



EUROPEAN CENTRAL BANK

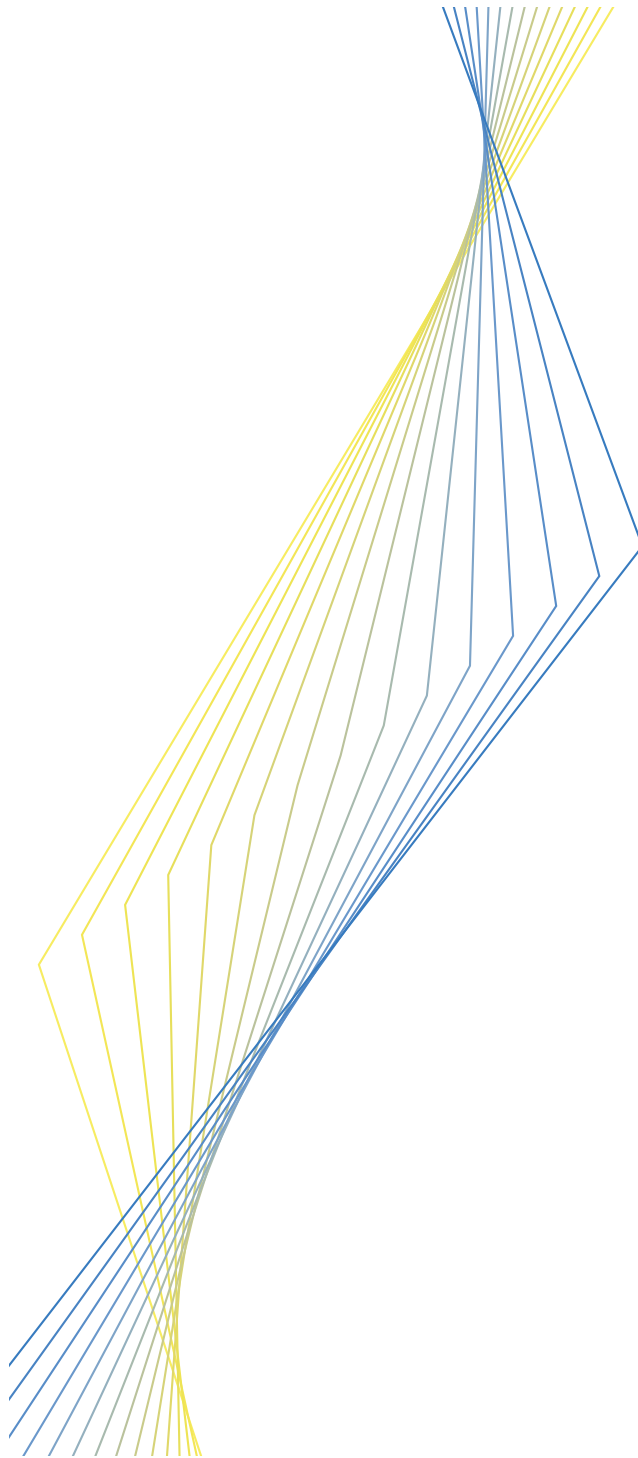
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**M O N T H L Y
B U L L E T I N**

March 2001



EUROPEAN CENTRAL BANK



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Abbreviations

Countries

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

Others

BIS	Bank for International Settlements
BPM5	IMF Balance of Payments Manual (5th edition)
CDs	certificates of deposit
c.i.f.	cost, insurance and freight at the importer's border
CPI	Consumer Price Index
ECB	European Central Bank
ECU	European Currency Unit
EMI	European Monetary Institute
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
NCBs	national central banks
repos	repurchase agreements
SITC Rev. 3	Standard International Trade Classification (revision 3)

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 meetings held on 15 February 2001 and 1 March 2001 the Governing Council of the ECB decided to leave the minimum bid rate on the main refinancing operations of the Eurosystem at 4.75%. The interest rates on the marginal lending facility and on the deposit facility were also left unchanged, at 5.75% and 3.75% respectively.

The decisions to leave the key interest rates unchanged reflect the Governing Council's assessment of the risks to price stability in the medium term. This assessment is based on the analysis of the information related to the two pillars of the ECB's monetary policy strategy.

Starting with the first pillar, data for January 2001 confirmed the gradual moderation in growth of monetary aggregates observed since the spring of last year. In January 2001 the annual growth rate of M3 fell to 4.7%, from 5.2% in December 2000. The three-month average of the annual growth rates of M3 declined to 5.0% in the period from November 2000 to January 2001, from 5.1% recorded in the period from October to December 2000. In addition, M1 slowed down significantly, mainly driven by the past rise in short-term interest rates. A slowdown was also observed in total credit to euro area residents. However, the pace of growth of credit to the private sector remained strong, mainly reflecting a pronounced demand by non-financial corporations for credit and loans, while the annual growth rates of loans to households declined continuously in the course of 2000. Although the strong growth of loans to the private sector can partly be explained by certain special factors, loan dynamics continue to deserve a careful monitoring. Overall, the risks to price stability stemming from the monetary side have become more balanced over recent months.

As regards the second pillar, there are indications that euro area real GDP growth was lower in the second half of last year than in the first half, but the general outlook for this year and next remains positive. Economic activity in the euro area is mainly determined

by domestic factors. The conditions on the domestic side, as shown in long-term financing costs and real disposable income developments, for example, have remained favourable. In addition, the euro area's high rate of capacity utilisation, continuing employment creation and decline in unemployment should contribute to fostering private investment and consumption. The overall level of confidence in the euro area has remained high and economic indicators relating to developments around the turn of the year support the view that economic growth will remain fairly robust.

This notwithstanding, an element of uncertainty with regard to the outlook for euro area growth continues to be the world economy and its potential impact on euro area developments. However, at this juncture, there are no signs that the slowdown in the US economy is having significant and lasting spillover effects on the euro area. Nevertheless, a close monitoring of global developments is warranted.

Long-term government bond yields in the euro area were relatively stable in the course of February 2001 despite the pronounced movements in bond yields in the United States over the same period. This suggests that bond market developments in the euro area mainly reflected domestic factors and that markets maintained their favourable expectations for growth and price stability in the euro area.

As regards recent price developments, the annual rate of increase in the Harmonised Index of Consumer Prices (HICP) in January 2001, as published by Eurostat, was 2.4%, having been 2.6% in the previous month. The decline in overall HICP inflation in January 2001 was due to a further fall in the annual rate of increase in energy prices, reflecting previous oil price declines. By contrast, the rate of increase in the HICP excluding energy increased by 0.2 percentage point, to 1.9% in January 2001. Notably services prices and unprocessed food prices rose significantly. The upward movement in services prices was

partly attributable to increases in indirect taxes and administered prices, while that in unprocessed food prices may have partly reflected developments in meat prices in the context of health safety concerns. Oil prices and the euro exchange rate in January and February 2001 were subject to some volatility. Caution is therefore warranted in assessing their likely impact on HICP inflation in the short run. Moreover, indirect effects of past oil price increases and the depreciation of the euro are still coming through, as witnessed by the continued rise in producer price increases for consumer goods. Taken together, these factors might prevent consumer price inflation from falling below 2% for some months to come.

Governments can contribute to fostering non-inflationary growth through structural reforms aimed at further enhancing the flexibility of labour and product markets in the euro area. A number of governments

also need to reinforce their efforts to proceed along the path of fiscal consolidation in order to achieve the objectives of the Stability and Growth Pact. In this regard, the budgetary plans expressed in several countries' updated stability programmes lack ambition. The tax cuts currently implemented or planned in a number of countries are welcome, but they are not accompanied by sufficient expenditure restraint.

Overall, for the medium-term outlook for price stability, risks appear to be more balanced than in late 2000. In particular, the indications from M3 growth over recent months point to a gradual decline in upward risks. However, some factors still argue for caution. In this respect, it is crucial that social partners continue the process of wage moderation seen in the past. In this, they can be assured that the Governing Council is firmly committed to maintaining price stability over the medium term.

Economic developments in the euro area

I Monetary and financial developments

Monetary policy decisions of the Governing Council of the ECB

At its meetings on 15 February and 1 March 2001 the Governing Council of the ECB decided to leave the minimum bid rate in the main refinancing operations (conducted as variable rate tenders) at 4.75%. The interest rates on the deposit facility and the marginal lending facility were also kept unchanged, at 3.75% and 5.75% respectively (see Chart 1).

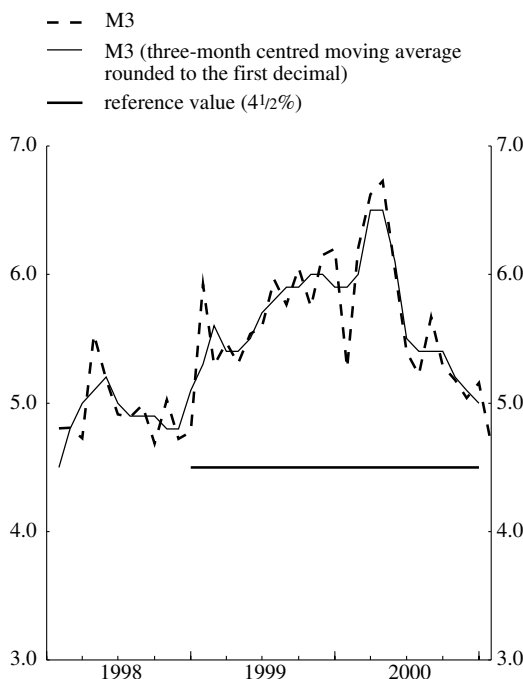
Continued slowdown of M3 growth towards the reference value

The slowdown in M3 growth has become progressively more visible in recent months. The monetary data for January 2001 again confirm this moderation, continuing a trend observed from the second quarter of 2000. The annual rate of growth of M3 decreased to 4.7% in January, from 5.2% in December 2000 (the latter figure was revised upwards

Chart 2

M3 growth and the reference value

(annual percentage changes)

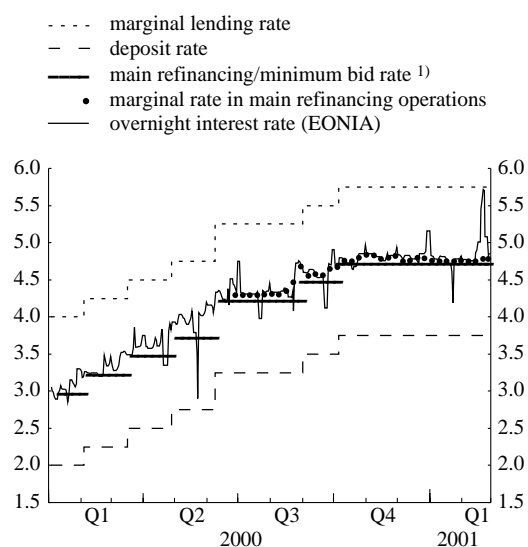


Source: ECB.

Chart 1

ECB interest rates and money market rates

(percentages per annum; daily data)



Sources: ECB and Reuters.

1) Starting from the operation settled on 28 June 2000, the main refinancing rate refers to the minimum bid rate applied to variable rate tenders.

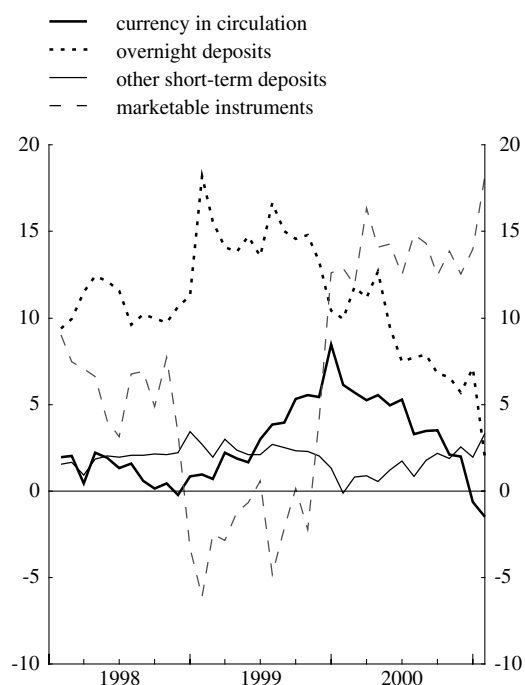
from 4.9%). The three-month average of the annual rates of growth of M3 in the months November 2000 to January 2001 declined to 5.0%, from 5.1% in the period from October to December 2000 (the latter was revised upwards from 5.0%). Hence, monetary growth continued to approach the reference value of 4½% (see Chart 2). The short-term dynamics of M3 confirm this picture, with the seasonally adjusted and annualised six-month growth rate of M3 at 4.6% in January.

The protracted slowdown in M3 growth is mainly attributable to a considerable weakening in the expansion of the most liquid components, which form M1. The slowdown in M1 growth from the spring of 2000 is likely to reflect a reaction on the part of euro area residents to the rise in short-term interest rates since the autumn of 1999, which has increased the opportunity cost of holding assets bearing low or no interest. The dampening effect of the increase in

Chart 3

Components of M3

(annual percentage changes)



Source: ECB.

short-term interest rates on the most liquid components of M3 has more than offset the stimulus from the associated flattening of the term structure for the demand for those assets, the rate of return on which has matched the rise in short-term interest rates quite closely.

The annual growth of M1 fell significantly in January 2001, to 1.4%, from 5.7% in the previous month. This decline reflected an absolute reduction in seasonally adjusted terms as well as a base effect, as the strong increase in M1 in January 2000 dropped out of the calculation of the annual growth rate. The marked slowdown in M1 was mainly attributable to that in overnight deposits (to 1.9%, from 7.1% in the previous month; see Chart 3). In addition, the annual rate of change of currency in circulation was -1.5%, down from -0.6% in the previous month.

The annual growth of short-term deposits other than overnight deposits rose to 3.4% in January 2001, from 1.9% in the previous month. This reflected to some extent a base effect, as the absolute decline in January 2000 dropped out of the calculation of the annual growth rate. The already relatively high annual growth of deposits with an agreed maturity of up to two years increased further, to 16.4%, from 12.4% in the previous month. The annual rate of decline in deposits redeemable at a period of notice of up to three months remained practically unchanged at 5.4%. The divergent developments in the demand for these two instruments since the beginning of 2000 is mainly related to the differing developments in the retail interest rates paid on them. The spread between short-term market interest rates and the

Table I

M3 and its main components

(end-of-month levels and seasonally adjusted month-on-month changes)

	Jan. 2001 levels	Nov. 2000 change		Dec. 2000 change		Jan. 2001 change		Nov. 2000 to Jan. 2001 average change	
	EUR billions	EUR billions	%	EUR billions	%	EUR billions	%	EUR billions	%
M3	5,188.9	19.0	0.4	20.3	0.4	9.1	0.2	16.1	0.3
Currency in circulation and overnight deposits (= M1)	2,023.3	4.1	0.2	4.8	0.2	-33.2	-1.6	-8.1	-0.4
Other short-term deposits (= M2 - M1)	2,312.1	6.6	0.3	-6.1	-0.3	8.7	0.4	3.1	0.1
Marketable instruments (= M3 - M2)	853.5	8.4	1.0	21.7	2.7	33.6	3.9	21.2	2.5

Source: ECB.

Note: Due to rounding, the components of M3 in euro (billions) may not add up to the total reported for M3.

retail rates paid on deposits redeemable at a period of notice of up to three months has widened significantly since mid-1999, whereas the rate of return on deposits with an agreed maturity of up to two years has followed the rise in short-term market interest rates more closely (see Chart 6).

Continuing the strong expansion in the last quarter of 2000, the annual growth rate of marketable instruments included in M3 increased to 18.3% in January 2001, from 14.0% in December 2000. The further increase mirrored the rise in the annual growth rate of money market fund shares/units and money market paper, to 14.2%, from 9.4% in the previous month. In addition, the annual growth rate of debt securities issued with a maturity of up to two years rose to 30.1%, from 24.5% in the previous month. The annual growth rate of repurchase agreements remained practically unchanged at 22.9%. The strong demand for marketable instruments in recent months may reflect the increased attractiveness of these assets due to the flattening of the yield curve, but may also indicate a desire on the part of investors to invest funds in "safe haven" instruments amid heightened uncertainty over future stock market returns worldwide. There are also indications that non-euro area residents have continued to invest substantially in negotiable instruments issued by euro area MFIs. As it is not yet possible to separately identify non-residents' holdings in the euro area statistics, the growth of marketable instruments and of M3 seems to be somewhat distorted to the upside.

Further slowdown in the growth of total credit to euro area residents

The growth of total credit granted to euro area residents also continued to decline in the last few months. The annual growth rate stood at 6.1% in January 2001, compared with 6.3% in December 2000 and 7.0% in September. The slowdown over recent months was mainly due to the fall in credit granted to general government (the annual

rate of change stood at -5.7% in January). MFI lending to general government has been contracting in a year-on-year comparison continuously since May 2000. This has reflected declining government borrowing requirements and, more recently, the revenues from the sale of UMTS licences, which have been used to a large extent to redeem debt. In addition, the data suggest the MFI sector's share in public debt has been reduced. The annual rate of growth of credit extended to the private sector decreased slightly in the four months to January, although it remained strong at around 10%.

Among the components of credit to the private sector, loans play by far the most important role (in January 2001 they contributed nearly 90%). The annual growth of loans declined to 9.1% in January, from 9.5% in December 2000 and 10.0% in September. The provisional quarterly data on the breakdown of loans by sector, type and maturity for the fourth quarter of 2000 show that this still high pace of growth conceals divergent sectoral developments (see Table 2). Whereas in 1999 annual growth rates for loans to households remained above 10%, they declined constantly in the course of 2000, reaching 7.2% in the final quarter. By contrast, the annual rate of growth of loans to non-financial corporations picked up in 2000, reaching a peak of 12.5% in the third quarter and remaining at the high level of 11.4% in the last quarter.

The high growth rates for loans to non-financial corporations are not only related to the business cycle; they seem also to have been influenced by a number of factors not necessarily feeding through to aggregate demand and prices. In particular, mergers and acquisitions in the euro area are likely to have stimulated the demand for loans among these corporations. The value of cash payments in merger and acquisition transactions in the euro area rose substantially in 2000, and it is plausible to assume that a considerable part was financed via bank loans. In addition, direct investment

Table 2**Loans to non-financial corporations and households¹⁾***(end-of-period levels in EUR billions, not seasonally adjusted, and annual percentage changes)*

	Non-financial corporations	Households			
		Consumer credit ²⁾	Lending for house purchase ²⁾	Other lending	
Outstanding amounts					
2000 Q2	2,599.3	2,839.4	461.4	1,789.5	588.6
Q3	2,673.3	2,903.5	474.6	1,843.4	585.6
Q4	2,728.2	2,954.2	479.3	1,881.8	593.1
Annual growth rates					
1999 Q2	8.0	10.8	10.7	11.6	8.7
Q3	7.7	10.9	9.3	12.1	8.9
Q4	7.7	10.7	7.8	12.3	8.7
2000 Q1	10.3	9.6	8.0	11.3	6.0
Q2	10.0	8.7	7.2	10.3	5.4
Q3	12.5	8.0	8.0	9.2	4.6
Q4	11.4	7.2	7.6	8.4	3.5

Source: ECB.

1) Growth rates are calculated on the basis of flow data whenever available. Sectors correspond to ESA 95 definitions. For further details, see footnote 1) of Table 2.5 of the 'Euro area statistics' section of the ECB Monthly Bulletin and the relevant technical notes. Differences between some sub-totals and their components are due to rounding.

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

abroad and loans to non-financial corporations show some parallels in their growth patterns, suggesting the diversion of some financing resources towards activities outside the euro area. Finally, particularly in the autumn of 2000, the financing of UMTS licences by telecommunications companies seemed to be an important source of the increase in the annual rate of growth of loans granted to non-financial corporations. This view is confirmed by the observation that after very significant monthly growth in August and September – related to the UMTS auction in Germany – short-run dynamics of loans to the private sector have become much more moderate.

The moderation in the annual growth of loans extended to households reflects a sizeable slowdown in lending for house purchases (the annual growth rate was 8.4% in the fourth quarter of 2000, following 9.2% in the third and 10.3% in the second quarter). This deceleration is likely to reflect the gradual increase in the corresponding lending rates from the summer of 1999 up to November 2000 (see Chart 7). Moreover, there are recent indications that in some euro area

countries the previously booming housing markets are cooling somewhat. Consumer credit continued to grow in the range of 7-8% year-on-year, as it had done since the fourth quarter of 1999, and stood at 7.6% in the final quarter of 2000 (see Table 2).

Turning to other counterparts of M3, the annual rate of increase in longer-term financial liabilities of the MFI sector decreased over recent months. In January 2001 it stood at 4.3%, down from 4.4% in December 2000 and 6.9% in September. This decline hides diverging developments in the individual components. The annual growth of deposits with an agreed maturity of over two years had been decreasing since May 2000 and turned negative in January 2001. This decline might be linked to substitution with deposits with an agreed maturity of up to two years, which are growing strongly. The interest rate differential between these two items narrowed from 1.5 percentage points in October 1999 to 0.5 percentage point in January 2001. The annual rate of change in debt securities issued with a maturity of over two years, the largest item in longer-term financial liabilities, increased in January (to

5.9%) after having declined for four consecutive months. However, this growth pattern was partly linked to base effects. By contrast, the annual rate of increase in deposits redeemable at a period of notice of over three months continued to rise strongly and reached 13.6% in January. These deposits, which are almost entirely held by households, appear to have regained some attractiveness after having shown negative annual growth rates for the whole of 1999 and up to May 2000. This may reflect the development of the retail interest rates paid on them relative to rates on deposits redeemable at notice up to three months. Whereas the former increased strongly from the third quarter of 1999 to the third quarter of 2000, the latter rose only moderately in that period.

The net external assets of the euro area MFI sector decreased in January 2001 by €55 billion in absolute and non-seasonally adjusted terms. Over the 12 months to January, they declined by €107 billion (see Table 3). Balance-of-payments data suggest that this decrease in MFI net external assets was linked essentially to a net outflow of non-MFI total portfolio and direct investment.

Risks to price stability under the first pillar have become more balanced

Taking together all the information derived from the analysis of monetary variables, the main

conclusion to be drawn is that risks to price stability stemming from the monetary side have become more balanced over recent months. M3 growth has continued to moderate and to move nearer to the reference value. In addition, the significant slowdown in M1, mainly driven by the past rise in short-term interest rates, confirms the assessment.

The percentage difference between the level outstanding of M3 and that implied by the reference value since the start of Stage Three of Economic and Monetary Union (EMU) – sometimes referred to as the “money gap” – has diminished slightly as a result of the slowdown in M3 growth since the second quarter of 2000, but remained positive (around 2% of the level outstanding of M3). There are, however, as already mentioned in the December 2000 issue of this Bulletin, a number of reasons why the information content of the “money gap” as regards future inflation might be limited at this stage. It is likely that the level of M3 and, hence, the money gap are somewhat distorted to the upside by special factors which have occurred since the beginning of 1999, e.g. by the above-mentioned measurement problems in relation to non-residents’ holdings of negotiable instruments. In addition, the money gap measure does not take into account that the rise in inflation in 2000 has also reduced excess liquidity. To the extent that this development in HICP inflation was mainly due to one-off shocks in import prices, this part of the money gap might not, by itself, signal

Table 3

M3 and its main counterparts

(end-of-month levels and 12-month flows; EUR billions)

	Amounts outstanding	12-month flows					
		2001 Jan.	2000 Aug.	2000 Sep.	2000 Oct.	2000 Nov.	2000 Dec.	2001 Jan.
1. Credit to the private sector	6,928.0	603.5	651.4	656.7	628.0	632.7	624.1
2. Credit to general government	2,001.7	-49.0	-85.2	-130.3	-141.3	-115.0	-116.4
3. Net external assets	182.9	-96.9	-137.5	-114.8	-103.3	-98.2	-106.7
4. Longer-term financial liabilities	3,826.0	251.4	243.5	234.9	221.5	158.8	155.8
5. Other counterparts (net liabilities)	97.7	-56.0	-60.3	-64.9	-76.2	11.6	21.5
M3 (=1+2+3-4-5)	5,188.9	262.3	245.5	241.6	238.1	249.1	225.8

Source: ECB.

Note: Due to rounding, the counterparts of M3 may not add up to the total reported for M3.

risks to future price stability. Taking all this into account, the above measure of the size of the money gap should be interpreted with caution.

The information content of credit developments is difficult to assess at this juncture. Due to a considerable decline in credit to general government, the annual growth rate of total credit to euro area residents has fallen by around 2 percentage points since the first quarter of 2000. At the same time, the growth of credit to the private sector has remained strong, mainly reflecting pronounced demand on the part of non-financial corporations for MFI loans. Although this development can be partly explained by a number of factors not necessarily related to future price pressures, loan dynamics continue to deserve careful monitoring.

Debt securities issuance slowed in the fourth quarter of 2000

Continuing a pattern which has been evident since August 2000, the annual growth of the

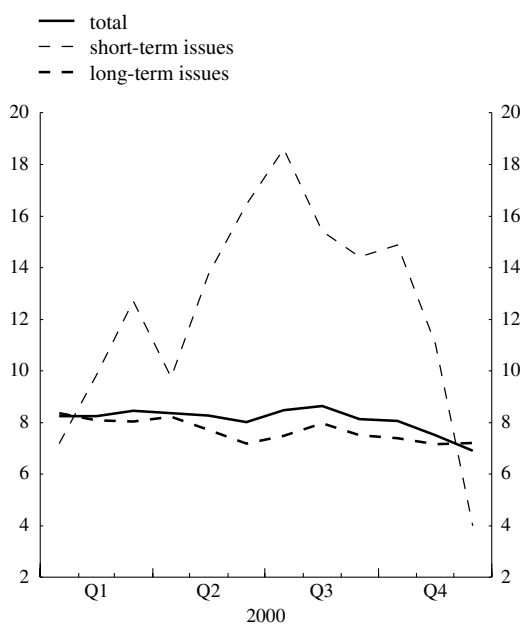
amount outstanding of debt securities issued by euro area residents dropped to 6.9% in December 2000, which compared with 8.6% in August. Underlying this slowdown in recent months were declines in the annual growth of the amount outstanding of short-term debt securities, which dropped sharply towards the end of last year, and more moderate declines in the annual growth of the amount outstanding of long-term debt securities (see Chart 4).

Turning to the currency breakdown, the annual growth of the amount outstanding of euro-denominated debt securities issued by euro area residents, which had dropped continuously after May 2000, declined further in December 2000 to 5.6%, compared with 7.2% in August. By the end of 2000 91.3% of debt securities issued by euro area residents were denominated in euro.

As regards the sectoral breakdown, debt securities issuance in the private sector excluding MFIs remained robust in the last quarter of 2000 (see Chart 5). The annual growth of the amount outstanding of euro-denominated debt securities issued by non-monetary financial corporations, which had dropped from 47.6% in January 2000 to 18.3% in September, picked up in December to 24.2%. In the non-financial corporation sector, the annual growth of the amount outstanding of issued debt securities rose continuously in the fourth quarter of 2000, to 16.8% in December, from 13.9% in September. This robust issuance activity by non-financial corporations was notable given the concurrent rise in the relative funding costs of high yield corporate bonds. Over the course of the fourth quarter there was a rise of almost 60 basis points in the average spread of BBB-rated corporate bond yields over comparable government bond yields in the euro area, to almost 200 basis points by end-December. All in all, robust debt securities issuance by the private sector excluding MFIs in late 2000 reflected substantial financing needs resulting from the strength of economic activity in the euro area, mergers and acquisitions, and purchases of UMTS licences. A growing preference for

Chart 4
Amounts outstanding of debt securities issued by euro area residents

(annual percentage changes)

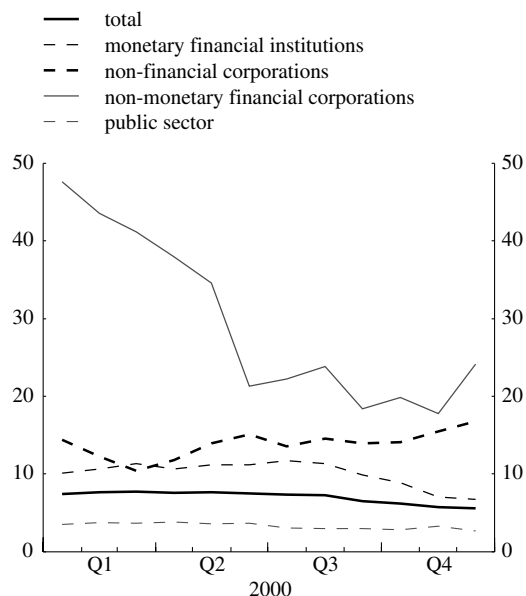


Source: ECB.

Chart 5

Amounts outstanding of euro-denominated debt securities issued by euro area residents

(annual percentage changes)



Source: ECB.

security-based financing over financing through traditional bank loans may have played an additional role, although the annual growth of credit to the private sector remained high in the last quarter of 2000.

Debt securities issuance by MFIs showed the opposite development to the rest of the private sector. The annual growth of the amount outstanding of debt securities issued by MFIs, which had been declining since July 2000, dropped to 6.7% in December, compared with 9.9% in September.

Public sector debt securities issuance, which had shown a general tendency to slow from April 2000, moderated somewhat further in the last quarter of 2000. The annual growth of the amount outstanding decreased from 2.9% in September to 2.6% in December. Underlying this trend was the robust pace of economic activity, which benefited government balances in the euro area, as well as one-off receipts, in particular from the auctions of UMTS licences. The relatively

moderate issuance by the public sector during 2000 implies that more favourable conditions were created for private sector issuance.

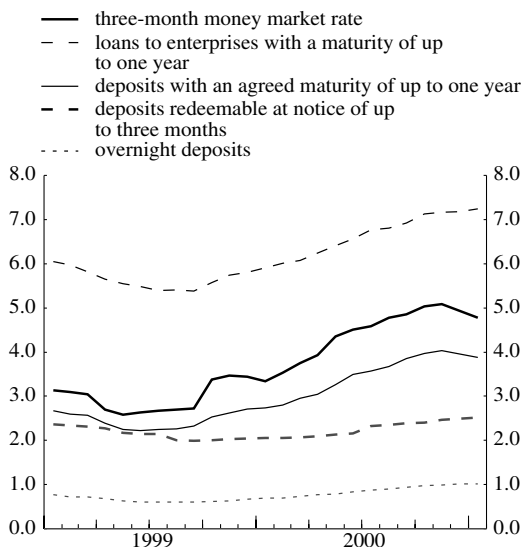
Retail bank interest rates declined in January 2001

Following the tendency in money market interest rates to decline from mid-November 2000, there were first indications of a fall in short-term retail bank interest rates in December 2000 and January 2001 (see Chart 6). In particular, a notable decline took place in the average rate on deposits with an agreed maturity of up to one year between November and January. The lending rate to enterprises for up to one year also declined, albeit to a lesser degree. These developments suggested a relatively speedy passthrough of recent declines in money market interest rates. However, other short-term retail bank interest rates, such as those on overnight deposits and on deposits redeemable at notice up to three months, did not change much over this period, indicating a certain degree of stickiness in these rates.

Chart 6

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

(percentages per annum; monthly averages)

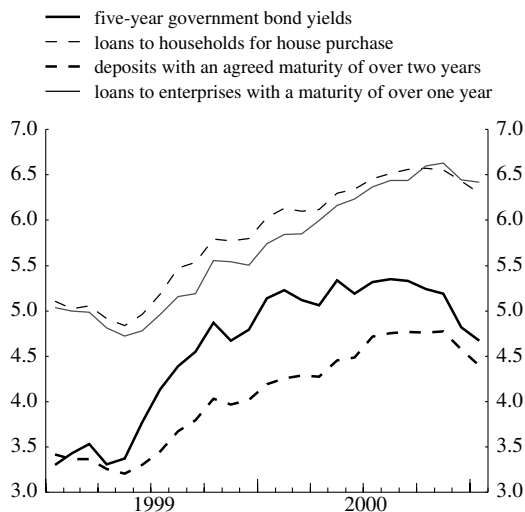


Sources: ECB aggregation of individual country data and Reuters.

Note: From 1 January 2001, Greek data are also included.

Chart 7
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 1 January 2001, Greek data are also included.

At the longer end of the maturity spectrum, retail bank interest rates, which had generally started to decline in December 2000, continued to fall in January, reflecting the declines which had taken place in long-term bond yields, notably since November (see Chart 7). In particular, a close relationship was observed between average rates on loans to households for house purchases and government bond yields, indicating a relatively quick response of these rates to capital market developments. However, the declines seen in long-term retail bank rates have generally tended to be smaller than those which took place in the five-year government bond yield, suggesting that there is still some sluggishness in the passthrough of market interest rates to bank interest rates.

Money market interest rates stabilised in early 2001

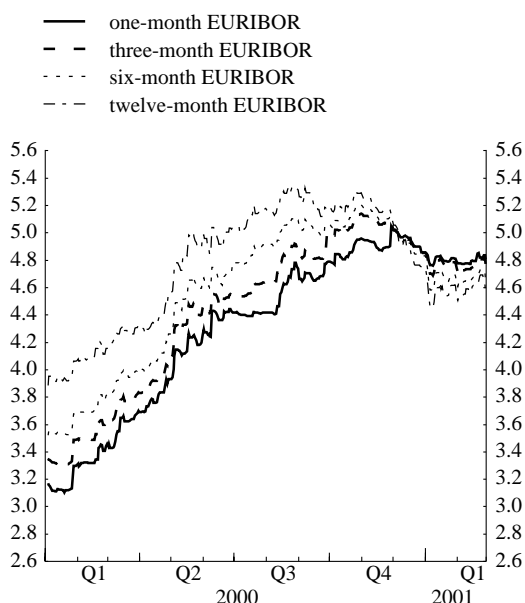
After having declined in late 2000 and the first few days of 2001, money market interest rates tended to creep up in the rest of January 2001 and remained, overall, almost unchanged in February (see Chart 8). The difference between the twelve-month and one-month

EURIBOR became negative in early December 2000 and remained at around -20 basis points for most of January and February 2001.

In January and the first half of February 2001, the overnight interest rate, as measured by the EONIA, remained fairly stable around 4.80%, i.e. close to the level of the minimum bid rate in the ECB's main refinancing operations. This stability was in line with a pattern seen for most of the period since the 25 basis point increase in ECB interest rates announced on 5 October 2000. However, towards the end of the reserve maintenance period which started on 24 January 2001, the EONIA and other money market rates with very short maturities increased owing to tight liquidity conditions. This situation was due to banks' low bids for liquidity in the main refinancing operation settled on 14 February (see Box 1). Reflecting the tight liquidity towards the end of the maintenance period, the EONIA gradually rose, and reached 5.72%, close to the rate on the marginal lending facility, on 21 February. After the start of the new reserve maintenance period on 24 February, the shortest money market rates tended to normalise. In the operation settled on 26 February the marginal and average rates of allotment were 4.78% and 4.79% respectively.

Chart 8
Short-term interest rates in the euro area

(percentages per annum; daily data)



Source: Reuters.

Box I**Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 February 2001****Allotments in monetary policy operations**

During the reserve maintenance period which lasted from 24 January 2001 to 23 February 2001 the Eurosystem settled five main refinancing operations (MROs) and one longer-term refinancing operation. The MROs were carried out as variable rate tenders with a minimum bid rate of 4.75%. The allotted volumes ranged between €65.3 billion and €155 billion. The ratio of the amount bid to the volume allotted varied between 1.00 and 1.64, with an average of 1.22. The ratio of 1.00 in the fourth operation, which was conducted on 13 February, indicates that the ECB satisfied all bids. However, on this occasion, only €65.3 billion of bids were submitted, which was significantly below the level that would have ensured a smooth fulfilment of reserve requirements in the week following the settlement of the operation. The consequences of this low demand for liquidity in the fourth MRO were felt during the remainder of the reserve maintenance period. In the first, third and fourth operations of the reserve maintenance period, the marginal rate of allotment was equal to the minimum bid rate; it was only 1 basis point higher in the second operation. The weighted average rate of allotment was either equal to or 1 basis point higher than the marginal rate in these four operations. In the last operation of the reserve maintenance period the marginal and weighted average rates increased to 4.78% and 4.83% respectively, reflecting the tight liquidity conditions caused by insufficient bids in the fourth MRO. Through a record allotment volume of €155 billion in the fifth MRO of the maintenance period, the ECB partially offset the large liquidity deficit that had accumulated during the course of the preceding week. At the same time, the ECB took the impact on liquidity conditions during the subsequent reserve maintenance period into account in making its allotment decision.

On 24 January 2001 the Eurosystem conducted a longer-term refinancing operation through a variable rate tender with a pre-announced allotment volume of €20 billion. A total of 199 bidders participated in the operation, submitting total bids of €31.9 billion. The marginal and weighted average rates of the operation were 4.66% and 4.69% respectively.

In the first few days of the reserve maintenance period, the EONIA was stable at a level of around 4.78%, with the usual end-of-month effect causing a slight increase to 4.82% on the last day of January. However, from the beginning of February, the EONIA crept downwards to reach a level of 4.75% on 12 February. The apparent

Contributions to the banking system's liquidity*(EUR billions)*

Daily average during the reserve maintenance period from 24 January 2001 to 23 February 2001

	Liquidity providing	Liquidity absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	241.3	0.4	+ 240.9
Main refinancing operations	188.9	-	+ 188.9
Longer-term refinancing operations	49.8	-	+ 49.8
Standing facilities	2.6	0.4	+ 2.2
Other operations	0.0	0.0	0.0
(b) Other factors affecting the banking system's liquidity	377.9	498.1	- 120.2
Banknotes in circulation	-	354.8	- 354.8
Government deposits with the Eurosystem	-	57.0	- 57.0
Net foreign assets (including gold)	377.9	-	+ 377.9
Other factors (net)	-	86.3	- 86.3
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			120.7
(d) Required reserves			120.1

Source: ECB.

Totals may not add up due to rounding.

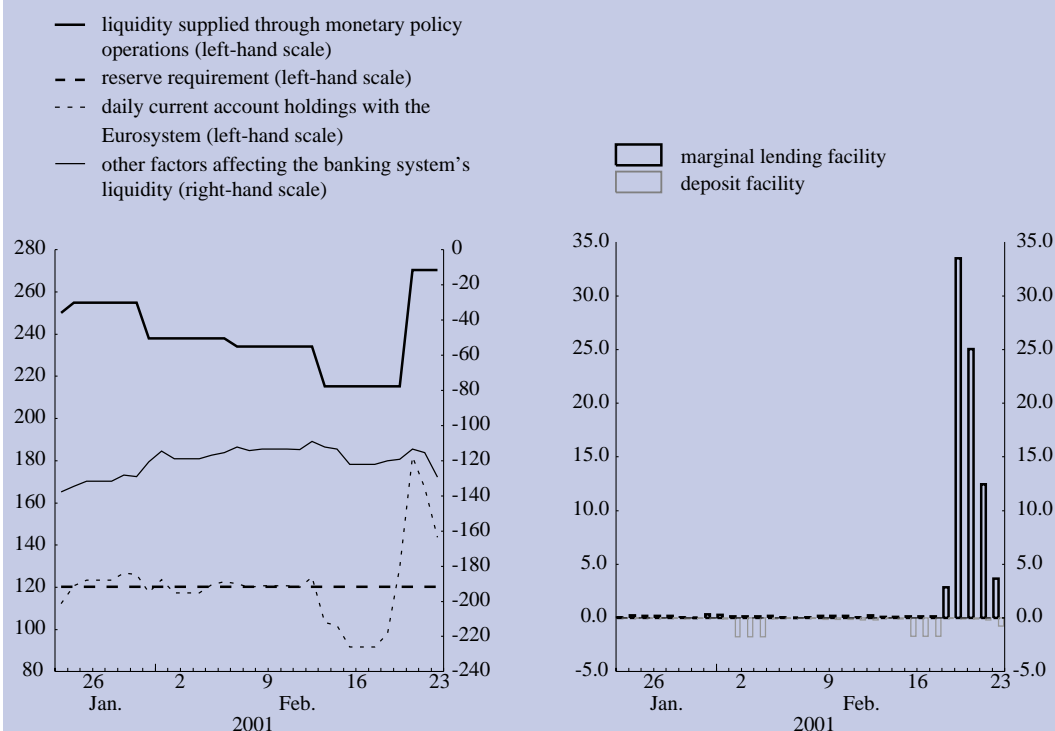
expectation on the part of counterparties that the overnight rate would remain at relatively low levels for the rest of the reserve maintenance period seems to have contributed to the insufficient bidding in the MRO on 13 February, as described above. The EONIA increased steadily after 13 February as a result of the tight liquidity conditions caused by the insufficient level of bidding, and amid a growing market perception that the MRO on 20 February could not fully restore neutral liquidity conditions before the end of the reserve maintenance period. The ECB announced on 19 February that it would not counter the implications of the low amount of bids submitted for the MRO on 13 February through an additional open market operation. This had only a moderate impact on the overnight rate. However, there was a marked increase in the overnight rate after the publication of the allotment amount of €155 billion on 20 February, when the market realised that a significant amount of liquidity would have to be borrowed via the marginal lending facility. Consequently, on 21 February, the EONIA rose sharply to 5.72%, reaching a level only 3 basis points below that of the marginal lending facility. Overnight rates remained at exceptionally high levels on the days which followed, when counterparties used the marginal lending facility to satisfy their liquidity needs. The reserve maintenance period ended with the EONIA standing at 5.08%.

Use of standing facilities

Owing to the tight liquidity conditions resulting from the submission of insufficient bids for the MRO on 13 February, the average daily use of the marginal lending facility increased considerably, from €0.5 billion in the preceding reserve maintenance period to €2.6 billion. Of the accumulated recourse of €81.2 billion to this facility in the reserve maintenance period under review, €74.6 billion took place during the last four days, i.e. after the announcement of the tender decision on 20 February 2001. The highest daily recourse to a standing facility was recorded on that day, at €33.5 billion. The average use of the deposit facility decreased from €0.6 billion to €0.4 billion.

Factors contributing to the banking system's liquidity during the maintenance period ending on 23 February 2001

(EUR billions; daily data)



Source: ECB.

Liquidity factors not related to monetary policy

The net liquidity-absorbing impact of the autonomous factors (the factors not related to monetary policy) on the banking system's liquidity (item (b) in the table above) was €120.2 billion on average, i.e. €10.8 billion lower than in the previous reserve maintenance period. This decrease was mainly due to lower government deposits, of €5.2 billion on average, over the reserve maintenance period. The daily sum of autonomous factors fluctuated between €105.4 billion and €133.9 billion.

The published estimates of average liquidity needs stemming from autonomous factors ranged between €115.0 billion and €121.2 billion. They differed from the ex post figures by an amount ranging from minus €0.7 billion to plus €1.5 billion.

Current account holdings of counterparties

The average current account holdings amounted to €120.7 billion, and reserve requirements to €120.1 billion. The difference between the average current account holdings and the reserve requirements amounted to €0.6 billion, the same as in the previous reserve maintenance period. As in the previous maintenance period, an amount of €0.2 billion of the current account holdings did not contribute to the fulfilment of reserve requirements.

After having declined by around 30 basis points between the end of November 2000 and early January 2001, the one-month and three-month EURIBOR increased slightly in the remainder of January and in February. These rates were little affected by the tight liquidity conditions in mid-February. On 28 February the rates stood at 4.81% and 4.77% respectively (see Chart 8), implying a relatively flat yield curve at the short end of the maturity spectrum.

In the longer-term refinancing operations of the Eurosystem the development of the interest rates of allotment largely reflects that of the three-month EURIBOR. In the operation settled on 1 March, the marginal and average rates of allotment were 4.69% and 4.72%. These levels were 8 and 5 basis points, respectively, below the three-month EURIBOR prevailing on the day on which the operation was conducted.

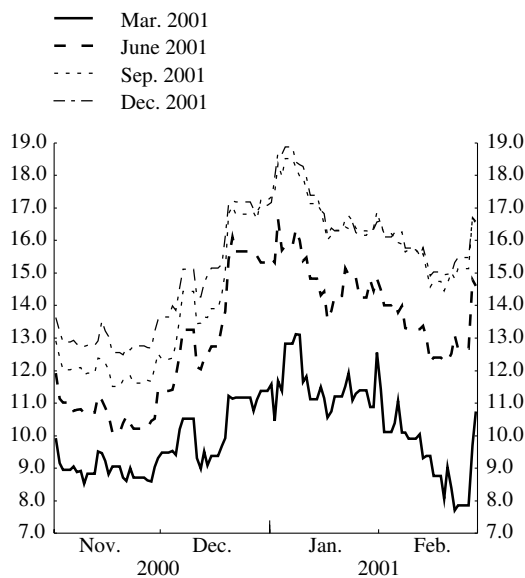
At the longer end of the money market yield curve, the six-month and twelve-month EURIBOR adjusted downward by around 60-80 basis points between end-October 2000 and early January 2001. They increased slightly in the rest of January. In February, these rates

remained, overall, virtually unchanged and stood at 4.64% and 4.54%, respectively, on 28 February.

The expected path of the three-month EURIBOR in 2001, as implied in futures prices on contracts with delivery dates this year, rose slightly for most of January and in February. These moderate upward revisions follow the marked declines of around 80-110 basis points that occurred between end-October 2000 and early January 2001. On 28 February, the three-month EURIBOR rates implied in contracts maturing in March, June and September 2001 were 4.71%, 4.40% and 4.25% respectively. This was around 20 basis points higher than the trough in early January.

The volatility of the three-month EURIBOR implied in options on futures contracts maturing in March, June and September 2001 can be seen as reflecting the uncertainty market participants attach to the expected future path of the three-month EURIBOR in 2001. After having increased in late 2000, volatility tended to fall in the first two months of 2001, but rose again somewhat in the last few days of February (see Chart 9).

Chart 9
Implied volatilities from options on three-month EURIBOR futures



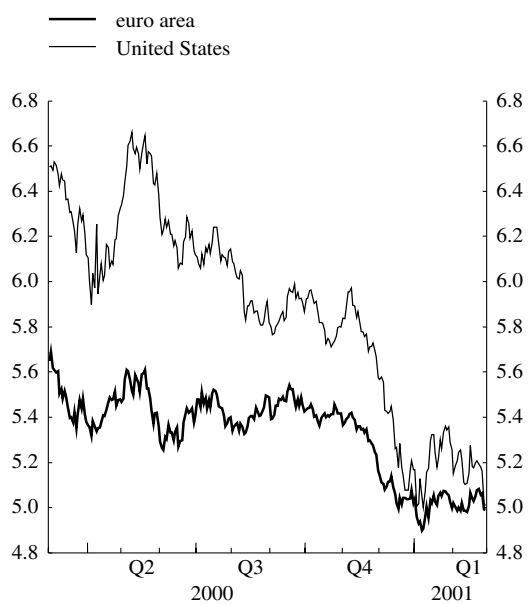
Source: Bloomberg.

Long-term bond yields remained stable in early 2001

After declining in the autumn of 2000, long-term government bond yields in the euro area were relatively stable between mid-December and February 2001 (see Chart 10). On 28 February the average euro area ten-year bond yield stood at about 5.0%. Because long-term yields in the United States declined during February, the differential between ten-year government bond yields in the United States and the euro area narrowed by about 25 basis points, and was virtually nil by 28 February. This is the lowest point reached by this spread since January 1999. The narrowing tendency, which has been under way since the summer of 2000, seems to broadly reflect the expected decline in the real growth differential between the United States and the euro area. This is also visible in the differential between real yields on US ten-year index-linked bonds and comparable French yields, which turned negative in early 2001, reaching almost -25 basis points by 28 February.

In the United States, continuing a pattern which became evident after mid-December 2000, long-term government bond yields experienced marked swings in the course of February, within a range of 5.0% to 5.3%. These volatile conditions in the bond market mainly reflected shifts in market participants' assessments of the outlook for both economic growth and inflation and, linked to this, for short-term interest rates. These reassessments were triggered by a constant flow of contrasting signals regarding the likely path of the US economy. On 28 February, US ten-year government bond yields stood at close to 5%, which was about 20 basis points lower than at the end of January. Market expectations of a decline in US official interest rates, which were evidenced by the pronounced inversion at the short end of the yield curve in January, continued to prevail in February. Moreover, the real yield on US ten-year index-linked government bonds declined in February by a further 20 basis points to around 3.2%. This brought the cumulative fall in this yield since the end of 2000 to around

Chart 10
Long-term government bond yields in the euro area and the United States
(percentages per annum; daily data)



Source: Reuters.
 Note: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity.
 From 1 January 2001, Greek data are also included.

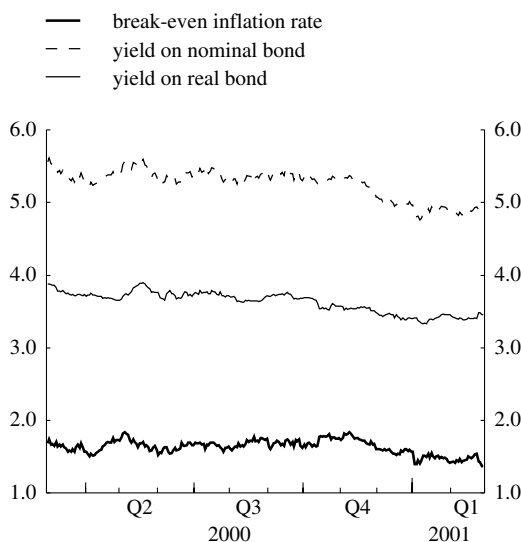
50 basis points. At the same time the US ten-year break-even inflation rate, obtained from nominal and index-linked bond yields, which rose significantly in January 2001, declined by around 10 basis points between end-January and 28 February.

In Japan, long-term government bond yields continued in early 2001 the declining trend which has been apparent since early September 2000. On 28 February 2001, ten-year government bond yields stood at around 1.4%, which was 15 basis points lower than at the end of January and more than 60 basis points lower than in early September 2000. The latest decline seemed to reflect growing pessimism among investors regarding the outlook for economic activity in Japan following further weak economic data releases and related statements by government officials. In addition, the decision of the Bank of Japan to lower official interest rates, announced on 28 February, as well as persistent weakness of the stock market, seemed to augment the downward pressure on bond yields.

In the euro area, long-term government bond yields displayed little change in the course of February. Their stability in the first half of the month was notable given the pronounced yield movements in the US market over the same period. This suggests that bond market developments in the euro area were mainly driven by domestic factors and, moreover, that investors did not revise their expectations regarding average long-term euro area economic growth and inflation significantly in February. This view is confirmed by the relatively minor changes in real yields in the market for French index-linked government bonds (see Chart 11). It is notable that the real yield on French ten-year index-linked bonds has remained resilient in the face of shifting market views regarding US economic prospects since mid-December, stabilising at a level close to 3.5%. A similar pattern can be seen in average long-term inflation expectations, as approximated by the ten-year break-even inflation rate obtained from the difference between French nominal and real government

Chart 11
Break-even inflation rate calculated for the French CPI

(in percentages; daily data)



Sources: French Treasury, ISMA and Reuters.

Note: The real bond yields are derived from the market prices of French government bonds which are indexed to the French CPI (excluding tobacco prices) and which mature in 2009. The nominal bond yields are derived from the market prices of French government fixed income bonds which also mature in 2009.

bond yields. During the first two months of 2001 the break-even inflation rate remained broadly unchanged, standing at a level of about 1.4% on 28 February (see Chart 11). As always, short-term developments in index-linked bond yields and break-even inflation rates should be interpreted with caution, as a number of well-known caveats may complicate the interpretation with regard to the underlying fundamentals. This notwithstanding, trends in the real yield and the break-even inflation rate can be seen as an indication that investors place a high degree of confidence in the continuation of robust economic growth and in the maintenance of price stability over the medium term in the euro area.

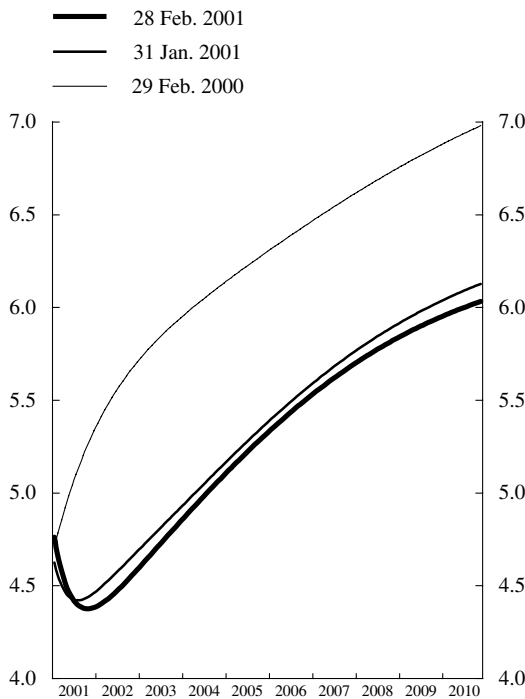
Since short-term money market rates in the euro area did not change much in February, the slope of the euro area yield curve – as measured by the difference between ten-year government bond yields and the three-month EURIBOR – remained at a relatively flat level of about 25 basis points in February.

There was also little change in the implied forward euro area overnight interest rate curve in February (see Chart 12).

The stability observed in the euro area bond markets over recent weeks seems to have been coupled with a moderation in the perceived degree of uncertainty surrounding the short-term outlook for long-term government bond yields in the euro area (see Chart 13). This is visible in a declining tendency in the implied volatility of ten-year German government bonds – derived from the prices of options on Bund futures contracts – in the course of February. By 28 February, the implied volatility of these contracts was about 4.5%, which compares with an average level in January of about 4.6% and an average of 5.4% for 2000 as a whole.

Chart 12
Implied forward euro area overnight interest rates

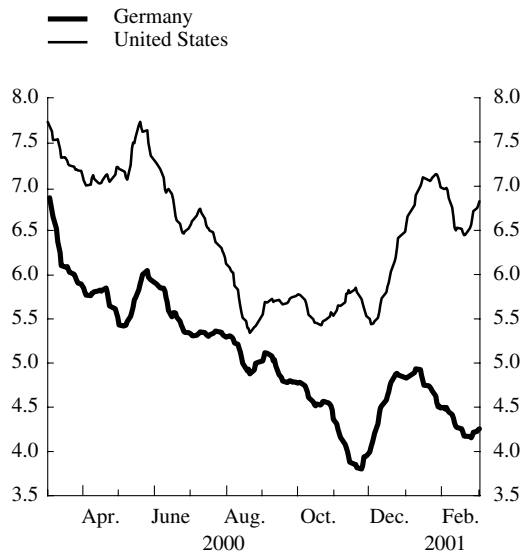
(percentages per annum; daily data)



Source: ECB estimation. 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 compute these implied forward yield curves was outlined on page 26 of the January 1999 issue of the Monthly Bulletin. The data used in the estimation are derived from swap contracts.

Chart 13
Implied volatility for futures contracts on the ten-year German Bund and the ten-year US Treasury

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



Source: Bloomberg.

Note: The implied volatility series represent the 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.

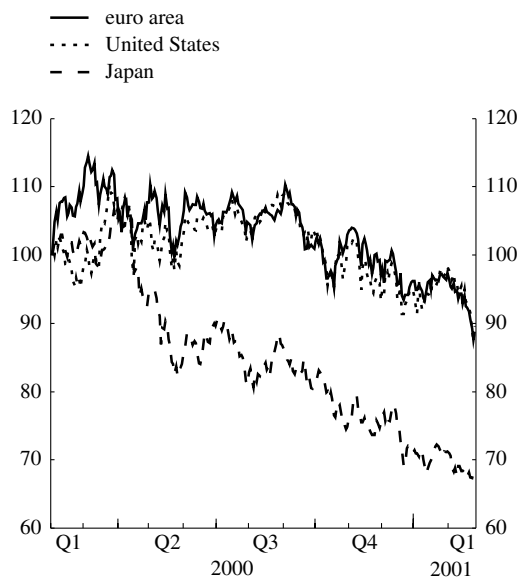
Stock prices declined in February 2001

The relatively calm conditions that had prevailed in the stock markets during January were disturbed in February. This reflected a resurfacing of the ongoing uncertainty regarding corporate earnings prospects – particularly for the high-technology sectors – which had affected global stock markets during most of 2000. A further, more general factor which seemed to account for these developments was continued uncertainty amongst market participants about the outlook for economic activity in the United States and Japan. In this environment, stock price indices in the major stock markets dropped sharply in February, falling below end-2000 levels by 28 February.

Stock prices in the euro area, as measured by the Dow Jones EURO STOXX index, dropped by close to 9% between end-January

Chart 14
Stock price indices in the euro area, the United States and Japan

(index: 1 February 2000 = 100; daily data)



Source: Reuters.
 Note: Dow Jones EURO STOXX broad (stock price) index for the euro area, Standard and Poor's 500 for the United States and Nikkei 225 for Japan.
 From 1 January 2001, Greek data are also included.

and 28 February to reach a level 8% lower than at the end of 2000 (see Chart 14). In the United States stock prices, as measured by the Standard and Poor's 500 index, declined by slightly more than 9% between end-January and 28 February, which brought them 6% below end-2000 levels. Japanese stock prices, as measured by the Nikkei 225 index, fell by close to 7% in that period, leaving them 7% below end-2000 levels.

