



EUROPEAN CENTRAL BANK

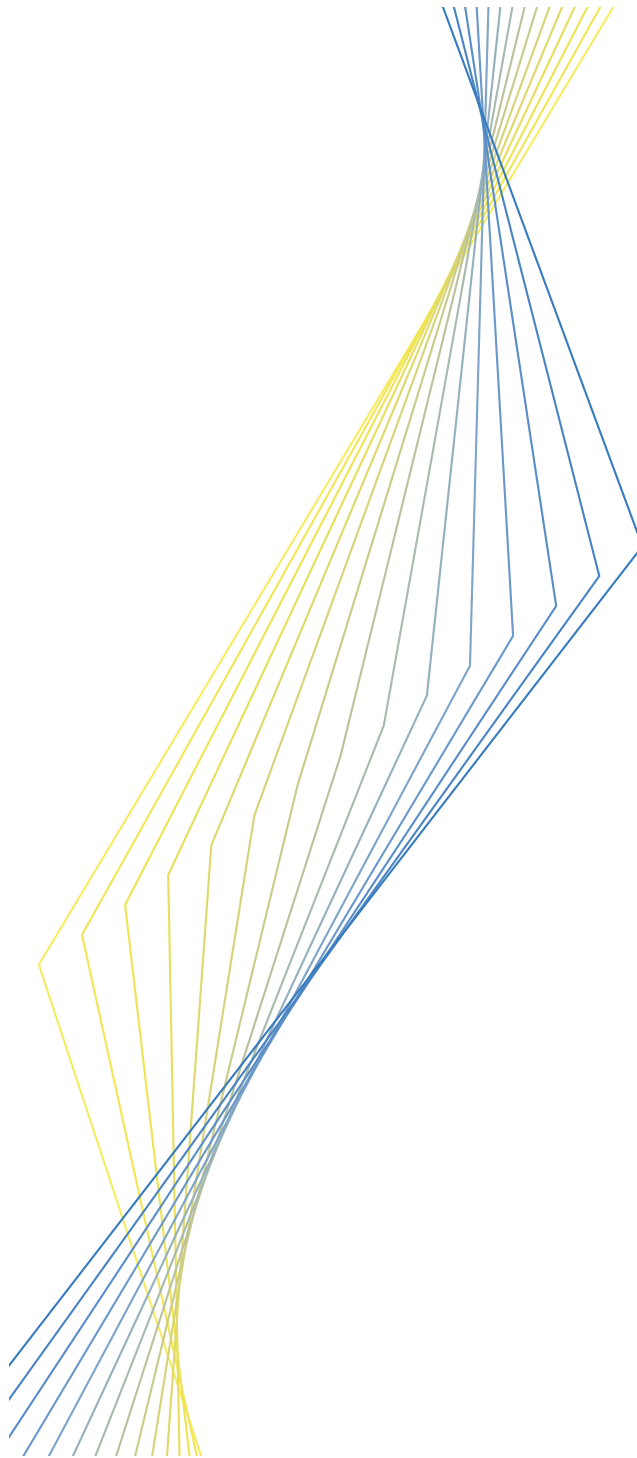
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**M O N T H L Y
B U L L E T I N**

April 2003



EUROPEAN CENTRAL BANK



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Contents

Editorial	5
Economic developments in the euro area	7
Monetary and financial developments	21
Price developments	25
Output, demand and labour market developments	27
Exchange rate and balance of payments developments	33
Boxes:	
1 Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 March 2003	12
2 Recent movements in corporate bond spreads and stock prices	17
3 The dispersion of inflation across the euro area countries and the US metropolitan areas	23
4 Revisions of consumer expenditure weights in the HICP	25
5 Broad versus narrow indices for the effective exchange rate of the euro	37
The need for comprehensive reforms to cope with population ageing	39
Developments in general economic statistics for the euro area	53
A bank lending survey for the euro area	65
Euro area statistics	1*
Chronology of monetary policy measures of the Eurosystem	97*
Documents published by the European Central Bank	101*

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 3 April 2003, the Governing Council of the ECB decided to leave the minimum bid rate on the main refinancing operations of the Eurosystem unchanged at 2.50%. The interest rates on the marginal lending facility and the deposit facility were also left unchanged at 3.50% and 1.50% respectively.

The meeting of 3 April took place in the exceptional circumstances associated with the conflict in Iraq. In the Governing Council's view, it was not possible at that juncture to assess what effect the military operations would have on the global economy, and on economic developments and the medium-term outlook for price stability in the euro area. Overall, the comprehensive analysis of monetary, financial and economic developments did not point to a change in the outlook for price stability since the Governing Council's meeting on 6 March.

It was also noted that the outbreak of the war did not affect the functioning of the financial system. The Governing Council stressed that it would act to ensure the proper functioning of financial markets, providing sufficient liquidity in the euro area whenever needed.

Turning to the more detailed assessment underlying the decisions on key ECB interest rates, and starting with the first pillar of the ECB's monetary policy strategy, the three-month average of the annual growth rate of M3 was 7.4% in the period from December 2002 to February 2003, up from 7.0% in the period from November 2002 to January 2003. Given the continued high volatility in financial markets, mainly related to the geopolitical uncertainty, M3 growth continued to be fostered by portfolio shifts towards liquid assets with low risk. However, M3 growth appears to have also been affected by the low level of short-term interest rates prevailing in the euro area, as indicated by the strong growth in its most liquid components. As a consequence of the protracted period of high M3 growth, substantial excess liquidity has been accumulated in the euro area. However,

part of this excess liquidity reflects higher precautionary demand, which should be only temporary in nature and therefore less of a concern for the outlook for price stability in the medium term. At the same time, credit growth showed signs of stabilisation in early 2003, after the moderation observed throughout last year.

Turning to the analysis under the second pillar, recent data and surveys confirmed that real GDP growth in the euro area remained weak in early 2003. Notably, consumer and industrial confidence has weakened and industrial production has remained sluggish. The geopolitical tensions continued to negatively affect sentiment and dampen economic activity, thereby adding to the forces which had already depressed the outlook for the euro area before the escalation of tensions in the Middle East.

While only a modest rate of economic growth for 2003 should be expected, the specific evolution of economic growth for the rest of this year is particularly difficult to foresee at the moment, given the exceptional degree of uncertainty arising from the military conflict. The baseline scenario continues to be one of a moderate recovery associated with diminishing uncertainty, starting in the second half of 2003. However, it will be necessary to review the economic implications of the war as soon as a clearer picture emerges. A number of scenarios, implying widely different outcomes for economic activity, are conceivable at present. Yet it would be premature to assign specific probabilities to any such exercises, which are of an illustrative nature.

Looking at price developments, annual HICP inflation is estimated by Eurostat to have been 2.4% in March 2003, unchanged from February. The recent drop in oil prices is not likely to be reflected in the price statistics until April. As for the outlook for price stability over the medium term, it is important to clearly distinguish between short-term volatility and more fundamental factors. While oil price developments may very much

influence the pattern of inflation rates over the coming months, other factors should dominate beyond the short term. The lagged effects of the appreciation of the euro exchange rate over the past 12 months, together with subdued demand conditions, should continue to dampen upward pressure on prices. If the recent significant reduction in oil prices is not reversed, inflation rates will in all likelihood fall below 2% in the course of 2003 and remain in line with price stability thereafter.

Evidently, this expectation presupposes that wage moderation prevails. In this regard, recent data provide some signs of a stabilisation in labour cost growth in the second half of 2002. However, this needs to be confirmed by subsequent information relating to 2003.

Overall, the present policy stance is consistent with the preservation of price stability over the medium term and it maintains a monetary environment that is in itself favourable to economic growth, in a situation in which other factors are having an adverse effect on economic activity. As exceptional circumstances are currently complicating the assessment of economic trends, the Governing Council will continue to monitor events carefully and evaluate them in the light of its mandate.

Regarding fiscal policies, the Stability and Growth Pact provides a robust and flexible framework within which any strains on public finances can be addressed and budgetary discipline is secured. While letting automatic stabilisers operate in reaction to changing economic circumstances in countries with sound public finances or where appropriate consolidation efforts are under way, there is no reason for fiscal activism. It remains

essential that both the commitments made in the stability programmes and the requests to further improve fiscal positions, as subsequently agreed in the ECOFIN Council, be implemented in full. This will help to build confidence in the fiscal framework and anchor expectations about the future macroeconomic environment.

In a highly uncertain situation, it is all the more essential that governments help to boost investor and consumer confidence by taking decisive action to implement structural reforms in labour and product markets and in public finance. On the one hand, there appears to be a broad consensus among policymakers and the public that 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. On the other hand, notwithstanding some progress in individual countries, the effective pace of reform has so far remained slow and clearly insufficient to meet the objectives set by the Lisbon Council in 2000. Over the past few years this has given rise to an implementation gap. Efforts to overcome structural rigidities in the functioning of markets must be stepped up. This would promote confidence in the euro area and therefore counteract to some extent the current high degree of uncertainty.

This issue of the Monthly Bulletin contains three articles. The first analyses the need for comprehensive reforms to cope with population ageing. The second provides an overview of recent developments in, and planned improvements to, general economic statistics for the euro area. The third describes the features of a new bank lending survey recently developed by the Eurosystem.

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 3 April 2003, the Governing Council of the ECB decided to leave the minimum bid rate on the main refinancing operations, conducted as variable rate tenders, unchanged at 2.50%. The interest rates on both the marginal lending facility and the deposit facility were also kept unchanged, at 3.50% and 1.50% respectively (see Chart 1).

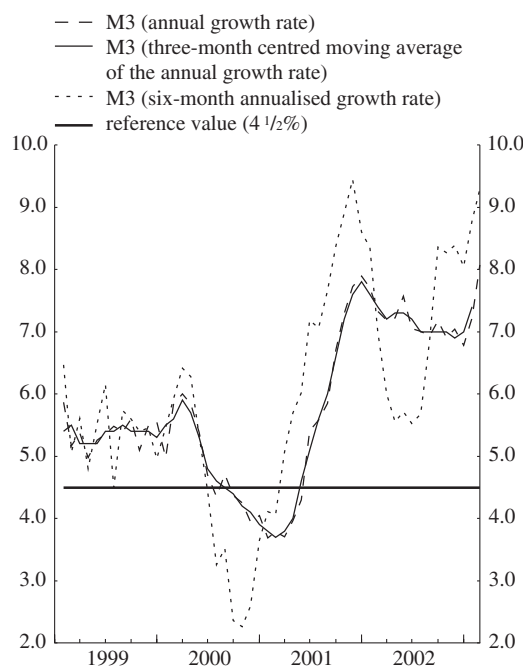
M3 growth increased further in February

In February 2003 the annual growth rate of the broad monetary aggregate M3 rose to 8.1%, up from 7.2% in January (see Chart 2). The three-month average of the annual growth rates of M3 also increased, from 7.0% in the period from November 2002 to January 2003 to 7.4% in the period from December 2002 to February 2003. While the recent

Chart 2

M3 growth and the reference value

(adjusted for seasonal and calendar effects)

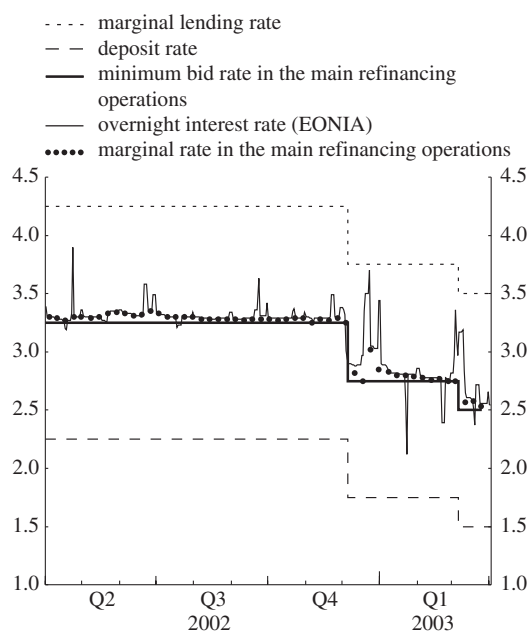


Source: ECB.

Chart 1

ECB interest rates and money market rates

(percentages per annum; daily data)



Sources: ECB and Reuters.

increase in the annual growth rate of M3 was partly due to a base effect, it also reflected the high month-on-month growth rate of 0.9% in February 2003.

The very strong monetary dynamics in recent months continued to be fostered by the marked preference among investors for safe and liquid assets included in M3, given the high volatility of financial markets and heightened economic and geopolitical uncertainty. At the same time, the buoyant expansion of M3 was also fuelled by the low level of interest rates prevailing in the euro area, implying low opportunity costs of holding liquid assets. As a consequence of the protracted period of high M3 growth, substantial excess liquidity has been accumulated in the euro area. From a medium-term perspective, this development warrants close monitoring. However, part of this excess liquidity may reflect higher precautionary demand which is only temporary in nature and therefore probably less of a concern.

Turning to the main components of M3, the annual growth rate of the narrow monetary aggregate M1 increased to 10.3% in February, up from 9.5% in the previous month (see Table 1). Within M1, currency in circulation continued to grow strongly in February, with a seasonally adjusted monthly increase of €8 billion, in line with the average monthly increase since March 2002. This upward trend in currency in circulation reflected the gradual rebuilding of currency holdings by both domestic and non-euro area residents after the steep fall in these holdings in the run-up to the euro cash changeover. Part of the increase in currency in circulation was probably related to substitution for overnight deposits. At the same time, the annual growth rate of the latter increased to 6.4% in February 2003, from 6.2% in the previous month. This rise probably reflected the low level of interest rates and thus the opportunity costs of holding these instruments, as well as the continued high degree of uncertainty in financial markets.

The annual growth rate of short-term deposits other than overnight deposits increased to 4.7% in February, from 4.0% in the previous month, reflecting a strengthening

in the dynamics of both short-term savings deposits (i.e. deposits redeemable at a period of notice of up to three months) and short-term time deposits (i.e. deposits with an agreed maturity of up to two years). At the same time, the annual growth rate of short-term time deposits remained very weak (1.2%, up from 0.6% in January) compared with the annual growth rate of short-term savings deposits (7.7%, up from 6.9% in January). These different dynamics probably continued to reflect the narrowing of the interest rate differential between these types of deposits, making the holding of short-term savings deposits relatively attractive.

The marked preference of euro area non-MFI investors for safe and liquid assets is also reflected in the renewed increase in the annual growth rate of marketable instruments, from 11.1% in January to 12.4% in February. In particular, money market fund shares and units – which are often used to “park” funds at times of high uncertainty – continued to grow at a fast pace.

With regard to the counterparts of M3 in the consolidated MFI balance sheet, the annual growth rate of MFIs’ longer-term financial

Table 1
Summary table of monetary variables in the euro area

(annual percentage changes; quarterly averages)

	2002 Q2	2002 Q3	2002 Q4	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.
<i>Adjusted for seasonal and calendar effects</i>							
M1	6.6	7.6	8.8	9.2	9.8	9.5	10.3
<i>of which: currency in circulation</i>	-19.9	-7.7	12.9	14.8	42.7	34.8	41.5
<i>of which: overnight deposits</i>	11.7	10.3	8.2	8.3	5.8	6.2	6.4
M2 - M1 (= other short-term deposits)	6.4	5.5	4.9	4.9	3.5	4.0	4.7
M2	6.5	6.5	6.7	6.9	6.5	6.6	7.3
M3 - M2 (= marketable instruments)	12.5	10.2	8.4	8.0	8.5	11.1	12.4
M3	7.3	7.0	7.0	7.0	6.8	7.2	8.1
<i>Not adjusted for seasonal and calendar effects</i>							
Longer-term financial liabilities							
(excluding capital and reserves)							
Credit to euro area residents	4.0	5.1	5.2	5.3	4.9	4.6	4.7
Credit to general government	4.5	4.2	4.1	3.9	4.1	4.1	4.3
Credit to general government	1.8	1.1	1.9	1.7	1.7	1.8	2.4
<i>of which: loans to general government</i>	-0.9	-0.9	-1.2	-1.7	-1.2	-0.8	-1.1
Credit to other euro area residents	5.2	5.0	4.8	4.6	4.7	4.8	4.8
<i>of which: loans to the private sector</i>	5.6	5.3	4.8	4.5	4.7	4.9	5.0

Source: ECB.

liabilities (excluding capital and reserves) stood at 4.7% in February, almost unchanged from the previous month (4.6%). Compared with those of the second half of 2002, these relatively subdued dynamics are probably related to the low level of long-term interest rates and the increased volatility in bond markets.

Annual growth in loans to the private sector stabilised

Turning to the asset side of the consolidated MFI balance sheet, the annual growth rate of total credit to euro area residents increased to 4.3% in February 2003, up from 4.1% in the previous month. This reflected the rise in the annual growth rate of credit to general government (up from 1.8% in January to 2.4%), while the annual growth rate of credit to the private sector remained broadly stable at 4.8%. The annual rate of growth in loans to the private sector stood at 5.0% in February compared with 4.9% in the previous month. The short-term dynamics of these loans were relatively pronounced in both January and February. While the most recent data could be seen as an indication that the slowdown in the growth in loans, which was partly linked to weak economic growth, has

come to an end, it is too early to draw a firm conclusion.

In February the net external asset position of the euro area MFI sector increased by €14 billion, in absolute and non-seasonally adjusted terms. Over the 12 months to February, it rose by €210 billion, compared with an increase of €185 billion over the 12 months to January (see Chart 3). Euro area balance of payments data up to January suggest that the significant increase in the net external asset position of the euro area MFI sector over the past 12 months reflected net inflows of combined direct and portfolio investment and, to a lesser extent, an improvement in the current account balance.

Broadly stable growth in debt securities issuance in January

The annual growth in the amount outstanding of debt securities issued by euro area residents was 6.3% in January 2003, broadly unchanged from the previous month (see Chart 4). The annual growth in the amount outstanding of long-term debt securities declined slightly, from 5.8% in December 2002 to 5.4% in January 2003. By contrast, the annual growth in the amount outstanding of short-term debt securities increased by 2.4 percentage points to 15.2% in the same period.

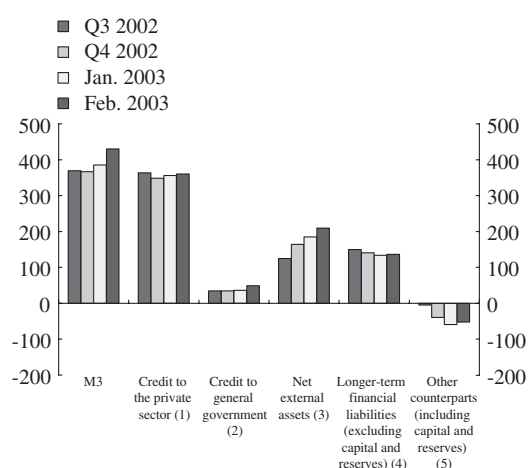
The currency breakdown shows that the annual growth in the amount outstanding of euro-denominated debt securities issued by euro area residents declined slightly, from 6.0% in December to 5.8% in January. At the same time, the annual growth in non-euro-denominated debt securities issued by euro area residents rose slightly, from 11.1% in December to 11.3% in January, notably due to the increased issuance of debt securities denominated in non-euro currencies by euro area central and local governments.

Turning to the sectoral breakdown of euro-denominated debt securities issuance, the annual growth in the amount outstanding of

Chart 3

Movements in M3 and its counterparts

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

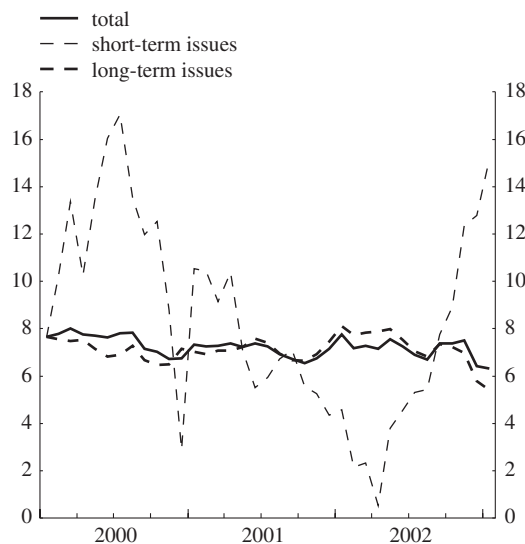


Source: ECB.

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

Chart 4
Annual growth in 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.

debt securities issued by MFIs, which accounts for most of the outstanding non-government issues, was 4.8% in January 2003, compared with 4.7% in December 2002. The annual growth in the amount outstanding of debt securities issued by the MFI sector was broadly similar to the rate of growth in MFI loans to the private sector. The consolidated balance sheet of the MFI sector indicates that the annual growth rate of MFI funding via long-term debt securities remained high in January, possibly to compensate in part for the lower growth rate of long-term deposits.

Turning to the non-MFI corporate sector, which includes both non-monetary financial and non-financial corporations, the annual growth in the amount outstanding of debt securities declined to 13.5% in January, from 14.3% in the previous month. Within this sector, the annual growth in the amount outstanding of debt securities issued by non-financial corporations continued its downward trend, falling from 3.7% in December to 3.3% in January. Much of this

decline reflected a downturn in the growth of long-term debt securities issued by non-financial corporations. Looking at more recent developments, however, net issuance by the non-financial sector in January was at its highest level since January 2002. In particular, for the first time, 30-year maturity corporate bonds were issued by some telecommunications companies, thus extending the corporate bond yield curve in the euro area. Although January generally tends to be a month of strong issuance, these developments could indicate a possible halt in the downward trend in the growth of debt securities issuance by non-financial corporations. However, the strong uncertainty prevailing in financial markets could negatively affect future issuance in the corporate bond market.

For the non-monetary financial corporation sector, the annual rate of growth in the amount outstanding of debt securities remained high, but declined to 25.9% in January, from 27.1% in December, reflecting a continuation of a downward trend that began in January 2002. Strong issuance in the non-monetary financial corporation sector partly reflects a shift from direct bond issuance by corporations to indirect issuance. Companies in the telecommunications and automobile sectors, in particular, issued large volumes of securities via their financial subsidiaries in other euro area countries, classified within the non-monetary financial sector.

Turning to the government sector, the annual rate of growth in the amount outstanding of debt securities issued by the general government sector remained broadly unchanged at 4.8% in January. The annual growth in debt securities issuance by central government declined slightly, from 4.1% in December to 4.0% in January. Several central governments apparently postponed planned issuance in January, which suggests that the decline in issuance growth may not reflect underlying financing needs. At the same time, the annual growth in the amount outstanding of debt securities issued by the other general

government sub-sectors continued to be high and increased slightly to 27.8% in January, up from 27.4% in December.

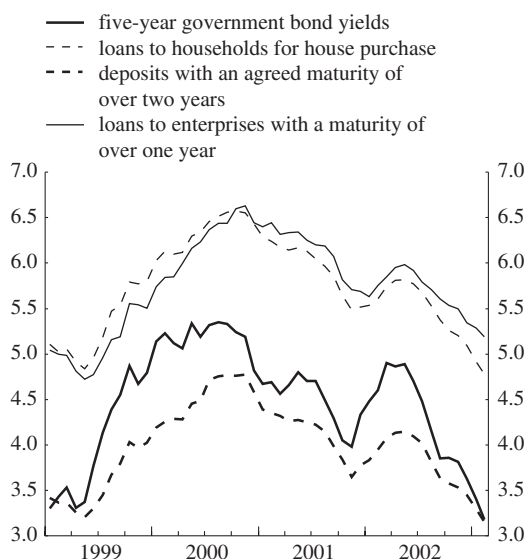
Retail bank interest rates continue to decline in February

Short-term retail bank interest rates declined further in February 2003, continuing the downward trend that had started in May 2002 and had been reinforced by the reduction of key ECB interest rates in December 2002. As in recent months, the decline in deposit rates in February 2003 was slightly larger than that in rates for loans to enterprises. Overall, the decline left short-term bank interest rates for loans to enterprises around 30 basis points lower than in May 2002 and brought them back to levels last seen in January 2000 (see Chart 5).

In an environment of steep declines in long-term government bond yields, long-term retail bank interest rates also fell in February (see Chart 6), continuing the trend seen since May 2002. In February 2003 mortgage rates

Chart 6 Long-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)



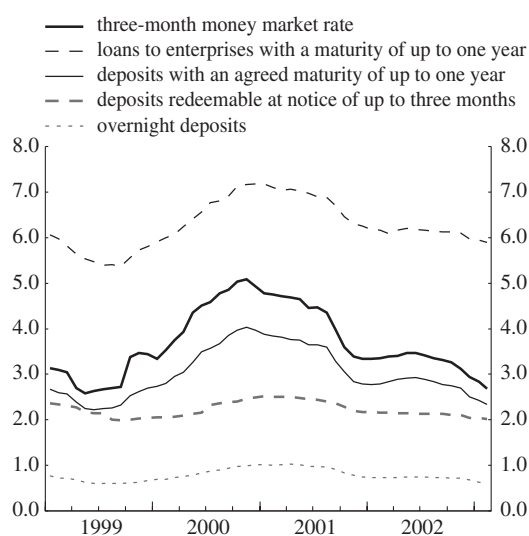
Sources: ECB aggregation of individual country data and Reuters.

Note: From January 2001, data include Greece.

for households and long-term lending rates for enterprises were, respectively, 105 and 80 basis points lower than in May 2002.

Chart 5 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.

From a longer-term perspective, the pass-through from market to mortgage lending interest rates over recent months seems to be broadly in line with historical patterns. For loans to enterprises, however, the spreads against short interbank interest rates and long-term government bond yields have risen somewhat, probably reflecting perceptions of credit risk.

Money market interest rates at longer maturities remained broadly unchanged in March

Owing to the reduction in key ECB interest rates on 6 March 2003, short-term money market rates fell in that month, while money market rates at longer maturities remained broadly unchanged (see Chart 7). Consequently, the slope of the money market yield curve, as measured by the difference between the

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

During the reserve maintenance period under review, the Eurosystem settled five 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	26/02/2003	12/03/2003	110.7	83.0	1.33	261	2.75	2.75	2.76
MRO	04/03/2003	19/03/2003	54.1	54.1	1.00	159	2.75	2.75	2.75
MRO	12/03/2003	25/03/2003	126.3	106.0	1.19	293	2.50	2.57	2.63
MRO	12/03/2003	19/03/2003	75.9	65.0	1.17	151	2.50	2.55	2.64
MRO	19/03/2003	02/04/2003	129.9	83.0	1.56	269	2.50	2.58	2.59
LTRO	27/02/2003	29/05/2003	24.9	15.0	1.66	118	-	2.48	2.51

Source: ECB.

In the MRO settled on 4 March, only 159 counterparties participated and total bids fell significantly short of the amount that would have enabled reserve requirements to be easily fulfilled. As a result, large reserve deficits accumulated over the following days. In order to restore neutral liquidity conditions without generating a considerable difference between the sizes of the two outstanding MROs, an additional MRO with a maturity of one week was carried out with settlement on 12 March, in parallel to the regular MRO with a two-week maturity.¹ In the LTRO settled on 27 February, a record low of 118 participants was registered.

In the first four days of the maintenance period, the EONIA was at, or was slightly above, the minimum bid rate of 2.75%, while it increased to 2.82% on Friday, 28 February, due to the usual end-of-month effect. In the week following the underbid MRO settled on 4 March, the EONIA rose to levels above 3% with a peak of 3.36%. On 6 March the Governing Council decided to lower the key ECB interest rates by 25 basis points. After the ECB's allotment of the split operation on Tuesday, 11 March, the EONIA decreased significantly, reaching 2.60% on 17 March as the accumulated reserve deficit disappeared. After the allotment of the last MRO of the reserve maintenance period, which apparently was perceived by the market as being rather ample, the EONIA fell further and reached a low of 2.37% on the penultimate day of the reserve maintenance period. This perception, however, was reversed on Friday, 21 March, the last day of the maintenance period, when the EONIA increased to 2.72%. The reserve maintenance period ended marginally on the tight side, with an aggregate net recourse to the marginal lending facility of only €0.8 billion (reflecting a net recourse of €0.3 billion on Friday, 21 March, which also automatically accumulated on both Saturday 22 and Sunday, 23 March).

The average difference between current account holdings of credit institutions with the Eurosystem and minimum reserve requirements was €0.70 billion. This level, recorded in two consecutive reserve maintenance periods ending on a Sunday, is somewhat lower than the levels previously observed in maintenance periods ending on this day of the week.

The net liquidity-absorbing impact of the autonomous factors, i.e. factors not related to monetary policy operations (item (b) of the table below), was, on average, €94.9 billion. The published estimates of the

¹ Similar "split operations" have been conducted in the past (on 28 November 2001 and 18 December 2002). However, on these occasions, the one-week operation conducted in parallel to the regular MRO was technically classified as a "structural operation" (i.e. an operation aiming to influence the structural liquidity position of the banking sector) and not as an MRO. The latter classification could only be applied after April 2002, when the ECB document "The single monetary policy in the euro area: General documentation on Eurosystem monetary policy instruments and procedures" was amended.

average liquidity needs stemming from autonomous factors ranged between €89.9 billion and €102.0 billion. The largest deviation between the published estimate and the actual figure occurred in the first week of the maintenance period and amounted to € 2.6 billion.

Contributions to the banking system's liquidity

(EUR billions)

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

	Liquidity providing	Liquidity absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	224.7	0.1	+ 224.6
Main refinancing operations	179.5	-	+ 179.5
Longer-term refinancing operations	45.0	-	+ 45.0
Standing facilities	0.2	0.1	+0.1
Other operations	0.0	-	0.0
(b) Other factors affecting the banking system's liquidity	352.5	447.4	- 94.9
Banknotes in circulation	-	347.8	- 347.8
Government deposits with the Eurosystem	-	59.1	- 59.1
Net foreign assets (including gold)	352.5	-	+ 352.5
Other factors (net)	-	40.6	- 40.6
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			129.6
(d) Required reserves			128.9

Source: ECB.

Note: Totals may not add up due to rounding.

twelve-month and the one-month EURIBOR, which was negative at the end of February, was somewhat less steep at the beginning of April.

Between the end of February and 2 April, the overnight interest rate, as measured by the EONIA, fluctuated between 2.37% and 3.36%. An episode of underbidding in the ECB's main refinancing operation settled on 4 March gave rise to tight liquidity conditions, and the EONIA remained substantially above the minimum bid rate of 2.50% in the ECB's operations in the first half of the month. Later, following the subsequent main refinancing operations, which again ensured normal liquidity conditions, the EONIA took values closer to the minimum bid rate. Between the end of February and 2 April, the two-week EONIA swap rate varied between 2.50% and 2.75%, standing at 2.52% at the end of this period. The marginal and average rates of allotment in the Eurosystem's main refinancing operations settled on 4 March were both equal to the prevailing minimum bid rate of 2.75%. For the remaining weeks of

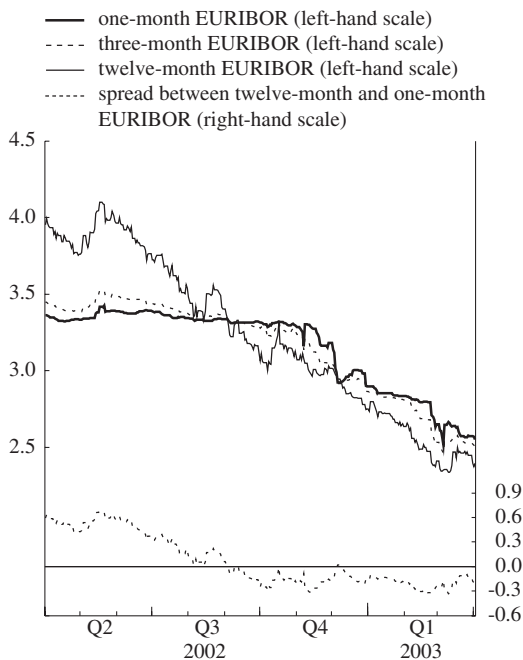
March and the first week of April, following the reduction of 25 basis points in key ECB interest rates announced on 6 March, the marginal and average rates of allotment were, on average, 5 and 9 basis points respectively above the new minimum bid rate of 2.50% (see Box 1).

Between the end of February and 2 April, the one-month and three-month EURIBOR decreased by 10 and 2 basis points respectively, to stand at 2.55% and 2.51% on the latter date. Changes in the three-month EURIBOR over the past few months have, as usual, determined the interest rates of allotment in the longer-term refinancing operations of the Eurosystem. In the operation settled on 27 March, the marginal and average rates of allotment were 2.49% and 2.51% respectively, broadly unchanged from the rates in the longer-term refinancing operation settled on 27 February.

Between the end of February and 2 April, the six-month and twelve-month EURIBOR decreased by 3 and 1 basis points respectively,

Chart 7
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.

to stand at 2.43% and 2.40% 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 equal to -15 basis points, somewhat flatter than at the end of February.

The expected path of the three-month EURIBOR, as implied in the futures prices on contracts with delivery dates in 2003 and early 2004, moved upwards slightly after the end of February, indicating an upward adjustment of market participants' expectations for future short-term interest rates. Implied futures rates on contracts with delivery dates in June, September and December 2003 and March 2004 increased by between 7 and 15 basis points over the period under review, to stand at 2.32%, 2.26%, 2.33% and 2.46% respectively on 2 April.

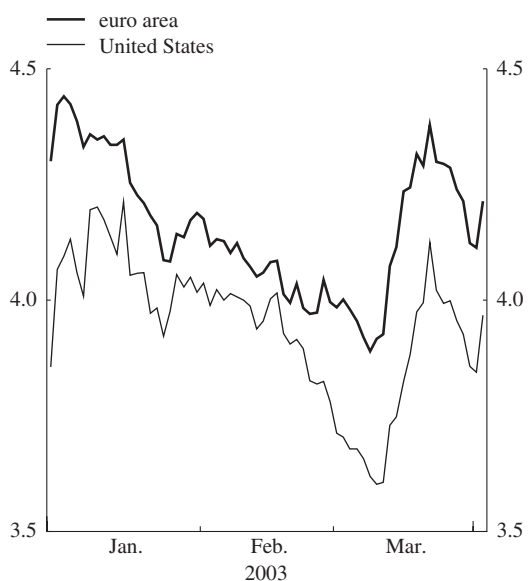
Long-term government bond yields increased in March

Ten-year government bond yields rose in both the euro area and the United States in March, but were very volatile. The fluctuations in bond yields may have reflected the geopolitical uncertainty related to the military operations in Iraq, including its impact on oil prices. Between end-February and 2 April, ten-year government bond yields in both the euro area and the United States increased by around 20 basis points, bringing yields close to 4.2% and 4% respectively on the latter date (see Chart 8). As a consequence, the negative differential between ten-year government bond yields in the United States and those in the euro area stood at -25 basis points on 2 April.

In the United States, long-term government bond yields increased in March. This rise began a few days before the start of the military operations in Iraq and occurred at the same time as a significant fall in oil prices. Subsequently, bond market yields fluctuated in line with news from Iraq.

Chart 8
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.

The increase in nominal US ten-year government bond yields seemed to be mainly explained by similar increases in real ten-year government bond yields, as extracted from index-linked bonds. These yields reached historical lows of 1.5% on 12 March, but bounced back significantly thereafter. Between end-February and 2 April, the real yields extracted from US ten-year index-linked government bonds rose by around 20 basis points. A significant increase in real yields is generally interpreted as an upward revision by market participants of average long-term economic growth expectations. However, the recent rebound might also be a correction of the previously very low levels of these yields. The latter view is supported by the fact that the decrease in bond yields before mid-March 2003 had been accompanied by a significant increase in the degree of uncertainty prevailing in the US bond markets, as measured by the implied volatility derived from options on futures contracts on US ten-year Treasury notes (see Chart 9). The increase in implied volatility suggests that market participants were

uncertain about the sustainability of the decline in yields. In addition, as in the period of significant corrections in the US bond market in 1994, nominal US ten-year government bond yields in early March were significantly below the average ten-year nominal GDP growth expectations (calculated as the sum of average ten-year inflation and real GDP growth expectations) published by Consensus Economics. Regarding inflation expectations, between end-February and 2 April, US ten-year break-even inflation rates, measured as the difference between the yields of comparable nominal and index-linked US government bonds, remained broadly unchanged.

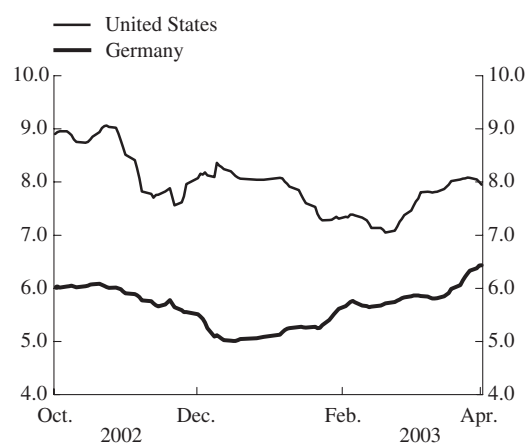
In the Japanese government bond market, ten-year yields declined by 10 basis points between end-February and 2 April, standing at a level of around 0.7% on the latter date. The levels reached in March were almost equal to their historical lows of September 1998. Bond yields at other maturities remained broadly stable during the same period, mirroring market participants' unchanged views on the short and long-term prospects of the Japanese economy, including its deflationary tendencies. The stability in the Japanese bond markets was also reflected by the very low level of uncertainty prevailing in these markets, as measured by the implied volatility derived from options on futures contracts on Japanese long-term government bonds, which in March reached its lowest level since records began in November 1994.

In the euro area, ten-year government bond yields in March moved in tandem with US ten-year government bond yields. As in the case of US bond yields, the main factor contributing to the fluctuations in ten-year bond yields in March was the news from Iraq. The increase in nominal bond yields mirrored a similar increase in real yields, as extracted from the French index-linked bonds linked to euro area HICP excluding tobacco. After reaching a historical low of 1.8% on 10 March, real yields bounced back significantly. Between end-February and 2 April, they rose by around 15 basis points.

Chart 9

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.

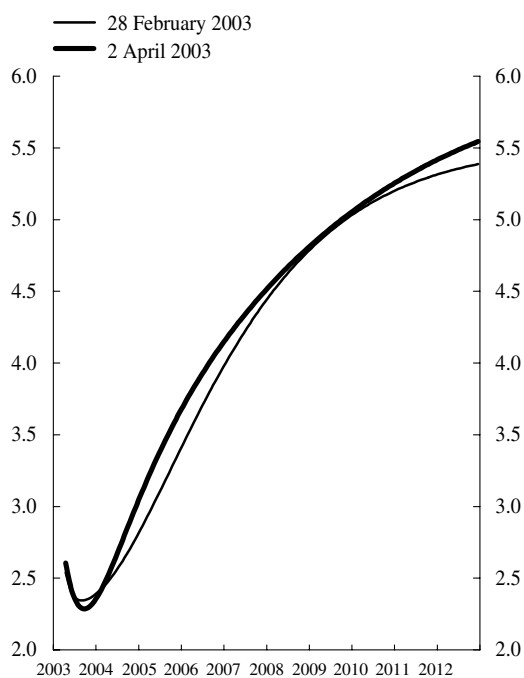
In line with developments in the United States, the recent rebound of nominal bond yields in the euro area might have been influenced by market participants' positive assessment of the impact of the fall in oil prices on the outlook for growth. This interpretation is supported by the upward shift in the implied forward overnight interest rate curve at medium-term maturities (see Chart 10). However, it cannot be excluded that, as in the United States, the recent developments are also a correction of the previously very low levels of these yields. The decrease in euro area bond yields prior to mid-March 2003 was accompanied by a significant increase in 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 (see Chart 9). Implied bond market volatility in the euro area increased further after mid-March. The ten-day moving average of implied volatility derived from options on futures contracts on ten-year German Bunds increased by 0.6 percentage point between end-February and 2 April, reaching levels last seen in February 2000.

The ten-year break-even inflation rate in the euro area, 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 5 basis points between end-February and 2 April, standing at 2% on the latter date.

After declining significantly in the last quarter of 2002, spreads of corporate bond yields, compared with government bond yields,

Chart 10
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.

remained broadly unchanged in January and February 2003. Between end-February and 2 April, the differential between the yields on bonds issued by BBB-rated corporations and government bond yields in the euro area declined by around 30 basis points, reaching levels that were last seen in April 2002 (see Box 2 entitled "Recent movements in corporate bond spreads and stock prices").

