour costs (ULC) growth in industry displayed a pronounced cyclical pattern and was on average lower than that in services over the period under review.

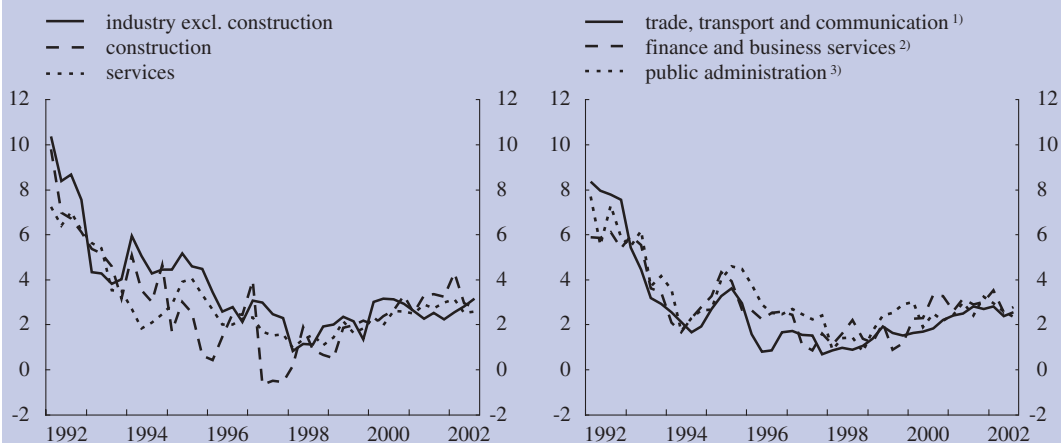
The new data on compensation of employees for the euro area allows for the calculation of a sectoral average compensation per employee. Compensation includes the total remuneration of employees, including employers' and employees' social contributions. In parallel it is possible to calculate an estimate of labour productivity by dividing value added (at constant prices) by total employment for each sector and thus compute unit labour costs as a ratio of compensation per employee to labour productivity.

Compensation per employee exhibited broadly similar developments across sectors of the euro area economy. In particular, growth of compensation per employee in services and industry is characterised by a substantial slowdown from the beginning of the 1990s and a slight upward movement from 1999 onwards (see Chart A). All sectoral series display a high degree of positive and contemporaneous correlation with one another, which suggests that no main sector leads in terms of compensation per employee developments.

Average growth in compensation per employee in services remained below that of industry during most of the 1990s. This can partly be explained by developments in part-time jobs, which rose from less than 15% to more than 20% of employment in services between 1992 and 2001 (compared with an increase from 5% to 7% in total industry over the same period). Part-time employees work fewer hours and then receive less compensation than their full-time counterparts. Since 1998, the gap between compensation per employee growth in services

Chart A: Compensation per employee in the euro area

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.

1) Also includes repairs, hotels and restaurants.

2) Also includes real estate and renting services.

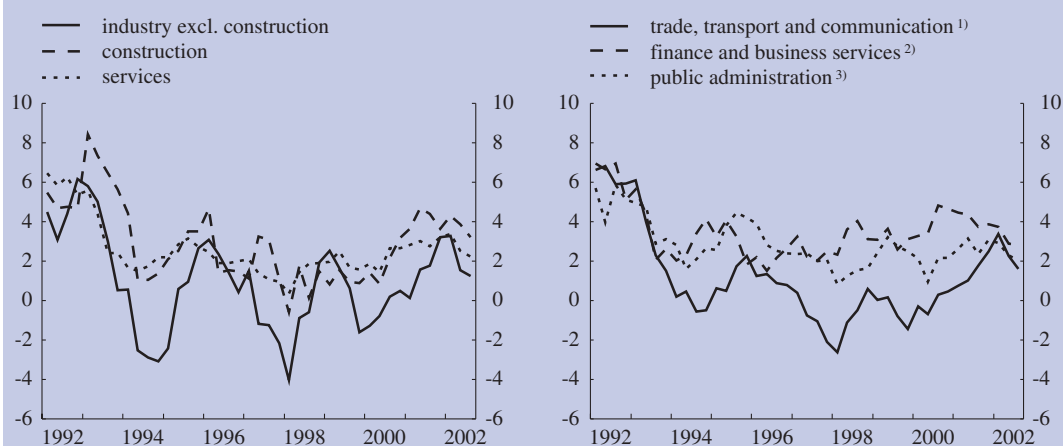
3) Also includes education, health and other services.

and industry has disappeared, coinciding with a lower rate of increase in part-time jobs. Moreover, dynamic employment growth in services might have triggered recruitment difficulties and some degree of wage pressure. Overall, a gradual convergence of sectoral growth rates of compensation per employee was observed during the 1990s.

Unlike compensation per employee, developments in growth rates in ULC differ more across sectors (see Chart B). Between 1992 and 1994, ULC growth declined significantly in all parts of the economy, in line with the fall in the growth rates of compensation per employee. From 1994 onwards, ULC growth rates displayed cyclical movements around a horizontal path. Moreover, they were on average higher in services (2.6%) than in industry excluding construction (1%). The magnitude of cyclical movements of ULC growth rates in industry is about twice as high as in services. These differences are mainly due to contrasting developments in productivity growth across sectors. In industry, both employment and output are sensitive to changes in the economic environment. As employment growth lags output growth, the resulting productivity growth also reflects a strong cyclicality. By contrast, in services, output is less sensitive to changes in the economic environment. This applies particularly to non-market services as the economic cycle has limited bearing, for example, on education or health services. Moreover, the estimation of output in services, and therefore of productivity, may rely on proxies (such as employment) in some sub-sectors, thereby further reducing cyclicality.

Chart B: Unit labour costs per sector in the euro area

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.

1) Also includes repairs, hotels and restaurants.

2) Also includes real estate and renting services.

3) Also includes education, health and other services.

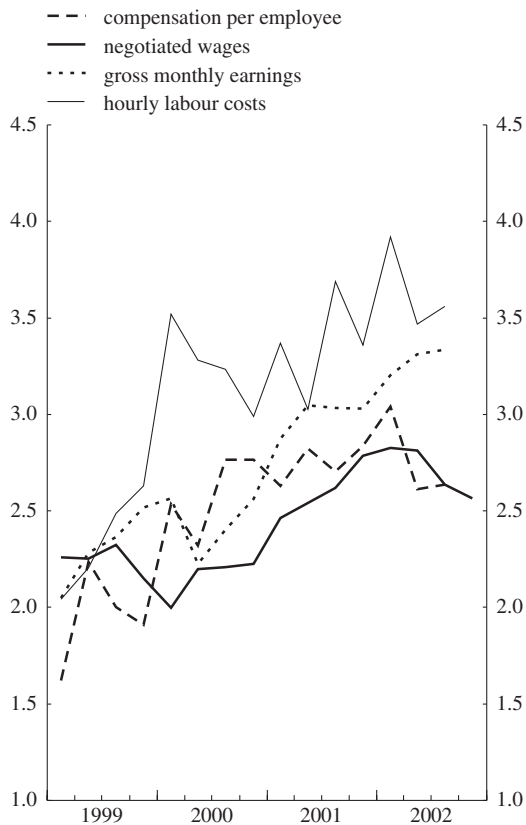
In 2001 and 2002, the increase in ULC growth rates for the whole euro area economy was mostly driven by developments in industry (including construction) as well as in the trade, transport and communications sectors. While part of that increase can be explained by an increase in the rate of growth of compensation per employee, the cyclical slowdown in productivity growth accounted for most of the rise.

A further analysis of compensation and ULC developments in the euro area would require statistical information on the number of hours worked per sector in order to correct for effects due to changes in the average hours worked and part-time employment. These estimates are currently only published in a few euro area countries, but are expected to become available for the euro area as a whole by 2004 as a result of an amendment of the ESA 95 regulation currently being finalised.

Chart 3 I

Selected labour cost indicators for the euro area

(annual percentage changes)



Sources: Eurostat, national data and ECB calculations.

Euro area inflation is expected to ease in 2003

Overall euro area HICP inflation is expected to decline to below 2% in the course of 2003 and remain clearly at levels in line with price stability thereafter. In the coming months, however, some upward pressures on prices are expected, attributable to the recent rise in oil prices in combination with some increases in indirect taxes and administered prices. At the same time, base effects will contribute to lower annual inflation rates, as the price rises that occurred during the first months of 2002 fall out of the annual growth rates. The exact timing of the expected decline in inflation to below 2% is largely dependent on future oil price developments, which are currently surrounded by a high degree of uncertainty as a result of geopolitical tensions.

The expected lower rates of annual inflation, beyond the very short term, will be facilitated by the appreciation of the euro, which has a dampening effect on import prices. The subdued demand conditions should also work in the same direction. In this context it is crucial that wages develop at a moderate pace.

3 Output, demand and labour market developments

Slight decline in GDP growth in the fourth quarter of 2002

Eurostat released a first estimate of euro area national accounts data for the fourth quarter of 2002 on 6 March. Quarter-on-quarter growth in euro area real GDP is estimated to have declined slightly to 0.2%, from 0.3-0.4% in the first three quarters of last year (see Table 7). In 2002 as a whole, real GDP increased by 0.8%.

Lower real GDP growth in the fourth quarter of 2002 compared with the previous quarter was mainly accounted for by a lower contribution of net exports. Meanwhile, the contribution to growth from domestic

demand increased from the previous quarter. In particular, private consumption growth was relatively robust, despite fears of a significant weakening given the deterioration in consumer confidence at the end of last year. Investment remained weak in the fourth quarter of 2002, with growth around zero. In this respect, Box 7 provides an overview of developments in investment since the beginning of the downturn in 2001, drawing on information on the breakdown of investment by main type of product. This analysis shows that the current environment of high uncertainty is likely to have dampened investment in all categories, and this has been compounded by structural factors in the case of construction investment.

Table 7

Composition of real GDP growth in the euro area

(percentage changes, unless otherwise indicated; seasonally adjusted)

	Annual rates ¹⁾								Quarterly rates ²⁾				
	2000	2001	2002	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4
Real gross domestic product	3.5	1.4	0.8	0.5	0.3	0.6	0.9	1.3	-0.2	0.4	0.3	0.4	0.2
<i>of which:</i>													
Domestic demand	2.9	0.9	0.2	0.0	-0.2	-0.1	0.4	0.8	0.0	0.0	0.2	0.2	0.4
Private consumption	2.5	1.8	0.6	1.6	0.5	0.4	0.6	1.0	0.0	-0.2	0.4	0.4	0.4
Government consumption	2.0	2.1	2.5	1.6	2.0	2.6	2.7	2.6	0.6	0.7	0.9	0.3	0.5
Gross fixed capital formation	4.9	-0.6	-2.5	-2.5	-2.5	-3.2	-2.6	-1.8	-0.9	-0.2	-1.3	-0.2	-0.1
Changes in inventories ³⁾	0.0	-0.4	-0.1	-0.7	-0.3	-0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.1
Net exports ³⁾	0.6	0.5	0.6	0.5	0.5	0.8	0.5	0.5	-0.2	0.4	0.1	0.2	-0.2
Exports ⁴⁾	12.6	2.8	1.2	-2.8	-2.4	0.6	2.7	4.1	-1.2	0.2	1.7	2.1	0.0
<i>of which: goods</i>	12.6	2.7	.	-2.8	-1.8	0.8	3.7	.	-1.3	0.7	1.4	2.9	.
Imports ⁴⁾	11.3	1.5	-0.3	-4.1	-3.9	-1.5	1.5	3.0	-0.8	-1.0	1.5	1.8	0.6
<i>of which: goods</i>	11.2	0.7	.	-5.5	-4.0	-2.0	1.8	.	-1.0	-0.9	1.5	2.3	.
Real gross value added:													
Agriculture and fishing	-0.6	-1.3	0.4	-0.7	1.1	1.0	0.1	-0.6	-0.3	0.0	-0.3	0.8	-1.1
Industry	3.7	0.8	-0.2	-1.3	-1.6	-0.2	0.2	1.0	-1.1	0.6	0.3	0.4	-0.4
Services	4.0	2.3	1.5	1.6	1.4	1.4	1.4	1.7	0.2	0.4	0.5	0.3	0.5

Sources: Eurostat and ECB calculations.

Note: Data refer to the Euro 12 (including periods prior to 2001). For further details on the data, see the "Euro area statistics" section.

1) Annual rates: percentage change compared with the same period a year earlier.

2) Quarterly rates: percentage change compared with the previous quarter.

3) As a contribution to real GDP growth; in percentage points.

4) Exports and imports cover goods and services and include internal cross-border trade in the euro area. Intra-euro area trade is not cancelled out in import and export figures used in national accounts. Consequently, these data are not fully comparable with balance of payments data.

Box 7

Factors behind the weakness in investment by type of product

This box reviews recent developments in investment by type of product in order to shed light on the various factors influencing aggregate investment (see Box 6 of the September 2002 issue of the ECB's Monthly Bulletin for a discussion of the data on the breakdown of investment). Data are only available up to the third quarter of 2002. It appears that the weakness in overall investment observed since the beginning of 2001 has been broadly based across the various components. However, the factors accounting for this weakness have differed between products. In particular, both structural and cyclical factors are likely to account for the recent declines in construction investment. By contrast, low growth rates in equipment investment seem to be the result of the current environment of weak GDP growth and uncertain prospects.

Weak construction investment as a result of structural and cyclical factors

Starting with construction, housing investment (around half of construction investment and 25% of total investment) fell further in the third quarter of 2002, by 0.4% quarter-on-quarter, continuing a two-year decline (see Chart A). In that quarter, the level of housing investment was 6% below its peak of the second quarter of 2000. Structural factors, in particular the ongoing correction of the post-unification boom in the construction sector in Germany, have dampened growth in euro area housing investment over the past few years. More recently, uncertainty about the economic outlook, and thus about employment and income prospects, may have led households and property investors to defer housing investment decisions.

Non-housing construction, which comprises office, public and industrial buildings and civil engineering, has also shown protracted weakness since the mid-1990s, similar to that observed for housing investment. An overcapacity of office buildings in some parts of the euro area has tended to dampen growth in non-housing construction investment over the past years. More recently, the level of non-housing construction has declined. From the second quarter of 2001 to the third quarter of 2002 it decreased by 2% in cumulative terms. In addition to structural factors, weak activity and uncertain prospects are likely to have deterred companies from seeking new offices and production sites in the past few quarters. Moreover, in some euro area countries, budget constraints may have limited the scope for public investment projects.

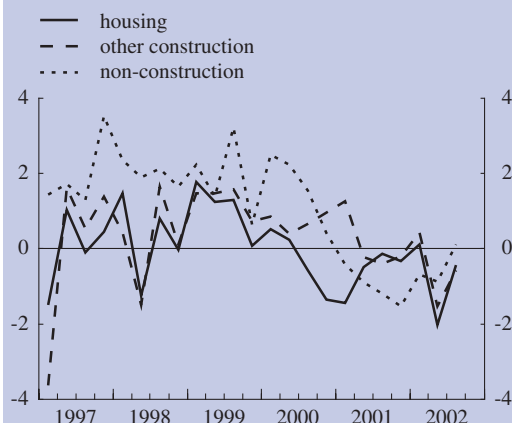
Uncertainty about economic prospects and profits dampened equipment investment

Turning to non-construction investment (also referred to as "equipment investment"), the latest data suggest that the pattern of weak growth observed since 2001 has continued, albeit possibly to a lesser extent (see Chart A). This reflects a range of factors, in particular low growth in demand and economic uncertainty. Business expectations in the manufacturing sector have remained at relatively low levels throughout the past two years. Moreover, the protracted economic slowdown has adversely affected corporate profits, and thereby internal finance. The problems faced by firms in financing their investment plans may have been compounded by two additional factors. First, raising funds from securities markets or borrowing from financial intermediaries may have become more difficult for a number of firms in recent quarters. Second, companies with a high level of indebtedness may have opted to postpone investment as a means to improve their balance sheets.

As regards developments in investment for each of the main types of non-construction product, investment in metal products and machinery (30% of total investment) increased in the third quarter of 2002, after six consecutive quarters of decline (see Chart B). These results should be interpreted with caution, however. Fiscal incentives raised equipment investment in Italy in the second half of last year, which had a significant positive impact on the euro area figures. Excluding Italy, euro area investment in metal products and machinery decreased slightly further. Similarly, the rise in euro area investment in transport equipment (10% of total investment) in the third quarter of 2002 was largely accounted for by Italy. As illustrated in Chart B, this category of investment is very volatile, which represents an additional difficulty in interpreting the latest

Chart A: Housing, other construction and non-construction investment

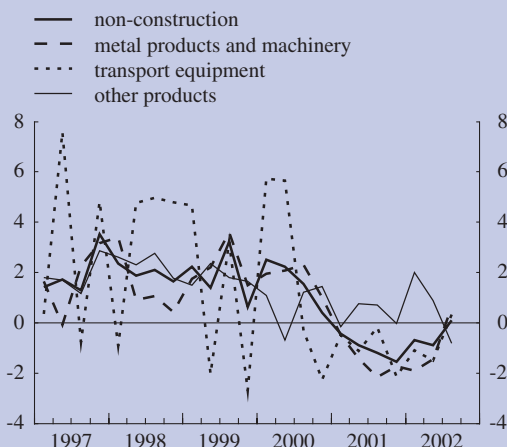
(quarter-on-quarter changes; quarterly data)



Source: Eurostat.

Chart B: Breakdown of non-construction investment

(quarter-on-quarter changes; quarterly data)



data. Finally, growth in “other investment” (10% of total investment), which, in particular, comprises software, was around zero in the third quarter of 2002.¹ Compared with the other two main types of equipment investment, this category has been relatively resilient throughout the downturn. This may suggest that, for this type of goods, replacement investment was maintained, even during the downturn, on account of the relatively rapid obsolescence of IT products.

Available information on construction investment for the fourth quarter of 2002 suggests that investment is likely to have declined further at the end of last year. Looking ahead, a pick-up in construction investment is conditional on an unwinding of the current high degree of uncertainty. Nonetheless, construction investment is likely to be weak as long as the structural factors hampering growth in this sector remain. As regards non-construction investment, economic and geopolitical uncertainty is likely to continue to negatively affect growth in this sector in the near future. However, there is no evidence at the current stage of any significant overhang of equipment investment. This assessment implies that the conditions are in place for companies to launch investment projects once activity strengthens and uncertainty disappears, taking advantage of the very low level of interest rates.

¹ The breakdown of investment by type of product includes a further component: investment in products of agriculture, forestry, fisheries and aquaculture (e.g. animals and trees, except if raised for slaughter or grown for timber). This category represents small volumes, sometimes negative, and developments are very volatile. It is therefore not commented upon in this box.

Ongoing weakness in industry contributed to subdued overall activity at the end of 2002

At the end of last year, subdued growth in the euro area economy as a whole was partly accounted for by weakness in the industrial sector. Quarter-on-quarter growth in euro area industrial production (excluding construction) was slightly negative on average in the fourth quarter (see Table 8). Within the industrial sector, the production of

intermediate and durable consumer goods declined. This was partly offset by increases in the production of capital goods and non-durable consumer goods. The fall in the production of intermediate goods is in line with indications from national accounts and survey data that destocking continued in the euro area at the end of last year. This further reduction in the level of stocks likely reflects the cautious behaviour of firms given the current environment of high uncertainty.

Table 8**Industrial production in the euro area***(annual percentage changes, unless otherwise indicated)*

	2001	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002		
			Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	July	Aug.	Sep.	Oct.	Nov.
	month-on-month									three-month moving averages						
Total industry excluding construction <i>by main industrial groupings:</i>	0.4	-0.8	0.7	2.8	-1.0	0.0	0.6	-1.7	0.2	-0.1	-0.1	0.1	-0.2			
Total indus. excl. construction and energy ¹⁾	0.2	-1.0	0.2	3.4	-0.3	-0.4	1.4	-2.1	0.3	0.0	0.0	0.0	-0.2			
Intermediate goods	-0.8	0.3	1.2	4.3	1.1	-0.9	1.4	-2.5	0.2	0.2	0.3	-0.2	-0.9			
Capital goods	1.3	-2.6	-0.5	3.8	-0.4	0.3	1.5	-1.8	1.0	0.2	0.1	0.1	0.3			
Consumer goods	0.4	-1.0	-0.5	1.6	-1.7	-0.3	1.2	-1.9	0.0	-0.5	-0.4	-0.1	-0.2			
Durable consumer goods	-2.5	-4.9	-2.2	0.8	-8.3	-2.1	2.1	-4.9	1.3	0.5	-0.9	-1.1	-2.5			
Non-durable consumer goods	1.0	-0.2	-0.2	1.7	-0.3	0.0	1.0	-1.3	-0.2	-0.7	-0.3	0.0	0.3			
Energy	1.2	0.7	4.0	-1.0	-5.4	1.2	-2.0	0.6	0.5	-0.5	-0.2	-0.1	0.1			
Manufacturing	0.2	-1.0	0.3	3.3	-0.4	-0.3	1.1	-2.1	0.3	-0.1	0.0	0.0	-0.3			

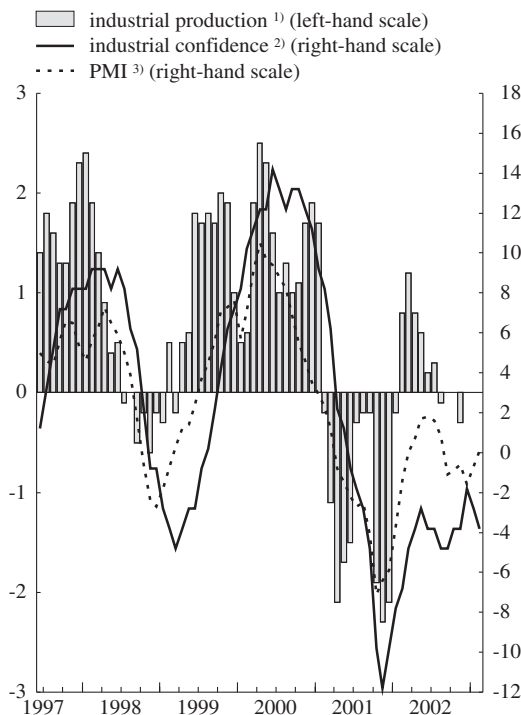
Sources: Eurostat and ECB calculations.

Note: Data refer to the Euro 12 (including periods prior to 2001). For further details on the data, see the "Euro area statistics" section.

Looking at developments within the fourth quarter, monthly changes in production were volatile, in particular reflecting calendar effects. Moreover, as regards the results for December 2002, it cannot be excluded that the strong decline in industrial production (-1.7% month-on-month) was partly the result of a more widespread than usual closure of factories around Christmas. In an environment of weak activity and uncertainty, a number of firms may have chosen to stop production around the holiday period to a larger extent than usual. Such decisions may also have had a negative impact on production in January 2003.

Mixed survey results suggest no significant change in activity at the beginning of 2003

Notwithstanding possible one-off effects due to production schedules, which cannot be assessed as yet, survey data provide indications on overall developments in activity in the industrial sector at the beginning of this year. In February 2003, the Purchasing Managers' Index (PMI) increased while the European Commission's industrial confidence indicator fell, a pattern already observed in the previous month (see Chart 32). However,

Chart 32**Industrial production, industrial confidence and the PMI for the euro area***(monthly data)*

Sources: Eurostat, European Commission Business and Consumer Surveys, Reuters and ECB calculations.

1) Manufacturing; three-month on three-month percentage changes; working day and seasonally adjusted data.

2) Percentage balances; deviations from the average since January 1985.

3) Purchasing Managers' Index; deviations from the theoretical value of 50; positive deviations indicate an expansion of economic activity.

Table 9**Results from European Commission Business and Consumer Surveys for the euro area***(seasonally adjusted data)*

	2000	2001	2002	2002	2002	2002	2002	2002	2002	2002	2002	2003	2003
				Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Economic sentiment index ¹⁾	2.5	-2.8	-1.8	0.4	0.3	-0.4	-0.3	0.3	-0.2	-0.4	0.2	-0.4	0.0
Consumer confidence indicator ²⁾	12	6	0	1	3	1	-3	2	-1	-3	-5	-7	-8
Industrial confidence indicator ²⁾	12	-1	-5	-7	-4	-5	-3	-5	-4	-4	-2	-3	-4
Construction confidence indicator ²⁾	16	10	1	5	3	-2	-3	-2	-2	-4	-2	-1	0
Retail trade confidence indicator ²⁾	5	0	-9	-9	-11	-10	-8	-10	-9	-7	-9	-12	-7
Services confidence indicator ²⁾	10	-5	-19	-17	-15	-21	-24	-20	-24	-24	-25	-24	-23
Business climate indicator ³⁾	1.4	-0.1	-0.5	-0.8	-0.5	-0.5	-0.4	-0.5	-0.4	-0.4	-0.2	-0.3	-0.4
Capacity utilisation (%) ⁴⁾	84.4	83.1	81.2	81.1	81.1	81.3	81.3	-	81.5	-	-	81.1	-

Sources: European Commission Business and Consumer Surveys and the European Commission (DG ECFIN).

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Percentage changes compared with the previous period.

2) Percentage balances; data shown are calculated as deviations from the average over the period since April 1995 for the services confidence indicator, since July 1986 for the retail trade confidence indicator, and since January 1985 for the other confidence indicators.

3) Units are defined as points of standard deviation.

4) Data are collected in January, April, July and October of each year. The quarterly figures shown are the average of two successive surveys, i.e. the surveys conducted at the beginning of the quarter in question and at the beginning of the following quarter. Annual data are derived from quarterly averages.

considering developments over the past few months, both surveys show a similar pattern of broadly unchanged business sentiment. On the one hand, this suggests that industrial activity has remained subdued at the beginning of this year, extending the weak pattern which prevailed in the second half of 2002. On the other hand, these survey results do not as yet signal a widespread negative impact of mounting geopolitical tensions on growth in the euro area industrial sector.

Similarly, survey data for the services sector indicate no marked changes in recent months. In February 2003, the European Commission's survey of the services sector showed a rise in confidence (see Table 9), while the PMI decreased further. Overall, both surveys point to ongoing weakness in the services sector at the beginning of this year.

Weak signals for consumption at the beginning of 2003

Compared with business confidence, consumer confidence has declined significantly over the past few months, with the latest

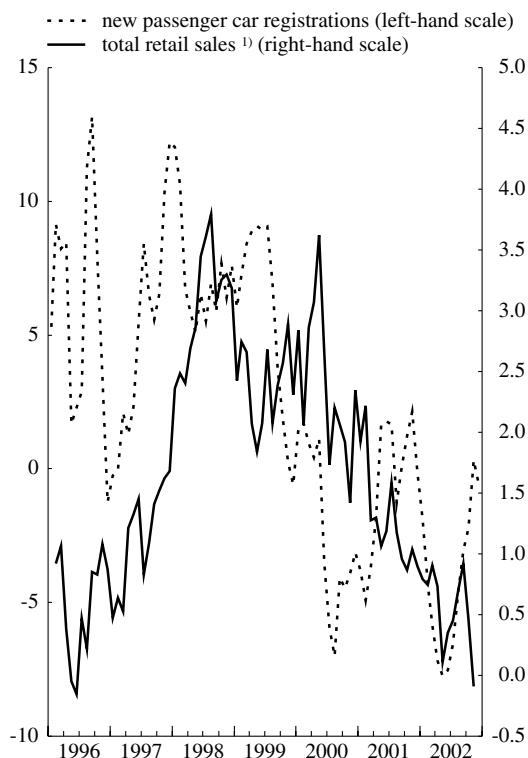
results for February 2003 showing a further fall (see Table 9). Rising unemployment in the euro area together with high uncertainty as regards world and euro area economic developments are most probably some of the main factors accounting for increasing pessimism among households. In particular, the European Commission's survey shows that more and more households expect further increases in unemployment. The recent pattern of consumer confidence therefore points to a risk of weakening consumption growth in the first few months of 2003.

Whether or not this has materialised cannot be inferred from the very limited information available on developments in private consumption in early 2003. Indeed, data on new car registrations are the only indicator available so far. They show a strong decline in January compared with the previous month. However, this is accounted for by the termination of fiscal incentives in Italy in December 2002, which is likely to continue to dampen euro area car registrations. Notwithstanding the observations related to consumer confidence mentioned above, these

Chart 33

New passenger car registrations and retail sales in the euro area

(annual percentage changes; three-month centred moving averages; working day adjusted)



Sources: Eurostat and ACEA (European Automobile Manufacturers' Association, Brussels).

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Calculated using seasonally adjusted data.

data alone cannot be interpreted as signalling a widespread weakness in euro area consumption. Meanwhile, the other monthly indicator of consumption, retail sales, provides information only up to December 2002. Retail sales declined further in December 2002, recording a fall by 0.5% quarter-on-quarter in the fourth quarter as a whole (see Chart 33).

Dissipation of uncertainty essential for recovery to gather pace

To sum up, the latest information continues to point to an ongoing weakness in the euro area economy at the beginning of this year. On the industrial side, the data available

suggest no marked changes compared with the end of last year, which could imply that growth has remained very subdued in this sector. Meanwhile, in the absence of information on actual consumption, the worsening of consumer confidence observed in recent months points to a risk of weaker consumption growth at the beginning of this year. It is not possible to draw any firm conclusions in this respect, however, as private consumption has sometimes departed from the pattern of consumer confidence in the past.

Overall, a high degree of uncertainty about economic prospects, notably in relation to heightened geopolitical tensions, continues to prevail. This is likely to bear on investment and consumption decisions in the euro area and in the global economy at large. Until uncertainty diminishes, a significant pick-up in growth in the euro area is unlikely. Once this situation improves, however, several factors already in place favouring a strengthening in real GDP growth will be allowed to come to the fore. These are notably the positive impact on households' income and consumption of the expected decline in inflation, very low interest rates benefiting investment, which has been contracting for a protracted period, and a worldwide strengthening in activity raising demand for euro area exports.

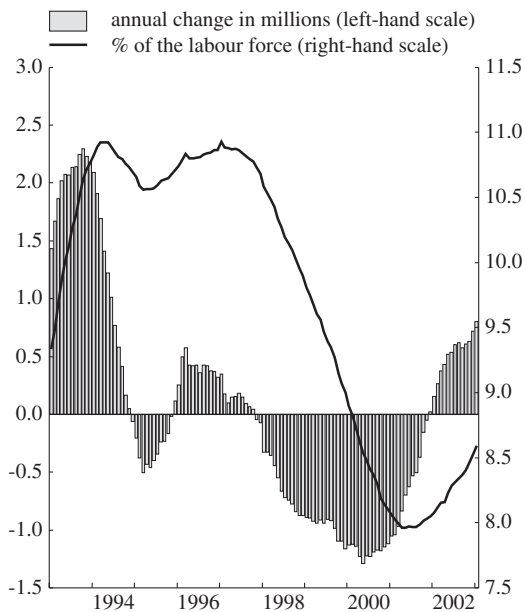
Euro area unemployment rate increased in January 2003

Labour market conditions continued to deteriorate in early 2003. The standardised rate of unemployment for the euro area rose to 8.6% of the labour force in January 2003, from 8.5% in December 2002 (see Chart 34). While the average monthly increase in the number of unemployed in the third and fourth quarters of 2002 was around 40,000 and 80,000 respectively, the month-on-month increase in January 2003 amounted to 104,000, i.e. the greatest increase since unemployment started to rise in May 2001.

Chart 34

Unemployment in the euro area

(monthly data; seasonally adjusted)



Source: Eurostat.

Note: Data refer to the Euro 12 (including periods prior to 2001).

The increase in unemployment in January 2003 was broadly based across age groups (see Table 10). The unemployment rate increased by 0.1 percentage point for both those aged below 25 and those aged 25 and above, to 16.5% and 7.6%, respectively.

Employment growth may have fallen slightly in the fourth quarter of 2002

National accounts data on employment for the fourth quarter of 2002 are not yet available for the euro area. Available country

data suggest that the growth rate of employment may have been close to zero, compared with a decline of 0.1% in the third quarter. However, the number of those employed is likely to have decreased slightly in the fourth quarter for the second consecutive quarter, in line with the stronger increase in unemployment seen at the end of the year. A decline would indicate that job destruction outweighed job creation in the second half of 2002 (see Table 11), as a result of both slower GDP growth and uncertainty about the economic outlook.

Employment growth has generally remained resilient in relation to sluggish economic activity, as shown by the low growth in labour productivity in the whole economy in 2001 and early 2002. This has in part reflected the usual lags in cyclical developments in employment compared with activity. It may also have been accounted for by a preference for companies to retain workers despite weak activity, as they expected the recovery to gather pace in the near future. However, against the background of a delayed recovery and past strong increases in unit labour costs, more and more companies may have decided to reduce staff numbers. Indeed, labour productivity in the whole economy has picked up since the first quarter of 2002, following three consecutive quarters of negative growth (see Chart 35). In this respect, the data on hours worked in industry suggest that in adjusting their labour input firms may also have made use of the option to temporarily reduce hours worked per employee (see Box 8 entitled "The

Table 10

Unemployment in the euro area

(as a percentage of the labour force; seasonally adjusted)

	2000	2001	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2003
				Q1	Q2	Q3	Q4	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Total	8.5	8.0	8.3	8.1	8.2	8.3	8.5	8.3	8.4	8.4	8.5	8.5	8.6
Under 25 years ¹⁾	16.6	15.6	16.1	15.8	16.1	16.2	16.3	16.2	16.1	16.2	16.3	16.4	16.5
25 years and over	7.4	7.0	7.3	7.1	7.2	7.3	7.4	7.3	7.4	7.4	7.4	7.5	7.6

Source: Eurostat.

Notes: In accordance with ILO recommendations. Data refer to the Euro 12 (including periods prior to 2001).

1) In 2002 this category represented 22.4% of total unemployment.

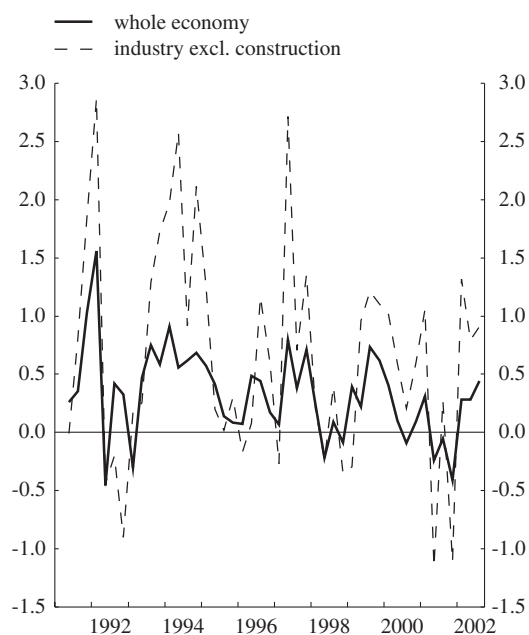
Table 11**Employment growth in the euro area***(annual percentage changes, unless otherwise indicated; seasonally adjusted)*

	1999	2000	2001	2001	2001	2002	2002	2002	2001	2001	2002	2002	2002
				Q3	Q4	Q1	Q2	Q3	Q3	Q4	Q1	Q2	Q3
	Quarterly rates ¹⁾												
Whole economy	1.8	2.1	1.4	1.2	0.9	0.7	0.5	0.3	0.2	0.2	0.1	0.0	-0.1
<i>of which:</i>													
Agriculture and fishing ²⁾	-2.4	-1.6	-0.8	-1.1	-1.6	-2.3	-1.9	-1.9	-0.9	-0.5	-0.4	-0.2	-0.9
Industry	0.3	0.9	0.3	0.1	-0.4	-1.0	-1.0	-1.2	-0.2	-0.2	-0.4	-0.2	-0.4
Excluding construction	-0.2	0.6	0.3	0.0	-0.5	-1.1	-1.1	-1.2	-0.3	-0.2	-0.4	-0.2	-0.4
Construction	2.0	1.7	0.3	0.2	-0.2	-0.6	-0.7	-1.3	-0.1	-0.2	-0.3	-0.1	-0.7
Services	2.7	2.9	2.0	1.8	1.6	1.6	1.3	1.0	0.4	0.4	0.3	0.1	0.2
Trade and transport ³⁾	2.3	3.0	1.5	1.3	1.2	1.6	1.0	0.5	0.6	0.3	0.3	-0.2	0.1
Finance and business ⁴⁾	5.6	5.9	3.8	3.4	2.9	1.8	1.7	1.1	0.6	0.6	-0.1	0.6	0.0
Public administration ⁵⁾	1.9	1.6	1.5	1.4	1.3	1.6	1.5	1.5	0.3	0.4	0.6	0.2	0.3

*Sources: Eurostat and ECB calculations.**Note: Data refer to the Euro 12 (including periods prior to 2001).**1) Quarterly rates: percentage change compared with the previous quarter.**2) Also includes hunting and forestry.**3) Also includes repairs, communication, hotels and restaurants.**4) Also includes real estate and renting services.**5) Also includes education, health and other services.*

information content of data on total hours worked in industry”).

The sectoral breakdown on employment is only available up to the third quarter of 2002.

Chart 35**Labour productivity in the euro area***(quarterly percentage changes; seasonally adjusted)**Source: Eurostat.*

The quarter-on-quarter rate of decline in employment in industry including construction rose again in the third quarter, reaching -0.4%. At the same time, employment growth in market-related services (trade, transport, finance and business) was very slow in the third quarter of 2002, at 0.1% quarter-on-quarter. It is worth noting that the quarterly employment growth rate in finance and business services was one of the lowest recorded since 1991, while this sector was the main source of net employment creation between 1997 and 2001. Conversely, public administration employment supported overall employment in the third quarter, growing by 0.3% quarter-on-quarter.

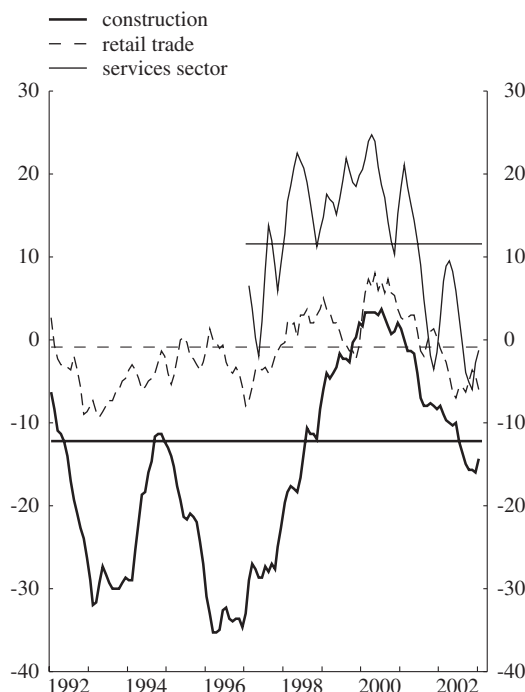
Employment expectations remain weak

According to the European Commission Business and Consumer Surveys, employment expectations in all reported sectors, i.e. manufacturing, construction, retail trade and services, seem to have bottomed out at the turn of the year (see Charts 36 and 37). However, given that employment expectations have remained very low and

have displayed considerable volatility in the past, further improvements in employment expectations are required before this can be taken as an indication of a recovery in employment. Indeed, recent evidence is mixed. Employment expectations in February 2003 in manufacturing, construction and retail trade improved slightly compared with January, while they worsened somewhat in services. The Purchasing Managers' Survey employment index for the manufacturing sector also improved in February for the

Chart 36
Employment expectations in the euro area

(percentage balances; three-month centred moving averages; seasonally adjusted)



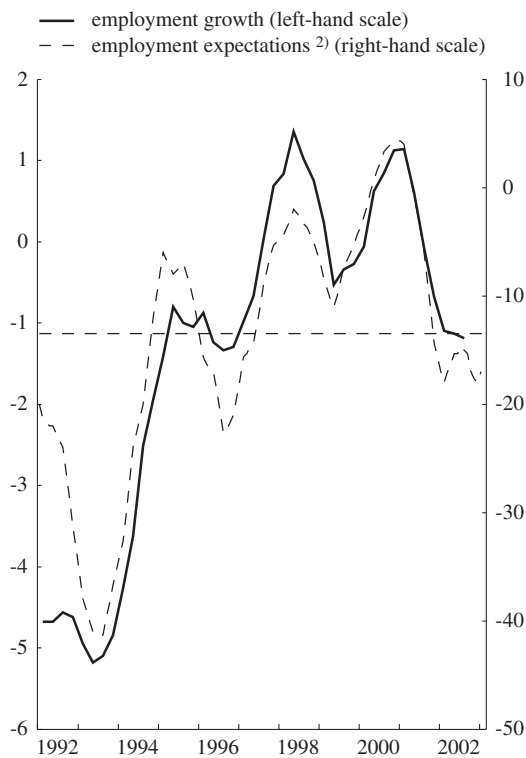
Sources: European Commission Business and Consumer Surveys.
 Note: The horizontal lines are averages of the employment expectations since January 1985 for construction, since April 1985 for retail trade, and since January 1997 for the services sector.

Short-term outlook points to continuing slack in the labour market

Overall, the short-term outlook for the euro area labour market remains sluggish. Total employment is likely to have declined in the second half of last year, while the rise in the

Chart 37
Employment growth and employment expectations in industry in the euro area¹⁾

(annual percentage changes; three-month centred moving averages of percentage balances)



Sources: Eurostat and European Commission Business and Consumer Surveys.

Note: The horizontal line is the average of employment expectations since 1985.

1) Excluding construction.

2) Employment expectations refer to manufacturing only.

second consecutive month after reaching a trough in December 2002. Albeit less marked, an improvement in the Purchasing Managers' Survey employment index was also seen in services in February 2003, after the index reached its lowest point in January 2003 since the start of the series in 1998.

unemployment rate has accelerated. In the current environment of high uncertainty, further falls in employment could occur in the short term. This assessment is also supported by the continuing decline in the third quarter of 2002 of the euro area vacancy rate, which can be considered as a

Box 8

The information content of data on total hours worked in industry

Eurostat has recently released data on total hours worked in industry (excluding construction) for the euro area. This represents further progress in the implementation of the Council Regulation concerning short-term statistics.¹ The euro area data are available on a monthly basis from 1995, estimated on the basis of both monthly and quarterly national data. The estimate covers almost 90% of the euro area, with data not yet being available for Greece, Spain and Ireland. These data can provide useful additional information for analysing economic activity, productivity and wage cost developments. However, it should be borne in mind that the data cover the industrial sector only and may therefore not be representative of the economy as a whole.

The concept of hours worked

Total hours worked denotes the aggregate number of hours that employees actually work. Developments in total hours worked thus reflect both changes in the number of employees and in actual hours worked per employee. Actual hours worked per employee exclude absences due to, for example, annual leave, sickness and bank holidays, as well as hours lost because of production stoppages related to, for instance, low demand or strikes. The data include overtime hours, whether they are paid or not. In practice, when data on actual hours worked are not available, they may be estimated on the basis of, for example, the contractually agreed number of working hours and the average rate of absences.

The data on hours worked per employee reflect the average number of hours that employees spend at their place of work. The increase in the share of part-time employment in industry in the second half of the 1990s thus implies fewer hours worked per employee. In this respect, the data on hours worked per employee provide a useful complement to the employment data.

Hours worked as an indicator of activity, productivity and costs

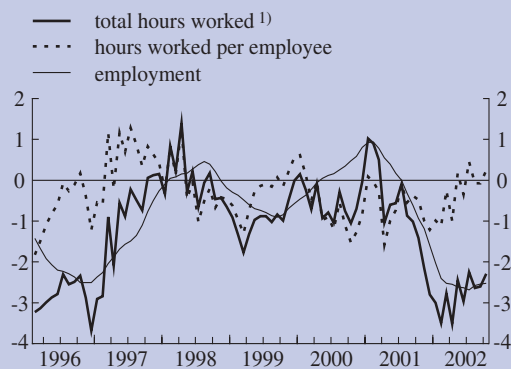
Developments in hours worked per employee in industry are considerably more volatile than those in employment (see chart below). Considering the relatively short period for which these data are available it is difficult to clearly distinguish between the more short-term movements (including seasonal and working day effects) and the underlying trends. In the period since data became available, hours worked per employee in industry have declined by somewhat more than ½% per annum. The pace of decline was highest in the course of 2000 and 2001. This reflected in particular the reduction in average working hours in certain euro area countries, but reductions in hours worked due to cyclical factors may also have played a role. In 2002, this decline in hours worked per employee appears to have come to a halt.

Data on hours worked per employee may provide useful information on economic activity, productivity and wage cost developments. For instance, hours worked per employee can be expected to react more quickly to the business cycle than employment, in particular when strict employment protection laws make layoffs difficult and may discourage new hiring. Moreover, the past few years have seen some progress on the contractually agreed flexibility with which firms can vary hours worked in response to changes in demand. This suggests that hours worked per employee may act as a leading indicator of employment, if firms adjust their employment only after they have resorted to the option of changing the hours worked per person. The chart below provides some support for the leading indicator property of total hours worked for employment in industry, but it should be borne in mind that the period for which the data are available is short.

¹ Council Regulation (EC) No 1165/98 of 19 May 1998 (Official Journal No L 162, 5.6.1998).

Hours worked and employment in industry

(annual percentage changes; three-month moving averages)



Sources: Eurostat and ECB.

1) Working day adjusted.

Information on hours worked also contributes to a better understanding of developments in labour productivity and wage costs in industry. For instance, the trend decline in hours worked per employee in the period since data became available resulted in a rate of growth in labour productivity that, on average, was slightly higher when measured per hour than when measured per employee. The importance of such differences, in particular with regard to international comparisons, was emphasised in Box 3 of the August 2002 Monthly Bulletin, which was entitled “Developments in euro area labour productivity”. Similarly, to the extent that firms remunerate their employees in fixed monthly instalments, a cyclical decline in actual hours worked per employee implies upward pressure on hourly wage costs beyond what is suggested by wages paid per employee.

leading indicator of employment growth by one to two quarters¹. In addition, data available up to the third quarter of 2002 indicate that labour force growth slowed from late 2000 onwards, probably reflecting less favourable cyclical conditions and lower prospects of finding a job.

Given the lagged reaction of employment to GDP growth and the ongoing weakness in the euro area economy, no significant improvement in the labour market is expected before the second half of 2003.

Wage developments supportive of employment growth remain essential for an improvement in the labour market outlook. The continuation of product and labour market reforms, which appear to have lost momentum recently, is also crucial to support a rapid recovery in employment and to enhance potential growth in the euro area.

¹ An indicator of euro area vacancies on the basis of country information was presented in the box entitled “The information content of job vacancies in the euro area” published in the February 2002 issue of the ECB’s Monthly Bulletin.

4 Fiscal developments

Euro area budgetary developments in 2002 much less favourable than initial targets

At the end of 2002 and in early 2003, all euro area countries, with the exception of Austria, submitted their new updated stability programmes to the EU Council and the European Commission. Based on the estimates contained in the available programmes, the average general government deficit-to-GDP ratio in the euro area increased from 1.5% in 2001 to 2.2% in 2002 (see Table 12). This estimated deficit for 2002 is more than one percentage point higher than the target envisaged for the euro area average in the previous round of updated stability programmes, submitted at the end of 2001. The estimated outcome partly reflects a setback in fiscal consolidation relative to the moderate consolidation set out in the initial plans. More recent data released by several countries broadly confirm this picture for the average of the euro area.

Developments at the euro area level reflect a widespread deterioration of budget positions. While half of the countries posted surpluses in 2001, almost all countries reported deficits in 2002. Three countries (France, Italy and Portugal) recorded sizeable deficit ratios of between 2% and 3% of GDP and one country (Germany) even posted a deficit ratio of above 3%, while two countries reported deficit ratios around 1%. The deterioration in public finances in the euro area as a whole in 2002 stemmed mainly from the operation of automatic stabilisers in a weaker than expected economic environment. Additional factors include the lagged effects of the economic slowdown in 2001 on taxable income and of the implementation of tax cuts in the course of 2001, as well as the repercussions from the stock market decline on tax revenue. Moreover, unfavourable carry-over effects from revisions of past fiscal data also adversely affected 2002 fiscal balances in a few countries.

The public debt-to-GDP ratio for the euro area remained broadly unchanged at 69.7% in 2002. This development is much less favourable than expected. In addition to the worsening of fiscal balances and the weaker than expected economic environment, the carry-over effects from revisions of past data affected debt developments adversely. In Germany, the debt ratio exceeded the Maastricht reference value of 60% of GDP again, after having fallen below that value in 2001. In Italy, the decrease in the debt ratio was mainly the result of a financial operation producing a substantial one-off debt-reducing effect.

Medium-term plans set out expenditure-based consolidation

Given the less favourable economic developments, the Eurogroup agreed on 7 October 2002 that countries with remaining fiscal imbalances should commit themselves to a credible adjustment path in their forthcoming stability programmes. All ministers but one concurred that it was appropriate to correct the imbalances through continuous adjustments of the underlying balance by at least 0.5% of GDP per year, based on realistic assumptions about the economic outlook and well-specified measures, starting in 2003.

The updated stability programmes present euro area countries' fiscal plans for the period from 2003 to 2005-06. They show that most countries have revised their output growth forecasts downwards, with euro area real GDP growth expected to average about 2% in 2003. This is much lower than projected in the previous round of updated stability programmes, but still assumes a more rapid recovery than suggested by more recent available forecasts.

The euro area average deficit ratio is projected to decline by 0.4 percentage point to 1.8% of GDP in 2003. Most of this

improvement depends on the planned restraint in primary current expenditure. However, the economic environment will continue to curb revenue growth and a few countries have announced the implementation of further tax cuts. Overall, a number of euro area countries will still report fiscal

imbalances in 2003. In Germany, France and Portugal, the deficit ratios are projected to remain close to the 3% reference value, reflecting the persistence of sizeable structural imbalances and not only the effect of cyclical developments on government accounts.

Table 12
Euro area countries' updated stability programmes

	Real GDP growth rate (%)					Budget balance ratio (% of GDP)					Debt ratio (% of GDP)				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Belgium															
Updated programme (Nov. 2001)	1.3	3.0	2.5	2.4		0.0	0.5	0.6	0.7		103.3	97.7	93.0	88.6	
Updated programme (Nov. 2002)	0.7	2.1	2.5	2.5		0.0	0.0	0.3	0.5		106.1	102.3	97.9	93.6	
Germany															
Updated programme (Dec. 2001)	1¼	2½	2½	2½		-2.0	-1.0	0.0	0.0		60.0	59.0	57.0	55½	
Updated programme (Dec. 2002)	0.5	1.5	2¼	2¼	2¼	-3.75	-2.75	-1.5	-1.0	0.0	61.0	61.5	60.5	59.5	57.5
Greece															
Updated programme (Dec. 2001)	3.8	4.0	4.0			0.8	1.0	1.2			97.3	94.4	90.0		
Updated programme (Dec. 2002)	3.8	3.8	4.0	3.7	3.6	-1.1	-0.9	-0.4	0.2	0.6	105.3	100.2	96.1	92.1	87.9
Spain															
Updated programme (Dec. 2001)	2.4	3.0	3.0	3.0		0.0	0.0	0.1	0.2		55.7	53.8	51.9	50.0	
Updated programme (Dec. 2002)	2.2	3.0	3.0	3.0	3.0	-0.2	0.0	0.0	0.1	0.2	55.2	53.1	51.0	49.0	46.9
France															
Updated programme (Dec. 2001)	2.5		3.0			-1.4	-1.0	0.0	0.3		56.3	55.3	53.6	51.8	
Updated programme (Dec. 2002)	1.2	2.5	2.5	2.5	2.5	-2.8	-2.6	-2.1	-1.6	-1.0	58.7	59.1	58.9	58.3	57.0
Ireland															
Updated programme (Dec. 2001)	3.9	5.8	5.3			0.7	-0.5	-0.6			33.7	33.8	34.1		
Updated programme (Dec. 2002)	4.5	3.5	4.1	5.0		-0.3	-0.7	-1.2	-1.2		34.1	34.0	34.5	34.9	
Italy															
Updated programme (Nov. 2001)	2.3	3.0	3.0	3.1		-0.5	0.0	0.0	0.2		104.3	101.0	98.0	95.4	
Updated programme (Nov. 2002)	0.6	2.3	2.9	3.0	3.0	-2.1	-1.5	-0.6	-0.2	0.1	109.4	105.0	100.4	98.4	96.4
Luxembourg															
Updated programme (Nov. 2001)	5.3	5.7	5.6			2.8	3.1	3.4			4.6	4.2	3.9		
Updated programme (Jan. 2003)	0.5	1.2	2.4	3.1		-0.3	-0.3	-0.7	-0.1		5.1	4.1	3.8	2.9	
The Netherlands															
Updated programme (Oct. 2001)	2.0	2¼	2¼			1.0	1.0	1.0			47.7	45.0	42.0		
Addendum (Dec. 2001)	1¼	2½	2½	2½	2½	0.4	0.2	0.5	1.0	1.2	48.0	45.0	42.0		
Updated programme (Dec. 2002)	0.25	0.75	2.75	2.75	2.75	-0.7	-1.0	-0.7	-0.4	0.1	51.9	51.2	49.0	47.4	45.3
Austria															
Updated programme (Nov. 2001)	1.3	2.4	2.8	2.8		0.0	0.0	0.2	0.5		59.6	57.2	54.7	52.1	
Portugal															
Updated programme (Dec. 2001)	1.75	2.5	3.0	3.0		-1.8	-1.0	0.0	0.4		55.7	55.5	54.0	53.2	
Updated programme (Dec. 2002)	0.7	1.3	2.7	3.1	3.5	-2.8	-2.4	-1.9	-1.1	-0.5	58.8	58.7	57.5	55.3	52.6
Finland															
Updated programme (Nov. 2001)	1.6	2.7	3.0			2.6	2.1	2.6			42.9	43.0	41.8		
Updated programme (Nov. 2002)	1.6	2.8	2.6	2.5	2.4	3.8	2.7	2.1	2.6	2.8	42.5	41.9	41.9	41.4	40.7
Euro area															
2001 updated programmes	2.0	2.9	2.9			-0.9	-0.4	0.1			67.2	65.3	63.0		
2002-03 updated programmes	1.0	2.1	2.6	2.7		-2.2	-1.8	-1.1	-0.7		69.7	68.6	66.8	65.4	

Source: 2001 and 2002-03 updated stability programmes and ECB calculations.

Note: The budget balances for 2002 include the proceeds from the sale of UMTS licences, where appropriate. However, such proceeds were very limited and do not affect the figures reported in the table for the euro area as a whole.

The latest updated stability programmes, if fully implemented, would result in a slight tightening of the fiscal stance at the euro area level in 2003. Countries with sound fiscal positions will broadly let the automatic stabilisers operate. The above-mentioned tightening would mostly reflect the consolidation efforts of countries with remaining imbalances. Only Germany and Portugal plan to make the consolidation efforts as laid out in the Eurogroup agreement of 7 October 2002. Of the other countries with remaining imbalances, Greece, France and Italy are not expected to attain the requested consolidation in 2003. Moreover, in Italy and Portugal the effect of temporary measures is to some extent uncertain. Finally, optimistic macroeconomic assumptions and uncertainty regarding the specification of the adjustment measures, their implementation and budgetary impact, pose an additional risk to the attainment of budgetary targets for 2003 in a number of countries.

Looking beyond 2003, the euro area deficit ratio is projected to decline further to 1.1% of GDP in 2004, and to broadly reach balance in 2006, i.e. two years later than planned in the previous round of updated stability programmes. All countries for which projections are available up to 2006 expect to reach budgetary positions close to balance or in surplus by that year, with the exception of France. Some fiscal tightening at the euro area level is expected to continue over the projection period as countries with remaining imbalances are planning consolidation via continued expenditure restraint. However, the attainment of targets depends on the realisation of growth assumptions underlying countries' baseline scenarios that are not always realistic. Moreover, several countries are yet to specify the budget measures that would allow the planned consolidation to be achieved.

Medium term targets mostly appropriate but concerns remain

It is worth recalling that the European fiscal policy framework, as laid down in the Treaty and further developed in the Stability and Growth Pact, supports macroeconomic stability by promoting budgetary discipline, while also allowing for short-term flexibility. The prevention of excessive deficits and high debt ratios preserve the sustainability of public finances. At the same time, a close to balance or in surplus budget position over the cycle generally provides sufficient safety margins for automatic stabilisers to operate without breaching the 3% deficit limit. The commitment contained in the 2002-03 updated stability programmes to attain or maintain fiscal positions close to balance or in surplus in the medium term and the resulting aggregate stance of fiscal policies in the euro area are, therefore, broadly appropriate.

However, the new programmes are not fully satisfactory in all countries. Optimistic growth assumptions, unspecified measures and possible difficulties implementing these measures could delay the attainment of targets in a number of countries, and even lead to deficits above the 3% reference value in some cases. This would erode the credibility of the European fiscal framework and undermine the prospects for a favourable macroeconomic environment in the medium term.

The outlook for public finances may also be affected by geopolitical tensions. The economic implications of a conflict in Iraq and the potential budgetary consequences, albeit difficult to anticipate, could pose a further challenge. In any case, countries should not now use this situation as an excuse to renege on their commitments to put their public finances in order.

Recent developments have revealed the importance of timely and accurate reporting of fiscal data. Unreliable or outdated information can induce a misguided policy

Box 9

Code of best practice on the compilation and reporting of data in the context of the excessive deficit procedure

On 18 February 2003, the ECOFIN Council adopted and published a “Code of best practice on the compilation and reporting of data in the context of the excessive deficit procedure”, following a Communication by the Commission on this subject. The Commission and the ECOFIN Council have thereby reacted to several significant revisions of Member States’ government deficit and debt data in the course of 2002 and to some weaknesses in the provision of annual government finance statistics in general.

Moreover, the Commission and the ECOFIN Council have invited the European Council to support rigorous compliance monitoring of statistics for the excessive deficit procedure (EDP) and the Stability and Growth Pact, and to ensure that all necessary measures are taken to strengthen and safeguard trustworthy official statistics, including the scientific independence of Eurostat and the national statistical institutes (NSIs).

The Code of best practice aims to clarify and streamline procedures set out in the relevant legal acts in force and provides guidance, both at the level of the Member States and of the Commission, on the compilation, reporting and publication of government accounts for the previous years (actual data) and for the current year (planned data) in the context of the EDP.

(1) Compilation of budgetary data by Member States

The actual data shall be compiled by the NSIs, and where applicable, mainly for financial transactions and for financial assets and liabilities including government debt, by the NCBs. The NSIs and the NCBs shall thereby apply strictly and in full scientific independence the accounting rules as predominantly reflected in the European System of Accounts 1995 (ESA 95). The task of government, mainly the ministries of finance (MoFs), is to ensure that the basic data and other information needed are made available in a timely manner and in sufficient detail for compiling reliable government finance statistics.

Unlike the actual data, the planned data are typically provided by the MoFs. The planned data shall also follow the ESA 95 government accounts in order to form consistent time series together with the actual data.

(2) Reporting of budgetary data by Member States to the Commission

The reporting institutions within the Member States – for the actual data, the NSIs in co-operation with the NCBs, and for the planned data, the MoFs – shall take responsibility for the content, timeliness and transmission of their respective part of the report to the Commission, currently before 1 March and before 1 September of each year. More detailed tables and supplementary information shall be transmitted from February 2004 onwards and shall be based on the legal acts in force, such as the ESA 95 Transmission Programme and the Regulations on quarterly government finance statistics.

Taking into account the experience in 2002, Member States shall inform the Commission of revisions of the actual accounts and of major revisions of the planned data as soon as they become available.

(3) Securing the quality of the actual budgetary data

In 2004, the NSIs shall, in co-operation with the NCBs and the MoFs, provide an inventory of the methods, procedures and sources for the compilation of government finance statistics. The statistical inventory will help Eurostat to assess the compliance of the budgetary data with the accounting rules. When necessary, Eurostat may examine in depth the ESA 95 government accounts of each Member State and request the assistance of the ECB and of NSIs and NCBs from other Member States.

The Code of best practice deals carefully with the resolution of methodological issues. Although the actual budgetary data for the EDP are finally provided by Eurostat, the ECOFIN Council has confirmed the key role of the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), comprising representatives from Eurostat, the ECB, and the NSIs and NCBs of the Member States. The CMFB is to be consulted when dealing with complex cases or cases of general interest. Furthermore, Eurostat shall publish its decisions on methodological issues, together with CMFB opinions, according to the timetable laid down in the CMFB rules of procedure for consultations on EDP statistics (see www.cmfb.org).

(4) Publication of the budgetary data by the Commission

Eurostat shall assess and publish the actual government deficit and debt data underlying the EDP for each Member State in mid-March and mid-September. In the case of revisions between these dates, either due to the resolution of methodological issues or to revisions of the underlying statistics of a Member State, Eurostat shall publish on its website within two weeks the updated actual accounts and the effects of these revisions on government deficits and debt. The planned budgetary data reported by the MoFs are not published because the Commission publishes its own forecasts.

The role of the ECB and the NCBs as reflected in the Code of best practice

The Code of best practice recognises the competence and the independent expertise of the ECB and the NCBs in the field of government finance statistics. While at the national level the NSIs have the primary responsibility for compiling these statistics, the NCBs shall contribute particularly to the compilation of government financial transactions, financial balance sheets and debt. It is advocated that the Code of best practice be applied strictly in all Member States, as well as in the acceding countries.

reaction or delayed implementation of the correct policy measures and, hence, hamper multilateral surveillance procedures. To remedy this situation, on 18 February 2003 the ECOFIN Council adopted a “Code of best practice on the compilation and reporting of data in the context of the excessive deficit procedure” (see Box 9 in this section).

Comprehensive, medium-term-oriented reform strategy needed

The main lesson of recent years is that ad hoc and piecemeal policy adjustments have failed to ensure progress towards sound public finances and strong economic growth. Therefore, the key fiscal challenge for many governments now is to replace ad hoc policy-making with a comprehensive medium-term-oriented reform strategy. The latter needs to meet the requirements both of attaining (or maintaining) safe fiscal

positions and of enhancing growth and sustainability. The main elements of such a comprehensive reform strategy have already been laid out in the Broad Economic Policy Guidelines (consistent with the Stability and Growth Pact and the Lisbon strategy).

More specifically, comprehensive fiscal reforms are needed to ensure budgetary positions close to balance or in surplus, to reduce public debt and implicit liabilities related to population ageing, and to underpin economic growth. However, it is not always sufficiently acknowledged that a successful strategy to attain all these objectives must be based on expenditure reform. It is now widely accepted that a shift from less to more productive spending can stimulate economic growth. For example, replacing unproductive subsidies by productive investment in infrastructure or in education could boost the stock of human capital and enhance labour productivity. This means stronger medium-term growth which, in turn, leads to higher tax

revenue and lower deficits. It also generates a broader economic base to finance, for instance, ageing-related costs in the long run.