In the United States, corporate earnings expectations, particularly for large high-technology firms, were lowered significantly in the first months of 2001 against the background of the slowdown of the US economy. As a result, the largest declines in the US stock market during February took place in the technology and telecommunications sectors, with stock prices in these sectors falling 28% and 10%, respectively, between end-January and 28 February. Over the same period the Nasdaq Composite index, which has a high proportion of technology stocks, fell by 26%. Stock market participants also

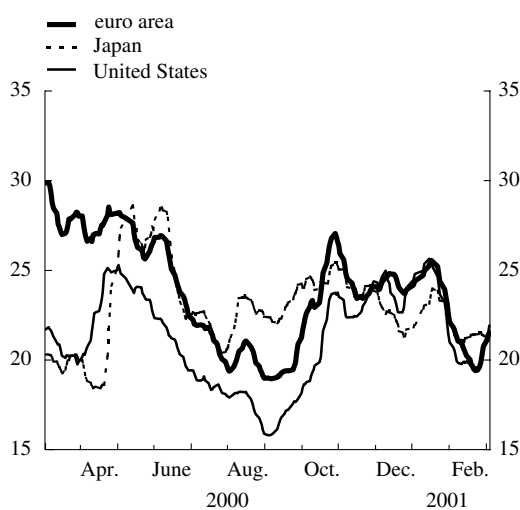
perceived greater uncertainty, as was evident from the development of implied volatility in the US stock market during February (see Chart 15).

In Japan, the decline in stock prices during February seemed to mainly reflect continued concerns among market participants regarding the prospects for economic recovery. However, a countervailing influence appeared to come from a proposed loosening of the rules on share repurchases in Japan, combined with announcements by a number of Japanese firms of plans to step up their existing share buy-back plans.

In the euro area, the Dow Jones EURO STOXX index fell by close to 9% between end-January and 28 February. Against the background of increasing uncertainty about global growth prospects during February, market participants appeared to revise their corporate earnings expectations downwards for euro area firms. This put downward pressure on stock prices, particularly in those

Chart 15
Implied stock market volatility in the euro area, United States and Japan

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



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

sectors where revenues depend on the strength of external demand. In addition, stock prices in the euro area appeared to be subject to spill-over from global stock market developments in February.

Considering sectoral stock market trends since the start of 2001, stock price declines took place in all sectors, in conjunction with declines in historical stock market volatility in the majority of sectors. However, there were differences in the degree to which stock prices and volatility declined. The most notable developments took place in technology and telecommunications, where

shares fell by 31% and 9%, respectively, and were subject to very wide swings between end-2000 and 28 February (see Table 4). Historical volatility in these two sectors remained significantly higher than in other sectors. This continued a familiar pattern set in motion in the spring of 2000. As explained in a box on page 19 of the May 2000 issue of the Monthly Bulletin, this pattern largely reflects the considerable uncertainty affecting the business prospects of technology and telecommunications companies compared with other sectors. In other sectors stock price falls were less pronounced in early 2001 and historical volatility remained lower.

Table 4
Price changes and historical volatility in the Dow Jones EURO STOXX economic sector indices

(price changes in percentages; historical volatility in percentages per annum)

	Basic materials	Consumer cyclical	Consumer non-cyclical	Energy	Financial	Health-care	Industrial	Technology	Telecommunications	Utility	EURO STOXX
Price changes											
Q3 2000	-1.2	-0.2	0.6	3.0	5.0	17.5	-3.9	-8.8	-21.7	-1.4	-3.1
Q4 2000	22.5	-10.6	-0.3	-3.8	0.0	1.7	-0.7	-10.7	-20.8	-0.4	-4.7
End-December to 28 February 2001	-2.3	-0.8	-4.3	-0.4	-5.0	-5.5	-0.7	-31.1	-8.6	-5.3	-7.7
Volatilities											
Q3 2000	14.4	13.8	14.2	22.1	10.3	21.3	13.2	38.1	34.2	10.1	13.4
Q4 2000	21.3	24.8	13.6	25.1	18.6	23.1	18.5	56.6	41.4	16.2	22.5
End-December to 28 February 2001	12.7	18.9	13.1	20.0	13.2	28.2	16.2	55.1	36.0	15.4	16.8

Sources: STOXX and ECB calculations.

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

2 Price developments

HICP inflation somewhat lower in January 2001

In January 2001 the annual rate of change in the overall Harmonised Index of Consumer Prices (HICP) in the euro area including Greece, as published by Eurostat, declined by 0.2 percentage point compared with December 2000 to stand at 2.4%. This slightly differs from the somewhat higher figure of 2.5% reported in Table 5. The lower figure is the result of Greece not being included in the base period (i.e. January 2000) over which the year-on-year change is calculated, while the estimate of 2.5% results when Greece is included in the base period. The advantage of the former method of calculation is that it avoids the need to revise HICP levels that

have already been published. The somewhat higher figure, taking Greece into account in the base period, is also made available by Eurostat and is used here for analytical purposes. With the release of the HICP for January 2001, there has been a further broadening of the HICP's coverage to include additional mainly health-related items, as well as new regulations aimed at increasing the degree of harmonisation in terms of measuring consumer prices across the European Union. These changes, which are described briefly in Box 2, are not expected to have any significant impact on inflation in 2001.

The latest developments in overall HICP inflation in the euro area reflect counteracting movements in the annual rates of change for

Table 5
Price and cost developments in the euro area

(annual percentage changes, unless otherwise indicated)

	1998	1999	2000	2000	2000	2000	2000	2000	2000	2000	2000	2001	2001
				Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Harmonised Index of Consumer Prices (HICP) and its components													
Overall index	1.2	1.1	2.4	2.1	2.1	2.5	2.7	2.8	2.7	2.9	2.6	2.5	.
<i>of which:</i>													
Goods	0.7	0.9	2.7	2.3	2.3	2.9	3.2	3.3	3.3	3.5	3.0	2.7	.
Food	1.7	0.6	1.4	0.5	0.9	1.9	2.2	2.1	2.0	2.2	2.3	2.7	.
Processed food	1.5	1.0	1.2	1.1	1.0	1.2	1.4	1.3	1.3	1.5	1.4	1.7	.
Unprocessed food	2.0	0.1	1.7	-0.4	0.7	3.1	3.5	3.3	3.2	3.4	3.7	4.4	.
Industrial goods	0.2	1.0	3.4	3.2	3.0	3.4	3.8	4.0	3.9	4.1	3.3	2.7	.
Non-energy industrial goods	1.0	0.7	0.7	0.5	0.6	0.6	1.0	0.8	0.9	1.0	1.1	1.2	.
Energy	-2.6	2.3	13.4	13.7	12.3	13.7	13.8	15.6	14.7	15.3	11.3	8.0	.
Services	2.0	1.6	1.7	1.6	1.7	1.8	1.9	1.8	1.9	1.9	1.8	2.2	.
Other price and cost indicators													
Industrial producer prices ¹⁾	-0.7	-0.4	5.4	4.4	5.2	5.8	6.1	6.3	6.6	6.3	5.5	.	.
Unit labour costs ²⁾	0.3	1.2	.	0.6	0.6	1.2	.	-	-	-	-	-	-
Labour productivity ²⁾	1.2	0.8	.	1.8	1.3	1.1	.	-	-	-	-	-	-
Compensation per employee ²⁾	1.5	2.0	.	2.4	2.0	2.3	.	-	-	-	-	-	-
Total hourly labour costs ³⁾	1.8	2.2	.	3.6	3.8	3.9	.	-	-	-	-	-	-
Oil prices (EUR per barrel) ⁴⁾	12.0	17.1	31.0	26.9	28.8	33.7	34.5	37.2	36.8	37.7	28.8	27.5	30.0
Commodity prices ⁵⁾	-12.5	-3.1	18.1	19.9	18.3	18.0	16.4	21.4	23.1	18.2	8.6	3.3	2.0

Sources: Eurostat, national data, International Petroleum Exchange, HWWA – Institut für Wirtschaftsforschung (Hamburg) and ECB calculations.

1) Excluding construction.

2) Whole economy.

3) Whole economy (excluding agriculture, public administration, education, health and other services).

4) Brent Blend (for one-month forward delivery). In ECU up to December 1998.

5) Excluding energy. In euro; in ECU up to December 1998.

Box 2

Changes in the coverage and methods for computation of the Harmonised Index of Consumer Prices

In order to further enhance the coverage and harmonisation of consumer price measurement in the European Union, some statistical changes have been made to the Harmonised Index of Consumer Prices (HICP), starting with the results for January 2001. The changes concern a further extension of the coverage of consumption expenditure and the implementation of two specific rules for price measurement. In addition, with its adoption of the single currency on 1 January 2001, Greece has from that month onwards been included in the published euro area HICP. The country weights for calculating the euro area index have also been revised. The statistical break in the euro area HICP series resulting from these changes will have an impact on year-on-year changes in the course of 2001. From January 2002 onwards – when the extended HICP will be available for a 12-month period – the distortion will disappear completely.

Extended product coverage of the HICP

With effect from January 2001, the product coverage of the HICP has been extended to household consumption expenditure on hospital services, social services within the home, retirement homes and residences for the disabled. The extension of coverage was agreed in 1998 and has been implemented in two steps. In January 2000, as the first step, the product coverage of the HICP was extended mainly in the fields of health and education (for further information, see Box 3 in the March 2000 issue of the Monthly Bulletin). The extension introduced in January 2001, i.e. as the second step, added approximately 1½% of consumption expenditure to overall HICP coverage for the euro area. The impact of this on the overall inflation rate for the euro area in 2001 is expected to be small. The enlargement of the coverage of health and education items in 2000, when the weight of the extension of coverage was greater (approximately 3 to 4%), had only a small or negligible impact on the year-on-year changes in overall euro area HICP.

European Commission Regulations affecting the HICP

Two new European Commission Regulations have come into force which further harmonise the methods for price measurement in the HICP. The changes concern only those Member States employing HICP methods which deviate from the new rules. The first Commission Regulation¹ concerns the timing for entering purchaser prices into the HICP. Price changes for goods are to be reflected in the index at the time at which the price change is observed. For services the change is to be reflected at the time at which consumption can commence, which could be a certain period after a new price is first observed. The latter method could have an impact with regard to certain services, such as package holidays, where there may be a considerable difference between the time of purchase and the time of consumption. For most other services the impact is likely to be negligible. The second Commission Regulation² makes it clear that price reductions – and sales prices in particular – are to be reflected in the HICP. The change must be implemented by Member States either in January 2001 or in January 2002. Wherever these new Regulations require changes to existing practices, they may affect the short-term dynamics (e.g. the seasonal pattern) of the index, but they are not expected to have a significant effect on average annual rates of change.

The inclusion of Greece in the euro area HICP and new country weights for its calculation

With the publication of January 2001 data, Greece has for the first time been included in the euro area overall HICP and its breakdown (see Table 4.1 in the “Euro area statistics” section of the Monthly Bulletin). For analytical reasons, Eurostat also provides a series which includes Greece from 1995. Reference is made to the latter series in the “Price developments” section of the Monthly Bulletin. Since 1996 the difference between

¹ Commission Regulation (EC) No. 2601/2000 of 17 November 2000.

² Commission Regulation (EC) No. 2602/2000 of 17 November 2000.

the annual average inflation rates of the index including and excluding Greece has been very small and has ranged between zero and one-tenth of a percentage point. These small differences result from the convergence of Greek inflation rates in the period concerned, combined with the weight of Greece of 2.4% in the euro area HICP.

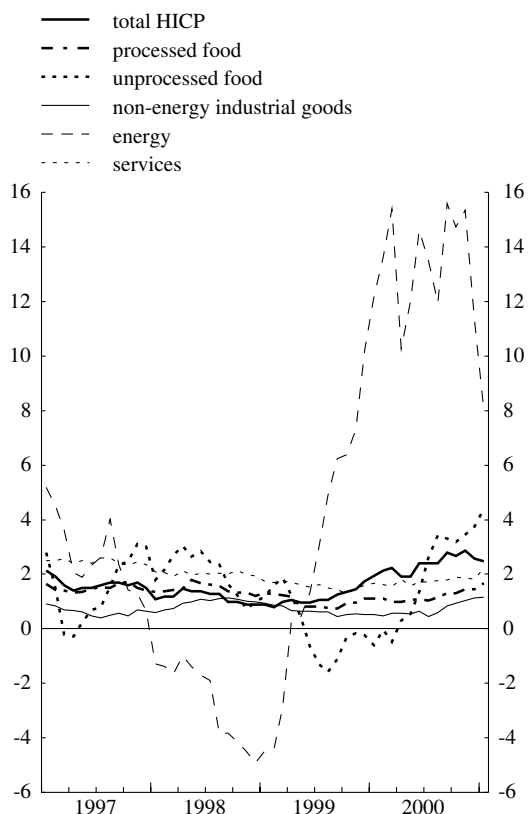
Finally, the regular annual update of the country weights that are used to calculate the euro area HICP has led to larger changes than normal, because they are, for the first time, based on ESA 95 methodology for the definition of household final monetary consumption expenditure. The new weights are used for results from January 2001 whilst the previous weights have not been revised. Though changes for some euro area countries are considerable, the effect of the new country weights on the overall HICP in January 2001 was, according to Eurostat, within the rounding margin.

the two volatile components: energy and unprocessed food prices. Reflecting past declines in oil prices and the appreciation of the euro exchange rate, as well as the base effect associated with rising oil prices in 2000, the year-on-year rate of change in energy prices declined further by 3.3 percentage

points to 8.0% between December 2000 and January 2001 (see Table 5). In contrast, the annual rate of change in unprocessed food prices further increased by 0.7 percentage point to 4.4% between December 2000 and January 2001 (see Chart 16). A large part of the latest increase in the annual change in unprocessed food prices is probably attributable to adverse weather conditions, which may have given rise to somewhat less favourable supply conditions. However, recent health concerns associated with meat consumption and BSE have also been a factor behind these developments as they appear to have exerted upward pressure on meat prices. Excluding the above components, unprocessed food and energy prices, the annual increase in the HICP reached 1.7% in January 2001, which is 0.2 percentage point higher than that of the previous month.

Chart 16
Breakdown of HICP inflation in the euro area by components

(annual percentage changes; monthly data)



Source: Eurostat.

The above increase in the HICP excluding energy and unprocessed food prices reflects higher annual rates of change in all of its three main sub-components. The annual rate of change in processed food prices was 1.7% in January 2001, up 0.3 percentage point compared with the previous month. Like the developments in unprocessed food prices, processed food prices have also been on an upward – albeit much less steep – trend since mid-2000. Similarly, the annual rate of change of non-energy industrial goods prices has been edging upwards since mid-2000 and increased further, by 0.1 percentage point to 1.2%, between December 2000 and January 2001. Meanwhile, the annual rate of change in services prices increased by 0.4 percentage

point to 2.2% between December 2000 and January 2001. This rise can be explained to a significant extent by recent increases in administered prices and indirect taxes in a few euro area countries.

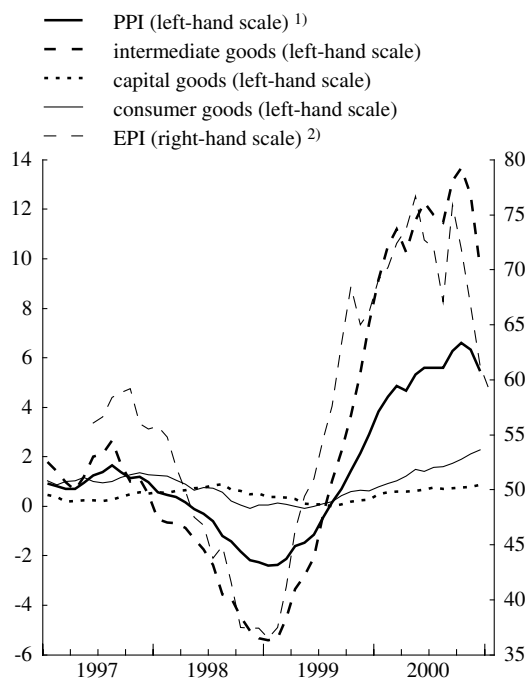
Lower producer price increases in December 2000

The latest data for industrial producer prices in the euro area show a decline from 6.3% in November to 5.5% in December 2000. Underlying this was a decline in the annual rate of change in intermediate goods prices from 12.6% in November to 9.6% in December 2000 (see Chart 17), which was broadly anticipated given the decrease in oil prices and the strengthening of the euro that occurred between November and December 2000. In contrast, the year-on-year rate of change in capital goods prices increased by 0.1 percentage point and stood at 0.9% in December 2000. While the annual rate of change in capital goods prices remains quite moderate, it has been on a slight upward trend since mid-1999. This upward movement is to some extent the result of the gradual pass-through of past increases in oil prices and the depreciation of the euro throughout most of 2000. Reflecting similar factors, the annual rate of change in consumer goods prices increased by 0.2 percentage point from the previous month and stood at 2.3% in December 2000, thereby also continuing the upward trend observed since mid-1999. In terms of its components, this latest increase in the annual rate of change in producer prices for consumer goods reflected higher prices for non-durables while price developments for consumer durables were broadly stable.

Considering the likely developments in euro area producer prices since December 2000, there are factors suggesting that there may have been some further moderation in the annual rate of change in January 2001. First, the price of a barrel of oil (Brent Blend) declined from €28.8 to €27.5 between December 2000 and January 2001.

Chart 17 Producer prices and manufacturing input prices for the euro area

(monthly data)



Sources: Eurostat and Reuters.

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.

Furthermore, according to the Purchasing Managers' Survey, manufacturing input prices declined somewhat between December 2000 and January 2001. However, counteracting these downward influences, further indirect effects arising from the sustained high oil price increases observed in 2000 may continue to result in some further upward pressure on capital and consumer goods prices beyond the very short term.

Overall wage pressure remained moderate throughout most of 2000

As was reported in the February 2001 issue of the Monthly Bulletin, total hourly labour costs in the whole economy stood at 3.9% in the third quarter of 2000, which is 0.1 percentage point higher than that of

the previous quarter. In comparison with total hourly labour costs, the year-on-year change in compensation per employee was significantly lower and stood at 2.3% in the third quarter of 2000, up 0.3 percentage point on the second quarter. As explained in detail in Box 3 of the February 2001 issue of the Monthly Bulletin, the relatively higher growth rate in hourly labour costs compared with compensation per employee is mainly attributable to statistical effects and a sequence of certain one-off factors. The overall assessment remains that wage pressures have been moderate throughout most of 2000. Reflecting the above increase in the growth rate of compensation per employee, as well as a cyclical decline in labour productivity, unit labour cost growth rose from 0.6% in the second quarter to 1.2% in the third quarter of 2000.

Short-term developments in HICP inflation may be influenced by counterbalancing factors

Since the publication of the Eurosystem's staff macroeconomic projections in December 2000, there have been significant changes in the external environment and this has had an effect on the outlook for price developments. The main international institutions have not yet published forecasts and projections that take account of this new information. However, some survey-based indicators, including the latest Survey of Professional Forecasters (SPF), conducted by the ECB in February 2001, provide somewhat more up-to-date information and this is described in more detail in Box 3.

In general, recent developments in the external environment are helping to improve the prospects for price developments and more balanced risks to price stability. In the short term, in the light of recent developments in oil prices and the exchange rate of the euro, energy prices should gradually contribute to lower levels of overall

inflation in the euro area than what was expected at the end of last year. However, the short-term outlook for inflation is surrounded by significant uncertainty. In particular, the expected downward impact resulting from energy prices on overall inflation may be partly offset by counterbalancing factors including higher prices of unprocessed food, which also tend to be fairly volatile. In addition, changes in administered prices as well as indirect taxes in a number of euro area economies will have an upward effect on the HICP in the short term. Furthermore, some delayed indirect effects, owing to the sustained rise in oil prices and the depreciation of the euro throughout 2000, are also still expected to continue to have an upward impact on non-energy consumer prices over the course of 2001. As a result, it may be some time before overall inflation falls below 2%.

Beyond the short term, domestic cost developments will be a key factor

Beyond the short term, the outlook for HICP inflation in the euro area is likely to be mainly influenced by domestic factors such as profits and wages, provided that external price pressures turn out to be more benign than was the case in 2000. In particular, despite the expectation of somewhat lower external demand compared with that envisaged in December 2000 (see the "Output, demand and labour market developments" section), overall growth in the euro area is still expected to remain robust, and this may put some upward pressure on prices as a result of higher profit margins. As regards euro area wages, overall developments in 2000 have been fairly moderate and the prospect remains for continued wage moderation in 2001. However, there are some signs of a tightening of labour markets in some euro area countries and important wage negotiations will take place later in 2001. Hence, the risks to the inflation outlook from the labour market will need to be carefully monitored and assessed.

Box 3

The February 2001 Survey of Professional Forecasters

Since February 1999 the ECB has conducted a quarterly survey of inflation expectations. The survey is known as the Survey of Professional Forecasters (SPF), reflecting the fact that participants are experts from financial and non-financial institutions based in the European Union. The ninth round of the survey was conducted in early February 2001. Hence the latest SPF incorporates recent economic developments, in particular in the external environment, which were not reflected in the forecasts of the main international institutions as published last autumn or in the Eurosystem staff economic projections as published in December 2000.

Survey participants were asked to submit expectations for the average rate of inflation, real GDP growth and the unemployment rate in the euro area for the calendar years 2001 and 2002, as well as for a longer horizon of five years ahead, i.e. for the year 2005. In addition, participants are also asked to provide their outlook over a "rolling horizon" set one and two years ahead of the period for which the latest official data for each particular variable are available. The rolling horizons help to identify expected patterns in inflation, GDP growth and the unemployment rate which are difficult to detect from expectations for annual average developments in the calendar years. In the February 2001 survey, the rolling horizon extended to December 2001 and December 2002 for the HICP inflation rate, to the third quarter of both 2001 and 2002 for the rate of real GDP growth and to November 2001 and November 2002 for the level of the euro area unemployment rate. The results of the survey are reported below. They are based on 60 replies from 84 forecasters, i.e. a response rate of 71%.

Lower HICP inflation is expected for 2001 and 2002

After a realised average rate of 2.4% in 2000, lower HICP inflation is expected for 2001 and 2002. According to the February 2001 SPF, the professional forecasters expect *HICP inflation in the euro area* to average 2.0% in 2001 and to decrease to 1.7% in 2002 (see the table below). These results imply no change in expectations for 2001 and a slight revision of 0.1 percentage point downwards for 2002 when compared with the expected inflation rates reported in the November 2000 SPF. The results indicate that the forecasters expect inflation to gradually decline over the course of 2001 and to stand at 1.7% in December 2001. The annual rate of inflation expected in December 2002 is also 1.7%. According to the results of previous surveys, as reported in Box 3 in the January 2001 issue of the Monthly Bulletin, there was evidence that the forecasters had revised upwards their inflation expectations above the 2% level for 2000, in line with developments in actual inflation. By contrast, the latest results in the February 2001 SPF confirm that more medium-term inflation expectations have remained unchanged. In fact, in 2005 inflation is also expected to remain below the 2% level, at 1.8% on average. The expected rates of average HICP inflation for 2001 and 2002 in the current SPF are also identical to the figures reported in the February 2001 forecast from Consensus Economics. It should be noted, however, that the Consensus Economics figures refer to an aggregate of country forecasts based on national consumer price indices, and not to the HICP as the SPF does.

As an explanation for the gradual decrease in inflation expectations throughout 2001, the forecasters cite lower oil prices, the appreciation of the euro exchange rate and lower, but still robust, economic growth in the euro area in 2001. Regarding the main scenario for their forecasts, weaker world demand is foreseen, but it is expected to have only a limited effect on economic growth in the euro area. In particular, strong domestic demand is expected in the euro area, reflecting high consumer confidence and direct tax cuts expected in a number of countries. In addition, the forecasters generally expect a gradual decrease in oil prices and a depreciation of the US dollar as a consequence of the slowdown in the US economy in 2001. Both factors are expected to exert a direct downward effect on HICP inflation through the energy component. With regard to expected developments in non-energy inflation, the presence of indirect effects on consumer prices arising from the high oil prices and the depreciation of the euro for most of 2000 is mentioned as a factor that will add to consumer price increases over the course of 2001. Moreover, according to respondents, the expectation of fairly robust domestic demand growth may limit the pass-through of the anticipated decrease in oil prices to

Results from the Survey of Professional Forecasters

(annual percentage changes, unless otherwise indicated)

	Survey horizon				
	2001	Dec. 2001	2002	Dec. 2002	2005
Overall HICP					
Latest survey, February 2001	2.0	1.7	1.7	1.7	1.8
Previous survey, November 2000	2.0	-	1.8	-	-
	2001	2001 Q3	2002	2002 Q3	2005
Real GDP growth					
Latest survey, February 2001	2.7	2.7	2.8	2.7	2.7
Previous survey, November 2000	3.1	-	2.8	-	-
	2001	Nov. 2001	2002	Nov. 2002	2005
Unemployment rate¹⁾					
Latest survey, February 2001	8.5	8.4	8.2	8.0	7.3
Previous survey, November 2000	8.5	-	8.1	-	-

1) As a percentage of the labour force.

consumer prices. Over the course of 2001 a moderate rate of growth in unit labour costs is expected, while for 2002 the risks for the inflation outlook from wages are generally deemed to be somewhat on the upside. In addition, a few forecasters also mention upward pressures on prices arising from the changeover to the euro banknotes and coins (i.e. through a rounding-up of prices) in the first half of 2002.

The outlook for inflation contained in the February 2001 SPF should be considered in the context of participants' expectations for both euro area GDP growth and the unemployment rate. The February 2001 SPF shows lower expected rates of GDP growth for 2001. Survey participants have revised their expectations for average *real GDP growth* in 2001 to 2.7%, 0.4 percentage point downwards compared with the November 2000 SPF. This downward revision seems to be mostly related to the recent slowdown in the United States and in world growth. In 2002 real GDP growth in the euro area is expected to be slightly higher, at 2.8% on average, which is unchanged from the November 2000 SPF. These expectations for GDP growth in 2001 and 2002 are 0.1 percentage point lower than those reported in the February 2001 forecast from Consensus Economics for the same period. Regarding the assumptions underlying the expectations, several SPF participants mention that a relaxation of fiscal policy in 2001 and 2002 in many countries will have an upward impact on growth by increasing disposable income and thereby private consumption. Further increases in employment are also expected to support private consumption (via consumer confidence and disposable income), thereby underpinning growth in 2001 and 2002. In addition, owing to the decrease in oil prices foreseen over the surveyed horizon, the terms of trade will improve somewhat and thus help to support a rise in real income. Over a longer horizon, GDP growth in the euro area is expected to remain strong and to average 2.7% in 2005.

The *euro area unemployment rate* is expected to continue to fall gradually over the forecast horizon. It is expected to average 8.5% in 2001, reaching 8.4% by November, and to continue to decrease moderately thereafter. In 2002 the unemployment rate is expected to average 8.2%, and to reach 8.0% by November. Moreover, it is expected to average 7.3% in 2005, implying a further decline over the medium term.

3 Output, demand and labour market developments

Some moderation of GDP growth in the third quarter of 2000

According to Eurostat's third estimate, euro area real GDP increased by 0.6% quarter-on-quarter in the third quarter of 2000, revised slightly downwards from the second estimate of 0.7%. The estimates for the three previous quarters remained at 0.9%. The lower growth rate recorded in the third quarter was mainly attributable to a slowing down of growth in private consumption, from 0.8% quarter-on-quarter in the second quarter to 0.3% in the third quarter of 2000 (see Table 6). This can be attributed to the impact of the prolonged rise in oil prices seen last year. However, growth of fixed capital formation was stronger in the third quarter at 1.3% quarter-on-quarter, compared with 0.7% in the previous quarter. Overall, domestic demand increased by 0.6% quarter-on-quarter in the

third quarter, down from 0.9% in the second quarter of 2000. In the third quarter of 2000, the contribution of net trade to GDP growth was recorded to be positive again (at 0.1 percentage point), after having turned slightly negative in the previous quarter. Concerning the output data released by Eurostat, the annual rate of increase in real value added in the services sector was rather stable up to the third quarter of 2000, whereas the annual rate of increase in the industrial sector displayed a slight gradual decline from the first to the third quarter of 2000.

Robust growth in industrial production in the fourth quarter of 2000

In December 2000, euro area industrial production (excluding construction) rose

Table 6
Composition of real GDP growth in the euro area

(percentage changes, unless otherwise indicated; seasonally adjusted)

	Annual rates ¹⁾								Quarterly rates ²⁾				
	1997	1998	1999	1999 Q3	1999 Q4	2000 Q1	2000 Q2	2000 Q3	1999 Q3	1999 Q4	2000 Q1	2000 Q2	2000 Q3
Real gross domestic product <i>of which:</i>	2.3	2.7	2.5	2.6	3.3	3.5	3.7	3.3	1.0	0.9	0.9	0.9	0.6
Domestic demand	1.7	3.4	3.0	3.0	2.8	2.5	3.2	3.1	0.7	0.7	0.7	0.9	0.6
Private consumption	1.5	3.0	2.7	2.6	2.6	2.6	3.1	2.5	0.8	0.6	0.8	0.8	0.3
Government consumption	1.0	1.1	1.5	1.6	1.5	1.8	1.9	1.7	0.5	0.4	0.7	0.3	0.2
Gross fixed capital formation	2.4	4.8	5.3	5.7	5.4	5.4	4.7	4.1	1.9	0.2	1.8	0.7	1.3
Changes in inventories ^{3), 4)}	0.1	0.4	0.0	-0.1	-0.1	-0.4	0.1	0.4	-0.1	0.3	-0.3	0.3	0.1
Net exports ³⁾	0.6	-0.6	-0.4	-0.3	0.5	0.9	0.5	0.4	0.2	0.2	0.2	0.0	0.1
Exports ⁵⁾	10.5	7.0	4.7	5.7	10.4	13.3	12.1	11.9	3.0	3.6	2.8	2.2	2.8
Imports ⁵⁾	9.0	9.5	6.4	7.0	9.2	11.0	10.9	11.2	2.5	3.1	2.4	2.5	2.8
Real gross value added:													
Agriculture and fishing ⁶⁾	0.6	1.9	2.4	3.3	3.4	1.2	0.8	0.7	1.4	0.6	-1.0	-0.2	1.3
Industry	2.1	2.0	1.8	2.1	3.6	4.4	4.0	3.8	1.2	0.8	1.4	0.5	0.9
Services	2.5	3.2	2.7	2.6	2.9	3.4	3.7	3.7	0.8	0.9	1.1	0.8	0.9

Sources: Eurostat and ECB calculations.

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) Including acquisitions less disposals of valuables.

5) 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.

6) Also includes hunting and forestry.

Table 7**Industrial production in the euro area***(annual percentage changes, unless otherwise indicated)*

	1999	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
			Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	July	Aug.	Sep.	Oct.	Nov.
				month-on-month			three-month moving averages						
Total industry excl. construct.	1.9	5.4	3.7	4.3	8.0	0.1	1.1	1.3	0.6	1.0	1.0	1.6	1.8
Manufacturing	1.9	5.8	4.0	4.7	9.2	0.2	0.9	1.9	1.4	1.6	1.5	1.0	1.5
<i>by main industrial groupings:</i>													
Intermediate goods	2.3	5.3	3.2	3.5	6.5	0.3	0.8	1.8	0.6	0.9	0.7	1.0	1.5
Capital goods	1.5	9.1	8.2	9.5	14.7	0.6	1.4	1.9	2.5	2.9	3.0	3.2	3.4
Consumer goods	2.9	6.3	1.2	3.8	10.3	0.1	1.0	1.6	1.2	1.3	1.1	1.3	1.7
Durable consumer goods	3.2	7.2	1.4	4.3	11.4	0.0	1.1	1.7	1.3	1.4	1.1	1.4	1.8
Non-durable consumer goods	1.5	1.7	0.3	1.0	4.5	0.4	0.7	1.0	1.1	0.7	0.7	0.9	1.4

*Sources: Eurostat and ECB calculations.**Note: Annual percentage changes are calculated using data adjusted for variations in the number of working days; percentage changes on the previous month and three-month centred moving averages against the corresponding average three months earlier are calculated using seasonally and working day adjusted data.*

strongly, by 1.3% month-on-month, after an increase of 1.1% in the preceding month (see Table 7). The year-on-year growth rate was 8.0% in December and 5.3% in the fourth quarter. This is only slightly below the overall annual growth rate of 5.4% in 2000 and implies only a moderate slowdown from the peak in growth at 6.4% year-on-year in the period March-May 2000. However, the December data have to be interpreted with caution, as there was a significant working day effect in that month which is difficult to capture and might have caused some overestimation of production. The same caveat applies to the strong growth of euro area manufacturing production in December 2000, of 1.9% month-on-month. For the year as a whole, manufacturing production increased by 5.8%, compared with 1.9% in 1999.

According to the European Commission Business Survey of January 2001, capacity utilisation decreased slightly compared with October 2000 (see Table 8). On average, in the last quarter of 2000 capacity utilisation was 84.5%, thus increasing further from the already high level of the third quarter. The further increase in capacity utilisation rates in the fourth quarter of 2000 is consistent with continued quarter-on-quarter growth in industrial production (see Chart 18).

Other indicators point to some moderation in economic growth

Available survey indicators of manufacturing production point to a possible further

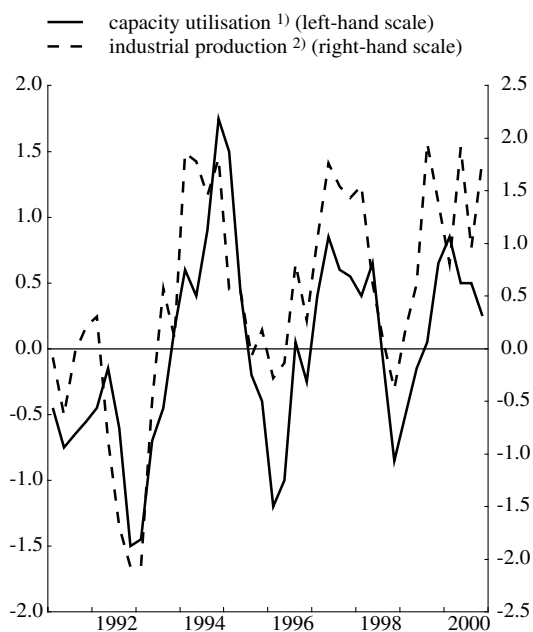
Chart 18**Capacity utilisation and industrial production in the euro area***(seasonally adjusted data; quarterly averages)**Sources: Eurostat and European Commission Business and Consumer Surveys.*1) *Change compared with the previous period in percentage points.*2) *Percentage change compared with the previous period.*

Table 8**Results from European Commission Business and Consumer Surveys for the euro area***(seasonally adjusted data)*

	1998	1999	2000	2000 Q1	2000 Q2	2000 Q3	2000 Q4	2000 Aug.	2000 Sep.	2000 Oct.	2000 Nov.	2000 Dec.	2001 Jan.
Economic sentiment index ¹⁾	2.9	0.0	1.5	1.1	0.2	-0.4	-0.9	-0.1	-0.8	-0.2	-0.3	0.2	-0.3
Consumer confidence indicator ²⁾	6	8	10	11	11	10	8	11	8	8	7	10	10
Industrial confidence indicator ²⁾	6	0	12	10	13	14	12	13	14	13	12	12	9
Construction confidence indicator ²⁾	3	15	23	22	24	24	21	26	22	23	21	20	22
Retail confidence indicator ²⁾	2	0	5	5	8	3	2	3	4	4	2	0	5
Business climate indicator ³⁾	0.7	-0.1	1.3	1.0	1.4	1.4	1.3	1.3	1.4	1.4	1.2	1.2	1.0
Capacity utilisation (%) ⁴⁾	82.9	81.9	83.9	83.3	83.8	84.3	84.5	-	-	84.6	-	-	84.4

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

1) Percentage changes compared with the previous period.

2) Percentage balances; data shown are calculated as deviations from the average over the period since January 1985.

3) Units are defined as points of standard deviation.

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

moderation of growth, although to varying degrees (see Chart 19). In January 2001, the industrial confidence indicator of the European Commission Business Survey fell significantly compared with the previous month after having remained stable in December 2000. Overall, industrial confidence was only slightly lower in the fourth quarter of last year than in the previous two quarters, thus suggesting only a moderate slowdown in economic activity. In some contrast, the Purchasing Managers' Index (PMI) for the euro area manufacturing sector has declined constantly for nine consecutive months, from April 2000 to January 2001, to reach a level of 52.9 in January 2001. The decline in January was smaller than in the previous five months. Although it still indicates a continued expansion in the manufacturing sector, the PMI points to a more marked slowdown of production growth than the industrial confidence indicator of the European Commission.

In January 2001, consumer confidence was unchanged compared with the previous month. The level of consumer confidence in January 2001 was thus still at a level close to

the record high in the first part of last year. In particular, the assessment by households of their financial situation has remained very positive over the past months. Confidence in the retail trade and construction sectors increased in January 2001. These two indicators display a relatively high degree of month-on-month volatility and have a much lower correlation with actual developments than industrial and consumer confidence. Nevertheless, it may be interpreted as a positive sign that both indicators have remained high by historical standards over recent months.

In November 2000, retail sales in the euro area are estimated to have increased by 1.4% year-on-year, compared with 1.0% in October and 3.4% in September. On a three-month moving average basis (in terms of annual growth rates), retail sales growth appears to have peaked in the second quarter of 2000, at a rate of 3.4%, and to have been on a slight downward trend since then (see Chart 20). In January 2001, new passenger car registrations decreased by 1.3% month-on-month, after an increase of 0.1% in December 2000. In the three-month period up to and including January 2001, new passenger car

registrations decreased by 3.0% in terms of annual growth rates, up further from the low of -7.2% in the period up to and including September 2000.

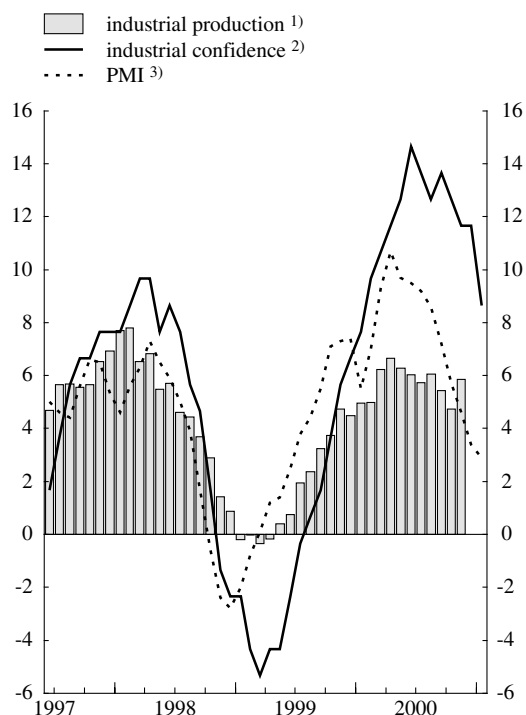
Outlook for growth remains positive

Overall, the latest data covering mainly the third and fourth quarters of 2000 point to a resilience of economic growth, though there has been some dampening related to the prolonged rise in oil prices. Available forecasts suggest that economic growth in the euro area remains close to 3% in 2001 and 2002. This implies some downward

Chart 19

Industrial production, industrial confidence and the PMI for the euro area

(monthly data)



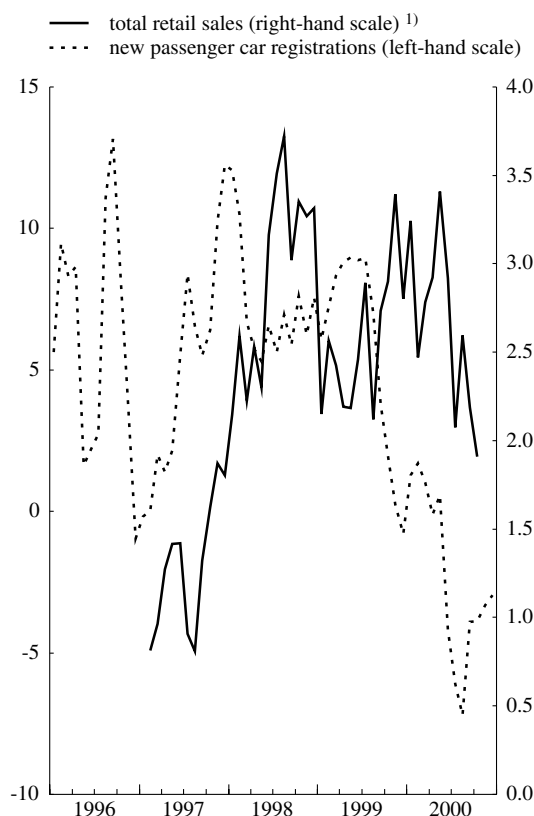
Sources: Eurostat, European Commission Business and Consumer Surveys, Reuters and ECB calculations.

- 1) Manufacturing; annual percentage changes in three-month moving averages; working day adjusted data.
- 2) Percentage balances, deviations from the average since January 1985.
- 3) Purchasing Managers' Index; deviations from the value of 50; positive values indicate an expansion of economic activity.

Chart 20

New passenger car registrations and retail sales in the euro area

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



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

1) Calculated using seasonally adjusted data.

revision to growth in 2001 from earlier forecasts, which seems to reflect expectations of somewhat weaker external demand resulting from the slowdown in growth of the world economy.

This positive outlook for euro area growth reflects continued favourable domestic conditions, with growth in domestic demand being supported by sound macroeconomic fundamentals. Further increases in employment should help sustain private consumption growth, while high levels of capacity utilisation point to ongoing growth in equipment investment, as does the strong output growth in capital goods industries. The moderation in oil prices from the peak levels reached in the final quarter of 2000, if

sustained, is expected to improve the terms of trade and thus support real income growth. Real income growth will also be positively affected by reductions in direct taxes in 2001.

There are some risks to this favourable outlook for growth, which are related to the external economic situation. First, the growth of the world economy appears to be subject to risks on the downside. Second, at a global level, financial, oil and foreign exchange markets appear to be characterised by considerable uncertainty and volatility. This might not leave the euro area unaffected. However, in view of the relatively closed character of the euro area economy and its sound macroeconomic fundamentals, economic growth in the euro area should remain resilient owing to strong internal dynamics.

Employment growth likely to have been sustained in the fourth quarter of 2000

While employment data for the euro area, based on ESA 95 national accounts, are not yet

available for the fourth quarter of 2000, an early estimate based on available national data points to sustained quarter-on-quarter employment growth in this quarter, close to the 0.4% recorded in the previous quarter. This is in line with the decline in unemployment in the fourth quarter, which was broadly of the same magnitude as that registered in the previous quarter. Quarter-on-quarter employment growth rates in the second half of the year may have been slightly below those recorded in the first half of 2000, but in annual terms, employment is still estimated to have grown at one of the highest rates since the beginning of the 1990s, i.e. around 2.0%.

The breakdown by sector for the fourth quarter of 2000 is not yet available. As already reported in the previous issue of the Monthly Bulletin, year-on-year employment growth in the euro area up to the third quarter of 2000 was broadly based across the main sectors of the economy, although agriculture and fishing continued to experience a trend decrease (see Table 9). In the third quarter, the annual growth of employment in industry excluding construction remained at the strong rate of 0.9% recorded in

Table 9
Employment growth in the euro area

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

	1997	1998	1999	1999	2000	2000	2000	1999	2000	2000	2000
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Quarterly rates ¹⁾										
Whole economy	0.8	1.6	1.7	1.7	1.9	2.2	2.0	0.5	0.5	0.6	0.4
Agriculture and fishing ²⁾	-1.2	-1.1	-2.8	-2.4	-1.1	-1.2	-1.1	-0.7	0.1	-0.1	-0.4
Industry	-0.6	0.7	0.5	0.6	0.8	0.9	1.0	0.2	0.2	0.3	0.3
Excluding construction ³⁾	-0.3	1.2	0.3	0.3	0.2	0.9	1.0	0.2	0.1	0.4	0.3
Construction	0.0	0.2	0.8	1.2	2.6	1.3	1.3	0.5	0.6	-0.1	0.4
Services ⁴⁾	1.4	2.1	2.5	2.4	2.6	2.9	2.7	0.6	0.6	0.9	0.5
Trade and transport ⁵⁾	0.8	1.6	2.1	2.4	2.6	2.9	2.3	0.6	0.5	0.7	0.4
Finance and business ⁶⁾	4.1	5.0	5.4	5.6	5.8	6.1	5.9	1.5	1.3	1.8	1.3
Public administration ⁷⁾	0.8	1.3	1.6	1.0	1.1	1.5	1.6	0.3	0.4	0.6	0.3

Sources: Eurostat and ECB calculations.

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

2) Also includes hunting and forestry.

3) Includes mining, quarrying, manufacturing, electricity, gas and water supplies.

4) Excludes extra-territorial bodies and organisations.

5) Also includes repairs, communication, hotels and restaurants.

6) Also includes real estate and renting services.

7) Also includes education, health and other services.

the previous quarter. Moreover, year-on-year employment growth in construction remained unchanged at 1.2% in the third quarter. The services sector, which accounts for over 60% of total employment in the euro area, remains the main driving force behind job creation, with an annual rate of growth of 2.7% in the third quarter. However, this was 0.2 percentage point lower than that recorded in the second quarter, in line with the somewhat lower growth in domestic demand.

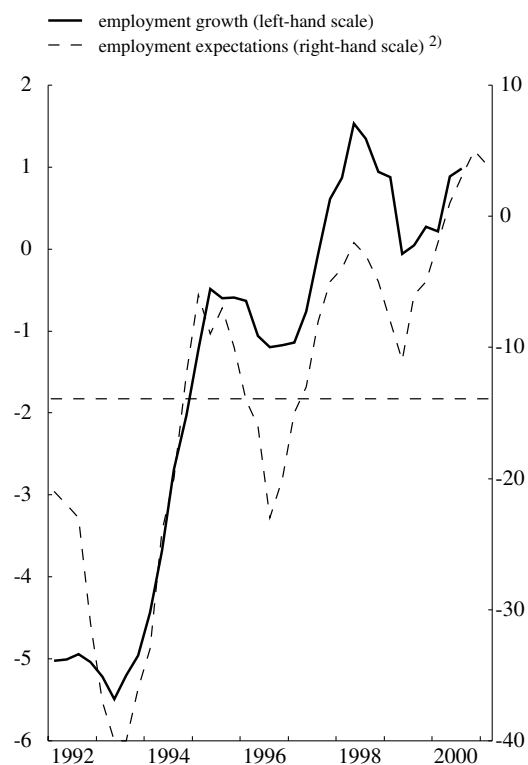
Employment expectations remain positive

Employment expectations for the euro area, which indicated ongoing employment growth at the end of 2000, remained positive at the start of 2001. Employment expectations in the manufacturing sector, which in the past have been a reliable indicator of employment growth in this sector, point to substantial net job creation in late 2000 and early 2001 in industry excluding construction (see Chart 21). Indeed, the European Commission Business Surveys, which showed very positive expectations for the fourth quarter of 2000, continue to point in the first quarter of 2001 to one of the most favourable developments in employment expectations in the manufacturing sector in the past two decades. The results for the construction and retail trade sectors also signal a positive outlook, especially for the construction sector where expectations improved substantially in January 2001 (see Chart 22). These results suggest that employment growth continued to be broadly based across the different sectors in the fourth quarter. Although slightly less positive, the expectations reported in the Purchasing Managers' Survey for employment in the manufacturing and the services sectors also indicate continued employment growth in the fourth quarter of 2000 and in early 2001.

Chart 21

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

(annual percentage changes; percentage balances)



Sources: Eurostat and European Commission Business and Consumer Surveys.

Note: The horizontal line is the average of employment expectations over the period from 1985.

1) Excluding construction.

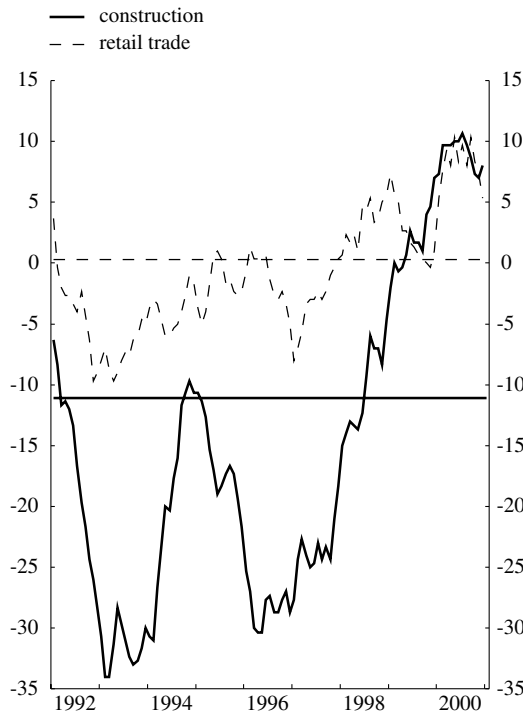
2) Employment expectations refer to manufacturing only.

The unemployment rate remained unchanged in January 2001

In January 2001, the standardised rate of unemployment in the euro area including Greece stood at 8.8% of the labour force, unchanged since October 2000 (see Chart 23). Underlying the unchanged rate of unemployment, the actual number of unemployed fell by 8,000 compared with the previous month, and by almost 1.1 million compared with January 2000. This reflects a further slowdown in the pace of unemployment decline since October 2000. Since January 2001 EU Member States have been gradually implementing a new definition of unemployment, which is designed to improve and harmonise this indicator (see Box 4).

Chart 22
Employment expectations in the euro area

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



Source: European Commission Business and Consumer Surveys.
 Note: The horizontal lines are averages of the employment expectations over the period from January 1985 for construction and over the period from February 1986 for retail trade.

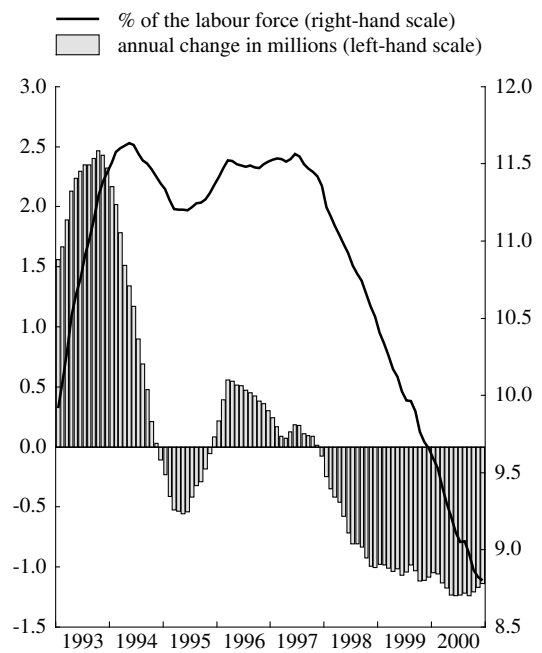
In terms of the breakdown by age, the unemployment rates for those aged under 25 and those over 25 stood at 17.2% and 7.6% respectively in January 2001, both unchanged from December 2000 (see Table 10). However, this concealed a monthly decrease of around 23,000 in the number of

unemployed aged 25 and over, and an increase of 14,000 in January in the number of youth unemployed. The latter was the first increase since August 2000.

The fall in the unemployment rate since September 2000 is broadly based across countries, except for some countries with a very low rate of unemployment. Thus, the dispersion of unemployment rates has continued to decline. In 2000 as a whole, countries with the highest unemployment

Chart 23
Unemployment in the euro area

(monthly data; seasonally adjusted)



Source: Eurostat.

Table 10
Unemployment in the euro area

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

	1998	1999	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2001
				Q1	Q2	Q3	Q4	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Total	10.9	10.0	9.1	9.5	9.2	9.0	8.8	9.0	8.9	8.8	8.8	8.8	8.8
Under 25 years ¹⁾	21.6	19.6	17.8	18.4	17.9	17.6	17.2	17.7	17.5	17.3	17.2	17.2	17.2
25 years and over ²⁾	9.4	8.7	7.9	8.2	8.0	7.8	7.6	7.8	7.8	7.7	7.6	7.6	7.6

Source: Eurostat.

Note: According to ILO recommendations.

1) In 2000 this category represented 23.4% of total unemployment.

2) In 2000 this category represented 76.6% of total unemployment.

Box 4

Changes in the definition of unemployment in EU Member States

Over the past few years Eurostat has made further progress towards harmonising the definition of unemployment used by Member States, on the basis of recommendations issued by the International Labour Organisation. As a result, a European Commission Regulation¹, which was adopted in September 2000, is being implemented at the national level. This box briefly examines the main differences between the old and new definitions and the effects of the latter on the measurement of unemployment.

According to the old definition, the number of unemployed comprised all those persons above a specified age who were without work, i.e. not in paid employment or self-employment, and who were available for work at the time (available to start work within two weeks). Moreover, they had to have been seeking work by taking specific steps to obtain paid employment or self-employment during the four weeks preceding the interview. However, as it was left to the individual Member States to set the upper and lower age limits, to define the time that a person may work and still be considered unemployed, and to determine what would be regarded as active or passive steps to find employment, these concepts often gave rise to differences between Member States.

In order to reduce the existing differences in interpretation, the new definition specifies minimum and maximum ages, which have been set at 15 and 74 years. It also sets a precise upper limit for the length of time that a person may work and yet still be considered as unemployed. Under the new Regulation, this limit is now less than one hour's work per week, i.e. persons at work for an hour or more are considered as being employed. Moreover, the forms which actively seeking work can take have been specified. They include contacting a public or private employment agency, or contacting employers directly. However, in order to be accepted as an active step, such contact with the public employment office must be either to register the respondent's name in the employment office file for the first time, to investigate possible job vacancies or to include a suggestion of a job opportunity at the initiative of the employment office. This means that the renewal of a respondent's registration at a public employment office for administrative reasons alone will not be considered as an active step. Furthermore, clearer rules are defined for dealing with seasonal workers and lay-offs.

Implementation of the new definition will start from January 2001. However, it is likely to take at least two years for its full implementation in each Member State. This is caused by the fact that in some cases Member States will need to change their data collection surveys to include extra questions. For the same reason, it will not be possible to calculate historical data and a statistical break will appear in the series. The new definition of unemployment may reduce estimates of unemployment data in the euro area. However, the precise impact of the new definition on euro area unemployment data is not currently known. This implies that a close monitoring of developments will be required during the implementation period in order to separate actual developments from statistical effects.

¹ Commission Regulation (EC) No. 1897/2000 of 7 September 2000 implementing Council Regulation (EC) No. 577/98 on the organisation of a labour force sample survey in the Community concerning the operational definition of unemployment.

rates registered the strongest declines, which could be attributable in part to labour market reforms, together with wage moderation and robust economic growth.

The labour market situation is expected to improve further

Employment expectations point to a further reduction in the unemployment rate in the short run. This mainly reflects the continued expansion of economic activity in the euro

area, albeit at a somewhat slower pace than in the first half of 2000, and moderate wage developments. It also reflects implementation in the course of the past few years of labour market policies related inter alia to part-time contracts, reductions in social security contributions and incentives for unemployed or inactive people to re-enter the labour market.

Sustained growth in employment is also expected in the medium term, fostering a further decline in unemployment.

4 Fiscal developments

Budgetary developments in 2000 reflect insufficient expenditure restraint

On the basis of current information, the average general government deficit-to-GDP ratio in the euro area (including Greece), net of the proceeds from the sales of UMTS licences, declined by ½ percentage point in 2000 to 0.8% of GDP. The debt-to-GDP ratio declined by 2 percentage points. Most euro area countries seem to have at least achieved the fiscal balance targets set in their previous updated stability programmes (in one case a convergence programme). However, budgetary improvements in 2000 can largely be explained by robust growth, falling interest expenditure and – possibly temporary – revenue increases relating to oil and asset price developments. Favourable revenue developments could have enabled a more rapid improvement of fiscal balances. Instead, they were mainly used to frontload tax cuts and to finance additional expenditure. The resulting slightly expansionary fiscal stance was unwarranted given the prevailing macroeconomic environment and the recommendations of the Broad Economic Policy Guidelines for 2000, requesting countries to maintain tight control over public spending and to speed up fiscal consolidation.

Nevertheless, this will require the maintenance of reform efforts in labour and product markets in order to reduce structural unemployment in the euro area and to foster labour market participation (see Box 4 of the January 2001 issue of the Monthly Bulletin, which describes the employment guidelines for 2001). Moreover, given the favourable outlook for economic activity, such efforts should help to curb the emergence of labour shortages, and thereby reduce the risk of upward pressures on labour costs developing in the years ahead.

Medium-term targets continue to be unambitious

At the end of 2000 and in early 2001 all euro area countries submitted the new updated stability programmes covering the period from 2001 up to 2003-05 to the EU Council and the European Commission (see Table 11). These programmes should incorporate the Member States' commitment to "adhere to the medium-term objective of budgetary positions close to balance or in surplus", as agreed in the Stability and Growth Pact. Furthermore, the Broad Economic Policy Guidelines for 2000 requested that the budgetary positions of the Member States should in principle be close to balance or in surplus by 2001.

In the recent updates of the stability programmes, economic growth assumptions for 2001 and the following years were revised upwards slightly in a majority of euro area countries. The more favourable growth assumptions and the better than expected results in 2000 explain the upward revision of budgetary targets for the current year as compared with previous programmes. The revised targets for 2001 are also a consequence of the lack of ambition of previous programmes. They do not entail more demanding overall and primary balances for the euro area as a whole, which are projected to remain virtually unchanged in

relation to the 2000 outcome. Given expected growth above trend, the fiscal stance will therefore be expansionary in 2001 in a majority of countries and in the euro area as a whole. Nearly half the euro area countries project budget deficits that are still close to or above 1% of GDP in 2001. Although such deficits are relatively small by comparison with the unsustainable deficits of

the past, they in fact signal risks of persistent imbalances, especially if the anticipated favourable macroeconomic and financial environment were to become less favourable. Budgetary positions in a number of countries have not as yet achieved the degree of compliance with the Stability and Growth Pact requested by the 2000 Broad Economic Policy Guidelines.

