



EUROPEAN CENTRAL BANK

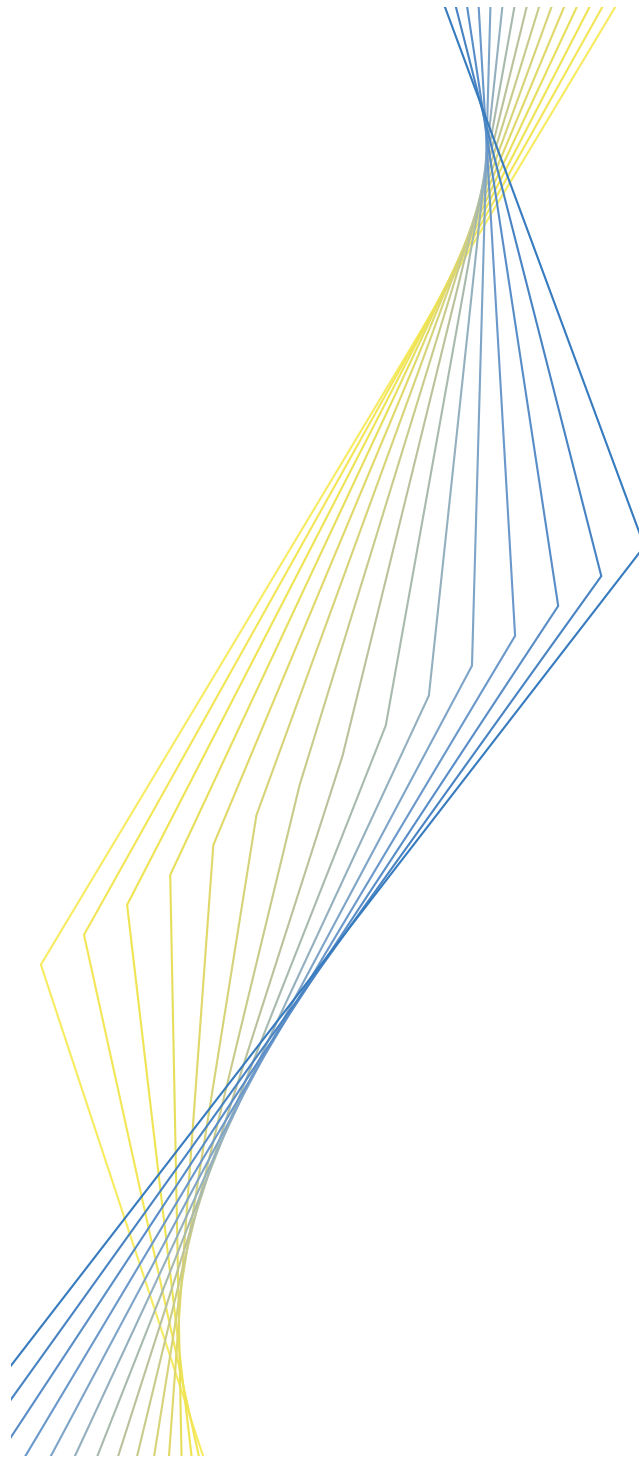
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**M O N T H L Y
B U L L E T I N**

April 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 on 15 and 29 March and on 11 April 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 the deposit facility were also left unchanged, at 5.75% and 3.75% respectively.

The decisions to keep key interest rates unchanged reflected the assessment by the Governing Council of the risks to price stability in the medium term. This assessment is based on the analysis of the information from the two pillars of the monetary policy strategy of the ECB. Over recent months, upward risks to price stability have diminished, particularly as a result of the decline in M3 growth and the decrease in domestic inflationary pressures associated with actual economic growth moving closer to its potential. However, all in all upside risks have not fully disappeared.

As regards the first pillar, M3 growth has been on a gradual downward trend since spring 2000. The three-month average of the annual growth rate of M3 reached 4.8% in the period from December 2000 to February 2001, a level which is close to the reference value of 4½%. The most liquid components of M3 continued to grow at a low rate. Growth in credit aggregates has also been less buoyant over the past few months. While the annual rate of growth of loans to the private sector has remained relatively high, it has been distorted upwards by several special factors (such as the financing of mergers and acquisitions and the purchase of UMTS licences). Furthermore, the growth rate of this component of total MFI credit has been falling recently. Taken together, therefore, the information from the first pillar is signalling that upward risks to price stability have diminished.

Turning to the second pillar, upward risks to price stability have diminished somewhat over the past few months, but they have not disappeared. The reduction in upward risk is mainly a result of the change in the outlook

for the external environment and its effects on the economy of the euro area. Forecasts for world economic growth have been revised downwards, and the uncertainty surrounding these forecasts has increased. This uncertainty applies, in particular, to the extent and duration of the slowdown of economic activity in the United States, of the continuing weakness of the economy in Japan and of possible spillovers to the rest of the world. However, there are no indications of a risk of global recession.

The deterioration in the external environment implies a somewhat stronger decline in economic growth in the euro area this year than was expected some months ago. Available forecasts suggest, however, that economic growth in 2001 will be in line with, or above, estimates of trend potential growth. Hence the moderation in growth should not be a source of pessimism as regards the economic strength of the euro area. This is all the more true as the euro area has not accumulated any fundamental macroeconomic imbalances over recent years, and domestic demand can therefore be expected to continue to sustain real GDP growth.

While industrial confidence has been deteriorating in recent months, reflecting the weakening of world demand, consumer confidence has remained high. Growth in private consumption is expected to continue to be strong, underpinned by ongoing employment growth, reductions in direct taxes and lower oil prices than at the end of last year. Economic growth in the euro area is therefore expected to remain solid, a view which is also reflected in bond yield developments.

Turning to prices, short-term developments in the Harmonised Index of Consumer Prices (HICP) have recently been subject to some volatility, particularly because of energy and unprocessed food prices. The energy component has been affected by fluctuations in oil prices and the exchange rate of the euro, whereas unprocessed food prices have

been influenced by health concerns related to meat consumption and by the consequences of the outbreak of foot-and-mouth disease. When these volatile components are excluded from the index, a broad upward movement in HICP inflation can be observed since the summer of 1999. In part, as also evidenced by developments in producer prices, this reflects the pass-through of the indirect effects of past rises in oil prices and the past depreciation of the euro. This impact is likely to continue for some months to come, but should gradually diminish over time.

Beyond the short term, the abatement of domestic upward pressure on HICP inflation remains conditional on the continuation of wage moderation. In this respect, it is crucial that there be no second-round effects on wages from past oil price increases or other temporary factors which are currently delaying the reduction of inflation rates to below 2%. At the current juncture, wage developments remain an upward risk to price stability which needs to be closely monitored.

The monetary policy of the ECB will continue to focus on maintaining price stability in the medium term. With this commitment and the policy decisions since the start of Stage Three of Economic and Monetary Union, monetary policy has supported economic growth and employment and will continue to do so. Nominal and real short-term as well as long-term interest rates are not high by historical standards.

The level of the euro area's production potential, which is determined by structural

factors, is not satisfactory. The improvement of the structural conditions for raising potential growth is undoubtedly of utmost priority. The responsibility for this lies with governments as well as with economic agents on both the business and labour sides. In order to increase potential output growth, comprehensive structural reform policies aimed at an increased labour market participation rate and improved investment incentives are required. While it is acknowledged that significant progress has been made, more ambitious market-oriented reforms are needed in many areas. The still high level of unemployment calls for ongoing policy efforts to remove structural rigidities from the labour markets and to diminish adverse incentives in tax, benefit and pension systems. It is crucial to increase investment incentives in the euro area through structural policy measures such as deregulation, privatisation and tax reforms. Finally, fiscal policy will have to make its contribution towards enhancing the growth potential of the economy. This requires both the continuation of the fiscal consolidation process in line with the Stability and Growth Pact and qualitative improvements on both the revenue and expenditure sides of the budget.

This issue of the ECB's Monthly Bulletin contains three articles. The first assesses the availability of general economic statistics for the euro area. The second describes the design and implementation of the collateral framework for the Eurosystem's monetary policy operations and the third article describes the preparations for the introduction of the euro banknotes and coins.

Economic developments in the euro area

I Monetary and financial developments

Monetary policy decisions of the Governing Council of the ECB

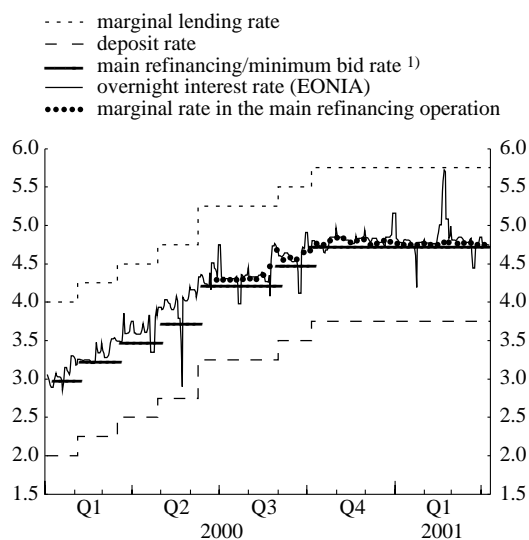
At its meetings on 15 March, 29 March and 11 April 2001, the Governing Council of the ECB decided to leave the minimum bid rate in the main refinancing operations (conducted as variable rate tenders) at 4.75%. The interest rates on the deposit facility and the marginal lending facility were also kept unchanged, at 3.75% and 5.75% respectively (see Chart 1).

M3 growth broadly in line with the reference value

In February 2001, the annual growth rate of the broad monetary aggregate M3 remained unchanged at 4.7%. The three-month average of the annual rates of growth of M3 declined slightly, to 4.8%, in the period from December 2000 to February 2001, from 4.9% in the period from November 2000 to January 2001 (the latter figure was revised downwards

Chart 1 ECB interest rates and money market rates

(percentages per annum; daily data)



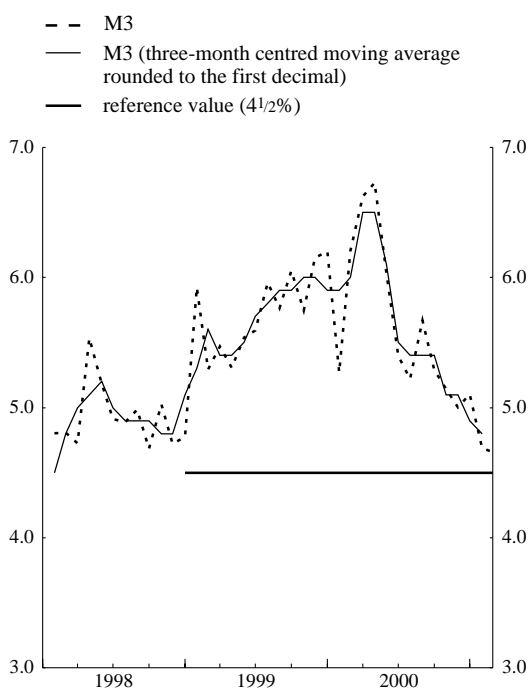
Sources: ECB and Reuters.

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.

Chart 2

M3 growth and the reference value

(annual percentage changes)



Source: ECB.

from 5.0%). Hence, M3 growth was close to the reference value of 4½% (see Chart 2).¹

The month-on-month increase in M3 was rather pronounced in February 2001 (0.7% in seasonally adjusted terms), after a number of months in which the monthly M3 dynamics had been more moderate (see Table 1). This prevented a decline in the annual growth rate of M3 despite a considerable base effect owing to the strong monthly M3 growth in February 2000, which fell out of the calculation of the annual growth rate.

1) The figures reported here for the annual growth rates of M3 and its components and counterparts are derived from the Euro 11 monthly flows for the months up to December 2000 and from the Euro 12 monthly flows from January 2001 onwards, i.e. the monthly flow data always apply to the euro area in its composition at the time referred to. When instead using figures for the Euro 11 plus Greece for the period before January 2001, the annual growth rate of M3 in February is 0.1 percentage point higher (4.8%, unchanged from January 2001). The corresponding three-month average of the annual growth rates of M3 for the Euro 11 plus Greece for the period from December 2000 to February 2001 is 4.9%.

Table I**M3 and its main components***(end-of-month levels and seasonally adjusted month-on-month changes)*

	Feb. 2001 levels	Dec. 2000 change		Jan. 2001 change		Feb. 2001 change		Dec. 2000 to Feb. 2001 average change	
	EUR billions	EUR billions	%	EUR billions	%	EUR billions	%	EUR billions	%
M3	5,213.2	19.4	0.4	12.2	0.2	36.2	0.7	22.6	0.4
Currency in circulation and overnight deposits (= M1)	2,021.2	4.4	0.2	-34.3	-1.7	31.4	1.6	0.5	0.0
Other short-term deposits (= M2 - M1)	2,322.2	-6.8	-0.3	13.1	0.6	12.9	0.6	6.4	0.3
Marketable instruments (= M3 - M2)	869.8	21.9	2.7	33.3	3.9	-8.1	-0.9	15.7	1.9

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

On a month-on-month basis, the narrow monetary aggregate M1 in particular expanded strongly in February 2001 (see Table I). This followed a similarly pronounced decline in seasonally adjusted terms in the previous month. Hence, to some extent, the increase in February may reflect a counter-movement to January. However, the turmoil in global stock markets may also have led to higher precautionary liquidity holdings by non-MFI euro area residents in February 2001. As a consequence, the annual growth rate of M1 increased to 1.8%, from 1.3% in the previous month. Taking a somewhat longer-term view, the pace of growth of M1, however, remained weak. In particular the increase in short-term interest rates is likely to have dampened the annual growth rate of M1 since the spring of last year (see Chart 3). In addition, the possibility that there might be some flowback of currency in circulation from outside the euro area connected with the cash changeover at the end of this year cannot be ruled out. This is supported by the negative annual rate of growth of currency in circulation (-1.2% in February, after -1.5% in January).

The annual rate of increase in short-term deposits other than overnight deposits remained unchanged, at 3.5%, in February. The significant difference between the annual rates of change in the individual components deposits redeemable at a period of notice of

up to three months (-4.7%, after -5.1% in January) and deposits with an agreed maturity of up to two years (15.4%, after 16.3% in January) may, to some extent, be explained by the diverging development in their respective remuneration. The interest rate spread between deposits with an agreed maturity of up to two years, which are remunerated at a rate relatively close to market interest rates, and deposits redeemable at a period of notice of up to three months widened from 0.8 percentage point in February 2000 to 1.3 percentage points in February 2001 (see Chart 5).

The annual rate of growth of marketable instruments declined to 15.7% in February (from 17.9% in January), mirroring a strong monthly fall in these instruments in seasonally adjusted terms (see Table I). This notwithstanding, the annual growth rate of marketable instruments included in M3 remained high. The annual growth rate of repurchase agreements stood at 21.8% in February 2001. The annual growth rates of money market fund shares/units and money market paper and of debt securities issued with a maturity of up to two years were 11.4% and 27.1% respectively.

When interpreting the figures for money market fund shares/units and money market paper as well as for short-term debt securities, it has to be kept in mind that, on account of

measurement problems, they include holdings of non-euro area residents. Conceptually, this should not be the case, since M3 is meant to contain only monetary assets of residents of the euro area. From a statistical point of view, it is difficult to identify whether the final holder of negotiable instruments is resident in the euro area, because such instruments are often placed on the market via security dealers and not by the issuing MFI. In addition, they are traded at least to some extent on secondary markets. Prior to the start of Stage Three, the holdings of these negotiable instruments by non-euro area residents were rather modest. However, estimates of this phenomenon point to an increasing share of the holdings of these instruments by non-euro area residents after the start of Stage Three, and there is evidence that this has, over recent months, led increasingly to an upward distortion of M3 growth.

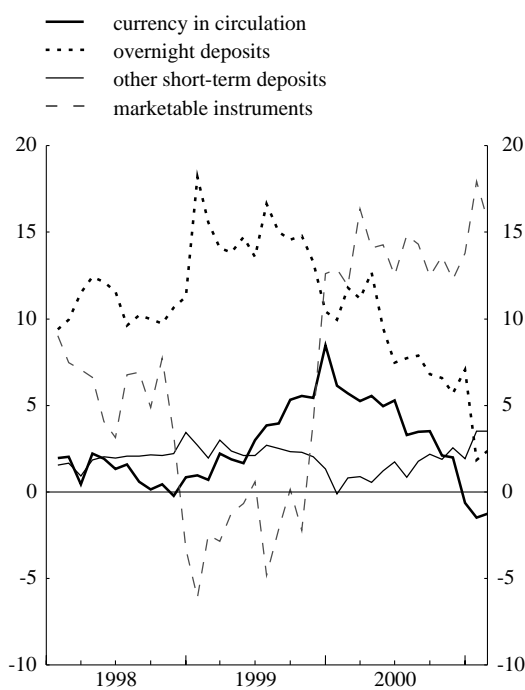
Further slowdown in credit extended to euro area residents

Turning to the counterparts of M3, the annual growth rate of total credit granted to euro area residents decreased to 5.6% in February, from 6.0% in January, reaching its lowest annual growth rate since the start of Stage Three. This decrease reflected a more pronounced annual rate of decline in credit extended to general government (-6.3%, after -6.0% in January) and a fall in the annual growth rate of credit to the private sector (from 10.0% in January to 9.6%).

The decrease in the annual rate of change of credit extended to general government was attributable both to developments in MFI holdings of debt securities and MFI loans. Besides more favourable budgetary conditions, partly because of the proceeds from the UMTS auctions, the decline in the annual rate of growth of MFI credit to general government is linked to a lower relative recourse by governments to MFI loans and to a shift in the composition of the holders of government debt securities towards non-MFIs. The annual growth rate of MFI loans to

Chart 3
Components of M3

(annual percentage changes)



Source: ECB.

general government stood at 0.2% in February 2001, the annual growth rate of securities issued by general government was 2.4% in January 2001 (the latest available figure), and the annual rate of growth of MFI holdings of government securities has been negative since May 2000 (-10.8% year on year in February 2001).

Regarding credit to the private sector, the annual rate of growth showed diverging developments in its components in February 2001. The annual rate of change in loans stood at 8.8%, down from 9.2% in the previous month. Despite this relatively high annual rate of growth, there has been a moderation in loan dynamics after the strong increases in August and September 2000, which were linked to the financing of the UMTS licence fees. This can be seen at the shorter-term horizons. In the five-month period from October 2000 to February 2001, for example, loans extended to the private sector rose by 7.2% in seasonally adjusted and annualised terms. The moderation in loan dynamics over recent months is likely to

Table 2**M3 and its main counterparts***(end-of-month levels and 12-month flows; EUR billions)*

	Amounts outstanding	12-month flows					
	2001 Feb.	2000 Sep.	2000 Oct.	2000 Nov.	2000 Dec.	2001 Jan.	2001 Feb.
1. Credit to the private sector	6,964.8	651.4	655.1	626.3	631.6	623.3	602.6
2. Credit to general government	1,999.7	-85.2	-130.3	-141.3	-115.1	-123.6	-130.5
3. Net external assets	191.8	-137.5	-114.8	-103.3	-98.6	-105.7	-105.1
4. Longer-term financial liabilities	3,841.3	243.5	234.9	221.5	160.9	162.2	152.5
5. Other counterparts (net liabilities)	101.8	-60.3	-64.9	-76.3	10.6	6.8	-10.6
M3 (=1+2+3-4-5)	5,213.2	245.5	239.9	236.4	246.6	226.4	226.6

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

reflect at least in part the increase in bank lending rates since mid-1999. A composite lending rate, calculated as the weighted average of the lending rates for consumers and enterprises over different maturities, rose from 6.0% at the end of 1999 to 7.0% in autumn 2000. Since then it fell back slightly, to 6.8% in February 2001.