Moreover, governments often shy away from pursuing courageous expenditure restraint (e.g. curtailing public transfer payments), as they fear the immediate adverse effect on income and demand. However, the medium-term benefits, which are likely to be much larger than these short-term costs, are not sufficiently taken into account, if not completely overlooked. For example, reforms of social transfer systems and early retirement schemes would increase employment in the private sector and the supply of skilled workers that would otherwise retire. If such reforms are made in parallel with a reduction in red tape, the private sector is likely to further increase job offers and capital investment. Finally, lower public expenditure contributes towards lower public deficits and debt, which support expectations of price stability and favourable financing conditions that, in turn, sustain investment and growth.

As tax reforms are not sufficiently self-financing, expenditure restraint is also needed to reduce tax burdens, if fiscal balances are not to deteriorate. Tax reforms can reduce labour costs, raise net income from

employment and enhance profit opportunities. This, in turn, creates an incentive to offer or take up employment, or to invest or set up one's own business, thereby reinvigorating economic growth.

A comprehensive, expenditure-based reform strategy may also facilitate short-term adjustment. The announcement of such reforms would increase expectations of higher future employment and better investment opportunities. This stimulates demand as economic agents invest and consume more in light of the improved economic outlook.

In summary, it is now well accepted that a credible, medium-term fiscal strategy combining structural reforms and consolidation builds confidence in the fiscal framework, in future growth and employment prospects and in the sustainability of public finances. Positive expectations would also mitigate adverse short-term effects of budget retrenchment and reform. However, there is still a considerable gap between theory and practice. Too few countries have so far moved beyond piecemeal reform especially on the expenditure side, with the result that positive supply responses facilitating consolidation and tax cuts have been limited.

5 The global macroeconomic environment, exchange rates and the balance of payments

The outlook for the world economy remains highly uncertain

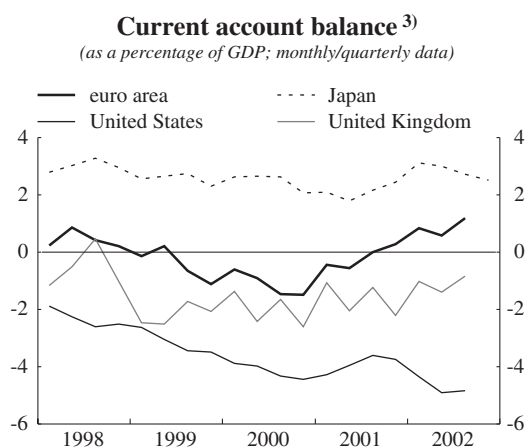
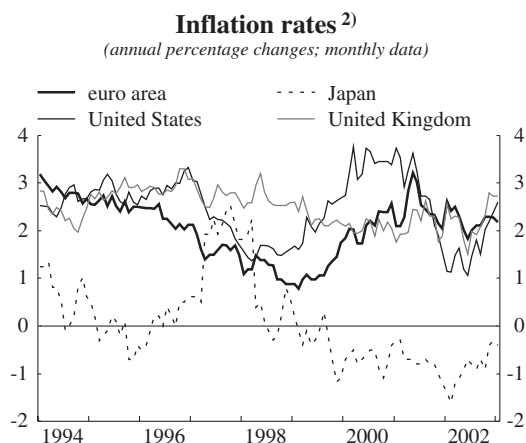
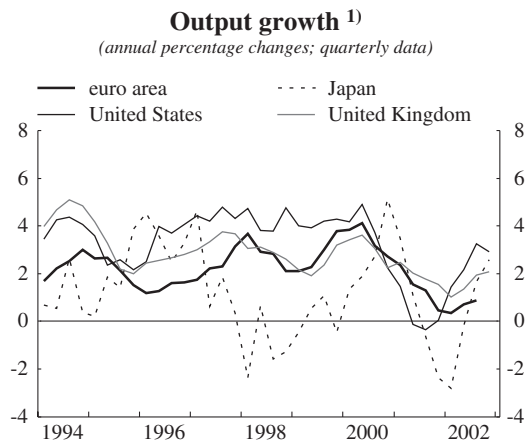
Despite the severe shocks and high uncertainty, developments in world economic growth were rather favourable in 2002. World real GDP growth is estimated to have increased to 3.1% in 2002, up from 2.2% in 2001.

In early 2003, most regions of the world are expected to experience a decline in GDP growth rates. This slowdown is related not only to the environment of high uncertainty but also to a normalisation of the somewhat

higher than anticipated growth rates in 2002. The current moderate recovery of the global economy is projected to strengthen in the course of 2003, driven mainly by growth in the United States and in non-Japan Asia. However, the risks to the world economy are mainly on the downside and are substantial. Most notably, these risks include geopolitical tensions and a possible rapid correction of US imbalances, as well as a further decline in asset prices. The potential impact of these risks could be limited, however, given that in 2002 the world economy proved to be more resilient to adverse shocks than previously expected.

Chart 38

Main developments in major industrialised economies



Sources: National data, BIS, Eurostat and ECB calculations.

1) Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used.

2) Data for the euro area up to 1995 are estimates for the HICP based on national CPI data; after 1995 HICP data are used. The RPIX index is used for the United Kingdom.

3) ECB and Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used. For all countries, figures refer to seasonally adjusted data for both GDP and the current account.

Turning to individual countries, in the United States preliminary data indicate that US real GDP grew by 2.4% in 2002, although the pace of economic expansion decelerated somewhat at the end of the year, with real GDP growth of 1.4% in the fourth quarter on a quarter-on-quarter annualised basis (see Chart 38). The major contributors to the increase in real GDP in the fourth quarter were personal consumption expenditures, government spending, investment in equipment and software, private inventory investment and residential fixed investment. However, these were partly offset by negative contributions from non-residential investment in structures, and net exports.

Against the background of high uncertainty, the current subdued economic growth in the United States is likely to persist in the short term. Household spending growth – a consistent support to the recovery in 2002 – appears to have moderated somewhat in early 2003. With consumer confidence remaining at record lows, the weakness in the labour market may also contribute towards increasing savings somewhat while curbing consumption growth in the near term. In addition, spending and hiring by businesses are likely to remain weak in the near term owing partly to significant excess capacity. Residential investment, on the other hand, is expected to remain strong. Although the trade deficit remains at record highs, net trade should eventually start contributing to GDP growth given the competitiveness gains accompanying the depreciation of the US dollar nominal effective exchange rate.

Annual Consumer Price Index (CPI) inflation increased to 2.6% in January 2003, from 2.4% in December 2002, driven by a marked increase in energy costs. Excluding food and energy, annual CPI inflation remained unchanged at 1.9% in January. While the rise in oil prices has already translated into higher consumer price inflation, underlying domestic inflationary pressures are expected to remain contained by the low capacity utilisation rate and the continuing strength of productivity. At its meeting on 28-29 January 2003, the

Federal Open Market Committee (FOMC) decided to maintain its target for the federal funds rate at 1.25%, its level since November 2002. Furthermore, the FOMC judged the risks to price stability and sustainable economic growth to be balanced.

With regard to fiscal policy, the expansionary measures contained in the budget proposal of the US Administration, amounting to around USD 1,000 billion over the period 2004-08, include most notably an acceleration of legislated tax cuts scheduled for the fiscal years 2004 and 2006, together with the exemption of dividend payments from household taxation. The White House projects that the federal budget deficit, including all of the discretionary fiscal measures proposed, will increase to 2.75% of GDP in the fiscal years 2003 and 2004 – following a deficit of 1.5% of GDP in the fiscal year 2002 – and remain in deficit to the end of fiscal year 2008.

In Japan, the recovery process appears to have lost some of its momentum, while recently deflationary pressures have been easing somewhat. In the fourth quarter of 2002, real GDP growth slowed further to 0.5% quarter on quarter, down from 0.7% in the third quarter. This slowdown is the result of a marked decline in the growth contribution from domestic demand, which fell to 0.2 percentage point from 0.9 percentage point in the third quarter, reflecting mainly the weakening of consumption spending. At the same time, exports rebounded strongly in the fourth quarter after being virtually flat during the previous quarter. As a result, external demand contributed 0.3 percentage point to GDP growth (see Chart 38).

Looking forward, the Japanese economy is expected to continue to grow at a moderate rate. Given the lasting structural problems, most notably the high level of non-performing loans in the banking sector, the recovery process hinges crucially on a strong export performance. The recent increase in private machinery orders – an important leading

indicator of investment – may point to an upturn in the investment outlook. Private consumption spending is, however, likely to be constrained in the short term by subdued developments in disposable income and the continued weakness of the labour market, with the unemployment rate remaining close to historical highs.

Deflationary pressures in Japan have eased somewhat over recent months. The year-on-year decline in the CPI was -0.4% in January 2003, largely in line with the outcome of the previous two months but smaller than the -0.9% decline recorded in October. For 2002 as a whole, the CPI declined by -0.9% compared with -0.7% in 2001. On 5 March 2003 the Bank of Japan decided to leave its monetary policy stance basically unchanged, raising, however, its target range for the outstanding balance of current accounts to JPY 17-22 trillion, in order to accommodate the establishment of the Japan Post.

In the United Kingdom, quarterly real GDP growth declined from 0.9% in the third quarter to 0.4% in the fourth quarter of 2002, resulting in an annual growth rate of 2.1% in the fourth quarter. The Queen's Jubilee holidays in June 2002 affected the quarterly pattern of growth during 2002 and quarterly figures are therefore relatively difficult to interpret. Private consumption growth strengthened to a quarterly rate of 1.0% in the fourth quarter, suggesting that continuing gains in housing wealth still strongly supported household spending, despite a decline in financial wealth and real disposable income growth. However, there are tentative indications that the housing market might be starting to cool down. Total investment fell by 0.6% during the fourth quarter but the decline was less pronounced than during the preceding quarter. By contrast, the fall in exports intensified during the fourth quarter (to -3.4%, after -0.9% in the third quarter). However, the downward impact of this decrease on real GDP was partly compensated by a simultaneous decline in imports (see Chart 38).

The labour market has remained broadly stable, with the unemployment rate standing at 5.1% in the three months to December 2002. The headline rate of annual earnings growth has fluctuated slightly below 4% since mid-2002, reflecting the broad stability of earnings growth in the private sector. As a result of a pick-up in productivity growth, the annual rate of change in unit wage costs declined to 1.5% in the third quarter. After remaining below the 2.5% target for most of the year, RPIX inflation rose above this level in November 2002 and stood at 2.7% in January 2003. This rise mainly reflects an increased contribution from petrol prices and housing costs.

Against the background of weakened prospects for global and domestic demand, on 6 February 2003 the Bank of England's Monetary Policy Committee (MPC) reduced its repo rate by 0.25 percentage point to 3.75%, the first interest rate change since November 2001. At the same time, the Bank of England's MPC expected RPIX inflation to moderate as the temporary upward effects stemming from oil prices and housing costs are expected to fade away. On the domestic side, a particular risk to output growth stems from future developments in house prices and their potential impact on private consumption.

In Denmark, quarter-on-quarter real GDP growth fell to -0.7% in the third quarter of 2002, down from 1.5% in the previous quarter, taking the annual real GDP growth rate to 1.1%. This fall was due mainly to a decrease in inventories and exports. Annual HICP inflation was 2.6% in January 2003 against 2.7% on average in the fourth quarter of 2002.

In Sweden, quarter-on-quarter real GDP rose by 0.4% in the third quarter of 2002, down from 0.6% in the second quarter, resulting in an annual real GDP growth rate of 2.0%. Output growth was driven mainly by public and private consumption, while the contribution from net exports decreased. Recent data releases point to relatively strong

household consumption, although consumer confidence seems to be moderating. Annual HICP inflation increased to 2.6% in January 2003 compared with an average of 1.6% in the last quarter of 2002, mainly on account of electricity price increases.

In Switzerland, real GDP decelerated slightly in the fourth quarter of 2002 (to 1.4% on a quarter-on-quarter annualised basis, down from 1.7% in the previous quarter), implying an annual average of 0.1% for 2002. While domestic demand remained weak throughout 2002, net trade contributed positively to output growth despite some slowdown in exports towards the end of last year. Although some leading indicators have improved slightly, the strength of the Swiss franc and the subdued world economic recovery are still weighing on the short-term outlook. Inflation remained moderate despite the recent increase in oil prices. In January 2003 the year-on-year rate of consumer price inflation was 0.8%, compared with 0.9% in December 2002.

In the larger EU acceding countries, economic growth is expected to remain robust owing to a rather dynamic domestic sector that is benefiting from expansionary, discretionary fiscal policies. At country level, GDP growth in Hungary has remained sustained, increasing somewhat in the third quarter of 2002. Increases in wages and the impact of the fiscal stimulus should sustain private consumption which is expected to remain the main contributor to GDP growth. In the Czech Republic, a rising fiscal deficit and a better than anticipated export performance are expected to support output growth. Annual inflation turned negative in January 2003. In Poland, the outlook is improving somewhat, as confirmed by the increase in annual GDP growth in the third quarter of 2002. The manufacturing sector, in particular, is undergoing a steady recovery.

In Turkey, the recovery is firming, with real GDP growth recording positive rates for the first three quarters of 2002. The evidence suggests that inventories and public

consumption are increasing sharply, while private consumption is bouncing back at a more moderate pace. Although inflation has remained high month on month, it continued to follow a downward trend in annual terms, falling from 33% in October 2002 to 27% in February 2003.

In Russia, real GDP growth increased by 4.3% in 2002, supported by private consumption. Although it decelerated somewhat in the fourth quarter, industrial output growth also remained sustained. Overall, the economic outlook remains positive. Inflation, albeit high, fell slightly in the fourth quarter.

In non-Japan Asia, the latest information points to a continuation of robust economic growth driven by exports and manufacturing activity. Moreover, domestic demand continues to support economic activity in most countries reflecting the strength of household income. However, there are increasing signs that in some countries domestic demand has started to moderate owing to a combination of different factors, including geopolitical tensions that weigh on both household and business expenditure decisions.

Within the region, China continues to perform better than its neighbours, posting real GDP growth of 8% in 2002, with no signs of deceleration in the fourth quarter. Strong export and fixed asset investment growth contributed to this development. Consumption expenditures also remain supportive as reflected by a retail sales growth of 8.8% in 2002. Deflationary pressures have eased somewhat recently as the CPI fell by 0.4% (year on year) in December.

In Korea, economic activity remains strong, as real GDP growth is estimated to have stood at 5.7% (year on year) in the fourth quarter of 2002, somewhat below its peak of 6.4% in the second quarter, thereby confirming that the pace of the economic upswing has eased somewhat. Exports continue to drive expansion with an annual growth of more than 25%. Consumer spending, however, continues to decelerate as a result of tighter regulations on

housing and consumer lending as well as the geopolitical uncertainties surrounding North Korea and Iraq, which also weigh heavily on investment expenditures. This deceleration notwithstanding, annual consumer price inflation increased for the third consecutive month to reach 3.8% in January 2003. In Singapore and Taiwan, real GDP growth in the fourth quarter of 2002 is estimated to have slowed to 2.6% and 3.6% (year on year) respectively. One common factor behind this development was the relative moderation in the pace of export growth. Deflationary pressures seem to have eased with annual CPI inflation turning slightly positive in both countries in late 2002.

In Latin America, the latest data releases indicate some improvement in the region's prospects. At the same time, there is still a divergence in economic performance among the largest countries, with continued low levels of economic activity in Argentina contrasting with firmer signs of recovery in Mexico and Brazil. In Mexico, year-on-year real GDP was 1.9% in the fourth quarter of 2002 – its third consecutive positive reading. This reflects developments in the United States, the continuation of high oil prices and the weak Mexican peso. It also confirms that the economy has recovered from the sharp slowdown experienced in 2001. In Brazil, financial turbulence continued to fall from the high levels recorded earlier in 2002. Exports and manufacturing production displayed strong growth in the fourth quarter of 2002, supported by the depreciation of the real. However, since October 2002, this depreciation has contributed to an increase in CPI inflation rates (14.5% year on year in January 2003), while short-term interest rates increased by around 5.5 percentage points over the same period. Argentina's financial distress has in part eased after the country recently agreed with the IMF to roll over debt payments worth USD 11.7 billion due to multilateral lenders. Industrial production indicators suggest that economic activity remained relatively low in the fourth quarter of 2002, despite an increase in exports following the sharp depreciation of the Argentine peso. The recovery remains marred

by significant financial constraints that weigh heavily on domestic demand.

environment of continued economic and political uncertainty. Its appreciation was most pronounced against the pound sterling and, to a lesser extent, the US dollar.

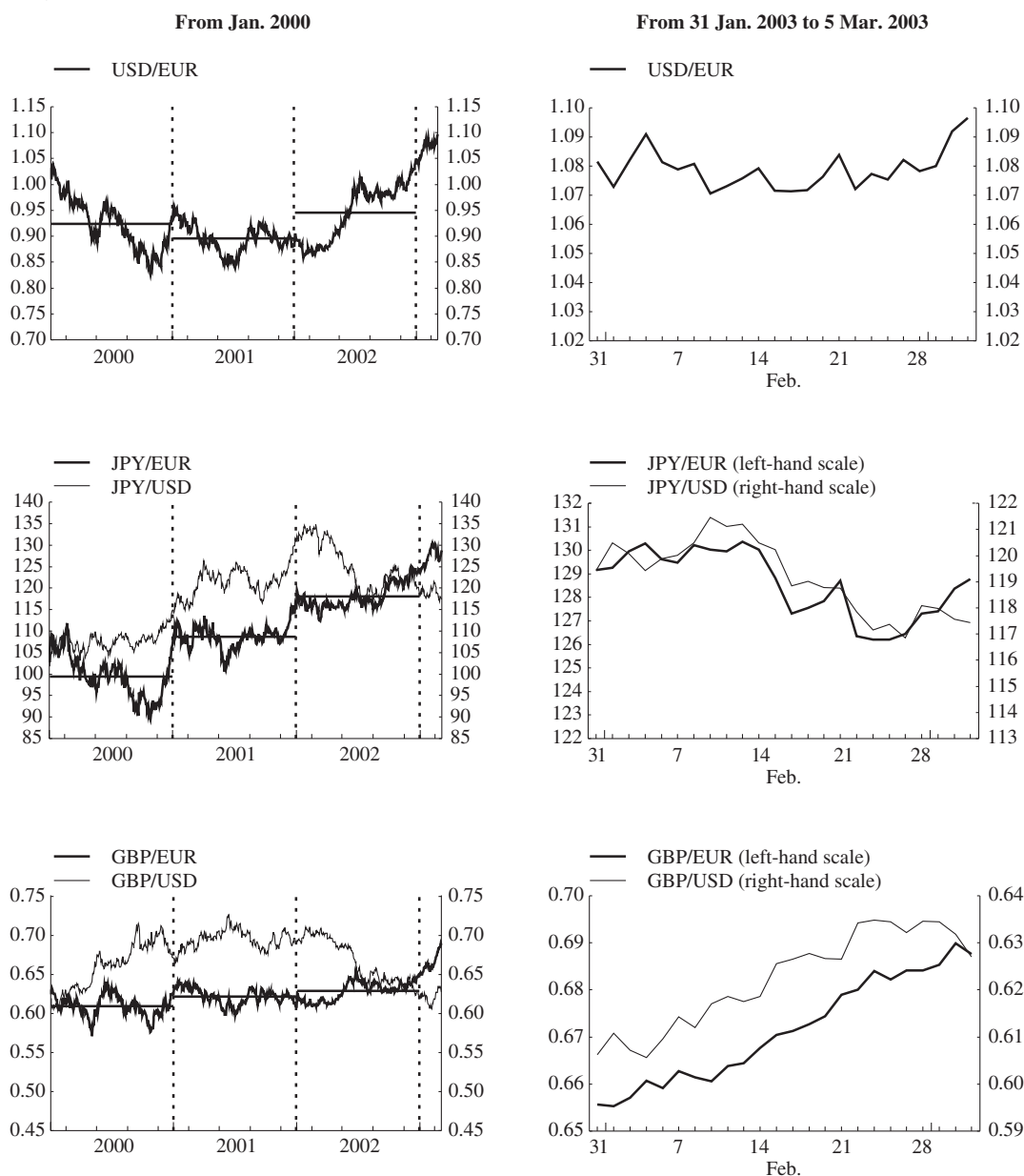
Euro appreciated in the period from February to early March 2003

After a period of a broad stabilisation in February 2003, the euro renewed its momentum in early March 2003 in an

In February 2003 the euro was broadly stable against the US dollar, fluctuating in a range of USD 1.07-1.09 (see Chart 39). This took place against a background of mixed economic data releases in the United States and in the

Chart 39 Patterns in exchange rates

(daily data)



Source: ECB.

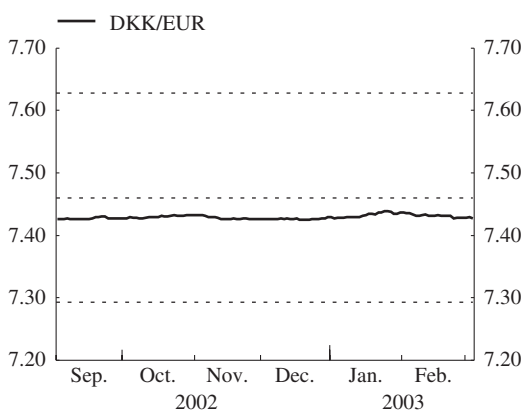
Note: The scaling of the charts is comparable within each column. Horizontal lines show annual averages.

euro area. In early March 2003, however, increased uncertainty and geopolitical tensions were quoted by market analysts as exerting depreciation pressure on the US currency. On 5 March 2003 the euro stood at USD 1.10, nearly 1.25% higher than at the end of January and 16% stronger than its 2002 average.

The Japanese yen remained fairly stable in the first half of February 2003 against both the euro and the US dollar. In the third week of the month, however, it appreciated sharply against all major currencies, before broadly stabilising at a higher level towards the end of the month (see Chart 39). The general strengthening of the yen may have been linked to the release of more positive than expected Japanese GDP data for the fourth quarter of 2002. At the beginning of March 2003 the euro rebounded against the Japanese currency, partly reversing its earlier losses. On 5 March the euro was quoted at JPY 128.77, about 9% higher than its average level in 2002.

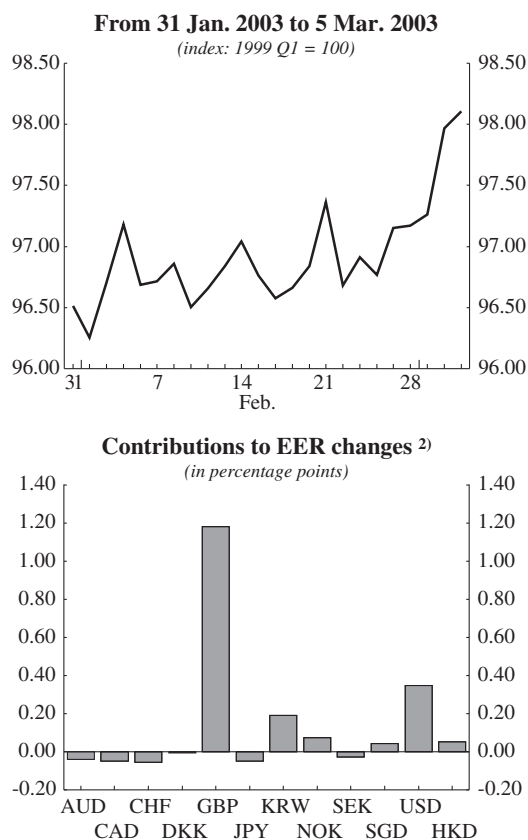
Throughout the period under review, the pound sterling continued to depreciate both against the euro and the US dollar

Chart 40
Patterns in exchange rates within ERM II
(daily data)



Source: ECB.
Note: The horizontal lines indicate the central parity (DKK 7.46) and the fluctuation band ($\pm 2.25\%$ for DKK).

Chart 41
The effective euro exchange rate and its decomposition¹⁾
(daily data)



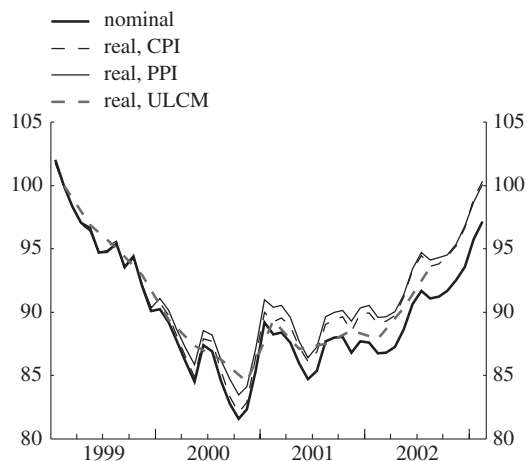
Source: ECB.
1) An upward movement of the index represents an appreciation of the effective exchange rate against 12 partner currencies.
2) Changes are calculated, using trade weights, against 12 major trading partners.

(see Chart 39). The general weakness of the pound was mostly attributable to declining consumer and business sentiment in the United Kingdom, casting doubt on the country's economic prospects. Given these weakened prospects for global and domestic demand, on 6 February 2003 the Bank of England Monetary Policy Committee reduced its repo rate by 0.25 percentage point to 3.75%, the first interest rate change since November 2001. On 5 March 2003 the euro traded against the pound at GBP 0.69, 4.9% stronger than at the end of January 2003 and more than 9% higher than its 2002 average.

Chart 42

Nominal and real effective euro exchange rates¹⁾

(monthly/quarterly data; index: 1999 Q1 = 100)



Source: ECB.

1) An upward movement of the index represents an appreciation of the euro. The latest observations for monthly data are February 2003. In the case of the ULCM-based real EER, the latest observation is for Q3 2002 and is partly based on estimates.

Regarding other European currencies, the Danish krone continued to fluctuate in a narrow range slightly below its central parity in ERM II (see Chart 40). The euro depreciated slightly relative to both the Swedish krona and the Swiss franc. On 5 March 2003 the euro traded against the Swedish krona at SEK 9.19 and against the Swiss franc at CHF 1.46, very close to their respective average levels in 2002.

In the light of the above developments, the nominal effective exchange rate of the euro – as measured against the currencies of 12 important trading partners of the euro area – on 5 March 2003 was 1.7% stronger than its end-January 2003 level and about 9.3% stronger than its average level in 2002 (see Chart 41). Measures of the international price and cost competitiveness of the euro area – the CPI, PPI and ULCM-based real effective euro exchange rate indices (see Chart 42) – reflect, for the most part, the sizeable nominal effective appreciation of the single currency since the second quarter of 2002.

Current account surplus rose in December 2002

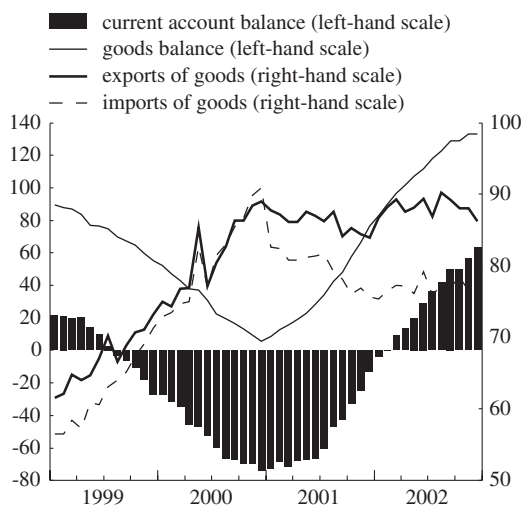
The euro area current account registered a surplus of €8.1 billion in December 2002 compared with a surplus of €2.3 billion in December 2001. This increase resulted mainly from a €3.8 billion decrease in the current transfers deficit and, to a lesser extent, from a switch in the services balance, from a €0.1 billion deficit to a €1.7 billion surplus. The goods balance and the income balance remained broadly unchanged (see Table 13).

For the whole of 2002, the current account balance shifted to a surplus of €62.0 billion from a deficit of €13.8 billion the year before (see Chart 43). This shift, which amounts to approximately 1% of euro area GDP, mostly originated from a substantial €56.9 billion increase in the goods surplus, as a result of a 3.4% decline in goods imports combined with a 2.4% increase in exports. Regarding other items, the services surplus increased by €12.4 billion while the deficits for current transfers and for income declined by €6.0 billion and €0.5 billion respectively. Both the credit and debit flows in the income

Chart 43

The euro area current account balance, the goods balance and exports and imports of goods

(EUR billions; seasonally adjusted)



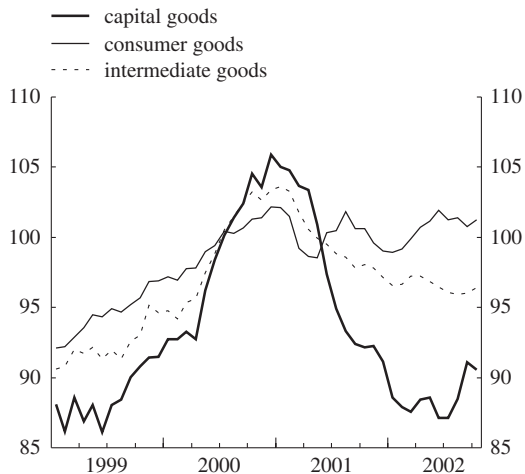
Source: ECB.

Note: Data refer to the Euro 12. Balances are cumulated over 12 months; exports and imports of goods are monthly values.

Chart 44

Extra-euro area import volumes for selected commodities¹⁾

(2000 = 100; seasonally adjusted; three-month moving averages)



Sources: Eurostat and ECB calculations.

1) Latest observations are for October 2002.

account declined quite strongly in 2002 (by 16.4% and 14.5% respectively) reflecting lower global interest rates and weaker equity markets.

Using data for trade volumes and prices available prior to October 2002, the decrease

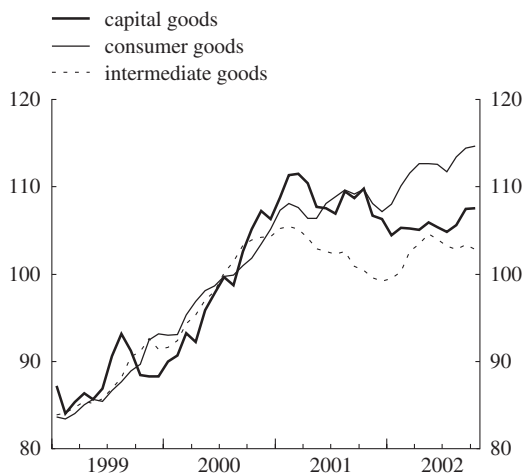
in the cumulated value of goods imports seems to be related to a combination of lower euro area import prices (in the light of the euro's appreciation) and lower extra-euro area import volumes since the start of 2002. The weak growth in import volumes partly reflects sluggish euro area demand in 2002. The latter is associated with a decrease in domestic expenditure, particularly on some import-intensive categories such as investment, a development which is consistent with the sharp fall observed in import volumes of capital goods (see Chart 44).

With regard to the composition of euro area exports of goods, export volumes of intermediate and consumer goods grew significantly in 2002, whereas exports of capital goods remained fairly flat (see Chart 45). With regard to the destination of euro area exports, it seems that most of the recovery in extra-euro area export volumes in 2002 can be attributed to rising export volumes to Asia, while exports to the United States and the United Kingdom have weakened since the middle of last year (see Chart 46).

Chart 45

Extra-euro area export volumes for selected commodities¹⁾

(2000 = 100; seasonally adjusted; three-month moving averages)



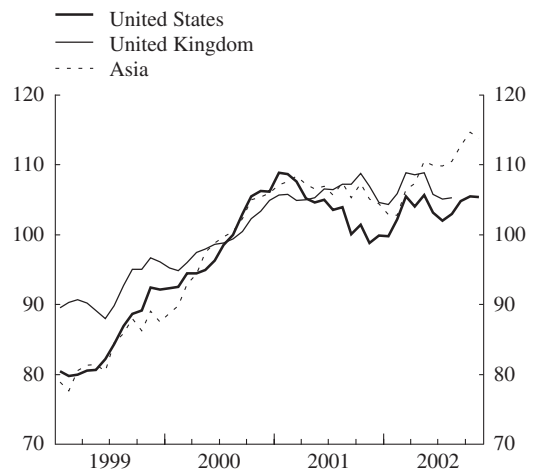
Sources: Eurostat and ECB calculations.

1) Latest observations are for October 2002.

Chart 46

Extra-euro area export volumes to selected trading partners¹⁾

(2000 = 100; seasonally adjusted; three-month moving average)



Sources: Eurostat and ECB calculations.

1) Latest observations are for November 2002.

Net direct and portfolio investment roughly balanced in December 2002

Combined net direct and portfolio investment accounts were roughly balanced in December 2002, registering net outflows of €4.3 billion. This development reflects net outflows in portfolio investment of €13.9 billion, whereas

the euro area direct investment account recorded net inflows of €9.6 billion (see Table 13).

The developments in direct investment in December were accounted for by net inflows in the category of other capital (mostly inter-company loans), which registered net

Table 13
Balance of payments of the euro area

(EUR billions; not seasonally adjusted)

	2001 Jan. - Dec.	2001 Dec.	2002 Jan. - Dec.	2002 Oct.	2002 Nov.	2002 Dec.
Current account balance	-13.8	2.3	62.0	3.7	10.3	8.1
Credits	1712.2	145.4	1704.5	150.2	141.6	143.8
Debits	1726.0	143.1	1642.5	146.5	131.3	135.7
Goods balance	75.8	10.4	132.7	11.7	13.6	10.5
Exports	1033.0	81.0	1057.4	97.6	90.6	85.4
Imports	957.1	70.5	924.8	85.9	77.0	74.8
Services balance	0.9	-0.1	13.3	1.4	0.7	1.7
Exports	321.6	28.8	326.3	28.7	25.0	28.2
Imports	320.6	28.9	313.0	27.3	24.3	26.5
Income balance	-39.7	-1.9	-39.2	-3.1	-0.1	-1.8
Current transfers balance	-50.8	-6.1	-44.8	-6.3	-3.9	-2.3
Capital account balance	8.9	0.7	11.9	1.5	0.4	1.1
Financial account balance	-40.5	-3.2	-171.3	-21.5	-28.6	-10.1
Direct investment	-101.5	0.8	-21.0	-5.0	3.9	9.6
Abroad	-255.8	-17.8	-151.0	-11.4	-10.5	0.4
Equity capital and reinvested earnings	-164.1	-10.8	-129.6	-6.4	-5.9	-14.2
Other capital, mostly inter-company loans	-91.7	-6.9	-21.4	-5.0	-4.6	14.6
In the euro area	154.3	18.6	129.9	6.4	14.4	9.3
Equity capital and reinvested earnings	103.2	12.0	82.6	5.4	7.2	10.4
Other capital, mostly inter-company loans	51.2	6.6	47.3	1.0	7.1	-1.2
Portfolio investment	38.1	-16.0	50.4	19.4	9.7	-13.9
Equities	122.6	6.0	39.1	-3.5	16.1	-4.5
Assets	-108.6	-6.6	-37.1	0.6	1.6	-5.1
Liabilities	231.1	12.6	76.2	-4.2	14.5	0.5
Debt instruments	-84.4	-22.0	11.3	23.0	-6.4	-9.4
Assets	-179.4	-6.8	-139.0	-3.0	-13.3	-13.4
Liabilities	95.0	-15.1	150.3	26.0	6.8	4.0
Memo item:						
Combined net direct and portfolio investment	-63.4	-15.1	29.4	14.4	13.6	-4.3
Financial derivatives	-3.7	-1.1	-13.8	-0.0	-1.1	-1.2
Other investment	8.8	7.2	-184.4	-38.0	-38.5	-3.3
Reserve assets	17.8	5.9	-2.5	2.1	-2.6	-1.2
Errors and omissions	45.4	0.2	97.5	16.3	17.9	0.8

Source: ECB.

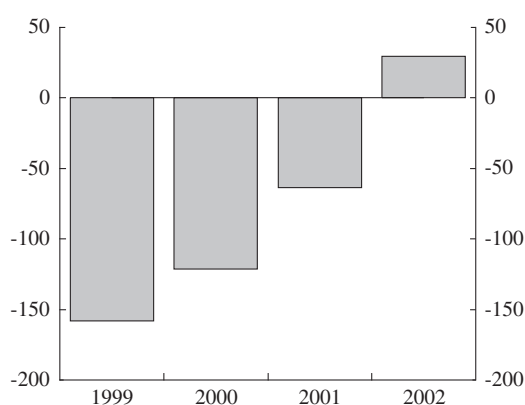
Notes: Figures may not add up due to rounding. For the financial account, a positive sign indicates an inflow, a negative sign an outflow; for reserve assets, a negative sign indicates an increase, a positive sign a decrease. A detailed set of tables on Euro 12 balance of payments data can be found on the ECB's website.

inflows of €13.4 billion. By contrast, equity direct investment recorded net outflows of €3.8 billion.

The net outflows in portfolio investment in December reflected net outflows in both equity portfolio investment (€4.5 billion) and debt instruments (€9.4 billion). In the case of the latter, the net outflows were due to almost equal amounts of outflows in bonds and notes and in money market instruments.

For 2002 as a whole, and for the first time since the collection of euro area b.o.p. data started, the euro area recorded net inflows in combined net direct investment and portfolio investment amounting to €29.4 billion (see Chart 47). The shift from net outflows in 2001 to net inflows in 2002 mainly reflected the sharp reduction in net outflows in direct investment from the euro area (from €101.5 billion in 2001 to €21.0 billion in 2002) and, to a lesser extent, the moderate increase in net inflows in portfolio investment

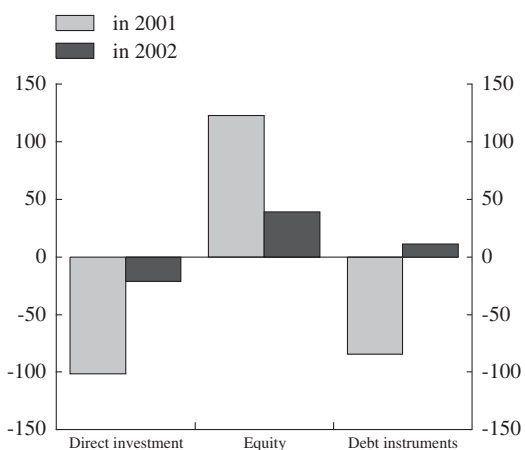
Chart 47
Euro area combined net direct and portfolio investment flows
(EUR billions)



Source: ECB.
Note: A positive (negative) value indicates a net inflow (outflow).

Chart 48
Composition of euro area net financial flows

(EUR billions)



Source: ECB.
Note: A positive (negative) value indicates a net inflow (outflow).

(from €38.1 billion in 2001 to €50.4 billion in 2002).

Another important development in 2002 was the shift in the composition of euro area portfolio investment flows. The net inflows in equity portfolio investment of €39.1 billion in 2002 were substantially lower than the net inflows of €122.6 billion in this category in 2001. By contrast, net outflows in euro area debt instruments of €84.4 billion in 2001 turned into net inflows of €11.3 billion in 2002 (see Charts 47 and 48).

The global economic slowdown and the high degree of uncertainty are likely to have been the prime factors behind the reduction and change in composition of international financial flows in 2002. In particular, the poor performance of equity markets and the reduction in interest rates may have been instrumental in the shift from equity flows to investment in debt instruments in 2002.



Euro area statistics



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¹ See the ECB's website (www.ecb.int) for longer runs and more detailed data.

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Enlargement of the euro area on 1 January 2001 to include Greece

In the “Euro area statistics” section of the Monthly Bulletin, reference statistical series relating to the euro area cover the Member States comprising the euro area at the time to which the statistics relate. Thus euro area data up to end-2000 cover the Euro 11; from the beginning of 2001 they cover the Euro 12. Exceptions to this rule are indicated where appropriate.

In the tables, the break is shown by means of a line denoting the enlargement of the euro area. In the charts, the break is indicated by a dotted line. Absolute and percentage changes for 2001 calculated from a base in 2000 use, as far as possible, a series which takes into account the impact of the entry of Greece.

Data for the euro area plus Greece up to end-2000 are available in a downloadable format (CSV files) on the ECB’s website (www.ecb.int).

Conventions used in the tables

“-”	data do not exist/data not applicable
“.”	data are not yet available
“...”	nil or negligible
“billion”	10 ⁹
(p)	provisional
s.a.	seasonally adjusted

Euro area overview table

Summary table of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates

	M1 ¹⁾	M2 ¹⁾	M3 ¹⁾²⁾		MFI loans to euro area residents excluding MFIs and general government ¹⁾	Securities issued by non-financial and non-monetary financial corporations ¹⁾	3-month interest rate (EURIBOR, % per annum, period averages) ⁷⁾	10-year government bond yield (% per annum, period averages) ⁸⁾
	1	2	3	3-month moving average (centred) ⁴⁾				
2001	3.6	4.2	5.5	-	7.8	27.5	4.26	5.03
2002	7.3	6.5	7.4	-	5.3	21.9	3.32	4.92
2002 Q1	6.2	6.5	7.8	-	5.7	29.2	3.36	5.13
Q2	6.6	6.5	7.5	-	5.6	24.2	3.45	5.26
Q3	7.6	6.5	7.2	-	5.3	18.1	3.36	4.77
Q4	8.8	6.7	7.0	-	4.8	16.0	3.11	4.54
2002 Sep.	8.2	6.6	7.2	7.1	5.1	17.7	3.31	4.52
Oct.	8.3	6.8	6.9	7.0	5.0	16.6	3.26	4.62
Nov.	9.2	6.9	7.0	6.9	4.4	15.3	3.12	4.59
Dec.	9.8	6.5	6.8	7.1	4.7	14.2	2.94	4.41
2003 Jan.	9.8	6.7	7.4	.	5.0	.	2.83	4.27
Feb.	.	.	.	.	.	.	2.69	4.06

2. Price and real economy developments

	HICP	Industrial producer prices	Hourly labour costs (whole economy)	Real GDP	Industrial production (excluding construction)	Capacity utilisation in manufacturing (percentages)	Employment (whole economy)	Unemployment (% of labour force)
	9	10	11	12	13	14	15	16
2001	2.4	2.2	3.4	1.4	0.4	83.1	1.4	8.0
2002	2.2	-0.1	.	0.8	-0.8	81.2	.	8.3
2002 Q1	2.5	-0.8	3.9	0.3	-2.8	81.1	0.7	8.1
Q2	2.1	-0.8	3.5	0.6	-0.6	81.1	0.5	8.2
Q3	2.1	-0.1	3.6	0.9	-0.5	81.3	0.3	8.3
Q4	2.3	1.2	.	1.3	0.9	81.3	.	8.5
2002 Sep.	2.1	0.1	-	-	-0.4	-	-	8.4
Oct.	2.2	0.9	-	-	0.7	81.5	-	8.4
Nov.	2.3	1.1	-	-	2.8	-	-	8.5
Dec.	2.3	1.5	-	-	-1.0	-	-	8.5
2003 Jan.	2.2	2.0	-	-	.	81.1	-	8.6
Feb.	2.3	.	-	-	.	-	-	.

3. Balance of payments, reserve assets and exchange rates

(EUR billions, unless otherwise indicated)

	Balance of payments (net flows)				Reserve assets (end-of-period positions)	Effective exchange rate of the euro: broad group (1999 Q1 = 100)		USD/EUR exchange rate
	Current and capital accounts	Goods	Direct investment	Portfolio investment		Nominal	Real (CPI)	
2001	-4.9	75.8	-101.5	38.1	392.7	91.0	87.8	0.896
2002	73.8	132.7	-21.0	50.4	366.1	95.6	91.7	0.946
2002 Q1	14.9	26.3	-15.0	-51.8	408.9	91.3	87.8	0.877
Q2	6.3	30.7	-7.9	57.4	367.0	93.9	90.2	0.919
Q3	27.5	39.8	-6.7	29.7	380.9	97.9	93.8	0.984
Q4	25.1	35.8	8.5	15.2	366.1	99.4	95.0	0.999
2002 Sep.	9.8	11.6	-3.2	16.8	380.9	98.0	93.7	0.981
Oct.	5.2	11.7	-5.0	19.4	375.5	98.5	94.3	0.981
Nov.	10.7	13.6	3.9	9.7	372.6	99.3	94.7	1.001
Dec.	9.2	10.5	9.6	-13.9	366.1	100.4	95.9	1.018
2003 Jan.	.	.	.	.	363.4	103.0	98.2	1.062
Feb.	.	.	.	.	.	104.4	99.4	1.077

Sources: ECB, European Commission (Eurostat and Economic and Financial Affairs DG) and Reuters.

For more information on the data, see the relevant tables in the "Euro area statistics" section.

1) Monthly growth rates refer to the end of the period, whereas quarterly and annual growth rates are calculated as period averages. Growth rates for M1, M2, M3 and loans are calculated on the basis of seasonally adjusted monthly stocks and flows.

2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units and debt securities up to 2 years.

I Monetary policy statistics

Table 1.1

Consolidated financial statement of the Eurosystem

(EUR millions)

1. Assets

		Gold and gold receivables	Claims on non-euro area residents in foreign currency	Claims on euro area residents in foreign currency	Claims on non-euro area residents in euro	Lending to euro area credit institutions in euro	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations
		1	2	3	4	5	6	7	8
2002	4 Oct.	131,211	248,348	18,472	4,475	190,377	145,000	44,998	0
	11	131,211	247,235	19,355	4,247	191,031	146,000	44,998	0
	18	131,211	246,437	19,628	4,239	187,124	141,999	44,998	0
	25	131,189	246,588	20,960	4,618	209,137	164,000	44,998	0
	1 Nov.	131,157	244,894	21,007	4,315	190,072	144,999	44,999	0
	8	131,157	246,441	19,802	3,844	189,009	143,999	44,999	0
	15	131,137	246,907	20,443	3,887	183,092	138,000	44,999	0
	22	131,137	246,911	21,014	3,789	196,263	150,000	44,999	0
	29	131,106	245,572	20,036	3,518	206,092	160,999	45,000	0
	6 Dec.	131,065	248,397	20,125	3,668	219,704	173,791	45,000	0
	13	131,034	250,736	20,192	3,700	221,816	176,792	45,000	0
	20	130,961	248,555	20,196	3,720	223,805	168,501	45,000	9,999
27	130,858	248,634	19,881	4,020	236,589	191,501	45,000	0	
2003	3 Jan.	130,739	236,765	19,948	4,030	225,117	180,000	45,000	0
	10	130,702	237,058	16,585	4,085	219,066	174,001	45,000	0
	17	130,686	235,409	15,565	4,369	208,613	160,999	45,000	0
	24	130,664	231,755	16,584	4,378	215,343	169,999	45,000	0
	31	130,641	233,338	18,335	4,924	219,190	174,001	45,000	0
	7 Feb.	130,641	231,438	17,498	5,305	214,019	169,000	45,000	0
	14	130,640	229,822	17,331	5,690	206,155	161,000	45,000	0
	21	130,314	228,010	17,686	6,230	216,190	170,001	45,000	0
	28	130,314	228,349	17,331	5,926	223,186	178,001	45,000	0

2. Liabilities

		Banknotes in circulation	Liabilities to euro area credit institutions in euro	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls	Other liabilities to euro area credit institutions in euro	Debt certificates issued
		1	2	3	4	5	6	7	8	9
2002	4 Oct.	331,672	127,336	127,250	85	0	0	1	235	2,939
	11	331,640	132,319	132,288	31	0	0	0	374	2,939
	18	330,793	128,882	128,833	38	0	0	11	173	2,939
	25	329,550	136,845	136,823	11	0	0	11	131	2,939
	1 Nov.	334,839	122,651	122,615	35	0	0	1	132	2,939
	8	336,722	130,667	130,616	51	0	0	0	266	2,029
	15	335,687	129,674	129,603	71	0	0	0	183	2,029
	22	334,601	126,769	126,280	489	0	0	0	210	2,029
	29	340,039	121,903	121,860	43	0	0	0	192	2,029
	6 Dec.	351,340	127,068	127,002	66	0	0	0	262	2,029
	13	355,673	130,036	129,942	94	0	0	0	15	2,029
	20	367,890	127,909	126,745	1,164	0	0	0	15	2,029
27	374,600	129,305	129,146	159	0	0	0	15	2,029	
2003	3 Jan.	354,528	130,012	129,938	74	0	0	0	15	2,029
	10	346,293	133,539	133,441	89	0	0	9	15	2,029
	17	341,636	132,870	132,748	118	0	0	4	15	2,029
	24	338,201	127,180	127,168	9	0	0	3	15	2,029
	31	339,517	126,760	126,631	128	0	0	1	62	2,029
	7 Feb.	342,781	133,194	133,161	33	0	0	0	62	2,029
	14	342,890	128,006	127,947	59	0	0	0	61	2,029
	21	341,561	131,392	128,951	2,441	0	0	0	61	2,029
	28	345,414	125,405	125,346	59	0	0	0	62	2,029

Source: ECB.

Structural reverse operations	Marginal lending facility	Credits related to margin calls	Other claims on euro area credit institutions in euro	Securities of euro area residents in euro	General government debt in euro	Other assets	Total		
							9	10		11	12	13	14	15	16
0	355	24	616	32,125	67,209	85,503	778,337	2002	4 Oct.
0	6	27	619	32,253	67,209	85,545	778,706		11
0	10	117	441	32,256	67,209	85,768	774,314		18
0	27	112	155	32,142	67,209	86,029	798,028		25
0	60	14	361	32,264	67,209	88,379	779,659		1 Nov.
0	3	8	360	32,554	67,201	87,126	777,495		8
0	66	27	364	32,675	67,222	87,604	773,332		15
0	1,229	35	154	33,099	67,223	89,076	788,667		22
0	65	28	258	33,242	67,225	89,414	796,464		29
0	892	21	211	33,231	67,224	89,080	812,706		6 Dec.
0	15	9	197	33,205	67,106	90,733	818,720		13
0	275	30	163	33,253	67,106	92,688	820,448		20
0	40	48	109	33,098	66,306	93,062	832,558		27
0	45	72	120	27,824	44,486	105,962	794,992	2003	3 Jan.
0	10	55	103	27,919	44,475	106,625	786,619		10
0	2,575	39	174	28,016	44,485	105,949	773,267		17
0	299	45	238	28,522	44,485	106,893	778,863		24
0	170	19	296	29,054	44,485	106,466	786,730		31
0	3	16	330	30,675	44,436	107,701	782,044		7 Feb.
0	110	45	326	31,685	44,355	109,365	775,370		14
0	1,145	44	250	32,602	44,355	109,171	784,809		21
0	148	37	552	33,484	44,355	107,151	790,649		28

Liabilities to other euro area residents in euro	Liabilities to non-euro area residents in euro	Liabilities to euro area residents in foreign currency	Liabilities to non-euro area residents in foreign currency	Counterpart of special drawing rights allocated by the IMF	Other liabilities	Revaluation accounts	Capital and reserves	Total		
								10	11		12	13	14	15	16	17	18
47,782	9,245	1,303	18,145	6,567	62,516	106,307	64,290	778,337	2002	4 Oct.
43,890	8,468	1,300	17,970	6,567	62,640	106,307	64,292	778,706		11
43,801	8,328	1,449	17,324	6,567	63,456	106,307	64,295	774,314		18
59,081	8,368	1,605	18,752	6,567	63,585	106,307	64,298	798,028		25
50,648	8,359	1,352	17,305	6,567	64,336	106,307	64,224	779,659		1 Nov.
41,235	8,454	1,355	17,013	6,567	62,653	106,307	64,227	777,495		8
36,809	8,400	1,629	17,097	6,567	64,722	106,307	64,228	773,332		15
55,095	8,252	1,683	19,268	6,567	63,446	106,307	64,440	788,667		22
64,849	8,634	1,338	17,292	6,567	62,870	106,307	64,444	796,464		29
62,194	8,489	1,341	20,045	6,567	62,616	106,307	64,448	812,706		6 Dec.
58,514	8,428	1,296	22,432	6,567	62,972	106,307	64,451	818,720		13
49,967	9,541	1,382	20,693	6,567	63,728	106,307	64,420	820,448		20
55,085	8,810	1,232	20,067	6,567	64,121	106,307	64,420	832,558		27
47,408	11,555	1,126	20,996	6,339	73,817	82,844	64,323	794,992	2003	3 Jan.
48,541	8,278	1,147	19,714	6,339	73,640	82,844	64,240	786,619		10
42,522	8,346	1,136	17,259	6,339	74,025	82,844	64,246	773,267		17
58,993	8,872	1,125	14,978	6,339	74,217	82,844	64,070	778,863		24
65,146	9,426	1,054	15,759	6,339	73,719	82,848	64,071	786,730		31
52,197	8,473	1,017	15,776	6,339	73,256	82,848	64,072	782,044		7 Feb.
51,338	8,543	1,017	15,195	6,339	72,734	82,848	64,370	775,370		14
58,968	8,421	1,025	14,113	6,339	74,543	82,840	63,517	784,809		21
70,147	8,704	1,024	14,054	6,339	70,187	82,840	64,444	790,649		28

Table 1.2**Key ECB interest rates***(levels in percentages per annum; changes in percentage points)*

With effect from ¹⁾	Deposit facility		Main refinancing operations			Marginal lending facility	
			Fixed rate tenders	Variable rate tenders			
			Fixed rate	Minimum bid rate			
	Level 1	Change 2	Level 3	Level 4	Change 5	Level 6	Change 7
1999 1 Jan.	2.00	-	3.00	-	-	4.50	-
4 ²⁾	2.75	0.75	3.00	-	...	3.25	-1.25
22	2.00	-0.75	3.00	-	...	4.50	1.25
9 Apr.	1.50	-0.50	2.50	-	-0.50	3.50	-1.00
5 Nov.	2.00	0.50	3.00	-	0.50	4.00	0.50
2000 4 Feb.	2.25	0.25	3.25	-	0.25	4.25	0.25
17 Mar.	2.50	0.25	3.50	-	0.25	4.50	0.25
28 Apr.	2.75	0.25	3.75	-	0.25	4.75	0.25
9 June	3.25	0.50	4.25	-	0.50	5.25	0.50
28 ³⁾	3.25	...	-	4.25	...	5.25	...
1 Sep.	3.50	0.25	-	4.50	0.25	5.50	0.25
6 Oct.	3.75	0.25	-	4.75	0.25	5.75	0.25
2001 11 May	3.50	-0.25	-	4.50	-0.25	5.50	-0.25
31 Aug.	3.25	-0.25	-	4.25	-0.25	5.25	-0.25
18 Sep.	2.75	-0.50	-	3.75	-0.50	4.75	-0.50
9 Nov.	2.25	-0.50	-	3.25	-0.50	4.25	-0.50
2002 6 Dec.	1.75	-0.50	-	2.75	-0.50	3.75	-0.50
2003 7 Mar.	1.50	-0.25	-	2.50	-0.25	3.50	-0.25

Source: ECB.

- 1) The date refers to the deposit and marginal lending facilities. For main refinancing operations, unless otherwise indicated, changes in the rate are effective from the first operation following the date indicated. The change on 18 September 2001 was effective on that same day.
- 2) On 22 December 1998 the ECB announced that, as an exceptional measure between 4 and 21 January 1999, a narrow corridor of 50 basis points would be applied between the interest rates for the marginal lending facility and the deposit facility, aimed at facilitating the transition to the new regime by market participants.
- 3) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tenders. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids.

Table 1.3**Eurosystem monetary policy operations allotted through tenders ¹⁾***(EUR millions; interest rates in percentages per annum)***1. Main refinancing operations ²⁾**

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
			Fixed rate	Minimum bid rate	Marginal rate ³⁾	Weighted average rate	
	1	2	3	4	5	6	7
2002 4 Sep.	124,579	76,000	-	3.25	3.28	3.29	14
11	105,528	60,000	-	3.25	3.27	3.28	14
18	116,252	84,000	-	3.25	3.28	3.29	14
25	105,130	65,000	-	3.25	3.28	3.29	14
2 Oct.	125,630	80,000	-	3.25	3.28	3.29	14
9	111,824	66,000	-	3.25	3.27	3.28	14
16	106,563	76,000	-	3.25	3.28	3.29	14
23	115,642	88,000	-	3.25	3.29	3.30	14
30	101,910	57,000	-	3.25	3.29	3.29	14
6 Nov.	104,397	87,000	-	3.25	3.25	3.26	14
13	85,033	51,000	-	3.25	3.28	3.28	14
20	120,351	99,000	-	3.25	3.27	3.29	14
27	108,905	62,000	-	3.25	3.29	3.31	14
4 Dec.	111,791	111,791	-	3.25	3.25	3.25	14
11	100,511	65,000	-	2.75	2.82	2.83	13
18	103,502	103,502	-	2.75	2.75	2.87	13
24	146,157	88,000	-	2.75	3.02	3.08	15
31	117,377	92,000	-	2.75	2.85	2.95	15
2003 8 Jan.	133,781	82,000	-	2.75	2.83	2.84	14
15	120,349	79,000	-	2.75	2.80	2.81	14
22	123,705	91,000	-	2.75	2.80	2.81	14
29	114,931	83,000	-	2.75	2.79	2.81	14
5 Feb.	115,836	86,000	-	2.75	2.78	2.79	14
12	100,544	75,000	-	2.75	2.76	2.78	14
19	125,104	95,000	-	2.75	2.77	2.78	13
26	110,698	83,000	-	2.75	2.75	2.76	14
4 Mar.	54,090	54,090	-	2.75	2.75	2.75	15

2. Longer-term refinancing operations

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders		Running for (...) days
			Fixed rate	Marginal rate ³⁾	Weighted average rate	
	1	2	3	4	5	6
2001 29 Mar.	38,169	19,101	-	4.47	4.50	91
25 Apr.	43,416	20,000	-	4.67	4.70	92
31 May	46,448	20,000	-	4.49	4.51	91
28 June	44,243	20,000	-	4.36	4.39	91
26 July	39,369	20,000	-	4.39	4.42	91
30 Aug.	37,855	20,000	-	4.20	4.23	91
27 Sep.	28,269	20,000	-	3.55	3.58	85
25 Oct.	42,308	20,000	-	3.50	3.52	98
29 Nov.	49,135	20,000	-	3.32	3.34	91
21 Dec.	38,178	20,000	-	3.29	3.31	97
2002 31 Jan.	44,547	20,000	-	3.31	3.33	84
28 Feb.	47,001	20,000	-	3.32	3.33	91
28 Mar.	39,976	20,000	-	3.40	3.42	91
25 Apr.	40,580	20,000	-	3.35	3.36	91
30 May	37,602	20,000	-	3.45	3.47	91
27 June	27,670	20,000	-	3.38	3.41	91
25 July	28,791	15,000	-	3.35	3.37	98
29 Aug.	33,527	15,000	-	3.33	3.34	91
26 Sep.	25,728	15,000	-	3.23	3.26	88
31 Oct.	27,820	15,000	-	3.22	3.24	91
28 Nov.	38,644	15,000	-	3.02	3.04	91
23 Dec.	42,305	15,000	-	2.93	2.95	94
2003 30 Jan.	31,716	15,000	-	2.78	2.80	90
27 Feb.	24,863	15,000	-	2.48	2.51	91

3. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
				Fixed rate	Minimum bid rate	Marginal rate ³⁾	Weighted average rate	
	1	2	3	4	5	6	7	8
2000 5 Jan. ⁴⁾	Collection of fixed-term deposits	14,420	14,420	-	-	3.00	3.00	7
21 June	Reverse transaction	18,845	7,000	-	-	4.26	4.28	1
<i>Euro area enlargement</i>								
2001 30 Apr.	Reverse transaction	105,377	73,000	-	4.75	4.77	4.79	7
12 Sep.	Reverse transaction	69,281	69,281	4.25	-	-	-	1
13	Reverse transaction	40,495	40,495	4.25	-	-	-	1
28 Nov.	Reverse transaction	73,096	53,000	-	3.25	3.28	3.29	7
2002 4 Jan.	Reverse transaction	57,644	25,000	-	3.25	3.30	3.32	3
10	Reverse transaction	59,377	40,000	-	3.25	3.28	3.30	1
18 Dec.	Reverse transaction	28,480	10,000	-	2.75	2.80	2.82	6

Source: ECB.

1) The amounts shown may differ slightly from those in Table 1.1, columns 6 to 8, due to operations allotted but not settled.

2) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tenders. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids.

3) In liquidity providing (absorbing) operations, the marginal rate refers to the lowest (highest) rate at which bids were accepted.

4) This operation was conducted with a maximum rate of 3.00%.

Table 1.4**Minimum reserve statistics****1. Reserve base of credit institutions subject to reserve requirements ^{1) 2)}***(EUR billions; end of period)*

Reserve base as at:	Total	Liabilities to which a 2% reserve coefficient is applied		Liabilities to which a 0% reserve coefficient is applied		
		Deposits (overnight, up to 2 years' agreed maturity and notice period) ²	Debt securities up to 2 years' agreed maturity ³⁾	Deposits (over 2 years' agreed maturity and notice period)	Repos	Debt securities over 2 years' agreed maturity
	1	2	3	4	5	6
2002 Jan.	10,952.8	6,195.2	397.0	1,350.7	610.8	2,399.0
Feb.	10,964.1	6,164.7	392.8	1,337.1	653.2	2,416.3
Mar.	11,031.8	6,178.0	400.6	1,349.9	663.1	2,440.1
Apr.	11,076.4	6,176.1	404.9	1,355.1	699.1	2,441.2
May	11,111.6	6,150.4	410.5	1,355.8	741.7	2,453.2
June	11,009.1	6,083.3	407.5	1,355.3	699.2	2,463.9
July	10,999.6	6,069.3	408.6	1,368.0	691.0	2,462.7
Aug.	10,952.0	6,010.3	401.5	1,359.7	703.2	2,477.2
Sep.	11,054.3	6,055.4	405.0	1,373.5	747.6	2,472.7
Oct.	11,113.6	6,052.0	414.2	1,379.1	790.5	2,477.8
Nov.	11,207.0	6,142.9	426.9	1,365.2	784.2	2,487.7
Dec.	11,116.8	6,139.9	409.2	1,381.9	725.5	2,460.3
2003 Jan. ^(p)	11,048.5	6,034.2	419.8	1,381.5	770.2	2,442.8

Source: ECB.

- 1) Liabilities vis-à-vis other credit institutions subject to the ESCB's minimum reserve system, the ECB and participating national central banks, are excluded from the reserve base. If a credit institution cannot provide evidence of the amount of its issues of debt securities with a maturity of up to two years held by the institutions mentioned above, it may deduct a certain percentage of these liabilities from its reserve base. This percentage was 10% for calculating the reserve base until November 1999, and 30% thereafter.
- 2) Maintenance periods start on the 24th of the month and run to the 23rd of the following month; the required reserve is calculated from the reserve base as at the end of the preceding month.
- 3) Includes money market paper. For further details, see the general notes.