Table I I
Member States' updated stability programmes

	Real GDP growth rate (%)				Budget balance ratio (% of GDP)				Debt ratio (% of GDP)			
	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004
Belgium												
Updated programme (Feb. 2000)	2.5	2.3	2.3	.	-0.5	0.0	0.2	.	108.8	105.0	101.3	.
Updated programme (Dec. 2000)	2.5	2.5	2.5	2.5	0.2	0.3	0.5	0.6	105.8	101.4	97.2	92.9
Germany												
Updated programme (Jan. 2000, Addendum)	2½			.	-1½	-1	-½	.	60½	59½	58½	.
Updated programme (Oct. 2000)	2¾	2½	2½	2½	-1½	-1	-½	0	58	57½	56½	54½
Greece												
Updated convergence programme (Dec. 1999)	4.1	4.3	.	.	-0.2	0.2	.	.	99.5	98.0	.	.
Stability programme (Dec. 2000)	5.0	5.2	5.5	5.5	0.5	1.5	2.0	2.0	98.9	96.0	90.5	84.0
Spain												
Updated programme (Dec. 1999)	3.3			.	-0.4	0.1	0.2	.	60.6	58.1	55.8	.
Updated programme (Jan. 2001)	3.6	3.2		.	0.0	0.2	0.3	0.3	58.9	56.6	52.8	49.6
France												
Updated programme (Dec. 1999)	3.0			.	-1.2	-0.7	-0.3	.	59.0	58.2	57.2	.
Updated programme (Dec. 2000)	≥3	3.0		.	-1.0	-0.6	-0.4	0.2	57.0	55.9	54.6	52.9
Ireland												
Updated programme (Dec. 1999)	6.5	5.7	.	.	2.5	2.6	.	.	40.0	36.0	.	.
Updated programme (Dec. 2000)	8.8	6.3	5.7	.	4.3	3.8	4.6	.	33.0	28.0	24.0	.
Italy												
Updated programme (Dec. 1999)	2.6	2.8	2.9	.	-1.0	-0.6	-0.1	.	108.5	104.3	100.0	.
Updated programme (Dec. 2000)	2.9	3.1	3.1	3.1	-0.8	-0.5	0.0	0.3	106.6	103.5	99.6	94.9
Luxembourg												
Updated programme (Mar. 2000)	4.4	4.5	4.6	.	2.6	2.9	3.1	.	.	.	.	.
Updated programme (Dec. 2000)	5.2	5.3	5.8	.	2.6	2.5	2.5	.	.	.	.	.
Netherlands												
Updated programme (Nov. 1999)	2.0	2.0	.	.	-1.3	-1.1	.	.	61.8	61.0	.	.
Updated programme (Sep. 2000)	4.0	2.0	2.0	2.0	0.7	¼	¼	¼	52.3	50¼	48¼	46¼
Austria												
Updated programme (Mar. 2000)	2.8	2.5	1.9	.	-1.5	-1.4	-1.3	.	62.7	61.9	61.2	.
Updated programme (Dec. 2000)	2.8	2.7	2.3	2.5	-¾	0.0	0.0	0.0	61.4	59.1	57.2	55.3
Portugal												
Updated programme (Feb. 2000)	3.6	3.6	3.5	3.5	-1.1	-0.7	-0.3	0.0	55.2	53.3	51.0	48.4
Updated programme (Jan. 2001)	3.3	3.2	3.2	3.2	-1.1	-0.7	-0.3	0.0	53.4	51.5	49.8	48.1
Finland												
Updated programme (Sep. 1999)	3.0	2.6	2.6	.	4.2	4.6	4.7	.	40.7	38.0	35.2	.
Updated programme (Sep. 2000)	4.2	3.2	2.7	2.7	4.7	4.4	4.5	4.9	39.2	37.1	34.9	32.2

Note: Whenever alternative scenarios were presented, either the less favourable or the one retained by the government as the more relevant is shown. The budget balance ratio excludes proceeds from the sale of UMTS licences.

Under current tax plans and expectations of revenue growth, the main reason behind the relaxation of the fiscal policy stance in the euro area in 2001 is insufficient expenditure restraint. This follows some disquieting expenditure trends, including spending overruns in 2000. The revenue loss from welcome and urgent tax reforms in 2001, amounting to some ¾% of GDP, are not planned to be fully compensated for by primary expenditure cuts. In many updated programmes, expenditure ratios for 2001 are higher than in previous programmes. In the medium term, expenditure is expected to decline slightly as a share of GDP, but restraint is expected to be barely enough to compensate for further planned tax cuts.

Beyond 2001, budgetary positions are projected to improve, however, with a balanced budget for the euro area as a whole predicted only for 2003. Improvements continue to come from strong growth and declining interest expenditure rather than from a resolute policy of reforming public spending. The fiscal stance is envisaged to be broadly neutral in most countries and for the euro area as a whole. Some countries will not achieve a balanced budget position until 2003 or even 2004, and three countries will still have a debt-to-GDP ratio far above 60%.

Short-term risks

The unambitious fiscal strategy adopted in some countries' updated stability programmes implies not only a delay in the achievement of medium-term safe budgetary positions, but also some risks in the short term. Against the background of favourable growth assumptions underlying some programmes, expansionary budget plans could contribute to inflationary pressures, especially in countries with strong demand pressures. Taking advantage of the favourable growth environment, countries should eliminate remaining budgetary imbalances as soon as possible. In countries with safe budgetary positions, a neutral fiscal policy stance, with tax cuts fully offset by sustainable reductions

in expenditure, would allow automatic stabilisers to operate freely.

Significant risks to budgetary plans also arise from potential revenue shortfalls and expenditure overruns. On the revenue side, the actual cost of tax cuts could turn out to be higher than envisaged by governments. Many stability programmes and budget plans also expect revenue to grow further from the very high base of 2000. If some of the recent revenue buoyancy were to dissipate, targets would become harder to achieve. On outlays, expenditure overruns unrelated to the economic cycle, as experienced by many countries in 1999-2000, could reoccur. In countries with remaining fiscal imbalances, additional expenditure restraint should secure the achievement of budgetary targets even if growth turns out to be somewhat lower than planned.

Structural reforms of public spending are needed

The stability programmes reveal sluggish progress in addressing long-term fiscal challenges. In their medium-term budget plans, many countries are not yet taking into account the necessary adjustments to be made in order to cope with population ageing. Countries with a very high level of public debt are only slowly moving towards the sizeable surplus positions required for rapid debt reduction. A front-loading of additional efforts in fiscal retrenchment is desirable in order to reduce public debt and to cushion the impact of the future growth in ageing-related pension and health expenditure.

Determined and comprehensive tax and expenditure reforms would facilitate the achievement of these objectives. The timing of such reforms is critical. In this respect, tax reform, together with front-loaded or simultaneous expenditure adjustment, would speed up fiscal consolidation and help lower public debt, while at the same time creating an environment conducive to growth and employment. Medium-term programmes put

too little emphasis on the timing and comprehensiveness of reforms and seem to rely on optimistic assumptions about the self-financing effects of tax reforms.

A number of countries have implemented or are planning pension reforms. In most cases, reforms have been piecemeal modifications of existing public pay-as-you-go pension schemes. In some cases, governments are introducing special reserve funds endowed

with social security surplus, the proceeds from UMTS licence sales or other revenues. Although they are moving in the right direction, the proposed measures are still too modest to have a significant impact on fiscal sustainability. Adjusting benefits and early retirement incentives, as well as enhancing the role of funded schemes with private sector involvement, should be considered as elements of pension reform strategies.

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

Since the last quarterly issue of the ECB Monthly Bulletin was published in December, uncertainty surrounding the prospects for the world economy has increased significantly, stemming mainly from the economic problems currently afflicting the United States and Japan and fears about the extent to which these developments will impact on other regions of the world. As far as emerging market economies are concerned, the unfolding developments in Turkey have reignited the fears of contagion which were present in the financial markets in the fourth quarter of 2000 with regard to both Turkey and Argentina. Despite some signs of increased nervousness in the international markets, the Turkish crisis appears to be contained within its own borders. At a global level recessionary risks appear to remain limited. Furthermore, the overall slowdown in economic activity is contributing to lowering inflationary risks somewhat, although the outlook for oil prices has recently become more uncertain owing to the latest developments in the Middle East and to the possibility of further cuts in production.

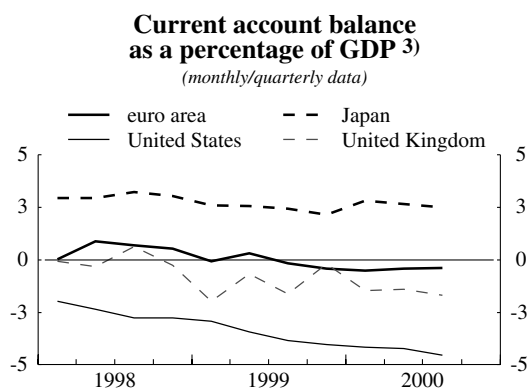
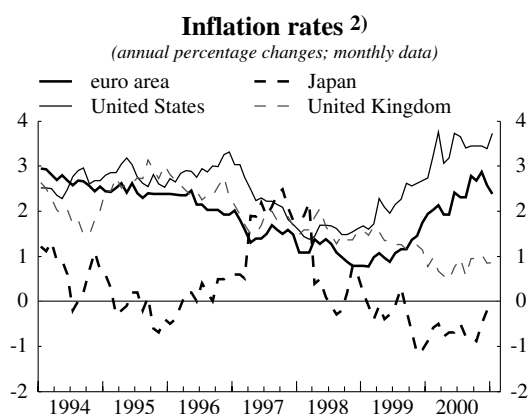
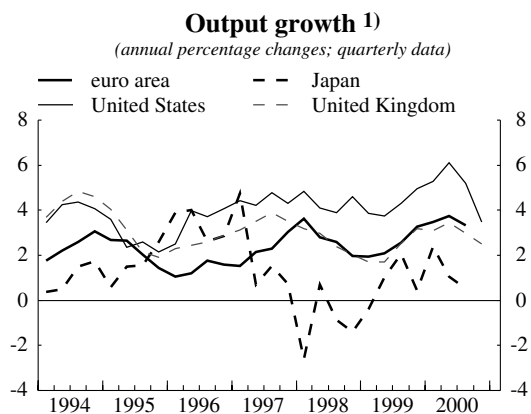
In the United States the deceleration in the pace of economic growth became more pronounced in the last quarter of 2000 (see Chart 24). Indeed, while real GDP expanded by 5% in 2000 as a whole, it rose by only 1.1% on an annualised basis in the fourth quarter, down from 2.4% in the previous

quarter. A significant contributing factor to this slowdown was the cut in private business investment, which contracted by an annualised 0.6% after having grown at double-digit rates (in annualised terms) during the first half of 2000.

Towards the end of 2000, the expectation of a more marked decline in real GDP growth pushed stock prices downwards, while corporate bond spreads widened, especially in the "high yield" segment of the market. As indications of a stronger slowdown in economic activity and of a sharp decline in consumer and producer confidence became evident, and as conditions tightened in the financial markets, the Federal Open Market Committee cut interest rates in January in two steps by a total of 100 basis points. As from 31 January 2001 the target for the federal funds rate stood at 5.5%, after having remained at 6.5% from 16 May 2000 to 3 January 2001.

In the light of these developments, the uncertainty surrounding the short-term outlook of the US economy has increased substantially. In this context, consumer confidence dipped in the first two months of the year, prolonging a downward trend started in October 2000. However, this drop in confidence has not significantly affected consumers' expenditure decisions so far. Indeed, preliminary indications arising from the release of January retail sales data in

Chart 24
Main developments in major industrialised economies



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

- 1) Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used.
- 2) Data for the euro area up to 1995 are estimates for the HICP based on national CPI data; after 1995 HICP data are used.
- 3) ECB and Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used. For the United States, United Kingdom and Japan figures refer to seasonally adjusted data for both GDP and the current account, for the euro area GDP data are seasonally adjusted, while the current account balance data are not seasonally adjusted.

combination with the January employment report showing robust job creation suggest that private consumption may remain firm in the short term. This notwithstanding, negative wealth effects resulting from falling stock prices and the currently negative savings rate might lead to a further decline in consumer confidence, which could translate into lower future household expenditure. An additional downside risk lies with the timing of the recovery of private business investment against the background of depressed profit growth expectations.

The slowdown of the US economy has been accompanied by a decline in productivity growth – down to an annualised rate of 2.4% in the last quarter of 2000, from over 6% earlier in 2000 – and by a noticeable increase in unit labour costs, which had been subdued since the last quarter of 1999. In addition, inflation edged up in January. Reflecting an increase across the majority of its component items, the consumer price index grew in January 2001 by 4.1% (year-on-year) from 3.7% in December 2000 and 2.7% in December 1999. The producer price index also grew in January 2001, by 4.9% (year-on-year), compared with 3.8% in December 2000 and 2.9% in December 1999.

In Japan there are increasing fears that the economy might be stalling again. Real GDP growth for the third quarter of 2000 has been revised substantially downwards to an annualised rate of -2.4%, from +1.0% in the first estimate. This revision highlights the uncertainty in assessing the current situation, as it resulted mainly from a downward correction in business fixed investment – up to now the main support for economic activity. Looking ahead, the weakening in external demand may – at least temporarily – exert a dampening effect on output growth, which could also have a negative effect on investment spending. On the consumption side, while uncertainties caused by the relatively high unemployment rate and a high number of corporate bankruptcies are currently preventing a more marked rebound in household expenditure, there are some

positive developments in real household income, consumer confidence and employment opportunities that could lay the foundations for an eventual recovery of consumption. With regard to prices, deflationary tendencies continue to persist. Against this background the Bank of Japan decided in its monetary policy meeting on 9 February 2001 to improve its liquidity provision through increased outright operations of short-term government securities and the introduction of a standby lending facility. At the same time it lowered the discount rate by 15 basis points to 0.35%. These decisions were followed on 28 February 2001 by a further reduction of the discount rate to 0.25% and a lowering of the target for the uncollateralised overnight call rate to 0.15%.

In the United Kingdom, output growth in the fourth quarter of 2000 decelerated to 0.3% quarter-on-quarter from 0.7% in the previous quarter. Household consumption remained the main contributor to growth, while gross fixed capital formation remained weak throughout 2000. In part, this latter development reflected a weaker performance in business investment in the service sector, following the investment increase in the run-up to the millennium. Growth in both export and import volumes remained robust throughout 2000. Net exports contributed negatively to output growth by 0.9 percentage point, against a negative contribution of 1.5 percentage points in 1999.

Unemployment fell to 5.3% in the fourth quarter of 2000, down 0.1 percentage point from July to September and down 0.6 percentage point from a year earlier. In a context of tight labour markets, pay increases accelerated. Annual earnings growth reached 4.4% in the fourth quarter, up from 4.1% in the previous quarter. Consumer price inflation, as measured by the Retail Price Index excluding mortgage interest payments (RPIX), remained below the official target of 2½% throughout 2000. The appreciation of the pound sterling and the concomitant fall in consumer prices for industrial goods was an

important factor in keeping HICP inflation low. In January 2001 RPIX inflation stood at 1.8%, down from 2.0% in December 2000. In view of the lower risks for inflation and amid concerns that a slowdown in the US economy may affect both trade and consumer confidence in the United Kingdom, the Bank of England's Monetary Policy Committee decided on 8 February to cut its key policy rate by 25 basis points to 5.75%.

Following a very strong performance by the Asian emerging economies in 2000 with GDP growth in the region averaging around 7%, the slowdown in external demand resulting from the downturn in the US economy coupled with particularly weak conditions in the electronics markets has led to a worsening of the economic outlook for 2001. This notwithstanding, economic prospects for the region are still positive. On the one hand, monetary and fiscal policies generally appear to be tuned to limit the extent of the slowdown and to sustain domestic demand, thereby acting as a buffer against the downturn in external demand. On the other hand, China and India – being large and relatively closed economies – are expected to deliver robust growth performances. Overall, the balance of risks to inflation appears to be on the downside.

The largest accession countries appear to be relatively unaffected by the ongoing US slowdown, as their economic prospects are more closely linked to the prospects of the euro area. In addition, the direct impact on the current account and inflation of the higher oil prices of the past few months is beginning to wane. In Poland, inflation rates have begun to decelerate rapidly against the background of high real interest rates, the strengthening of the currency and signs of weakening demand. In Hungary the economy is expected to grow at a buoyant pace, although inflationary pressures are expected to increase slightly. Recent figures confirm that the economy of the Czech Republic is growing gradually, driven by private consumption and investment demand. The relatively benign outlook for inflation may

worsen should fiscal imbalances deteriorate further.

In Russia the economy rebounded strongly in 2000, with output accelerating further in the third quarter of 2000, although the latest industrial production figures and recent oil trends suggest that 2001 might be somewhat less favourable. Inflationary pressures have increased slightly recently, with monthly inflation growing by an average of 2% between October 2000 and January 2001 against the background of a steady increase in monetary aggregates.

In Latin America economic activity remains relatively strong, with real GDP growth projected to stay close to 4%, as registered last year. However, the balance of risks to growth has deteriorated as a result of increasing uncertainties related to the unfolding developments in the United States. Most directly affected is Mexico, with its economy expected to slow down considerably from the output growth rate of about 7% in 2000 and its trade deficit to widen further. By contrast, real activity in Brazil continues to expand fast, buoyed by a rising purchasing power, the increase in credit availability and a slight recovery in soft commodity exports, while inflationary pressures remain muted. In Argentina, the international financial package co-ordinated by the IMF has led to a decline in sovereign spreads and the broad stabilisation of financial markets. This improvement in financial conditions, coupled with rapid growth in neighbouring Brazil, is supporting a nascent recovery following two years of low growth.

Euro broadly unchanged in February

In February 2001, developments in the foreign exchange markets were characterised by relatively high volatility mainly connected with the uncertainty surrounding the global outlook, particularly the economic prospects in the United States and Japan and their repercussions for the world economy, as well as some temporary concerns over the

financial crisis in Turkey. Against this background, the euro initially lost part of the gains which had gradually accumulated in nominal effective terms since October 2000. However, towards the end of the month, it recovered to the level prevailing at end-January 2001.

As reported above, rather conflicting economic news from the United States in the course of February significantly hindered any assessment in respect of the duration of the US economic slowdown. Expectations that the US economy might experience a recovery later in 2001 seemed to prevail in the markets, thus providing some support to the dollar against the euro. Towards the end of the month, however, the euro rebounded, returning to end-January 2001 levels (see Chart 25). On 28 February the euro was quoted at USD 0.92, that is at about its average level in 2000.

As mentioned above, significant uncertainty also surrounded the outlook for growth in the Japanese economy as a result of subdued internal and external demand conditions. Despite this uncertainty the euro depreciated against the Japanese yen for most of February, probably in connection with a repatriation of funds in view of the close of the Japanese fiscal year in March 2001. At the end of the month, however, the euro rebounded sharply to trade on 28 February at JPY 108.45, around 9% stronger than its average level in 2000.

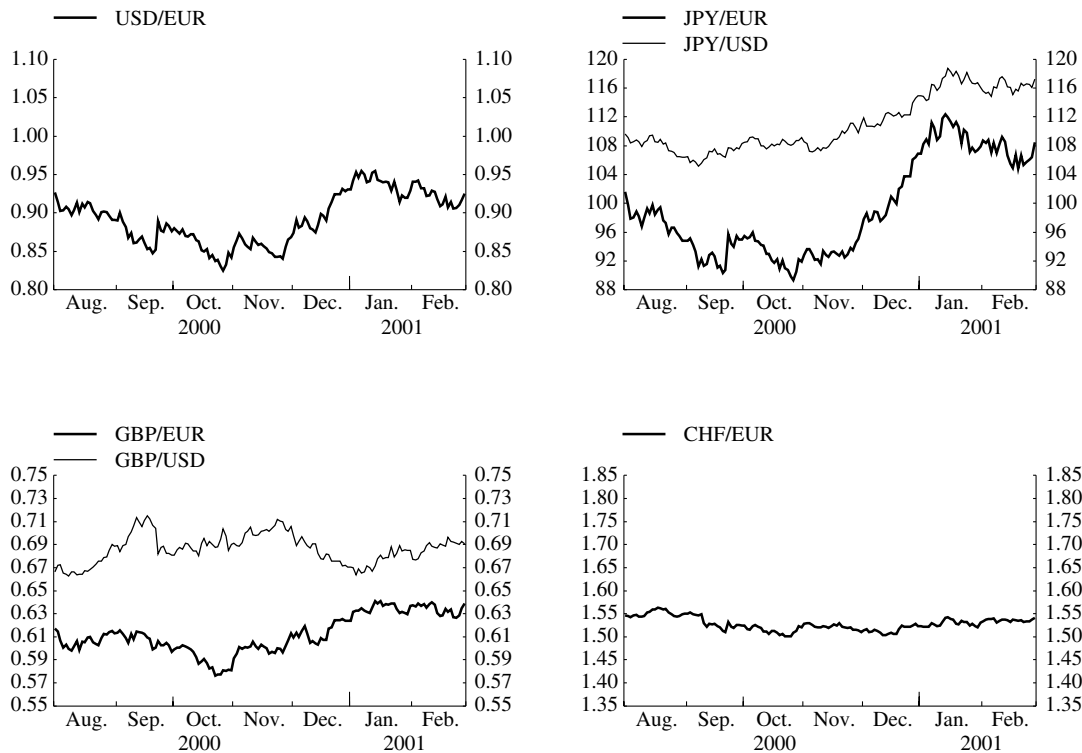
In February the euro remained broadly stable vis-à-vis the pound sterling, fluctuating within a narrow range of GBP 0.63 and 0.64. The pound sterling, however, declined somewhat in the course of the month against the US dollar, as positive expectations of a faster than previously anticipated recovery in the United States became firmer. On 28 February 2001 the euro traded at GBP 0.64, almost 5% higher than the average level in 2000.

Within ERM II, the Danish krone remained stable against the euro in February 2001 (see Chart 26). With regard to other currencies, the euro appreciated vis-à-vis the Swedish

Chart 25

Patterns in exchange rates

(daily data)



Source: ECB.

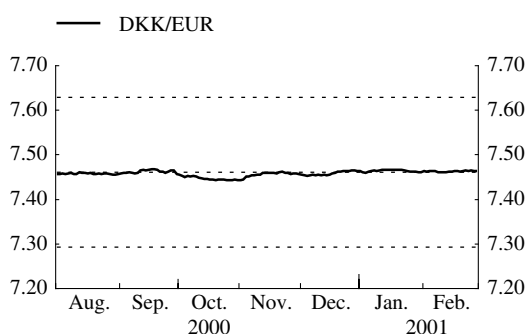
krona in February, recording a level more than 7% above the average in 2000. This development seems to have been primarily associated with a significant stock market

correction initiated in autumn 2000 in Sweden which mainly affected equity valuations in the technology and telecommunications sector. The Swiss franc remained broadly unchanged against the euro in the period under consideration.

Chart 26

Patterns of exchange rates within ERM II

(daily data)



Source: ECB.

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

In the light of developments in February, the nominal effective exchange rate of the euro, as measured against the currencies of the euro area's major trading partners, remained unchanged compared with the end of January. However, on 28 February 2001, in nominal effective terms the euro was 3.7% higher than its average level in 2000 (see Chart 27). Box 5 provides an overview of the methodological changes implemented in respect of the computation of the euro effective exchange rate indices following the enlargement of the euro area through the adoption of the euro by Greece on 1 January 2001. Box 6 (at the end of this section) introduces a regional

Box 5**Adjustments in the computation of the euro effective exchange rate indices following the adoption of the euro by Greece**

Up until 31 December 2000 the effective exchange rate (EER) indices of the euro were calculated against both a narrow and a broad group of countries, comprising 13 and 39 trading partners of the euro area respectively, including Greece. As from 1 January 2001, following the adoption of the euro by Greece, the euro EER series have been modified to reflect the enlargement of the euro area.

Greece in particular has been excluded from both the narrow and the broad group of the euro area's trading partners. Consequently, starting on 1 January 2001, these groups are composed of 12 and 38 countries

Weights in the ECB's narrow and broad effective exchange rate indices

(as percentages)

Partner countries	Overall weights in the narrow EER index		Overall weights in the broad EER index	
	as from 2001	up to 2000	as from 2001	up to 2000
Broad group			100.00	100.00
Narrow group	100.00	100.00	69.31	69.69
<i>Australia</i>	1.13	1.12	0.80	0.79
<i>Canada</i>	1.96	1.93	1.46	1.45
<i>Denmark</i>	3.50	3.45	2.58	2.55
<i>Greece</i>	-	1.47	-	1.10
<i>Hong Kong SAR</i>	3.90	3.83	2.06	2.03
<i>Japan</i>	15.01	14.78	10.10	9.98
<i>Norway</i>	1.70	1.68	1.33	1.32
<i>Singapore</i>	3.50	3.44	2.06	2.04
<i>South Korea</i>	4.91	4.80	2.82	2.76
<i>Sweden</i>	6.23	6.14	4.35	4.31
<i>Switzerland</i>	8.84	8.71	6.51	6.44
<i>United Kingdom</i>	24.26	23.92	18.03	17.85
<i>United States</i>	25.05	24.72	17.21	17.07
Additional countries in the broad group			30.69	30.31
<i>Algeria</i>			0.32	0.32
<i>Argentina</i>			0.53	0.53
<i>Brazil</i>			1.44	1.43
<i>China</i>			4.05	3.99
<i>Croatia</i>			0.50	0.49
<i>Cyprus</i>			0.12	0.10
<i>Czech Republic</i>			1.85	1.83
<i>Estonia</i>			0.16	0.15
<i>Hungary</i>			1.54	1.52
<i>India</i>			1.47	1.46
<i>Indonesia</i>			0.92	0.91
<i>Israel</i>			1.10	1.08
<i>Malaysia</i>			1.31	1.30
<i>Mexico</i>			0.83	0.82
<i>Morocco</i>			0.63	0.63
<i>New Zealand</i>			0.20	0.20
<i>Philippines</i>			0.42	0.42
<i>Poland</i>			2.31	2.29
<i>Romania</i>			0.69	0.68
<i>Russia</i>			2.38	2.33
<i>Slovakia</i>			0.76	0.76
<i>Slovenia</i>			0.82	0.81
<i>South Africa</i>			0.90	0.89
<i>Taiwan</i>			2.15	2.13
<i>Thailand</i>			1.22	1.20
<i>Turkey</i>			2.07	2.04

Sources: Eurostat (Comext) and ECB calculations.

respectively, while the associated overall trade weights (which are still based on 1995-97 manufacturing trade) have been adjusted accordingly. The changes made to the overall trade weights underpinning the computation of the EER indices as a result of the inclusion of Greece in the euro area are very small, as shown in the table below. The resulting new nominal and real EER indicators, which reflect the enlarged composition of the euro area, have been chain-linked to the old EER series (see Chart 27 in the main text).

For analytical purposes, “historical” nominal and real EER series – treating Greece as a euro area country prior to January 2001 – have also been constructed. In this case, the new weights are applied for the whole of the period over which the euro EER indices are calculated. In this context, a “theoretical” euro exchange rate has been computed in which the Greek drachma is treated as an EMU legacy currency, while accounting for its actual evolution against the euro within ERM II in the two-year period preceding Greece’s entry into the euro area. Euro area-wide deflators used for this purpose include Greek cost or price developments, again prior to Greece’s adoption of the single currency.

The new chain-linked EER series are shown in Table 10 in the “Euro area statistics” section of the Monthly Bulletin. Data for January 2001 were first published in the February 2001 issue of the Monthly Bulletin. The associated “historical” EER indices including Greece appear in Table C of the special section of the Monthly Bulletin entitled “Past data for selected economic indicators for the euro area plus Greece”.

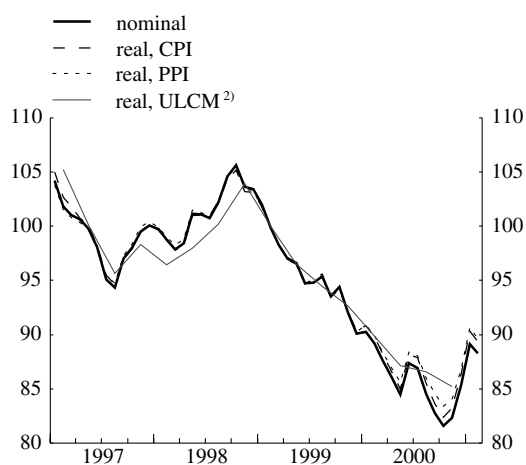
breakdown of the broad effective exchange rate of the euro and, subsequently, discusses developments between 1994 and 2000 against both the broad group of partner countries as well as against the regional sub-groups.

Current account deficit increased in 2000

In December 2000 the current account deficit increased by €0.9 billion, compared with the same month in 1999, to €4.8 billion (see Table 12). This was primarily due to an increase in the deficit for services (by €1.4 billion), a small decline in the goods surplus (from €5.5 billion in December 1999 to €5.2 billion in December 2000), and a small increase in the current transfers deficit (by €0.2 billion), which more than offset the decrease in the income deficit (by €1.0 billion).

Chart 27
Nominal and real effective exchange rates¹⁾

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



Source: ECB.

1) Data are ECB calculations (see the article in the April 2000 issue of the ECB Monthly Bulletin). An upward movement of the index represents an appreciation of the euro. The latest observations are for February 2001 and for the ULCM-based REER for Q4 2000.

2) Unit Labour Costs in Manufacturing.

For 2000 as a whole, the current account deficit grew to €28.3 billion, as compared with a deficit of €5.8 billion in 1999. The main factor behind the increase in the current account deficit in 2000 was a marked decrease in the goods surplus – from €83.4 billion in 1999 to €59.8 billion in 2000 – and, to a lesser extent, small increases in the deficit for services and current transfers (by €1.7 billion and €4.9 billion, respectively), while the income deficit decreased by €7.7 billion. The strong decrease in the goods surplus resulted from the value of imports growing faster than the value of exports (by 25.1% compared with 19.6%).

Table 12
Balance of payments of the euro area

(EUR billions; not seasonally adjusted)

	1999 Jan. - Dec.	1999 Dec.	2000 Jan. - Dec.	2000 Oct.	2000 Nov.	2000 Dec.
Current account balance	-5.8	-3.9	-28.3	-0.1	-2.9	-4.8
Credits	1335.6	123.2	1556.8	140.7	138.5	138.8
Debits	1341.4	127.0	1585.2	140.9	141.4	143.6
Goods balance	83.4	5.5	59.8	8.2	4.6	5.2
Exports	814.5	75.7	974.4	92.9	91.2	85.6
Imports	731.1	70.2	914.7	84.7	86.6	80.4
Services balance	-11.8	-1.5	-13.5	-1.2	-0.2	-2.9
Exports	241.5	22.1	265.4	23.0	22.5	23.8
Imports	253.3	23.6	278.9	24.2	22.8	26.7
Income balance	-32.4	-2.7	-24.7	-1.2	-2.2	-1.7
Current transfers balance	-45.0	-5.2	-49.9	-6.0	-5.0	-5.4
Capital account balance	13.5	3.0	8.7	0.1	0.9	0.9
Financial account balance	19.1	-7.3	2.6	-6.8	-9.0	-12.5
Direct investment	-120.6	-20.3	-23.0	-15.7	-9.5	-33.4
Abroad	-286.8	-96.6	-326.1	-24.8	-25.9	-22.3
Equity capital and reinvested earnings	-212.2	-94.0	-258.9	-27.9	-23.3	-18.0
Other capital, mostly intercompany loans	-74.6	-2.6	-67.2	3.1	-2.6	-4.3
In the euro area	166.2	76.3	303.1	9.2	16.3	-11.1
Equity capital and reinvested earnings	126.8	80.5	187.7	6.5	6.5	-51.2
Other capital, mostly intercompany loans	39.5	-4.2	115.4	2.6	9.9	40.2
Portfolio investment	-41.7	0.7	-120.4	-1.7	-3.9	22.4
Equity	-49.4	-4.8	-266.0	-6.7	-13.4	4.9
Assets	-155.4	-23.5	-287.9	-15.6	-19.8	-25.3
Liabilities	106.0	18.7	21.9	8.9	6.4	30.2
Debt instruments	7.7	5.5	145.6	5.0	9.5	17.5
Assets	-154.1	-10.2	-125.1	-10.9	-11.9	1.3
Liabilities	161.8	15.7	270.7	15.9	21.4	16.2
Memo item:						
Combined net direct and portfolio investment	-162.3	-19.5	-143.4	-17.3	-13.5	-10.9
Financial derivatives	8.1	-0.2	-3.6	-2.2	-4.2	-4.9
Other investment	163.1	13.3	131.6	11.8	0.9	1.0
Reserve assets	10.2	-0.8	18.1	1.0	7.8	2.4
Errors and omissions	-26.8	8.2	17.1	6.8	11.0	16.3

Source: ECB.

Note: 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 more detailed set of tables can be found in Section 8 of the "Euro area statistics" section of this issue of the ECB Monthly Bulletin.

The increase in export values was driven by rising export volumes owing to robust foreign demand, whereas the increase in import values was mainly driven by a strong increase in import prices resulting from the rise in oil prices and the depreciation of the euro. Chart 28 shows, however, that the gap between the growth rates of imports and exports has

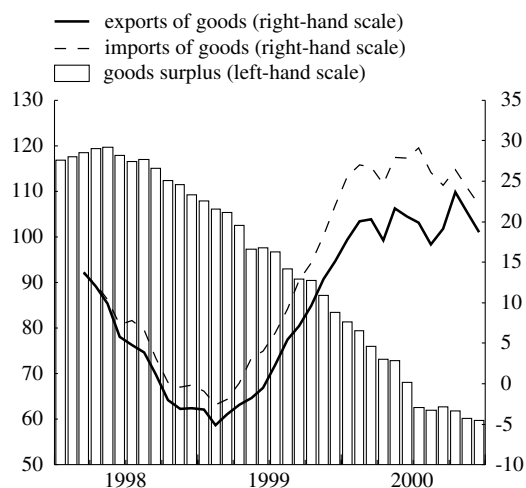
been narrowing lately and that the 12-month cumulated goods surplus has been almost constant since July 2000. This can be mainly attributed to a decline in the year-on-year growth rate of oil import prices.

On a sectoral basis (see Table 9 in the "Euro area statistics" section), data available up to

Chart 28

Euro area goods surplus and growth rates of exports and imports of goods

(percentage year-on-year change in the 3-month moving average of exports and imports of goods and the 12-month cumulated goods surplus in EUR billions)



Source: ECB.

November 2000 shows that the decline in the goods surplus is primarily due to a significant increase in the energy deficit for the period from January to November 2000 as compared with the same period in 1999. This increase in the energy deficit is primarily the result of an almost 90% increase in the value of energy imports over the same period, which reflects the higher oil prices. Moreover, there has been a small increase in the deficit for raw materials, whereas the balances for food, drink and tobacco, chemicals, machinery and transport equipment improved during the same period.

Net capital outflows declined in 2000 as compared with 1999

In December 2000 the main development in the financial account was a significant net outflow in direct investment, while portfolio investment reported its second highest net inflow in 2000.

Net outflows of €33.4 billion in direct investment in December 2000 reflected net direct investment abroad of €22.3 billion,

close to the levels in the other months of the fourth quarter of 2000, and net disinvestment of €11.1 billion by foreign investors. Flows within this account were significantly influenced by the legal restructuring of one multinational firm.

The high level of portfolio investment net inflows in December 2000 (€22.4 billion) was mainly related to the combination of net inflows in debt instruments (€17.5 billion) and in equities (€4.9 billion). In particular, in December 2000 euro area residents actually repatriated investment in foreign bonds and notes (€3.2 billion), in contrast with net investment abroad in all the other months of 2000, a development which possibly reflects a further narrowing in interest rate differentials. Net inflows in portfolio equity were related to an exceptionally high level of investment by non-residents in euro area stocks (€30.2 billion); the settlement of direct investment transactions in shares also played a role.

Looking at 2000 as a whole, combined net direct and portfolio investment outflows were somewhat lower than in 1999 (€143.4 billion against €162.3 billion in 1999). Net direct investment outflows declined substantially to €23.0 billion in 2000, from €120.6 billion in 1999. This more than offset the increase in net portfolio investment outflows (to €120.4 billion in 2000 from €41.7 billion in 1999).

Taking a more detailed view of individual accounts, the decline in net direct investment outflows in 2000 was mainly related to the strong growth in direct investment by non-residents in the euro area that more than offset higher direct investment abroad by euro area residents. Direct investment in the euro area increased to €303.1 billion from €166.2 billion in 1999. This increase was due to both higher inflows in equity capital (including reinvested earnings), related mainly to a large merger in early 2000, and particularly strong growth in inflows in the item "other capital", which comprises mainly intercompany loans.

Regarding portfolio investment, the increase in net outflows in 2000 reflects the substantial rise in net outflows for portfolio equity transactions (from €49.4 billion in 1999 to €266.0 billion in 2000), which is partly the consequence of the settlement of direct

investment transactions in shares, and a decline of €30.3 billion in net inflows in money market instruments. By contrast, the balance for bonds and notes turned to net inflows (€123.6 billion), as compared with net outflows of €44.6 billion in 1999.

Box 6

The decomposition of the effective exchange rate of the euro into regional sub-indices

The ECB computes and publishes both the nominal and the real effective exchange rate (EER) of the euro against a broad group of 38 currencies of major trading partners in the “Euro area statistics” section of its Monthly Bulletin. The two series are available on a monthly basis starting from January 1993, with a “theoretical” euro used for the period prior to 1999, which is based on the 11 currencies of the countries which adopted the euro in 1999. The broad EER index in real terms uses consumer prices as a deflator. The methodology for the calculation of the euro EER indices was described in detail in the article entitled “The nominal and real effective exchange rates of the euro”, as published in the April 2000 issue of the Monthly Bulletin. As explained in Box 5 of this issue, overall trade weights have been revised to reflect Greece’s entry into the euro area. Consistent with these adjustments, Greece is considered as a trading partner of the euro area for the period up to December 2000 and as a member of the euro area thereafter.

To analyse further exchange rate movements and euro area competitiveness against groups of trading partners, this broad EER index has been decomposed into sub-indices relating to industrialised countries, Asia excluding

Geographical decomposition of the broad effective exchange rate of the euro

(as percentages)

	Share in the broad index	Share in the sub-group		Share in the broad index	Share in the sub-group
Industrialised countries	62.57		Latin American countries	2.81	
<i>Australia</i>	0.80	1.28	<i>Argentina</i>	0.53	18.90
<i>Canada</i>	1.46	2.33	<i>Brazil</i>	1.44	51.45
<i>Denmark</i>	2.58	4.12	<i>Mexico</i>	0.83	29.65
<i>Japan</i>	10.10	16.14			
<i>New Zealand</i>	0.20	0.32			
<i>Norway</i>	1.33	2.13	Central and eastern Europe	11.00	
<i>Sweden</i>	4.35	6.95	<i>Croatia</i>	0.50	4.50
<i>Switzerland</i>	6.51	10.40	<i>Czech Republic</i>	1.85	16.81
<i>United Kingdom</i>	18.03	28.82	<i>Estonia</i>	0.16	1.41
<i>United States</i>	17.21	27.51	<i>Hungary</i>	1.54	13.98
			<i>Poland</i>	2.31	20.99
			<i>Romania</i>	0.69	6.29
			<i>Russia</i>	2.38	21.66
Asia excluding Japan	18.48		<i>Slovakia</i>	0.76	6.91
<i>China</i>	4.05	21.91	<i>Slovenia</i>	0.82	7.44
<i>Hong Kong SAR</i>	2.06	11.13			
<i>India</i>	1.47	7.96			
<i>Indonesia</i>	0.92	5.00	Other trading partners	5.14	
<i>Malaysia</i>	1.31	7.11	<i>Algeria</i>	0.32	6.21
<i>Philippines</i>	0.42	2.27	<i>Cyprus</i>	0.12	2.32
<i>Singapore</i>	2.06	11.15	<i>Israel</i>	1.10	21.40
<i>South Korea</i>	2.82	15.25	<i>Morocco</i>	0.63	12.35
<i>Taiwan</i>	2.15	11.63	<i>South Africa</i>	0.90	17.44
<i>Thailand</i>	1.22	6.59	<i>Turkey</i>	2.07	40.29

Sources: Eurostat (Comext) and ECB calculations.

Japan, Latin American countries, central and eastern Europe and a residual group of other trading partners. The index was decomposed by adjusting the weights of currencies of the partner countries (see the table below), so that the broad EER index is derived as a (geometrically weighted) average of the sub-indices – where the weights reflect the share of the sub-indices in the overall index.

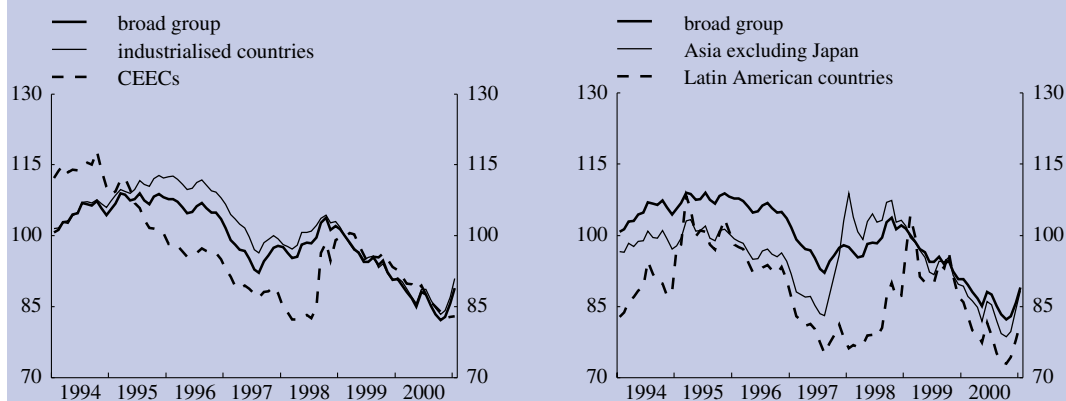
Turning to the evolution of these indicators since the mid-1990s, the broad real EER index of the (“theoretical”) euro declined by 17½ % between 1994 and 2000 (see the charts below). The effect was marked between the third quarter of 1996 and the third quarter of 1997, and mainly related to the strengthening of both the currencies of major industrialised countries (in particular the US dollar, the Japanese yen and the pound sterling) and the currencies of some emerging market and transition economies against the “theoretical” euro. This downward movement was subsequently temporarily reversed in the aftermath of the Asian crisis, only to re-establish itself in 1999 and most of 2000, mainly as a result of the protracted depreciation of the euro. This movement was reversed again with the recovery of the euro in late 2000.

The industrialised country group, which comprises G7 countries outside the euro area (the United States, the United Kingdom, Japan and Canada), other western European countries and Australia and New Zealand, is the most important as it accounts for 62.6% of the broad EER index. Owing to its weight in the broad real EER, over time the evolution of the real EER index of the (“theoretical”) euro against the currencies of the industrialised country group broadly parallels that of the overall index. As CPI inflation differentials between the euro area and its trading partners in this group are rather narrow, real EER developments are in fact driven by movements in nominal exchange rates. Overall, between 1994 and 2000, the real EER index of the (“theoretical”) euro against the currencies of the industrialised country group has declined by more than 10%, which is less than the corresponding decrease in the broad index over the same period, implying a greater drop in the real EER indices against the four smaller regional sub-groups taken together.

This can largely be attributed to developments relating to the sub-group of Central and Eastern European countries (CEECs) – which has a weight of 11% in the broad index (see the chart below). Since the mid-1990s the real EER of the euro against the sub-group of CEECs has been declining gradually with a temporary interruption following the currency crisis in Russia in the second half of 1998. Much of the movement observed against the sub-group of CEECs reflects price adjustments caused by the transition process in those countries and the movement of the Russian rouble. In Russia, in particular, inflation was only partially offset by the currency’s nominal depreciation, thereby causing a strong real appreciation of the Russian currency.

Real effective exchange rates of the euro

(monthly averages; index: 1999 Q1 = 100)



Source: ECB.

Notes: An upward movement of the series represents a real appreciation of the euro, which corresponds by definition to a deterioration in the international price competitiveness of the euro area. The indicators are adjusted for developments in consumer prices. The latest observations are for January 2001. CEECs stands for Central and Eastern European Countries.

By comparison, the movement of the real EER of the (“theoretical”) euro was relatively subdued against the currencies of Latin American countries, which, however, make up less than 3% of the broad index. The euro area recorded a significant decline in the real EER of the (“theoretical”) euro in the aftermath of the Mexican currency crises in 1994-95, reflecting the recovery of the Mexican peso as well as a real appreciation of the Brazilian real in the following two years. Subsequently, after the currency crises in Asia in mid-1997 and Russia the following year, Latin American currencies came under renewed strain, culminating in the Brazilian crisis in early 1999. This episode is reflected in a real appreciation of the euro against the currencies of this sub-group. Against trading partners in Asia excluding Japan, which account for 18.5% of the broad EER index, the real EER of the (“theoretical”) euro also started to decline in the mid-1990s, but much of the decline was reversed following the Asian currency crisis of 1997. In the light of the strong links between the US dollar and the currencies of major Latin American and Asian countries excluding Japan, the downward movement in the real EER indices against the group of Asian (excluding Japan) and Latin American currencies re-established itself, mainly mirroring the decline of the euro in 1999 and 2000.



Euro area statistics



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

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

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

For analytical purposes, data for the euro area plus Greece up to end-2000 are shown in the additional table starting on page 65* (for details, see the general notes).

Conventions used in the tables

"-"	Data do not exist.
"."	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⁾		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⁾				
1999	12.4	6.8	5.7	-	10.0	19.1	2.96	4.66
2000	8.0	4.4	5.7	-	9.6	19.4	4.40	5.44
2000 Q2	9.5	5.0	6.3	-	10.1	20.2	4.27	5.43
Q3	6.9	4.0	5.4	-	9.4	17.1	4.74	5.44
Q4	5.6	3.8	5.1	-	9.6	16.8	5.02	5.28
2000 Sep.	6.2	4.1	5.3	5.4	10.0	15.6	4.85	5.47
Oct.	5.8	3.7	5.2	5.2	9.8	16.2	5.04	5.42
Nov.	5.1	3.7	5.0	5.1	9.3	16.4	5.09	5.34
Dec.	5.7	3.7	5.2	5.0	9.5	19.7	4.93	5.07
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	-	.	.	.	.
2001 Jan.	1.4	2.4	4.7	.	9.1	.	4.77	5.01
Feb.	.	.	.	.	.	.	4.76	5.02

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
1999	1.1	-0.4	2.3	2.5	1.9	81.8	1.7	10.0
2000	2.3	5.4	.	.	5.4	83.8	.	9.0
2000 Q2	2.1	5.2	3.7	3.7	6.0	83.7	2.2	9.1
Q3	2.5	5.8	3.8	3.3	5.7	83.9	2.0	8.9
Q4	2.7	6.1	.	.	5.3	84.7	.	8.7
2000 Sep.	2.8	6.2	-	-	5.2	-	-	8.8
Oct.	2.7	6.6	-	-	3.7	-	-	8.7
Nov.	2.9	6.3	-	-	4.3	-	-	8.7
Dec.	2.6	5.4	-	-	8.0	-	-	8.7
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	.	.	84.4	.	.
2001 Jan.	2.4	.	-	-	.	-	-	8.8
Feb.	.	.	-	-	.	-	-	.

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)		US dollar/euro exchange rate
	Current and capital accounts	Of which goods	Direct investment	Portfolio investment		Nominal	Real (CPI)	
1999	7.7	83.4	-120.6	-41.7	372.3	96.6	95.8	1.066
2000	-19.7	59.8	-23.0	-120.4	377.7	88.2	86.3	0.924
2000 Q2	-4.3	14.7	-18.2	51.9	385.8	88.4	86.6	0.933
Q3	-4.5	17.9	-94.3	3.5	408.0	87.3	85.3	0.905
Q4	-5.9	18.0	-58.6	16.8	377.7	85.9	83.6	0.868
2000 Sep.	1.0	5.7	-28.6	2.8	408.0	85.3	83.3	0.872
Oct.	0.0	8.2	-15.7	-1.7	416.2	84.4	82.2	0.855
Nov.	-2.0	4.6	-9.5	-3.9	400.1	85.1	82.9	0.856
Dec.	-3.9	5.2	-33.4	22.4	377.7	88.1	85.7	0.897
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	.	.	.	.	.
2001 Jan.	.	.	.	.	386.1	91.7	89.0	0.938
Feb.	.	.	.	.	.	91.0	88.1	0.922

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.

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 ¹⁾	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations
	1	2	3	4	5	6	7	8
2000 29 Sep.	124,948	281,673	16,566	4,017	230,305	185,002	44,998	0
6 Oct.	124,948	283,395	16,403	3,949	225,352	180,000	44,998	0
13	124,948	283,318	15,993	4,154	220,315	175,001	44,998	0
20	124,947	283,352	15,003	3,896	214,625	168,998	44,998	0
27	124,947	282,393	14,219	3,651	228,509	182,998	45,001	0
3 Nov.	124,947	281,110	15,515	3,553	225,430	180,003	45,001	0
10	124,947	276,420	15,423	3,518	230,418	185,000	45,001	0
17	124,947	272,580	16,032	3,535	230,467	185,000	45,001	0
24	124,947	271,963	16,321	4,000	243,319	197,998	45,001	0
1 Dec.	124,947	271,907	16,655	3,514	245,234	200,000	45,000	0
8	124,947	273,559	16,393	3,564	265,329	220,000	45,000	0
15	124,947	272,796	16,345	3,760	264,536	218,999	45,000	0
22	124,947	273,521	15,403	3,447	259,304	212,000	45,000	0
29	117,073	258,688	15,750	3,746	268,648	222,988	45,000	0
<i>Euro area enlargement</i>								
2001 5 Jan.	118,615	267,566	17,616	5,209	248,106	202,986	45,000	0
12	118,611	265,734	18,826	4,365	241,060	196,000	45,000	0
19	118,611	267,616	19,319	4,825	241,137	196,000	45,000	0
26	118,611	266,468	19,635	4,543	255,203	205,001	49,999	0
2 Feb.	118,611	264,109	20,800	4,895	238,202	188,000	49,998	0
9	118,612	263,935	19,529	5,104	234,240	184,000	49,998	0
16	118,612	263,845	19,827	5,363	215,455	165,307	49,998	0
23	118,612	263,734	20,292	5,472	273,967	220,305	49,998	0

2. Liabilities

	Banknotes in circulation	Liabilities to euro area credit institutions in euro ¹⁾	Current accounts (covering the minimum reserve system) ³⁾	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
2000 29 Sep.	354,797	115,333	114,892	441	0	0	0	-	4,574
6 Oct.	357,485	116,723	116,645	67	0	0	11	-	4,574
13	355,766	112,074	111,962	110	0	0	2	-	4,574
20	352,508	116,184	115,944	238	0	0	2	-	4,574
27	352,108	121,748	121,687	61	0	0	0	-	4,574
3 Nov.	355,687	116,263	116,209	54	0	0	0	-	3,784
10	354,127	114,790	114,706	84	0	0	0	-	3,784
17	351,946	111,494	111,366	128	0	0	0	-	3,784
24	350,140	113,697	113,581	116	0	0	0	-	3,784
1 Dec.	356,421	125,647	125,539	108	0	0	0	-	3,784
8	363,755	116,443	116,335	108	0	0	0	-	3,784
15	364,276	117,935	117,842	93	0	0	0	-	3,784
22	373,063	115,681	114,353	1,328	0	0	0	-	3,784
29	371,370	124,642	124,402	240	0	0	0	305	3,784
<i>Euro area enlargement</i>									
2001 5 Jan.	372,834	117,327	117,241	74	0	0	12	7,679	3,784
12	365,730	117,119	116,997	70	0	0	52	8,234	3,784
19	359,929	124,202	124,012	133	0	0	57	8,110	3,784
26	355,553	123,461	123,410	40	0	0	11	7,980	3,784
2 Feb.	357,130	119,172	117,436	1,736	0	0	0	7,949	3,784
9	356,364	120,930	120,808	122	0	0	0	7,381	3,784
16	353,878	93,343	91,629	1,714	0	0	0	7,372	3,784
23	352,004	144,476	143,724	752	0	0	0	7,477	3,784

Source: ECB.

1) With effect from December 2000, the term "credit institutions" has replaced the term "financial sector counterparties".

2) With effect from December 2000, this is shown as an item in its own right; the "other claims" item was previously part of "lending to financial sector counterparties in the euro area in euro".

Structural reverse operations	Marginal lending facility	Credits related to margin calls	Other claims on euro area credit institutions in euro ²⁾	Securities of euro area residents in euro	General government debt in euro	Other assets	Total	
							9	10	11	12	13	14	15	16
0	29	141	135	25,623	58,867	84,311	826,310	2000 29 Sep.
0	182	47	125	25,678	58,867	83,029	821,621	6 Oct.
0	101	23	192	25,497	58,867	83,230	816,322	13
0	297	27	305	25,639	58,867	83,467	809,796	20
0	7	48	455	25,826	58,867	83,674	822,086	27
0	15	44	367	25,869	58,762	86,095	821,281	3 Nov.
0	18	34	365	26,069	58,762	86,361	821,918	10
0	186	17	263	25,941	58,762	86,692	818,956	17
0	12	45	263	26,033	58,762	87,758	833,103	24
0	39	77	118	26,077	58,762	87,488	834,584	1 Dec.
0	89	77	163	25,936	58,772	87,468	855,968	8
0	272	83	182	25,685	58,664	87,650	854,381	15
0	1,957	94	253	25,840	58,263	87,885	848,610	22
0	607	53	578	25,958	57,671	86,953	835,065	29
<i>Euro area enlargement</i>								
0	59	61	805	28,859	69,375	87,600	843,751	2001 5 Jan.
0	10	50	1,304	29,221	69,375	88,286	836,782	12
0	113	24	1,071	29,016	69,375	89,240	840,210	19
0	181	22	963	28,168	70,255	89,616	853,462	26
0	163	41	1,130	27,474	70,207	89,787	835,215	2 Feb.
0	213	29	586	27,533	70,207	89,991	829,737	9
0	127	23	503	27,358	70,207	90,451	811,621	16
0	3,648	16	864	27,499	70,207	90,942	871,589	23

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
58,097	9,167	927	11,667	7,077	65,376	144,156	55,139	826,310	2000 29 Sep.
48,795	9,072	912	13,173	7,077	64,521	144,152	55,137	821,621	6 Oct.
49,355	9,502	900	13,277	7,077	64,507	144,152	55,138	816,322	13
41,782	9,429	896	12,734	7,077	65,320	144,152	55,140	809,796	20
49,420	9,291	866	11,838	7,077	65,870	144,152	55,142	822,086	27
51,113	9,501	864	12,216	7,077	65,481	144,152	55,143	821,281	3 Nov.
54,257	9,888	864	11,988	7,077	65,846	144,152	55,145	821,918	10
56,484	10,870	865	9,998	7,077	67,139	144,152	55,147	818,956	17
67,442	11,394	860	10,335	7,077	69,071	144,152	55,151	833,103	24
51,678	10,733	861	10,701	7,077	68,376	144,152	55,154	834,584	1 Dec.
73,400	10,656	860	12,169	7,077	68,515	144,152	55,157	855,968	8
68,122	10,813	856	12,401	7,077	69,807	144,152	55,157	854,381	15
54,035	11,139	855	12,728	7,077	70,939	144,152	55,157	848,610	22
57,038	10,824	807	12,414	6,702	73,452	117,668	56,059	835,065	29
<i>Euro area enlargement</i>									
57,333	11,715	5,833	10,778	7,168	76,187	118,752	54,361	843,751	2001 5 Jan.
56,759	10,870	5,655	11,476	7,168	76,415	119,144	54,428	836,782	12
55,539	10,906	5,354	13,483	7,168	78,162	119,144	54,429	840,210	19
73,786	11,099	5,101	12,968	7,168	78,859	119,274	54,429	853,462	26
60,481	11,452	5,054	11,947	7,168	77,371	119,274	54,433	835,215	2 Feb.
53,668	10,734	5,001	13,367	7,168	77,633	119,274	54,433	829,737	9
64,859	9,985	4,996	13,399	7,168	78,207	119,274	55,356	811,621	16
73,957	10,152	4,984	14,463	7,168	78,432	119,274	55,418	871,589	23

Table 1.2**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

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.

2) On 22 December 1998 the ECB announced that, as an exceptional measure between 4 and 21 January 1999, a narrow corridor of 50 basis points would be applied between the interest rates for the marginal lending facility and the deposit facility, aimed at facilitating the transition to the new regime by market participants.