The annual rate of increase in longer-term financial liabilities of the MFI sector decreased from 4.5% in January to 4.2% in February 2001. This decline was observable for all the main components. The downward movement in longer-term liabilities of MFIs seems to be associated with the flattening of the yield curve, which made them less attractive for investors.

In February 2001, the net external asset position of the euro area MFI sector increased by €8 billion in absolute and non-seasonally adjusted terms. Over the twelve months to February, the net external assets of the MFI sector decreased by €105 billion, in line with the changes observed in the twelve months up to January 2001 (see Table 2).

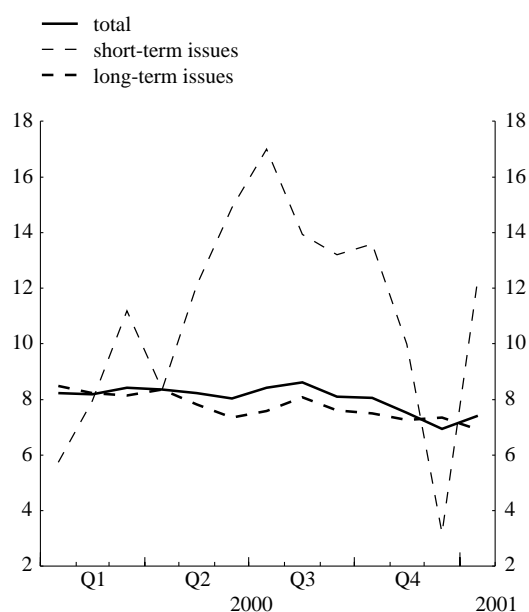
Debt securities issuance picked up in January 2001

Interrupting the pattern of declining growth that was observed after August 2000, the annual growth in the amount outstanding of debt securities issued by euro area residents

picked up from 6.9% in December 2000 to 7.4% in January 2001. Underlying this increase was a rise in the growth of the amount outstanding of debt securities issued at short-term maturities from 3.2% in December 2000 to 12.3% in January 2001. At the same time, there was a slight fall in the growth of the amount outstanding of long-term debt securities, from 7.3% in December to 6.9% in January (see Chart 4).

Chart 4

Amounts outstanding of debt securities issued by euro area residents

(annual percentage changes)*Source: ECB.**Note: From January 2001, euro area data include Greece. For reasons of comparability, annual growth rates before January 2001 use data for the euro area plus Greece.*

Turning to the currency breakdown, the annual growth of the amount outstanding of euro-denominated debt securities issued by euro area residents, which had declined continuously after May 2000 to 5.6% in December, rose to 6.3% in January 2001. In this month, 94.6% of the gross issuance of debt securities by euro area residents was denominated in euro.

As regards the sectoral breakdown, debt securities issuance activity remained high in the private sector in January 2001. The annual rate of growth in the amount outstanding of debt securities issued by MFIs increased from 6.8% in December 2000 to 8.6% in January 2001, after five successive months of decline. The annual growth of the amount outstanding of debt securities issued by non-financial corporations, which had been rising since October 2000, increased further in January 2001, to 20.0% from 17.3% in December 2000. Furthermore, the annual growth of the amount outstanding of euro-denominated debt securities issued by non-monetary financial corporations increased from 25.7% in December 2000 to 26.2% in January 2001.

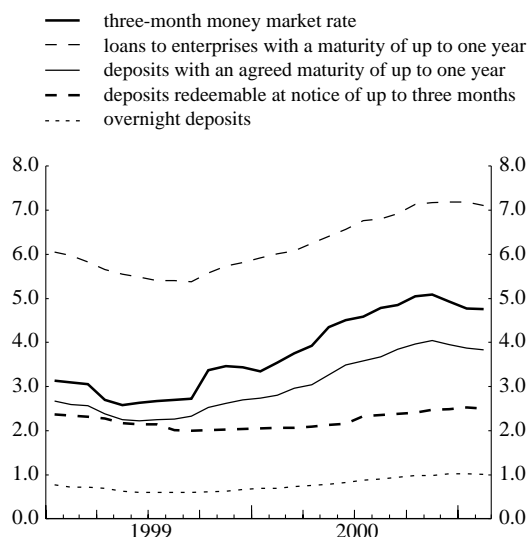
Public sector debt securities issuance, which had shown a general tendency to slow down since April 2000, remained moderate in January 2001. The annual growth of the amount outstanding of debt securities issued by central government decreased slightly further, to 2.1% in January 2001, reflecting declining financing requirements. The annual growth of the amount outstanding of debt securities issued by other parts of general government was 11.1% in January 2001, up from 9.2% in December 2000.

Retail bank interest rates declined slightly in February 2001

Following the tendency for money market interest rates to decrease since mid-November 2000, short-term retail bank interest rates declined in February 2001 by amounts ranging from 1 to 8 basis points compared with January (see Chart 5). Relative

Chart 5
Short-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)



Sources: ECB aggregation of individual country data and Reuters.

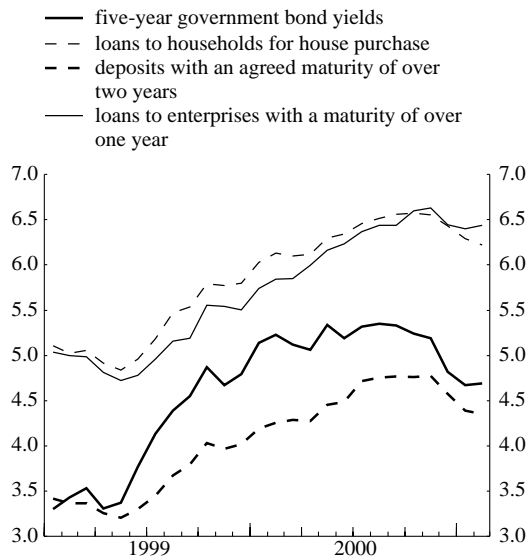
Note: From 1 January 2001 onwards Greek data are also included.

to the peak in November 2000, a decline of around 20 basis points had taken place in the average rate on deposits with an agreed maturity of up to one year by February 2001. Over the same period, the lending rate to enterprises for up to one year also dropped by close to 20 basis points. These developments compared with declines in three-month money market interest rates of slightly more than 30 basis points over this period, suggesting a relatively quick pass-through of recent decreases in money market 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, in line with the usual stickiness of these rates.

Long-term retail bank interest rates declined in February 2001 by amounts ranging between 4 and 7 basis points compared with January (see Chart 6). This reflected the ongoing adjustment of these interest rates to the decreases in government bond yields that have taken place notably since November

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

(percentages per annum; monthly averages)



Sources: ECB aggregation of individual country data and Reuters.

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

2000. Both the rates on deposits with an agreed maturity over two years and the average rates on loans to households for house purchase moved relatively closely together with the five-year government bond yield between November 2000 and February 2001. These two retail bank interest rates declined by around 40 and 30 basis points respectively, which compared with a fall in the five-year government bond yield of 50 basis points over this period. This indicates a relatively quick response of these rates to capital market developments. The decrease seen in the rate on loans to enterprises with a maturity of over one year was around 20 basis points.

Money market interest rates fell in March and early April 2001

After remaining broadly stable during the first two months of 2001, most money market interest rates declined in March and early April. The decline was most notable for the longer maturities, causing the difference

between the twelve-month and one-month EURIBOR to become somewhat more negative.

Starting with the shortest maturities, the overnight interest rate, as measured by the EONIA, remained fairly stable, close to the level of 4.75% of the minimum bid rate in the main refinancing operations, for most of the period between the end of February and early April. However, a few exceptions to this stable pattern were seen. In the last few days of the reserve maintenance period ending on 23 March, the EONIA decreased temporarily owing to market perceptions of loose liquidity conditions (see Box 1). In addition, on 30 March, the EONIA rose to 4.85% on account of the usual end-of-quarter effect related to the financial institutions' desire to adjust their balance sheets at this time. Finally, on 10 April, after underbidding in the main refinancing operations caused a tightening of liquidity conditions, the EONIA rose significantly.

Two-week money market rates also remained broadly stable at around 4.80% in early March, but tended to move closer to and below the minimum bid rate in the ECB's main refinancing operations in late March and early April. In the main refinancing operations, the marginal and average interest rates of allotment remained in a range between 4.76% and 4.78% in the three first operations settled in March. In the subsequent three operations, settled on 28 March, 4 April and 11 April, both rates were equal to the minimum bid rate of 4.75%.

The one-month and three-month EURIBOR stood at 4.67% and 4.55% respectively on 10 April (see Chart 7). These rates were respectively 14 and 22 basis points lower than the levels at end-February.

The developments in the interest rates of allotment in the longer-term refinancing operations of the Eurosystem largely reflect developments in the three-month EURIBOR. In the operation settled on 29 March, the marginal and average rates of allotment were

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

During the reserve maintenance period which lasted from 24 February to 23 March 2001 the Eurosystem settled four 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 €27 billion and €143 billion and were allotted in the first and second operation respectively. The second operation resulted in relatively tight liquidity conditions for a few days because the allotment decision had also taken into account the need to reduce the difference in size between the two MROs, which had emerged as a result of the underbidding experienced in the previous reserve maintenance period. The ratio of the amount bid to the volume allotted varied more than usual in this reserve maintenance period owing to the large discrepancy between the sizes of the two MROs. The maximum value of this ratio, 4.03, was realised in the first MRO, and the minimum value, 1.33, in the second MRO, while the average for the entire reserve maintenance period amounted to 2.32, which was twice as high as in the previous reserve maintenance period.

In the four MROs conducted during this period, the marginal rate was between 1 and 3 basis points above the minimum bid rate. The weighted average rate of allotment was, in all four operations, 1 basis point above the marginal rate. The number of counterparties participating in the tenders ranged between 496 and 582, with an average of 548.

On 28 February 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 254 bidders participated in this operation, submitting a total amount of bids of €45.8 billion. The marginal and the weighted average rates of the operation were 4.69% and 4.72% respectively.

Contributions to the banking system's liquidity

(EUR billions)

Daily average during the reserve maintenance period which lasted from 24 February to 23 March 2001

	Liquidity providing	Liquidity absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	239.7	0.5	+ 239.2
Main refinancing operations	185.2	-	+ 185.2
Longer-term refinancing operations	54.1	-	+ 54.1
Standing facilities	0.4	0.5	- 0.1
Other operations	0.0	0.0	0.0
(b) Other factors affecting the banking system's liquidity	375.6	493.8	- 118.2
Banknotes in circulation	-	353.0	- 353.0
Government deposits with the Eurosystem	-	53.0	- 53.0
Net foreign assets (including gold)	375.6	-	+375.6
Other factors (net)	-	87.8	- 87.8
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			121.0
(d) Required reserves			120.4

Source: ECB.

Totals may not add up due to rounding.

In the first three days of the reserve maintenance period, the EONIA was relatively high, reflecting the usual end-of-month effect and a spillover of the exceptionally tight market conditions prevailing at the end of the previous reserve maintenance period. Having increased to 4.99% on the last day of February, the EONIA fell and remained rather stable within a range of 4.81% and 4.82%. Following the allotment of the MRO conducted on 7 March the EONIA increased to 4.85% as liquidity conditions tightened. The EONIA declined to 4.78% following the settlement of the tender conducted on 13 March, which resulted in more ample liquidity conditions. During the last four days of the reserve maintenance period, changing market perceptions regarding the liquidity conditions at the end of the reserve maintenance period led to the increased volatility of the EONIA. Following a temporary increase on 20 and 21 March, the EONIA started to decrease on 22 March. The reserve maintenance period ended on 23 March, when the EONIA stood at 4.44% and net recourse to the deposit facility was €4.6 billion as a result of a smaller than expected liquidity-absorbing effect of autonomous liquidity factors.

Use of standing facilities

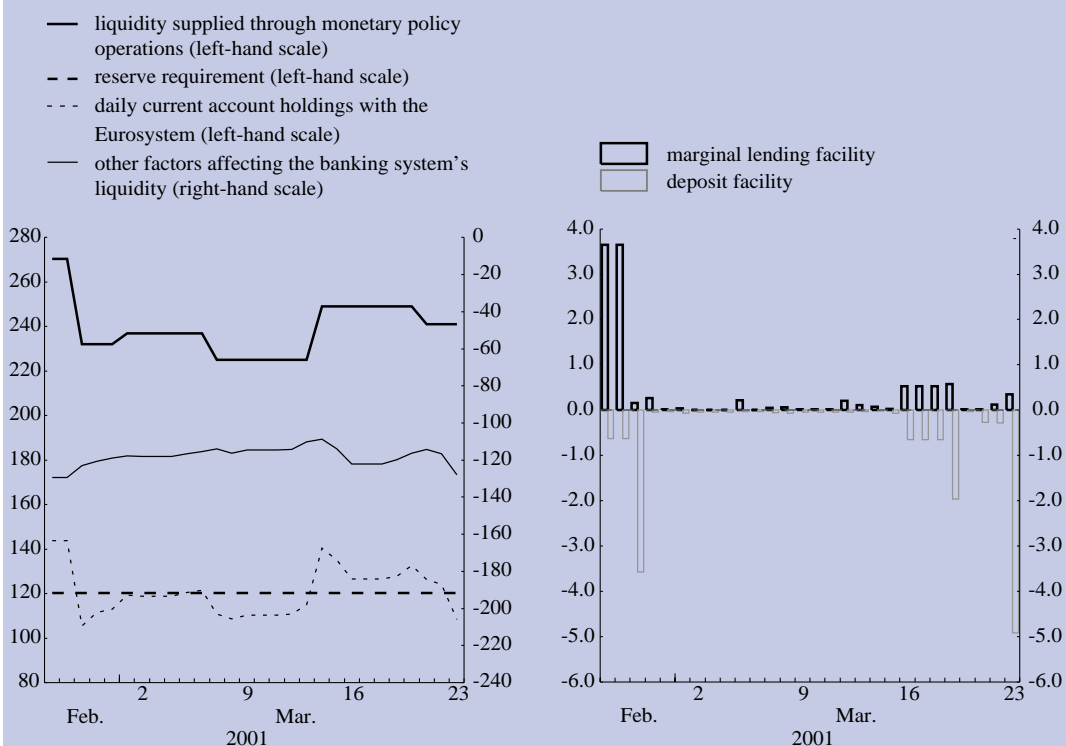
Compared with the previous reserve maintenance period, the average daily use of the marginal lending facility decreased from €2.6 billion to €0.5 billion. The average use of the deposit facility increased from €0.4 billion to €0.5 billion as a result of exceptionally high recourse to the deposit facility on two occasions earlier in the reserve maintenance period and rather loose liquidity conditions at the end of the period.

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 €118.2 billion on average, i.e. €2.0 billion

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

(EUR billions; daily data)



Source: ECB.

lower than in the previous maintenance period. This decrease was mainly due to government deposits which were €4 billion lower, on average, compared with the previous reserve maintenance period. The daily sum of autonomous factors fluctuated between €108.7 billion and €129.5 billion.

The published estimates of average liquidity needs stemming from autonomous factors ranged between €114.8 billion and €120.0 billion. They differed from the ex post figures by an amount ranging from minus €0.7 billion to plus €1.2 billion.

Current account holdings of counterparties

The average current account holdings amounted to €121.0 billion, and reserve requirements to €120.4 billion. The difference between the average current account holdings and the reserve requirements therefore amounted to €0.6 billion, which was the same as in the previous reserve maintenance period. An amount of €0.1 billion of the current account holdings did not contribute to the fulfilment of reserve requirements.

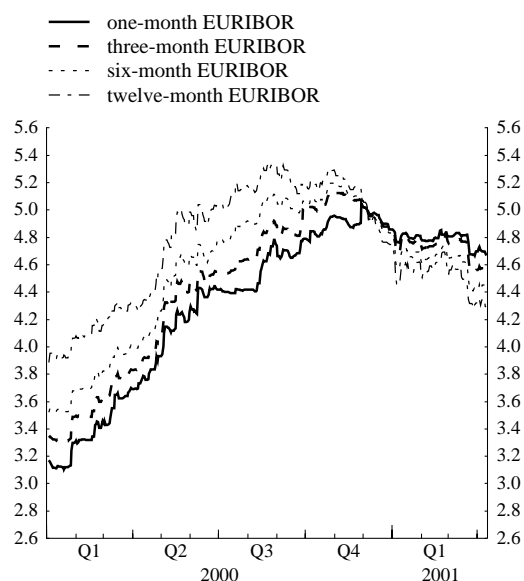
equal to 4.47% and 4.50% respectively. These levels were both 22 basis points below the corresponding rates on the longer-term refinancing operation settled on 1 March.

The six-month and twelve-month EURIBOR fell by 24 and 25 basis points respectively between end-February and 10 April, to stand at 4.40% and 4.29%. The negative difference between the twelve-month and the one-month EURIBOR increased between end-

February and 10 April from 27 to 38 basis points.

The expected path of the three-month EURIBOR in 2001, as implied in futures prices on contracts with delivery dates this year, experienced a downward adjustment between the end of February and 10 April, which was most pronounced at the longer horizons. On 10 April, the three-month EURIBOR implied in contracts maturing in June, September and December 2001 were 4.32%, 4.07% and 4.13% respectively. These were 8, 18 and 22 basis points lower than the rates implied in EURIBOR futures contracts at end-February.

Chart 7
Short-term interest rates in the euro area
(percentages per annum; daily data)



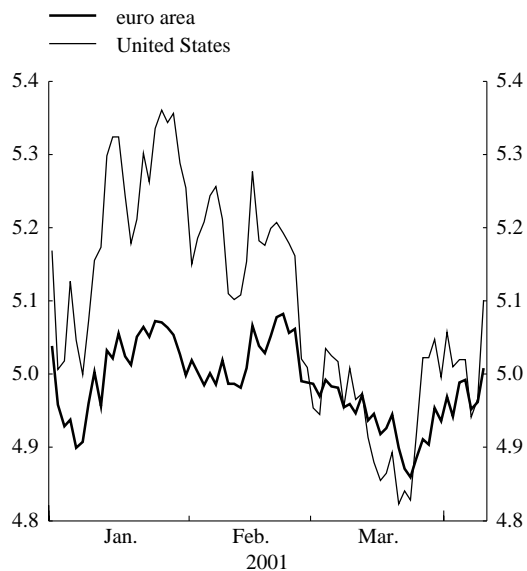
Source: Reuters.