2. Reserve maintenance ¹⁾*(EUR billions; interest rates as annual percentages)*

Maintenance period ending in:	Required reserves ²⁾	Actual reserves ³⁾	Excess reserves ⁴⁾	Deficiencies ⁵⁾	Interest rate on minimum reserves ⁶⁾
	1	2	3	4	5
2002 Mar.	131.3	132.0	0.7	0.0	3.28
Apr.	130.6	131.1	0.5	0.0	3.30
May	131.0	131.5	0.5	0.0	3.30
June	131.0	131.7	0.7	0.0	3.33
July	130.7	131.3	0.6	0.0	3.32
Aug.	129.3	129.7	0.5	0.0	3.29
Sep.	129.0	129.5	0.5	0.0	3.28
Oct.	127.7	128.2	0.5	0.0	3.28
Nov.	128.7	129.2	0.5	0.0	3.28
Dec.	128.8	129.4	0.7	0.0	3.06
2003 Jan.	130.9	131.4	0.6	0.0	2.87
Feb.	130.4	131.0	0.6	0.0	2.78
Mar. ^(p)	128.9	.	.	.	.

Source: ECB.

- 1) This table contains full data for completed maintenance periods and required reserves for the current maintenance period.
- 2) The amount of reserve requirement of each individual credit institution is first calculated by applying the reserve ratio for the corresponding categories of liabilities to the eligible liabilities, using the balance sheet data as at the end of each calendar month; subsequently, each credit institution deducts from this figure a lump-sum allowance of EUR 100,000. The resulting reserve requirements are then aggregated at the euro area level.
- 3) Aggregate average daily holdings of credit institutions required to hold a positive amount of reserves on their reserve accounts over the maintenance period.
- 4) Average actual reserve holdings over the maintenance period in excess of the required reserves, computed on the basis of those credit institutions that have fulfilled the reserve requirement.
- 5) Average shortfalls of actual reserve holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled the reserve requirement.
- 6) This rate equals the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's main refinancing operations (see Table 1.3).

Table 1.5**Banking system's liquidity position ¹⁾***(EUR billions; period averages of daily positions)*

Maintenance period ending in:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts ⁴⁾	Base money ⁵⁾
	Monetary policy operations of the Eurosystem					Deposit facility	Other liquidity-absorbing operations ²⁾	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net) ³⁾		
	Eurosystem's net assets in gold and foreign currency ¹⁾	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations ²⁾							
1	2	3	4	5	6	7	8	9	10	11	12	
2002 Jan.	385.2	118.5	60.0	0.4	3.7	0.6	0.0	344.3	38.3	54.2	130.4	475.2
Feb.	386.0	127.3	60.0	0.2	0.0	0.1	0.0	306.2	49.6	85.2	132.6	438.8
Mar.	386.7	114.6	60.0	0.2	0.0	0.1	0.0	283.3	54.2	91.8	132.1	415.6
Apr.	395.4	112.7	60.0	0.4	0.0	0.2	0.0	285.9	55.9	95.3	131.2	417.3
May	397.7	110.6	60.0	0.1	0.0	0.3	0.0	293.7	49.2	93.5	131.7	425.6
June	396.2	112.6	60.0	0.5	0.0	0.4	0.0	300.8	45.1	91.2	131.8	433.0
July	369.1	130.4	60.0	0.2	0.0	0.2	0.0	313.4	54.4	60.3	131.4	445.0
Aug.	360.0	139.2	55.2	0.1	0.0	0.1	0.0	322.8	50.9	50.8	129.9	452.8
Sep.	362.3	140.9	50.8	0.1	0.0	0.2	0.0	323.6	49.1	51.7	129.6	453.4
Oct.	370.0	146.1	45.3	0.1	0.0	0.1	0.0	329.2	45.6	58.2	128.3	457.6
Nov.	372.1	147.5	45.0	0.1	0.0	0.1	0.0	334.0	42.8	58.6	129.3	463.4
Dec.	371.5	168.1	45.0	1.1	2.0	0.2	0.0	350.7	51.7	55.5	129.5	480.5
2003 Jan.	360.9	176.3	45.0	0.5	0.0	0.3	0.0	353.9	43.7	53.3	131.6	485.8
Feb. ⁶⁾	356.4	168.6	45.0	0.3	0.0	0.3	0.0	340.7	50.2	48.0	131.1	472.2

Source: ECB.

1) The banking system's liquidity position is defined as the current account holdings in euro of credit institutions in the euro area with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem.

2) Excludes the issuance of debt certificates initiated by national central banks in Stage Two.

3) Remaining items in the consolidated financial statement of the Eurosystem.

4) Equal to the difference between the sum of liquidity-providing factors (items 1 to 5) and the sum of liquidity-absorbing factors (items 6 to 10).

5) Calculated as the sum of the deposit facility (item 6), banknotes in circulation (item 8) and credit institutions' current account holdings (item 11).

2 Monetary developments and investment funds in the euro area

Table 2.1

Aggregated balance sheet of the Eurosystem

(EUR billions (not seasonally adjusted; end of period))

1. Assets

	Loans to euro area residents				Holdings of securities other than shares issued by euro area residents ²⁾				Holdings of shares/other equity issued by euro area residents			External assets ¹⁾	Fixed assets	Re-maining assets	Total	
	1	MFIs ¹⁾	General government	Other euro area residents	5	MFIs	General government	Other euro area residents	9	MFIs	Other euro area residents					11	12	13	14	15
2000	445.0	427.4	17.1	0.5	97.4	2.5	93.6	1.3	15.3	4.3	11.0	380.7	11.2	56.1	1,005.7	
<i>Euro area enlargement</i>																
2001 Q1	401.7	373.9	27.2	0.6	105.0	2.7	101.2	1.1	14.7	4.6	10.1	396.7	11.3	54.3	983.8	
Q2	426.0	398.2	27.2	0.6	105.8	3.1	101.5	1.2	14.2	4.6	9.6	414.7	11.9	54.5	1,027.2	
Q3	388.2	360.4	27.2	0.6	106.6	3.7	101.9	1.1	13.1	4.8	8.3	397.1	11.9	54.8	971.7	
Q4	412.7	386.4	25.7	0.6	107.0	3.8	101.8	1.3	13.8	4.6	9.2	399.0	11.9	54.3	998.6	
2002 Jan.	400.1	373.7	25.7	0.6	104.1	3.8	99.0	1.3	13.8	4.7	9.1	409.0	12.0	98.1	1,037.1	
Feb.	373.4	347.1	25.7	0.6	105.9	4.1	100.6	1.2	13.7	4.7	9.0	413.5	12.0	98.8	1,017.2	
Mar.	381.3	354.9	25.8	0.6	106.5	4.1	101.0	1.4	13.8	4.7	9.1	414.4	11.9	101.5	1,029.4	
Apr.	344.2	317.8	25.8	0.6	107.5	5.0	101.4	1.1	13.5	4.7	8.8	401.2	12.0	103.3	981.7	
May	356.1	329.7	25.7	0.6	107.0	4.9	101.0	1.0	13.3	4.7	8.6	394.4	12.0	105.5	988.3	
June	387.7	361.3	25.7	0.6	107.9	4.9	101.6	1.4	12.9	4.7	8.2	372.7	12.0	108.9	1,001.9	
July	364.0	337.7	25.7	0.6	108.8	5.3	101.9	1.7	12.7	4.7	7.9	377.9	12.1	110.5	986.0	
Aug.	363.4	337.5	25.3	0.6	110.8	5.4	103.3	2.1	12.8	4.8	8.0	377.9	12.1	110.9	987.9	
Sep.	365.6	339.6	25.3	0.6	112.5	5.8	104.6	2.2	12.3	4.8	7.5	386.0	12.1	112.5	1,001.0	
Oct.	370.8	344.8	25.3	0.6	113.4	6.4	106.1	0.9	13.0	4.9	8.1	379.9	12.1	115.1	1,004.5	
Nov.	377.3	351.3	25.3	0.6	115.0	7.0	107.1	0.9	13.6	5.0	8.6	378.8	9.8	119.2	1,013.8	
Dec.	416.1	391.3	24.2	0.6	94.5	7.6	86.0	0.8	13.3	5.1	8.2	374.6	12.1	125.0	1,035.7	
2003 Jan. ^(a)	412.3	387.5	24.2	0.6	96.8	8.6	87.4	0.8	12.8	4.9	7.9	373.5	12.2	109.7	1,017.8	

2. Liabilities

	Currency in circulation		Deposits of euro area residents		Central government	Other general government/other euro area residents	Debt securities issued ²⁾	Capital and reserves	External liabilities ¹⁾	Remaining liabilities	Total
	1	2	3	4								5	6	7	8	9	10
2000	390.2	327.3	270.4	47.1	9.8	3.8	197.5	29.9	57.0	1,005.7	
<i>Euro area enlargement</i>											
2001 Q1	370.5	312.6	253.4	46.8	12.4	5.5	204.6	26.8	63.8	983.8	
Q2	368.8	342.2	274.1	51.8	16.3	5.6	223.7	32.6	54.2	1,027.2	
Q3	346.1	323.6	269.4	37.6	16.6	5.5	209.2	30.0	57.3	971.7	
Q4	285.9	391.9	342.4	35.1	14.4	4.6	209.8	35.6	70.8	998.6	
2002 Jan.	339.7	344.8	284.7	44.9	15.2	4.6	214.5	37.4	96.0	1,037.1	
Feb.	308.2	349.1	282.3	52.1	14.7	4.6	219.9	33.9	101.5	1,017.2	
Mar.	309.2	355.1	282.4	56.3	16.4	4.6	217.8	36.9	105.9	1,029.4	
Apr.	311.3	323.5	254.8	50.8	17.9	4.6	212.7	32.4	97.2	981.7	
May	319.6	326.6	268.4	40.7	17.4	4.6	207.9	31.6	98.0	988.3	
June	329.4	354.3	285.2	51.5	17.5	4.6	182.3	31.0	100.5	1,001.9	
July	340.1	316.0	247.4	52.9	15.6	4.6	183.7	35.1	106.6	986.0	
Aug.	342.3	318.7	255.8	47.3	15.6	4.6	186.4	31.0	104.9	987.9	
Sep.	347.0	317.6	258.9	41.7	17.0	4.6	190.2	32.5	109.1	1,001.0	
Oct.	355.4	313.5	254.4	40.8	18.3	4.6	187.9	31.3	111.9	1,004.5	
Nov.	360.8	319.3	255.2	46.2	17.9	3.6	185.7	31.5	112.9	1,013.8	
Dec.	392.9	328.4	283.3	29.5	15.6	3.6	156.4	32.9	121.5	1,035.7	
2003 Jan. ^(a)	352.1	348.3	284.1	49.3	15.0	3.6	154.5	30.2	129.1	1,017.8	

Source: ECB.

1) Since the end of November 2000, balances arising from the TARGET system are netted by novation on a daily basis. This implies that the bilateral positions of each NCB vis-à-vis the ECB and other NCBs have been replaced by a single net bilateral position vis-à-vis the ECB. For the TARGET gross end-month positions in 1999 and in 2000 (January to October), see the corresponding footnote in the February 2000 and December 2000 issues of the ECB Monthly Bulletin.

2) Includes money market paper. For further details, see the general notes.

Table 2.3

Consolidated balance sheet of the euro area MFIs, including the Eurosystem

(EUR billions (not seasonally adjusted; end of period))

1. Assets: levels

											Total
	Loans to euro area residents	General government	Other euro area residents	Holdings of securities other than shares issued by euro area residents ²⁾	General government	Other euro area residents	Holdings of shares/other equity issued by other euro area residents	External assets ³⁾	Fixed assets	Remaining assets	
	1	2	3	4	5	6	7	8	9	10	11
2001 July	7,227.2	832.9	6,394.4	1,516.5	1,201.5	315.0	552.3	2,619.1	176.5	1,092.2	13,183.9
Aug.	7,198.4	828.8	6,369.6	1,516.6	1,192.9	323.7	545.1	2,624.7	176.9	1,082.6	13,144.3
Sep.	7,251.7	829.8	6,421.9	1,522.6	1,195.2	327.4	534.7	2,697.8	177.6	1,134.1	13,318.6
Oct.	7,278.8	827.2	6,451.6	1,516.6	1,186.8	329.9	543.7	2,742.5	178.3	1,164.2	13,424.2
Nov.	7,345.2	843.3	6,501.9	1,524.1	1,191.0	333.1	544.6	2,827.6	179.1	1,153.9	13,574.5
Dec.	7,367.0	847.7	6,519.3	1,516.1	1,179.2	336.9	568.1	2,807.8	180.0	1,137.6	13,576.7
2002 Jan.	7,379.2	844.8	6,534.4	1,548.3	1,206.3	341.9	568.1	2,829.6	177.5	1,164.8	13,667.3
Feb.	7,396.2	847.5	6,548.7	1,557.7	1,207.8	349.9	566.7	2,833.2	176.6	1,126.8	13,657.2
Mar.	7,458.8	852.6	6,606.1	1,575.7	1,229.1	346.6	560.5	2,845.2	176.4	1,077.8	13,694.4
Apr.	7,473.6	832.4	6,641.2	1,572.2	1,229.3	342.9	566.8	2,826.5	176.2	1,065.0	13,680.2
May	7,488.9	829.2	6,659.7	1,587.2	1,242.3	345.0	568.9	2,845.8	176.4	1,044.4	13,711.6
June	7,521.2	830.1	6,691.1	1,582.0	1,239.0	343.0	563.9	2,731.2	176.2	1,067.7	13,642.2
July	7,521.1	828.5	6,692.6	1,582.7	1,237.4	345.3	549.1	2,756.7	176.7	1,092.7	13,679.1
Aug.	7,510.4	818.0	6,692.3	1,576.0	1,235.0	341.0	559.1	2,745.3	177.7	1,080.7	13,649.2
Sep.	7,547.5	820.8	6,726.8	1,603.9	1,253.2	350.8	549.1	2,813.5	178.3	1,130.1	13,822.3
Oct.	7,563.1	820.4	6,742.7	1,601.6	1,248.5	353.1	561.5	2,863.5	179.3	1,094.9	13,863.8
Nov.	7,583.7	829.2	6,754.5	1,611.1	1,254.4	356.7	566.8	2,937.0	177.0	1,135.1	14,010.7
Dec.	7,614.2	836.2	6,778.0	1,587.9	1,220.2	367.7	578.6	2,838.2	180.2	1,130.4	13,929.6
2003 Jan. ⁴⁾	7,643.3	827.7	6,815.6	1,654.9	1,275.3	379.6	568.1	2,834.2	176.5	1,127.8	14,004.8

2. Liabilities: levels

													Total	
	Currency in circulation ¹⁾	Deposits of central government	Deposits of other general government/other euro area residents	Over-night	With agreed maturity	Redeemable at notice	Repurchase agreements	Money market fund shares/ ⁵⁾ units	Debt securities issued ²⁾⁵⁾	Capital and reserves	External liabilities ³⁾	Re-maining liabilities		Excess of inter-MFI liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2001 July	328.0	155.5	5,508.1	1,712.7	2,238.4	1,333.6	223.4	366.4	1,737.1	955.2	2,646.2	1,494.8	-7.4	13,183.9
Aug.	319.2	152.4	5,500.1	1,681.2	2,250.8	1,337.3	230.8	377.6	1,731.0	959.9	2,623.1	1,489.4	-8.6	13,144.3
Sep.	309.6	147.8	5,552.2	1,749.9	2,233.9	1,342.6	225.7	381.2	1,753.9	970.4	2,643.4	1,541.4	18.7	13,318.6
Oct.	295.5	153.3	5,574.8	1,750.3	2,237.6	1,351.9	235.1	392.3	1,767.9	981.1	2,665.2	1,588.7	5.5	13,424.2
Nov.	279.7	150.2	5,628.1	1,798.1	2,239.2	1,365.0	225.9	400.8	1,760.3	982.6	2,729.9	1,632.4	10.4	13,574.5
Dec.	239.7	139.0	5,777.6	1,896.2	2,257.9	1,405.0	218.5	398.0	1,760.7	995.2	2,723.1	1,551.8	-8.5	13,576.7
2002 Jan.	246.5	148.9	5,736.9	1,847.8	2,254.1	1,418.8	216.2	416.6	1,775.8	1,007.5	2,759.5	1,573.6	2.0	13,667.3
Feb.	240.3	155.7	5,736.7	1,843.3	2,251.4	1,420.9	221.1	427.0	1,778.1	1,011.5	2,768.0	1,538.8	1.1	13,657.2
Mar.	254.3	157.5	5,758.5	1,839.1	2,266.7	1,423.0	229.6	431.2	1,793.0	1,010.7	2,791.3	1,496.6	1.3	13,694.4
Apr.	261.7	157.5	5,781.8	1,869.7	2,269.3	1,414.7	228.1	437.5	1,785.4	1,004.6	2,774.0	1,486.6	-8.9	13,680.2
May	273.9	149.0	5,799.3	1,869.8	2,279.1	1,415.5	234.8	442.6	1,804.9	1,008.8	2,755.1	1,485.2	-7.3	13,711.6
June	285.8	155.0	5,823.9	1,916.0	2,256.6	1,421.7	229.6	439.2	1,788.3	985.8	2,620.0	1,533.6	10.7	13,642.2
July	296.8	151.9	5,802.6	1,885.4	2,264.1	1,424.3	228.8	450.3	1,796.0	993.4	2,648.2	1,542.7	-2.9	13,679.1
Aug.	301.2	141.0	5,783.6	1,851.6	2,265.7	1,429.8	236.5	463.4	1,814.2	1,004.3	2,616.4	1,525.4	-0.2	13,649.2
Sep.	306.7	146.3	5,822.2	1,908.0	2,243.1	1,432.8	238.3	460.4	1,812.9	1,015.9	2,674.8	1,588.0	-5.0	13,822.3
Oct.	313.9	151.8	5,829.1	1,891.4	2,264.1	1,438.1	235.6	462.7	1,823.0	1,013.9	2,697.9	1,568.2	3.3	13,863.8
Nov.	321.4	147.5	5,881.6	1,943.2	2,260.1	1,448.7	229.6	477.1	1,831.7	1,016.0	2,737.8	1,601.5	-4.0	14,010.7
Dec.	341.2	136.4	5,966.1	2,000.3	2,261.6	1,477.8	226.4	470.1	1,814.5	995.8	2,629.3	1,571.8	4.3	13,929.6
2003 Jan. ⁴⁾	312.0	154.6	5,960.6	1,955.7	2,264.2	1,500.1	240.6	551.8	1,816.4	997.4	2,629.1	1,574.6	8.2	14,004.8

Source: ECB.

1) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

2) Includes money market paper. For further details, see the general notes.

3) See Table 2.1, footnote 1.

4) As of January 2003, the former national denominations of the euro are no longer included in the balance sheet item currency in circulation. This reclassification has no impact on the flows.

5) Amounts held by residents of the euro area. Amounts held by non-residents of the euro area are included in external liabilities.

3. Assets: flows ¹⁾

	Loans to euro area residents		Other euro area residents	Holdings of securities other than shares issued by euro area residents ²⁾	General government		Holdings of shares/ other equity issued by other euro area residents	External assets ³⁾	Fixed assets	Remaining assets	Total
	1	2			3	4						5	6
2001 Aug.	-18.9	-3.7	-15.2	4.9	-4.3	9.2	-6.0	57.2	0.3	-10.6	26.9
Sep.	48.6	1.0	47.5	-1.4	-4.3	2.9	-5.0	49.1	0.7	51.9	143.9
Oct.	25.7	-2.7	28.4	-7.0	-9.6	2.6	5.7	43.7	0.7	30.1	98.9
Nov.	65.7	16.0	49.7	9.9	7.9	2.1	-3.2	66.0	1.1	5.9	145.6
Dec.	25.5	3.7	21.8	-8.4	-10.3	2.0	22.1	-26.2	1.1	-17.1	-3.0
2002 Jan.	9.5	-3.1	12.6	27.1	21.9	5.2	-0.3	-0.1	-2.5	26.6	60.2
Feb.	19.0	2.7	16.2	9.2	1.2	8.0	0.6	0.3	-0.9	-39.3	-11.1
Mar.	64.2	5.2	59.0	14.1	16.9	-2.9	-7.6	19.9	0.0	-48.1	42.4
Apr.	21.7	-20.0	41.7	-1.9	1.5	-3.3	6.3	18.0	-0.2	-13.1	30.8
May	25.4	-2.8	28.2	12.7	9.7	3.0	0.9	73.9	0.2	-20.8	92.3
June	40.7	1.4	39.3	-3.0	-1.3	-1.7	-5.1	-26.8	-0.2	23.7	29.2
July	-4.7	-1.8	-2.9	-2.5	-2.0	-0.5	-11.7	-2.4	0.5	23.9	3.1
Aug.	-10.6	-10.9	0.3	-5.7	-3.1	-2.6	9.4	-10.5	1.0	-12.1	-28.6
Sep.	38.2	2.8	35.4	20.8	11.5	9.3	-4.4	65.5	0.6	47.8	168.5
Oct.	18.2	-0.4	18.6	-0.4	-2.6	2.2	10.2	55.0	0.9	-35.8	48.1
Nov.	28.4	9.0	19.4	9.7	6.1	3.6	3.2	84.7	-2.3	39.6	163.3
Dec.	44.9	7.4	37.5	-4.4	-14.9	10.6	10.3	-35.1	1.7	-16.0	1.9
2003 Jan. ^(p)	34.2	0.7	33.5	25.0	19.6	5.4	-10.0	4.2	-2.5	18.8	69.6

4. Liabilities: flows ¹⁾

	Currency in circulation ⁴⁾	Deposits of central government	Deposits of other general government/ other euro area residents	Over-night	With agreed maturity	Redeemable at notice	Repurchase agreements	Money market fund shares/ units ⁵⁾	Debt securities issued ²⁾⁽⁵⁾	Capital and reserves	External liabilities ³⁾	Re-maining liabilities	Excess of inter-MFI liabilities	Total
2001 Aug.	-8.8	-3.1	-1.8	-29.6	16.4	3.9	7.5	10.6	1.3	7.3	29.2	-6.6	-1.2	26.9
Sep.	-9.6	-4.6	51.2	68.4	-17.4	5.3	-5.1	3.2	15.4	9.0	18.8	41.3	19.1	143.9
Oct.	-14.2	5.4	22.6	0.9	3.0	9.2	9.5	11.5	13.1	7.9	18.7	45.7	-11.8	98.9
Nov.	-15.7	-3.0	51.4	47.2	0.3	13.1	-9.2	9.7	24.1	2.9	38.8	32.9	4.6	145.6
Dec.	-40.0	-11.2	149.3	98.4	18.4	40.0	-7.4	-1.3	-0.5	13.6	-17.2	-76.2	-19.5	-3.0
2002 Jan.	6.8	10.4	-42.5	-49.5	-3.1	12.4	-2.3	19.5	10.6	14.2	14.1	15.6	11.3	60.2
Feb.	-6.2	6.9	0.2	-4.3	-2.5	2.1	4.9	10.4	4.8	-0.8	11.3	-36.9	-0.7	-11.1
Mar.	14.0	1.7	22.8	-3.8	16.1	2.2	8.4	3.3	18.4	2.7	25.5	-55.2	9.3	42.4
Apr.	7.4	0.0	27.6	32.1	5.2	-8.2	-1.5	7.9	-2.1	-5.2	20.6	-15.9	-9.6	30.8
May	12.2	-8.5	24.6	2.4	14.4	1.1	6.7	4.0	29.2	3.7	34.9	-9.3	1.5	92.3
June	12.0	6.0	31.1	48.2	-17.3	6.4	-6.1	-7.3	0.6	-17.1	-67.8	56.1	15.6	29.2
July	11.0	-3.1	-24.5	-31.8	5.4	2.5	-0.7	12.0	5.4	9.6	-5.1	11.3	-13.5	3.1
Aug.	4.4	-11.0	-4.7	-33.6	15.7	5.5	7.7	12.3	4.0	9.0	-24.8	-20.5	2.8	-28.6
Sep.	5.6	1.6	39.5	56.4	-22.3	3.0	2.4	-2.7	15.8	9.3	47.4	53.9	-1.9	168.5
Oct.	7.2	5.5	7.8	-16.4	21.7	5.3	-2.8	2.0	11.5	-0.1	25.5	-20.8	9.4	48.1
Nov.	7.5	-4.3	55.6	52.9	-3.7	10.6	-4.4	14.7	14.9	2.7	49.6	29.2	-6.5	163.3
Dec.	19.8	-11.0	80.8	49.1	5.5	29.4	-3.2	-6.6	-14.2	-2.9	-53.0	-19.3	8.3	1.9
2003 Jan. ^(p)	-8.0	15.1	-7.3	-43.1	-0.9	22.4	14.2	22.0	39.9	1.7	-11.8	1.2	16.9	69.6

Table 2.4

Monetary aggregates ¹⁾ and counterparts

(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)

1. Monetary aggregates: levels at the end of the period

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Index Dec. 01=100 ⁴⁾
	Currency in circulation ³⁾	Overnight deposits	Total	Index Dec. 01=100 ⁴⁾				
	1	2	3	4	5	6	7	8
2001 July	328.0	1,780.3	2,108.3	95.41	1,073.2	1,287.2	4,468.7	95.74
Aug.	319.2	1,747.5	2,066.7	93.61	1,088.8	1,292.9	4,448.4	95.41
Sep.	309.6	1,815.1	2,124.7	96.23	1,070.9	1,299.7	4,495.3	96.40
Oct.	295.5	1,816.1	2,111.6	95.66	1,074.7	1,311.6	4,497.9	96.46
Nov.	279.7	1,864.6	2,144.3	97.11	1,077.6	1,326.4	4,548.2	97.50
Dec.	239.7	1,968.2	2,207.9	100.00	1,088.8	1,367.9	4,664.6	100.00
2002 Jan.	246.5	1,921.9	2,168.4	98.16	1,080.9	1,390.4	4,639.7	99.44
Feb.	240.3	1,917.1	2,157.4	97.67	1,076.7	1,394.5	4,628.7	99.21
Mar.	254.3	1,914.2	2,168.5	98.19	1,088.5	1,397.9	4,654.8	99.79
Apr.	261.7	1,945.5	2,207.2	100.01	1,092.0	1,391.9	4,691.2	100.65
May	273.9	1,945.4	2,219.3	100.66	1,099.6	1,394.0	4,712.8	101.24
June	285.8	1,992.1	2,277.9	103.41	1,074.8	1,400.0	4,752.8	102.23
July	296.8	1,959.3	2,256.1	102.37	1,083.7	1,403.0	4,742.8	101.89
Aug.	301.2	1,927.4	2,228.6	101.13	1,096.8	1,408.9	4,734.3	101.72
Sep.	306.7	1,984.3	2,291.0	103.96	1,073.6	1,411.1	4,775.7	102.61
Oct.	313.9	1,968.3	2,282.3	103.57	1,093.6	1,417.7	4,793.5	103.00
Nov.	321.4	2,020.9	2,342.3	106.35	1,086.2	1,428.8	4,857.3	104.40
Dec.	341.2	2,083.2	2,424.4	109.71	1,075.1	1,458.9	4,958.4	106.47
2003 Jan. ⁶⁾	312.0	2,038.3	2,350.3	107.39	1,077.1	1,485.4	4,912.7	106.01

2. Monetary aggregates: flows ⁵⁾

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Annual growth rate ⁴⁾ (%)
	Currency in circulation ³⁾	Overnight deposits	Total	Annual growth rate ⁴⁾ (%)				
	1	2	3	4	5	6	7	8
2001 Aug.	-8.8	-30.9	-39.7	3.2	18.4	5.9	-15.4	4.3
Sep.	-9.6	67.4	57.7	5.5	-18.2	6.8	46.3	5.3
Oct.	-14.2	1.6	-12.6	5.0	3.3	11.8	2.6	5.4
Nov.	-15.7	47.8	32.0	5.5	1.9	14.8	48.7	5.9
Dec.	-40.0	103.8	63.8	5.1	11.1	41.5	116.4	6.1
2002 Jan.	6.8	-47.3	-40.6	6.7	-6.7	21.1	-26.2	6.7
Feb.	-6.2	-4.6	-10.8	6.3	-4.0	4.1	-10.7	6.3
Mar.	14.0	-2.6	11.4	6.3	12.3	3.4	27.1	6.4
Apr.	7.4	32.8	40.2	6.6	5.4	-5.8	39.8	6.4
May	12.2	2.1	14.3	6.4	10.9	2.3	27.5	6.7
June	12.0	48.6	60.6	7.3	-20.6	6.3	46.3	6.6
July	11.0	-33.8	-22.9	7.3	4.2	2.8	-15.9	6.4
Aug.	4.4	-31.7	-27.3	8.0	13.5	6.0	-7.8	6.6
Sep.	5.6	56.9	62.5	8.0	-23.3	2.2	41.4	6.4
Oct.	7.2	-15.8	-8.6	8.3	20.4	6.7	18.5	6.8
Nov.	7.5	53.8	61.2	9.5	-7.3	11.1	65.0	7.1
Dec.	19.8	54.2	74.0	9.7	-8.0	30.3	96.3	6.5
2003 Jan. ⁶⁾	-8.0	-43.4	-51.4	9.4	3.1	26.6	-21.6	6.6

Source: ECB.

1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.

2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units and debt securities up to 2 years.

M3 ²⁾						
Repurchase agreements	Money market fund shares/units	Debt securities up to 2 years ⁶⁾	Total	Index Dec. 01=100 ⁴⁾		
9	10	11	12	13		
223.4	366.4	140.4	5,198.9	95.61	2001	July
230.8	377.6	142.5	5,199.3	95.70		Aug.
225.7	381.2	147.6	5,249.9	96.71		Sep.
235.1	392.3	149.5	5,274.7	97.16		Oct.
225.9	400.8	152.2	5,327.1	98.16		Nov.
218.5	398.0	145.8	5,427.0	100.00		Dec.
216.2	416.6	141.8	5,414.3	99.83	2002	Jan.
221.1	427.0	138.7	5,415.5	99.84		Feb.
229.6	431.2	137.2	5,452.9	100.56		Mar.
228.1	437.5	134.7	5,491.4	101.35		Apr.
234.8	442.6	143.9	5,534.2	102.23		May
229.6	439.2	132.8	5,554.3	102.70		June
228.8	450.3	125.4	5,547.3	102.45		July
236.5	463.4	126.5	5,560.7	102.69		Aug.
238.3	460.4	131.2	5,605.7	103.52		Sep.
235.6	462.7	133.7	5,625.5	103.90		Oct.
229.6	477.1	131.2	5,695.3	105.24		Nov.
226.4	470.1	128.4	5,783.3	106.77		Dec.
240.6	551.8	104.1	5,809.2	107.07	2003	Jan. ^(p)

M3 ²⁾						
Repurchase agreements	Money market fund shares/units	Debt securities up to 2 years ⁶⁾	Total	Annual growth rate ⁴⁾ (%)		
9	10	11	12	13		
7.5	10.6	2.0	4.7	5.9	2001	Aug.
-5.1	3.2	10.5	54.9	7.1		Sep.
9.5	11.5	0.6	24.1	7.5		Oct.
-9.2	9.7	5.2	54.5	7.9		Nov.
-7.4	-1.3	-7.8	99.9	7.8		Dec.
-2.3	19.5	-0.2	-9.1	8.0	2002	Jan.
4.9	10.4	-3.9	0.7	7.6		Feb.
8.4	3.3	0.2	39.0	7.5		Mar.
-1.5	7.9	-3.6	42.6	7.4		Apr.
6.7	4.0	9.5	47.8	7.7		May
-6.1	-7.3	-7.8	25.2	7.4		June
-0.7	12.0	-8.6	-13.2	7.2		July
7.7	12.3	1.1	13.2	7.3		Aug.
2.4	-2.7	3.6	44.7	7.0		Sep.
-2.8	2.0	2.7	20.4	6.9		Oct.
-4.4	14.7	-2.6	72.8	7.2		Nov.
-3.2	-6.6	-3.7	82.9	6.8		Dec.
14.2	22.0	1.6	16.3	7.3	2003	Jan. ^(p)

3) As of January 2003, the former national denominations of the euro are no longer included in the balance sheet item currency in circulation. This reclassification has no impact on the flows and on the growth rates.

4) For the calculations of the index and the growth rates, see the technical notes.

5) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

6) Includes money market paper. For further details, see the general notes.

Table 2.4 (cont'd)
Monetary aggregates ¹⁾ and counterparts
(EUR billions and percentage growth rates, unless otherwise indicated)
3. Seasonally adjusted levels at the end of the period

	M2								
	M1				Other short-term deposits ⁶⁾			Total	Index ⁵⁾
	Currency in circulation ⁴⁾	Overnight deposits	Total	Index ⁵⁾	Total	Index ⁵⁾			
			1	2	3	4	5	6	7	8
2001 July	323.8	1,769.8	2,093.6	94.74	2,372.2	96.52	4,465.8	95.68	
Aug.	317.5	1,789.2	2,106.6	95.42	2,378.0	96.88	4,484.7	96.19	
Sep.	307.8	1,822.4	2,130.2	96.48	2,390.8	97.39	4,521.0	96.96	
Oct.	295.8	1,843.6	2,139.4	96.92	2,405.6	97.97	4,545.0	97.47	
Nov.	278.3	1,877.0	2,155.3	97.61	2,421.1	98.56	4,576.3	98.11	
Dec.	233.4	1,922.1	2,155.5	97.63	2,441.6	99.39	4,597.1	98.55	
2002 Jan.	251.3	1,927.2	2,178.5	98.62	2,450.4	99.73	4,628.8	99.21	
Feb.	245.3	1,932.6	2,177.9	98.60	2,457.8	100.04	4,635.7	99.36	
Mar.	254.1	1,923.7	2,177.8	98.61	2,473.6	100.71	4,651.4	99.72	
Apr.	264.4	1,932.8	2,197.2	99.56	2,479.8	101.04	4,677.0	100.34	
May	273.6	1,942.2	2,215.8	100.50	2,483.4	101.34	4,699.2	100.94	
June	283.0	1,945.9	2,228.9	101.19	2,486.5	101.64	4,715.4	101.43	
July	292.8	1,954.0	2,246.8	101.95	2,496.5	101.86	4,743.3	101.90	
Aug.	299.3	1,964.3	2,263.5	102.72	2,502.1	102.10	4,765.7	102.39	
Sep.	306.2	1,993.3	2,299.5	104.35	2,509.8	102.41	4,809.3	103.33	
Oct.	314.1	1,997.9	2,312.0	104.92	2,531.6	103.32	4,843.6	104.08	
Nov.	319.6	2,027.0	2,346.6	106.55	2,532.0	103.35	4,878.7	104.86	
Dec.	333.2	2,036.6	2,369.7	107.24	2,517.5	102.89	4,887.2	104.94	
2003 Jan. ⁶⁾	316.7	2,053.7	2,370.5	108.31	2,536.2	103.70	4,906.7	105.88	

4. Seasonally adjusted flows ⁸⁾

	M2										
	M1					Other short-term deposits ⁶⁾			Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)
	Currency in circulation ⁴⁾	Overnight deposits	Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)	Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)			
			1	2	3	4	5	6	7	8	9	10	11
2001 Aug.	-6.4	21.3	15.0	0.7	3.6	8.8	0.4	5.1	23.8	0.5	4.4
Sep.	-9.6	32.9	23.3	1.1	5.0	12.4	0.5	5.2	35.7	0.8	5.1
Oct.	-12.0	21.7	9.7	0.5	5.2	14.2	0.6	5.7	24.0	0.5	5.5
Nov.	-17.5	32.7	15.2	0.7	5.9	14.5	0.6	5.9	29.7	0.7	6.0
Dec.	-44.9	45.4	0.5	0.0	5.5	20.4	0.8	7.2	20.9	0.5	6.4
2002 Jan.	17.9	4.1	21.9	1.0	6.6	8.4	0.3	6.8	30.4	0.7	6.7
Feb.	-5.9	5.5	-0.4	0.0	6.2	7.6	0.3	6.5	7.3	0.2	6.3
Mar.	8.8	-8.5	0.3	0.0	6.0	16.4	0.7	6.6	16.6	0.4	6.3
Apr.	10.3	10.6	20.9	1.0	6.6	8.2	0.3	6.1	29.0	0.6	6.3
May	9.2	11.6	20.8	0.9	6.7	7.3	0.3	6.7	28.1	0.6	6.7
June	9.4	5.7	15.1	0.7	6.8	7.5	0.3	6.1	22.6	0.5	6.4
July	9.8	6.9	16.7	0.8	7.6	5.2	0.2	5.5	21.9	0.5	6.5
Aug.	6.4	10.6	17.0	0.8	7.6	6.0	0.2	5.4	23.0	0.5	6.4
Sep.	6.9	29.0	36.0	1.6	8.2	7.7	0.3	5.2	43.6	0.9	6.6
Oct.	7.9	4.7	12.6	0.5	8.3	22.3	0.9	5.5	34.9	0.7	6.8
Nov.	5.5	30.3	35.8	1.5	9.2	0.5	0.0	4.9	36.3	0.8	6.9
Dec.	13.6	1.6	15.2	0.6	9.8	-11.3	-0.4	3.5	3.9	0.1	6.5
2003 Jan. ⁶⁾	5.2	18.6	23.7	1.0	9.8	20.0	0.8	4.0	43.7	0.9	6.7

Source: ECB.

1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.

2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units and debt securities up to 2 years.

3) Loans, with other components of credit, are shown without seasonal adjustment on page 20*.

4) As of January 2003, the former national denominations of the euro are no longer included in the balance sheet item currency in circulation. This reclassification has no impact on the flows and on the growth rates.

5) For the calculations of the index and the growth rates, see the technical notes.

M3 ²⁾				Loans to other euro area residents (excluding general government) ³⁾		
Marketable instruments ⁷⁾		Total	Index ⁵⁾	Total	Index ⁵⁾	
Total	Index ⁵⁾					
9	10	11	12	13	14	
734.0	95.36	5,199.8	95.63	6,381.1	97.77	2001 July
749.1	97.24	5,233.8	96.34	6,398.0	98.17	Aug.
764.2	99.87	5,285.2	97.36	6,433.8	98.65	Sep.
783.4	102.28	5,328.4	98.15	6,465.5	99.12	Oct.
783.5	102.78	5,359.8	98.76	6,503.6	99.69	Nov.
790.7	103.71	5,387.8	99.28	6,510.0	99.86	Dec.
781.1	103.09	5,409.9	99.75	6,535.6	100.21	2002 Jan.
781.2	102.99	5,416.9	99.87	6,562.7	100.66	Feb.
784.2	103.46	5,435.5	100.24	6,597.2	101.21	Mar.
786.5	103.85	5,463.5	100.83	6,626.3	101.76	Apr.
798.0	105.26	5,497.2	101.55	6,657.3	102.38	May
800.4	105.41	5,515.9	101.98	6,665.7	102.63	June
809.1	106.50	5,552.3	102.54	6,680.6	102.80	July
824.6	108.43	5,590.2	103.24	6,722.9	103.45	Aug.
841.2	110.58	5,650.5	104.35	6,738.4	103.71	Sep.
837.5	110.09	5,681.1	104.92	6,756.5	104.03	Oct.
842.6	111.00	5,721.3	105.72	6,755.2	104.12	Nov.
854.9	112.57	5,742.2	106.01	6,769.4	104.56	Dec.
903.2	114.45	5,809.9	107.08	6,817.7	105.24	2003 Jan. ⁸⁾

M3 ²⁾							Loans to other euro area residents (excluding general government) ³⁾			
Marketable instruments ⁷⁾			Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)	3-month moving average (centred) (%)	Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)	
Total	Monthly growth rate ⁵⁾ (%)	Annual growth rate ⁵⁾ (%)								
12	13	14	15	16	17	18	19	20	21	
14.5	2.0	16.4	38.3	0.7	5.9	6.2	26.6	0.4	7.2	2001 Aug.
20.2	2.7	19.6	55.9	1.1	7.0	6.8	31.0	0.5	6.7	Sep.
18.5	2.4	21.3	42.4	0.8	7.6	7.5	30.4	0.5	6.5	Oct.
3.8	0.5	21.2	33.6	0.6	8.0	7.9	37.5	0.6	6.6	Nov.
7.1	0.9	19.3	28.0	0.5	8.1	8.0	10.9	0.2	6.1	Dec.
-4.8	-0.6	15.6	25.6	0.5	7.9	7.9	23.0	0.4	5.7	2002 Jan.
-0.7	-0.1	15.3	6.5	0.1	7.6	7.6	29.0	0.4	5.6	Feb.
3.6	0.5	14.5	20.2	0.4	7.4	7.5	36.1	0.6	5.5	Mar.
3.0	0.4	14.3	32.0	0.6	7.4	7.5	35.6	0.5	5.5	Apr.
10.7	1.4	14.3	38.7	0.7	7.8	7.5	40.7	0.6	5.7	May
1.1	0.1	12.3	23.7	0.4	7.3	7.4	16.3	0.2	5.4	June
8.3	1.0	11.7	30.2	0.5	7.2	7.2	10.6	0.2	5.1	July
14.7	1.8	11.5	37.7	0.7	7.2	7.2	42.8	0.6	5.4	Aug.
16.4	2.0	10.7	60.0	1.1	7.2	7.1	16.6	0.2	5.1	Sep.
-3.8	-0.4	7.6	31.1	0.6	6.9	7.0	20.8	0.3	5.0	Oct.
6.9	0.8	8.0	43.2	0.8	7.0	6.9	6.3	0.1	4.4	Nov.
11.9	1.4	8.5	15.8	0.3	6.8	7.1	28.1	0.4	4.7	Dec.
14.3	1.7	11.0	58.0	1.0	7.4	.	44.3	0.7	5.0	2003 Jan. ⁸⁾

6) Other short-term deposits comprise deposits with an agreed maturity of up to two years and deposits redeemable at notice of up to three months.

7) Marketable instruments comprise repurchase agreements, money market fund shares/units and debt securities up to two years.

8) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.4 (cont'd)
Monetary aggregates ¹⁾ and counterparts
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
5. Main counterparts of M3: levels at the end of the period

	Longer-term MFI liabilities				Credit ²⁾				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to general government	Credit to other euro area residents	Of which loans	Index Dec. 01 =100 ³⁾		
	1	2	3	4	5	6	7	8	9	10
2001 July	1,165.3	120.7	1,594.1	955.2	2,034.4	7,261.6	6,394.4	97.97	-27.1	176.5
Aug.	1,162.0	119.5	1,586.2	959.9	2,021.6	7,238.5	6,369.6	97.74	1.5	176.9
Sep.	1,163.0	118.6	1,604.7	970.4	2,025.0	7,284.1	6,421.9	98.47	54.3	177.6
Oct.	1,162.9	116.9	1,617.0	981.1	2,014.0	7,325.2	6,451.6	98.90	77.3	178.3
Nov.	1,161.6	115.8	1,606.6	982.6	2,034.3	7,379.6	6,501.9	99.67	97.7	179.1
Dec.	1,169.1	115.8	1,613.6	995.2	2,026.9	7,424.4	6,519.3	100.00	84.6	180.0
2002 Jan.	1,173.2	112.3	1,632.9	1,007.5	2,051.1	7,444.4	6,534.4	100.19	70.1	177.5
Feb.	1,174.7	111.2	1,638.8	1,011.5	2,055.3	7,465.4	6,548.7	100.44	65.2	176.6
Mar.	1,178.2	109.9	1,655.8	1,010.7	2,081.7	7,513.2	6,606.1	101.35	53.9	176.4
Apr.	1,177.3	108.0	1,650.2	1,004.6	2,061.7	7,550.9	6,641.2	101.99	52.4	176.2
May	1,179.6	106.8	1,660.6	1,008.8	2,071.5	7,573.6	6,659.7	102.42	90.7	176.4
June	1,181.7	106.6	1,655.2	985.8	2,069.1	7,598.0	6,691.1	103.02	111.2	176.2
July	1,180.4	106.6	1,670.1	993.4	2,065.9	7,587.0	6,692.6	102.98	108.5	176.7
Aug.	1,168.9	106.8	1,687.0	1,004.3	2,053.0	7,592.5	6,692.3	102.98	128.9	177.7
Sep.	1,169.5	107.2	1,680.8	1,015.9	2,073.9	7,626.6	6,726.8	103.53	138.7	178.3
Oct.	1,170.5	106.2	1,688.7	1,013.9	2,068.8	7,657.3	6,742.7	103.81	165.6	179.3
Nov.	1,174.0	105.7	1,698.9	1,016.0	2,083.6	7,678.0	6,754.5	104.11	199.2	177.0
Dec.	1,186.4	105.8	1,685.0	995.8	2,056.4	7,724.4	6,778.0	104.69	208.9	180.2
2003 Jan. ⁴⁾	1,187.1	106.3	1,711.6	997.4	2,103.0	7,763.2	6,815.6	105.21	205.2	176.5

6. Main counterparts of M3: flows ⁴⁾

	Longer-term MFI liabilities				Credit ²⁾				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to general government	Credit to other euro area residents	Of which loans	Annual growth rate ³⁾ (%)		
	1	2	3	4	5	6	7	8	9	10
2001 Aug.	-2.1	-1.2	-1.2	7.3	-8.0	-11.9	-15.2	7.2	28.0	0.3
Sep.	0.8	-0.9	17.5	9.0	-3.3	45.5	47.5	6.7	30.4	0.7
Oct.	-0.3	-1.7	12.7	7.9	-12.3	36.8	28.4	6.5	25.0	0.7
Nov.	-1.6	-1.1	18.7	2.9	23.8	48.6	49.7	6.6	27.2	1.1
Dec.	7.3	0.1	7.6	13.6	-6.6	45.9	21.8	6.0	-9.1	1.1
2002 Jan.	3.6	-3.6	11.0	14.2	18.7	17.5	12.6	5.7	-14.3	-2.5
Feb.	1.6	-1.0	9.3	-0.8	3.9	24.9	16.2	5.6	-11.0	-0.9
Mar.	3.7	-1.3	18.7	2.7	22.1	48.5	59.0	5.5	-5.6	0.0
Apr.	-0.2	-1.9	1.0	-5.2	-18.5	44.6	41.7	5.5	-2.6	-0.2
May	3.5	-1.2	19.7	3.7	6.9	32.1	28.2	5.8	39.0	0.2
June	3.3	-0.2	8.6	-17.1	0.1	32.5	39.3	5.4	41.0	-0.2
July	1.3	0.0	13.8	9.6	-3.8	-15.1	-2.9	5.1	2.7	0.5
Aug.	2.2	0.2	2.7	9.0	-14.0	7.1	0.3	5.4	14.3	1.0
Sep.	1.0	0.4	12.1	9.3	14.3	40.3	35.4	5.1	18.1	0.6
Oct.	1.3	-1.0	9.1	-0.1	-3.0	31.0	18.6	5.0	29.5	0.9
Nov.	3.6	-0.5	16.6	2.7	15.1	26.2	19.4	4.5	35.1	-2.3
Dec.	13.5	0.1	-10.1	-2.9	-7.5	58.4	37.5	4.7	17.9	1.7
2003 Jan. ⁴⁾	-4.0	0.5	38.7	1.7	20.2	28.9	33.5	5.0	16.0	-2.5

1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.

2) Credit comprises loans granted to non-MFIs resident in the euro area and holdings of securities issued by non-MFIs resident in the euro area.

3) For the calculations of the index and the growth rates, see the technical notes.

4) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.5
MFI loans by counterpart, type and original maturity ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
1. Loans to non-monetary financial corporations and to government: levels at the end of the period

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total	Up to 1 year	Index Dec.01 =100 ²⁾	Total	Up to 1 year	Index Dec.01 =100 ²⁾	Central government ³⁾	Other general government					Total	Index Dec.01 =100 ²⁾
								State government	Local government		Social security funds			
	Over 5 years	Over 5 years												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
2001 Q2	425.5	280.7	97.5	36.2	26.7	102.9	174.1	294.0	254.9	350.4	312.4	17.2	835.7	98.6
Q3	409.0	256.8	93.7	37.4	26.9	107.3	167.3	293.9	254.1	349.7	312.0	18.9	829.8	98.0
Q4	434.4	276.0	100.0	34.9	24.8	100.0	170.1	298.3	252.0	362.9	322.3	16.4	847.7	100.0
2002 Q1	459.4	305.3	105.9	38.9	28.3	111.3	180.3	294.0	248.2	361.8	317.9	16.4	852.6	100.6
Q2	461.1	303.4	106.3	42.5	30.5	120.8	163.0	280.9	245.8	366.6	314.5	19.5	830.1	98.0
Q3	452.4	288.0	104.3	42.1	30.1	113.6	156.4	274.7	241.6	367.8	315.6	21.9	820.8	96.9
Q4 ⁴⁾	454.7	287.4	105.5	32.9	20.0	88.9	155.5	277.7	237.0	382.0	324.6	21.0	836.2	98.8

2. Loans to non-monetary financial corporations and to government: flows ⁴⁾

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total	Up to 1 year	Annual growth rate ²⁾ (%)	Total	Up to 1 year	Annual growth rate ²⁾ (%)	Central government ³⁾	Other general government					Total	Annual growth rate ²⁾ (%)
								State government	Local government		Social security funds			
	Over 5 years	Over 5 years												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
2001 Q3	-16.8	-23.9	7.8	1.5	0.2	13.8	-6.2	0.0	-0.7	-0.7	-0.4	1.7	-5.2	-0.8
Q4	27.5	21.3	11.8	-2.5	-2.1	11.3	1.9	4.4	-2.1	13.2	10.3	-2.5	16.9	-0.9
2002 Q1	25.6	29.8	10.5	3.9	3.5	7.5	10.1	-4.3	-3.8	-1.1	-4.4	0.1	4.8	0.0
Q2	1.6	-1.8	9.0	3.3	2.1	17.4	-16.2	-13.1	-2.4	4.8	-3.5	3.1	-21.4	-0.6
Q3	-8.7	-15.4	11.3	-2.5	-0.4	5.9	-6.7	-6.8	-4.7	1.2	1.1	2.4	-9.9	-1.1
Q4 ⁴⁾	5.5	2.8	5.5	-9.2	-10.2	-11.1	-0.4	3.1	-4.6	14.2	9.0	-0.9	15.9	-1.2

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) For the calculation of the index and the growth rates, see the technical notes.

3) A maturity breakdown is not available for loans to central government.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.5 (cont'd)**MFI loans by counterpart, type and original maturity ¹⁾***(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)***3. Loans to non-financial sectors other than government: levels at the end of the period**

	Non-financial corporations					Consumer credit ³⁾				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.01 =100 ²⁾	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.01 =100 ²⁾
	1	2	3	4	5	6	7	8	9	10
2001 Q2	1,051.7	456.3	1,343.7	2,851.8	97.8	100.1	171.1	217.7	488.8	98.4
Q3	1,027.2	467.3	1,372.1	2,866.6	98.7	100.6	170.7	221.7	493.1	99.3
Q4	1,019.0	489.8	1,394.5	2,903.3	100.0	102.5	170.4	224.2	497.1	100.0
2002 Q1	1,018.8	494.8	1,418.9	2,932.5	100.8	99.3	170.5	226.5	496.2	99.8
Q2	1,008.4	502.7	1,434.1	2,945.2	102.1	102.2	173.6	230.1	505.9	101.3
Q3	992.9	505.4	1,450.4	2,948.8	102.2	104.1	175.6	233.8	513.5	102.4
Q4 ^(p)	987.7	513.9	1,469.3	2,970.9	103.5	102.2	180.2	235.9	518.3	103.7

4. Loans to non-financial sectors other than government: flows ⁴⁾

	Non-financial corporations					Consumer credit ³⁾				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)
	1	2	3	4	5	6	7	8	9	10
2001 Q3	-19.2	14.3	32.3	27.4	7.6	0.9	-0.5	4.1	4.5	3.6
Q4	-9.1	23.2	22.4	36.5	6.2	1.8	-0.7	2.4	3.5	3.0
2002 Q1	-2.1	4.7	20.3	22.8	5.0	-4.2	1.2	2.3	-0.7	3.7
Q2	-2.3	13.3	27.5	38.6	4.4	2.9	0.7	3.7	7.3	3.0
Q3	-13.1	-1.2	16.3	2.0	3.5	1.9	0.0	3.7	5.6	3.2
Q4 ^(p)	1.2	12.4	25.8	39.4	3.5	1.3	4.1	1.0	6.3	3.7

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) For the calculation of the index and the growth rates, see the technical notes.

Households											Non-profit institutions serving households			
Lending for house purchase ³⁾					Other lending					Total	Index Dec.01 =100 ²⁾	Total	Index Dec.01 =100 ²⁾	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.01 =100 ²⁾	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.01 =100 ²⁾					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
22.3	62.4	1,868.0	1,952.8	96.6	148.8	100.9	342.7	592.4	100.1	3,034.0	97.5	40.7	104.3	2001 Q2
22.5	61.1	1,905.9	1,989.5	98.4	144.3	100.8	342.1	587.2	99.3	3,069.8	98.7	39.0	99.9	Q3
22.7	61.0	1,937.6	2,021.3	100.0	143.9	101.9	343.6	589.3	100.0	3,107.6	100.0	39.1	100.0	Q4
23.1	60.7	1,975.6	2,059.3	101.9	142.1	101.2	337.7	581.1	99.5	3,136.7	101.1	38.7	99.1	2002 Q1
23.7	60.7	2,019.8	2,104.1	104.1	145.6	103.3	339.4	588.4	101.0	3,198.4	103.1	43.9	112.5	Q2
24.6	60.7	2,059.7	2,145.0	106.1	141.8	100.0	343.3	585.2	101.0	3,243.7	104.6	39.8	102.0	Q3
25.8	64.5	2,087.5	2,177.8	107.6	145.9	95.8	342.3	584.0	101.5	3,280.2	105.8	39.4	102.5	Q4 ^(p)

Households											Non-profit institutions serving households			
Lending for house purchase ³⁾					Other lending					Total	Annual growth rate ²⁾ (%)	Total	Annual growth rate ²⁾ (%)	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
0.2	-1.4	38.4	37.3	7.6	-4.5	0.1	0.2	-4.3	2.1	37.4	5.9	-1.7	3.7	2001 Q3
0.1	-0.1	31.4	31.4	6.9	-0.4	2.3	2.0	3.9	1.7	38.9	5.2	0.0	2.2	Q4
0.4	-0.4	38.1	38.1	7.3	-1.3	-0.3	-1.2	-2.8	0.4	34.6	5.4	-0.4	3.9	2002 Q1
0.6	0.0	44.2	44.8	7.8	3.7	2.4	2.3	8.4	0.9	60.6	5.7	5.3	7.9	Q2
0.9	0.0	39.6	40.5	7.8	-3.8	-1.3	5.2	0.1	1.7	46.3	5.9	-4.1	2.1	Q3
1.2	2.0	27.4	30.5	7.6	1.8	1.0	0.4	3.2	1.5	40.0	5.8	0.2	2.5	Q4 ^(p)

3) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.6
Deposits held with MFIs, by counterpart and instrument ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
1. Deposits held by non-monetary financial corporations and by government: levels at the end of the period

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total ²⁾				Index Dec.01 =100 ³⁾	Total ²⁾				Index Dec.01 =100 ³⁾	Central government	Other general government			Total	Index Dec.01 =100 ³⁾
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	455.6	164.3	196.0	89.3	100.6	486.3	41.4	424.2	16.9	98.2	165.5	31.4	66.8	60.8	324.6	108.6
Q3	455.3	162.7	201.8	85.6	98.8	487.8	39.3	426.9	17.9	98.5	147.8	33.3	67.4	60.4	308.9	103.3
Q4	465.8	157.9	217.3	85.3	100.0	495.4	48.0	427.5	16.4	100.0	139.0	30.0	68.9	61.0	299.0	100.0
2002 Q1	485.5	157.8	228.8	92.8	103.8	498.6	43.9	433.0	17.7	100.6	157.5	31.0	64.2	61.8	314.5	105.4
Q2	492.4	164.0	229.9	93.0	104.8	503.9	48.4	432.9	19.0	101.7	155.0	34.2	65.7	59.8	314.7	105.4
Q3	488.5	158.2	219.4	105.2	106.4	506.3	50.1	437.9	14.4	102.2	146.3	34.3	63.8	55.0	299.4	99.1
Q4 ^(p)	480.4	154.0	223.8	96.0	104.9	522.6	56.3	445.4	17.4	105.5	136.4	31.7	68.8	53.0	290.0	96.0

2. Deposits held by non-monetary financial corporations and by government: flows ⁴⁾

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total ²⁾				Annual growth rate ³⁾ (%)	Total ²⁾				Annual growth rate ³⁾ (%)	Central government	Other general government			Total	Annual growth rate ³⁾ (%)
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q3	-8.2	-1.6	-2.2	-3.7	2.3	1.5	-2.1	2.7	1.0	4.6	-17.7	1.9	0.5	-0.5	-15.7	-2.0
Q4	5.7	-4.7	10.5	-0.2	3.8	7.6	8.8	0.6	-1.4	3.3	-8.8	-3.4	1.5	0.7	-10.0	-6.9
2002 Q1	17.7	0.0	9.6	7.4	5.5	3.0	-4.2	5.3	1.3	3.1	19.0	1.0	-4.7	0.7	16.1	3.8
Q2	4.8	5.8	1.4	-0.4	4.2	5.3	4.5	-0.1	1.2	3.6	-2.5	3.3	1.5	-2.1	0.2	-2.9
Q3	7.3	-6.2	1.2	12.2	7.7	2.5	1.7	5.1	-4.6	3.8	-12.5	0.1	-1.9	-4.7	-19.0	-4.1
Q4 ^(p)	-6.9	-4.2	4.0	-7.7	4.9	16.3	6.2	7.5	3.0	5.5	-9.8	-2.6	5.1	-2.0	-9.3	-4.0

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) Including deposits redeemable at notice.

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.6 (cont'd)**Deposits held with MFIs, by counterpart and instrument ¹⁾***(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)***3. Deposits held by non-financial sectors other than government: levels at the end of the period**

	Non-financial corporations						Households ²⁾					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.01 =100 ³⁾	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.01 =100 ³⁾
	1	2	3	4	5	6	7	8	9	10	11	12
2001 Q2	514.6	331.2	24.4	29.1	899.3	90.6	947.2	1,198.8	1,293.5	81.3	3,520.8	95.5
Q3	514.8	318.4	25.4	32.0	890.7	91.5	963.6	1,203.8	1,305.3	84.6	3,557.3	96.5
Q4	577.1	335.2	27.5	36.2	976.0	100.0	1,043.5	1,194.6	1,365.7	76.6	3,680.4	100.0
2002 Q1	529.1	344.5	27.5	33.8	934.9	95.7	1,039.1	1,180.1	1,382.6	80.6	3,682.4	100.1
Q2	555.7	337.5	27.7	37.0	957.9	99.9	1,076.3	1,174.7	1,382.0	77.0	3,710.0	100.9
Q3	562.3	337.9	28.7	36.4	965.3	100.7	1,066.7	1,172.2	1,391.8	78.4	3,709.0	100.9
Q4 ⁴⁾	595.1	340.5	30.7	36.0	1,002.3	105.6	1,119.1	1,179.7	1,433.8	74.7	3,807.3	103.3

4. Deposits held by non-financial sectors other than government: flows ⁴⁾

	Non-financial corporations						Households ²⁾					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate ³⁾ (%)	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate ³⁾ (%)
	1	2	3	4	5	6	7	8	9	10	11	12
2001 Q3	3.9	1.6	0.4	3.0	8.9	5.4	16.2	5.2	12.7	3.4	37.4	6.0
Q4	62.1	14.5	2.0	4.3	82.8	10.2	80.1	-4.1	60.3	-8.0	128.3	7.6
2002 Q1	-48.5	9.2	0.0	-2.5	-41.8	8.0	-4.5	-10.1	15.1	4.0	4.5	6.5
Q2	33.0	4.6	0.2	3.0	40.8	10.3	36.9	-5.1	1.6	-3.7	29.7	5.7
Q3	5.6	1.4	0.9	0.0	8.0	10.1	-9.2	-2.8	9.7	1.4	-0.8	4.5
Q4 ⁴⁾	36.5	7.8	3.1	-0.4	47.1	5.6	41.9	7.6	41.3	-3.7	87.1	3.3

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) Comprises households (S.14) and non-profit institutions serving households (S.15).

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.7**Main MFI claims on and liabilities to non-residents of the euro area***(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)***1. Levels at the end of the period**

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks ¹⁾²⁾		Non-banks				Total	Index Dec.01 =100 ³⁾	Banks ¹⁾		Non-banks				Total	Index Dec.01 =100 ³⁾
	Total	Index Dec.01 =100 ³⁾	General government	Other	Total	Index Dec.01 =100 ³⁾			Total	Index Dec.01 =100 ³⁾	General government	Other	Total	Index Dec.01 =100 ³⁾		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	1,073.2	94.3	79.2	519.0	598.1	94.8	1,671.3	94.5	210.6	87.6	294.6	208.7	503.3	97.2	713.9	94.1
Q3	1,084.7	97.4	75.1	527.4	602.5	99.0	1,687.2	97.9	206.7	88.8	273.8	213.1	486.9	97.1	693.6	94.5
Q4	1,119.7	100.0	75.2	543.3	618.6	100.0	1,738.3	100.0	236.6	100.0	290.2	218.0	508.2	100.0	744.8	100.0
2002 Q1	1,104.8	98.5	76.8	556.1	633.0	102.5	1,737.8	99.9	262.9	110.8	275.9	217.8	493.7	97.3	756.6	101.6
Q2	1,083.4	102.9	73.2	529.6	602.9	104.8	1,686.3	103.6	244.0	109.2	244.5	214.6	459.2	96.0	703.2	100.2
Q3	1,122.2	105.6	76.3	540.1	616.3	106.3	1,738.5	105.9	249.8	110.2	253.1	231.8	484.9	99.9	734.7	103.2
Q4 ^(p)	1,169.2	112.9	73.4	533.1	606.4	108.1	1,775.6	111.2	242.2	109.9	245.7	232.7	478.4	101.6	720.6	104.2

2. Flows ⁴⁾

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks ¹⁾²⁾		Non-banks				Total	Annual growth rate ³⁾ (%)	Banks ¹⁾		Non-banks				Total	Annual growth rate ³⁾ (%)
	Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)			Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q3	34.8	10.1	-4.1	30.5	26.4	19.6	61.2	13.4	2.9	26.7	-22.3	21.9	-0.4	3.2	2.6	9.2
Q4	29.2	14.0	0.1	6.1	6.2	16.0	35.4	14.7	26.0	33.3	16.7	-2.1	14.6	7.3	40.6	14.3
2002 Q1	-17.3	4.4	3.6	11.8	15.4	6.3	-2.0	5.1	25.6	35.7	-10.9	-2.8	-13.7	0.9	11.9	10.7
Q2	50.2	9.1	-3.6	18.1	14.5	10.6	64.7	9.7	-3.8	24.7	-34.1	27.5	-6.6	-1.2	-10.4	6.5
Q3	28.4	8.5	3.0	5.3	8.3	7.4	36.7	8.1	2.3	24.1	4.6	14.0	18.6	2.9	20.9	9.2
Q4 ^(p)	76.9	12.9	-2.9	13.3	10.4	8.1	87.3	11.2	-0.7	9.9	-7.5	15.7	8.2	1.6	7.5	4.2

Source: ECB.