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

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

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
			Fixed rate	Minimum bid rate	Marginal rate ³⁾	Weighted average rate	
	1	2	3	4	5	6	7
2000 6 Sep.	190,506	108,000	-	4.50	4.55	4.57	14
13	158,302	63,000	-	4.50	4.58	4.59	14
20	168,230	104,000	-	4.50	4.56	4.58	14
27	159,098	81,000	-	4.50	4.65	4.68	14
4 Oct.	174,302	99,000	-	4.50	4.67	4.68	14
11	128,731	76,000	-	4.75	4.76	4.78	14
18	107,602	93,000	-	4.75	4.75	4.76	14
25	159,063	90,000	-	4.75	4.80	4.82	14
1 Nov.	150,445	90,000	-	4.75	4.84	4.85	14
8	147,173	95,000	-	4.75	4.83	4.84	14
15	130,251	90,000	-	4.75	4.78	4.80	14
22	148,887	108,000	-	4.75	4.80	4.82	14
29	147,060	92,000	-	4.75	4.82	4.83	14
6 Dec.	129,916	128,000	-	4.75	4.75	4.79	14
13	116,112	91,000	-	4.75	4.76	4.78	14
20	152,151	121,000	-	4.75	4.80	4.86	14
27	118,217	102,000	-	4.75	4.79	4.84	14
<i>Euro area enlargement</i>							
2001 3 Jan.	136,434	101,000	-	4.75	4.76	4.78	14
10	95,841	95,000	-	4.75	4.75	4.75	14
17	137,641	101,000	-	4.75	4.75	4.77	14
24	118,546	104,000	-	4.75	4.75	4.76	14
31	137,610	84,000	-	4.75	4.76	4.77	14
7 Feb.	104,384	100,000	-	4.75	4.75	4.75	14
14	65,307	65,307	-	4.75	4.75	4.75	12
21	200,526	155,000	-	4.75	4.78	4.83	14
26	109,632	27,000	-	4.75	4.78	4.79	16

2. Longer-term refinancing operations

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders		Variable rate tenders		Running for (...) days
			Fixed rate	Marginal rate ³⁾	Weighted average rate		
	1	2	3	4	5	6	
1999 14 Jan.	79,846	15,000	-	3.13	-	42	
14	39,343	15,000	-	3.10	-	70	
14	46,152	15,000	-	3.08	-	105	
25 Feb.	77,300	15,000	-	3.04	-	91	
25 Mar.	53,659	15,000	-	2.96	2.97	98	
29 Apr.	66,911	15,000	-	2.53	2.54	91	
27 May	72,294	15,000	-	2.53	2.54	91	
1 July	76,284	15,000	-	2.63	2.64	91	
29	64,973	15,000	-	2.65	2.66	91	
26 Aug.	52,416	15,000	-	2.65	2.66	91	
30 Sep.	41,443	15,000	-	2.66	2.67	84	
28 Oct.	74,430	25,000	-	3.19	3.42	91	
25 Nov.	74,988	25,000	-	3.18	3.27	98	
23 Dec.	91,088	25,000	-	3.26	3.29	98	
2000 27 Jan.	87,052	20,000	-	3.28	3.30	91	
2 Mar.	72,960	20,000	-	3.60	3.61	91	
30	74,929	20,000	-	3.78	3.80	91	
27 Apr.	64,094	20,000	-	4.00	4.01	91	
1 June	64,317	20,000	-	4.40	4.42	91	
29	41,833	20,000	-	4.49	4.52	91	
27 July	40,799	15,000	-	4.59	4.60	91	
31 Aug.	35,417	15,000	-	4.84	4.87	91	
28 Sep.	34,043	15,000	-	4.84	4.86	92	
26 Oct.	43,085	15,000	-	5.06	5.07	91	
30 Nov.	31,999	15,000	-	5.03	5.05	91	
29 Dec.	15,869	15,000	-	4.75	4.81	90	
<i>Euro area enlargement</i>							
2001 25 Jan.	31,905	20,000	-	4.66	4.69	90	
1 Mar.	45,755	20,000	-	4.69	4.72	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	Marginal rate ³⁾	Weighted average rate		
	1	2	3	4	5	6	7	
2000 5 Jan.	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	

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) The marginal rate refers to the lowest rate at which funds were allotted.

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	Money market paper	Deposits (over 2 years' agreed maturity and notice period)	Repos	Debt securities over 2 years' agreed maturity
	1	2	3	4	5	6	7
2000 Jan.	9,265.7	5,164.6	108.0	156.8	1,210.3	547.9	2,078.2
Feb.	9,338.9	5,189.6	114.5	164.5	1,220.7	553.1	2,096.4
Mar.	9,490.8	5,306.7	117.1	174.9	1,231.3	543.8	2,116.9
Apr.	9,629.4	5,411.5	116.7	174.7	1,243.2	537.5	2,145.9
May	9,641.5	5,390.3	118.4	188.4	1,241.3	541.4	2,161.7
June	9,539.4	5,316.9	120.4	184.7	1,250.6	506.7	2,160.1
July	9,590.1	5,348.0	119.8	192.3	1,258.0	489.9	2,182.2
Aug.	9,686.5	5,393.8	122.9	197.1	1,269.0	502.5	2,201.3
Sep.	9,773.3	5,465.7	123.6	193.6	1,270.2	502.1	2,218.2
Oct.	9,931.2	5,531.9	127.6	201.1	1,283.2	534.2	2,253.2
Nov. ³⁾	10,074.5	5,653.4	130.0	199.9	1,282.2	561.5	2,247.6
Dec. ³⁾	10,071.5	5,711.3	136.7	187.2	1,273.6	528.3	2,234.3
<i>Euro area enlargement</i>							
2001 Jan. ⁴⁾	10,165.8	5,712.8	139.4	196.3	1,275.3	578.2	2,263.9

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 and of money market paper 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 the reserve base of credit institutions in Greece (EUR 134.4 billion in November and EUR 134.6 billion in December 2000, EUR 107.3 billion and EUR 110.3 billion of which qualify for the 2% coefficient respectively). On a transitional basis, credit institutions located in participating Member States could choose to deduct from their own reserve base liabilities to credit institutions in Greece. Starting from the reserve base as at end-January 2001 the standard treatment applies.

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
2000 Mar.	108.0	108.4	0.5	0.0	3.27
Apr.	108.7	109.5	0.8	0.0	3.50
May	111.3	111.8	0.5	0.0	3.67
June	113.4	113.9	0.5	0.0	3.90
July	113.3	114.0	0.7	0.0	4.28
Aug.	111.8	112.3	0.5	0.0	4.32
Sep.	112.6	113.1	0.5	0.0	4.57
Oct.	113.7	114.2	0.5	0.0	4.69
Nov.	115.1	115.5	0.4	0.0	4.81
Dec.	116.6	117.2	0.6	0.0	4.78
<i>Euro area enlargement</i>					
2001 Jan. ⁷⁾	118.5	119.0	0.5	0.0	4.77
Feb. ⁴⁾	120.1	120.6	0.5	0.0	4.76
Mar. ⁴⁾	120.3	-	-	-	-

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).
- 7) Owing to the adoption of the euro by Greece on 1 January 2001, the reserve requirement is an average, weighted by the number of calendar days, of the reserve requirements for the euro 11 from 24 to 31 December 2000 and the reserve requirements for the euro 12 from 1 to 23 January 2001 (i.e. 8/31 * EUR 116.9 billion + 23/31 * EUR 119.1 billion).

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

Maintenance period ending in:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts ⁴⁾	Base money ⁵⁾
	Monetary policy operations of the Eurosystem					Deposit facility	Other liquidity-absorbing operations ²⁾	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net) ³⁾		
	Eurosystem's net assets in gold and foreign currency ¹⁾	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations ²⁾							
1	2	3	4	5	6	7	8	9	10	11	12	
1999 Oct.	349.7	143.0	45.0	0.3	0.0	0.6	0.0	342.5	45.4	45.9	103.5	446.7
Nov.	351.8	140.5	53.7	0.3	0.0	0.4	0.0	343.1	51.5	47.3	104.2	447.6
Dec.	351.7	150.4	65.0	0.3	0.0	1.0	0.0	354.3	59.0	47.5	105.6	460.8
2000 Jan.	362.3	138.5	75.0	1.9	0.0	0.5	3.3	363.0	41.0	61.2	108.7	472.3
Feb.	367.8	130.9	70.5	0.1	0.0	0.2	0.0	347.6	49.2	64.2	108.1	455.9
Mar.	369.2	136.1	66.2	0.2	0.0	0.3	0.0	347.6	51.7	63.5	108.6	456.4
Apr.	377.1	136.7	61.0	0.2	0.0	0.9	0.0	349.7	45.6	69.1	109.7	460.3
May	378.8	142.6	60.0	0.4	0.0	2.3	0.0	353.8	41.9	71.8	112.0	468.2
June	378.1	140.9	59.9	0.3	0.2	0.8	0.0	354.1	38.3	72.1	114.2	469.1
July	380.8	157.9	59.9	0.4	0.0	0.5	0.0	357.0	50.4	76.8	114.2	471.7
Aug.	382.0	163.1	55.4	0.1	0.0	0.3	0.0	359.2	48.8	80.0	112.4	471.9
Sep.	381.6	173.1	51.1	0.3	0.0	0.2	0.0	354.8	56.6	81.2	113.3	468.3
Oct.	396.3	176.5	45.7	0.5	0.0	0.2	0.0	354.5	47.4	102.5	114.4	469.1
Nov.	398.6	183.7	45.0	0.2	0.0	0.2	0.0	352.7	49.8	109.2	115.7	468.6
Dec.	394.4	210.4	45.0	0.4	0.0	0.2	0.0	360.4	61.1	111.1	117.4	478.0
<i>Euro area enlargement</i>												
2001 Jan.	383.7	205.3	45.0	0.5	0.0	0.6	0.0	368.3	52.2	94.2	119.1	488.0
Feb.	377.9	188.9	49.8	2.6	0.0	0.4	0.0	354.8	57.0	86.3	120.7	476.0

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) Includes monetary policy operations initiated by national central banks in Stage Two and outstanding at the start of Stage Three (excluding outright operations and the issuance of debt certificates).
- 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 in the euro area

Table 2.1

Aggregated balance sheet of the Eurosystem ¹⁾

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

1. Assets

	Loans to euro area residents			Other euro area residents	Holdings of securities other than shares issued by euro area residents			Holdings of shares/other equity issued by euro area residents			External assets ²⁾	Fixed assets	Re-maining assets	Total	
	1	MFIs ²⁾	General government		MFIs	General government	Other euro area residents	MFIs	Other euro area residents	Other euro area residents					
1998	225.2	204.6	20.4	0.1	87.8	1.1	86.2	0.5	5.5	1.8	3.7	322.3	7.9	49.3	698.0
1999 Q1	608.5	587.9	20.4	0.2	94.0	1.5	91.9	0.6	8.1	4.0	4.1	427.3	9.3	52.5	1,199.9
Q2	788.8	768.3	20.4	0.2	92.4	1.5	90.0	0.9	8.7	4.4	4.3	498.6	9.7	47.4	1,445.6
Q3	456.9	436.3	20.4	0.2	92.4	1.4	89.9	1.1	8.7	4.3	4.4	427.9	9.8	48.2	1,044.0
Q4	444.6	424.3	19.7	0.5	89.1	1.9	86.1	1.1	14.1	4.3	9.8	400.6	9.9	56.2	1,014.5
2000 Jan.	465.0	444.6	19.8	0.6	90.3	1.7	87.6	1.0	14.2	4.4	9.8	424.3	9.9	52.4	1,056.1
Feb.	382.2	361.8	19.8	0.6	93.2	1.8	90.4	1.0	14.2	4.3	9.8	417.5	9.8	52.5	969.3
Mar.	443.4	424.5	18.4	0.5	96.2	2.4	92.7	1.1	14.4	4.3	10.1	439.1	9.8	49.0	1,051.9
Apr.	471.4	452.5	18.4	0.5	96.7	2.6	93.0	1.1	14.4	4.3	10.1	438.0	9.9	51.4	1,081.8
May	469.2	450.3	18.4	0.5	97.1	2.7	93.2	1.2	14.4	4.4	10.1	441.9	10.0	51.9	1,084.5
June	580.7	561.8	18.4	0.5	97.4	2.6	93.6	1.2	14.7	4.4	10.4	454.8	10.0	51.8	1,209.4
July	501.4	482.6	18.4	0.5	98.2	2.5	94.5	1.2	14.7	4.4	10.3	449.7	10.1	51.6	1,125.7
Aug.	482.5	463.7	18.4	0.5	98.5	2.8	94.4	1.3	14.7	4.4	10.3	435.4	10.2	52.4	1,093.5
Sep.	493.1	474.4	18.2	0.5	98.5	2.9	94.6	1.0	14.6	4.4	10.2	459.1	10.2	54.4	1,129.8
Oct.	478.8	460.1	18.2	0.5	98.7	2.6	94.9	1.2	15.0	4.4	10.7	454.7	10.5	53.9	1,111.7
Nov.	431.5	412.8	18.2	0.5	98.8	2.6	94.9	1.4	15.4	4.4	11.1	402.8	10.3	54.3	1,013.0
Dec.	445.0	427.4	17.1	0.5	97.4	2.5	93.6	1.3	15.2	4.3	10.9	380.7	10.4	56.1	1,004.8
<i>Euro area enlargement</i>															
2001 1 Jan.	457.0	429.3	27.1	0.6	105.3	2.5	101.4	1.3	15.2	4.3	10.9	394.2	10.5	57.4	1,039.5
2001 Jan. ^(p)	401.5	373.7	27.2	0.6	103.5	2.6	99.9	1.0	15.5	4.7	10.8	390.4	10.6	53.9	975.6

2. Liabilities

	Currency in circulation		Deposits of euro area residents	MFIs ²⁾	Central government	Other general government/other euro area residents	Money market paper	Debt securities issued	Capital and reserves	External liabilities ²⁾	Remaining liabilities	Total
	1	2										
1998	359.1	152.0	94.2	54.4	3.5	8.5	5.3	97.1	18.6	57.4	698.0	
1999 Q1	348.6	549.5	486.6	54.4	8.5	4.9	5.3	138.0	97.9	55.8	1,199.9	
Q2	356.1	724.3	672.3	43.1	8.9	4.9	5.3	140.7	171.4	43.0	1,445.6	
Q3	359.7	390.5	332.9	50.1	7.6	3.3	5.3	146.3	88.8	50.1	1,044.0	
Q4	393.3	341.5	279.3	53.4	8.8	3.3	4.6	175.1	49.8	46.8	1,014.5	
2000 Jan.	366.2	388.9	333.4	47.0	8.4	3.3	4.6	175.7	72.6	44.8	1,056.1	
Feb.	363.8	311.7	246.7	56.7	8.4	3.3	4.6	175.1	64.4	46.4	969.3	
Mar.	366.2	372.1	319.8	43.1	9.1	1.7	4.6	186.9	75.1	45.4	1,051.9	
Apr.	372.7	394.2	340.4	43.4	10.3	1.7	4.6	189.7	75.2	43.8	1,081.8	
May	371.8	390.7	345.1	34.1	11.5	1.7	4.6	188.7	82.4	44.7	1,084.5	
June	374.3	497.9	432.8	52.6	12.5	1.7	4.6	193.8	92.0	45.0	1,209.4	
July	377.7	414.9	354.7	49.7	10.5	1.7	4.6	196.6	84.6	45.6	1,125.7	
Aug.	373.2	401.0	336.1	53.8	11.2	1.7	4.6	200.1	66.6	46.3	1,093.5	
Sep.	373.5	404.2	346.1	45.6	12.5	0.0	4.6	222.1	75.0	50.6	1,129.8	
Oct.	372.6	388.1	323.3	51.1	13.7	0.0	4.6	226.3	69.5	50.6	1,111.7	
Nov.	372.2	334.6	265.6	54.9	14.0	0.0	3.8	222.5	29.3	50.6	1,013.0	
Dec.	390.2	327.3	270.4	47.1	9.8	0.0	3.8	200.1	29.9	53.5	1,004.8	
<i>Euro area enlargement</i>												
2001 1 Jan.	399.3	346.2	288.0	47.9	10.4	0.0	5.6	200.8	30.9	56.6	1,039.5	
2001 Jan. ^(p)	373.2	313.3	250.9	51.5	10.9	0.0	4.5	196.2	30.6	57.9	975.6	

Source: ECB.

- 1) The ECB was established on 1 June 1998. The data shown for the Eurosystem relate to the ECB (as from June 1998) and the national central banks of Member States in the euro area.
- 2) 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.

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				Money market paper	Holdings of shares/ other equity issued by euro area residents			External assets	Fixed assets	Remaining assets	Total
	MFIs	General government	Other euro area residents			MFIs	General government	Other euro area residents			MFIs	Other euro area residents				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1998	9,117.5	3,186.2	822.3	5,108.9	2,015.5	721.7	1,105.0	188.8	107.9	424.2	122.8	301.5	1,584.6	244.1	778.3	14,272.1
1999 Q1	9,272.3	3,282.6	817.9	5,171.7	2,090.7	761.8	1,134.1	194.8	100.0	469.3	125.5	343.7	1,632.2	244.8	877.1	14,686.2
Q2	9,476.2	3,335.4	817.8	5,323.0	2,142.6	801.1	1,128.9	212.5	102.8	484.9	124.3	360.6	1,652.2	250.2	867.4	14,976.2
Q3	9,594.4	3,391.0	810.7	5,392.6	2,183.8	828.8	1,137.5	217.5	112.1	482.0	129.3	352.7	1,659.3	259.1	814.2	15,105.0
Q4	9,791.8	3,426.9	828.2	5,536.7	2,179.8	828.4	1,124.6	226.8	129.9	522.4	138.2	384.1	1,710.2	281.4	919.1	15,534.6
2000 Jan.	9,859.4	3,457.7	820.8	5,580.9	2,197.2	835.4	1,134.1	227.7	121.1	529.7	141.8	387.9	1,729.5	282.8	937.0	15,656.8
Feb.	9,866.3	3,433.2	816.4	5,616.8	2,220.1	846.0	1,140.3	233.8	130.8	547.5	145.0	402.4	1,775.3	282.4	953.6	15,775.9
Mar.	10,033.8	3,524.4	821.3	5,688.1	2,225.3	869.5	1,128.0	227.8	131.9	595.5	155.5	440.1	1,811.5	287.7	977.6	16,063.3
Apr.	10,081.2	3,508.7	824.0	5,748.5	2,220.0	878.3	1,105.7	235.9	149.1	610.8	157.5	453.2	1,912.3	289.1	1,018.7	16,281.1
May	10,160.7	3,564.7	817.4	5,778.6	2,232.8	895.1	1,094.7	243.0	157.2	630.1	162.5	467.5	1,897.1	289.0	1,018.4	16,385.2
June	10,140.7	3,477.6	817.2	5,845.8	2,211.1	894.9	1,073.2	243.0	155.2	589.5	157.8	431.7	1,876.9	271.1	1,021.1	16,265.6
July	10,094.6	3,404.9	815.5	5,874.1	2,218.0	920.6	1,046.3	251.2	152.8	587.5	150.1	437.4	1,906.3	272.9	1,070.0	16,302.1
Aug.	10,153.0	3,456.8	803.6	5,892.6	2,216.6	927.1	1,034.2	255.3	152.9	588.1	150.6	437.5	1,966.8	275.4	1,108.0	16,460.8
Sep.	10,252.9	3,475.1	799.8	5,978.1	2,231.5	940.5	1,033.8	257.2	145.6	591.0	151.9	439.2	1,984.1	278.7	1,030.0	16,513.9
Oct.	10,317.9	3,495.2	801.7	6,021.0	2,222.9	937.5	1,020.6	264.8	151.7	592.4	153.4	439.0	2,041.2	280.7	1,100.7	16,707.4
Nov.	10,401.6	3,536.6	808.8	6,056.3	2,216.7	935.3	1,017.3	264.0	157.8	597.7	151.2	446.5	2,066.2	297.7	1,048.9	16,786.7
Dec.	10,407.0	3,501.6	817.5	6,087.9	2,187.2	929.6	1,092.9	264.7	145.8	617.9	164.2	453.7	2,003.9	299.9	1,033.8	16,695.5
<i>Euro area enlargement</i>																
2001 1 Jan.	10,515.2	3,538.6	825.5	6,151.0	2,248.6	929.7	1,050.5	268.3	145.8	629.3	166.9	462.4	1,986.7	302.8	1,057.9	16,887.4
2001 Jan. ^(a)	10,553.4	3,549.0	830.9	6,173.4	2,247.6	932.9	1,043.7	271.0	156.0	642.1	171.0	471.1	2,049.0	301.6	1,043.6	16,993.2

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	Debt securities issued	Money market paper	Capital and reserves	External liabilities	Remaining liabilities	Total
						Over-night	With agreed maturity	Redeemable at notice	Repurchase agreements							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1998	0.4	8,295.0	3,316.5	95.4	4,883.1	1,386.0	1,927.8	1,392.6	176.7	241.4	2,119.7	160.8	743.8	1,505.9	1,204.9	14,272.1
1999 Q1	0.5	8,346.3	3,395.4	79.0	4,871.9	1,390.6	1,988.4	1,314.5	178.3	280.1	2,198.1	180.5	760.7	1,623.9	1,296.1	14,686.2
Q2	0.5	8,466.2	3,443.7	81.9	4,940.6	1,484.3	1,965.6	1,324.2	166.5	305.7	2,274.5	183.2	783.8	1,674.2	1,288.1	14,976.2
Q3	0.6	8,529.0	3,510.4	83.2	4,935.4	1,471.5	1,981.1	1,322.1	160.6	307.5	2,335.1	204.1	796.8	1,696.1	1,235.7	15,105.0
Q4	0.7	8,733.1	3,589.0	88.6	5,055.4	1,537.0	2,042.2	1,332.0	144.2	309.8	2,370.6	242.1	838.4	1,782.6	1,257.5	15,534.6
2000 Jan.	0.7	8,729.6	3,561.8	86.7	5,081.1	1,566.4	2,027.5	1,332.3	155.0	326.3	2,376.6	221.6	858.5	1,844.7	1,298.8	15,656.8
Feb.	0.7	8,730.1	3,555.1	88.0	5,087.0	1,559.8	2,045.3	1,322.4	159.5	343.6	2,402.9	233.0	866.3	1,883.7	1,315.6	15,775.9
Mar.	0.7	8,809.6	3,612.5	87.1	5,110.0	1,568.0	2,052.1	1,312.5	177.3	343.1	2,430.0	248.8	881.0	2,000.8	1,349.3	16,063.3
Apr.	0.7	8,822.4	3,586.6	88.3	5,147.5	1,602.3	2,060.5	1,305.0	179.8	409.7	2,459.0	248.1	890.1	2,078.7	1,372.4	16,281.1
May	0.6	8,874.3	3,649.6	79.8	5,144.9	1,586.5	2,080.1	1,297.1	181.2	412.7	2,477.9	260.0	897.4	2,077.4	1,384.9	16,385.2
June	0.6	8,849.9	3,623.7	93.4	5,132.8	1,596.1	2,077.6	1,291.8	167.3	410.3	2,486.7	261.1	889.4	1,967.1	1,400.5	16,265.6
July	0.6	8,770.1	3,545.4	85.0	5,139.7	1,594.6	2,088.0	1,285.1	172.0	408.9	2,511.0	272.6	894.7	2,009.3	1,435.0	16,302.1
Aug.	0.0	8,801.9	3,579.6	86.8	5,135.5	1,566.4	2,119.7	1,280.1	169.4	419.1	2,537.8	276.1	897.7	2,069.6	1,458.6	16,460.8
Sep.	0.0	8,859.2	3,599.9	113.7	5,145.6	1,577.0	2,124.4	1,272.7	171.4	409.1	2,558.6	272.2	904.4	2,117.1	1,393.3	16,513.9
Oct.	0.0	8,903.8	3,630.1	121.3	5,152.4	1,577.0	2,140.9	1,263.9	170.6	412.2	2,581.9	281.3	908.8	2,183.4	1,435.9	16,707.4
Nov.	0.0	8,957.1	3,669.8	113.9	5,173.4	1,594.9	2,147.0	1,258.0	173.5	421.7	2,578.0	278.5	921.7	2,198.4	1,431.3	16,786.7
Dec.	0.0	9,042.3	3,662.3	117.5	5,262.6	1,649.7	2,159.1	1,278.2	175.6	393.9	2,570.0	261.3	924.1	2,114.3	1,389.6	16,695.5
<i>Euro area enlargement</i>																
2001 1 Jan.	0.0	9,186.6	3,683.7	118.4	5,384.5	1,664.2	2,197.5	1,329.6	195.9	393.9	2,570.2	261.3	942.6	2,115.8	1,414.4	16,887.4
2001 Jan. ^(a)	0.0	9,125.9	3,671.1	95.6	5,359.2	1,608.1	2,210.1	1,328.6	212.5	410.0	2,601.7	274.8	950.1	2,225.9	1,404.7	16,993.2

Source: ECB.

Table 2.3

Consolidated balance sheet of the euro area MFIs, including the Eurosystem ¹⁾

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

1. Assets: levels outstanding

	Loans to euro area residents			Holdings of securities other than shares issued by euro area residents			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					
1999 July	6,188.4	830.1	5,358.3	1,424.0	1,207.2	216.7	362.4	2,088.3	264.6	864.4	11,192.1
Aug.	6,179.2	826.1	5,353.2	1,436.4	1,211.5	224.9	361.2	2,061.7	265.4	845.6	11,149.6
Sep.	6,223.9	831.1	5,392.8	1,446.0	1,227.4	218.6	357.1	2,087.2	269.0	829.5	11,212.8
Oct.	6,279.8	840.3	5,439.5	1,456.0	1,239.6	216.4	358.4	2,124.9	271.2	873.7	11,364.1
Nov.	6,357.5	853.5	5,504.0	1,461.6	1,237.3	224.3	372.9	2,181.8	275.5	922.6	11,571.9
Dec.	6,385.1	847.9	5,537.2	1,438.6	1,210.7	227.8	394.0	2,110.8	291.3	931.1	11,551.0
2000 Jan.	6,422.0	840.6	5,581.5	1,450.4	1,221.7	228.7	397.7	2,153.9	292.6	955.5	11,672.1
Feb.	6,453.5	836.1	5,617.3	1,465.5	1,230.7	234.8	412.2	2,192.8	292.1	972.6	11,788.9
Mar.	6,528.3	839.7	5,688.6	1,449.6	1,220.7	228.9	450.2	2,250.6	297.5	994.2	11,970.5
Apr.	6,591.4	842.4	5,749.0	1,435.6	1,198.6	237.0	463.3	2,350.3	299.0	1,034.4	12,174.1
May	6,614.9	835.8	5,779.1	1,432.0	1,187.9	244.2	477.6	2,338.9	299.0	1,035.4	12,197.9
June	6,681.9	835.6	5,846.3	1,411.0	1,166.8	244.2	442.1	2,331.6	281.1	1,039.1	12,186.8
July	6,708.5	833.8	5,874.6	1,393.1	1,140.7	252.4	447.7	2,355.9	283.1	1,086.3	12,274.6
Aug.	6,715.1	822.0	5,893.1	1,385.2	1,128.6	256.6	447.8	2,402.1	285.6	1,125.0	12,360.8
Sep.	6,796.6	818.0	5,978.5	1,386.6	1,128.4	258.3	449.4	2,443.2	288.9	1,049.9	12,414.5
Oct.	6,841.4	819.9	6,021.5	1,381.5	1,115.5	266.0	449.6	2,495.9	291.2	1,118.7	12,578.3
Nov.	6,883.8	827.0	6,056.8	1,377.6	1,112.2	265.4	457.6	2,469.0	308.0	1,067.7	12,563.7
Dec.	6,923.0	834.6	6,088.4	1,352.5	1,086.5	266.0	464.6	2,384.6	310.2	1,047.2	12,482.2
<i>Euro area enlargement</i>											
2001 1 Jan.	7,004.3	852.6	6,151.6	1,421.6	1,151.9	269.6	473.3	2,380.9	313.2	1,071.2	12,664.5
2001 Jan. ^(*)	7,032.2	858.1	6,174.0	1,415.6	1,143.6	272.1	481.9	2,439.4	312.2	1,059.6	12,741.0

2. Liabilities: levels outstanding

	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Overnight				Money market fund shares/ units and money market paper	Debt securities issued	Capital and reserves	External liabilities ³⁾	Re-maining liabilities	Excess of inter-MFI liabilities	Total
				4	5	6	7							
1999 July	331.9	135.0	4,953.1	1,479.4	1,983.6	1,326.3	163.7	382.7	1,481.6	800.3	1,778.0	1,316.0	13.7	11,192.1
Aug.	326.4	138.0	4,930.8	1,450.4	1,992.6	1,325.2	162.6	396.0	1,489.5	799.0	1,784.5	1,284.6	0.7	11,149.6
Sep.	327.3	133.3	4,943.0	1,479.1	1,981.1	1,322.1	160.6	402.9	1,510.2	809.5	1,784.9	1,285.7	16.0	11,212.8
Oct.	329.6	135.1	4,959.2	1,481.6	2,001.2	1,318.9	157.5	409.7	1,523.7	818.7	1,855.5	1,311.3	21.2	11,364.1
Nov.	330.1	146.1	4,998.1	1,516.3	2,009.5	1,313.6	158.6	428.1	1,534.6	823.0	1,917.5	1,376.0	18.3	11,571.9
Dec.	349.9	142.0	5,064.2	1,545.8	2,042.2	1,332.0	144.2	425.2	1,544.9	871.0	1,832.3	1,304.3	17.1	11,551.0
2000 Jan.	333.0	133.7	5,089.6	1,574.8	2,027.5	1,332.3	155.0	430.1	1,544.1	888.0	1,917.3	1,343.5	-7.2	11,672.1
Feb.	331.1	144.6	5,095.4	1,568.2	2,045.3	1,322.4	159.5	449.1	1,559.7	892.1	1,948.1	1,362.0	6.8	11,788.9
Mar.	334.6	130.2	5,119.1	1,577.1	2,052.1	1,312.5	177.3	461.7	1,562.7	908.1	2,075.9	1,394.7	-16.6	11,970.5
Apr.	337.7	131.8	5,157.8	1,612.6	2,060.5	1,305.0	179.8	510.4	1,582.6	918.0	2,154.0	1,416.1	-34.2	12,174.1
May	337.5	113.9	5,156.4	1,598.0	2,080.1	1,297.1	181.2	517.2	1,584.7	919.2	2,159.8	1,429.5	-20.3	12,197.9
June	341.2	146.0	5,145.3	1,608.7	2,077.6	1,291.8	167.3	517.8	1,593.7	921.0	2,059.1	1,445.6	17.0	12,186.8
July	343.0	134.7	5,150.2	1,605.1	2,088.0	1,285.1	172.0	530.4	1,592.4	936.8	2,093.9	1,480.6	12.6	12,274.6
Aug.	337.9	140.6	5,146.7	1,577.6	2,119.7	1,280.1	169.4	544.1	1,612.5	942.8	2,136.2	1,504.8	-4.8	12,360.8
Sep.	338.9	159.3	5,158.0	1,589.5	2,124.4	1,272.7	171.4	535.7	1,619.8	970.2	2,192.1	1,443.9	-3.4	12,414.5
Oct.	336.7	172.3	5,166.1	1,590.7	2,140.9	1,263.9	170.6	541.9	1,646.4	977.2	2,252.9	1,486.6	-1.8	12,578.3
Nov.	336.8	168.8	5,187.5	1,608.9	2,147.0	1,258.0	173.5	542.4	1,643.9	988.6	2,227.7	1,482.0	-13.9	12,563.7
Dec.	347.5	164.6	5,272.4	1,659.5	2,159.1	1,278.2	175.6	509.4	1,641.7	955.7	2,144.2	1,443.1	3.6	12,482.2
<i>Euro area enlargement</i>														
2001 1 Jan.	355.3	166.3	5,394.8	1,674.2	2,197.8	1,329.6	195.9	509.4	1,642.4	972.2	2,146.7	1,471.0	3.8	12,664.5
2001 Jan. ^(*)	335.2	147.1	5,370.1	1,618.6	2,210.5	1,328.6	212.5	528.9	1,670.7	970.6	2,256.5	1,462.6	-0.8	12,741.0

Source: ECB.

1) The ECB was established on 1 June 1998. The data shown for the Eurosystem relate to the ECB (as from June 1998) and the national central banks of Member States in the euro area.

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

3) See Table 2.1, footnote 2.

3. Assets: flows ²⁾

	Loans to euro area residents		Other euro area residents	Holdings of securities other than shares issued by euro area residents	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
1999 Aug.	-10.2	-4.2	-6.0	17.7	9.8	7.9	-0.1	-42.6	0.8	-18.8	-53.1
Sep.	46.2	5.1	41.2	16.8	24.0	-7.3	-5.4	20.6	3.5	-9.4	72.4
Oct.	54.4	9.1	45.4	19.8	22.5	-2.7	1.2	21.7	2.2	44.3	143.7
Nov.	74.0	12.9	61.2	11.4	3.9	7.5	9.1	23.2	4.3	48.9	170.9
Dec.	30.0	-5.8	35.8	-28.5	-31.7	3.2	15.7	-80.9	16.0	5.3	-42.4
2000 Jan.	32.6	-7.5	40.1	15.0	13.8	1.2	3.4	20.3	1.4	24.3	97.1
Feb.	32.1	-4.4	36.5	15.5	9.3	6.2	12.9	33.6	-0.5	17.0	110.6
Mar.	72.0	4.5	67.4	-13.7	-6.9	-6.8	36.3	32.1	5.4	22.2	154.2
Apr.	55.9	2.3	53.6	-16.3	-21.3	5.0	12.1	13.5	1.5	33.2	99.9
May	22.4	-6.3	28.8	0.0	-7.5	7.5	13.0	11.3	0.0	0.9	47.7
June	60.5	-0.5	60.9	-17.1	-18.1	1.0	-35.9	8.6	-17.6	4.0	2.5
July	22.3	-1.3	23.6	-19.1	-26.8	7.6	4.6	-6.4	2.0	46.9	50.3
Aug.	7.1	-8.6	15.7	-6.1	-9.7	3.6	0.3	4.8	2.5	38.5	47.2
Sep.	67.3	-4.1	71.5	0.4	-3.0	3.4	1.5	16.7	3.3	-75.9	13.3
Oct.	40.7	1.9	38.8	-6.6	-15.5	8.8	1.6	9.5	3.4	68.9	117.5
Nov.	49.2	7.2	42.1	-1.8	-1.4	-0.4	7.3	9.0	16.8	-51.0	29.5
Dec.	61.7	11.8	49.9	-21.5	-22.9	1.4	8.1	1.3	2.2	-21.0	30.8
<i>Euro area enlargement</i>											
2001 Jan. ^(p)	27.6	4.3	23.3	5.0	0.6	4.4	8.4	56.6	-0.9	-11.7	87.0

4. Liabilities: flows ²⁾

	Currency in circulation	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 and money market paper	Debt securities issued	Capital and reserves	External liabilities ³⁾	Remaining liabilities	Excess of inter-MFI liabilities	Total
1999 Aug.	-5.5	2.9	-24.3	-29.8	7.8	-1.1	-1.1	13.1	4.5	0.7	-4.5	-27.7	-12.4	-53.1
Sep.	0.9	-4.7	12.9	29.2	-11.2	-3.1	-2.0	6.4	22.1	5.8	4.6	9.0	15.3	72.4
Oct.	2.3	1.8	13.9	1.6	18.6	-3.2	-3.2	6.4	11.0	7.6	55.1	40.3	5.3	143.7
Nov.	0.5	11.0	34.4	33.0	5.6	-5.4	1.1	17.8	5.9	3.3	33.4	67.5	-2.9	170.9
Dec.	19.5	-4.1	65.6	29.3	32.3	18.4	-14.4	-14.7	10.6	30.2	-89.8	-60.1	0.5	-42.4
2000 Jan.	-16.9	-8.3	23.0	28.1	-16.0	0.2	10.7	0.9	-2.5	18.4	66.4	43.2	-27.0	97.1
Feb.	-1.8	10.9	5.4	-6.8	17.5	-9.9	4.5	19.0	15.5	5.4	25.7	16.6	13.9	110.6
Mar.	3.5	-14.5	20.5	7.6	5.0	-10.0	17.8	12.1	1.2	14.4	107.6	32.7	-23.2	154.2
Apr.	3.3	1.6	33.0	33.4	4.9	-7.7	2.4	2.3	14.6	9.3	35.0	15.8	-14.9	99.9
May	-0.2	-17.9	1.5	-11.3	20.3	-8.9	1.4	9.9	6.1	3.0	27.1	12.1	6.0	47.7
June	3.6	32.1	-7.9	12.0	-0.7	-5.3	-13.9	-3.9	15.6	-3.0	-78.6	18.5	26.1	2.5
July	1.9	-11.3	1.1	-5.0	7.5	-6.1	4.7	12.1	-7.2	14.9	7.3	38.5	-7.0	50.3
Aug.	-5.1	5.9	-7.9	-29.3	29.3	-5.1	-2.7	12.6	11.7	6.7	5.5	33.2	-15.4	47.2
Sep.	1.0	18.7	5.2	10.8	-0.2	-7.4	2.0	-8.7	3.3	19.4	41.2	-65.8	-1.1	13.3
Oct.	-2.2	13.1	2.7	-0.8	13.2	-8.9	-0.8	5.0	18.2	5.8	20.2	45.3	9.4	117.5
Nov.	0.1	-3.6	26.0	20.0	8.8	-5.8	3.0	1.8	4.5	12.1	7.6	-5.6	-13.4	29.5
Dec.	10.7	-4.2	98.2	54.6	21.1	20.4	2.1	-22.1	7.3	-28.9	-12.7	-25.4	7.8	30.8
<i>Euro area enlargement</i>														
2001 Jan. ^(p)	-20.1	-19.2	-27.0	-55.4	12.8	-1.0	16.6	23.5	22.0	-2.3	111.2	6.3	-7.5	87.0

Table 2.4

Monetary aggregates ¹⁾ and counterparts

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

1. Levels outstanding at the end of the period

	M1								M2		Repurchase agreements	Money market fund shares/ units and money market paper	Debt securities up to 2 years
	Currency in circulation		Overnight deposits		Total	Index Dec. 98=100 ²⁾	Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Index Dec. 98=100 ²⁾			
	1	2	3	4										5	6	7	8
1999 July	331.9	1,548.2	1,880.1	105.54	856.6	1,275.5	4,012.2	102.45	163.7	382.7	62.1		
Aug.	326.4	1,518.2	1,844.6	103.51	859.6	1,275.3	3,979.5	101.57	162.6	396.0	63.6		
Sep.	327.3	1,542.2	1,869.5	104.93	846.0	1,272.4	3,987.9	101.80	160.6	402.9	76.1		
Oct.	329.6	1,546.6	1,876.2	105.26	860.8	1,270.5	4,007.5	102.21	157.5	409.7	74.7		
Nov.	330.1	1,580.5	1,910.6	107.10	860.2	1,265.3	4,036.2	102.85	158.6	428.1	76.2		
Dec.	349.9	1,614.1	1,964.0	110.06	881.0	1,287.9	4,132.8	105.30	144.2	425.2	88.8		
2000 Jan.	333.0	1,642.4	1,975.4	110.65	864.2	1,289.1	4,128.7	105.14	155.0	430.1	87.2		
Feb.	331.1	1,634.3	1,965.4	110.08	879.3	1,278.2	4,122.9	105.03	159.5	449.1	90.9		
Mar.	334.6	1,642.8	1,977.4	110.68	887.6	1,267.7	4,132.7	105.21	177.3	461.7	90.7		
Apr.	337.7	1,680.9	2,018.6	112.87	895.7	1,260.2	4,174.5	106.16	179.8	510.4	89.7		
May	337.5	1,662.8	2,000.3	112.04	913.6	1,252.1	4,165.9	106.03	181.2	517.2	87.5		
June	341.2	1,674.1	2,015.3	112.95	912.2	1,244.7	4,172.2	106.27	167.3	517.8	86.8		
July	343.0	1,672.3	2,015.3	112.87	922.3	1,237.0	4,174.6	106.25	172.0	530.4	76.7		
Aug.	337.9	1,643.1	1,981.0	110.84	951.7	1,230.5	4,163.2	105.87	169.4	544.1	81.0		
Sep.	338.9	1,654.4	1,993.4	111.48	955.3	1,220.4	4,169.1	105.97	171.4	535.7	81.5		
Oct.	336.7	1,656.8	1,993.6	111.38	970.8	1,211.2	4,175.6	106.02	170.6	541.9	89.9		
Nov.	336.8	1,675.2	2,012.0	112.51	983.6	1,202.4	4,198.0	106.69	173.5	542.4	99.0		
Dec.	347.5	1,729.3	2,076.8	116.36	990.4	1,221.3	4,288.6	109.24	175.6	509.4	108.9		
<i>Euro area enlargement</i>													
2001 1 Jan.	355.3	1,744.0	2,099.2		1,027.3	1,271.4	4,398.0		195.9	509.4	109.1		
2001 Jan. ^(a)	335.2	1,688.1	2,023.3	112.16	1,041.8	1,270.2	4,335.4	107.69	212.5	528.9	112.2		

2. Flows ⁴⁾

	M1								M2		Repurchase agreements	Money market fund shares/ units and money market paper	Debt securities up to 2 years
	Currency in circulation		Overnight deposits		Total	Annual percentage change ⁴⁾	Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Annual percentage change ⁴⁾			
	1	2	3	4										5	6	7	8
1999 Aug.	-5.5	-30.8	-36.3	12.9	2.0	-0.1	-34.4	7.1	-1.1	13.1	1.1		
Sep.	0.9	24.5	25.4	12.8	-13.4	-3.0	9.0	7.0	-2.0	6.4	0.9		
Oct.	2.3	3.6	5.8	13.0	12.2	-1.9	16.1	7.1	-3.2	6.4	-1.9		
Nov.	0.5	32.2	32.7	11.8	-2.5	-5.2	25.0	6.4	1.1	17.8	0.7		
Dec.	19.5	33.4	52.9	10.1	20.5	22.5	96.0	5.3	-14.4	-14.7	13.1		
2000 Jan.	-16.9	27.4	10.4	9.3	-17.6	1.1	-6.1	4.2	10.7	0.9	-1.9		
Feb.	-1.8	-8.2	-10.1	10.7	16.6	-10.9	-4.4	5.3	4.5	19.0	3.7		
Mar.	3.5	7.2	10.6	10.1	7.1	-10.6	7.1	5.1	17.8	12.1	-1.0		
Apr.	3.3	36.0	39.2	11.4	5.7	-7.6	37.3	5.5	2.4	2.3	-0.2		
May	-0.2	-14.7	-14.9	8.7	19.0	-9.2	-5.1	4.7	1.4	9.9	-1.7		
June	3.6	12.6	16.2	7.1	0.3	-7.3	9.2	4.3	-13.9	-3.9	1.7		
July	1.9	-3.2	-1.3	6.9	8.3	-7.4	-0.5	3.7	4.7	12.1	-10.7		
Aug.	-5.1	-31.1	-36.3	7.1	27.8	-6.5	-15.0	4.2	-2.7	12.6	3.2		
Sep.	1.0	10.3	11.3	6.2	2.5	-10.1	3.7	4.1	2.0	-8.7	0.6		
Oct.	-2.2	0.4	-1.8	5.8	13.2	-9.4	2.1	3.7	-0.8	5.0	7.3		
Nov.	0.1	20.2	20.3	5.1	14.6	-8.6	26.3	3.7	3.0	1.8	10.1		
Dec.	10.7	58.2	68.9	5.7	12.4	19.1	100.4	3.7	2.1	-22.1	10.6		
<i>Euro area enlargement</i>													
2001 Jan. ^(a)	-20.1	-55.7	-75.8	1.4	14.8	-1.2	-62.2	2.4	16.6	23.5	2.5		

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) Taking the December 1998 outstanding level (not seasonally adjusted) as 100, the index shows the cumulative product of changes from that date calculated from flows as described in footnote 4. The percentage change in the index between any two dates corresponds to the change in the aggregate excluding such reclassifications, etc.

M3			Main counterparts of M3										
Total	Index, Dec. 98 = 100 ²⁾		Longer-term MFI liabilities				Credit ³⁾				Net external 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 government	Credit to other euro area residents	Of which loans	Index Dec. 98 = 100 ²⁾			
12	13	14	15	16	17	18	19	20	21	22	23		
4,620.8	103.20		1,127.7	111.9	1,419.4	800.3	2,037.3	5,937.4	5,358.3	106.07	310.4	1999 July	
4,601.7	102.72		1,133.7	111.0	1,425.9	799.0	2,037.6	5,939.3	5,353.2	105.95	277.2	Aug.	
4,627.5	103.04		1,135.8	111.2	1,434.1	809.5	2,058.6	5,968.5	5,392.8	106.77	302.3	Sep.	
4,649.3	103.43		1,140.8	110.6	1,449.1	818.7	2,080.0	6,014.2	5,439.5	107.66	269.4	Oct.	
4,699.1	104.43		1,149.8	110.7	1,458.4	823.0	2,090.7	6,101.2	5,504.0	108.87	264.2	Nov.	
4,791.0	106.20		1,161.6	112.7	1,456.1	871.0	2,058.6	6,159.1	5,537.2	109.58	278.5	Dec.	
4,800.9	106.28		1,163.6	111.8	1,456.9	888.0	2,062.3	6,207.8	5,581.5	110.38	236.6	2000 Jan.	
4,822.4	106.79		1,166.4	112.8	1,468.8	892.1	2,066.9	6,264.4	5,617.3	111.10	244.8	Feb.	
4,862.5	107.59		1,164.9	113.6	1,472.0	908.1	2,060.4	6,367.7	5,688.6	112.43	174.8	Mar.	
4,954.4	108.51		1,165.1	113.2	1,492.8	918.0	2,041.0	6,449.4	5,749.0	113.49	196.3	Apr.	
4,951.8	108.61		1,167.0	114.4	1,497.2	919.2	2,023.7	6,500.8	5,779.1	114.06	179.2	May	
4,944.1	108.46		1,165.8	115.9	1,506.9	921.0	2,002.3	6,532.6	5,846.3	115.26	272.6	June	
4,953.7	108.59		1,166.2	116.9	1,515.7	936.8	1,974.5	6,574.7	5,874.6	115.73	262.1	July	
4,957.6	108.54		1,168.4	118.6	1,531.5	942.8	1,950.6	6,597.5	5,893.1	116.04	266.0	Aug.	
4,957.8	108.49		1,169.4	120.8	1,538.3	970.2	1,946.4	6,686.2	5,978.5	117.44	251.0	Sep.	
4,977.9	108.79		1,170.4	121.6	1,556.5	977.2	1,935.4	6,737.1	6,021.5	118.21	243.0	Oct.	
5,013.0	109.69		1,163.7	124.2	1,544.9	988.6	1,939.2	6,779.8	6,056.8	119.03	241.3	Nov.	
5,082.5	111.68		1,169.0	126.4	1,532.7	955.7	1,921.2	6,818.9	6,088.4	120.01	240.4	Dec.	
<i>Euro area enlargement</i>													
5,212.3			1,170.9	127.7	1,533.3	972.2	2,004.6	6,894.5	6,151.6		234.1	2001 1 Jan.	
5,188.9	111.26		1,168.9	127.9	1,558.5	970.6	2,001.7	6,928.0	6,174.0	120.47	182.9	2001 Jan. ⁴⁾	

M3			Main counterparts of M3										
Total	Annual percentage change ⁴⁾	3-month moving average (centred)	Longer-term MFI liabilities				Credit ³⁾				Net external 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 government	Credit to other euro area residents	Of which loans	Annual percentage change ⁴⁾			
12	13	14	15	16	17	18	19	20	21	22	23		
-21.4	5.8	5.9	5.7	-0.9	3.4	0.7	5.6	1.7	-6.0	10.1	-38.1	1999 Aug.	
14.4	6.0	5.9	2.2	0.2	21.2	5.8	29.1	28.5	41.2	9.9	16.1	Sep.	
17.4	5.7	6.0	6.2	-0.6	12.9	7.6	31.5	43.8	45.4	10.1	-33.4	Oct.	
44.7	6.2	6.0	8.1	0.1	5.2	3.3	16.7	77.7	61.2	10.2	-10.2	Nov.	
80.0	6.2	5.9	11.7	2.1	-2.6	30.2	-37.5	54.7	35.8	9.6	8.8	Dec.	
3.7	5.3	5.9	1.6	-0.9	-0.7	18.4	6.3	44.7	40.1	8.8	-46.1	2000 Jan.	
22.8	6.2	6.0	1.0	1.0	11.8	5.4	4.9	55.6	36.5	9.5	7.8	Feb.	
36.0	6.6	6.5	-2.0	0.8	2.1	14.4	-2.4	96.9	67.4	9.9	-75.5	Mar.	
41.9	6.7	6.5	-0.8	-0.4	14.8	9.3	-19.0	70.7	53.6	10.5	-21.4	Apr.	
4.6	6.0	6.1	1.3	1.2	7.8	3.0	-13.8	49.3	28.8	10.3	-15.7	May	
-6.9	5.4	5.5	-1.0	1.5	13.9	-3.0	-18.6	26.1	60.9	9.4	87.2	June	
5.7	5.2	5.4	-0.8	1.4	3.5	14.9	-28.0	35.8	23.6	9.1	-13.7	July	
-2.0	5.7	5.4	1.5	1.7	8.5	6.7	-18.3	19.6	15.7	9.5	-0.7	Aug.	
-2.4	5.3	5.4	-2.7	2.2	2.7	19.4	-7.1	76.4	71.5	10.0	-24.6	Sep.	
13.5	5.2	5.2	-0.1	0.8	10.9	5.8	-13.5	49.2	38.8	9.8	-10.8	Oct.	
41.2	5.0	5.1	-5.8	2.7	-5.6	12.1	5.8	49.0	42.1	9.3	1.3	Nov.	
91.0	5.2	5.0	8.6	2.2	-3.3	-28.9	-11.2	59.5	49.9	9.5	14.0	Dec.	
<i>Euro area enlargement</i>													
-19.7	4.7	-	-2.0	0.2	19.5	-2.3	4.9	36.1	23.3	9.1	-54.7	2001 Jan. ⁴⁾	

3) 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.

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. For the calculation of growth rates, see the technical notes.

Table 2.4 (cont'd)
Monetary aggregates ¹⁾ and counterparts
(EUR billions and percentage changes, unless otherwise indicated)
3. Seasonally adjusted levels

	M3										Loans to other euro area residents (excluding government)	
	M2				Marketable instruments ⁴⁾				Total	Index ²⁾	Total	Index ²⁾
	M1		Other short-term deposits ³⁾		Total	Index ²⁾	Total	Index ²⁾			Total	Index ²⁾
	Total ¹⁾	Index ²⁾	Total ³⁾	Index ²⁾	5	6	7	8	9	10	11	12
1999 July	1,871.7	105.07	2,138.6	100.18	4,010.3	102.40	609.0	108.54	4,619.3	103.17	5,338.3	105.67
Aug.	1,873.6	105.13	2,139.1	100.16	4,012.8	102.42	616.9	109.85	4,629.6	103.35	5,371.4	106.31
Sep.	1,888.0	105.97	2,137.4	100.08	4,025.5	102.76	640.8	111.96	4,666.3	103.91	5,403.9	106.98
Oct.	1,900.0	106.59	2,145.6	100.34	4,045.6	103.19	647.5	112.97	4,693.1	104.41	5,448.1	107.83
Nov.	1,914.3	107.30	2,145.7	100.25	4,060.0	103.46	663.5	115.51	4,723.6	104.97	5,508.3	108.96
Dec.	1,920.4	107.62	2,147.7	100.33	4,068.0	103.65	684.6	117.14	4,752.6	105.35	5,520.4	109.25
2000 Jan.	1,958.0	109.67	2,131.6	99.54	4,089.6	104.15	689.5	117.23	4,779.1	105.80	5,573.4	110.22
Feb.	1,980.8	110.95	2,141.6	100.07	4,122.5	105.02	696.5	118.40	4,818.9	106.71	5,626.4	111.28
Mar.	1,993.7	111.59	2,147.9	100.31	4,141.6	105.44	719.4	122.08	4,861.0	107.55	5,687.9	112.42
Apr.	2,008.2	112.29	2,153.7	100.46	4,162.0	105.84	763.3	121.96	4,925.3	107.88	5,751.0	113.53
May	2,001.2	112.09	2,162.1	100.86	4,163.2	105.96	766.8	123.08	4,930.0	108.14	5,792.0	114.31
June	1,985.8	111.30	2,166.0	101.12	4,151.8	105.75	769.2	123.14	4,921.0	107.96	5,825.9	114.86
July	1,997.2	111.86	2,172.6	101.36	4,169.8	106.13	780.6	124.80	4,950.5	108.52	5,851.9	115.28
Aug.	2,015.5	112.77	2,183.7	101.79	4,199.2	106.79	788.2	125.64	4,987.4	109.20	5,913.7	116.44
Sep.	2,015.2	112.70	2,191.7	102.11	4,207.0	106.93	791.1	126.07	4,998.0	109.37	5,990.4	117.68
Oct.	2,020.9	112.90	2,199.1	102.34	4,220.0	107.15	809.1	128.58	5,029.2	109.91	6,029.2	118.36
Nov.	2,023.1	113.13	2,203.7	102.65	4,226.8	107.42	815.2	129.91	5,042.0	110.32	6,058.6	119.07
Dec.	2,023.9	113.40	2,191.9	102.37	4,215.7	107.38	824.8	133.36	5,040.5	110.76	6,072.9	119.71
<i>Euro area enlargement</i>												
2001 1 Jan.	2,045.7		2,278.0		4,323.8		846.0		5,169.8		6,136.0	
2001 Jan. ^(p)	2,012.9	111.58	2,286.3	102.75	4,299.1	106.79	876.0	138.62	5,175.1	110.96	6,167.8	120.35

4. Seasonally adjusted flows ⁵⁾

	M3										Loans to other euro area residents (excluding government)	
	M2				Marketable instruments ⁴⁾				Total	Change on previous month (%)	Total	Change on previous month (%)
	M1		Other short-term deposits ³⁾		Total	Change on previous month (%)	Total	Change on previous month (%)			Total	Change on previous month (%)
	Total ¹⁾	Change on previous month (%) ²⁾	Total ³⁾	Change on previous month (%) ²⁾	5	6	7	8	9	10	11	12
1999 Aug.	1.2	0.1	-0.4	0.0	0.7	0.0	7.3	1.2	8.0	0.2	32.3	0.6
Sep.	14.9	0.8	-1.5	-0.1	13.4	0.3	11.9	1.9	25.3	0.5	34.0	0.6
Oct.	11.1	0.6	5.5	0.3	16.6	0.4	5.7	0.9	22.3	0.5	42.9	0.8
Nov.	12.6	0.7	-1.9	-0.1	10.7	0.3	14.6	2.3	25.3	0.5	56.9	1.0
Dec.	5.6	0.3	1.7	0.1	7.3	0.2	9.4	1.4	16.7	0.4	14.6	0.3
2000 Jan.	36.7	1.9	-17.0	-0.8	19.7	0.5	0.5	0.1	20.2	0.4	48.9	0.9
Feb.	22.8	1.2	11.4	0.5	34.2	0.8	6.9	1.0	41.1	0.9	53.6	1.0
Mar.	11.5	0.6	5.0	0.2	16.5	0.4	21.6	3.1	38.1	0.8	57.7	1.0
Apr.	12.6	0.6	3.3	0.2	15.9	0.4	-0.7	-0.1	15.2	0.3	56.2	1.0
May	-3.7	-0.2	8.5	0.4	4.8	0.1	7.0	0.9	11.8	0.2	39.7	0.7
June	-14.1	-0.7	5.6	0.3	-8.5	-0.2	0.4	0.1	-8.1	-0.2	27.7	0.5
July	10.0	0.5	5.1	0.2	15.2	0.4	10.3	1.3	25.5	0.5	21.2	0.4
Aug.	16.3	0.8	9.3	0.4	25.7	0.6	5.3	0.7	31.0	0.6	59.1	1.0
Sep.	-1.3	-0.1	6.8	0.3	5.5	0.1	2.7	0.3	8.1	0.2	62.7	1.1
Oct.	3.6	0.2	5.0	0.2	8.6	0.2	15.8	2.0	24.4	0.5	34.6	0.6
Nov.	4.1	0.2	6.6	0.3	10.6	0.3	8.4	1.0	19.0	0.4	36.1	0.6
Dec.	4.8	0.2	-6.1	-0.3	-1.3	0.0	21.7	2.7	20.3	0.4	32.6	0.5
<i>Euro area enlargement</i>												
2001 Jan. ^(p)	-33.2	-1.6	8.7	0.4	-24.5	-0.6	33.6	3.9	9.1	0.2	32.7	0.5

Source: ECB.

1) See page 16*, footnote 1.

2) See page 16*, footnote 2. For the calculation of growth rates, see the technical notes.

3) 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.

4) Marketable instruments comprise repurchase agreements, money market fund shares/units and money market paper together with debt securities issued with an original maturity of up to two years.

5) See page 17*, footnote 4.