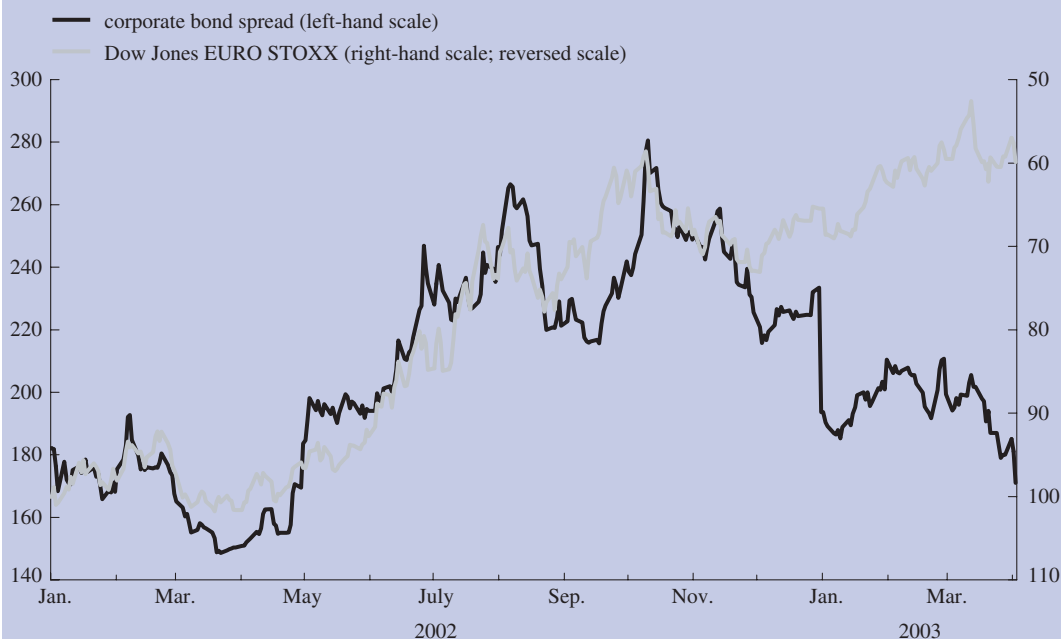
Box 2

Recent movements in corporate bond spreads and stock prices

The spreads of long-term corporate bond yields over government bond yields narrowed considerably between early October 2002 and 2 April 2003. Compared with the peak reached on 10 October 2002, the differential between the yields on long-term bonds issued by BBB-rated corporations and government bond yields in the euro area narrowed by 110 basis points by 2 April 2003. Between early October and late November 2002, this narrowing of spreads mirrored a rebound in the stock market. Subsequently, however, stock prices and corporate bond spreads started to de-couple (see Chart A). In December, while spreads continued to narrow, euro area stock prices resumed their downward trend with the broad Dow Jones EURO STOXX index declining by 18% overall between end-November 2002 and 2 April 2003. These developments took place in an environment in which macroeconomic data releases gave mixed signals, some corporate earnings forecasts were revised downwards, and geopolitical tensions intensified, contributing to the continued downward pressure on stock prices. This box examines some determinants of corporate bond spreads and attempts to identify factors that may have led to their recent de-coupling from stock prices.

Chart A: Corporate bond spreads of BBB-rated bonds versus stock prices in the euro area

(left-hand scale in basis points, right-hand reversed scale in index points; daily data)



Sources: Bloomberg, Reuters, ECB calculations.

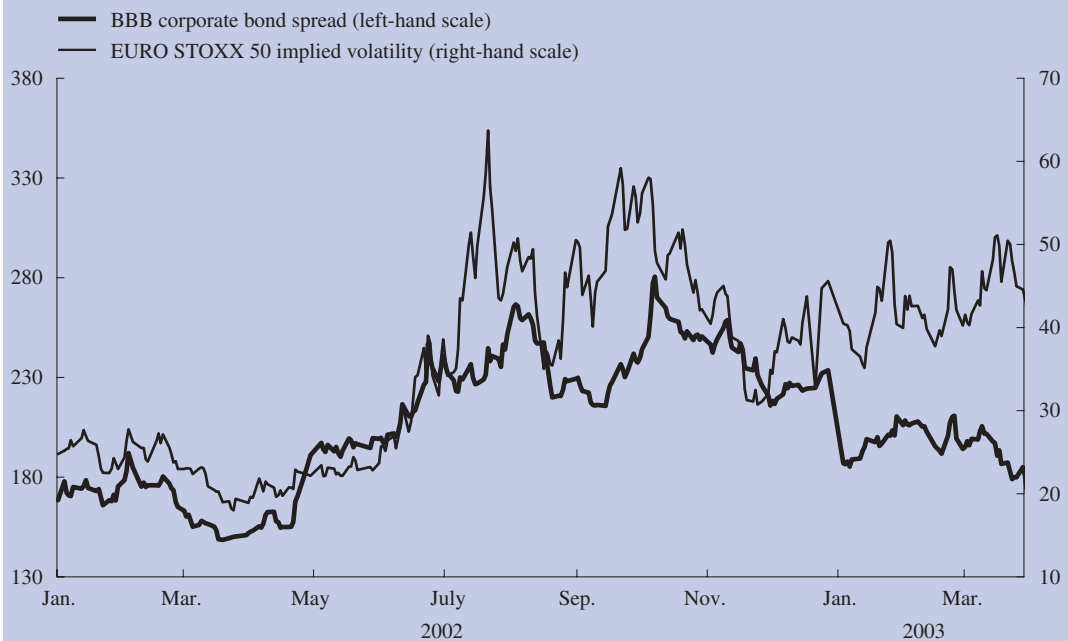
One of the main components of corporate bond spreads is the issuer's perceived risk of default. If market participants expect a firm's earnings prospects to deteriorate, they will demand a higher return to compensate for the higher risk of the corporation not being able to repay its debt. Thus, if a company is likely to default on its debt, bondholders will demand additional compensation for holding such a debt. Since default rates tend to rise as the pace of economic activity slows, rising credit risk will tend to cause corporate bond spreads to widen in cyclical downturns. Therefore, the expectation is that stock prices and corporate bond spreads are negatively correlated if earnings expectations are the main factor driving stock prices.

Corporate bond spreads also depend on the volatility of the value of corporations. The higher the volatility, the greater the risk of default at some point in time. The market's estimate of the volatility of the value of a corporation is the implied volatility of its stock price. The implied volatility extracted from options on the

Dow Jones EURO STOXX 50 index increased by 10 percentage points between end-November 2002 and 2 April 2003 (see Chart B). Hence the link between corporate bond spreads and implied stock market volatility does not seem to explain the de-coupling of corporate bond spreads from stock prices.

Chart B: Corporate bond spread and implied stock market volatility in the euro area

(left-hand scale in basis points, right-hand scale in percentages per annum; daily data)



Source: Bloomberg.

This would suggest that other factors were at work in bringing corporate bond spreads down. First, market participants may have become more confident that corporations with high leverage (or debt-to-equity) ratios have made efforts to restructure their balance sheets. Such de-leveraging could be suggested, for instance, by the slowdown in the pace of debt financing during 2002 (see page 19 of the March 2003 issue of the ECB's Monthly Bulletin). With lower leverage ratios, corporate bond investors would expect lower default probabilities. Second, the de-coupling could be merely a correction of the historically high levels of corporate bond spreads in 2002. Indeed, the levels reached in 2002 were the highest recorded since January 1999 and were significantly above long-term averages. Third, part of the decline since October 2002 can be attributed to the technical nature of the composition of the index. At the end of 2002 the composition of the BBB index was changed as some companies were downgraded, resulting in a one-off decrease in the measured yield spread for BBB-rated issues. Finally, in some countries pension funds and life insurance companies have recently moved out of equity holdings, partly for regulatory reasons. In addition, other investors are reported to have shifted their portfolio assets from equities to bonds. In searching for alternative instruments, investors may have found corporate bonds to be an attractive alternative to government bonds, due to the higher yields on corporate bonds.

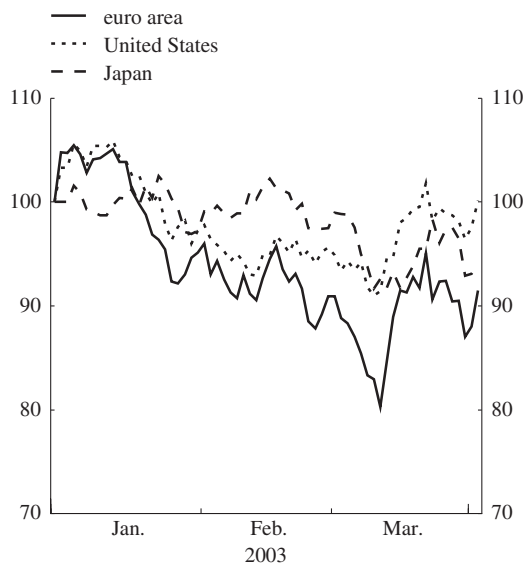
Highly volatile stock prices in March

High volatility of prices characterised global equity markets in March. The downward trend in stock prices observed in the euro area and in the United States in previous months came to an end around mid-March,

when oil prices declined significantly in response to developments in relation to the military operations in Iraq. Overall, stock prices in the euro area and in the United States, as measured by the broad Dow Jones EURO STOXX index and by the Standard & Poor's 500 index, increased by around 1%

Chart 11
Stock price indices in the euro area, the United States and Japan

(index: 1 January 2003 = 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.

and 5% respectively between end-February and 2 April (see Chart 11). In Japan, the Nikkei 225 index decreased by 3% over the same period.

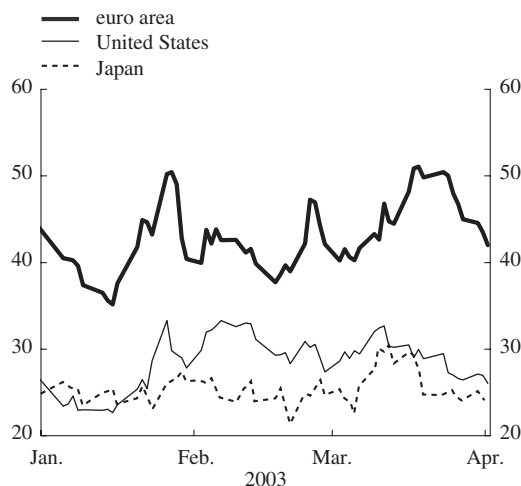
In the United States, as noted above, the beginning of the military operations in Iraq prompted a reversal of the downward trend in stock prices. In parallel to a significant decline in oil prices, market participants started to shift funds away from more risk-averse investments (such as bonds and gold) to equities. Nevertheless, uncertainties about economic growth prospects and corporate profitability remained high, also in the light of releases of macroeconomic data, which appeared, on balance, to be somewhat weaker than expected. Uncertainty was also reflected in the continuously high value of the ten-day moving average of implied volatility, derived from options on the Standard & Poor's 500 index, which on 2 April was 3 percentage points higher than the two-year average (see Chart 12).

In Japan, stock price developments reflected the global geopolitical uncertainty, but they were also affected by the approaching end of the fiscal year on 31 March, which heightened market participants' concerns about non-performing loans in the Japanese banking sector. The ten-day moving average of implied volatility, extracted from options on the Nikkei 225 index, increased slightly between end-February and 2 April, remaining at a level on the latter date around 4 percentage points lower than the average of the last two years.

In the euro area, the beginning of the military operations in Iraq prompted stock price rises in line with developments in the US market, which could reflect a more positive market assessment of the outlook for economic growth after the fall in oil prices. At the same time, mixed corporate profitability data and macroeconomic indicators, especially concerning the economic outlook over the coming year, weighed adversely on stock prices. Furthermore, market participants' concerns

Chart 12
Implied stock market volatility in the euro area, the United States and Japan

(percentages per annum; 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.

with regard to specific sectors of the economy persisted. The concerns were partly related to the financial soundness of insurance corporations, as several major European companies announced significantly reduced profits and cut future dividend payments. Investor uncertainty in the euro area, as measured by the implied volatility extracted

from options on the Dow Jones EURO STOXX 50 index, rose to very high levels. The ten-day moving average of implied volatility increased by around 5 percentage points between end-February and 2 April, holding a level on the latter date that was significantly above the average of the previous two years.

2 Price developments

HICP inflation is estimated to have remained unchanged in March 2003

According to Eurostat's flash estimate, euro area HICP inflation remained unchanged at 2.4% in March 2003 (see Table 2). Although no detailed HICP breakdown is available for this month, it appears that some upward pressure from energy prices (reflecting oil price developments until mid-March) was offset by a base effect arising from increases in this component in March 2002. Owing to the timing of the collection of HICP data, the fall in oil prices in the second half of March as a result of the war in Iraq is unlikely to be fully reflected in HICP data for this month.

In February 2003, the most recent month for which detailed HICP information is available, euro area HICP inflation increased to 2.4%, from 2.2% in January. This increase was broadly based across the euro area and therefore did not affect inflation dispersion across countries, which has remained virtually unchanged since the beginning of Stage Three of EMU (as shown in Box 3). The year-on-year rate of increase in the HICP excluding unprocessed food and energy rose slightly to 2.1% in February, from 2.0% in January, due to increases in the processed food and non-energy industrial goods components.

The annual rate of change in energy prices increased further from 6.0% to 7.6% between

Table 2
Price and cost developments in the euro area

(annual percentage changes, unless otherwise indicated)

	2000	2001	2002	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.	2003 Mar.
Harmonised Index of Consumer Prices (HICP) and its components													
Overall index ¹⁾	2.1	2.4	2.2	2.1	2.1	2.3	.	2.2	2.3	2.3	2.2	2.4	2.4
<i>of which:</i>													
Goods	2.5	2.3	1.6	1.4	1.3	1.8	.	1.7	1.8	1.9	1.6	2.1	.
Food	1.4	4.4	3.1	2.9	2.3	2.3	.	2.3	2.4	2.2	1.4	2.1	.
Processed food	1.2	2.8	3.1	3.2	3.0	2.7	.	2.7	2.6	2.7	2.8	3.3	.
Unprocessed food	1.8	7.0	3.1	2.4	1.4	1.7	.	1.6	1.9	1.4	-0.6	0.3	.
Industrial goods	3.0	1.2	0.9	0.7	0.8	1.5	.	1.5	1.5	1.7	1.8	2.2	.
Non-energy industrial goods	0.5	0.9	1.4	1.6	1.3	1.2	.	1.2	1.2	1.2	0.6	0.7	.
Energy	13.1	2.3	-0.6	-2.3	-0.7	2.8	.	2.5	2.3	3.8	6.0	7.6	.
Services	1.5	2.7	3.1	3.1	3.3	3.1	.	3.2	3.1	3.0	2.8	2.7	.
Other price and cost indicators													
Industrial producer prices	5.5	2.2	0.0	-0.7	0.0	1.3	.	1.0	1.1	1.6	2.2	.	.
Unit labour costs	1.2	2.7	.	2.5	2.1	.	.	-	-	-	-	-	-
Labour productivity	1.3	0.0	0.4	0.1	0.6	1.1	.	-	-	-	-	-	-
Compensation per employee	2.6	2.7	.	2.7	2.7	.	.	-	-	-	-	-	-
Total hourly labour costs	3.2	3.4	3.6	3.4	3.5	3.7	.	-	-	-	-	-	-
Oil prices (EUR per barrel)	31.0	27.8	26.5	27.8	27.2	26.5	28.4	27.9	24.2	27.1	28.3	29.8	27.2
Commodity prices (EUR)	16.7	-7.6	-1.7	-5.5	-1.6	4.4	-5.0	7.8	3.4	2.1	-2.3	-4.5	-8.0

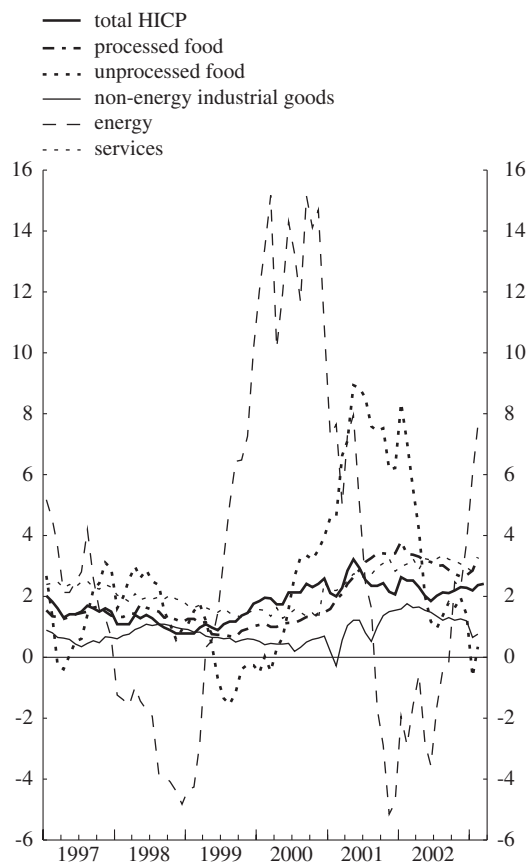
Sources: Eurostat, national data, Thomson Financial Datastream, HWWA (Hamburg Institute of International Economics) and ECB calculations.

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 details on the data, see the "Euro area statistics" section.

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

Chart 13
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.

January and February 2003 owing to higher oil prices in euro terms (see Chart 13). Moreover, the year-on-year rate of change in

unprocessed food prices increased to 0.3% in February, from -0.6% in the previous month, owing to an unfavourable base effect. This base effect relates to the rather unusual decline in unprocessed food prices in February 2002, which partly offset the strong increase in these prices that arose in January 2002 as a result of bad weather conditions.

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 0.5 percentage point to 3.3% in February 2003 – mainly reflecting higher tobacco prices induced by tax increases in some countries at the beginning of the year. The year-on-year rate of change in prices of non-energy industrial goods increased slightly to 0.7% (from 0.6%), while the year-on-year rate of increase in services declined further to 2.7% (from 2.8%). The year-on-year rate of change in services prices was influenced by base effects in some components. For example, the price increases registered at the beginning of 2002 in restaurant services, accommodation and hairdressing related mainly to the cash changeover have now fallen out of the year-on-year comparison.

For January 2003, the HICP weights in some countries have been revised and updated in order to be more representative of current consumer expenditure patterns. Box 4 discusses in more detail the requirements and practices for revisions of consumer expenditure weights.

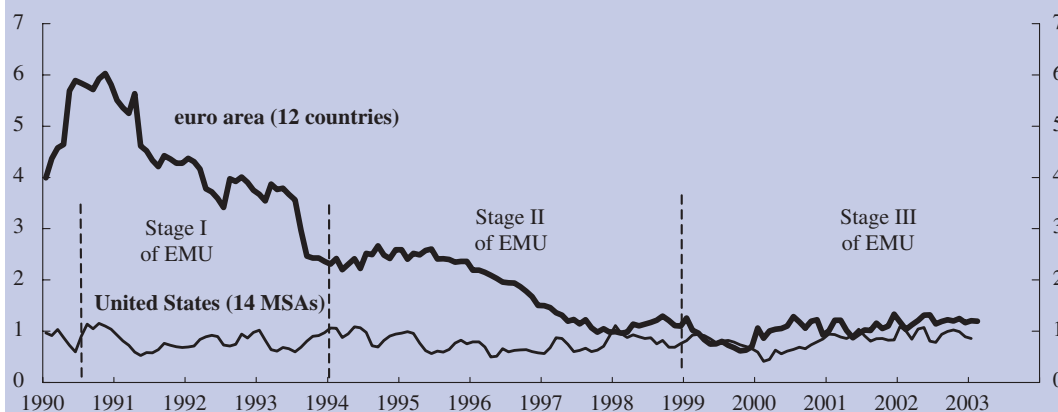
Box 3
The dispersion of inflation across the euro area countries and the US metropolitan areas

There are many reasons why inflation rates may differ across the countries or regions of a monetary union: cyclical differences, the asymmetric effects of cost push factors (for example, oil price increases), different levels of flexibility in product and labour markets, policy-induced price changes (for example, changes to indirect taxes), catching-up effects, country-specific differences in consumption patterns, etc.

The ECB's monetary policy must focus on the euro area as a whole and is therefore not in a position to address national inflation divergences. When national inflation rates markedly affect competitiveness, real disposable

The dispersion of annual inflation across euro area countries and 14 US Metropolitan Statistical Areas (MSAs)

(unweighted standard deviation in percentage points)



Sources: Eurostat and US Bureau of Labor Statistics.

Note: Data up to February 2003 for the euro area and to January 2003 for the US MSAs.

income or real profits in a euro area country, only national governments can respond by setting appropriate policies. It is particularly important for the euro area countries to ensure that their labour and product markets are sufficiently flexible to absorb shocks, and to avoid policy measures which have a negative impact on their inflation performance.

Inflation dispersion can be measured in a number of ways. The simplest measure is the spread between the highest and lowest inflation rate. Another conventional measure is the standard deviation of inflation rates across countries. The weighted standard deviation takes account of the size of the countries, whereas the unweighted measure gives equal importance to all the countries. Other measures of inflation dispersion include the spread between the three countries with the highest and the lowest rates or the coefficient of variation. In this box the unweighted standard deviation is used. Though not analysed in this box, the implications of a given degree of dispersion may depend on the general level of inflation.

To judge whether the dispersion of inflation across the euro area countries is at an exceptional level, it is useful to compare it with the degree of dispersion in a long-standing monetary union, such as the United States. The chart above shows developments since 1990 of the inflation dispersion in the euro area and the United States metropolitan areas using monthly data (the term “euro area” refers to the 12 EU Member States which have formed the euro area since 1 January 2001). The chart shows that the degree of annual inflation dispersion across euro area countries (in terms of the HICP) has continually decreased since the start of EMU, coinciding with a decline in actual inflation. This decrease in inflation dispersion was particularly marked in Stage I of EMU. Dispersion reached its lowest level around the second half of 1999, i.e. at the start of Stage III of EMU. It picked up modestly in 2000 and, since early 2001, has remained broadly stable.

As far as the United States is concerned, CPI data for the US Metropolitan Statistical Areas (MSAs) are published regularly by the US Bureau of Labor Statistics. These data cover 26 MSAs, representing around 51% of total consumer spending in the United States. However, 12 MSAs publish semi-annual CPI data, 11 publish bimonthly data and only three provide information on a monthly basis. In order to show dispersion measures with the highest possible frequency, this box focuses on the 14 MSAs which provide such information,

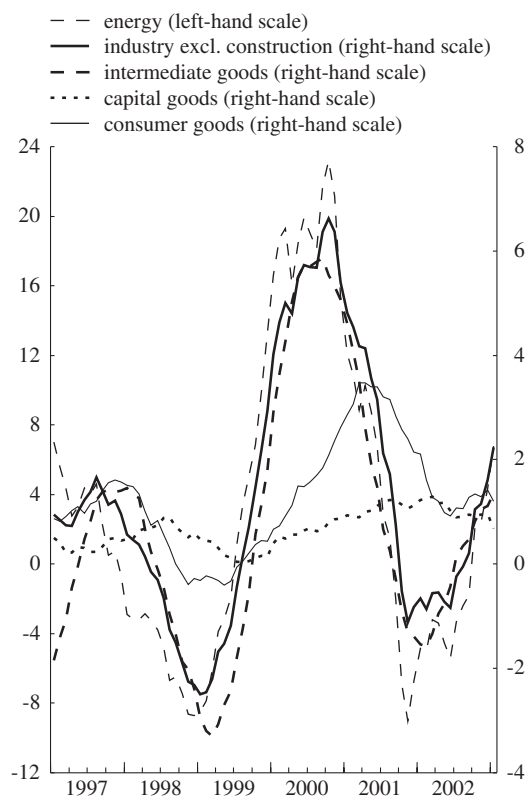
i.e. on a monthly and bimonthly (interpolated to monthly) basis. These 14 US MSAs represent just over 40% of total consumer spending.¹

Interestingly, the chart shows that since 1997 inflation dispersion within the euro area has been fluctuating very close to the level computed across the 14 US MSAs. This has especially been the case since the start of Stage III of EMU. Thus, the degree of inflation dispersion in the euro area over recent years appears to be broadly in line with that seen in the United States. In short, the chart shows that the degree of dispersion of overall inflation in the euro area in the recent past has been neither high in historic terms nor notably different from that seen in the United States. Indeed, the degree of inflation dispersion in the euro area has changed little since January 1999.

¹ Dispersion measures may also be computed at a semi-annual and annual frequency for the 26 MSAs, but the outcome shown below, on the basis of monthly and bimonthly data, would not be materially altered. Moreover, it may be noted that the evolution of the weighted average inflation rate for these 14 selected US MSAs is largely in line with the nationwide monthly CPI inflation rate in the United States.

Chart 14 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).

Annual rate of change in producer prices is expected to have further increased in February 2003

Euro area producer prices for February 2003 were not available at the cut-off date for this issue of the Monthly Bulletin. In January, the annual rate of change in industrial producer prices (excluding construction) increased to 2.2%, from 1.6% in December (see Chart 14). Available country data suggest that the annual rate of change in industrial producer prices in the euro area rose further in February, mainly as a result of the energy component. Intermediate goods producer prices are also expected to have further increased in February, probably owing to the indirect effects of higher oil prices on raw material prices.

In March 2003, the Eurozone Price Index (EPI) from the Purchasing Managers' Survey increased slightly to 59.7 from 59.3 in February, resulting in the fastest annual growth rate since December 2000 (see Chart 15). According to the survey respondents, the direct effects of higher oil prices, together with indirect effects resulting in higher raw material costs, were the primary cause behind this increase. War fears seemed

Box 4

Revisions of consumer expenditure weights in the HICP

HICP data for the euro area are calculated as a weighted average of price changes for individual product groups covered in the national HICP baskets. To ensure that the HICP is representative of consumer spending, the product and country weights used to compile the euro area HICP are updated annually. Changes in the national product weights reflect, for example, the substitution process due to changes in relative prices and the increasing market penetration of new goods and services. Changes in the country weights reflect different levels of consumption growth across euro area countries. This box provides information on the European requirements for HICP weights and the practices in the national HICPs.

European requirements

The requirements for HICP weights are defined in two EC regulations, which set the minimum standards at the overall index level.¹ They stipulate that product weights in HICPs should be updated at one to five-yearly intervals. In addition, annual adjustments to “critical” product weights must be made for particularly significant changes in the consumption pattern. “Critical” products generally refer to items which are subject to market conditions and technologies that change rapidly. Furthermore, minimum standards have been set for the timely introduction of new products into the HICP. In recent years, the latter two rules have been used to adjust HICP coverage for the increasing market relevance of consumer goods and services related to information technology.

Data sources and weight update practices

Euro area product weights are compiled from national product weights and are published annually with the release of the January data. The main sources of the national product weights are the Household Budget Surveys (HBS) and the annual national accounts estimates for consumption expenditure.

HBS are the source of very detailed information on household expenditure. All EU Member States have to carry out an HBS at least every five years, although some countries conduct surveys at higher frequency. All countries publish national accounts results annually, but the information is less detailed. Both the frequency and detail of the information on consumption expenditure are important for the quality of the consumer price index. According to the available information, as shown in the table, six euro area countries with a weight of 49.3% in the euro area HICP revise index weights every five years. The other countries use one to three-year intervals. However, given the requirement to update “critical” product weights more frequently than at five-year intervals, and given that not all detailed information which is required for a full weight revision may be available annually, the practices of euro area countries are less divergent than it appears at first glance. At present, all national HICP weights are based on expenditure surveys or national accounts dated from 1999 to 2001, reflecting also that there is usually a time-lag of between one and two years until final weight estimates can be implemented into HICP calculations.

Weight reference periods¹⁾

	In Jan. 2003	Next expected
BE	1999 ²⁾	2002
DE	2000	2005
GR	2000	2004-05
ES	1999-2001	2004-06
FR	2001	2002
IE	2001	2006
IT	2001	2002
LU	2000	2001
NL	2000	2001
AT	2000	2005
PT	2000	to be decided
FI	2000	2004-05

Sources: National Statistical Institutes and Eurostat.

1) The years for complete weight update revisions are shown in the table. For HICPs, a review of “critical” product weights has to be carried out each year.

2) 2000 for high-tech products.

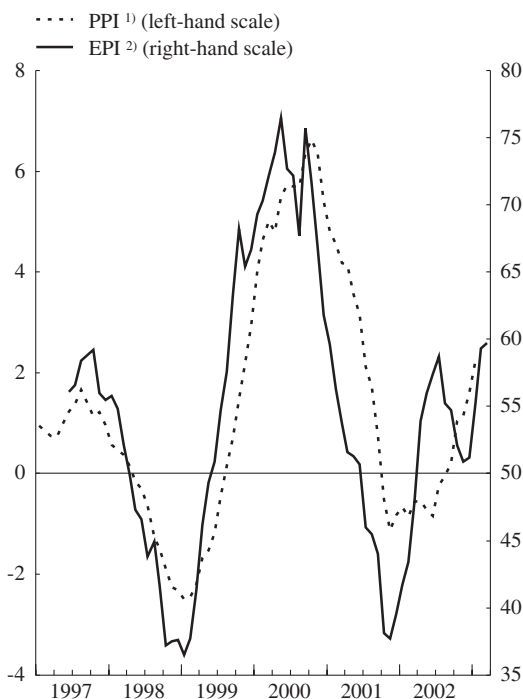
1 Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonized indices of consumer prices and Commission Regulation (EC) No 2454/97 of 10 December 1997 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weighting.

Revisions in 2003

As happens every year, the product and country weights of the euro area HICP were revised with Eurostat's release of January 2003 data. Besides the countries using partial or full annual weight revision frequencies, Germany, the Netherlands and Portugal moved from the weight reference period 1995 to the new basis 2000. According to the estimate by the German National Statistical Institute, the change in consumption pattern accounted for a revision of -0.1 to -0.2 percentage point of the annual German inflation rate in 2000 and 2001. Revisions of the same magnitude stem from the introduction of internet services as a new product to the index in 2000. These and other changes in the German HICP led to a revision of the overall annual rate of -0.6 percentage point in 2000 and -0.3 in 2001. The revision of the German national HICP also caused a downward revision in euro area inflation, by 0.2 percentage point to 2.1% in 2000 and by 0.1 percentage point to 2.4% in 2001. No revisions to published HICP results for previous years were carried out in the HICP for the Netherlands and Portugal. However, the Dutch statistical office reported that the use of the new basket would have had an effect of -0.2 percentage point on annual inflation rates. These results confirm the experience that, at the overall index level, the update frequency has a limited effect on the index result. However, a sufficiently frequent review of the expenditure weights is important to ensure the representativity of the euro area HICP and the comparability of national results.

Chart 15 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.

to have also resulted in stockpiling of goods, thereby putting further upward pressure on prices.

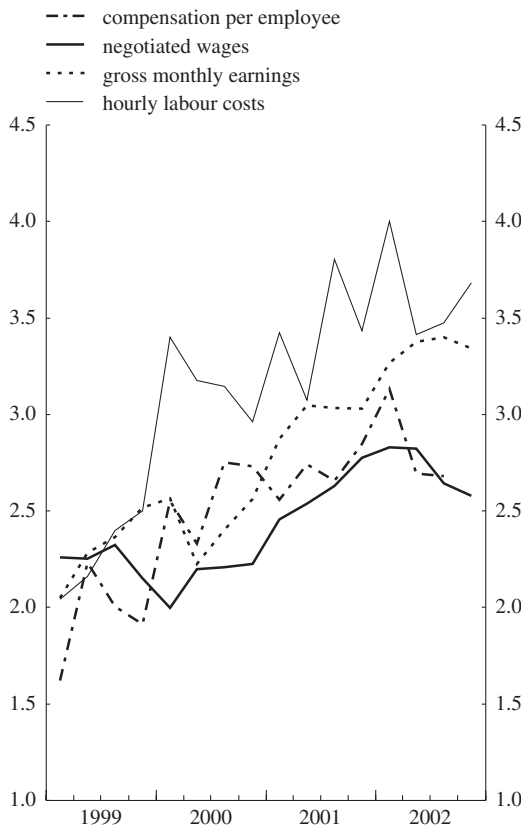
Signs of stabilisation in labour cost growth in the second half of 2002

Most indicators of labour cost growth have shown signs of stabilisation in the second half of 2002. The annual rate of change in compensation per employee remained unchanged at 2.7% in the third quarter of 2002 (see Chart 16), with diverging developments within the main sectors offsetting each other (for an analysis of the latest sectoral data, see Box 6 in the March 2003 issue of the Monthly Bulletin). No official data are available for the fourth quarter of 2002. However, a preliminary estimate based on available country data suggests that the annual growth rate in compensation per employee is likely to have declined somewhat in the fourth quarter of 2002.

The growth rate of gross monthly earnings displayed a slight decline in the fourth quarter of 2002, while negotiated wage growth remained broadly unchanged following a decline in the third quarter. According to the first estimate released by Eurostat, the annual rate of change in euro area total hourly labour costs in the non-agricultural business sector

Chart 16
Selected labour cost indicators for the euro area

(annual percentage changes)



Sources: Eurostat, national data and ECB calculations.

increased to 3.7% in the fourth quarter, from 3.5% in the previous quarter. However, this increase should be interpreted with caution, as this indicator is very volatile and partly

affected by statistical differences between the national series.

Labour productivity growth recovered somewhat in the second and third quarters of 2002, following two quarters of negative growth. As a result, whole economy unit labour cost growth declined from 2.5% year on year in the second quarter to 2.1% in the third quarter. On the basis of available country data, this downward movement is expected to have continued in the fourth quarter.

Euro area inflation is expected to ease in the course of 2003

Overall, euro area HICP inflation could be subject to some volatility in the months ahead, depending in particular on oil price developments. However, beyond the short term, other factors should dominate. In particular, the appreciation of the euro over the past 12 months, together with subdued demand conditions, is likely to dampen upward pressure on prices if euro-denominated oil prices remain at levels of around €23 per barrel as observed on 2 April. It is expected that inflation will decline and stabilise at levels below 2% in the course of 2003. Evidently, this presupposes that wage moderation will prevail. The precise path of price developments over the course of this year is, however, surrounded by a high degree of uncertainty, mainly due to the war in Iraq.

3 Output, demand and labour market developments

Slightly lower GDP growth in the fourth quarter of 2002

As reported in the previous issue of the Monthly Bulletin, euro area real GDP increased by 0.2% quarter on quarter in the fourth quarter of 2002, following increases of 0.3-0.4% in the previous three quarters (see Table 3). Domestic demand grew at a faster rate, mainly related to government consumption and inventory changes. However, this increase

was more than offset by the negative contribution of net exports to real GDP growth, with growth in both exports and imports decreasing. The decline in export growth was, to some extent, in line with foreign demand developments. The fall in import growth seems at odds with the strengthening of domestic demand, but it was relatively subdued and differences in developments from one quarter to the next are not unusual.

As for domestic demand, inventories were still being run down but at a slower pace than in the previous quarter, which implies a positive contribution to real GDP growth. This development seems in line with survey data suggesting that the level of stocks has become more appropriate since mid-2002. However, investment remained weak and declined for the eighth consecutive quarter, albeit at a slower pace. While this recent development was in part due to fiscal stimulus measures in Italy, it also seems to be in line with the relatively low ratio of non-residential investment to GDP and with the broadly stable capacity utilisation rates seen since the first quarter of 2002. Both indicators suggest that investment has already been cut to a significant extent. At the same time, the continuous high degree of uncertainty regarding geopolitical and economic developments probably dampened investment growth.

Private consumption growth remained at 0.4% quarter on quarter in the last quarter of 2002. Consumption benefited in part from tax incentives for car buyers in Italy. Moreover, broadly stable real wage growth and a slight increase in employment supported real disposable income of households in the last quarter of 2002. At the same time, declining consumer confidence may have had a negative effect on consumption.

Consumption indicators weak in the first quarter of 2003

Indicators of consumption point to weak consumption growth in the first quarter of 2003. Consumer confidence showed a further decline in March (see Table 4), reaching its lowest level since February 1994. This household pessimism probably stemmed from current economic developments and prospects, notably including rising unemployment,

Table 3
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.

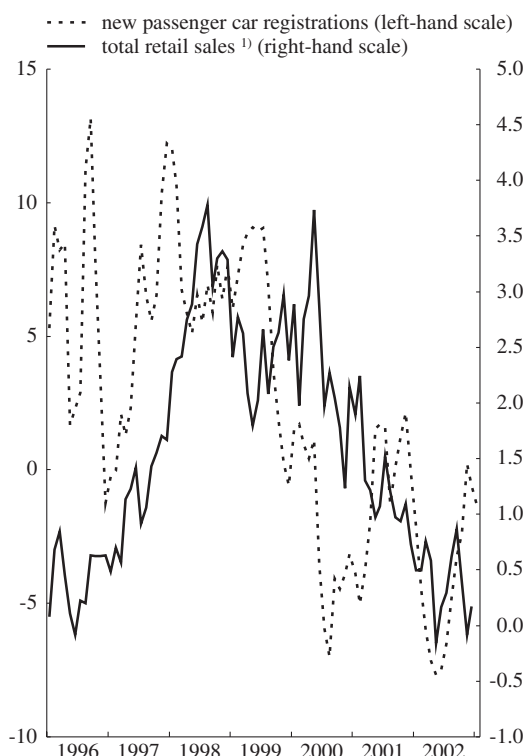
3) As a contribution to real GDP growth; in percentage points.

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.

together with the impending war in Iraq. However, the results for March are not likely to reflect a reaction to the actual outbreak of war, as the European Commission's surveys are normally conducted in the first half of the month. At the same time, confidence in the retail trade sector clearly declined again in March, thus remaining at low levels. With regard to indicators of real spending behaviour, new passenger car registrations decreased on average in the first two months of 2003. To a large extent, this reflects the strong decline in January's registrations following the end of tax incentives in Italy which had boosted new passenger car registrations in the last quarter of 2002 (see Chart 17). However, these incentives were reintroduced in February and ran until the end of March, which will likely dampen the decline for the quarter as a whole. Retail sales, the other available indicator of actual consumer spending, increased strongly in January 2003. This increase followed two consecutive monthly declines and may therefore reflect a correction from the low levels of sales at the end of 2002. However, possible revisions to first estimates in particular, and the high volatility of this series in general, make it difficult to draw any firm conclusions in this respect.

Chart 17
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.

Table 4

Results from European Commission Business and Consumer Surveys for the euro area

(seasonally adjusted data)

	2000	2001	2002	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.	2003 Mar.
Economic sentiment index ¹⁾	2.5	-2.8	-1.8	0.3	-0.4	-0.3	-0.5	-0.2	-0.4	0.2	-0.4	0.2	-0.6
Consumer confidence indicator ²⁾	12	6	0	3	1	-3	-8	-1	-3	-5	-7	-8	-10
Industrial confidence indicator ²⁾	12	-1	-5	-4	-5	-3	-4	-4	-4	-2	-3	-4	-5
Construction confidence indicator ²⁾	16	10	1	3	-2	-3	-0	-2	-4	-2	-1	0	0
Retail trade confidence indicator ²⁾	5	0	-9	-11	-10	-8	-10	-9	-7	-9	-12	-6	-11
Services confidence indicator ²⁾	10	-5	-19	-15	-21	-24	-25	-24	-24	-25	-24	-24	-27
Business climate indicator ³⁾	1.4	-0.1	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	-0.2	-0.3	-0.3	-0.6
Capacity utilisation (%)	84.4	83.1	81.2	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). For further details on the data, see the "Euro area statistics" section.

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.

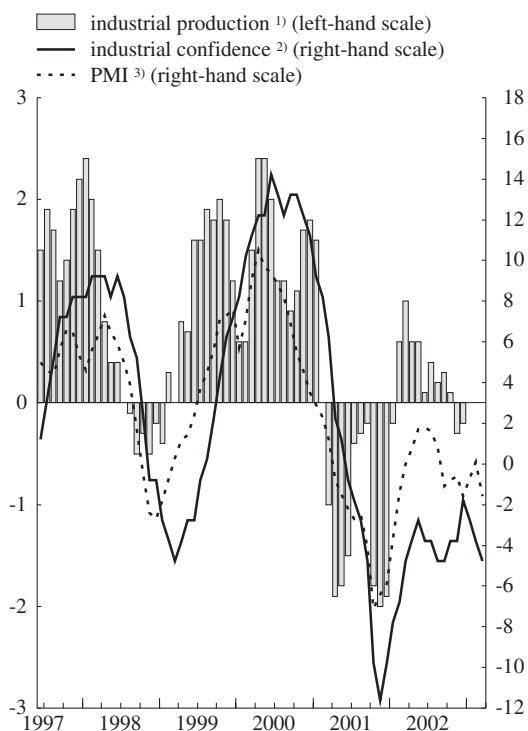
Business sector developments remained weak in the first quarter of 2003

The industrial sector showed signs of weakness in the first quarter of 2003. In January 2003, euro area industrial production (excluding construction) rebounded following weak results in December 2002 (see Table 5). This was in line with expectations, as weak data in December seemed to be partly the result of a more widespread than usual closure of factories around Christmas. However, the rebound in January did not affect the underlying trend. On a three-month basis, production growth remained at around zero in the period up to and including January 2003.