1) The term "banks" is used in this table to indicate institutions of a similar type to MFIs resident outside the euro area.

2) Deposits placed by MFIs with banks located outside the euro area are included.

Table 2.7 (cont'd)

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks ¹⁾		Other		Total	Index Dec.01 =100 ³⁾	Banks ¹⁾		Non-banks				Total	Index Dec.01 =100 ³⁾	
Total	Index Dec.01 =100 ³⁾	Total	Index Dec.01 =100 ³⁾			Total	Index Dec.01 =100 ³⁾	General government	Other	Total	Index Dec.01 =100 ³⁾			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
61.1	87.5	97.2	107.5	158.3	98.8	1,817.5	103.3	94.9	587.1	681.9	94.3	2,499.4	100.7	2001 Q2
63.6	90.9	89.9	99.2	153.5	95.6	1,710.8	100.7	93.0	588.5	681.5	97.2	2,392.3	99.7	Q3
73.1	100.0	89.8	100.0	162.9	100.0	1,718.4	100.0	95.3	615.0	710.3	100.0	2,428.8	100.0	Q4
77.1	104.5	98.5	110.9	175.6	108.0	1,740.4	100.4	99.0	636.8	735.9	103.3	2,476.3	101.3	2002 Q1
77.0	104.2	100.9	113.4	177.9	109.3	1,605.9	98.9	96.2	607.6	703.8	104.6	2,309.7	100.6	Q2
79.5	107.6	94.3	105.9	173.9	106.7	1,644.0	99.3	102.5	613.5	715.9	105.8	2,359.9	101.2	Q3
78.7	107.4	98.7	113.2	177.4	110.6	1,605.8	99.7	98.4	596.4	694.9	105.3	2,300.7	101.4	Q4 ⁴⁾

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks ¹⁾		Other		Total	Annual growth rate ³⁾ (%)	Banks ¹⁾		Non-banks				Total	Annual growth rate ³⁾ (%)	
Total	Annual growth rate ³⁾ (%)	Total	Annual growth rate ³⁾ (%)			Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
2.4	8.5	-7.5	13.5	-5.1	11.4	-45.2	11.3	-1.9	22.4	20.6	14.0	-24.6	12.0	2001 Q3
6.3	11.8	0.8	12.9	7.1	12.4	-12.0	8.7	2.3	17.5	19.8	18.0	7.8	11.2	Q4
3.3	12.0	9.8	6.1	13.0	8.4	7.6	-2.9	4.2	19.0	23.2	9.9	30.8	0.6	2002 Q1
-0.2	19.1	2.3	5.5	2.1	10.6	-26.1	-4.2	-2.8	12.3	9.5	10.9	-16.6	-0.1	Q2
2.5	18.4	-6.7	6.8	-4.1	11.7	5.8	-1.4	6.1	2.2	8.2	8.9	14.1	1.5	Q3
-0.1	7.4	6.5	13.2	6.3	10.6	7.5	-0.3	-4.0	0.3	-3.7	5.3	3.7	1.4	Q4 ⁴⁾

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.8**Currency analysis of certain liabilities and assets of the euro area MFIs ¹⁾***(EUR billions (not seasonally adjusted; end of period))***Liabilities outstanding****1. Deposits placed by euro area residents**

	MFIs								Non-MFIs							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2001 Q2	4,079.7	3,590.3	52.8	436.6	309.0	43.3	65.4	19.0	5,686.6	5,476.6	30.7	179.3	133.5	21.0	11.6	13.2
Q3	4,108.4	3,628.3	48.9	431.2	300.6	41.7	71.0	17.9	5,700.0	5,503.7	28.2	168.1	125.7	19.4	10.8	12.2
Q4	4,171.9	3,699.5	46.6	425.9	307.6	33.5	67.2	17.6	5,916.6	5,715.8	26.0	174.8	127.4	23.9	10.5	13.0
2002 Q1	4,134.6	3,645.4	46.1	443.0	315.8	40.6	65.6	21.0	5,915.9	5,712.5	28.8	174.6	126.8	22.4	10.7	14.6
Q2	4,211.9	3,771.7	41.3	398.8	276.4	40.8	62.8	18.8	5,978.9	5,791.1	26.7	161.0	115.0	22.3	10.9	12.8
Q3	4,219.7	3,799.3	38.8	381.6	266.0	37.1	58.1	20.4	5,968.5	5,782.3	27.3	158.9	115.6	20.8	9.5	13.0
Q4 ⁴⁾	4,416.3	4,011.7	35.3	369.2	252.6	34.0	60.2	22.5	6,102.6	5,925.5	25.1	151.9	107.7	20.1	10.9	13.2

2. Deposits placed by non-residents of the euro area

	Banks ³⁾								Non-banks							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2001 Q2	1,817.5	690.1	133.8	993.6	815.4	72.9	73.2	32.2	681.9	286.7	73.2	322.0	274.2	19.3	13.6	14.9
Q3	1,710.8	664.3	140.3	906.2	745.2	53.5	76.3	31.2	681.5	297.7	69.2	314.5	263.0	18.4	17.1	16.0
Q4	1,718.4	631.1	132.3	955.1	799.1	48.5	75.3	32.1	710.3	308.1	60.8	341.4	293.9	16.8	18.1	12.6
2002 Q1	1,740.4	661.8	144.8	933.8	781.0	44.4	74.6	33.8	735.9	312.7	66.6	356.6	302.8	20.0	18.9	14.8
Q2	1,605.9	648.9	141.6	815.4	665.8	40.5	73.4	35.7	703.8	322.4	63.3	318.1	268.7	19.4	17.8	12.2
Q3	1,644.0	703.2	147.8	793.0	649.0	37.7	73.0	33.3	715.9	335.7	68.2	312.1	261.7	17.7	16.4	16.4
Q4 ⁴⁾	1,605.8	702.7	141.3	761.8	627.4	34.2	69.1	31.2	694.9	334.2	72.3	288.3	244.1	15.6	13.6	15.0

3. Debt securities and money market paper issued by euro area MFIs ⁴⁾

	Debt securities								Money market paper							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2001 Q2	2,731.3	2,358.3	53.9	319.1	189.3	69.4	39.6	20.8	275.5	227.0	4.3	44.2	35.8	4.7	2.5	1.1
Q3	2,751.5	2,384.7	52.9	313.9	187.4	68.6	38.5	19.5	265.0	217.9	4.0	43.2	36.0	3.1	2.8	1.2
Q4	2,780.1	2,377.9	67.9	334.4	209.7	63.8	40.6	20.2	254.7	204.8	6.0	43.9	37.9	2.8	2.1	1.1
2002 Q1	2,844.8	2,428.7	71.5	344.6	219.8	56.4	43.3	25.2	274.7	226.1	5.4	43.2	36.9	2.4	2.6	1.3
Q2	2,850.7	2,448.4	67.9	334.4	209.4	55.1	44.1	25.8	285.3	233.7	7.2	44.5	38.0	1.5	2.7	2.3
Q3	2,862.4	2,457.8	72.3	332.4	203.2	53.4	47.8	28.1	287.0	234.6	6.8	45.6	40.4	1.0	3.1	1.1
Q4 ⁴⁾	2,848.7	2,441.4	72.6	334.7	206.2	53.7	46.8	27.9	289.4	238.1	7.9	43.4	37.9	0.9	3.6	1.0

Source: ECB.

1) Levels at the end of the period. Data are partially estimated. For further details, see the technical notes.

2) Including items expressed in the national denominations of the euro.

3) The term "banks" is used in this table to indicate institutions of a similar type to MFIs resident outside the euro area.

4) Quarterly data on debt securities and money market paper are shown separately until the first publication data with reference to 2003. For further details, see the general notes.

Table 2.8 (cont'd)
Currency analysis of certain liabilities and assets of the euro area MFIs ¹⁾
(EUR billions (not seasonally adjusted; end of period))
Assets outstanding
4. Loans to euro area residents

	MFIs								Non-MFIs							
	All currencies	Euro ²⁾	Other EU currencies	Other currencies					All currencies	Euro ²⁾	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	4,096.6	-	-	-	-	-	-	-	7,223.9	6,857.3	29.4	337.2	205.0	51.7	74.0	6.5
Q3	4,089.7	-	-	-	-	-	-	-	7,251.7	6,907.3	30.9	313.5	178.2	52.1	77.3	5.8
Q4	4,180.4	-	-	-	-	-	-	-	7,367.0	7,025.2	29.8	312.0	181.6	47.8	77.5	5.1
2002 Q1	4,133.3	-	-	-	-	-	-	-	7,458.8	7,106.7	30.5	321.5	187.4	51.0	76.8	6.3
Q2	4,201.2	-	-	-	-	-	-	-	7,521.2	7,209.0	28.9	283.3	152.5	46.7	78.3	5.8
Q3	4,224.7	-	-	-	-	-	-	-	7,547.5	7,238.6	28.4	280.5	148.1	45.4	81.2	5.8
Q4 ⁴⁾	4,412.0	-	-	-	-	-	-	-	7,614.3	7,323.1	28.5	262.6	133.7	40.6	82.6	5.7

5. Holdings of securities other than shares issued by euro area residents

	Issued by MFIs								Issued by non-MFIs							
	All currencies	Euro ²⁾	Other EU currencies	Other currencies					All currencies	Euro ²⁾	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	1,114.1	1,071.0	11.0	32.1	22.1	6.5	1.6	1.8	1,508.6	1,466.8	4.9	36.9	21.7	13.3	1.1	0.8
Q3	1,109.6	1,070.1	9.6	29.9	21.0	5.9	1.5	1.5	1,522.6	1,483.6	4.2	34.8	20.4	12.6	1.2	0.6
Q4	1,113.6	1,068.6	12.4	32.6	23.1	6.3	1.4	1.8	1,516.1	1,478.6	3.6	33.9	20.1	12.1	1.1	0.6
2002 Q1	1,161.3	1,113.2	14.8	33.3	24.0	5.6	1.8	1.9	1,575.7	1,539.1	3.7	32.9	19.5	11.7	1.1	0.6
Q2	1,183.6	1,136.6	13.5	33.5	23.9	5.8	2.0	1.8	1,582.0	1,547.8	4.5	29.8	15.5	12.2	1.2	0.8
Q3	1,177.0	1,132.2	14.1	30.7	22.2	4.9	2.0	1.7	1,603.9	1,568.9	5.1	29.8	15.9	11.7	1.4	0.7
Q4 ⁴⁾	1,050.1	1,006.9	13.2	29.9	21.9	4.6	1.8	1.7	1,587.9	1,552.4	6.1	29.4	16.2	11.0	1.5	0.7

6. Loans to non-residents of the euro area

	Banks ³⁾								Non-banks							
	All currencies	Euro ²⁾	Other EU currencies	Other currencies					All currencies	Euro ²⁾	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	1,073.2	474.4	103.0	495.8	375.9	48.2	36.7	35.0	598.1	184.7	47.7	365.7	318.1	12.1	26.9	8.6
Q3	1,084.7	488.3	101.5	494.8	378.6	42.0	40.3	33.9	602.5	201.5	46.8	354.2	307.5	12.7	24.9	9.0
Q4	1,119.7	452.2	114.7	552.9	435.9	45.2	37.9	33.8	618.6	202.3	46.8	369.5	323.4	12.0	25.7	8.4
2002 Q1	1,104.8	432.2	131.1	541.6	424.4	45.6	37.3	34.3	633.0	199.4	49.9	383.7	331.2	16.4	26.9	9.2
Q2	1,083.4	457.7	129.9	495.9	375.0	61.4	36.1	23.4	602.9	205.7	46.6	350.5	300.8	12.8	28.1	8.8
Q3	1,122.2	495.3	143.8	483.0	369.9	55.8	33.4	23.9	616.3	219.8	46.2	350.3	297.0	15.4	29.0	8.9
Q4 ⁴⁾	1,169.2	545.6	122.3	501.3	392.8	53.3	32.4	22.8	606.4	221.4	44.3	340.7	288.9	14.3	28.0	9.5

7. Holdings of securities other than shares issued by non-residents of the euro area

	Issued by banks ³⁾								Issued by non-banks							
	All currencies	Euro ²⁾	Other EU currencies	Other currencies					All currencies	Euro ²⁾	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2001 Q2	210.6	72.5	25.5	112.6	98.4	6.8	2.6	4.8	503.3	121.4	25.8	356.1	316.2	26.9	3.0	9.9
Q3	206.7	76.5	27.0	103.2	93.1	4.7	2.1	3.4	486.9	129.1	27.1	330.7	292.7	27.1	3.9	7.1
Q4	236.6	80.7	27.6	128.3	118.1	4.2	2.7	3.3	508.2	131.5	27.1	349.6	306.4	30.3	4.2	8.7
2002 Q1	262.9	87.1	33.5	142.4	130.5	4.4	2.9	4.5	493.7	127.9	26.9	339.0	298.6	24.6	5.0	10.8
Q2	244.0	87.5	32.6	123.9	111.8	4.0	2.3	5.9	459.2	132.4	25.0	301.7	260.7	24.3	5.0	11.7
Q3	249.8	90.9	38.7	120.1	111.6	4.0	1.4	3.2	484.9	136.3	31.6	316.9	273.8	26.2	5.4	11.6
Q4 ⁴⁾	242.2	88.1	35.4	118.7	110.9	3.9	1.3	2.6	478.4	134.3	33.5	310.7	269.4	24.2	5.8	11.3

Table 2.9**Aggregated balance sheet of euro area investment funds ¹⁾***(EUR billions (not seasonally adjusted; end of period))***1. Assets**

									Total
	Deposits	Holdings of securities other than shares			Holdings of shares/ other equity	Holdings of investment fund shares	Fixed assets	Other assets	
			Up to 1 year	Over 1 year					
1	2	3	4	5	6	7	8	9	
2001 Q1	233.0	1,289.7	60.0	1,229.8	1,279.6	191.5	100.1	91.2	3,185.2
Q2	248.7	1,293.6	62.0	1,231.7	1,340.4	211.9	104.3	92.2	3,291.3
Q3	242.4	1,293.9	62.6	1,231.4	1,053.9	192.4	105.0	90.4	2,977.9
Q4	244.6	1,309.9	63.4	1,246.5	1,219.1	209.6	108.9	98.7	3,190.8
2002 Q1	253.6	1,308.7	70.7	1,238.0	1,263.3	224.6	111.0	98.0	3,259.2
Q2	242.8	1,312.7	75.4	1,237.3	1,056.4	215.3	108.0	99.9	3,035.1
Q3 ^(p)	237.0	1,338.4	74.5	1,264.0	848.6	204.6	121.0	103.5	2,853.0

2. Liabilities

				Total
	Deposits and loans taken	Investment fund shares	Other liabilities	
	1	2	3	
2001 Q1	37.3	3,069.8	78.1	3,185.2
Q2	39.3	3,164.2	87.8	3,291.3
Q3	41.5	2,858.8	77.6	2,977.9
Q4	41.1	3,075.6	74.1	3,190.8
2002 Q1	42.6	3,137.7	78.8	3,259.2
Q2	39.2	2,920.4	75.5	3,035.1
Q3 ^(p)	38.9	2,738.9	75.2	2,853.0

3. Total assets/liabilities broken down by investment policy and type of investor

	Funds by investment policy							Total
	Funds by investment policy					Funds by type of investor		
	Equity funds	Bond funds	Mixed funds	Real estate funds	Other funds	General public funds	Special investors' funds	
1	2	3	4	5	6	7	8	
2001 Q1	899.7	999.5	849.1	118.1	318.7	2,414.7	770.5	3,185.2
Q2	947.5	1,019.3	857.1	123.6	343.8	2,510.3	781.0	3,291.3
Q3	738.2	1,019.1	756.0	127.0	337.7	2,241.8	736.1	2,977.9
Q4	839.6	1,031.7	810.3	134.0	375.2	2,408.1	782.7	3,190.8
2002 Q1	862.4	1,039.3	820.3	142.3	394.8	2,464.2	794.9	3,259.2
Q2	728.7	1,037.0	762.6	139.2	367.6	2,262.5	772.6	3,035.1
Q3 ^(p)	585.5	1,063.3	700.1	145.6	358.6	2,092.8	760.2	2,853.0

Source: ECB.

1) Other than money market funds. Data refer to euro area countries excluding Ireland. For further details, see the general notes.

Table 2.10**Aggregated balance sheet of euro area investment funds broken down by investment policy***(EUR billions (not seasonally adjusted; end of period))***1. Assets of equity funds**

								Total
	Deposits 1	Holdings of securities other than shares 2	Holdings of securities other than shares		Holdings of shares/ other equity 5	Holdings of investment fund shares 6	Other assets 7	8
			Up to 1 year 3	Over 1 year 4				
2001 Q1	50.2	34.3	4.6	29.6	788.6	13.7	13.0	899.7
Q2	48.8	34.7	4.5	30.2	830.5	21.0	12.6	947.5
Q3	41.2	30.6	4.2	26.4	636.1	16.7	13.6	738.2
Q4	39.5	29.0	3.0	26.1	735.2	19.4	16.5	839.6
2002 Q1	39.3	28.7	2.9	25.8	759.1	20.6	14.7	862.4
Q2	34.0	27.4	4.0	23.4	630.0	22.2	15.0	728.7
Q3 ^(p)	29.2	26.6	3.7	22.9	496.4	19.1	14.2	585.5

2. Liabilities of equity funds

				Total
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	4
2001 Q1	3.4	889.3	7.0	899.7
Q2	3.2	936.4	8.0	947.5
Q3	4.1	727.9	6.1	738.2
Q4	2.6	831.4	5.6	839.6
2002 Q1	3.5	852.7	6.1	862.4
Q2	4.4	718.7	5.6	728.7
Q3 ^(p)	4.1	576.3	5.1	585.5

3. Assets of bond funds

								Total
	Deposits 1	Holdings of securities other than shares 2	Holdings of securities other than shares		Holdings of shares/ other equity 5	Holdings of investment fund shares 6	Other assets 7	8
			Up to 1 year 3	Over 1 year 4				
2001 Q1	67.4	856.0	26.6	829.4	33.2	9.8	33.1	999.5
Q2	78.6	858.4	29.3	829.1	36.4	12.3	33.6	1,019.3
Q3	74.9	865.5	32.2	833.3	34.3	12.7	31.6	1,019.1
Q4	73.2	875.4	33.1	842.3	38.5	11.3	33.4	1,031.7
2002 Q1	77.9	874.0	37.3	836.7	42.9	11.5	33.0	1,039.3
Q2	75.9	882.2	38.5	843.8	33.2	10.8	34.9	1,037.0
Q3 ^(p)	78.3	902.1	37.2	865.0	32.7	11.6	38.6	1,063.3

4. Liabilities of bond funds

				Total
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	4
2001 Q1	7.1	974.0	18.3	999.5
Q2	7.3	984.5	27.5	1,019.3
Q3	8.1	991.2	19.8	1,019.1
Q4	8.4	1,007.3	16.0	1,031.7
2002 Q1	8.5	1,013.2	17.7	1,039.3
Q2	7.9	1,011.5	17.6	1,037.0
Q3 ^(p)	7.0	1,039.3	17.0	1,063.3

Source: ECB.

Table 2.10 (cont'd)**Aggregated balance sheet of euro area investment funds broken down by investment policy***(EUR billions (not seasonally adjusted; end of period))***5. Assets of mixed funds**

	Deposits 1	Holdings of securities other than shares 2			Holdings of shares/ other equity 5	Holdings of investment fund shares 6	Fixed assets 7	Other assets 8	Total 9
			Up to 1 year 3	Over 1 year 4					
			2001 Q1	54.8						302.2	19.0	283.2	373.4	88.6	2.5	27.6	849.1
Q2	55.8	296.3	18.0	278.3	382.8	93.8	2.6	25.9	857.1
Q3	55.2	290.4	16.4	274.0	297.5	85.7	2.5	24.8	756.0
Q4	56.9	286.5	17.0	269.5	347.5	92.7	2.4	24.3	810.3
2002 Q1	52.6	283.8	18.1	265.7	357.0	100.3	2.3	24.4	820.3
Q2	54.2	286.9	20.6	266.3	298.8	94.6	2.1	26.0	762.6
Q3 ^(p)	53.0	291.7	21.4	270.3	234.3	88.1	5.2	27.7	700.1

6. Liabilities of mixed funds

	Deposits and loans taken 1			Investment fund shares 2		Other liabilities 3		Total 4
	2001 Q1	3.1			823.7		22.3		849.1
Q2	3.4			834.1		19.6		857.1
Q3	3.3			734.4		18.3		756.0
Q4	2.9			790.9		16.5		810.3
2002 Q1	2.9			799.4		18.0		820.3
Q2	3.1			741.3		18.2		762.6
Q3 ^(p)	3.5			677.1		19.5		700.1

7. Assets of real estate funds

	Deposits 1	Holdings of securities other than shares 2			Holdings of shares/ other equity 5	Holdings of investment fund shares 6	Fixed assets 7	Other assets 8	Total 9
			Up to 1 year 3	Over 1 year 4					
			2001 Q1	6.0						8.3	0.5	7.8	0.9	1.5	97.5	4.0	118.1
Q2	6.6	8.7	0.5	8.2	1.0	1.3	101.5	4.4	123.6
Q3	9.8	7.6	0.5	7.1	0.9	1.5	102.3	4.9	127.0
Q4	8.6	10.7	0.5	10.1	1.0	2.0	106.1	5.7	134.0
2002 Q1	11.5	12.9	0.6	12.3	1.1	2.1	108.3	6.4	142.3
Q2	13.5	9.8	0.6	9.2	0.9	3.9	105.1	6.0	139.2
Q3 ^(p)	13.3	10.7	0.6	10.1	0.8	5.1	109.5	6.2	145.6

8. Liabilities of real estate funds

	Deposits and loans taken 1			Investment fund shares 2		Other liabilities 3		Total 4
	2001 Q1	22.3			91.7		4.1		118.1
Q2	24.1			95.0		4.5		123.6
Q3	24.8			97.9		4.4		127.0
Q4	25.9			103.3		4.8		134.0
2002 Q1	26.7			110.7		4.9		142.3
Q2	22.3			112.1		4.8		139.2
Q3 ^(p)	22.9			117.7		5.0		145.6

Source: ECB.

Table 2.11**Aggregated balance sheet of euro area investment funds broken down by type of investor***(EUR billions (not seasonally adjusted; end of period))***1. Assets of general public funds**

							Total
	Deposits 1	Holdings of securities other than shares 2	Holdings of shares/ other equity 3	Holdings of investment fund shares 4	Fixed assets 5	Other assets 6	7
2001 Q1	192.2	917.9	994.8	151.6	92.9	65.2	2,414.7
Q2	209.3	919.1	1,047.7	170.4	96.5	67.4	2,510.3
Q3	196.4	912.1	820.2	151.6	96.4	65.1	2,241.8
Q4	201.0	928.7	949.2	167.1	99.1	63.2	2,408.1
2002 Q1	213.3	921.8	984.8	176.8	100.6	66.9	2,464.2
Q2	199.2	915.7	818.4	166.7	96.1	66.4	2,262.5
Q3 ^(p)	188.2	917.4	654.5	156.0	107.9	68.9	2,092.8

2. Liabilities of general public funds

				Total
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	4
2001 Q1	33.9	2,313.7	67.2	2,414.7
Q2	35.7	2,397.4	77.3	2,510.3
Q3	37.4	2,137.4	67.0	2,241.8
Q4	36.4	2,312.9	58.8	2,408.1
2002 Q1	38.1	2,360.2	65.9	2,464.2
Q2	34.1	2,166.0	62.4	2,262.5
Q3 ^(p)	33.0	1,998.3	61.5	2,092.8

3. Assets of special investors' funds

							Total
	Deposits 1	Holdings of securities other than shares 2	Holdings of shares/ other equity 3	Holdings of investment fund shares 4	Fixed assets 5	Other assets 6	7
2001 Q1	40.8	371.8	284.8	39.9	7.2	26.0	770.5
Q2	39.4	374.6	292.7	41.5	7.8	24.9	781.0
Q3	46.0	381.8	233.7	40.7	8.6	25.3	736.1
Q4	43.6	381.2	270.0	42.6	9.8	35.6	782.7
2002 Q1	40.3	386.9	278.4	47.8	10.3	31.2	794.9
Q2	43.6	397.1	238.0	48.6	11.9	33.5	772.6
Q3 ^(p)	48.8	421.0	194.1	48.6	13.1	34.6	760.2

4. Liabilities of special investors' funds

				Total
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	4
2001 Q1	3.4	756.1	11.0	770.5
Q2	3.6	766.8	10.6	781.0
Q3	4.2	721.4	10.5	736.1
Q4	4.6	762.8	15.3	782.7
2002 Q1	4.5	777.5	12.9	794.9
Q2	5.1	754.4	13.1	772.6
Q3 ^(p)	5.9	740.6	13.7	760.2

Source: ECB.

3 Financial markets and interest rates in the euro area

Table 3.1

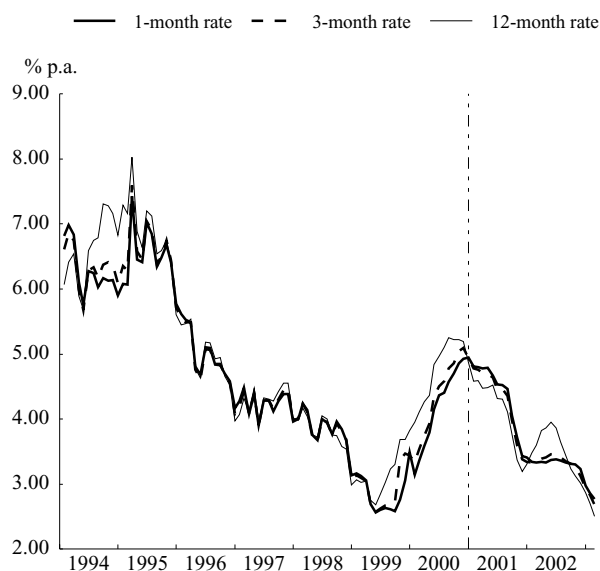
Money market interest rates ¹⁾

(percentages per annum)

	Euro area ⁴⁾					United States ⁶⁾	Japan ⁶⁾
	Overnight deposits ^{2),3)} 1	1-month deposits ⁵⁾ 2	3-month deposits ⁵⁾ 3	6-month deposits ⁵⁾ 4	12-month deposits ⁵⁾ 5	3-month deposits ⁶⁾ 6	3-month deposits ⁷⁾ 7
1998	3.09	3.84	3.83	3.78	3.77	5.57	0.66
1999	2.74	2.86	2.96	3.06	3.19	5.42	0.22
2000	4.12	4.24	4.40	4.55	4.78	6.53	0.28
<i>Euro area enlargement</i>							
2001	4.39	4.33	4.26	4.16	4.09	3.78	0.15
2002	3.29	3.30	3.32	3.35	3.49	1.80	0.08
2002 Feb.	3.28	3.34	3.36	3.40	3.59	1.90	0.10
Mar.	3.26	3.35	3.39	3.50	3.82	1.99	0.10
Apr.	3.32	3.34	3.41	3.54	3.86	1.97	0.08
May	3.31	3.37	3.46	3.62	3.95	1.91	0.08
June	3.35	3.38	3.46	3.59	3.87	1.88	0.07
July	3.30	3.36	3.41	3.48	3.64	1.85	0.07
Aug.	3.29	3.33	3.35	3.38	3.44	1.78	0.07
Sep.	3.32	3.32	3.31	3.27	3.24	1.80	0.07
Oct.	3.30	3.31	3.26	3.17	3.13	1.78	0.07
Nov.	3.30	3.23	3.12	3.04	3.02	1.46	0.07
Dec.	3.09	2.98	2.94	2.89	2.87	1.41	0.06
2003 Jan.	2.79	2.86	2.83	2.76	2.71	1.37	0.06
Feb.	2.76	2.77	2.69	2.58	2.50	1.34	0.06
2003 7 Feb.	2.78	2.81	2.76	2.64	2.56	1.35	0.06
14	2.78	2.80	2.69	2.57	2.49	1.34	0.06
21	2.39	2.80	2.68	2.56	2.47	1.34	0.06
28	2.82	2.65	2.53	2.46	2.41	1.34	0.06

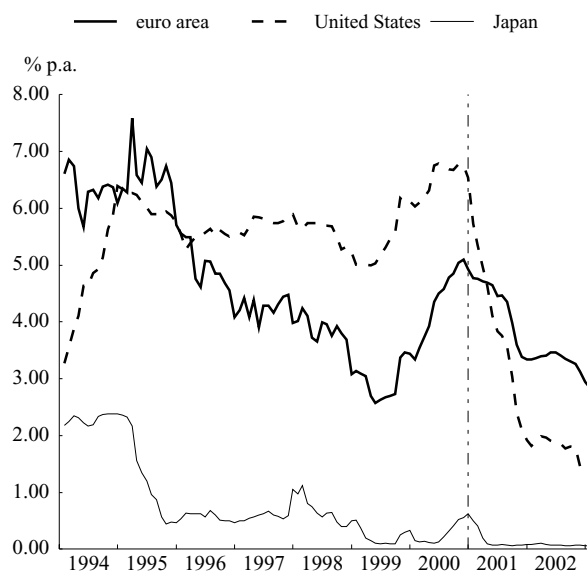
Euro area money market rates

(monthly)



3-month money market rates

(monthly)



Sources: Reuters and ECB.

1) With the exception of the overnight rate to December 1998, monthly and yearly values are period averages.

2) Interbank deposit bid rates to December 1998. From January 1999 column 1 shows the euro overnight index average (EONIA).

3) End-of-period rates to December 1998; period averages thereafter.

4) Before January 1999 synthetic euro area rates were calculated on the basis of national rates weighted by GDP.

5) From January 1999, euro interbank offered rates (EURIBOR). Up to December 1998, London interbank offered rates (LIBOR) where available.

6) London interbank offered rates (LIBOR).

Table 3.2

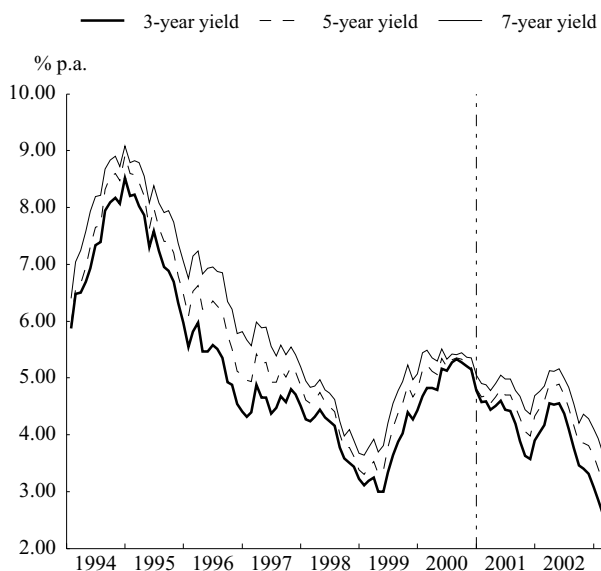
Government bond yields ¹⁾

(percentages per annum)

	Euro area ²⁾					United States	Japan
	2 years ¹	3 years ²	5 years ³	7 years ⁴	10 years ⁵	10 years ⁶	10 years ⁷
1998	3.16	3.22	3.38	3.67	4.71	5.33	1.30
1999	3.38	3.63	4.01	4.38	4.66	5.64	1.75
2000	4.90	5.03	5.19	5.37	5.44	6.03	1.76
<i>Euro area enlargement</i>							
2001	4.11	4.23	4.49	4.79	5.03	5.01	1.34
2002	3.68	3.94	4.35	4.70	4.92	4.60	1.27
2002 Feb.	3.96	4.17	4.60	4.85	5.07	4.90	1.52
Mar.	4.25	4.55	4.90	5.13	5.32	5.28	1.45
Apr.	4.21	4.53	4.86	5.12	5.30	5.21	1.39
May	4.25	4.55	4.89	5.16	5.30	5.15	1.38
June	4.10	4.37	4.70	4.99	5.16	4.90	1.36
July	3.83	4.10	4.48	4.84	5.03	4.62	1.30
Aug.	3.47	3.76	4.15	4.54	4.73	4.24	1.26
Sep.	3.19	3.46	3.85	4.20	4.52	3.88	1.16
Oct.	3.13	3.41	3.86	4.36	4.62	3.91	1.09
Nov.	3.04	3.31	3.81	4.28	4.59	4.04	0.99
Dec.	2.84	3.08	3.63	4.10	4.41	4.03	0.97
2003 Jan.	2.64	2.85	3.40	3.93	4.27	4.02	0.84
Feb.	2.45	2.61	3.18	3.68	4.06	3.90	0.83
2003 7 Feb.	2.49	2.66	3.25	3.72	4.10	3.97	0.84
14	2.45	2.61	3.16	3.69	4.06	3.92	0.84
21	2.45	2.60	3.15	3.67	4.03	3.88	0.83
28	2.33	2.49	3.06	3.61	4.00	3.74	0.78

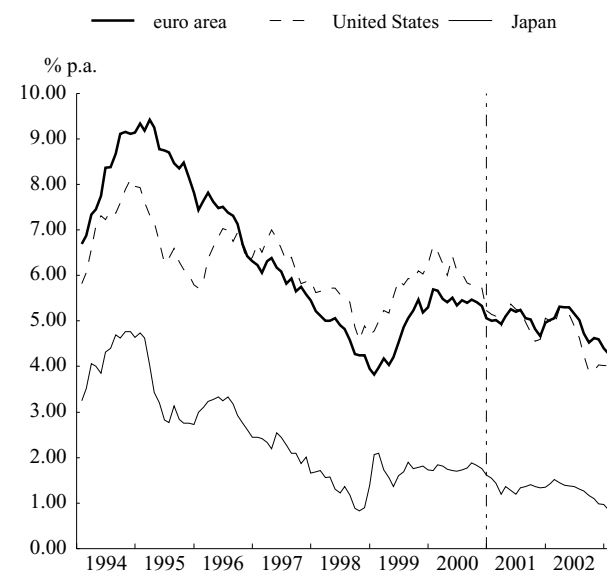
Euro area government bond yields

(monthly)



10-year government bond yields

(monthly)



Sources: Reuters, ECB, Federal Reserve and Bank of Japan.

- 1) To December 1998, 2, 3, 5 and 7-year euro area yields are end-of-period values and 10-year yields are period averages. Thereafter, all yields are period averages.
- 2) To December 1998, euro area yields are calculated on the basis of harmonised national government bond yields weighted by GDP. Thereafter, the weights are the nominal outstanding amounts of government bonds in each maturity band.

Table 3.3

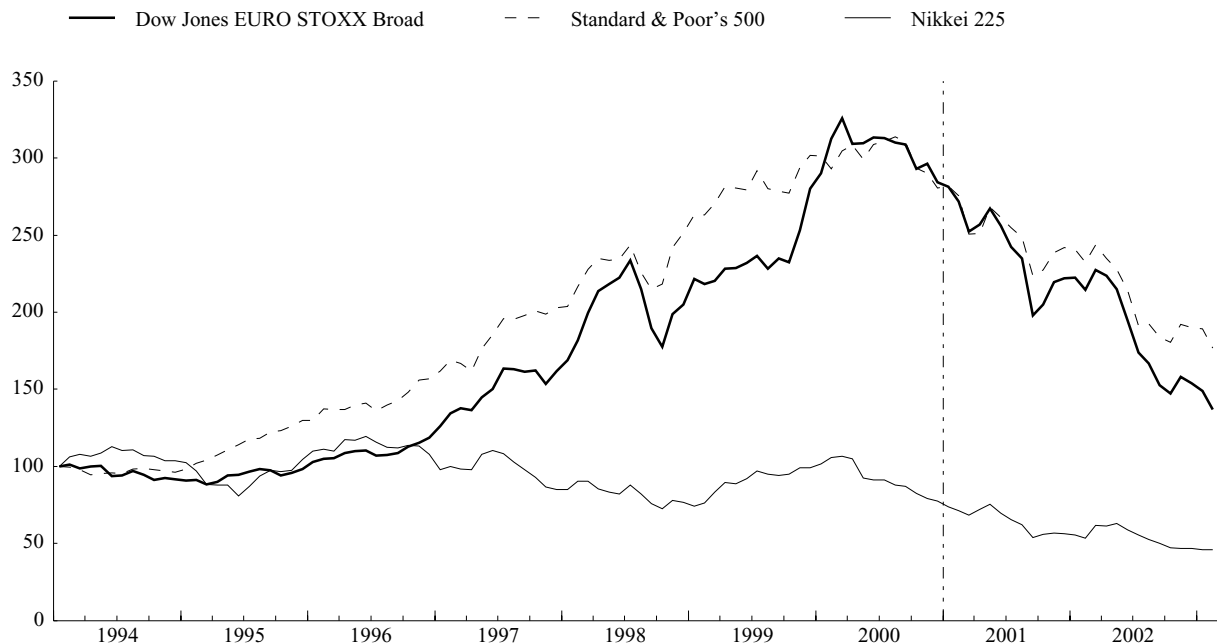
Stock market indices

(index levels, in points)¹⁾

	Dow Jones EURO STOXX indices												United States	Japan
	Benchmark		Main economic sector indices											
	Broad	50	Basic materials	Consumer cyclical	Consumer non-cyclical	Energy	Financial	Industrial	Technology	Utilities	Telecommunications	Health-care			Standard & Poor's 500	Nikkei 225
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1998	280.5	3,076.3	257.9	245.0	295.5	249.3	281.3	218.4	333.6	282.4	488.1	348.9	1,085.3	15,338.4
1999	325.8	3,787.3	279.2	262.9	327.7	286.0	295.7	285.1	470.4	306.2	717.7	392.6	1,327.8	16,829.9
2000	423.9	5,075.5	299.1	292.9	324.3	342.3	350.7	378.0	963.1	341.7	1,072.5	476.0	1,426.7	17,162.7
<i>Euro area enlargement</i>														
2001	336.3	4,049.4	296.0	228.2	303.3	341.4	321.6	310.0	530.5	309.6	541.2	540.1	1,193.8	12,114.8
2002	259.9	3,023.4	267.5	175.0	266.5	308.9	243.3	252.4	345.1	255.5	349.2	411.8	995.4	10,119.3
2002 Feb.	297.9	3,537.6	294.9	198.6	288.5	334.0	275.1	279.3	463.7	291.1	406.3	490.1	1,101.5	9,966.9
Mar.	315.4	3,739.6	312.9	215.5	296.5	355.0	294.8	299.0	494.4	291.2	429.3	486.3	1,153.3	11,452.5
Apr.	310.2	3,657.0	308.6	210.2	302.8	351.5	299.5	299.0	438.6	296.9	409.7	472.1	1,112.0	11,391.6
May	298.2	3,503.5	306.9	204.3	300.7	347.3	293.7	296.7	378.3	290.6	355.9	460.8	1,079.9	11,695.8
June	269.8	3,143.1	293.1	187.5	282.1	324.6	263.8	275.3	312.4	273.0	302.4	408.1	1,014.0	10,965.9
July	241.2	2,810.6	267.8	160.9	252.1	298.6	229.2	248.8	282.1	244.0	300.4	370.6	905.5	10,352.3
Aug.	231.3	2,697.4	243.6	152.9	250.1	290.9	217.4	227.9	258.8	236.7	310.0	376.6	912.6	9,751.2
Sep.	211.8	2,450.2	227.2	140.6	241.2	274.0	193.1	215.3	229.0	221.2	283.1	337.0	870.1	9,354.8
Oct.	204.0	2,384.7	214.4	135.3	236.5	272.1	177.8	193.6	235.8	209.6	286.8	345.4	854.6	8,781.1
Nov.	219.5	2,559.0	224.2	145.4	234.8	272.4	197.0	208.8	289.6	215.2	324.5	347.1	910.1	8,699.6
Dec.	213.6	2,475.1	225.3	139.4	226.5	268.8	194.2	205.2	270.4	207.3	322.5	324.4	899.1	8,674.8
2003 Jan.	206.3	2,377.4	213.0	130.9	220.2	262.4	186.5	198.5	250.2	210.0	330.0	313.8	896.0	8,567.4
Feb.	189.8	2,170.9	185.8	121.5	196.5	245.1	172.2	186.0	226.5	198.1	309.4	274.3	836.6	8,535.8
2003 7 Feb.	187.9	2,133.6	187.8	121.5	197.9	239.1	169.2	184.5	223.0	197.0	308.0	272.3	829.7	8,448.2
14	191.4	2,200.0	187.0	121.6	200.3	242.2	175.6	187.4	227.2	200.7	320.9	262.7	817.4	8,701.9
21	192.0	2,208.3	186.4	122.3	198.4	248.5	176.4	186.6	228.1	200.1	307.5	279.2	848.2	8,513.5
28	187.0	2,140.7	179.0	119.8	188.5	245.7	171.5	182.9	222.3	191.4	300.6	275.2	841.2	8,363.0

Dow Jones EURO STOXX Broad, Standard & Poor's 500 and Nikkei 225

(base month: January 1994 = 100; monthly)



Source: Reuters.

1) Monthly and yearly values are period averages.

Table 3.4

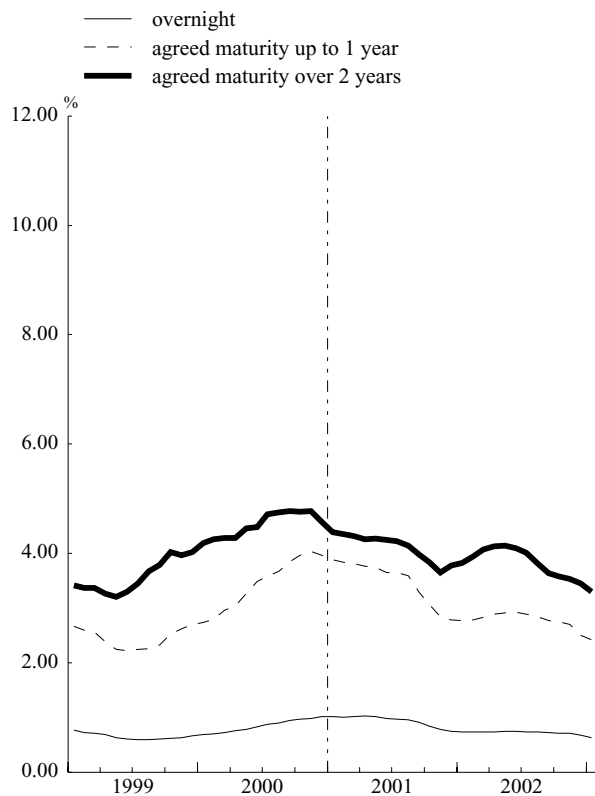
Retail bank interest rates

(percentages per annum; period averages)

	Deposit interest rates						Lending interest rates			
	Overnight 1	With agreed maturity			Redeemable at notice		To enterprises		To households	
		Up to 1 year 2	Up to 2 years 3	Over 2 years 4	Up to 3 months 5	Over 3 months 6	Up to 1 year 7	Over 1 year 8	Consumer lending 9	For house purchase 10
2000	0.85	3.45	3.45	4.52	2.25	3.79	6.60	6.23	9.87	6.34
<i>Euro area enlargement</i>										
2001	0.94	3.49	3.49	4.12	2.40	3.59	6.83	6.15	10.12	5.97
2002	0.73	2.80	2.80	3.85	2.13	2.85	6.13	5.71	9.78	5.54
2002 Jan.	0.73	2.77	2.77	3.83	2.17	2.80	6.18	5.63	9.79	5.53
Feb.	0.73	2.78	2.79	3.95	2.15	2.91	6.16	5.75	9.83	5.61
Mar.	0.73	2.84	2.84	4.07	2.15	3.00	6.09	5.85	9.78	5.74
Apr.	0.74	2.89	2.90	4.13	2.14	3.07	6.17	5.95	9.83	5.81
May	0.74	2.91	2.92	4.15	2.15	3.08	6.20	5.98	9.87	5.82
June	0.74	2.93	2.94	4.09	2.13	3.08	6.18	5.92	9.83	5.77
July	0.74	2.89	2.90	4.02	2.13	3.02	6.16	5.79	9.78	5.68
Aug.	0.73	2.84	2.85	3.81	2.12	2.94	6.15	5.71	9.79	5.53
Sep.	0.73	2.77	2.77	3.64	2.13	2.73	6.12	5.61	9.85	5.38
Oct.	0.72	2.74	2.74	3.58	2.11	2.63	6.13	5.54	9.72	5.26
Nov.	0.71	2.70	2.69	3.53	2.11	2.55	6.10	5.50	9.70	5.21
Dec.	0.68	2.51	2.51	3.45	2.05	2.41	5.98	5.34	9.58	5.09
2003 Jan.	0.63	2.43	2.42	3.29	2.04	2.34	5.97	5.31	9.61	4.96

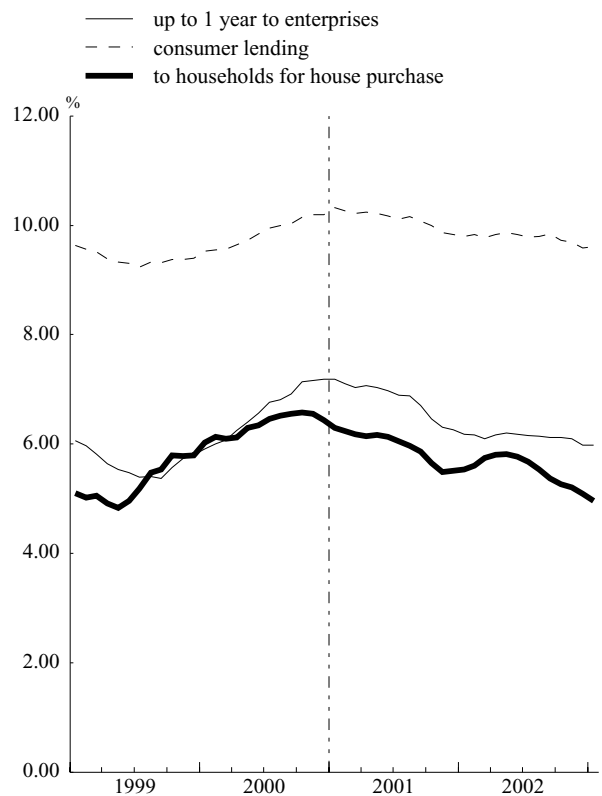
Deposit interest rates

(monthly)



Lending interest rates

(monthly)



Source: ECB.

These euro area retail bank interest rates should be used with caution and for statistical purposes only, primarily to analyse their development over time rather than their level. They are calculated as the weighted average of national interest rates provided by the national central banks. The national rates represent those rates that are currently available from national sources and which are judged to fit the standard categories. These national rates have been aggregated to derive information for the euro area, in some cases relying on proxies and working assumptions due to the heterogeneity observed in the national financial instruments across MU Member States. Furthermore, the national interest rates are not harmonised in terms of their coverage (new business and/or outstanding amounts), the nature of the data (nominal or effective) or the compilation method. The country weights for the euro area retail bank interest rates are derived from MFI balance sheet statistics or close proxies. The weights reflect the country-specific proportions of the relevant instruments within the euro area, measured as outstanding amounts. The weights are adjusted monthly, so that interest rates and weights always refer to the same month.

Table 3.5**Securities issues other than shares by original maturity, residency of the issuer and currency denomination***(EUR billions; transactions during the month and end-of-period stocks; nominal values)***1. Short-term**

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Dec.	332.9	377.0	-44.0	698.3	308.5	353.9	-45.4	611.5	24.5	23.1
2002 Jan.	486.1	453.9	32.2	733.6	464.6	432.9	31.7	644.2	21.5	21.0
Feb.	407.1	408.5	-1.4	729.4	387.2	387.6	-0.4	644.6	19.9	20.9
Mar.	421.5	403.5	18.0	749.2	400.5	383.4	17.1	663.0	21.0	20.1
Apr.	402.5	406.9	-4.4	744.1	377.3	384.3	-7.0	655.9	25.2	22.6
May	401.5	378.5	23.0	766.0	377.9	358.5	19.5	674.3	23.5	20.1
June	337.7	342.0	-4.3	762.1	316.9	318.9	-2.0	673.6	20.7	23.0
July	405.2	392.2	13.0	767.7	382.4	371.4	11.0	681.9	22.8	20.8
Aug.	384.5	378.1	6.4	772.4	366.2	356.8	9.4	689.9	18.3	21.3
Sep.	415.0	400.6	14.4	789.6	392.2	381.0	11.1	703.7	22.8	19.5
Oct.	468.3	456.3	12.0	803.0	441.8	433.3	8.5	712.3	26.5	23.0
Nov.	434.8	413.1	21.7	830.0	412.9	389.0	23.9	739.7	22.0	24.2
Dec.	404.4	451.5	-47.0	781.9	385.1	429.7	-44.6	694.5	19.3	21.7

2. Long-term

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Dec.	126.9	86.9	40.0	7,029.6	114.5	77.4	37.1	6,407.7	12.4	9.5
2002 Jan.	173.1	110.9	62.2	7,096.7	155.3	104.9	50.4	6,456.3	17.8	6.0
Feb.	143.1	109.4	33.6	7,130.7	130.4	97.8	32.6	6,489.3	12.7	11.7
Mar.	165.0	101.9	63.0	7,192.6	143.1	90.9	52.2	6,540.9	21.9	11.1
Apr.	127.0	79.9	47.1	7,230.0	115.7	74.7	41.0	6,582.4	11.3	5.2
May	149.4	87.1	62.3	7,279.0	126.9	75.4	51.5	6,635.1	22.5	11.6
June	133.0	94.7	38.3	7,294.0	123.3	87.0	36.4	6,667.4	9.7	7.8
July	131.1	113.0	18.1	7,323.7	114.3	103.7	10.6	6,681.7	16.8	9.3
Aug.	68.6	64.2	4.4	7,325.5	59.0	54.8	4.3	6,685.6	9.6	9.5
Sep.	142.8	85.4	57.4	7,382.9	121.3	73.7	47.5	6,732.8	21.6	11.7
Oct.	122.9	92.3	30.6	7,412.9	105.4	81.7	23.6	6,756.8	17.5	10.6
Nov.	129.7	94.2	35.5	7,442.3	118.1	89.4	28.7	6,781.9	11.6	4.8
Dec.	126.0	168.7	-42.8	7,382.2	114.8	157.0	-42.2	6,738.6	11.2	11.8

3. Total

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Dec.	459.8	463.9	-4.1	7,727.9	423.0	431.3	-8.4	7,019.1	36.9	32.5
2002 Jan.	659.2	564.8	94.4	7,830.3	620.0	537.8	82.1	7,100.5	39.3	27.0
Feb.	550.2	518.0	32.2	7,860.2	517.6	485.4	32.2	7,134.0	32.6	32.6
Mar.	586.5	505.5	81.0	7,941.9	543.6	474.3	69.4	7,203.9	42.9	31.2
Apr.	529.5	486.8	42.7	7,974.1	493.0	459.0	34.0	7,238.3	36.5	27.7
May	550.9	465.6	85.3	8,045.0	504.8	433.9	70.9	7,309.4	46.1	31.7
June	470.7	436.7	34.0	8,056.0	440.2	405.9	34.3	7,341.0	30.5	30.8
July	536.3	505.2	31.1	8,091.4	496.7	475.1	21.7	7,363.6	39.6	30.1
Aug.	453.1	442.4	10.7	8,098.0	425.2	411.6	13.6	7,375.5	27.9	30.8
Sep.	557.8	486.0	71.9	8,172.4	513.4	454.8	58.7	7,436.5	44.4	31.2
Oct.	591.2	548.6	42.6	8,215.9	547.2	515.0	32.2	7,469.1	44.0	33.6
Nov.	564.6	507.3	57.2	8,272.3	531.0	478.4	52.6	7,521.6	33.6	28.9
Dec.	530.4	620.2	-89.8	8,164.2	499.9	586.7	-86.8	7,433.1	30.6	33.5

Sources: ECB and BIS (for issues by non-residents of the euro area).

1) Including items expressed in the national denominations of the euro.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
1.4	86.8	17.1	10.2	6.9	54.5	325.6	364.1	-38.5	666.0	2001 Dec.
0.5	89.4	11.3	24.2	-12.9	41.6	476.0	457.1	18.8	685.8	2002 Jan.
-1.0	84.8	13.4	11.8	1.7	43.3	400.6	399.4	1.3	687.9	Feb.
0.9	86.2	24.3	7.9	16.4	59.7	424.8	391.3	33.6	722.7	Mar.
2.6	88.3	9.7	28.1	-18.4	41.3	387.0	412.4	-25.4	697.2	Apr.
3.5	91.7	13.7	13.4	0.3	41.5	391.6	371.9	19.7	715.8	May
-2.3	88.4	20.9	8.0	12.9	54.4	337.8	327.0	10.9	728.1	June
1.9	85.8	14.7	24.8	-10.1	44.4	397.1	396.2	1.0	726.3	July
-3.0	82.5	12.1	11.5	0.6	44.9	378.3	368.4	9.9	734.8	Aug.
3.3	85.9	31.7	7.7	24.0	68.9	423.9	388.7	35.2	772.6	Sep.
3.5	90.7	17.1	31.4	-14.2	54.7	458.9	464.6	-5.7	767.0	Oct.
-2.2	90.3	14.6	16.9	-2.3	52.4	427.5	405.9	21.6	792.1	Nov.
-2.4	87.4	23.9	10.7	13.2	65.6	409.0	440.4	-31.4	760.1	Dec.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
2.9	622.0	14.2	13.4	0.8	876.0	128.7	90.8	37.9	7,283.7	2001 Dec.
11.8	640.4	19.6	6.8	12.7	888.7	174.9	111.7	63.2	7,345.0	2002 Jan.
1.0	641.4	20.0	13.9	6.2	895.0	150.4	111.6	38.8	7,384.3	Feb.
10.8	651.8	25.5	12.0	13.5	908.5	168.6	102.8	65.7	7,449.4	Mar.
6.2	647.5	23.0	7.6	15.4	924.1	138.7	82.3	56.4	7,506.6	Apr.
10.9	643.9	26.3	8.2	18.0	942.3	153.2	83.7	69.5	7,577.5	May
2.0	626.6	29.3	10.9	18.5	960.7	152.6	97.8	54.8	7,628.1	June
7.5	642.0	11.6	8.2	3.4	964.1	125.9	111.9	14.0	7,645.8	July
0.1	640.0	7.0	8.1	-1.1	963.0	66.1	62.9	3.2	7,648.6	Aug.
9.9	650.1	24.3	11.4	12.9	976.0	145.6	85.1	60.5	7,708.8	Sep.
6.9	656.1	13.2	13.1	0.1	976.1	118.6	94.9	23.7	7,732.9	Oct.
6.8	660.4	13.7	11.9	1.8	977.9	131.8	101.3	30.5	7,759.9	Nov.
-0.5	643.6	18.3	10.9	7.4	985.3	133.1	167.9	-34.8	7,724.0	Dec.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
4.3	708.8	31.3	23.6	7.7	930.5	454.3	454.9	-0.7	7,949.6	2001 Dec.
12.3	729.8	30.9	31.0	-0.1	930.3	650.9	568.9	82.0	8,030.8	2002 Jan.
0.0	726.2	33.5	25.6	7.8	938.3	551.1	511.0	40.0	8,072.2	Feb.
11.7	738.0	49.8	19.9	30.0	968.2	593.4	494.1	99.3	8,172.1	Mar.
8.7	735.8	32.7	35.7	-3.0	965.4	525.7	494.7	31.0	8,203.7	Apr.
14.4	735.6	39.9	21.6	18.3	983.9	544.7	455.5	89.2	8,293.3	May
-0.3	715.0	50.2	18.9	31.3	1,015.1	490.5	424.8	65.7	8,356.1	June
9.5	727.8	26.4	33.0	-6.7	1,008.5	523.1	508.1	15.0	8,372.0	July
-2.9	722.5	19.1	19.7	-0.6	1,007.9	444.3	431.2	13.1	8,383.4	Aug.
13.2	736.0	56.0	19.1	37.0	1,044.9	569.5	473.8	95.6	8,481.4	Sep.
10.4	746.8	30.3	44.5	-14.2	1,030.8	577.5	559.5	18.0	8,499.9	Oct.
4.7	750.7	28.3	28.8	-0.5	1,030.3	559.3	507.2	52.1	8,551.9	Nov.
-2.9	731.0	42.2	21.6	20.6	1,051.0	542.1	608.3	-66.2	8,484.1	Dec.

Table 3.6**Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾***(EUR billions; end of period; nominal values)***Amounts outstanding****1. Short-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	611.5	240.9	3.4	95.6	267.4	4.1	54.5	23.8	24.8	4.4
2002 Jan.	644.2	257.9	3.7	100.2	278.8	3.5	41.6	18.8	19.3	3.1
Feb.	644.6	252.4	3.9	98.2	286.7	3.5	43.3	19.9	19.2	3.6
Mar.	663.0	259.3	4.3	97.1	299.0	3.3	59.7	26.4	26.4	6.4
Apr.	655.9	256.9	4.5	92.7	298.8	3.0	41.3	18.2	18.6	3.8
May	674.3	263.4	3.7	89.9	314.3	3.0	41.5	18.3	19.2	3.5
June	673.6	262.1	3.8	82.1	322.5	3.0	54.4	21.3	28.0	4.4
July	681.9	266.4	4.1	86.3	321.7	3.4	44.4	18.3	22.8	2.8
Aug.	689.9	266.7	4.3	86.8	328.8	3.3	44.9	18.1	23.9	2.6
Sep.	703.7	273.4	4.1	87.8	335.7	2.6	68.9	26.8	37.3	4.0
Oct.	712.3	280.9	4.2	88.7	335.6	3.0	54.7	20.9	28.1	3.5
Nov.	739.7	304.1	4.7	90.0	337.8	3.1	52.4	18.2	28.1	3.7
Dec.	694.5	280.0	4.3	85.3	321.8	3.2	65.6	20.5	37.9	4.6

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	6,407.7	2,323.9	366.4	348.7	3,238.3	130.4	876.0	226.2	327.4	102.2
2002 Jan.	6,456.3	2,328.7	371.2	354.1	3,269.0	133.4	888.7	226.3	336.1	105.7
Feb.	6,489.3	2,350.0	375.5	356.4	3,274.4	133.0	895.0	229.8	339.5	106.5
Mar.	6,540.9	2,372.3	381.1	356.8	3,293.1	137.6	908.5	232.2	350.3	108.2
Apr.	6,582.4	2,381.2	391.7	362.2	3,305.1	142.2	924.1	234.9	360.8	108.7
May	6,635.1	2,395.3	403.3	367.5	3,321.3	147.7	942.3	238.5	367.6	111.5
June	6,667.4	2,405.0	408.1	371.0	3,332.9	150.2	960.7	245.9	381.2	111.0
July	6,681.7	2,404.0	415.1	373.4	3,329.9	159.2	964.1	245.9	385.5	110.7
Aug.	6,685.6	2,403.0	415.1	371.5	3,335.8	160.1	963.0	245.3	385.3	110.8
Sep.	6,732.8	2,425.1	423.5	374.9	3,347.5	161.8	976.0	246.1	394.5	109.3
Oct.	6,756.8	2,421.4	430.0	373.3	3,366.7	165.5	976.1	246.9	396.1	109.0
Nov.	6,781.9	2,418.8	442.4	373.6	3,380.1	167.0	977.9	249.2	398.5	108.7
Dec.	6,738.6	2,404.5	464.6	373.9	3,327.2	168.4	985.3	251.8	403.2	109.8

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	7,019.1	2,564.7	369.8	444.4	3,505.6	134.6	930.5	250.0	352.2	106.6
2002 Jan.	7,100.5	2,586.6	374.8	454.3	3,547.8	136.9	930.3	245.1	355.4	108.8
Feb.	7,134.0	2,602.3	379.4	454.7	3,561.0	136.6	938.3	249.7	358.7	110.1
Mar.	7,203.9	2,631.6	385.4	453.9	3,592.1	140.9	968.2	258.6	376.6	114.6
Apr.	7,238.3	2,638.1	396.2	455.0	3,603.9	145.2	965.4	253.2	379.5	112.5
May	7,309.4	2,658.7	407.0	457.4	3,635.5	150.7	983.9	256.8	386.7	115.0
June	7,341.0	2,667.2	412.0	453.2	3,655.5	153.2	1,015.1	267.2	409.2	115.4
July	7,363.6	2,670.4	419.2	459.7	3,651.6	162.6	1,008.5	264.2	408.3	113.5
Aug.	7,375.5	2,669.7	419.5	458.3	3,664.6	163.4	1,007.9	263.4	409.1	113.4
Sep.	7,436.5	2,698.5	427.6	462.7	3,683.2	164.4	1,044.9	272.9	431.8	113.3
Oct.	7,469.1	2,702.3	434.2	461.9	3,702.2	168.5	1,030.8	267.8	424.2	112.5
Nov.	7,521.6	2,722.9	447.2	463.5	3,717.9	170.1	1,030.3	267.4	426.6	112.4
Dec.	7,433.1	2,684.5	468.8	459.2	3,649.0	171.6	1,051.0	272.3	441.1	114.4

*Sources: ECB and BIS (for issues by non-residents of the euro area).**1) Including items expressed in the national denominations of the euro.*

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.1	0.1	1.3	666.0	264.7	28.2	100.0	267.5	4.2	1.3	2001 Dec.
0.1	0.1	0.2	685.8	276.7	23.0	103.3	279.0	3.6	0.2	2002 Jan.
0.1	0.1	0.4	687.9	272.2	23.1	101.8	286.8	3.6	0.4	Feb.
0.1	0.1	0.4	722.7	285.6	30.7	103.5	299.2	3.4	0.4	Mar.
0.1	0.1	0.5	697.2	275.1	23.1	96.5	298.9	3.1	0.5	Apr.
0.1	0.1	0.4	715.8	281.7	22.9	93.4	314.4	3.1	0.4	May
0.2	0.1	0.5	728.1	283.4	31.8	86.6	322.7	3.1	0.5	June
0.2	0.0	0.2	726.3	284.7	26.9	89.1	321.9	3.4	0.2	July
0.1	0.0	0.1	734.8	284.8	28.2	89.4	329.0	3.4	0.1	Aug.
0.2	0.0	0.6	772.6	300.2	41.4	91.9	335.9	2.7	0.6	Sep.
0.1	0.2	1.8	767.0	301.8	32.4	92.2	335.7	3.2	1.8	Oct.
0.1	0.2	2.0	792.1	322.4	32.9	93.6	337.8	3.3	2.0	Nov.
0.0	0.2	2.4	760.1	300.5	42.2	89.8	321.9	3.4	2.4	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
92.1	15.2	112.9	7,283.7	2,550.0	693.8	451.0	3,330.4	145.7	112.9	2001 Dec.
91.3	15.0	114.4	7,345.0	2,555.0	707.3	459.7	3,360.3	148.3	114.4	2002 Jan.
92.0	14.6	112.5	7,384.3	2,579.8	715.0	463.0	3,366.4	147.6	112.5	Feb.
92.2	14.6	111.1	7,449.4	2,604.6	731.3	465.0	3,385.2	152.1	111.1	Mar.
94.1	14.6	111.0	7,506.6	2,616.1	752.5	471.0	3,399.2	156.8	111.0	Apr.
95.1	14.6	115.1	7,577.5	2,633.8	770.9	479.1	3,416.3	162.3	115.1	May
93.2	14.6	114.7	7,628.1	2,651.0	789.4	482.0	3,426.2	164.8	114.7	June
93.1	14.6	114.3	7,645.8	2,649.9	800.6	484.1	3,423.0	173.8	114.3	July
93.4	14.6	113.6	7,648.6	2,648.3	800.4	482.3	3,429.2	174.7	113.6	Aug.
94.1	14.7	117.3	7,708.8	2,671.2	818.1	484.2	3,441.6	176.5	117.3	Sep.
93.6	14.6	115.9	7,732.9	2,668.3	826.1	482.3	3,460.2	180.1	115.9	Oct.
93.1	14.6	113.8	7,759.9	2,667.9	840.9	482.3	3,473.3	181.6	113.8	Nov.
92.7	14.3	113.6	7,724.0	2,656.3	867.7	483.7	3,419.9	182.7	113.6	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
92.2	15.3	114.1	7,949.6	2,814.7	722.0	551.0	3,597.9	149.9	114.1	2001 Dec.
91.4	15.0	114.6	8,030.8	2,831.7	730.3	563.1	3,639.3	151.9	114.6	2002 Jan.
92.2	14.7	112.9	8,072.2	2,852.0	738.1	564.8	3,653.2	151.2	112.9	Feb.
92.3	14.6	111.5	8,172.1	2,890.2	762.0	568.5	3,684.4	155.5	111.5	Mar.
94.2	14.6	111.5	8,203.7	2,891.2	775.6	567.4	3,698.1	159.9	111.5	Apr.
95.2	14.6	115.5	8,293.3	2,915.5	793.8	572.4	3,730.7	165.4	115.5	May
93.4	14.7	115.2	8,356.1	2,934.4	821.2	568.6	3,748.8	167.9	115.2	June
93.3	14.7	114.5	8,372.0	2,934.7	827.5	573.2	3,744.9	177.3	114.5	July
93.5	14.7	113.7	8,383.4	2,933.1	828.6	571.7	3,758.2	178.1	113.7	Aug.
94.3	14.7	117.9	8,481.4	2,971.4	859.4	576.1	3,777.5	179.1	117.9	Sep.
93.7	14.8	117.7	8,499.9	2,970.1	858.5	574.5	3,796.0	183.2	117.7	Oct.
93.2	14.8	115.9	8,551.9	2,990.3	873.8	575.9	3,811.1	184.9	115.9	Nov.
92.7	14.5	116.0	8,484.1	2,956.8	909.9	573.6	3,741.8	186.1	116.0	Dec.