Table 2.5

Outstanding MFI loans by counterpart, type and original maturity ¹⁾

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

1. Loans to non-financial sectors other than government

	Non-financial corporations ²⁾³⁾				Households ²⁾³⁾	Consumer credit ⁴⁾			Lending for house purchase ⁴⁾			Other lending			Non-profit institutions serving households ²⁾			
	1	Up to 1 year	Over 1 and up to 5 years	Over 5 years		6	Up to 1 year	Over 1 and up to 5 years	Over 5 years	9	Up to 1 year	Over 1 and up to 5 years	Over 5 years	12		Up to 1 year	Over 1 and up to 5 years	Over 5 years ³⁾
1999 Q1	2,297.8	841.3	343.9	1,112.6	2,545.0	89.2	149.5	188.5	15.6	67.1	1,476.5	135.2	98.1	325.3	35.8			
Q2	2,369.7	867.0	357.1	1,145.5	2,614.3	87.0	155.8	194.1	19.0	63.9	1,528.0	138.7	98.5	329.4	35.8			
Q3	2,387.6	854.5	369.2	1,163.8	2,672.7	89.5	157.9	196.6	19.7	64.5	1,575.2	136.0	96.2	337.1	36.2			
Q4	2,461.3	879.4	382.7	1,199.2	2,739.5	91.6	157.1	195.6	20.1	61.0	1,634.4	141.9	98.5	339.3	37.4			
2000 Q1	2,535.4	922.9	401.8	1,210.7	2,788.3	92.5	163.3	200.5	20.4	59.3	1,668.0	141.1	100.4	342.8	39.0			
Q2	2,599.3	942.5	416.5	1,240.3	2,839.4	97.2	162.4	201.8	21.5	61.1	1,706.9	145.1	102.2	341.3	37.6			
Q3	2,673.3	982.1	429.8	1,261.4	2,903.5	100.2	166.1	208.3	22.9	63.5	1,757.0	142.6	100.9	342.1	37.5			
Q4 ⁴⁾	2,728.2	1,002.8	434.6	1,290.8	2,954.2	101.5	166.1	211.7	22.8	62.7	1,796.4	147.0	101.8	344.3	38.3			

2. Loans to non-monetary financial corporations

	Non-monetary financial intermediaries except insurance corporations and pension funds ²⁾				Insurance corporations and pension funds ²⁾			
	16	Up to 1 year	Over 1 and up to 5 years	Over 5 years	20	Up to 1 year	Over 1 and up to 5 years	Over 5 years
1999 Q1	300.6	184.4	55.2	61.1	36.1	27.1	3.0	5.9
Q2	307.1	193.1	52.2	61.8	40.4	28.9	2.7	8.8
Q3	299.6	182.1	53.8	63.7	42.0	33.1	2.8	6.0
Q4	315.9	191.5	55.2	69.2	29.4	20.8	2.7	5.9
2000 Q1	335.8	207.2	56.2	72.4	37.1	25.7	4.0	7.4
Q2	382.0	246.2	60.8	74.9	38.9	29.2	3.8	5.8
Q3	386.1	247.4	64.9	73.8	33.1	25.4	2.9	4.8
Q4 ⁴⁾	395.4	255.6	67.7	72.1	31.7	23.3	3.5	5.0

3. Loans to government

	General government ²⁾										
	24	Central government ⁵⁾	Other general government								Social security funds
			State government				Local government				
			26	Up to 1 year	Over 1 and up to 5 years	Over 5 years	30	Up to 1 year	Over 1 and up to 5 years	Over 5 years	
27	28	29	31	32	33	34					
1999 Q1	850.6	232.2	276.7	12.1	20.9	243.7	328.9	19.8	12.6	296.5	12.8
Q2	850.5	223.6	279.2	11.5	20.5	247.1	329.8	20.3	10.9	298.6	17.9
Q3	843.4	217.9	278.4	10.1	21.3	247.0	329.9	20.0	10.5	299.4	17.2
Q4	861.6	212.3	292.9	15.0	25.1	252.7	340.4	20.7	11.7	308.0	16.2
2000 Q1	851.9	205.2	291.9	13.2	27.4	251.3	338.5	21.3	10.8	306.4	16.3
Q2	847.8	198.1	290.0	9.9	28.1	252.1	339.6	21.7	11.5	306.4	20.1
Q3	830.5	184.8	288.4	8.9	27.2	252.4	338.4	21.6	11.1	305.7	18.9
Q4 ⁴⁾	848.4	182.1	297.3	13.7	28.1	255.4	352.9	24.2	12.2	316.5	16.1

Source: ECB.

- 1) Outstanding amounts are not adjusted for reclassifications, other revaluations or exchange rate variations. Data are partially estimated. For further details, see the technical notes.
- 2) Corresponding ESA 95 sector codes: non-financial corporations, S11; households, S14; non-profit institutions serving households, S15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S123 (including financial auxiliaries, S124); insurance corporations and pension funds, S125; general government, S13.
- 3) As a result of the implementation of a new reporting scheme in January 1999, data prior to the first quarter of 1999 are not directly comparable with those referring to later periods.
- 4) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.
- 5) A maturity breakdown is not available for loans to central government.

Table 2.6
Outstanding deposits held with MFIs, by counterpart and instrument ¹⁾
(EUR billions (not seasonally adjusted; end of period))
1. Deposits held by non-financial sectors other than government

	Non-financial corporations ^{2) 3)}					Households ^{2) 3)}				
	1	Overnight 2	With agreed maturity 3	Redeemable at notice 4	Repos 5	6	Overnight 7	With agreed maturity 8	Redeemable at notice 9	Repos 10
1999 Q1	750.7	400.7	299.3	23.9	26.9	3,304.1	800.6	1,137.7	1,324.2	41.6
Q2	763.3	434.5	275.0	25.7	28.1	3,324.4	844.3	1,110.8	1,334.1	35.3
Q3	771.6	437.6	280.6	25.9	27.4	3,316.5	847.5	1,101.0	1,330.9	37.1
Q4	798.0	453.6	292.6	24.1	27.7	3,385.7	875.4	1,121.6	1,344.4	44.3
2000 Q1	815.1	447.3	305.7	24.6	37.5	3,376.1	890.6	1,116.0	1,321.9	47.6
Q2	846.8	467.9	322.2	24.3	32.4	3,373.4	892.0	1,120.8	1,304.2	56.4
Q3	871.7	471.2	342.8	24.9	32.9	3,360.4	877.4	1,134.8	1,284.5	63.7
Q4 ^(p)	896.6	503.9	338.0	24.1	30.6	3,427.8	908.1	1,157.5	1,292.6	69.7

2. Deposits held by non-monetary financial corporations

	Non-monetary financial intermediaries except insurance corporations and pension funds ^{2) 3)}					Insurance corporations and pension funds ²⁾				
	1	Overnight 2	With agreed maturity 3	Redeemable at notice 4	Repos 5	6	Overnight 7	With agreed maturity 8	Redeemable at notice 9	Repos 10
1999 Q1	377.9	128.6	142.4	5.4	101.5	426.2	32.2	380.1	3.0	10.9
Q2	403.8	135.7	165.3	5.4	97.4	430.9	36.4	380.5	3.3	10.7
Q3	392.5	122.9	173.2	5.9	90.5	436.7	32.1	389.8	3.3	11.5
Q4	400.0	143.4	182.1	4.7	69.8	447.8	32.3	400.4	3.3	11.9
2000 Q1	436.9	162.4	180.5	5.6	88.4	458.9	35.4	407.1	3.2	13.1
Q2	426.2	164.7	179.2	5.3	77.0	460.9	34.6	411.0	3.5	11.8
Q3	427.0	158.9	185.3	5.1	77.7	464.5	34.2	413.7	3.7	12.9
Q4 ^(p)	436.4	157.5	196.6	5.9	76.4	479.2	41.1	418.1	3.2	16.9

3. Deposits held by government

	General government ²⁾																
	1	Central government 2	Other general government														17
			State government					Local government					Social security funds				
			Overnight 3	With agreed maturity 4	Redeemable at notice 5	Repos 6	7	Overnight 8	With agreed maturity 9	Redeemable at notice 10	Repos 11	12	Overnight 13	With agreed maturity 14	Redeemable at notice 15		
1999 Q1	256.8	133.4	25.6	7.4	17.9	0.1	0.2	53.8	24.9	24.0	3.2	1.7	44.0	16.0	26.0	1.0	1.0
Q2	257.5	125.0	27.3	8.1	18.9	0.2	0.1	55.3	26.9	24.2	3.4	0.7	49.9	19.8	28.0	1.1	1.0
Q3	265.0	133.3	27.8	8.7	18.7	0.1	0.2	55.3	25.2	25.6	3.4	1.1	48.6	18.7	27.6	0.9	1.5
Q4	283.9	142.0	31.6	10.2	21.1	0.1	0.2	59.9	27.8	27.4	3.4	1.2	50.3	17.7	31.2	0.7	0.7
2000 Q1	273.2	130.2	28.7	8.3	20.2	0.1	0.1	59.4	26.6	27.7	3.3	1.8	54.9	20.3	32.5	0.7	1.4
Q2	303.4	146.0	32.2	10.5	21.5	0.1	0.1	63.8	29.7	28.7	3.1	2.3	61.4	24.5	33.3	0.5	3.0
Q3	314.2	159.3	30.8	10.0	20.6	0.1	0.1	64.3	28.4	30.8	2.9	2.1	59.9	22.9	33.4	0.5	3.1
Q4 ^(p)	319.2	164.6	30.6	10.6	19.8	0.1	0.1	69.0	31.5	33.0	3.0	1.5	55.0	19.8	34.0	0.5	0.7

Source: ECB.

- 1) Outstanding amounts are not adjusted for reclassifications, other revaluations or exchange rate variations. Data are partially estimated. For further details, see the technical notes.
- 2) Corresponding ESA 95 sector codes: non-financial corporations, S11; households, S14; non-profit institutions serving households, S15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S123 (including financial auxiliaries, S124); insurance corporations and pension funds, S125; general government, S13.
- 3) As a result of the implementation of a new reporting scheme in January 1999, data prior to the first quarter of 1999 are not directly comparable with those referring to later periods.

Table 2.7**Main outstanding MFI claims on and liabilities to non-residents of the euro area ¹⁾***(EUR billions (not seasonally adjusted; end of period))***1. Eurosystem ²⁾**

	Loans to non-residents				Holdings of securities other than shares issued by non-residents				Holdings of shares and other equity issued by non-residents			Deposits held by non-residents			
	Banks ³⁾⁴⁾		Non-banks		Banks ³⁾		Non-banks		Banks ³⁾		Other	Banks ³⁾		Non-banks	
	1	2	General government	Other	5	6	General government	Other	9	10	11	12	13	General government	Other
			3	4			7	8						14	15
1999 Q1	115.5	104.2	8.4	2.9	186.8	3.9	180.1	2.9	0.4	0.1	0.3	92.6	89.7	1.1	1.8
Q2	194.3	177.5	13.1	3.7	179.9	4.5	171.6	3.8	0.4	0.1	0.3	166.0	162.9	0.8	2.2
Q3	111.1	102.0	6.8	2.3	181.0	4.0	172.9	4.1	0.4	0.1	0.3	83.3	80.6	1.1	1.5
Q4	62.3	48.3	10.5	3.5	200.2	5.7	190.7	3.8	0.6	0.1	0.5	43.9	39.8	1.0	3.2
2000 Q1	92.1	81.0	8.9	2.2	208.0	4.8	197.5	5.7	0.5	0.1	0.4	69.0	66.7	0.9	1.4
Q2	106.3	93.2	10.3	2.7	206.9	4.5	198.3	4.0	0.4	0.1	0.3	86.1	82.8	1.3	2.0
Q3	85.7	74.7	8.2	2.7	227.2	5.3	216.5	5.5	1.0	0.1	0.9	68.8	64.6	1.8	2.4
Q4 ⁴⁾	39.7	30.4	7.0	2.3	208.6	5.2	198.5	4.9	1.0	0.1	0.9	24.2	19.9	2.0	2.2

2. MFIs excluding the Eurosystem

	Loans to non-residents				Holdings of securities other than shares issued by non-residents				Holdings of shares and other equity issued by non-residents			Deposits held by non-residents			
	Banks ³⁾⁴⁾		Non-banks		Banks ³⁾		Non-banks		Banks ³⁾		Other	Banks ³⁾		Non-banks	
	1	2	General government	Other	5	6	General government	Other	9	10	11	12	13	General government	Other
			3	4			7	8						14	15
1999 Q1	1,283.3	908.4	64.0	310.9	301.0	79.5	104.5	117.0	58.8	22.6	36.3	1,633.2	1,215.8	70.8	346.5
Q2	1,264.8	860.5	66.9	337.4	321.9	86.9	100.2	134.8	76.0	33.1	43.0	1,683.2	1,227.5	62.3	393.3
Q3	1,270.0	861.9	67.3	340.8	320.8	88.4	89.3	143.1	78.5	39.5	39.0	1,706.4	1,245.7	62.2	398.4
Q4	1,300.2	876.0	68.3	355.8	340.0	94.2	89.1	156.7	82.4	37.9	44.5	1,794.4	1,293.7	72.1	428.6
2000 Q1	1,353.1	903.4	70.5	379.2	371.1	109.2	99.8	162.2	100.4	46.6	53.9	2,013.1	1,458.6	71.2	483.3
Q2	1,367.3	928.8	70.6	367.9	415.9	134.2	109.9	171.7	107.1	50.5	56.6	1,980.3	1,421.9	74.4	484.1
Q3	1,431.5	953.9	71.0	406.5	443.9	147.1	110.7	186.1	123.8	56.7	67.1	2,129.8	1,508.1	80.7	541.0
Q4 ⁴⁾	1,449.9	962.7	74.1	413.1	440.4	147.7	95.4	197.3	127.7	61.6	66.1	2,128.0	1,517.1	83.9	527.1

3. MFIs including the Eurosystem

	Loans to non-residents				Holdings of securities other than shares issued by non-residents				Holdings of shares and other equity issued by non-residents			Deposits held by non-residents			
	Banks ³⁾⁴⁾		Non-banks		Banks ³⁾		Non-banks		Banks ³⁾		Other	Banks ³⁾		Non-banks	
	1	2	General government	Other	5	6	General government	Other	9	10	11	12	13	General government	Other
			3	4			7	8						14	15
1999 Q1	1,398.8	1,012.6	72.4	313.8	487.8	83.4	284.6	119.9	59.2	22.7	36.6	1,725.8	1,305.5	71.9	348.4
Q2	1,459.1	1,038.0	80.0	341.1	501.8	91.4	271.8	138.6	76.4	33.1	43.3	1,849.1	1,390.4	63.2	395.5
Q3	1,381.1	963.9	74.0	343.1	501.8	92.4	262.2	147.2	78.9	39.6	39.3	1,789.6	1,326.3	63.3	400.0
Q4	1,362.5	924.3	78.8	359.4	540.2	99.9	279.8	160.5	82.9	38.0	45.0	1,838.3	1,333.5	73.1	431.7
2000 Q1	1,445.2	984.3	79.4	381.5	579.1	114.0	297.2	167.9	100.9	46.6	54.3	2,082.1	1,525.2	72.1	484.7
Q2	1,473.6	1,022.0	81.0	370.6	622.8	138.8	308.3	175.7	107.5	50.6	56.9	2,066.5	1,504.7	75.7	486.1
Q3	1,517.2	1,028.7	79.2	409.3	671.2	152.4	327.2	191.6	124.8	56.8	67.9	2,198.6	1,572.7	82.5	543.4
Q4 ⁴⁾	1,489.6	993.1	81.1	415.5	648.9	152.9	293.9	202.2	128.6	61.7	67.0	2,152.2	1,537.0	85.9	529.3

Source: ECB.

1) Outstanding amounts are not adjusted for reclassifications, other revaluations or exchange rate variations. Data are partially estimated. For further details, see the technical notes.

2) New reporting rules as from January 1999 caused significant breaks in the first quarter of 1999.

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

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

Table 2.8**Currency analysis of certain liabilities and assets of the euro area MFIs¹⁾***(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
1999 Q1	3,907.9	3,457.6	72.6	377.7	272.5	23.6	56.7	24.9	5,107.4	4,861.3	97.1	149.1	97.5	26.6	15.1	9.9
Q2	4,144.1	3,716.0	71.9	356.1	257.5	20.7	53.4	24.5	5,172.8	4,912.3	105.2	155.3	104.9	26.9	13.1	10.4
Q3	3,870.9	3,435.9	74.2	360.8	255.5	24.9	58.2	22.2	5,177.3	4,914.5	108.9	153.9	103.9	27.4	12.4	10.1
Q4	3,894.1	3,456.8	65.6	371.6	266.9	30.0	54.9	19.8	5,309.2	5,040.6	108.5	160.1	110.2	26.5	11.9	11.6
2000 Q1	3,958.3	3,496.3	73.8	388.2	271.3	32.9	60.7	23.2	5,353.1	5,074.1	111.7	167.2	115.9	27.9	12.1	11.4
Q2	4,084.5	3,620.9	73.8	389.7	270.8	35.3	62.5	21.1	5,405.1	5,110.6	116.5	178.0	125.9	28.5	13.4	10.3
Q3	3,970.5	3,485.3	74.7	410.5	285.7	38.8	65.1	20.9	5,434.7	5,127.5	122.2	185.0	134.1	27.1	12.6	11.1
Q4 ^(p)	3,955.3	3,515.1	67.7	372.5	261.2	34.2	60.2	16.9	5,552.7	5,257.7	121.4	173.6	125.9	25.3	11.0	11.4

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
1999 Q1	1,305.5	561.3	128.4	615.8	488.5	48.3	53.1	26.0	420.3	186.6	39.3	194.4	156.0	15.1	13.5	9.7
Q2	1,390.4	617.3	127.4	645.8	522.5	39.2	52.7	31.4	458.7	201.8	42.4	214.5	176.3	15.3	11.9	11.0
Q3	1,326.3	564.0	129.4	632.9	509.8	40.0	53.8	29.3	463.3	209.2	43.8	210.3	167.5	19.7	11.4	11.6
Q4	1,333.5	533.8	114.6	685.1	561.6	44.9	50.7	27.8	504.7	219.8	46.3	238.6	195.4	18.4	13.0	11.8
2000 Q1	1,525.2	601.1	155.8	768.4	608.3	64.8	65.4	29.9	556.8	244.5	53.5	258.9	211.3	22.3	12.3	13.0
Q2	1,504.7	598.4	137.3	769.0	611.3	60.5	62.9	34.3	561.7	243.3	54.8	263.6	213.6	22.7	15.7	11.7
Q3	1,572.7	610.5	146.5	815.8	657.9	63.0	63.2	31.8	625.9	255.1	62.8	308.0	257.2	23.6	14.3	12.9
Q4 ^(p)	1,537.0	591.7	138.2	807.1	665.3	49.5	62.6	29.7	615.2	258.3	66.7	290.2	242.2	21.2	13.0	13.8

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

	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
1999 Q1	2,206.5	1,970.1	31.8	204.7	119.0	39.3	30.6	15.7	185.4	169.8	0.7	14.9	12.5	0.8	1.4	0.2
Q2	2,282.9	2,030.3	37.0	215.5	125.5	40.3	32.2	17.4	188.1	170.3	1.5	16.3	12.8	1.5	1.7	0.4
Q3	2,343.7	2,083.7	39.5	220.6	126.7	45.8	31.1	16.9	207.5	187.8	1.8	17.8	11.6	3.2	2.4	0.6
Q4	2,378.6	2,112.8	40.5	225.3	126.9	50.5	30.6	17.2	245.4	220.5	1.8	23.1	15.4	4.2	2.3	1.2
2000 Q1	2,437.3	2,151.2	43.5	242.5	134.5	55.6	33.7	18.8	250.5	226.0	1.8	22.7	14.5	4.6	2.0	1.7
Q2	2,493.9	2,196.6	40.9	256.4	143.8	60.5	33.7	18.4	262.8	234.9	1.4	26.4	17.2	5.4	2.5	1.4
Q3	2,566.0	2,237.7	48.1	280.2	156.2	67.1	37.4	19.6	272.2	233.6	2.2	36.4	26.6	5.7	2.8	1.3
Q4 ^(p)	2,575.7	2,255.1	46.6	274.1	158.8	59.6	35.5	20.2	261.5	215.2	2.1	44.2	34.4	5.3	2.9	1.6

Source: ECB.

1) Outstanding amounts are not adjusted for reclassifications, other revaluations or exchange rate variations. 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.

Assets outstanding

4. Loans to euro area residents

	MFIs								Non-MFIs							
	All currencies	Euro ³⁾	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	
1999 Q1	3,870.6	-	-	-	-	-	-	-	6,061.8	5,813.1	59.2	189.5	105.7	22.7	54.1	7.0
Q2	4,103.7	-	-	-	-	-	-	-	6,213.7	5,949.8	61.9	202.0	114.0	24.0	57.7	6.3
Q3	3,827.3	-	-	-	-	-	-	-	6,277.3	6,003.4	63.4	210.5	112.8	29.3	61.9	6.6
Q4	3,851.3	-	-	-	-	-	-	-	6,438.1	6,151.9	65.2	221.0	119.5	33.6	63.7	4.2
2000 Q1	3,948.9	-	-	-	-	-	-	-	6,579.8	6,261.2	74.3	244.3	132.0	40.2	67.9	4.3
Q2	4,039.5	-	-	-	-	-	-	-	6,736.1	6,388.3	78.7	269.1	148.8	43.3	72.2	4.8
Q3	3,949.5	-	-	-	-	-	-	-	6,854.1	6,485.4	80.2	288.5	160.4	49.6	74.2	4.3
Q4 ⁴⁾	3,929.0	-	-	-	-	-	-	-	6,981.9	6,619.8	81.3	280.8	155.9	45.4	74.8	4.8

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

	Issued by MFIs								Issued by non-MFIs							
	All currencies	Euro ³⁾	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	
1999 Q1	763.4	727.6	8.4	27.4	18.3	5.6	1.8	1.8	1,421.4	1,388.9	38.2	34.5	18.8	12.9	1.6	1.3
Q2	802.7	768.4	6.6	27.7	18.9	5.3	1.6	1.9	1,432.3	1,402.1	40.8	33.3	18.0	12.8	1.3	1.1
Q3	830.3	796.1	7.6	26.6	17.1	5.4	2.0	2.2	1,446.0	1,415.7	40.9	33.4	16.9	13.8	1.6	1.2
Q4	830.4	795.7	8.1	26.6	17.4	5.0	2.5	1.6	1,438.6	1,406.0	44.2	31.3	14.6	14.1	1.2	1.4
2000 Q1	871.9	834.7	11.6	25.5	16.5	5.0	2.4	1.7	1,449.6	1,417.1	44.2	31.6	15.5	13.9	1.2	1.1
Q2	897.5	858.1	12.5	26.9	17.8	4.9	2.6	1.7	1,411.0	1,377.3	49.8	31.7	16.1	13.0	1.6	1.0
Q3	943.4	898.7	10.6	34.1	24.5	5.3	2.5	1.9	1,386.6	1,353.3	48.3	33.6	18.0	13.6	1.2	0.9
Q4 ⁴⁾	932.1	891.9	11.0	29.2	20.5	4.7	2.3	1.7	1,352.5	1,318.8	47.5	32.8	18.5	12.4	1.0	0.9

6. Loans to non-residents of the euro area

	Banks ³⁾								Non-banks							
	All currencies	Euro ³⁾	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	
1999 Q1	1,012.6	478.2	78.0	456.4	333.4	50.8	27.2	44.9	386.2	137.7	28.6	219.9	191.3	7.4	13.0	8.1
Q2	1,038.0	529.8	76.5	431.7	318.9	41.4	26.5	44.8	421.1	142.8	35.7	242.6	210.7	7.6	15.0	9.2
Q3	963.9	449.5	82.5	431.9	312.7	45.1	29.3	44.9	417.2	147.7	36.5	232.9	196.9	10.5	16.8	8.6
Q4	924.3	393.6	78.3	452.4	335.7	52.8	30.8	33.1	438.2	140.7	40.2	257.3	220.3	12.3	18.6	6.0
2000 Q1	984.3	433.9	99.0	451.4	327.8	52.6	33.8	37.3	460.9	147.6	39.9	273.4	232.6	14.9	19.7	6.2
Q2	1,022.0	474.3	95.7	452.1	331.9	47.6	34.5	38.1	451.6	142.2	40.3	269.1	228.0	13.8	20.5	6.8
Q3	1,028.7	458.4	94.6	475.7	358.8	45.3	35.2	36.5	488.5	149.2	43.7	295.6	252.6	14.2	22.1	6.8
Q4 ⁴⁾	993.1	419.1	95.1	478.9	364.6	45.6	34.7	34.0	496.5	156.6	43.3	296.6	253.6	11.4	24.4	7.2

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 ³⁾	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	
1999 Q1	83.4	29.6	7.1	46.7	35.1	5.8	2.0	3.7	404.5	77.1	22.7	304.7	259.2	22.2	6.1	17.1
Q2	91.4	33.6	7.3	50.4	39.2	5.8	2.2	3.3	410.4	93.5	24.7	292.3	254.8	21.8	6.5	9.2
Q3	92.4	36.3	7.0	49.0	38.5	5.9	1.8	2.8	409.4	97.1	26.4	285.9	249.3	25.0	4.1	7.5
Q4	99.9	40.5	7.7	51.8	39.9	6.9	1.9	3.2	440.3	109.4	25.0	305.9	268.9	24.2	4.2	8.6
2000 Q1	114.0	44.4	8.1	61.5	48.0	6.9	2.2	4.5	465.1	103.9	29.6	331.5	288.0	28.4	5.7	9.5
Q2	138.8	50.1	13.1	75.5	61.2	7.0	2.2	5.1	484.0	105.6	30.0	348.4	306.2	28.2	4.5	9.5
Q3	152.4	50.6	16.5	85.3	72.1	7.1	2.2	3.9	518.8	120.0	33.9	364.9	319.4	32.1	4.2	9.2
Q4 ⁴⁾	152.9	49.7	18.8	84.5	72.4	6.4	1.7	3.9	496.0	124.1	36.4	335.5	294.6	28.2	3.8	8.9

3 Financial markets and interest rates in the euro area

Table 3.1

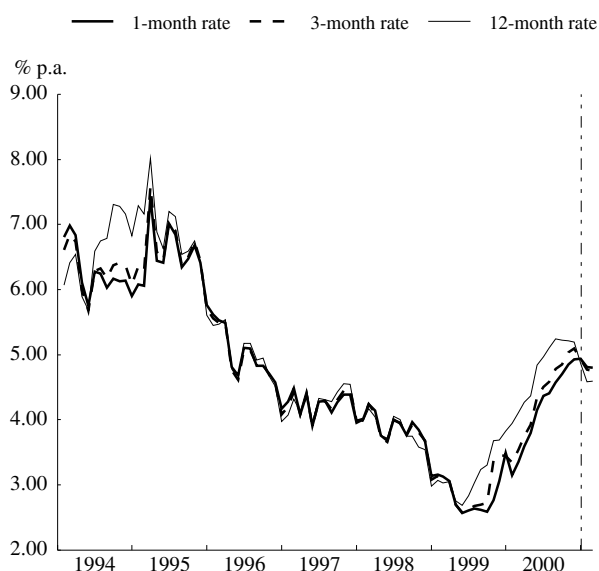
Money market interest rates ¹⁾

(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 ⁵⁾ 6	3-month deposits ⁵⁾ 7
1996	4.04	4.95	4.92	4.89	4.93	5.51	0.57
1997	3.98	4.23	4.24	4.25	4.28	5.76	0.62
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
2000 Feb.	3.28	3.36	3.54	3.73	4.11	6.10	0.13
Mar.	3.51	3.59	3.75	4.27	4.27	6.20	0.14
Apr.	3.69	3.80	3.93	4.09	4.37	6.31	0.12
May	3.92	4.15	4.35	4.53	4.84	6.75	0.10
June	4.29	4.37	4.50	4.68	4.96	6.79	0.13
July	4.31	4.41	4.58	4.84	5.11	6.73	0.22
Aug.	4.42	4.57	4.78	5.01	5.25	6.69	0.32
Sep.	4.59	4.70	4.85	5.04	5.22	6.67	0.41
Oct.	4.76	4.85	5.04	5.10	5.22	6.78	0.52
Nov.	4.83	4.92	5.09	5.13	5.19	6.75	0.55
Dec.	4.83	4.94	4.93	4.91	4.87	6.54	0.62
<i>Euro area enlargement</i>							
2001 Jan.	4.75	4.81	4.77	4.68	4.58	5.73	0.50
Feb.	4.99	4.80	4.76	4.67	4.59	5.35	0.41
2001 2 Feb.	4.77	4.78	4.72	4.64	4.54	5.40	0.48
9	4.76	4.78	4.73	4.66	4.59	5.41	0.41
16	5.01	4.79	4.75	4.68	4.62	5.41	0.39
23	5.08	4.82	4.81	4.74	4.69	5.30	0.37

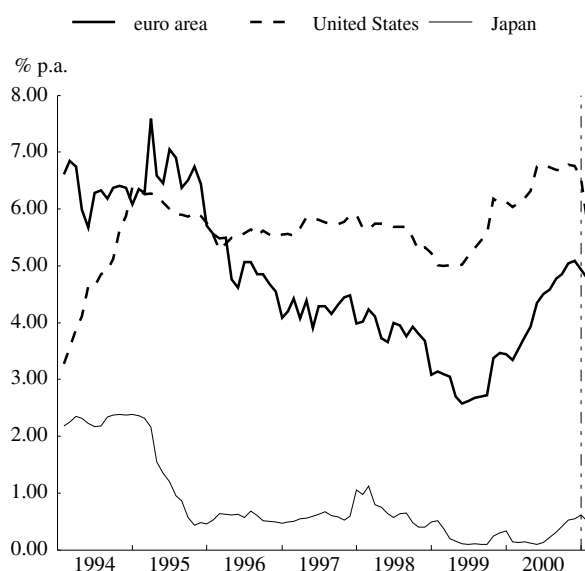
Euro area money market rates

(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

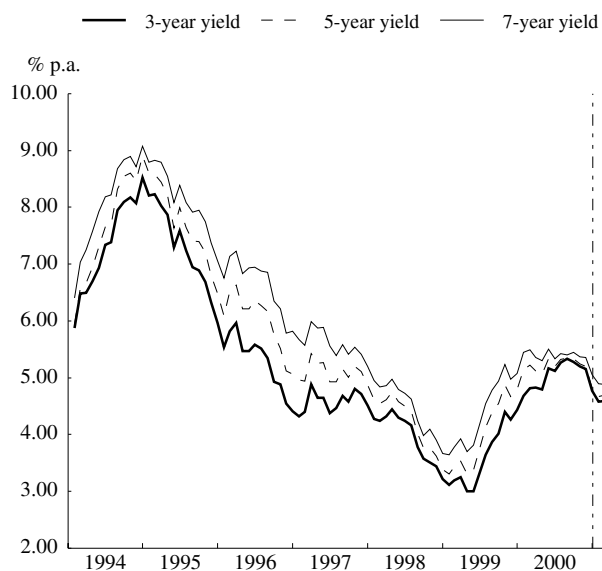
Government bond yields ¹⁾

(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
1996	4.17	4.41	5.06	5.82	7.23	6.54	3.03
1997	4.33	4.51	4.87	5.20	5.99	6.45	2.15
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
2000 Feb.	4.55	4.82	5.23	5.49	5.66	6.52	1.83
Mar.	4.59	4.83	5.12	5.35	5.49	6.26	1.81
Apr.	4.58	4.79	5.06	5.30	5.41	6.00	1.75
May	5.00	5.16	5.34	5.51	5.52	6.42	1.71
June	5.02	5.12	5.19	5.33	5.35	6.10	1.69
July	5.19	5.27	5.32	5.43	5.45	6.04	1.72
Aug.	5.28	5.34	5.35	5.40	5.40	5.83	1.77
Sep.	5.22	5.28	5.33	5.44	5.47	5.80	1.88
Oct.	5.17	5.20	5.24	5.37	5.42	5.74	1.83
Nov.	5.12	5.15	5.19	5.35	5.34	5.72	1.75
Dec.	4.74	4.77	4.82	5.05	5.07	5.23	1.62
<i>Euro area enlargement</i>							
2001 Jan.	4.55	4.57	4.67	4.90	5.01	5.14	1.54
Feb.	4.56	4.59	4.69	4.88	5.02	5.10	1.43
2001 2 Feb.	4.53	4.56	4.66	4.86	5.00	5.12	1.54
9	4.54	4.56	4.66	4.85	4.99	5.05	1.43
16	4.62	4.63	4.73	4.91	5.04	5.12	1.40
23	4.62	4.63	4.73	4.92	5.06	5.11	1.44

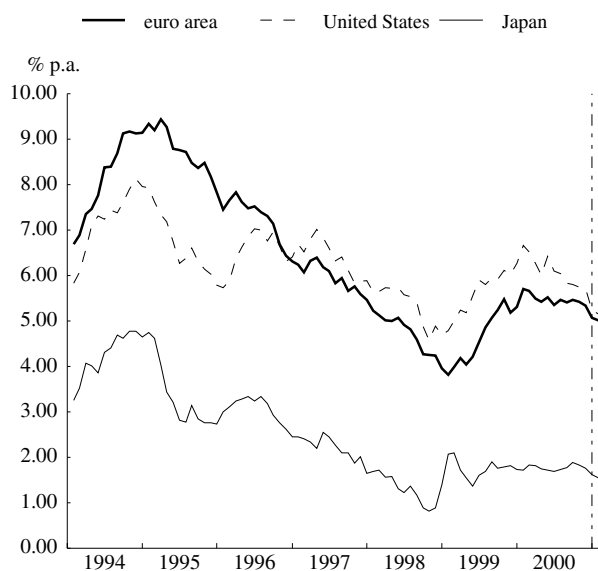
Euro area government bond yields

(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

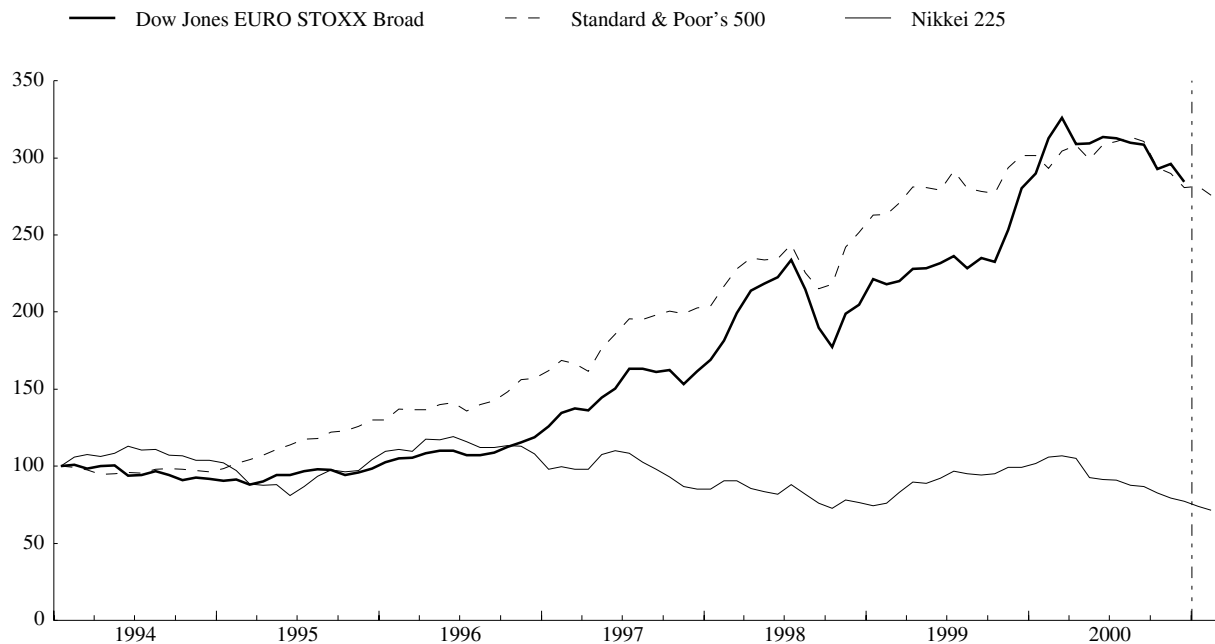
Stock market indices

(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	
1996	151.6	1,657.5	181.1	146.8	180.6	159.5	129.9	134.7	150.0	166.3	202.4	230.2	671.2	21,061.7
1997	207.6	2,319.6	233.4	191.9	231.9	227.3	184.4	168.0	227.7	205.5	324.4	301.8	873.9	18,373.4
1998	280.5	3,076.3	257.9	245.0	295.5	249.3	281.3	218.4	333.6	282.1	487.7	348.6	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	306.0	718.8	392.8	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
2000 Feb.	433.8	5,090.6	309.3	308.1	307.6	299.7	313.6	396.4	989.4	346.4	1,423.7	371.3	1,388.4	19,700.9
Mar.	452.1	5,317.1	302.5	316.1	305.4	310.5	325.4	402.7	1,070.1	374.6	1,496.0	377.8	1,442.2	19,823.0
Apr.	428.6	5,149.1	306.8	293.7	313.3	329.1	339.0	382.2	957.4	353.9	1,236.7	411.1	1,459.7	19,517.7
May	429.4	5,174.7	304.2	294.5	322.3	353.1	340.0	388.0	1,004.4	356.4	1,135.1	435.5	1,416.7	17,222.5
June	434.7	5,274.2	274.6	294.8	326.1	349.8	350.0	385.4	1,052.1	349.7	1,149.7	456.4	1,462.0	16,969.3
July	433.8	5,227.8	283.1	297.8	328.2	345.7	360.4	384.3	1,044.6	333.9	1,083.0	502.2	1,472.1	16,961.1
Aug.	429.9	5,152.0	290.0	301.3	331.1	363.1	375.9	380.3	982.6	334.1	951.6	545.8	1,485.5	16,329.9
Sep.	428.1	5,132.9	280.3	298.7	329.5	376.4	371.4	371.8	1,015.4	335.1	910.2	553.4	1,470.6	16,170.4
Oct.	406.4	4,893.2	281.2	278.4	331.5	373.7	366.3	349.4	864.6	336.3	824.3	561.2	1,390.1	15,342.7
Nov.	410.8	4,962.5	302.9	274.9	346.0	365.0	379.7	359.6	864.7	339.6	796.2	571.6	1,373.8	14,743.5
Dec.	394.5	4,787.1	319.1	257.4	330.2	337.9	365.9	354.3	865.0	326.7	715.4	554.6	1,329.7	14,409.7
<i>Euro area enlargement</i>														
2001 Jan.	390.2	4,729.7	317.3	261.6	314.4	339.7	371.9	354.0	792.1	318.7	727.8	524.3	1,334.2	13,739.7
Feb.	377.1	4,525.9	320.2	260.4	319.0	349.5	364.5	355.7	656.6	317.8	654.4	549.5	1,305.5	13,274.1
2001 2 Feb.	388.4	4,665.2	320.7	264.4	313.5	344.3	370.1	362.2	749.1	315.0	729.7	528.9	1,349.5	13,703.6
9	380.8	4,583.8	317.8	260.7	318.0	357.9	368.9	355.1	665.4	318.0	676.2	548.1	1,314.8	13,422.8
16	376.3	4,520.0	320.4	259.8	322.3	350.2	365.9	355.7	651.7	321.1	624.0	557.8	1,301.5	13,175.5
23	356.4	4,236.8	315.4	252.5	315.9	341.8	347.3	346.6	546.2	310.5	586.9	532.7	1,245.9	13,246.0

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

(base month: January 1994 = 100; monthly)



Source: Reuters.

1) Monthly and yearly values are period averages.

Table 3.4

Retail bank interest rates

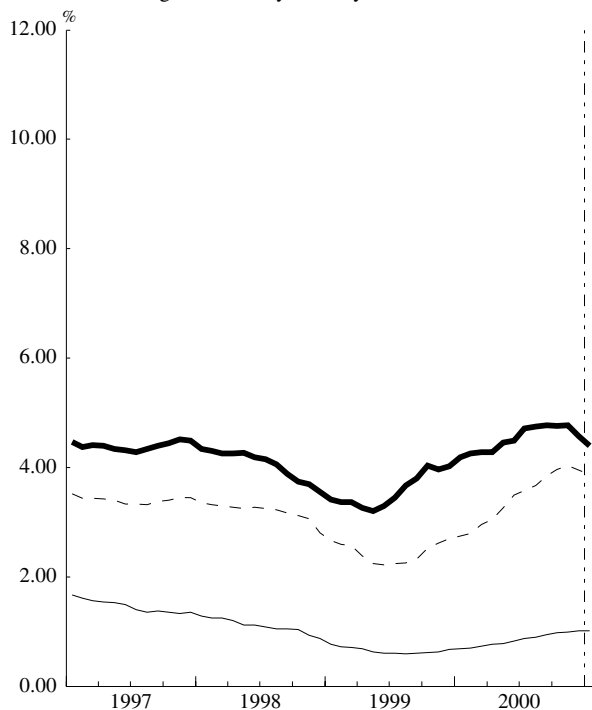
(percentages per annum; period averages)

	Deposit interest rates						Lending interest rates			
	Overnight 1	With agreed maturity			Redeemable at notice		To enterprises		To households	
		Up to 1 year 2	Up to 2 years 3	Over 2 years 4	Up to 3 months 5	Over 3 months 6	Up to 1 year 7	Over 1 year 8	Consumer lending 9	For house purchase 10
1998	1.10	3.20	3.22	4.06	2.61	3.25	6.73	5.80	10.05	5.87
1999	0.65	2.44	2.45	3.57	2.15	2.76	5.65	5.10	9.38	5.29
2000	0.85	3.45	3.44	4.52	2.25	3.79	6.60	6.23	9.83	6.34
2000 Jan.	0.69	2.74	2.74	4.19	2.05	3.18	5.91	5.74	9.51	6.03
Feb.	0.69	2.80	2.81	4.25	2.06	3.18	6.01	5.85	9.52	6.13
Mar.	0.73	2.96	2.96	4.28	2.07	3.33	6.07	5.85	9.54	6.10
Apr.	0.76	3.04	3.05	4.28	2.09	3.44	6.24	6.00	9.62	6.12
May	0.78	3.26	3.26	4.45	2.13	3.65	6.40	6.16	9.70	6.30
June	0.83	3.49	3.49	4.48	2.16	3.87	6.56	6.23	9.81	6.34
July	0.87	3.58	3.58	4.71	2.33	3.94	6.77	6.37	9.92	6.46
Aug.	0.89	3.67	3.67	4.75	2.36	4.06	6.81	6.44	9.97	6.51
Sep.	0.94	3.85	3.83	4.77	2.38	4.20	6.92	6.44	10.00	6.56
Oct.	0.97	3.96	3.96	4.76	2.40	4.14	7.14	6.60	10.11	6.57
Nov.	0.99	4.04	4.03	4.77	2.47	4.25	7.17	6.63	10.16	6.56
Dec.	1.01	3.95	3.95	4.57	2.49	4.21	7.18	6.45	10.15	6.43
<i>Euro area enlargement</i>										
2001 Jan.	1.02	3.87	3.87	4.39	2.52	4.01	7.24	6.42	10.25	6.30

Deposit interest rates

(monthly)

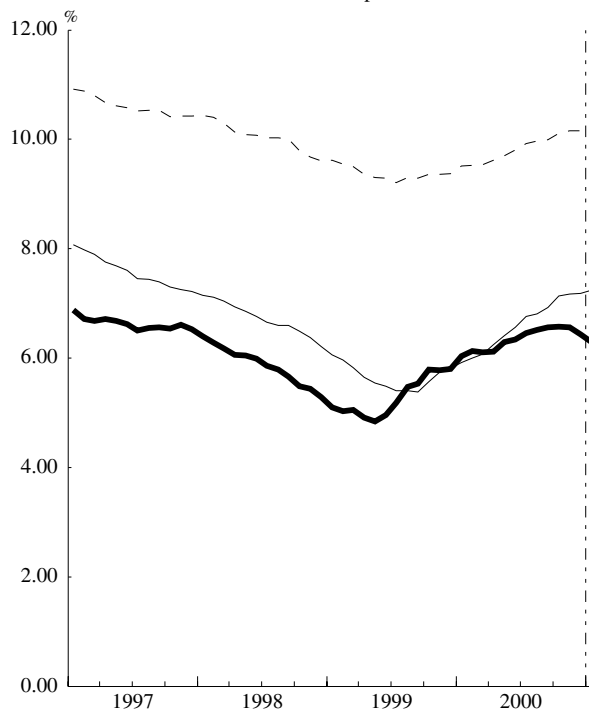
— overnight
 - - - agreed maturity up to 1 year
 — agreed maturity over 2 years



Lending interest rates

(monthly)

— up to 1 year to enterprises
 - - - consumer lending
 — to households for house purchase



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 period 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	
1999 Dec.	172.6	169.9	2.8	627.0	163.7	164.0	-0.3	585.5	8.9	5.9
2000 Jan.	251.8	268.4	-16.6	602.4	240.2	257.1	-16.9	562.8	11.6	11.3
Feb.	253.9	240.8	13.1	616.2	240.9	231.1	9.9	572.6	13.0	9.8
Mar.	271.0	250.4	20.5	635.9	258.3	240.3	18.0	591.4	12.6	10.2
Apr.	253.0	251.6	1.4	637.5	240.4	239.8	0.7	591.0	12.5	11.9
May	278.6	261.8	16.8	660.1	267.0	251.3	15.6	613.4	11.6	10.5
June	262.0	260.3	1.8	662.1	245.3	249.4	-4.1	608.6	16.7	10.8
July	287.1	282.5	4.6	669.7	269.6	266.3	3.3	613.3	17.5	16.2
Aug.	276.7	276.2	0.5	673.2	261.0	258.6	2.4	616.1	15.7	17.6
Sep.	311.5	315.1	-3.6	672.0	293.4	298.7	-5.3	611.5	18.1	16.4
Oct.	355.3	342.4	12.8	687.2	338.2	330.3	7.9	618.9	17.0	12.1
Nov.	301.6	302.5	-0.9	687.1	283.7	290.1	-6.4	612.8	17.9	12.4
Dec.	243.7	278.6	-34.9	652.1	227.5	264.4	-36.9	576.7	16.2	14.2

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	
1999 Dec.	78.0	111.7	-33.7	5,996.1	70.6	99.0	-28.4	5,538.6	7.4	12.7
2000 Jan.	111.5	94.2	17.3	6,016.8	101.8	86.9	14.9	5,554.0	9.7	7.3
Feb.	124.0	68.8	55.2	6,071.5	110.5	60.5	50.1	5,603.5	13.4	8.3
Mar.	130.2	91.7	38.5	6,120.7	115.3	81.9	33.4	5,638.3	14.9	9.8
Apr.	114.6	74.9	39.7	6,169.3	101.9	65.4	36.5	5,674.5	12.7	9.5
May	125.1	89.1	36.0	6,200.8	113.0	77.5	35.5	5,712.2	12.2	11.7
June	101.3	65.3	36.1	6,232.0	87.1	52.0	35.1	5,746.9	14.2	13.3
July	126.7	77.8	48.9	6,285.9	101.1	69.5	31.6	5,777.6	25.6	8.3
Aug.	104.2	58.5	45.6	6,344.4	81.7	51.2	30.5	5,809.4	22.5	7.4
Sep.	110.9	75.5	35.4	6,384.3	90.4	65.7	24.6	5,834.8	20.5	9.8
Oct.	118.5	83.8	34.6	6,431.8	100.9	75.3	25.6	5,861.6	17.6	8.6
Nov.	109.3	74.7	34.6	6,454.7	91.1	63.7	27.4	5,888.3	18.2	11.0
Dec.	91.5	96.1	-4.6	6,428.4	83.0	82.4	0.5	5,889.4	8.5	13.6

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	
1999 Dec.	250.6	281.6	-30.9	6,623.1	234.3	263.0	-28.7	6,124.1	16.3	18.5
2000 Jan.	363.3	362.6	0.7	6,619.2	342.0	344.0	-2.0	6,116.8	21.3	18.6
Feb.	377.9	309.6	68.3	6,687.7	351.5	291.5	59.9	6,176.1	26.5	18.1
Mar.	401.1	342.1	59.0	6,756.6	373.6	322.2	51.5	6,229.7	27.5	19.9
Apr.	367.6	326.6	41.1	6,806.7	342.3	305.2	37.2	6,265.4	25.3	21.4
May	403.7	351.0	52.7	6,860.9	379.9	328.8	51.1	6,325.5	23.8	22.2
June	363.4	325.6	37.8	6,894.1	332.4	301.5	31.0	6,355.5	30.9	24.1
July	413.8	360.3	53.5	6,955.6	370.7	335.8	34.9	6,390.8	43.1	24.5
Aug.	380.9	334.7	46.2	7,017.6	342.7	309.8	32.9	6,425.5	38.2	25.0
Sep.	422.4	390.6	31.8	7,056.4	383.7	364.4	19.3	6,446.3	38.7	26.2
Oct.	473.7	426.3	47.4	7,119.0	439.1	405.6	33.5	6,480.5	34.6	20.7
Nov.	411.0	377.2	33.8	7,141.8	374.9	353.8	21.0	6,501.1	36.1	23.4
Dec.	335.2	374.7	-39.5	7,080.5	310.5	346.9	-36.4	6,466.1	24.7	27.8

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 (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	Issues (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	
11	12	13	14	15	16	17	18	19	20	
3.0	41.5	21.8	20.0	1.8	34.6	567.0	537.7	29.3	620.1	1999 Dec.
0.3	39.6	.	.	.	.	.	.	.	.	2000 Jan.
3.2	43.6	.	.	.	.	.	.	.	.	Feb.
2.5	44.5	32.6	32.0	0.6	36.8	772.1	760.4	11.6	628.2	Mar.
0.7	46.5	.	.	.	.	.	.	.	.	Apr.
1.1	46.7	.	.	.	.	.	.	.	.	May
5.9	53.5	37.5	31.0	6.5	43.2	790.2	771.6	18.7	651.9	June
1.3	56.4	.	.	.	.	.	.	.	.	July
-1.9	57.1	.	.	.	.	.	.	.	.	Aug.
1.7	60.6	38.2	39.5	-1.3	45.2	862.2	863.1	-0.9	656.6	Sep.
4.9	68.3	.	.	.	.	.	.	.	.	Oct.
5.5	74.3	.	.	.	.	.	.	.	.	Nov.
2.0	75.3	43.4	27.2	16.2	59.7	892.8	912.0	-19.2	636.4	Dec.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	Issues (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	
11	12	13	14	15	16	17	18	19	20	
-5.3	457.5	48.8	21.4	27.4	593.7	323.7	259.0	64.6	6,132.3	1999 Dec.
2.4	462.8	.	.	.	.	.	.	.	.	2000 Jan.
5.1	468.0	.	.	.	.	.	.	.	.	Feb.
5.1	482.4	65.8	21.5	44.3	638.2	393.4	250.7	142.8	6,276.5	Mar.
3.2	494.8	.	.	.	.	.	.	.	.	Apr.
0.5	488.7	.	.	.	.	.	.	.	.	May
1.0	485.1	46.6	23.7	22.9	661.2	348.6	218.6	130.0	6,408.1	June
17.3	508.3	.	.	.	.	.	.	.	.	July
15.1	535.0	.	.	.	.	.	.	.	.	Aug.
10.8	549.5	64.2	34.4	29.9	693.3	337.4	220.8	116.6	6,528.1	Sep.
9.0	570.2	.	.	.	.	.	.	.	.	Oct.
7.2	566.5	.	.	.	.	.	.	.	.	Nov.
-5.1	539.0	58.6	17.7	40.9	734.0	333.6	239.1	94.5	6,623.4	Dec.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	Issues (during quarter)	Redemptions (during quarter)	Net issues (during quarter)	Amounts outstanding (end-quarter)	
11	12	13	14	15	16	17	18	19	20	
-2.2	499.0	70.6	41.5	29.2	628.3	890.7	796.8	93.9	6,752.4	1999 Dec.
2.7	502.4	.	.	.	.	.	.	.	.	2000 Jan.
8.3	511.6	.	.	.	.	.	.	.	.	Feb.
7.6	526.9	98.4	53.5	44.9	675.0	1,165.5	1,011.1	154.4	6,904.7	Mar.
3.9	541.3	.	.	.	.	.	.	.	.	Apr.
1.6	535.3	.	.	.	.	.	.	.	.	May
6.9	538.6	84.1	54.7	29.4	704.4	1,138.8	990.2	148.6	7,060.0	June
18.6	564.8	.	.	.	.	.	.	.	.	July
13.2	592.1	.	.	.	.	.	.	.	.	Aug.
12.5	610.1	102.4	73.9	28.5	738.5	1,199.6	1,083.9	115.6	7,184.8	Sep.
14.0	638.5	.	.	.	.	.	.	.	.	Oct.
12.7	640.7	.	.	.	.	.	.	.	.	Nov.
-3.1	614.4	102.0	44.9	57.1	793.7	1,226.4	1,151.2	75.3	7,259.9	Dec.