Survey results suggest that this period of lacklustre growth continued throughout the first quarter of 2003. According to the European Commission Business Survey, industrial confidence fell further (see Chart 18), mainly reflecting worsening production expectations. In the first quarter as a whole, industrial confidence deteriorated slightly compared with the preceding quarter. Following two months of increases, which brought the Purchasing Managers' Index (PMI) to a level just over 50, the index fell back to 48.4 in March. The majority of components fell in March, with the new orders component

Chart 18
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 an index value of 50; positive deviations indicate an expansion of economic activity.

Table 5
Industrial production in the euro area

(annual percentage changes, unless otherwise indicated)

	2001		2002			2003			2002		2002		2002	
	2001	2002	2002	2002	2003	2002	2002	2003	2002	2002	2002	2002	2002	
			Nov.	Dec.	Jan.	Nov.	Dec.	Jan.	Aug.	Sep.	Oct.	Nov.	Dec.	
						month-on-month			three-month moving averages					
Total industry excluding construction	0.4	-0.8	2.6	-0.8	0.7	0.6	-1.6	1.1	0.1	0.1	0.1	-0.2	-0.2	
<i>by main industrial groupings:</i>														
Total indus. excl. construction and energy	0.2	-1.0	3.3	-0.1	0.8	1.3	-1.9	1.0	0.0	0.1	0.0	-0.2	-0.1	
Intermediate goods	-0.8	0.2	4.2	1.2	1.5	1.0	-2.0	1.4	0.1	0.2	0.3	-0.5	-0.3	
Capital goods	1.5	-2.5	3.9	0.1	1.7	1.5	-1.6	0.7	0.6	0.3	0.2	0.5	0.6	
Consumer goods	0.4	-1.1	1.5	-1.6	-1.1	0.5	-1.2	0.2	-0.5	-0.3	-0.3	-0.2	-0.4	
Durable consumer goods	-2.5	-5.1	0.0	-8.2	-3.0	1.0	-4.0	2.7	-0.2	-1.4	-0.5	-1.7	-1.0	
Non-durable consumer goods	1.0	-0.3	1.8	-0.3	-0.7	0.6	-1.0	0.1	-0.6	-0.2	0.2	0.4	0.1	
Energy	1.3	0.4	-1.8	-5.6	-0.7	-2.1	-0.2	1.4	-0.1	-0.6	-0.8	-0.8	-1.2	
Manufacturing	0.3	-1.0	3.2	-0.1	0.6	0.9	-1.4	0.5	0.2	0.3	0.1	-0.3	-0.2	

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.

showing a particularly sharp decline. The component on changes in output, while lower, remained at a level just above 50. In the first quarter as a whole, the PMI was still slightly stronger than in the last quarter of 2002. The March PMI data are not likely to fully reflect reactions to the actual outbreak of war. Although these data are collected in the second half of the month, the survey questions refer to actual developments rather than expectations.

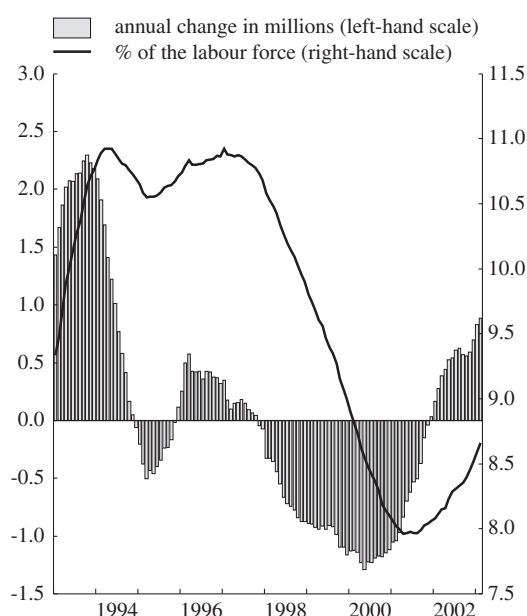
Construction confidence remained unchanged in March 2003, but clearly improved in the first quarter as a whole. This could indicate some improvement in the sector, as also signalled by an increase in production in the three-month period up to and including January 2003. However, these data are difficult to interpret owing to volatility in both confidence and activity data.

In market services, value added rose by 0.4% quarter on quarter in the fourth quarter of 2002, following 0.3% in the third quarter. Looking at developments in the first quarter of 2003, survey data for the services sector from the European Commission and from the Purchasing Managers' survey showed a slight increase in expected demand and business activity, while confidence and actual activity declined. Moreover, both surveys are currently at very low levels by historical standards. Overall, the latest results suggest that growth in the services sector was weak at the beginning of this year.

Euro area unemployment rate increased further in February 2003

Labour market conditions continued to deteriorate in the first two months of 2003. The standardised rate of unemployment for the euro area increased by 0.1 percentage point to 8.7% of the labour force in February (see Chart 19). The number of unemployed increased by a further 92,000, following the increase of 126,000 in January. The increase

Chart 19
Unemployment in the euro area
(monthly data; seasonally adjusted)



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

Table 6
Unemployment in the euro area
(as a percentage of the labour force; seasonally adjusted)

	2000	2001	2002	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2002 Sep.	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.
Total	8.5	8.0	8.3	8.1	8.2	8.3	8.5	8.4	8.4	8.5	8.5	8.6	8.7
Under 25 years ¹⁾	16.6	15.6	16.1	15.8	16.0	16.1	16.4	16.1	16.2	16.4	16.5	16.7	16.8
25 years and over	7.4	7.0	7.3	7.1	7.2	7.3	7.4	7.3	7.4	7.4	7.5	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.

in unemployment in February 2003 was broadly based across the age groups. The unemployment rate increased by 0.1 percentage point for both those aged below 25 and those aged 25 and above, to 16.8% and 7.6% respectively (see Table 6).

Employment increased slightly in the fourth quarter of 2002

According to national accounts data, the growth rate of employment was 0.1% in the fourth quarter of 2002, compared with zero growth in the third quarter (see Table 7). However, the increase in the number of employed in the last quarter of 2002 was small (79,000 persons), especially compared with the increase in the number of unemployed in the same quarter (198,000).

Employment patterns continued to diverge at the sectoral level. While employment in the industrial sector decreased by 0.4%, employment in the services sector as a whole rose by a further 0.3% in the fourth quarter of 2002, with positive employment growth in all services sectors.

According to the European Commission Business and Consumer Surveys and the Purchasing Managers' Survey, employment expectations in manufacturing improved slightly from the last quarter of 2002 to the first quarter of 2003. However, employment expectations remain at very low levels and have displayed considerable volatility in the past, with the result that employment growth probably remained weak in the first quarter of 2003. Moreover, expectations generally declined somewhat in March.

Uncertainty remains a drag on recovery prospects

In sum, the most recent data suggests that the euro area economy remained weak in the first quarter of 2003. The main element in the macroeconomic outlook is the high degree of uncertainty, to a large extent associated with geopolitical tensions. This uncertainty has been rising since the end of last year and has had repercussions on confidence, output, demand and labour market developments. It is currently too early to assess the impact of the war in Iraq on economic developments. For the time being,

Table 7
Employment growth in the euro area

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

	2000	2001	2002	2001	2002	2002	2002	2002	2001	2002	2002	2002	2002
				Q4	Q1	Q2	Q3	Q4	Q4	Q1	Q2	Q3	Q4
	Quarterly rates ¹⁾												
Whole economy	2.1	1.4	0.4	0.9	0.7	0.5	0.3	0.2	0.2	0.1	0.0	0.0	0.1
<i>of which:</i>													
Agriculture and fishing ²⁾	-1.6	-0.7	-2.0	-1.4	-2.0	-1.9	-1.8	-2.2	-0.4	-0.2	-0.5	-0.8	-0.8
Industry	0.9	0.3	-1.2	-0.5	-1.0	-1.2	-1.3	-1.4	-0.3	-0.4	-0.3	-0.4	-0.4
Excluding construction	0.6	0.3	-1.2	-0.5	-1.1	-1.2	-1.2	-1.5	-0.2	-0.4	-0.3	-0.3	-0.4
Construction	1.8	0.3	-1.1	-0.4	-0.9	-1.0	-1.4	-1.2	-0.3	-0.4	-0.2	-0.5	-0.1
Services	2.9	2.0	1.2	1.6	1.6	1.3	1.0	0.9	0.4	0.3	0.2	0.2	0.3
Trade and transport ³⁾	2.9	1.6	0.7	1.2	1.5	0.8	0.3	0.2	0.3	0.2	-0.2	0.0	0.2
Finance and business ⁴⁾	5.9	3.8	1.8	2.9	2.1	1.9	1.6	1.5	0.6	0.1	0.6	0.3	0.4
Public administration ⁵⁾	1.6	1.6	1.4	1.4	1.5	1.4	1.4	1.3	0.4	0.4	0.3	0.3	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.

the baseline scenario is still for economic growth to gradually recover once factors contributing to the high level of economic uncertainty have diminished. In particular, the euro area should benefit from the prevailing low levels of interest rates, as well as from falling inflation supporting real disposable

income and private consumption. However, the high degree of uncertainty makes it particularly difficult to predict the course of economic growth for the rest of the year. Indeed, various different scenarios with diverse implications for economic activity are conceivable at present.

4 Exchange rate and balance of payments developments

Euro fluctuated significantly in March and early April

After a period of relative stability in February 2003, foreign exchange markets were dominated in March by market participants' reactions to news relating to the build-up, initiation and subsequent conduct of the military operations in Iraq. These developments were reflected in most major currency pairs, which were consequently subject to sizeable fluctuations in the period under review.

In March the euro first appreciated against the US dollar, before depreciating rather sharply in the second and third weeks of the month (see Chart 20). The weakening of the euro appears to be related mainly to technical trading factors which have come into play as a result of the start of the military operations in Iraq. By contrast, macroeconomic data releases seem to have taken a secondary role for the time being. Towards the end of the review period, however, renewed doubts among market participants about the duration of the military operations seem to have weighed on the US dollar amid increasing market concerns about the likely effects of the evolution of the geopolitical situation on the global economic outlook. On 2 April, the euro stood at USD 1.08, slightly above its end-February level and 14.5% stronger than its 2002 average.

In the first week of March, the Japanese yen depreciated against the euro, while it appreciated vis-à-vis the US dollar (see Chart 20). These developments were subsequently reversed in the remainder of the month, as

the Japanese currency tended to depreciate against the US dollar, while it fluctuated – without establishing a clear trend – against the euro. This mainly reflected the above-mentioned developments in the Middle East and, to a lesser extent, concerns over the likely impact of a slower than expected global recovery on the outlook for Japanese economic growth. On 2 April, the euro was quoted at JPY 128.7, i.e. about 1% above its level at the end of February and 9% stronger than its 2002 average.

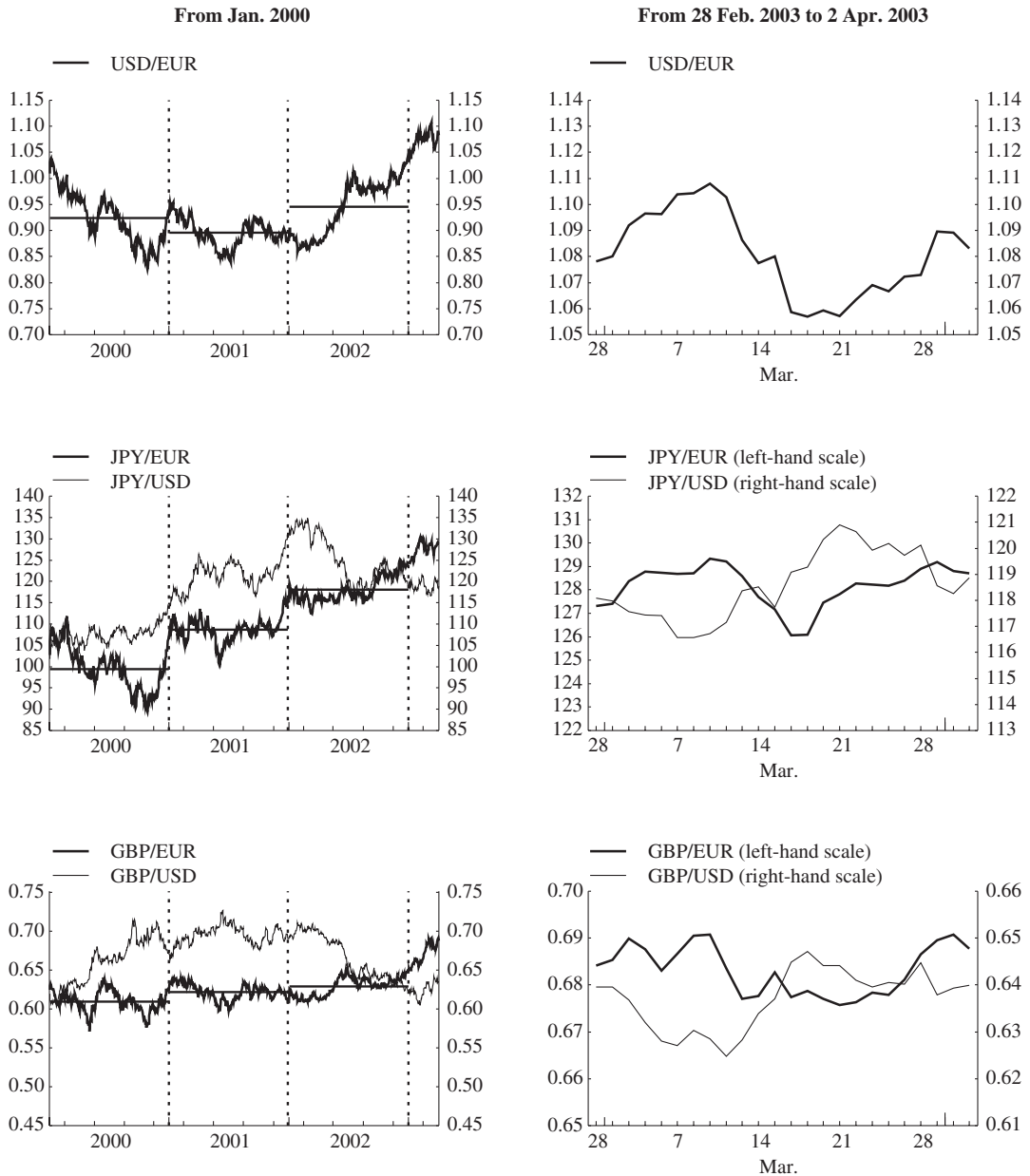
Relatively sizeable fluctuations also characterised developments in the pound sterling exchange rate vis-à-vis both the euro and the US dollar. Economic data in the United Kingdom pointed to slowing economic activity, while the UK RPIX inflation rate continued to increase. On 2 April, the euro traded against the pound sterling at GBP 0.69, which was 0.5% higher than at the end of February and 9.4% higher than its 2002 average.

Regarding other European currencies, the Danish krone continued to trade in a narrow range, remaining slightly stronger than its central parity in ERM II (see Chart 21). The euro appreciated by more than 1% vis-à-vis both the Swedish krona and the Swiss franc in the reference period. Meanwhile, in mid-March, the Swiss currency temporarily depreciated sharply against the US dollar following the start of military operations in Iraq, thus unwinding part of its earlier gains associated with the safe-haven flows accumulated since late 2002, but recovered towards the end of the month.

Chart 20

Patterns in exchange rates

(daily data)



Source: ECB.

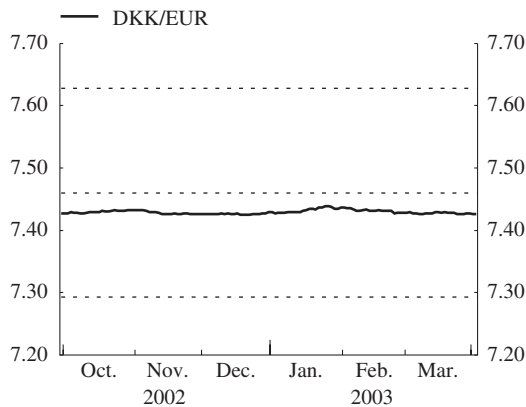
Note: The scaling of the charts is comparable within each column. Horizontal lines show annual averages.

Overall, despite rather wide fluctuations within this period, the nominal effective exchange rate of the euro – as measured against the currencies of 12 major trading partners of the euro area – was 1% higher on 2 April 2003 than at the end of February, as the single currency had appreciated modestly vis-à-vis all major currencies and quite significantly against the South Korean won

(see Chart 22). Relative to its average level in 2002, the nominal effective exchange rate of the euro had increased by 9.4% on 2 April. Box 5, which compares developments in this index with those in the euro effective exchange rate index measured against the broader group of 38 trading partners of the euro area, corroborates the broad-based nature of the rebound of the euro in 2002/03.

Chart 21
Patterns in exchange rates within ERM II

(daily data)

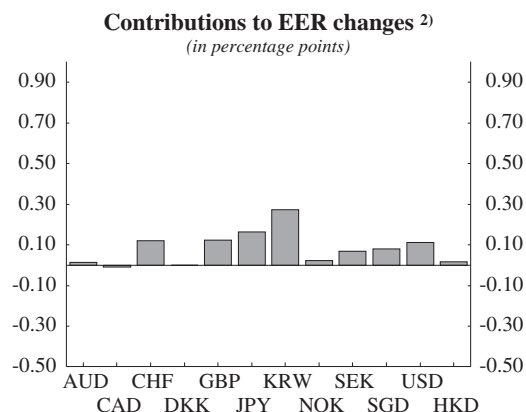
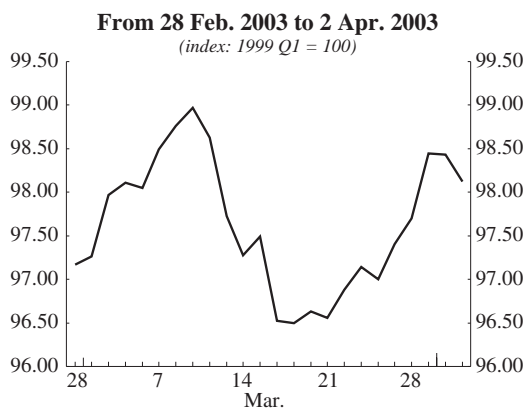


Source: ECB.

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

Chart 22
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.

Current account recorded a deficit in January 2003

The euro area current account registered a deficit of €6.4 billion in January 2003 compared with a close-to-balance position in January 2002. This development stemmed mainly from a €3.7 billion increase in the income account deficit, coupled with a reduction in the goods and current transfers surpluses (by €2.0 billion and €2.5 billion respectively). These more than offset the decline in the services account deficit to €0.5 billion from €2.4 billion a year previously (see Table 8 and Chart 23).

Turning to month-on-month developments on the basis of seasonally adjusted data, the current account registered a €0.4 billion surplus in January 2003 compared with a rather larger surplus of €7.6 billion the month before. The main reason for this fall was the increase in the deficits of the income and current transfers accounts (by €4.8 billion and €3 billion respectively). Underlying the rise in the income deficit was a significant increase in income debit flows.

Looking at recent trends, the twelve-month cumulated current account surplus stopped growing towards the end of 2002. This was primarily due to a levelling-off of the cumulated goods surplus (see Chart 23), which may have resulted from the lagged impact of the appreciation of the euro from the second quarter of 2002. Data up to November indicate that export volume growth was rather subdued in 2002. However, falling export prices also contributed to the decline in export values. This might suggest that euro area exporters are cutting profit margins in an effort to offset the loss in price competitiveness that has resulted from the appreciation of the euro. Turning to imports, volumes grew only marginally over the first eleven months of 2002, while import prices were below their 2001 levels, in line with the appreciation of the euro and falling oil prices over this period.

Table 8**Balance of payments of the euro area***(EUR billions; not seasonally adjusted)*

	2002 Jan.	2002 Jan. - Dec.	2002 Nov.	2002 Dec.	2003 Jan.
Current account balance	-0.1	61.5	11.5	9.1	-6.4
Credits	141.7	1712.6	144.5	144.5	142.2
Debits	141.9	1651.1	133.1	135.4	148.6
Goods balance	3.1	134.5	14.1	11.1	1.1
Exports	79.6	1060.8	92.1	85.2	81.0
Imports	76.6	926.3	78.0	74.1	79.9
Services balance	-2.5	11.1	1.4	2.5	-0.5
Exports	24.3	331.1	26.5	29.2	24.9
Imports	26.8	320.0	25.0	26.8	25.4
Income balance	-6.4	-37.4	0.1	-0.6	-10.1
Current transfers balance	5.7	-46.8	-4.2	-3.9	3.1
Capital account balance	2.6	11.3	0.3	0.8	2.0
Financial account balance	-39.4	-84.8	25.6	-14.3	-15.5
Direct investment	1.2	13.4	54.0	1.0	-1.8
Abroad	-6.7	-175.8	-22.4	-4.7	-12.1
Equity capital and reinvested earnings	-8.6	-146.6	-16.7	-15.9	-6.7
Other capital, mostly inter-company loans	1.9	-29.2	-5.7	11.1	-5.5
In the euro area	7.9	189.1	76.4	5.7	10.4
Equity capital and reinvested earnings	2.8	149.9	68.0	13.1	8.1
Other capital, mostly inter-company loans	5.1	39.3	8.4	-7.4	2.2
Portfolio investment	-33.6	110.8	15.9	-2.5	-14.7
Equity	-0.2	53.6	18.0	-4.9	14.3
Assets	-13.5	-33.7	2.1	-4.2	2.1
Liabilities	13.3	87.3	15.9	-0.7	12.2
Debt instruments	-33.4	57.2	-2.1	2.4	-29.0
Assets	-14.0	-148.6	-14.3	-14.5	-25.3
Liabilities	-19.4	205.8	12.2	17.0	-3.7
Memo item:					
Combined net direct and portfolio investment	-32.4	124.2	69.9	-1.5	-16.5
Financial derivatives	3.3	-12.5	-1.0	-1.6	-1.5
Other investment	-5.0	-194.2	-40.9	-10.0	0.9
Reserve assets	-5.3	-2.3	-2.4	-1.2	1.5
Errors and omissions	37.0	12.0	-37.3	4.5	19.9

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.

Net outflows in debt instruments in January 2003

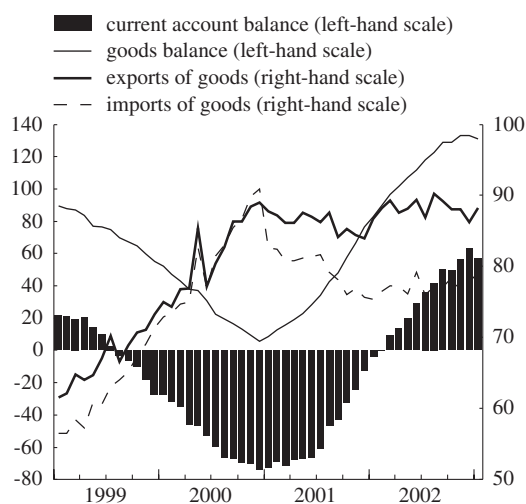
Combined direct and portfolio investment recorded net outflows of €16.5 billion in January 2003, which mainly reflected sizeable net outflows in portfolio investment (€14.7 billion).

The developments in portfolio investment were primarily accounted for by large net outflows in debt instruments (€29.0 billion). Euro area investors were net buyers of €25.3 billion of foreign bonds and notes and money market instruments. By contrast, a substantial net inflow of €14.3 billion was recorded in equity portfolio investment. This resulted

Chart 23

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.

from net acquisitions of euro area equities by non-resident investors amounting to €12.2 billion and net sales of foreign equities by

euro area investors equalling €2.1 billion. As to the direct investment account, this was close to balance in January 2003.

The other investment account was also close to balance in January 2003, as significant net outflows (of €14.3 billion) from other sectors into other investment assets (mostly deposits abroad by corporations and households) were counterbalanced by net inflows of short-term assets in the MFI sector.

Taking a longer-term perspective, portfolio flows in January 2003 did not follow the pattern witnessed for most of 2002. However, given the volatility of monthly flows it remains to be seen whether these developments also characterised subsequent months. Specifically, the shift in financial flows from net equity portfolio inflows to net inflows in debt instruments, particularly in late 2002, was not observed in January 2003, although bond market developments and interest rate differentials were more favourable in the euro area than in the major foreign markets.

Box 5

Broad versus narrow indices for the effective exchange rate of the euro

The ECB compiles and publishes nominal and real effective exchange rates (EERs) for the euro against the currencies of a narrow group of trading partners – comprising 12 industrialised countries plus Hong Kong SAR, Singapore and South Korea – and against a broad group of trading partners, which includes 26 emerging economies in addition to the countries covered in the narrow index.¹ The set of nominal EER indices summarises euro exchange rate developments, while the set of real EER indicators provides summary measures of the price and cost competitiveness of the euro area.

The use of both a narrow and a broad set of EERs for the euro stems from the need to handle the usual trade-off between trade coverage and data quality. A broad measure has the advantage of covering a larger group of partner countries, yet at the same time this constitutes its major limitation, as timely data on a comprehensive set of alternative price deflators is often not available for a number of emerging economies. Moreover, some of these countries have experienced high inflation and, occasionally, a marked and prolonged depreciation of their currencies. Such developments tend to be reflected in a decoupling of real and nominal EERs.

Against this background, it is revealing to regularly compare developments in the narrow and broad EER indices. Overall, the following analysis corroborates the consistency of the indices, suggesting that the

¹ For more detailed account of the weighting scheme employed, see Buldorini, L., Makrydakis, S., Thimann, C. (2002), "The effective exchange rates of the euro", ECB Occasional Paper No. 2.

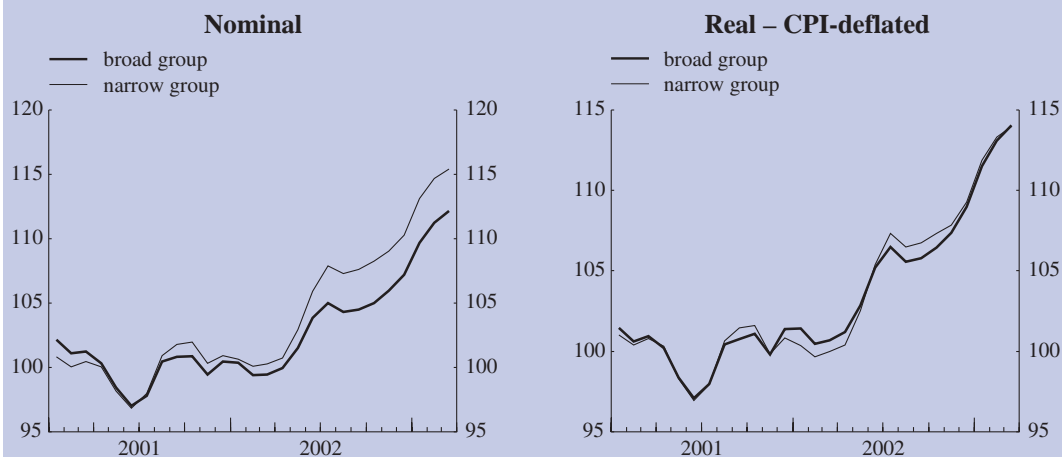
rebound of the euro in 2002/03 has been very broadly based. The euro appreciated vis-à-vis the currencies of both the euro area's major trading partners and many emerging market economies.

More specifically, in February 2003 the nominal EER of the euro vis-à-vis the broad group of trading partners was almost 9.1% higher than its average level in 2002, while it was more than 8% stronger against the narrow group of trading partners (see chart). Within the narrow group, the euro appreciated particularly significantly against the US dollar as well as against currencies that traditionally show a strong co-movement with the US currency, such as the Canadian dollar and the currencies of the non-Japan Asian countries included in the narrow index. The euro also recovered against the Japanese yen and the pound sterling and was relatively stable against the Danish krone, the Swedish krona and the Swiss franc.

The strengthening of the euro according to the broad index was influenced by two factors: first, as the euro appreciated against the US dollar, it strengthened by roughly the same magnitude against currencies which move closely with the US currency or which are formally pegged to it. The strong appreciation of the euro vis-à-vis the Chinese yuan renminbi and the new Taiwan dollar was particularly notable. Second, in nominal terms the euro strengthened quite significantly vis-à-vis the Brazilian real and the Mexican peso – which were subject to depreciating pressure amid turbulence in Latin American financial markets – and against the Turkish lira and the Russian rouble.

Nominal and real effective exchange rates of the euro against different groups of trading partners

(monthly data; index: 2001 = 100)



Source: ECB.

After accounting for inflation differences between the euro area and its trading partners, the discrepancy observed between the narrow and the broad index receded in the period under review: in February 2003, both real EER indices (based on consumer prices) were 8.4% stronger than their average level in 2002 (see chart). As far as the narrow group of partner countries is concerned, the greater appreciation of the euro in real than in nominal terms reflects rather subdued inflation in the United Kingdom and Switzerland as well as deflation in Japan and Hong Kong SAR. Conversely, the lower real than nominal appreciation of the euro for the broad group of trading partners is the result of high inflation rates in some of the countries – such as Turkey and Brazil – whose currencies depreciated most strongly against the euro in this period.

The need for comprehensive reforms to cope with population ageing

Population ageing will have a profound impact on euro area economies. Public pension systems based on the pay-as-you-go principle will come under pressure as the ratio between the number of pensioners and the number of contributors rises. Public expenditure on health and long-term care is set to increase as progress in medical technologies continues and the demand for these services grows with the number of elderly. Moreover, the slowdown and, subsequently, even the reversal of growth in the number of working age people exert downward pressure on economic growth.

This article argues that comprehensive reforms need to be implemented swiftly to cope with the effects of ageing. Although there is a broad consensus on the sources and approximate extent of the impending problems, current policy intentions in many countries do not appear sufficiently ambitious to avert major imbalances in the future. Reforms should place both public pension systems and health and long-term care arrangements on a sustainable financial footing by limiting the public sector's exposure, enhancing private funding and setting incentives for efficient service provision. At the same time, policy reforms must reduce public debt levels and strengthen economic growth and employment to alleviate the demographic impact on output. Delaying reforms will result in a higher eventual adjustment burden and could jeopardise macroeconomic stability.

A comprehensive institutional framework has been set up at the European level to co-ordinate and monitor ageing-related policies. It promotes information exchange and the application of peer pressure to ensure fiscal sustainability and strong economic growth. In particular, the commonly agreed "three-pronged strategy" to deal with the implications of population ageing calls for countries to raise employment, reduce public debt and reform pension systems. This framework should be implemented in full to support governments in adopting appropriate policies at the national level.

I Introduction: the impact of ageing on fiscal sustainability

The article is structured as follows. The introduction outlines the major economic implications of population ageing. The following section discusses the need for reforms in the area of pensions, health and long-term care, as well as measures to strengthen overall growth. Further sections outline the relevant EU policy framework and provide an assessment of past and proposed reforms.

Ageing will result in considerable fiscal burdens

European populations are growing older. The scale of population ageing is reflected in the rise of the old-age dependency ratio, i.e. the ratio of the population aged 65 and above to the population aged 15 to 64. For the euro area, Eurostat projects that this ratio will rise from about 25% in 2000 to about 36% in 2025 and to more than 50% in 2050 (see Chart 1).¹ Two major forces drive the ageing

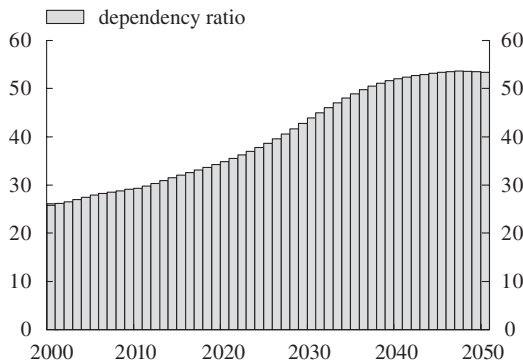
process: increasing life expectancy and low fertility rates. The rise in longevity experienced over the past few decades is projected to continue. For the euro area, average life expectancy is projected to increase by between four and five years between 2000 and 2050. Fertility rates have declined sharply and are now well below the rate necessary to maintain a constant population. Although the average number of children per woman is projected to increase somewhat for most countries in the Eurostat projection, it will not be sufficient to reverse the trend of a shrinking population from around 2020 (see Chart 2).

The demographic shift will put pressure on public finances by driving up ageing-related expenditure. The most important expenditure

¹ These projections were produced specifically for the EU's Economic Policy Committee report entitled "Budgetary challenges posed by ageing populations" (2001), discussed below, and constitute a "central" scenario. To allow for uncertainty, they are complemented by a higher and lower demographic scenario.

Chart 1
Euro area old-age dependency ratio¹⁾

(in percentages)



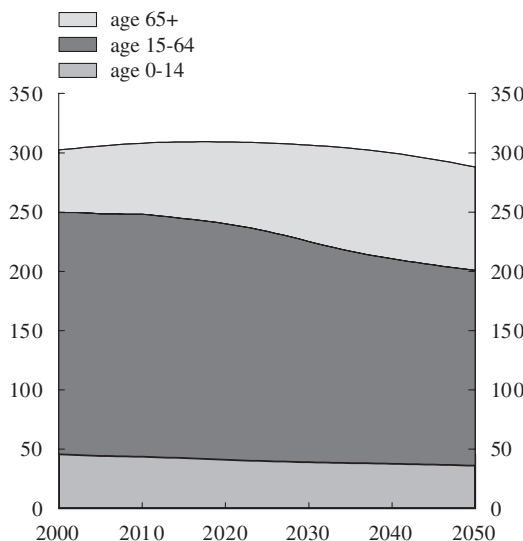
Source: Eurostat projections.

1) Ratio of the population aged 65 and above to the population aged 15 to 64.

effects are projected for public pension systems and for spending on health and long-term care. Public pension systems in Europe are mostly based on the pay-as-you-go principle whereby current contributions finance current expenditure. The rising number of pensioners will put these systems under considerable strain. In addition, health care expenditure is set to rise as the demand for health services tends to increase with the

Chart 2
Euro area total population and components

(in millions)



Source: Eurostat projections.

number of elderly people. The problem of financing long-term care for the frail and elderly is receiving growing attention as changing work and life patterns are reducing the importance of the intra-family provision of care services. By contrast, possible offsetting effects from reduced expenditure on education and family allowances, due to lower birth rates, are likely to be small. Similarly, although net inward migration tends to alleviate the ageing process, given a lower average age of immigrants, a sizeable economic effect from migration would require much higher inflows than currently observed and a lasting absorption of working-age migrants into employment.

However, population ageing also has a negative effect on the resource base which ensures fiscal sustainability. The overall number of working-age people will stagnate and later decline, negatively affecting the base for taxes on labour. In addition, abstracting from other possible effects, such as the impact of a more experienced workforce on productivity, this stagnation and decline will tend to reduce output in the economy.

The overall impact of all of these effects will be considerable. A study commissioned by the ECOFIN Council and carried out by the Working Group on Ageing of the Economic Policy Committee has projected that the increase in public pension expenditure due to population ageing in most euro area countries will be between 3% and 6% of GDP by 2050.² Even larger increases are projected for some countries. A further 2% to 4% of GDP could be added from rising health and long-term care expenditure. Roughly half of the projected increase would materialise by 2025, although the speed and timing of expenditure increases vary across countries and expenditure categories. The increase would come on top of average total spending on pensions and health and long-term care which amounted to around 18% of GDP in 2000.

² The study is available from the website of the European Commission's Directorate General for Economic and Financial Affairs, http://europa.eu.int/comm/economy_finance/epc_en.htm.

Consequently, debt burdens in the euro area could rise considerably. As a simplified example using the midpoints of the above projections, expenditure on pensions and health is assumed to rise linearly between 2010 and 2040 by a total of 7.5 percentage points of GDP and to stay at that level until 2050. Under realistic macroeconomic assumptions, the present value of this additional expenditure burden amounts to more than 100% of GDP. In other words, the additional burden implicit in future liabilities of unreformed social security systems in some countries far outweighs the current average level of public debt in the euro area, which amounts to some 70% of GDP.

The expenditure projections may even present an optimistic view of the problem for the euro area countries. First, they are based on fairly favourable assumptions about future employment growth. Second, the health expenditure projections focus only on the demographic impact, ignoring factors that, in the past, have made an important contribution to the rise in the level of expenditure (for example the impact of advances in medical technologies, rising per capita demand for health services and increasing relative prices of health-related goods and services).

Fiscal sustainability and growth

The challenge for fiscal policy is twofold: to ensure sound public finances and, at the same time, to strengthen the economic growth potential. Focusing only on financing the forthcoming liabilities – with no regard for the induced growth effects – will prove illusory as weakening growth will erode the basis for sound public finances. In particular, in view of already high tax and social security burdens, a further increase in social security contributions would be harmful to economic growth. At the same time, the commitment to maintain sound public finances under the Stability and Growth Pact rules out systematic fiscal deficits to finance rising expenditure.

Thus, reforms need to be comprehensive. Broadly, the thrust will be to strengthen the actuarial balance in social security systems, i.e. to achieve a stronger link between individual contributions and transfers/services received. At the same time, the overall level of contributions needs to be limited. This objective could be attained, for example, by strengthening the pre-funding of pension entitlements – also with occupational and private arrangements – and through a reform of health service provision and insurance. Reforms need to be complemented by measures to reduce public debt levels and strengthen growth and employment.

These reforms should be carried out as a matter of urgency so that the beneficial effects materialise in time and alleviate the ageing-induced burdens. Such major reforms of social security systems, which are geared towards streamlining and restraining public expenditure, are likely to face opposition from some groups of society. Thus, there is a risk that it will often take a long time to reach political consensus on such issues. In addition, growth-friendly changes in social security arrangements, such as a partial move to funded pension plans, require a long lead time to enable participants to adapt their behaviour to the changed environment.

Failure to implement reforms would jeopardise fiscal sustainability and macroeconomic stability. If governments do not adapt social security systems and overall public finances in time, they will find themselves facing rapid and substantial increases in expenditure pressures. These might force them to adopt stopgap measures, such as tax hikes, which will impose additional distortions on the economy and shatter confidence.

Fiscal sustainability and price stability

Fiscal sustainability is of immediate relevance to the monetary policy of the ECB. Once market participants perceive public finances to be unsustainable, pressure might increase

Box I

Fiscal sustainability: definition and measurement

The assessment of the fiscal implications of population ageing relies to some extent on analyses of fiscal sustainability. However, as the theoretical concept of sustainability does not have strong implications for the assessment of current policies, policy recommendations are based on more ad hoc definitions.

Theoretical approach

An analytical definition of sustainability can be derived from a government's intertemporal budget constraint, which implies that all debt must be covered by future primary surpluses. However, for the assessment of current fiscal policies, the intertemporal budget constraint is not immediately useful. In particular, it is consistent with large debt stocks as long as the potential of sufficiently large primary surpluses in the (possibly distant) future allows their repayment. Thus, it does not provide a clear indication of the extent to which fiscal policies could be deemed sustainable.

Practical approach

For policy purposes, studies of fiscal sustainability are generally based on a calculation of the primary surpluses necessary to achieve a specified target level for public debt at some point in the future. Such methods have the advantage of being intuitive and providing clear policy signals. For example, one can analyse the required surplus for debt to be reduced to a certain percentage of GDP, possibly zero, over the next 50 years. The difference between the current primary surplus and the required surplus is the fiscal gap that needs to be closed by policy measures.

The ageing-induced burden can be calculated from sector-specific forecasts for health and pension systems, whereas some general assumptions are necessary for the revenue and expenditure items not affected by ageing. Further assumptions are required regarding GDP growth and interest rates. In addition, it is interesting to see what policy changes will be required within the EU institutional framework to keep fiscal positions within the limits established by the Treaty and the Stability and Growth Pact.

Caveats

The sustainability analyses must be interpreted with care, as the mechanical relationships might obscure important economic effects. For example, such analyses generally appear to indicate that high-debt countries, which are currently running higher primary surpluses to finance the interest burden, would be relatively well-positioned to cope with the ageing burden. This is because debt reduction frees up fiscal resources that can be used to finance ageing-induced burdens. However, such reasoning takes no account of the fact that these countries are imposing a high tax burden on their economies, which would have to be maintained for a long time under the assumptions of the sustainability analysis. Furthermore, current value calculations over long-term horizons are sensitive to the choice of the starting position and to the assumptions regarding growth and interest rates.

in favour of policies geared towards easing the public debt burden. Despite the strong framework guaranteeing the ECB's independence, this would make the conduct of stability-oriented monetary policy more difficult (see the article entitled "The relationship between monetary policy and

fiscal policies in the euro area" in the February 2003 issue of the ECB's Monthly Bulletin).

At the same time, a stable macroeconomic environment, including price stability, is a prerequisite for the successful implementation

of reforms which include strengthening private involvement in pension and health insurance arrangements. In view of their long-term nature, markets for such private arrangements will thrive only where macroeconomic and social

stability are guaranteed. In this regard, maintaining price stability is essential to provide a sound framework for long-term financial arrangements.

2 The need for comprehensive reforms

The scope of the ageing problem will require the adoption of a variety of reform measures. In the area of pensions, these range from adjusting existing pay-as-you-go systems to strengthening alternative financing arrangements. With rising financing constraints, public health and long-term care systems will also need to become more efficient. Finally, governments need to address the wider implications of population ageing through comprehensive policies aimed at strengthening employment and economic growth as well as improving public finances by reducing public debt.