Table 3.6 (cont'd)**Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾***(EUR billions; transactions during the month; nominal values)***Gross issues****1. Short-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	308.5	229.3	1.3	52.6	23.4	1.9	17.1	6.6	8.5	1.3
2002 Jan.	464.6	328.1	2.1	71.1	61.3	2.0	11.3	5.0	5.0	1.1
Feb.	387.2	269.0	2.6	65.9	47.9	1.9	13.4	5.0	6.6	1.5
Mar.	400.5	287.4	2.2	60.1	49.0	1.8	24.3	10.7	10.1	3.3
Apr.	377.3	255.9	2.5	63.4	53.8	1.8	9.7	4.4	4.1	0.9
May	377.9	255.0	2.1	62.2	57.0	1.6	13.7	5.2	7.1	1.2
June	316.9	208.1	2.5	51.7	52.5	2.2	20.9	6.3	12.6	1.8
July	382.4	260.2	1.8	65.6	52.6	2.2	14.7	5.9	8.2	0.6
Aug.	366.2	257.8	1.8	50.9	53.9	1.8	12.1	4.5	6.8	0.6
Sep.	392.2	278.5	1.9	56.8	53.0	2.0	31.7	11.1	18.0	2.0
Oct.	441.8	319.5	2.2	64.7	53.1	2.3	17.1	5.0	9.0	1.3
Nov.	412.9	302.4	2.4	58.1	47.7	2.3	14.6	4.7	8.4	1.2
Dec.	385.1	289.7	2.2	46.3	44.3	2.6	23.9	6.3	15.7	1.3

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	114.5	43.0	36.7	9.6	23.0	2.2	14.2	6.4	4.0	2.2
2002 Jan.	155.3	47.5	10.1	6.5	88.0	3.2	19.6	4.1	9.6	3.7
Feb.	130.4	54.6	9.0	8.2	57.5	1.1	20.0	8.2	8.8	1.3
Mar.	143.1	56.9	9.3	2.8	68.8	5.3	25.5	8.6	12.4	3.3
Apr.	115.7	44.1	13.3	8.2	45.2	4.9	23.0	5.1	12.8	1.1
May	126.9	41.5	16.0	7.4	55.3	6.6	26.3	5.7	10.1	3.2
June	123.3	48.2	13.5	7.4	51.3	2.9	29.3	9.9	17.7	0.7
July	114.3	37.9	12.7	6.2	48.2	9.4	11.6	2.9	6.9	0.4
Aug.	59.0	28.2	2.2	2.1	25.2	1.3	7.0	3.1	2.7	0.3
Sep.	121.3	52.5	11.5	4.3	50.4	2.6	24.3	5.2	12.6	0.2
Oct.	105.4	39.3	8.9	0.7	52.1	4.4	13.2	4.6	6.8	0.3
Nov.	118.1	48.6	14.9	3.0	48.0	3.6	13.7	5.6	6.6	0.8
Dec.	114.8	43.0	27.5	6.4	34.4	3.4	18.3	6.1	8.8	2.2

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	423.0	272.3	38.0	62.2	46.4	4.1	31.3	13.0	12.5	3.6
2002 Jan.	620.0	375.7	12.2	77.6	149.3	5.2	30.9	9.1	14.6	4.8
Feb.	517.6	323.6	11.5	74.1	105.4	3.0	33.5	13.2	15.4	2.9
Mar.	543.6	344.3	11.5	63.0	117.8	7.1	49.8	19.3	22.5	6.6
Apr.	493.0	300.0	15.9	71.5	99.0	6.7	32.7	9.5	16.9	2.0
May	504.8	296.5	18.2	69.7	112.3	8.2	39.9	10.9	17.2	4.4
June	440.2	256.3	16.0	59.0	103.8	5.2	50.2	16.3	30.3	2.5
July	496.7	298.1	14.5	71.8	100.8	11.6	26.4	8.8	15.1	1.0
Aug.	425.2	285.9	4.0	53.1	79.1	3.2	19.1	7.7	9.6	0.9
Sep.	513.4	330.9	13.4	61.1	103.5	4.6	56.0	16.3	30.7	2.1
Oct.	547.2	358.8	11.1	65.4	105.2	6.7	30.3	9.7	15.8	1.6
Nov.	531.0	351.1	17.3	61.1	95.7	5.8	28.3	10.4	15.1	2.0
Dec.	499.9	332.8	29.7	52.6	78.7	6.1	42.2	12.4	24.5	3.5

*Sources: ECB and BIS (for issues by non-residents of the euro area).**1) Including items expressed in the national denominations of the euro.*

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.0	0.1	0.7	325.6	235.8	9.8	54.0	23.4	2.0	0.7	2001 Dec.
0.1	0.0	0.1	476.0	333.1	7.1	72.2	61.5	2.0	0.1	2002 Jan.
0.0	0.0	0.2	400.6	274.1	9.2	67.4	47.9	1.9	0.2	Feb.
0.0	0.0	0.1	424.8	298.0	12.4	63.5	49.0	1.8	0.1	Mar.
0.1	0.0	0.2	387.0	260.3	6.6	64.3	53.9	1.8	0.2	Apr.
0.0	0.0	0.1	391.6	260.2	9.2	63.5	57.0	1.6	0.1	May
0.0	0.0	0.1	337.8	214.4	15.1	53.5	52.5	2.2	0.1	June
0.0	0.0	0.0	397.1	266.1	10.0	66.2	52.7	2.2	0.0	July
0.0	0.0	0.1	378.3	262.3	8.6	51.5	53.9	1.8	0.1	Aug.
0.1	0.0	0.5	423.9	289.6	19.9	58.7	53.1	2.0	0.5	Sep.
0.0	0.1	1.6	458.9	324.5	11.2	66.0	53.1	2.5	1.6	Oct.
0.0	0.0	0.2	427.5	307.1	10.8	59.3	47.7	2.3	0.2	Nov.
0.0	0.0	0.5	409.0	296.1	17.9	47.6	44.3	2.7	0.5	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
1.3	0.1	0.1	128.7	49.4	40.7	11.8	24.3	2.3	0.1	2001 Dec.
0.0	0.0	2.1	174.9	51.7	19.7	10.2	88.0	3.2	2.1	2002 Jan.
1.5	0.0	0.3	150.4	62.7	17.8	9.5	59.0	1.1	0.3	Feb.
0.8	0.2	0.3	168.6	65.5	21.7	6.1	69.5	5.5	0.3	Mar.
3.3	0.0	0.7	138.7	49.1	26.1	9.3	48.5	4.9	0.7	Apr.
2.0	0.0	5.3	153.2	47.2	26.1	10.6	57.2	6.6	5.3	May
0.1	0.1	0.7	152.6	58.2	31.2	8.1	51.4	3.0	0.7	June
0.9	0.1	0.3	125.9	40.8	19.6	6.6	49.1	9.5	0.3	July
0.3	0.1	0.5	66.1	31.3	4.9	2.4	25.5	1.4	0.5	Aug.
0.7	0.2	5.5	145.6	57.6	24.1	4.5	51.1	2.7	5.5	Sep.
0.2	0.0	1.3	118.6	43.9	15.7	1.0	52.2	4.4	1.3	Oct.
0.0	0.0	0.5	131.8	54.3	21.6	3.8	48.0	3.6	0.5	Nov.
0.4	0.0	0.8	133.1	49.1	36.3	8.6	34.8	3.4	0.8	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
1.3	0.2	0.8	454.3	285.3	50.4	65.8	47.8	4.2	0.8	2001 Dec.
0.1	0.0	2.2	650.9	384.8	26.8	82.4	149.5	5.2	2.2	2002 Jan.
1.5	0.0	0.5	551.1	336.8	26.9	77.0	106.9	3.0	0.5	Feb.
0.8	0.2	0.4	593.4	363.6	34.0	69.6	118.6	7.3	0.4	Mar.
3.3	0.0	0.9	525.7	309.5	32.7	73.5	102.3	6.7	0.9	Apr.
2.0	0.0	5.5	544.7	307.4	35.3	74.0	114.3	8.2	5.5	May
0.2	0.1	0.9	490.5	272.6	46.3	61.5	103.9	5.3	0.9	June
1.0	0.1	0.4	523.1	306.8	29.6	72.8	101.8	11.7	0.4	July
0.3	0.1	0.6	444.3	293.6	13.5	54.0	79.4	3.3	0.6	Aug.
0.8	0.2	6.0	569.5	347.2	44.0	63.2	104.3	4.8	6.0	Sep.
0.2	0.2	2.9	577.5	368.4	26.9	67.1	105.3	6.9	2.9	Oct.
0.0	0.0	0.7	559.3	361.4	32.4	63.1	95.7	5.9	0.7	Nov.
0.4	0.0	1.3	542.1	345.1	54.2	56.2	79.1	6.1	1.3	Dec.

Table 3.6 (cont'd)**Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾***(EUR billions; transactions during the month; nominal values)***Net issues****1. Short-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	-45.4	-11.0	-0.5	-10.6	-23.8	0.6	6.9	0.2	5.0	1.0
2002 Jan.	31.7	16.1	0.2	4.6	11.4	-0.6	-12.9	-5.0	-5.5	-1.3
Feb.	-0.4	-6.2	0.2	-2.2	7.8	0.0	1.7	1.1	-0.1	0.5
Mar.	17.1	5.7	0.4	-1.1	12.4	-0.2	16.4	6.5	7.1	2.8
Apr.	-7.0	-2.2	0.2	-4.4	-0.3	-0.3	-18.4	-8.1	-7.7	-2.6
May	19.5	7.6	-0.8	-2.8	15.5	0.0	0.3	0.1	0.5	-0.3
June	-2.0	-2.5	0.1	-8.0	8.3	0.0	12.9	3.0	8.8	1.0
July	11.0	7.2	0.3	4.1	-0.8	0.3	-10.1	-3.0	-5.2	-1.6
Aug.	9.4	1.5	0.2	0.5	7.2	0.0	0.6	-0.2	1.1	-0.2
Sep.	11.1	4.2	-0.3	1.1	6.9	-0.7	24.0	8.6	13.5	1.4
Oct.	8.5	7.5	0.2	0.8	-0.3	0.3	-14.2	-5.8	-9.2	-0.5
Nov.	23.9	19.8	0.5	1.3	2.2	0.1	-2.3	-2.7	0.0	0.2
Dec.	-44.6	-23.7	-0.4	-4.7	-15.9	0.1	13.2	2.3	9.8	0.9

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	37.1	3.2	29.8	5.5	-2.6	1.2	0.8	2.3	-0.4	1.1
2002 Jan.	50.4	6.5	4.8	5.5	30.7	2.9	12.7	0.1	8.7	3.4
Feb.	32.6	20.0	4.3	3.2	5.4	-0.4	6.2	3.5	3.3	0.9
Mar.	52.2	23.0	5.6	0.3	18.7	4.6	13.5	2.4	10.8	1.7
Apr.	41.0	8.2	10.6	5.5	12.0	4.6	15.4	2.7	10.5	0.5
May	51.5	12.9	11.6	5.3	16.1	5.5	18.0	3.6	6.7	2.8
June	36.4	13.8	4.8	3.5	11.7	2.5	18.5	7.4	13.7	-0.6
July	10.6	-4.6	6.9	2.4	-3.0	8.9	3.4	0.0	4.3	-0.3
Aug.	4.3	-0.7	0.0	-1.9	5.9	0.9	-1.1	-0.6	-0.2	0.1
Sep.	47.5	22.5	8.4	3.2	11.7	1.7	12.9	0.8	9.3	-1.5
Oct.	23.6	-4.2	6.5	-1.6	19.3	3.7	0.1	0.8	1.5	-0.3
Nov.	28.7	0.9	12.4	0.3	13.5	1.5	1.8	2.3	2.4	-0.3
Dec.	-42.2	-14.4	22.2	1.4	-52.9	1.4	7.4	2.6	4.7	1.1

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Dec.	-8.4	-7.9	29.3	-5.1	-26.4	1.7	7.7	2.5	4.5	2.1
2002 Jan.	82.1	22.6	5.0	10.0	42.2	2.3	-0.1	-4.9	3.2	2.2
Feb.	32.2	13.8	4.5	1.0	13.2	-0.4	7.8	4.6	3.2	1.3
Mar.	69.4	28.7	6.0	-0.7	31.1	4.3	30.0	8.9	17.9	4.5
Apr.	34.0	6.0	10.8	1.0	11.8	4.4	-3.0	-5.4	2.8	-2.1
May	70.9	20.5	10.8	2.5	31.6	5.5	18.3	3.7	7.2	2.5
June	34.3	11.4	5.0	-4.5	20.0	2.5	31.3	10.4	22.5	0.4
July	21.7	2.6	7.2	6.5	-3.9	9.2	-6.7	-3.0	-1.0	-1.9
Aug.	13.6	0.9	0.2	-1.4	13.0	0.8	-0.6	-0.8	0.9	-0.1
Sep.	58.7	26.7	8.1	4.3	18.6	1.0	37.0	9.4	22.7	-0.1
Oct.	32.2	3.3	6.6	-0.9	19.1	4.0	-14.2	-5.1	-7.6	-0.8
Nov.	52.6	20.8	12.9	1.6	15.7	1.6	-0.5	-0.4	2.4	-0.1
Dec.	-86.8	-38.1	21.9	-3.3	-68.9	1.5	20.6	4.9	14.5	2.0

*Sources: ECB and BIS (for issues by non-residents of the euro area).**1) Including items expressed in the national denominations of the euro.*

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.0	0.0	0.7	-38.5	-10.8	4.5	-9.6	-23.9	0.6	0.7	2001 Dec.
0.0	0.0	-1.1	18.8	11.1	-5.2	3.3	11.5	-0.6	-1.1	2002 Jan.
0.0	0.0	0.2	1.3	-5.2	0.1	-1.7	7.8	0.0	0.2	Feb.
0.0	0.0	0.0	33.6	12.2	7.5	1.7	12.4	-0.2	0.0	Mar.
-0.1	0.0	0.1	-25.4	-10.3	-7.5	-7.0	-0.3	-0.3	0.1	Apr.
0.0	0.0	-0.1	19.7	7.7	-0.3	-3.1	15.5	0.0	-0.1	May
0.0	0.0	0.1	10.9	0.5	8.9	-7.0	8.3	0.0	0.1	June
0.0	0.0	-0.2	1.0	4.2	-4.9	2.5	-0.8	0.3	-0.2	July
0.0	0.0	-0.1	9.9	1.3	1.3	0.3	7.1	0.0	-0.1	Aug.
0.1	0.0	0.5	35.2	12.8	13.2	2.5	6.9	-0.7	0.5	Sep.
-0.1	0.1	1.2	-5.7	1.7	-9.0	0.3	-0.3	0.5	1.2	Oct.
0.0	0.0	0.2	21.6	17.2	0.5	1.5	2.1	0.1	0.2	Nov.
-0.1	0.0	0.3	-31.4	-21.4	9.4	-3.8	-16.0	0.1	0.3	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.6	0.0	-2.8	37.9	5.5	29.3	6.7	-2.0	1.2	-2.8	2001 Dec.
-0.8	-0.3	1.5	63.2	6.6	13.5	8.9	29.9	2.7	1.5	2002 Jan.
0.7	-0.3	-1.9	38.8	23.6	7.6	4.1	6.1	-0.7	-1.9	Feb.
0.1	0.0	-1.4	65.7	25.4	16.4	2.0	18.8	4.5	-1.4	Mar.
1.8	0.0	-0.1	56.4	10.9	21.1	6.0	13.9	4.7	-0.1	Apr.
0.9	0.0	4.1	69.5	16.5	18.4	8.1	17.0	5.5	4.1	May
-1.9	0.0	-0.3	54.8	21.3	18.6	3.0	9.8	2.5	-0.3	June
-0.1	0.0	-0.5	14.0	-4.6	11.2	2.1	-3.1	8.9	-0.5	July
0.3	0.0	-0.7	3.2	-1.3	-0.2	-1.7	6.2	0.9	-0.7	Aug.
0.7	0.0	3.7	60.5	23.3	17.7	1.7	12.4	1.7	3.7	Sep.
-0.5	-0.1	-1.4	23.7	-3.4	8.0	-1.9	18.8	3.6	-1.4	Oct.
-0.5	0.0	-2.0	30.5	3.2	14.8	0.0	13.0	1.5	-2.0	Nov.
-0.4	-0.3	-0.3	-34.8	-11.7	26.9	2.5	-53.4	1.1	-0.3	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.6	0.1	-2.2	-0.7	-5.3	33.8	-3.0	-25.9	1.8	-2.2	2001 Dec.
-0.8	-0.3	0.5	82.0	17.7	8.3	12.2	41.4	2.0	0.5	2002 Jan.
0.7	-0.4	-1.7	40.0	18.4	7.7	2.4	14.0	-0.7	-1.7	Feb.
0.1	0.0	-1.4	99.3	37.6	23.9	3.7	31.2	4.3	-1.4	Mar.
1.8	0.0	0.0	31.0	0.6	13.6	-1.1	13.5	4.4	0.0	Apr.
0.9	0.0	4.0	89.2	24.1	18.1	5.0	32.5	5.5	4.0	May
-1.8	0.0	-0.3	65.7	21.8	27.5	-4.1	18.2	2.6	-0.3	June
-0.1	0.0	-0.7	15.0	-0.4	6.3	4.6	-3.9	9.2	-0.7	July
0.3	0.0	-0.8	13.1	0.1	1.1	-1.4	13.3	0.8	-0.8	Aug.
0.8	0.0	4.2	95.6	36.1	30.8	4.2	19.3	1.0	4.2	Sep.
-0.6	0.1	-0.2	18.0	-1.7	-1.0	-1.7	18.5	4.1	-0.2	Oct.
-0.5	0.0	-1.8	52.1	20.4	15.2	1.5	15.2	1.6	-1.8	Nov.
-0.5	-0.3	0.1	-66.2	-33.2	36.3	-1.3	-69.4	1.2	0.1	Dec.

Table 3.7**Annual growth rates of securities other than shares issued by euro area residents ¹⁾***(percentage changes)***1. Short-term**

	In all currencies combined						
	Total		MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government
	1	Index Dec.01= 100 2					
2001 Dec.	4.1	100.0	-2.4	-23.3	12.1	9.4	63.7
2002 Jan.	3.9	104.6	-0.2	-27.2	12.2	6.5	22.6
Feb.	1.5	104.4	-4.4	-21.7	5.7	7.4	55.3
Mar.	1.7	107.0	-3.8	-16.3	4.1	7.5	48.8
Apr.	-0.2	106.4	-4.5	-18.0	1.4	4.4	36.1
May	3.1	109.6	0.9	-32.8	-8.3	10.3	27.8
June	3.9	109.0	-0.8	-25.1	-15.1	16.5	50.8
July	4.6	110.9	2.3	-16.4	-13.9	14.4	-3.1
Aug.	4.8	111.8	3.3	0.6	-17.9	15.1	-1.3
Sep.	7.1	113.9	7.4	0.8	-16.9	16.2	-19.4
Oct.	8.3	115.6	9.1	14.9	-18.4	17.9	-0.9
Nov.	11.7	118.8	17.2	23.3	-14.6	15.6	-5.3
Dec.	12.0	112.0	13.1	30.4	-10.4	19.3	-14.3

2. Long-term

	In all currencies combined						
	Total		MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government
	1	Index Dec.01= 100 2					
2001 Dec.	7.4	100.0	7.9	32.4	23.5	2.2	21.9
2002 Jan.	8.2	100.9	7.4	33.4	24.7	3.7	23.7
Feb.	7.8	101.4	6.8	32.0	23.5	3.7	21.6
Mar.	7.9	102.3	7.7	30.7	15.9	4.0	23.7
Apr.	7.9	102.9	7.6	32.2	16.4	3.8	25.4
May	8.0	103.8	8.1	33.0	14.6	3.5	29.6
June	7.6	104.4	7.8	30.6	13.0	3.1	31.7
July	7.1	104.6	6.9	27.6	11.8	3.1	36.6
Aug.	6.9	104.7	6.6	26.8	9.0	3.3	34.3
Sep.	7.4	105.5	7.3	27.6	11.9	3.6	31.2
Oct.	7.3	105.9	6.5	26.9	12.3	3.9	30.0
Nov.	7.1	106.5	6.0	27.1	7.4	4.3	29.3
Dec.	5.8	105.8	5.2	23.4	6.1	2.9	29.4

3. Total

	In all currencies combined						
	Total		MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government
	1	Index Dec.01= 100 2					
2001 Dec.	7.1	100.0	6.7	31.7	21.1	2.8	23.0
2002 Jan.	7.8	101.2	6.5	32.6	22.0	4.0	23.7
Feb.	7.2	101.6	5.5	31.2	19.6	3.9	22.3
Mar.	7.3	102.7	6.3	30.0	13.4	4.2	24.2
Apr.	7.1	103.2	6.1	31.5	13.3	3.9	25.6
May	7.5	104.3	7.3	32.1	9.7	4.0	29.6
June	7.2	104.8	6.8	29.9	7.2	4.2	32.0
July	6.9	105.2	6.3	27.0	6.4	4.0	35.4
Aug.	6.7	105.3	6.2	26.5	3.2	4.3	33.2
Sep.	7.4	106.3	7.3	27.3	5.6	4.6	29.7
Oct.	7.4	106.8	6.8	26.8	5.4	5.0	29.2
Nov.	7.5	107.6	7.2	27.0	2.8	5.2	28.3
Dec.	6.4	106.4	6.0	23.4	2.9	4.1	28.0

Source: ECB.

1) For the calculation of the index and the growth rates, see the technical notes.

2) Including items expressed in the national denomination of the euro.

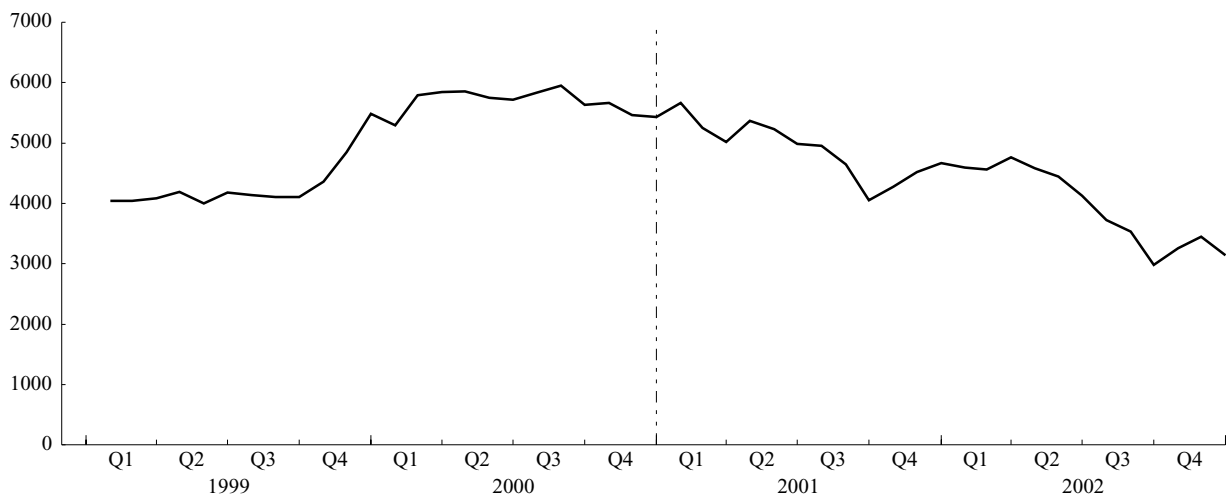
In euro ²⁾								
Total	Index Dec.01= 100	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government		
								8	9	10	11	12	13	14
4.1	100.0	-2.7	-23.3	10.4	8.5	66.7	2001 Dec.	
3.7	105.2	-1.5	-27.2	11.2	6.6	23.0	2002 Jan.	
1.9	105.1	-5.3	-21.7	4.5	8.0	58.5	Feb.	
2.2	107.9	-4.1	-16.3	2.4	8.1	52.5	Mar.	
-0.6	106.8	-6.5	-18.0	-0.1	4.7	38.6	Apr.	
2.7	109.9	-0.3	-32.8	-10.1	10.6	26.0	May	
3.6	109.6	-2.1	-27.1	-16.4	16.5	51.6	June	
4.6	111.4	2.2	-18.5	-15.5	14.5	-7.0	July	
5.2	112.9	4.7	-1.8	-19.3	15.0	-7.0	Aug.	
7.2	114.8	7.7	-1.8	-18.0	16.7	-28.9	Sep.	
7.1	116.2	6.8	12.1	-20.2	18.1	-11.8	Oct.	
11.8	120.1	18.8	20.6	-15.9	15.9	-14.0	Nov.	
12.8	112.8	14.6	27.3	-11.4	20.3	-23.4	Dec.	

In euro ²⁾								
Total	Index Dec.01= 100	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government		
								8	9	10	11	12	13	14
6.9	100.0	6.4	46.3	22.0	2.3	22.9	2001 Dec.	
7.6	100.8	5.6	46.8	24.0	3.8	24.7	2002 Jan.	
7.3	101.3	5.2	45.0	23.2	3.7	22.5	Feb.	
7.4	102.1	5.8	42.9	18.8	3.9	24.7	Mar.	
7.5	102.8	5.8	44.1	19.4	3.8	26.5	Apr.	
7.5	103.6	6.0	42.6	17.3	3.6	30.5	May	
7.0	104.1	5.8	39.3	15.7	3.2	32.7	June	
6.5	104.3	4.7	33.7	15.7	3.1	37.9	July	
6.3	104.4	4.6	32.4	12.8	3.3	35.3	Aug.	
6.7	105.1	5.3	33.4	14.3	3.4	32.1	Sep.	
6.6	105.5	4.4	31.0	14.7	3.9	29.7	Oct.	
6.5	105.9	4.4	31.4	9.1	4.3	29.1	Nov.	
5.3	105.3	3.6	26.8	7.8	2.8	29.0	Dec.	

In euro ²⁾								
Total	Index Dec.01= 100	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government		
								8	9	10	11	12	13	14
6.7	100.0	5.5	45.1	19.3	2.8	24.0	2001 Dec.	
7.2	101.2	4.9	45.3	20.9	4.0	24.7	2002 Jan.	
6.8	101.6	4.1	43.8	18.6	4.1	23.2	Feb.	
6.9	102.6	4.7	41.8	14.9	4.3	25.2	Mar.	
6.7	103.1	4.4	42.9	14.8	3.9	26.7	Apr.	
7.0	104.1	5.3	41.1	10.7	4.2	30.4	May	
6.7	104.6	5.0	38.1	8.2	4.2	33.0	June	
6.3	104.9	4.4	32.8	8.3	4.0	36.6	July	
6.2	105.1	4.6	32.0	4.9	4.2	34.0	Aug.	
6.8	105.9	5.5	32.9	6.4	4.5	30.3	Sep.	
6.6	106.4	4.7	30.8	5.9	5.0	28.7	Oct.	
7.0	107.1	5.8	31.3	3.2	5.3	27.9	Nov.	
5.9	105.9	4.6	26.8	3.7	4.1	27.4	Dec.	

Table 3.8**Quoted shares issued by euro area residents***(EUR billions; end-of-period stocks; market values)***Amounts outstanding**

	Total 1	MFIs 2	Non-monetary financial corporations 3	Non-financial corporations 4
1999 Dec.	5,489.2	653.7	642.2	4,193.3
2000 Jan.	5,296.6	628.9	582.3	4,085.3
Feb.	5,794.1	647.8	600.1	4,546.2
Mar.	5,840.8	658.2	649.3	4,533.4
Apr.	5,859.6	670.4	654.4	4,534.8
May	5,750.6	673.4	647.7	4,429.5
June	5,716.0	692.0	645.3	4,378.8
July	5,833.2	700.3	695.8	4,437.2
Aug.	5,946.7	742.1	699.9	4,504.7
Sep.	5,638.2	730.3	687.2	4,220.7
Oct.	5,665.8	719.0	663.9	4,282.9
Nov.	5,464.8	674.5	673.0	4,117.4
Dec.	5,429.9	687.0	674.6	4,068.3
<i>Euro area enlargement</i>				
2001 Jan.	5,666.7	762.2	705.8	4,198.7
Feb.	5,247.4	710.1	661.1	3,876.2
Mar.	5,019.7	686.3	619.9	3,713.5
Apr.	5,363.9	715.3	643.0	4,005.6
May	5,233.4	697.9	626.5	3,909.0
June	4,983.7	676.5	634.7	3,672.5
July	4,959.3	647.0	571.9	3,740.4
Aug.	4,649.9	643.2	576.2	3,430.5
Sep.	4,052.0	535.7	484.9	3,031.5
Oct.	4,277.4	551.5	497.3	3,228.7
Nov.	4,522.3	587.5	511.5	3,423.2
Dec.	4,670.8	617.3	529.4	3,524.1
2002 Jan.	4,590.8	623.8	535.6	3,431.4
Feb.	4,561.7	622.4	525.9	3,413.4
Mar.	4,766.2	665.3	552.7	3,548.2
Apr.	4,585.8	678.0	533.5	3,374.2
May	4,447.2	666.3	500.0	3,280.9
June	4,126.8	614.8	476.9	3,035.1
July	3,720.5	515.6	406.2	2,798.7
Aug.	3,530.7	521.6	382.5	2,626.6
Sep.	2,986.6	412.6	284.7	2,289.4
Oct.	3,262.0	446.8	332.7	2,482.5
Nov.	3,445.8	487.3	357.1	2,601.4
Dec.	3,144.4	453.8	294.0	2,396.5

Total outstanding amounts*(EUR billions; end-of-period stocks; market values)*

Source: ECB.



4 HICP and other prices in the euro area

Table 4.1

Harmonised Index of Consumer Prices

(not seasonally adjusted, annual percentage changes, unless otherwise indicated)

1. Total index and goods and services

	Total		Goods		Services		Total (s.a.)		Goods (s.a.)	Services (s.a.)
	Index 1996 = 100		Index 1996 = 100		Index 1996 = 100		Index 1996 = 100	% change on previous period	Index 1996 = 100	Index 1996 = 100
Weight in the total (%) ¹⁾	100.0	100.0	59.1	59.1	40.9	40.9	100.0	100.0	59.1	40.9
	1	2	3	4	5	6	7	8	9	10
1999	103.8	1.1	102.7	0.9	106.0	1.5	-	-	-	-
2000	106.0	2.1	105.3	2.5	107.6	1.5	-	-	-	-
<i>Euro area enlargement</i>										
2001	108.6	2.4	107.7	2.3	110.4	2.7	-	-	-	-
2002	111.0	2.2	109.4	1.6	113.9	3.1	-	-	-	-
2002 Q1	110.0	2.5	108.6	2.1	112.6	3.1	110.2	0.7	108.9	112.6
Q2	111.1	2.1	109.9	1.4	113.4	3.1	110.8	0.6	109.4	113.4
Q3	111.2	2.1	109.1	1.3	114.8	3.3	111.3	0.4	109.6	114.4
Q4	111.8	2.3	110.1	1.8	114.8	3.1	111.8	0.5	110.0	115.1
2002 Mar.	110.5	2.5	109.2	2.0	112.9	3.2	110.4	0.3	109.0	112.9
Apr.	111.0	2.3	109.9	1.9	113.0	2.9	110.7	0.3	109.4	113.1
May	111.2	2.0	110.0	1.2	113.4	3.2	110.9	0.2	109.4	113.5
June	111.1	1.8	109.7	1.0	113.8	3.2	110.9	0.0	109.3	113.8
July	111.1	2.0	108.9	1.1	114.8	3.2	111.0	0.2	109.4	114.1
Aug.	111.1	2.1	108.9	1.3	114.9	3.3	111.2	0.2	109.5	114.4
Sep.	111.4	2.1	109.7	1.4	114.5	3.2	111.5	0.3	109.8	114.6
Oct.	111.6	2.2	110.1	1.7	114.5	3.2	111.8	0.2	110.0	114.9
Nov.	111.6	2.3	110.0	1.8	114.4	3.1	111.7	0.0	109.8	115.1
Dec.	112.1	2.3	110.2	1.9	115.5	3.0	112.0	0.3	110.1	115.5
2003 Jan.	112.1	2.2	110.2	1.6	115.2	2.8	112.3	0.3	110.6	115.5
Feb. ²⁾	.	2.3	.	.	.	.	.	.	.	.

2. Breakdown of goods and services

	Goods						Services				
	Food ³⁾			Industrial goods			Housing	Transport	Communi- cation	Recreation and personal	Miscellan- eous
	Total	Processed food ³⁾	Unprocessed food	Total	Non-energy industrial goods	Energy					
Weight in the total (%) ¹⁾	19.3	11.7	7.6	39.8	31.6	8.2	10.4	6.3	2.9	14.9	6.4
	11	12	13	14	15	16	17	18	19	20	21
1999	0.6	0.9	0.0	1.0	0.7	2.4	1.8	2.1	-4.4	2.0	1.8
2000	1.4	1.2	1.8	3.0	0.5	13.1	1.5	2.5	-7.0	2.5	2.5
<i>Euro area enlargement</i>											
2001	4.4	2.8	7.0	1.2	0.9	2.3	1.7	3.6	-4.1	4.2	2.8
2002	3.1	3.1	3.1	0.9	1.4	-0.6	2.4	3.2	-0.3	4.2	3.3
2002 Q1	4.9	3.5	7.0	0.8	1.7	-2.1	2.2	3.4	-0.6	4.3	3.2
Q2	2.9	3.2	2.4	0.7	1.6	-2.3	2.3	3.1	-0.1	4.2	3.4
Q3	2.3	3.0	1.4	0.8	1.3	-0.7	2.5	3.4	-0.1	4.3	3.5
Q4	2.3	2.7	1.7	1.5	1.2	2.8	2.5	3.0	-0.3	4.0	3.4
2002 Mar.	4.2	3.4	5.5	0.9	1.6	-1.6	2.2	3.5	-0.2	4.5	3.2
Apr.	3.6	3.3	4.2	1.1	1.6	-0.6	2.3	2.9	-0.2	3.7	3.3
May	2.7	3.2	2.0	0.5	1.5	-2.8	2.3	3.2	-0.1	4.5	3.5
June	2.3	3.1	1.2	0.3	1.5	-3.6	2.3	3.3	-0.1	4.3	3.4
July	2.2	3.0	0.9	0.6	1.3	-1.6	2.5	3.4	-0.1	4.3	3.5
Aug.	2.4	3.0	1.4	0.8	1.2	-0.4	2.5	3.6	-0.1	4.4	3.5
Sep.	2.4	2.9	1.8	0.9	1.3	-0.2	2.4	3.2	0.0	4.3	3.4
Oct.	2.3	2.7	1.6	1.5	1.2	2.5	2.5	3.0	0.1	4.3	3.2
Nov.	2.4	2.6	1.9	1.5	1.2	2.3	2.4	3.2	-0.4	4.0	3.4
Dec.	2.2	2.7	1.4	1.7	1.2	3.8	2.5	2.8	-0.6	3.8	3.5
2003 Jan.	1.4	2.8	-0.6	1.8	0.6	6.0	2.4	3.4	-0.8	3.2	3.6
Feb.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

1) Referring to the index period 2003.

2) Estimate based on first releases by Germany and Italy (and, when available, by other Member States), as well as on early information on energy prices.

3) Including alcoholic beverages and tobacco.

Table 4.2

Selected other price indicators

1. Industry and commodity prices

(annual percentage changes, unless otherwise indicated)

	Industrial producer prices											World market prices of raw materials ¹⁾	Oil prices ²⁾ (EUR per barrel)			
	Industry excluding construction ³⁾									Construction ⁴⁾	Manufacturing			Total excluding energy		
	Total		Industry excluding construction and energy						Energy							
	Index 1995 = 100		Total	Intermediate goods	Capital goods	Consumer goods										
1	2	3	4	5	Total	Durable consumer goods	Non-durable consumer goods	6	7	8	9	10	11	12	13	14
1997	101.4	1.1	0.6	0.2	0.3	1.1	0.6	1.2	3.2	1.3	0.8	10.7	14.6	17.0		
1998	100.6	-0.8	0.2	-0.4	0.6	0.5	0.8	0.5	-5.2	0.3	-0.6	-21.0	-12.5	12.0		
1999	100.2	-0.4	-0.6	-1.5	0.2	-0.1	0.7	-0.2	0.5	1.2	0.2	15.8	-5.9	17.1		
2000	105.7	5.5	2.6	5.0	0.6	1.5	1.4	1.6	19.0	2.4	5.2	50.8	16.7	31.0		
<i>Euro area enlargement</i>																
2001	108.2	2.2	1.8	1.2	1.0	3.0	2.1	3.1	2.8	2.2	1.2	-8.8	-7.6	27.8		
2002	108.0	-0.1	0.6	-0.3	1.0	1.2	1.5	1.2	-2.4	.	0.2	-3.2	-1.7	26.5		
2001 Q4	107.3	-0.8	0.7	-1.2	1.0	2.3	1.9	2.4	-7.6	1.3	-1.2	-28.8	-15.6	22.4		
2002 Q1	107.5	-0.8	0.3	-1.5	1.2	1.6	1.8	1.6	-4.7	2.0	-0.6	-10.5	-3.6	24.6		
Q2	108.0	-0.8	0.3	-0.8	1.1	1.0	1.5	0.9	-4.8	1.7	-0.4	-8.7	-5.5	27.8		
Q3	108.2	-0.1	0.7	0.2	0.9	1.1	1.3	1.1	-2.7	1.8	0.3	-4.2	-1.6	27.2		
Q4	108.5	1.2	1.0	0.8	0.9	1.2	1.2	1.3	2.8	.	1.4	14.0	4.4	26.5		
2002 Feb.	107.4	-0.9	0.2	-1.7	1.2	1.6	1.8	1.5	-5.3	-	-0.8	-15.2	-4.0	23.5		
Mar.	107.8	-0.7	0.2	-1.4	1.2	1.2	1.7	1.2	-3.7	-	-0.4	-1.6	-0.3	27.9		
Apr.	108.0	-0.7	0.3	-1.0	1.1	1.2	1.6	1.1	-3.9	-	-0.2	-1.2	-1.4	29.3		
May	108.0	-0.8	0.3	-0.8	1.1	0.9	1.5	0.9	-4.9	-	-0.4	-9.5	-6.8	28.1		
June	107.9	-0.9	0.4	-0.5	1.0	0.9	1.4	0.8	-5.6	-	-0.5	-14.9	-8.4	25.8		
July	108.0	-0.3	0.7	0.1	0.9	1.1	1.2	1.0	-3.6	-	0.1	-10.2	-7.6	25.9		
Aug.	108.1	-0.1	0.7	0.3	0.9	1.0	1.3	1.0	-2.6	-	0.4	-4.3	-1.3	27.0		
Sep.	108.5	0.1	0.8	0.4	0.9	1.2	1.4	1.2	-2.0	-	0.5	2.4	4.7	28.9		
Oct.	108.7	0.9	0.9	0.7	0.9	1.2	1.2	1.2	2.0	-	1.2	14.3	7.8	27.9		
Nov.	108.3	1.1	1.0	0.9	0.9	1.2	1.2	1.2	2.3	-	1.3	10.5	3.4	24.2		
Dec.	108.6	1.5	1.1	1.0	0.9	1.3	1.1	1.4	4.2	-	1.8	17.2	2.1	27.1		
2003 Jan.	109.5	2.0	1.1	1.2	0.7	1.3	1.0	1.4	6.1	-	2.0	16.9	-2.3	28.3		
Feb.	.	.	.	.	.	.	.	.	.	-	.	16.6	-4.5	29.8

2. Deflators of gross domestic product ⁵⁾

(annual percentage changes, unless otherwise indicated; seasonally adjusted)

	Total		Domestic demand	Private consumption	Government consumption	Gross fixed capital formation	Exports ⁶⁾	Imports ⁶⁾
	Index 1995 = 100							
	15	16	17	18	19	20	21	22
1996	102.0	2.0	2.1	2.4	2.2	0.9	0.8	0.8
1997	103.6	1.5	1.7	2.0	1.3	0.9	1.8	2.6
1998	105.3	1.7	1.3	1.4	1.2	0.9	-0.1	-1.5
1999	106.4	1.1	1.2	1.1	1.9	0.8	-0.5	-0.3
2000	107.8	1.3	2.5	2.2	2.7	2.5	4.6	8.2
<i>Euro area enlargement</i>								
2001	110.8	2.4	2.2	2.4	2.4	2.0	1.5	0.8
2001 Q1	109.9	2.2	2.7	2.3	2.6	2.5	3.1	4.3
Q2	110.7	2.5	2.7	2.7	2.3	1.8	2.2	2.7
Q3	111.1	2.3	2.0	2.5	2.5	2.3	0.9	-0.1
Q4	112.0	2.8	1.5	2.1	2.3	1.6	0.3	-3.2
2002 Q1	112.7	2.5	1.6	2.5	2.3	1.1	0.6	-2.1
Q2	113.2	2.3	1.3	1.9	2.0	1.1	0.3	-2.7
Q3	113.8	2.4	1.3	1.7	1.5	0.4	0.8	-2.5

Sources: Eurostat, except columns 12 and 13 (HWWA - Hamburg Institute of International Economics), column 14 (Thomson Financial Datastream) and columns 15 to 22 (ECB calculations based on Eurostat data).

1) To December 1998, in ECU; from January 1999, in euro.

2) Brent Blend (for one-month forward delivery). To December 1998, in ECU; from January 1999, in euro.

3) Breakdown in accordance with the harmonised definition of Main Industrial Groupings.

4) Residential buildings, based on non-harmonised data.

5) Data to end-1998 are based on national data expressed in domestic currency.

6) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5 Real economy indicators in the euro area

Table 5.1

National accounts ¹⁾

GDP and expenditure components

1. Current prices

(EUR billions (ECU billions to end-1998), seasonally adjusted)

	GDP								
	Total	Domestic demand					External balance ³⁾		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories ²⁾	Total	Exports ³⁾	Imports ³⁾
1	2	3	4	5	6	7	8	9	
1998	5,883.6	5,743.8	3,330.9	1,176.4	1,203.6	33.0	139.8	1,949.1	1,809.3
1999	6,150.1	6,048.6	3,507.1	1,230.0	1,291.8	19.7	101.5	2,052.1	1,950.6
2000	6,449.4	6,380.5	3,674.6	1,288.8	1,389.0	28.0	68.9	2,415.9	2,347.0
<i>Euro area enlargement</i>									
2001	6,827.7	6,716.6	3,919.3	1,367.4	1,437.3	-7.4	111.1	2,551.8	2,440.7
2002	.	.	.	.	.	.	.	.	.
2001 Q3	1,711.6	1,681.0	986.1	343.4	360.0	-8.4	30.6	636.6	606.0
Q4	1,721.8	1,681.8	989.3	347.2	357.2	-12.0	40.0	632.2	592.1
2002 Q1	1,739.3	1,692.2	994.9	351.8	356.3	-10.7	47.0	633.3	586.3
Q2	1,753.5	1,703.7	1,001.4	355.2	351.3	-4.2	49.7	643.4	593.6
Q3	1,768.8	1,709.2	1,009.6	358.0	352.1	-10.4	59.5	659.4	599.8
Q4	.	.	.	.	.	.	.	.	.

2. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	GDP								
	Total	Domestic demand					External balance ³⁾		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories ²⁾	Total	Exports ³⁾	Imports ³⁾
10	11	12	13	14	15	16	17	18	
1998	5,667.3	5,544.8	3,186.3	1,142.2	1,191.0	25.4	122.5	1,938.8	1,816.2
1999	5,826.1	5,738.1	3,299.2	1,164.7	1,260.6	13.7	88.0	2,039.4	1,951.4
2000	6,029.4	5,904.1	3,382.0	1,187.7	1,321.9	12.4	125.3	2,295.4	2,170.1
<i>Euro area enlargement</i>									
2001	6,223.2	6,074.4	3,520.0	1,227.9	1,338.9	-12.4	148.9	2,386.9	2,238.1
2002	6,271.3	6,087.4	3,542.1	1,258.1	1,305.2	-18.1	183.9	2,416.1	2,232.2
2001 Q3	1,557.8	1,517.2	881.8	307.1	333.7	-5.3	40.5	596.4	555.9
Q4	1,554.2	1,516.5	882.1	309.0	330.7	-5.3	37.7	589.0	551.3
2002 Q1	1,560.3	1,516.0	880.5	311.3	330.0	-5.7	44.2	590.1	545.9
Q2	1,565.4	1,519.5	883.6	314.3	325.6	-4.0	45.9	600.2	554.3
Q3	1,571.5	1,522.9	887.4	315.4	325.0	-4.8	48.5	612.8	564.2
Q4	1,574.1	1,528.9	890.6	317.1	324.7	-3.5	45.2	613.0	567.8
<i>(annual percentage changes)</i>									
1998	2.9	3.5	3.0	1.4	5.1	-	-	7.4	10.0
1999	2.8	3.5	3.5	2.0	5.8	-	-	5.2	7.4
2000	3.5	2.9	2.5	2.0	4.9	-	-	12.6	11.2
<i>Euro area enlargement</i>									
2001	1.4	0.9	1.8	2.1	-0.6	-	-	2.8	1.5
2002	0.8	0.2	0.6	2.5	-2.5	-	-	1.2	-0.3
2001 Q3	1.3	0.7	1.8	2.2	-1.5	-	-	1.5	-0.2
Q4	0.5	0.0	1.6	1.6	-2.5	-	-	-2.8	-4.1
2002 Q1	0.3	-0.2	0.5	2.0	-2.5	-	-	-2.4	-3.9
Q2	0.6	-0.1	0.4	2.6	-3.2	-	-	0.6	-1.5
Q3	0.9	0.4	0.6	2.7	-2.6	-	-	2.7	1.5
Q4	1.3	0.8	1.0	2.6	-1.8	-	-	4.1	3.0

Source: Eurostat.

1) See the first section of the general notes for a brief explanation of features of current price data expressed in ECU up to end-1998.

2) Including acquisitions less disposals of valuables.

3) Exports and imports cover goods and services and include cross-border trade within the euro area. They are not fully consistent with Tables 8 and 9.

Value added by economic activity

3. Current prices

(EUR billions (ECU billions to end-1998), seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM ¹⁾	Taxes less subsidies on products
	Total	Agriculture, hunting, forestry and fishing activities	Manufacturing, energy and mining	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business activities	Public administration, education, health and other services		
	1	2	3	4	5	6	7	8	9
1998	5,471.0	138.7	1,276.8	295.4	1,139.8	1,441.3	1,179.0	202.2	614.8
1999	5,689.1	136.0	1,293.3	310.7	1,191.3	1,527.3	1,230.6	201.6	662.7
2000	5,972.6	136.9	1,347.3	326.5	1,261.1	1,619.9	1,280.9	212.1	688.8
<i>Euro area enlargement</i>									
2001	6,344.0	151.7	1,411.7	347.4	1,356.8	1,719.1	1,357.2	232.3	715.9
2002	.	.	.	.	.	.	.	.	.
2001 Q3	1,591.4	38.6	353.5	87.3	340.8	430.5	340.7	58.6	178.8
Q4	1,601.6	38.5	349.4	88.2	342.8	438.0	344.7	59.2	179.4
2002 Q1	1,614.2	39.1	351.2	89.6	345.8	439.3	349.2	58.1	183.1
Q2	1,628.0	38.6	354.5	89.3	348.0	444.6	353.0	57.7	183.2
Q3	1,640.9	39.3	356.8	89.8	351.0	447.2	356.8	58.3	186.1
Q4	.	.	.	.	.	.	.	.	.

4. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM ¹⁾	Taxes less subsidies on products
	Total	Agriculture, hunting, forestry and fishing activities	Manufacturing, energy and mining	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business activities	Public administration, education, health and other services		
	10	11	12	13	14	15	16	17	18
1998	5,319.6	142.3	1,256.7	291.9	1,114.3	1,388.4	1,126.1	222.4	570.2
1999	5,462.1	146.0	1,268.3	299.2	1,164.1	1,441.0	1,143.5	231.2	595.3
2000	5,666.9	145.6	1,319.0	306.2	1,220.5	1,507.7	1,167.9	247.6	610.1
<i>Euro area enlargement</i>									
2001	5,865.2	151.8	1,348.3	311.0	1,282.6	1,569.0	1,202.4	264.7	622.8
2002	5,922.9	152.5	1,350.3	306.4	1,299.6	1,589.6	1,224.6	271.3	619.7
2001 Q3	1,469.0	38.3	337.0	77.8	321.1	393.8	301.0	66.4	155.2
Q4	1,466.5	38.2	332.5	77.8	321.5	394.4	302.2	67.2	155.0
2002 Q1	1,472.8	38.1	335.5	77.3	322.6	395.2	304.0	67.1	154.5
Q2	1,478.7	38.0	337.5	76.5	324.1	397.2	305.4	67.2	153.9
Q3	1,484.2	38.3	339.3	76.4	325.6	398.0	306.6	68.0	155.2
Q4	1,487.2	37.9	338.0	76.2	327.2	399.2	308.6	69.1	156.0
<i>(annual percentage changes)</i>									
1998	2.9	1.5	3.2	0.4	4.0	3.7	1.5	3.6	2.6
1999	2.7	2.6	0.9	2.5	4.5	3.8	1.5	4.0	4.4
2000	3.8	-0.3	4.0	2.3	4.8	4.6	2.1	7.1	2.5
<i>Euro area enlargement</i>									
2001	1.7	-1.3	1.1	-0.6	2.6	2.6	1.4	5.4	0.1
2002	1.0	0.4	0.2	-1.5	1.3	1.3	1.8	2.5	-0.5
2001 Q3	1.6	-1.3	0.8	-0.8	2.4	2.5	1.5	5.0	-0.1
Q4	0.7	-0.7	-1.5	-0.6	1.4	2.0	1.4	5.0	-0.3
2002 Q1	0.6	1.1	-1.8	-0.6	1.0	1.6	1.6	2.9	-1.1
Q2	0.9	1.0	0.1	-1.6	1.1	1.3	1.8	2.0	-1.6
Q3	1.0	0.1	0.7	-1.8	1.4	1.1	1.8	2.3	0.0
Q4	1.4	-0.6	1.7	-2.0	1.8	1.2	2.1	2.7	0.6

Source: Eurostat.

1) The use of financial intermediation services indirectly measured (FISIM) is treated as intermediate consumption which is not allocated among branches.

Table 5.2
Selected other real economy indicators ¹⁾
1. Industrial production
(annual percentage changes, unless otherwise indicated)

	Total		Industry excluding construction ²⁾								Construction	Manufacturing
	Total		Industry excluding construction and energy						Energy			
	Index (s.a.) 1995 = 100		Total	Inter- mediate goods	Capital goods	Consumer goods						
						Total	Durable consumer goods	Non-durable consumer goods				
1	2	3	4	5	6	7	8	9	10	11	12	
1999	2.1	111.3	1.9	2.1	1.9	2.5	1.6	1.4	1.6	0.9	4.0	1.9
2000	5.0	117.5	5.5	6.0	6.0	9.3	2.3	6.5	1.4	1.8	2.1	5.9
<i>Euro area enlargement</i>												
2001	0.2	118.1	0.4	0.2	-0.8	1.3	0.4	-2.5	1.0	1.2	0.0	0.2
2002	-1.1	117.1	-0.8	-1.0	0.3	-2.6	-1.0	-4.9	-0.2	0.7	-1.9	-1.0
2001 Q4	-2.9	116.0	-3.6	-4.7	-6.0	-4.9	-2.6	-7.4	-1.5	3.5	1.4	-4.6
2002 Q1	-2.5	116.7	-2.8	-3.2	-2.1	-6.7	-1.2	-6.7	-0.1	1.2	1.2	-3.4
Q2	-1.1	117.4	-0.6	-0.9	0.3	-2.7	-0.9	-5.8	0.1	2.1	-1.7	-1.0
Q3	-1.0	117.3	-0.5	-0.8	0.7	-1.9	-1.9	-3.9	-1.5	0.7	-2.3	-0.7
Q4	0.3	117.1	0.9	1.1	2.3	1.0	-0.2	-3.1	0.4	-1.1	-4.2	1.1
2002 Mar.	-2.1	117.0	-2.3	-2.5	-0.4	-6.4	-1.6	-7.2	-0.4	0.2	2.2	-2.7
Apr.	-0.6	117.3	-0.7	-0.8	0.4	-2.3	-1.2	-5.7	-0.3	1.1	0.7	-0.9
May	-1.8	117.1	-0.9	-1.2	0.5	-4.5	-0.5	-6.8	0.8	1.9	-3.0	-1.3
June	-0.9	117.8	-0.3	-0.7	0.0	-1.5	-1.0	-4.9	-0.2	3.3	-2.5	-0.7
July	-0.6	117.2	-0.2	-0.4	0.5	-0.7	-1.6	-1.9	-1.6	1.3	-1.5	-0.4
Aug.	-1.5	117.3	-1.2	-1.4	0.0	-2.4	-2.5	-8.9	-1.5	0.3	-2.6	-1.3
Sep.	-0.9	117.3	-0.4	-0.6	1.5	-2.6	-1.6	-2.6	-1.3	0.6	-2.8	-0.5
Oct.	-0.3	117.2	0.7	0.2	1.2	-0.5	-0.5	-2.2	-0.2	4.0	-4.7	0.3
Nov.	1.9	118.0	2.8	3.4	4.3	3.8	1.6	0.8	1.7	-1.0	-3.2	3.3
Dec.	-0.9	115.9	-1.0	-0.3	1.1	-0.4	-1.7	-8.3	-0.3	-5.4	-4.5	-0.4
2003 Jan.	.	.	.	.	.	.	.	.	.	.	.	.

2. Retail sales and car registrations
(annual percentage changes, unless otherwise indicated)

	Retail sales (s.a.)									New passenger car registrations		
	Current prices			Constant prices						Thousands ³⁾ (s.a.)		
	Total		Index 1995 = 100	Total		Food, beverages, tobacco	Non-food		Textiles, clothing, footwear			Household equipment
	Index 1995 = 100			Index 1995 = 100								
13	14	15	16	17	18	19	20	21	22			
1999	111.6	3.2	107.3	2.4	2.9	2.3	1.1	2.6	973	5.4		
2000	116.2	4.1	109.8	2.3	1.9	2.3	1.9	4.6	953	-2.1		
<i>Euro area enlargement</i>												
2001	121.3	4.0	111.3	1.4	1.3	1.4	1.2	-0.3	969	-0.8		
2002	123.4	1.7	111.7	0.4	1.0	0.1	-0.5	-2.2	927	-4.3		
2001 Q4	122.4	3.3	111.6	1.0	1.2	1.1	0.2	-0.7	956	2.1		
2002 Q1	122.7	2.7	111.8	0.7	1.4	0.2	0.2	-2.2	915	-4.3		
Q2	123.0	1.3	111.4	0.1	0.5	0.2	-1.0	-2.4	913	-7.8		
Q3	124.0	1.6	112.0	0.7	1.2	0.7	-1.0	-1.2	922	-4.6		
Q4	123.7	1.1	111.5	-0.1	1.0	-0.6	-0.2	-3.1	957	0.3		
2002 Mar.	123.7	3.1	112.2	1.2	2.3	0.3	1.4	-3.1	896	-6.2		
Apr.	122.6	2.1	111.3	0.4	0.7	0.6	0.7	-2.6	898	-7.7		
May	123.7	1.7	111.8	0.6	1.3	0.4	-2.8	-1.6	910	-7.6		
June	122.9	0.3	111.1	-0.7	-0.5	-0.3	-0.8	-3.0	930	-7.9		
July	123.7	1.9	112.0	1.2	1.4	1.2	1.3	0.1	900	-7.1		
Aug.	124.9	1.9	112.6	0.9	1.7	0.4	0.3	-2.2	930	-3.7		
Sep.	123.3	0.9	111.5	0.0	0.6	0.4	-4.4	-1.5	935	-2.4		
Oct.	124.5	3.1	112.4	1.8	2.0	1.9	5.0	-1.9	934	-3.2		
Nov.	124.4	0.7	111.7	-0.5	0.9	-1.2	-4.1	-2.9	950	-0.9		
Dec.	122.3	-0.5	110.4	-1.6	0.0	-2.2	-1.2	-4.4	987	6.1		
2003 Jan.	.	.	.	.	.	.	.	.	875	-5.5

Sources: Eurostat, except columns 21 and 22 (ECB calculation based on data from the ACEA, European Automobile Manufacturers' Association).
1) Adjusted for variations in the number of working days.
2) Breakdown in accordance with the harmonised definition of Main Industrial Groupings.
3) Annual and quarterly figures are averages of monthly totals.

Table 5.3

European Commission Business and Consumer Surveys ¹⁾

1. Economic sentiment indicator, manufacturing industry and consumer surveys

(percentage balances ²⁾, unless otherwise indicated; seasonally adjusted)

	Economic sentiment indicator ³⁾ (index 1995 = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation ³⁾ (percentages)	Total ⁵⁾	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total ⁵⁾	Order books	Stocks of finished products	Production expectations						
1	2	3	4	5	6	7	8	9	10	11	
1999	101.2	-7	-16	12	6	82.3	-3	3	-4	11	1
2000	103.7	5	3	5	16	84.4	1	4	1	1	2
2001	100.8	-8	-14	13	1	83.1	-5	2	-10	14	2
2002	99.0	-12	-25	12	3	81.2	-11	-1	-12	26	-3
2001 Q4	98.7	-18	-27	17	-9	81.6	-12	0	-18	30	2
2002 Q1	99.1	-14	-26	14	-1	81.1	-10	0	-12	28	0
Q2	99.4	-11	-25	12	4	81.1	-8	-1	-9	22	-3
Q3	98.9	-12	-27	11	4	81.3	-10	-1	-11	26	-3
Q4	98.6	-10	-23	11	3	81.3	-14	-3	-15	30	-8
2002 Feb.	99.0	-14	-26	14	-3	-	-10	0	-11	28	0
Mar.	99.3	-12	-25	13	3	-	-9	0	-10	26	0
Apr.	99.2	-11	-26	12	4	81.2	-9	-1	-10	23	-3
May	99.5	-10	-23	11	4	-	-8	-1	-8	22	-2
June	99.4	-11	-25	12	4	-	-8	0	-8	22	-3
July	99.1	-11	-26	11	4	81.0	-10	-1	-10	26	-4
Aug.	98.7	-12	-30	10	4	-	-11	-1	-12	27	-4
Sep.	99.0	-12	-26	12	3	-	-9	-1	-10	24	-2
Oct.	98.8	-11	-25	10	3	81.5	-12	-2	-12	27	-7
Nov.	98.4	-11	-23	12	2	-	-14	-4	-15	30	-7
Dec.	98.6	-9	-22	10	4	-	-16	-4	-19	33	-9
2003 Jan.	98.2	-10	-23	10	2	81.1	-18	-5	-21	36	-9
Feb.	98.2	-11	-24	11	1	-	-19	-5	-23	39	-9

2. Construction industry, retail trade and services surveys

(percentage balances ²⁾, seasonally adjusted)

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator			
	Total ⁵⁾	Order books	Employment expectations	Total ⁵⁾	Present business situation	Volume of stocks	Expected business situation	Total ⁵⁾	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
1999	-10	-17	-2	-7	-7	17	2	27	25	26	31
2000	-5	-13	3	-2	1	17	9	30	36	23	33
2001	-11	-16	-4	-7	-7	17	2	15	16	8	20
2002	-20	-28	-12	-16	-23	18	-9	1	-4	-6	13
2001 Q4	-15	-20	-8	-11	-14	16	-3	-5	-5	-8	-2
2002 Q1	-16	-23	-9	-16	-22	20	-6	3	3	-14	21
Q2	-18	-24	-10	-18	-24	20	-9	5	1	1	14
Q3	-23	-32	-14	-17	-23	15	-11	-1	-5	-8	11
Q4	-24	-31	-16	-15	-21	16	-8	-4	-13	-4	4
2002 Feb.	-15	-22	-8	-18	-28	20	-5	2	1	-15	20
Mar.	-17	-23	-10	-17	-22	23	-7	7	7	-11	26
Apr.	-18	-24	-11	-17	-25	21	-6	7	3	1	18
May	-17	-24	-9	-18	-24	21	-8	6	3	1	14
June	-18	-25	-11	-18	-23	18	-12	3	-3	1	10
July	-21	-31	-10	-17	-23	17	-11	0	-4	-7	10
Aug.	-25	-34	-16	-16	-22	14	-12	-2	-4	-12	11
Sep.	-23	-30	-15	-17	-25	15	-11	0	-6	-5	12
Oct.	-23	-32	-14	-16	-21	15	-11	-4	-13	-4	5
Nov.	-25	-32	-18	-14	-17	18	-7	-4	-13	-4	5
Dec.	-23	-30	-15	-16	-24	16	-7	-5	-13	-4	2
2003 Jan.	-22	-29	-15	-19	-29	18	-10	-4	-15	-12	14
Feb.	-21	-28	-13	-14	-17	14	-10	-3	-14	-6	11

Source: European Commission Business and Consumer Surveys.