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

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
1999 Dec.	585.5	249.3	6.1	66.9	258.5	4.8	34.6	14.4	12.1	6.3
2000 Jan.	562.8	229.9	6.2	66.2	257.1	3.4	.	.	.	.
Feb.	572.6	240.5	6.6	65.8	256.7	3.0	.	.	.	.
Mar.	591.4	251.1	6.4	66.7	264.6	2.6	36.8	15.5	11.9	8.1
Apr.	591.0	245.6	6.3	72.2	264.1	2.8	.	.	.	.
May	613.4	259.5	5.5	76.0	270.1	2.2	.	.	.	.
June	608.6	258.9	4.2	76.1	267.2	2.2	43.2	18.9	11.7	10.9
July	613.3	264.7	4.6	77.4	263.7	2.9	.	.	.	.
Aug.	616.1	263.7	4.3	79.5	266.3	2.3	.	.	.	.
Sep.	611.5	256.4	4.1	81.2	267.1	2.8	45.2	15.0	13.0	15.7
Oct.	618.9	259.7	4.5	86.5	265.6	2.7	.	.	.	.
Nov.	612.8	254.3	4.6	87.2	263.8	3.0	.	.	.	.
Dec.	576.7	242.0	4.5	86.3	241.0	2.9	59.7	22.3	16.7	19.2

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
1999 Dec.	5,538.6	2,014.5	197.3	252.0	2,979.1	95.8	593.7	158.3	81.8	114.0
2000 Jan.	5,554.0	2,024.1	197.0	246.9	2,990.1	95.9	.	.	.	.
Feb.	5,603.5	2,042.4	199.1	248.4	3,017.0	96.7	.	.	.	.
Mar.	5,638.3	2,062.7	199.8	251.8	3,026.4	97.6	638.2	176.2	89.1	128.2
Apr.	5,674.5	2,084.6	202.4	258.5	3,030.4	98.5	.	.	.	.
May	5,712.2	2,108.6	206.1	259.0	3,038.7	99.7	.	.	.	.
June	5,746.9	2,115.6	210.8	266.0	3,055.1	99.4	661.2	186.7	93.0	136.5
July	5,777.6	2,133.4	218.8	271.9	3,052.8	100.6	.	.	.	.
Aug.	5,809.4	2,147.2	223.9	275.4	3,060.9	102.0	.	.	.	.
Sep.	5,834.8	2,162.6	223.6	275.8	3,070.6	102.2	693.3	192.6	101.9	151.6
Oct.	5,861.6	2,173.5	228.9	280.2	3,074.8	104.3	.	.	.	.
Nov.	5,888.3	2,175.5	233.5	284.8	3,088.5	105.9	.	.	.	.
Dec.	5,889.4	2,173.8	248.0	286.1	3,074.6	106.9	734.0	213.5	107.9	159.2

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
1999 Dec.	6,124.1	2,263.8	203.3	318.9	3,237.5	100.6	628.3	172.7	93.9	120.3
2000 Jan.	6,116.8	2,254.0	203.2	313.1	3,247.2	99.3	.	.	.	.
Feb.	6,176.1	2,282.9	205.6	314.2	3,273.6	99.7	.	.	.	.
Mar.	6,229.7	2,313.8	206.3	318.4	3,291.0	100.2	675.0	191.7	101.0	136.3
Apr.	6,265.4	2,330.2	208.7	330.7	3,294.5	101.3	.	.	.	.
May	6,325.5	2,368.2	211.6	335.0	3,308.8	101.9	.	.	.	.
June	6,355.5	2,374.6	215.0	342.0	3,322.3	101.7	704.4	205.6	104.7	147.4
July	6,390.8	2,398.2	223.4	349.3	3,316.5	103.6	.	.	.	.
Aug.	6,425.5	2,410.9	228.3	354.9	3,327.2	104.3	.	.	.	.
Sep.	6,446.3	2,419.0	227.7	357.0	3,337.6	105.0	738.5	207.6	114.8	167.3
Oct.	6,480.5	2,433.2	233.3	366.7	3,340.4	106.9	.	.	.	.
Nov.	6,501.1	2,429.8	238.1	372.0	3,352.3	108.9	.	.	.	.
Dec.	6,466.1	2,415.9	252.5	372.4	3,315.6	109.8	793.7	235.8	124.7	178.4

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

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

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.3	0.6	0.8	620.1	263.7	18.2	73.2	258.8	5.5	0.8	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
0.2	0.3	0.7	628.2	266.6	18.4	74.8	264.8	3.0	0.7	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
0.2	0.3	1.2	651.9	277.9	15.9	87.0	267.3	2.6	1.2	Apr.
.	.	.	.	.	.	.	.	.	.	May
0.2	0.5	0.8	656.6	271.4	17.0	96.9	267.3	3.2	0.8	June
.	.	.	.	.	.	.	.	.	.	July
0.2	0.5	0.8	636.4	264.3	21.2	105.5	241.2	3.4	0.8	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
86.6	29.0	124.0	6,132.3	2,172.8	279.1	366.0	3,065.7	124.8	124.0	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
93.5	29.8	121.3	6,276.5	2,238.9	288.9	380.0	3,119.9	127.4	121.3	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
96.6	29.7	118.7	6,408.1	2,302.3	303.7	402.4	3,151.8	129.1	118.7	Apr.
.	.	.	.	.	.	.	.	.	.	May
97.4	33.4	116.6	6,528.1	2,355.2	325.5	427.4	3,168.0	135.6	116.6	June
.	.	.	.	.	.	.	.	.	.	July
98.2	38.7	116.5	6,623.4	2,387.3	356.0	445.3	3,172.8	145.6	116.5	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
86.9	29.6	124.8	6,752.4	2,436.5	297.2	439.2	3,324.4	130.2	124.8	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
93.7	30.2	122.0	6,904.7	2,505.5	307.3	454.8	3,384.7	130.4	122.0	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
96.8	30.1	119.9	7,060.0	2,580.2	319.6	489.4	3,419.1	131.7	119.9	Apr.
.	.	.	.	.	.	.	.	.	.	May
97.6	33.8	117.3	7,184.8	2,626.5	342.6	524.3	3,435.2	138.8	117.3	June
.	.	.	.	.	.	.	.	.	.	July
98.4	39.2	117.3	7,259.9	2,651.6	377.1	550.8	3,414.0	149.0	117.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month or quarter; 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
1999 Dec.	163.7	118.3	1.3	23.3	18.5	2.3	21.8	9.6	6.9	4.2
2000 Jan.	240.2	155.3	2.4	40.0	41.2	1.4	.	.	.	.
Feb.	240.9	155.6	2.7	44.3	37.0	1.5	.	.	.	.
Mar.	258.3	170.1	2.2	45.1	40.0	0.9	32.6	14.0	10.2	7.5
Apr.	240.4	141.5	2.8	51.4	43.4	1.4	.	.	.	.
May	267.0	175.9	2.1	53.0	34.7	1.4	.	.	.	.
June	245.3	159.7	3.2	46.6	34.9	1.0	37.5	16.6	9.3	10.0
July	269.6	167.6	2.6	56.1	41.5	1.8	.	.	.	.
Aug.	261.0	168.2	2.0	51.2	38.1	1.6	.	.	.	.
Sep.	293.4	196.7	2.8	55.6	36.3	2.0	38.2	12.1	10.6	14.5
Oct.	338.2	237.9	2.6	60.3	35.5	1.9	.	.	.	.
Nov.	283.7	189.6	3.0	56.0	33.6	1.5	.	.	.	.
Dec.	227.5	160.3	2.1	45.9	17.7	1.6	43.4	16.1	11.5	14.7

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
1999 Dec.	70.6	39.1	4.8	1.7	23.5	1.5	48.8	13.2	7.8	15.9
2000 Jan.	101.8	41.4	1.7	0.6	57.3	0.7	.	.	.	.
Feb.	110.5	49.2	3.3	4.4	51.7	2.0	.	.	.	.
Mar.	115.3	52.2	3.0	4.6	53.7	1.8	65.8	24.2	9.7	17.9
Apr.	101.9	45.6	4.8	8.0	41.6	1.9	.	.	.	.
May	113.0	54.2	5.1	4.5	47.6	1.5	.	.	.	.
June	87.1	34.1	9.8	8.5	34.4	0.4	46.6	17.8	6.3	15.1
July	101.1	44.9	10.3	8.7	35.0	2.1	.	.	.	.
Aug.	81.7	38.1	6.3	4.0	31.5	1.8	.	.	.	.
Sep.	90.4	40.8	4.1	3.6	40.8	1.0	64.2	20.0	11.2	22.9
Oct.	100.9	43.3	6.0	5.7	43.3	2.5	.	.	.	.
Nov.	91.1	33.6	7.4	8.1	39.0	3.0	.	.	.	.
Dec.	83.0	37.5	15.8	4.5	23.1	2.0	58.6	26.7	7.3	11.7

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
1999 Dec.	234.3	157.4	6.1	25.0	42.1	3.8	70.6	22.8	14.8	20.1
2000 Jan.	342.0	196.7	4.1	40.6	98.4	2.1	.	.	.	.
Feb.	351.5	204.7	6.0	48.7	88.6	3.4	.	.	.	.
Mar.	373.6	222.3	5.2	49.7	93.7	2.7	98.4	38.2	19.9	25.4
Apr.	342.3	187.1	7.5	59.4	85.0	3.4	.	.	.	.
May	379.9	230.1	7.2	57.5	82.3	2.9	.	.	.	.
June	332.4	193.8	12.9	55.1	69.3	1.4	84.1	34.4	15.6	25.2
July	370.7	212.6	12.9	64.8	76.5	3.9	.	.	.	.
Aug.	342.7	206.2	8.3	55.2	69.6	3.4	.	.	.	.
Sep.	383.7	237.6	6.9	59.2	77.0	3.1	102.4	32.0	21.8	37.5
Oct.	439.1	281.1	8.6	66.0	78.8	4.5	.	.	.	.
Nov.	374.9	223.3	10.4	64.1	72.6	4.5	.	.	.	.
Dec.	310.5	197.8	17.9	50.4	40.8	3.7	102.0	42.8	18.7	26.3

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	
0.2	0.2	0.7	567.0	353.6	11.9	102.5	92.4	5.9	0.7	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
0.2	0.2	0.6	772.1	494.9	17.4	136.9	118.3	3.9	0.6	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
0.1	0.3	1.1	790.2	493.6	17.4	161.0	113.0	4.1	1.1	Apr.
.	.	.	.	.	.	.	.	.	.	May
0.2	0.4	0.4	862.2	544.6	17.9	177.5	116.0	5.8	0.4	June
.	.	.	.	.	.	.	.	.	.	July
0.1	0.3	0.7	892.8	603.9	19.1	176.9	86.8	5.4	0.7	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
6.6	1.0	4.3	323.7	146.9	26.2	28.6	112.8	5.0	4.3	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
9.5	1.9	2.6	393.4	167.0	17.8	27.6	172.1	6.4	2.6	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
4.5	1.5	1.4	348.6	151.7	25.9	36.1	128.2	5.3	1.4	Apr.
.	.	.	.	.	.	.	.	.	.	May
3.0	5.8	1.3	337.4	143.7	32.0	39.3	110.3	10.8	1.3	June
.	.	.	.	.	.	.	.	.	.	July
3.0	6.0	4.0	333.6	141.1	36.5	29.9	108.5	13.6	4.0	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
6.8	1.1	5.0	890.7	500.5	38.1	131.0	205.2	10.9	5.0	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
9.7	2.1	3.1	1,165.5	661.9	35.2	164.5	290.4	10.4	3.1	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
4.7	1.7	2.5	1,138.8	645.3	43.3	197.1	241.2	9.4	2.5	Apr.
.	.	.	.	.	.	.	.	.	.	May
3.2	6.2	1.7	1,199.6	688.4	49.9	216.7	226.3	16.5	1.7	June
.	.	.	.	.	.	.	.	.	.	July
3.1	6.3	4.7	1,226.4	745.0	55.6	206.8	195.4	19.0	4.7	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month or quarter; 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
1999 Dec.	-0.3	11.2	-0.6	-0.6	-11.6	1.3	1.8	2.8	-0.3	-1.3
2000 Jan.	-16.9	-18.2	0.3	-0.7	2.0	-0.2	.	.	.	.
Feb.	9.9	10.8	0.3	-0.4	-0.5	-0.4	.	.	.	.
Mar.	18.0	9.8	-0.1	0.8	7.9	-0.4	0.6	0.5	-0.7	1.5
Apr.	0.7	-4.5	0.0	5.4	-0.4	0.1	.	.	.	.
May	15.6	12.6	-0.7	3.8	0.5	-0.6	.	.	.	.
June	-4.1	-3.2	0.6	0.1	-1.7	0.0	6.5	3.4	-0.2	2.7
July	3.3	4.5	0.4	1.2	-3.5	0.7	.	.	.	.
Aug.	2.4	-1.4	-0.3	2.1	2.6	-0.6	.	.	.	.
Sep.	-5.3	-8.0	-0.2	1.7	0.7	0.4	-1.3	-5.4	0.4	4.0
Oct.	7.9	3.8	0.4	5.2	-1.5	-0.1	.	.	.	.
Nov.	-6.4	-5.7	0.1	0.7	-1.8	0.3	.	.	.	.
Dec.	-36.9	-12.9	-0.1	-1.0	-22.8	0.0	16.2	7.8	4.2	4.1

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
1999 Dec.	-28.4	-17.2	1.8	-2.7	-10.3	0.0	27.4	5.1	6.0	12.8
2000 Jan.	14.9	8.0	-0.4	-5.0	12.2	0.1	.	.	.	.
Feb.	50.1	18.7	2.1	1.5	27.0	0.8	.	.	.	.
Mar.	33.4	19.0	0.7	3.3	9.5	0.9	44.3	17.8	7.3	14.3
Apr.	36.5	21.7	2.6	6.8	4.6	0.9	.	.	.	.
May	35.5	23.0	3.7	0.4	7.2	1.3	.	.	.	.
June	35.1	4.9	7.3	6.7	16.5	-0.3	22.9	10.4	3.8	8.3
July	31.6	19.0	8.0	5.8	-2.4	1.2	.	.	.	.
Aug.	30.5	12.6	4.9	3.5	8.1	1.4	.	.	.	.
Sep.	24.6	11.4	2.9	0.4	9.7	0.3	29.9	4.8	8.8	14.6
Oct.	25.6	9.5	5.4	4.5	4.2	2.0	.	.	.	.
Nov.	27.4	2.8	4.8	4.6	13.6	1.6	.	.	.	.
Dec.	0.5	-4.0	14.5	2.9	-13.9	1.0	40.9	20.9	5.8	7.7

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
1999 Dec.	-28.7	-6.0	1.2	-3.3	-21.9	1.3	29.2	7.9	5.7	11.5
2000 Jan.	-2.0	-10.2	-0.1	-5.8	14.2	-0.1	.	.	.	.
Feb.	59.9	29.5	2.4	1.1	26.6	0.4	.	.	.	.
Mar.	51.5	28.8	0.6	4.1	17.4	0.5	44.9	18.2	6.6	15.8
Apr.	37.2	17.2	2.5	12.2	4.2	1.0	.	.	.	.
May	51.1	35.6	3.0	4.3	7.6	0.7	.	.	.	.
June	31.0	1.7	8.0	6.7	14.8	-0.3	29.4	13.9	3.6	11.0
July	34.9	23.5	8.4	7.0	-5.9	1.9	.	.	.	.
Aug.	32.9	11.2	4.7	5.6	10.8	0.7	.	.	.	.
Sep.	19.3	3.4	2.7	2.1	10.5	0.7	28.5	-0.6	9.2	18.6
Oct.	33.5	13.3	5.8	9.7	2.7	2.0	.	.	.	.
Nov.	21.0	-2.9	4.9	5.3	11.9	1.9	.	.	.	.
Dec.	-36.4	-16.9	14.4	1.9	-36.7	1.0	57.1	28.7	10.0	11.8

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

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.0	0.0	0.6	29.3	50.6	-1.0	1.0	-24.2	2.4	0.6	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
-0.1	-0.3	-0.2	11.6	2.8	-0.2	1.3	9.3	-1.4	-0.2	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
0.0	0.0	0.5	18.7	8.4	-0.3	12.1	-1.7	-0.4	0.5	Apr.
.	.	.	.	.	.	.	.	.	.	May
0.0	0.1	-0.5	-0.9	-10.2	0.3	9.0	-0.1	0.6	-0.5	June
.	.	.	.	.	.	.	.	.	.	July
0.0	0.0	0.0	-19.2	-7.0	4.6	9.0	-26.0	0.2	0.0	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
3.9	-0.1	-0.3	64.6	17.8	17.7	16.0	14.3	-0.8	-0.3	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
7.0	0.9	-2.9	142.8	63.5	9.7	14.0	55.7	2.7	-2.9	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
3.1	-0.1	-2.6	130.0	60.0	17.4	22.1	31.4	1.7	-2.6	Apr.
.	.	.	.	.	.	.	.	.	.	May
0.6	3.4	-2.3	116.6	47.7	24.6	24.2	16.1	6.3	-2.3	June
.	.	.	.	.	.	.	.	.	.	July
0.8	5.4	0.3	94.5	29.2	30.5	19.7	4.8	10.1	0.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
3.9	-0.1	0.2	93.9	68.3	16.7	17.0	-10.0	1.6	0.2	1999 Dec.
.	.	.	.	.	.	.	.	.	.	2000 Jan.
6.9	0.6	-3.1	154.4	66.3	9.5	15.3	65.0	1.3	-3.1	Feb.
.	.	.	.	.	.	.	.	.	.	Mar.
3.1	-0.1	-2.1	148.6	68.4	17.1	34.2	29.7	1.3	-2.1	Apr.
.	.	.	.	.	.	.	.	.	.	May
0.7	3.5	-2.9	115.6	37.5	24.9	33.2	16.0	6.9	-2.9	June
.	.	.	.	.	.	.	.	.	.	July
0.8	5.4	0.3	75.3	22.1	35.1	28.7	-21.2	10.2	0.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.

4 HICP and other prices in the euro area

Table 4.1

Harmonised Index of Consumer Prices ¹⁾

(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 (%) ²⁾	100.0	100.0	62.0	62.0	38.0	38.0	100.0	100.0	62.0	38.0
	1	2	3	4	5	6	7	8	9	10
1998	102.7	1.1	101.8	0.7	104.4	1.9	-	-	-	-
1999	103.8	1.1	102.7	0.9	106.0	1.5	-	-	-	-
2000	106.3	2.3	105.4	2.7	107.8	1.7	-	-	-	-
1999 Q4	104.4	1.5	103.4	1.5	106.3	1.4	104.5	0.5	103.4	106.6
2000 Q1	105.2	2.0	104.2	2.3	107.0	1.6	105.2	0.6	104.2	107.0
Q2	105.9	2.1	105.1	2.3	107.4	1.7	105.7	0.6	104.8	107.5
Q3	106.6	2.5	105.6	2.9	108.5	1.8	106.6	0.8	105.9	108.0
Q4	107.2	2.7	106.7	3.2	108.2	1.8	107.3	0.7	106.7	108.5
2000 Jan.	104.8	1.9	103.8	2.0	106.6	1.6	104.9	0.2	103.9	106.9
Feb.	105.2	2.0	104.2	2.3	107.1	1.6	105.1	0.2	104.1	107.1
Mar.	105.6	2.1	104.7	2.5	107.1	1.6	105.4	0.3	104.6	107.1
Apr.	105.7	1.9	104.7	1.9	107.4	1.8	105.5	0.1	104.5	107.5
May	105.8	1.9	105.0	2.2	107.3	1.5	105.6	0.1	104.8	107.3
June	106.3	2.4	105.5	2.7	107.7	1.7	106.1	0.4	105.3	107.7
July	106.4	2.3	105.2	2.7	108.5	1.7	106.3	0.2	105.4	107.9
Aug.	106.5	2.3	105.4	2.7	108.6	1.8	106.5	0.2	105.7	108.0
Sep.	107.0	2.8	106.4	3.3	108.2	1.8	107.0	0.5	106.5	108.1
Oct.	107.0	2.7	106.5	3.2	108.1	1.9	107.1	0.1	106.6	108.3
Nov.	107.3	2.9	106.8	3.4	108.2	1.8	107.4	0.3	106.9	108.5
Dec.	107.4	2.6	106.8	3.0	108.4	1.8	107.4	0.0	106.8	108.7
<i>Euro area enlargement</i>										
2001 Jan.	107.3	2.4	106.5	2.6	108.9	2.2	107.5	0.1	106.6	109.2

2. Breakdown of goods and services

	Goods						Services				
	Food ³⁾		Unprocessed food	Industrial goods		Energy	Housing	Transport	Communi- cation	Recreation and personal	Miscellan- eous
Weight in the total (%) ²⁾	Processed food ³⁾			Non-energy industrial goods								17	18	19	20	21
	11	12	13	14	15	16	17	18	19	20	21
1998	1.6	1.4	1.9	0.1	0.9	-2.6	2.3	1.7	-1.0	2.2	1.8
1999	0.6	0.9	0.0	1.0	0.6	2.4	1.8	2.1	-4.4	2.0	1.8
2000	1.4	1.1	1.7	3.3	0.7	13.3	1.6	2.6	-4.2	2.3	2.4
1999 Q4	0.4	0.9	-0.3	2.1	0.6	7.9	1.4	2.3	-5.1	2.0	2.3
2000 Q1	0.4	1.0	-0.4	3.2	0.5	13.7	1.4	2.5	-3.2	2.0	2.5
Q2	0.9	1.0	0.7	3.0	0.6	12.3	1.5	2.5	-4.9	2.5	2.5
Q3	1.9	1.1	3.1	3.4	0.6	13.6	1.6	2.6	-4.2	2.5	2.5
Q4	2.2	1.3	3.5	3.7	1.0	13.7	1.8	2.8	-4.6	2.4	2.1
2000 Jan.	0.4	1.0	-0.6	2.9	0.5	12.1	1.4	2.4	-2.5	2.0	2.6
Feb.	0.6	1.0	-0.1	3.2	0.5	13.6	1.4	2.5	-3.0	1.9	2.5
Mar.	0.4	1.0	-0.5	3.6	0.6	15.3	1.5	2.5	-4.3	2.0	2.5
Apr.	0.6	0.9	0.1	2.6	0.5	10.2	1.4	2.6	-5.0	2.8	2.5
May	0.8	1.0	0.5	3.0	0.6	12.0	1.4	2.4	-5.0	2.1	2.5
June	1.2	1.0	1.5	3.6	0.6	14.5	1.5	2.4	-4.6	2.5	2.6
July	1.6	1.0	2.6	3.2	0.5	13.4	1.5	2.5	-4.3	2.5	2.6
Aug.	2.0	1.1	3.3	3.0	0.6	11.9	1.5	2.5	-4.0	2.6	2.6
Sep.	2.1	1.3	3.3	4.0	0.8	15.5	1.6	2.7	-4.3	2.4	2.4
Oct.	2.0	1.2	3.2	3.8	0.9	14.6	1.8	2.7	-4.9	2.5	2.2
Nov.	2.2	1.4	3.5	4.0	1.0	15.2	1.8	2.8	-4.4	2.4	2.0
Dec.	2.4	1.4	3.9	3.3	1.1	11.3	1.8	2.8	-4.6	2.2	2.1
<i>Euro area enlargement</i>											
2001 Jan.	2.7	1.6	4.5	2.6	1.1	8.0	1.8	3.2	-4.6	3.0	2.3

Sources: Eurostat and ECB calculations.

1) Extended coverage from January 2000 and January 2001. The change affects annual percentage changes during 2000 and 2001, in particular services (miscellaneous). See the general notes for a brief explanation.

2) Referring to the index period 2001.

3) Including alcoholic beverages and tobacco.

Table 4.2
Selected other price indicators
(annual percentage changes, unless otherwise indicated)
1. Industry and commodity prices

	Industrial producer prices									World market prices of raw materials ²⁾		Oil prices ³⁾ (EUR per barrel)
	Total excluding construction		Manufacturing						Construction ¹⁾	Total	Total excluding energy	
	Index, 1995 = 100			Intermediate goods	Capital goods	Consumer goods						
						Durable consumer goods	Non-durable consumer goods					
1	2	3	4	5	6	7	8	9	10	11	12	
1996	100.3	0.3	0.9	-0.6	1.3	2.1	2.1	2.2	1.2	6.5	-6.9	16.0
1997	101.4	1.1	0.8	1.4	0.3	1.0	0.4	1.4	1.0	10.0	12.9	17.0
1998	100.6	-0.7	-0.6	-2.6	0.6	0.6	0.3	0.7	0.2	-21.2	-12.5	12.0
1999	100.2	-0.4	0.2	-0.5	0.2	0.2	0.5	0.1	0.6	17.8	-3.1	17.1
2000	105.6	5.4	5.1	11.4	0.7	1.5	1.2	1.6	.	51.7	18.1	31.0
1999 Q4	101.7	2.1	2.7	5.4	0.2	0.6	0.6	0.6	0.6	61.5	14.0	23.1
2000 Q1	103.3	4.3	4.6	10.3	0.5	0.9	1.0	0.9	1.7	78.3	19.9	26.9
Q2	104.8	5.2	5.2	11.4	0.6	1.4	1.1	1.5	1.9	53.7	18.3	28.8
Q3	106.4	5.8	5.4	12.1	0.7	1.6	1.3	1.8	.	46.7	18.0	33.7
Q4	107.9	6.1	5.3	11.9	0.8	2.1	1.5	2.4	.	37.7	16.4	34.5
2000 Feb.	103.3	4.4	4.7	10.5	0.6	0.9	1.0	0.9	-	87.6	20.0	27.4
Mar.	103.8	4.8	5.1	11.2	0.6	1.0	1.0	1.0	-	72.0	20.2	28.2
Apr.	104.1	4.6	4.7	10.3	0.6	1.2	1.0	1.3	-	43.9	19.4	24.6
May	104.9	5.3	5.3	11.6	0.6	1.5	1.0	1.7	-	61.9	22.8	30.3
June	105.3	5.6	5.6	12.3	0.7	1.4	1.2	1.5	-	55.2	12.9	31.3
July	105.8	5.6	5.3	11.8	0.8	1.6	1.3	1.7	-	42.0	14.3	30.5
Aug.	106.2	5.6	5.1	11.5	0.7	1.6	1.3	1.7	-	47.5	18.3	33.3
Sep.	107.3	6.2	5.9	13.1	0.7	1.7	1.3	1.9	-	50.3	21.4	37.2
Oct.	108.0	6.6	6.0	13.7	0.7	1.9	1.5	2.1	-	56.6	23.1	36.8
Nov.	108.1	6.3	5.6	12.6	0.8	2.1	1.5	2.4	-	45.6	18.2	37.7
Dec.	107.7	5.4	4.5	9.7	0.9	2.3	1.5	2.6	-	13.7	8.6	28.8
2001 Jan.	.	.	.	.	.	.	.	.	-	8.4	3.3	27.5
Feb.	.	.	.	.	.	.	.	.	-	7.2	2.0	30.0

2. Deflators of gross domestic product

	Deflators of GDP ⁴⁾ (s.a.)								
	GDP		Domestic demand	Private consumption	Government consumption	Gross fixed capital formation	Exports ⁵⁾	Imports ⁵⁾	
	Index, 1995 = 100								
	13	14	15	16	17	18	19	20	
1996	102.0	2.0	2.1	2.4	2.2	0.9	0.9	0.8	
1997	103.6	1.5	1.8	2.0	1.6	1.0	1.7	2.5	
1998	105.3	1.7	1.3	1.4	1.6	0.9	-0.1	-1.4	
1999	106.6	1.2	1.3	1.2	2.3	0.8	-0.5	0.0	
1998 Q3	105.6	1.7	1.1	1.2	1.6	0.9	-0.5	-2.4	
Q4	105.9	1.5	0.8	0.9	1.4	0.5	-1.8	-4.2	
1999 Q1	106.3	1.5	0.8	0.9	2.0	0.5	-2.0	-4.1	
Q2	106.5	1.2	1.2	1.1	2.3	0.5	-1.4	-1.8	
Q3	106.7	1.1	1.4	1.2	2.5	0.9	-0.1	1.1	
Q4	106.9	1.0	1.9	1.5	2.4	1.3	1.6	4.6	
2000 Q1	107.2	0.9	2.4	1.9	1.8	2.0	3.7	8.1	
Q2	107.5	0.9	2.3	1.8	1.4	2.5	4.4	8.6	
Q3	107.8	1.0	2.5	2.0	1.7	2.6	4.7	8.7	

Sources: Eurostat, except columns 10 and 11 (HWWA, Institut für Wirtschaftsforschung, Hamburg), column 12 (Datastream), and columns 13 to 20 (ECB calculations based on Eurostat data).

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

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

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

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

5) 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						External balance ³⁾		
	1	Domestic demand		Private consumption	Government consumption	Gross fixed capital formation ⁵⁾	Changes in inventories ²⁾	7	Exports ³⁾
2		3	4						
1995	5,308.9	5,210.8	2,998.5	1,093.8	1,092.3	26.3	98.1	1,569.6	1,471.5
1996	5,534.4	5,408.7	3,143.5	1,142.4	1,121.2	1.6	125.7	1,658.0	1,532.3
1997	5,648.0	5,498.7	3,198.8	1,150.7	1,136.9	12.4	149.2	1,828.8	1,679.5
1998	5,874.2	5,733.1	3,324.8	1,177.0	1,197.3	34.0	141.0	1,944.7	1,803.7
1999	6,127.2	6,019.2	3,475.4	1,229.6	1,277.6	36.6	107.9	2,038.7	1,930.7
1999 Q2	1,521.6	1,493.1	863.2	306.3	316.4	7.2	28.4	499.0	470.6
Q3	1,540.1	1,514.0	873.5	308.9	324.0	7.6	26.0	517.8	491.8
Q4	1,556.6	1,531.5	882.3	311.0	325.9	12.4	25.1	541.1	516.0
2000 Q1	1,575.6	1,553.7	894.6	314.7	334.6	9.7	22.0	564.7	542.7
Q2	1,592.2	1,575.3	905.2	316.6	339.2	14.4	17.0	584.0	567.1
Q3	1,608.1	1,596.1	913.3	319.3	345.8	17.8	12.4	606.7	594.4

2. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	GDP						External balance ³⁾		
	10	Domestic demand		Private consumption	Government consumption	Gross fixed capital formation ¹⁴⁾	Changes in inventories ²⁾	16	Exports ³⁾
11		12	13								14	15
1995	5,308.9	5,210.8	2,998.5	1,093.8	1,092.3	26.3	98.1	1,569.6	1,471.5
1996	5,383.4	5,262.9	3,045.5	1,111.4	1,105.5	0.5	120.5	1,637.7	1,517.2
1997	5,505.1	5,350.6	3,091.8	1,121.7	1,130.0	7.0	154.5	1,807.7	1,653.3
1998	5,656.1	5,532.3	3,184.2	1,134.0	1,184.1	30.1	123.8	1,933.8	1,810.0
1999	5,796.5	5,698.4	3,270.7	1,151.3	1,245.9	30.5	98.1	2,024.3	1,926.3
1999 Q2	1,440.6	1,417.8	813.7	287.1	309.5	7.0	23.3	498.0	474.8
Q3	1,455.2	1,428.3	820.3	288.4	315.2	4.8	26.3	513.0	486.6
Q4	1,468.7	1,438.7	825.2	289.5	316.0	8.8	29.4	531.3	501.9
2000 Q1	1,481.8	1,449.2	832.1	291.7	321.6	4.7	32.0	546.0	514.0
Q2	1,494.5	1,462.3	838.3	292.6	323.9	8.5	31.6	558.2	526.6
Q3	1,503.9	1,471.5	840.5	293.2	327.8	10.1	33.0	574.0	541.1

(annual percentage changes)

1995	2.2	2.0	1.8	0.7	2.3	—	—	7.9	7.5
1996	1.4	1.0	1.6	1.6	1.2	—	—	4.3	3.1
1997	2.3	1.7	1.5	0.9	2.2	—	—	10.4	9.0
1998	2.7	3.4	3.0	1.1	4.8	—	—	7.0	9.5
1999	2.5	3.0	2.7	1.5	5.2	—	—	4.7	6.4
1999 Q2	2.1	3.0	2.7	1.4	5.6	—	—	2.4	5.2
Q3	2.6	3.0	2.6	1.7	5.7	—	—	5.7	7.1
Q4	3.3	2.8	2.6	1.6	5.3	—	—	10.3	9.2
2000 Q1	3.5	2.5	2.5	1.8	5.4	—	—	13.2	11.0
Q2	3.7	3.1	3.0	1.9	4.6	—	—	12.1	10.9
Q3	3.3	3.0	2.5	1.7	4.0	—	—	11.9	11.2

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 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
1995	4,968.8	132.3	1,181.4	301.0	1,029.3	1,243.3	1,081.6	195.6	535.7
1996	5,173.0	139.7	1,207.1	300.7	1,058.6	1,333.5	1,133.5	201.4	562.7
1997	5,264.9	138.1	1,227.4	291.5	1,084.9	1,377.9	1,145.2	200.8	583.9
1998	5,458.1	138.0	1,266.2	294.3	1,136.3	1,442.4	1,180.8	200.4	616.4
1999	5,666.3	136.1	1,287.2	308.0	1,179.1	1,527.3	1,228.6	202.8	663.6
1999 Q2	1,407.4	33.9	318.5	76.5	292.8	379.1	306.7	50.5	164.7
Q3	1,423.6	33.3	324.2	77.5	295.8	384.4	308.4	50.7	167.2
Q4	1,437.9	34.1	327.5	78.3	299.3	388.7	309.9	51.3	170.0
2000 Q1	1,457.4	34.6	331.9	80.0	302.3	395.0	313.8	51.6	169.8
Q2	1,472.1	33.7	338.1	79.6	306.7	398.4	315.7	51.8	171.8
Q3	1,488.9	33.8	344.3	80.1	309.3	403.1	318.4	51.6	170.7

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
1995	4,968.8	132.3	1,181.4	301.0	1,029.3	1,243.3	1,081.6	195.6	535.7
1996	5,040.6	139.6	1,178.1	295.6	1,038.7	1,288.6	1,100.1	200.4	543.3
1997	5,156.9	140.4	1,214.5	290.1	1,070.8	1,330.8	1,110.4	207.8	555.9
1998	5,300.6	142.9	1,243.4	291.1	1,112.2	1,384.4	1,126.5	215.2	570.7
1999	5,427.2	146.4	1,264.3	296.7	1,146.0	1,434.5	1,139.2	223.0	592.3
1999 Q2	1,349.3	36.3	313.9	74.0	284.6	356.5	284.0	55.1	146.4
Q3	1,362.8	36.8	318.2	74.4	287.3	360.7	285.4	56.2	148.6
Q4	1,374.2	37.1	321.1	74.8	290.4	364.4	286.5	56.9	151.4
2000 Q1	1,389.9	36.8	326.1	75.3	294.7	369.2	287.8	57.5	149.4
Q2	1,400.0	36.8	329.2	74.6	297.9	372.1	289.5	58.0	152.6
Q3	1,412.1	37.2	332.9	74.7	299.6	376.9	290.8	58.6	150.4

(annual percentage changes)

1995	2.3	1.7	3.0	-0.3	2.1	2.8	1.8	-0.7	0.5
1996	1.4	5.5	-0.3	-1.8	0.9	3.6	1.7	2.5	1.4
1997	2.3	0.6	3.1	-1.8	3.1	3.3	0.9	3.6	2.3
1998	2.8	1.8	2.4	0.4	3.9	4.0	1.5	3.6	2.7
1999	2.4	2.4	1.7	1.9	3.0	3.6	1.1	3.7	3.8
1999 Q2	2.0	1.2	0.9	2.4	2.8	3.4	1.0	3.5	3.1
Q3	2.5	3.5	2.0	2.2	2.8	3.9	1.0	3.9	3.8
Q4	3.1	3.7	3.8	2.5	3.6	3.9	1.0	4.0	5.0
2000 Q1	3.7	1.6	4.8	2.5	3.8	4.6	1.6	4.8	2.4
Q2	3.8	1.3	4.9	0.8	4.7	4.4	1.9	5.3	4.2
Q3	3.6	0.9	4.6	0.4	4.3	4.5	1.9	4.3	1.2

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 including construction		Total excluding construction		Manufacturing						Construction
	Index (s.a.) 1995 = 100		Index (s.a.) 1995 = 100		Intermediate goods	Capital goods	Consumer goods		Non-durable consumer goods		
	1	2	3	4			8	9			
1997	103.7	3.7	104.6	4.2	4.8	5.3	4.9	3.2	3.3	2.6	0.0
1998	107.6	3.7	109.0	4.3	4.7	4.0	6.6	5.6	6.3	2.0	0.3
1999	109.8	2.0	111.1	1.9	1.9	2.3	1.5	2.9	3.1	1.5	2.7
2000	.	.	117.1	5.4	5.8	5.3	9.2	6.3	7.1	1.7	.
1999 Q4	112.0	4.2	113.5	4.3	4.8	5.6	2.8	5.4	5.7	3.5	4.6
2000 Q1	113.3	5.0	114.4	4.8	5.0	5.6	6.9	6.5	7.6	0.0	4.3
Q2	114.5	5.5	116.6	6.0	6.3	6.2	8.7	7.5	8.3	2.9	0.0
Q3	115.7	4.5	117.7	5.7	6.1	5.0	10.1	6.5	7.3	2.1	-1.2
Q4	.	.	119.8	5.3	5.9	4.3	10.8	4.9	5.4	1.9	.
2000 Jan.	112.0	3.0	113.2	2.8	2.6	4.5	4.5	4.0	5.1	-2.1	0.4
Feb.	114.1	6.7	114.5	5.8	6.5	6.4	7.6	8.4	9.6	1.3	12.8
Mar.	113.9	5.1	115.4	5.7	5.7	6.0	8.3	6.8	7.8	0.7	0.8
Apr.	113.8	5.4	116.3	5.9	6.5	6.0	8.3	8.9	9.8	3.6	-0.9
May	116.3	7.8	117.2	7.6	7.8	8.5	11.7	9.7	10.8	3.2	3.0
June	113.5	3.2	116.3	4.4	4.6	4.0	6.4	4.2	4.5	1.8	-2.0
July	115.1	4.7	117.3	5.4	5.7	4.7	8.9	6.4	7.2	1.7	-1.3
Aug.	115.8	4.1	117.5	6.6	7.2	6.4	11.7	8.4	10.1	1.8	0.2
Sep.	116.0	4.7	118.4	5.2	5.6	4.2	10.0	5.5	6.0	2.6	-2.5
Oct.	.	.	118.5	3.7	4.0	3.2	8.2	1.3	1.4	0.3	.
Nov.	.	.	119.7	4.3	4.7	3.5	9.5	3.8	4.3	1.0	.
Dec.	.	.	121.3	8.0	9.3	6.5	14.7	10.4	11.5	4.6	.

Euro area enlargement

2001 Jan.

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

	Retail sales (s.a.)								New passenger car registrations	
	Current prices				Constant prices				Thousands ²⁾ (s.a.)	
	Total		Total		Food, beverages, tobacco	Non-food	Textiles, clothing, footwear	Household equipment		
	Index 1995 = 100		Index 1995 = 100						16	17	18	19
12	13	14	15	16	17	18	19	20	21	
1997	104.1	2.2	101.7	1.2	1.1	1.3	0.7	1.5	861	4.2
1998	107.8	3.6	104.7	2.9	2.1	3.5	2.1	4.5	923	7.2
1999	111.4	3.3	107.4	2.6	3.2	2.4	1.4	3.1	973	5.4
2000	.	.	.	.	.	.	.	.	952	-2.1
1999 Q4	113.7	4.4	109.1	3.2	3.6	2.8	3.0	3.8	950	-0.6
2000 Q1	114.0	3.8	109.0	2.5	3.2	1.7	1.2	5.4	982	1.4
Q2	115.6	4.8	110.0	3.3	3.3	2.8	1.6	5.1	977	0.2
Q3	116.5	4.3	110.4	2.6	2.2	2.2	3.1	4.3	922	-7.9
Q4	.	.	.	.	.	.	.	.	925	-3.2
2000 Jan.	113.5	3.9	108.8	2.7	3.6	1.7	-0.3	4.6	980	0.7
Feb.	115.1	5.7	109.8	4.0	3.4	4.1	7.0	7.1	994	5.4
Mar.	113.5	1.8	108.4	0.8	2.5	-0.7	-2.9	4.5	972	-0.9
Apr.	114.8	4.6	109.8	3.5	3.0	3.6	1.8	5.9	970	-1.8
May	116.6	6.2	110.6	4.3	5.2	3.9	3.5	5.9	977	1.4
June	115.5	3.6	109.7	1.9	1.7	1.0	-0.6	3.5	985	1.1
July	115.9	3.4	110.1	2.1	1.8	1.4	0.6	5.2	883	-14.5
Aug.	116.6	4.0	110.3	2.1	2.1	2.0	1.4	2.8	936	-4.3
Sep.	117.0	5.5	110.8	3.4	2.6	3.3	7.4	4.9	946	-1.6
Oct.	116.8	2.7	110.5	1.1	1.1	0.3	-0.2	2.9	912	-7.0
Nov.	118.1	3.4	110.8	1.4	1.7	0.8	-0.4	4.0	929	-3.1
Dec.	.	.	.	.	.	.	.	.	934	1.8

Euro area enlargement

2001 Jan.

Sources: Eurostat, except columns 20 and 21 (ECB calculation based on data from the ACEA/A.A.A., European Automobile Manufacturers' Association).

1) Adjusted for variations in the number of working days.

2) Monthly averages.

Table 5.3

Business and consumer surveys

(percentage balances, seasonally adjusted, unless otherwise indicated)

	Manufacturing industry				Construction confidence indicator 5	Retail trade confidence indicator 6	Consumer confidence indicator 7
	Confidence indicator 1	Production expectations 2	Assessment of order books 3	Capacity utilisation ^b (percentages) 4			
1997	-4	11	-15	81.0	-33	-9	-15
1998	-1	11	-5	83.0	-19	-3	-5
1999	-7	7	-17	81.8	-7	-5	-3
2000	5	17	3	83.8	1	-1	-1
2000 Q1	3	15	-2	83.0	0	0	0
Q2	6	17	5	83.7	2	3	0
Q3	6	18	5	83.9	2	-2	-1
Q4	5	18	4	84.7	0	-3	-2
2000 Jan.	1	13	-4	-	2	-2	-1
Feb.	3	16	-2	-	-2	-3	0
Mar.	4	15	1	-	0	5	0
Apr.	5	15	3	-	3	-3	0
May	5	16	4	-	1	4	1
June	8	19	8	-	3	7	-1
July	7	19	5	-	2	-3	0
Aug.	6	18	4	-	5	-3	1
Sep.	6	18	5	-	-1	-1	-3
Oct.	6	19	5	-	2	-1	-3
Nov.	5	17	4	-	-1	-3	-3
Dec.	5	18	4	-	-2	-4	-1
<i>Euro area enlargement</i>							
2001 Q1	.	.	.	84.4	.	.	.
2001 Jan.	2	14	0	-	1	0	-1

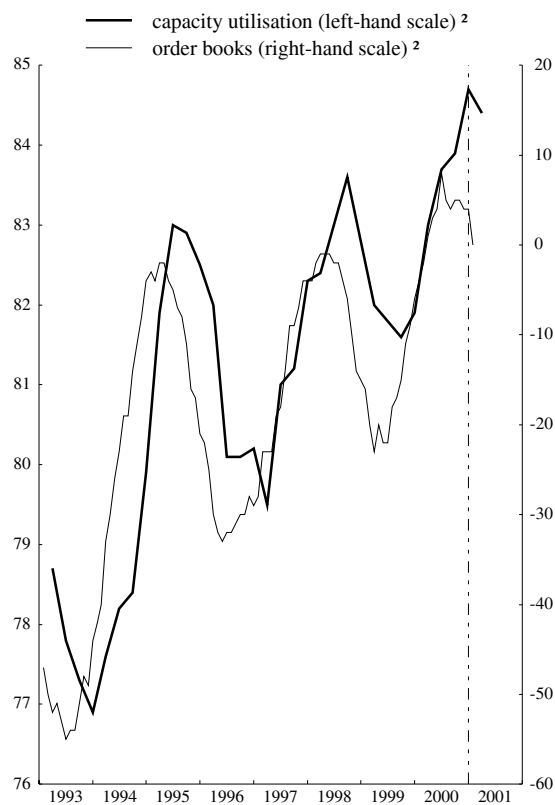
Consumer and industrial confidence indicators

(percentage balances; monthly, seasonally adjusted)



Capacity utilisation and order books

(capacity utilisation, percentages, quarterly; order books, percentage balances, monthly; seasonally adjusted)



Source: European Commission Business and Consumer Surveys.

1) Data on capacity utilisation are collected in January, April, July and October. Annual data are averages of the four quarterly surveys.

2) Manufacturing.

Table 5.4

Labour market indicators

1. Employment and unemployment ¹⁾

(annual percentage changes, unless otherwise indicated)

	Employment						Unemployment (s.a.)			
	Whole economy				Industry (excluding construction)	Services	Total		Adult ²⁾	Youth ²⁾
	Index, 1995 = 100	Employees	Self- employed				Millions	% of labour force	% of labour force	% of labour force
1	2	3	4	5	6	7	8	9	10	
1996	100.6	0.6	0.5	0.5	-1.0	1.6	14.724	11.5	9.8	23.9
1997	101.4	0.8	0.9	0.1	-0.3	1.4	14.822	11.6	9.9	23.2
1998	103.0	1.6	1.8	0.6	1.2	2.1	14.081	10.9	9.4	21.3
1999	104.7	1.7	2.2	-0.4	0.3	2.5	13.005	10.0	8.7	19.1
2000	.	.	.	.	.	.	11.827	9.0	7.9	17.3
1999 Q4	105.5	1.7	2.2	-0.6	0.3	2.4	12.589	9.6	8.4	18.2
2000 Q1	106.0	1.9	2.3	-0.3	0.2	2.6	12.314	9.4	8.2	17.9
Q2	106.7	2.2	2.5	0.3	0.9	2.9	11.902	9.1	7.9	17.4
Q3	107.1	2.0	2.3	0.6	1.0	2.7	11.675	8.9	7.8	17.1
Q4	.	.	.	.	.	.	11.418	8.7	7.6	16.7
2000 Jan.	-	-	-	-	-	-	12.440	9.5	8.3	18.0
Feb.	-	-	-	-	-	-	12.333	9.4	8.2	18.0
Mar.	-	-	-	-	-	-	12.169	9.3	8.1	17.8
Apr.	-	-	-	-	-	-	12.038	9.2	8.0	17.6
May	-	-	-	-	-	-	11.909	9.1	7.9	17.4
June	-	-	-	-	-	-	11.761	9.0	7.9	17.2
July	-	-	-	-	-	-	11.703	8.9	7.8	17.1
Aug.	-	-	-	-	-	-	11.723	8.9	7.8	17.3
Sep.	-	-	-	-	-	-	11.600	8.8	7.7	17.0
Oct.	-	-	-	-	-	-	11.462	8.7	7.6	16.8
Nov.	-	-	-	-	-	-	11.406	8.7	7.6	16.7
Dec.	-	-	-	-	-	-	11.385	8.7	7.6	16.6
<i>Euro area enlargement</i>										
2001 Jan.	-	-	-	-	-	-	11.900	8.8	7.6	17.2

2. Labour costs and productivity

(annual percentage changes)

	Unit labour cost in the whole economy, and components (s.a.)			Labour cost indices ³⁾ and components					Earnings per employee in manufacturing
	Unit labour cost	Compensation per employee	Labour productivity	Total	Wages and salaries	Other	Industry excluding construction	Services	
							Total	Total	
	11	12	13	14	15	16	17	18		19
1996	1.9	3.1	1.1	3.4	3.0	4.4	3.6	4.0	3.6
1997	0.7	2.2	1.5	2.5	2.5	2.6	2.3	2.6	2.6
1998	0.2	1.4	1.2	1.8	2.2	1.2	1.8	1.5	2.9
1999	1.2	2.0	0.8	2.3	2.6	1.7	2.3	1.9	2.4
2000	.	.	.	.	.	.	.	.	.
1998 Q3	0.4	1.2	0.8	1.8	2.1	1.1	1.8	1.3	2.9
Q4	0.9	1.2	0.3	1.8	2.2	1.1	2.1	1.3	3.2
1999 Q1	1.5	1.6	0.0	1.9	2.2	1.4	2.2	1.5	2.7
Q2	1.6	2.1	0.5	2.0	2.4	1.4	2.0	2.0	2.5
Q3	1.1	1.8	0.7	2.5	2.8	1.9	2.4	2.2	2.4
Q4	0.3	1.7	1.5	2.7	3.0	2.1	2.6	2.0	1.9
2000 Q1	0.6	2.4	1.8	3.4	3.7	2.8	3.8	2.9	2.8
Q2	0.6	2.0	1.3	3.7	4.0	3.1	3.7	2.9	2.7
Q3	1.2	2.3	1.1	3.8	4.3	3.0	3.7	3.0	2.4

Sources: ECB calculations based on Eurostat data (columns 1 to 6 and 18), Eurostat (columns 7 to 10 and 14 to 17) and ECB calculations based on national data (columns 11 to 13 and 19).

1) Data for employment are based on the ESA 95. Due to differences in coverage, quarterly data are not fully consistent with annual data. Data for unemployment follow ILO recommendations.

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

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

6 Saving, investment and financing in the euro area

Table 6

Saving, investment and financing

(as a percentage of GDP, unless otherwise indicated)

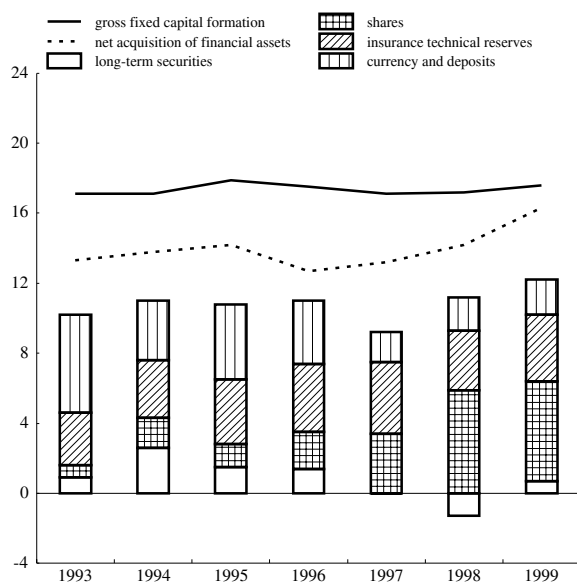
	Euro area saving and investment ¹⁾			Investment of private non-financial sectors ¹⁾²⁾							
	Gross saving	Gross fixed capital formation	Net lending to the rest of the world	Gross fixed capital formation	Non-financial corporations	Net acquisition of financial assets	Currency and deposits	Securities other than shares	Long-term securities	Shares	Insurance technical reserves
1992	20.9	21.8	-0.9	18.1	11.8	13.5	4.0	1.7	0.4	1.4	2.9
1993	20.5	20.6	0.5	17.1	10.7	13.3	5.6	0.5	0.9	0.7	3.0
1994	20.9	20.4	0.3	17.1	10.5	13.8	3.4	2.5	2.6	1.7	3.3
1995	22.5	21.2	0.5	17.9	11.1	14.2	4.3	1.9	1.5	1.3	3.7
1996	22.0	20.7	1.0	17.5	11.0	12.7	3.6	0.3	1.4	2.1	3.9
1997	22.1	20.1	1.6	17.1	10.7	13.2	1.7	-0.6	0.0	3.4	4.1
1998	22.1	20.1	1.1	17.2	11.0	14.2	1.9	-2.2	-1.3	5.9	3.4
1999	21.6	20.5	0.2	17.6	11.3	16.3	2.0	0.3	0.7	5.7	3.8

	Financing of private non-financial sectors ¹⁾²⁾								Net financial investment ³⁾	Financial investment as a % of gross investment ⁴⁾	Net incurrence of liabilities as a % of financing ⁵⁾
	Gross saving	Households	Net incurrence of liabilities	Securities other than shares	Long-term securities	Shares	Loans	Long-term loans			
1992	20.6	12.6	10.2	0.7	0.6	1.4	6.7	4.7	3.3	42.7	33.1
1993	21.1	12.9	7.9	1.3	1.4	1.5	3.6	4.4	5.4	43.8	27.2
1994	21.0	12.0	9.6	1.0	1.1	1.8	3.9	4.0	4.2	44.7	31.4
1995	22.3	12.4	7.6	-1.8	-1.8	1.3	4.9	3.7	6.6	44.2	25.4
1996	21.7	12.1	8.8	0.2	0.0	1.7	5.8	4.9	3.9	42.1	28.9
1997	20.5	11.3	9.2	0.1	0.1	1.2	5.8	4.6	4.0	43.6	31.0
1998	19.3	10.5	11.7	0.3	0.2	2.3	6.9	5.4	2.5	45.2	37.7
1999	18.1	10.0	13.9	0.7	0.4	2.0	8.6	7.0	2.4	48.1	43.4

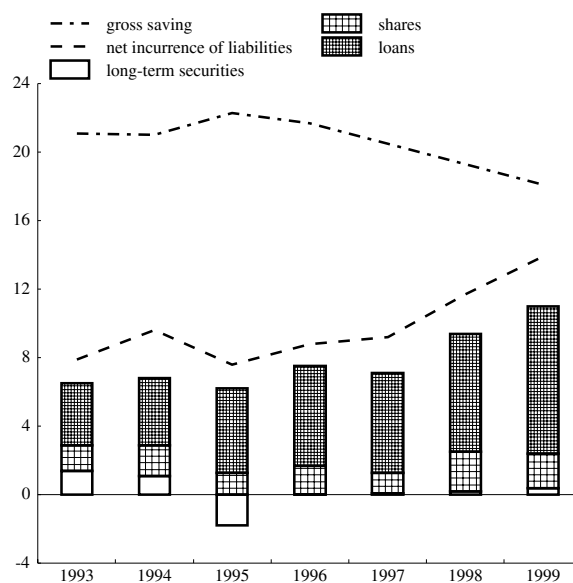
Investment and financing of private non-financial sectors ¹⁾²⁾

(as a percentage of GDP)

Investment



Financing



Source: ECB.

1) Selected items of investment and financing.

2) Private non-financial sectors comprise non-financial corporations, households and non-profit institutions serving households.

3) Column 6 - column 14.

4) Column 6 ÷ (column 4 + column 6).

5) Column 14 ÷ (column 12 + column 14).

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	Direct taxes			Indirect taxes	Received by EU institutions	Social contributions			Sales	Capital revenue	Capital taxes	Memo: fiscal burden ²⁾
			Households	Corporations				Employers	Employees					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	46.4	46.1	11.9	9.6	2.3	13.0	0.9	16.7	8.5	5.3	2.3	0.3	0.2	41.8
1992	47.6	46.9	11.9	9.8	2.0	13.0	0.9	17.1	8.6	5.5	2.4	0.7	0.6	42.6
1993	48.3	47.8	12.1	10.0	2.1	13.3	0.8	17.5	8.7	5.7	2.5	0.5	0.3	43.2
1994	47.7	47.3	11.6	9.6	2.0	13.5	0.8	17.5	8.5	5.7	2.4	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	5.7	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	5.7	2.5	0.5	0.3	43.3
1997	48.3	47.6	12.2	9.6	2.6	13.6	0.7	17.6	8.7	5.7	2.5	0.7	0.4	43.7
1998	47.8	47.3	12.4	9.9	2.4	14.2	0.7	16.5	8.5	5.0	2.4	0.5	0.3	43.4
1999	48.4	47.8	12.8	10.1	2.6	14.4	0.6	16.4	8.5	5.0	2.4	0.6	0.3	43.9

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						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	50.8	46.0	11.2	5.3	5.1	24.4	20.6	2.5	0.6	4.8	3.3	1.6	0.0	45.7
1992	52.2	47.4	11.4	5.4	5.6	25.1	21.5	2.3	0.5	4.7	3.2	1.5	0.0	46.6
1993	53.8	49.1	11.6	5.5	5.8	26.1	22.4	2.5	0.6	4.7	3.1	1.7	0.1	48.0
1994	52.7	48.3	11.3	5.3	5.5	26.1	22.5	2.4	0.6	4.4	2.9	1.5	0.0	47.2
1995	52.2	47.7	11.2	5.2	5.7	25.7	22.4	2.2	0.6	4.5	2.7	1.8	0.1	46.5
1996	52.2	48.2	11.2	5.2	5.7	26.2	22.9	2.2	0.6	4.0	2.6	1.4	0.0	46.5
1997	50.8	47.1	11.0	5.1	5.1	25.9	22.8	2.1	0.5	3.7	2.4	1.3	0.1	45.8
1998	49.9	46.0	10.7	5.0	4.7	25.6	22.3	2.0	0.5	3.9	2.4	1.5	0.1	45.2
1999	49.6	45.6	10.7	5.1	4.2	25.5	22.3	2.0	0.5	4.1	2.5	1.6	0.1	45.4

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

	Deficit (-) / surplus (+)					Primary deficit (-) / surplus (+) ⁵⁾	Government consumption ⁶⁾							
	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
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	-4.4	-4.2	-0.3	-0.1	0.3	0.7	20.3	11.2	5.3	4.6	1.7	-2.3	8.8	11.5
1992	-4.6	-4.0	-0.3	-0.2	-0.1	1.0	20.7	11.4	5.4	4.8	1.7	-2.4	8.9	11.8
1993	-5.5	-4.9	-0.5	-0.2	-0.1	0.3	21.2	11.6	5.5	4.9	1.8	-2.5	9.1	12.1
1994	-5.0	-4.3	-0.5	-0.2	0.0	0.5	20.8	11.3	5.3	5.0	1.7	-2.4	8.8	12.0
1995	-5.0	-4.1	-0.5	-0.1	-0.3	0.7	20.5	11.2	5.2	5.1	1.8	-2.5	8.6	11.9
1996	-4.3	-3.6	-0.4	-0.1	-0.2	1.4	20.6	11.2	5.2	5.1	1.8	-2.5	8.6	12.0
1997	-2.6	-2.3	-0.4	0.1	0.1	2.5	20.3	11.0	5.1	5.1	1.8	-2.5	8.4	11.9
1998	-2.1	-2.1	-0.3	0.2	0.1	2.6	20.0	10.7	5.0	5.1	1.7	-2.4	8.3	11.8
1999	-1.3	-1.6	-0.1	0.1	0.3	3.0	20.0	10.7	5.1	5.1	1.7	-2.4	8.3	11.8

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

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1996	-3.8	-3.4	-7.4	-5.0	-4.1	-0.2	-7.1	2.6	-1.8	-3.8	-4.0	-3.2
1997	-1.9	-2.7	-4.0	-3.2	-3.0	0.7	-2.7	3.4	-1.1	-1.7	-2.6	-1.5
1998	-0.9	-2.1	-2.5	-2.6	-2.7	2.1	-2.8	3.7	-0.7	-2.3	-2.3	1.3
1999	-0.7	-1.4	-1.8	-1.1	-1.8	1.9	-1.9	4.4	1.0	-2.1	-2.0	1.9

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

1) Revenue, expenditure and deficit / surplus based on the ESA 95. Data for years up to 1995 are not directly comparable with data for recent years. 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) Comprises total deficit / surplus excluding interest expenditure.

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

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's	Other financial corporations	Other sectors	
1	2	3	4	5	6	7	8	9	10	
1991	57.5	2.6	16.1	8.3	30.4	48.1	24.9	7.2	16.0	9.3
1992	61.0	2.6	16.7	8.7	33.0	50.3	26.7	7.5	16.1	10.7
1993	67.3	2.7	17.6	8.2	38.9	52.6	27.9	8.6	16.0	14.7
1994	70.0	2.9	16.6	8.3	42.1	56.1	29.9	9.7	16.5	13.8
1995	74.1	2.9	18.1	7.7	45.3	58.5	30.5	10.9	17.1	15.6
1996	75.3	2.9	17.7	7.6	47.1	59.1	30.3	13.1	15.7	16.2
1997	74.7	2.9	16.9	6.4	48.5	57.1	29.1	14.4	13.6	17.6
1998	73.1	2.8	15.7	5.5	49.0	53.5	27.0	16.2	10.4	19.5
1999	72.1	2.9	14.7	4.4	50.0	50.3	25.4	14.8	10.1	21.8

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
1991	57.5	46.3	4.5	6.3	0.3	11.7	45.7	4.4	17.6	18.5	21.4	56.3	1.7	1.1
1992	61.0	49.5	4.7	6.3	0.4	12.2	48.8	6.0	17.8	21.0	22.1	59.7	2.1	1.3
1993	67.3	54.9	5.2	6.6	0.6	12.0	55.3	6.4	18.6	24.3	24.4	65.6	2.7	1.7
1994	70.0	57.5	5.4	6.4	0.7	11.2	58.7	7.1	16.6	26.5	26.9	68.0	2.7	1.9
1995	74.1	61.3	5.7	6.3	0.8	10.6	63.4	6.5	17.6	26.1	30.3	72.1	2.7	2.0
1996	75.3	62.5	6.1	6.2	0.5	10.2	65.1	6.0	19.2	25.2	30.9	73.3	2.5	2.0
1997	74.7	61.9	6.3	5.9	0.6	8.8	65.9	5.6	18.6	25.0	30.9	72.6	2.5	2.1
1998	73.1	60.7	6.3	5.7	0.3	7.7	65.4	5.2	16.3	25.7	30.8	71.3	2.8	1.8
1999	72.1	60.0	6.2	5.6	0.3	6.9	65.2	4.7	14.4	26.6	30.9	70.3	-	1.8

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
1996	130.9	59.8	111.3	68.2	57.1	74.3	122.1	6.2	75.2	69.1	62.7	57.1
1997	125.4	60.9	108.3	66.9	59.3	65.1	119.8	6.0	70.0	64.5	59.4	54.1
1998	119.6	60.7	105.5	65.1	59.7	55.0	116.2	6.4	66.6	64.0	55.7	48.7
1999	116.1	61.1	104.6	63.7	58.9	50.1	115.1	6.0	62.9	65.2	55.8	46.6

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

1) Data are partially estimated. Data for years up to 1995 are not directly comparable with data for recent years. 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
1991	5.0	5.1	0.0	0.2	-0.2	0.1	1.1	-0.1	3.8	.	.	.	.
1992	6.6	5.6	0.3	0.7	0.0	0.1	1.5	0.8	4.1	4.8	3.1	0.7	1.8
1993	7.9	7.5	0.3	0.1	-0.1	0.2	1.2	-0.3	6.8	3.5	2.0	1.3	4.3
1994	5.9	5.1	0.2	0.7	-0.1	0.4	-0.1	0.6	5.1	6.1	3.3	1.5	-0.2
1995	7.6	5.6	0.2	2.2	-0.4	0.2	2.3	-0.2	5.3	5.2	2.1	1.7	2.4
1996	3.7	4.2	-0.2	0.1	-0.4	0.1	0.2	0.2	3.3	2.6	0.8	2.6	1.1
1997	2.2	2.4	0.2	-0.2	-0.1	0.0	-0.1	-0.9	3.2	0.1	-0.1	1.8	2.1
1998	1.5	1.8	-0.2	0.0	-0.1	0.1	-0.4	-0.7	2.6	-1.1	-0.8	2.4	2.6
1999	1.7	1.3	0.3	0.0	0.0	0.2	-0.4	-0.8	2.7	-1.3	-0.6	-0.8	3.0

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+)	Deficit-debt adjustment ⁸⁾											Other ¹⁰⁾
			Total	Transactions in main financial assets held by general government							Valuation effects	Exchange rate effects	Other changes in volume	
				Total	Currency and deposits	Securities ⁹⁾	Loans	Shares and other equity	Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	5.0	-4.4	0.6	1.1	0.3	0.1	0.4	0.2	-0.1	0.2	0.0	0.1	0.2	-0.6
1992	6.6	-4.6	2.0	0.8	0.2	0.1	0.3	0.1	-0.1	0.2	0.3	0.3	0.7	0.2
1993	7.9	-5.5	2.4	1.4	1.0	0.2	0.4	-0.2	-0.3	0.2	0.3	0.3	0.1	0.6
1994	5.9	-5.0	0.9	0.2	0.0	0.1	0.3	-0.1	-0.4	0.2	0.2	0.0	0.7	-0.2
1995	7.6	-5.0	2.6	0.6	0.0	-0.1	0.5	0.1	-0.4	0.2	0.2	0.0	2.2	-0.4
1996	3.7	-4.3	-0.5	-0.1	-0.1	0.0	0.0	0.0	-0.3	0.2	-0.2	-0.1	0.1	-0.4
1997	2.2	-2.6	-0.4	-0.5	0.1	-0.1	-0.1	-0.4	-0.8	0.3	0.2	0.2	-0.2	0.1
1998	1.5	-2.1	-0.6	-0.3	0.2	0.0	0.0	-0.6	-0.8	0.3	-0.2	0.0	0.0	-0.1
1999	1.7	-1.3	0.4	-0.1	0.5	0.0	0.1	-0.6	-1.0	0.2	0.3	0.2	0.0	0.1

Source: ECB.