Long-term bond yields recorded little change in March 2001 while medium-term yields fell

Continuing a pattern which has persisted since the beginning of 2001, long-term government bond yields in the euro area displayed little overall change in March and early April, despite some volatility from time to time (see Chart 8). On 10 April 2001, the average euro area ten-year bond yield stood at around 5.0%. In US bond markets the ten-year government bond yield was around 5.1% on 10 April, which was about 10 basis points higher than the level seen at the end of February. As a result, the differential between ten-year government bond yields in the

Chart 8
Long-term government bond yields in the euro area and the United States

(percentages per annum; daily data)



Source: Reuters.

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

United States and the euro area widened slightly. At the same time, the spread between real yields on US ten-year index-linked bonds and comparable French bonds, which turned negative in January, remained broadly stable at around -25 basis points in March and early April.

In the United States, long-term government bond yields, while little changed when comparing end-February and early April data, displayed some volatility within this period. As has been the case for some time, this volatility largely reflected rapid shifts in the assessments of market participants of the likely evolution of US economic growth and inflation, as well as changes in expectations of monetary policy responses by the Federal Reserve. In particular, in the first three weeks of March, increasing pessimism among investors about the growth outlook for the US economy led to an intensification of expectations of further interest rate cuts by the Federal Reserve and a decline in US long-term bond yields. While a lowering of official

US interest rates had been anticipated by the markets, the 50 basis point rate cut announced by the Federal Open Market Committee on 20 March was somewhat smaller than expected. This, in combination with the wording in the accompanying FOMC press release that continued to suggest that risks were weighted mainly toward conditions that may generate economic weakness, triggered a further decline in US bond yields. Towards the end of March, however, US bond yields reversed direction and rose, notably following the release of stronger than expected economic data.

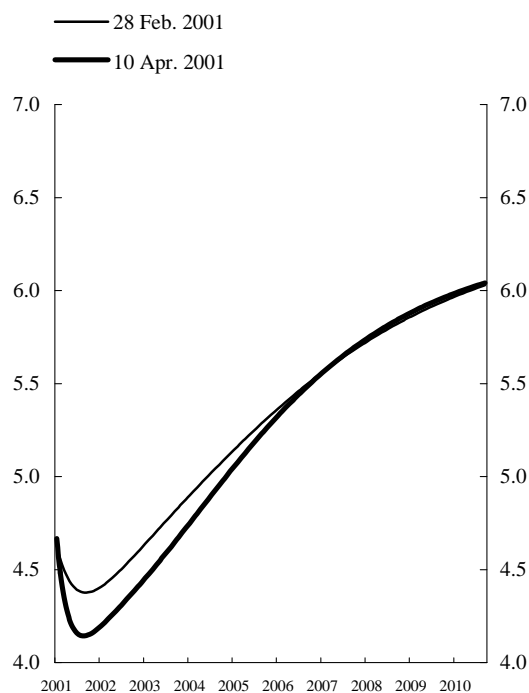
In Japan, the ten-year government bond yield stood at around 1.3% on 10 April 2001, which was little changed from the level prevailing at the end of February. However, wide swings in long-term bond yields took place during this period. In the first few weeks of March, long-term Japanese bond yields declined significantly, reflecting increasing pessimism among investors regarding the outlook for economic activity in Japan following further weak economic data releases. The announcement on 19 March of the decision by the Bank of Japan to ease monetary policy placed additional downward pressure on Japanese bond yields. However, towards the end of March and in early April, Japanese bond yields rose significantly, partly reflecting concerns among investors that government debt might increase by more than previously expected in order to finance new fiscal stimulus packages.

In the euro area, while long-term government bond yields were partly influenced by international developments during March and early April, the overall yield changes between end-February and 10 April were very limited. By contrast, yields on short and medium-term maturity bonds declined somewhat during this period, in line with falling money market interest rates. The yield declines at these maturities seemed to reflect market expectations that a slight slowdown in the pace of economic growth in the short to medium term would be accompanied by lower than previously expected short-term interest rates. These changes in

market expectations, in turn, appear to have been largely attributable to perceptions among market participants that the deteriorating outlook for global growth could have a more significant impact on euro area economic activity than previously expected. Mainly reflecting changes in money market interest rates, the slope of the euro area yield curve, as measured by the difference between euro area ten-year government bond yields and the three-month EURIBOR, steepened between end-February and early April 2001. Furthermore, the implied forward euro area overnight interest rate curve had inverted further at shorter horizons by 10 April, reflecting market expectations of a lower level of short-term interest rates in the near term, while smaller changes took place at the longer end of the implied forward curve (see Chart 9).

Chart 9
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.

In the French index-linked government bond market, the real yield on the ten-year index-linked bond had declined by around 10 basis points by 10 April compared with the end-February level (see Box 2). This decline is consistent with a slight downward revision among investors of average expected economic growth rates over the coming years. Meanwhile, the ten-year break-even inflation rate, which is obtained from the difference between French nominal and index-linked ten-year bond yields, rose by about 10 basis points between end-February and 10 April, remaining at relatively low levels. The overall stability of this indicator in recent months would tend to suggest that investors did not significantly revise their expectations regarding average inflation rates in the coming years. In this context, it should be noted that the possible existence of time-varying risk premia, as well as a number of other well-known caveats, complicate the interpretation of index-linked bond yields and break-even inflation rates.

Stock prices continued to decline in March and early April 2001

Continuing the downward trend in global stock price indices that began around September 2000, further price declines took place in major stock markets in March and early April in an environment of heightened uncertainty among market participants. In the euro area and the United States, stock prices as measured by the Dow Jones EURO STOXX index and the Standard and Poor's 500 index fell by 2% and 5% respectively between the end of February and 10 April. Stock prices in Japan were very volatile, decreasing in total by 2% over the same period (see Chart 10). Overall, these developments appeared to reflect further downward revisions to corporate earnings expectations. At the same time, market participants seemed to be requiring compensation for heightened uncertainty in the form of higher equity risk premia, as was mirrored by the sharp pick-up in implied volatility in all major markets.

Box 2

Recent developments in real interest rates in the euro area

Real interest rates are normally defined as nominal interest rates adjusted for expected inflation over the corresponding time horizon. Real interest rates can be interpreted as measures of the real return on an investment or the real cost of financing. Only in a few instances is it possible to observe real interest rates on the basis of financial instruments denominated in real terms. The computation of real interest rates based on nominal interest rates is subject to several practical and conceptual difficulties, as a reliable measure of expected inflation over the relevant horizon is normally not observable and can only be estimated. Furthermore, it is not obvious which price deflator is most relevant (see Box 1 in the “Monetary and financial developments” section of the March 1999 issue of the Monthly Bulletin for a discussion of this issue and the article entitled “Stability-oriented policies and developments in long-term real interest rates in the 1990s” in the November 1999 issue).

The simplest approach to the computation of short and long-term real interest rates is to use the latest available annual consumer price inflation rate as a proxy for expected inflation. As regards the short-term interest rate, this procedure may be warranted by the fact that, at very short horizons, actual inflation should not differ significantly from expected inflation. However, the effect of temporary shocks on current inflation, expected to be reversed in the future, may cause current inflation to be a distorted measure of expectations, even at short horizons. This is particularly the case at the present juncture, where inflation has been significantly affected by, inter alia, the increase in oil prices. For longer horizons there may be even larger deviations between expected and current inflation. However, when considering historical averages over long periods of time, this problem is likely to be less severe as shocks to inflation tend to cancel each other out over time.

In order to take into account the shortcomings associated with the use of realised headline inflation as a measure of expected inflation, some alternative measures of short and long-term real interest rates have been computed. Chart A shows the evolution of three different measures of the short-term real interest rate since the beginning of 1999. All measures are based on the nominal three-month EURIBOR, but they use different deflators. Two of these deflators, namely the annual increases in the HICP and the HICP excluding energy and unprocessed food, are backward-looking as they reflect past developments. However, the latter measure is not affected by some of the most volatile factors. The third measure uses a forward-looking indicator, based on the inflation forecasts compiled by Consensus Economics.¹ It should be noted, however, that this measure may not be fully representative of the general public’s inflation expectations and should therefore only be seen as illustrative.

In March 2001, the real three-month EURIBOR deflated by the latest available HICP annual inflation rate (of February) stood at 2.1%, which was somewhat below the level at the start of Stage Three of EMU in January 1999. Between the trough observed in January 2000 and March 2001, this measure of the short-term real interest rate increased by around 70 basis points, whereas the nominal rate rose by around 140 basis points. Compared with the measure based on the HICP, the measure based on inflation forecasts increased more closely in line with the nominal three-month EURIBOR between January 2000 and March 2001, reflecting the fact that short-term inflation expectations increased less than HICP inflation observed over this period. However, in the second half of 2000 and early 2001 it tended to decline, reflecting higher inflation forecasts and a slight decrease in the nominal rate. The measure deflated by the HICP excluding energy and unprocessed food increased by even more during most of last year, but a significant part of the increase was reversed in late

¹ For each period, the latest available forecast at that time is used. Consensus Economics reports, on a monthly basis, inflation forecasts for the euro area as annual averages. Every January (year t), another year ($t+1$) is added to the forecast. The measure of expected inflation based on these forecasts is calculated in the following way: in the first six months of each year, the average of the forecast for the same year and the coming year is used. In the second half of each year, only the forecast for the coming year is used.

2000 and early 2001, as the rate of HICP inflation excluding energy and unprocessed food crept up. All in all, keeping the above-mentioned caveats in mind, the measures indicate that short-term real interest rates have tended to increase less than the corresponding nominal rate over the past two years. In addition, the relatively wide range of the measures, extending over almost 100 basis points in March 2001, provides some indication of the uncertainty surrounding the computation of real interest rates.

Chart B shows the evolution of two different measures of long-term real interest rates since January 1999. Ideally, the nominal yield on ten-year government bonds should be deflated by a measure reflecting expected inflation for the euro area over the coming ten years. However, no such measure is available on a timely basis. As a rough approximation, the measure of expected inflation based on the Consensus Economics inflation forecast was used to deflate euro area nominal ten-year bond yields. In addition, the chart shows the yield on the ten-year French index-linked bond, which, although subject to several caveats, offers a more direct measure of the long-term real interest rate. In March 2001, the two measures stood at around 40 to 60 basis points above the levels seen at the start of Stage Three of EMU in January 1999, but around 50 to 120 basis points below their peak levels reached in January 2000.

The table below compares the levels of real interest rates in March 2001 with the average levels over the past two decades. All averages are deflated by annual headline consumer price inflation. In addition to the euro area, averages for Germany are included. This is justified by the fact that interest rates in many countries which are now part of the euro area incorporated premia reflecting exchange rate risk during the period prior to Monetary Union. By contrast, German interest rates were less affected by this and may therefore be more comparable with present levels of euro area rates.

The table shows that, in March 2001, the entire range of the three measures of the short-term real interest rate was below the averages for the 1980s and the 1990s.

The same applies when comparing these measures with the averages for Germany, although the differences are slightly less pronounced. Turning to long-term real interest rates, similar conclusions apply. The range consisting of the latest observations of the measures displayed in Chart B is considerably lower than the average level over the 1990s for the countries which now form the euro area. The range is also below the historical averages for Germany. While such comparisons need to be assessed carefully since they can be affected by structural changes which may occur over time, the calculations in this box indicate that current levels of short and long-term real interest rates in the euro area are at moderate levels compared with the previous two decades.

Long-term averages of short-term and long-term real interest rates for the euro area and Germany

(percentages per annum; monthly data)

Period	Short-term real interest rate ¹⁾		Long-term real interest rate ²⁾	
	euro area	Germany	euro area	Germany
1981 - 1990	4.6	4.2	-	5.2
1991 - 1998	4.6	3.5	5.2	4.5
1999 - March 2001	2.0	-	3.2	-
Current value (range) ³⁾	2.1 - 3.0	-	2.9 - 3.4	-

Source: ECB.

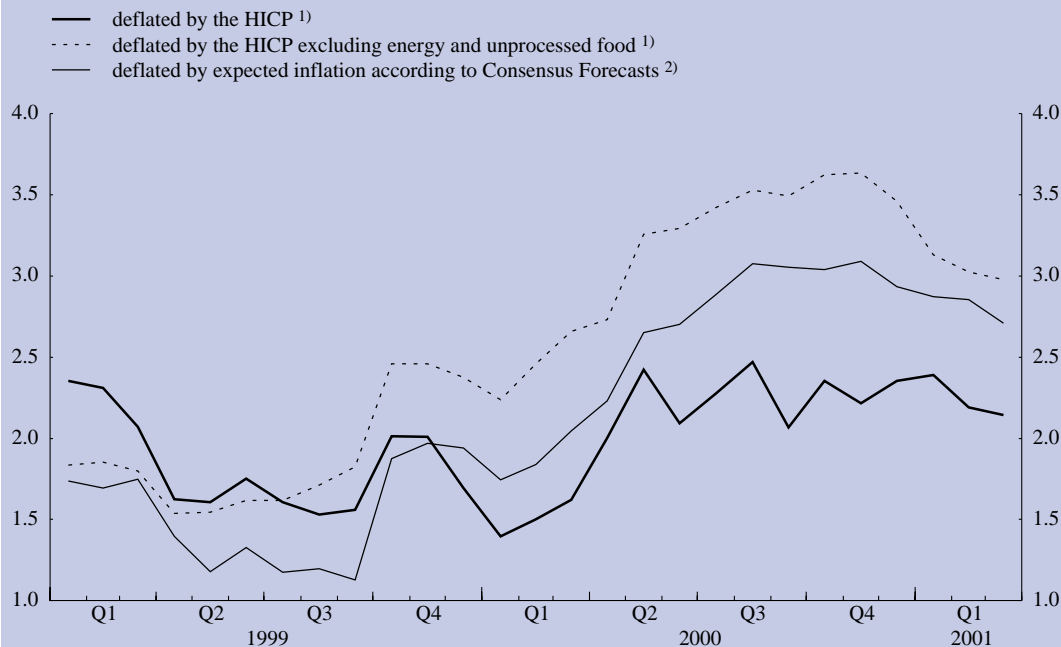
1) Three-month interbank rates minus twelve-month consumer price inflation.

2) Whenever available, ten-year government bond yields minus twelve-month consumer price inflation.

3) Ranges of measures shown in Charts A and B.

Chart A: Short-term real interest rates

(percentages per annum; monthly averages)



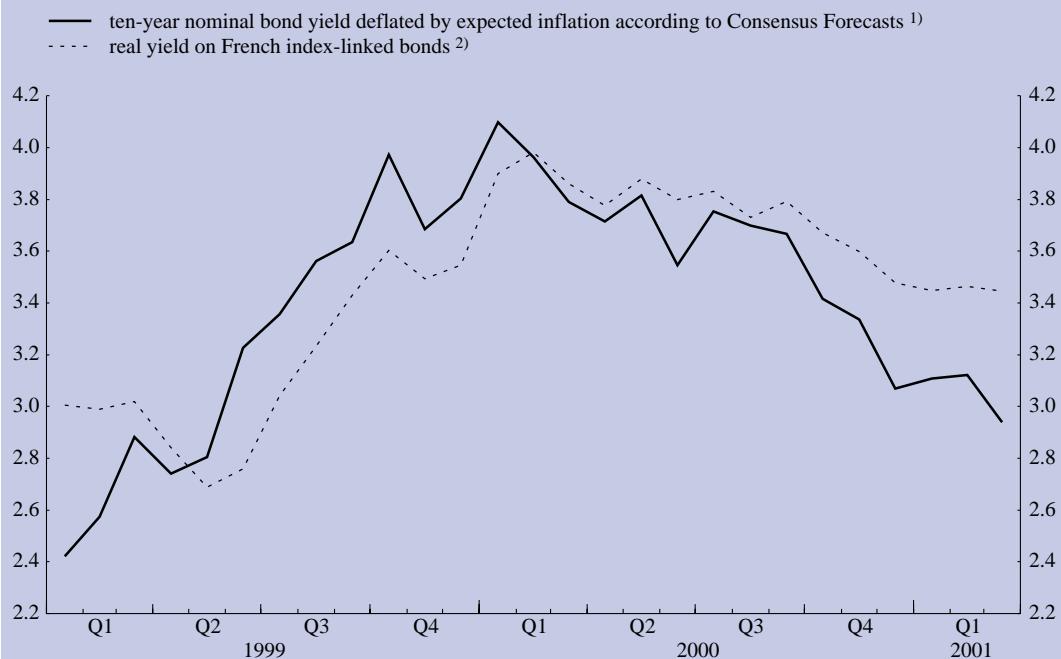
Source: ECB.

1) Three-month interbank rates minus annual consumer price inflation.

2) See footnote 1 to the main text in the box.

Chart B: Long-term real interest rates

(percentages per annum; monthly averages)



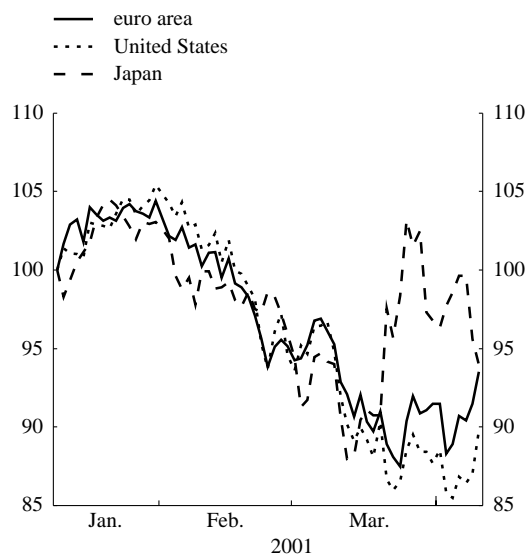
Source: ECB.

1) See footnote 1 to the main text in the box.

2) Derived from the market prices of French government bonds which are indexed to the French CPI (excluding tobacco prices), maturing in 2009.

Chart 10
Stock price indices in the euro area, the United States and Japan

(index: 10 January 2001 = 100; daily data)



Source: Reuters.

Notes: 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 onwards Greek data are also included.

In the United States, stock prices as measured by the Standard and Poor's 500 index reached levels by 10 April that were about 24% below the peaks reached in late March 2000. The declines in US stock prices during recent weeks seemed to be spurred by lower reported and expected corporate earnings, associated with increased concerns amongst market participants about the outlook for the US economy. Furthermore, since stock market participants appeared to have been expecting a larger cut in the federal funds target rate at the Federal Open Market Committee meeting on 20 March, the decision to lower interest rates by only 50 basis points seemed to contribute to the further downward adjustment in stock prices. Continuing last year's pattern, high-technology stocks were again the most strongly affected by the recent declining tendency of US stock prices. For instance, the Nasdaq Composite index, which is laden with technology stocks, shed 15% between end-February and 10 April, reaching a level which was 33% below end-2000 levels and 66% below the peaks reached in late March 2000.