1) Data refer to the Euro 12.

2) Difference between the percentages of respondents giving positive and negative replies.

3) The economic sentiment indicator is composed of the industrial, consumer, construction and retail trade confidence indicators; the industrial confidence indicator has a weight of 40% and the three other indicators have a weight of 20% each.

4) Data are collected in January, April, July and October each year. The quarterly figures shown are the average of two successive surveys. Annual data are derived from quarterly averages.

5) The confidence indicators are calculated as simple averages of the components shown; the assessment of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

Table 5.4
Labour market indicators ¹⁾
1. Employment
(annual percentage changes, unless otherwise indicated; seasonally adjusted)

	Whole economy		By employment status		By economic activity					
	Millions		Employees	Self-employed	Agriculture, hunting, forestry and fishing	Manufacturing, energy and mining	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business services	Public administration, education, health and other services
Weight in the total ²⁾	100.0	100.0	84.0	16.0	4.8	19.7	7.2	25.1	14.2	29.0
	1	2	3	4	5	6	7	8	9	10
1997	120.210	0.9	1.0	0.1	-1.1	-0.2	-0.1	0.9	4.2	0.8
1998	122.335	1.8	1.9	0.8	-1.3	1.0	0.1	2.0	5.2	1.6
1999	124.588	1.8	2.3	-0.6	-2.3	-0.2	2.1	2.3	5.7	1.9
2000	127.334	2.2	2.5	0.8	-1.5	0.6	1.7	3.0	6.0	1.6
<i>Euro area enlargement</i>										
2001	133.087	1.3	1.6	-0.1	-0.7	0.2	0.6	1.4	3.6	1.5
2001 Q3	133.234	1.1	1.4	-0.4	-1.0	-0.1	0.6	1.3	3.2	1.4
2001 Q4	133.485	0.7	1.1	-1.0	-1.6	-0.7	0.1	1.0	2.8	1.3
2002 Q1	133.631	0.7	1.0	-0.7	-2.3	-1.1	-0.6	1.6	1.8	1.6
2002 Q2	133.688	0.5	0.8	-0.8	-1.9	-1.1	-0.7	1.0	1.7	1.5
2002 Q3	133.617	0.3	0.6	-1.1	-1.9	-1.2	-1.3	0.5	1.1	1.5

2. Unemployment
(seasonally adjusted)

	Total		By age ³⁾				By gender ⁴⁾			
			Adult		Youth		Male		Female	
	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force
	11	12	13	14	15	16	17	18	19	20
1998	13.270	10.2	10.146	8.9	3.124	20.0	6.445	8.6	6.825	12.5
1999	12.247	9.3	9.431	8.2	2.815	18.0	5.901	7.8	6.345	11.4
2000	11.104	8.4	8.555	7.3	2.549	16.2	5.286	7.0	5.818	10.3
<i>Euro area enlargement</i>										
2001	11.023	8.0	8.502	7.0	2.521	15.6	5.292	6.7	5.731	9.7
2002	11.526	8.3	8.948	7.3	2.578	16.1	5.681	7.2	5.844	9.8
2001 Q4	11.123	8.0	8.591	7.0	2.533	15.7	5.410	6.8	5.713	9.6
2002 Q1	11.266	8.1	8.718	7.1	2.549	15.8	5.502	6.9	5.764	9.7
2002 Q2	11.447	8.2	8.868	7.2	2.579	16.1	5.633	7.1	5.813	9.7
2002 Q3	11.613	8.3	9.025	7.3	2.588	16.2	5.749	7.2	5.864	9.8
2002 Q4	11.809	8.5	9.200	7.4	2.609	16.3	5.863	7.4	5.946	9.9
2002 Jan.	11.205	8.1	8.664	7.1	2.540	15.8	5.464	6.9	5.741	9.6
2002 Feb.	11.271	8.1	8.725	7.1	2.546	15.8	5.500	6.9	5.770	9.7
2002 Mar.	11.323	8.2	8.764	7.1	2.560	15.9	5.542	7.0	5.781	9.7
2002 Apr.	11.353	8.2	8.799	7.1	2.554	15.9	5.565	7.0	5.789	9.7
2002 May	11.451	8.2	8.879	7.2	2.572	16.0	5.639	7.1	5.812	9.7
2002 June	11.536	8.3	8.925	7.3	2.611	16.2	5.697	7.2	5.839	9.8
2002 July	11.576	8.3	8.985	7.3	2.591	16.2	5.724	7.2	5.852	9.8
2002 Aug.	11.613	8.3	9.024	7.3	2.588	16.2	5.750	7.2	5.862	9.8
2002 Sep.	11.649	8.4	9.066	7.4	2.584	16.1	5.772	7.3	5.877	9.8
2002 Oct.	11.723	8.4	9.131	7.4	2.592	16.2	5.816	7.3	5.907	9.9
2002 Nov.	11.811	8.5	9.200	7.4	2.611	16.3	5.865	7.4	5.946	9.9
2002 Dec.	11.892	8.5	9.270	7.5	2.622	16.4	5.907	7.4	5.985	10.0
2003 Jan.	11.996	8.6	9.359	7.6	2.637	16.5	5.952	7.5	6.044	10.1

Sources: ECB calculations based on Eurostat data (columns 1 to 10) and Eurostat (columns 11 to 20).

1) Data for employment refer to persons and are based on the ESA 95. Data for unemployment refer to persons and follow ILO recommendations.

2) In 2001.

3) Adult: 25 years and over; youth: below 25 years; rates are expressed as a percentage of the labour force for the relevant age group.

4) Rates are expressed as a percentage of the labour force for the relevant gender.

3. Unit labour costs, compensation per employee and labour productivity

(annual percentage changes, unless otherwise indicated; seasonally adjusted)

	Total		By economic activity					
	Index 1995=100 1	2	Agriculture, hunting, forestry and fishing 3	Manufacturing, energy and mining 4	Construction 5	Trade, repairs, hotels and restaurants, transport and communication 6	Financial, real estate renting and business services 7	Public administration, education, health and other services 8
Unit labour costs ¹⁾								
1999	102.9	1.0	-3.4	0.8	1.2	-0.5	3.2	2.7
2000	104.2	1.3	1.7	-0.3	2.0	0.0	4.1	1.8
<i>Euro area enlargement</i>								
2001	107.2	2.8	3.6	1.8	4.0	1.6	4.2	3.3
2001 Q3	107.7	2.7	2.8	1.9	4.3	1.8	3.8	2.9
Q4	108.6	3.4	2.3	3.4	3.4	2.5	4.0	3.6
2002 Q1	109.3	3.5	6.3	3.3	4.3	3.4	3.7	2.9
Q2	109.6	2.5	3.0	1.6	3.9	2.3	2.9	2.3
Q3	109.9	2.0	1.2	1.2	3.2	1.6	2.8	2.0
Compensation per employee								
1999	107.5	1.9	1.6	2.0	1.6	1.6	1.3	2.3
2000	110.2	2.5	3.0	3.0	2.7	1.8	2.7	2.3
<i>Euro area enlargement</i>								
2001	113.6	3.1	2.5	2.7	3.2	3.0	3.2	3.2
2001 Q3	114.1	3.0	2.0	2.8	3.4	3.2	3.2	2.9
Q4	114.7	3.2	2.6	2.6	3.3	3.1	3.2	3.7
2002 Q1	115.7	3.0	10.0	2.6	4.3	2.8	3.5	3.0
Q2	116.4	2.6	6.2	2.8	3.0	2.4	2.6	2.6
Q3	117.1	2.6	3.3	3.2	2.8	2.6	2.8	2.4
Labour productivity ²⁾								
1999	104.4	0.9	5.2	1.2	0.4	2.1	-1.8	-0.3
2000	105.7	1.3	1.3	3.3	0.7	1.8	-1.3	0.5
<i>Euro area enlargement</i>								
2001	106.0	0.2	-1.1	0.8	-0.8	1.4	-1.0	-0.1
2001 Q3	106.0	0.3	-0.8	0.9	-0.8	1.3	-0.6	0.0
Q4	105.6	-0.2	0.3	-0.8	-0.2	0.6	-0.7	0.1
2002 Q1	105.9	-0.4	3.5	-0.7	0.0	-0.5	-0.2	0.0
Q2	106.2	0.1	3.0	1.3	-0.9	0.1	-0.3	0.3
Q3	106.6	0.6	2.1	1.9	-0.4	0.9	0.0	0.3

4. Hourly labour cost indicators

(annual percentage changes, unless otherwise indicated)

	Total ³⁾		By component		By selected economic activity		
	Index (s.a.) 1995=100 9	10	Wages and salaries 11	Employers' social contributions 12	Manufacturing, energy and mining 13	Construction 14	Services 15
1999	106.6	2.3	2.6	1.4	2.4	2.8	1.9
2000	110.1	3.3	3.4	2.5	3.2	4.0	2.9
<i>Euro area enlargement</i>							
2001	113.8	3.4	3.6	2.6	3.2	4.0	3.2
2001 Q3	114.4	3.7	3.9	3.1	3.6	4.0	3.7
Q4	115.3	3.4	3.5	2.9	3.0	4.4	3.6
2002 Q1	116.4	3.9	4.1	3.3	3.7	4.7	3.9
Q2	117.3	3.5	3.5	3.3	3.0	3.6	3.7
Q3	118.4	3.6	3.6	3.2	3.2	3.8	3.6

Sources: ECB calculations based on Eurostat data (columns 1 to 8 and 15) and Eurostat (columns 9 to 14).

1) Compensation (at current prices) per employee divided by value added (at constant prices) per person employed.

2) Value added (at constant prices) per person employed.

3) Hourly labour costs for the whole economy, excluding agriculture, public administration, education, health and other services. Owing to differences in coverage, components are not consistent with the total.



6 Saving, investment and financing in the euro area

Table 6.1

Financial investment and financing of non-financial sectors ¹⁾

(EUR billions; not seasonally adjusted; end of period)

Amounts outstanding

1. Main financial assets ²⁾

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area ³⁾
	Total	Currency	Deposits of non-financial sectors other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs ⁴⁾	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1998 Q4	4,825.9	323.4	4,211.2	1,282.9	1,463.3	1,386.3	78.6	149.8	141.5	215.3
1999 Q1	4,676.1	318.6	4,075.8	1,239.1	1,464.6	1,306.2	66.0	133.4	148.3	243.9
Q2	4,702.4	324.8	4,114.2	1,321.8	1,418.3	1,315.7	58.4	125.0	138.4	242.7
Q3	4,713.7	328.3	4,112.8	1,324.6	1,416.5	1,313.1	58.7	133.3	139.4	238.6
Q4	4,859.9	350.8	4,215.1	1,370.9	1,457.7	1,323.5	63.0	142.0	152.0	229.7
2000 Q1	4,837.9	335.5	4,222.3	1,379.6	1,462.5	1,303.3	76.8	130.2	150.0	260.5
Q2	4,894.9	342.0	4,256.9	1,409.7	1,485.7	1,282.6	78.9	146.0	150.0	247.1
Q3	4,915.1	339.8	4,266.5	1,396.9	1,524.0	1,263.7	81.9	159.2	149.6	253.9
Q4	5,030.3	348.4	4,361.6	1,464.4	1,542.4	1,269.1	85.6	164.5	155.9	230.1
<i>Euro area enlargement</i>										
2001 Q1	5,140.9	336.3	4,494.1	1,446.1	1,620.9	1,314.6	112.6	150.3	160.1	259.6
Q2	5,238.8	333.0	4,579.2	1,526.1	1,616.7	1,321.1	115.3	165.5	161.0	268.8
Q3	5,226.7	309.6	4,609.0	1,547.9	1,605.2	1,333.7	122.2	147.8	160.2	265.6
Q4	5,362.7	239.7	4,816.3	1,690.3	1,613.0	1,396.3	116.7	139.0	167.6	297.7
2002 Q1	5,363.9	254.3	4,774.3	1,637.4	1,604.8	1,413.0	119.1	157.5	177.8	300.6
Q2	5,448.7	285.8	4,827.6	1,703.6	1,593.8	1,412.5	117.6	155.0	180.3	277.2
Q3	5,461.9	306.7	4,827.4	1,699.6	1,585.8	1,423.3	118.8	146.3	181.4	.
Q4	.	341.2	4,963.2	1,790.0	1,592.3	1,467.7	113.1	136.4	.	.
<i>Securities other than shares</i>										
	Securities other than shares			Shares ⁵⁾				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
	11	12	13	14	15	16	17	18	19	20
1998 Q4	1,532.7	155.6	1,377.1	3,762.2	2,252.5	1,509.7	168.1	2,630.2	2,353.0	277.2
1999 Q1	1,583.9	136.7	1,447.3	4,042.1	2,423.7	1,618.4	194.9	2,686.3	2,403.5	282.8
Q2	1,502.5	126.7	1,375.8	4,164.3	2,447.0	1,717.4	211.4	2,755.8	2,468.9	286.9
Q3	1,512.7	114.3	1,398.5	4,081.3	2,356.5	1,724.9	210.0	2,797.9	2,507.1	290.8
Q4	1,595.6	166.3	1,429.2	4,822.5	3,002.5	1,820.0	204.2	2,943.0	2,648.9	294.1
2000 Q1	1,590.9	183.1	1,407.8	4,887.4	2,969.2	1,918.2	214.9	3,061.4	2,760.6	300.8
Q2	1,619.2	189.7	1,429.5	4,800.0	2,908.0	1,892.0	204.6	3,108.1	2,803.5	304.6
Q3	1,697.2	207.6	1,489.6	4,843.3	2,938.1	1,905.3	204.1	3,163.1	2,854.5	308.6
Q4	1,777.9	226.5	1,551.4	4,867.1	3,009.0	1,858.1	200.2	3,193.0	2,885.7	307.3
<i>Euro area enlargement</i>										
2001 Q1	1,916.5	315.3	1,601.2	4,543.6	2,725.1	1,818.6	223.7	3,243.7	2,930.5	313.2
Q2	1,910.1	268.4	1,641.7	4,519.1	2,669.7	1,849.4	232.2	3,302.6	2,987.2	315.4
Q3	1,938.1	263.4	1,674.7	4,039.1	2,312.0	1,727.0	253.0	3,277.8	2,958.7	319.2
Q4	1,948.0	251.9	1,696.1	4,384.0	2,566.1	1,817.9	259.9	3,373.1	3,049.9	323.3
2002 Q1	2,019.4	292.0	1,727.4	4,462.0	2,611.1	1,851.0	290.4	3,409.7	3,077.2	332.4
Q2	2,046.2	254.2	1,792.0	4,077.5	2,324.0	1,753.6	292.8	3,429.2	3,093.0	336.2
Q3	2,108.5	277.2	1,831.3	3,480.7	1,765.4	1,715.3	310.1	3,455.7	3,116.2	339.5
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).

2) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares and other equity, and other receivables and payables are not included.

3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.

4) Covering deposits with euro area central government (S.1311), other financial intermediaries (S.123) and insurance corporations and pension funds (S.125).

5) Excluding unquoted shares.

Table 6.1 (cont'd)
Financial investment and financing of non-financial sectors ¹⁾
(EUR billions; not seasonally adjusted; end of period)
Amounts outstanding
2. Main liabilities ²⁾

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks ³⁾
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households ⁴⁾			
			Total	Short-term	Long-term ⁵⁾	Total	Short-term	Long-term	Total	Short-term	Long-term	
	1	2	3	4	5	6	7	8	9	10	11	12
1998 Q4	6,221.7	5,663.5	909.9	36.0	873.9	2,597.3	902.9	1,694.4	2,714.5	240.8	2,473.8	151.3
1999 Q1	6,253.6	5,682.7	900.8	36.3	864.5	2,592.5	921.3	1,671.1	2,760.3	251.8	2,508.5	156.8
Q2	6,417.4	5,817.5	898.2	39.0	859.3	2,684.6	964.2	1,720.4	2,834.5	255.6	2,578.9	183.3
Q3	6,485.3	5,886.6	883.4	37.9	845.5	2,699.6	943.7	1,755.9	2,902.4	255.4	2,647.0	191.4
Q4	6,658.7	6,039.5	898.8	42.1	856.7	2,791.8	979.8	1,811.9	2,968.2	264.1	2,704.1	201.4
2000 Q1	6,803.7	6,156.4	889.5	41.1	848.3	2,890.3	1,038.0	1,852.3	3,024.0	265.6	2,758.4	221.1
Q2	6,952.9	6,262.2	885.5	42.0	843.5	2,990.4	1,090.7	1,899.7	3,077.0	274.4	2,802.7	219.7
Q3	7,098.2	6,379.6	866.1	39.9	826.2	3,098.4	1,152.4	1,946.0	3,133.7	275.9	2,857.7	252.3
Q4	7,262.0	6,500.5	881.9	42.0	839.9	3,196.6	1,167.3	2,029.3	3,183.4	281.0	2,902.4	245.2
<i>Euro area enlargement</i>												
2001 Q1	7,456.2	6,671.7	897.6	41.8	855.8	3,322.3	1,244.0	2,078.3	3,236.3	279.3	2,957.0	257.3
Q2	7,561.6	6,762.2	881.8	42.1	839.6	3,394.0	1,266.4	2,127.6	3,285.8	285.2	3,000.6	279.2
Q3	7,633.6	6,805.2	875.5	45.1	830.4	3,434.5	1,244.6	2,189.9	3,323.7	280.7	3,042.9	249.7
Q4	7,748.2	6,897.7	901.9	50.6	851.3	3,474.1	1,227.4	2,246.7	3,372.3	282.1	3,090.1	268.6
2002 Q1	7,821.2	6,960.5	905.9	53.3	852.6	3,509.6	1,224.6	2,285.0	3,405.7	277.7	3,128.0	285.5
Q2	7,903.7	7,017.6	879.0	53.5	825.5	3,549.6	1,209.3	2,340.3	3,475.2	288.5	3,186.7	251.8
Q3	7,945.6	7,053.0	869.0	54.8	814.2	3,555.3	1,191.1	2,364.2	3,521.3	284.5	3,236.8	.
Q4	.	7,126.6	.	.	.	.	.	.	.	.	.	.
<i>Securities other than shares issued by</i>												
	Total	General government			Non-financial corporations			Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations		
		Total	Short-term	Long-term	Total	Short-term	Long-term					
	13	14	15	16	17	18	19	20	21	22		
1998 Q4	3,924.3	3,591.8	468.0	3,123.9	332.4	55.0	277.4	2,817.3	140.3	217.2		
1999 Q1	3,970.3	3,635.6	466.6	3,169.1	334.6	65.9	268.7	2,964.9	146.9	219.6		
Q2	3,953.5	3,612.8	459.0	3,153.8	340.7	66.5	274.2	3,087.2	136.6	221.9		
Q3	3,932.7	3,578.3	449.1	3,129.2	354.5	74.9	279.6	3,012.8	137.6	224.2		
Q4	3,899.3	3,534.5	420.9	3,113.6	364.8	78.2	286.7	4,193.3	149.8	226.5		
2000 Q1	3,953.7	3,586.2	425.3	3,160.9	367.5	78.6	288.9	4,533.4	147.6	228.4		
Q2	3,987.8	3,608.1	426.0	3,182.1	379.6	88.8	290.8	4,378.8	147.6	230.2		
Q3	4,020.0	3,621.0	422.0	3,199.0	399.0	95.5	303.6	4,220.7	147.2	232.1		
Q4	4,066.8	3,648.0	400.7	3,247.3	418.8	101.0	317.8	4,068.3	153.7	233.9		
<i>Euro area enlargement</i>												
2001 Q1	4,243.6	3,787.5	429.8	3,357.7	456.1	111.9	344.2	3,713.5	154.7	236.1		
Q2	4,293.0	3,811.9	441.6	3,370.3	481.1	122.9	358.2	3,672.5	155.2	238.3		
Q3	4,377.8	3,879.6	450.3	3,429.4	498.2	136.9	361.2	3,031.5	155.4	240.5		
Q4	4,389.8	3,874.4	434.3	3,440.1	515.4	135.7	379.8	3,524.1	165.5	240.0		
2002 Q1	4,445.9	3,924.8	446.7	3,478.1	521.1	140.9	380.2	3,548.2	174.8	242.4		
Q2	4,535.6	4,020.3	481.8	3,538.5	515.3	126.5	388.8	3,035.1	176.1	244.8		
Q3	4,643.8	4,113.5	479.6	3,634.0	530.2	133.9	396.3	2,289.4	177.2	247.2		
Q4	.	.	.	.	.	.	.	2,396.5	.	.		

Source: ECB.

1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).

2) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares and other equity, and other receivables and payables are not included.

3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.

4) Including non-profit institutions serving households.

5) Including all loans taken by central government from MFIs in the euro area.

Transactions

1. Main financial assets ¹⁾

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area ²⁾
	Total	Currency	Deposits of non-financial sectors ³⁾ other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs ⁴⁾	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1998 Q4	148.5	11.6	137.0	98.1	13.0	44.8	-18.9	-6.6	6.5	-24.5
1999 Q1	-40.3	-5.2	-37.7	-19.4	-15.7	10.1	-12.7	-4.2	6.8	23.4
Q2	22.0	6.2	34.2	81.3	-48.9	9.4	-7.6	-8.4	-9.9	-4.3
Q3	12.9	3.5	0.2	3.5	-1.1	-2.6	0.3	8.3	1.0	-2.8
Q4	138.7	22.3	95.1	44.2	36.4	10.3	4.2	8.7	12.7	-14.2
2000 Q1	-28.9	-15.3	0.4	6.1	0.9	-20.4	13.7	-11.9	-2.1	26.1
Q2	52.6	6.7	30.0	31.9	17.8	-21.8	2.1	15.8	0.1	-12.8
Q3	6.4	-2.2	-4.2	-17.3	28.8	-18.5	2.9	13.3	-0.5	-1.7
Q4	128.4	8.6	108.3	71.4	27.3	5.7	3.8	5.3	6.3	-16.7
<i>Euro area enlargement</i>										
2001 Q1	-17.3	-19.8	13.9	-34.4	42.6	-6.1	11.8	-15.6	4.2	13.6
Q2	94.6	-3.3	81.8	77.1	-4.3	6.3	2.7	15.1	0.9	4.8
Q3	6.4	-23.4	48.3	25.4	3.0	13.0	7.0	-17.7	-0.8	3.4
Q4	138.6	-69.9	209.9	142.3	10.6	62.5	-5.4	-8.8	7.4	12.2
2002 Q1	3.6	14.6	-40.2	-53.4	-4.1	14.9	2.3	19.0	10.2	2.0
Q2	104.8	31.5	73.2	72.2	0.9	1.7	-1.7	-2.5	2.5	-9.9
Q3	11.3	20.9	0.6	-4.4	-7.3	10.6	1.7	-12.5	2.3	.
Q4	.	34.5	134.7	83.6	11.9	44.8	-5.6	-9.8	.	.
<i>Securities other than shares</i>										
	Securities other than shares			Shares ⁵⁾				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
	11	12	13	14	15	16	17	18	19	20
1998 Q4	-15.4	-2.3	-13.1	72.8	53.6	19.1	-15.4	51.7	50.0	1.8
1999 Q1	32.8	-13.1	45.9	105.3	3.9	101.3	4.3	63.6	57.7	5.8
Q2	-41.0	-11.9	-29.0	154.1	69.7	84.4	15.4	52.9	48.7	4.2
Q3	-3.3	-13.0	9.7	90.1	49.7	40.4	-2.1	55.7	51.6	4.1
Q4	90.1	50.4	39.6	-17.0	15.7	-32.6	-12.6	73.9	70.5	3.5
2000 Q1	13.2	25.9	-12.7	-18.4	-65.2	46.7	13.6	79.6	72.9	6.7
Q2	41.2	4.4	36.8	56.4	38.1	18.4	-7.4	55.9	52.0	3.9
Q3	81.0	20.4	60.6	105.0	98.4	6.6	-1.3	56.0	52.0	4.0
Q4	24.1	6.5	17.6	179.8	142.6	37.2	-5.0	60.0	61.2	-1.2
<i>Euro area enlargement</i>										
2001 Q1	133.2	89.4	43.8	45.3	-2.4	47.7	21.9	60.9	55.0	5.9
Q2	-4.7	-41.7	37.1	41.0	38.7	2.3	3.4	55.6	53.3	2.2
Q3	36.0	-4.9	40.9	54.9	28.2	26.7	14.1	50.8	47.1	3.7
Q4	-0.1	-16.7	16.6	11.7	-13.6	25.3	2.9	68.2	64.1	4.1
2002 Q1	77.8	36.8	41.0	47.7	2.8	44.8	25.9	70.6	61.4	9.2
Q2	-5.5	-43.1	37.6	26.9	12.7	14.2	-1.8	50.8	47.0	3.8
Q3	48.3	23.9	24.4	51.1	22.4	28.7	13.6	50.3	46.2	4.1
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

- 1) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares and other equity, and other receivables and payables are not included.
- 2) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 3) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 4) Covering deposits with euro area central government (S.1311), other financial intermediaries (S.123) and insurance corporations and pension funds (S.125).
- 5) Excluding unquoted shares.

Table 6.1 (cont'd)
Financial investment and financing of non-financial sectors ¹⁾
(EUR billions; not seasonally adjusted)
Transactions
2. Main liabilities ²⁾

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks ³⁾
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households ⁴⁾			
			Total	Short-term	Long-term ⁵⁾	Total	Short-term	Long-term	Total	Short-term	Long-term	
	1	2	3	4	5	6	7	8	9	10	11	12
1998 Q4	160.2	151.0	8.4	2.8	5.6	75.8	37.3	38.5	76.0	7.1	68.9	3.5
1999 Q1	89.5	75.6	-7.7	0.3	-8.0	21.1	23.3	-2.2	76.2	9.2	67.0	1.7
Q2	162.6	133.2	-4.1	2.7	-6.7	89.6	41.2	48.4	77.1	3.9	73.2	23.9
Q3	70.5	71.5	-14.7	-1.1	-13.6	17.4	-16.7	34.1	67.8	-0.3	68.1	8.4
Q4	170.0	146.6	15.0	4.2	10.9	86.2	34.0	52.2	68.7	8.8	59.9	-7.0
2000 Q1	141.8	108.8	-7.9	-0.9	-7.0	91.7	54.7	37.0	58.0	1.6	56.5	15.1
Q2	164.9	118.4	-4.3	0.9	-5.2	113.3	62.2	51.2	55.9	9.8	46.1	-0.8
Q3	132.7	91.6	-15.8	-2.1	-13.7	96.7	53.4	43.3	51.8	0.0	51.8	23.2
Q4	186.8	140.1	16.1	2.1	14.0	117.4	19.7	97.7	53.3	5.3	48.0	1.9
						<i>Euro area enlargement</i>						
2001 Q1	96.0	78.5	-3.6	-0.5	-3.2	63.3	39.6	23.7	36.3	-5.1	41.5	9.2
Q2	105.6	88.0	-16.2	0.3	-16.5	64.6	20.9	43.7	57.2	6.0	51.2	16.8
Q3	83.7	57.9	-5.8	2.9	-8.7	50.5	-15.8	66.3	38.9	-4.2	43.1	-21.4
Q4	112.0	92.4	25.5	5.5	20.1	37.6	-15.8	53.5	48.8	1.4	47.4	4.1
2002 Q1	72.0	61.9	3.9	2.7	1.2	29.1	-4.7	33.9	39.0	-4.9	43.9	15.8
Q2	108.9	83.0	-25.8	0.2	-26.0	66.3	-7.2	73.5	68.3	10.9	57.4	-18.4
Q3	36.2	34.2	-12.3	1.3	-13.6	1.3	-15.9	17.2	47.2	-4.0	51.1	.
Q4	.	95.5	.	.	.	.	.	.	.	.	.	.

	Securities other than shares issued by								Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations
	Total	General government			Non-financial corporations						
		Total	Short-term	Long-term	Total	Short-term	Long-term				
	13	14	15	16	17	18	19	20	21	22	
1998 Q4	-11.3	-15.8	-31.5	15.6	4.6	0.5	4.1	28.7	6.4	1.9	
1999 Q1	73.3	59.8	0.4	59.4	13.5	10.5	3.0	10.8	6.6	2.3	
Q2	37.3	29.0	-7.8	36.7	8.4	0.6	7.8	34.4	-10.3	2.3	
Q3	56.8	38.8	-9.8	48.6	18.0	8.3	9.7	34.7	1.0	2.3	
Q4	-12.1	-19.5	-27.6	8.1	7.5	3.3	4.1	41.9	12.1	2.3	
2000 Q1	61.0	60.0	9.9	50.1	1.0	0.5	0.5	20.0	-2.2	1.9	
Q2	39.2	23.7	-1.0	24.8	15.5	10.3	5.2	29.2	0.0	1.9	
Q3	48.3	25.3	-2.7	28.1	23.0	7.0	16.0	68.6	-0.4	1.9	
Q4	-1.1	-20.1	-27.3	7.2	18.9	5.8	13.1	55.0	6.4	1.8	
					<i>Euro area enlargement</i>						
2001 Q1	74.5	37.6	32.3	5.3	36.8	11.1	25.7	52.4	1.1	2.2	
Q2	90.3	65.1	16.1	49.0	25.3	11.1	14.1	45.0	0.4	2.2	
Q3	48.0	29.5	8.8	20.7	18.5	14.4	4.1	10.1	0.2	2.2	
Q4	7.0	-8.8	-22.3	13.5	15.8	-1.8	17.6	7.2	10.1	-0.5	
2002 Q1	102.4	92.9	21.7	71.2	9.5	5.6	3.9	9.5	9.3	2.4	
Q2	59.6	61.7	33.9	27.8	-2.1	-15.1	13.0	4.2	1.3	2.4	
Q3	56.4	45.5	-1.4	46.9	10.9	7.5	3.4	-0.4	1.1	2.4	
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).

2) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares and other equity, and other receivables and payables are not included.

3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.

4) Including non-profit institutions serving households.

5) Including all loans taken by central government from MFIs in the euro area.

Table 6.2
Financial investment and financing of insurance corporations and pension funds
(EUR billions; not seasonally adjusted; end of period)
Amounts outstanding

	Main financial assets ¹⁾										
	Deposits with euro area MFIs					Loans			Securities other than shares		
	Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements	Total	Short-term	Long-term	Total	Short-term	Long-term
	1	2	3	4	5	6	7	8	9	10	11
1998 Q4	412.4	28.3	371.2	2.8	10.1	331.2	41.5	289.8	1,013.3	36.4	976.9
1999 Q1	426.0	32.1	380.1	3.0	10.8	323.3	42.6	280.8	1,008.6	37.1	971.6
Q2	430.9	36.4	380.5	3.3	10.7	321.7	42.5	279.2	1,020.3	35.7	984.6
Q3	436.6	32.0	389.8	3.3	11.5	313.6	41.3	272.3	1,031.1	35.4	995.7
Q4	447.5	32.2	400.3	3.3	11.7	313.6	41.1	272.5	1,035.3	38.5	996.8
2000 Q1	458.9	35.4	407.1	3.2	13.1	317.1	45.1	272.0	1,066.8	45.2	1,021.6
Q2	460.8	34.6	411.1	3.5	11.6	316.1	46.5	269.6	1,088.8	46.4	1,042.4
Q3	464.6	34.1	413.8	3.7	12.9	317.3	47.1	270.2	1,088.5	46.1	1,042.5
Q4	477.6	40.6	418.5	3.2	15.3	312.5	50.5	262.0	1,084.7	40.2	1,044.4
	<i>Euro area enlargement</i>										
2001 Q1	483.8	38.2	423.3	3.5	18.8	311.3	50.8	260.5	1,115.6	35.5	1,080.1
Q2	486.3	41.4	424.2	3.8	16.9	316.3	53.6	262.7	1,126.5	37.4	1,089.1
Q3	487.8	39.3	426.9	3.8	17.9	314.8	53.1	261.7	1,148.2	37.9	1,110.3
Q4	495.4	48.0	427.5	3.4	16.4	313.8	55.8	258.1	1,189.6	37.8	1,151.8
2002 Q1	498.6	43.9	433.0	4.0	17.7	325.5	56.1	269.3	1,240.7	49.1	1,191.5
Q2	503.9	48.4	432.9	3.7	19.0	329.9	60.6	269.3	1,230.5	37.9	1,192.5
Q3	506.3	50.1	437.9	3.9	14.4	327.1	61.6	265.5	1,356.5	47.2	1,309.3
Q4	522.6	56.3	445.4	3.5	17.4	.	.	.	.	.	.

	Main financial assets ¹⁾					Main liabilities ¹⁾						
	Shares ²⁾				Prepayments of insurance premiums and reserves for outstanding claims	Loans taken from euro area MFIs and other financial corporations		Securities other than shares	Quoted shares	Insurance technical reserves		
	Total	Quoted shares	Mutual fund shares	Money market fund shares		Total	Taken from euro area MFIs			Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
1998 Q4	860.9	496.5	364.5	26.4	66.6	41.9	27.4	1.5	293.3	2,390.4	2,076.4	313.9
1999 Q1	931.9	538.5	393.4	33.7	70.1	49.8	36.1	2.1	290.5	2,444.3	2,123.7	320.6
Q2	1,001.5	580.2	421.2	36.6	71.3	54.4	40.4	4.3	276.8	2,511.8	2,186.1	325.6
Q3	1,011.9	585.7	426.1	33.7	72.5	56.4	41.9	5.0	269.1	2,552.5	2,221.8	330.7
Q4	1,232.5	719.4	513.1	33.4	75.5	44.1	29.6	5.0	332.4	2,696.7	2,359.5	337.2
2000 Q1	1,347.9	777.1	570.8	37.1	78.0	52.3	37.1	5.8	363.8	2,814.1	2,467.4	346.7
Q2	1,362.9	771.4	591.5	40.6	78.9	54.2	38.8	5.9	332.2	2,859.1	2,508.0	351.1
Q3	1,411.8	797.2	614.6	37.4	80.0	49.0	33.1	8.9	359.1	2,912.4	2,556.6	355.8
Q4	1,332.1	727.5	604.6	36.9	78.4	47.3	31.5	10.2	328.8	2,937.8	2,582.5	355.3
	<i>Euro area enlargement</i>											
2001 Q1	1,317.0	723.9	593.1	44.9	80.9	51.3	36.4	10.8	317.9	2,987.7	2,623.7	364.0
Q2	1,346.7	746.8	599.9	46.7	81.9	51.2	36.2	12.0	315.6	3,045.1	2,678.2	366.9
Q3	1,201.1	646.7	554.4	46.1	83.8	52.2	37.4	12.6	221.5	3,021.2	2,648.2	373.0
Q4	1,304.7	713.3	591.4	46.1	85.2	48.5	34.9	13.5	234.7	3,116.7	2,738.3	378.4
2002 Q1	1,381.5	772.0	609.5	47.8	89.2	54.5	38.9	13.6	257.0	3,154.5	2,763.5	390.9
Q2	1,265.7	679.0	586.7	50.4	90.0	59.2	42.5	13.9	226.5	3,171.9	2,776.8	395.1
Q3	1,139.2	566.5	572.7	49.0	91.2	64.2	42.1	14.0	127.1	3,198.6	2,798.2	400.4
Q4	.	.	.	.	.	.	32.9	.	112.9	.	.	.

Source: ECB.
1) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares, other equity and other receivables and payables are not included.
2) Excluding unquoted shares.

Table 6.2 (cont'd)
Financial investment and financing of insurance corporations and pension funds
(EUR billions; not seasonally adjusted; end of period)
Transactions

	Main financial assets ¹⁾										
	Deposits with euro area MFIs					Loans			Securities other than shares		
	Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements	Total	Short-term	Long-term	Total	Short-term	Long-term
1	2	3	4	5	6	7	8	9	10	11	
1998 Q4	3.1	3.9	4.8	0.2	-5.9	-3.8	1.2	-5.0	10.8	-1.2	12.0
1999 Q1	12.7	3.8	8.1	0.1	0.7	2.1	1.3	0.8	26.9	0.8	26.1
Q2	4.8	4.3	0.4	0.3	-0.2	-1.7	-0.1	-1.6	18.2	-1.4	19.7
Q3	5.8	-4.4	9.3	0.0	0.8	-8.4	-1.2	-7.2	20.9	0.0	21.0
Q4	10.5	0.2	10.1	0.0	0.2	-0.1	-0.3	0.2	3.8	3.0	0.8
2000 Q1	11.4	3.2	6.8	0.0	1.4	3.8	4.1	-0.3	33.7	7.5	26.3
Q2	1.9	0.3	2.8	0.3	-1.5	-0.7	1.3	-2.0	18.4	1.0	17.4
Q3	1.2	-0.7	0.4	0.2	1.3	1.4	0.7	0.7	4.6	-0.2	4.8
Q4	13.0	6.5	4.6	-0.5	2.4	-4.6	3.1	-7.7	-12.6	-6.5	-6.1
	<i>Euro area enlargement</i>										
2001 Q1	3.9	-2.5	4.7	0.3	1.3	-1.2	0.3	-1.5	17.3	-4.8	22.1
Q2	2.8	3.4	1.0	0.3	-1.9	5.1	2.9	2.2	18.5	1.9	16.5
Q3	1.5	-2.1	2.7	-0.1	1.0	-1.6	-0.6	-1.0	31.2	0.4	30.8
Q4	7.6	8.8	0.6	-0.3	-1.4	0.3	2.7	-2.4	33.1	-0.6	33.7
2002 Q1	3.0	-4.2	5.3	0.5	1.3	12.3	1.0	11.3	59.4	11.4	48.0
Q2	5.3	4.5	-0.1	-0.3	1.2	5.1	5.1	0.0	-15.5	-11.3	-4.2
Q3	2.5	1.7	5.1	0.3	-4.6	-2.3	1.6	-3.9	33.0	9.1	24.0
Q4	16.3	6.2	7.5	-0.4	3.0	.	.	.	.	.	.

	Main financial assets ¹⁾					Main liabilities ¹⁾							
	Shares ²⁾				Prepayments of insurance premiums and reserves for outstanding claims	Loans taken from euro area MFIs and other financial corporations		Securities other than shares	Quoted shares	Insurance technical reserves			
	Total	Quoted shares	Mutual fund shares	Money market fund shares		Total	Taken from euro area MFIs			Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims	
													12	13	14	15	16	17	18	19	20	21	22	23
1998 Q4	35.3	9.5	25.8	3.2	0.1	-7.1	-7.4	-0.3	3.4	47.3	47.7	-0.3	
1999 Q1	20.8	5.3	15.5	5.5	2.1	9.1	8.7	-0.4	0.4	62.7	54.5	8.2	
Q2	23.1	12.5	10.6	3.0	1.2	4.3	4.3	1.8	0.3	50.9	45.7	5.2	
Q3	14.8	11.7	3.1	-2.8	1.3	1.7	1.5	0.4	0.2	53.8	48.6	5.2	
Q4	51.2	11.6	39.6	-0.3	3.0	-12.6	-12.4	0.6	-0.4	73.5	66.8	6.7	
2000 Q1	46.2	9.0	37.3	4.4	2.4	8.2	7.5	0.5	0.7	78.6	69.1	9.5	
Q2	32.6	7.8	24.8	3.4	0.9	1.9	1.7	0.0	1.9	54.1	49.6	4.5	
Q3	35.8	18.3	17.5	-3.2	1.1	-5.2	-5.7	2.7	0.2	54.4	49.7	4.7	
Q4	14.9	0.5	14.4	-0.5	-1.6	-1.7	-1.6	1.0	0.1	58.2	58.6	-0.4	
	<i>Euro area enlargement</i>												
2001 Q1	46.2	29.9	16.2	8.3	2.5	3.9	4.8	0.0	0.4	59.7	51.0	8.7	
Q2	16.7	13.2	3.4	1.3	1.0	0.0	-0.2	0.6	0.0	54.2	51.3	2.9	
Q3	24.8	20.7	4.1	-0.8	1.9	1.2	1.5	0.1	4.1	51.1	45.1	6.1	
Q4	31.9	5.2	26.7	0.0	1.4	-3.8	-2.5	0.3	0.6	68.7	63.3	5.4	
2002 Q1	32.8	17.4	15.4	1.6	4.0	6.0	3.9	0.1	0.2	70.1	57.5	12.5	
Q2	18.4	5.8	12.6	2.5	0.8	4.4	3.3	0.2	0.2	48.1	43.9	4.2	
Q3	12.2	4.8	7.4	-1.5	1.2	2.8	-2.5	0.0	0.0	49.0	43.7	5.3	
Q4	.	.	.	.	.	.	-9.2	.	.	.	.	.

Source: ECB.

1) Most of the financial asset and liability categories defined in the ESA 95 are covered. Financial derivatives, loans granted by general government and non-financial corporations, unquoted shares, other equity and other receivables and payables are not included.

2) Excluding unquoted shares.

Table 6.3
Saving, investment and financing ¹⁾
(EUR billions, unless otherwise indicated)
1. All sectors in the euro area ²⁾

	Net acquisition of non-financial assets					Net acquisition of financial assets							
	Total	Gross fixed capital formation	Consumption of fixed capital (-)	Changes in inventories ³⁾	Non-produced assets	Total	Monetary gold and SDRs	Currency and deposits	Securities other than shares ⁴⁾	Loans	Shares and other equity	Insurance technical reserves	Other investment (net) ⁵⁾
	1	2	3	4	5	6	7	8	9	10	11	12	13
1995	368.4	1,093.3	-751.7	26.6	0.1	1,538.8	0.7	489.7	222.9	422.4	164.6	201.1	37.3
1996	340.9	1,122.7	-783.9	1.7	0.4	1,727.2	-3.0	395.1	397.8	383.8	312.5	193.6	47.5
1997	353.2	1,139.5	-797.1	10.8	0.1	1,913.6	-0.2	393.2	332.2	449.7	483.5	222.0	33.0
1998	412.5	1,203.6	-823.6	32.3	0.2	2,376.4	11.0	430.2	361.6	519.7	813.4	210.3	30.3
1999	448.0	1,291.8	-863.7	19.7	0.1	3,048.6	1.3	554.3	435.5	880.0	903.6	253.5	20.3
2000	487.1	1,389.0	-913.1	27.8	-16.6	2,775.5	1.3	348.4	248.5	804.8	1,116.5	254.5	1.5
<i>Euro area enlargement</i>													
2001	456.1	1,437.3	-973.6	-8.3	0.7	2,484.4	-0.5	587.8	451.4	699.1	552.3	241.9	-47.5

	Changes in net worth ⁶⁾				Net incurrence of liabilities					
	Total	Gross saving	Consumption of fixed capital (-)	Net capital transfers receivable	Total	Currency and deposits	Securities other than shares ⁴⁾	Loans	Shares and other equity	Insurance technical reserves
	14	15	16	17	18	19	20	21	22	23
1995	412.9	1,159.6	-751.7	5.0	1,494.2	486.7	277.8	384.3	140.0	205.5
1996	410.7	1,190.0	-783.9	4.6	1,657.4	472.2	378.2	335.0	275.8	196.3
1997	456.4	1,242.1	-797.1	11.5	1,810.4	510.3	319.0	378.0	373.2	229.9
1998	487.8	1,300.4	-823.6	11.1	2,301.1	646.0	322.5	481.2	632.0	219.5
1999	500.4	1,353.9	-863.7	10.1	2,996.2	926.7	493.9	755.7	557.0	262.9
2000	514.1	1,419.3	-913.1	8.0	2,748.5	530.9	410.5	831.9	721.7	253.4
<i>Euro area enlargement</i>										
2001	485.5	1,451.4	-973.6	7.7	2,455.0	675.7	474.1	571.1	490.3	243.8

2. Non-financial corporations

	Net acquisition of non-financial assets			Net acquisition of financial assets					Changes in net worth ⁶⁾		Net incurrence of liabilities			
	Total	Gross fixed capital formation	Consumption of fixed capital (-)	Total	Currency and deposits	Securities other than shares ⁴⁾	Loans	Shares and other equity	Total	Gross saving	Total	Securities other than shares ⁴⁾	Loans	Shares and other equity
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1995	155.0	569.8	-438.7	255.3	33.5	10.2	40.0	64.6	270.4	531.0	139.9	-87.3	126.0	90.5
1996	136.3	589.4	-454.8	265.7	54.4	-13.8	55.1	86.0	126.5	538.4	275.5	7.0	143.8	117.1
1997	157.5	615.2	-469.3	244.1	24.4	-13.4	46.3	94.8	114.3	546.6	287.4	12.0	154.5	111.4
1998	202.4	660.2	-487.8	432.7	55.0	-8.7	96.6	200.0	151.7	592.2	483.5	25.8	252.7	196.3
1999	221.7	708.1	-508.5	611.0	28.5	58.6	169.8	307.2	113.5	572.4	719.3	47.5	422.0	235.1
2000	319.4	774.1	-542.9	814.2	69.9	62.3	167.9	420.6	97.0	593.6	1,036.7	56.5	551.2	424.7
<i>Euro area enlargement</i>														
2001	217.9	799.5	-577.0	543.6	83.4	45.0	137.8	184.4	72.7	598.5	688.7	96.7	317.0	268.3

3. Households ⁷⁾

	Net acquisition of non-financial assets			Net acquisition of financial assets					Changes in net worth ⁶⁾		Net incurrence of liabilities		Memo:	
	Total	Gross fixed capital formation	Consumption of fixed capital (-)	Total	Currency and deposits	Securities other than shares ⁴⁾	Shares and other equity	Insurance technical reserves	Total	Gross saving	Total	Loans	Disposable income	Gross saving ratio ⁸⁾
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1995	162.1	351.5	-192.1	394.3	185.2	82.3	1.2	178.7	419.4	606.4	136.9	135.8	3,604.2	16.8
1996	159.9	361.8	-203.5	433.4	145.6	24.6	93.6	189.0	432.0	620.2	161.3	160.1	3,763.0	16.5
1997	156.0	353.6	-198.8	422.4	69.1	-17.9	194.3	215.8	409.9	589.5	168.5	167.1	3,790.1	15.6
1998	163.7	363.8	-203.4	444.3	95.5	-117.3	288.8	205.1	395.3	568.5	212.7	211.4	3,899.3	14.6
1999	172.1	392.3	-217.6	478.8	115.1	8.0	198.8	241.0	382.7	557.4	268.2	266.7	4,064.4	13.7
2000	179.1	413.0	-225.2	413.7	52.7	82.5	132.0	247.8	370.7	555.8	222.1	220.4	4,230.4	13.1
<i>Euro area enlargement</i>														
2001	170.5	418.5	-246.2	396.7	178.9	97.2	67.5	228.3	397.8	600.2	169.4	167.5	4,519.6	13.3

Source: ECB.
1) Non-consolidated data.
2) All sectors comprise general government (S.13), non-financial corporations (S.11), financial corporations (S.12) and households (S.14) including non-profit institutions serving households (S.15).
3) Including net acquisition of valuables.
4) Excluding financial derivatives.
5) Financial derivatives, other accounts receivable/payable and statistical discrepancies.
6) Arising from saving and net capital transfers receivable, after allowance for consumption of fixed capital (-).
7) Including non-profit institutions serving households.
8) Gross saving as a percentage of disposable income.

7 General government fiscal position in the euro area and in the euro area countries

Table 7.1

Revenue, expenditure and deficit / surplus ¹⁾

(as a percentage of GDP)

1. Euro area – revenue

	Total	Current revenue					Indirect taxes	Received by EU institutions	Social contributions	Employers		Sales	Capital revenue	Capital taxes	Memo: fiscal burden ²⁾
		Direct taxes	Households	Corporations	Employers	Employees									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1992	47.4	46.7	11.9	9.8	2.0	13.0	0.9	17.1	8.7	5.4	2.4	0.7	0.6	42.6	
1993	48.0	47.6	12.1	10.0	2.0	13.2	0.8	17.5	8.7	5.5	2.5	0.5	0.3	43.1	
1994	47.6	47.1	11.6	9.6	2.0	13.5	0.8	17.5	8.5	5.7	2.5	0.4	0.2	42.8	
1995	47.2	46.6	11.6	9.5	2.0	13.3	0.9	17.3	8.4	5.6	2.5	0.5	0.3	42.6	
1996	48.0	47.5	12.0	9.6	2.3	13.4	0.8	17.6	8.7	5.6	2.5	0.5	0.3	43.3	
1997	48.3	47.6	12.2	9.6	2.6	13.5	0.7	17.6	8.8	5.5	2.5	0.7	0.4	43.7	
1998	47.7	47.2	12.4	9.9	2.5	14.1	0.7	16.5	8.5	4.9	2.5	0.5	0.3	43.3	
1999	48.2	47.7	12.8	10.1	2.6	14.3	0.6	16.4	8.5	4.9	2.5	0.6	0.3	43.8	
2000	47.9	47.4	13.0	10.2	2.7	14.2	0.6	16.2	8.4	4.9	2.4	0.5	0.3	43.7	
<i>Euro area enlargement</i>															
2001	47.3	46.8	12.7	10.0	2.6	13.9	0.6	16.0	8.4	4.8	2.3	0.6	0.3	42.9	

2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure	Investment	Capital transfers	Paid by EU institutions	Memo: primary expenditure ⁴⁾
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments ³⁾	Subsidies	Paid by EU institutions					
1992	52.3	47.6	11.4	5.0	5.7	25.6	21.9	2.4	0.5	4.7	3.2	1.5	0.0	46.7
1993	53.8	49.2	11.6	5.1	5.9	26.6	22.9	2.5	0.6	4.6	3.1	1.6	0.1	47.9
1994	52.7	48.3	11.3	5.0	5.5	26.5	22.9	2.4	0.6	4.3	2.9	1.5	0.0	47.1
1995	52.2	47.7	11.2	4.8	5.7	26.1	22.8	2.2	0.6	4.5	2.7	1.8	0.1	46.5
1996	52.3	48.3	11.2	4.8	5.7	26.6	23.2	2.2	0.6	4.0	2.6	1.4	0.0	46.6
1997	50.9	47.2	11.0	4.8	5.1	26.3	23.1	2.1	0.6	3.7	2.4	1.3	0.1	45.8
1998	50.0	46.1	10.7	4.6	4.7	26.0	22.6	2.1	0.5	3.9	2.4	1.5	0.1	45.2
1999	49.5	45.4	10.7	4.7	4.2	25.8	22.6	2.0	0.5	4.1	2.5	1.6	0.1	45.3
2000	48.8	44.8	10.5	4.7	4.0	25.5	22.2	1.9	0.5	4.0	2.5	1.5	0.0	44.8
<i>Euro area enlargement</i>														
2001	48.8	44.5	10.5	4.8	3.9	25.3	22.2	1.9	0.5	4.3	2.6	1.7	0.0	44.9

3. Euro area – deficit / surplus, primary deficit / surplus and government consumption

	Deficit (-) / surplus (+)					Primary deficit (-) / surplus (+)	Government consumption ⁵⁾							
	Total	Central government	State government	Local government	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Government collective consumption	Government individual consumption
1992	-4.9	-4.3	-0.3	-0.2	0.0	0.8	20.8	11.4	5.0	5.0	1.8	-2.4	8.8	12.0
1993	-5.7	-5.0	-0.4	-0.2	-0.1	0.2	21.2	11.6	5.1	5.0	1.9	-2.5	8.9	12.3
1994	-5.1	-4.4	-0.5	-0.2	0.0	0.4	20.8	11.3	5.0	5.1	1.9	-2.5	8.6	12.2
1995	-5.1	-4.2	-0.5	-0.1	-0.3	0.6	20.5	11.2	4.8	5.1	1.8	-2.5	8.5	12.1
1996	-4.3	-3.6	-0.4	-0.1	-0.2	1.4	20.6	11.2	4.8	5.2	1.8	-2.5	8.5	12.1
1997	-2.7	-2.3	-0.4	0.1	0.0	2.5	20.4	11.0	4.8	5.1	1.8	-2.5	8.4	12.0
1998	-2.3	-2.2	-0.2	0.1	0.1	2.5	20.0	10.7	4.6	5.1	1.7	-2.5	8.1	11.9
1999	-1.3	-1.6	-0.1	0.1	0.4	2.9	20.0	10.7	4.7	5.1	1.7	-2.5	8.1	11.9
2000	-0.9	-1.3	-0.2	0.1	0.4	3.1	20.0	10.5	4.7	5.1	1.7	-2.4	8.1	11.8
<i>Euro area enlargement</i>														
2001	-1.5	-1.6	-0.4	0.1	0.3	2.4	20.0	10.5	4.8	5.1	1.7	-2.3	8.1	11.8

4. Euro area countries – deficit (-) / surplus (+) ⁶⁾

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1998	-0.7	-2.2	-2.5	-2.7	-2.7	2.4	-2.8	3.1	-0.8	-2.4	-2.6	1.3
1999	-0.5	-1.5	-1.9	-1.1	-1.6	2.2	-1.8	3.6	0.7	-2.3	-2.4	1.9
2000	0.1	1.1	-1.8	-0.6	-1.3	4.4	-0.5	5.6	2.2	-1.5	-2.9	7.0
2001	0.4	-2.8	-1.2	-0.1	-1.4	1.5	-2.2	6.1	0.1	0.2	-4.1	4.9

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' deficit / surplus.

1) Revenue, expenditure and deficit / surplus based on the ESA 95, but the figures exclude proceeds from the sale of UMTS licences in 2000 (the euro area deficit / surplus including those proceeds is equal to 0.2). Data before 1995 are partially estimated. Transactions between countries and EU institutions are included and consolidated. Transactions among governments are not consolidated.

2) The fiscal burden comprises taxes and social contributions.

3) Comprises social benefits, social transfers in kind via market producers and transfers to non-profit institutions serving households.

4) Comprises total expenditure minus interest expenditure.

5) Corresponds to final consumption expenditure (P.3) of the general government in the ESA 95.

6) Including proceeds from the sale of UMTS licences.

Table 7.2**Debt ¹⁾***(as a percentage of GDP)***1. Euro area – government debt by financial instrument and sector of the holder**

	Total	Financial instrument				Holder				
		Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors ²⁾				Other creditors ³⁾
						Total	MFI	Other financial corporations	Other sectors	
1	2	3	4	5	6	7	8	9	10	
1992	61.0	2.6	16.2	10.1	32.0	50.3	26.4	7.6	16.3	10.7
1993	67.3	2.7	17.0	10.0	37.6	52.5	27.6	8.7	16.2	14.8
1994	70.0	2.9	16.1	10.3	40.6	55.8	29.8	9.9	16.0	14.2
1995	74.2	2.9	17.7	9.9	43.8	58.3	30.5	11.0	16.9	15.9
1996	75.5	2.9	17.2	9.9	45.5	58.9	30.3	13.2	15.5	16.5
1997	74.9	2.8	16.3	8.9	46.8	56.9	29.0	14.4	13.4	17.9
1998	73.1	2.8	15.1	7.9	47.3	53.3	27.0	16.2	10.2	19.8
1999	71.9	2.9	14.1	6.9	48.0	49.7	25.3	14.8	9.6	22.3
2000	69.4	2.7	13.0	6.2	47.5	45.9	22.8	13.3	9.8	23.6
<i>Euro area enlargement</i>										
2001	69.2	2.6	12.6	6.3	47.7	44.9	22.2	12.2	10.4	24.4

2. Euro area – government debt by issuer, maturity and currency denomination

	Total	Issued by ⁴⁾				Original maturity			Residual maturity			Currency		
		Central government	State government	Local government	Social security funds	Up to 1 year	Over 1 year	Variable interest rate	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currency ⁵⁾	Non-domestic currency	Other currencies
1992	61.0	49.8	4.7	6.1	0.4	12.3	48.7	6.4	17.8	21.1	22.1	59.7	2.2	1.3
1993	67.3	55.3	5.2	6.3	0.6	12.0	55.3	6.7	18.5	24.4	24.4	65.6	2.9	1.7
1994	70.0	57.9	5.4	6.1	0.5	11.2	58.8	7.4	16.6	26.7	26.7	68.1	3.0	1.9
1995	74.2	61.7	5.7	6.0	0.8	10.6	63.6	6.9	17.6	26.4	30.2	72.3	2.9	1.9
1996	75.5	63.0	6.1	5.9	0.5	10.2	65.2	6.3	19.3	25.4	30.8	73.5	2.7	1.9
1997	74.9	62.4	6.3	5.6	0.6	8.8	66.0	6.0	18.6	25.4	30.8	72.8	2.8	2.0
1998	73.1	61.1	6.3	5.4	0.4	7.7	65.5	5.5	16.4	26.1	30.7	71.4	3.2	1.7
1999	71.9	60.0	6.2	5.3	0.3	6.3	65.6	5.1	14.5	26.8	30.6	70.0	-	1.9
2000	69.4	57.9	6.1	5.1	0.3	5.5	63.9	4.5	14.4	27.4	27.6	67.6	-	1.8
<i>Euro area enlargement</i>														
2001	69.2	57.7	6.2	5.0	0.3	5.8	63.4	3.2	.	.	.	67.5	-	1.7

3. Euro area countries – government debt

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1998	119.2	60.9	105.8	64.6	59.5	55.2	116.3	6.3	66.8	63.9	55.0	48.8
1999	114.9	61.2	105.1	63.1	58.5	49.7	114.5	6.0	63.1	64.9	54.4	46.8
2000	109.2	60.2	106.2	60.5	57.3	39.1	110.5	5.6	55.8	63.6	53.3	44.0
2001	107.6	59.5	107.0	57.1	57.3	36.4	109.8	5.6	52.8	63.2	55.5	43.4

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' debt.

1) Data are partially estimated. General government gross consolidated debt at nominal value at the end of the year.

Holdings by other governments are not consolidated.

2) Holders resident in the country whose government has issued the debt.

3) Includes residents of euro area countries other than the country whose government has issued the debt.

4) Excludes debt held by general government in the country whose government has issued it.

5) Before 1999, comprises debt in ECU, in domestic currency and in the currencies of other Member States which have adopted the euro.

Table 7.3
Change in debt ¹⁾
(as a percentage of GDP)
1. Euro area – change in government debt by source, financial instrument and sector of the holder

	Total	Source of change				Financial instrument				Holder			
		Borrowing requirement ²⁾	Valuation effects ³⁾	Other changes in volume ⁴⁾	Aggregation effect ⁵⁾	Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors ⁶⁾	MFIs	Other financial corporations	Other creditors ⁷⁾
	1	2	3	4	5	6	7	8	9	10	11	12	13
1992	6.7	5.6	0.4	0.7	0.1	0.1	1.1	1.0	4.5	4.8	3.1	0.6	1.9
1993	8.0	7.5	0.3	0.1	0.1	0.2	1.2	0.1	6.5	3.6	2.0	1.3	4.4
1994	6.0	5.2	0.2	0.7	0.0	0.4	-0.1	0.9	4.9	5.9	3.6	1.7	0.2
1995	7.8	5.5	0.2	2.2	-0.2	0.2	2.3	0.0	5.2	5.3	2.2	1.5	2.4
1996	3.8	4.2	-0.2	0.1	-0.3	0.1	0.1	0.4	3.2	2.6	0.8	2.6	1.2
1997	2.3	2.4	0.2	-0.2	0.0	0.0	-0.2	-0.6	3.1	0.3	-0.1	1.8	2.0
1998	1.6	1.9	-0.2	0.0	0.0	0.1	-0.4	-0.6	2.6	-1.0	-0.8	2.4	2.7
1999	1.6	1.3	0.3	0.0	0.0	0.2	-0.4	-0.7	2.5	-1.6	-0.7	-0.7	3.2
2000	0.8	0.8	0.1	-0.1	0.0	0.0	-0.5	-0.3	1.7	-1.5	-1.3	-0.9	2.4
<i>Euro area enlargement</i>													
2001	1.7	1.7	0.0	0.1	0.0	0.0	-0.1	0.4	1.3	0.4	-0.1	-0.3	1.3

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+) ⁸⁾	Deficit-debt adjustment ⁹⁾											Other ¹¹⁾
			Total	Transactions in main financial assets held by general government						Valuation effects	Exchange rate effects	Other changes in volume		
				Total	Currency and deposits	Securities ¹⁰⁾	Loans	Shares and other equity	Privatisations				Equity injections	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1992	6.7	-4.9	1.8	0.7	0.1	0.1	0.3	0.2	-0.1	0.2	0.4	0.3	0.7	0.0
1993	8.0	-5.7	2.3	1.5	1.3	0.2	0.3	-0.2	-0.3	0.1	0.3	0.3	0.1	0.3
1994	6.0	-5.1	0.9	0.0	-0.2	0.1	0.3	-0.1	-0.4	0.2	0.2	0.0	0.7	0.1
1995	7.8	-5.0	2.7	0.6	0.1	-0.1	0.5	0.1	-0.4	0.2	0.2	0.0	2.2	-0.3
1996	3.8	-4.3	-0.5	-0.1	-0.1	0.0	0.0	-0.1	-0.3	0.2	-0.2	-0.2	0.1	-0.2
1997	2.3	-2.7	-0.4	-0.5	0.2	-0.1	-0.1	-0.5	-0.8	0.3	0.2	0.2	-0.2	0.2
1998	1.6	-2.3	-0.6	-0.5	0.2	0.0	0.0	-0.7	-0.8	0.3	-0.2	0.0	0.0	0.1
1999	1.6	-1.3	0.3	-0.2	0.3	0.1	0.1	-0.7	-0.9	0.2	0.3	0.2	0.0	0.2
2000	0.8	0.2	1.0	1.0	0.7	0.2	0.2	-0.2	-0.4	0.2	0.1	0.0	-0.1	0.0
<i>Euro area enlargement</i>														
2001	1.7	-1.5	0.3	-0.3	-0.5	0.1	0.1	0.0	-0.3	0.2	0.0	0.0	0.1	0.5

Source: ECB.