- 1) Data are partially estimated. Data for years up to 1995 are not directly comparable with data for recent years. 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) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
- 9) Excluding financial derivatives.
- 10) 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

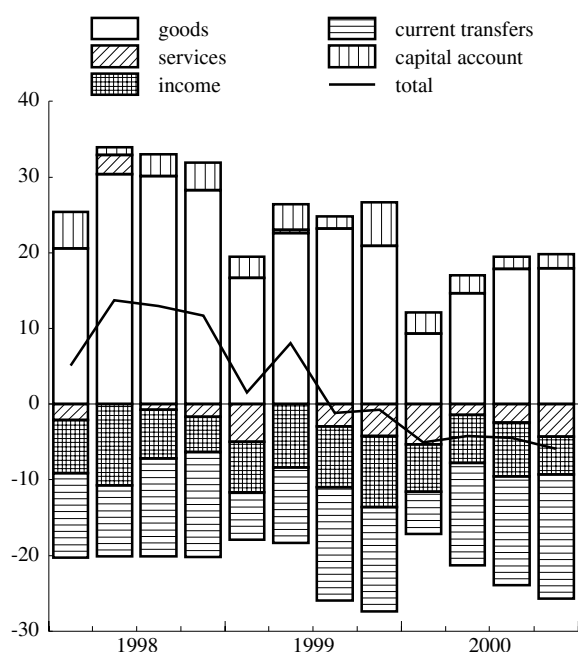
Summary balance of payments ^{1) 2)}

(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	61.5	115.7	3.1	-15.2	-42.2	13.0	.	-44.5	-24.3	.	.	.	.
1998	31.1	109.3	-2.0	-28.8	-47.4	12.4	-61.2	-83.2	-99.7	-7.5	120.9	8.2	17.8
1999	-5.8	83.4	-11.8	-32.4	-45.0	13.5	19.1	-120.6	-41.7	8.1	163.1	10.2	-26.8
2000	-28.3	59.8	-13.5	-24.7	-49.9	8.7	2.6	-23.0	-120.4	-3.6	131.6	18.1	17.1
1999 Q4	-6.5	20.9	-4.2	-9.4	-13.8	5.7	2.6	-46.6	-2.7	-0.4	52.8	-0.5	-1.9
2000 Q1	-7.9	9.3	-5.3	-6.3	-5.5	2.8	47.8	148.0	-192.6	2.5	91.3	-1.4	-42.7
Q2	-6.6	14.7	-1.4	-6.3	-13.5	2.4	-2.9	-18.2	51.9	4.8	-45.3	3.8	7.2
Q3	-6.1	17.9	-2.5	-7.1	-14.4	1.6	-14.0	-94.3	3.5	0.4	71.9	4.5	18.5
Q4	-7.8	18.0	-4.3	-5.1	-16.4	1.9	-28.2	-58.6	16.8	-11.4	13.7	11.2	34.1
1999 Oct.	-0.5	9.1	-0.4	-5.0	-4.1	1.6	8.4	-9.3	-14.6	-2.2	34.2	0.3	-9.5
Nov.	-2.1	6.3	-2.3	-1.7	-4.4	1.2	1.5	-17.0	11.2	1.9	5.4	0.0	-0.6
Dec.	-3.9	5.5	-1.5	-2.7	-5.2	3.0	-7.3	-20.3	0.7	-0.2	13.3	-0.8	8.2
2000 Jan.	-9.0	-0.5	-2.1	-5.0	-1.3	1.4	19.2	0.8	-5.3	-0.8	26.7	-2.2	-11.6
Feb.	0.0	4.2	-2.1	-1.0	-1.2	0.1	-1.9	146.0	-152.9	1.9	2.8	0.3	1.8
Mar.	1.2	5.6	-1.1	-0.3	-3.0	1.3	30.5	1.1	-34.4	1.4	61.8	0.5	-32.9
Apr.	-5.9	4.3	-1.3	-3.8	-5.1	1.5	2.7	1.1	-5.9	2.1	5.1	0.2	1.6
May	-0.1	4.4	-0.3	-1.0	-3.1	0.6	10.5	-8.7	1.9	0.3	15.7	1.3	-11.0
June	-0.6	5.9	0.2	-1.5	-5.3	0.2	-16.2	-10.6	55.8	2.3	-66.1	2.3	16.5
July	-2.2	8.1	0.0	-4.6	-5.8	0.5	-12.0	-24.6	-12.9	-0.4	26.3	-0.4	13.8
Aug.	-3.9	4.1	-0.6	-1.6	-5.8	0.2	0.6	-41.1	13.6	-0.9	27.8	1.2	3.1
Sep.	0.1	5.7	-1.9	-0.9	-2.9	0.9	-2.5	-28.6	2.8	1.8	17.8	3.7	1.6
Oct.	-0.1	8.2	-1.2	-1.2	-6.0	0.1	-6.8	-15.7	-1.7	-2.2	11.8	1.0	6.8
Nov.	-2.9	4.6	-0.2	-2.2	-5.0	0.9	-9.0	-9.5	-3.9	-4.2	0.9	7.8	11.0
Dec.	-4.8	5.2	-2.9	-1.7	-5.4	0.9	-12.5	-33.4	22.4	-4.9	1.0	2.4	16.3

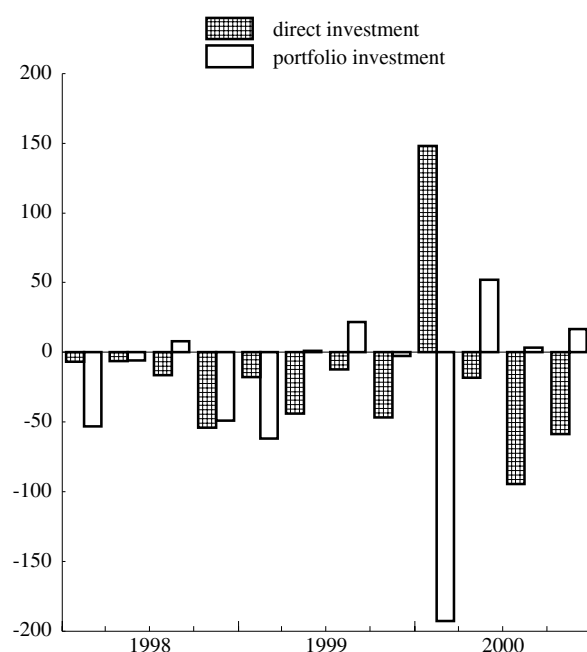
Current and capital accounts

(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); gross flows)*

	Current account										Capital account	
	Total		Goods		Services		Income		Current transfers		Credit 11	Debit 12
	Credit 1	Debit 2	Credit 3	Debit 4	Credit 5	Debit 6	Credit 7	Debit 8	Credit 9	Debit 10		
1997	1,212.9	1,151.4	749.1	633.4	214.2	211.0	189.5	204.7	60.1	102.3	18.9	5.9
1998	1,270.2	1,239.2	779.2	669.9	229.8	231.9	198.5	227.3	62.7	110.0	17.7	5.3
1999	1,335.6	1,341.4	814.5	731.1	241.5	253.3	213.2	245.6	66.4	111.5	19.7	6.2
2000	1,556.8	1,585.2	974.4	914.7	265.4	278.9	251.7	276.4	65.3	115.2	17.4	8.7
1999 Q4	357.7	364.1	227.1	206.2	63.0	67.3	52.5	61.9	15.0	28.8	7.8	2.0
2000 Q1	359.5	367.4	221.2	211.9	58.5	63.8	54.7	61.0	25.2	30.7	4.3	1.4
Q2	387.7	394.3	239.0	224.3	66.8	68.3	66.9	73.2	14.9	28.4	4.7	2.4
Q3	391.5	397.6	244.6	226.7	70.7	73.2	64.2	71.3	11.9	26.4	4.3	2.7
Q4	418.1	425.9	269.7	251.7	69.3	73.6	65.9	70.9	13.2	29.6	4.1	2.2
1999 Oct.	116.7	117.1	75.2	66.1	20.8	21.3	15.8	20.8	4.9	9.0	2.1	0.5
Nov.	117.9	120.0	76.2	70.0	20.1	22.5	16.9	18.6	4.6	9.0	1.9	0.7
Dec.	123.2	127.0	75.7	70.2	22.1	23.6	19.8	22.5	5.6	10.8	3.8	0.9
2000 Jan.	111.9	121.0	64.5	65.0	18.2	20.4	16.4	21.4	12.9	14.2	1.9	0.5
Feb.	115.8	115.8	72.9	68.7	18.6	20.7	17.4	18.4	6.8	8.0	0.5	0.4
Mar.	131.8	130.6	83.8	78.2	21.7	22.8	20.9	21.1	5.5	8.5	1.8	0.5
Apr.	116.1	121.9	72.2	67.9	20.4	21.7	18.9	22.7	4.5	9.6	2.1	0.5
May	137.7	137.8	84.8	80.4	23.0	23.3	23.9	24.9	6.1	9.2	1.7	1.1
June	133.9	134.5	82.0	76.1	23.5	23.2	24.2	25.6	4.3	9.6	1.0	0.8
July	131.6	133.8	82.4	74.4	24.3	24.3	20.9	25.5	3.9	9.7	1.1	0.6
Aug.	123.8	127.8	77.0	73.0	23.8	24.4	19.4	21.0	3.6	9.4	1.5	1.3
Sep.	136.1	136.0	85.2	79.4	22.6	24.5	23.9	24.8	4.4	7.3	1.7	0.8
Oct.	140.7	140.9	92.9	84.7	23.0	24.2	21.3	22.5	3.5	9.5	0.7	0.6
Nov.	138.5	141.4	91.2	86.6	22.5	22.8	20.6	22.8	4.3	9.3	1.4	0.5
Dec.	138.8	143.6	85.6	80.4	23.8	26.7	24.0	25.6	5.4	10.8	1.9	1.0

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	213.2	245.6	12.4	5.0	200.8	240.6	44.1	45.4	64.1	105.9	92.6	89.4
1999 Q3	48.6	56.7	3.1	1.4	45.5	55.2	8.9	10.1	15.5	24.5	21.2	20.6
Q4	52.5	61.9	3.3	1.4	49.1	60.5	11.7	13.0	15.1	23.8	22.4	23.7
2000 Q1	54.7	61.0	3.1	1.1	51.5	59.9	13.3	13.5	13.5	21.7	24.8	24.7
Q2	66.9	73.2	3.0	1.4	64.0	71.9	19.2	13.8	17.2	30.8	27.6	27.3
Q3	64.2	71.3	3.1	1.4	61.1	69.9	15.4	15.1	17.7	26.6	28.1	28.3

	Income on direct investment				Income on portfolio investment							
	Equity		Debt		Equity		Debt instruments					
	Credit 13	Debit 14	Credit 15	Debit 16			Total		Bonds and notes		Money market instruments	
					Credit 19	Debit 20	Credit 21	Debit 22	Credit 23	Debit 24		
1999	37.7	41.5	6.4	3.8	9.6	32.5	54.5	73.4	51.7	71.7	2.9	1.7
1999 Q3	7.4	9.2	1.5	1.0	2.4	6.4	13.1	18.0	12.6	17.6	0.5	0.4
Q4	9.7	11.9	2.0	1.1	2.3	5.9	12.8	17.9	12.1	17.9	0.7	0.0
2000 Q1	11.0	12.0	2.3	1.5	1.9	5.8	11.6	15.9	.	.	.	.
Q2	16.9	12.2	2.3	1.6	3.5	17.2	13.7	13.5	.	.	.	.
Q3	13.2	13.1	2.2	2.0	3.1	7.9	14.6	18.7	.	.	.	.

Source: ECB.

Table 8.4**Balance of payments: direct investment account ¹⁾***(EUR billions (ECU billions to end-1998); net flows)*

	Abroad			In the euro area		
	Total 1	Equity capital and reinvested earnings 2	Other capital, mostly intercompany loans 3	Total 4	Equity capital and reinvested earnings 5	Other capital, mostly intercompany loans 6
1997	-93.1	.	.	48.6	.	.
1998	-175.0	.	.	91.8	.	.
1999	-286.8	-212.2	-74.6	166.2	126.8	39.5
2000	-326.1	-258.9	-67.2	303.1	187.7	115.4
1999 Q4	-139.6	-124.7	-14.9	93.0	90.1	2.9
2000 Q1	-63.3	-33.2	-30.1	211.3	191.3	20.0
Q2	-71.9	-44.8	-27.1	53.7	19.3	34.5
Q3	-117.9	-111.7	-6.2	23.7	15.5	8.2
Q4	-73.0	-69.3	-3.7	14.4	-38.2	52.7
1999 Oct.	-16.5	-14.8	-1.7	7.1	1.2	5.9
Nov.	-26.6	-15.9	-10.7	9.6	8.4	1.2
Dec.	-96.6	-94.0	-2.6	76.3	80.5	-4.2
2000 Jan.	-7.0	-6.4	-0.5	7.8	7.4	0.4
Feb.	-20.1	-13.6	-6.5	166.1	159.1	7.1
Mar.	-36.2	-13.1	-23.1	37.3	24.8	12.6
Apr.	-16.0	-7.4	-8.6	17.1	5.1	12.0
May	-33.8	-15.2	-18.6	25.1	11.4	13.7
June	-22.1	-22.2	0.2	11.5	2.7	8.8
July	-19.8	-27.9	8.1	-4.7	5.4	-10.2
Aug.	-54.0	-56.1	2.1	13.0	3.6	9.3
Sep.	-44.1	-27.7	-16.4	15.4	6.4	9.1
Oct.	-24.8	-27.9	3.1	9.2	6.5	2.6
Nov.	-25.9	-23.3	-2.6	16.3	6.5	9.9
Dec.	-22.3	-18.0	-4.3	-11.1	-51.2	40.2

Source: ECB.

1) Inflows (+); outflows (-).

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	-327.6	227.9	-105.5	105.9	-222.1	-203.8	-18.2	122.0	108.3	13.7
1999	-309.6	267.8	-155.4	106.0	-154.1	-153.6	-0.5	161.8	109.0	52.8
2000	-413.0	292.6	-287.9	21.9	-125.1	-110.0	-15.1	270.7	233.6	37.2
1999 Q4	-86.4	83.7	-55.4	44.3	-31.0	-15.4	-15.5	39.5	17.4	22.1
2000 Q1	-153.9	-38.8	-116.9	-105.7	-37.0	-38.6	1.6	67.0	46.8	20.2
Q2	-85.2	137.0	-54.3	52.4	-30.9	-24.6	-6.3	84.6	50.7	33.9
Q3	-91.8	95.3	-56.1	29.7	-35.7	-30.8	-4.9	65.6	73.6	-8.1
Q4	-82.2	99.1	-60.7	45.5	-21.6	-16.0	-5.6	53.6	62.4	-8.8
1999 Oct.	-21.4	6.8	-13.3	9.7	-8.1	-2.7	-5.4	-2.9	2.4	-5.3
Nov.	-31.3	42.4	-18.6	15.8	-12.7	-7.7	-4.9	26.6	17.6	9.0
Dec.	-33.7	34.5	-23.5	18.7	-10.2	-5.0	-5.2	15.7	-2.6	18.4
2000 Jan.	-23.5	18.2	-21.8	7.2	-1.7	-8.8	7.1	11.0	11.8	-0.9
Feb.	-87.2	-65.7	-68.7	-92.5	-18.6	-15.7	-2.8	26.9	12.8	14.1
Mar.	-43.2	8.7	-26.5	-20.4	-16.7	-14.1	-2.6	29.1	22.2	6.9
Apr.	-28.0	22.2	-17.5	-2.9	-10.5	-9.1	-1.4	25.1	13.0	12.1
May	-28.1	29.9	-18.6	8.4	-9.5	-6.1	-3.4	21.5	18.4	3.1
June	-29.1	84.9	-18.2	47.0	-10.9	-9.4	-1.5	38.0	19.3	18.7
July	-36.9	24.0	-26.2	5.7	-10.7	-8.3	-2.4	18.3	25.3	-7.0
Aug.	-23.9	37.5	-20.4	18.2	-3.5	-1.5	-2.0	19.4	18.0	1.4
Sep.	-30.9	33.7	-9.5	5.8	-21.5	-21.0	-0.4	27.9	30.4	-2.5
Oct.	-26.5	24.8	-15.6	8.9	-10.9	-10.2	-0.7	15.9	19.5	-3.5
Nov.	-31.8	27.9	-19.8	6.4	-11.9	-8.9	-3.0	21.4	30.5	-9.1
Dec.	-24.0	46.4	-25.3	30.2	1.3	3.2	-1.9	16.2	12.4	3.8

2. Assets by instrument and sector of holder

	Equity				Debt instruments							
	Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors	Bonds and notes				Money market instruments			
					Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors	Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors
1	2	3	4	5	6	7	8	9	10	11	12	
1999	0.1	-2.1	-1.7	-151.8	0.1	-1.7	-15.2	-136.8	0.9	-0.1	-7.5	6.2
1999 Q3	0.0	-0.5	0.5	-34.6	-0.3	-0.6	-0.7	-24.3	-1.0	-0.2	-0.9	2.5
Q4	0.0	-0.9	-1.0	-53.5	-0.4	-0.3	-4.3	-10.4	-0.4	0.1	-4.7	-10.6
2000 Q1	0.0	-0.7	1.7	-117.9	-1.2	-0.1	-15.5	-21.7	1.2	0.1	3.2	-2.8
Q2	0.0	-0.7	1.5	-55.1	0.6	-0.7	-7.7	-16.8	0.0	0.0	1.3	-7.5
Q3	-0.1	-0.4	-2.8	-52.8	-2.3	-0.4	-19.4	-8.8	0.5	-1.3	-1.0	-3.1

Source: ECB.

1) Inflows (+); outflows (-).

2) For the comparability of recent and some earlier data, see the general notes.

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	-82.3	203.2	-0.7	3.5	-1.0	-7.6	-22.6	192.5	-37.6	40.5	15.0	152.0	-58.0	14.9
1999	-25.0	188.0	-4.0	8.6	2.8	-12.5	18.2	159.6	-46.4	54.4	64.6	105.2	-41.9	32.3
2000	-203.1	334.7	-9.5	7.2	-6.4	4.5	-129.8	271.7	-38.7	50.9	-91.1	220.8	-57.4	51.4
1999 Q4	11.7	41.1	0.2	2.1	0.5	-3.9	-0.2	39.0	-5.0	7.6	4.7	31.3	11.2	4.0
2000 Q1	-86.6	177.9	-7.7	2.6	-6.0	-2.7	-30.0	163.1	-11.2	20.0	-18.8	143.1	-42.8	14.9
Q2	-29.6	-15.7	-0.3	3.3	1.0	-0.3	-21.1	-20.7	-4.9	7.6	-16.2	-28.3	-9.3	2.0
Q3	-29.5	101.4	-0.3	-1.4	-4.0	1.4	-14.3	72.3	-9.6	8.9	-4.7	63.4	-11.0	29.0
Q4	-57.4	71.1	-1.2	2.6	2.6	6.1	-64.5	57.0	-13.1	14.4	-51.5	42.6	5.6	5.4
1999 Oct.	-22.0	56.1	-1.6	0.5	-1.1	-1.1	-21.9	51.8	-3.7	3.6	-18.2	48.2	2.6	4.9
Nov.	-58.7	64.1	1.5	-1.3	1.2	-2.0	-56.6	63.2	1.7	1.4	-58.3	61.8	-4.8	4.2
Dec.	92.4	-79.1	0.3	2.9	0.4	-0.8	78.3	-76.0	-3.0	2.6	81.3	-78.7	13.4	-5.2
2000 Jan.	-24.1	50.8	-3.0	3.1	-2.9	-1.0	-2.6	43.4	-3.9	6.2	1.4	37.2	-15.6	5.3
Feb.	-32.4	35.2	-2.3	0.5	-2.7	-0.3	-17.4	26.4	-4.9	7.7	-12.5	18.7	-10.0	8.6
Mar.	-30.1	91.9	-2.5	-1.0	-0.4	-1.4	-10.0	93.3	-2.3	6.1	-7.7	87.2	-17.2	1.0
Apr.	-35.3	40.4	-0.3	3.4	0.4	-0.5	-30.8	37.1	-5.4	-25.5	31.4	-4.5	0.4	
May	-16.6	32.3	-2.7	0.3	0.5	0.6	-9.1	27.8	-0.5	-0.8	-8.5	28.7	-5.4	3.6
June	22.3	-88.4	2.7	-0.4	0.2	-0.4	18.8	-85.7	1.0	2.6	17.8	-88.3	0.6	-2.0
July	5.4	20.8	0.0	-1.6	3.5	1.2	9.3	16.6	-7.0	7.6	16.3	8.9	-7.4	4.7
Aug.	-26.5	54.3	-0.3	-1.5	-1.5	1.0	-19.3	24.8	-0.7	-1.1	-18.6	25.9	-5.3	30.0
Sep.	-8.5	26.3	0.0	1.7	-6.0	-0.7	-4.2	31.0	-1.9	2.4	-2.3	28.6	1.7	-5.7
Oct.	-16.8	28.6	-0.5	0.3	7.3	2.8	-21.0	25.3	-3.6	6.8	-17.4	18.5	-2.6	0.3
Nov.	-47.6	48.5	-0.4	1.1	-4.1	1.9	-46.2	48.2	-6.6	7.0	-39.6	41.2	3.2	-2.7
Dec.	7.0	-6.0	-0.3	1.2	-0.6	1.4	2.7	-16.5	-2.8	0.6	5.5	-17.1	5.1	7.8

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		-2.6	8.1	5.5	-1.4	0.5	-0.9
1999 Q3		-3.2	0.3	-2.9	-0.1	0.1	0.0
Q4		0.2	2.1	2.4	0.0	0.0	0.0
2000 Q1		-7.7	2.6	-5.1	-0.1	0.0	0.0
Q2		0.0	3.1	3.0	-0.2	0.2	0.0
Q3		-0.3	-1.5	-1.8	-0.1	0.1	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	3.9	-12.6	-8.7	-1.2	0.2	-1.0
1999 Q3	0.0	0.0	0.0	1.2	-2.1	-0.8	-0.1	0.0	-0.1
Q4	0.0	0.0	0.0	0.0	-3.9	-3.9	0.4	0.0	0.4
2000 Q1	0.0	0.0	0.0	-5.9	-2.3	-8.2	-0.1	-0.4	-0.5
Q2	0.0	0.0	0.0	1.2	-0.5	0.7	-0.2	0.2	0.0
Q3	0.0	0.0	0.0	-4.0	0.6	-3.4	0.0	0.8	0.8

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	17.7	158.9	176.6	0.5	0.7	1.2
1999 Q3	-6.7	11.3	4.6	-0.9	0.9	0.0
Q4	0.5	37.5	37.9	-0.7	1.5	0.8
2000 Q1	-27.7	163.0	135.3	-2.2	0.1	-2.1
Q2	-22.3	-21.5	-43.8	1.2	0.8	2.0
Q3	-12.8	72.2	59.4	-1.4	0.1	-1.3

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	-6.4	3.4	-3.0	-13.2	17.5	4.3	-22.4	11.4	-11.0
1999 Q3	-1.6	-0.1	-1.7	-12.6	-2.0	-14.6	-3.5	1.7	-1.8
Q4	-1.3	2.1	0.8	16.6	0.2	16.8	-4.0	1.7	-2.3
2000 Q1	-4.3	2.9	-1.4	-38.1	18.4	-19.8	-0.4	-6.4	-6.8
Q2	-3.9	0.3	-3.6	-5.3	2.8	-2.5	-0.1	-1.0	-1.1
Q3	-2.1	2.1	0.0	-8.0	27.1	19.1	-0.9	-0.2	-1.1

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	10.2	0.3	1.0	2.0	7.1	2.3	-1.0	0.2	3.6	2.1	-0.1	0.0
1999 Q3	0.0	0.0	0.2	1.9	-2.4	4.2	-2.8	0.2	-3.4	-0.6	0.0	0.3
Q4	-0.5	0.3	-0.7	0.2	-0.3	1.0	3.0	0.0	-1.9	-2.3	-0.1	-0.1
2000 Q1	-1.4	0.7	0.2	0.2	-2.8	2.3	-4.5	0.0	2.6	-3.1	0.0	0.2
Q2	3.8	0.0	-0.1	3.3	0.7	-0.9	0.2	0.0	-3.7	5.3	-0.2	-0.1
Q3	4.5	0.3	-0.1	0.0	4.3	1.5	4.8	0.0	-5.4	3.5	-0.1	0.0

Source: ECB.

1) Increase (-); decrease (+).

Table 8.7**International investment position and reserve assets outstanding****1. Net international investment position ¹⁾***(EUR billions (ECU billions in 1997); assets minus liabilities; end-of-period positions)*

	Total	Direct investment			Portfolio investment					Financial derivatives	Other investment				Reserve assets
		Total	Equity (including reinvested earnings)	Other capital	Total	Equity securities	Debt instruments				Total	Trade credits	Loans/currency and deposits	Other assets/liabilities	
							Total	Bonds and notes	Money market instruments						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1997	32.7	177.6	148.6	29.1	-724.7	-358.7	-366.0	-339.8	-26.2	-5.9	222.4	79.8	51.3	91.4	363.3
1998	-175.3	136.4	112.7	23.7	-704.6	-476.0	-228.6	-205.4	-23.2	2.2	61.5	99.7	-102.1	63.9	329.2
1999	-131.0	373.4	290.8	82.6	-730.9	-596.8	-134.1	-72.7	-61.4	1.9	-147.8	112.6	-340.4	80.0	372.3

Source: ECB.

1) For the comparability of recent and some earlier data, see the general notes.

2. Reserves and related assets of the Eurosystem ^{1) 2)}

(EUR billions; end-of-period positions, unless otherwise indicated)

	Reserve assets													Memo: related assets	
	Total	Monetary gold	In fine troy ounces (millions)	Special drawing rights	Reserve position in the IMF	Foreign exchange							Other claims		Claims on euro area residents denom- inated in foreign currency
						Total	Currency and deposits		Securities			Financial deriva- tives			
							With monetary authorities and the BIS	With banks	Total	Equities	Bonds and notes					Money market instru- ments
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1998 Dec. ³⁾	329.2	99.6	404.131	5.2	23.2	199.9	12.6	18.3	169.0	0.0	116.6	52.4	0.0	1.3	7.6
1999 Dec.	372.3	116.4	402.762	4.5	24.3	225.1	12.8	21.7	190.5	0.0	134.0	56.5	0.0	2.1	14.4
2000 Jan. ⁴⁾	378.0	116.2	401.639	4.3	24.4	230.9	14.4	28.0	188.4	-	-	-	0.2	2.3	14.7
Feb. ⁴⁾	383.2	121.1	400.503	4.4	23.9	231.4	12.0	25.8	193.4	-	-	-	0.2	2.4	16.1
Mar.	385.3	116.0	400.503	4.4	24.8	238.8	12.7	25.9	200.1	-	-	-	0.2	1.3	17.0
Apr.	399.7	121.3	400.503	4.3	22.7	249.6	18.2	28.3	202.9	-	-	-	0.2	1.9	18.1
May	388.8	117.2	400.503	4.5	21.1	244.4	16.2	28.8	199.2	-	-	-	0.2	1.6	19.1
June	385.8	120.8	400.503	4.5	20.5	238.3	14.3	24.4	199.4	-	-	-	0.1	1.8	18.3
July ⁴⁾	391.3	119.6	399.539	4.5	20.9	244.4	10.5	27.1	206.6	-	-	-	0.2	1.9	17.5
Aug.	402.6	124.3	399.539	4.8	20.9	251.5	10.9	25.2	215.3	-	-	-	0.2	1.2	17.3
Sep.	408.0	124.7	399.539	4.9	21.3	255.9	11.2	24.3	220.1	-	-	-	0.3	1.2	16.6
Oct. ⁴⁾	416.2	125.6	399.538	4.7	21.5	263.1	10.3	24.3	228.2	-	-	-	0.3	1.4	16.3
Nov. ⁴⁾	400.1	123.8	399.537	4.8	20.8	249.8	9.0	22.6	217.8	-	-	-	0.3	0.9	16.7
Dec.	377.7	117.8	399.537	4.3	20.8	234.1	9.7	19.5	204.4	-	-	-	0.5	0.6	15.8
<i>Euro area enlargement</i>															
2001 1 Jan. ⁵⁾	390.9	119.2	404.119	4.4	21.2	245.5	16.8	19.8	208.4	-	-	-	0.5	0.7	16.3
2001 Jan.	386.1	115.0	404.119	4.5	22.3	243.4	11.8	19.9	211.2	-	-	-	0.5	0.8	18.0

3. Reserves and related assets of the European Central Bank ^{1) 5)}

(EUR billions; end-of-period positions)

	Reserve assets													Memo: related assets	
	Total	Monetary gold	In fine troy ounces (millions)	Special drawing rights	Reserve position in the IMF	Foreign exchange							Other claims		Claims on euro area residents denom- inated in foreign currency
						Total	Currency and deposits		Securities			Financial deriva- tives			
							With monetary authorities and the BIS	With banks	Total	Equities	Bonds and notes					Money market instru- ments
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1999 Dec.	49.3	7.0	24.030	0.0	0.0	40.9	0.3	6.4	34.3	0.0	28.0	6.3	0.0	1.4	2.6
2000 Jan.	49.9	7.0	24.030	0.0	0.0	41.2	0.4	7.2	33.6	-	-	-	0.0	1.7	3.2
Feb.	48.0	7.3	24.030	0.0	0.0	39.0	0.4	6.1	32.5	-	-	-	0.0	1.7	4.2
Mar.	49.7	7.0	24.030	0.0	0.0	41.9	0.4	7.4	34.1	-	-	-	0.0	0.9	4.3
Apr.	52.7	7.3	24.030	0.0	0.0	44.1	1.1	7.9	35.1	-	-	-	0.0	1.4	4.3
May	50.0	7.0	24.030	0.0	0.0	42.0	1.7	6.0	34.2	-	-	-	0.0	1.0	4.5
June	50.5	7.2	24.030	0.0	0.0	42.1	0.9	6.3	34.9	-	-	-	0.0	1.2	3.7
July	51.0	7.2	24.030	0.0	0.0	42.8	0.5	5.5	36.8	-	-	-	0.0	1.0	4.1
Aug.	55.0	7.5	24.030	0.0	0.0	46.4	0.6	7.5	38.3	-	-	-	0.0	1.2	4.1
Sep.	52.4	7.5	24.030	0.0	0.0	43.7	0.7	6.1	36.9	-	-	-	0.0	1.2	3.7
Oct.	53.8	7.6	24.030	0.0	0.0	44.9	0.7	6.4	37.7	-	-	-	0.0	1.4	4.0
Nov.	47.2	7.4	24.030	0.0	0.0	38.8	0.7	5.0	33.1	-	-	-	0.0	0.9	3.0
Dec.	45.1	7.1	24.030	0.0	0.0	37.3	0.6	6.1	30.6	-	-	-	0.0	0.6	3.8
<i>Euro area enlargement</i>															
2001 Jan.	45.9	7.0	24.656	0.0	0.0	38.2	0.7	2.6	34.9	-	-	-	0.0	0.7	3.5

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) The figures are not fully comparable with those in Table 1.1 owing to differences in coverage and valuation.

3) Position as at 1 January 1999.

4) Changes in the gold holdings of the Eurosystem are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999.

5) Part of the Eurosystem's reserves.

9 External trade in goods of the euro area

Table 9

1. Exports ¹⁾

(EUR billions (ECU billions to end-1998); f.o.b. value)

	Total	Food, drink, tobacco	Raw materials	Energy	Chemicals	Other manufactured articles	Machinery, transport equipment	Other	Export trade indices 1995 = 100		
									Value ²⁾	Volume ²⁾	Unit value
	1	2	3	4	5	6	7	8	9	10	11
1997	762.8	57.0	16.5	14.4	99.6	217.6	343.8	13.8	122.5	115.9	105.7
1998	796.3	56.1	15.8	12.6	104.4	221.7	371.1	14.7	127.9	120.0	106.6
1999	831.8	55.6	16.4	13.6	114.1	225.5	384.7	21.9	133.6	122.6	109.0
2000	1,003.6	.	.	.	.	.	.	.	161.2	.	.
1997 Q1	170.7	13.0	3.9	3.7	22.7	49.1	74.9	3.5	109.7	104.2	105.3
Q2	191.8	14.4	4.1	3.6	25.3	54.1	86.7	3.6	123.3	117.3	105.1
Q3	193.5	14.1	4.2	3.4	25.8	55.9	86.8	3.3	124.3	116.6	106.6
Q4	206.8	15.5	4.3	3.7	25.8	58.5	95.5	3.5	132.9	125.7	105.7
1998 Q1	194.5	13.8	4.2	3.4	26.7	54.7	88.0	3.7	125.0	115.9	107.8
Q2	204.5	14.6	3.9	3.3	27.0	56.6	95.5	3.7	131.4	123.1	106.8
Q3	195.9	13.5	3.9	3.0	25.8	55.3	91.0	3.6	125.9	118.2	106.5
Q4	201.4	14.2	3.8	2.9	25.0	55.1	96.7	3.7	129.4	122.8	105.4
1999 Q1	187.8	12.4	3.8	2.6	25.8	51.3	86.7	5.1	120.7	112.6	107.2
Q2	203.2	13.5	4.0	3.1	27.9	55.1	94.4	5.2	130.6	119.9	108.9
Q3	209.5	14.0	4.1	3.9	29.7	56.9	95.5	5.5	134.6	123.0	109.5
Q4	231.3	15.7	4.5	4.1	30.7	62.1	108.1	6.0	148.6	135.0	110.1
2000 Q1	229.9	13.7	4.7	4.8	32.4	62.1	105.1	7.0	147.8	128.6	114.9
Q2	247.8	15.0	5.0	5.2	34.0	64.9	116.3	7.3	159.2	136.8	116.4
Q3	249.0	15.1	4.7	5.8	35.7	66.8	114.2	6.6	160.0	134.0	119.4
Q4	277.0	.	.	.	.	.	.	.	178.0	.	.
1998 Jan.	58.6	4.3	1.3	1.2	8.4	16.3	26.0	1.2	112.9	104.8	107.7
Feb.	63.8	4.5	1.4	1.0	8.6	18.1	28.9	1.2	123.0	114.1	107.8
Mar.	72.1	5.0	1.5	1.2	9.6	20.3	33.1	1.3	139.0	128.7	108.0
Apr.	68.2	4.9	1.3	1.1	9.2	19.0	31.3	1.3	131.4	122.9	106.9
May	65.9	4.8	1.3	1.1	8.7	18.3	30.7	1.2	127.1	118.9	106.9
June	70.5	4.9	1.3	1.1	9.1	19.3	33.5	1.2	135.9	127.3	106.7
July	73.0	4.8	1.3	1.1	9.3	21.1	34.2	1.2	140.8	131.7	106.9
Aug.	56.7	4.2	1.2	1.0	7.7	15.6	25.9	1.1	109.3	103.2	105.9
Sep.	66.2	4.5	1.3	0.9	8.8	18.5	30.9	1.3	127.6	119.7	106.6
Oct.	69.0	4.8	1.3	1.0	8.6	19.6	32.5	1.2	133.1	125.8	105.8
Nov.	67.1	4.8	1.3	1.0	8.1	18.2	32.5	1.3	129.3	123.3	104.8
Dec.	65.3	4.6	1.2	0.9	8.2	17.3	31.7	1.2	125.8	119.3	105.5
1999 Jan.	54.3	3.7	1.1	0.8	7.7	14.7	24.9	1.3	104.8	98.1	106.8
Feb.	60.2	4.0	1.2	0.8	8.3	16.5	27.4	1.9	116.1	108.6	106.9
Mar.	73.2	4.7	1.5	1.0	9.8	20.0	34.4	1.9	141.2	130.9	107.9
Apr.	65.9	4.4	1.3	1.0	9.1	17.8	30.7	1.5	127.0	116.6	108.9
May	63.7	4.5	1.3	1.0	9.0	17.4	29.0	1.7	122.8	113.2	108.5
June	73.6	4.7	1.3	1.1	9.8	19.9	34.7	2.0	141.9	129.8	109.3
July	76.2	4.6	1.4	1.2	10.3	20.9	35.6	2.2	146.8	132.8	110.6
Aug.	61.1	4.3	1.3	1.2	9.2	16.2	27.4	1.6	117.7	107.0	110.0
Sep.	72.3	5.1	1.4	1.5	10.1	19.8	32.5	1.7	139.3	129.0	108.0
Oct.	77.5	5.3	1.5	1.4	10.2	21.0	36.3	2.0	149.5	136.0	109.9
Nov.	77.6	5.4	1.5	1.2	10.7	20.9	36.0	1.9	149.5	137.3	108.9
Dec.	76.2	5.1	1.6	1.5	9.8	20.2	35.9	2.2	146.9	131.8	111.4
2000 Jan.	66.1	4.1	1.4	1.5	9.3	17.6	30.1	2.2	127.4	111.6	114.1
Feb.	75.3	4.5	1.6	1.6	10.7	20.8	33.9	2.2	145.2	125.5	115.7
Mar.	88.5	5.2	1.8	1.7	12.3	23.7	41.2	2.6	170.7	148.7	114.8
Apr.	73.5	4.5	1.6	1.6	10.2	19.5	34.0	2.1	141.7	122.2	115.9
May	89.2	5.5	1.8	1.8	12.0	23.2	42.2	2.6	172.0	147.9	116.3
June	85.1	5.1	1.6	1.7	11.8	22.2	40.0	2.6	164.0	140.2	117.0
July	84.2	4.9	1.5	1.7	11.5	23.2	39.2	2.2	162.3	136.3	119.1
Aug.	77.7	4.9	1.6	1.9	11.7	20.6	34.9	2.2	149.8	126.1	118.8
Sep.	87.1	5.3	1.7	2.1	12.6	23.0	40.1	2.2	167.8	139.4	120.4
Oct.	94.7	5.9	1.8	2.4	13.4	25.5	43.1	2.6	182.6	150.8	121.1
Nov.	95.8	5.9	1.7	2.3	13.1	24.8	45.5	2.4	184.7	152.7	120.9
Dec.	86.5	.	.	.	.	.	.	.	166.7	.	.

Source: Eurostat; the commodity breakdown is in accordance with the SITC Rev. 3.

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) ECB calculations based on Eurostat data.

Table 9
2. Imports ¹⁾
(EUR billions (ECU billions to end-1998); c.i.f. value)

	Total 1	Food, drink, tobacco 2	Raw materials 3	Energy 4	Chemicals 5	Other manu- factured articles 6	Machinery, transport equipment 7	Other 8	Import trade indices 1995 = 100		
									Value ²⁾ 9	Volume ²⁾ 10	Unit value 11
									1997	674.2	55.5	41.5	81.3	62.5	189.3	230.0	14.0	119.8	110.3	108.6
1998	711.0	55.1	41.3	58.5	68.0	202.0	270.1	16.1	126.3	123.0	102.7
1999	780.5	52.4	39.4	77.7	71.4	211.2	307.6	20.8	138.7	130.5	106.3
2000	991.0	.	.	.	.	.	.	.	176.1	.	.
1997 Q1	159.1	12.8	9.7	21.2	14.8	44.8	52.1	3.7	113.1	106.0	106.7
Q2	168.0	14.1	11.1	18.6	16.1	46.7	57.8	3.6	119.4	111.4	107.2
Q3	166.6	13.6	10.1	20.0	15.3	49.1	55.9	2.6	118.5	106.9	110.8
Q4	180.4	15.1	10.7	21.4	16.2	48.6	64.3	4.1	128.2	117.0	109.6
1998 Q1	179.9	13.7	10.9	16.4	17.7	51.6	65.3	4.3	127.9	119.2	107.3
Q2	179.2	13.7	11.1	15.1	17.3	50.4	67.3	4.3	127.4	121.6	104.7
Q3	171.1	13.4	9.7	13.8	16.4	50.8	63.4	3.6	121.6	119.5	101.8
Q4	180.8	14.3	9.6	13.2	16.5	49.2	74.1	3.9	128.5	131.9	97.4
1999 Q1	179.2	12.4	9.2	13.8	17.0	50.3	71.6	5.0	127.4	128.8	98.9
Q2	189.5	12.9	10.2	16.8	17.7	50.8	76.1	5.1	134.7	129.8	103.8
Q3	193.9	12.9	9.5	21.2	17.3	54.4	73.7	4.9	137.9	126.0	109.4
Q4	217.8	14.2	10.4	25.9	19.4	55.7	86.2	5.9	154.8	137.6	112.5
2000 Q1	231.3	12.7	11.3	31.5	20.1	60.6	87.4	7.7	164.4	135.9	121.0
Q2	243.2	14.0	12.4	32.1	21.3	62.2	93.2	8.0	172.9	137.1	126.1
Q3	244.4	13.3	11.8	37.4	21.0	64.3	88.6	8.0	173.7	132.5	131.1
Q4	272.1	.	.	.	.	.	.	.	193.4	.	.
1998 Jan.	57.7	4.5	3.5	5.7	5.6	16.6	20.4	1.4	123.0	114.3	107.6
Feb.	57.9	4.3	3.5	5.4	5.6	16.7	20.8	1.6	123.4	114.4	107.9
Mar.	64.3	4.9	3.8	5.3	6.5	18.3	24.1	1.3	137.1	128.6	106.6
Apr.	60.1	4.8	3.7	5.2	5.8	16.8	22.7	1.3	128.2	121.5	105.5
May	56.9	4.4	3.5	5.2	5.6	15.8	21.2	1.2	121.4	115.7	104.9
June	62.1	4.6	3.9	4.7	6.0	17.8	23.4	1.7	132.5	127.8	103.7
July	59.3	4.7	3.6	4.7	6.0	17.8	21.2	1.3	126.4	123.6	102.2
Aug.	50.1	4.1	2.8	4.4	4.7	15.0	18.1	1.0	106.9	105.7	101.1
Sep.	61.8	4.6	3.3	4.7	5.8	17.9	24.1	1.4	131.7	129.2	101.9
Oct.	62.5	4.8	3.3	4.7	5.8	17.4	25.1	1.4	133.2	133.9	99.5
Nov.	59.7	4.6	3.1	4.2	5.4	16.2	24.9	1.3	127.3	131.8	96.6
Dec.	58.6	5.0	3.1	4.3	5.3	15.7	24.2	1.2	125.0	130.2	96.0
1999 Jan.	55.0	3.9	3.0	4.6	5.1	15.5	21.4	1.5	117.4	119.5	98.2
Feb.	56.4	3.9	2.9	4.2	5.4	16.1	22.1	1.7	120.3	122.1	98.5
Mar.	67.8	4.7	3.3	5.0	6.4	18.6	28.0	1.7	144.6	144.7	99.9
Apr.	61.6	4.2	3.3	5.6	5.8	16.1	24.9	1.7	131.4	128.3	102.4
May	62.4	4.3	3.3	5.7	5.8	16.5	25.2	1.6	133.1	127.2	104.6
June	65.5	4.4	3.5	5.4	6.2	18.2	25.9	1.8	139.7	133.5	104.6
July	64.5	4.4	3.4	6.7	5.7	18.4	24.3	1.6	137.4	127.3	108.0
Aug.	58.5	4.1	2.7	7.0	5.2	16.3	21.9	1.5	124.8	113.5	110.0
Sep.	70.9	4.4	3.5	7.6	6.4	19.6	27.6	1.8	151.3	137.3	110.2
Oct.	70.6	4.5	3.4	7.9	6.5	18.9	27.4	2.1	150.5	135.2	111.3
Nov.	74.3	4.8	3.6	8.5	6.7	18.8	29.8	2.1	158.4	142.9	110.8
Dec.	72.9	4.9	3.5	9.5	6.2	18.0	29.1	1.7	155.6	134.8	115.4
2000 Jan.	71.1	4.0	3.5	10.3	5.8	18.5	26.5	2.5	151.6	127.8	118.6
Feb.	75.5	4.0	3.6	10.2	6.8	20.1	28.2	2.5	161.0	133.1	121.0
Mar.	84.8	4.6	4.2	11.0	7.5	22.0	32.7	2.7	180.7	146.8	123.1
Apr.	73.1	4.2	3.7	9.5	6.5	18.3	28.3	2.4	155.8	127.0	122.7
May	88.0	5.1	4.7	11.3	7.5	22.8	33.9	2.9	187.7	148.1	126.8
June	82.1	4.6	4.1	11.3	7.3	21.1	31.0	2.7	175.1	136.4	128.4
July	79.0	4.4	4.0	11.8	6.7	20.9	28.2	2.9	168.4	131.6	128.0
Aug.	78.0	4.4	3.6	12.5	6.7	20.5	28.1	2.2	166.3	127.3	130.6
Sep.	87.4	4.5	4.2	13.1	7.6	22.9	32.3	2.8	186.5	138.5	134.6
Oct.	92.0	5.2	4.2	13.2	7.8	22.9	34.9	3.7	196.2	141.7	138.5
Nov.	94.3	5.1	4.4	14.8	7.8	22.5	36.0	3.7	201.0	144.5	139.1
Dec.	85.8	.	.	.	.	.	.	.	183.0	.	.

Source: Eurostat; the commodity breakdown is in accordance with the SITC Rev. 3.

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). 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.

2) ECB calculations based on Eurostat data.

Table 9**3. Trade balance ¹⁾***(EUR billions (ECU billions to end-1998); exports (f.o.b.) - imports (c.i.f.))*

	Total	Food, drink, tobacco	Raw materials	Energy	Chemicals	Other manufactured articles	Machinery, transport equipment	Other
	1	2	3	4	5	6	7	8
1997	88.6	1.5	-25.1	-66.8	37.1	28.3	113.8	-0.1
1998	85.3	1.0	-25.5	-45.9	36.4	19.7	101.0	-1.4
1999	51.3	3.2	-23.0	-64.1	42.7	14.2	77.1	1.0
2000	12.6	.	.	.	.	.	.	.
1997 Q1	11.6	0.2	-5.8	-17.5	8.0	4.3	22.8	-0.2
Q2	23.8	0.3	-7.0	-15.0	9.1	7.4	28.8	0.0
Q3	26.8	0.4	-5.9	-16.6	10.5	6.7	30.9	0.8
Q4	26.3	0.5	-6.4	-17.7	9.6	9.8	31.3	-0.7
1998 Q1	14.6	0.1	-6.7	-13.0	9.0	3.2	22.7	-0.6
Q2	25.4	0.9	-7.2	-11.7	9.6	6.1	28.2	-0.6
Q3	24.8	0.1	-5.8	-10.9	9.3	4.5	27.6	0.0
Q4	20.6	-0.1	-5.7	-10.3	8.5	5.9	22.6	-0.2
1999 Q1	8.5	0.0	-5.4	-11.2	8.8	1.0	15.1	0.2
Q2	13.7	0.6	-6.2	-13.7	10.2	4.3	18.3	0.1
Q3	15.6	1.1	-5.4	-17.4	12.4	2.5	21.8	0.6
Q4	13.5	1.5	-5.9	-21.8	11.3	6.4	21.9	0.1
2000 Q1	-1.4	1.1	-6.5	-26.7	12.3	1.5	17.7	-0.8
Q2	4.5	1.1	-7.4	-26.9	12.8	2.7	23.0	-0.7
Q3	4.6	1.8	-7.1	-31.6	14.7	2.5	25.6	-1.4
Q4	4.9	.	.	.	.	.	.	.
1998 Jan.	0.9	-0.2	-2.2	-4.6	2.8	-0.3	5.6	-0.2
Feb.	5.9	0.2	-2.2	-4.3	3.1	1.4	8.1	-0.4
Mar.	7.8	0.1	-2.3	-4.1	3.1	2.0	9.0	0.0
Apr.	8.0	0.1	-2.4	-4.1	3.4	2.2	8.6	0.0
May	9.0	0.4	-2.3	-4.1	3.1	2.4	9.5	-0.1
June	8.3	0.3	-2.6	-3.5	3.1	1.5	10.1	-0.5
July	13.8	0.0	-2.2	-3.6	3.3	3.3	13.0	0.0
Aug.	6.6	0.1	-1.6	-3.5	3.0	0.6	7.7	0.1
Sep.	4.4	-0.1	-2.0	-3.8	3.0	0.5	6.8	-0.1
Oct.	6.6	0.0	-2.0	-3.7	2.8	2.2	7.4	-0.2
Nov.	7.4	0.2	-1.9	-3.3	2.7	2.0	7.7	0.0
Dec.	6.6	-0.3	-1.9	-3.3	2.9	1.7	7.5	0.1
1999 Jan.	-0.7	-0.2	-1.8	-3.8	2.6	-0.8	3.5	-0.2
Feb.	3.8	0.1	-1.7	-3.3	2.9	0.4	5.3	0.2
Mar.	5.4	0.0	-1.9	-4.0	3.4	1.4	6.4	0.2
Apr.	4.2	0.1	-2.0	-4.6	3.4	1.8	5.7	-0.2
May	1.3	0.2	-2.1	-4.8	3.2	0.8	3.8	0.1
June	8.1	0.2	-2.2	-4.3	3.6	1.7	8.8	0.3
July	11.7	0.2	-2.0	-5.5	4.6	2.5	11.3	0.6
Aug.	2.5	0.2	-1.4	-5.8	4.0	-0.2	5.5	0.1
Sep.	1.3	0.7	-2.1	-6.1	3.8	0.2	4.9	-0.1
Oct.	7.0	0.8	-1.9	-6.5	3.7	2.1	8.9	-0.1
Nov.	3.3	0.6	-2.1	-7.2	4.0	2.1	6.2	-0.2
Dec.	3.2	0.2	-1.9	-8.1	3.6	2.2	6.8	0.4
2000 Jan.	-5.0	0.0	-2.2	-8.8	3.6	-0.9	3.6	-0.3
Feb.	-0.2	0.4	-2.0	-8.6	4.0	0.7	5.6	-0.3
Mar.	3.8	0.6	-2.3	-9.3	4.8	1.7	8.5	-0.2
Apr.	0.4	0.2	-2.1	-7.9	3.7	1.1	5.7	-0.3
May	1.2	0.4	-2.8	-9.4	4.6	0.4	8.3	-0.2
June	3.0	0.5	-2.5	-9.6	4.5	1.1	9.0	-0.1
July	5.2	0.4	-2.5	-10.1	4.8	2.3	11.0	-0.7
Aug.	-0.3	0.5	-2.0	-10.6	4.9	0.1	6.8	-0.1
Sep.	-0.4	0.9	-2.6	-11.0	5.0	0.1	7.8	-0.6
Oct.	2.7	0.7	-2.5	-10.8	5.6	2.6	8.2	-1.1
Nov.	1.5	0.9	-2.6	-12.5	5.3	2.3	9.5	-1.3
Dec.	0.7	.	.	.	.	.	.	.

Source: Eurostat; the commodity breakdown is in accordance with the SITC Rev. 3.

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 8.1). 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.



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	
1996	107.9	108.8	107.5	111.1	95.4	105.9	1.270	138.1	1.568	0.814
1997	99.1	99.4	99.2	99.8	90.4	96.6	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.6	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	95.9	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.5	86.9	87.2	88.2	86.3	0.924	99.5	1.558	0.609
1999 Q1	100.0	100.0	100.0	100.0	100.0	100.0	1.122	130.7	1.599	0.687
Q2	96.1	96.0	96.0	96.5	96.5	96.0	1.057	127.7	1.600	0.658
Q3	94.6	94.7	94.5	94.5	95.5	94.6	1.049	118.7	1.602	0.655
Q4	92.2	92.2	92.2	92.7	94.2	92.6	1.038	108.4	1.600	0.636
2000 Q1	89.0	89.6	89.7	89.9	91.1	89.5	0.986	105.5	1.607	0.614
Q2	86.0	86.6	87.0	87.1	88.4	86.6	0.933	99.6	1.563	0.610
Q3	84.7	85.7	86.2	86.6	87.3	85.3	0.905	97.4	1.544	0.612
Q4	83.0	84.0	84.8	85.2	85.9	83.6	0.868	95.3	1.516	0.600
1999 Jan.	102.0	101.8	101.8	-	101.4	101.4	1.161	131.3	1.605	0.703
Feb.	99.9	99.9	99.8	-	100.0	100.0	1.121	130.8	1.598	0.689
Mar.	98.3	98.3	98.4	-	98.7	98.6	1.088	130.2	1.595	0.671
Apr.	97.1	96.9	97.0	-	97.5	97.2	1.070	128.2	1.602	0.665
May	96.6	96.5	96.4	-	96.9	96.4	1.063	129.7	1.603	0.658
June	94.7	94.7	94.7	-	95.1	94.4	1.038	125.3	1.595	0.650
July	94.8	95.2	94.8	-	95.0	94.5	1.035	123.7	1.604	0.658
Aug.	95.4	95.6	95.4	-	96.3	95.5	1.060	120.1	1.600	0.660
Sep.	93.6	93.4	93.4	-	95.2	93.8	1.050	112.4	1.602	0.647
Oct.	94.4	94.2	94.3	-	96.3	94.7	1.071	113.5	1.594	0.646
Nov.	92.0	92.0	92.1	-	94.0	92.4	1.034	108.2	1.605	0.637
Dec.	90.1	90.4	90.3	-	92.2	90.7	1.011	103.7	1.601	0.627
2000 Jan.	90.2	90.8	90.9	-	92.4	90.8	1.014	106.5	1.610	0.618
Feb.	89.2	89.8	89.9	-	91.2	89.5	0.983	107.6	1.607	0.615
Mar.	87.7	88.3	88.4	-	89.7	88.1	0.964	102.6	1.604	0.611
Apr.	86.1	86.6	86.9	-	88.4	86.7	0.947	99.9	1.574	0.598
May	84.5	85.0	85.6	-	86.9	85.1	0.906	98.1	1.556	0.602
June	87.4	88.1	88.4	-	89.9	88.1	0.949	100.7	1.561	0.629
July	86.9	87.9	88.1	-	89.4	87.5	0.940	101.4	1.551	0.623
Aug.	84.6	85.5	86.0	-	87.0	85.1	0.904	97.8	1.551	0.607
Sep.	82.8	83.6	84.6	-	85.3	83.3	0.872	93.1	1.531	0.608
Oct.	81.6	82.4	83.4	-	84.4	82.2	0.855	92.7	1.513	0.589
Nov.	82.3	83.3	84.0	-	85.1	82.9	0.856	93.3	1.522	0.600
Dec.	85.4	86.4	86.9	-	88.1	85.7	0.897	100.6	1.514	0.613
<i>Euro area enlargement</i>										
2001 Jan.	89.2	90.3	90.6	-	91.7	89.0	0.938	109.6	1.529	0.635
Feb.	88.3	89.4	89.6	-	91.0	88.1	0.922	107.1	1.536	0.634
% ch. vs. ⁴⁾ prev. month										
2001 Feb.	-1.0	-1.1	-1.1	-	-0.8	-1.0	-1.8	-2.3	0.4	-0.1
% ch. vs. ⁴⁾ prev. year										
2001 Feb.	-	-	-	-	-	-	-6.3	-0.5	-4.4	3.1

Source: ECB.

- 1) ECB calculations; 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 the Greek drachma. From January 2001, Greece ceased to be a partner country in the effective exchange rate of the euro; the weighting scheme was adjusted accordingly. In addition, the broad group includes the following countries: Algeria, Argentina, Brazil, China, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, 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.
- 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.
- 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.