Necessary reforms to pay-as-you-go pension arrangements

Public pay-as-you-go pension systems are immediately affected by demographic shifts and are therefore in particular need of reform. A demographic shift that reduces the number of contributors relative to that of pensioners means that, if contribution rates are to remain constant, average pensions have to be reduced, or, for constant average pensions, contribution rates must increase. However, putting the entire adjustment burden on pensioners would be socially unacceptable and lead to a loss of confidence. Similarly, focusing solely on contribution rates would raise distortions and reduce work incentives, thus choking growth. These prospects suggest that two sets of strategies need to be pursued: the adjustment of existing pay-as-you-go arrangements with regard to the structure of benefits and contributions (parametric reforms) and fundamental changes in the structure of financing pensions (systemic reforms).

With regard to the reform of existing pay-as-you-go systems through parametric reforms, overly generous provisions will need to be reduced. Particular attention should be paid to raising effective retirement ages, i.e. the average age at which an individual starts to receive a pension. Pension expenditure could fall as those eligible draw pensions for shorter periods of time. Possibly more importantly, with individuals staying longer in the labour market, employment and economic growth could increase during the transition period. Consequently, higher output would augment the base for fiscal revenues. Employment conditions for older workers would need to be improved, including by providing opportunities for continued training and flexible working hours.

Simulations suggest that there is a large potential gain for sustainability from raising retirement ages. Despite the continuous rise in life expectancy over the past decades, effective retirement ages have in fact decreased. The effective average age of withdrawal from the labour market for men in the euro area now ranges between 58 and 64 years, with women retiring earlier. As a consequence, the average time that pensioners spend in retirement has increased to roughly 20 years, up from around 13 years in the 1960s.

Research into the determinants of retirement behaviour points to the importance of reducing the retirement incentives implicit in social security systems. In many systems, working one year beyond the legal minimum yields only small gains in the average pension, which do not compensate sufficiently for the one year's worth of pension payments foregone. Thus, the total amount of pensions

received during the whole retirement period actually decreases, making the additional year of work a waste in terms of pension wealth. The incentive for early retirement can be reduced through a move towards actuarial neutrality, with payments to and from the pension system having, on average, no impact on the optimal timing of retirement.

Funding to alleviate the pension burden

Systemic reforms can alleviate pressure on public pay-as-you-go pension systems through the diversification of financing arrangements for old age pensions. Basically, this means that instead of paying pensions only out of current transfers from labour income, they can also be financed from capital previously accumulated via pension funds. Such systems exist in most euro area countries, but in many countries they are too small to provide substantial old-age income on top of public pensions. The major benefit from strengthening funded pension arrangements derives from the shift of the financing burden from labour to capital. Pay-as-you-go arrangements are especially vulnerable to demographic shifts because any additional burdens have to be borne fully by current workers, i.e. human capital. By moving part of pension financing to funding, the exposure of the overall pension system to this risk is reduced: human capital, which is becoming scarcer owing to population ageing, is replaced by real capital.

The move towards stronger funding must start as early as possible before the onset of the demographic change. This is because such systems need time to accumulate the necessary capital out of which future pensions are to be paid. The compound interest effect is essential for such long-term financial arrangements. Participants starting early can let this effect work for them and keep necessary contributions small. Any delay in starting a funded system increases the future contribution burden.

Funded pension arrangements carry additional advantages for economic growth through the

effects on labour and capital markets. Labour markets would benefit, as such systems could reduce the labour disincentives that exist in current pay-as-you-go systems by linking pension benefits directly to contributions. Participants would therefore perceive their social security contributions as savings for retirement rather than as a tax. For the same reason, such arrangements would also help to reduce existing incentives for early retirement. The development of capital markets would benefit through the accumulation of capital in the funded pillars. In this regard, private management of pension assets has advantages. Competition and diversification provide the insured with a choice of investment opportunities to adapt to their specific needs, while reducing governance problems that arise from centralised management of pension assets.

During the move towards more funding, existing pension claims have to be honoured. This requirement does not represent an additional burden; rather it makes these existing claims transparent. How the transition is financed is a political question and will usually involve some burden-sharing between pensioners and contributors.

It is clear that a shift towards funded systems also requires efficient regulation in order to avoid overly risky investment strategies and to safeguard the life savings of individual investors. Investing retirement funds in potentially volatile financial assets would expose large parts of the population to asset market risks. The risks are even greater in the latter stages of contributors' lives when they are particularly vulnerable and have fewer opportunities to smooth out fluctuations in wealth and income. Proper regulation must ensure that such risks are allocated efficiently and that individuals are aware of their specific risk situation. Default of funded pension schemes also poses the risk of substantial implicit liabilities for fiscal budgets.

At the same time, funded pension arrangements must be allowed to seek

economically efficient investment opportunities. By restricting investments to particular assets, participants would be deprived of the benefits of portfolio diversification. In addition, it should be noted that investing funds in domestic government bonds would not truly diversify the sources for pension financing, as such bonds ultimately need to be redeemed through domestic tax revenues. However, the involvement of public and private institutions in the design and implementation of funded arrangements can also be adapted to specific national requirements.

Health and long-term care reforms also necessary

In the area of health and long-term care, rising expenditure pressures impose equally hard choices on many public health systems. To face the future burden, governments may have to raise contribution rates, streamline services and secure private financing and funding. Here, discussions in the relevant literature suggest a differentiation between essential, privately non-insurable and non-affordable services and those where private financing might be more efficient. Public health and long-term care systems should focus on providing core services for health care and prevention, while leaving individuals to provide for non-essential health expenditure. Individuals could then decide to what degree they wish to seek insurance cover for such costs. Greater private involvement in health care financing can be achieved, in particular, through patient co-payments, as already implemented in a number of countries. Such co-payments could increase efficiency if they provide the appropriate incentives on the demand side. Pre-financing of ageing-related health and long-term care services via funding has also been proposed.

Moreover, the conditions governing the supply and demand of health services need to be conducive to generating the most efficient outcomes. It is important to adapt country-specific solutions to the institutional context.

It has been argued that the setting of budget caps for specific areas of the health sector can improve overall performance. Within the framework of such budgets, market forces can help to move towards efficient solutions.

Complementary reforms to promote employment and growth

The necessary reforms to social security systems should not divert attention from the need for comprehensive policy reforms to reduce public debt-to-GDP ratios and to strengthen employment and growth – in fact, they should do quite the opposite. Indeed, there is great potential to raise GDP growth in the euro area by means of a comprehensive reform strategy.

There is a large untapped potential in labour markets. On average, employment rates in the euro area fall short of those in other industrialised countries, reflecting both low rates of labour force participation and high unemployment. To raise employment, a strong case can be made for adapting tax and benefit systems to increase work incentives, including using measures to raise the effective retirement age. The containment of labour costs, including non-wage costs, would provide incentives to increase the demand for labour, whereas wage flexibility and differentiation would support the efficient allocation of labour. Additional scope for growth would lie in the extension of working hours, which are also shorter in the euro area than in other industrialised countries.

With regard to productivity, structural reforms in the euro area could help to generate higher growth. In particular, further liberalisation and integration of goods and services markets would help to boost productivity growth by promoting competition.

Where needed, fiscal consolidation and debt reduction should form part of such a comprehensive reform strategy, contributing to macroeconomic stability and thus strengthening economic confidence and

growth. Financial market participants have started to register the magnitude of the impending ageing-induced burdens. The repayment of newly issued long-term government bonds will have to be redeemed during the period of rapidly rising dependency ratios. Once market participants perceive the preparations for population ageing to be insufficient, risk premia on long-term bonds for those countries may rise, putting additional strain on their financial situation. As government borrowing becomes more

difficult, the overall financial environment may suffer, leading to a crowding-out of private investment, or, in an extreme case, financial instability. In order to be growth friendly, consolidation measures should reduce high and distortive tax burdens in step with expenditure decreases, most notably in areas of non-productive expenditure (see the article entitled "Fiscal policies and economic growth" in the August 2001 issue of the ECB's Monthly Bulletin).

3 The EU policy framework

Reflecting the need for comprehensive reforms, as described above, and to provide more substantial guidance on policies, in 2001 the EU agreed on a "three-pronged strategy" to cope with the projected pressures of population ageing. This strategy was first reflected in the 2001 Broad Economic Policy Guidelines (BEPGs) and comprises three broad objectives: to raise employment rates, to reduce government debt rapidly and to reform pension systems, including moves towards a greater reliance on funding.

The EU's involvement in the monitoring and assessment of ageing-related policies is taking place at three levels. At the first level, the Treaty establishing the European Community (the Treaty) and the Stability and Growth Pact provide a quantitative framework for fiscal policies. At the second level, ageing-related policies are a matter of concern for the EU and are thus covered by the enhanced code of conduct for the stability and convergence programmes and the BEPGs. Finally, the EU's open method of co-ordination reflects the principle of subsidiarity by providing a platform for the co-ordinated peer assessment of pension policies.

EU fiscal framework conducive to sustainable public finances

The Treaty and the Stability and Growth Pact establish rules for the prudent conduct of

fiscal policies. As these rules apply to general government accounts, they also cover the fiscal effects of population ageing. To comply with the Treaty, countries should avoid excessive deficits (Article 104). Compliance with budgetary discipline is examined regularly with reference to numerical values for the budget deficit and public debt, with threshold values of 3% of GDP for the deficit and 60% of GDP for debt. The Stability and Growth Pact aims both to ensure lasting compliance of fiscal policies with the requirement of budgetary prudence and to implement procedures for monitoring fiscal developments.

The overall fiscal framework provided by the Treaty and the Stability and Growth Pact is appropriate to address the fiscal challenges of population ageing. The numerical limits on deficits and debt imply that countries have to undertake sufficient efforts to cope with the fiscal burden of population ageing.

More specifically, the Stability and Growth Pact's requirement that public finances be close to balance or in surplus over the medium term implies a reduction of public debt stocks relative to GDP. The resulting decline in interest burdens will free up fiscal resources, making it easier for countries to adjust their fiscal policies to meet the ageing-induced burden. Both the European Commission communication of November 2002 and the recent Council opinions on

stability programmes have put particular emphasis on the need for fiscal sustainability.

Broad Economic Policy Guidelines and Code of Conduct

Turning to the second level for the co-ordination of ageing-related fiscal policies, the EU has identified the impending pressures due to ageing as an area of common concern. As a tool to communicate overall policy orientations, the BEPGs are at the centre of economic policy co-ordination. The guidelines are currently adopted annually by the ECOFIN Council with the approval of the European Council, as stipulated in the Treaty, and the ECOFIN Council may issue a recommendation to countries not complying with the BEPGs.

The code of conduct governing the content and format of stability and convergence programmes has also become an important element of monitoring sustainability since it has been revised to reflect the growing awareness of ageing-induced fiscal burdens. Since 2001 countries' programmes have provided information on the long-term sustainability of public finances up to 2050 and discuss measures to tackle the budgetary implications of ageing. As with the BEPGs, the submission of stability programmes and the respective Council opinions strengthen transparency and peer pressure.

Open method of co-ordination promotes transparency

At the third level of co-operation and in full respect of the exclusive competencies of EU Member States on social security matters, the open method of co-ordination provides a platform for Member States to discuss their specific pensions-related policy strategies in a broadly standardised framework. Thus, the process of the open method of co-ordination takes its place alongside the existing EU processes. In 2002 the EU Member States prepared national pension strategy reports describing their approaches for securing the sustainability of pension systems.³ These reports were discussed in a peer review exercise at the European level and provide the basis for a report to the Spring 2003 Council meeting on pensions which outlines the perceived challenges to pension systems and reform intentions.

To summarise, the three levels of policy co-ordination in the area of ageing-related issues provide a comprehensive framework to secure stable and sustainable public finances. As the design and implementation of appropriate reforms remain a national responsibility, the institutional framework within countries and the incentives for policy-makers to pursue viable, long-term solutions carry particular importance for achieving the objectives. In view of the impending burdens, these national arrangements may deserve particular attention.

4 Practical aspects of designing reforms

Some essential elements of past pension reforms

Previous reforms of social security systems have been largely piecemeal and few countries have systems that appear well placed to deal with the ageing-induced burdens. Nevertheless, some progress has been made and full implementation of current reform proposals would already go some way to preparing countries adequately.

As far as reforms of current pay-as-you-go pension systems are concerned, over the past few years many countries have implemented reforms aimed at reducing future expenditure pressures, including revisions in benefit formulas. In addition, for such schemes the number of years on which the calculation of

3 These reports are available from the website of the European Commission's Directorate General for Employment and Social Affairs, http://europa.eu.int/comm/employment_social/index_en.htm.

pension benefits is based has been extended. Further adjustments have been made to the indexation of pension benefits. Switching from wage indexation towards a greater weight of price indexation reduces pension benefits over time relative to the productivity of active workers. Finally, the eligibility criteria for receiving pension benefits have been tightened in many pension systems.

Several countries have also started to strengthen funded pension pillars. Such measures have involved legal changes, for example allowing companies to set up own pension funds for their employees. Another important aspect of such reforms lies in the design of incentives to participate in funded arrangements. Given the long-term nature of pension planning, individuals may not realise the need to start contributing to voluntary-funded schemes early in their careers. Fiscal incentives have been used to alleviate this problem.

“Notional defined contribution” schemes can help to improve the financial viability of pay-as-you-go systems. In such schemes, individual benefits are calculated from own contributions and the system’s sustainable rate of return under the constraint of constant contribution rates, while buffer funds and automatic longevity adjustments ensure the system’s financial viability. As the pay-as-you-go system becomes less generous, resulting reductions in public pensions are replaced by stronger provision through funded pillars.

Health and long-term care reforms particularly challenging

Health care reforms have responded primarily to immediate expenditure pressures rather than focusing on long-term issues. Measures to curb total expenditure of public systems have included specific controls of prices and quantities in selected areas, such as spending on hospital treatment or pharmaceutical products. More recently, policies have moved more towards laying down overall budget

limits and establishing incentive systems to generate economically efficient outcomes. These policies include the promotion of long-term contracts between providers of health services and the cost-covering institutions, and the implementation of performance standards for health care providers. In terms of financing, policies have tended to strengthen the importance of patient co-payments.

Regarding long-term care, many countries are moving towards an integrated approach. A particular problem in this area lies in the diversity of current long-term care arrangements, covering informal, formal, public and private activities. Preparations include moves to separate long-term care from acute health care services and the setting-up of dedicated long-term care insurance.

Need for ambitious, comprehensive and timely strategies

Further reform strategies – as shown, for example, by countries’ stability programmes – remain restricted to generally acceptable measures. The strategies announced focus mainly on strengthening overall employment (including that of elderly workers) and consolidating public finances. Some countries have started to set up dedicated accounting mechanisms to make their preparations more transparent.

However, while such efforts are mostly necessary and appropriate, the strategies do not appear to be ambitious enough. To start with, there is evidence that many public pension systems require further reform to attain financial sustainability and that early retirement incentives could be reduced. Similarly, there seems to be scope in health systems for new incentives for cost-efficient behaviour. In addition, strict budget caps could help to avoid systematic cost overruns. Furthermore, recent experiences with fiscal consolidation and debt reduction show that such targets may be readily abandoned

when political priorities change. Finally, it should be noted that raising overall employment has so far been more of a policy objective than a measure. Such objectives need to be backed by strong, credible policy changes, for example regarding the containment of labour costs and the abolition of overly rigid labour market regulations. Although some progress has been made, further efforts will be necessary.

Uncertainty calls for additional prudence and monitoring

The uncertainties surrounding long-term projections call for additional fiscal prudence. The population projections presented above are in fact subject to some uncertainty, regarding fertility and migration, for example. In terms of economic developments, productivity growth is also too unpredictable to justify naive reliance on the projections. Moreover, as ageing represents a major structural shift in the economy, effects on fundamental relationships, including individual choices between labour and leisure as well as savings and consumption, may be substantial.

Furthermore, given the degree of uncertainty and the size of the problem, a solid information base is warranted. Long-term policies need to be based on comprehensive and realistic forecasts. In the area of pension reform, a set of broadly homogeneous forecasts has been put together for the EU countries by the Working Group on Ageing. (Box 2 below discusses alternative methods of projecting ageing-induced burdens.) In the area of health and long-term care expenditure, the computation of forecasts is an even more complex problem. Consequently, it is all the more important that comprehensive projections are provided for all euro area countries in a transparent and comparable way that would also allow for the sensitivity of the results to be assessed with respect to alternative specifications. The inclusion of long-term projections in countries' stability programmes is a first step in this direction. In addition, the BEPGs and the open method of co-ordination in the area of pensions provide useful frameworks to reduce uncertainty through the harmonised analysis of national data.

Box 2

Alternative methods of projecting ageing-induced burdens

Methods of projecting the impact of population ageing on fiscal accounts and the overall economy can be classified into three categories, according to the degree of complexity that they capture. It is reassuring to note that, with similar underlying assumptions, all three types of model come to broadly similar conclusions in terms of the severity of the ageing problem. Therefore, the advantage of different approaches lies not so much in the repudiation of one strategy or another, but in the opportunity to capture specific aspects of the ageing problem through the appropriate type of model.

Projections of social security systems focus on identifying the impact of demographic changes on particular areas of public finances, such as pensions and health care. Essentially, such projections involve, first, specific assumptions on public expenditures (sometimes also revenues) by age cohort, and second, the projection of total expenditures by applying demographic projections. Other assumptions, including those relating to macroeconomic developments, are exogenous. This procedure is particularly suitable for projections of pension expenditure, where future payouts can be derived from broad economic and demographic relationships by (relatively) simple formulae. In other areas, where expenditures are driven to a larger extent by behavioural patterns (e.g. health care), the mechanical approach is likely to miss important factors.

Generational accounting widens the scope of the analysis to capture all financial payment streams between individuals and the government. It can therefore present a full account of all benefits received from and

obligations claimed by the government over the lifetime of a representative individual on the basis of cohort-specific payment streams. As with the mechanical approach above, macroeconomic developments are introduced via exogenous assumptions. Since the seminal contribution by Auerbach and Kotlikoff (see “Dynamic Fiscal Policy”, 1987), a wide literature has focused on assessing fiscal sustainability for many countries. However, the necessary assumptions for such computations, e.g. regarding the life-cycle hypothesis and the incidence of fiscal transactions, do limit this approach.

Computable general equilibrium models address the shortcomings of the above models regarding exogenous macroeconomic assumptions. In general, they are based on the concept of overlapping generations with agents passing through various stages of learning, work and retirement throughout their lifetime. In addition to utility-maximising agents, the models comprise profit-maximising firms and governments that may provide education and pension systems. The models are calibrated to replicate observed economic relationships. As a major advantage, computable general equilibrium models allow the capture of important macroeconomic implications of demographic shifts, such as those regarding private and national savings, labour supply or international capital flows. Such models, however, can become fairly complex and thus difficult to understand intuitively.

5 Conclusion

Population ageing will put pressure on public finances in the euro area. Pension systems will be affected adversely by the rising number of pensioners and stagnating or shrinking numbers of contributors. Demand for health and long-term care will also rise with increasing longevity. Failure to implement timely reforms could jeopardise fiscal sustainability through rising spending, taxes and public debt. This also risks weakening economic growth and stability.

To cope with the ageing-induced burden, governments will need to implement comprehensive reforms. These should aim both to address specific problems in pension systems and health and long-term care arrangements and to reduce overall public debt and strengthen the forces driving overall growth. Price stability is a prerequisite for the successful implementation of such reforms.

Social security reform should reassess behavioural incentives and the public-private financing mix. While parametric reforms of pension systems could help to reduce incentives for early retirement, financing arrangements should be diversified through a strengthening of pension funding. Health and long-term care systems may reconsider

financing arrangements and the strengthening of incentives for cost-efficient behaviour on the demand and supply side.

However, fiscal sustainability will depend crucially on economic growth. The adverse impact of population ageing on the labour force can be offset to some extent by raising employment rates and working hours. In addition, it is necessary to foster productivity growth through structural reforms, including reforms of tax and benefit systems and the liberalisation of goods and services markets. Finally, debt reduction and sound public finances are crucial to cushion the impact of ageing-induced pressures and to strengthen confidence in macroeconomic stability.

Comprehensive reform requires proper institutional incentives both at the euro area and national levels. At the European level, the rules contained in the Treaty and the Stability and Growth Pact also provide an appropriate framework for the conduct of fiscal policies in view of population ageing. Countries' overall policies for coping with ageing are monitored and assessed under the BEPGs, whereas the open method of co-ordination provides an arena for progress through mutual learning in the area of pensions. The mutually agreed three-pronged

strategy highlights the most important areas for policy measures. However, national governments remain exclusively responsible for implementing reforms and institutional incentives may need to be strengthened at this level.

Although many countries have started to implement reforms to improve the sustainability of public finances and strengthen employment and economic growth, further

wide-ranging reforms are necessary. Many reform plans do not appear to be sufficiently ambitious and, therefore, vigilance in the monitoring and assessment of reform efforts is needed. However, the timely implementation of comprehensive and incentive-compatible reforms could go a long way to preparing for the ageing burden as adjustments can be spread over time and positive growth effects help to alleviate future pressures.

Developments in general economic statistics for the euro area

This article provides an overview of recent developments in, and planned improvements to, general economic statistics for the euro area. These statistics are crucial for the monetary policy of the ECB. Since 1999, and in particular since the adoption of the Action Plan on EMU statistical requirements in autumn 2000, statistics for the euro area have become more complete, comparable and timely. However, major improvements are still required. The highest priorities have been outlined in the new Principal European Economic Indicators, including the “first-for-Europe” principle. These indicators establish targets and priorities for euro area statistics for the years ahead.

I Introduction

General economic statistics cover mainly price statistics, the national accounts, short-term business statistics, labour market statistics and external trade statistics. These are of vital importance for the ECB's monetary policy strategy, in particular to the assessment of the inflation outlook over the medium term. Moreover, the Harmonised Index of Consumer Prices (HICP) has been chosen as the price index used to assess price stability. In accordance with the recently agreed Memorandum of Understanding, the European Commission (Eurostat) is responsible for compiling most of these statistics for the euro area.¹

General economic statistics were last assessed in the ECB's Monthly Bulletin of April 2001. Since then, developments in this

area have been guided by two major initiatives: the EMU Action Plan and the new Principal European Economic Indicators. The EMU Action Plan, endorsed by the ECOFIN Council in autumn 2000, established priorities for improving euro area statistics for each Member State and for the Commission. Their implementation has been monitored regularly in progress reports submitted to the ECOFIN Council.² The progress made in recent years is summarised in Section 2 of this article. However, additional improvements are required. The Principal European Economic Indicator programme, as proposed by the Commission (Eurostat) and supported by the ECOFIN Council, sets out the priorities, targets and timetable for these improvements. These and other priorities for the years ahead are discussed in Section 3.

2 Progress since 2001 and assessment of selected indicators

This section examines the main general economic statistics used for short-term analysis by the ECB, highlighting the progress made and the work still outstanding.

2.1 Harmonised Index of Consumer Prices

The Harmonised Index of Consumer Prices (HICP) is the reference measure for defining price stability and the key indicator for monitoring price developments. Since its first publication in 1997, the HICP has been gradually improved in terms of timeliness, reliability and comparability. It was developed

specifically to assess convergence between EU countries and has subsequently been used for monetary policy purposes. The most visible development since autumn 2001 is an advanced estimate for the total HICP growth rate for the euro area at the end of the current month (see Box 4 in the ECB's

¹ See the ECB's website for the Memorandum of Understanding on Economic and Financial Statistics between the European Commission and the ECB. General economic statistics for the euro area can be accessed via Eurostat releases on the internet (<http://europa.eu.int/comm/eurostat>), on the European Commission's (DG ECFIN) website (http://europa.eu.int/comm/economy_finance), in the euro area statistics section of the ECB's Monthly Bulletin (Tables 4, 5 and 9) and on the ECB's website (Statistics).

² See <http://ue.eu.int/emu/stat/main.htm> for this and subsequent reports.

Monthly Bulletin of November 2002). Complete HICP results follow two to three weeks later. The coverage of the HICP has been extended further (inclusion of social and financial services) and harmonised. Other agreements concern revision policies and sales prices (see Box 4 in the ECB's Monthly Bulletin of March 2002).

Two major areas for HICP improvement are currently under development. The first involves the further harmonisation and improvement of the methods of quality adjustment. The methods currently used in the countries are known to be insufficiently comparable for some products (e.g. clothing, electronic appliances). The second is the envisaged extension of the coverage by including expenditure on owner-occupied housing, the only major component of household expenditure not yet reflected in the HICP. Results of work in these two fields are expected to be implemented in the years ahead, in the case of owner-occupied housing initially on an experimental basis.

2.2 National accounts

National accounts provide a comprehensive and consistent picture of the economy and are therefore a cornerstone of monetary policy analysis. This section focuses on the quarterly accounts needed for the euro area. Concerning the more detailed annual national accounts, most indicators required for the euro area are still unavailable (e.g. the results for the household and corporate sectors, and data on investment by branch).

Eurostat has continued its practice of releasing three quarterly GDP estimates around 70, 100 and 120 days after the quarter respectively. Since early 2001, Eurostat has released more detailed quarterly indicators: the breakdown of value added by six branches after 70 days, recently supplemented by corresponding results for compensation of employees; national income components (e.g. gross operating surplus), estimated since early 2002; the breakdown of gross fixed capital

formation by product; and the breakdown of exports and imports into goods and services (all published after four months). The new data available improves the analysis (e.g. for calculating unit labour costs and productivity).

The reliability of euro area estimates has increased, as they are based on a broader coverage of national data. Since the first quarter of 2001, the average revision of the euro area GDP growth rate has been approximately 0.15 percentage point (as measured by the differences in annual growth rates between the first estimate and the latest available result).

As regards the quarterly results for the government sector, data on taxes, social contributions and social benefits, revenue, expenditure and net lending/net borrowing are expected to become available within 90 days after the quarter from mid-2003 onwards. The envisaged set of quarterly data are considered to be sufficient for the compilation of a timely and comprehensive set of sectoral non-financial accounts for government.

However, when comparing euro area quarterly national accounts with the situation in individual euro area countries, or some countries outside the euro area (e.g. the United Kingdom and the United States), several serious shortcomings are revealed: the relatively late publication of the results, the lack of quarterly indicators on household disposable income, saving and corporate investments, hours worked and the absence of a proper delineation of euro area exports and imports (these still include trade within the euro area).

In 2003 the European Parliament and the EU Council are expected to adopt a regulation that will lead to more timely euro area data (most data mentioned in this section should be available after 70 days). Another development is the planned release in May 2003 of a flash estimate for euro area GDP around 45 days after the quarter. In addition, greater harmonisation of the practices for

seasonal and working-day adjustments of national and euro area data is under way, which is important for the interpretation of short-term GDP changes. Preparatory work on quarterly national accounts by institutional sector, in particular for the household and corporate sectors, has started (see also Section 3). Finally, in the medium term, improved methods for calculating GDP volume measures should become available by applying, among other things, better and more harmonised methods for deflation in services.

2.3 Short-term business statistics

Monthly and quarterly business indicators are an important supplement to national accounts, because they provide early and, at the same time, relatively detailed information on demand, output and prices. Improvements have taken place over the past two years in short-term industrial statistics on production (see Box I for details), producer prices, employment, wages and salaries and retail trade. They concern a higher country coverage of euro area indicators, a shortening of the sometimes excessive publication delays and a harmonisation of methods. However, other important indicators are still lacking: new orders, export prices, various construction indicators and services sector data. During 2003, the situation is expected to improve with the complete implementation of the Regulation on short-term business statistics by all EU Member States.

Euro area short-term statistics are not based on fully comparable national methods. However, incremental improvements have been achieved in recent years for industrial production, retail trade and producer prices, and with the introduction of the breakdown into main industrial groupings (energy, intermediate, capital and consumer good industries), which is now fully comparable in the euro area.

Some important indicators will, at least for some years to come, remain unavailable or continue to be based on incomplete or non-

harmonised information. Such indicators include euro area import price data, producer price indices in the construction and services sectors and residential property price data. Furthermore, the analysis of month-on-month growth rates is still hampered by a lack of harmonisation of practices for the adjustment for working-day and seasonal effects.

2.4 Labour market statistics

Only limited progress has been made in the area of euro area labour market statistics. However, in contrast to the situation in 2001, estimates of euro area employment data are now available. Quarterly data on hours worked in the economy, which are urgently needed for a better analysis of employment and productivity developments, should become available in 2004, as part of the proposed amendment to the Regulation on national accounts. First estimates for the industrial sector have been published recently.

Unemployment statistics for the euro area have been improved by applying the harmonised definition of unemployment more closely. Results are published 30 to 35 days after the end of the reference month. The first release, however, covers less than 75% of the euro area. Nevertheless, revisions to first euro area estimates have been small.

In 2003, Eurostat intends to release the first quarterly estimates of the EU labour force survey (LFS) for the euro area, using proxies for missing countries. Full implementation of the LFS for the euro area may not be achieved before 2005. The availability of LFS data will be an important step, as it provides consistent labour market indicators (e.g. employment, unemployment).

Progress was made in 2002 on the euro area labour cost index. First estimates are now published after 90 days (compared with 100 days previously); the comparability of national components has improved. New legislation was enacted recently that will reduce this

Box I

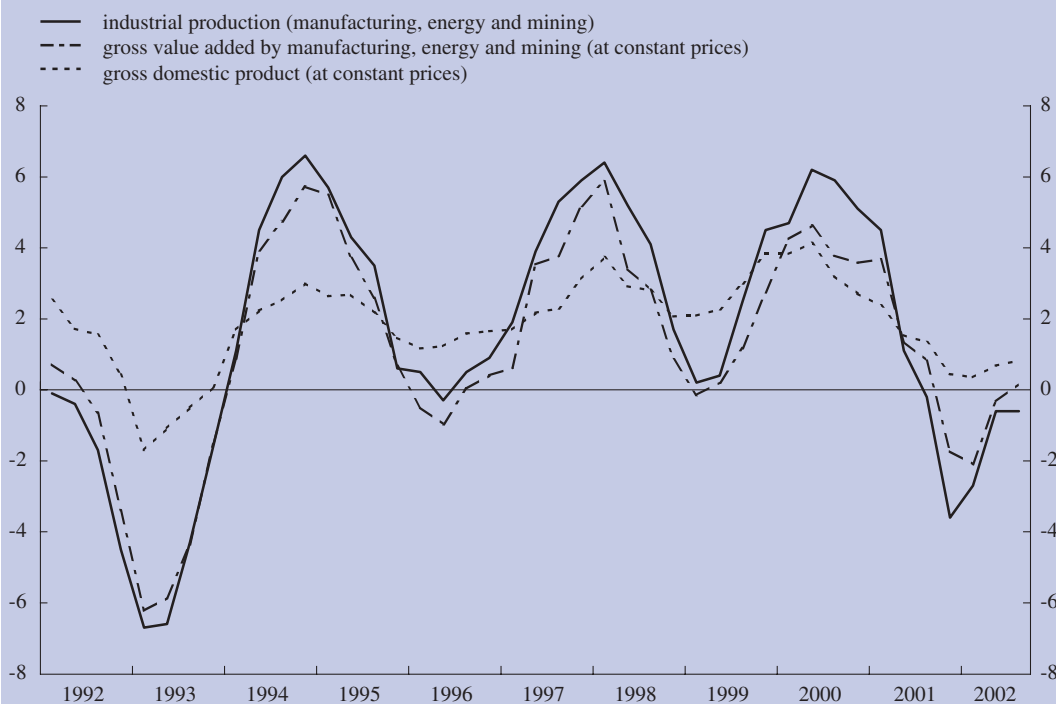
Improvements in euro area statistics – industrial production

Since 1999, there have been several improvements in the availability, timeliness and harmonisation of euro area statistics. However, a satisfactory state for all key indicators has still not been reached. This box explains the situation for the industrial production indicator.

The monthly production estimate is the most important indicator of activity in the industrial sector. At the same time, it is a leading indicator for GDP growth due to its higher frequency, earlier publication and the signalling role of manufacturing activity in the business cycle. It accounts for approximately 25% of euro area value added, but manufacturing activity may indirectly influence business services activity.

Industrial production, gross value added and GDP

(annual percentage changes)



Sources: Eurostat and ECB calculations.

The table below shows that the timeliness and coverage of the first release has gradually improved from more than 100 days in January 1999 to less than 50 days recently. The number of countries included in this first release has increased from five to eleven. Due to substantial efforts by the statistical offices in almost all euro area countries, the coverage of countries included in the first euro area release has improved, despite being already well advanced, and now exceeds 95%.

Revisions of the first euro area estimates have not been higher than in previous years. Since July 2001, first monthly estimates have been revised by between 0.1 and 1.0 percentage point, with an average upward correction of 0.3 percentage point, as measured by the difference between the first and latest available annual growth rates. The supposed trade-off between timeliness and reliability – i.e. that earlier releases of economic statistics are subject to greater revision – has not materialised in this case, mainly because more countries have converged towards the good practice of the best performers.

Timeliness of first publication of euro area industrial production data

	Time-lag ¹⁾ (calendar days)	Countries included	Coverage (% of euro area)
January 1999	104	5	85
1999	90	6	84
2000	83	8	90
2001	65	9	94
2002	50	10	95
January 2003	49	11	97

Sources: Eurostat and ECB calculations; annual figures are averages of monthly releases.

1) First releases in number of calendar days after the reporting month.

However, while it appears possible to meet the objective of a 45-day time-lag this year, it should be noted that no less than five years will have passed since this requirement was stated in the Regulation on short-term statistics in mid-1998. Unfortunately, this lengthy delay in implementing EU statistical requirements is not limited to industrial production, but typical for many euro area indicators.

period to 70 days in 2004 and, after some exploratory work, will enhance the coverage of the services sector. These improvements are particularly welcome, as labour cost data have given mixed indications in the past, possibly because of inadequate data quality (see Box 5 in the ECB's Monthly Bulletin of September 2002).

2.5 External trade statistics

Extra-euro area trade in goods statistics offer very detailed information on export and import values and volumes of the euro area, by product group and region. They currently also provide the only comprehensive information on export and import price changes, since appropriate price indices are still unavailable. The publication of price and volume data was suspended in 2002, but has recently been reinstated.

The timeliness of the first estimate of euro area external trade has improved by about five days in the last two years, reaching 50 to

53 days recently. Price and volume data are published four to six weeks later.

2.6 Surveys

Monthly survey data provide both very timely qualitative indicators and leading information on the expected evolution of economic activity as well as important information on perceived and expected price trends. In addition to the European Commission's harmonised surveys on manufacturing, construction and the retail trade, as well as the survey of consumers, a new survey on euro area market services (e.g. computer and related activities, real estate activities) has been published since 2001. The Commission's Directorate-General for Economic and Financial Affairs (DG ECFIN) has announced an extension of the coverage to include the transport, hotel and restaurant sectors during 2003. The extension of the coverage of the services sector is very welcome, in particular since other data for the services sector are scarce (see also Section 3).

Table**Overview of main improvements to euro area statistics**

Area	Main improvements achieved	Expected improvements 2003/04
HICP	<ul style="list-style-type: none"> • New flash estimate at reference month-end • Broader coverage, more harmonised practices 	<ul style="list-style-type: none"> • Better treatment of quality changes • Coverage of owner-occupied housing
Quarterly national accounts	<ul style="list-style-type: none"> • Various new breakdowns after 70-120 days (value added, gross fixed capital formation, income components) 	<ul style="list-style-type: none"> • GDP flash estimates after 45 days • Reducing time-lag to 70 days • Non-financial accounts for government
Short-term business statistics	<ul style="list-style-type: none"> • Better timeliness (e.g. production, retail trade) • Better comparability (e.g. producer prices, main industrial groupings) 	<ul style="list-style-type: none"> • New indicators, in particular new orders, services turnover and employment • Improved timeliness (e.g. retail trade)
Labour market statistics	<ul style="list-style-type: none"> • Quarterly labour cost index after 90 days, comparability improved • Better unemployment data 	<ul style="list-style-type: none"> • Proxy results for Labour Force Surveys • Broader coverage and better comparability of labour cost statistics • Quarterly estimates of hours worked
Opinion surveys	<ul style="list-style-type: none"> • Harmonised survey on services sector 	<ul style="list-style-type: none"> • Increase in coverage of services sector

3 Priorities for the years ahead

The process for improving statistics typically spans several years since it may include agreement on common targets and methods, adopting a European legal basis, implementing new methods or surveys at the national level and finally releasing the results at the national and European levels. Many of the recent improvements to euro area statistics therefore originate from work in the second half of the 1990s.

Given the implementation lags – and the constraints under which producers of national statistics operate – it is important that the changes to statistics for euro area purposes are embedded in a long-term strategy for European statistics. Since 1999, much effort has been made in this direction. These developments are covered in this section.

The foundations for euro area general economic statistics were laid with the adoption and implementation of several statistical regulations between 1996 and 2000 (e.g. the Regulation on the European System of Accounts (ESA 95), and the Regulation on short-term business statistics). These efforts

focused on providing better harmonised country data. However, these statistics have not met all the statistical requirements for EMU. Criticism by the experts and the media often amounts to “too little, too late”. The EMU Action Plan of September 2000 addressed these issues, covering both short-term improvements at the national level and long-term, strategic developments. The latter include:

- a stronger focus on statistics for the euro area as a whole;
- a review of current procedures for compiling euro area aggregates;
- the benchmarking of European statistics to agreed quality targets;
- the development of new statistics in response to economic developments (e.g. services sector data);
- priority-setting to limit the burden on producers of statistics and respondents.

3.1 Report of the European Commission and the ECOFIN Council in February 2003

The Barcelona European Council in March 2002 expressed the need for further progress to be made on euro area statistics. Subsequently, the European Commission and the ECOFIN Council produced a joint report on euro area statistics, and proposed key elements for further development.

A major element of the long-term strategy is the list of Principal European Economic Indicators (PEEIs) detailed in Box 2. According to the joint report, these should be fully implemented by 2005. Moreover, they should be released “with a timeliness, reliability and other required quality features that match the highest international standards. This will require a further acceleration of the release of key statistics for the euro area and an enhancement of other important quality features (such as revisions and consistency)”. With the proposal of these principle indicators, the EU has followed the example of the US statistical system, in which the Office of Management and Budget adopted in 1985 a revised directive on the compilation and release of Principal Federal Economic Indicators (e.g. including the requirement that data for the United States be published no later than 22 working days after the end of the month or quarter). The targets set for the EU by the PEEIs are more limited in scope and aim to meet the standards for timeliness adopted in the United States in only a few cases. However, when comparing the statistical systems in the two areas, the different institutional and policy environment has to be considered. While the focus of most US statistics is on providing results at the federal level, most EU economic statistics are used at both the national and European levels.

3.2 Statistics for the services sector

The PEEI recommendations for euro area statistics put particular emphasis on the development of a better statistical basis for the services sector. The ECOFIN Council recently endorsed specific action points, which were developed jointly by Eurostat and the ECB in close co-operation with the NSIs and NCBs.

Almost 70% of euro area GDP is produced by services activities, of which about two-thirds are contributed by market services. The services consist of a wide range of activities and the statistical requirements differ between services branches, in particular between the more cyclical and constantly growing market services and non-market services.

However, short-term economic statistics on this important part of the economy are scarce. On a quarterly basis, the national accounts provide estimates of the value added, but this is insufficient. Monthly survey results have become available since 2001. Other official short-term statistics on output, employment, producer prices and labour costs are unavailable or are incomplete for the euro area as a whole, and in many euro area countries. The agreed priorities for developing EU-wide short-term statistics for the services sector are:

- more data on employment and labour costs for all services branches;
- more data on turnover, value added and producer prices for market services.

These improvements are expected to become effective between end-2003 and 2007, depending on the development work needed. A first step towards improving coverage of services in short-term economic statistics is expected from the release of euro area indicators on turnover and employment for selected services branches by end-2003.

Box 2**The Principal European Economic Indicators**

The Principal European Economic Indicators (PEEIs) consist of a list of major euro area indicators (consumer prices, national accounts, short-term business statistics, labour market statistics and external trade indicators) which are essential for short-term analysis. The indicators were selected by Eurostat and the national statistical institutes (NSIs) after consulting the main European policy users (ECB, European Commission). The PEEIs stipulate targets for euro area aggregates. However, as all existing euro area statistics are compiled from national contributions, close co-operation between Eurostat and the NSIs is essential. Where the targets of the PEEIs on periodicity and timeliness go beyond requirements of existing EU statistical legislation, countries will contribute to the PEEIs on a voluntary basis.

The table below shows the complete PEEI list, indicating the targeted periodicity and timeliness and the timeliness at end-2002.