- 1) Data are partially estimated. Annual change in gross nominal consolidated debt expressed as a percentage of GDP [$debt(t) - debt(t-1) \div GDP(t)$].
- 2) The borrowing requirement is by definition equal to transactions in government debt.
- 3) Includes, in addition to the impact of foreign exchange movements, effects arising from measurement at nominal value (e.g. premia or discounts on securities issued).
- 4) Comprises, in particular, the impact of the reclassification of units and certain types of debt assumption.
- 5) The difference between the changes in the aggregated debt, resulting from the aggregation of countries' debt, and the aggregation of countries' change in debt, due to variations in the exchange rates used for aggregation before 1999.
- 6) Holders resident in the country whose government has issued the debt.
- 7) Includes residents of euro area countries other than the country whose government has issued the debt.
- 8) Including proceeds from sales of UMTS licences.
- 9) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
- 10) Excluding financial derivatives.
- 11) Comprises mainly transactions in other assets and liabilities (trade credit, other receivables/payables and financial derivatives).

8 Balance of payments and international investment position of the euro area (including reserves)

Table 8.1

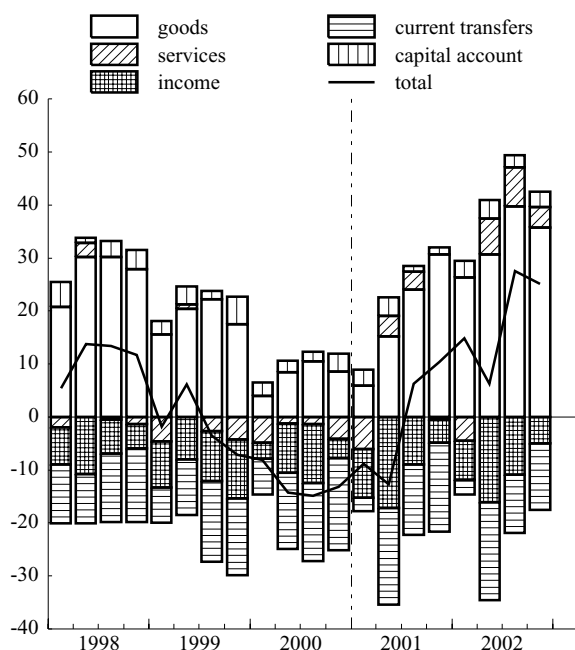
Summary balance of payments ^{1) 2)}

(EUR billions (ECU billions to end-1998); net flows)

	Current account					Capital account	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers		Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1997	62.1	116.4	3.1	-15.2	-42.2	13.0	.	-44.5	-24.3	.	.	.	.
1998	31.9	109.0	-1.1	-28.8	-47.2	12.4	-68.4	-81.3	-110.0	-8.2	123.0	8.2	24.1
1999	-19.0	75.7	-10.7	-37.3	-46.7	12.8	11.7	-120.1	-43.0	3.8	160.8	10.1	-5.4
2000	-60.4	31.6	-11.5	-27.0	-53.4	9.8	70.0	-12.3	-115.2	-2.2	182.0	17.6	-19.4
<i>Euro area enlargement</i>													
2001	-13.8	75.8	0.9	-39.7	-50.8	8.9	-40.5	-101.5	38.1	-3.7	8.8	17.8	45.4
2002	62.0	132.7	13.3	-39.2	-44.8	11.9	-171.3	-21.0	50.4	-13.8	-184.4	-2.5	97.5
2001 Q4	9.1	30.7	-0.5	-4.4	-16.7	1.4	-32.1	16.5	5.3	-6.9	-50.3	3.3	21.6
2002 Q1	11.7	26.3	-4.5	-7.4	-2.7	3.1	-26.5	-15.0	-51.8	1.6	41.8	-3.1	11.6
Q2	2.9	30.7	6.7	-16.0	-18.6	3.5	-29.0	-7.9	57.4	-3.1	-82.2	6.7	22.7
Q3	25.2	39.8	7.3	-10.8	-11.1	2.3	-55.7	-6.7	29.7	-9.9	-64.2	-4.6	28.1
Q4	22.1	35.8	3.8	-5.0	-12.5	3.0	-60.1	8.5	15.2	-2.4	-79.8	-1.6	35.0
2001 Oct.	4.1	11.4	0.5	-2.4	-5.4	0.4	-22.0	4.0	1.4	-2.9	-21.8	-2.7	17.5
Nov.	2.7	8.8	-0.9	-0.1	-5.2	0.2	-6.8	11.7	19.9	-2.8	-35.7	0.1	3.9
Dec.	2.3	10.4	-0.1	-1.9	-6.1	0.7	-3.2	0.8	-16.0	-1.1	7.2	5.9	0.2
2002 Jan.	-0.1	3.1	-2.4	-6.4	5.6	2.6	-49.5	0.0	-41.5	3.0	-5.8	-5.3	47.1
Feb.	4.4	10.0	-1.7	0.0	-3.9	0.2	6.7	-8.9	-12.9	1.7	24.4	2.5	-11.4
Mar.	7.4	13.2	-0.4	-0.9	-4.5	0.3	16.3	-6.1	2.6	-3.2	23.2	-0.2	-24.1
Apr.	-5.3	7.8	0.5	-7.8	-5.8	1.3	13.6	9.3	12.0	1.5	-17.5	8.4	-9.7
May	2.3	10.0	3.8	-6.3	-5.2	1.0	2.3	1.3	29.8	-2.3	-28.4	1.9	-5.7
June	5.8	12.9	2.4	-1.9	-7.5	1.1	-45.0	-18.5	15.6	-2.3	-36.3	-3.5	38.1
July	5.7	16.2	1.7	-9.2	-3.0	0.5	-20.9	-6.6	6.9	-8.2	-10.5	-2.6	14.7
Aug.	10.9	12.1	1.6	0.4	-3.2	0.6	-13.4	3.1	6.0	-2.3	-22.0	1.8	1.9
Sep.	8.7	11.6	4.0	-2.0	-4.9	1.1	-21.3	-3.2	16.8	0.6	-31.7	-3.8	11.5
Oct.	3.7	11.7	1.4	-3.1	-6.3	1.5	-21.5	-5.0	19.4	0.0	-38.0	2.1	16.3
Nov.	10.3	13.6	0.7	-0.1	-3.9	0.4	-28.6	3.9	9.7	-1.1	-38.5	-2.6	17.9
Dec.	8.1	10.5	1.7	-1.8	-2.3	1.1	-10.1	9.6	-13.9	-1.2	-3.3	-1.2	0.8

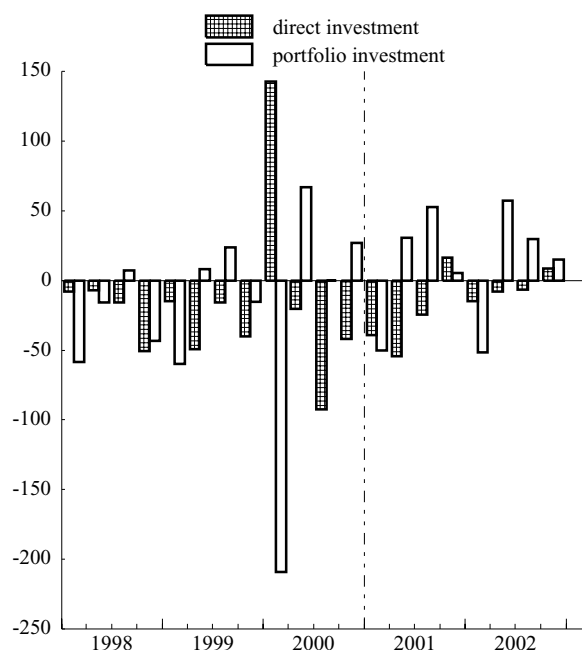
Current and capital accounts

(EUR billions (ECU billions to end-1998); net flows)



Direct and portfolio investment

(EUR billions (ECU billions to end-1998); net flows)



Source: ECB.

1) Inflows (+); outflows (-). Reserve assets: increase (-); decrease (+).

2) For the comparability of recent and some earlier data, see the general notes.

Table 8.2**Balance of payments: current and capital accounts ¹⁾***(EUR billions (ECU billions to end-1998))***1. Main items**

	Current account											Capital account	
	Total			Goods		Services		Income		Current transfers		Credit 12	Debit 13
	Credit 1	Debit 2	Net 3	Credit 4	Debit 5	Credit 6	Debit 7	Credit 8	Debit 9	Credit 10	Debit 11		
1997	1,218.5	1,156.3	62.1	754.6	638.3	214.2	211.0	189.5	204.7	60.1	102.3	18.9	5.9
1998	1,277.7	1,245.8	31.9	784.4	675.4	231.9	233.0	198.5	227.3	63.0	110.1	17.7	5.3
1999	1,337.5	1,356.5	-19.0	818.3	742.5	247.4	258.1	207.0	244.3	64.8	111.5	19.1	6.3
2000	1,612.4	1,672.8	-60.4	989.8	958.2	287.0	298.5	267.9	295.0	67.6	121.0	18.3	8.5
<i>Euro area enlargement</i>													
2001	1,712.2	1,726.0	-13.8	1,033.0	957.1	321.6	320.6	282.0	321.7	75.7	126.5	17.0	8.1
2002	1,704.5	1,642.5	62.0	1,057.4	924.8	326.3	313.0	235.8	275.0	84.9	129.8	19.0	7.1
2001 Q4	432.6	423.5	9.1	264.6	233.9	81.4	81.9	70.2	74.6	16.3	33.0	4.4	3.0
2002 Q1	415.2	403.5	11.7	254.3	228.0	71.6	76.1	58.3	65.7	31.0	33.8	4.6	1.5
Q2	428.6	425.8	2.9	266.8	236.0	83.9	77.2	62.6	78.6	15.3	33.9	4.9	1.5
Q3	425.1	399.8	25.2	262.8	223.0	89.0	81.7	55.1	65.9	18.2	29.2	4.0	1.7
Q4	435.6	413.4	22.1	273.6	237.8	81.9	78.1	59.7	64.7	20.4	32.9	5.4	2.4
2001 Oct.	148.8	144.7	4.1	94.5	83.1	28.0	27.5	21.4	23.8	4.8	10.3	1.1	0.7
Nov.	138.3	135.7	2.7	89.1	80.3	24.7	25.6	19.4	19.4	5.2	10.4	0.9	0.6
Dec.	145.4	143.1	2.3	81.0	70.5	28.8	28.9	29.4	31.3	6.3	12.4	2.4	1.7
2002 Jan.	141.5	141.6	-0.1	79.5	76.4	24.0	26.4	20.4	26.8	17.5	11.9	3.0	0.5
Feb.	132.3	127.9	4.4	83.2	73.2	22.7	24.4	19.2	19.2	7.2	11.0	0.8	0.6
Mar.	141.5	134.0	7.4	91.5	78.3	24.9	25.3	18.7	19.6	6.3	10.8	0.8	0.5
Apr.	140.7	146.0	-5.3	88.3	80.5	26.9	26.4	20.1	27.9	5.4	11.2	1.9	0.6
May	144.0	141.7	2.3	88.8	78.7	29.1	25.3	20.7	27.0	5.5	10.7	1.4	0.4
June	143.8	138.0	5.8	89.7	76.8	27.9	25.5	21.8	23.7	4.5	12.0	1.6	0.5
July	150.6	144.9	5.7	93.1	77.0	31.0	29.3	20.0	29.3	6.4	9.4	1.1	0.6
Aug.	134.5	123.6	10.9	81.6	69.5	28.7	27.1	18.3	18.0	6.0	9.1	1.3	0.7
Sep.	140.0	131.3	8.7	88.1	76.5	29.4	25.4	16.7	18.7	5.8	10.7	1.6	0.4
Oct.	150.2	146.5	3.7	97.6	85.9	28.7	27.3	18.7	21.8	5.1	11.4	2.1	0.6
Nov.	141.6	131.3	10.3	90.6	77.0	25.0	24.3	19.2	19.4	6.8	10.7	1.2	0.8
Dec.	143.8	135.7	8.1	85.4	74.8	28.2	26.5	21.8	23.6	8.5	10.8	2.1	0.9

2. Main current account items (seasonally adjusted)

	Current account										
	Total			Goods		Services		Income		Current transfers	
	Credit 1	Debit 2	Net 3	Credit 4	Debit 5	Credit 6	Debit 7	Credit 8	Debit 9	Credit 10	Debit 11
2000 Q4	431.7	449.5	-17.8	264.8	259.8	75.5	80.9	73.8	76.8	17.5	32.1
<i>Euro area enlargement</i>											
2001 Q1	431.0	438.6	-7.6	261.1	245.9	78.3	79.5	72.6	83.7	19.1	29.5
Q2	430.5	440.2	-9.7	260.7	243.4	80.9	80.5	70.1	82.5	18.8	33.8
Q3	428.8	429.0	-0.1	258.0	239.0	81.0	80.4	71.0	78.8	18.8	30.7
Q4	421.3	416.7	4.7	253.7	228.6	80.8	79.9	67.8	75.5	19.0	32.7
2002 Q1	423.9	409.4	14.5	264.2	229.2	80.2	79.7	59.7	68.7	19.7	31.7
Q2	425.8	415.8	10.0	265.1	232.5	81.9	78.7	59.2	70.5	19.6	34.1
Q3	430.6	409.7	20.9	266.2	230.3	82.7	78.4	59.3	68.9	22.4	32.1
Q4	425.3	407.7	17.6	262.4	232.8	81.4	76.1	58.2	66.0	23.3	32.7
2001 Oct.	141.6	138.1	3.5	85.3	76.1	26.6	26.2	22.8	25.2	6.9	10.7
Nov.	137.4	137.4	0.0	84.4	76.9	26.4	26.6	20.7	22.9	6.0	11.0
Dec.	142.3	141.2	1.1	84.0	75.6	27.8	27.1	24.4	27.4	6.2	11.0
2002 Jan.	142.1	135.5	6.7	86.7	75.4	26.8	26.8	21.5	24.5	7.0	8.8
Feb.	141.4	137.8	3.6	88.2	76.5	26.5	26.7	20.6	23.3	6.1	11.3
Mar.	140.3	136.1	4.3	89.3	77.3	26.8	26.2	17.6	21.0	6.6	11.6
Apr.	141.4	140.6	0.9	87.6	77.2	27.2	26.8	20.1	25.3	6.5	11.4
May	141.9	136.6	5.3	88.2	76.2	27.5	25.7	19.7	23.5	6.6	11.2
June	142.4	138.6	3.8	89.4	79.2	27.2	26.2	19.4	21.8	6.5	11.5
July	141.0	136.6	4.4	86.9	75.9	26.6	26.4	20.2	24.0	7.4	10.3
Aug.	145.7	137.2	8.5	90.2	77.3	27.2	26.4	20.5	23.0	7.8	10.5
Sep.	143.9	135.9	8.0	89.2	77.1	28.8	25.6	18.6	21.9	7.3	11.4
Oct.	142.4	139.2	3.2	88.0	78.4	27.3	26.1	19.8	22.9	7.3	11.8
Nov.	143.6	136.8	6.8	88.1	76.5	27.4	25.8	20.4	23.0	7.7	11.5
Dec.	139.3	131.7	7.6	86.2	77.8	26.6	24.2	18.1	20.2	8.4	9.4

Source: ECB.

1) For the comparability of recent and some earlier data, see the general notes.

Table 8.3
Balance of payments: income account
(EUR billions; gross flows)

	Total		Compensation of employees		Investment income							
	Credit 1	Debit 2	Credit 3	Debit 4	Total		Direct investment		Portfolio investment		Other investment	
					Credit 5	Debit 6	Credit 7	Debit 8	Credit 9	Debit 10	Credit 11	Debit 12
1999	207.0	244.3	12.7	5.0	194.4	239.4	42.7	51.2	63.9	102.3	87.8	85.8
2000	267.9	295.0	13.2	5.4	254.8	289.5	60.1	64.3	76.4	107.5	118.3	117.7
<i>Euro area enlargement</i>												
2001	282.0	321.7	14.2	6.4	267.8	315.3	68.8	67.4	81.9	117.7	117.1	130.2
2001 Q3	65.9	74.9	3.5	1.8	62.4	73.1	15.0	15.0	19.9	27.4	27.5	30.7
Q4	70.2	74.6	3.7	1.5	66.6	73.1	19.0	20.8	21.9	22.3	25.7	30.0
2002 Q1	58.3	65.7	3.5	1.2	54.8	64.5	11.6	12.7	20.1	26.6	23.0	25.2
Q2	62.6	78.6	3.7	1.6	59.0	77.1	17.1	16.0	22.1	38.8	19.7	22.3
Q3	55.1	65.9	3.7	1.8	51.4	64.2	10.9	11.5	20.3	31.1	20.2	21.5

	Income on direct investment				Income on portfolio investment			
	Equity		Debt		Equity		Debt	
	Credit 13	Debit 14	Credit 15	Debit 16	Credit 17	Debit 18	Credit 19	Debit 20
1999	36.2	46.7	6.5	4.5	9.5	34.0	54.4	68.4
2000	49.2	56.6	10.9	7.7	14.2	30.6	62.1	76.9
<i>Euro area enlargement</i>								
2001	58.7	58.7	10.2	8.7	17.3	43.8	64.5	73.9
2001 Q3	12.9	13.2	2.1	1.8	3.8	8.6	16.1	18.8
Q4	15.9	18.9	3.1	1.9	4.8	6.3	17.1	16.0
2002 Q1	9.5	11.4	2.1	1.3	4.5	8.4	15.7	18.2
Q2	15.3	14.8	1.8	1.2	6.8	23.9	15.4	14.9
Q3	9.5	10.2	1.5	1.3	4.3	10.6	16.0	20.6

Source: ECB.

Table 8.4
Balance of payments: direct investment account ¹⁾
(EUR billions (ECU billions to end-1998); net flows)

	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs ²⁾	Non-MFIs	Total	MFIs ²⁾	Non-MFIs		Total	MFIs ²⁾	Non-MFIs	Total	MFIs ²⁾	Non-MFIs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1997	-93.1	.	.	.	.	.	48.6	.	.	.	.	.	.
1998	-172.8	.	.	.	.	.	91.5	.	.	.	.	.	.
1999	-320.5	-239.2	-25.0	-214.2	-81.3	-0.6	-80.7	200.4	146.6	3.5	143.0	53.8	0.2	53.6
2000	-436.3	-344.8	-35.8	-309.0	-91.5	-0.3	-91.2	424.0	298.1	12.2	285.9	125.9	0.1	125.8
<i>Euro area enlargement</i>														
2001	-255.8	-164.1	-13.2	-150.9	-91.7	-0.7	-91.0	154.3	103.1	5.3	97.8	51.2	0.7	50.5
2002	-151.0	-129.6	-18.4	-111.2	-21.4	-0.6	-20.8	129.9	82.6	2.5	80.1	47.3	0.3	47.0
2001 Q4	-28.2	-26.9	-3.1	-23.7	-1.3	-0.1	-1.3	44.7	16.6	8.4	8.2	28.1	0.1	28.0
2002 Q1	-56.0	-42.2	-2.2	-40.0	-13.8	0.0	-13.8	41.0	26.1	1.1	24.9	15.0	0.0	15.0
Q2	-45.8	-29.1	-6.5	-22.5	-16.8	-0.3	-16.5	37.9	21.3	2.6	18.7	16.6	0.1	16.5
Q3	-27.7	-31.8	-5.2	-26.7	4.2	-0.1	4.3	21.0	12.2	-0.5	12.8	8.8	0.6	8.2
Q4	-21.4	-26.5	-4.5	-22.0	5.1	-0.1	5.2	30.0	23.0	-0.7	23.7	7.0	-0.4	7.3
2001 Oct.	7.3	-8.2	-0.6	-7.6	15.5	0.0	15.6	-3.3	-9.6	0.2	-9.8	6.2	0.1	6.2
Nov.	-17.8	-7.8	0.3	-8.1	-9.9	0.0	-9.9	29.5	14.2	1.9	12.3	15.3	0.0	15.2
Dec.	-17.8	-10.8	-2.8	-8.0	-6.9	0.0	-6.9	18.6	12.0	6.3	5.7	6.6	0.0	6.6
2002 Jan.	-8.5	-9.4	-0.5	-8.9	1.0	0.0	0.9	8.5	3.0	0.2	2.8	5.5	0.1	5.5
Feb.	-20.1	-5.0	-0.3	-4.7	-15.1	0.0	-15.1	11.2	3.3	1.1	2.2	7.8	0.0	7.8
Mar.	-27.5	-27.8	-1.4	-26.3	0.3	-0.1	0.4	21.4	19.7	-0.2	19.9	1.6	0.0	1.7
Apr.	-6.8	-2.3	-4.2	1.9	-4.5	0.0	-4.5	16.1	9.3	1.9	7.3	6.8	0.0	6.9
May	-17.8	-10.7	-1.2	-9.5	-7.1	0.0	-7.1	19.1	6.2	0.6	5.6	12.9	0.0	12.9
June	-21.2	-16.1	-1.1	-14.9	-5.2	-0.3	-4.9	2.7	5.8	0.0	5.8	-3.1	0.1	-3.2
July	-12.7	-14.0	-3.4	-10.6	1.3	0.0	1.3	6.1	2.8	0.9	1.9	3.3	0.0	3.4
Aug.	-0.2	-6.1	-0.3	-5.9	5.9	-0.1	6.0	3.4	2.6	-0.8	3.4	0.7	0.7	0.0
Sep.	-14.7	-11.7	-1.5	-10.2	-3.0	0.0	-3.0	11.5	6.8	-0.6	7.4	4.7	-0.1	4.8
Oct.	-11.4	-6.4	-0.8	-5.7	-5.0	0.0	-4.9	6.4	5.4	0.1	5.3	1.0	-0.3	1.3
Nov.	-10.5	-5.9	-0.4	-5.5	-4.6	0.0	-4.5	14.4	7.2	-0.4	7.6	7.1	0.0	7.1
Dec.	0.4	-14.2	-3.4	-10.8	14.6	-0.1	14.7	9.3	10.4	-0.3	10.8	-1.2	-0.1	-1.1

Source: ECB.

1) Inflows (+); outflows (-).

2) Excluding the Eurosystem.

Table 8.5
Balance of payments: portfolio investment account ¹⁾
(EUR billions (ECU billions to end-1998); net flows)
1. By instrument ²⁾

	Total		Equity		Debt instruments					
	Assets	Liabilities	Assets	Liabilities	Assets			Liabilities		
					Total	Bonds and notes	Money market instruments	Total	Bonds and notes	Money market instruments
1	2	3	4	5	6	7	8	9	10	
1998	-363.3	253.3	-116.2	104.0	-247.1	-238.9	-8.2	149.3	121.6	27.7
1999	-311.3	268.3	-156.5	92.3	-154.8	-155.0	0.1	176.0	117.0	59.0
2000	-411.3	296.1	-287.9	50.8	-123.4	-114.6	-8.8	245.4	232.2	13.2
<i>Euro area enlargement</i>										
2001	-288.0	326.1	-108.6	231.1	-179.4	-158.7	-20.7	95.0	90.4	4.5
2002	-176.1	226.6	-37.1	76.2	-139.0	-83.4	-55.6	150.3	104.4	45.9
2001 Q4	-87.0	92.3	-24.8	60.5	-62.2	-51.3	-10.9	31.8	28.6	3.1
2002 Q1	-73.0	21.2	-33.6	30.4	-39.4	-20.8	-18.6	-9.2	1.0	-10.2
Q2	-52.1	109.6	-13.6	30.9	-38.5	-23.4	-15.1	78.7	52.5	26.2
Q3	-18.5	48.1	12.9	4.1	-31.4	-17.0	-14.4	44.0	23.0	21.0
Q4	-32.5	47.7	-2.8	10.9	-29.7	-22.2	-7.5	36.8	27.9	8.9
2001 Oct.	-32.7	34.1	-8.0	23.1	-24.7	-17.8	-6.9	11.0	9.1	2.0
Nov.	-40.8	60.7	-10.2	24.8	-30.6	-17.1	-13.6	35.9	37.8	-1.9
Dec.	-13.5	-2.5	-6.6	12.6	-6.8	-16.4	9.5	-15.1	-18.2	3.1
2002 Jan.	-26.9	-14.6	-14.9	12.9	-12.0	-2.4	-9.6	-27.5	-15.5	-12.0
Feb.	-17.8	4.9	-8.8	8.0	-8.9	-5.4	-3.6	-3.1	0.0	-3.0
Mar.	-28.3	30.9	-9.8	9.5	-18.5	-13.0	-5.4	21.4	16.5	4.9
Apr.	-13.0	25.0	-1.7	5.0	-11.2	-9.7	-1.5	20.0	12.7	7.3
May	-29.1	58.9	-5.8	26.8	-23.3	-14.3	-9.0	32.1	18.8	13.3
June	-10.1	25.7	-6.1	-0.9	-4.0	0.6	-4.6	26.6	21.0	5.6
July	-16.1	23.0	-6.3	3.3	-9.8	-1.4	-8.4	19.7	10.5	9.2
Aug.	-3.4	9.4	5.2	-0.7	-8.6	-10.0	1.5	10.1	0.0	10.1
Sep.	1.1	15.7	14.1	1.5	-13.0	-5.5	-7.5	14.2	12.5	1.8
Oct.	-2.4	21.8	0.6	-4.2	-3.0	-6.7	3.7	26.0	12.1	13.9
Nov.	-11.7	21.4	1.6	14.5	-13.3	-6.9	-6.3	6.8	12.1	-5.3
Dec.	-18.5	4.6	-5.1	0.5	-13.4	-8.6	-4.9	4.0	3.8	0.3

2. Assets by instrument and sector of holder

	Equity					Debt instruments										
	Euro-system	MFIs ³⁾	Non-MFIs			Euro-system	MFIs ³⁾	Bonds and notes			Money market instruments					
			Total	General government	Other sectors			Euro-system	MFIs ³⁾	Non-MFIs			Euro-system	MFIs ³⁾	Non-MFIs	
										Total	General government	Other sectors			Total	General government	Other sectors
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1999	0.1	-1.5	-155.1	-2.1	-153.0	0.1	-15.4	-139.7	-1.7	-138.0	0.9	-8.1	7.3	-0.1	7.5	
2000	-0.1	-4.3	-283.5	-2.6	-280.9	-1.9	-46.3	-66.4	-1.5	-64.9	2.2	-15.5	4.5	-1.0	5.5	
<i>Euro area enlargement</i>																
2001	-0.4	3.8	-112.0	-2.0	-110.0	1.9	-71.6	-88.9	-1.2	-87.7	-2.3	-34.3	16.0	-0.1	16.1	
2002	-0.4	-6.7	-30.1	.	.	1.2	-8.7	-75.9	.	.	2.0	-35.9	-21.7	.	.	
2001 Q4	-0.1	4.7	-29.4	-0.5	-28.9	-0.7	-38.1	-12.4	-0.3	-12.2	-0.3	-3.8	-6.8	1.9	-8.8	
2002 Q1	0.0	-4.9	-28.7	-1.4	-27.3	0.4	-4.5	-16.7	-0.5	-16.2	0.8	-13.6	-5.8	-1.2	-4.6	
Q2	-0.1	-3.6	-10.0	-2.0	-7.9	2.4	-2.1	-23.7	0.2	-23.9	0.0	-2.4	-12.7	-0.1	-12.6	
Q3	-0.1	2.8	10.2	-0.6	10.8	-1.1	-3.5	-12.4	-0.3	-12.1	0.9	-13.6	-1.7	0.2	-1.9	
Q4	-0.1	-1.0	-1.6	.	.	-0.5	1.3	-23.1	.	.	0.4	-6.3	-1.6	.	.	
2002 July	-0.2	0.5	-6.6	.	.	-0.7	1.5	-2.2	.	.	0.5	-7.5	-1.4	.	.	
Aug.	-0.3	3.2	2.3	.	.	0.0	-5.1	-4.9	.	.	-0.1	0.0	1.6	.	.	
Sep.	0.4	-0.9	14.6	.	.	-0.4	0.2	-5.3	.	.	0.4	-6.1	-1.9	.	.	
Oct.	-0.2	-0.6	1.5	.	.	-0.5	3.2	-9.5	.	.	0.4	2.8	0.6	.	.	
Nov.	0.1	-0.4	1.9	.	.	0.2	-6.9	-0.2	.	.	-0.1	-8.9	2.7	.	.	
Dec.	0.0	0.0	-5.0	.	.	-0.2	4.9	-13.3	.	.	0.1	-0.2	-4.8	.	.	

Source: ECB.
1) Inflows (+); outflows (-).
2) For the comparability of recent and some earlier data, see the general notes.
3) Excluding the Eurosystem.

Table 8.6
Balance of payments: other investment account and reserve assets
(EUR billions (ECU billions to end-1998); net flows)
1. Other investment by sector ^{1) 2)}

	Total		Eurosystem		General government		MFIs (excluding the Eurosystem)						Other sectors	
	Assets 1	Liabilities 2	Assets 3	Liabilities 4	Assets 5	Liabilities 6	Total		Long-term		Short-term		Assets 13	Liabilities 14
							Assets 7	Liabilities 8	Assets 9	Liabilities 10	Assets 11	Liabilities 12		
1998	-81.9	204.9	-0.7	3.5	-1.0	-6.1	-22.6	192.4	-37.6	40.4	15.0	152.0	-57.6	15.2
1999	-31.9	192.7	-2.0	6.6	3.3	-13.0	16.3	161.2	-47.2	53.8	63.5	107.4	-49.4	37.8
2000	-178.9	361.0	-1.1	0.9	-2.2	0.9	-130.3	289.4	-50.0	53.0	-80.4	236.3	-45.3	69.8
<i>Euro area enlargement</i>														
2001	-240.9	249.6	0.6	4.4	2.9	-1.1	-227.2	234.1	-44.4	20.1	-182.9	214.0	-17.2	12.2
2002	-223.6	39.1	-1.2	0.1	-0.8	-6.8	-164.7	27.4	-30.5	52.6	-134.3	-25.2	-56.8	18.5
2001 Q4	-61.3	11.0	-0.4	3.7	1.9	4.2	-45.9	4.7	-17.6	-8.7	-28.3	13.4	-16.9	-1.7
2002 Q1	19.1	22.8	-0.4	1.2	-0.7	-8.4	18.4	25.8	-2.1	10.2	20.4	15.6	1.8	4.1
Q2	-73.9	-8.3	-0.6	-3.5	0.9	3.9	-62.4	-11.2	-7.5	20.3	-54.9	-31.6	-11.8	2.5
Q3	-65.1	0.8	0.3	-0.1	-0.6	-2.8	-35.7	9.1	-4.9	5.9	-30.8	3.2	-29.1	-5.4
Q4	-103.7	23.9	-0.4	2.5	-0.4	0.4	-85.1	3.7	-16.0	16.1	-69.0	-12.4	-17.8	17.3
2001 Oct.	-35.4	13.5	-0.5	4.5	-0.6	2.1	-23.2	6.6	-3.7	1.9	-19.5	4.7	-11.1	0.3
Nov.	-61.4	25.7	0.0	2.0	2.5	2.5	-53.3	22.4	-9.6	-13.3	-43.6	35.7	-10.6	-1.2
Dec.	35.5	-28.3	0.1	-2.8	0.1	-0.4	30.5	-24.3	-4.3	2.7	34.8	-27.0	4.8	-0.8
2002 Jan.	1.3	-7.0	-0.7	2.6	-1.4	-8.8	14.3	0.5	-1.5	5.5	15.9	-5.0	-10.9	-1.3
Feb.	26.2	-1.8	-0.1	-3.8	1.0	-1.6	5.3	12.3	-6.6	1.2	11.9	11.1	20.1	-8.8
Mar.	-8.5	31.6	0.4	2.4	-0.2	2.1	-1.3	13.0	6.0	3.5	-7.3	9.5	-7.3	14.2
Apr.	-41.1	23.5	-0.4	-4.3	1.7	5.7	-29.8	22.5	-4.2	7.7	-25.6	14.8	-12.5	-0.3
May	-63.2	34.8	-0.1	-0.5	-0.1	-0.1	-56.0	36.5	-5.2	8.2	-50.8	28.3	-7.0	-1.1
June	30.4	-66.7	-0.1	1.3	-0.7	-1.7	23.5	-70.2	1.9	4.4	21.5	-74.6	7.7	3.9
July	-1.2	-9.3	0.4	2.7	-0.2	-1.2	13.6	-10.1	3.0	2.9	10.6	-13.0	-14.9	-0.7
Aug.	7.1	-29.1	0.1	-5.0	-0.6	-2.2	12.7	-17.9	0.3	2.0	12.4	-19.9	-5.1	-4.0
Sep.	-70.9	39.2	-0.2	2.1	0.3	0.6	-61.9	37.1	-8.2	0.9	-53.8	36.2	-9.0	-0.6
Oct.	-69.6	31.6	-0.1	-0.3	-0.4	1.4	-53.9	22.0	-4.4	7.4	-49.5	14.6	-15.2	8.5
Nov.	-81.0	42.5	0.9	1.2	-1.6	0.5	-65.6	34.7	-7.3	-7.5	-58.3	42.1	-14.7	6.1
Dec.	46.8	-50.2	-1.3	1.6	1.5	-1.5	34.4	-53.0	-4.4	16.2	38.7	-69.1	12.2	2.7

2. Other investment by sector and instrument ¹⁾
2.1. Eurosystem

	Loans/currency and deposits			Other assets/liabilities		
	Assets 1	Liabilities 2	Balance 3	Assets 4	Liabilities 5	Balance 6
1999	-1.2	6.7	5.5	-0.8	-0.1	-0.9
2000	-1.1	0.9	-0.2	0.0	0.0	0.0
<i>Euro area enlargement</i>						
2001	0.6	4.4	5.0	0.0	0.0	0.0
2001 Q3	1.0	-1.0	0.0	0.0	0.0	0.0
Q4	-0.4	3.8	3.4	0.0	0.0	0.0
2002 Q1	-0.4	1.2	0.7	0.0	0.0	0.0
Q2	-0.6	-3.5	-4.1	0.0	0.0	0.0
Q3	0.3	-0.2	0.1	0.0	0.0	0.0

Source: ECB.

1) Inflows (+); outflows (-).

2) For the comparability of recent and some earlier data, see the general notes.

2.2. General government

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 7	Liabilities 8	Balance 9	Assets 10	Liabilities 11	Balance 12	Assets 13	Liabilities 14	Balance 15
1999	0.0	0.0	0.0	4.4	-13.1	-8.7	-1.2	0.2	-1.0
2000	0.1	0.0	0.1	-1.4	0.8	-0.5	-0.9	0.1	-0.8
<i>Euro area enlargement</i>									
2001	-0.1	0.0	-0.1	4.4	-1.1	3.3	-1.4	0.1	-1.3
2001 Q3	0.0	0.0	0.0	-0.7	0.2	-0.6	-0.3	0.0	-0.3
Q4	0.0	0.0	0.0	2.1	4.1	6.2	-0.1	0.1	-0.1
2002 Q1	0.0	0.0	0.0	-0.4	-8.1	-8.5	-0.3	-0.3	-0.6
Q2	1.4	0.0	1.4	-0.3	3.8	3.5	-0.3	0.2	-0.2
Q3	0.0	0.0	0.0	-0.3	-2.8	-3.1	-0.2	0.0	-0.2

2.3. MFIs (excluding the Eurosystem)

	Loans/currency and deposits			Other assets/liabilities		
	Assets 16	Liabilities 17	Balance 18	Assets 19	Liabilities 20	Balance 21
1999	15.5	160.5	176.0	0.8	0.7	1.5
2000	-126.3	284.0	157.8	-4.1	5.3	1.3
<i>Euro area enlargement</i>						
2001	-213.3	224.3	10.9	-13.9	9.8	-4.1
2001 Q3	-53.9	-29.1	-82.9	-1.1	1.8	0.7
Q4	-41.2	3.4	-37.8	-4.7	1.3	-3.4
2002 Q1	23.9	19.8	43.7	-5.5	6.0	0.5
Q2	-61.4	-9.9	-71.4	-0.9	-1.3	-2.2
Q3	-33.4	7.1	-26.3	-2.3	2.0	-0.3

2.4. Other sectors

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 22	Liabilities 23	Balance 24	Assets 25	Liabilities 26	Balance 27	Assets 28	Liabilities 29	Balance 30
1999	-7.5	4.8	-2.7	-18.9	21.7	2.8	-23.0	11.3	-11.7
2000	-14.5	10.4	-4.1	-25.2	64.4	39.2	-5.7	-5.0	-10.7
<i>Euro area enlargement</i>									
2001	-0.6	0.7	0.1	-16.2	10.9	-5.3	-0.3	0.6	0.3
2001 Q3	0.8	-0.9	-0.1	-0.9	11.1	10.2	-1.9	1.4	-0.5
Q4	2.6	-1.2	1.3	-19.4	-1.0	-20.4	-0.1	0.6	0.5
2002 Q1	-0.6	-0.5	-1.1	3.9	3.4	7.3	-1.5	1.2	-0.3
Q2	-3.4	-0.8	-4.2	-8.3	2.3	-5.9	-0.1	0.9	0.8
Q3	-2.9	0.6	-2.3	-26.1	-7.3	-33.5	-0.1	1.4	1.3

3. Reserve assets ¹⁾

	Total 1	Monetary gold 2	Special drawing rights 3	Reserve position in the IMF 4	Foreign exchange							Other claims 12
					Total 5	Currency and deposits		Securities			Financial derivatives 11	
						With monetary authorities and the BIS 6	With banks 7	Equity 8	Bonds and notes 9	Money market instruments 10		
1999	10.1	0.3	1.0	2.0	6.1	12.5	-12.1	0.2	3.5	2.0	-0.1	0.8
2000	17.6	1.0	0.3	2.9	13.3	4.3	4.6	0.0	-5.6	10.1	-0.1	0.0
<i>Euro area enlargement</i>												
2001	17.8	0.6	-1.0	-4.2	22.5	10.0	-5.3	-1.1	20.4	-1.6	0.0	0.0
2001 Q3	2.5	0.2	0.1	-4.5	6.7	-0.9	3.1	0.0	4.9	-0.4	0.0	0.0
Q4	3.3	0.1	-0.1	0.8	2.4	2.7	1.7	0.0	4.8	-6.9	0.0	0.0
2002 Q1	-3.1	-0.2	0.0	-0.4	-2.4	-1.7	-12.4	0.0	4.2	7.4	0.0	0.0
Q2	6.7	0.5	0.5	-2.1	7.8	-0.6	1.2	0.0	4.3	3.1	-0.2	0.0
Q3	-4.6	-0.1	-0.2	0.2	-4.6	-2.4	-3.0	0.0	1.9	-1.2	0.0	0.0

Source: ECB.

1) Increase (-); decrease (+)

Table 8.7**International investment position ¹⁾ and reserve assets outstanding***(EUR billions (ECU billions in 1997); end-of-period positions)***1. Summary international investment position**

	Total		Direct investment 3	Portfolio investment 4	Financial derivatives 5	Other investment 6	Reserve assets 7
	1	as % of GDP 2					
Net international investment position ²⁾³⁾							
1997	16.3	0.3	181.5	-750.5	-5.9	223.8	367.3
1998	-170.1	-2.8	152.0	-748.5	2.3	86.5	337.6
1999	-297.3	-4.7	369.6	-881.2	16.0	-183.9	382.2
2000	-414.7	-6.3	428.4	-804.9	8.5	-437.2	390.4
2001	-152.2	-2.2	530.7	-682.7	-5.9	-387.0	392.7
Outstanding assets							
1999	5,796.7	92.5	1,174.5	2,058.1	111.1	2,070.8	382.2
2000	6,740.0	102.5	1,609.7	2,344.1	117.9	2,277.9	390.4
2001	7,459.4	109.3	1,859.9	2,499.8	123.7	2,583.4	392.7
Outstanding liabilities							
1999	6,094.0	97.2	804.9	2,939.3	95.1	2,254.7	-
2000	7,154.7	108.9	1,181.2	3,149.1	109.3	2,715.1	-
2001	7,611.6	111.5	1,329.2	3,182.5	129.5	2,970.5	-

2. Direct investment

	By resident units abroad						By non-resident units in the euro area					
	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
	Total 1	MFIs ⁴⁾ 2	Non-MFIs 3	Total 4	MFIs ⁴⁾ 5	Non-MFIs 6	Total 7	MFIs ⁴⁾ 8	Non-MFIs 9	Total 10	MFIs ⁴⁾ 11	Non-MFIs 12
1999	938.7	85.7	853.0	235.8	1.8	234.0	606.3	24.3	582.0	198.6	1.7	196.9
2000	1,256.0	115.9	1,140.1	353.7	2.3	351.3	880.6	31.8	848.8	300.7	1.8	298.9
2001	1,478.4	132.0	1,346.4	381.5	2.6	378.9	985.6	42.4	943.2	343.6	2.6	341.0

3.1. Portfolio investment by instrument

	Equity		Debt instruments						
	Assets 1	Liabilities 2	Assets			Liabilities			
			Total 3	Bonds and notes 4	Money market instruments 5	Total 6	Bonds and notes 7	Money market instruments 8	
1999	1,013.6	1,698.1	1,044.4	937.2	107.2	1,241.2	1,138.5	102.7	
2000	1,183.6	1,627.6	1,160.5	1,038.4	122.1	1,521.5	1,399.9	121.6	
2001	1,111.5	1,577.6	1,388.3	1,208.1	180.1	1,604.9	1,505.5	99.4	

3.2. Portfolio investment: assets by instrument and sector of holder

	Equity					Debt instruments									
	Euro-system 9	MFIs ⁴⁾ 10	Non-MFIs			Bonds and notes					Money market instruments				
			Total 11	General government 12	Other sectors 13	Euro-system 14	MFIs ⁴⁾ 15	Non-MFIs			Euro-system 19	MFIs ⁴⁾ 20	Non-MFIs		
								Total 16	General government 17	Other sectors 18			Total 21	General government 22	Other sectors 23
1999	0.4	25.9	987.3	4.1	983.2	4.5	257.2	675.4	6.2	669.3	2.6	68.5	36.1	0.2	35.9
2000	0.9	42.7	1,140.0	5.6	1,134.4	3.4	328.5	706.5	5.7	700.9	0.5	85.6	36.0	0.1	35.8
2001	1.2	43.7	1,066.7	6.6	1,060.0	2.1	422.1	784.0	8.0	776.0	2.8	125.2	52.1	0.2	51.9

Source: ECB.

1) Data refer to the Euro 12, i.e. they include Greece.

2) Assets minus liabilities.

3) For the comparability of recent and some earlier data, see the general notes.

4) Excluding the Eurosystem.

4. Other investment by sector and instrument

	Eurosysteem						General government							
	Total		Loans/currency and deposits		Other assets/liabilities		Total		Trade credits		Loans/currency and deposits		Other assets/liabilities	
	Assets 1	Liabilities 2	Assets 3	Liabilities 4	Assets 5	Liabilities 6	Assets 7	Liabilities 8	Assets 9	Liabilities 10	Assets 11	Liabilities 12	Assets 13	Liabilities 14
1999	3.1	27.4	3.0	27.1	0.1	0.3	125.5	57.3	2.5	0.1	72.4	45.4	50.6	11.8
2000	3.0	32.2	2.9	31.9	0.1	0.3	133.8	60.0	2.8	0.2	77.5	47.7	53.5	12.1
2001	3.0	36.4	2.9	36.2	0.1	0.2	132.5	63.8	3.1	0.2	73.6	51.4	55.9	12.3

	MFIs (excluding the Eurosysteem)						Other sectors							
	Total		Loans/currency and deposits		Other assets/liabilities		Total		Trade credits		Loans/currency and deposits		Other assets/liabilities	
	Assets 15	Liabilities 16	Assets 17	Liabilities 18	Assets 19	Liabilities 20	Assets 21	Liabilities 22	Assets 23	Liabilities 24	Assets 25	Liabilities 26	Assets 27	Liabilities 28
1999	1,317.7	1,823.5	1,291.8	1,798.1	25.9	25.5	624.5	346.5	161.0	90.7	394.2	225.7	69.3	30.1
2000	1,458.5	2,168.4	1,421.4	2,126.4	37.1	42.0	682.6	454.5	179.5	110.2	418.9	314.8	84.2	29.5
2001	1,719.5	2,407.3	1,668.6	2,354.1	50.9	53.2	728.4	462.9	177.6	109.7	478.4	321.9	72.4	31.4

5. Reserves and related assets of the Eurosysteem and of the European Central Bank ¹⁾

(EUR billions; end-of-period positions, unless otherwise indicated)

	Reserve assets													Memo: related assets		
	Total	Monetary gold	In fine troy ounces (millions) ²⁾	Special drawing rights	Reserve position in the IMF	Foreign exchange									Other claims	Claims on euro area residents denomi- nated in foreign currency
						Total	Currency and deposits		Securities				Financial derivatives			
							With monetary authorities and the BIS	With banks	Total	Equities	Bonds and notes	Money market instru- ments				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Eurosysteem ³⁾																
1998 Dec. ⁴⁾	329.4	99.6	404.131	5.2	23.4	201.2	12.6	19.6	169.0	0.0	116.6	52.4	0.0	0.0	7.6	
1999 Dec.	372.1	116.4	402.758	4.5	24.3	226.9	13.5	23.0	190.7	0.0	133.9	56.8	-0.2	0.0	14.6	
2000 Dec.	377.2	117.1	399.537	4.3	20.8	235.0	9.7	20.1	204.4	0.0	154.0	50.4	0.7	0.0	15.8	
<i>Euro area enlargement</i>																
2001 1 Jan.	390.4	118.4	404.157	4.3	21.2	246.5	16.8	20.5	208.5	0.0	158.1	50.4	0.7	0.0	16.3	
2001 Dec.	392.7	126.1	401.876	5.5	25.3	235.8	8.0	25.9	201.5	1.2	147.0	53.3	0.4	0.0	24.7	
2002 Oct.	375.5	128.5	400.114	4.9	25.9	216.1	10.4	40.9	164.4	-	-	-	0.5	0.0	20.8	
Nov.	372.6	128.5	399.951	5.0	25.4	213.7	10.0	39.0	164.5	-	-	-	0.2	0.0	21.8	
Dec.	366.1	130.4	399.022	4.8	25.0	205.8	10.3	35.3	159.8	-	-	-	0.4	0.0	22.4	
2003 Jan.	363.4	135.5	398.728	4.7	24.4	198.8	13.1	38.5	146.6	-	-	-	0.6	0.0	20.4	
European Central Bank ⁵⁾																
1999 Dec.	49.3	7.0	24.030	0.0	0.0	42.3	0.3	7.8	34.3	0.0	27.8	6.5	0.0	0.0	2.6	
2000 Dec.	45.3	7.0	24.030	0.0	0.0	38.2	0.6	6.8	30.6	0.0	20.4	10.2	0.3	0.0	3.8	
<i>Euro area enlargement</i>																
2001 Dec.	49.3	7.8	24.656	0.1	0.0	41.4	0.8	7.0	33.6	0.0	23.5	10.1	0.0	0.0	3.6	
2002 Oct.	45.8	7.9	24.656	0.2	0.0	37.7	1.1	9.4	27.2	-	-	-	0.0	0.0	3.0	
Nov.	45.1	7.9	24.656	0.2	0.0	37.0	1.4	9.4	26.2	-	-	-	0.0	0.0	3.3	
Dec.	45.5	8.1	24.656	0.2	0.0	37.3	1.2	9.9	26.1	-	-	-	0.0	0.0	3.0	
2003 Jan.	42.9	8.4	24.656	0.2	0.0	34.4	0.8	9.5	24.1	-	-	-	0.0	0.0	2.9	

Source: ECB.

1) More comprehensive data in accordance with the template on international reserves and foreign currency liquidity can be found on the ECB's website.

2) Changes in the gold holdings of the Eurosysteem are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999.

3) The figures are not fully comparable with those in Table 1.1 owing to differences in coverage and valuation.

4) Position as at 1 January 1999.

5) Part of the Eurosysteem's reserves.

9 External trade in goods of the euro area

Table 9

1. Values, volumes and unit values by commodity ^{1) 2)}

(not seasonally adjusted, unless otherwise indicated)

	Exports of goods (f.o.b.)					Imports of goods (c.i.f.)					Total (s.a.) (2000=100)		
	Total				Memo: Manufac- tures 5	Total				Memo:		Exports 12	Imports 13
	1	Inter- mediate 2	Capital 3	Consump- tion 4		6	Inter- mediate 7	Capital 8	Consump- tion 9	Manufac- tures 10	Oil 11		
	Values (EUR billions) (ECU billions to end-1998); 2000=100 for columns 12 and 13)												
1999	832.8	386.5	183.2	224.2	725.0	781.2	423.2	143.6	192.1	590.6	61.5	82.5	78.1
2000	1,013.7	482.6	221.7	265.4	883.2	1,008.4	579.8	179.4	218.1	730.2	118.9	100.0	100.0
	<i>Euro area enlargement</i>												
2001	1,059.9	491.4	236.0	286.9	930.6	1,010.7	575.0	178.3	225.9	738.0	107.5	106.2	98.9
2002	1,072.0	488.4	227.0	300.7	935.3	969.7	543.2	160.3	225.8	705.1	100.8	107.4	94.8
2001 Q4	272.3	122.2	63.2	74.9	238.7	247.2	136.8	45.0	57.2	181.6	23.1	104.7	94.0
2002 Q1	258.5	118.9	53.8	72.8	225.9	239.5	134.8	39.5	55.8	175.8	22.7	107.5	94.3
Q2	272.4	126.8	57.7	74.7	237.9	248.1	141.2	40.7	56.9	180.3	25.8	107.6	95.6
Q3	265.4	120.2	55.3	75.8	231.4	232.9	130.2	37.7	56.0	169.4	26.0	107.7	94.4
Q4	275.7	122.6	60.2	77.4	240.0	249.2	136.9	42.3	57.1	179.5	26.3	106.6	95.0
2002 July	94.6	42.8	19.5	27.2	82.7	81.1	45.7	12.8	19.8	59.3	8.8	105.5	93.8
Aug.	81.2	36.9	17.6	22.7	70.8	71.3	39.3	11.5	17.5	51.6	8.4	109.4	95.1
Sep.	89.5	40.5	18.3	25.9	77.9	80.4	45.2	13.4	18.8	58.6	8.7	108.2	94.3
Oct.	98.5	43.9	20.3	28.9	85.8	88.9	50.1	14.0	20.9	64.1	9.9	106.7	95.7
Nov.	92.8	41.7	20.1	26.2	80.9	83.2	45.8	14.4	19.2	60.2	8.3	108.4	96.0
Dec.	84.4	37.1	19.8	22.4	73.3	77.1	41.0	13.9	17.0	55.2	8.1	104.8	93.3
	Volumes (annual percentage changes; 2000=100 for columns 12 and 13)												
1999	2.2	2.8	-0.8	3.3	1.4	6.1	3.5	12.9	7.7	7.1	6.0	89.3	95.2
2000	12.4	12.5	12.7	12.7	13.6	5.9	6.8	11.7	4.5	8.9	4.7	100.0	100.0
	<i>Euro area enlargement</i>												
2001	4.9	1.7	8.5	7.6	5.7	-1.2	-1.0	-3.9	-0.2	-1.7	-1.6	105.2	98.7
2002	.	.	.	.	.	.	.	.	.	.	.	.	.
2001 Q4	-0.5	-3.9	0.9	2.9	-0.6	-5.7	-4.9	-12.9	-1.9	-8.1	0.2	103.9	96.5
2002 Q1	-2.3	-3.8	-7.1	1.9	-3.0	-6.1	-6.3	-18.0	-1.0	-8.8	-1.5	106.1	96.7
Q2	2.5	2.1	-1.7	4.5	2.2	-1.6	-2.0	-9.4	2.3	-2.9	-3.4	106.8	97.4
Q3	4.5	3.5	-0.3	6.5	3.9	0.5	-0.6	-0.2	1.5	0.7	-2.6	108.5	97.2
Q4	.	.	.	.	.	.	.	.	.	.	.	.	.
2002 July	4.5	2.2	-1.8	7.8	3.1	1.6	0.7	-2.6	3.8	1.3	2.2	106.5	96.7
Aug.	0.6	-0.4	-3.1	3.5	0.1	-3.1	-4.7	-0.9	-3.7	-3.4	-5.7	110.1	98.1
Sep.	9.1	9.1	4.4	7.9	8.7	3.8	2.1	2.8	4.3	3.9	-3.9	109.0	96.8
Oct.	0.7	-0.7	-7.5	3.8	-0.5	0.0	-1.0	-7.4	2.1	-0.3	-1.2	107.0	97.8
Nov.	2.3	1.2	0.2	3.4	2.1	-2.6	-5.0	-4.8	-0.8	-3.2	-3.3	108.6	98.3
Dec.	.	.	.	.	.	.	.	.	.	.	.	.	.
	Unit values (annual percentage changes; 2000=100 for columns 12 and 13)												
1999	2.3	1.7	2.7	1.4	2.4	3.5	3.9	3.4	1.4	2.0	39.4	92.4	82.1
2000	8.3	11.0	7.4	5.1	7.2	21.9	28.3	11.8	8.7	13.5	84.8	100.0	100.0
	<i>Euro area enlargement</i>												
2001	1.0	0.7	0.3	1.9	1.0	0.2	-1.3	1.6	2.8	1.6	-11.0	101.0	100.2
2002	.	.	.	.	.	.	.	.	.	.	.	.	.
2001 Q4	-1.6	-3.1	-0.2	0.2	-1.0	-7.5	-11.5	-2.8	-1.0	-2.6	-34.5	100.8	97.5
2002 Q1	0.9	-0.5	1.3	2.9	0.9	-3.4	-5.5	-0.7	1.1	-0.7	-16.4	101.3	97.6
Q2	-0.7	-1.4	-0.4	0.6	-0.7	-3.1	-4.1	-1.8	-1.2	-1.8	-7.8	100.8	98.3
Q3	-1.8	-2.6	-1.8	-0.5	-1.6	-3.5	-3.7	-3.7	-2.8	-2.8	-4.6	99.3	97.2
Q4	.	.	.	.	.	.	.	.	.	.	.	.	.
2002 July	-2.5	-3.2	-1.7	-1.6	-2.5	-5.3	-5.9	-5.0	-3.7	-3.8	-10.6	99.1	97.1
Aug.	-1.6	-2.2	-2.2	-0.1	-1.5	-3.7	-3.5	-4.2	-3.1	-3.4	-3.5	99.5	97.1
Sep.	-1.4	-2.5	-1.4	0.3	-1.5	-1.6	-1.5	-1.8	-1.6	-1.4	0.4	99.3	97.5
Oct.	-0.1	-0.3	-0.9	1.0	0.0	1.3	3.2	-2.0	-0.4	-0.8	20.2	99.7	98.0
Nov.	-1.2	-1.0	-2.6	-0.6	-1.1	0.0	1.6	-3.4	-0.9	-1.7	16.1	99.8	97.7
Dec.	.	.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations based on Eurostat data (volume calculations and seasonal adjustment of unit values).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Table 8.2).

2) The commodity breakdown in columns 2 to 4 and 7 to 9 is in accordance with the Classification by Broad Economic Categories. Manufactured goods (columns 5 and 10) and oil (column 11) are in accordance with the SITC Rev.3.

2. Geographical breakdown ¹⁾

(EUR billions (ECU billions to end-1998); not seasonally adjusted, unless otherwise indicated)

	Total 1	Total (s.a.) 2	United Kingdom 3	Sweden 4	Denmark 5	Candidate countries 6	Switzer- land 7	United States 8	Japan 9	Asia excl. Japan 10	Africa 11	Latin America 12	Other countries 13
Exports (f.o.b.)													
1999	832.8	-	161.4	33.1	21.1	102.9	56.1	135.1	26.8	119.2	48.4	39.1	89.6
2000	1,013.7	-	189.7	38.8	23.2	131.0	63.4	171.4	34.2	151.6	56.1	46.7	107.8
<i>Euro area enlargement</i>													
2001	1,059.9	-	201.0	36.9	24.3	137.1	66.3	180.0	34.5	165.3	60.3	49.8	104.4
2002	1,072.0	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q4	272.3	262.0	50.4	9.6	6.3	36.0	16.2	45.0	8.8	43.3	15.8	12.6	28.4
2002 Q1	258.5	268.9	51.8	9.2	6.0	34.0	15.9	44.6	7.9	39.4	14.0	10.2	25.6
Q2	272.4	269.4	50.8	9.3	6.2	38.4	16.2	45.7	7.8	42.9	15.6	11.3	28.1
Q3	265.4	269.6	49.8	8.3	6.0	36.6	15.6	44.1	8.3	42.8	14.8	10.5	28.6
Q4	275.7	266.8	.	.	.	.	.	.	.	.	.	.	.
2002 July	94.6	88.0	17.7	2.5	2.0	13.0	5.4	15.8	2.9	15.3	5.3	4.0	10.8
Aug.	81.2	91.3	14.9	2.7	1.8	10.9	4.8	14.0	2.5	13.3	4.8	3.3	8.3
Sep.	89.5	90.3	17.2	3.1	2.2	12.8	5.4	14.4	2.8	14.2	4.7	3.2	9.4
Oct.	98.5	89.0	17.8	3.6	2.3	14.0	5.8	16.3	3.0	15.9	5.3	4.1	.
Nov.	92.8	90.4	17.2	3.4	2.3	13.3	5.5	15.7	2.9	14.4	4.8	3.4	.
Dec.	84.4	87.5	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2002 Dec.	2.3	-	.	.	.	.	.	.	.	.	.	.	.
Imports (c.i.f.)													
1999	781.2	-	131.0	33.2	18.6	80.4	43.2	113.2	53.9	151.8	49.0	30.4	76.5
2000	1,008.4	-	156.6	38.0	21.8	101.2	49.8	140.7	65.5	211.6	72.2	39.7	111.5
<i>Euro area enlargement</i>													
2001	1,010.7	-	153.5	34.3	21.3	117.3	52.9	138.1	58.7	207.9	74.0	40.9	112.0
2002	969.7	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q4	247.2	240.7	38.8	8.7	5.7	30.0	13.9	32.7	13.5	50.4	16.9	9.4	27.1
2002 Q1	239.5	241.4	36.1	8.2	5.1	29.3	12.7	32.9	12.8	49.2	17.8	9.3	26.1
Q2	248.1	244.8	37.1	8.9	5.2	31.3	13.6	32.9	13.5	48.7	17.1	10.6	29.2
Q3	232.9	241.7	33.4	7.9	5.2	30.2	12.4	28.4	12.3	51.0	16.2	9.8	26.1
Q4	249.2	243.2	.	.	.	.	.	.	.	.	.	.	.
2002 July	81.1	80.0	11.6	2.5	1.6	10.9	4.4	10.2	4.3	17.1	5.7	3.6	9.1
Aug.	71.3	81.2	9.9	2.4	1.7	8.9	3.6	9.3	3.7	16.1	4.6	3.0	8.1
Sep.	80.4	80.5	11.9	3.0	1.8	10.5	4.4	8.9	4.2	17.8	5.8	3.3	8.9
Oct.	88.9	81.7	12.3	3.2	2.0	11.8	4.9	10.8	4.8	19.3	6.3	3.6	.
Nov.	83.2	81.9	12.1	3.0	2.1	11.0	4.4	10.5	4.6	18.0	5.4	2.9	.
Dec.	77.1	79.6	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2002 Dec.	4.1	-	.	.	.	.	.	.	.	.	.	.	.
Balance													
1999	51.6	-	30.4	-0.1	2.6	22.5	12.9	21.9	-27.1	-32.6	-0.6	8.7	13.1
2000	5.3	-	33.1	0.8	1.4	29.8	13.6	30.7	-31.3	-60.0	-16.1	7.0	-3.7
<i>Euro area enlargement</i>													
2001	49.2	-	47.5	2.6	3.0	19.8	13.4	42.0	-24.2	-42.5	-13.7	8.9	-7.6
2002	102.3	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q4	25.0	21.3	11.6	0.9	0.5	5.9	2.3	12.3	-4.7	-7.1	-1.1	3.1	1.3
2002 Q1	19.0	27.5	15.7	1.0	0.9	4.7	3.2	11.7	-4.9	-9.8	-3.8	1.0	-0.5
Q2	24.3	24.6	13.7	0.4	1.0	7.1	2.7	12.9	-5.7	-5.8	-1.5	0.6	-1.1
Q3	32.5	27.9	16.4	0.5	0.8	6.4	3.2	15.7	-4.0	-8.2	-1.4	0.7	2.4
Q4	26.6	23.6	.	.	.	.	.	.	.	.	.	.	.
2002 July	13.5	8.0	6.1	0.0	0.3	2.1	1.0	5.5	-1.4	-1.9	-0.4	0.4	1.7
Aug.	9.9	10.1	4.9	0.4	0.1	2.0	1.2	4.6	-1.2	-2.8	0.2	0.3	0.2
Sep.	9.1	9.8	5.3	0.2	0.4	2.3	1.0	5.5	-1.4	-3.6	-1.2	0.0	0.5
Oct.	9.6	7.3	5.6	0.4	0.3	2.2	0.9	5.6	-1.8	-3.4	-1.1	0.5	.
Nov.	9.6	8.5	5.0	0.5	0.2	2.3	1.1	5.2	-1.7	-3.6	-0.6	0.5	.
Dec.	7.4	7.8	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations based on Eurostat data (balance and other countries).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Tables 8.1 and 8.2).