In Japan, stock prices experienced pronounced swings in the course of March and early April that eventually resulted in a moderate decline in the benchmark indices. Although a sharp fall in Japanese stock prices took place in the first weeks of March, this was counteracted by a strong recovery in the wake of the Bank of Japan's decision on 19 March to ease monetary policy. Later on, however, stock prices began to decline again in conjunction with data releases indicating a deterioration in the economic outlook.

In the euro area, stock prices decreased somewhat after the end of February, continuing a pattern that has been apparent for several months. When measured according to the Dow Jones EURO STOXX index, by 10 April euro area stock prices were 24% below the peak levels reached in March 2000. The price declines observed over the first months of 2001 were broadly based across all economic sectors of the stock market. However, the strongest price declines were again observed in the technology sector where stock prices had fallen by 30% by 10 April relative to end-2000 levels and by 51% compared with the peaks reached in March 2000. The broader price decreases might have reflected some general downward revisions in corporate earnings expectations, which would be in line with an increased market perception of a future moderation in economic growth in the euro area. However, they may have also reflected a continued upward adjustment in the equity risk premium – the extra return that investors require for holding equity instead of other generally less risky assets such as government bonds – towards more typical historical levels. Consistent with this, implied stock market volatility has increased considerably in the euro area over recent weeks. For instance, the implied annual volatility of stocks making up the Dow Jones EURO STOXX 50 index reached around 30% in late March and early April, which was around 8 percentage points above the level at end-February. However, it subsequently fell back and by 10 April it stood at 24%.

2 Price developments

Slight increase in HICP inflation in February 2001

Over recent months, price developments in the euro area have been subject to volatility, associated in particular with the energy and unprocessed food components of the Harmonised Index of Consumer Prices (HICP). Moreover, increases in indirect taxes and administered prices also played a role. The year-on-year rate of change in the overall HICP in the euro area fell from 2.6% in December 2000 to 2.5% in January 2001; however, it increased again in February to 2.6% (see Table 3). In the same month the annual rate of increase in the HICP excluding

unprocessed food and energy rose to 1.8%, i.e. up 0.1 percentage point from January.

By contrast with the two previous months, in February 2001 the annual rate of change in energy prices rose by 0.5 percentage point to stand at 8.4% (see Chart 11). This rise mainly reflected the increase in euro-denominated oil prices from €27.5 per barrel to €29.9 per barrel between January and February 2001. Unprocessed food prices continued their upward movement with their year-on-year rate of change rising slightly from 4.5% in January 2001 to 4.6% in February. While movements in unprocessed food prices often reflect weather and other seasonal effects,

Table 3
Price and cost developments in the euro area

(annual percentage changes, unless otherwise indicated)

	1998	1999	2000	2000 Q2	2000 Q3	2000 Q4	2001 Q1	2000 Oct.	2000 Nov.	2000 Dec.	2001 Jan.	2001 Feb.	2001 Mar.
Harmonised Index of Consumer Prices (HICP) and its components													
Overall index	1.2	1.1	2.4	2.1	2.5	2.7	.	2.7	2.9	2.6	2.5	2.6	.
<i>of which:</i>													
Goods	0.7	0.9	2.7	2.3	2.9	3.2	.	3.3	3.5	3.0	2.7	2.9	.
Food	1.7	0.6	1.4	0.9	1.9	2.2	.	2.0	2.2	2.3	2.8	3.1	.
Processed food	1.5	1.0	1.2	1.0	1.2	1.4	.	1.3	1.5	1.4	1.7	2.1	.
Unprocessed food	2.0	0.1	1.7	0.7	3.1	3.5	.	3.2	3.4	3.7	4.5	4.6	.
Industrial goods	0.2	1.0	3.4	3.0	3.4	3.8	.	3.9	4.1	3.3	2.7	2.8	.
Non-energy industrial goods	1.0	0.7	0.7	0.6	0.6	1.1	.	1.0	1.1	1.1	1.2	1.3	.
Energy	-2.6	2.3	13.4	12.3	13.7	13.8	.	14.7	15.3	11.3	7.9	8.4	.
Services	2.0	1.6	1.7	1.7	1.8	1.9	.	1.9	1.9	1.8	2.2	2.3	.
Other price and cost indicators													
Industrial producer prices ¹⁾	-0.7	-0.4	5.4	5.2	5.8	6.1	.	6.6	6.4	5.4	4.8	4.4	.
Unit labour costs ²⁾	0.3	1.2	.	0.5	1.2	.	.	-	-	-	-	-	-
Labour productivity ²⁾	1.2	0.8	.	1.4	1.0	.	.	-	-	-	-	-	-
Compensation per employee ²⁾	1.5	2.1	.	2.0	2.3	.	.	-	-	-	-	-	-
Total hourly labour costs ³⁾	1.8	2.2	3.7	3.8	3.8	3.5	.	-	-	-	-	-	-
Oil prices (EUR per barrel) ⁴⁾	12.0	17.1	31.0	28.8	33.7	34.5	28.4	36.8	37.7	28.8	27.5	29.9	28.1
Commodity prices ⁵⁾	-12.5	-3.1	18.1	18.3	18.0	16.4	1.4	23.1	18.2	8.6	3.3	1.7	-0.8

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

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

1) Excluding construction.

2) Whole economy.

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

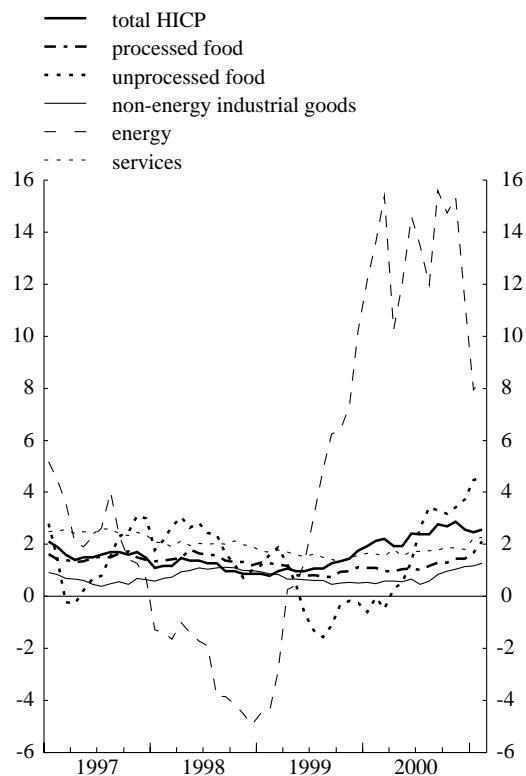
4) Brent Blend (for one-month forward delivery). In ECU up to December 1998.

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

Chart 11

Breakdown of HICP inflation in the euro area by components

(annual percentage changes; monthly data)



Source: Eurostat.

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

part of the recent strong pick-up in prices of this component seems to be related to meat safety concerns in the context of BSE as well as to the consequences of the outbreak of foot-and-mouth disease.

Turning to the remaining components of the HICP, the annual rate of change in processed food prices increased further in February 2001, by 0.4 percentage point to 2.1%. The most recent rise was partly related to an increase in tobacco prices in several euro area countries. In addition, there was a rise in the prices of dairy products which may also be related to recent problems in the agricultural sector. With regard to non-energy industrial goods prices, although the rise in the annual rate of change was limited (up 0.1 percentage point to stand at 1.3% in

February), it continued the upward movement observed since September 2000. This is likely to reflect the fact that indirect effects of past increases in oil prices and the past depreciation of the euro continue to feed through to consumer prices. Meanwhile, the annual rate of change in services prices, which rose by 0.4 percentage point in January 2001 mainly as a result of increases in some administered prices and indirect taxation, increased by 0.1 percentage point to 2.3% in February.

Considering the likely developments in HICP inflation over the coming months, base effects should allow for a negative direct impact from the energy price component. This is likely to be reinforced by the fall in oil prices to €28.1 per barrel in March 2001. On the other hand, the pass-through of past increases in import prices to final consumer prices further along the chain of production is expected to continue for some more months to come. Moreover, a further upward impact of developments in food prices on HICP inflation cannot be ruled out. Hence, a fall in overall HICP inflation to below 2% may be delayed. Looking beyond the near term, the pass-through of past import price increases should gradually diminish and a moderation in economic growth in the euro area should limit upward pressure arising from profit margins and wage drift. Over the medium term it will, however, be crucial that current high inflation rates do not spill over into wage-setting and wage moderation can be maintained.

Annual rate of change in producer prices declined further in February 2001

In February 2001 the annual rate of increase in industrial producer prices in the euro area declined to 4.4%, down 0.4 percentage point compared with the previous month. Since October 2000, the year-on-year rate in producer prices has decreased by more than 2 percentage points in total. As in previous months, the latest decline was primarily the result of developments in intermediate goods prices (see Chart 12). Their year-on-year rate

of change fell from 7.8% in January 2001 to 6.7% in February, which was only due to base effects reflecting the significant increase in the prices of these goods between January and February 2000. By contrast, the level of intermediate goods prices remained broadly unchanged between January and February 2001, despite the increase in oil prices which occurred over the same period. The strong decline in the annual rate of change in non-energy commodity prices which occurred recently (it fell from 8.6% in December 2000 to 1.7% in February 2001) may have counterbalanced the effects of higher oil prices.

In contrast with developments in intermediate goods prices, the annual rate of

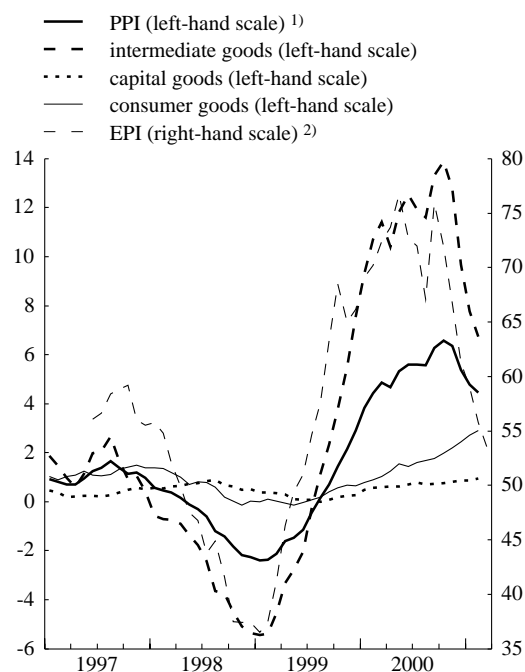
change in consumer goods prices rose further and stood at 2.9% in February 2001, up 0.2 percentage point compared with January. Underlying this development was a rise in the annual rate of change in both consumer goods categories, durable and non-durable goods. The rates of increase in consumer goods prices have been on an upward trend since mid-1999, which is likely to be related to past developments in import and intermediate goods prices. As regards prices of capital goods, the annual rate of increase remained unchanged at a moderate 0.9% for the third month in a row.

Looking to likely developments in March 2001, some further moderation in the annual rate of change in producer prices, in particular in intermediate goods prices, might be expected. First, euro-denominated oil prices declined in March and the year-on-year rate of change in non-energy commodity prices also fell further. Second, most likely reflecting these developments, the index of manufacturing input prices (Eurozone Price Index) fell for the sixth consecutive month (see Chart 12). Third, further base effects will influence the year-on-year rates over the coming months. However, the downward pressure on producer prices stemming from expected developments in intermediate goods prices may be offset somewhat by higher annual rates of change in the capital and consumer goods components, reflecting a continuation of the pass-through of earlier increases in import prices.

Growth in total hourly labour costs declined in the last quarter of 2000

According to Eurostat, year-on-year growth in total hourly labour costs declined to 3.5% in the fourth quarter of 2000, compared with 3.8% recorded in the second and third quarters. The quarterly growth rates in total hourly labour costs in 2000 have been revised, now showing a slight weakening over the year. On average, total hourly labour costs increased by 3.7% in 2000, as compared with 2.2% in 1999. This increase in hourly

Chart 12
Producer prices and manufacturing input prices for the euro area
(monthly data)



Sources: Eurostat and Reuters.
 Note: Where available, data refer to the Euro 12 (including periods prior to 2001).
 1) Producer Price Index; annual percentage changes; excluding construction.
 2) Eurozone Price Index; manufacturing input prices from the Purchasing Managers' Survey. An index value above 50 indicates an increase in manufacturing input prices, whereas a value below 50 indicates a decrease.

labour cost growth observed in 2000 is not reflected in other available labour cost indicators, such as compensation per employee (which is available up to the third quarter of 2000 only). As pointed out in previous editions of the Monthly Bulletin, this difference seems to be mainly related to a shortening of the number of hours worked per week, statistical effects and certain one-

off factors affecting growth in total hourly labour costs. Meanwhile, unit labour cost growth rose to 1.2% in the third quarter of 2000, up from 0.5% in the previous quarter. This increase was the result of a slowdown in productivity growth and a moderate increase in the growth rate of compensation per employee.

3 Output, demand and labour market developments

Robust GDP growth at the end of 2000

Euro area real GDP rose by 0.7% quarter-on-quarter in the fourth quarter of 2000, after 0.6% in the third quarter, according to Eurostat's second estimate (see Table 4). These data confirm that growth slowed down in the second half of 2000, albeit remaining robust. Year-on-year GDP growth declined from 3.6% in the

first half of last year to 3.1% in the second half. For 2000 as a whole, euro area GDP growth averaged 3.4%, the highest growth rate seen during the past decade and substantially stronger than the 2.5% recorded for 1999.

The slightly higher rate of quarter-on-quarter GDP growth in the fourth quarter of 2000 compared with the previous quarter was

Table 4

Composition of real GDP growth in the euro area

(percentage changes, unless otherwise indicated; seasonally adjusted)

	Annual rates ¹⁾								Quarterly rates ²⁾				
	1998	1999	2000	1999	2000	2000	2000	2000	1999	2000	2000	2000	2000
				Q4	Q1	Q2	Q3	Q4	Q4	Q1	Q2	Q3	Q4
Real gross domestic product	2.8	2.5	3.4	3.4	3.5	3.7	3.3	3.0	1.0	0.9	0.8	0.6	0.7
<i>of which:</i>													
Domestic demand	3.5	3.1	2.8	3.1	2.7	3.2	2.8	2.4	0.9	0.7	0.8	0.4	0.5
Private consumption	3.1	2.8	2.6	2.7	2.5	3.2	2.5	2.1	0.7	0.7	0.8	0.2	0.3
Government consumption	1.1	1.6	1.6	1.7	1.8	1.8	1.3	1.6	0.4	0.6	0.2	0.1	0.6
Gross fixed capital formation	4.9	5.3	4.7	5.6	5.8	5.0	4.1	3.9	0.6	1.8	0.6	1.1	0.4
Changes in inventories ^{3), 4)}	0.4	0.0	0.0	0.0	-0.4	0.0	0.2	0.0	0.3	-0.2	0.1	0.0	0.1
Net exports ³⁾	-0.6	-0.5	0.6	0.3	0.8	0.5	0.5	0.6	0.1	0.2	0.0	0.2	0.2
Exports ⁵⁾	7.0	4.8	11.7	10.0	12.3	11.4	11.3	11.6	3.1	2.7	2.1	3.0	3.4
Imports ⁵⁾	9.5	6.6	10.3	9.5	10.2	10.2	10.3	10.5	3.0	2.2	2.3	2.6	3.1
Real gross value added:													
Agriculture and fishing ⁶⁾	1.8	2.1	1.3	2.9	1.6	1.0	1.6	1.0	0.7	-0.6	-0.3	1.8	0.1
Industry	1.9	1.5	3.9	3.1	4.3	4.1	3.7	3.5	0.8	1.8	0.5	0.6	0.5
Services	3.2	2.8	3.3	3.0	3.3	3.4	3.3	3.4	0.8	1.0	0.7	0.7	0.9

Sources: Eurostat and ECB calculations.

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

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.

accounted for by domestic demand, while the contribution of net exports to GDP growth remained unchanged. Domestic demand rose by 0.5% quarter-on-quarter in the last quarter of 2000, after 0.4% in the third quarter. Growth in private consumption remained relatively low at 0.3% quarter-on-quarter after 0.2% in the previous quarter. As in the third quarter of 2000, growth in private consumption is likely to have been dampened by high oil prices, which only started to decline at the end of November 2000. Quarter-on-quarter growth in investment tends to be volatile. Looking at two-quarter averages, growth in investment was 0.8% quarter-on-quarter in the second half of 2000, lower than the 1.2% recorded on average in the first half of the year. Changes in inventories contributed 0.1 percentage point to GDP growth in the final quarter of last year. Business survey data indicate that stockbuilding may have been increasingly involuntary at the end of last year, reflecting somewhat weaker than expected demand. Finally, growth in both exports and imports (including intra-area trade) was very strong. Volumes of exports rose by 3.4% quarter-on-quarter in the fourth quarter of 2000, faster than imports which increased by 3.1%.

In terms of the output by sectors, both the services and industrial sectors contributed to strong growth in value-added last year. For 2000 as a whole, real value-added in services rose by 3.3%, after 2.8% in 1999. Value-added in the industrial sector rose at a similar pace last year, at 3.9%, much higher than the 1.5% increase recorded in 1999. When looking at half-year averages, the data suggest that the somewhat slower growth in the second half of 2000 compared with the first half was accounted for by the industrial sector.

Industrial production growth sustained in January 2001

In January 2001 growth in industrial production (excluding construction) in the euro area, at 5.2% year-on-year, remained at

a level broadly similar to that seen in the second half of 2000 (see Table 5). On a month-on-month basis, industrial production fell by 1.8% in January 2001, offsetting an equivalent increase in the previous month. However, as explained in the March 2001 issue of the Monthly Bulletin, data on the level of production in December 2000 are likely to have been distorted by favourable working day effects. In this context, year-on-year growth rates seem a more reliable indicator of developments in industrial activity in the first month of this year.

The rate of growth in manufacturing production, at 6.1% year-on-year in January 2001, was also similar to the growth rates seen on average in the second half of 2000. Within manufacturing, the divergence in developments between the intermediate goods and the capital goods sectors observed since mid-2000 continued in January. Growth in the production of capital goods has remained very high and, at 9.6% year-on-year in January 2001, was even higher than the growth rates recorded in the second half of 2000 (with the exception of the December data). In the consumer goods sector, growth was sustained, at 3.2% year-on-year in January. Production of consumer goods was mainly supported by growth in the durable consumer goods sector (6.4% year-on-year in January 2001). As already seen in the recent past, growth in the non-durable consumer goods sector was lower in January 2001, at 2.5% year-on-year, although this rate was higher than that of the second half of 2000. Conversely, the production of intermediate goods slowed down markedly during the course of last year. In January 2001 production growth in the intermediate goods sector was 4.2% year-on-year, below the growth rates recorded in the second half of last year.