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	
8.51	7.36	8.20	1.731	1.623	9.68	1,007.9	1.765	1996
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
8.98	7.44	8.60	1.696	1.770	8.69	1,342.6	1.911	1999 Q1
8.90	7.43	8.24	1.557	1.618	8.19	1,258.8	1.810	Q2
8.71	7.44	8.22	1.558	1.613	8.14	1,252.8	1.772	Q3
8.65	7.44	8.19	1.528	1.613	8.07	1,217.4	1.737	Q4
8.50	7.45	8.11	1.434	1.564	7.68	1,109.8	1.674	2000 Q1
8.28	7.46	8.20	1.381	1.585	7.27	1,042.0	1.608	Q2
8.40	7.46	8.10	1.341	1.576	7.06	1,009.5	1.569	Q3
8.60	7.45	8.04	1.325	1.632	6.77	1,011.6	1.516	Q4
9.08	7.44	8.65	1.765	1.839	8.99	1,362.4	1.950	1999 Jan.
8.91	7.44	8.65	1.679	1.751	8.68	1,330.2	1.905	Feb.
8.94	7.43	8.51	1.651	1.726	8.43	1,336.2	1.881	Mar.
8.91	7.43	8.32	1.594	1.668	8.30	1,292.2	1.834	Apr.
8.97	7.43	8.23	1.553	1.605	8.24	1,272.1	1.820	May
8.83	7.43	8.17	1.524	1.580	8.05	1,212.6	1.775	June
8.74	7.44	8.18	1.540	1.576	8.03	1,229.4	1.756	July
8.75	7.44	8.26	1.583	1.645	8.23	1,269.1	1.779	Aug.
8.63	7.43	8.23	1.552	1.619	8.15	1,260.1	1.781	Sep.
8.73	7.43	8.29	1.581	1.641	8.32	1,289.9	1.793	Oct.
8.63	7.44	8.19	1.516	1.618	8.04	1,215.9	1.727	Nov.
8.59	7.44	8.10	1.491	1.580	7.86	1,149.6	1.694	Dec.
8.60	7.44	8.12	1.469	1.542	7.89	1,145.9	1.697	2000 Jan.
8.51	7.45	8.10	1.427	1.564	7.65	1,110.8	1.674	Feb.
8.39	7.45	8.11	1.408	1.583	7.51	1,076.1	1.654	Mar.
8.27	7.45	8.15	1.389	1.588	7.38	1,051.4	1.620	Apr.
8.24	7.46	8.20	1.355	1.570	7.06	1,015.3	1.566	May
8.32	7.46	8.25	1.402	1.597	7.40	1,061.1	1.641	June
8.41	7.46	8.18	1.389	1.598	7.33	1,047.9	1.636	July
8.39	7.46	8.10	1.341	1.557	7.05	1,007.6	1.556	Aug.
8.41	7.46	8.03	1.295	1.575	6.80	973.2	1.517	Sep.
8.52	7.45	8.00	1.292	1.618	6.67	965.1	1.498	Oct.
8.63	7.46	8.00	1.320	1.639	6.68	990.6	1.497	Nov.
8.66	7.46	8.13	1.368	1.642	7.00	1,089.6	1.558	Dec.
<i>Euro area enlargement</i>								
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.
0.8	0.0	-0.3	-0.5	2.0	-1.8	-3.4	-1.4	% ch. vs. ⁴⁾ prev. month 2001 Feb.
5.5	0.2	1.4	-1.7	10.2	-6.1	3.9	-4.0	% ch. vs. ⁴⁾ prev. year 2001 Feb.

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												
1997	1.9	0.5	61.4	6.25	7.48	0.6	1.9	3.0	5.4	5.6	4.7	3.73
1998	1.3	1.2	55.8	4.94	7.50	-0.9	2.3	2.8	2.3	5.2	4.6	4.27
1999	2.1	2.8	52.6	4.91	7.44	2.2	3.0	2.1	1.9	5.2	4.2	3.44
2000	2.7	.	.	5.64	7.45	.	.	2.6	6.1	4.7	1.9	5.00
1999 Q3	2.3	-	-	5.35	7.44	2.4	3.0	1.7	0.0	5.1	3.4	3.19
Q4	2.8	-	-	5.57	7.44	2.1	-0.6	3.3	4.2	4.9	4.1	3.78
2000 Q1	2.8	-	-	5.79	7.45	1.5	1.9	2.6	3.2	4.8	2.2	3.95
Q2	2.9	-	-	5.67	7.46	1.5	2.6	3.4	7.8	4.6	1.3	4.73
Q3	2.6	-	-	5.69	7.46	2.7	1.6	2.7	8.0	4.7	2.3	5.84
Q4	2.6	-	-	5.42	7.45	.	.	.	5.6	4.8	1.8	5.48
2000 Aug.	2.2	-	-	5.64	7.46	-	-	-	8.9	4.6	2.5	5.66
Sep.	2.7	-	-	5.66	7.46	-	-	-	8.7	4.8	4.0	6.10
Oct.	2.8	-	-	5.57	7.45	-	-	-	5.2	4.9	2.6	5.55
Nov.	2.7	-	-	5.49	7.46	-	-	-	1.7	4.9	0.7	5.50
Dec.	2.3	-	-	5.20	7.46	-	-	-	10.5	4.7	2.0	5.38
2001 Jan.	2.3	-	-	5.09	7.46	-	-	-	.	.	.	5.34
Feb.	.	-	-	5.06	7.46	-	-	-	.	.	.	5.27
Sweden												
1997	1.8	-2.0	75.0	6.62	8.65	-	0.6	2.1	7.0	9.9	4.2	4.43
1998	1.0	1.9	72.4	4.99	8.92	3.2	0.9	3.6	3.8	8.3	3.5	4.36
1999	0.6	1.9	65.5	4.98	8.81	1.6	-0.4	4.1	2.0	7.2	6.8	3.32
2000	1.3	.	.	5.37	8.45	.	.	4.0	.	5.9	6.2	4.07
1999 Q3	0.7	-	-	5.48	8.71	2.7	-0.3	4.2	0.2	7.1	6.1	3.22
Q4	1.0	-	-	5.69	8.65	0.8	-1.1	4.2	3.5	6.8	9.1	3.69
2000 Q1	1.2	-	-	5.79	8.50	3.5	7.1	3.8	7.0	6.5	8.7	3.99
Q2	1.2	-	-	5.30	8.28	1.5	5.1	4.1	11.2	6.0	8.9	4.09
Q3	1.3	-	-	5.30	8.40	2.4	6.4	3.7	10.3	5.7	5.1	4.14
Q4	1.5	-	-	5.09	8.60	.	.	.	.	5.4	2.2	4.06
2000 Aug.	1.4	-	-	5.31	8.39	-	-	-	10.5	5.9	4.4	4.13
Sep.	1.3	-	-	5.27	8.41	-	-	-	7.5	5.5	5.1	4.08
Oct.	1.3	-	-	5.23	8.52	-	-	-	8.4	5.5	1.2	4.03
Nov.	1.8	-	-	5.13	8.63	-	-	-	9.9	5.6	3.4	4.02
Dec.	1.3	-	-	4.92	8.66	-	-	-	.	5.1	2.1	4.13
2001 Jan.	1.6	-	-	4.89	8.91	-	-	-	.	5.4	.	4.14
Feb.	.	-	-	4.86	8.98	-	-	-	.	.	.	4.10
United Kingdom												
1997	1.8	-2.0	50.9	7.13	0.692	0.9	2.9	3.5	1.3	7.0	11.2	6.92
1998	1.6	0.4	47.8	5.60	0.676	0.0	2.9	2.6	0.8	6.3	9.7	7.42
1999	1.3	1.3	45.4	5.01	0.659	-1.0	3.5	2.3	0.6	6.1	5.3	5.54
2000	0.8	2.0	42.6	5.33	0.609	.	.	3.0	1.5	.	.	6.19
1999 Q3	1.2	1.2	45.7	5.39	0.655	-1.5	3.2	2.5	1.8	6.0	3.5	5.28
Q4	1.2	1.9	45.4	5.46	0.636	0.0	2.6	3.2	2.2	5.9	3.6	5.98
2000 Q1	0.8	6.1	43.6	5.60	0.614	-1.4	3.1	3.1	1.9	5.9	3.8	6.20
Q2	0.6	-0.4	43.7	5.31	0.610	-1.2	0.9	3.5	2.6	5.6	5.7	6.28
Q3	0.8	2.3	42.4	5.31	0.612	-1.5	1.4	3.0	0.6	5.4	8.4	6.21
Q4	0.9	-0.1	42.6	5.09	0.600	.	.	2.5	0.9	.	.	6.07
2000 Aug.	0.6	-0.5	43.8	5.32	0.607	-	-	-	1.2	5.4	8.9	6.22
Sep.	1.0	1.2	42.4	5.38	0.608	-	-	-	0.4	5.5	9.2	6.21
Oct.	1.0	6.7	42.0	5.20	0.589	-	-	-	0.7	5.4	8.8	6.16
Nov.	1.0	-3.7	42.6	5.11	0.600	-	-	-	0.2	5.4	8.3	6.09
Dec.	0.9	-3.3	42.6	4.95	0.613	-	-	-	1.8	.	.	5.96
2001 Jan.	0.9	.	.	4.94	0.635	-	-	-	.	.	.	5.53
Feb.	.	.	.	4.95	0.634	-	-	-	.	.	.	5.76

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

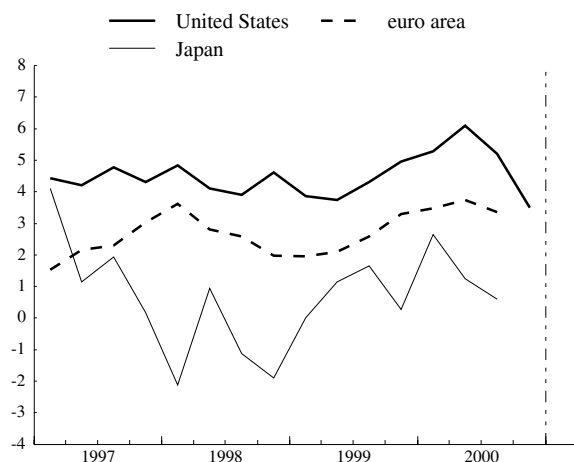
Economic and financial developments

(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											
1997	2.3	0.0	4.4	7.6	5.0	4.9	5.76	6.45	1.134	-0.9	56.4
1998	1.6	0.7	4.4	5.5	4.5	7.3	5.57	5.33	1.121	0.3	53.3
1999	2.2	-1.7	4.2	4.8	4.2	7.6	5.42	5.64	1.066	1.0	50.2
2000	3.4	-3.8	5.0	6.0	4.0	6.1	6.53	6.03	0.924	.	.
1999 Q3	2.3	-0.8	4.3	5.0	4.2	7.6	5.44	5.88	1.049	1.2	50.3
Q4	2.6	-3.1	5.0	5.6	4.1	6.3	6.14	6.13	1.038	1.3	50.2
2000 Q1	3.2	-3.7	5.3	6.3	4.0	6.0	6.11	6.48	0.986	2.0	49.2
Q2	3.3	-4.4	6.1	7.0	4.0	6.1	6.63	6.18	0.933	2.1	46.4
Q3	3.5	-5.4	5.2	6.4	4.0	6.0	6.70	5.89	0.905	2.3	45.1
Q4	3.4	-1.5	3.5	4.2	4.0	6.3	6.69	5.56	0.868	.	.
2000 Sep.	3.5	-	-	6.5	3.9	6.4	6.67	5.80	0.872	-	-
Oct.	3.4	-	-	5.5	3.9	6.3	6.78	5.74	0.855	-	-
Nov.	3.4	-	-	4.4	4.0	6.1	6.75	5.72	0.856	-	-
Dec.	3.4	-	-	2.7	4.0	6.5	6.54	5.23	0.897	-	-
2001 Jan.	3.7	-	-	2.1	4.2	7.0	5.73	5.14	0.938	-	-
Feb.	.	-	-	.	.	.	5.35	5.10	0.922	-	-
Japan											
1997	1.7	-2.2	1.8	3.6	3.4	3.1	0.62	2.15	137.1	-2.7	-
1998	0.6	6.3	-1.1	-7.1	4.1	4.4	0.66	1.30	146.4	-10.3	-
1999	-0.3	-2.5	0.8	0.8	4.7	3.7	0.22	1.75	121.3	-10.4	-
2000	-0.6	.	.	5.8	4.7	2.1	0.28	1.76	99.5	.	-
1999 Q3	0.0	-5.0	1.6	3.1	4.7	3.6	0.10	1.78	118.7	-	-
Q4	-1.0	-6.0	0.3	4.8	4.6	3.0	0.29	1.77	108.4	-	-
2000 Q1	-0.7	-7.0	2.6	6.2	4.8	2.2	0.14	1.79	105.5	-	-
Q2	-0.7	-7.3	1.3	7.1	4.7	2.3	0.12	1.72	99.6	-	-
Q3	-0.7	-6.0	0.6	5.4	4.6	1.9	0.32	1.79	97.4	-	-
Q4	-0.5	.	.	4.5	4.8	2.1	0.56	1.73	95.3	-	-
2000 Sep.	-0.8	-4.6	-	3.9	4.7	2.0	0.41	1.88	93.1	-	-
Oct.	-0.9	-6.6	-	6.6	4.7	2.1	0.52	1.83	92.7	-	-
Nov.	-0.5	-3.9	-	3.3	4.8	2.1	0.55	1.75	93.3	-	-
Dec.	-0.2	.	-	3.8	4.8	2.2	0.62	1.62	100.6	-	-
2001 Jan.	.	.	-	.	.	2.4	0.50	1.54	109.6	-	-
Feb.	.	.	-	.	.	.	0.41	1.43	107.1	-	-

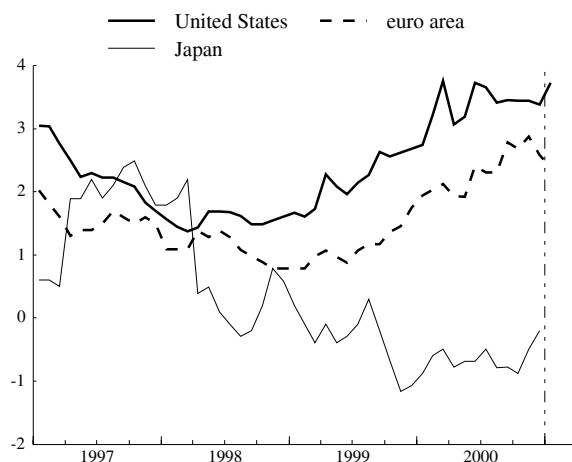
Real gross domestic product

(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.

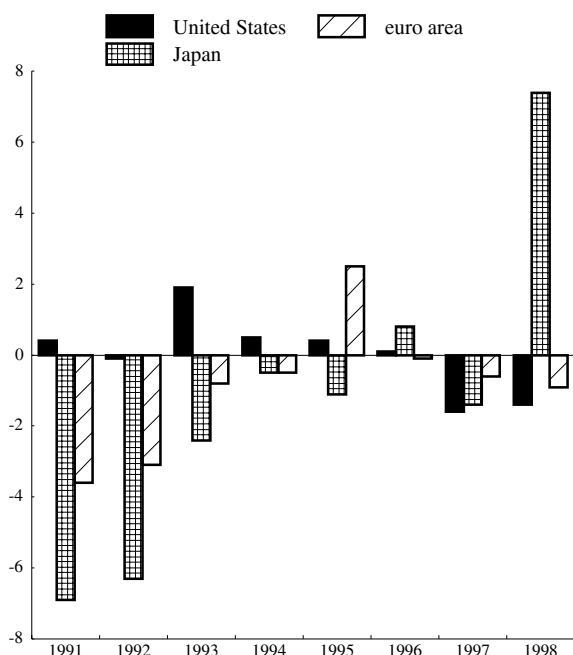
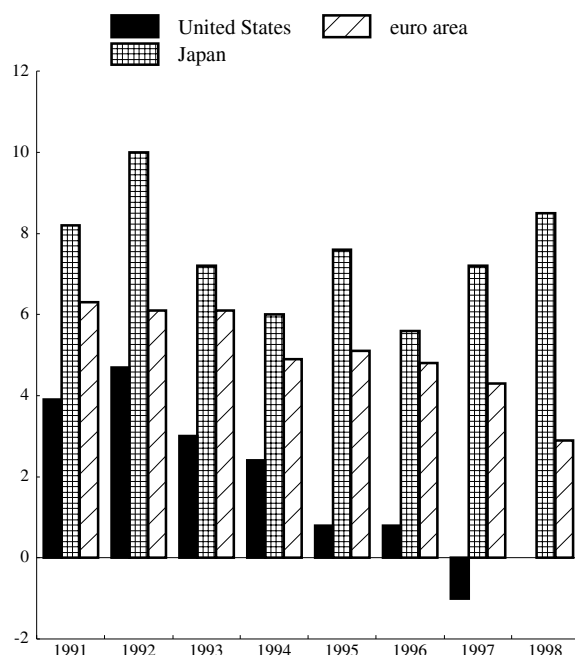
4) For more information, see Table 10.

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													
1996	17.3	19.1	-1.4	8.8	8.4	5.2	8.7	5.1	1.0	11.5	5.7	12.8	4.9
1997	18.1	19.9	-1.5	9.4	8.6	1.8	8.7	3.4	1.8	11.7	3.7	12.4	4.7
1998	18.8	20.8	-2.3	9.6	8.8	3.9	8.5	5.4	1.7	12.3	5.8	12.7	5.8
1999	18.5	21.1	-3.4	9.8	9.3	7.3	8.7	8.8	3.6	12.6	5.2	11.4	6.7
1998 Q4	18.6	20.9	-2.6	9.7	9.0	1.6	8.4	3.3	-1.0	12.6	4.4	12.6	6.1
1999 Q1	18.8	21.0	-2.7	9.6	9.1	8.3	8.7	9.7	6.3	12.4	4.6	11.9	6.6
Q2	18.4	20.8	-3.2	9.6	9.5	7.9	8.7	9.6	0.4	12.7	5.0	11.6	6.9
Q3	18.4	21.1	-3.6	9.8	9.3	7.2	8.6	8.6	3.6	12.6	4.8	11.1	6.4
Q4	18.3	21.4	-3.9	10.0	9.3	5.9	8.7	7.4	4.2	12.6	6.5	10.9	7.1
2000 Q1	18.2	21.4	-4.0	9.9	9.6	7.7	8.8	9.0	5.8	12.8	4.4	10.1	8.2
Q2	18.5	22.0	-4.1	10.3	9.6	5.8	9.0	7.4	3.3	12.5	4.4	10.0	5.9
Q3	18.4	21.9	-4.5	10.4	9.8	5.7	9.1	7.3	2.0	12.4	2.3	9.6	5.7
Japan													
1996	31.3	29.8	1.4	16.1	15.6	1.7	15.1	0.3	1.0	6.7	6.4	13.3	1.1
1997	31.2	28.7	2.6	16.6	16.1	3.3	13.7	1.2	0.1	5.4	7.1	13.4	0.7
1998	29.3	26.4	3.1	14.5	14.6	-6.6	15.1	-9.5	-1.5	5.0	5.6	13.7	-0.5
1999	.	26.0	.	.	.	2.6	.	-2.9	1.3	.	6.9	.	-0.5
1998 Q4	.	26.9	.	.	.	13.4	.	-7.0	-7.0	.	11.3	.	-1.0
1999 Q1	.	26.9	.	.	.	0.8	.	-15.2	-2.2	.	-3.6	.	6.2
Q2	.	24.2	.	.	.	-16.9	.	-17.1	1.7	.	14.6	.	-7.2
Q3	.	26.4	.	.	.	9.7	.	-1.3	1.3	.	4.4	.	1.3
Q4	.	26.9	.	.	.	15.3	.	19.9	4.0	.	11.6	.	-2.2
2000 Q1	.	26.3	.	.	.	7.7	.	-3.4	-3.4	.	3.9	.	9.7
Q2	.	23.2	.	.	.	-26.9	.	-19.6	0.5	.	5.2	.	-9.2
Q3	.	24.4	.	.	.	15.5	.	0.7	-0.4	.	0.6	.	2.3

Net lending of non-financial corporations
(as a percentage of GDP)

Net lending of households¹⁾
(as a percentage of GDP)


Sources: ECB, Federal Reserve Board, Bank of Japan and Economic Planning Agency.

1) Households including non-profit institutions serving households.

Past data for selected economic indicators for the euro area plus Greece

A. Main monetary and financial markets statistics

A.1 Monetary aggregates and counterparts

(EUR billions (not seasonally adjusted; end of period) and annual percentage changes ¹⁾)

	M1		M2		M3		Credit ²⁾		MFI loans to residents of the euro area plus Greece excluding MFIs and general government	
	Amount ¹⁾	% change ²⁾	Amount ³⁾	% change ⁴⁾	Amount ⁵⁾	% change ⁶⁾	Amount ⁷⁾	% change ⁸⁾	Amount ⁹⁾	% change ¹⁰⁾
1999 Jan.	1,818.1	.	4,042.3	.	4,614.4	.	7,805.6	.	5,168.9	.
Feb.	1,787.4	.	4,000.9	.	4,601.3	.	7,825.7	.	5,171.3	.
Mar.	1,809.5	.	4,019.8	.	4,618.4	.	7,901.7	.	5,218.9	.
Apr.	1,824.0	.	4,040.2	.	4,658.6	.	7,934.3	.	5,240.7	.
May	1,856.2	.	4,069.1	.	4,694.9	.	8,011.3	.	5,278.0	.
June	1,900.6	.	4,096.6	.	4,720.6	.	8,088.8	.	5,371.5	.
July	1,901.2	.	4,114.5	.	4,730.7	.	8,106.4	.	5,407.9	.
Aug.	1,865.9	.	4,082.4	.	4,712.9	.	8,109.2	.	5,402.8	.
Sep.	1,891.6	.	4,091.8	.	4,740.1	.	8,160.9	.	5,442.7	.
Oct.	1,898.5	.	4,110.1	.	4,761.6	.	8,230.1	.	5,490.4	.
Nov.	1,933.2	.	4,139.8	.	4,814.3	.	8,329.9	.	5,556.3	.
Dec.	1,988.5	.	4,239.1	.	4,909.0	.	8,354.7	.	5,588.8	.
2000 Jan.	1,997.1	9.4	4,233.2	4.3	4,917.4	5.4	8,411.7	8.1	5,633.8	8.8
Feb.	1,986.7	10.8	4,226.5	5.3	4,938.8	6.3	8,472.5	8.5	5,670.0	9.5
Mar.	1,997.8	10.1	4,236.0	5.0	4,978.5	6.7	8,568.4	8.4	5,741.5	9.9
Apr.	2,039.8	11.4	4,280.1	5.5	5,074.4	6.8	8,634.2	8.7	5,803.8	10.5
May	2,021.0	8.7	4,271.4	4.7	5,071.5	6.1	8,670.3	8.2	5,834.5	10.3
June	2,038.0	7.1	4,281.6	4.3	5,069.4	5.6	8,682.9	7.2	5,902.4	9.5
July	2,037.8	6.9	4,280.7	3.7	5,077.3	5.4	8,698.7	7.1	5,931.9	9.1
Aug.	2,002.5	7.0	4,268.0	4.1	5,082.8	5.8	8,700.3	7.1	5,951.9	9.6
Sep.	2,014.4	6.0	4,274.7	4.0	5,084.5	5.4	8,787.7	7.2	6,038.9	10.1
Oct.	2,013.7	5.6	4,281.4	3.7	5,106.1	5.3	8,830.0	6.6	6,082.8	9.9
Nov.	2,032.3	4.8	4,303.5	3.6	5,141.7	5.1	8,877.6	6.1	6,119.0	9.4
Dec.	2,096.7	5.4	4,396.5	3.6	5,209.8	5.0	8,900.8	6.4	6,154.3	9.7

A.2 Financial market interest rates and statistics on securities other than shares

(percentages per annum and EUR billions)

	Money market rates		Government bond yields		Euro-denominated securities issued by residents of the euro area plus Greece					
	3-month deposits ¹¹⁾	12-month deposits ¹²⁾	2 years ¹³⁾	10 years ¹⁴⁾	Gross issues				Net issues ¹⁹⁾	Amounts outstanding ²⁰⁾
					Total ¹⁵⁾	By MFIs ¹⁶⁾	By general government ¹⁷⁾	By non-financial and non-monetary financial corporations ¹⁸⁾		
1999 Jan.	3.33	3.24	3.11	3.87	348.2	47.1	39.4	13.5	64.0	5,786.6
Feb.	3.27	3.19	3.17	4.02	292.0	49.1	35.6	15.3	49.5	5,835.2
Mar.	3.21	3.19	3.19	4.22	297.2	47.8	35.4	16.8	43.7	5,879.3
Apr.	2.87	2.91	2.93	4.09	333.5	48.8	34.3	16.9	42.0	5,921.2
May	2.75	2.83	2.89	4.24	289.7	46.6	37.9	15.5	49.9	5,972.1
June	2.80	2.98	3.16	4.56	279.3	48.6	28.7	22.7	38.2	6,010.6
July	2.84	3.17	3.38	4.89	328.0	44.5	36.4	19.1	42.1	6,053.5
Aug.	2.86	3.37	3.65	5.10	239.1	50.2	32.3	17.5	35.8	6,089.9
Sep.	2.89	3.43	3.75	5.27	311.6	51.7	31.2	17.1	59.8	6,148.2
Oct.	3.53	3.81	4.16	5.51	305.1	51.6	30.2	18.2	52.6	6,202.0
Nov.	3.64	3.82	4.07	5.22	285.1	57.1	26.2	16.7	41.8	6,245.1
Dec.	3.58	3.94	4.24	5.32	236.0	66.7	20.1	13.2	-32.7	6,217.5
2000 Jan.	3.47	4.04	4.43	5.72	347.6	56.6	30.5	12.9	1.6	6,213.3
Feb.	3.65	4.18	4.59	5.68	353.1	58.0	26.5	15.5	60.1	6,272.2
Mar.	3.86	4.33	4.62	5.51	377.2	58.9	26.5	14.6	52.8	6,326.9
Apr.	4.03	4.42	4.61	5.43	344.8	54.3	26.3	19.4	38.0	6,363.1
May	4.44	4.88	5.04	5.53	381.9	60.3	22.8	16.9	51.0	6,422.9
June	4.59	5.01	5.05	5.36	334.6	57.9	21.8	20.3	32.3	6,454.3
July	4.66	5.14	5.21	5.47	372.4	57.1	22.0	20.9	34.8	6,489.3
Aug.	4.85	5.28	5.30	5.41	344.3	59.9	21.7	18.4	34.0	6,524.9
Sep.	4.91	5.24	5.24	5.48	386.0	61.5	21.3	17.1	20.2	6,546.1
Oct.	5.08	5.23	5.19	5.42	441.2	63.7	19.4	16.9	34.5	6,581.3
Nov.	5.12	5.20	5.14	5.34	376.8	59.3	21.0	19.9	22.0	6,602.5
Dec.	4.94	4.87	4.80	5.07	312.3	63.4	14.8	21.9	-42.2	6,561.7

Sources: ECB, Reuters for columns 11 and 12.

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. For the calculation of growth rates, see the technical notes.

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

3) As a percentage of the total.

B. Price, real economy and fiscal developments

(annual percentage changes, unless otherwise indicated)

	Price developments			Real economy developments					Fiscal developments	
	HICP	Industrial producer prices	GDP deflator	Real GDP	Industrial production (excluding construction)	Retail sales (total: s.a.; constant prices)	Unemployment (% of labour force)	Trade balance (EUR billions: (ECU billions to end-1998))	Deficit (-) / surplus (+) (% of GDP)	Government debt (% of GDP)
	1	2	3	4	5	6	7	8	9	10
1996	2.3	0.4	2.1	1.4	0.3	0.5	11.5	62.4	-4.3	75.9
1997	1.7	1.1	1.6	2.3	4.1	1.2	11.5	74.5	-2.6	75.3
1998	1.2	-0.7	1.7	2.7	4.3	3.0	10.9	68.4	-2.2	73.6
1999	1.1	-0.4	1.2	2.5	1.9	2.6	10.0	34.0	-1.3	72.7
2000	2.4	5.4	.	.	5.4	.	9.1	-9.1	.	.
1999 Q4	1.5	2.2	1.0	3.3	4.3	3.4	9.7	8.7	-	-
2000 Q1	2.1	4.4	1.0	3.5	4.8	2.5	9.5	-6.3	-	-
Q2	2.1	5.2	0.9	3.7	6.0	3.4	9.2	-2.0	-	-
Q3	2.5	5.8	1.1	3.3	5.6	2.6	9.0	-0.6	-	-
Q4	2.7	6.1	.	.	5.3	.	8.8	-0.2	-	-
1999 Dec.	1.7	2.9	-	-	5.3	2.7	9.6	1.5	-	-
2000 Jan.	1.9	3.8	-	-	2.8	2.7	9.6	-6.3	-	-
Feb.	2.1	4.4	-	-	5.8	4.3	9.5	-1.6	-	-
Mar.	2.2	4.9	-	-	5.7	0.4	9.4	1.7	-	-
Apr.	1.9	4.7	-	-	6.0	3.6	9.2	-1.1	-	-
May	1.9	5.3	-	-	7.6	4.7	9.2	-0.8	-	-
June	2.4	5.6	-	-	4.4	1.9	9.1	-0.1	-	-
July	2.4	5.6	-	-	5.4	2.2	9.0	3.5	-	-
Aug.	2.4	5.6	-	-	6.5	2.2	9.0	-1.8	-	-
Sep.	2.8	6.3	-	-	5.1	3.4	8.9	-2.3	-	-
Oct.	2.7	6.6	-	-	3.7	1.0	8.8	0.9	-	-
Nov.	2.9	6.3	-	-	4.3	1.4	8.8	-0.3	-	-
Dec.	2.6	5.5	-	-	8.0	.	8.8	-0.9	-	-

Sources: European Commission (Eurostat) and ECB calculations.

C. Effective exchange rates

(period averages; index 1999 Q1=100)

	Narrow group				Broad group	
	Nominal	Real CPI	Real PPI	Real ULCM	Nominal	Real CPI
	1	2	3	4	5	6
1996	108.1	108.7	107.5	111.1	95.4	105.8
1997	99.1	99.4	99.2	99.9	90.3	96.5
1998	101.5	101.3	101.5	99.5	96.5	99.1
1999	95.6	95.7	95.7	95.9	96.5	95.8
2000	85.4	86.3	86.8	87.1	88.0	86.1
1999 Q4	92.0	92.1	92.2	92.6	94.1	92.5
2000 Q1	88.8	89.5	89.6	89.8	90.9	89.4
Q2	85.7	86.4	86.8	87.0	88.2	86.5
Q3	84.5	85.4	86.1	86.5	87.1	85.1
Q4	82.7	83.8	84.7	85.1	85.7	83.4
1999 Dec.	89.9	90.3	90.2	-	92.1	90.6
2000 Jan.	90.1	90.7	90.8	-	92.3	90.7
Feb.	89.0	89.7	89.8	-	91.0	89.4
Mar.	87.4	88.1	88.3	-	89.5	88.0
Apr.	85.8	86.4	86.8	-	88.2	86.6
May	84.2	84.8	85.5	-	86.7	84.9
June	87.1	88.0	88.2	-	89.8	88.0
July	86.7	87.7	87.9	-	89.2	87.4
Aug.	84.3	85.3	85.8	-	86.8	85.0
Sep.	82.5	83.4	84.4	-	85.1	83.1
Oct.	81.3	82.1	83.1	-	84.2	82.0
Nov.	82.0	83.0	83.8	-	84.9	82.7
Dec.	85.1	86.2	86.7	-	87.9	85.6

Source: ECB.

Technical notes

Relating to Table 2.4

Seasonal adjustment of the euro area monetary aggregates

Multiplicative versions of X-12-ARIMA (version 0.2.2¹) and TRAMO/SEATS² (beta version, July 1998) are used. For technical reasons, the results of X-12-ARIMA are published as the official figures. 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 to fulfil the additivity constraint.

Seasonal factors are estimated for the index of adjusted stocks (Table 2.4.1). They are then applied to the levels expressed in EUR billions and to the adjustments due to reclassifications, other revaluations, etc., yielding seasonally adjusted values for the levels, the adjustments, and thus for the flows.

Calculation of growth rates

Growth rates may be calculated (a) from flows, or (b) from the index of adjusted stocks.

If F_t represents the flow in month t , L_t the level outstanding at the end of month t , X_t the rate of change in month t defined as $X_t = (F_t \div L_{t-1} + 1)$, and I_t the index of adjusted stocks in month t , the annual percentage change a_t – i.e. the change in the latest 12 months – may be calculated as follows:

$$(a) \quad a_t = ((X_t * X_{t-1} * X_{t-2} * X_{t-3} * X_{t-4} * X_{t-5} * X_{t-6} * X_{t-7} * X_{t-8} * X_{t-9} * X_{t-10} * X_{t-11}) - 1) * 100$$

$$(b) \quad a_t = (I_t \div I_{t-12} - 1) * 100$$

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 (<http://www.ecb.int>) on the "Euro area statistics – download" page (in csv file format), from which the exact percentage changes shown in Table 2.4 may be calculated.

Relating to Tables 2.5 to 2.8

As far as possible, the data are harmonised and comparable. Nevertheless, as a result of the implementation of a new reporting scheme in January 1999, data for Tables 2.5 to 2.8 prior to the first quarter of 1999 are not directly comparable with those referring to later periods. In addition, quarterly flows cannot be calculated for any of the periods as, for the time being, reclassification and revaluation adjustments are not compiled. Tables 2.5 to 2.8 can be used for a structural analysis, while it is not advisable to perform a detailed analysis of the growth rates.

- 1 For details see Findley, D., Monsell, B., Bell, W., Otto, M., and Chen, B.C. (1998), "New Capabilities and Methods of the X-12-ARIMA Seasonal Adjustment Program", *Journal of Business and Economic Statistics*, 16, 2, 127-152, or "X-12-ARIMA Reference Manual Version 0.2.2", (December 1998), Time Series Staff, Bureau of the Census, Washington, D.C.
- 2 For details see Gomez, V. and Maravall, A. (1996), "Programs TRAMO and SEATS: Instructions for the User", Bank of Spain, Working Paper No. 9628, Madrid.



General notes

The basis for the statistics compiled by the European Central Bank (ECB) is presented in the document entitled "Statistical information collected and compiled by the ESCB", dated May 2000. This document is an update of the report entitled "Statistical requirements for Stage Three of Monetary Union (Implementation Package)" of July 1996, and describes the provision of statistics as it stands today. The document covers money and banking and related statistics, balance of payments statistics, international investment position statistics and financial accounts statistics. The requirements of the ECB for statistics on prices and costs, national accounts, the labour market, government receipts and expenditure, short-term indicators of output and demand, and the European Commission Business and Consumer Surveys are set out in the document entitled "Requirements in the field of general economic statistics" of August 2000.¹

The focus of these statistics is the euro area as a whole. More detailed and longer runs of data, with further explanatory notes, are available in a downloadable format (csv files) on the ECB's website (www.ecb.int), and new or expanded data will appear in the ECB Monthly Bulletin as they become available.

Owing to the fact that the composition of the ECU does not coincide with the currencies of the Member States which have adopted the single currency, pre-1999 amounts converted from the participating currencies into ECU at current ECU exchange rates are affected by movements in the currencies of Member States which have not adopted the euro. To avoid this effect in the monetary statistics, the pre-1999 data in Tables 2.1 to 2.8 are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless indicated otherwise, price and cost statistics before 1999 are based on the data expressed in national currency terms.

Methods of aggregation and/or consolidation (including cross-country consolidation) have been used as appropriate.

As a general rule, the cut-off date for the statistics included in the ECB Monthly Bulletin is the day preceding the first meeting in the month of the Governing Council of the ECB. For this issue, it was 28 February 2001.

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

Overview

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

Monetary policy and financial statistics

Tables 1.1 to 1.5 show the consolidated financial statement of the Eurosystem, data on Eurosystem operations, statistics relating to minimum reserves, and the banking system's liquidity position. Tables 1.2 and 1.3 reflect the switch to variable rate tenders in June 2000. Monetary data relating to Monetary Financial Institutions (MFIs), including the Eurosystem, are shown in Tables 2.1 to 2.3. Table 2.3 is consolidated; inter-MFI positions within the euro area are not shown, but any difference between the sum total of such claims and liabilities as recorded is shown in column 13. Table 2.4 sets out monetary aggregates drawn from the consolidated MFI balance sheet; they also include some (monetary) liabilities of central government. 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

¹ Money and banking statistics are the responsibility of the ECB at the European level; responsibility for balance of payments, international investment position and financial accounts statistics is shared with the European Commission (Eurostat); price and cost and other economic statistics are the responsibility of the European Commission (Eurostat).

liabilities to non-residents of the euro area. Table 2.8 shows a quarterly currency analysis of certain MFI balance sheet items. A complete list of MFIs is published on the ECB's website. Details of the sector definitions are set out in the "Money and Banking Statistics Sector Manual: Guidance for the statistical classification of customers" (ECB, November 1999). The "Money and Banking Statistics Compilation Guide" (EMI, April 1998) explains recommended practices to be followed by the NCBs. From 1 January 1999 the statistical information is collected and compiled on the basis of the ECB Regulation concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16).

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 are presented in Tables 3.5 and 3.6. They are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in accordance with the ESA 95, in exceptional cases two years or less). Securities with a longer maturity, or with optional maturity dates, the latest of which is more than one year away, or with indefinite maturity dates, are classified as long-term. The statistics on securities issues 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.

Prices and real economy indicators

The data presented in the ECB Monthly Bulletin are, with a few exceptions, produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating data for individual countries. As far as possible, the data are harmonised and comparable. However, the availability of comparable data is, as a general rule, better for the more recent periods than for earlier periods.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 4.1) is

² The code numbers in the ESA 95 for the sectors shown in tables in the Monthly Bulletin are: MFIs (including Eurosystem) comprises the ECB and the national central banks of Member States in the euro area (S121) and other monetary financial institutions (S122); non-monetary financial corporations comprises other financial intermediaries (S123), financial auxiliaries (S124) and insurance corporations and pension funds (S125); non-financial corporations (S11); central government (S1311); other general government comprises state government (S1312), local government (S1313) and social security funds (S1314).

available from 1995 onwards. The index is based on national HICPs that follow the same methodology in all euro area countries. The breakdown by goods and services components is derived from the Classification of individual consumption by purpose (Coicop) used for the HICP. Data from January 2000 include the cost of health and educational services; data from January 2001 also cover hospital services and social services provided to people living at home, in retirement homes and in residences for the disabled; earlier data on the extended basis are, in general, not available. The HICP from January 2000 also covers spending by non-residents which had previously been excluded from the HICP in certain Member States. The table includes seasonally adjusted HICP data which are compiled by the ECB.

With regard to statistics on national accounts (Tables 4.2 and 5.1), the implementation of the ESA 95 during 1999 and thereafter has begun to pave the way for fully comparable data, including quarterly summary accounts, across the euro area. Before 1999 the deflators of GDP in Table 4.2.2 are derived from national data in domestic currency. National accounts in this issue are based on the ESA 95.

Table 5.2 shows selected other real economy indicators. The implementation of Council Regulation (EC) No. 1165/98 of 19 May 1998 concerning short-term statistics will enlarge the range of available euro area data.

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

Employment data (Table 5.4) are based on the ESA 95. Since coverage of the euro area was not complete in time for this issue, some data are ECB estimates based on the information available. Unemployment rates conform to International Labour Organization (ILO) guidelines.

Financial accounts statistics

A need was foreseen for detailed information covering the financial transactions and balance sheets for the euro area in order to complement monetary analysis and policy research. The aim is to provide a fairly full, though not complete, set of financial accounts for the euro area based on money and banking, balance of payments, capital market, non-MFI financial corporation and government finance statistics, and drawing also on the ESA 95 national accounts. Table 6 shows euro area aggregates based on national capital and financial accounts.

A more detailed and further harmonised set of statistics presenting financial accounts for the euro area is expected to appear in the ECB Monthly Bulletin in spring 2001.

General government fiscal position

Tables 7.1 to 7.3 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The euro area aggregates are compiled by the ECB from harmonised data provided by the NCBs, which are regularly updated. Data on deficit and debt for the euro area countries may therefore differ from those used by the European Commission in the context of the excessive deficit procedure.

Table 7.1 shows general government revenue and expenditure on the basis of definitions laid down in Commission Regulation No. 1500/2000 of 10 July 2000 amending the ESA 95. Table 7.2 shows details of general government gross consolidated debt at nominal value in accordance with the Treaty provisions on the excessive deficit procedure. Tables 7.1 and 7.2 include summary data for individual euro area countries owing to their importance in the framework of the Stability and Growth Pact. Table 7.3 analyses changes in general government debt. The difference between the change in government debt and government deficit, the deficit-debt

adjustment, is mainly explained by government transactions in financial assets and by foreign exchange valuation effects.

Balance of payments and international investment position of the euro area (including reserves), trade in goods and exchange rates

The concepts and definitions used in balance of payments statistics (Tables 8.1 to 8.6) and international investment position (i.i.p.) statistics generally conform to the 5th edition of the IMF Balance of Payments Manual (October 1993), to the ECB Guideline of May 2000 (ECB/2000/04) on the statistical reporting requirements of the ECB, and to Eurostat's documentation.

The euro area balance of payments is compiled by the ECB. Data up to December 1998 are expressed in ECU. The recent monthly figures for balance of payments statistics should be regarded as provisional. Data are revised with the publication of the detailed quarterly balance of payments 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 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. 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. (Table 8.7.1) is compiled on a net basis by aggregating national data. 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 amounts outstanding of the Eurosystem's international reserves and related assets are shown in Table 8.7.2. The corresponding reserves and related assets held by the ECB are shown in Table 8.7.3. The data in Tables 8.7.2 and 8.7.3 are in line with the recommendations for the IMF/BIS template on international reserves and foreign currency liquidity. Earlier data are revised on an ongoing basis. Reserve assets data before end-1999 are not fully comparable with later observations. A publication on the statistical treatment of the Eurosystem's international reserves is available on the ECB's website.

Table 9 gives data on euro area external trade in goods, and indices – value, volume and unit value – for total exports and imports. The value index is calculated by the ECB. The volume index is derived from the unit value index provided by Eurostat and the value index. 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).

Table 10 shows nominal and real effective exchange rate indices for the euro. Real indices (deflated by consumer prices, producer prices and unit labour costs in manufacturing respectively) for the group of 12 currencies are shown, together with one nominal and one real index (deflated by consumer prices) for a broader group of 38 currencies. 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.

Other statistics

Statistics on other EU Member States (Table 11) follow the same principles as those for data relating to the euro area. Data for the United States and Japan contained in Tables/Charts 12.1 and 12.2 are obtained

from national sources. Saving, investment and financing data for the United States and Japan (Table/Chart 12.2) are structured in the same way as the capital and financial flows data shown for the euro area in Table/Chart 6.

Past data for selected economic indicators for the euro area plus Greece

Data for the euro area plus Greece up to end-2000 are shown in an additional table at the end of the “Euro area statistics” section. This table provides past data for the euro area plus Greece for a selected number of indicators. Detailed information on the different parts of the table is provided below.

Table A.1 presents monetary aggregates and the main counterparts of M3, as drawn from the consolidated MFI balance sheet. For the consolidation of the data referring to the “Euro 11 plus Greece”, balance sheet positions of MFIs in the first 11 countries participating in the euro area vis-à-vis those resident in Greece have been taken into account. Business denominated in Greek drachmas has also been identified and treated as if it had been in euro.

Table A.2 shows financial market interest rates and securities other than shares statistics. Before January 1999 synthetic euro area money market rates were calculated on the basis of national rates weighted by GDP. From January 1999 to December 2000 euro interbank offered rates (EURIBOR) and ATHIBOR are weighted by GDP. Up to August 2000, 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.

For securities issues statistics (also shown in Table A.2), the fact that residents of Greece will become residents of the euro area has given rise to two structural modifications. The first change involves the inclusion of all securities issued by Greek residents in euro and Greek drachmas. The second effect is caused by the inclusion of all securities issued by euro area residents – in addition to those in Greece – and denominated in Greek drachmas. Securities issues statistics including Greece are compiled for both stocks and flows.

Aggregated data for the euro area plus Greece on price and real economy developments (Table B) are provided by the European Commission (Eurostat). Data on fiscal developments have been aggregated by the ECB.

Table C shows past nominal and real effective exchange rate indices for the euro plus the Greek drachma. The methodology applied for the calculation is the same as that described in the article in the April 2000 issue of the ECB Monthly Bulletin entitled “The nominal and real effective exchange rates of the euro”. New weights for the euro area partner countries have been calculated, excluding Greece from the partners but including it in the euro area (for the countries included in the calculations, see footnote 1 to Table 10 on “Exchange rates” in the “Euro area statistics” section of this issue). A “theoretical” euro exchange rate, in which account is taken of Greek drachma-related developments as well as deflators for the euro area plus Greece, has been constructed prior to January 2001. The full set of data, starting from 1990 (1993 for the broad group), can be downloaded in csv format from the ECB’s website.



Chronology of monetary policy measures of the Eurosystem¹

4 January 2000

The ECB announces that on 5 January 2000 the Eurosystem will conduct a liquidity-absorbing fine-tuning operation with same-day settlement. This measure aims at restoring normal liquidity conditions in the money market after the successful transition to the year 2000.

5 January 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.0%, 4.0% and 2.0% respectively.

15 January 2000

At the request of the Greek authorities, the ministers of the euro area Member States, the ECB and the ministers and central bank governors of Denmark and Greece decide, following a common procedure, to revalue the central rate of the Greek drachma in the exchange rate mechanism (ERM II) by 3½%, with effect from 17 January 2000.

20 January 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.0%, 4.0% and 2.0% respectively.

It also announces that the Eurosystem intends to allot an amount of €20 billion for each of the longer-term refinancing operations to be conducted in the first half of 2000. This amount takes into consideration the expected liquidity needs of the banking system of the euro area in the first half of 2000 and the desire of the Eurosystem to continue to provide the bulk of its refinancing of the financial sector through its main refinancing operations.

3 February 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.25%, starting from the operation to be settled on 9 February 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.25% and 2.25% respectively, both with effect from 4 February 2000.

17 February, 2 March 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

16 March 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.5%, starting from the operation to be settled on 22 March 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.5% and 2.5% respectively, with effect from 17 March 2000.

30 March, 13 April 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.5%, 4.5% and 2.5% respectively.

¹ The chronology of monetary policy measures of the Eurosystem taken in 1999 can be found on pages 176 to 179 of the ECB Annual Report 1999.

27 April 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.75%, starting from the operation to be settled on 4 May 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.75% and 2.75% respectively, both with effect from 28 April 2000.

11 May 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

25 May 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

8 June 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.50 percentage point to 4.25% and to apply this in the two operations (which will be conducted as fixed rate tenders) to be settled on 15 and 21 June 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 5.25% and 3.25% respectively, both with effect from 9 June 2000.

It also announces that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem

will be conducted as variable rate tenders, applying the multiple rate auction procedure. The Governing Council decides to set a minimum bid rate for these operations equal to 4.25%. The switch to variable rate tenders in the main refinancing operations is not intended as a further change in the monetary policy stance of the Eurosystem, but as a response to the severe overbidding which has developed in the context of the current fixed rate tender procedure.

19 June 2000

In accordance with Article 122 (2) of the Treaty establishing the European Community, the ECOFIN Council decides that Greece fulfils the necessary conditions on the basis of the criteria set out in Article 121 (1) and abrogates the derogation of Greece with effect from 1 January 2001. The ECOFIN Council took its decision, taking account of the reports of the European Commission and the ECB on the progress made in the fulfilment by Sweden and Greece of their obligations regarding the achievement of Economic and Monetary Union, after consulting the European Parliament, and after a discussion in the EU Council meeting in the composition of Heads of State or Government.

The ECOFIN Council, acting with the unanimity of the Member States of the European Community without a derogation and the Member State concerned, upon a proposal from the European Commission and after consultation of the ECB, also adopts the irrevocable conversion rate between the Greek drachma and the euro, with effect from 1 January 2001. Following the determination of the euro conversion rate of the Greek drachma (which is equal to its prevailing central rate against the euro in the exchange rate mechanism, ERM II), the ECB and the Bank of Greece announce that they will monitor the convergence of the market exchange rate of the Greek drachma against the euro towards its euro conversion rate, which should be completed at the latest by 29 December 2000.

21 June 2000

The Governing Council of the ECB decides that the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 5.25% and 3.25% respectively. It reiterates that, as announced on 8 June 2000, the forthcoming main refinancing operations of the Eurosystem will be conducted as variable rate tenders, applying the multiple rate auction procedure, with a minimum bid rate of 4.25%.

The Governing Council also announces that, for the longer-term refinancing operations to be conducted in the second half of 2000, the Eurosystem intends to allot an amount of €15 billion per operation. This amount takes into consideration the expected liquidity needs of the banking system of the euro area in the second half of 2000 and the desire of the Eurosystem to continue to provide the bulk of its refinancing of the financial sector through its main refinancing operations.

6 July, 20 July, 3 August 2000

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.

31 August 2000

The Governing Council of the ECB decides to raise the minimum bid rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 4.50%, with effect from the operation to be settled on 6 September 2000. In addition, it decides to increase 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 1 September.

14 September 2000

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.

5 October 2000

The Governing Council of the ECB decides to raise the minimum bid rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 4.75%, with effect from the operation to be settled on 11 October 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.75% and 3.75% respectively, both with effect from 6 October.

19 October, 2 November, 16 November, 30 November 2000

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.

14 December 2000

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.

In addition, it decides to reconfirm the existing reference value for monetary growth, namely an annual growth rate of 4½% for the broad aggregate M3. This decision is taken on the grounds that the available evidence continues to support the assumptions underlying the initial derivation of the reference value in December

1998 (and its confirmation in December 1999), namely that, over the medium term, M3 income velocity declines at a trend rate in the range from ½% to 1% per annum and potential output grows at a trend rate between 2% and 2½% per annum. The Governing Council will undertake the next review of the reference value in December 2001.

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 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.

The TARGET (Trans-European Automated Real-time Gross settlement Express Transfer) system

Long-term calendar for TARGET closing days

On 14 December 2000 the Governing Council of the ECB decided that, from 2002 until further notice, the TARGET system will be closed, in addition to Saturdays and Sundays, on New Year's Day, Good Friday (Catholic/Protestant), Easter Monday (Catholic/Protestant), 1 May (Labour Day), Christmas Day and 26 December. On these days, TARGET as a whole, including all the national real-time gross settlement (RTGS) systems, will be closed and no standing facilities will be available at the national central banks. These days will not be settlement days for the euro money market or for foreign exchange transactions involving the euro, and the euro overnight index average (EONIA) will not be published. Furthermore, the correspondent central banking model (CCBM) for the cross-border use of collateral will be

also closed on TARGET closing days. The establishment of a common long-term calendar was deemed necessary, by the Eurosystem and the banking sector, to avoid both uncertainties for financial markets caused by frequent calendar changes and problems arising from different national TARGET operating days.

The "Information guide for credit institutions using TARGET"

A new version of the "Information guide for credit institutions using TARGET", which provides a standard set of information on the TARGET functionality and answers the most frequently asked questions about TARGET, was published by the ECB on 18 December 2000. The publication's aim is to enable credit institutions to make the most efficient use of the TARGET system. It is mainly for this reason

Table I

Payment instructions processed by TARGET and other selected interbank funds transfer systems: volume of transactions

(number of payments)

	1999 Q4	1999 Total	2000 Q3	2000 Q4	2000 Total
TARGET					
All TARGET payments					
Total volume	11,452,184	42,257,784	11,876,872	12,536,026	47,980,023
Daily average	176,187	163,157	182,721	198,985	188,157
Cross-border TARGET payments					
Total volume	2,073,391	7,453,326	2,561,044	2,630,202	10,168,911
Daily average	31,898	28,777	39,401	41,749	39,878
Domestic TARGET payments					
Total volume	9,378,793	34,804,452	9,315,828	9,905,824	37,811,112
Daily average	144,289	134,380	143,320	157,235	148,279
Other systems					
Euro 1 (EBA)					
Total volume	5,362,563	17,646,284	6,123,837	6,502,684	24,691,702
Daily average	82,501	68,132	94,213	103,217	96,830
Euro Access Frankfurt (EAF)					
Total volume	3,114,109	12,096,875	3,208,671	3,302,144	12,987,985
Daily average	47,909	46,705	49,364	52,415	50,933
Paris Net Settlement (PNS) ¹⁾					
Total volume	1,259,603	5,197,215	1,258,003	1,758,207	5,515,307
Daily average	19,379	20,066	19,354	27,908	21,629
Servicio Español de Pagos Interbancarios (SEPI)					
Total volume	252,381	1,101,742	238,434	234,306	977,520
Daily average	3,883	4,260	3,668	3,719	3,833

1) The PNS replaced the *Système Net Protégé* (SNP) on 19 April 1999.

that the current update has been prepared by a small ad hoc working group composed of representatives of the banking community (nominated by European banking associations), of national central banks and of the ECB.

The new edition of the Information Guide is primarily intended for use as a “web document”. It is published in the “TARGET – General information” section of the ECB’s website and contains hyperlinks to related documents which can be found elsewhere on the ECB’s website or on the websites of the national central banks or other organisations.

Payment flows in TARGET

The positive trend with regard to payment flows in TARGET continued in the fourth quarter of 2000. Compared with the third quarter of 2000,

the number of payments processed in TARGET as a whole, i.e. cross-border and domestic payments taken together, increased by 9%, while the value increased by 6%. The total number of TARGET payments in the fourth quarter reached 198,985 as a daily average, representing a value of around €1.06 trillion. The number of cross-border payments processed increased by 6% (averaging 41,749 payments a day), while the value of payments processed increased by around 2% (average daily value of €435 billion). The peak day for TARGET cross-border activity during the fourth quarter in terms of both volume and value was 24 November 2000. On this day 52,940 payments were processed, representing a value of €552 billion. The proportion of customer payments to the average number of daily TARGET cross-border payments increased slightly and now stands at around 37% in terms of volume and 3.6% in terms of value. In the fourth quarter of 2000

Table 2

Payment instructions processed by TARGET and other selected interbank funds transfer systems: value of transactions

(EUR billions)

	1999 Q4	1999 Total	2000 Q3	2000 Q4	2000 Total
TARGET					
All TARGET payments					
Total value	61,561	239,472	65,015	66,782	263,291
Daily average	947	926	1,000	1,060	1,033
Cross-border TARGET payments					
Total value	25,063	93,236	27,635	27,394	110,038
Daily average	386	360	425	435	432
Domestic TARGET payments					
Total value	36,498	146,236	37,380	39,388	153,253
Daily average	562	566	575	625	601
Other systems					
Euro 1 (EBA)					
Total value	11,382	44,215	12,421	12,306	49,644
Daily average	175	171	191	195	195
Euro Access Frankfurt (EAF)					
Total value	9,300	39,041	9,918	10,240	41,520
Daily average	143	151	152	163	163
Paris Net Settlement (PNS) ¹⁾					
Total value	6,280	24,041	5,111	5,736	21,845
Daily average	97	93	78	91	86
Servicio Español de Pagos Interbancarios (SEPI)					
Total value	171	941	92	84	449
Daily average	3	4	1	1	2

1) The PNS replaced the *Système Net Protégé* (SNP) on 19 April 1999.

the average value of customer payments stood at €1 million; for interbank payments the average value was €15.9 million.

The upward trend in the use of TARGET is more pronounced if 2000 is compared with 1999. The daily average number of payments processed by TARGET as a whole increased by 15.3%, while the daily value of payments increased by 11.7%. The increase in the use of

TARGET cross-border payments is even higher. The daily average number of cross-border payments increased by 38.5% and the daily average value of cross-border transactions increased by 20%.

Further information on the TARGET system is available in the TARGET section of the ECB's website (<http://www.ecb.int>).

Documents published by the European Central Bank (ECB)

This list is designed to inform readers about selected documents published by the European Central Bank. The publications are available to interested parties free of charge from the Press Division. Please submit orders in writing to the postal address given on the back of the title page.

For a complete list of documents published by the European Monetary Institute, please visit the ECB's website (<http://www.ecb.int>).

Annual Report

"Annual Report 1998", April 1999.

"Annual Report 1999", April 2000.

Convergence Report

"Convergence Report 2000", May 2000.

Monthly Bulletin

Articles published from January 1999 onwards:

"The euro area at the start of Stage Three", January 1999.

"The stability-oriented monetary policy strategy of the Eurosystem", January 1999.

"Euro area monetary aggregates and their role in the Eurosystem's monetary policy strategy", February 1999.

"The role of short-term economic indicators in the analysis of price developments in the euro area", April 1999.

"Banking in the euro area: structural features and trends", April 1999.

"The operational framework of the Eurosystem: description and first assessment", May 1999.

"The implementation of the Stability and Growth Pact", May 1999.

"Longer-term developments and cyclical variations in key economic indicators across euro area countries", July 1999.

"The institutional framework of the European System of Central Banks", July 1999.

"The international role of the euro", August 1999.

"The balance sheets of the Monetary Financial Institutions of the euro area in early 1999", August 1999.

"Inflation differentials in a monetary union", October 1999.

"ESCB preparations for the year 2000", October 1999.

"Stability-oriented policies and developments in long-term real interest rates in the 1990s", November 1999.

“TARGET and payments in euro”, November 1999.

“Legal instruments of the European Central Bank”, November 1999.

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“Money and Banking Statistics Sector Manual”, second edition, November 1999.

“Report on the legal protection of banknotes in the European Union Member States”, November 1999.

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