10 Exchange rates

Table 10

Exchange rates

(period averages; units of national currency per ECU or euro (bilateral); index 1999 Q1=100 (effective))

	Effective exchange rate of the euro ¹⁾						Bilateral ECU or euro exchange rates ²⁾			
	Narrow group				Broad group		US dollar	Japanese yen	Swiss franc	Pound sterling
	Nominal	Real CPI	Real PPI	Real ULCM	Nominal	Real CPI				
1	2	3	4	5	6	7	8	9	10	
1997	99.1	99.4	99.3	100.5	90.4	96.5	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.8	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	96.2	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.3	87.1	86.9	88.2	86.0	0.924	99.5	1.558	0.609
<i>Euro area enlargement</i>										
2001	87.3	88.7	89.4	88.1	91.0	87.8	0.896	108.7	1.511	0.622
2002	90.0	92.6	92.9	90.6	95.6	91.7	0.946	118.1	1.467	0.629
2001 Q1	88.6	89.6	90.6	89.4	91.4	88.4	0.923	109.1	1.533	0.633
Q2	86.0	87.4	87.9	87.1	89.5	86.5	0.873	106.9	1.528	0.614
Q3	87.0	88.4	89.0	87.5	91.2	87.8	0.890	108.3	1.507	0.619
Q4	87.5	89.3	89.9	88.5	92.0	88.5	0.896	110.5	1.473	0.621
2002 Q1	87.1	89.4	89.9	87.9	91.3	87.8	0.877	116.1	1.473	0.615
Q2	88.8	91.4	91.6	90.3	93.9	90.2	0.919	116.5	1.465	0.629
Q3	91.3	94.0	94.4	93.5	97.9	93.8	0.984	117.2	1.464	0.635
Q4	92.5	95.4	95.5	-	99.4	95.0	0.999	122.4	1.467	0.636
2001 Jan.	89.2	90.0	91.0	-	91.7	88.7	0.938	109.6	1.529	0.635
Feb.	88.3	89.2	90.4	-	91.0	88.1	0.922	107.1	1.536	0.634
Mar.	88.4	89.5	90.5	-	91.4	88.5	0.910	110.3	1.535	0.629
Apr.	87.6	88.9	89.6	-	91.0	88.1	0.892	110.4	1.529	0.622
May	85.9	87.2	87.7	-	89.3	86.3	0.874	106.5	1.533	0.613
June	84.7	86.1	86.4	-	88.1	85.1	0.853	104.3	1.522	0.609
July	85.4	86.9	87.2	-	89.1	86.0	0.861	107.2	1.514	0.609
Aug.	87.7	89.0	89.6	-	91.8	88.4	0.900	109.3	1.514	0.627
Sep.	88.0	89.4	90.0	-	92.6	89.1	0.911	108.2	1.491	0.623
Oct.	88.0	89.7	90.2	-	92.8	89.2	0.906	109.9	1.479	0.624
Nov.	86.8	88.5	89.3	-	91.3	87.6	0.888	108.7	1.466	0.618
Dec.	87.7	89.9	90.4	-	91.9	88.5	0.892	113.4	1.475	0.620
2002 Jan.	87.6	89.9	90.5	-	91.6	88.1	0.883	117.1	1.475	0.617
Feb.	86.8	89.1	89.6	-	91.1	87.5	0.870	116.2	1.477	0.612
Mar.	86.8	89.3	89.6	-	91.2	87.8	0.876	114.7	1.468	0.616
Apr.	87.2	89.7	90.0	-	91.7	88.1	0.886	115.8	1.466	0.614
May	88.6	91.2	91.4	-	93.7	90.0	0.917	115.9	1.457	0.628
June	90.6	93.3	93.4	-	96.4	92.5	0.955	117.8	1.472	0.644
July	91.7	94.4	94.7	-	98.2	94.2	0.992	117.1	1.462	0.639
Aug.	91.1	93.6	94.1	-	97.7	93.5	0.978	116.3	1.464	0.636
Sep.	91.2	93.8	94.3	-	98.0	93.7	0.981	118.4	1.465	0.631
Oct.	91.7	94.4	94.5	-	98.5	94.3	0.981	121.6	1.465	0.630
Nov.	92.5	95.2	95.3	-	99.3	94.7	1.001	121.7	1.467	0.637
Dec.	93.6	96.7	96.8	-	100.4	95.9	1.018	124.2	1.468	0.642
2003 Jan.	95.8	98.9	98.7	-	103.0	98.2	1.062	126.1	1.462	0.657
Feb.	97.1	100.3	100.1	-	104.4	99.4	1.077	128.6	1.467	0.670
% ch. vs. ⁴⁾ prev. month										
2003 Feb.	1.4	1.4	1.4	-	1.4	1.2	1.4	2.0	0.4	1.9
% ch. vs. ⁴⁾ prev. year										
2003 Feb.	11.9	12.6	11.7	-	14.6	13.6	23.8	10.6	-0.7	9.5

Source: ECB.

1) More details of the calculation are given in the general notes.

2) To December 1998, rates for the ECU (source BIS); from January 1999, rates for the euro.

3) Indicative rates for these currencies are shown up to September 2000, as the ECB did not provide official reference rates for these currencies before that.

Bilateral ECU or euro exchange rates ²⁾								
Swedish krona	Danish krone	Norwegian krone	Canadian dollar	Australian dollar	Hong Kong dollar ³⁾	Korean won ³⁾	Singapore dollar ³⁾	
11	12	13	14	15	16	17	18	
8.65	7.48	8.02	1.569	1.528	8.75	1,069.8	1.678	1997
8.92	7.50	8.47	1.665	1.787	8.69	1,568.9	1.876	1998
8.81	7.44	8.31	1.584	1.652	8.27	1,267.3	1.806	1999
8.45	7.45	8.11	1.371	1.589	7.20	1,043.5	1.592	2000
<i>Euro area enlargement</i>								
9.26	7.45	8.05	1.386	1.732	6.99	1,154.8	1.604	2001
9.16	7.43	7.51	1.484	1.738	7.37	1,175.5	1.691	2002
9.00	7.46	8.20	1.410	1.741	7.20	1,174.7	1.616	2001 Q1
9.13	7.46	8.01	1.345	1.701	6.81	1,138.9	1.583	Q2
9.41	7.44	8.01	1.374	1.734	6.94	1,150.1	1.582	Q3
9.48	7.44	7.97	1.416	1.751	6.99	1,155.2	1.634	Q4
9.16	7.43	7.81	1.398	1.692	6.84	1,155.3	1.607	2002 Q1
9.16	7.43	7.52	1.428	1.666	7.17	1,157.8	1.657	Q2
9.23	7.43	7.40	1.536	1.796	7.67	1,172.7	1.729	Q3
9.09	7.43	7.32	1.569	1.791	7.79	1,215.4	1.767	Q4
8.91	7.46	8.24	1.410	1.689	7.32	1,194.9	1.630	2001 Jan.
8.98	7.46	8.21	1.403	1.724	7.19	1,153.8	1.607	Feb.
9.13	7.46	8.16	1.417	1.807	7.09	1,173.4	1.611	Mar.
9.11	7.46	8.11	1.390	1.785	6.96	1,183.5	1.617	Apr.
9.06	7.46	7.99	1.347	1.681	6.82	1,133.7	1.586	May
9.21	7.45	7.94	1.302	1.647	6.65	1,104.1	1.550	June
9.26	7.44	7.97	1.315	1.689	6.71	1,120.3	1.569	July
9.31	7.45	8.06	1.386	1.717	7.02	1,154.0	1.586	Aug.
9.67	7.44	8.00	1.426	1.804	7.11	1,178.3	1.593	Sep.
9.58	7.44	8.00	1.422	1.796	7.07	1,178.6	1.640	Oct.
9.42	7.45	7.92	1.415	1.717	6.93	1,137.5	1.625	Nov.
9.44	7.44	7.99	1.408	1.735	6.96	1,147.0	1.639	Dec.
9.23	7.43	7.92	1.413	1.709	6.89	1,160.8	1.625	2002 Jan.
9.18	7.43	7.79	1.388	1.696	6.79	1,147.2	1.594	Feb.
9.06	7.43	7.72	1.390	1.669	6.83	1,157.3	1.602	Mar.
9.14	7.43	7.62	1.401	1.654	6.91	1,163.2	1.619	Apr.
9.22	7.44	7.52	1.421	1.666	7.15	1,150.1	1.651	May
9.11	7.43	7.40	1.463	1.679	7.45	1,160.6	1.703	June
9.27	7.43	7.40	1.532	1.792	7.74	1,169.2	1.740	July
9.25	7.43	7.43	1.533	1.805	7.63	1,167.1	1.716	Aug.
9.17	7.43	7.36	1.543	1.793	7.65	1,182.6	1.732	Sep.
9.11	7.43	7.34	1.548	1.783	7.65	1,211.9	1.751	Oct.
9.08	7.43	7.32	1.574	1.785	7.81	1,208.2	1.767	Nov.
9.10	7.43	7.29	1.587	1.808	7.94	1,226.9	1.786	Dec.
9.17	7.43	7.33	1.636	1.822	8.28	1,250.1	1.843	2003 Jan.
9.15	7.43	7.54	1.630	1.811	8.40	1,282.8	1.880	Feb.
								% ch. vs. ⁴⁾ prev. month
-0.3	0.0	2.9	-0.4	-0.6	1.4	2.6	2.0	2003 Feb.
								% ch. vs. ⁴⁾ prev. year
-0.4	0.0	-3.1	17.4	6.8	23.8	11.8	18.0	2003 Feb.

4) The table shows the percentage change in the latest monthly observation vis-à-vis the previous month, and vis-à-vis the same month of the previous year. A positive change denotes an appreciation of the euro. Due to the change in the weighting scheme, effective exchange rate data as from January 2001 are not fully comparable with earlier observations.

II Economic and financial developments in the other EU Member States

Table 11

Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	HICP	General government deficit (-)/surplus (+) as a % of GDP	General government gross debt as a % of GDP	Long-term government bond yield ¹⁾ as a % per annum	Exchange rate ²⁾ as national currency per ECU or euro	Current and new capital account as a % of GDP	Unit labour costs ³⁾	Real GDP	Industrial production index ⁴⁾	Standardised unemployment rate as a % of labour force (s.a.) ¹⁰⁾	Broad money ⁵⁾	3-month interest rate ¹⁾ as a % per annum
	1	2	3	4	5	6	7	8	9	10	11	12
Denmark												
1999	2.1	3.1	52.7	4.91	7.44	1.8	2.4	2.6	1.8	4.8	-0.2	3.44
2000	2.7	2.5	46.8	5.64	7.45	1.4	1.7	2.8	6.2	4.4	1.1	5.00
2001	2.3	2.8	44.7	5.08	7.45	3.1	3.4	1.4	1.7	4.3	5.7	4.70
2002	2.4	.	.	5.06	7.43	2.9	.	1.6	0.0	4.5	3.5	3.54
2001 Q3	2.3	-	-	5.18	7.44	4.1	3.5	1.7	2.0	4.3	8.0	4.73
Q4	2.0	-	-	4.83	7.44	0.7	3.5	1.0	-1.3	4.3	9.6	3.77
2002 Q1	2.5	-	-	5.21	7.43	2.7	2.3	1.2	-3.2	4.3	2.3	3.63
Q2	2.1	-	-	5.36	7.43	3.3	0.5	3.0	3.9	4.4	2.8	3.71
Q3	2.4	-	-	4.92	7.43	3.8	0.9	1.1	-1.2	4.6	2.6	3.57
Q4	2.7	-	-	4.74	7.43	1.9	.	0.9	0.5	4.7	6.2	3.27
2002 Sep.	2.5	-	-	4.74	7.43	-	-	-	0.3	4.7	2.2	3.45
Oct.	2.7	-	-	4.81	7.43	-	-	-	3.7	4.7	3.1	3.44
Nov.	2.8	-	-	4.79	7.43	-	-	-	-0.2	4.7	4.7	3.31
Dec.	2.6	-	-	4.61	7.43	-	-	-	-2.1	4.7	11.2	3.07
2003 Jan.	2.6	-	-	4.43	7.43	-	-	-	.	.	.	2.97
Feb.	.	-	-	4.21	7.43	-	-	-	.	.	.	2.83
Sweden												
1999	0.6	1.5	65.0	4.98	8.81	2.6	-1.2	4.6	2.2	6.7	6.8	3.32
2000	1.3	3.7	55.3	5.37	8.45	3.8	5.0	4.4	6.3	5.6	6.2	4.07
2001	2.7	4.8	56.6	5.11	9.26	3.8	6.1	0.8	-0.3	4.9	3.4	4.11
2002	2.0	.	.	5.31	9.16	4.1	.	.	-0.9	4.9	.	4.24
2001 Q3	3.1	-	-	5.28	9.41	4.6	7.2	-0.4	-1.9	4.8	3.9	4.34
Q4	3.0	-	-	5.12	9.48	4.3	5.9	0.5	-2.3	4.9	6.2	3.85
2002 Q1	2.9	-	-	5.42	9.16	5.5	4.8	0.5	-1.1	4.9	7.0	4.00
Q2	1.9	-	-	5.64	9.16	5.3	0.9	2.8	0.5	4.9	5.3	4.43
Q3	1.5	-	-	5.16	9.23	4.1	1.3	2.3	-0.9	4.9	5.8	4.41
Q4	1.6	-	-	5.00	9.09	.	.	.	-1.9	5.1	.	4.09
2002 Sep.	1.2	-	-	4.97	9.17	-	-	-	-1.8	5.0	4.8	4.38
Oct.	1.7	-	-	5.07	9.11	-	-	-	-2.1	5.0	2.4	4.30
Nov.	1.4	-	-	5.05	9.08	-	-	-	-1.0	5.1	.	4.12
Dec.	1.7	-	-	4.89	9.10	-	-	-	-2.7	5.1	.	3.85
2003 Jan.	2.6	-	-	4.71	9.17	-	-	-	.	5.3	.	3.83
Feb.	.	-	-	4.48	9.15	-	-	-	.	.	.	3.75
United Kingdom												
1999	1.3	1.1	45.1	5.01	0.659	-2.1	2.9	2.4	0.8	5.9	5.5	5.54
2000	0.8	3.9	42.1	5.33	0.609	-1.8	2.3	3.1	1.6	5.4	6.6	6.19
2001	1.2	0.8	39.1	5.01	0.622	-1.5	4.1	2.0	-2.1	5.0	8.0	5.04
2002	1.3	.	.	4.91	0.629	.	.	1.6	-3.4	.	6.0	4.06
2001 Q3	1.5	1.2	38.7	5.13	0.619	-0.8	3.8	1.8	-2.7	5.0	7.8	5.00
Q4	1.0	-1.9	38.8	4.82	0.621	-2.2	3.4	1.6	-5.6	5.1	7.7	4.16
2002 Q1	1.5	2.7	37.8	5.13	0.615	-0.5	2.7	1.0	-5.7	5.1	6.1	4.08
Q2	0.9	-3.7	38.3	5.28	0.629	-1.9	2.6	1.3	-4.3	5.1	5.7	4.17
Q3	1.1	-1.2	38.0	4.71	0.635	-0.2	1.5	2.0	-2.3	5.2	5.7	4.01
Q4	1.6	-2.7	38.6	4.52	0.636	.	.	2.1	-1.2	.	6.3	3.98
2002 Sep.	1.0	-5.7	38.0	4.45	0.631	-	-	-	-1.8	5.2	5.7	3.99
Oct.	1.4	3.2	37.9	4.53	0.630	-	-	-	-0.8	5.1	5.7	3.96
Nov.	1.6	-6.8	37.9	4.55	0.637	-	-	-	-1.5	5.1	6.1	3.97
Dec.	1.7	-4.4	38.6	4.49	0.642	-	-	-	-1.2	.	7.1	4.02
2003 Jan.	1.4	3.7	37.9	4.31	0.657	-	-	-	.	.	6.5	3.98
Feb.	.	.	.	4.29	0.670	-	-	-	.	.	.	3.75

Sources: Eurostat (columns 1, 8, 9 and 10); European Commission (Economic and Financial Affairs DG and Eurostat) (columns 2 (annual) and 3 (annual)); Reuters (column 12); national data (columns 2 (quarterly and monthly), 3 (quarterly and monthly), 4, 5, 7 (except Sweden) and 11); ECB calculations (columns 6 and 7 (Sweden)).

1) Average-of-period values.

2) For more information, see Table 10.

3) Whole economy; data for the United Kingdom exclude employers' contributions to social security.

4) Total excluding construction; adjusted for working days.

5) Average of end-month values; M3; M4 for the United Kingdom.

12 Economic and financial developments outside the EU

Table 12.1

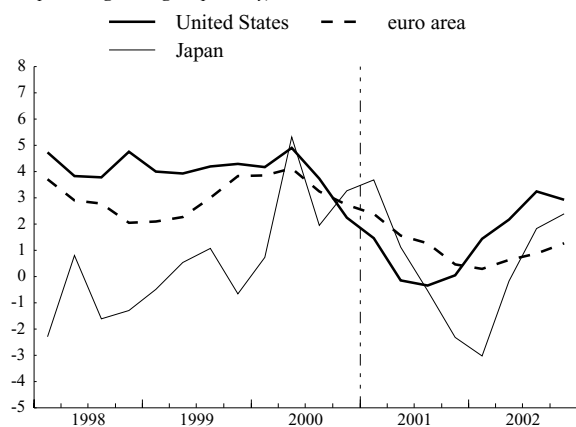
Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	Consumer price index 1	Unit labour costs ¹⁾ 2	Real GDP 3	Industrial production index ¹⁾ 4	Unemployment rate as a % of labour force (s.a.) 5	M2 ²⁾ 6	3-month interbank deposit rate ³⁾ as a % per annum 7	10-year government bond yield ³⁾ as a % per annum 8	Exchange rate ⁴⁾ as national currency per ECU or euro 9	Fiscal deficit (-)/surplus (+) ⁵⁾ as a % of GDP 10	Gross public debt ⁶⁾ as a % of GDP 11
United States											
1999	2.2	-1.1	4.1	5.0	4.2	7.6	5.42	5.64	1.066	0.7	50.4
2000	3.4	3.2	3.8	5.2	4.0	6.1	6.53	6.03	0.924	1.4	45.2
2001	2.8	0.7	0.3	-4.1	4.8	8.7	3.78	5.01	0.896	-0.5	44.8
2002	1.6	-0.7	2.4	-1.0	5.8	7.7	1.80	4.60	0.946	.	.
2001 Q3	2.7	0.2	-0.4	-5.4	4.8	9.4	3.46	4.98	0.890	-1.7	44.1
Q4	1.9	1.0	0.1	-6.2	5.6	10.3	2.15	4.74	0.896	-1.0	44.8
2002 Q1	1.3	-0.8	1.4	-4.0	5.6	9.1	1.90	5.06	0.877	-3.0	45.2
Q2	1.3	-1.5	2.2	-1.5	5.8	7.5	1.92	5.08	0.919	-3.3	45.4
Q3	1.6	-0.9	3.3	0.5	5.8	7.3	1.81	4.25	0.984	-3.3	46.0
Q4	2.2	0.4	2.9	1.3	5.9	7.0	1.55	3.99	0.999	.	.
2002 Sep.	1.5	-	-	1.0	5.7	6.1	1.80	3.88	0.981	-	-
Oct.	2.0	-	-	0.9	5.8	7.1	1.78	3.91	0.981	-	-
Nov.	2.2	-	-	1.5	5.9	7.2	1.46	4.04	1.001	-	-
Dec.	2.4	-	-	1.5	6.0	6.5	1.41	4.03	1.018	-	-
2003 Jan.	2.6	-	-	1.3	5.7	6.5	1.37	4.02	1.062	-	-
Feb.	.	-	-	.	.	.	1.34	3.90	1.077	-	-
Japan											
1999	-0.3	-2.4	0.1	0.8	4.7	3.7	0.22	1.75	121.3	-7.2	118.2
2000	-0.7	-6.3	2.8	5.9	4.7	2.1	0.28	1.76	99.5	-7.4	126.1
2001	-0.7	5.8	0.4	-7.8	5.0	2.8	0.15	1.34	108.7	-6.1	134.6
2002	-0.9	.	0.3	-1.5	5.4	3.3	0.08	1.27	118.1	.	.
2001 Q3	-0.8	9.2	-0.5	-10.8	5.1	3.1	0.07	1.36	108.3	.	.
Q4	-1.0	11.1	-2.3	-13.5	5.4	3.2	0.08	1.35	110.5	.	.
2002 Q1	-1.4	6.6	-3.0	-10.9	5.3	3.6	0.10	1.46	116.1	.	.
Q2	-0.9	-1.7	-0.2	-3.6	5.3	3.5	0.08	1.37	116.5	.	.
Q3	-0.8	-7.6	1.8	3.7	5.4	3.3	0.07	1.24	117.2	.	.
Q4	-0.5	.	2.4	5.7	5.4	2.9	0.07	1.01	122.4	.	.
2002 Sep.	-0.7	-8.6	-	5.3	5.4	3.2	0.07	1.16	118.4	-	-
Oct.	-0.9	-8.8	-	5.4	5.5	3.3	0.07	1.09	121.6	-	-
Nov.	-0.4	-8.2	-	5.1	5.3	3.2	0.07	0.99	121.7	-	-
Dec.	-0.3	.	-	6.5	5.5	2.1	0.06	0.97	124.2	-	-
2003 Jan.	-0.4	.	-	6.8	.	2.0	0.06	0.84	126.1	-	-
Feb.	.	.	-	.	.	.	0.06	0.83	128.6	-	-

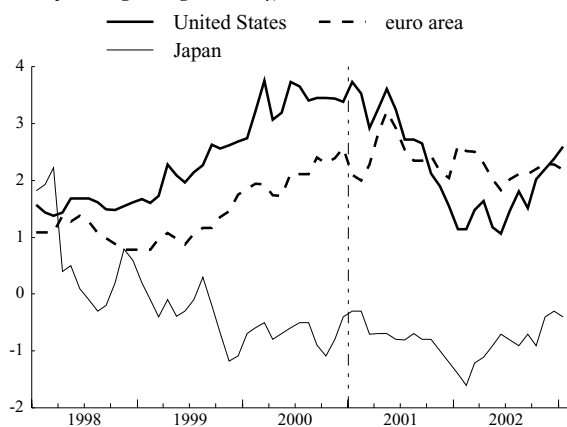
Real gross domestic product

(annual percentage changes; quarterly)



Consumer price indices

(annual percentage changes; monthly)



Sources: National data (columns 1, 2 (United States), 3, 4, 5, 6, 8 (to December 1998), 9 and 10); OECD (column 2 (Japan)); Eurostat (euro area chart data); Reuters (column 7 and 8 (from January 1999)); ECB calculation (column 11).

1) Manufacturing.

2) Average-of-period values; M2 and CDs for Japan.

3) For more information, see Tables 3.1 and 3.2.

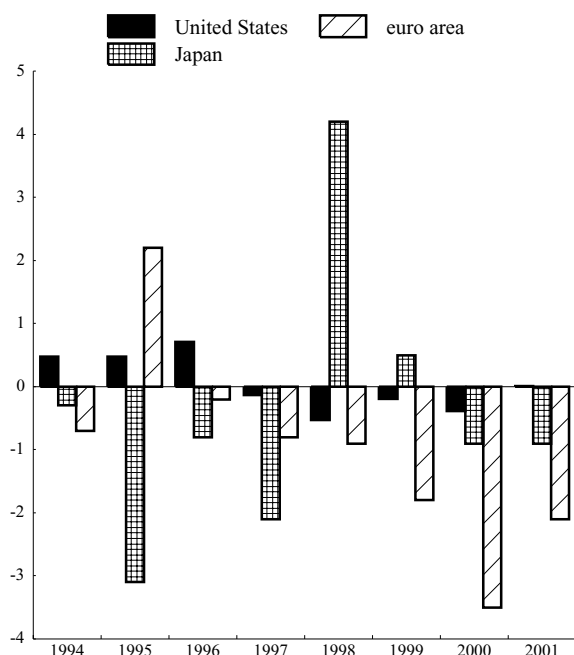
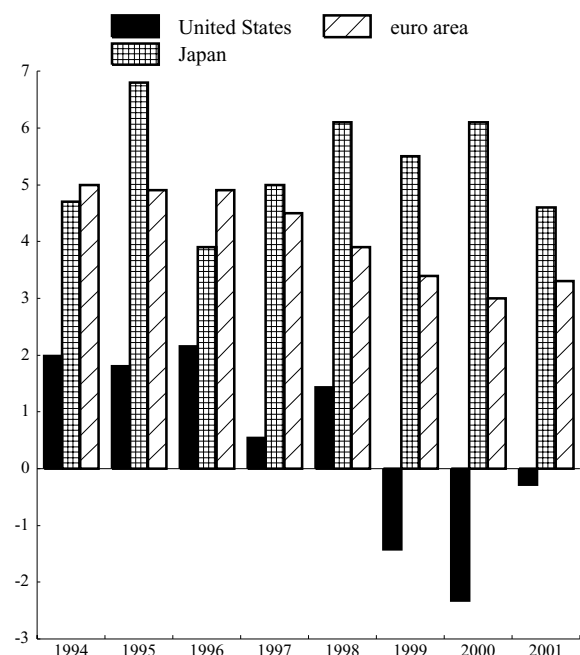
4) For more information, see Table 10.

5) Japan: the 1998 deficit includes a large debt assumption; financial accounts sources for 1999.

6) Gross consolidated debt for the general government (end of period).

Table 12.2
Saving, investment and financing
(as a percentage of GDP)

	National saving and investment			Investment and financing of non-financial corporations						Investment and financing of households ¹⁾			
	Gross saving	Gross capital formation	Net lending to the rest of the world	Gross capital formation	Gross fixed capital formation	Net acquisition of financial assets	Gross saving	Net incurrence of liabilities	Securities and shares	Capital expenditure	Net acquisition of financial assets	Gross saving	Net incurrence of liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13
United States													
1998	18.8	20.7	-2.3	9.4	8.6	6.5	8.2	7.0	1.4	12.3	6.9	12.8	5.5
1999	18.4	20.9	-3.0	9.5	8.9	10.5	8.2	10.6	2.7	12.4	4.8	11.2	6.2
2000	18.4	21.1	-4.0	9.7	9.1	7.7	7.5	8.1	2.4	12.5	3.3	11.5	5.7
2001	16.5	19.1	-3.7	7.9	8.5	2.9	7.7	2.8	1.8	13.0	5.4	11.6	5.7
2000 Q4	17.8	20.9	-4.3	9.5	9.0	5.2	7.3	5.5	0.1	12.3	0.1	11.4	3.8
2001 Q1	16.9	20.0	-4.1	8.6	8.9	3.3	7.1	4.4	2.1	12.9	4.5	11.4	3.5
Q2	16.6	19.3	-3.8	8.1	8.6	1.9	7.4	2.3	2.4	12.9	6.3	11.2	6.5
Q3	16.5	18.8	-3.5	7.7	8.3	3.3	7.8	2.9	0.6	12.9	9.0	12.8	9.1
Q4	15.9	18.2	-3.6	7.1	8.0	2.9	8.5	1.9	2.1	13.4	2.0	10.9	3.8
2002 Q1	15.6	18.6	-4.1	7.5	7.8	2.2	7.9	2.3	0.0	12.8	6.7	12.3	6.7
Q2	15.5	18.7	-4.8	7.7	7.6	2.0	7.7	2.4	1.1	12.7	7.0	12.7	5.8
Q3	15.0	18.5	-4.7	7.7	7.6	0.8	7.5	1.3	-1.2	12.9	4.6	12.7	6.6
Japan													
1998	29.0	26.8	2.6	15.4	15.4	-5.9	13.3	-8.3	-0.4	5.3	6.2	11.6	-0.9
1999	27.8	25.9	2.2	14.4	14.8	2.4	13.7	-3.5	1.7	5.2	5.1	11.5	0.2
2000	27.7	26.2	2.3	15.8	15.4	2.4	14.3	0.3	1.2	5.2	4.1	10.7	0.0
2001	26.4	25.6	2.0	15.7	15.2	-2.3	14.1	-5.7	1.7	4.9	3.0	8.6	-0.1
2000 Q4	27.0	27.7	1.7	.	.	6.9	.	12.6	2.7	.	7.4	.	0.5
2001 Q1	33.4	26.4	2.3	.	.	8.9	.	-2.4	2.2	.	-4.1	.	3.2
Q2	.	25.4	.	.	.	-26.7	.	-15.3	4.0	.	11.8	.	-4.5
Q3	.	25.3	.	.	.	6.3	.	-8.9	-1.1	.	-5.2	.	2.6
Q4	.	25.5	.	.	.	2.3	.	3.2	1.5	.	8.8	.	-1.5
2002 Q1	.	22.8	.	.	.	10.0	.	-6.7	-2.5	.	-6.5	.	2.5
Q2	.	22.7	.	.	.	-25.0	.	-19.0	2.0	.	7.4	.	-8.0
Q3	.	23.7	.	.	.	-0.7	.	-7.2	-1.8	.	-5.5	.	-0.1

Net lending of non-financial corporations
(as a percentage of GDP)

Net lending of households ¹⁾
(as a percentage of GDP)


Sources: ECB, Federal Reserve Board, Bank of Japan and Economic and Social Research Institute.

1) Households including non-profit institutions serving households.

Technical notes

Relating to Tables 2.3 to 2.7

Calculation of flows

Monthly flows are calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

If L_t represents the level outstanding at the end of the month t , C_t^M the reclassification adjustment in month t , E_t^M the exchange rate adjustment and V_t^M the other revaluation adjustments, the flow F_t^M in month t is defined as:

$$a) F_t^M = (L_t - L_{t-1}) - C_t^M - E_t^M - V_t^M$$

Similarly, the quarterly flow F_t^Q for the quarter ending in month t is defined as:

$$b) F_t^Q = (L_t - L_{t-3}) - C_t^Q - E_t^Q - V_t^Q$$

where L_{t-3} is the level outstanding at the end of month $t-3$ (the end of the previous quarter) and, for example, C_t^Q is the reclassification adjustment in the quarter ending in month t .

Relating to Table 2.4

Calculation of growth rates

Growth rates may be calculated from flows or from the index of adjusted stocks. If F_t^M and L_t are defined as above, the index I_t of adjusted stocks in month t is defined as:

$$c) I_t = I_{t-1} \times \left(1 + \frac{F_t^M}{L_{t-1}} \right)$$

As a base, the index (of the non-seasonally adjusted series) is set equal to 100 on December 2001. The annual percentage change a_t for month t – i.e. the change in the 12 months ending in month t – may be calculated using either of the following two formulae:

$$d) a_t = \left[\prod_{i=0}^{11} \left(1 + \frac{F_{t-i}^M}{L_{t-1-i}} \right) - 1 \right] \times 100$$

$$e) a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

Similarly, the month-on-month percentage change a_t^M for month t may be calculated as:

$$f) a_t^M = \left(\frac{F_t^M}{L_{t-1}} \right) \times 100$$

$$g) a_t^M = \left(\frac{I_t}{I_{t-1}} - 1 \right) \times 100$$

Finally, the three-month moving average for M3 is obtained as $(a_t + a_{t-1} + a_{t-2})/3$.

Roundings may give rise to differences from the annual percentage changes shown in Table 2.4. The index of adjusted stocks is available with a higher level of precision on the ECB's website (www.ecb.int) on the "Euro area statistics – download" page (in CSV file format), from which the exact percentage changes in Table 2.4 may be calculated.

Seasonal adjustment of the euro area monetary aggregates and loans¹

The approach used relies on a multiplicative decomposition through X-12-ARIMA (version 0.2.2).² Seasonal adjustment for monetary aggregates includes a day-of-the-week adjustment for some components of M2. The seasonal adjustment of M3 is carried out indirectly by aggregating the seasonally adjusted series of M1, M2 less M1, and M3 less M2.

The seasonal adjustment procedures are first applied to the index of adjusted stocks.³ The resulting

1 For details, see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000).
 2 For details, see Findley, D., Monsell, B., Bell, W., Otto, M. and Chen, B. C. (1998), "New Capabilities and Methods of the X-12-ARIMA Seasonal Adjustment Program", *Journal of Business and Economic Statistics*, 16, 2, 127-152, or "X-12-ARIMA Reference Manual, Version 0.2.2", December 1998, Time Series Staff, Bureau of the Census, Washington, D.C.
 For internal purposes, multiplicative models of TRAMO-SEATS also are used. For details on TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), "Programs TRAMO and SEATS: Instructions for the User", Bank of Spain, Working Paper No. 9628, Madrid.
 3 It follows that for the seasonally adjusted series, the level of the index for the base period, i.e. December 2001, generally differs from 100, reflecting the seasonality of that month.

estimates of the seasonal factors are then applied to the levels and to the adjustments arising from reclassifications and revaluations, in turn yielding seasonally adjusted flows. Seasonal (and trading day) factors are revised at annual intervals or as required.

Relating to Tables 2.5 to 2.8

As far as possible, the data have been harmonised and are comparable over time. Nevertheless, as a result of the implementation of a new reporting scheme in January 1999, outstanding levels for periods prior to the first quarter of 1999 are not always directly comparable with those referring to later periods.

The values reported for Tables 2.5 to 2.8 are revised on a quarterly basis (in the March, June, September and December issues). As a consequence, minor discrepancies may arise between these tables and those reporting monthly data.

Calculation of growth rates

Growth rates may be calculated from flows or from the index of adjusted stocks. If F_t^Q and L_{t-3} are defined as above, the index I_t of adjusted stocks for the quarter ending in month t is defined as:

$$h) I_t = I_{t-3} \times \left(1 + \frac{F_t^Q}{L_{t-3}} \right)$$

As a base, the index is set equal to 100 on December 2001. The annual percentage change in the four quarters ending in month t , i.e. a_t , may be calculated using either of the following two formulae:

$$i) a_t = \left[\prod_{i=0}^3 \left(1 + \frac{F_{t-3i}^Q}{L_{t-3(i+1)}} \right) - 1 \right] \times 100$$

$$j) a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

Similarly, the quarter-on-quarter percentage change a_t^Q for the quarter ending in month t may be calculated as:

$$k) a_t^Q = \left(\frac{F_t^Q}{L_{t-3}} \right) \times 100$$

$$l) a_t^Q = \left(\frac{I_t}{I_{t-3}} - 1 \right) \times 100$$

Roundings may give rise to differences from the annual percentage changes shown in Tables 2.5 to 2.7. The index of adjusted stocks is available with a higher level of precision on the ECB's website (www.ecb.int) on the "Euro area statistics – download" page (in CSV file format), from which the exact percentage changes in Tables 2.5 to 2.7 may be calculated.

Relating to Table 3.7

Calculation of growth rates

Growth rates are calculated on the basis of financial transactions and therefore exclude reclassifications, revaluations, exchange rate variations and any other changes which do not arise from transactions. They may be calculated from flows or from the index of adjusted stocks. If N_t^M represents the flow (net issues) in month t and L_t the level outstanding at the end of the month t , the index I_t of adjusted stocks in month t is defined as:

$$m) I_t = I_{t-1} \times \left(1 + \frac{N_t^M}{L_{t-1}} \right)$$

As a base, the index is set equal to 100 on December 2001. The annual percentage change a_t for month t – i.e. the change in the 12 months ending in month t – may be calculated using either of the following two formulae:

$$n) a_t = \left[\prod_{i=0}^{11} \left(1 + \frac{N_{t-1-i}^M}{L_{t-1-i}} \right) - 1 \right] \times 100$$

$$o) a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

The method to calculate the growth rates in the field of securities issues statistics is the same as the one used for the monetary aggregates with the only difference being that an "N" is used here rather than an "F". The reason is to distinguish the different ways of obtaining "flows" used for the monetary aggregates and "net issues" for securities issues statistics, where the ECB collects information on gross issues and redemptions separately.

Relating to Table 4.1

Seasonal adjustment of the HICP⁴

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on page 85*). The seasonal adjustment of the total HICP for the euro area is carried out indirectly by aggregating the seasonally adjusted euro area series for processed food, unprocessed food, industrial goods excluding energy and services. Energy is added without adjustment since there is no statistical evidence of seasonality. Seasonal factors are revised at annual intervals or as required.

Relating to Table 8.2

Seasonal adjustment of the balance of payments current account

The approach relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on page 85*). Goods raw data are first pre-adjusted to

take into account “working day”, “leap year” and “Easter” effects. Services include only a “working day” pre-adjustment. The seasonal adjustment for goods and services is carried out using these pre-adjusted series. Income and current transfers do not include any pre-adjustment at all. The seasonal adjustment of the total current account is carried out by aggregating the seasonally adjusted euro area series for goods, services, income and current transfers. Seasonal factors are revised at annual intervals or as required.

⁴ See footnote 1 on page 85*.



General notes

The basis for the statistics compiled by the European Central Bank (ECB) is presented in the document entitled "Statistical information collected and compiled by the ESCB", dated May 2000. This document is an update of the report entitled "Statistical requirements for Stage Three of Monetary Union (Implementation Package)" of July 1996, and describes the provision of statistics as it stands today. The document covers money and banking and related statistics, balance of payments statistics, international investment position statistics and financial accounts statistics. The requirements of the ECB for statistics on prices and costs, national accounts, the labour market, government receipts and expenditure, short-term indicators of output and demand, and the European Commission Business and Consumer Surveys are set out in the document entitled "Requirements in the field of general economic statistics" of August 2000.¹

The focus of these statistics is the euro area as a whole. New data will appear in the ECB's Monthly Bulletin as they become available. More detailed and longer runs of data, with further explanatory notes, are available on the statistics section of the ECB's website (www.ecb.int). The services available within "Statistics on-line" include a browser interface with search facilities, subscription to different datasets and direct download in compressed Comma Separated Value (CSV) files.

Owing to the fact that the composition of the ECU does not coincide with the currencies of the Member States which have adopted the single currency, pre-1999 amounts converted from the participating currencies into ECU at current ECU exchange rates are affected by movements in the currencies of Member States which have not adopted the euro. To avoid this effect in the monetary statistics, the pre-1999 data in Tables 2.1 to 2.8 are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless indicated otherwise, price and cost statistics before 1999 are based on the data expressed in national currency terms.

Methods of aggregation and/or consolidation (including cross-country consolidation) have been used as appropriate.

As a general rule, the cut-off date for the statistics included in the ECB's Monthly Bulletin is the day preceding the first meeting in the month of the Governing Council of the ECB. For this issue, it was 5 March 2003.

Recent data are often provisional and may be revised. Discrepancies between totals and their components may arise from rounding.

Overview

Key developments in the euro area are summarised in an overview table.

Monetary policy and financial statistics

Tables 1.1 to 1.5 show the consolidated financial statement of the Eurosystem, data on Eurosystem operations, statistics relating to minimum reserves, and the banking system's liquidity position. Tables 1.2 and 1.3 reflect the switch to variable rate tenders in June 2000. Monetary data relating to Monetary Financial Institutions (MFIs), including the Eurosystem, are shown in Tables 2.1 to 2.3. Table 2.3 is consolidated; inter-MFI positions within the euro area are not shown, but any difference between the sum total of such claims and liabilities as recorded is shown in column 13. Table 2.4 sets out monetary aggregates drawn from the consolidated MFI balance sheet; they also include some (monetary) liabilities of central government. The M3 data shown in Table 2.4 exclude holdings by non-residents of the euro area of i) shares/units issued by money market funds located in the euro area, and ii) money market paper and debt securities issued with

¹ Money and banking statistics are the responsibility of the ECB at the European level; responsibility for balance of payments, international investment position and financial accounts statistics is shared with the European Commission (Eurostat); price and cost and other economic statistics are the responsibility of the European Commission (Eurostat).

a maturity up to two years by MFIs located in the euro area. Accordingly, these holdings are included in the item external liabilities shown in Table 2.3, and as a result have an impact on the item net external assets shown in Table 2.4. Table 2.5 shows a quarterly sectoral and maturity analysis of loans by MFIs to euro area residents. Table 2.6 shows a quarterly analysis of deposits held by euro area residents with MFIs. Table 2.7 provides a quarterly analysis of MFI claims on and liabilities to non-residents of the euro area. Table 2.8 shows a quarterly currency analysis of certain MFI balance sheet items. Tables 2.5 to 2.7 show flows adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions, and annual percentage changes. A complete list of MFIs is published on the ECB's website. Details of the sector definitions are set out in the "Money and Banking Statistics Sector Manual: Guidance for the statistical classification of customers" (ECB, November 1999). The "Money and Banking Statistics Compilation Guide" (EMI, April 1998) explains recommended practices to be followed by the NCBs. From 1 January 1999 the statistical information is collected and compiled on the basis of the ECB Regulation concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16, as replaced from January 2003 by ECB/2001/13).

Further to the entry into force of Regulation ECB/2001/13, the balance sheet item "money market paper" has been merged with the item "debt securities" on both the assets and liabilities side of the MFI balance sheet. The term "money market paper" still appears in the quarterly Tables 2.5-2.8 for which no data for 2003 are yet available – the latest available data are for the fourth quarter of 2002.

Table 2.9 shows end-quarter outstanding stocks for the balance sheet of the euro area investment funds (other than money market funds). The balance sheet is aggregated and thus includes among the liabilities holdings by investment funds of shares/units issued by

other investment funds. Total assets/liabilities are also broken down by investment policy (equity funds, bond funds, mixed funds, real estate funds, and other funds) and by type of investor (general public funds and special investors' funds). Table 2.10 shows the aggregated balance sheet for each investment fund sector as identified by investment policy, and Table 2.11 shows the aggregated balance sheet broken down by type of investor.

Statistics on money market interest rates, long-term government bond yields and stock market indices (Tables 3.1 to 3.3) are produced by the ECB using data from wire services. For details concerning the statistics on retail bank interest rates (Table 3.4), see the footnote at the bottom of the relevant page.

Statistics on securities issues cover securities other than shares (debt securities), which are presented in Tables 3.5, 3.6 and 3.7 as well as quoted shares, which are presented in Table 3.8. Debt securities are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in accordance with the ESA 95, in exceptional cases two years or less). Securities with a longer maturity, or with optional maturity dates, the latest of which is more than one year away, or with indefinite maturity dates, are classified as long-term. The statistics on debt securities are estimated to cover approximately 95% of total issues by euro area residents.

Table 3.5 shows securities issued, redemptions and amounts outstanding, broken down into short-term securities and long-term securities. Net issues differ from the change in amounts outstanding owing to valuation changes, reclassifications and other adjustments.

Table 3.6 contains a sectoral breakdown of issuers of euro-denominated securities, whether resident in the euro area or elsewhere. For euro area residents, the sectoral breakdown is in line with the

European System of Accounts 1995 (ESA 95).² For non-euro area residents, the term “banks (including central banks)” is used to indicate institutions of a similar type to MFIs (including the Eurosystem) resident outside the euro area. The term “international organisations” includes the European Investment Bank. (The ECB is included in the Eurosystem.)

The totals (columns 1, 7 and 14) in Table 3.6 are identical to the data on amounts outstanding (columns 8, 16 and 20), gross issues (columns 5, 13 and 17) and net issues (columns 7, 15 and 19) of euro-denominated securities in Table 3.5. The amounts outstanding of securities issued by MFIs (column 2) in Table 3.6 are broadly comparable with money market paper and debt securities issued as shown on the liabilities side of the aggregated MFI balance sheet in Table 2.8.3 (columns 2 and 10), although the coverage of securities issues statistics is at present somewhat narrower.

Table 3.7 shows annual growth rates for debt securities issued by euro area residents and by sector of the issuer, which are based on financial transactions that occur when an institutional unit acquires or disposes of financial assets and incurs or repays liabilities. The annual growth rates therefore exclude reclassifications, revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 3.8 shows the outstanding amounts of quoted shares issued by euro area residents broken down by issuing sector. The monthly data for quoted shares issued by non-financial corporations correspond to the quarterly series shown in Table 6.1 (Main liabilities, column 20).

Prices and real economy indicators

The data presented in the ECB Monthly Bulletin are, with a few exceptions, produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating

data for individual countries. As far as possible, the data are harmonised and comparable. However, the availability of comparable data is, as a general rule, better for the more recent periods than for earlier periods.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 4.1) is available from 1995 onwards. The index is based on national HICPs that follow the same methodology in all euro area countries. The breakdown by goods and services components is derived from the Classification of individual consumption by purpose (Coicop) used for the HICP. The HICP covers monetary expenditure on final consumption by households on the economic territory of the euro area. The table includes seasonally adjusted HICP data which are compiled by the ECB.

With regard to statistics on national accounts (Tables 4.2 and 5.1), the implementation of the ESA 95 during 1999 and thereafter has begun to pave the way for fully comparable data, including quarterly summary accounts, across the euro area. Before 1999 the deflators of GDP in Table 4.2.2 are derived from national data in domestic currency. National accounts in this issue are based on the ESA 95.

Table 5.2 shows selected other real economy indicators. The implementation of Council Regulation (EC) No. 1165/98 of 19 May 1998 concerning short-term statistics will enlarge the range of available euro area data. The breakdown by end-use of the products applied in Tables 4.2.1 and 5.2.1 represents the harmonised sub-division of industry excluding construction (NACE sections C to

² The code numbers in the ESA 95 for the sectors shown in tables in the Monthly Bulletin are: MFIs (including the Eurosystem), which comprises the ECB and the national central banks of Member States in the euro area (S.121) and other monetary financial institutions (S.122); non-monetary financial corporations, which comprises other financial intermediaries (S.123), financial auxiliaries (S.124) and insurance corporations and pension funds (S.125); non-financial corporations (S.11); central government (S.1311); and other general government, which comprises state government (S.1312), local government (S.1313) and social security funds (S.1314).

E) into Main Industrial Groupings as defined in Commission Regulation (EC) No. 586/2001 of 26 March 2001.

Opinion survey data (Table 5.3) draw on the Business and Consumer Surveys of the European Commission.

Employment data (Table 5.4) are based on the ESA 95. Whenever coverage of the euro area is incomplete, some data are estimated by the ECB on the basis of the information available. Unemployment rates conform to International Labour Organization (ILO) guidelines. The labour force estimates underlying the unemployment rate are different from the sum of the employment and unemployment levels published in Table 5.4.

Financial accounts statistics

Table 6.1 shows quarterly data on financial accounts for non-financial sectors in the euro area, comprising general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15). The data cover amounts outstanding and transactions classified according to the ESA 95 and show the main financial investment and financing activities of the non-financial sectors. On the financing side (liabilities) the data are presented by ESA 95 sector and original maturity. Whenever possible the financing taken from MFIs is presented separately. The information on financial investment (assets) is currently less detailed than that on financing, especially since a breakdown by sector is not possible.

Table 6.2 shows quarterly data on financial accounts for insurance corporations and pensions funds (S.125) in the euro area. As in Table 6.1, the data cover amounts outstanding and financial transactions and show the main financial investment and financing activities of this sector.

The quarterly data in both tables are based on quarterly national financial accounts, MFI

balance sheet and securities issues statistics. Table 6.1 also refers to data taken from BIS international banking statistics. While all euro area countries contribute to the MFI balance sheet and securities issues statistics, Ireland and Luxembourg, as yet, do not provide quarterly national financial accounts data.

Table 6.3 shows annual data on saving, (financial and non-financial) investment and financing for the euro area sectors as a whole, and for the non-financial corporations and households separately. These annual data provide, in particular, fuller sector information on the acquisition of financial assets and are consistent with the quarterly data in the two previous tables.

General government fiscal position

Tables 7.1 to 7.3 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The euro area aggregates are compiled by the ECB from harmonised data provided by the NCBs, which are regularly updated. Data on deficit and debt for the euro area countries may therefore differ from those used by the European Commission in the context of the excessive deficit procedure.

Table 7.1 shows general government revenue and expenditure on the basis of definitions laid down in Commission Regulation No. 1500/2000 of 10 July 2000 amending the ESA 95. Table 7.2 shows details of general government gross consolidated debt at nominal value in accordance with the Treaty provisions on the excessive deficit procedure. Tables 7.1 and 7.2 include summary data for individual euro area countries owing to their importance in the framework of the Stability and Growth Pact. Table 7.3 analyses changes in general government debt. The difference between the change in government debt and government deficit, the deficit-debt adjustment, is mainly explained by government transactions in financial assets and by foreign exchange valuation effects.

Balance of payments and international investment position of the euro area (including reserves), trade in goods and exchange rates

The concepts and definitions used in balance of payments statistics (Tables 8.1 to 8.6) and international investment position (Tables 8.7.1 to 8.7.4) statistics generally conform to the 5th edition of the IMF Balance of Payments Manual (October 1993), to the ECB Guideline of May 2000 (ECB/2000/4) on the statistical reporting requirements of the ECB, and to Eurostat's documentation.

The euro area balance of payments (b.o.p.) is compiled by the ECB. Data up to December 1998 are expressed in ECU. The recent monthly figures for b.o.p. statistics should be regarded as provisional. Data are revised with the publication of the detailed quarterly b.o.p. data. Earlier data are revised periodically.

Some earlier data have been partially estimated and may not be fully comparable with more recent observations. That is the case for the b.o.p. financial account before end-1998, the services account before end-1997, the monthly pattern of income for the years 1997 to 1999 and the international investment position (i.i.p.) at end-1997. Table 8.5.2 provides a sectoral breakdown of euro area purchasers of securities issued by non-residents of the euro area. For the time being, it is not possible to show a sectoral breakdown of euro area issuers of securities acquired by non-residents.

The euro area i.i.p. (Tables 8.7.1 to 8.7.4) is compiled on the basis of euro area Member States' positions vis-à-vis non-euro area residents (i.e. considering the euro area as a whole economy) from end-1999 positions onwards with the result that euro area assets and liabilities are shown separately (see also Box 9 in the December 2002 issue). The i.i.p. is compiled on a "net" basis, i.e. by aggregating national data regarding end-1997 and end-1998 positions. The "net" and the "extra euro area" based compilation methodologies may not give fully comparable results. The i.i.p. is

valued at current market prices with the exception of direct investment stocks, where book values are used to a large extent.

The outstanding amounts of the Eurosystem's international reserves and related assets are shown in Table 8.7.5 with the corresponding reserves and related assets held by the ECB. The data in Table 8.7.5 are in line with the recommendations for the IMF/BIS template on international reserves and foreign currency liquidity. Earlier data are revised on an ongoing basis. Reserve assets data before end-1999 are not fully comparable with later observations. A publication on the statistical treatment of the Eurosystem's international reserves is available on the ECB's website ("Statistical treatment of the Eurosystem's international reserves", October 2000).

Table 9 shows data on euro area external trade in goods. The main source for the data is Eurostat. The ECB derives volume indices from Eurostat value and unit value indices, and performs seasonal adjustment of unit value indices, while value data are seasonally and working day adjusted by Eurostat.

The commodity breakdown is in accordance with the classification by Broad Economic Categories (based on the SITC Rev. 3 definition) for intermediate, capital and consumption goods, and with the SITC Rev. 3 for manufactured goods and oil. The geographical breakdown shows main trading partners, individually or in regional groups. The 13 EU candidate countries are Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey.

Owing to differences in definitions, classification, coverage and time of recording, external trade data, in particular imports, are not fully comparable with the goods item in the balance of payments statistics (Tables 8.1 and 8.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of goods imported, which accounted for about 3.8% of the value of imports (c.i.f.) in 1998 (ECB estimates).

Table 10 shows ECB calculations of nominal and real effective exchange rate indices for the euro based on weighted averages of bilateral euro exchange rates. Weights are based on 1995-97 manufactured goods trade with the trading partners and capture third-market effects. Up to December 2000, the narrow group is composed of the countries whose currencies are shown in the table plus Greece. On adopting the euro in January 2001, Greece ceased to be a partner country in the effective exchange rate of the euro and the weighting scheme has been adjusted accordingly. In addition, the broad group includes the following countries: Algeria, Argentina, Brazil, China, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Taiwan, Thailand and Turkey. Real rates are calculated using consumer prices (CPI), producer prices in manufacturing (PPI) and unit labour costs in manufacturing

(ULCM). Where deflators are not yet available, estimates are used. The bilateral rates shown are those against the 12 currencies used in the ECB's calculation of the "narrow" effective exchange rate of the euro. The ECB publishes daily reference rates for these and some other currencies. For more detailed information, please see the ECB Occasional Paper No. 2 ("The effective exchange rates of the euro", Luca Buldorini and Stelios Makrydakis and Christian Thimann, February 2002), which can be downloaded from the ECB's website.

Other statistics

Statistics on other EU Member States (Table 11) follow the same principles as those for data relating to the euro area. Data for the United States and Japan contained in Tables/Charts 12.1 and 12.2 are obtained from national sources.

Chronology of monetary policy measures of the Eurosystem¹

2 January 2001

On 1 January 2001 the euro was introduced in Greece. Greece thus became the twelfth EU Member State to adopt the single currency and the first to do so since the start of Stage Three of Economic and Monetary Union (EMU) on 1 January 1999. As a result, the Bank of Greece is now a full member of the Eurosystem, with the same rights and obligations as the 11 national central banks of the EU Member States which previously adopted the euro. In accordance with Article 49 of the Statute of the European System of Central Banks and of the European Central Bank, the Bank of Greece pays up the remainder of its contribution to the capital of the ECB, as well as its share of the ECB's reserves, and also transfers to the ECB its contribution to the foreign reserve assets of the ECB.

Further to the announcement on 29 December 2000, the first main refinancing operation of 2001, in which the Greek counterparties of the Eurosystem participate for the first time, is successfully conducted. The allotment volume of €101 billion takes into account the additional liquidity needs of the euro area banking system resulting from the integration of the Greek Monetary Financial Institutions.

4 January 2001

The Governing Council of the ECB decides that the minimum bid rate for the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

In addition, it decides on an allotment amount of €20 billion per operation for the longer-term refinancing operations to be conducted in 2001. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2001 and the desire of the Eurosystem to continue to provide the bulk of refinancing of the financial sector through its main refinancing operations. The

Governing Council may adjust the allotment amount in the course of the year in the event of unexpected developments in liquidity needs.

18 January, 1 February, 15 February, 1 March, 15 March, 29 March, 11 April, 26 April 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

10 May 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 4.50%, with effect from the operation to be settled on 15 May 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.50% and 3.50% respectively, both with effect from 11 May 2001.

23 May, 7 June, 21 June, 5 July, 19 July, 2 August 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.50%, 5.50% and 3.50% respectively.

30 August 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main

¹ The chronology of monetary policy measures of the Eurosystem taken in 1999 and 2000 can be found on pages 176 to 179 of the ECB Annual report 1999 and on pages 205 to 208 of the ECB Annual report 2000 respectively.

refinancing operations by 0.25 percentage point to 4.25%, with effect from the operation to be settled on 5 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.25% and 3.25% respectively, both with effect from 31 August 2001.

13 September 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.25%, 5.25% and 3.25% respectively.

17 September 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 3.75%, with effect from the operation to be settled on 19 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.75% and 2.75% respectively, both with effect from 18 September 2001.

27 September, 11 October, 25 October 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

8 November 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main

refinancing operations by 0.50 percentage point to 3.25%, starting from the operation to be settled on 14 November 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.25% and 2.25% respectively, both with effect from 9 November 2001.

6 December 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

In addition, it decides that the reference value for the annual growth rate of the broad monetary aggregate M3 will remain at 4½%.

3 January 2002

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

The Governing Council also decides on an allotment amount of €20 billion per operation for the longer-term refinancing operations to be conducted in 2002. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2002 and the desire of the Eurosystem to continue to provide the bulk of refinancing of the financial sector through its main refinancing operations. The Governing Council may adjust the allotment amount in the course of the year in the event of unexpected developments in liquidity needs.

**7 February, 7 March, 4 April, 2 May,
6 June, 4 July 2002**

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

10 July 2002

The Governing Council of the ECB decides to reduce the allotment amount for each of the longer-term refinancing operations to be conducted in the second half of 2002 from €20 billion to €15 billion. This latter amount takes into consideration the expected liquidity needs of the euro area banking system in the second half of 2002 and reflects the desire of the Eurosystem to continue to provide the bulk of liquidity through its main refinancing operations.

**1 August, 12 September, 10 October,
7 November 2002**

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

5 December 2002

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 2.75%, starting from the operation to be settled on 11 December 2002. It also decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 3.75% and 1.75% respectively, both with effect from 6 December 2002.

In addition, it decides that the reference value for the annual growth rate of the broad monetary aggregate M3 will remain at 4½%.

9 January 2003

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 2.75%, 3.75% and 1.75% respectively.

23 January 2003

The Governing Council of the ECB decides to implement the following two measures to improve the operational framework for monetary policy:

Firstly, the timing of the reserve maintenance period will be changed so that it will always start on the settlement day of the main refinancing operation (MRO) following the Governing Council meeting at which the monthly assessment of the monetary policy stance is pre-scheduled. Furthermore, as a rule, the implementation of changes to the standing facility rates will be aligned with the start of the new reserve maintenance period.

Secondly, the maturity of the MROs will be shortened from two weeks to one week.

These measures are scheduled to come into effect during the first quarter of 2004.

Further to the press release of 10 July 2002, the Governing Council also decides to maintain at €15 billion the allotment amount for each of the longer-term refinancing operations to be conducted in the year 2003. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2003 and reflects the desire of the Eurosystem to continue to provide the bulk of liquidity through its main refinancing operations.

6 February 2003

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 2.75%, 3.75% and 1.75% respectively.

6 March 2003

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 2.50%, starting from the operation to be settled on 12 March 2003. It also decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 3.50% and 1.50% respectively, both with effect from 7 March 2003.

The TARGET (Trans-European Automated Real-time Gross settlement Express Transfer) system

Payment flows in TARGET

As was the case in previous years, the level of activity in TARGET in 2002 was characterised by a seasonal pattern. In the fourth quarter of 2002, TARGET traffic increased on a daily average in terms of value and volume after the usual decline in the third quarter of the year.

TARGET as a whole, i.e. on domestic and cross-border level, processed a daily average of 259,085 payments with a value of €1,641 billion in the fourth quarter, showing a growth of 5% in volume and almost 11% in value compared

with the previous quarter. The rise in traffic was reflected in higher volumes and values processed in both domestic and cross-border terms. The TARGET overall market share went up in value (from 84.9% in the previous quarter to 86.2%) and decreased slightly in terms of volume (58.6% compared with 59.1% in the third quarter 2002).

TARGET domestic

TARGET processed a daily average of 203,640 domestic payments with a value of €1,127

Table I

Payment instructions processed by TARGET and other selected interbank funds transfer systems: volume of transactions

(number of payments)

	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4
TARGET					
All TARGET payments					
Total volume	14,990,244	15,364,299	15,834,392	16,361,900	16,581,446
Daily average	237,940	247,811	251,340	247,908	259,085
Cross-border TARGET payments					
Total volume	3,045,061	3,188,285	3,419,144	3,577,801	3,548,455
Daily average	48,334	51,424	54,272	54,209	55,445
Domestic TARGET payments					
Total volume	11,945,183	12,176,014	12,415,248	12,784,099	13,032,991
Daily average	189,606	196,387	197,067	193,698	203,640
Other systems					
Euro 1 (EBA)					
Total volume	7,607,298	7,790,799	8,549,759	8,866,903	9,193,222
Daily average	120,751	125,658	135,710	134,347	143,644
Euro Access Frankfurt (EAF) ¹⁾					
Total volume	1,209,501	-	-	-	-
Daily average	48,380	-	-	-	-
Paris Net Settlement (PNS)					
Total volume	1,998,239	1,900,298	1,901,820	1,860,283	1,907,487
Daily average	31,718	30,650	30,188	28,186	29,804
Servicio Español de Pagos Interbancarios (SPI)					
Total volume	421,685	409,483	455,080	449,333	462,054
Daily average	6,693	6,605	7,223	6,808	7,220
Pankkien On-line Pikasiirrot ja Sekit-järjestelmä (POPS)					
Total volume	165,329	152,445	212,064	157,864	138,552
Daily average	2,624	2,459	3,366	2,392	2,165

1) The EAF system ceased operations on 5 November 2001 and its functions were taken over by the RTGS^{plus} system.

billion; representing an increase of 5% and 11% respectively compared with the previous quarter.

TARGET domestic accounted for 68.7% and 78.6% of the total value and volume of TARGET respectively. The average value of a domestic payment with €5.5 million was €0.3 million higher than in the previous quarter.

The highest domestic value was recorded on 18 December, when a total of €1,389 billion was processed. In volume terms, the peak day was 30 December with a total of 284,691 payments. Around 65% of domestic TARGET payments were less than or equal to €50,000,

while 12% were higher than €1 million. On a daily average about 110 TARGET domestic payments had a value above €1 billion.

A comparison with the respective period in 2001 is still difficult as the closing down of the Euro Access Frankfurt (EAF) and the launch of RTGS^{plus} by the Deutsche Bundesbank fell within the observed period.¹ For all local TARGET components, other than the German one, the domestic traffic grew by 7% in terms of value and remained unchanged in volume terms.

¹ On 5 November 2001 EAF was closed down and most of its traffic moved to RTGS^{plus}. Before this date the German domestic figures did not include the EAF figures.

Table 2
Payment instructions processed by TARGET and other selected interbank funds transfer systems: value of transactions
(EUR billions)

	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4
TARGET					
All TARGET payments					
Total value	92,627	95,440	97,682	97,404	105,008
Daily average	1,470	1,539	1,551	1,476	1,641
Cross-border TARGET payments					
Total value	32,176	29,720	30,794	30,309	32,899
Daily average	511	479	489	459	514
Domestic TARGET payments					
Total value	60,451	65,720	66,888	67,095	72,110
Daily average	960	1,060	1,062	1,017	1,127
Other systems					
Euro 1 (EBA)					
Total value	12,445	11,961	12,045	12,279	11,711
Daily average	198	193	191	186	183
Euro Access Frankfurt (EAF) ¹⁾					
Total value	3,660	-	-	-	-
Daily average	146	-	-	-	-
Paris Net Settlement (PNS)					
Total value	5,399	5,061	5,079	4,832	4,995
Daily average	86	82	81	73	78
Servicio Español de Pagos Interbancarios (SPI)					
Total value	73	74	80	78	72
Daily average	1	1	1	1	1
Pankkien On-line Pikasiirrot ja Sekit-järjestelmä (POPS)					
Total value	92	92	100	98	102
Daily average	1	1	1	1	2

1) The EAF system ceased operations on 5 November 2001 and its functions were taken over by the RTGS^{plus} system.

TARGET cross-border

At cross-border level, TARGET processed a daily average of 55,445 payments with a value of €514 billion. Compared with the third quarter, the volume was 2% higher and turnover went up by 12%. The cross-border figures rose by 15% in volume terms and increased slightly in value terms compared with the fourth quarter of 2001. It was the first time in 2002 that the quarterly cross-border turnover exceeded the respective figure of 2001.

Interbank payments increased by 12% in terms of value and diminished by 6% in volume terms compared with the previous quarter. Customer payments grew by 15% in value and their number increased by 12%. This continued rise of customer payments remained one of the most notable trends in TARGET cross-border flows.

The ratio of customer payments to the average number of daily TARGET cross-border payments increased to 49% and remained stable

at 4% in terms of value. The average value of interbank payments went up from €14.6 million to €17.3 million in comparison with the third quarter. The average value of customer payments increased from €821,000 to €851,000.

During the fourth quarter, the highest value and volume on a single day in TARGET cross-border was recorded on 29 November, the day following a US public holiday (Veterans' day), when 82,079 payments with a total of €689 billion were processed.

In terms of value bands, 56% of total cross-border payments had a value of less than or equal to €50,000. 18% had a value above €1 million. On a daily average about 40 TARGET cross-border payments had a value above €1 billion.

So far, no significant impacts of CLS live operations on TARGET cross-border flows were observed, neither in terms of volume nor in terms of value.

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