Industrial confidence declined further

The overall robustness of manufacturing production in recent months stands in some contrast to the significant declines recorded in survey indicators for this sector. The latest

Table 5**Industrial production in the euro area***(annual percentage changes, unless otherwise indicated)*

	1999	2000	2000			2000			2000			2000		
			Nov.	Dec.	Jan.	Nov.	Dec.	Jan.	Aug.	Sep.	Oct.	Nov.	Dec.	
														month-on-month			three-month moving averages
Total industry excl. construct.	2.0	5.5	4.5	8.1	5.2	1.1	1.7	-1.8	0.9	0.9	1.3	1.6	1.6	
Manufacturing	2.0	6.0	5.0	9.5	6.1	0.6	1.8	-0.5	1.5	1.4	1.0	1.5	1.8	
<i>by main industrial groupings:</i>														
Intermediate goods	2.5	5.6	4.3	6.5	4.2	0.7	1.1	-1.3	0.8	0.8	1.1	1.4	1.3	
Capital goods	1.5	9.1	9.2	14.8	9.6	1.2	1.7	0.3	2.7	2.7	2.6	2.7	3.0	
Consumer goods	1.7	2.4	1.3	5.4	3.2	0.4	0.8	-0.3	0.3	0.4	0.5	0.8	1.0	
Durable consumer goods	3.1	7.4	4.4	11.7	6.4	1.0	1.7	-0.7	1.1	0.9	1.1	1.5	2.0	
Non-durable consumer goods	1.4	1.4	0.7	4.1	2.5	0.2	0.6	-0.2	0.2	0.3	0.3	0.7	0.7	

*Sources: Eurostat and ECB calculations.**Notes: 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.**Data refer to the Euro 12 (including periods prior to 2001).*

information relating to March 2001 showed further falls in indicators of business confidence, which may have been due to less favourable external developments at the beginning of this year. According to the European Commission's Business Survey, industrial confidence fell substantially in the

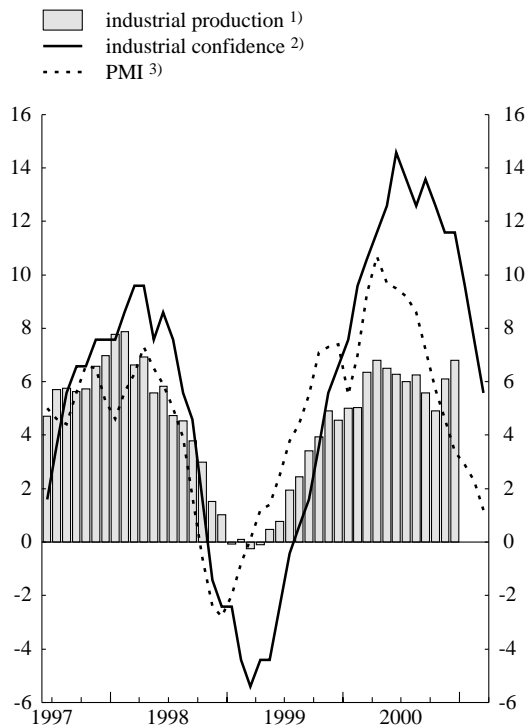
first quarter of 2001, after having remained broadly stable at very high levels from the second to the fourth quarter of 2000 (see Table 6). The Purchasing Managers' Index (PMI) started to decrease in the spring of 2000, much earlier than the European Commission's indicator and recorded a

Table 6**Results from European Commission Business and Consumer Surveys for the euro area***(seasonally adjusted data)*

	1998	1999	2000	2000				2000				2001	2001	2001
				Q2	Q3	Q4	Q1	Oct.	Nov.	Dec.	Jan.				Feb.	Mar.
Economic sentiment index ¹⁾	2.9	0.0	1.6	0.2	-0.4	-0.9	-0.6	-0.2	-0.3	0.2	-0.2	-0.4	-0.6	
Consumer confidence indicator ²⁾	6	8	10	11	10	8	9	8	7	10	10	9	9	
Industrial confidence indicator ²⁾	6	0	12	13	14	12	8	13	12	12	10	8	6	
Construction confidence indicator ²⁾	2	14	22	23	23	20	19	22	20	19	21	18	18	
Retail confidence indicator ²⁾	2	0	5	8	3	2	4	4	2	1	5	5	1	
Business climate indicator ³⁾	0.7	-0.1	1.3	1.4	1.4	1.3	0.8	1.4	1.2	1.2	1.0	1.0	0.6	
Capacity utilisation (%) ⁴⁾	82.9	81.9	83.9	83.8	84.3	84.5	.	84.6	-	-	84.4	-	-	

*Sources: European Commission Business and Consumer Surveys and the European Commission (DG ECFIN).**Note: Data refer to the Euro 12 (including periods prior to 2001).**1) Percentage changes compared with the previous period.**2) Percentage balances; data shown are calculated as deviations from the average over the period since 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.*

Chart 13
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.

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

- 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.

further fall during the first quarter of this year (see Chart 13). Both indicators remained consistent with increases in manufacturing production in the first quarter of 2001, although pointing to a slower pace of growth than in the second half of 2000.

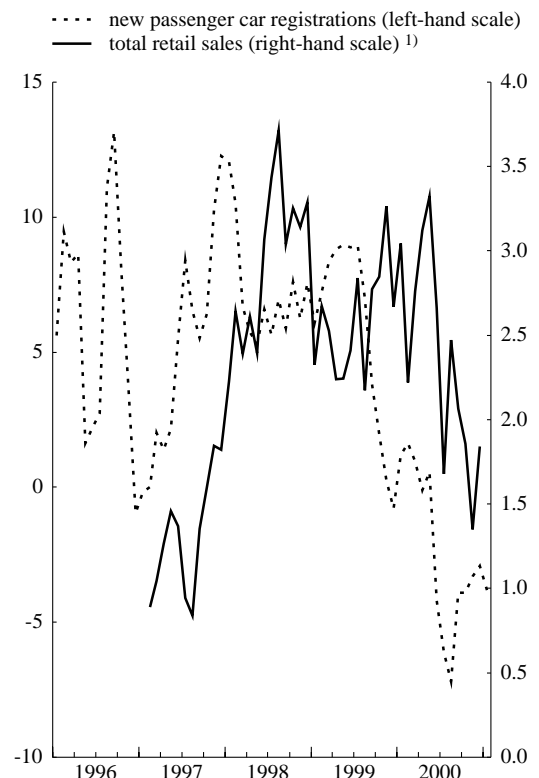
Consumer confidence remained at a high level

In contrast to the developments in confidence in the manufacturing sector, consumer confidence remained high in the first quarter of this year, at a similar level to the average for 2000. Ongoing job creation and, more

recently, lower oil prices probably contributed to the resilience of consumer confidence. In the first quarter of 2001, a slightly less positive assessment by households of the future general economic situation compared with the previous quarter was offset by a more positive assessment of their personal financial situation.

Retail sales rose by 0.4% month-on-month in January 2001 in volume terms, thereby more than offsetting a fall in the previous month (see Chart 14). Year-on-year growth in retail sales increased from 1.4% on average in the fourth quarter of 2000 to 2.4% in January. As mentioned in previous issues of the Monthly Bulletin, retail sales data tend to be volatile,

Chart 14
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).

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

- 1) Calculated using seasonally adjusted data.

which suggests a cautious interpretation of monthly figures. New passenger car registrations have been broadly stable in recent months, increasing by 1.0% month-on-month in February 2001, after a 1.3% decline in January. In the three months to February, new passenger car registrations were 0.5% lower than in the previous three-month period and 3.8% lower than in the same three months a year earlier. Results for the euro area stem from significantly different developments across Member States, as national car markets are affected by important country-specific factors.

Overall, activity in the euro area slowed down moderately in the second half of 2000, compared with the first half of the year. The external environment of the euro area has deteriorated in the past few months and prospects for world growth are surrounded by increased uncertainty. Weaker world activity will tend to reduce the rate of economic growth this year compared with last year's high growth rate, and this reduction may be stronger than was envisaged some months ago. In particular, activity in the industrial sector will probably be negatively affected by less favourable developments in growth outside the euro area. At the same time, domestic demand seems to be resilient, contributing to sustaining overall GDP growth. Taken together, available indicators point to growth remaining in line with or above trend potential growth.

Unemployment rate remained unchanged in February 2001

In February 2001 the standardised rate of unemployment for the euro area stood at 8.7%, unchanged from the levels recorded in December 2000 and January 2001 (see Table 7), which were revised downwards by 0.1 percentage point owing to the inclusion of additional national data. This unchanged unemployment rate conceals further falls in the total number of unemployed (17,000 in December 2000, 35,000 in January and 55,000 in February 2001). This confirms that unemployment continued to fall in the euro area, albeit at a slower pace than in 1999 and the first half of 2000, in line with activity developments (see Chart 15).

In terms of breakdown by age, the unemployment rate of those aged under 25 years rose from 17.0% in January 2001 to 17.1% in February, which reflects an increase that was broadly distributed across countries. However, because of the highly volatile pattern of recent monthly data, this increase may not be interpreted as a sign of further increases in the coming months. Year-on-year changes over the past few months only point to a slowdown in the decline of unemployment. In addition, unemployment for those aged 25 years and above fell substantially in February, by around 66,000 compared with January, which was relatively favourable after three months in which the decline was much smaller (30,000 on

Table 7
Unemployment in the euro area

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

	1998	1999	2000	2000 Q1	2000 Q2	2000 Q3	2000 Q4	2000 Sep.	2000 Oct.	2000 Nov.	2000 Dec.	2001 Jan.	2001 Feb.
Total	10.9	10.0	9.1	9.5	9.2	9.0	8.8	8.9	8.8	8.8	8.7	8.7	8.7
Under 25 years ¹⁾	21.6	19.6	17.7	18.4	17.9	17.6	17.0	17.5	17.2	17.0	16.9	17.0	17.1
25 years and over ²⁾	9.4	8.7	7.9	8.2	8.0	7.8	7.6	7.8	7.7	7.6	7.6	7.6	7.5

Source: Eurostat.

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

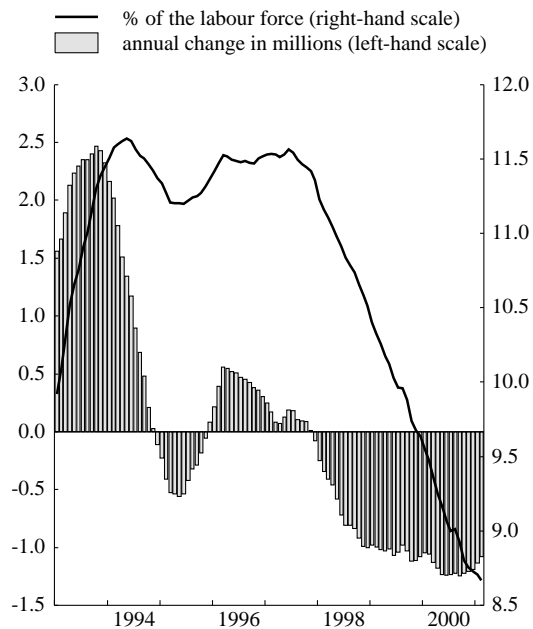
1) In 2000 this category represented 23.4% of total unemployment.

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

Chart 15

Unemployment in the euro area

(monthly data; seasonally adjusted)



Source: Eurostat.

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

average). Nonetheless, this fall was still below that of the average recorded in 2000 (i.e. 72,000 per month).

Sustained employment growth likely to have continued in the fourth quarter of 2000

Employment growth data based on ESA 95 national accounts are not yet available for the fourth quarter of 2000. However, an estimate based on available national data suggests sustained growth in total employment in the last quarter of 2000, at a level similar to the 0.4% of the third quarter and slightly lower than that recorded in the first half of 2000. This appears to be consistent with developments in economic activity in 2000.

As already reported in the March 2001 issue of the Monthly Bulletin, the sectoral breakdown of employment growth is also only available until the third quarter of 2000.

Table 8

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	-0.3	1.0	0.4	0.5	0.9	1.0	1.1	0.3	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	1.2
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.

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

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

2) Also includes hunting and forestry.

3) 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.

Employment growth in industry steadily increased over the first three quarters of the year, from 0.9% to 1.1% in year-on-year terms (see Table 8). The services sector, however, remained by far the main contributing sector to employment growth in the euro area, accounting for more than 90% of net job creations during the first three quarters of 2000. Results for employment expectations, both from the European Commission

Business Surveys and the Purchasing Managers' Surveys, signalled positive developments in manufacturing and services for the last quarter of 2000. Extending up to the first quarter of 2001, they also underline a still positive outlook in terms of employment growth both in industry and in services, albeit to a lesser extent than in the first half of 2000.

4 Exchange rate and balance of payments developments

Euro declined slightly in March and early April 2001

Persisting uncertainty about global medium-term economic prospects and continuing volatility in equity markets influenced foreign exchange developments in March and early April. Against this background, the US dollar appreciated significantly vis-à-vis most major currencies during this period, while the Japanese yen depreciated substantially vis-à-vis both the US dollar and the euro. With regard to other markets, most of the other Asian currencies followed the yen's decline, mainly as a consequence of market concerns about the possible implications of the slowdown in the United States and Japan for the Asian economies. The combined effect of the depreciation of the euro against the dollar and the pound sterling and its appreciation against the yen and the currencies of a few other trading partners resulted in a slight depreciation of the nominal effective exchange rate of the euro during the period under review.

Against the US dollar, the euro depreciated by 4.5% in the course of March 2001 before partially recovering at the beginning of April (see Chart 16). The general strength of the dollar in March seems to have been mainly associated with market perceptions about the degree to which euro area economic prospects could be affected by the ongoing global slowdown, as well as with renewed concerns about the pace of the gradual economic recovery in Japan. In early April,

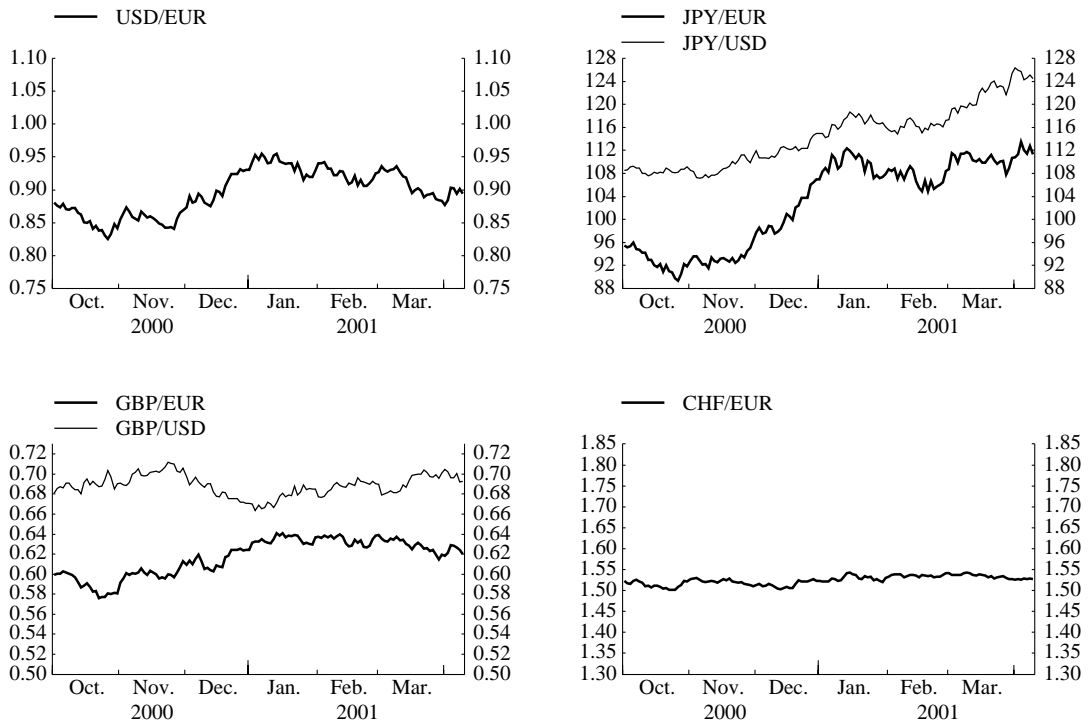
however, the euro recovered part of its earlier losses, seemingly in reaction to significant swings in US equity market valuations. In response to restrained investment and consumption and to emerging excess productive capacity, on 20 March the Federal Reserve System decided to lower its target for the federal funds rate by 50 basis points to 5%. On 10 April the euro was quoted at USD 0.89, 3.2% lower compared with its average level in 2000.

The euro appreciated significantly against the Japanese yen in March and early April, largely in response to data releases in Japan pointing to deteriorating business conditions, the possibility of a resurgence of deflationary tendencies and renewed doubts cast by the markets on the sustainability of a Japanese economic recovery. Against this background, the Japanese yen also depreciated strongly against the US dollar, trading on 10 April about 6% below its level at the end of February. Expressing concern about the increase in downward pressures on prices stemming from weak demand, the Bank of Japan decided on 19 March to ease monetary policy further, while at the same time moving from an interest rate target to an official reserves target. The Bank of Japan stated explicitly that this new policy would remain in place until the current deflationary tendencies were reversed. In the aftermath of this decision the yen continued to depreciate against all major currencies. On 10 April the euro traded at JPY 111, 11.9% higher than its average level in 2000.

Chart 16

Patterns in exchange rates

(daily data)



Source: ECB.

In March and early April the euro depreciated by 2.9% vis-à-vis the pound sterling, while the pound remained fairly stable against the dollar in spite of the general strength of the US currency during this period. At its meeting on 5 April the Bank of England's Monetary Policy Committee decided to lower policy rates by 25 basis points to 5.5%. The Committee arrived at this decision mainly in response to downside risks to UK activity from the slowdown in the global economy, the recent fall in equity markets and, in the short run, from foot-and-mouth disease. On 10 April the euro traded at GBP 0.62, 1.7% higher than its average level in 2000.

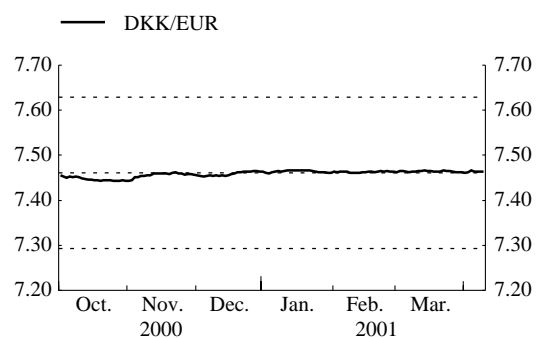
Within ERM II, the Danish krone oscillated close to its central parity against the euro in March and early April (see Chart 17). With regard to other currencies, the euro appreciated vis-à-vis the Swedish krona during the same period, trading at a level 7.4% higher than the average in 2000. On 22 March, in view of easing pressure on prices and

somewhat slower economic growth, the Swiss National Bank decided to lower its target range for the three-month LIBOR by 0.25% to 2.75%-3.75%. Compared with the end of February, the euro depreciated by less than 1% vis-à-vis the Swiss franc, trading at CHF 1.53 on 10 April, almost 2% lower than

Chart 17

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).

its average level in 2000. On 4 April Norway announced a new monetary policy strategy by adopting an inflation target of 2½%. This decision had little overall impact on the exchange rate of the Norwegian krone.