Principal European Economic Indicators

Euro area indicator	Periodicity (m = monthly; q = quarterly)	Release target	Actual release (end-2002)
Consumer price indicators			
HICP: flash estimate	m	0	0
HICP: actual indices	m	17	17
Quarterly national accounts			
First GDP (flash) estimate	q	45	NA
First GDP release with more breakdowns	q	60	70-120
Accounts for households and corporations	q	90	NA
Government finance statistics	q	90	NA
Business indicators			
Industrial production index	m	40	48
Industrial producer price index (domestic)	m	35	35
Industrial new orders index	m	40/50	NA
Import price index	m	45	NA
Production in construction	m/q	45	75
Turnover index for retail trade and repair	m	30	60
Turnover index for services	q	60	NA
Producer price index for market services	q	60	NA
Labour market indicators			
Unemployment rate	m	30	30
Job vacancy rate	q	45	NA
Employment	q	45	100
Labour cost index	q	70	90
External trade indicators			
Trade balance	m	45	50

Publication in calendar days after the end of the reporting period; NA: not available for the euro area in 2002.

Major efforts will be required to achieve the objectives by 2005, notably the implementation of new statistics for the euro area (e.g. quarterly national accounts for households and companies, import price statistics, service indicators and job vacancy statistics), many of which require the development of a sound methodological basis before data collection can begin (e.g. producer prices index for services). For some of the already existing indicators, a significant shortening of the current publication schedules has been targeted (e.g. for production, retail trade and labour cost indices). Overall, the PEEIs are an important step and should lead to a significant improvement in the statistical information available for euro area analysis.

3.3 National accounts as a framework for euro area statistics

National accounts according to ESA 95 – the statistical system describing the production, distribution and use of income, capital accumulation, financing and balance sheets of the economy and its sectors – have received growing attention in recent years. The ESA 95 is a multi-purpose system for economic and monetary analysis and decision-making. Since it is an accounting system, linking the different indicators, it provides a coherent picture of the economy. Other statistics – such as balance of payments, labour market, public finance and monetary statistics – have moved close to using national accounts concepts, because consistency between different statistics enhances their usefulness. It is important for euro area analysis that national accounts are based on comparable definitions within the euro area, and that they also constitute the reference framework for making international comparisons with countries outside the euro area. Overall, national accounts have developed into an integrating framework for many economic statistics and analyses, and it is expected that this development will continue.

Apart from an analysis of economic activity by branch, type of expenditure (consumption, investment, exports) and income categories, the assessment of economic developments also requires statistics on the economic behaviour and interaction of institutional sectors within the economy. These sectors are households, non-profit institutions serving households, non-financial corporations, financial corporations and general government. Such data are needed, for example, to explain household decisions on saving and consumption or corporate investments and profitability. Moreover, since these accounts are drawn up in accordance with the financial accounts for the euro area, they can support the analysis of the monetary transmission mechanism.

Most euro area countries currently produce these sector accounts annually, with a time-lag of six to twelve months. Although they usefully describe the structure of the euro area economy, they cannot be used for a timely monitoring of economic developments due to their infrequency and time-lag. Work has therefore been launched under the EMU Action Plan and PEEIs to establish main quarterly national accounts by institutional sector for the euro area by 2005.

Since complete, consistent and reliable accounts can only be compiled some time after the reporting period and since the data is published, at best, at quarterly intervals, it will continue to be necessary to supplement the national accounts with a sufficiently complete set of monthly and quarterly economic indicators, such as indicators of new orders, production, prices and employment. These indicators are often used to “forecast” national account aggregates such as GDP and household consumption, and are also the input for producing quarterly national accounts. Therefore, the development of national accounts and the improvements to other short-term economic statistics for the euro area go hand in hand.

3.4 New approaches to euro area statistics

All PEEIs for the euro area and the EU are to be compiled from national contributions. If a legal basis does not exist, this contribution will be voluntary, but based on a firm commitment on the part of the Member States concerned. This practice is part of the “first-for-Europe” principle agreed for the PEEIs. It means that the release calendar (for the first publication and later revisions) of the PEEIs for the euro area and the related indicators for the Member States will follow European policy needs. The first release of the euro area PEEIs will be produced in a very timely manner and on the basis of an adequate coverage of national contributions;

ideally, the first euro area releases will be published on the same day as the first figures for the most important countries. Later releases will cover all EU Member States. Moreover, it supports a harmonisation of seasonal and working day adjustment practices.

For the ECB, as a user of data, both the timeliness and the accuracy of euro area data are crucial. It will therefore be important that the PEEIs are produced and published for the euro area on the basis of an adequate coverage of data provided by countries. There are various ways of achieving this. The current practice for most indicators is that, in the first production step, all or most countries produce and publish representative national results, from which, in the following step, Eurostat compiles euro area results. This practice ensures a high quality of the euro area results and a comprehensive set of national data for economic analysis. But it may not be the most efficient production method and typically leads to delays before the European figures become available. Modifications of this practice aimed at improving quality and timeliness while reducing the need for complete national contributions are therefore being developed. First publications for the euro area may then offer only a reduced breakdown by country, but are, nevertheless, compiled from statistical contributions rapidly provided by most or all countries. In this scenario, only the second or third release may include published results for all countries. This may limit the burden on those countries which place less emphasis on very timely national results.

A first example of this approach is the euro area retail trade turnover index. The availability of first national releases currently varies between 25 and 70 days after the reference month. Eurostat publishes the euro area retail trade turnover after 60 to 65 days, normally based on published results from ten euro area countries. Research has shown that a significantly smaller sample would be sufficient to derive first euro area results

with sufficient accuracy. If no national releases are required, and if detailed results by retail branch are scheduled only for the second, later release, the required euro area sample can be more than 75% smaller than the current total of the national samples underlying the first Eurostat release. In this context, Eurostat and the NSIs have agreed on a set of measures to shorten the release time-lag, even though most countries prefer to continue publishing their first national estimates no later than the euro area release, but take other measures to improve timeliness. It is expected that the current publication time-lag for the euro area can be reduced in several steps from between 60 and 65 days to between 30 and 40 days by end-2003. This is an encouraging improvement and it appears worthwhile to investigate using this new approach for other euro area statistics.

3.5 Priority-setting

New and improved statistics for euro area analysis require adequate resources and the setting of priorities. Under the EMU Action Plan, the European Commission (Eurostat), in close co-operation with the ECB, was requested to make proposals to this end, including a review of the requirements for the smallest EU countries.

As part of this process, the above-mentioned developments towards earlier euro area results, from reduced national samples, may play an important role, considering in particular the forthcoming EU enlargement. Unless specific derogations are granted, the statistical requirements for current EU Member States will apply to all new EU countries as soon as they join the EU. However, 18 of the expected 25 Member States will contribute no more than 20% to total GDP of the enlarged EU, and six of these countries will each contribute less than 1% to the EU total. At the same time, most existing EU requirements in economic statistics do not differentiate between smaller and larger countries. While key economic

indicators are needed for all EU countries, simplifications in terms of the required level of detail or the targeted timeliness for small countries would be acceptable for the purpose of calculating first and faster results for the euro area.

Moreover, there are other possible elements in a stronger setting of priorities. One is a sharper focus on monthly and quarterly statistics for policy use, and a critical review of existing comprehensive annual economic statistics. These are published in detail for EU countries, but sometimes with such long time-lags for EU and euro area aggregates that the value of the data for policy purposes

becomes questionable. A second, more general option is a review of the use made of existing statistics that are mandatory at the EU level. This could lead to less regulation in those areas where an imbalance exists between the resources needed to produce the statistics and the policy use of the results. One example of this is the current review of the very detailed Intrastat regulation on statistics on cross-border trade in goods within the EU. A third option is a sharper focus on comparable EU statistics and aggregates, at the expense of non-comparable, purely national statistics, in particular where these are produced in parallel.

4 Conclusion

Euro area statistics have improved recently, but major challenges lie ahead. The single monetary policy needs timely, reliable and comparable indicators that reflect economic developments in the euro area. When Stage Three of Monetary Union started in 1999, intensive preparatory work had been done for some key indicators, such as the HICP, but many other indicators were either lacking or non-harmonised. The situation has gradually improved over the past few years and further improvements are expected. However, the supply of economic statistics for the euro area as a whole is still less complete and timely than in a number of individual euro area countries or major trading partners outside the euro area, such

as the United Kingdom and the United States. It is therefore important that a broad consensus on the development of euro area statistics has been reached, as reflected in the Principal European Economic Indicators. Particular emphasis is put on the further improvement of the timeliness of euro area statistics, the development of short-term statistics for services as well as further developments in the national accounts. This agreement may also provide guidance for the development of statistics in the acceding countries. The targets are ambitious. They require priority-setting, intensified co-operation at the European level and the investigation of new, flexible and efficient methods to compile euro area statistics.

A bank lending survey for the euro area

The Eurosystem has developed a bank lending survey for the euro area in order to obtain more detailed information on credit markets, and therefore on the role of credit in business cycles and in the transmission process of monetary policy. The survey consists of a set of qualitative questions which, at the beginning of each quarter, will be put to a predefined sample group of banks located in the 12 countries of the euro area. The first survey was conducted in early 2003. Its results will be published as soon as the final quality checks have been completed.

I Introduction

The Eurosystem has developed a survey on bank lending developments in the euro area. The survey will help the Governing Council of the ECB to assess monetary and economic developments in the euro area as input into monetary policy decisions. It is designed to complement existing statistics on bank retail interest rates and credit with information on demand and supply conditions in the euro area credit markets and the lending policies of euro area banks.

This article explains why the bank lending survey was developed and describes its main features. The first section sets out the importance of credit developments for both the economy and the functioning of monetary policy, and further clarifies the motivation for the introduction of the survey. The subsequent sections describe the questionnaire used in the survey, the sample group, the weighting and aggregation of the results and certain operational issues, and draw some general conclusions.

2 The purpose of a bank lending survey for the euro area

The additional information on credit conditions in the euro area which can be obtained from a bank lending survey is of relevance to the Eurosystem because of the prominent role played by credit in the economy and in the transmission process of monetary policy.

The importance of credit for the functioning of the economy

Banks are an important element in the functioning of an economy, as they channel funds from households and enterprises that are net savers to those that are net borrowers. In this way, they bring together the supply of and demand for funds, and meet the financing needs of both consumers and producers by providing various kinds of loans. This role of banks is especially important for those borrowers, typically households and small and medium-size enterprises, whose access to capital markets is limited.

In general, the supply of credit is determined by the ability and willingness of banks to lend. If, for example, banks expect a worsening of the general economic outlook, they may become more restrictive in providing credit to prospective borrowers and tighten their credit standards and/or conditions and terms. This would probably have an impact on the general availability of financing, as at least some borrowers may experience difficulties in finding alternative sources of finance. This could, in turn, lead to reduced spending by both consumers and producers and affect the general level of economic activity.

In practice, banks can for various reasons refuse to make loans even when borrowers are willing to pay the stated or even higher interest rate, or can provide less financing than is being sought. Indeed, the aggregate amount of credit provided will also depend on factors such as non-interest rate credit conditions or terms. In an extreme case, if many banks were to adopt a policy of very strict non-price credit rationing, the economy

could experience a “credit crunch”. This situation can be described as a significant decrease in the supply of credit or, more narrowly, in the supply of bank loans, regardless of whether borrowers are willing to pay a high price to obtain credit or not. A credit crunch may potentially have serious repercussions on economic developments and is one of the clearest examples of the important role of credit in the business cycle. In practice, however, it is very difficult to determine when a situation of restrictive bank lending behaviour should be classified as a credit crunch. The value of a bank lending survey is that it provides information obtained directly from the lenders – i.e. the banks – which are the best placed to know whether they are relying more heavily on non-price rationing of loans and why.

At the other extreme, a situation could arise where banks, because of optimistic expectations about future financial and economic developments, make credit readily available to prospective borrowers. This may lead to a significant increase in the supply of credit, and even to a “lending boom”. In this situation, banks may not take sufficient account of prudent risk considerations or differentiate between various classes of borrowers. In the end, the economy could experience a credit-induced expansion of real and financial assets, fuelled by a spiral of rising asset prices, higher collateral values and increasing bank loans.

The role of credit in the transmission process of monetary policy

In parallel to the importance of bank loans or credit for the functioning of the economy, variations in the availability of credit can influence the monetary policy transmission process (i.e. the way in which monetary policy decisions affect the economy in general and the price level in particular). An assessment of the banking sector’s lending behaviour is therefore also important for monetary policy decision-making, in view of its role in the transmission process of monetary policy.

In recent years, many studies have concluded that credit markets play a critical role in the transmission of monetary policy actions to the real economy. According to this “credit view”, certain imperfections in financial markets may constrain enterprises and households in their spending behaviour, as they prevent these prospective borrowers from obtaining the required amount of external finance.¹ If following, say, an interest rate decrease by the central bank, consumers and producers are unable to obtain additional loans from banks, and if they cannot obtain additional funds from other sources of finance, then they may not be in a position to increase their expenditure. This credit channel may operate in various ways, such as through the supply of bank loans (known as the bank lending channel), the availability and value of the collateral necessary to obtain financing (the balance sheet channel) or the availability of liquid funds (the cash flow channel).

The “credit view” emphasises the important role that the lending behaviour of banks may play in the transmission mechanism of monetary policy and the fact that imperfections in credit markets may make it more costly for enterprises and households to obtain external financing compared with internal financing. It also highlights the heterogeneity of borrowers, stressing that the effects of monetary policy may differ across groups of borrowers as some – such as households and small and medium-sized enterprises – may be more vulnerable to tight credit conditions than others.

The aim of the bank lending survey

Given the important role of credit in the economy, the Eurosystem would benefit significantly from the availability of more specific information on credit conditions for both enterprises and households. The bank lending survey for the euro area has been

¹ See the article entitled “Recent findings on monetary policy transmission in the euro area” in the October 2002 issue of the ECB’s *Monthly Bulletin*, pp.43-53.

developed to provide precisely this type of information. One aim is to generate specific information – less widely available at present – on non-interest rate conditions and terms, such as developments in the size of and non-interest rate charges for credit lines. The survey also aims to obtain information on the various factors affecting loan demand.

The results from the bank lending survey will thus not only extend the information available but also help to interpret existing ECB statistics on credit conditions. For example, these statistics show the development of loan amounts but not the reasons behind them. Additionally, information derived from the bank lending survey, in particular regarding expected changes in credit standards and loan demand, should provide a better insight into future economic developments and may

facilitate the formulation of economic projections.

Experience with bank lending surveys conducted by the Federal Reserve System in the United States and by the Bank of Japan have shown that they can provide important information for the assessment of past and future developments. Research conducted by the Federal Reserve System in the United States concluded that changes in credit standards help to predict GDP growth, even after controlling for past economic conditions and interest rates. Furthermore, it was found that in the United States changes in commercial credit standards also help to predict narrower measures of economic activity such as industrial production and inventory investment.²

3 The structure of the bank lending survey

The questionnaire

The questionnaire is addressed to those responsible for lending policy at the banks, typically at the board level, e.g. the chairman of the bank's credit committee. It is intended that the questions remain constant over time. All are of a qualitative nature and do not ask for specific figures, thus keeping the reporting burden for the banks relatively low.

The survey includes 18 questions on past and expected credit market developments. The former cover developments over the past three months, while the latter focus on the next three months. The questionnaire is presented in Annex I.

Questions are classified according to the two borrower sectors that are the central focus of the survey, i.e. enterprises and households. The definitions and classifications used in the survey are consistent with other ECB statistics. For both enterprises – i.e. non-financial corporations – and households, the questionnaire covers both loan demand and loan supply factors.

Among the supply factors, attention is given to credit standards and credit conditions and terms, as well as to the various factors that may be responsible for their changes. Credit standards are the internal guidelines or criteria that guide a bank's loan policy. The terms and conditions of a loan refer to the specific obligations agreed upon by the lender and the borrower, such as the interest rate, collateral required and maturity. All in all, ten questions centre on supply factors, of which seven look at credit standards and three at terms and conditions. Of the questions on credit standards, three give respondents the opportunity to mention specific factors that affect their bank's credit standards, as applied to the approval of loans to both enterprises and households.

Among the factors that may affect loan demand, various factors related to financing needs and the use of alternative finance are mentioned. Seven questions focus explicitly

2 C. Lown, D. P. Morgan and S. Rohatgi, "Listening to Loan Officers: The Impact of Commercial Credit Standards on Lending and Output", *Federal Reserve Bank of New York Policy Review*, July 2000, pp.1-16.

on loan demand, of which three look at demand from enterprises and four at demand from households. Overall, 13 backward and four forward-looking questions are included, in order to capture both recent and expected developments.

The survey concludes with an open-ended question to capture any interesting developments in the euro area credit markets that have not been covered by the other questions.

The sample group

In setting up the sample of banks to participate in the survey, the Eurosystem took into consideration the qualitative nature of the information provided, the voluntary basis for participation and the need to sufficiently capture the specific features of the banking system in each country. Another crucial concern was to ensure the confidentiality of information provided by the individual commercial banks.

As it is aimed at collecting qualitative data based on opinions, the survey does not need to meet the same requirements of coverage and representativeness as other statistics. Nevertheless, its results must still broadly reflect the situation in the euro area as a whole.

Given the differences in banking structures across individual countries and, notably, because of the important role of small or specialised banks in some countries, it would not have been prudent to concentrate on just the largest banks in the euro area. The sample group has therefore been drawn up taking into account

the specific characteristics of national banking structures in order to ensure the best possible representation of the sector.

Guidelines have been established to enable the sample to be set up at the national level: (i) there should be at least three banks for each country; (ii) the relative sample size for each country should be not far from its share in total euro area lending; and, finally, (iii) there should be a preference to include the country's largest banks. At present, the sample group consists of 86 banks (see the table).

Weighting and aggregation of the results

Since the size of the sample differs from country to country depending on national banking system structures, the national results are aggregated at the euro area level using country weights. These weights are the national shares in the total amount outstanding of euro area lending to euro area residents, taking into account only the market segments considered in the survey (i.e. loans to enterprises (non-financial corporations), consumer credit, lending to households for house purchase and other lending to households). The Table shows the country weights used to calculate the euro area results of the bank lending survey in the first quarter of 2003. The country weights will be updated every quarter.

Maintenance of the sample group

The sample group of banks participating in the survey is subject to adjustments. These can be related to changes in either the credit

Table

The distribution of the sample group of banks and country weights¹⁾

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI	Total
Number of banks included in the survey	4	17	3	10	15	5	7	5	6	5	5	4	86
Country weights (%)	2.9	36.2	1.3	10.8	17.4	1.8	12.9	1.0	8.7	3.2	2.5	1.3	100.0

Source: ECB.

1) Based on bank lending data for the third quarter of 2002.

markets or the characteristics of the individual commercial banks, e.g. in case of mergers. The sample group is also influenced by the need to maintain a certain degree of representation of bank lending markets and lending categories at the euro area level. The Eurosystem will monitor developments in the national banking sectors and credit markets in order to identify any changes for which an adjustment of the sample group of banks may be necessary.

Implementation procedures

The Eurosystem has established a set of internal procedures to guarantee confidential

treatment of the individual results in each step of the process by which responses are transmitted from participating banks to the ECB. The NCBs will be responsible for contact with the banks participating in the survey in their country and will compile the replies to the questionnaire. The NCBs will send the responses to the ECB in such a way to fully protect their confidentiality and the anonymity of the banks. In addition, the specific list of banks participating in the survey will be confidential.

The results of the first quarterly bank lending survey, which was conducted in early 2003, will be published after the final quality checks have been completed.

4 Conclusions

Credit developments are an important determinant of economic developments, and credit market conditions may affect the way monetary policy has an impact on the economy. The bank lending survey aims to complement existing sources of information on credit developments in the euro area in order to enhance the Eurosystem's and public

understanding of the current conditions for bank lending. While it may initially be difficult to interpret the results of the survey, given the short series of data available and the lack of historical comparisons, the survey should over time develop into an important source of information for the preparation of monetary policy decisions.

Annex I: The questionnaire of the bank lending survey

1. Over the past three months, how have your bank's credit standards as applied to the approval of *loans or credit lines to enterprises* changed?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably					
Tightened somewhat					
Remained basically unchanged					
Eased somewhat					
Eased considerably					

2. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of *loans or credit lines to enterprises* (as described in question 1 in the column headed "Overall")? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
 - = contributed somewhat to tightening of credit standards
 = contributed to basically unchanged credit standards
 + = contributed somewhat to easing of credit standards
 ++ = contributed considerably to easing of credit standards
 NA = not applicable

	--	-	<input type="checkbox"/>	+	++	NA
A) Cost of funds and balance sheet constraints						
<input type="checkbox"/> Costs related to your bank's capital position						
<input type="checkbox"/> Your bank's ability to access market financing (e.g. money or bond market financing)						
<input type="checkbox"/> Your bank's liquidity position						
B) Pressure from competition						
<input type="checkbox"/> Competition from other banks						
<input type="checkbox"/> Competition from non-banks						
<input type="checkbox"/> Competition from market financing						
C) Perception of risk						
<input type="checkbox"/> Expectations regarding general economic activity						
<input type="checkbox"/> Industry or firm-specific outlook						
<input type="checkbox"/> Risk on the collateral demanded						
D) Other factors, please specify						

3. Over the past three months, how have your bank's conditions and terms for approving *loans or credit lines to enterprises* changed? Please rate each factor using the following scale:

- = tightened considerably
 - = tightened somewhat
 = remained basically unchanged
 + = eased somewhat
 ++ = eased considerably
 NA = not applicable

	--	-	<input type="checkbox"/>	+	++	NA
A) Price						
<input type="checkbox"/> Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)						
<input type="checkbox"/> Your bank's margin on riskier loans						
B) Other conditions and terms						
<input type="checkbox"/> Non-interest rate charges						
<input type="checkbox"/> Size of the loan or credit line						
<input type="checkbox"/> Collateral requirements						
<input type="checkbox"/> Loan covenants						
<input type="checkbox"/> Maturity						
C) Other factors, please specify						

4. Over the past three months, how has the *demand for loans or credit lines to enterprises* changed at your bank, apart from normal seasonal fluctuations?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably					
Decreased somewhat					
Remained basically unchanged					
Increased somewhat					
Increased considerably					

5. Over the past three months, how have the following factors affected the demand for *loans or credit lines to enterprises* (as described in question 4 in the column headed "Overall")? Please rate each possible factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- = contributed to basically unchanged demand
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- NA = not applicable

	--	-	□	+	++	NA
A) Financing needs						
<input type="checkbox"/> Fixed investment						
<input type="checkbox"/> Inventories and working capital						
<input type="checkbox"/> Mergers/acquisitions and corporate restructuring						
<input type="checkbox"/> Debt restructuring						
B) Use of alternative finance						
<input type="checkbox"/> Internal financing						
<input type="checkbox"/> Loans from other banks						
<input type="checkbox"/> Loans from non-banks						
<input type="checkbox"/> Issuance of debt securities						
<input type="checkbox"/> Issuance of equity						
C) Other factors, please specify						

6. Please indicate how you expect your *bank's credit standards as applied to the approval of loans or credit lines to enterprises* to change over the next three months.

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tighten considerably					
Tighten somewhat					
Remain basically unchanged					
Ease somewhat					
Ease considerably					

7. Please indicate how you expect *demand for loans or credit lines to enterprises* to change at your bank over the next three months (apart from normal seasonal fluctuations)

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably					
Decrease somewhat					
Remain basically unchanged					
Increase somewhat					
Increase considerably					

8. Over the past three months, how have your bank's credit standards as applied to the approval of *loans to households* changed?

	Loans for house purchase	Consumer credit and other lending
Tightened considerably		
Tightened somewhat		
Remained basically unchanged		
Eased somewhat		
Eased considerably		

9. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of *loans to households for house purchase* (as described in question 8)? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- = contributed to basically unchanged credit standards
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- NA = not applicable

	--	-	<input type="checkbox"/>	+	++	NA
A) Cost of funds and balance sheet constraints			<input type="checkbox"/>			
B) Pressure from competition						
<input type="checkbox"/> Competition from other banks						
<input type="checkbox"/> Competition from non-banks						
C) Perception of risk						
<input type="checkbox"/> Expectations regarding general economic activity						
<input type="checkbox"/> Housing market prospects						
D) Other factors, please specify						

10. Over the past three months, how have your bank's conditions and terms for approving *loans to households for house purchase* changed? Please rate each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- NA = not applicable

	--	-	<input type="checkbox"/>	+	++	NA
A) Price			<input type="checkbox"/>			
<input type="checkbox"/> Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)						
<input type="checkbox"/> Your bank's margin on riskier loans						
B) Other conditions and terms						
<input type="checkbox"/> Collateral requirements						
<input type="checkbox"/> "Loan-to-value" ratio						
<input type="checkbox"/> Maturity						
<input type="checkbox"/> Non-interest rate charges						
C) Other factors, please specify						

11. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of *consumer credit and other lending to households* (as described in question 8)? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- = contributed to basically unchanged credit standards
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- NA = not applicable

A) Cost of funds and balance sheet constraints	--	-	<input type="checkbox"/>	+	++	NA
B) Pressure from competition						
<input type="checkbox"/> Competition from other banks						
<input type="checkbox"/> Competition from non-banks						
C) Perception of risk						
<input type="checkbox"/> Expectations regarding general economic activity						
<input type="checkbox"/> Creditworthiness of consumers						
<input type="checkbox"/> Risk on the collateral demanded						
D) Other factors, please specify						

12. Over the past three months, how have your bank's conditions and terms for approving *consumer credit and other lending to households* changed? Please rate each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- NA = not applicable

A) Price	--	-	<input type="checkbox"/>	+	++	NA
<input type="checkbox"/> Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)						
<input type="checkbox"/> Your bank's margin on riskier loans						
B) Other conditions and terms						
<input type="checkbox"/> Collateral requirements						
<input type="checkbox"/> Maturity						
<input type="checkbox"/> Non-interest rate charges						
C) Other factors, please specify						

13. Over the past three months, how has the *demand for loans to households* changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged		
Increased somewhat		
Increased considerably		

14. Over the past three months, how have the following factors affected the demand for *loans to households for house purchase* (as described in question 13)? Please rate each factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- = contributed to basically unchanged demand
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- NA = not applicable

	--	-	□	+	++	NA
A) Financing needs						
<input type="checkbox"/> Housing market prospects						
<input type="checkbox"/> Consumer confidence						
<input type="checkbox"/> Non-housing related consumption expenditure						
B) Use of alternative finance						
<input type="checkbox"/> Household savings						
<input type="checkbox"/> Loans from other banks						
<input type="checkbox"/> Other sources of finance						
C) Other factors, please specify						

15. Over the past three months, how have the following factors affected the demand for *consumer credit and other lending to households* (as described in question 13)? Please rate each factor using the following scale:

- = responsible for considerable decrease
- = responsible for decrease
- = responsible for neither decrease nor increase
- + = responsible for increase
- ++ = responsible for considerable increase
- NA = not applicable

	--	-	□	+	++	NA
A) Financing needs						
<input type="checkbox"/> Spending on durable consumer goods, such as cars, furniture, etc.						
<input type="checkbox"/> Consumer confidence						
<input type="checkbox"/> Securities purchases						
B) Use of alternative finance						
<input type="checkbox"/> Household savings						
<input type="checkbox"/> Loans from other banks						
<input type="checkbox"/> Other sources of finance						
C) Other factors, please specify						

16. Please indicate how you expect your *bank's credit standards as applied to the approval of loans to households* to change over the next three months.

	Loans for house purchase	Consumer credit and other lending
Tighten considerably		
Tighten somewhat		
Remain basically unchanged		
Ease somewhat		
Ease considerably		

17. Please indicate how you expect *demand for loans to households* to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase	Consumer credit and other lending
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		
Increase somewhat		
Increase considerably		

18. Over the past three months, have there been *any other issues* of importance for bank lending behaviour in the euro area or in your country which are not covered by this survey?



Euro area statistics



Contents ¹

	Euro area overview table	5*
I	Monetary policy statistics	
	1.1 Consolidated financial statement of the Eurosystem	6*
	1.2 Key ECB interest rates	8*
	1.3 Eurosystem monetary policy operations allotted through tenders	8*
	1.4 Minimum reserve statistics	10*
	1.5 Banking system's liquidity position	11*
2	Monetary developments and investment funds in the euro area	
	2.1 Aggregated balance sheet of the Eurosystem	12*
	2.2 Aggregated balance sheet of the euro area MFIs, excluding the Eurosystem	13*
	2.3 Consolidated balance sheet of the euro area MFIs, including the Eurosystem	14*
	2.4 Monetary aggregates and counterparts	16*
	2.5 MFI loans by counterpart, type and original maturity	21*
	2.6 Deposits held with MFIs, by counterpart and instrument	24*
	2.7 Main MFI claims on and liabilities to non-residents of the euro area	26*
	2.8 Currency analysis of certain liabilities and assets of the euro area MFIs	28*
	2.9 Aggregated balance sheet of euro area investment funds	30*
	2.10 Aggregated balance sheet of euro area investment funds broken down by investment policy	31*
	2.11 Aggregated balance sheet of euro area investment funds broken down by type of investor	33*
3	Financial markets and interest rates in the euro area	
	3.1 Money market interest rates	34*
	3.2 Government bond yields	35*
	3.3 Stock market indices	36*
	3.4 Retail bank interest rates	37*
	3.5 Securities issues other than shares by original maturity, residency of the issuer and currency denomination	38*
	3.6 Euro-denominated securities other than shares by original maturity, residency and sector of the issuer	40*
	3.7 Annual growth rates of securities other than shares issued by euro area residents	46*
	3.8 Quoted shares issued by euro area residents	48*
4	HICP and other prices in the euro area	
	4.1 Harmonised Index of Consumer Prices	50*
	4.2 Selected other price indicators	51*
5	Real economy indicators in the euro area	
	5.1 National accounts	52*
	5.2 Selected other real economy indicators	54*
	5.3 European Commission Business and Consumer Surveys	55*
	5.4 Labour market indicators	56*
6	Saving, investment and financing in the euro area	
	6.1 Financial investment and financing of non-financial sectors	59*
	6.2 Financial investment and financing of insurance corporations and pension funds	63*
	6.3 Saving, investment and financing	65*

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

7	General government fiscal position in the euro area and in the euro area countries	
7.1	Revenue, expenditure and deficit / surplus	66*
7.2	Debt	67*
7.3	Change in debt	68*
8	Balance of payments and international investment position of the euro area (including reserves)	
8.1	Summary balance of payments	69*
8.2	Balance of payments: current and capital accounts	70*
8.3	Balance of payments: income account	71*
8.4	Balance of payments: direct investment account	72*
8.5	Balance of payments: portfolio investment account	73*
8.6	Balance of payments: other investment account and reserve assets	74*
8.7	International investment position and reserve assets outstanding	76*
9	External trade in goods of the euro area	78*
10	Exchange rates	80*
11	Economic and financial developments in the other EU Member States	82*
12	Economic and financial developments outside the EU	
12.1	Economic and financial developments	83*
12.2	Saving, investment and financing	84*
	Technical notes	85*
	General notes	89*

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	5.3	-	7.8	27.7	4.26	5.03
2002	7.3	6.5	7.2	-	5.3	22.0	3.32	4.92
2002 Q2	6.6	6.5	7.3	-	5.6	24.4	3.45	5.26
Q3	7.6	6.5	7.0	-	5.3	18.2	3.36	4.77
Q4	8.8	6.7	7.0	-	4.8	16.1	3.11	4.54
2003 Q1	.	.	.	-	.	.	2.69	4.16
2002 Oct.	8.3	6.8	6.9	7.0	5.0	16.8	3.26	4.62
Nov.	9.2	6.9	7.0	6.9	4.4	15.5	3.12	4.59
Dec.	9.8	6.5	6.8	7.0	4.7	14.3	2.94	4.41
2003 Jan.	9.5	6.6	7.2	7.4	4.9	13.5	2.83	4.27
Feb.	10.3	7.3	8.1	.	5.0	.	2.69	4.06
Mar.	.	.	.	.	.	.	2.53	4.13

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	0.0	3.6	0.8	-0.8	81.2	0.4	8.3
2002 Q2	2.1	-0.7	3.4	0.6	-0.7	81.1	0.5	8.2
Q3	2.1	0.0	3.5	0.9	-0.5	81.3	0.3	8.3
Q4	2.3	1.3	3.7	1.3	0.9	81.3	0.2	8.5
2003 Q1	.	.	.	.	.	.	.	.
2002 Oct.	2.2	1.0	-	-	0.8	81.5	-	8.4
Nov.	2.3	1.1	-	-	2.6	-	-	8.5
Dec.	2.3	1.6	-	-	-0.8	-	-	8.5
2003 Jan.	2.2	2.2	-	-	0.7	81.1	-	8.6
Feb.	2.4	.	-	-	.	-	-	8.7
Mar.	2.4	.	-	-	.	-	-	.

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 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
2003 Q1	.	.	.	.	.	104.1	99.3	1.073
2002 Oct.	5.2	11.7	-5.0	19.4	375.5	98.5	94.2	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.	-4.4	1.1	-1.8	-14.7	363.4	103.0	98.2	1.062
Feb.	.	.	.	.	352.7	104.4	99.5	1.077
Mar.	.	.	.	.	.	105.1	100.1	1.081

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	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
7 Mar.		130,314	227,928	17,384	6,164	182,175	137,090	45,000	0
14		130,314	226,868	17,048	5,511	270,123	225,091	45,000	0
21		130,314	223,947	17,725	5,121	234,917	189,001	45,000	0
28		130,314	224,146	16,800	5,202	232,049	187,000	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	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
7 Mar.		350,078	89,529	89,431	98	0	0	0	62	2,029
14		350,014	177,351	177,262	89	0	0	0	15	2,029
21		350,482	128,616	127,972	623	0	0	21	15	2,029
28		351,783	129,392	129,356	23	0	0	13	15	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	60	14	361	32,264	67,209	88,379	779,659	2002	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
0	50	35	938	33,495	44,340	107,218	749,960		7 Mar.
0	2	30	473	36,694	44,342	107,546	838,923		14
0	889	27	276	37,823	44,345	107,801	802,273		21
0	10	39	275	38,149	44,344	107,391	798,674		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
50,648	8,359	1,352	17,305	6,567	64,336	106,307	64,224	779,659	2002	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
60,226	8,659	1,050	14,772	6,339	69,932	82,840	64,444	749,960		7 Mar.
60,064	8,607	1,054	16,093	6,339	70,055	82,840	64,462	838,923		14
72,700	8,441	1,076	14,706	6,339	70,565	82,840	64,464	802,273		21
73,624	8,395	1,071	14,490	6,339	64,227	82,840	64,469	798,674		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 ₇
			Fixed rate ₃	Minimum bid rate ₄	Marginal rate ₅	Weighted average rate ₆	
	₁	₂	₃	₄	₅	₆	₇
2002 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
12	126,251	106,000	-	2.50	2.57	2.63	13
12	75,870	65,000	-	2.50	2.55	2.64	7
19	129,827	83,000	-	2.50	2.58	2.59	14
25	115,518	104,000	-	2.50	2.53	2.55	15
2 Apr.	112,031	71,000	-	2.50	2.53	2.54	14

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	5		6
	1	2	3	4	5	6	7
2001 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	
27 Mar.	33,367	15,000	-	2.49	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		7	8
	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)	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 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.	11,100.8	6,048.5	426.0	1,385.7	773.9	2,466.7
Feb. ^(p)	11,208.6	6,089.5	433.8	1,394.5	808.4	2,482.4

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 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.	128.9	129.5	0.6	0.0	2.67
Apr. ^(p)	129.9	.	.	.	.

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						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⁾	Deposit facility						
1	2	3	4	5	6	7	8	9	10	11	12	
2002 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.	356.4	168.6	45.0	0.3	0.0	0.3	0.0	340.7	50.2	48.0	131.1	472.2
Mar. ⁶⁾	352.5	179.5	45.0	0.2	0.0	0.1	0.0	347.8	59.1	40.6	129.6	477.5

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-remaining 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 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.	412.3	387.5	24.2	0.6	96.8	8.6	87.4	0.8	12.8	4.9	7.9	373.4	12.2	109.8	1,017.8	
Feb. ^(a)	410.2	385.4	24.1	0.6	100.7	9.1	90.8	0.8	12.7	5.0	7.8	362.0	12.0	122.4	1,020.5	

2. Liabilities

	Currency in circulation	Deposits of 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 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	156.2	32.9	121.7	1,035.7
2003 Jan.	352.1	348.3	284.1	49.3	15.0	3.6	154.5	30.2	129.1	1,017.8
Feb. ^(a)	358.1	346.0	276.9	54.2	14.9	2.8	159.5	28.6	125.5	1,020.5

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 2.2

Aggregated balance sheet of the euro area MFIs, excluding 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 ¹⁾				Money market fund shares/units	Holdings of shares/other equity issued by euro area residents		External assets	Fixed assets	Remaining assets	Total	
	1	MFIs	General government	Other euro area residents	MFIs	General government	Other euro area residents	MFIs		Other euro area residents	13					14	15	16
2000	10,419.8	3,510.4	817.8	6,091.5	2,311.5	1,051.4	995.9	264.2	23.3	750.9	240.2	510.8	2,026.2	158.7	1,015.2	16,705.6
<i>Euro area enlargement</i>																
2001 Q1	10,814.0	3,715.6	824.4	6,274.0	2,454.0	1,100.6	1,066.2	287.1	25.6	812.3	255.3	557.0	2,242.1	160.8	1,097.2	17,606.0
Q2	10,894.4	3,698.3	808.5	6,387.6	2,529.2	1,123.3	1,104.9	300.9	32.9	799.3	251.3	548.0	2,290.1	163.5	1,128.3	17,837.7
Q3	10,953.2	3,729.3	802.6	6,421.3	2,543.2	1,123.5	1,093.3	326.4	36.1	771.6	245.1	526.4	2,300.6	165.7	1,115.8	17,886.2
Q4	11,134.7	3,794.0	822.0	6,518.7	2,535.9	1,122.9	1,077.4	335.6	38.5	810.8	251.9	559.0	2,408.8	168.1	1,129.5	18,226.3
2002 Feb.	11,049.6	3,679.7	821.8	6,548.1	2,611.4	1,155.5	1,107.1	348.7	42.3	811.9	254.2	557.7	2,419.7	164.6	1,096.0	18,195.5
Mar.	11,210.8	3,778.4	826.8	6,605.5	2,646.9	1,173.5	1,128.1	345.3	46.6	811.4	260.0	551.4	2,430.8	164.5	1,031.1	18,342.2
Apr.	11,264.9	3,817.7	806.7	6,640.6	2,653.2	1,183.6	1,127.8	341.8	47.5	825.4	267.5	557.9	2,425.3	164.2	1,011.2	18,391.8
May	11,329.0	3,866.4	803.4	6,659.1	2,673.9	1,188.7	1,141.2	343.9	50.8	826.0	265.7	560.3	2,451.4	164.4	984.6	18,480.1
June	11,334.7	3,839.8	804.4	6,690.5	2,675.0	1,195.9	1,137.5	341.7	58.3	819.0	263.4	555.6	2,358.6	164.3	1,002.3	18,412.2
July	11,339.5	3,844.7	802.8	6,691.9	2,671.9	1,192.8	1,135.5	343.6	60.5	808.1	266.9	541.2	2,378.8	164.6	1,025.6	18,449.0
Aug.	11,321.2	3,836.8	792.7	6,691.7	2,657.6	1,187.0	1,131.7	338.9	60.9	816.7	265.5	551.1	2,367.3	165.6	1,011.0	18,400.2
Sep.	11,406.6	3,885.0	795.5	6,726.1	2,687.2	1,190.0	1,148.6	348.6	62.1	805.1	263.6	541.5	2,427.5	166.2	1,057.9	18,612.6
Oct.	11,463.5	3,926.4	795.1	6,742.0	2,680.0	1,185.5	1,142.3	352.2	63.7	819.5	266.0	553.5	2,483.6	167.1	1,021.1	18,698.6
Nov.	11,592.2	4,034.5	803.9	6,753.9	2,706.7	1,203.5	1,147.3	355.8	65.6	822.9	264.7	558.2	2,558.2	167.1	1,055.3	18,968.1
Dec.	11,610.1	4,020.8	812.0	6,777.4	2,672.9	1,171.9	1,134.2	366.9	62.9	827.9	257.5	570.4	2,463.6	168.1	1,057.1	18,862.6
2003 Jan.	11,658.6	4,051.9	803.4	6,803.3	2,782.4	1,220.5	1,187.3	374.5	65.5	814.6	254.6	559.9	2,475.9	164.3	1,024.9	18,986.5
Feb. ^(p)	11,733.3	4,102.5	803.8	6,827.1	2,811.9	1,224.9	1,206.5	380.5	66.8	811.9	254.3	557.6	2,549.2	163.2	1,049.0	19,185.3

2. Liabilities

	Currency in circulation	Deposits of euro area residents	MFIs	Central government	Other general government/other euro area residents				Money market fund shares/units ²⁾	Debt securities issued ¹²⁾	Capital and reserves	External liabilities	Remaining liabilities	Total	
					Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements							
2000	0.0	9,057.1	3,679.3	117.4	5,260.5	1,648.9	2,159.8	1,276.9	174.9	323.3	2,712.9	940.5	2,299.5	1,372.2	16,705.6
<i>Euro area enlargement</i>															
2001 Q1	0.0	9,325.3	3,814.5	103.6	5,407.2	1,624.0	2,237.8	1,322.8	222.6	369.2	2,817.4	982.4	2,638.7	1,473.1	17,606.0
Q2	0.0	9,424.1	3,805.6	113.7	5,504.8	1,715.9	2,236.6	1,330.8	221.5	390.2	2,861.3	998.1	2,713.8	1,450.1	17,837.7
Q3	0.0	9,484.8	3,839.0	110.2	5,535.5	1,733.7	2,233.5	1,342.6	225.7	417.3	2,875.5	1,011.1	2,613.4	1,484.1	17,886.2
Q4	0.0	9,696.6	3,829.6	103.9	5,763.1	1,882.1	2,257.5	1,405.0	218.5	436.5	2,882.9	1,041.9	2,687.4	1,480.9	18,226.3
2002 Feb.	0.0	9,571.1	3,745.5	103.7	5,721.9	1,828.9	2,251.0	1,420.9	221.1	469.2	2,933.1	1,050.6	2,734.1	1,437.3	18,195.5
Mar.	0.0	9,695.4	3,852.1	101.2	5,742.1	1,823.1	2,266.3	1,423.0	229.6	477.9	2,966.1	1,057.6	2,754.4	1,390.7	18,342.2
Apr.	0.0	9,742.5	3,871.8	106.7	5,763.9	1,852.1	2,269.0	1,414.7	228.1	485.0	2,969.4	1,064.1	2,741.5	1,389.4	18,391.8
May	0.0	9,810.7	3,920.5	108.3	5,781.9	1,852.8	2,278.8	1,415.5	234.8	493.4	2,994.0	1,071.3	2,723.4	1,387.2	18,480.1
June	0.0	9,836.4	3,926.6	103.5	5,806.3	1,898.8	2,256.3	1,421.7	229.6	497.5	2,984.6	1,071.6	2,589.0	1,433.2	18,412.2
July	0.0	9,818.1	3,932.1	99.0	5,787.1	1,870.1	2,263.8	1,424.3	228.8	510.7	2,989.6	1,081.4	2,613.1	1,436.1	18,449.0
Aug.	0.0	9,779.9	3,918.3	93.6	5,768.0	1,836.2	2,265.4	1,429.8	236.5	524.3	3,002.0	1,088.2	2,585.3	1,420.5	18,400.2
Sep.	0.0	9,870.6	3,960.8	104.6	5,805.2	1,891.3	2,242.8	1,432.8	238.3	522.5	3,004.3	1,094.1	2,642.2	1,478.9	18,612.6
Oct.	0.0	9,942.0	4,020.2	111.0	5,810.8	1,873.5	2,263.8	1,438.1	235.6	526.4	3,010.3	1,097.0	2,666.6	1,456.3	18,698.6
Nov.	0.0	10,091.7	4,126.6	101.3	5,863.8	1,925.7	2,259.8	1,448.7	229.6	542.8	3,038.6	1,100.1	2,706.3	1,488.6	18,968.1
Dec.	0.0	10,190.5	4,133.0	106.9	5,950.6	1,985.1	2,261.3	1,477.8	226.4	532.9	2,990.4	1,102.0	2,596.5	1,450.4	18,862.6
2003 Jan.	0.0	10,197.6	4,159.5	105.8	5,932.3	1,935.2	2,263.5	1,500.6	233.0	600.3	3,013.5	1,106.9	2,634.9	1,433.3	18,986.5
Feb. ^(p)	0.0	10,287.9	4,214.5	119.4	5,954.0	1,933.1	2,270.7	1,513.9	236.2	614.1	3,033.1	1,105.0	2,688.4	1,456.9	19,185.3

Source: ECB.