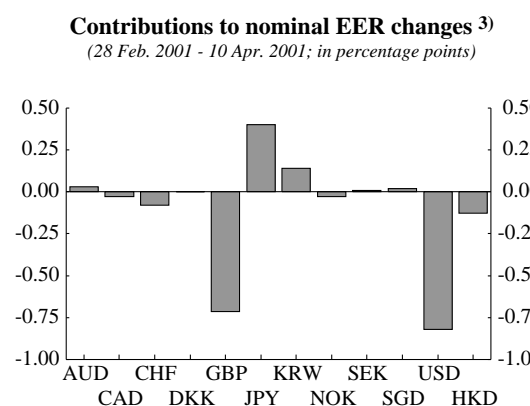
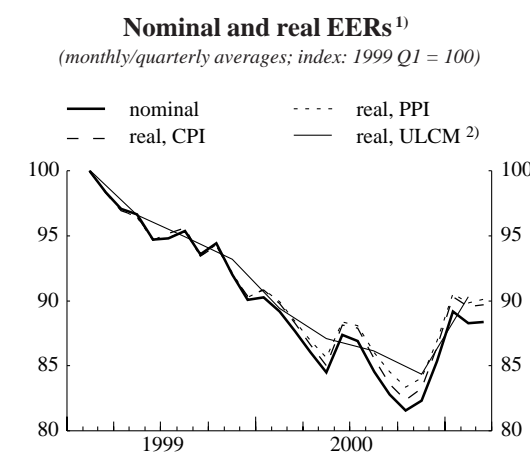
In nominal effective terms, as measured against the currencies of the euro area's most important trading partners, the euro declined slightly compared with the end of February, as its depreciation against the dollar and the pound was partly offset by its appreciation against the Japanese yen and, although to a lesser extent, vis-à-vis a few other currencies (see Chart 18 for an indication of the relative contribution of each currency's movement

to the change in the nominal effective exchange rate index in March and early April). On 10 April the nominal effective exchange rate index of the euro stood 2.4% higher than its average level in 2000. The CPI, the PPI and the ULCM-deflated effective exchange rate indices of the euro continued to move in parallel with the nominal rate.

Current account deficit decreased in January 2001

The euro area current account deficit decreased to €8.5 billion in January 2001, from €10.4 billion in January 2000 (all figures refer to the Euro 12; Box 3 provides a more detailed explanation of the impact of the inclusion of Greece in the euro area balance of payments data). This was primarily due to a shift from a deficit of €1.1 billion to a surplus of €2.5 billion for current transfers, together with a decrease in the deficit for goods (from €2.4 billion in January 2000 to €1.9 billion in January 2001). This more than offset the increase in the deficits for services (from €1.8 billion to €2.5 billion) and income (from €5.2 billion to €6.7 billion). The decline in the deficit for goods was due to a stronger increase in export values (by almost 25%) than in import values (by 23%) when comparing January 2001 with the same month last year (see Table 9).

Chart 18
Effective euro exchange rates



Source: ECB.

1) An upward movement of the index represents an appreciation of the euro. The latest observations are for March 2001 and for the ULCM-based REER for Q1 2001.

2) Unit Labour Costs in Manufacturing.

3) Changes are calculated using trade weights against 12 major partner currencies.

Regarding trade volumes, the latest available data show that during 2000 seasonally adjusted extra-euro area export volumes of goods grew by 13.7%, while import volumes rose by 6.8% (data refer to the Euro 11, as past volume and price data for the Euro 12 are not yet available). Over the same period, export prices (proxied by unit value indices) increased by 8.8% and import prices by 20.7%. The strong increase in import prices was mainly due to the increase in oil prices combined with the depreciation of the euro, while the relatively robust growth in export volumes was due to an improvement in the price competitiveness of the euro area, which also stemmed from the depreciation of the euro.

Table 9**Balance of payments of the Euro 12***(EUR billions; not seasonally adjusted)*

	2000 Jan.	2000 Jan. - Dec.	2000 Nov.	2000 Dec.	2001 Jan.
Current account balance	-10.4	-38.5	-4.3	-5.9	-8.5
Credits	112.0	1564.2	138.9	139.6	138.2
Debits	122.4	1602.7	143.2	145.5	146.8
Goods balance	-2.4	36.8	2.5	3.4	-1.9
Exports	63.7	964.3	90.3	85.1	79.4
Imports	66.1	927.5	87.8	81.7	81.3
Services balance	-1.8	-3.0	0.3	-2.5	-2.5
Exports	18.9	279.9	23.7	24.9	21.2
Imports	20.7	282.9	23.4	27.4	23.7
Income balance	-5.2	-25.9	-2.3	-1.7	-6.7
Current transfers balance	-1.1	-46.3	-4.9	-5.2	2.5
Capital account balance	1.5	10.9	1.0	1.0	1.4
Financial account balance	.	.	.	.	-4.7
Direct investment	0.5	-25.6	-9.5	-33.9	-4.5
Abroad	-7.3	-328.6	-25.8	-22.9	-13.0
Equity capital and reinvested earnings	-6.7	-261.5	-23.3	-18.5	-9.0
Other capital, mostly intercompany loans	-0.6	-67.1	-2.5	-4.3	-4.0
In the euro area	7.8	303.0	16.4	-11.1	8.5
Equity capital and reinvested earnings	7.4	187.8	6.5	-51.2	6.2
Other capital, mostly intercompany loans	0.4	115.2	9.9	40.1	2.3
Portfolio investment	-4.2	-111.7	-2.8	22.1	-45.5
Equity	-15.1	-265.1	-13.8	4.9	-19.9
Assets	-21.8	-288.3	-20.2	-25.0	-17.8
Liabilities	6.7	23.3	6.3	29.9	-2.1
Debt instruments	10.8	153.4	11.0	17.2	-25.6
Assets	-0.7	-112.0	-9.6	0.7	-16.5
Liabilities	11.5	265.4	20.6	16.5	-9.1
Memo item:					
Combined net direct and portfolio investment	-3.7	-137.3	-12.3	-11.8	-50.0
Financial derivatives	-0.8	-3.3	-4.2	-4.9	-5.1
Other investment	28.6	134.3	0.3	3.9	47.9
Reserve assets	.	.	.	.	2.4
Errors and omissions	.	.	.	.	11.9

Source: ECB.

Notes: Figures may not add up due to rounding.

For the financial account, a positive sign indicates an inflow, a negative sign an outflow; for reserve assets, a negative sign indicates an increase, a positive sign a decrease. A more detailed set of tables, including historical data for the Euro 11, can be found in Section 8 of the "Euro area statistics" section of this issue of the ECB Monthly Bulletin.

Box 3

Euro area balance of payments: the impact of the enlargement of the euro area in 2001 to include Greece

From January 2001 onwards, the euro area balance of payments (b.o.p.) includes Greece. In order to allow a year-on-year comparison of the current and financial accounts, Greece and the other euro area Member States have provided the ECB with the data necessary for the construction of the Euro 12 aggregates. Data relating to 2000 have been provided for all b.o.p. items (except reserve assets and errors and omissions as a residual item). Corresponding data for 1999 are expected at a later stage.

Table 9 in the main text shows Euro 12 data for 2000 and January 2001 in order to allow for consistent year-on-year comparisons, while aggregates shown in the tables of Section 8 (“Balance of payments and international investment position of the euro area (including reserves)”) of the “Euro area statistics” section show a break in the series, i.e. Euro 11 data prior to the enlargement and Euro 12 data as from 2001. Similarly, the international reserves of the euro area published in the March 2001 issue of the Monthly Bulletin (Tables 8.7.2 and 8.7.3) reflect the positions before and after the enlargement, i.e. as at end-December 2000 and as at 1 January 2001. Further detailed quarterly b.o.p. data for the Euro 12 will be published in the course of this year.

Differences between the Euro 11 and the Euro 12 b.o.p. aggregates mostly occur in the current account, while the addition of the Greek data has little impact on direct and portfolio investment flows in 2000. The chart below shows that the current account deficit for the euro area plus Greece (Euro 12) amounted to €38.5 billion for 2000, compared with a deficit of €28.3 billion for the euro area excluding Greece (Euro 11). The higher deficit of the current account (€10.2 billion) is due to a lower goods surplus (by €23.0 billion) and a slightly higher deficit for income (by €1.2 billion), which more than offset the smaller deficits for both services (by €10.5 billion) and current transfers (by €3.6 billion). The lower goods surplus for the Euro 12 in 2000 is to a large extent related to the exclusion from the aggregate of the goods surplus of the Euro 11 vis-à-vis Greece. The smaller deficit for services is primarily due to the inclusion of the surplus for services shown by Greece, in particular tourism and transport, in respect of non-euro area countries. The lower deficit for current transfers mainly results from transfers of EU institutions to Greece, which are conventionally treated as extra-euro area transfers in the euro area b.o.p. In the financial account, compared with the Euro 11, direct investment net outflows of the Euro 12 were marginally higher (€25.6 billion as compared with €23.0 billion for the Euro 11), while portfolio investment net outflows were somewhat lower (€111.7 billion as compared with €120.4 billion for the Euro 11).

Balance of payments of the Euro 11 and Euro 12 in 2000

(EUR billions)



Source: ECB.

Significant outflows in portfolio investment in January 2001

In the financial account, combined net direct and portfolio investment outflows from the euro area in January 2001 reached €50.0 billion, the highest level of net outflows from the euro area based on the new Euro 12 series (see Table 9). This was mainly related to net outflows in portfolio investment of €45.5 billion, which compare with net inflows of €22.1 billion in December 2000 and total net outflows of €111.7 billion in 2000.

The main determinant of the portfolio investment net outflows in January 2001 was a swing in debt instruments from net inflows in December 2000 (€17.2 billion) to net outflows (€25.6 billion). In addition, substantial net outflows were recorded in portfolio equities (€19.9 billion). In particular, non-euro area residents moved out of euro area securities, both debt instruments and equities, by an amount of €11.2 billion, the only net outflow recorded since February 2000. By contrast, investment in foreign securities by euro area residents was close to the monthly average in 2000.

The strong net outflows in portfolio investment were contrasted with very limited net outflows in direct investment in January

2001 (€4.5 billion), compared with net outflows of €33.9 billion in December 2000.

The net outflows in debt instruments in January 2001 are in contrast to the significant net inflows observed throughout 2000 and to developments in the interest rate differentials of long-term government bonds in 2000, particularly vis-à-vis the United States. A significant monthly fluctuation in this item is not unusual, however, and is often a reflection of one-off factors, such as large single transactions or short-term fluctuations in market expectations. Several of these special factors could have played a role in January 2001. In that month, market expectations of further interest rate cuts in the United States and related expectations of immediate capital gains in the US bond market may have prompted some investors to move out of euro area securities in favour of US securities. This would have been consistent with the strong demand for US securities observed early in 2001. Moreover, the net issuance of long-term euro area government securities was negative in January, mainly related to the buy-back of bonds in one Member State. The reduction in the supply of euro area government securities might have created an incentive for euro area residents to invest abroad and may also explain part of the disinvestment by non-euro area residents.

Assessment of general economic statistics for the euro area

Together with indicators on money and banking developments, financial markets, the balance of payments and the financial accounts, the provision of a wide range of timely and reliable general economic statistics is vital for the conduct of monetary policy. It is needed for the assessment of the outlook for price developments and the risks to price stability in the euro area. The document entitled "Statistical requirements of the ECB in the field of general economic statistics" (August 2000) states the needs for indicators on prices and costs, output and demand, the labour market and external trade. These statistics are also the focus of the Action Plan on EMU Statistical Requirements established by the European Commission (Eurostat) in close co-operation with the ECB. This article surveys and evaluates the provision of general economic statistics for the euro area against the background of the ECB requirements. Common methodological standards have been defined for many fields of euro area statistics, and progress has been made, with respect to both availability and timeliness. However, shortcomings still remain and the EMU Action Plan and the resulting statistical initiatives at the Community level are of utmost importance for the further development of euro area statistics.

I Importance of euro area statistics for monetary policy

As was most recently explained in the article "The two pillars of the ECB's monetary policy strategy" in the November 2000 issue of the Monthly Bulletin, in parallel with the analysis of monetary growth, the ECB analyses a wide range of other economic and financial variables in order to form a broadly based assessment of the outlook for price developments and the risks to price stability in the euro area.

High-quality statistics are vital for a reliable picture of the economy. Policy mistakes due to incomplete or unreliable statistics can be costly in terms of higher inflation and lower growth. In this respect, the needs of the ECB are no different from the needs of national monetary authorities in the euro area in the past, and of central banks elsewhere. The article entitled "The role of short-term indicators in the analysis of price developments in the euro area", published in the April 1999 issue of the Monthly Bulletin, explained in detail the usefulness of specific indicators for monetary policy purposes.

A harmonisation of concepts and methods is essential to ensure that any euro area indicator compiled from national series accurately depicts developments and thereby provides information for monetary policy decisions. Backdata are essential for econometric analysis which contributes to the understanding of the euro area economy.

Concerning geographic coverage, aggregate data for both the euro area as a whole and for individual countries are of the greatest importance. Links between economic variables necessitate the monitoring of a wide range of statistics on prices and costs, supply and demand, and the labour market, covering all sectors of the economy. In addition to the conventional statistics on industry and trade, indicators for the increasingly important services sector are needed.

Timeliness and a sufficiently high frequency of data are essential for the conduct of monetary policy. Only timely statistics can provide information on the current state of the economy. Differences with regard to timeliness currently exist between Member States, and using the most timely national data releases as advance proxy indicators for the euro area as a whole may be misleading. While alternative benchmarks may be considered, the first goal for all countries would be to match the best timeliness standards in the EU (see Box I for a further discussion of this issue).

For given resources and methods, there is a conflict between timeliness, on the one hand, and reliability and availability, on the other. In this respect, timely aggregated results are more important than detailed breakdowns for monetary policy purposes. Moreover, for policy use, the requirements in terms of

accuracy are very high. The ECB is particularly aware of this trade-off and the need to balance timeliness and reliability. However, for euro area aggregates, there is not necessarily a trade-off in the short term. Earlier provision of country data would mean

fuller coverage in early euro area aggregates, thereby enhancing their reliability. Although earlier national estimates may be less reliable, the impact of this on euro area aggregates may be compensated for by the improved coverage.

Box I

Timeliness of euro area general economic statistics

Most statistics for the euro area are published some time after the first releases of national data, as production is dependent upon the availability of harmonised national data. The release of euro area data by the European Commission (Eurostat) is not only later than releases in many euro area countries, but also later than corresponding releases of major countries outside the euro area. Generally, Eurostat produces a first estimate for a particular period when available national data cover 60-80% of the euro area (in the case of the Harmonised Index of Consumer Prices (HICP) a coverage of 100% is usually applied for publication). A high coverage is desirable in order to increase reliability and avoid significant revisions at a later stage.

Several factors can account for delays in the publication of euro area statistics. EC statistical regulations often contain low minimum standards rather than a target for timeliness. The timetables were set in order to allow *all* countries to meet them and timely statistics were not given high priority in all Member States in the past. An example of this is the reporting of quarterly data on the gross domestic product (GDP) as long as 120 days after the period to which they relate, as required in the Regulation on national accounts. The availability of euro area aggregates may also be delayed because national data have to be compiled according to harmonised definitions for the creation of a euro area aggregate. For instance, national register data on unemployment are sometimes available quite quickly, but are often not an appropriate source of comparable data. The consistency required for related data originating from different sources or for data presented in an accounting framework (such as the national accounts) is essential for the quality of the data but may be another reason why the publication of results takes longer.

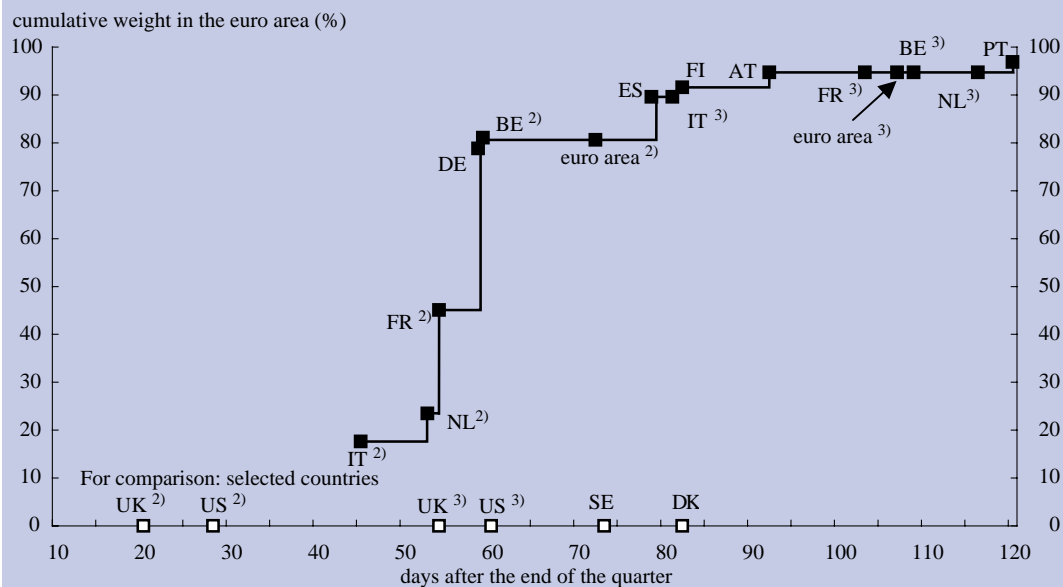
The chart below shows the publication timetable relating to two key variables (HICP and GDP) for EU countries, for the euro area aggregate and for corresponding data on the United States. For quarterly GDP, national releases are spread out over time reflecting the wide range of sources and methods used for the compilation of the data. First estimates for the euro area are available after around 70 days, with a coverage of around 80% of the euro area. The UK and US data releases are much earlier (after 20 and 28 days, respectively, for the first estimate and after 54 and 60 days, respectively, for the more reliable second estimate). For the monthly HICP, with regard to which collection methods are more similar across Member States, the euro area data are released more quickly and compare well with the timeliness of other international consumer price indices. However, the time span of around 20 days between the first and the last national information on consumer price developments in the euro area is considerable. This difference is partially due to different collection periods within the month, but also results from the earlier publication of first estimates for overall HICP by Germany and Italy.

Important lessons can be learnt by comparing the statistical compilation systems of different countries in order to determine the best practices, in terms of producing timely and reliable statistical publications. For most statistics, there are several EU countries which have achieved a good timeliness and may serve as a useful benchmark. Convergence on these practices would be desirable as a short-term objective. It also has to be acknowledged that improved timeliness is only of benefit when data reliability is not significantly affected. However, the standards of timeliness and, at the same time, reliability achieved by some Member States suggest that improvements without a reduction in quality are possible.

Comparison of data release timetables

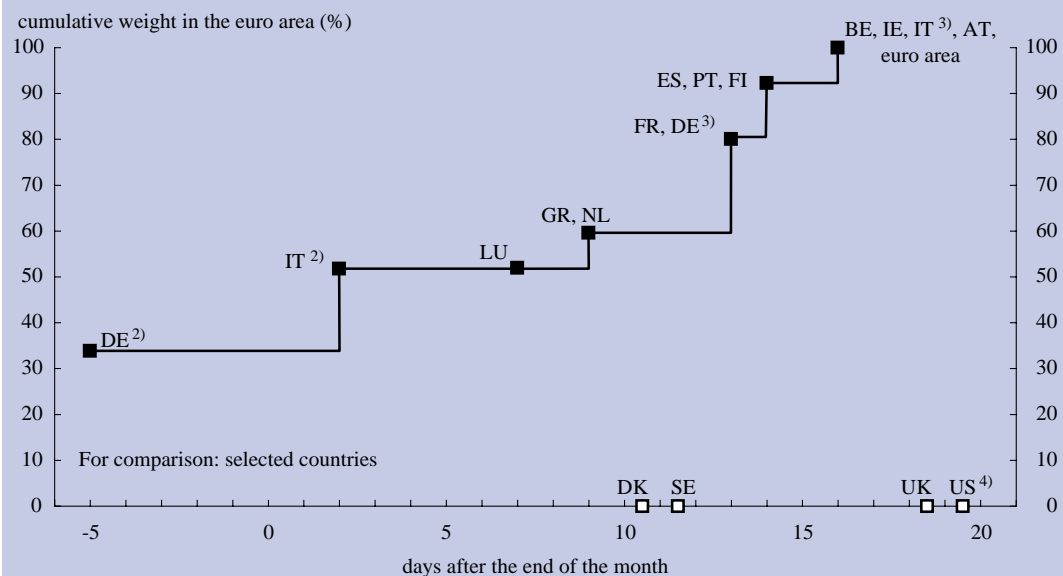
Release of GDP¹⁾

(days after the end of the reference quarter – third quarter of 2000)



Release of HICP

(days after the end of the reference month – February 2001)



1) No quarterly data are released yet for Greece and Luxembourg. Data for Ireland are released after around 180 days.

2) First estimate.

3) Second estimate (complete breakdown).

4) Consumer Price Index.

2 Development of euro area statistics

The European Commission (Eurostat) is responsible for compiling most non-financial euro area statistics. However, Eurostat does not collect raw data from reporting agents (mainly companies and government agencies). This is done by the Member States, in most cases by National Statistical Institutes (NSIs). Eurostat's task is to ensure the use of comparable methods, to compile European and euro area aggregates and to release the results to the public. The co-ordination of the work by Eurostat and the national institutions is carried out by the Statistical Programme Committee (SPC) comprising the heads of Eurostat and the NSIs, supported by expert working groups.

The main legal basis for Community statistics is Article 285 of the Treaty of Amsterdam, as signed in 1997, according to which "the Council [...] shall adopt measures for the production of statistics where necessary for the performance of the activities of the Community". In addition, the Regulation on Community statistics, adopted in 1997, defines the division of responsibilities between national and Community statistical authorities.¹ While before the Maastricht Treaty in 1992 the compilation of statistics at the European level was based mainly on agreements, most statistical developments in recent years have been introduced by legal acts. Supplying national statistics for Community purposes according to common standards has become mandatory for all EU Member States.

In preparation for Economic and Monetary Union (EMU) comparable statistics were required for the assessment of convergence. In this context, the definition of the Harmonised Index of Consumer Prices (HICP) was agreed in 1995 and the initial series were released in 1997.² This index has become the main indicator of price developments for the ECB. Further parts of the statistical basis for EMU include the adoption of the revised European System of Accounts (ESA) in 1996, which provides the

framework for quarterly and a comprehensive annual set of national accounts.³ The Regulation of 1998 concerning short-term statistics complements this with a wide range of indicators for industry, construction, retail trade and services data at a monthly or quarterly periodicity.⁴ Moreover, the Regulation of 1998 on labour force sample surveys is designed to ensure comparable and detailed information on the labour market.⁵

Although the legal acts were all adopted before the start of Stage Three of EMU in January 1999, they were, with the exception of the Regulation concerning harmonised indices of consumer prices implemented too late to produce results in time for the start of Monetary Union. Indeed, some statistics are still not available. The main reason for this is the long implementation time foreseen in the regulations, which is often needed either to produce new statistics in the Member States or to implement major changes to statistics. In addition to general transition periods, specific derogations from the legal requirements for individual Member States, which extend up to 2003 or even 2005, are a hindrance to compiling euro area aggregates. Thus only a small part of the statistics covered in regulations adopted between 1996 and 1998 can currently be aggregated by Eurostat to compile results for the euro area. Moreover, many statistics released by Eurostat are published later than desirable due to the lack of timely data for some Member States.

The European Monetary Institute, the forerunner of the European Central Bank, first laid down requirements for general economic statistics for monetary policy purposes in 1996.

1 Council Regulation (EC) No. 322/97 of 17 February 1997 on Community statistics.

2 Council Regulation (EC) No. 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices.

3 Council Regulation (EC) No. 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community.

4 Council Regulation (EC) No. 1165/98 of 19 May 1998 concerning short-term statistics.

5 Council Regulation (EC) No. 577/98 of 9 March 1998 on the organisation of a labour force sample survey in the Community.

The ECB reaffirmed them in the August 2000 publication mentioned above.

The importance of high-quality statistics for EMU is also reflected in the work of the Economic and Financial Committee (EFC), previously the Monetary Committee, following an initiative by the ECOFIN Council and the Eurogroup in 1998. In late 1998, a first report on statistical requirements for EMU was prepared. Since then, progress has been reviewed in three reports, of which the latest was endorsed by the ECOFIN Council in January 2001. In this context, in June 2000, the ECOFIN Council invited the European Commission (Eurostat), in close collaboration with the ECB, to establish an EMU Action

Plan identifying for each Member State, and for each statistical area, where urgent progress should be made, as well as possible modifications to existing statistical regulations.⁶ The ECOFIN Council asked the various national and Community authorities to ensure the implementation of the EMU Action Plan within the desired time frame. It also called for a continued dialogue at the national level between the budgetary and statistical authorities to ensure that the statistical authorities have adequate resources to implement the Action Plan. Box 2 reviews the Action Plan in more detail.

⁶ All documents are available on the website of the Council of the EU (<http://ue.eu.int/emu>).

Box 2

The EMU Action Plan

The EMU Action Plan of September 2000 requires improvements in key areas of general economic statistics. It focuses on specific areas where there are particularly urgent problems with the compilation of timely and reliable euro area aggregates. By requesting possible modifications to existing statistical regulations, it initiates substantial improvements of euro area statistics. Although the focus is on the euro area, all EU Member States are covered in the EMU Action Plan.

Improved reporting by Member States

The EMU Action Plan covers the five areas set out in Table A below and requires improvements from the Member States concerned. Target values for timeliness have also been set.

Table A: Main national action points under the EMU Action Plan

Subject	Main objectives of national action
Quarterly national accounts	<ul style="list-style-type: none"> • Release of GDP and main components after 70 days • Supply of missing, but mandatory national accounts data • Backdata to 1980
Quarterly public finance statistics ¹⁾	<ul style="list-style-type: none"> • Supply of key non-financial and financial public finance statistics by end-2000
Labour market statistics	<ul style="list-style-type: none"> • Improvements to employment data (timeliness, coverage) • Improvements to the Labour Cost Index (timeliness, coverage) • Release of quarterly results of the Labour Force Survey after 90 days
Short-term statistics	<ul style="list-style-type: none"> • Supply of key indicators by end-2001 (end-2002 in some cases) • Respect of requirements for timeliness in the Regulation
External trade	<ul style="list-style-type: none"> • Release of data on trade with non-euro area countries after 40 days

Source: Action Plan on EMU Statistical Requirements, September 2000.

1) Requirements for public finance statistics are not discussed further in this article.

The EMU Action Plan resulted in the adoption of national action plans by Member States. However, gaps remain between the commitments made by Member States and the EMU Action Plan, in several cases owing to the fact that NSIs consider that budgetary resources are insufficient to meet the requirements of the Action Plan. While not all countries will meet the EMU Action Plan for all indicators, it is hoped that the objective of the Economic and Financial Committee, namely 80% coverage of the euro area by the end of 2001 or 2002, will be met. This would improve the availability, timeliness and, in some cases, the reliability of euro area statistics.

Modifications to statistical legislation

The EMU Action Plan also proposes modifications of statistical regulations which will affect all EU countries. It is the first comprehensive review of the legal basis for macroeconomic statistics since the introduction of the single currency. Table B gives an overview of the main changes requested by the EMU Action Plan and the planned timetable for the adoption of changes.

Table B: Legal initiatives under the EMU Action Plan

Subject	Main modifications	Planned adoption
Quarterly national accounts	<ul style="list-style-type: none"> • Shorten reporting delay to 70 days • Add data on hours worked • Add limited set of accounts for institutional sectors (households, non-financial corporations, etc.) 	Second half of 2001 Second half of 2001 Second half of 2002
Quarterly public finance statistics ¹⁾	<ul style="list-style-type: none"> • Establish non-financial and financial accounts for general government 	Second half of 2001
Labour market statistics	<ul style="list-style-type: none"> • Establish legal basis for Labour Cost Index with improvements in coverage, timeliness and comparability • Set deadline for introduction of continuous Labour Force Survey 	Second half of 2001 Second half of 2001
Short-term statistics	<ul style="list-style-type: none"> • Establish harmonised statistical definitions to improve comparability • Amend Regulation where necessary (e.g. add data on import prices) 	Early 2001 Second half of 2002

Source: Economic and Financial Committee, 3rd Progress Report on the implementation of the Monetary Committee's report, supported by the ECOFIN Council in January 2001.

1) Requirements for public finance statistics are not discussed further in this article.

The European Commission is expected to submit an initial package of proposed legal amendments to the EU Council and the European Parliament in the first half of 2001. The ECOFIN Council considers the proposals a matter for rapid adoption.

Action points for the European Commission

The EMU Action Plan also contains a number of points for action by the European Commission. Among other things, Eurostat will set up a public database for euro area and EU aggregates. It will give access to data at the moment of their release to the press. Further action points concern the compilation of euro area aggregates whenever there is an adequate country coverage, the compilation of long national accounts series for the euro area and improved practices for seasonal and working day adjustment of euro area aggregates.

3 Current situation and required improvements

For each of the main areas of general economic statistics, this section reviews the data currently available, which are regularly reported in the “Economic developments in the euro area” and “Euro area statistics” sections of the ECB Monthly Bulletin. The improvements needed most, including those highlighted in the EMU Action Plan but excluding public finance statistics, are also specified.

Prices and costs

Harmonised Indices of Consumer Prices

Price stability is defined by the ECB as a year-on-year increase in the euro area HICP of below 2% and is to be maintained over the medium term. It is very important that the HICP fulfils certain requirements, including a broad coverage of household expenditure, timely publication, and monthly frequency.

Monthly HICPs are available for all euro area countries for a detailed product breakdown. The euro area HICP is now published on average only 18 days after the reference period. Harmonisation work for the HICPs started in the mid-1990s and is continuing. The coverage of the HICP was enlarged with effect from January 2000 and January 2001 (new items covered are in particular health, education and social protection services) to include a very comprehensive share of consumers' expenditure (see Box 2 entitled “Changes in the coverage and methods for the computation of the Harmonised Index of Consumer Prices” in the March 2001 issue of the Monthly Bulletin). In addition, much conceptual work is being carried out by Eurostat and the Member States with the aim of improving the methodology and comparability of price measurements.

Overall, the HICP has reached an advanced standard of harmonisation and quality. For this reason, the HICP is not part of the EMU Action Plan. However, further harmonisation

work is under way, in particular in two fields. First, Eurostat is developing and assessing a method to introduce owner-occupied housing costs, outside the official index and for a limited test period. Second, work is being undertaken to further harmonise and improve the methods of adjusting consumer price indices for changes in the quality of goods and services. This issue is regarded as one of the main difficulties in compiling price indices.

Producer, trade and other prices

Indications of price developments in the industrial sector, as measured by producer prices, may play an important role in signalling likely future changes in consumer prices as changes in production costs feed through to consumer prices.

Industrial producer price indices (excluding construction) for the euro area domestic market are published monthly by Eurostat. This indicator is now released five weeks after the reference period. Its main breakdown into intermediate goods, capital goods and consumer goods prices provides a framework for assessing the impact of changes in input prices (e.g. commodity prices) along the chain of production. However, the comparability of producer prices has still to be improved, since important differences in definitions continue to exist between countries (e.g. for the treatment of taxes). Under the EMU Action Plan, measures to improve harmonisation have recently been adopted.

Euro area *price indices for exports and imports* of goods are not available. Although the share of imports in total domestic demand is relatively small in the euro area, imported inflation does affect producer prices and, over time, consumer prices. The available alternative proxies are unit value indices from foreign trade statistics which, however, differ substantially in the method used from that used for price indices and are released late,

after approximately 90 days. Trade price indices for imports from and exports to outside the euro area would be extremely useful, but are not expected to become available in the near future.

The available data on *construction prices* for the euro area are inadequate in terms of coverage and are based on non-harmonised national data. With regard to *residential property prices*, the methods and definitions used to compile national series differ very significantly, affecting the reliability of any derived euro area estimates.

Price-related *opinion survey* data are available in a timely manner and for all Member States. The data are published by the European Commission (DG ECFIN), and both businesses and consumers are surveyed about their expectations concerning prices.

Labour costs

Labour costs, which are an important element of overall production costs, have a significant impact on price formation, while price developments, in turn, may have implications for future wage developments. Labour costs also provide input for indicators of competitiveness, such as unit labour costs. It is thus crucial to monitor their developments closely and reliable data are required at high frequency. Labour cost data with a breakdown by main sectors of activity and by main labour cost components are needed, at a monthly or quarterly frequency. In addition, a more detailed breakdown of labour costs, on an annual average basis, by component and branch provides valuable information on structural developments.

A key source of aggregate information on labour cost developments is data on *compensation per employee* and *productivity*, derived from the national accounts for the whole economy and for the main sectors. They are used to compile the unit labour costs. The figures published in the Monthly Bulletin are estimated by the ECB, as Eurostat

has not yet released quarterly compensation indicators for the euro area based on the national accounts. Improvements to the timeliness of these data are requested from around 100 to 70 days by the EMU Action Plan.

Another source is data on quarterly *hourly labour costs* for the euro area, which were first released by Eurostat in 1999. Data are collected from Member States on a voluntary basis and first results are published after around 95 days. Eurostat has set a common definition, covering industry and market-related services, i.e. around 65% of total employment. The sources and coverage of the statistics still differ substantially between countries, with some using proxies, as described in the February 2001 Monthly Bulletin (see Box 3 entitled "Recent developments in euro area labour cost indicators"). In an attempt to improve both the methodology and timeliness of these statistics, work is currently under way at Eurostat under the EMU Action Plan to establish a legal basis for a more broadly based indicator. At present, however, the compensation per employee derived from national accounts sources is a more reliable indication of labour cost developments for the euro area as differences in coverage and methods reduce the reliability and usefulness of the euro area indices of hourly labour costs.

Specific information on *wages and productivity in industry* is expected to become available in the course of 2001, under the EMU Action Plan. Moreover, Eurostat is currently investigating the use of national sources of information on *collective wage agreements*.

Output and demand

Indicators of output and demand provide information on the cyclical position of the economy, an important element in the analysis of prospects for price developments. For this purpose, national accounts, short-term statistics on activity in industry and

services and qualitative surveys are used. A high frequency and timeliness are essential. For the analysis of structural economic developments, such as the emergence of a "New Economy" in the euro area, annual national accounts data are needed.

National accounts

National accounts data are compiled according to the harmonised ESA 95 methodology. The implementation of the ESA 95 started in early 1999 and will continue until 2003. However, available Member State data are lagging behind the requirements of the Regulation, partially due to specific national derogations. Moreover, at present, publication delays for some Member States are longer than those provided for in the derogations.

For the euro area, only a limited set of main aggregate indicators is currently available. Quarterly GDP and the expenditure components are estimated by Eurostat. Since January 2001, Eurostat has also been estimating the output side (breakdown of value added into six branches). These two sets of data are currently only available going back to 1991.

The first quarterly estimate of the national accounts at constant prices is currently produced around 70 days after the end of the quarter. Second and third estimates, including current price data, are released after around 105 and 120 days respectively. This is too slow for monetary policy purposes. Moreover, varying publication delays of national data mean that the country coverage for Eurostat's first estimate is incomplete.

Under the ESA 95, a broad set of annual data will be published as well. However, data for Member States are still incomplete and the length of the available series is often relatively short, limiting their usefulness for economic analysis. Eurostat does not yet compile euro area aggregates. The data concerned cover detailed information by branch for value

added, capital formation, compensation and employment as well as detailed consumption expenditure. Furthermore, annual accounts broken down by main institutional sectors of the economy (non-financial and financial corporations, general government and households) are not yet available. The detailed annual accounts are needed by the ECB to support the analysis of income, expenditure and production, but also that of saving, financing and investment by institutional sectors.

Progress is expected as the EMU Action Plan requires the main quarterly aggregates to be available after 70 days. A second project is the provision of a limited set of non-financial accounts broken down by institutional sector at a quarterly frequency (with key indicators such as household savings and investment of non-financial corporations).

Other short-term statistics

Short-term statistics are compiled under the EC Regulation concerning short-term statistics and cover a large set of monthly and quarterly indicators for industry, construction, retail trade and other services. While some indicators relate to current activity (production, turnover, etc.), others indicate prospects (e.g. new orders). For the purpose of short-run assessments, information broken down in limited detail by main branch is generally sufficient. The ECB requires monthly indicators within 30 to 40 days and quarterly indicators within around 60 days of the end of the reference period.

Eurostat releases euro area aggregates of short-term statistics when a 60% geographic coverage has been achieved, but in most cases the coverage of the first estimates is higher. For many indicators covered in the Regulation, however, euro area aggregates are not yet available or are only available with long delays owing to insufficient country coverage. In particular, no reliable new order statistics for industry and construction are currently available. Under the EMU Action

Plan, they should be available (with a coverage of at least 80% of the euro area) by end-2002.

Initial monthly estimates of *industrial production* for the euro area are currently released after more than 50 days, with a high country coverage of generally more than 90%. The timeliness of the *retail trade turnover* results has improved in recent months; data are now available after around 65 days. At present, however, the country coverage of the first release of euro area figures on retail trade turnover is restricted to around 75% of the euro area (with data missing for Greece, France, Luxembourg, Austria and Portugal). The timeliness and coverage of other indicators, such as *sectoral employment* or *construction indicators*, is worse. Improvements are also necessary with regard to the harmonisation of the underlying national data. In this respect, more precise definitions of the indicators and of the main industrial groupings (intermediate, capital and consumer goods) have recently been agreed.

Although some progress has been made in particular for industrial production and retail trade data, the situation is not satisfactory for many other short-term indicators. Improvements are expected by end-2001 or end-2002, partly as a result of the EMU Action Plan. The full results from the Regulation concerning short-term statistics, however, will only become available in 2003. This is also the expected date for new quarterly indicators for the services sector (turnover and employment for the different market activities), which will provide the first quantitative short-term statistics for the euro area in this field.