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

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

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 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	1,130.5	13,929.6
2003 Jan.	7,631.6	827.6	6,803.9	1,650.0	1,274.7	375.3	567.9	2,849.3	176.6	1,094.6	13,970.7
Feb. ^(p)	7,655.6	827.9	6,827.7	1,678.6	1,297.3	381.3	565.4	2,911.2	175.2	1,132.7	14,119.2

2. Liabilities: levels

														Total
	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 ^{2b)}	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 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	1,760.8	995.2	2,723.0	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	1,775.9	1,007.5	2,759.4	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	1,778.2	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	1,793.1	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	1,785.5	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	1,805.0	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	2,619.9	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	1,796.1	993.4	2,648.1	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	1,814.3	1,004.3	2,616.3	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	1,813.0	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	995.6	2,629.3	1,572.1	4.3	13,929.6
2003 Jan.	312.0	155.1	5,947.2	1,949.8	2,263.8	1,500.6	233.0	534.7	1,788.0	1,001.8	2,665.1	1,562.5	4.2	13,970.7
Feb. ^(p)	319.4	173.6	5,968.9	1,947.7	2,271.0	1,513.9	236.2	547.3	1,801.9	1,005.3	2,717.0	1,582.4	3.6	14,119.2

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 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	99.0
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.	38.3	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	10.7	-35.1	1.7	-16.0	2.0
2003 Jan.	28.2	0.6	27.5	23.9	19.9	4.0	-6.2	17.3	-2.4	-21.8	39.4
Feb. ⁶⁾	24.5	0.2	24.3	22.5	16.3	6.2	-1.6	70.6	-1.4	37.4	151.3

4. Liabilities: flows ¹⁾

	Currency in circulation ⁴⁾	Deposits of central government	Deposits of other general government/ other euro area residents	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements	Money market fund shares/ units ⁵⁾	Debt securities issued ²⁵⁾	Capital and reserves	External liabilities ³⁾	Re-maining liabilities	Excess of inter-MFI liabilities	Total
2001 Sep.	-9.6	-4.6	51.2	68.4	-17.4	5.3	-5.1	3.2	15.8	9.0	18.5	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	99.0
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	-17.3	-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	-7.2	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	2.1	11.4	-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	-3.1	-53.0	-19.0	8.3	2.0
2003 Jan.	-7.6	15.6	-12.1	-49.0	-1.3	23.0	15.1	19.6	10.7	7.4	10.6	-8.2	3.5	39.4
Feb. ⁶⁾	7.3	18.5	21.8	-2.1	7.4	13.3	3.2	12.4	14.7	3.9	56.8	16.6	-0.6	151.3

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 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.	312.0	2,030.6	2,342.7	107.06	1,076.6	1,485.9	4,905.1	105.85
Feb. ⁶⁾	319.4	2,029.3	2,348.7	107.34	1,078.8	1,501.3	4,928.7	106.36

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 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	-7.9	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.	-7.6	-51.0	-58.6	9.1	2.6	27.1	-28.8	6.5
Feb. ⁶⁾	7.3	-1.3	6.0	9.9	2.2	15.4	23.7	7.2

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		
230.8	377.6	142.5	5,199.3	95.91		2001 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	145.9	5,427.0	100.00		Dec.
216.2	416.6	141.8	5,414.4	99.83		2002 Jan.
221.1	427.0	138.8	5,415.5	99.84		Feb.
229.6	431.2	137.2	5,453.0	100.56		Mar.
228.1	437.5	134.7	5,491.5	101.35		Apr.
234.8	442.6	144.0	5,534.2	102.23		May
229.6	439.2	132.9	5,554.4	102.70		June
228.8	450.3	125.5	5,547.4	102.45		July
236.5	463.4	126.5	5,560.8	102.70		Aug.
238.3	460.4	131.3	5,605.8	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	128.3	5,783.3	106.77		Dec.
233.0	534.7	106.3	5,779.2	106.94		2003 Jan.
236.2	547.3	112.9	5,825.1	107.79		Feb. ⁶⁾

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		
-5.1	3.2	-0.9	43.5	6.8		2001 Sep.
9.5	11.5	0.6	24.2	7.3		Oct.
-9.2	9.7	5.2	54.4	7.6		Nov.
-7.4	-1.3	-7.8	99.9	7.6		Dec.
-2.3	19.5	-0.2	-9.1	7.7		2002 Jan.
4.9	10.4	-3.9	0.7	7.3		Feb.
8.4	3.3	0.2	39.0	7.3		Mar.
-1.5	7.9	-3.6	42.6	7.2		Apr.
6.7	4.0	9.5	47.8	7.5		May
-6.1	-7.2	-7.8	25.2	7.2		June
-0.7	12.0	-8.6	-13.2	6.9		July
7.7	12.3	1.1	13.2	7.1		Aug.
2.4	-2.7	3.6	44.7	7.0		Sep.
-2.8	2.1	2.6	20.3	6.9		Oct.
-4.4	14.7	-2.6	72.8	7.2		Nov.
-3.2	-6.6	-3.8	82.8	6.8		Dec.
15.1	19.6	3.6	9.5	7.1		2003 Jan.
3.2	12.4	6.4	45.6	8.0		Feb. ⁶⁾

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								Total	Index ⁵⁾
	M1				Other short-term deposits ⁶⁾					
	Currency in circulation ⁴⁾	Overnight deposits	Total	Index ⁵⁾	Total	Index ⁵⁾	Index ⁵⁾			
								1		
2001 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.	316.8	2,046.0	2,362.8	107.98	2,536.2	103.70		4,899.0	105.72	
Feb. ^(p)	324.6	2,056.2	2,380.8	108.81	2,561.5	104.74		4,942.3	106.66	

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 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.	5.6	10.9	16.4	0.7	9.5	20.0	0.8	4.0	36.4	0.7	6.6
Feb. ^(p)	7.8	10.2	18.1	0.8	10.3	25.3	1.0	4.7	43.4	0.9	7.3

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	
749.1	98.73	5,233.8	96.55	6,398.0	98.17	2001 Aug. Sep. Oct. Nov. Dec.
764.2	99.86	5,285.2	97.36	6,433.8	98.65	
783.4	102.28	5,328.4	98.15	6,465.5	99.12	
783.5	102.78	5,359.8	98.76	6,503.6	99.69	2002 Jan. Feb. Mar. Apr. May June July Aug. Sep. Oct. Nov. Dec.
790.7	103.71	5,387.8	99.28	6,510.0	99.86	
781.1	103.09	5,409.9	99.75	6,535.6	100.21	
781.2	102.99	5,416.9	99.87	6,562.7	100.66	
784.2	103.46	5,435.6	100.24	6,597.2	101.21	
786.6	103.85	5,463.6	100.83	6,626.3	101.76	
798.1	105.27	5,497.3	101.55	6,657.3	102.38	
800.5	105.42	5,515.9	101.99	6,665.7	102.63	
809.1	106.51	5,552.4	102.54	6,680.6	102.80	
824.6	108.44	5,590.3	103.24	6,722.9	103.45	
841.3	110.59	5,650.6	104.35	6,738.4	103.71	
837.5	110.08	5,681.1	104.92	6,756.5	104.03	
842.6	110.99	5,721.3	105.72	6,755.2	104.12	
854.9	112.55	5,742.1	106.01	6,769.4	104.56	
880.6	114.49	5,779.6	106.95	6,806.0	105.15	2003 Jan. Feb. ^(p)
890.5	115.73	5,832.8	107.93	6,843.3	105.73	

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	
8.6	1.1	17.1	44.3	0.8	6.7	6.6	31.0	0.5	6.7	2001 Sep. Oct. Nov. Dec.
18.5	2.4	19.2	42.5	0.8	7.3	7.2	30.4	0.5	6.5	
3.8	0.5	19.3	33.5	0.6	7.7	7.6	37.5	0.6	6.6	
7.1	0.9	17.5	28.0	0.5	7.9	7.8	10.9	0.2	6.1	2002 Jan. Feb. Mar. Apr. May June July Aug. Sep. Oct. Nov. Dec.
-4.8	-0.6	13.8	25.6	0.5	7.7	7.6	23.0	0.4	5.7	
-0.7	-0.1	13.5	6.5	0.1	7.3	7.4	29.0	0.4	5.6	
3.6	0.5	12.9	20.3	0.4	7.2	7.2	36.1	0.6	5.5	
3.0	0.4	12.7	32.0	0.6	7.2	7.3	35.6	0.5	5.5	
10.7	1.4	12.8	38.7	0.7	7.6	7.3	40.7	0.6	5.7	
1.1	0.1	10.8	23.7	0.4	7.1	7.2	16.3	0.2	5.4	
8.3	1.0	10.1	30.2	0.5	7.0	7.0	10.6	0.2	5.1	
14.7	1.8	9.8	37.7	0.7	6.9	7.0	42.7	0.6	5.4	
16.4	2.0	10.7	60.0	1.1	7.2	7.0	16.6	0.2	5.1	
-3.9	-0.5	7.6	31.0	0.5	6.9	7.0	20.8	0.3	5.0	
6.9	0.8	8.0	43.2	0.8	7.0	6.9	6.3	0.1	4.4	
11.9	1.4	8.5	15.8	0.3	6.8	7.0	28.1	0.4	4.7	
14.7	1.7	11.1	51.2	0.9	7.2	7.4	38.3	0.6	4.9	2003 Jan. Feb. ^(p)
9.5	1.1	12.4	53.0	0.9	8.1	.	37.8	0.6	5.0	

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 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	84.7	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	54.0	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	52.5	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	90.8	176.4
June	1,181.7	106.6	1,655.2	985.8	2,069.1	7,598.0	6,691.1	103.02	111.3	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	129.0	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	995.6	2,056.4	7,724.4	6,778.0	104.69	208.9	180.2
2003 Jan.	1,187.2	106.3	1,680.9	1,001.8	2,102.4	7,747.1	6,803.9	105.12	184.2	176.6
Feb. ^(p)	1,192.3	105.0	1,688.5	1,005.3	2,125.2	7,774.4	6,827.7	105.49	194.2	175.2

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 Sep.	0.8	-0.9	17.5	9.0	-3.3	45.5	47.5	6.7	30.7	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	-9.0	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	-3.1	-7.5	58.9	37.5	4.7	17.9	1.7
2003 Jan.	-3.9	0.6	7.5	7.4	20.6	25.3	27.5	4.9	6.6	-2.4
Feb. ^(p)	5.1	-1.3	8.6	3.9	16.5	28.9	24.3	5.0	13.8	-1.4

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		Index Dec.01 =100 ²⁾	Total		Index Dec.01 =100 ²⁾	Central government ³⁾	Other general government					Total	Index Dec.01 =100 ²⁾	
	1	Up to 1 year		4	Up to 1 year			5	6	7	State government				Local government		Social security funds
			8			Over 5 years	9				Over 5 years	10	11	12	
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		Annual growth rate ²⁾ (%)	Total		Annual growth rate ²⁾ (%)	Central government ³⁾	Other general government					Total	Annual growth rate ²⁾ (%)	
	1	Up to 1 year		4	Up to 1 year			5	6	7	State government				Local government		Social security funds
			8			Over 5 years	9				Over 5 years	10	11	12	
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 ⁴⁾

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 ⁴⁾

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 ^(p)	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 ^(p)	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 ^(p)	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 ^(p)	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	4
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							Funds by type of investor		Total
	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 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 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	Maturity		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

	Liabilities			Total 4
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	
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	Maturity		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

	Liabilities			Total 4
	Deposits and loans taken 1	Investment fund shares 2	Other liabilities 3	
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

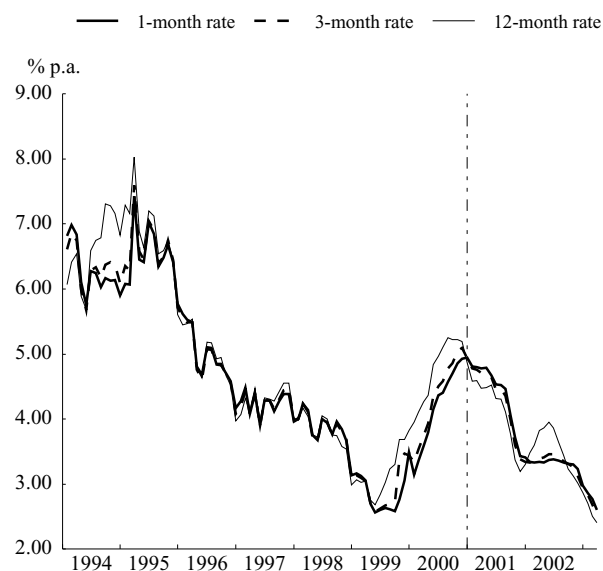
Money market interest rates ¹⁾

(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 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
Mar.	2.75	2.60	2.53	2.45	2.41	1.29	0.06
2003 7 Mar.	3.17	2.65	2.53	2.44	2.35	1.31	0.06
14	2.61	2.64	2.57	2.50	2.47	1.28	0.06
21	2.72	2.57	2.54	2.46	2.46	1.29	0.06
28	2.56	2.57	2.53	2.46	2.45	1.29	0.06

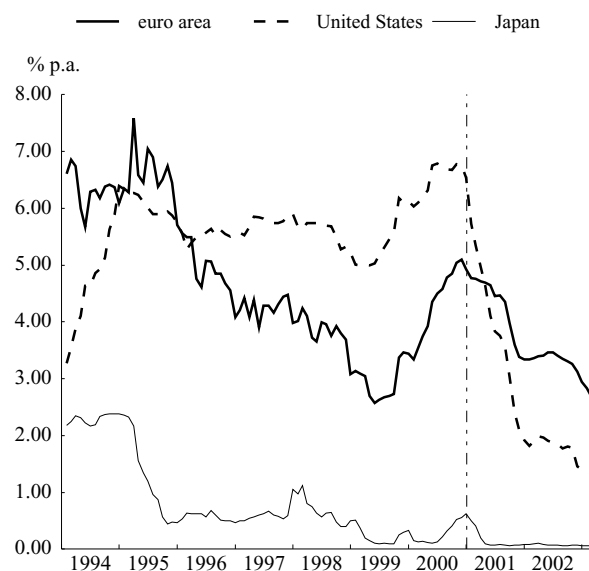
Euro area money market rates

(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

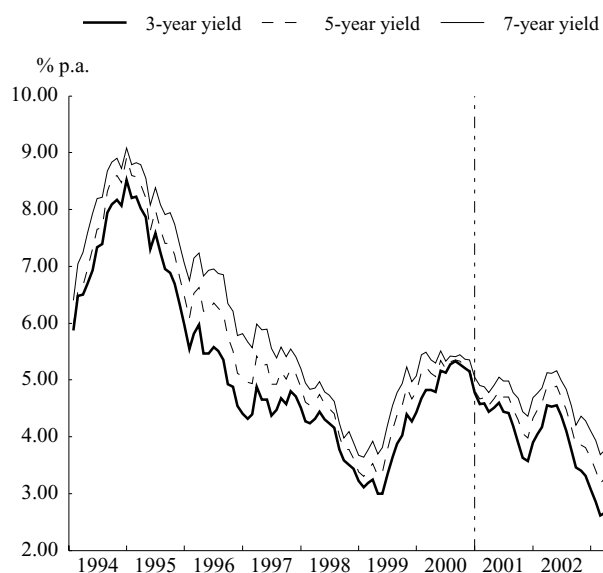
Government bond yields ¹⁾

(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 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
Mar.	2.50	2.66	3.26	3.76	4.13	3.79	0.74
2003 7 Mar.	2.27	2.42	3.01	3.53	3.92	3.62	0.75
14	2.51	2.69	3.27	3.75	4.11	3.71	0.75
21	2.75	2.92	3.55	4.03	4.38	4.08	0.75
28	2.58	2.75	3.36	3.85	4.21	3.89	0.75

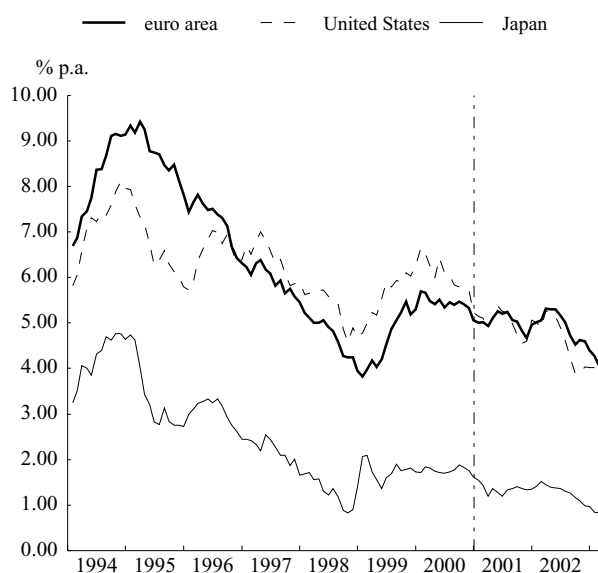
Euro area government bond yields

(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

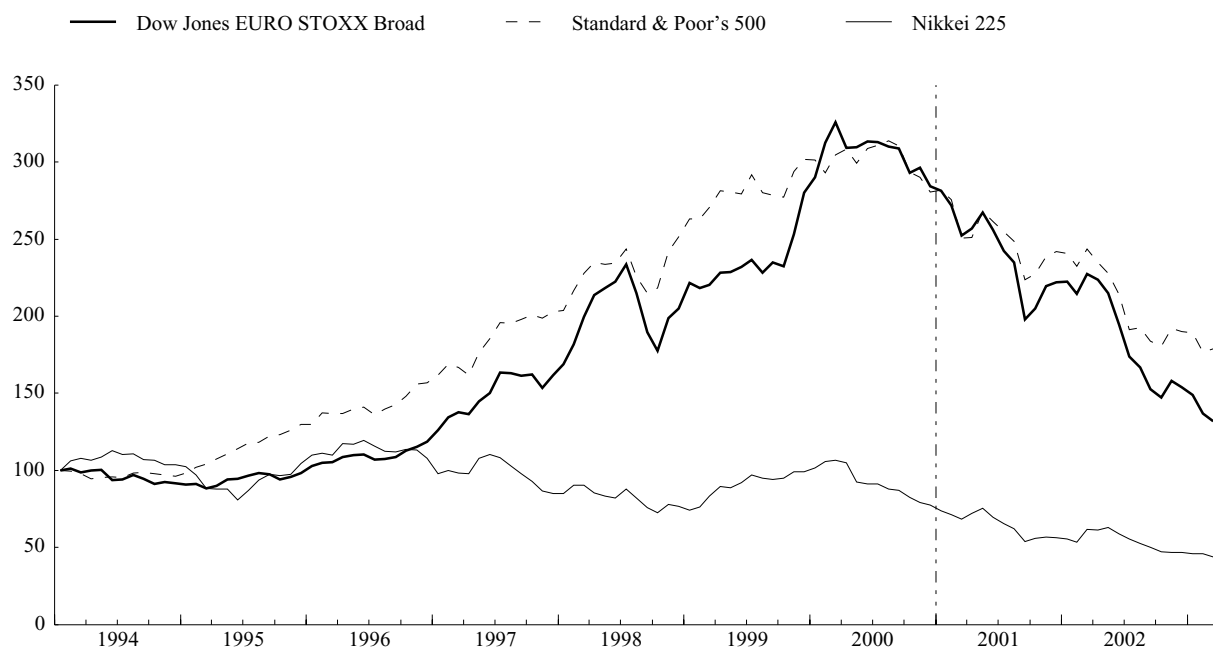
Stock market indices

(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 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
Mar.	183.0	2,086.5	176.1	115.4	188.4	241.1	164.5	181.2	228.2	185.6	292.8	275.2	846.6	8,171.0
2003 7 Mar.	175.6	1,992.5	167.9	109.5	180.1	236.4	157.4	176.5	208.3	185.8	281.8	267.9	828.9	8,144.1
14	182.8	2,079.7	169.9	114.9	186.4	238.7	166.4	181.0	230.9	182.8	294.3	273.3	833.3	8,002.7
21	195.7	2,249.1	191.4	125.0	199.2	248.9	176.7	192.4	254.7	193.4	308.9	303.0	895.8	8,195.1
28	186.3	2,132.1	180.6	116.1	195.3	245.7	166.0	183.1	235.3	189.9	301.6	277.8	863.5	8,280.2

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

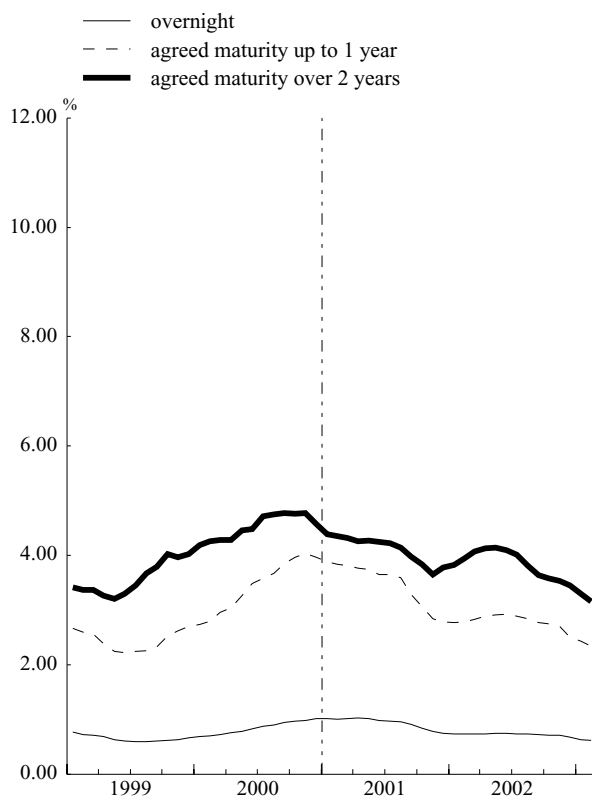
Retail bank interest rates

(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 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	5.97	5.34	9.58	5.09
2003 Jan.	0.63	2.43	2.43	3.29	2.05	2.34	5.95	5.29	9.58	4.91
Feb.	0.62	2.33	2.33	3.15	2.02	2.12	5.89	5.19	9.51	4.78

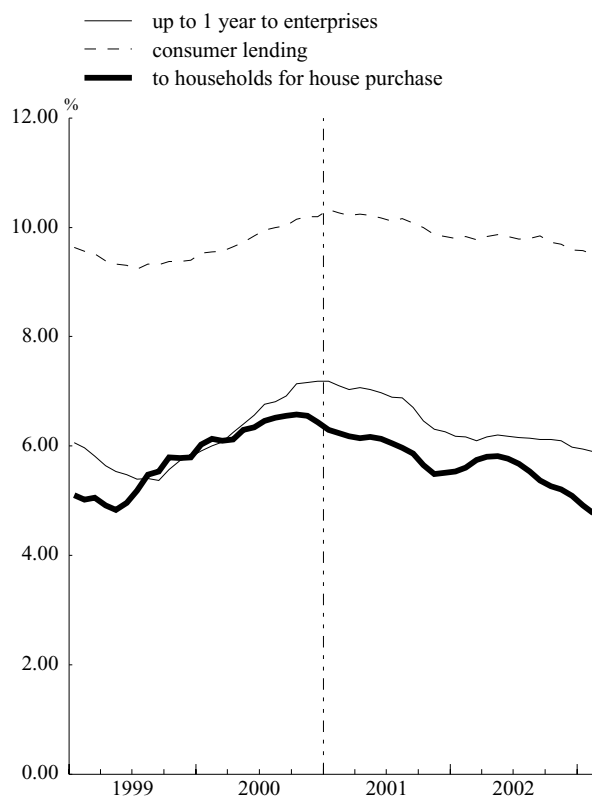
Deposit interest rates

(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
2002 Jan.	489.5	454.2	35.3	737.9	467.9	432.9	35.0	647.4	21.6	21.3
Feb.	407.3	408.9	-1.6	733.9	387.2	387.6	-0.4	647.9	20.0	21.2
Mar.	422.4	404.4	18.0	753.4	400.5	383.4	17.1	666.3	21.9	21.0
Apr.	403.5	407.0	-3.5	749.4	377.3	384.3	-7.0	659.2	26.1	22.7
May	401.8	379.7	22.1	770.3	377.9	358.5	19.5	677.5	23.9	21.2
June	337.8	342.1	-4.3	766.4	316.9	318.9	-2.0	676.9	20.9	23.1
July	406.0	392.2	13.7	772.8	382.4	371.4	11.0	685.2	23.5	20.9
Aug.	384.5	378.1	6.4	775.7	366.2	356.8	9.4	693.2	18.3	21.3
Sep.	414.9	400.6	14.3	792.8	392.1	381.0	11.0	706.8	22.8	19.5
Oct.	468.3	456.4	11.9	806.1	441.8	433.3	8.5	715.5	26.5	23.1
Nov.	435.4	413.0	22.4	830.6	413.5	388.9	24.6	740.3	22.0	24.1
Dec.	406.1	451.6	-45.5	783.5	386.7	429.9	-43.1	696.1	19.3	21.7
2003 Jan.	544.2	487.4	56.8	840.5	517.7	462.7	55.0	750.5	26.5	24.7

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
2002 Jan.	169.1	110.8	58.3	7,095.7	151.4	104.3	47.1	6,453.6	17.7	6.5
Feb.	142.9	108.2	34.7	7,130.7	130.2	97.5	32.6	6,486.6	12.7	10.7
Mar.	164.4	101.3	63.2	7,192.8	142.9	90.2	52.7	6,538.7	21.5	11.1
Apr.	126.8	79.4	47.3	7,230.3	115.6	74.4	41.3	6,580.5	11.1	5.1
May	149.4	87.3	62.1	7,279.0	126.9	75.6	51.2	6,633.0	22.5	11.6
June	133.0	94.7	38.3	7,294.4	123.3	86.9	36.4	6,665.7	9.7	7.8
July	131.1	113.0	18.2	7,324.1	114.3	103.6	10.7	6,680.1	16.8	9.3
Aug.	68.8	64.2	4.6	7,326.3	59.2	54.7	4.5	6,684.2	9.6	9.5
Sep.	140.5	86.3	54.2	7,379.8	121.4	74.6	46.9	6,730.3	19.1	11.7
Oct.	123.4	92.0	31.3	7,410.6	105.7	81.4	24.4	6,755.0	17.6	10.7
Nov.	131.0	94.7	36.3	7,444.1	118.0	89.5	28.4	6,783.4	13.1	5.2
Dec.	127.1	170.0	-42.8	7,382.1	116.5	158.3	-41.8	6,740.5	10.7	11.7
2003 Jan.	164.4	129.1	35.3	7,404.5	144.5	120.9	23.6	6,764.2	19.8	8.1

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
2002 Jan.	658.6	565.0	93.6	7,833.7	619.3	537.3	82.1	7,101.0	39.2	27.7
Feb.	550.2	517.1	33.1	7,864.6	517.4	485.2	32.2	7,134.5	32.8	31.9
Mar.	586.8	505.7	81.2	7,946.2	543.4	473.6	69.8	7,205.0	43.4	32.1
Apr.	530.2	486.4	43.8	7,979.6	493.0	458.7	34.3	7,239.7	37.3	27.8
May	551.2	467.0	84.2	8,049.3	504.8	434.1	70.7	7,310.5	46.4	32.9
June	470.9	436.8	34.1	8,060.7	440.2	405.9	34.4	7,342.7	30.6	30.9
July	537.1	505.2	31.9	8,096.9	496.7	475.0	21.7	7,365.3	40.4	30.2
Aug.	453.3	442.3	11.0	8,102.0	425.4	411.6	13.8	7,377.4	27.9	30.8
Sep.	555.4	486.8	68.5	8,172.6	513.5	455.6	57.9	7,437.1	41.9	31.3
Oct.	591.7	548.4	43.3	8,216.7	547.6	514.6	32.9	7,470.5	44.1	33.8
Nov.	566.5	507.7	58.7	8,274.6	531.4	478.4	53.0	7,523.6	35.0	29.3
Dec.	533.2	621.6	-88.4	8,165.6	503.2	588.2	-85.0	7,436.6	30.0	33.4
2003 Jan.	708.6	616.5	92.1	8,245.0	662.2	583.6	78.6	7,514.7	46.4	32.9

*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	
0.3	90.5	11.3	24.2	-12.9	41.6	479.2	457.1	22.1	689.1	2002 Jan.
-1.2	86.0	13.4	11.8	1.7	43.3	400.6	399.4	1.3	691.2	Feb.
0.8	87.1	24.3	7.9	16.4	59.7	424.8	391.3	33.6	726.0	Mar.
3.4	90.2	9.7	28.1	-18.4	41.3	387.0	412.4	-25.4	700.4	Apr.
2.6	92.8	13.7	13.4	0.3	41.5	391.6	371.9	19.7	719.1	May
-2.2	89.5	20.9	8.0	12.9	54.4	337.8	327.0	10.9	731.3	June
2.7	87.6	14.7	24.8	-10.1	44.4	397.1	396.2	1.0	729.5	July
-3.0	82.5	12.1	11.5	0.6	44.9	378.3	368.4	9.9	738.1	Aug.
3.3	85.9	31.7	7.7	24.0	68.9	423.8	388.7	35.1	775.8	Sep.
3.4	90.7	17.1	31.4	-14.2	54.7	458.9	464.6	-5.7	770.2	Oct.
-2.2	90.3	14.6	16.9	-2.3	52.4	428.1	405.8	22.3	792.6	Nov.
-2.4	87.4	23.9	10.7	13.2	65.6	410.6	440.5	-29.9	761.7	Dec.
1.8	90.1	.	.	.	.	.	.	.	.	2003 Jan.

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	
11.2	642.1	19.6	6.8	12.7	888.7	171.0	111.1	59.9	7,342.3	2002 Jan.
2.0	644.1	20.0	13.9	6.2	895.0	150.2	111.4	38.8	7,381.6	Feb.
10.5	654.1	25.5	12.0	13.5	908.5	168.4	102.2	66.2	7,447.2	Mar.
6.0	649.7	23.0	7.6	15.4	924.1	138.6	81.9	56.7	7,504.7	Apr.
10.9	646.0	26.3	8.2	18.0	942.3	153.1	83.9	69.3	7,575.3	May
2.0	628.6	29.3	10.9	18.5	960.7	152.6	97.8	54.8	7,626.4	June
7.5	644.1	11.6	8.2	3.4	964.1	125.9	111.9	14.1	7,644.2	July
0.1	642.1	7.0	8.1	-1.1	963.0	66.2	62.8	3.4	7,647.2	Aug.
7.4	649.5	24.3	11.4	12.9	976.0	145.8	86.0	59.8	7,706.2	Sep.
6.9	655.6	13.2	13.1	0.1	976.1	118.9	94.5	24.5	7,731.1	Oct.
7.9	660.7	13.7	11.9	1.8	977.9	131.6	101.4	30.2	7,761.3	Nov.
-1.0	641.6	18.3	10.9	7.4	985.3	134.8	169.2	-34.4	7,725.8	Dec.
11.7	640.3	.	.	.	.	.	.	.	.	2003 Jan.

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	
11.5	732.6	30.9	31.0	-0.1	930.3	650.2	568.3	82.0	8,031.4	2002 Jan.
0.8	730.1	33.5	25.6	7.8	938.3	550.8	510.8	40.1	8,072.8	Feb.
11.3	741.2	49.8	19.9	30.0	968.2	593.2	493.5	99.8	8,173.2	Mar.
9.5	739.9	32.7	35.7	-3.0	965.4	525.6	494.4	31.3	8,205.1	Apr.
13.5	738.8	39.9	21.6	18.3	983.9	544.7	455.7	89.0	8,294.4	May
-0.3	718.1	50.2	18.9	31.3	1,015.1	490.5	424.8	65.7	8,357.8	June
10.2	731.6	26.4	33.0	-6.7	1,008.5	523.1	508.0	15.1	8,373.7	July
-2.8	724.6	19.1	19.7	-0.6	1,007.9	444.5	431.2	13.3	8,385.3	Aug.
10.6	735.5	56.0	19.1	37.0	1,044.9	569.5	474.7	94.9	8,482.0	Sep.
10.3	746.2	30.3	44.5	-14.2	1,030.8	577.9	559.1	18.8	8,501.3	Oct.
5.7	751.0	28.3	28.8	-0.5	1,030.3	559.7	507.2	52.5	8,554.0	Nov.
-3.4	729.0	42.2	21.6	20.6	1,051.0	545.4	609.7	-64.3	8,487.5	Dec.
13.5	730.3	.	.	.	.	.	.	.	.	2003 Jan.

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
2002 Jan.	647.4	261.2	3.7	100.2	278.8	3.5	41.6	18.8	19.3	3.1
Feb.	647.9	255.6	3.9	98.2	286.7	3.5	43.3	19.9	19.2	3.6
Mar.	666.3	262.5	4.3	97.1	299.0	3.3	59.7	26.4	26.4	6.4
Apr.	659.2	260.2	4.5	92.7	298.8	3.0	41.3	18.2	18.6	3.8
May	677.5	266.7	3.7	89.9	314.3	3.0	41.5	18.3	19.2	3.5
June	676.9	265.4	3.8	82.1	322.5	3.0	54.4	21.3	28.0	4.4
July	685.2	269.7	4.1	86.3	321.7	3.4	44.4	18.3	22.8	2.8
Aug.	693.2	269.9	4.3	86.8	328.8	3.3	44.9	18.1	23.9	2.6
Sep.	706.8	276.6	4.1	87.9	335.7	2.6	68.9	26.8	37.3	4.0
Oct.	715.5	284.0	4.2	88.7	335.6	3.0	54.7	20.9	28.1	3.5
Nov.	740.3	304.7	4.7	90.0	337.8	3.1	52.4	18.2	28.1	3.7
Dec.	696.1	281.5	4.3	85.4	321.8	3.2	65.6	20.5	37.9	4.6
2003 Jan.	750.5	312.7	4.5	92.7	337.9	2.6	.	.	.	.

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
2002 Jan.	6,453.6	2,324.9	370.0	355.1	3,270.2	133.4	888.7	226.3	336.1	105.7
Feb.	6,486.6	2,346.2	374.3	357.6	3,275.6	133.0	895.0	229.8	339.5	106.5
Mar.	6,538.7	2,368.6	380.3	357.9	3,294.3	137.6	908.5	232.2	350.3	108.2
Apr.	6,580.5	2,377.4	391.2	363.4	3,306.3	142.2	924.1	234.9	360.8	108.7
May	6,633.0	2,391.5	402.6	368.7	3,322.4	147.7	942.3	238.5	367.6	111.5
June	6,665.7	2,401.8	407.4	372.2	3,334.1	150.2	960.7	245.9	381.2	111.0
July	6,680.1	2,400.7	414.4	374.6	3,331.1	159.2	964.1	245.9	385.5	110.7
Aug.	6,684.2	2,399.8	414.7	372.7	3,337.0	160.1	963.0	245.3	385.3	110.8
Sep.	6,730.3	2,421.4	423.0	375.5	3,348.7	161.8	976.0	246.1	394.5	109.3
Oct.	6,755.0	2,417.7	429.4	374.6	3,367.8	165.5	976.1	246.9	396.1	109.0
Nov.	6,783.4	2,418.3	442.0	374.9	3,381.2	167.0	977.9	249.2	398.5	108.7
Dec.	6,740.5	2,404.3	464.2	375.3	3,328.2	168.4	985.3	251.8	403.2	109.8
2003 Jan.	6,764.2	2,398.5	465.6	376.4	3,351.3	172.4	.	.	.	.

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
2002 Jan.	7,101.0	2,586.1	373.7	455.3	3,549.0	136.9	930.3	245.1	355.4	108.8
Feb.	7,134.5	2,601.8	378.1	455.8	3,562.2	136.5	938.3	249.7	358.7	110.1
Mar.	7,205.0	2,631.1	384.6	455.1	3,593.3	140.9	968.2	258.6	376.6	114.6
Apr.	7,239.7	2,637.6	395.7	456.1	3,605.1	145.2	965.4	253.2	379.5	112.5
May	7,310.5	2,658.2	406.3	458.6	3,636.7	150.7	983.9	256.8	386.7	115.0
June	7,342.7	2,667.2	411.2	454.4	3,656.7	153.2	1,015.1	267.2	409.2	115.4
July	7,365.3	2,670.4	418.6	460.9	3,652.8	162.6	1,008.5	264.2	408.3	113.5
Aug.	7,377.4	2,669.7	419.0	459.5	3,665.8	163.4	1,007.9	263.4	409.1	113.4
Sep.	7,437.1	2,697.9	427.1	463.3	3,684.4	164.4	1,044.9	272.9	431.8	113.3
Oct.	7,470.5	2,701.7	433.7	463.2	3,703.4	168.4	1,030.8	267.8	424.2	112.5
Nov.	7,523.6	2,723.0	446.7	465.0	3,718.9	170.1	1,030.3	267.4	426.6	112.4
Dec.	7,436.6	2,685.8	468.4	460.7	3,650.1	171.6	1,051.0	272.3	441.1	114.4
2003 Jan.	7,514.7	2,711.2	470.1	469.0	3,689.3	175.0	.	.	.	.

*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	
0.1	0.1	0.2	689.1	280.0	23.0	103.3	279.0	3.6	0.2	2002 Jan.
0.1	0.1	0.4	691.2	275.5	23.1	101.8	286.8	3.6	0.4	Feb.
0.1	0.1	0.4	726.0	288.9	30.7	103.5	299.2	3.4	0.4	Mar.
0.1	0.1	0.5	700.4	278.4	23.1	96.5	298.9	3.1	0.5	Apr.
0.1	0.1	0.4	719.1	285.0	22.9	93.4	314.4	3.1	0.4	May
0.2	0.1	0.5	731.3	286.7	31.8	86.6	322.7	3.1	0.5	June
0.2	0.0	0.2	729.5	288.0	26.9	89.1	321.9	3.4	0.2	July
0.1	0.0	0.1	738.1	288.0	28.2	89.4	329.0	3.4	0.1	Aug.
0.2	0.0	0.6	775.8	303.3	41.4	91.9	335.9	2.7	0.6	Sep.
0.1	0.2	1.8	770.2	304.9	32.4	92.2	335.7	3.2	1.8	Oct.
0.1	0.2	2.0	792.6	322.9	32.9	93.7	337.8	3.3	2.0	Nov.
0.0	0.2	2.4	761.7	302.0	42.2	89.9	321.9	3.4	2.4	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	
91.3	15.0	114.4	7,342.3	2,551.2	706.1	460.8	3,361.5	148.3	114.4	2002 Jan.
92.0	14.6	112.5	7,381.6	2,576.0	713.7	464.1	3,367.6	147.6	112.5	Feb.
92.2	14.6	111.1	7,447.2	2,600.8	730.5	466.2	3,386.4	152.1	111.1	Mar.
94.1	14.6	111.0	7,504.7	2,612.3	752.0	472.1	3,400.4	156.8	111.0	Apr.
95.1	14.6	115.1	7,575.3	2,630.0	770.1	480.2	3,417.5	162.3	115.1	May
93.2	14.6	114.7	7,626.4	2,647.7	788.6	483.2	3,427.3	164.8	114.7	June
93.1	14.6	114.3	7,644.2	2,646.7	799.9	485.3	3,424.2	173.8	114.3	July
93.4	14.6	113.6	7,647.2	2,645.1	799.9	483.5	3,430.4	174.7	113.6	Aug.
94.1	14.7	117.3	7,706.2	2,667.5	817.5	484.8	3,442.8	176.5	117.3	Sep.
93.6	14.6	115.9	7,731.1	2,664.6	825.5	483.6	3,461.4	180.1	115.9	Oct.
93.1	14.6	113.8	7,761.3	2,667.5	840.5	483.6	3,474.3	181.6	113.8	Nov.
92.7	14.3	113.6	7,725.8	2,656.2	867.3	485.1	3,420.9	182.7	113.6	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	
91.4	15.0	114.6	8,031.4	2,831.2	729.1	564.1	3,640.5	151.9	114.6	2002 Jan.
92.2	14.7	112.9	8,072.8	2,851.5	736.9	565.9	3,654.4	151.2	112.9	Feb.
92.3	14.6	111.5	8,173.2	2,889.7	761.2	569.7	3,685.6	155.5	111.5	Mar.
94.2	14.6	111.5	8,205.1	2,890.7	775.1	568.6	3,699.3	159.8	111.5	Apr.
95.2	14.6	115.5	8,294.4	2,915.0	793.0	573.6	3,731.9	165.4	115.5	May
93.4	14.7	115.2	8,357.8	2,934.4	820.4	569.8	3,750.0	167.9	115.2	June
93.3	14.7	114.5	8,373.7	2,934.7	826.8	574.4	3,746.1	177.2	114.5	July
93.5	14.7	113.7	8,385.3	2,933.1	828.1	572.9	3,759.4	178.1	113.7	Aug.
94.3	14.7	117.9	8,482.0	2,970.8	858.9	576.6	3,778.7	179.1	117.9	Sep.
93.7	14.8	117.7	8,501.3	2,969.5	857.9	575.8	3,797.2	183.2	117.7	Oct.
93.2	14.8	115.9	8,554.0	2,990.4	873.3	577.4	3,812.1	184.9	115.9	Nov.
92.7	14.5	116.0	8,487.5	2,958.1	909.5	575.1	3,742.8	186.0	116.0	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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
2002 Jan.	467.9	331.4	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.	392.1	278.4	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.	413.5	302.9	2.4	58.2	47.7	2.3	14.6	4.7	8.4	1.2
Dec.	386.7	291.3	2.2	46.4	44.3	2.6	23.9	6.3	15.7	1.3
2003 Jan.	517.7	374.7	2.1	66.0	72.9	2.0	.	.	.	.

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
2002 Jan.	151.4	44.3	9.5	6.5	88.0	3.2	19.6	4.1	9.6	3.7
Feb.	130.2	54.6	8.7	8.3	57.5	1.1	20.0	8.2	8.8	1.3
Mar.	142.9	56.9	9.0	2.9	68.8	5.3	25.5	8.6	12.4	3.3
Apr.	115.6	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.	59.2	28.2	2.4	2.1	25.2	1.3	7.0	3.1	2.7	0.3
Sep.	121.4	52.5	11.6	4.4	50.4	2.6	24.3	5.2	12.6	0.2
Oct.	105.7	39.3	9.1	0.9	52.1	4.4	13.2	4.6	6.8	0.3
Nov.	118.0	48.5	14.9	3.0	48.0	3.6	13.7	5.6	6.6	0.8
Dec.	116.5	45.6	26.6	6.4	34.4	3.4	18.3	6.1	8.8	2.2
2003 Jan.	144.5	53.5	5.6	3.3	75.8	6.3	.	.	.	.

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
2002 Jan.	619.3	375.7	11.6	77.6	149.3	5.2	30.9	9.1	14.6	4.8
Feb.	517.4	323.6	11.2	74.2	105.4	3.0	33.5	13.2	15.4	2.9
Mar.	543.4	344.3	11.3	63.0	117.8	7.1	49.8	19.3	22.5	6.6
Apr.	493.0	300.0	15.8	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.	425.4	285.9	4.2	53.1	79.1	3.2	19.1	7.7	9.6	0.9
Sep.	513.5	330.9	13.5	61.1	103.5	4.6	56.0	16.3	30.7	2.1
Oct.	547.6	358.8	11.3	65.6	105.2	6.7	30.3	9.7	15.8	1.6
Nov.	531.4	351.4	17.3	61.2	95.7	5.8	28.3	10.4	15.1	2.0
Dec.	503.2	336.9	28.7	52.8	78.7	6.1	42.2	12.4	24.5	3.5
2003 Jan.	662.2	428.3	7.6	69.3	148.7	8.3	.	.	.	.

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	0.0	0.1	479.2	336.4	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	423.8	289.5	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	428.1	307.6	10.8	59.4	47.7	2.3	0.2	Nov.
0.0	0.0	0.5	410.6	297.6	17.9	47.7	44.3	2.7	0.5	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	2.1	171.0	48.4	19.1	10.2	88.0	3.2	2.1	2002 Jan.
1.5	0.0	0.3	150.2	62.7	17.5	9.6	59.0	1.1	0.3	Feb.
0.8	0.2	0.3	168.4	65.5	21.4	6.1	69.5	5.5	0.3	Mar.
3.3	0.0	0.7	138.6	49.1	26.1	9.3	48.5	4.9	0.7	Apr.
2.0	0.0	5.3	153.1	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	66.2	31.3	5.1	2.4	25.5	1.4	0.5	Aug.
0.7	0.2	5.5	145.8	57.6	24.2	4.5	51.1	2.7	5.5	Sep.
0.2	0.0	1.3	118.9	43.9	15.9	1.2	52.2	4.4	1.3	Oct.
0.0	0.0	0.5	131.6	54.1	21.6	3.8	48.0	3.6	0.5	Nov.
0.4	0.0	0.8	134.8	51.7	35.4	8.6	34.8	3.4	0.8	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	0.0	2.2	650.2	384.8	26.2	82.4	149.5	5.2	2.2	2002 Jan.
1.5	0.0	0.5	550.8	336.8	26.7	77.0	106.9	3.0	0.5	Feb.
0.8	0.2	0.4	593.2	363.6	33.8	69.6	118.6	7.3	0.4	Mar.
3.3	0.0	0.9	525.6	309.5	32.6	73.6	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	444.5	293.6	13.7	54.0	79.4	3.3	0.6	Aug.
0.8	0.2	6.0	569.5	347.1	44.1	63.3	104.3	4.8	6.0	Sep.
0.2	0.2	2.9	577.9	368.4	27.1	67.2	105.3	6.9	2.9	Oct.
0.0	0.0	0.7	559.7	361.8	32.4	63.2	95.7	5.9	0.7	Nov.
0.4	0.0	1.3	545.4	349.3	53.2	56.3	79.1	6.1	1.3	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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
2002 Jan.	35.0	19.4	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.	11.0	4.1	-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.	24.6	20.5	0.5	1.4	2.2	0.1	-2.3	-2.7	0.0	0.2
Dec.	-43.1	-22.2	-0.4	-4.7	-15.9	0.1	13.2	2.3	9.8	0.9
2003 Jan.	55.0	31.9	0.3	7.3	16.1	-0.6	.	.	.	.

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
2002 Jan.	47.1	3.2	4.8	5.5	30.7	2.9	12.7	0.1	8.7	3.4
Feb.	32.6	20.0	4.3	3.3	5.4	-0.4	6.2	3.5	3.3	0.9
Mar.	52.7	23.0	6.0	0.4	18.7	4.6	13.5	2.4	10.8	1.7
Apr.	41.3	8.2	10.9	5.5	12.0	4.6	15.4	2.7	10.5	0.5
May	51.2	12.9	11.4	5.3	16.1	5.5	18.0	3.6	6.7	2.8
June	36.4	13.8	4.9	3.5	11.7	2.5	18.5	7.4	13.7	-0.6
July	10.7	-4.6	7.0	2.4	-3.0	8.9	3.4	0.0	4.3	-0.3
Aug.	4.5	-0.7	0.3	-1.9	5.9	0.9	-1.1	-0.6	-0.2	0.1
Sep.	46.9	22.5	8.3	2.6	11.7	1.7	12.9	0.8	9.3	-1.5
Oct.	24.4	-4.2	6.4	-0.9	19.3	3.7	0.1	0.8	1.5	-0.3
Nov.	28.4	0.7	12.5	0.4	13.3	1.5	1.8	2.3	2.4	-0.3
Dec.	-41.8	-14.1	22.3	1.5	-52.9	1.4	7.4	2.6	4.7	1.1
2003 Jan.	23.6	-6.1	1.5	1.0	23.1	4.0	.	.	.	.

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
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	1.1	13.2	-0.4	7.8	4.6	3.2	1.3
Mar.	69.8	28.7	6.4	-0.7	31.1	4.3	30.0	8.9	17.9	4.5
Apr.	34.3	6.0	11.1	1.1	11.8	4.4	-3.0	-5.4	2.8	-2.1
May	70.7	20.5	10.6	2.5	31.6	5.5	18.3	3.7	7.2	2.5
June	34.4	11.4	5.0	-4.5	20.0	2.5	31.3	10.4	22.5	0.4
July	21.7	2.6	7.3	6.5	-3.9	9.2	-6.7	-3.0	-1.0	-1.9
Aug.	13.8	0.9	0.5	-1.4	13.0	0.8	-0.6	-0.8	0.9	-0.1
Sep.	57.9	26.6	8.1	3.7	18.6	1.0	37.0	9.4	22.7	-0.1
Oct.	32.9	3.3	6.6	-0.1	19.1	4.0	-14.2	-5.1	-7.6	-0.8
Nov.	53.0	21.2	13.0	1.7	15.5	1.6	-0.5	-0.4	2.4	-0.1
Dec.	-85.0	-36.3	21.9	-3.2	-68.9	1.5	20.6	4.9	14.5	2.0
2003 Jan.	78.6	25.7	1.8	8.4	39.2	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	0.0	-1.1	22.1	14.3	-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	35.1	12.7	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	22.3	17.8	0.5	1.5	2.1	0.1	0.2	Nov.
-0.1	0.0	0.3	-29.9	-19.9	9.4	-3.8	-16.0	0.1	0.3	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	
-0.8	-0.3	1.5	59.9	3.3	13.5	8.9	29.9	2.7	1.5	2002 Jan.
0.7	-0.3	-1.9	38.8	23.6	7.5	4.2	6.1	-0.7	-1.9	Feb.
0.1	0.0	-1.4	66.2	25.4	16.8	2.1	18.8	4.5	-1.4	Mar.
1.8	0.0	-0.1	56.7	10.9	21.4	6.0	13.9	4.7	-0.1	Apr.
0.9	0.0	4.1	69.3	16.5	18.1	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	14.1	-4.6	11.3	2.1	-3.1	8.9	-0.5	July
0.3	0.0	-0.7	3.4	-1.3	0.0	-1.7	6.2	0.9	-0.7	Aug.
0.7	0.0	3.7	59.8	23.4	17.6	1.1	12.4	1.7	3.7	Sep.
-0.5	-0.1	-1.4	24.5	-3.4	8.0	-1.2	18.8	3.6	-1.4	Oct.
-0.5	0.0	-2.0	30.2	3.0	14.8	0.0	12.9	1.5	-2.0	Nov.
-0.4	-0.3	-0.3	-34.4	-11.5	27.0	2.6	-53.4	1.1	-0.3	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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	
-0.8	-0.3	0.5	82.0	17.7	8.2	12.2	41.4	2.0	0.5	2002 Jan.
0.7	-0.4	-1.7	40.1	18.4	7.7	2.4	14.0	-0.7	-1.7	Feb.
0.1	0.0	-1.4	99.8	37.6	24.3	3.8	31.2	4.3	-1.4	Mar.
1.8	0.0	0.0	31.3	0.6	13.9	-1.0	13.5	4.4	0.0	Apr.
0.9	0.0	4.0	89.0	24.1	17.9	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	15.1	-0.4	6.4	4.6	-3.9	9.2	-0.7	July
0.3	0.0	-0.8	13.3	0.1	1.3	-1.4	13.3	0.8	-0.8	Aug.
0.8	0.0	4.2	94.9	36.0	30.8	3.6	19.3	1.0	4.2	Sep.
-0.6	0.1	-0.2	18.8	-1.7	-1.0	-0.9	18.5	4.1	-0.2	Oct.
-0.5	0.0	-1.8	52.5	20.8	15.3	1.6	15.0	1.6	-1.8	Nov.
-0.5	-0.3	0.1	-64.3	-31.4	36.4	-1.2	-69.4	1.2	0.1	Dec.
.	.	.	.	.	.	.	.	.	.	2003 Jan.

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					
2002 Jan.	4.6	105.0	1.1	-27.2	12.2	6.5	22.6
Feb.	2.1	104.8	-3.2	-21.7	5.7	7.4	55.3
Mar.	2.3	107.4	-2.5	-16.3	4.1	7.5	48.8
Apr.	0.5	106.9	-3.0	-18.0	1.4	4.4	36.1
May	3.8	110.0	2.1	-32.8	-8.3	10.5	27.8
June	4.5	109.4	0.4	-25.1	-15.1	16.7	50.8
July	5.3	111.4	3.8	-16.4	-13.9	14.6	-3.1
Aug.	5.4	112.3	4.8	0.6	-17.9	15.2	-1.3
Sep.	7.8	114.4	8.9	0.8	-16.9	16.3	-19.4
Oct.	8.9	116.1	10.5	14.9	-18.4	17.9	-0.9
Nov.	12.4	119.3	18.6	23.3	-14.5	15.6	-5.3
Dec.	12.8	112.8	14.8	30.4	-10.3	19.3	-14.3
2003 Jan.	15.2	121.0	17.4	28.9	-7.2	21.1	-15.6

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					
2002 Jan.	8.1	100.8	7.2	33.4	24.5	3.7	23.7
Feb.	7.7	101.3	6.7	32.2	23.4	3.7	21.6
Mar.	7.8	102.2	7.5	30.9	15.8	4.0	23.7
Apr.	7.9	102.9	7.4	32.5	16.3	3.8	25.4
May	8.0	103.8	8.0	33.3	14.4	3.5	29.6
June	7.5	104.3	7.7	30.8	12.9	3.1	31.7
July	7.1	104.6	6.7	27.7	11.7	3.1	36.6
Aug.	6.8	104.6	6.5	27.0	8.9	3.3	34.3
Sep.	7.3	105.4	7.0	27.8	11.7	3.6	31.2
Oct.	7.2	105.9	6.3	27.2	12.2	3.9	30.0
Nov.	7.0	106.4	5.7	27.4	7.7	4.3	29.3
Dec.	5.8	105.8	5.0	23.6	6.4	2.9	29.4
2003 Jan.	5.4	106.3	4.6	22.3	5.3	2.7	30.0

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					
2002 Jan.	7.8	101.2	6.5	32.5	21.9	3.9	23.7
Feb.	7.2	101.6	5.5	31.5	19.5	3.9	22.3
Mar.	7.3	102.7	6.3	30.3	13.4	4.2	24.2
Apr.	7.2	103.3	6.2	31.8	13.3	3.9	25.7
May	7.6	104.3	7.3	32.3	9.6	4.0	29.6
June	7.2	104.8	6.8	30.0	7.1	4.2	32.0
July	6.9	105.2	6.4	27.2	6.4	4.0	35.4
Aug.	6.7	105.3	6.3	26.7	3.2	4.3	33.2
Sep.	7.4	106.2	7.2	27.6	5.5	4.6	29.7
Oct.	7.4	106.8	6.7	27.1	5.4	5.0	29.2
Nov.	7.5	107.6	7.1	27.3	3.0	5.2	28.4
Dec.	6.4	106.4	6.0	23.6	3.2	4.1	28.1
2003 Jan.	6.3	107.6	6.0	22.4	2.9	4.1	28.8

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.

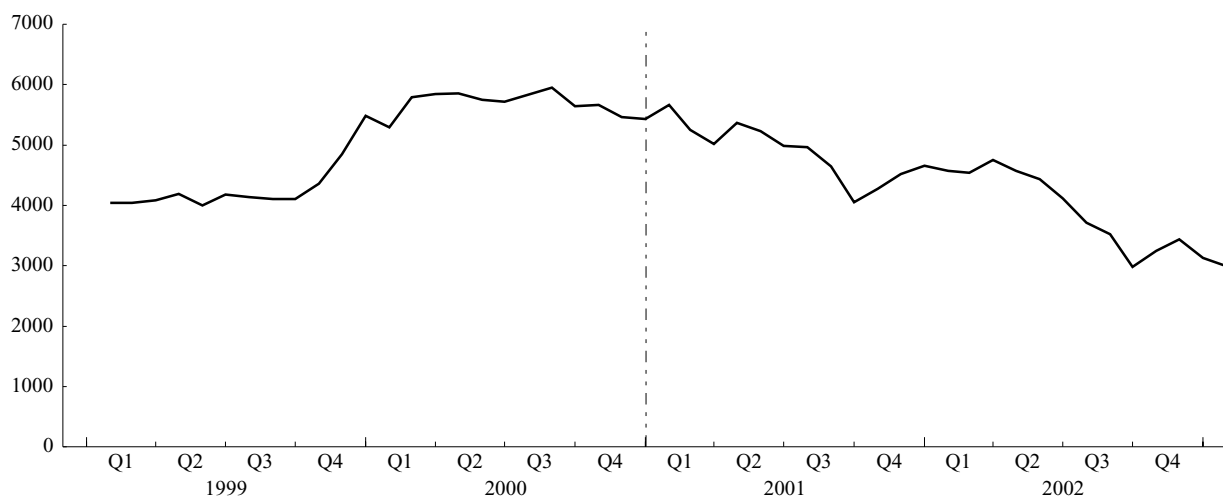
In euro ²⁾							
Total	Index Dec.01= 100	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	
							8	9	10	11	12	13	14
4.2	105.7	-0.3	-27.2	11.2	6.6	23.0	2002 Jan.
2.4	105.7	-4.1	-21.7	4.5	8.0	58.5	Feb.
2.7	108.5	-2.9	-16.3	2.4	8.1	52.5	Mar.
-0.2	107.3	-5.3	-18.0	-0.1	4.7	38.6	Apr.
3.2	110.5	0.9	-32.8	-10.1	10.6	26.0	May
4.1	110.2	-0.9	-27.1	-16.4	16.5	51.6	June
5.1	112.0	3.5	-18.5	-15.5	14.5	-7.0	July
5.7	113.5	6.0	-1.8	-19.3	15.0	-7.0	Aug.
7.7	115.3	9.0	-1.8	-18.0	16.7	-28.9	Sep.
7.6	116.7	8.0	12.1	-20.2	18.1	-11.8	Oct.
12.3	120.7	20.3	20.6	-15.8	15.9	-14.0	Nov.
13.7	113.7	16.6	27.3	-11.3	20.3	-23.4	Dec.
16.0	122.6	20.2	26.0	-8.0	21.1	-26.6	2003 Jan.

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
7.5	100.7	5.5	47.0	23.9	3.8	24.8	2002 Jan.
7.2	101.2	5.0	45.2	23.2	3.7	22.5	Feb.
7.4	102.1	5.6	43.3	18.8	3.9	24.7	Mar.
7.5	102.7	5.6	44.6	19.4	3.8	26.5	Apr.
7.4	103.5	5.8	42.9	17.3	3.6	30.5	May
7.0	104.1	5.7	39.6	15.8	3.2	32.7	June
6.4	104.2	4.5	33.9	15.7	3.1	37.9	July
6.3	104.3	4.4	32.8	12.8	3.3	35.3	Aug.
6.7	105.0	5.1	33.7	14.1	3.4	32.1	Sep.
6.5	105.4	4.3	31.3	14.7	3.9	29.7	Oct.
6.5	105.9	4.2	31.7	9.2	4.3	29.1	Nov.
5.2	105.2	3.5	27.1	7.9	2.7	29.0	Dec.
4.8	105.6	3.1	25.9	6.5	2.5	29.2	2003 Jan.

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
7.2	101.2	4.9	45.6	20.9	4.0	24.7	2002 Jan.
6.8	101.6	4.1	44.0	18.6	4.1	23.2	Feb.
6.9	102.6	4.7	42.1	14.9	4.3	25.2	Mar.
6.7	103.1	4.4	43.3	14.8	3.9	26.7	Apr.
7.0	104.1	5.3	41.5	10.7	4.2	30.4	May
6.7	104.6	5.0	38.4	8.2	4.2	33.0	June
6.3	104.9	4.4	33.1	8.3	4.0	36.6	July
6.2	105.1	4.6	32.3	5.0	4.2	34.0	Aug.
6.8	105.9	5.5	33.2	6.3	4.5	30.3	Sep.
6.6	106.4	4.7	31.1	5.9	5.0	28.7	Oct.
7.0	107.2	5.8	31.6	3.3	5.3	27.9	Nov.
6.0	106.0	4.7	27.1	3.7	4.1	27.4	Dec.
5.8	107.1	4.8	25.9	3.3	4.0	27.8	2003 Jan.

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
2000 Jan.	5,297.1	628.9	582.8	4,085.3
Feb.	5,794.6	647.8	600.6	4,546.2
Mar.	5,841.3	658.2	649.7	4,533.4
Apr.	5,860.1	670.4	654.9	4,534.8
May	5,751.1	673.4	648.2	4,429.5
June	5,716.5	692.0	645.7	4,378.8
July	5,833.7	700.3	696.3	4,437.2
Aug.	5,947.3	742.1	700.4	4,504.7
Sep.	5,638.6	730.3	687.7	4,220.7
Oct.	5,666.3	719.0	664.4	4,282.9
Nov.	5,465.3	674.5	673.5	4,117.4
Dec.	5,430.4	687.0	675.0	4,068.3
<i>Euro area enlargement</i>				
2001 Jan.	5,667.2	762.2	706.3	4,198.7
Feb.	5,247.9	710.1	661.6	3,876.2
Mar.	5,020.1	686.3	620.4	3,713.5
Apr.	5,364.4	715.3	643.4	4,005.6
May	5,233.9	697.9	627.0	3,909.0
June	4,984.1	676.5	635.1	3,672.5
July	4,959.8	647.0	572.4	3,740.4
Aug.	4,650.3	643.2	576.6	3,430.5
Sep.	4,052.5	535.7	485.3	3,031.5
Oct.	4,277.9	551.5	497.7	3,228.7
Nov.	4,522.8	587.5	512.0	3,423.2
Dec.	4,652.4	617.3	511.0	3,524.1
2002 Jan.	4,574.0	623.8	518.8	3,431.4
Feb.	4,545.6	622.4	509.8	3,413.4
Mar.	4,750.1	665.3	536.7	3,548.2
Apr.	4,569.8	678.0	517.5	3,374.2
May	4,432.0	666.3	484.9	3,280.9
June	4,113.3	614.8	463.4	3,035.1
July	3,709.7	515.6	395.4	2,798.7
Aug.	3,519.2	521.6	371.0	2,626.6
Sep.	2,977.9	412.6	276.0	2,289.4
Oct.	3,250.5	446.8	321.2	2,482.5
Nov.	3,434.7	487.3	346.0	2,601.4
Dec.	3,133.7	450.7	283.6	2,399.5
2003 Jan.	2,993.5	425.7	261.2	2,306.6

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	0.8	108.8	112.7
Q2	111.1	2.1	109.9	1.4	113.4	3.1	110.8	0.5	109.4	113.4
Q3	111.2	2.1	109.1	1.3	114.8	3.3	111.3	0.4	109.6	114.3
Q4	111.8	2.3	110.1	1.8	114.8	3.1	111.8	0.5	110.0	115.1
2002 Apr.	111.0	2.3	109.9	1.9	113.0	2.9	110.6	0.2	109.4	112.9
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	0.1	109.3	114.1
Aug.	111.1	2.1	108.9	1.3	114.9	3.3	111.3	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	114.8
Nov.	111.6	2.3	110.0	1.8	114.4	3.1	111.8	0.0	109.9	115.1
Dec.	112.1	2.3	110.2	1.9	115.5	3.0	112.0	0.2	110.0	115.4
2003 Jan.	112.1	2.2	110.2	1.6	115.2	2.8	112.4	0.4	110.7	115.5
Feb.	112.5	2.4	110.6	2.1	115.7	2.7	112.7	0.3	111.0	115.7
Mar. ²⁾	.	2.4	.	.	.	.	.	.	.	.

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 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	3.3	-0.8	3.2	3.6
Feb.	2.1	3.3	0.3	2.2	0.7	7.6	2.4	3.3	-1.1	3.0	3.7
Mar.	.	.	.	.	.	.	.	.	.	.	.

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	1.9	1.2	1.1	3.0	2.0	3.1	2.7	2.2	1.2	-8.8	-7.6	27.8		
2002	108.1	0.0	0.7	-0.2	1.1	1.3	1.6	1.3	-2.2	.	0.3	-3.2	-1.7	26.5		
2002 Q1	107.5	-0.7	0.4	-1.5	1.3	1.7	1.9	1.6	-4.4	1.8	-0.5	-10.5	-3.6	24.6		
Q2	108.1	-0.7	0.4	-0.7	1.1	1.0	1.7	0.9	-4.5	1.5	-0.3	-8.7	-5.5	27.8		
Q3	108.3	0.0	0.8	0.3	0.9	1.1	1.5	1.1	-2.5	1.5	0.4	-4.2	-1.6	27.2		
Q4	108.6	1.3	1.1	1.0	0.9	1.3	1.3	1.4	2.9	.	1.5	14.0	4.4	26.5		
2003 Q1	.	.	.	.	.	.	.	.	.	.	.	10.0	-5.0	28.4
2002 Mar.	107.8	-0.6	0.3	-1.3	1.3	1.3	1.9	1.2	-3.2	-	-0.3	-1.6	-0.3	27.9		
Apr.	108.1	-0.5	0.4	-1.0	1.2	1.2	1.8	1.1	-3.4	-	-0.1	-1.2	-1.4	29.3		
May	108.1	-0.7	0.4	-0.8	1.2	1.0	1.7	0.9	-4.6	-	-0.4	-9.5	-6.8	28.1		
June	108.0	-0.8	0.4	-0.4	1.0	0.9	1.6	0.8	-5.4	-	-0.5	-14.9	-8.4	25.8		
July	108.1	-0.2	0.7	0.1	0.9	1.1	1.3	1.0	-3.3	-	0.1	-10.2	-7.6	25.9		
Aug.	108.2	0.0	0.8	0.3	0.9	1.1	1.5	1.0	-2.4	-	0.4	-4.3	-1.3	27.0		
Sep.	108.5	0.2	0.9	0.5	0.9	1.3	1.5	1.2	-1.8	-	0.6	2.4	4.7	28.9		
Oct.	108.8	1.0	1.0	0.8	0.9	1.3	1.4	1.3	2.1	-	1.3	14.3	7.8	27.9		
Nov.	108.4	1.1	1.1	1.1	0.9	1.3	1.3	1.3	2.4	-	1.4	10.5	3.4	24.2		
Dec.	108.7	1.6	1.2	1.1	1.0	1.4	1.3	1.4	4.3	-	1.9	17.2	2.1	27.1		
2003 Jan.	109.7	2.2	1.1	1.4	0.7	1.2	1.0	1.2	6.8	-	2.1	16.9	-2.3	28.3		
Feb.	.	.	.	.	.	.	.	.	.	-	.	16.6	-4.5	29.8
Mar.	.	.	.	.	.	.	.	.	.	-	.	-1.7	-8.0	27.2

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 ⁵⁾	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 ⁴⁾	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	2.0	1.9	2.5	1.6	1.4	1.6	0.9	4.0	1.9	
2000	5.0	117.4	5.5	6.0	6.0	9.2	2.2	6.5	1.4	1.8	2.1	5.9	
<i>Euro area enlargement</i>													
2001	0.2	118.0	0.4	0.2	-0.8	1.5	0.4	-2.5	1.0	1.3	0.0	0.3	
2002	-1.0	117.0	-0.8	-1.0	0.2	-2.5	-1.1	-5.1	-0.3	0.4	-1.1	-1.0	
2001 Q4	-2.9	116.0	-3.6	-4.7	-6.0	-4.7	-2.6	-7.4	-1.6	3.5	1.4	-4.5	
2002 Q1	-2.6	116.6	-2.9	-3.4	-2.1	-6.7	-1.3	-6.7	-0.2	1.0	1.2	-3.7	
Q2	-1.1	117.1	-0.7	-1.0	0.3	-2.7	-1.1	-6.0	-0.1	2.1	-1.7	-0.8	
Q3	-0.8	117.3	-0.5	-0.7	0.7	-1.6	-1.9	-4.3	-1.5	0.5	-0.9	-0.6	
Q4	0.3	117.0	0.9	1.2	2.2	1.2	-0.1	-3.5	0.5	-1.6	-2.7	1.2	
2002 Apr.	-0.6	116.9	-0.6	-0.9	0.4	-2.2	-1.5	-6.3	-0.5	1.2	0.7	-0.4	
May	-1.9	116.8	-1.0	-1.3	0.5	-4.6	-0.6	-6.9	0.7	1.9	-3.2	-1.4	
June	-0.9	117.6	-0.3	-0.8	-0.1	-1.5	-1.2	-4.8	-0.5	3.2	-2.3	-0.7	
July	-0.5	117.1	-0.1	-0.3	0.6	-0.6	-1.7	-1.7	-1.7	1.1	-1.0	-0.3	
Aug.	-1.2	117.4	-1.3	-1.4	-0.4	-1.7	-2.5	-9.6	-1.3	0.3	-0.5	-1.2	
Sep.	-0.6	117.2	-0.3	-0.5	1.6	-2.4	-1.7	-3.2	-1.4	0.1	-1.2	-0.5	
Oct.	-0.2	117.2	0.8	0.3	1.2	-0.2	-0.4	-2.8	0.1	3.5	-3.8	0.4	
Nov.	1.9	117.9	2.6	3.3	4.2	3.9	1.5	0.0	1.8	-1.8	-2.0	3.2	
Dec.	-0.8	116.0	-0.8	-0.1	1.2	0.1	-1.6	-8.2	-0.3	-5.6	-2.2	-0.1	
2003 Jan.	0.3	117.2	0.7	0.8	1.5	1.7	-1.1	-3.0	-0.7	-0.7	2.5	0.6	
Feb.	.	.	.	.	.	.	.	.	.	.	.	.

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				
	Index 1995 = 100			Index 1995 = 100			Textiles, clothing, footwear	Household equipment			
13	14	15	16	17	18	19	20	21	22		
1999	111.4	3.1	107.3	2.4	2.8	2.3	1.1	2.6	973	5.4	
2000	115.9	4.1	109.7	2.3	2.0	2.2	1.7	4.5	953	-2.1	
<i>Euro area enlargement</i>											
2001	121.0	4.2	111.3	1.4	1.5	1.3	1.1	-0.4	968	-0.8	
2002	123.4	1.9	111.5	0.2	0.8	-0.1	-0.8	-2.1	925	-4.3	
2001 Q4	122.2	3.5	111.6	1.1	1.4	0.9	-0.2	-0.7	954	2.1	
2002 Q1	122.6	2.6	111.4	0.5	0.9	-0.2	0.2	-2.2	917	-4.5	
Q2	123.0	1.9	111.1	-0.2	0.4	0.1	-1.4	-2.3	911	-7.7	
Q3	123.9	1.8	112.0	0.6	1.0	0.5	-1.3	-1.0	919	-4.8	
Q4	124.0	1.5	111.5	-0.1	0.9	-0.6	-0.9	-3.1	954	0.2	
2002 Apr.	123.2	2.8	110.9	0.0	0.9	0.4	-0.3	-2.3	898	-7.7	
May	122.8	1.5	111.5	0.4	0.8	0.2	-2.9	-1.5	908	-7.8	
June	123.1	1.3	110.9	-0.8	-0.5	-0.4	-0.8	-3.0	927	-7.6	
July	123.5	1.7	111.9	1.0	1.0	0.8	0.8	0.0	899	-7.1	
Aug.	124.3	2.1	112.5	0.7	1.5	0.4	0.0	-2.2	926	-4.0	
Sep.	123.9	1.5	111.5	0.1	0.5	0.3	-4.7	-0.7	932	-2.6	
Oct.	124.8	3.4	112.3	1.7	1.9	1.7	5.0	-1.8	932	-3.3	
Nov.	123.6	0.8	111.5	-0.7	1.0	-1.5	-5.3	-3.6	946	-1.2	
Dec.	123.6	0.4	110.6	-1.3	-0.1	-1.9	-2.1	-3.8	984	6.1	
2003 Jan.	125.9	3.3	113.4	2.5	4.1	1.3	2.6	-0.7	886	-5.3	
Feb.	.	.	.	.	.	.	.	.	894	-3.5

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 ⁴⁾ (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
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
2003 Q1	98.1	-11	-24	10	1	.	-19	-5	-23	39	-9
2002 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.	98.4	-11	-23	11	2	-	-19	-5	-23	39	-9
Mar.	97.8	-12	-25	10	-2	-	-21	-6	-26	42	-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
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
2003 Q1	-21	-28	-14	-17	-24	17	-10	-5	-16	-11	11
2002 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	-13	-17	14	-9	-4	-15	-8	10
Mar.	-21	-27	-14	-18	-25	18	-12	-7	-17	-12	8

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	84.2	15.8	4.7	19.3	7.0	25.2	14.2	29.6
	1	2	3	4	5	6	7	8	9	10
1998	122.334	1.8	1.9	0.8	-1.3	1.0	0.1	2.0	5.2	1.6
1999	124.584	1.8	2.3	-0.6	-2.5	-0.2	1.9	2.3	5.7	1.9
2000	127.335	2.2	2.5	0.8	-1.5	0.6	1.7	3.0	6.0	1.6
<i>Euro area enlargement</i>										
2001	133.148	1.4	1.7	0.3	-0.7	0.3	0.3	1.6	3.8	1.6
2002	133.700	0.4	0.6	-0.6	-2.0	-1.2	-1.1	0.7	1.8	1.4
2001 Q4	133.538	0.9	1.1	-0.4	-1.4	-0.5	-0.4	1.2	2.9	1.4
2002 Q1	133.662	0.7	0.9	-0.3	-2.0	-1.1	-0.9	1.5	2.1	1.5
Q2	133.693	0.5	0.7	-0.7	-1.9	-1.2	-1.0	0.8	1.9	1.4
Q3	133.683	0.3	0.5	-0.9	-1.8	-1.2	-1.4	0.3	1.6	1.4
Q4	133.762	0.2	0.3	-0.6	-2.2	-1.5	-1.2	0.2	1.5	1.3

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	11.026	8.0	8.505	7.0	2.521	15.6	5.295	6.7	5.731	9.7
2002	11.525	8.3	8.944	7.3	2.580	16.1	5.695	7.2	5.830	9.7
2001 Q4	11.140	8.0	8.604	7.0	2.536	15.7	5.421	6.9	5.719	9.6
2002 Q1	11.269	8.1	8.724	7.1	2.545	15.8	5.510	7.0	5.759	9.7
Q2	11.448	8.2	8.871	7.2	2.577	16.0	5.643	7.1	5.805	9.7
Q3	11.603	8.3	9.015	7.3	2.588	16.1	5.755	7.2	5.848	9.8
Q4	11.801	8.5	9.180	7.4	2.621	16.4	5.880	7.4	5.920	9.9
2002 Feb.	11.267	8.1	8.725	7.1	2.542	15.8	5.504	6.9	5.763	9.7
Mar.	11.327	8.2	8.771	7.1	2.556	15.9	5.552	7.0	5.775	9.7
Apr.	11.358	8.2	8.806	7.2	2.552	15.9	5.576	7.0	5.783	9.7
May	11.453	8.2	8.882	7.2	2.570	16.0	5.648	7.1	5.804	9.7
June	11.534	8.3	8.924	7.2	2.610	16.2	5.705	7.2	5.829	9.7
July	11.569	8.3	8.979	7.3	2.590	16.1	5.730	7.2	5.839	9.8
Aug.	11.601	8.3	9.012	7.3	2.589	16.1	5.755	7.2	5.846	9.8
Sep.	11.638	8.4	9.053	7.3	2.585	16.1	5.779	7.3	5.859	9.8
Oct.	11.704	8.4	9.111	7.4	2.593	16.2	5.822	7.3	5.882	9.8
Nov.	11.802	8.5	9.178	7.4	2.624	16.4	5.881	7.4	5.921	9.9
Dec.	11.896	8.5	9.249	7.5	2.647	16.5	5.938	7.5	5.959	9.9
2003 Jan.	12.023	8.6	9.340	7.5	2.683	16.7	5.999	7.5	6.023	10.0
Feb.	12.114	8.7	9.413	7.6	2.701	16.8	6.047	7.6	6.067	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 2002.

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⁾								
2000	104.2	1.3	1.6	-0.3	2.0	0.0	4.1	1.8
<i>Euro area enlargement</i>								
2001	107.2	2.7	3.0	1.7	4.0	1.5	4.1	2.8
2002	.	.	.	.	.	.	.	.
2001 Q4	108.7	3.3	2.1	3.3	3.5	2.6	3.8	3.1
2002 Q1	109.3	3.6	6.1	3.3	4.3	3.8	3.7	2.9
Q2	109.6	2.5	3.3	1.5	3.9	2.5	2.7	2.3
Q3	109.9	2.1	2.5	1.2	3.0	1.7	2.8	2.1
Q4	.	.	.	.	.	.	.	.
Compensation per employee								
2000	110.2	2.5	2.9	3.0	2.6	1.9	2.7	2.3
<i>Euro area enlargement</i>								
2001	113.6	2.7	2.4	2.5	3.0	2.5	2.9	2.7
2002	.	.	.	.	.	.	.	.
2001 Q4	114.7	2.8	2.8	2.3	3.4	2.8	2.9	3.2
2002 Q1	115.7	3.1	9.6	2.5	4.5	3.3	3.1	3.1
Q2	116.4	2.7	6.4	2.9	3.3	2.8	2.1	2.6
Q3	117.1	2.7	4.5	3.2	2.6	2.8	2.2	2.5
Q4	.	.	.	.	.	.	.	.
Labour productivity ²⁾								
2000	105.7	1.3	1.3	3.3	0.6	1.8	-1.3	0.5
<i>Euro area enlargement</i>								
2001	105.9	0.0	-0.6	0.8	-1.0	1.0	-1.2	-0.1
2002	106.3	0.4	2.4	1.4	-0.4	0.6	-0.5	0.4
2001 Q4	105.5	-0.4	0.7	-0.9	-0.2	0.2	-0.9	0.1
2002 Q1	105.8	-0.4	3.3	-0.7	0.3	-0.5	-0.5	0.2
Q2	106.2	0.1	3.0	1.3	-0.6	0.3	-0.6	0.3
Q3	106.6	0.6	2.0	2.0	-0.4	1.1	-0.5	0.4
Q4	106.7	1.1	1.6	3.2	-0.8	1.6	-0.2	0.8

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
2000	109.9	3.2	3.4	2.3	3.2	3.9	3.0
<i>Euro area enlargement</i>							
2001	113.7	3.4	3.6	2.7	3.2	4.0	3.2
2002	117.8	3.6	3.7	3.4	3.5	4.2	3.6
2001 Q4	115.2	3.4	3.6	2.9	3.0	4.4	3.7
2002 Q1	116.4	4.0	4.2	3.4	3.8	5.0	4.0
Q2	117.2	3.4	3.4	3.3	3.0	3.7	3.6
Q3	118.3	3.5	3.5	3.2	3.3	3.9	3.4
Q4	119.4	3.7	3.7	3.5	3.7	4.2	3.3

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	300.5
Q2	5,448.7	285.8	4,827.6	1,703.6	1,593.8	1,412.5	117.6	155.0	180.3	277.7
Q3	5,461.9	306.7	4,827.4	1,699.6	1,585.8	1,423.3	118.8	146.3	181.4	289.0
Q4	.	341.2	4,963.2	1,790.0	1,592.3	1,467.7	113.1	136.4	.	.

	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
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	268.7
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	252.1
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	247.6
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								2,399.5				

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	1.9
Q2	104.8	31.5	73.2	72.2	0.9	1.7	-1.7	-2.5	2.5	-9.2
Q3	11.3	20.9	0.6	-4.4	-7.3	10.6	1.7	-12.5	2.3	9.1
Q4	.	34.5	134.7	83.6	11.9	44.8	-5.6	-9.8	.	.

	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
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	4.2
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	-18.2
Q3	36.2	34.2	-12.3	1.3	-13.6	1.3	-15.9	17.2	47.2	-4.0	51.1	-6.1
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	
													12	13	14	15	16	17	18	19	20	21	22	23
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 and 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 and 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	2,376.2	11.0	430.2	360.8	519.7	813.4	214.0	27.2
1999	448.0	1,291.8	-863.7	19.7	0.1	3,048.5	1.3	554.3	437.1	880.0	903.6	253.6	18.6
2000	487.1	1,389.0	-913.1	27.8	-16.6	2,776.7	1.3	348.4	247.9	804.8	1,116.5	254.4	3.3
<i>Euro area enlargement</i>													
2001	456.1	1,437.3	-973.6	-8.3	0.7	2,488.8	-0.5	587.8	464.9	699.1	552.3	242.4	-57.1

	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	2,300.9	646.0	322.2	481.2	632.0	219.5
1999	500.4	1,353.9	-863.7	10.1	2,996.1	926.7	493.8	755.7	557.0	262.9
2000	514.1	1,419.3	-913.1	8.0	2,749.7	530.9	411.7	831.9	721.7	253.4
<i>Euro area enlargement</i>										
2001	485.5	1,451.4	-973.6	7.7	2,459.4	675.7	479.3	570.2	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	432.5	55.0	-7.6	96.6	200.0	151.7	592.2	483.2	25.6	252.7	196.3
1999	221.7	708.1	-508.5	610.9	28.5	89.2	169.8	307.2	113.5	572.4	719.2	47.3	422.0	235.1
2000	319.4	774.1	-542.9	816.0	69.9	101.9	167.9	420.6	97.0	593.6	1,038.5	58.3	551.2	424.7
<i>Euro area enlargement</i>														
2001	218.1	799.3	-577.0	543.0	83.4	90.7	137.8	184.4	72.7	598.5	688.4	96.4	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	419.5	606.4	136.9	135.8	3,604.3	16.8
1996	159.9	361.8	-203.5	433.5	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	589.4	168.5	167.1	3,790.0	15.6
1998	163.7	363.8	-203.4	444.3	95.5	-118.5	288.8	208.9	395.3	568.5	212.7	211.4	3,899.3	14.6
1999	172.1	392.3	-217.6	478.8	115.1	-16.4	198.8	240.1	382.7	557.4	268.2	266.7	4,064.5	13.7
2000	179.1	413.0	-225.2	413.6	52.7	45.9	132.0	248.4	370.6	555.7	222.1	220.4	4,230.3	13.1
<i>Euro area enlargement</i>														
2001	170.3	418.7	-246.2	396.0	178.9	66.6	67.5	230.0	397.7	600.2	168.6	166.7	4,519.5	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		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
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
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
1999	-0.5	-1.5	-1.8	-1.2	-1.8	2.3	-1.7	3.5	0.7	-2.3	-2.8	2.0
2000	0.1	1.1	-1.9	-0.8	-1.4	4.3	-0.6	6.1	2.2	-1.5	-2.8	6.9
2001	0.4	-2.8	-1.4	-0.1	-1.5	1.1	-2.6	6.4	0.1	0.3	-4.2	5.1
2002	0.0	-3.6	-1.2	-0.1	-3.1	-0.1	-2.3	2.6	-1.1	-0.6	-2.7	4.7

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	60.1	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
1999	114.9	61.2	105.1	63.1	58.5	49.3	114.9	6.0	63.1	67.5	54.3	47.0
2000	109.6	60.2	106.2	60.5	57.2	39.3	110.6	5.6	55.8	66.8	53.3	44.5
2001	108.5	59.5	107.0	56.9	56.8	36.8	109.5	5.6	52.8	67.3	55.6	43.8
2002	105.4	60.8	104.9	54.0	59.1	34.0	106.7	5.7	52.6	67.9	58.0	42.7

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 changes in volume	Other ¹¹⁾
			Total	Transactions in main financial assets held by general government							Valuation effects	Exchange rate effects			
				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

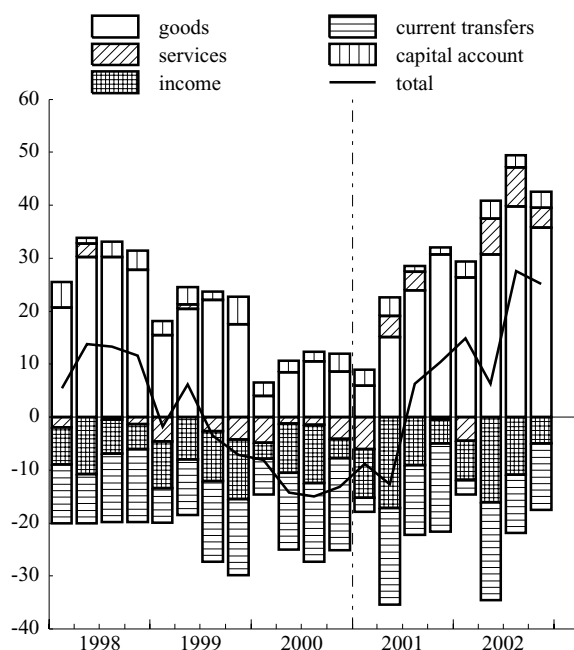
Summary balance of payments ^{1) 2)}

(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 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
2003 Jan.	-6.4	1.1	-0.5	-10.1	3.1	2.0	-15.5	-1.8	-14.7	-1.5	0.9	1.5	19.9

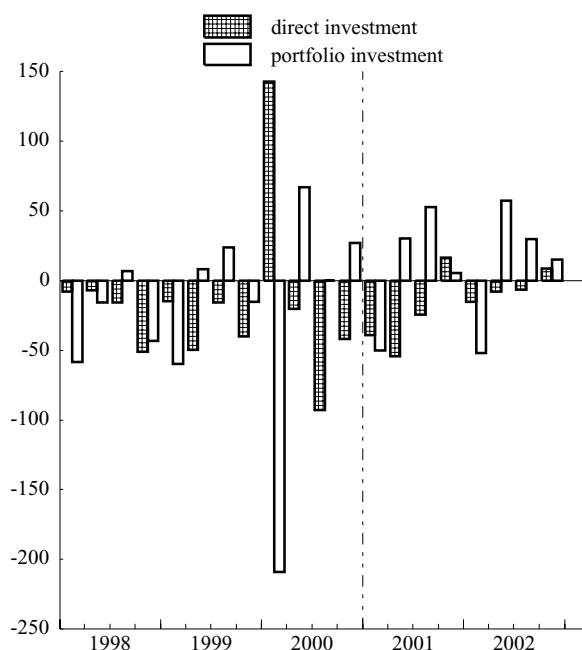
Current and capital accounts

(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 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
2003 Jan.	142.2	148.6	-6.4	81.0	79.9	24.9	25.4	18.7	28.8	17.6	14.5	2.6	0.5

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 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
2003 Jan.	142.9	142.4	0.4	88.2	79.1	28.1	25.8	19.8	26.7	6.8	10.9

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 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
2003 Jan.	-12.1	-6.7	-0.8	-5.9	-5.5	0.0	-5.5	10.4	8.1	0.3	7.8	2.2	0.0	2.2

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 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
2003 Jan.	-23.2	8.5	2.1	12.2	-25.3	-17.6	-7.7	-3.7	1.6	-5.3

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 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	.	.
2003 Jan.	0.0	1.6	0.5	.	.	0.0	-12.7	-4.8	.	.	-0.3	-10.9	3.4	.	.

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		Eurosysteem		General government		MFIs (excluding the Eurosysteem)						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 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
2003 Jan.	2.3	-1.4	0.5	-2.4	-1.7	-6.1	17.8	1.9	2.4	9.0	15.4	-7.2	-14.3	5.3

2. Other investment by sector and instrument ¹⁾
2.1. Eurosysteem

	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
2001 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
2002 Q2	1.4	0.0	1.4	-0.3	3.8	3.5	-0.3	0.2	-0.2
2002 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
2001 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
2002 Q2	-61.4	-9.9	-71.4	-0.9	-1.3	-2.2
2002 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
2001 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
2002 Q2	-3.4	-0.8	-4.2	-8.3	2.3	-5.9	-0.1	0.9	0.8
2002 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
2001 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
2002 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
2002 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 denominated in foreign currency
						Total	Currency and deposits		Securities				Financial derivatives			
							With monetary authorities and the BIS 7	With banks	Total	Equities	Bonds and notes	Money market instruments				
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 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	
2002 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	
2003 Feb.	352.7	128.2	397.765	4.8	24.3	195.4	10.4	38.4	146.0	-	-	-	0.5	0.0	19.3	
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 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	
2002 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	
2003 Feb.	42.4	7.9	24.656	0.2	0.0	34.3	1.3	8.8	24.2	-	-	-	0.0	0.0	2.6	

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; 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	1,060.7	491.4	236.0	287.0	930.7	1,011.0	574.9	178.3	226.0	738.0	107.5	106.3	98.9
2002	1,073.1	489.6	226.5	301.1	935.8	970.4	544.2	159.5	226.9	704.4	102.0	107.5	94.9
2001 Q4	272.7	122.2	63.2	75.0	238.7	247.4	136.7	45.0	57.2	181.7	23.1	104.8	94.1
2002 Q1	258.5	118.9	53.8	72.8	225.9	239.5	134.8	39.5	55.8	175.8	22.7	107.4	94.3
Q2	272.8	127.4	57.4	74.8	238.3	248.4	141.7	40.6	57.0	180.6	25.8	108.0	95.9
Q3	265.4	120.2	55.4	75.9	231.5	232.9	130.2	37.7	56.1	169.4	26.0	107.7	94.4
Q4	276.3	123.1	59.9	77.7	240.0	249.5	137.5	41.7	58.1	178.6	27.5	106.9	95.1
2002 Aug.	81.2	36.9	17.5	22.7	70.8	71.4	39.3	11.5	17.5	51.6	8.4	109.5	95.1
Sep.	89.6	40.5	18.3	25.9	78.0	80.4	45.2	13.4	18.8	58.6	8.7	108.3	94.3
Oct.	98.6	43.9	20.4	28.9	85.9	89.0	50.1	14.0	20.9	64.2	9.9	106.6	95.5
Nov.	92.9	41.5	20.0	26.4	80.9	83.1	45.4	14.6	19.3	60.1	8.3	108.6	95.9
Dec.	84.8	37.8	19.5	22.4	73.3	77.4	41.9	13.0	18.0	54.3	9.3	105.6	93.8
2003 Jan.	81.4	38.2	16.1	22.4	70.7	82.9	46.5	13.2	18.8	58.7	9.8	106.7	97.2
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	5.1	1.8	8.6	7.9	5.8	-1.2	-1.0	-3.9	-0.1	-1.7	-1.6	105.3	98.8
2002	1.8	1.0	-3.5	4.3	1.2	-1.5	-2.5	-8.2	1.6	-2.7	-1.5	107.2	97.2
2001 Q4	-0.4	-3.8	0.9	3.1	-0.5	-5.7	-4.9	-12.8	-1.7	-8.0	0.5	104.1	96.7
2002 Q1	-2.3	-3.8	-7.1	1.9	-3.0	-6.1	-6.1	-17.9	-1.0	-8.8	-1.3	106.0	96.7
Q2	2.7	2.7	-2.5	4.8	2.4	-1.4	-1.7	-9.4	2.4	-2.7	-3.1	107.2	97.6
Q3	4.7	3.5	-0.3	6.5	3.9	0.8	-0.6	-0.3	1.6	0.7	-2.6	108.5	97.2
Q4	2.3	1.8	-4.0	4.2	1.6	0.4	-1.9	-4.2	3.0	0.0	-0.9	107.3	97.2
2002 Aug.	0.6	-0.4	-3.1	3.5	0.1	-3.1	-4.7	-0.9	-3.6	-3.4	-5.7	110.1	98.0
Sep.	8.9	9.1	4.5	8.1	8.8	3.8	2.1	2.6	4.6	3.9	-3.9	109.0	96.9
Oct.	0.5	-0.6	-7.2	3.8	-0.4	0.0	-0.8	-6.9	2.2	-0.2	-0.7	106.9	97.8
Nov.	1.9	0.4	-1.3	4.0	1.9	-2.9	-5.9	-3.3	-1.1	-3.6	-3.5	108.7	98.0
Dec.	4.8	6.1	-3.1	4.5	3.6	4.5	1.4	-2.5	8.5	4.4	1.1	106.3	95.7
2003 Jan.	.	.	.	.	.	.	.	.	.	.	.	.	.
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	100.9	100.2
2002	-0.6	-1.4	-0.5	0.6	-0.7	-2.4	-2.8	-2.3	-1.1	-1.8	-3.4	100.3	97.8
2001 Q4	-1.6	-3.1	-0.2	0.2	-1.0	-7.5	-11.5	-2.8	-1.0	-2.6	-34.5	100.7	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	101.4	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	-1.8	-3.6	-3.7	-3.7	-2.8	-2.9	-4.6	99.3	97.2
Q4	-1.0	-1.0	-1.3	-0.6	-1.1	0.5	2.5	-3.3	-1.4	-1.7	19.8	99.7	97.9
2002 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	-1.7	-1.5	-1.8	-1.7	-1.4	0.4	99.4	97.4
Oct.	0.0	-0.3	-0.9	1.1	0.0	1.2	3.1	-2.2	-0.4	-0.8	19.6	99.8	97.8
Nov.	-0.9	-0.8	-1.3	-0.5	-1.0	0.2	1.8	-3.3	-0.8	-1.5	15.4	99.9	97.9
Dec.	-2.0	-1.9	-1.8	-2.2	-2.2	0.0	2.7	-4.3	-3.0	-2.9	24.8	99.4	98.1
2003 Jan.	.	.	.	.	.	.	.	.	.	.	.	.	.

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; 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
Euro area enlargement													
2001	1,060.7	-	201.7	36.9	24.3	137.1	66.3	180.0	34.5	165.3	60.3	49.8	104.4
2002	1,073.1	-	202.9	36.7	24.6	147.7	63.7	180.7	32.5	169.8	59.5	42.9	.
2001 Q4	272.7	262.4	50.8	9.6	6.2	36.0	16.2	45.0	8.8	43.3	15.8	12.6	28.4
2002 Q1	258.5	268.7	51.8	9.2	6.0	34.0	15.9	44.6	7.9	39.4	14.0	10.2	25.6
Q2	272.8	270.3	51.3	9.3	6.2	38.4	16.2	45.9	7.8	42.8	15.6	11.3	28.1
Q3	265.4	269.7	49.8	8.3	6.0	36.6	15.6	44.1	8.3	42.8	14.8	10.5	28.6
Q4	276.3	267.6	50.0	9.9	6.5	38.8	16.0	46.1	8.5	44.9	15.1	10.9	.
2002 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.	89.6	90.3	17.3	3.1	2.2	12.8	5.4	14.4	2.8	14.2	4.7	3.2	9.4
Oct.	98.6	88.9	17.9	3.6	2.3	14.0	5.8	16.6	3.0	15.6	5.3	4.1	10.3
Nov.	92.9	90.6	17.2	3.5	2.2	13.3	5.5	15.7	2.9	14.4	4.8	3.4	.
Dec.	84.8	88.1	14.9	2.8	1.9	11.4	4.7	13.8	2.6	14.9	5.0	3.4	.
2003 Jan.	81.4	89.0	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2003 Jan.	0.3	-	.	.	.	.	.	.	.	.	.	.	.
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
Euro area enlargement													
2001	1,011.0	-	153.9	34.3	21.3	117.3	52.9	138.1	58.6	207.9	74.0	40.9	111.8
2002	970.4	-	143.2	34.1	21.5	123.5	51.9	124.5	52.0	202.6	68.5	38.9	.
2001 Q4	247.4	240.9	39.0	8.7	5.7	30.0	14.0	32.7	13.5	50.4	16.9	9.4	27.0
2002 Q1	239.5	241.3	36.1	8.2	5.1	29.3	12.7	32.9	12.8	49.2	17.8	9.3	26.1
Q2	248.4	245.5	37.4	8.9	5.2	31.3	13.6	32.9	13.5	48.7	17.1	10.6	29.2
Q3	232.9	241.6	33.5	7.9	5.2	30.2	12.3	28.4	12.3	51.0	16.2	9.8	26.1
Q4	249.5	243.4	36.3	9.1	6.1	32.7	13.2	30.3	13.5	53.7	17.3	9.2	.
2002 Aug.	71.4	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	4.3	8.9	4.2	17.8	5.8	3.3	8.9
Oct.	89.0	81.5	12.3	3.2	2.0	11.8	4.9	10.8	4.8	19.3	6.4	3.6	9.9
Nov.	83.1	81.8	12.1	3.0	2.0	10.9	4.4	10.5	4.6	18.0	5.4	2.9	.
Dec.	77.4	80.0	12.0	2.8	2.0	9.9	3.9	9.0	4.0	16.4	5.5	2.7	.
2003 Jan.	82.9	82.9	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2003 Jan.	3.5	-	.	.	.	.	.	.	.	.	.	.	.
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
Euro area enlargement													
2001	49.7	-	47.8	2.7	3.0	19.8	13.4	42.0	-24.1	-42.5	-13.7	8.9	-7.5
2002	102.7	-	59.6	2.6	3.1	24.2	11.8	56.2	-19.5	-32.8	-8.9	4.0	.
2001 Q4	25.3	21.5	11.7	0.9	0.5	5.9	2.2	12.3	-4.6	-7.1	-1.1	3.1	1.5
2002 Q1	19.0	27.4	15.7	1.0	0.9	4.6	3.2	11.7	-4.9	-9.8	-3.8	1.0	-0.5
Q2	24.4	24.8	13.9	0.4	1.0	7.1	2.7	13.0	-5.7	-6.0	-1.5	0.6	-1.1
Q3	32.5	28.1	16.4	0.5	0.8	6.4	3.3	15.7	-4.0	-8.2	-1.4	0.7	2.4
Q4	26.8	24.3	13.6	0.8	0.4	6.1	2.7	15.8	-4.9	-8.8	-2.2	1.7	.
2002 Aug.	9.9	10.2	4.9	0.4	0.1	2.0	1.2	4.6	-1.2	-2.8	0.2	0.3	0.2
Sep.	9.2	9.9	5.4	0.1	0.4	2.3	1.1	5.6	-1.4	-3.6	-1.2	0.0	0.5
Oct.	9.6	7.4	5.6	0.4	0.3	2.2	0.9	5.8	-1.8	-3.7	-1.1	0.5	0.4
Nov.	9.8	8.8	5.1	0.4	0.2	2.4	1.1	5.1	-1.7	-3.6	-0.6	0.5	.
Dec.	7.4	8.1	3.0	0.0	-0.1	1.5	0.8	4.9	-1.5	-1.5	-0.5	0.8	.
2003 Jan.	-1.5	6.0	.	.	.	.	.	.	.	.	.	.	.

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	100.6	90.4	96.5	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.4	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	96.0	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.3	87.1	87.1	88.2	86.0	0.924	99.5	1.558	0.609
<i>Euro area enlargement</i>										
2001	87.3	88.7	89.3	87.7	91.0	87.8	0.896	108.7	1.511	0.622
2002	90.0	92.6	92.9	90.7	95.6	91.7	0.946	118.1	1.467	0.629
2001 Q1	88.6	89.6	90.6	89.2	91.4	88.4	0.923	109.1	1.533	0.633
Q2	86.0	87.4	87.9	86.9	89.5	86.5	0.873	106.9	1.528	0.614
Q3	87.0	88.4	88.9	86.8	91.2	87.8	0.890	108.3	1.507	0.619
Q4	87.5	89.3	89.9	87.9	92.0	88.5	0.896	110.5	1.473	0.621
2002 Q1	87.1	89.4	89.9	87.5	91.3	87.8	0.877	116.1	1.473	0.615
Q2	88.8	91.4	91.6	90.0	93.9	90.2	0.919	116.5	1.465	0.629
Q3	91.3	94.0	94.4	92.4	97.9	93.8	0.984	117.2	1.464	0.635
Q4	92.5	95.4	95.6	92.9	99.4	95.0	0.999	122.4	1.467	0.636
2003 Q1	96.9	100.1	100.3	-	104.1	99.3	1.073	127.6	1.466	0.670
2001 Jan.	89.2	90.0	90.9	-	91.7	88.7	0.938	109.6	1.529	0.635
Feb.	88.3	89.2	90.3	-	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	90.1	-	92.8	89.2	0.906	109.9	1.479	0.624
Nov.	86.8	88.5	89.2	-	91.3	87.6	0.888	108.7	1.466	0.618
Dec.	87.7	89.9	90.3	-	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	89.7	-	91.2	87.8	0.876	114.7	1.468	0.616
Apr.	87.2	89.7	90.1	-	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	94.2	-	97.7	93.5	0.978	116.3	1.464	0.636
Sep.	91.2	93.8	94.4	-	98.0	93.7	0.981	118.4	1.465	0.631
Oct.	91.7	94.4	94.5	-	98.5	94.2	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	99.1	-	103.0	98.2	1.062	126.1	1.462	0.657
Feb.	97.1	100.3	100.4	-	104.4	99.5	1.077	128.6	1.467	0.670
Mar.	97.9	101.2	101.3	-	105.1	100.1	1.081	128.2	1.469	0.683
% ch. vs. ⁴⁾ prev. month										
2003 Mar.	0.8	0.9	0.9	-	0.6	0.6	0.3	-0.3	0.1	1.9
% ch. vs. ⁴⁾ prev. year										
2003 Mar.	12.8	13.3	13.0	-	15.1	14.0	23.4	11.7	0.1	10.9

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
9.18	7.43	7.57	1.620	1.809	8.37	1,288.9	1.872	2003 Q1
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.
9.23	7.43	7.84	1.594	1.795	8.43	1,335.4	1.895	Mar.
0.9	-0.1	4.0	-2.2	-0.9	0.3	4.1	0.8	% ch. vs. ⁴⁾ prev. month 2003 Mar.
1.8	-0.1	1.6	14.7	7.5	23.4	15.4	18.3	% ch. vs. ⁴⁾ prev. year 2003 Mar.

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.)	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	3.3	53.0	4.91	7.44	1.8	2.4	2.6	1.8	4.8	-0.2	3.44
2000	2.7	2.6	47.4	5.64	7.45	1.5	1.7	2.8	6.2	4.4	1.1	5.00
2001	2.3	3.1	45.4	5.08	7.45	3.1	3.4	1.4	1.7	4.3	5.7	4.70
2002	2.4	1.9	45.2	5.06	7.43	2.9	1.1	1.6	0.0	4.5	3.6	3.54
2001 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	3.0	3.57
Q4	2.7	-	-	4.74	7.43	1.8	0.8	0.9	0.5	4.7	6.1	3.27
2003 Q1	.	-	-	4.30	7.43	.	.	.	.	.	.	2.83
2002 Oct.	2.7	-	-	4.81	7.43	-	-	-	3.7	4.7	2.9	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	4.8	11.2	3.07
2003 Jan.	2.6	-	-	4.43	7.43	-	-	-	.	4.9	17.7	2.97
Feb.	2.9	-	-	4.21	7.43	-	-	-	.	5.0	20.9	2.83
Mar.	.	-	-	4.26	7.43	-	-	-	.	.	.	2.67
Sweden												
1999	0.6	1.5	62.7	4.98	8.81	2.6	-1.2	4.6	2.2	6.7	6.8	3.32
2000	1.3	3.4	52.8	5.37	8.45	3.8	5.0	4.4	6.3	5.6	6.2	4.07
2001	2.7	4.5	54.4	5.11	9.26	3.8	5.8	1.1	-0.3	4.9	3.4	4.11
2002	2.0	1.2	52.4	5.31	9.16	4.1	2.1	1.9	-1.2	4.9	5.3	4.24
2001 Q4	3.0	-	-	5.12	9.48	4.3	5.6	0.8	-2.3	4.9	6.2	3.85
2002 Q1	2.9	-	-	5.42	9.16	5.5	4.7	0.8	-1.2	4.9	7.0	4.00
Q2	1.9	-	-	5.64	9.16	5.3	0.8	3.1	0.2	4.9	5.3	4.43
Q3	1.5	-	-	5.16	9.23	4.1	1.4	2.4	-1.1	4.9	5.8	4.41
Q4	1.6	-	-	5.00	9.09	1.8	1.7	1.3	-2.5	5.1	3.1	4.09
2003 Q1	.	-	-	4.59	9.18	.	.	.	.	.	.	3.72
2002 Oct.	1.7	-	-	5.07	9.11	-	-	-	-2.3	5.0	2.4	4.30
Nov.	1.4	-	-	5.05	9.08	-	-	-	-1.6	5.1	2.8	4.12
Dec.	1.7	-	-	4.89	9.10	-	-	-	-3.5	5.1	4.2	3.85
2003 Jan.	2.6	-	-	4.71	9.17	-	-	-	2.6	5.3	5.2	3.83
Feb.	3.3	-	-	4.48	9.15	-	-	-	.	5.1	.	3.75
Mar.	.	-	-	4.57	9.23	-	-	-	.	.	.	3.56
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	39.0	5.01	0.622	-1.1	4.1	2.1	-2.1	5.0	8.1	5.04
2002	1.3	-1.4	38.6	4.91	0.629	-0.7	.	1.8	-3.4	5.1	6.0	4.06
2001 Q4	1.0	-1.9	38.8	4.82	0.621	-1.5	3.4	1.9	-5.6	5.1	7.8	4.16
2002 Q1	1.5	2.7	37.8	5.13	0.615	-0.3	2.7	1.2	-5.7	5.1	6.1	4.08
Q2	0.9	-3.7	38.3	5.28	0.629	-1.7	2.6	1.6	-4.3	5.1	5.7	4.17
Q3	1.1	-1.2	37.9	4.71	0.635	0.3	1.5	2.2	-2.3	5.2	5.7	4.01
Q4	1.6	-2.9	38.5	4.52	0.636	-1.1	.	2.2	-1.2	5.0	6.3	3.98
2003 Q1	.	.	.	4.34	0.670	.	.	.	.	.	.	3.80
2002 Oct.	1.4	3.0	37.8	4.53	0.630	-	-	-	-1.0	5.1	5.6	3.96
Nov.	1.6	-7.3	37.8	4.55	0.637	-	-	-	-1.7	5.1	6.1	3.97
Dec.	1.7	-4.5	38.5	4.49	0.642	-	-	-	-1.0	4.9	7.1	4.02
2003 Jan.	1.4	3.7	37.9	4.31	0.657	-	-	-	-2.2	.	6.6	3.98
Feb.	1.6	-1.5	37.7	4.29	0.670	-	-	-	.	.	6.7	3.75
Mar.	.	.	.	4.41	0.683	-	-	-	.	.	.	3.66

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

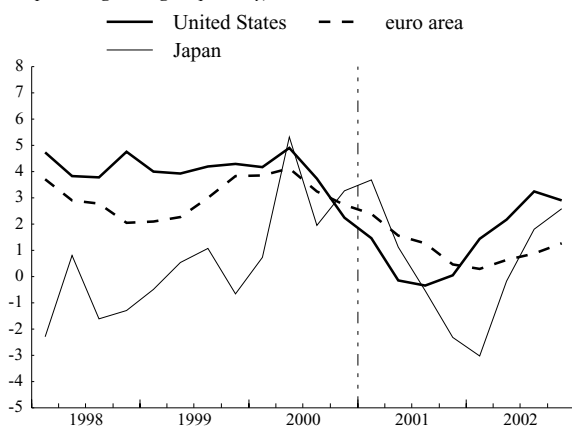
Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs ¹⁾	Real GDP	Industrial production index ¹⁾	Unemployment rate as a % of labour force (s.a.)	M2 ²⁾	3-month interbank deposit rate ³⁾ as a % per annum	10-year government bond yield ³⁾ as a % per annum	Exchange rate ⁴⁾ as national currency per ECU or euro	Fiscal deficit (-)/surplus (+) ⁵⁾ as a % of GDP	Gross public debt ⁶⁾ as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
United States											
1998	1.6	0.4	4.3	6.5	4.5	7.3	5.57	5.33	1.121	0.3	52.7
1999	2.2	-1.1	4.1	5.0	4.2	7.6	5.42	5.64	1.066	0.7	49.6
2000	3.4	3.2	3.8	5.2	4.0	6.1	6.53	6.03	0.924	1.4	44.3
2001	2.8	0.7	0.3	-4.1	4.8	8.7	3.78	5.01	0.896	-0.5	43.9
2002	1.6	-0.7	2.4	-1.0	5.8	7.7	1.80	4.60	0.946	-3.4	46.1
2002 Q1	1.3	-0.8	1.4	-4.0	5.6	9.1	1.90	5.06	0.877	-3.0	44.3
Q2	1.3	-1.5	2.2	-1.5	5.8	7.5	1.92	5.08	0.919	-3.3	44.6
Q3	1.6	-0.9	3.3	0.5	5.8	7.3	1.81	4.25	0.984	-3.4	45.2
Q4	2.2	0.5	2.9	1.2	5.9	7.0	1.55	3.99	0.999	-3.8	46.1
2003 Q1	.	.	.	.	.	.	1.33	3.90	1.073	.	.
2002 Oct.	2.0	-	-	0.9	5.8	7.2	1.78	3.91	0.981	-	-
Nov.	2.2	-	-	1.5	5.9	7.3	1.46	4.04	1.001	-	-
Dec.	2.4	-	-	1.2	6.0	6.6	1.41	4.03	1.018	-	-
2003 Jan.	2.6	-	-	1.1	5.7	6.6	1.37	4.02	1.062	-	-
Feb.	3.0	-	-	0.8	5.8	6.8	1.34	3.90	1.077	-	-
Mar.	.	-	-	.	.	.	1.29	3.79	1.081	-	-
Japan											
1998	0.7	6.3	-1.1	-7.1	4.1	4.4	0.66	1.30	146.4	-10.7	105.6
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	-3.0	0.3	-1.5	5.4	3.3	0.08	1.27	118.1	.	.
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	5.4	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	-8.5	2.6	5.7	5.4	2.9	0.07	1.01	122.4	.	.
2003 Q1	.	.	.	.	.	.	0.06	0.80	127.6	.	.
2002 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	-8.4	-	6.5	5.4	2.1	0.06	0.97	124.2	-	-
2003 Jan.	-0.4	.	-	7.4	5.5	1.9	0.06	0.84	126.1	-	-
Feb.	-0.2	.	-	4.2	.	2.0	0.06	0.83	128.6	-	-
Mar.	.	.	-	.	.	.	0.06	0.74	128.2	-	-

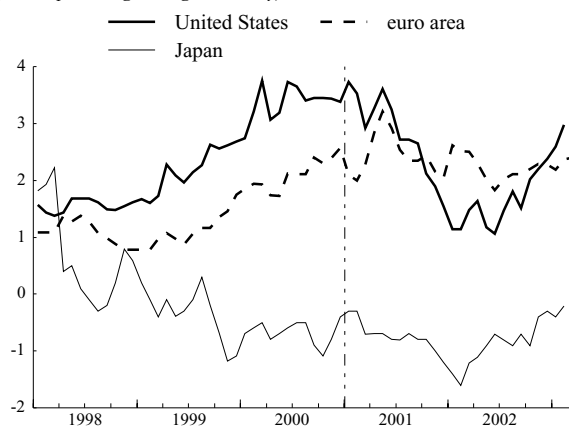
Real gross domestic product

(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

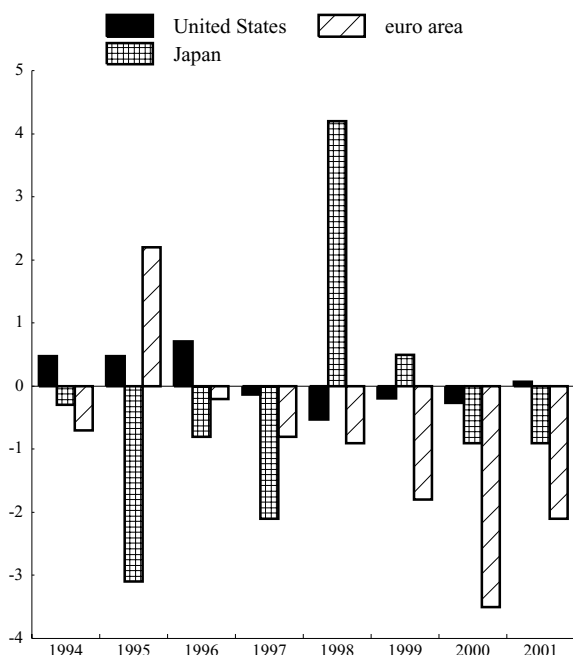
Saving, investment and financing

(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													
1999	18.4	20.9	-3.0	9.5	8.9	10.5	8.2	10.6	2.9	12.4	4.6	11.2	6.2
2000	18.4	21.1	-4.0	9.7	9.1	12.3	7.5	12.6	2.7	12.5	3.0	11.5	5.7
2001	16.5	19.1	-3.7	7.9	8.5	3.7	7.7	3.7	2.0	13.0	5.5	11.6	5.7
2002	15.2	18.6	-4.6	7.7	7.7	2.3	7.6	2.9	0.2	12.8	6.4	12.7	6.8
2001 Q1	16.9	20.0	-4.1	8.6	8.9	4.6	7.1	5.6	2.2	12.9	4.0	11.4	3.5
Q2	16.6	19.3	-3.8	8.1	8.6	4.0	7.4	4.1	2.8	12.9	6.2	11.2	6.6
Q3	16.5	18.8	-3.5	7.7	8.3	2.6	7.8	2.2	0.8	12.9	9.1	12.8	9.1
Q4	15.9	18.2	-3.6	7.1	8.0	3.8	8.5	2.8	2.3	13.4	2.7	10.9	3.7
2002 Q1	15.6	18.6	-4.1	7.5	7.8	2.6	7.9	2.8	0.3	12.8	6.5	12.3	6.7
Q2	15.5	18.7	-4.8	7.7	7.6	2.6	7.7	3.1	1.1	12.7	6.8	12.7	5.8
Q3	15.0	18.6	-4.7	7.8	7.6	1.2	7.5	2.1	-1.3	12.9	4.7	12.7	6.5
Q4	14.8	18.7	-5.0	7.8	7.6	2.7	7.3	3.5	0.8	12.7	7.5	12.8	8.2
Japan													
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
2002	.	23.7	.	.	.	-2.4	.	-6.6	-0.3	.	1.2	.	-2.1
2001 Q1	30.1	26.4	2.3	.	.	8.9	.	-2.4	2.2	.	-4.1	.	3.2
Q2	24.2	25.4	1.7	.	.	-26.7	.	-15.3	4.0	.	11.8	.	-4.5
Q3	25.9	25.3	2.1	.	.	6.3	.	-8.9	-1.1	.	-5.2	.	2.6
Q4	25.5	25.5	2.0	.	.	2.3	.	3.2	1.5	.	8.8	.	-1.5
2002 Q1	29.6	22.8	3.4	.	.	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	.	.	.	-0.8	.	-7.5	-2.6	.	-4.3	.	-0.1
Q4	.	25.0	.	.	.	6.0	.	5.8	1.5	.	7.3	.	-2.6

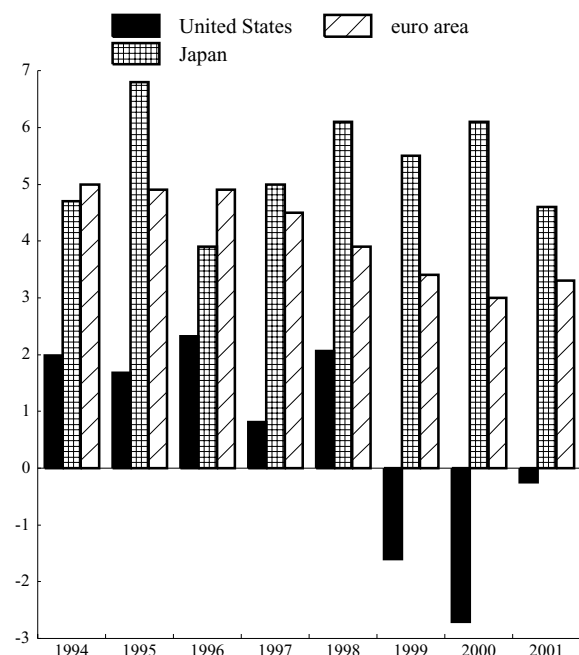
Net lending of non-financial corporations

(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.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", 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 (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 (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. The document covers money and banking and related statistics, balance of payments statistics, international investment position statistics and financial accounts statistics. The ECB’s requirements 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 the possibility to download data directly in compressed Comma Separated Value (CSV) files.

Given that the composition of the ECU does not coincide with the currencies of the countries 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 EU 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 where 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, the cut-off date was 2 April 2003.

Recent data are often provisional and may be revised. Discrepancies between totals and their components may arise from rounding.

Reference statistical series relating to the euro area cover EU Member States that had adopted the euro at the time to which the statistics relate. This means that euro area data up to end-2000 cover the Euro 11 and, from the beginning of 2001, data 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 enlargement of the euro area. In the charts, the break is indicated by a dotted line. Where possible, absolute and percentage changes for 2001 calculated from a base in 2000 use a series which takes into account the impact of Greece’s entry into the euro area.

Data for the euro area plus Greece up to end-2000 can be downloaded (CSV files) from the ECB’s website (www.ecb.int).

Overview

Key developments in the euro area are summarised in an overview table.

¹ The ECB is responsible for money, banking and financial markets statistics 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).

Monetary policy 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 developments and investment funds

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) debt securities issued with a maturity of up to two years by MFIs located in the euro area. Accordingly, these holdings are included in the external liabilities item 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 "Guidance Notes to Regulation ECB/2001/13 on the MFI Balance Sheet Statistics" (ECB, November 2002) 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 to 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.

Financial markets and interest rates

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 exceptional cases, in accordance with the ESA 95, 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).

HICP and other prices

The data described in this section and the "Real economy indicators" section 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. As a general rule, however, the availability of comparable data is 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

2 The code numbers in the ESA 95 for the sectors shown in tables in the ECB's Monthly Bulletin are: MFIs (including the Eurosystem) which comprises the ECB and the national central banks of the euro area member countries (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).

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.

Real economy indicators

With regard to statistics on national accounts (Tables 4.2 and 5.1), the implementation of the ESA 95 from 1999 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 E) into Main Industrial Groupings as defined by Commission Regulation (EC) No. 586/2001 of 26 March 2001.

Opinion survey data (Table 5.3) draw on the European Commission Business and Consumer Surveys.

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.

Saving, investment and financing

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. Although all euro area countries contribute to the MFI balance sheet and securities issues statistics, Ireland and Luxembourg, do not yet 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 (EC) 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 (including reserves)

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.) data are 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 countries' positions vis-à-vis non-euro area residents (i.e. considering the euro area as a whole economy) from end-1999 positions 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 continually revised. 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).

External trade in goods

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, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia, Slovakia 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).

Exchange rates

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. When Greece joined the euro area in January 2001, it 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, see the ECB's Occasional Paper No. 2 ("The effective exchange rates of the euro", Luca Buldorini, Stelios Makrydakis and Christian Thimann, February 2002), which can be downloaded from the ECB's website.

Economic and financial developments outside the euro area

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.

3 April 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 2.50%, 3.50% and 1.50% respectively.

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