Opinion surveys

Monthly opinion surveys are carried out on behalf of the European Commission (DG ECFIN) in manufacturing, the construction sector and the retail trade as well as among consumers. Survey results are available for all EU countries. The data are

collected by national institutions on the basis of harmonised questionnaires. First results for the euro area are published by the Commission as early as two working days after the reference month. Final results, which usually include only minor revisions, are released around 18 days later. Since February 2001, results of a survey in the services sector have been released. Although the initial publication programme for the services sector is limited, more details (for service branches, and for individual questions) are expected to become available in the course of 2001.

In addition, the Purchasing Managers' Index (PMI) is a composite indicator compiled by NTC Research on behalf of Reuters and provides timely indications for the manufacturing sector; the data are released on the first working day after the end of the reference month. The euro area data are currently based on data for Germany, Greece, Spain, France, Ireland, Italy and Austria, which – together – represent around 85% of euro area GDP. NTC Research also conducts a survey of purchasing managers in the services sector.

The timeliness and coverage of opinion survey data for the euro area are generally satisfactory. For the European Commission surveys of the industrial and household sectors, the data extend back to 1985, which makes an analysis of their relationship with quantitative data possible, thereby allowing the inference of probable short-term developments in activity.

Labour market data

Labour market data are of crucial importance in the monitoring of developments in the conjunctural situation and in assessing structural changes in the euro area. For this purpose, data on employment, unemployment, vacancies and labour market participation are required.

Harmonised quarterly data on euro area *employment* are not yet available from Eurostat. At present, not all Member States report the data required by the ESA 95. The ECB currently estimates quarterly euro area employment aggregates from national accounts data provided by eight euro area countries which cover over 90% of the euro area. The aggregates first become available approximately 100 days after the end of the quarter in question. Under the EMU Action Plan, data should be available after 70 days. Coverage of around 80% of the euro area within this time limit, however, will not be achieved before 2002. In addition, the *opinion surveys* published by the European Commission (DG ECFIN) provide indications of employers' and households' expectations concerning employment.

The second potential source of harmonised employment information is the continuous Labour Force Survey (LFS) in the Community. Several Member States are due to release first quarterly results in 2001 and 2002. However, quarterly data for Germany and Austria (accounting for one third of the euro area labour force) will remain unavailable for some time to come. Austrian and German data are not expected before 2003 and 2005 respectively. Full implementation of the LFS, providing quarterly euro area results is therefore a distant prospect.

Eurostat releases monthly data on *unemployment* around 35 days after the end of the month in question. Data harmonisation is improving as Member States gradually implement the Regulation on labour force sample surveys and the Community's operational definition of unemployment.

To complete the analysis of the labour market, other complementary indicators are also important. These include conjunctural data on *vacancies*, *flow measures of unemployment*, *employment and inactivity* and a set of other data in order to judge longer-term developments such as the *duration of unemployment*, *underemployment*, *overtime*, etc. Although preparations have begun to define these

indicators and collect data, in most cases results at the euro area level cannot be expected in the near future.

Much progress on labour market statistics is needed in terms of availability, harmonisation and, in most cases, timeliness. An important source of euro area data, the continuous LFS, will not be available in the near future.

External trade

Detailed monthly data on external trade for the euro area are compiled by Eurostat, but with rather long delays. Results based on common standards are available for values, volumes and unit value indices, with breakdowns by product and geographic area. European trade statistics refer to trade in goods.

The legally required deadline for data relating to the total value of trade with non-EU countries is six weeks; it is eight weeks for trade between EU countries broken down by partner country, and ten weeks for the complete set. The EMU Action Plan focused on improving the timeliness of euro area main aggregates, defined as euro area trade with the rest of the world broken down into nine product groups. Member States are required to produce estimates for trade aggregates within 40 days of the reporting month. They are also required to respect the transmission deadlines for forwarding national data to Eurostat, as set out in the EC Regulations. Important progress has already been made by Germany, Greece and Spain, allowing Eurostat to release provisional extra-euro area trade data after 50 days, rather than 55. Coverage of 80% of the euro area should be achieved after 40 days by the end of 2001, following further improvements in timeliness by Greece, Italy and the Netherlands.

Bilateral national trade statistics reveal inconsistencies between exports and imports. Statistics on extra-euro area trade may also be inaccurate, particularly with respect to trade flows between the euro area and

Denmark, Sweden and the United Kingdom. Work by Eurostat and others to identify and eliminate these discrepancies is therefore both welcome and essential.

The following overview summarises the main improvements for each area of general economic statistics needed to improve current provision as outlined in this section.

Table
Overview of the main improvements required by the ECB in euro area general economic statistics¹⁾

Subject	Main required improvement
Prices and costs	
HICP	Further harmonisation and development (e.g. quality adjustment, owner-occupied housing)
Producer, trade and other prices	Improved harmonisation (e.g. taxes) for producer prices, establishment of harmonised data on import/export prices
Labour costs	Improved harmonisation (e.g. coverage) and timeliness
Output and demand	
Quarterly national accounts	Supply of data according to the Regulation; improved timeliness; establishment of hours worked data and a limited set of accounts for institutional sectors
Short-term statistics	Supply of data according to the Regulation; improved country coverage and timeliness for most indicators
Opinion surveys	Further development of the EU survey in the services sector
Labour market data	Establishment of quarterly euro area employment data following ESA 95 definitions; implementation of the continuous Labour Force Survey
External trade	Improved timeliness of euro area main aggregates

1) For a complete overview, see "Statistical requirements of the ECB in the field of general economic statistics", August 2000.

4 Overall assessment

Comprehensive and reliable general economic statistics released at sufficiently high frequency and in a timely manner are essential for the conduct of monetary policy and, more broadly, for that of economic policy. Although the basis for euro area statistics was established in several important areas before the start of Monetary Union, significant shortcomings in the provision of euro area statistics remain. They concern, in particular, the availability and timeliness of euro area aggregates in important areas such as the national accounts, short-term statistics and labour market statistics. Further work is

therefore needed to meet policy requirements in EMU. The EMU Action Plan and the national action plans mark a significant step towards improvement. The EMU Action Plan highlights the most pressing needs with regard to general economic statistics (and public finance statistics) and defines specific targets for each area of statistics and for individual Member States. The ECB welcomes efforts to meet these targets, supported, where necessary, by Community legislation, which will help to satisfy the most urgent needs.

The collateral framework of the Eurosystem

The collateral framework of the Eurosystem is based on a number of guiding principles stemming from the Treaty establishing the European Community (the “Treaty”), as well as from operational guidelines developed in the course of the preparatory work for Stage Three of Economic and Monetary Union (EMU). The collateral framework was developed in such a way as not to depart substantially from established market practices. Due regard was given to the existing differences in central bank practices and financial structures across EU Member States. A two-tier system appeared to best serve the needs of ensuring harmonised procedures and avoiding discrimination on the one hand, and of favouring continuity on the other. This article describes how the collateral framework was designed and implemented. It then analyses aggregated data relating to the total amount of eligible collateral and its use in the Eurosystem’s credit operations. Finally, it reviews how in Europe, as well as in the United States and Japan, rapid changes occurring in financial markets resulting, inter alia, from the introduction of the euro may have an impact on the collateral policies of the respective central banks.

I Guiding principles and main features of the collateral framework

The leading principles that guided the development of the collateral framework are to be found in the Treaty and the Statute of the European System of Central Banks and of the European Central Bank (the “Statute”). In accordance with Article 18.1 of the Statute, lending is “based on adequate collateral”. The main aim of this provision is to protect the Eurosystem from incurring losses in the conduct of credit operations, thus preserving the financial soundness of its operations and, ultimately, its credibility and independence, as well as its ability to pursue the objectives set out in the Treaty. Pursuant to this principle, all Eurosystem liquidity-providing operations are collateralised by underlying assets provided by counterparties.

Another principle is that of free competition and efficient allocation of resources. This principle is derived from the Treaty (Article 105), which states that the Eurosystem “[...] shall act in accordance with the principle of an open-market economy with free competition, favouring an efficient allocation of resources”. The observance of this principle means, inter alia, that a level playing-field and equal treatment of issuers and of counterparties have to be ensured. This implies that every eligible asset should potentially be available for use by any counterparty, regardless of its location in the euro area. To achieve this, it was necessary to implement satisfactory procedures for the cross-border use of collateral.

Furthermore, the collateral policy also had to take note of Article 102 (ex Article 104a) of the Treaty, which allows no privileged access by public institutions to financial institutions. Accordingly, no discrimination is possible between public and private assets.

In addition to the Treaty provisions, a set of principles guiding the design of the operational framework was adopted during preparatory work for Monetary Union. Among these principles, operational efficiency and continuity were particularly important in the formulation of the Eurosystem’s collateral policy.

Operational efficiency implies that the monetary policy instruments and procedures (of which the collateral framework is a part) should allow the Eurosystem to perform its tasks efficiently, in particular as concerns the implementation of monetary policy and the smooth functioning of payment systems. In practice, the requirement of operational efficiency has different consequences. First, sufficient collateral with adequate risk characteristics should be available to Eurosystem counterparties, for monetary policy purposes as well as for intraday credit operations. This also implies that counterparties should be able to access sufficient eligible assets effectively, either on a domestic or a cross-border basis. Second, in view of the time constraints involved in credit operations and of considerations

related to operational costs, the range of eligible assets should ensure their smooth and efficient handling by the Eurosystem as well as by counterparties and securities settlement systems (SSSs), in both a national and a cross-border context.

Continuity with practices and instruments prevailing in Stage Two of EMU was seen as an important principle to facilitate the transition to Stage Three and a smooth introduction of the euro. This also helped avoid the time-consuming and costly development of new infrastructure and practices by the Eurosystem and the banking sector.

Main features of the collateral framework

To take into account all the above-mentioned considerations, a distinction has been made between two tiers of assets:

a) tier one consists of marketable debt instruments, fulfilling uniform, euro area-

wide eligibility criteria specified by the ECB and relating to the type and place of establishment of the issuer, location, settlement procedures and credit standard; and

b) tier two consists of additional assets, either marketable (debt instruments and equities) or non-marketable (bank loans, trade bills and mortgage-backed promissory notes), which are deemed of particular importance for certain national financial markets and banking systems and for which specific eligibility criteria are established by the respective national central banks (NCBs), subject to the approval of the ECB, provided they respect the minimum eligibility criteria established by the ECB.

No distinction is made between the two tiers with regard to the quality of the assets and their eligibility for the various types of credit operations (except that tier two assets are normally not used by the Eurosystem in outright transactions). The main features of the two tiers are summarised in Table I.

Table I
Eligible assets for Eurosystem credit operations

Criteria	Tier one	Tier two
Type of asset	<ul style="list-style-type: none"> • ECB debt certificates (at present not issued) • Other marketable debt instruments 	<ul style="list-style-type: none"> • Marketable debt instruments • Non-marketable debt instruments • Equities traded on a regulated market
Settlement procedures	<ul style="list-style-type: none"> • Instruments must be centrally deposited in book-entry form with NCBs or an SSS fulfilling the ECB's minimum standards 	<ul style="list-style-type: none"> • Assets must be easily accessible to the NCB that has included them in its tier two list
Type of issuer	<ul style="list-style-type: none"> • Eurosystem • Public sector • Private sector • International and supranational institutions 	<ul style="list-style-type: none"> • Public sector • Private sector
Credit standard	<ul style="list-style-type: none"> • The issuer (guarantor) must be deemed financially sound by the ECB 	<ul style="list-style-type: none"> • The issuer/debtor (guarantor) must be deemed financially sound by the NCB that has included the asset in its tier two list
Place of establishment of the issuer (or guarantor)	<ul style="list-style-type: none"> • European Economic Area (EEA)¹⁾ 	<ul style="list-style-type: none"> • Euro area
Location of asset	<ul style="list-style-type: none"> • Euro area 	<ul style="list-style-type: none"> • Euro area
Currency	<ul style="list-style-type: none"> • Euro 	<ul style="list-style-type: none"> • Euro
Memorandum item: Cross-border use	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes

Adapted from: "The single monetary policy in Stage Three: General documentation on Eurosystem monetary policy instruments and procedures" published by the ECB in November 2000.

1) The requirement that the issuing entity be established in the EEA does not apply to international and supranational institutions.

Box I

The risk control measures of the Eurosystem

All collateral is subject to specific measures aiming to protect the Eurosystem against the risk of financial loss in the event that underlying assets have to be realised owing to the default of a counterparty. In order to cover *credit risk*, the assets put forward as collateral must meet high credit standards. Among other criteria, available credit ratings by market agencies, as well as certain institutional criteria ensuring a particularly high level of protection of the asset holder, are taken into account. To cover *market risk* (arising from the fact that the value of collateral can change during the life of the credit operation), some measures have been defined on the basis of market practices. These consist of:

- *initial margins*: these correspond to a certain percentage of the amount of liquidity provided, i.e. 1% for intraday and overnight transactions and 2% for transactions with a maturity of more than one business day;
- *specific valuation haircuts*: these are differentiated according to residual maturity and coupon structure and, for tier two assets, the liquidity characteristics of the assets; and
- *margin calls*: these are aimed at ensuring over time that the valuation of the underlying asset matches the amount of liquidity provided plus the value of the initial margin.

In addition, the Eurosystem may apply limits to its exposure, require additional guarantees, or exclude certain assets from use in its credit operations. For tier two assets, risk control measures complementing the initial margins are proposed by those NCBs that have included such assets in their lists. These assets need to be approved by the ECB. The Eurosystem seeks to ensure consistency in the application of the risk control measures for tier two assets across the euro area.¹

A review of the risk control measures took place in 2000. This review, which did not result in changes in policy vis-à-vis eligible assets, aimed to make the large range of existing haircuts for tier two assets more homogeneous. The review also aimed to facilitate the necessary checking procedures by the Eurosystem and to enhance the transparency of the risk control framework. Furthermore, it introduced a consistent methodology to measure *liquidity risk* (arising from the differing liquidity of the assets and the time needed to liquidate them). Four groups of instruments with relatively homogeneous liquidity characteristics were identified within tier two, and consistent valuation haircuts were applied to them:

- a) *equities*;
- b) *marketable debt instruments with limited liquidity*: the majority of the tier two assets fall into this category; although there may be some differences in the degree of liquidity, the assets in this category are broadly similar in that they have a small secondary market, prices may not be quoted daily and normal-sized trades can generate price effects;
- c) *debt instruments with restricted liquidity and special features*: these are assets which, while enjoying some aspects of marketability, require extra time to be liquidated in the market; this is the case for assets which are generally non-marketable but have special features that introduce some marketability, including market auction procedures (if there is a need to liquidate the assets) and a daily price valuation; and
- d) *non-marketable debt instruments*: these instruments are in practice non-marketable and therefore have little or no liquidity.

¹ A detailed description of the risk control measures can be found in "The single monetary policy in Stage Three: General documentation on Eurosystem monetary policy instruments and procedures" published by the ECB in November 2000.

With a view to promoting simplicity and an efficient use of eligible assets, it was decided that the eligibility criteria would be the same for both payment system and monetary policy operations.¹ This was expected to simplify operational procedures for counterparties, the Eurosystem and SSSs, in particular if intraday credit needed to be extended overnight.

All eligible assets are subject to specific risk control measures (see Box 1).

To promote the further integration of EU financial markets and the principle of equal treatment of counterparties, a mechanism named the correspondent central banking model (CCBM) was launched at the start of Stage Three to enable cross-border use of collateral in the settlement of all types of operations in which the Eurosystem provides liquidity. The CCBM can, in principle, be used for all eligible assets, as specific solutions are foreseen for non-marketable assets or tier two assets with restricted liquidity and special features that cannot be transferred through an SSS.

The CCBM was implemented as an interim mechanism, since it was expected that the market would implement alternative solutions among SSSs. The market is indeed achieving some progress in this respect. One of these solutions is the establishment of "links" between SSSs, approved by the ECB, to allow the smooth and efficient cross-border transfer of collateral, by mobilising securities between systems through a book-entry process. However, at present, the CCBM remains the preferred channel for cross-border securities settlement, covering more than 80% of the volume of assets used on a cross-border basis in the credit operations of the Eurosystem. It should be noted that the CCBM can only be used to collateralise credit operations of the European System of

Central Banks (ESCB). Other arrangements provided by the market have to be used for cross-border transactions that do not involve the ESCB. Currently, such alternative arrangements exist only for assets transferable by book entry.

In order to identify the assets potentially eligible as collateral, the Eurosystem has established a specific procedure. According to this procedure, the NCBs are responsible for submitting information to the ECB on assets listed in their respective national markets. Procedures for managing and publishing the complete list of assets eligible for credit operations are centralised at the ECB, where an eligible assets database is maintained. The collateral management procedures foresee that data be collected with a weekly frequency and be made accessible to all interested parties. In the light of the high update frequency and the potentially very high number of recipients of the list, it was decided that the most efficient method to ensure wide circulation would be to publish the list on the internet. The list of eligible assets is accessible to the public on the ECB's website (www.ecb.int). The solution to publish the list of eligible assets on the internet was innovative at the time it was conceived, and it has withstood the test of time and proved to be efficient. Preparations are under way to improve the efficiency of the update procedure and increase the update frequency.

¹ The only exception is that, in addition to the list of eligible assets published on its website, the ECB may authorise NCBs to grant intraday credit for payment system purposes against certain types of debt instruments which are considered eligible for intraday credit by non-participating EU central banks (so-called "out collateral"). Such out collateral has to be: 1) located in EEA countries outside the euro area; 2) issued by entities established in EEA countries outside the euro area; and 3) denominated in EEA currencies (or other widely traded currencies). Within the euro area, the use of these debt instruments is limited to intraday credit operations, and they may not be used on a cross-border basis. To date, certain Danish, Swedish and UK assets have been made eligible as out collateral.

2 Availability and use of collateral

Eligible collateral

The collateral eligible for Eurosystem credit operations encompasses a very broad spectrum of high-quality assets denominated in euro, issued (or guaranteed) by entities established in the EEA for tier one assets, or in the euro area for tier two assets. A substantial part of tier one (which comprises debt instruments only) is made up of general government bonds, i.e. assets issued by central, regional and local governments. Securities issued by central governments typically have a high outstanding amount, large issue size and turnover and low trading spreads. They are quantitatively the most abundant source of eligible collateral in almost all euro area countries. Regional and local government securities in the different countries display differing degrees of liquidity, but are in general less liquid than central government bonds. Other types of assets included in tier one are securities issued by international and supranational institutions.

In tier one, private sector securities include asset-backed bonds, uncovered credit institution bonds and bonds issued by corporates. A substantial share of asset-backed bonds is made up of Pfandbrief-type securities backed by residential mortgages or by public sector debt. These, unlike other asset-backed securities, are issued directly by

specialised credit institutions rather than through special purpose vehicles.² Historically originating in German and Austrian markets, assets similar to “Pfandbriefe” have also been introduced or have experienced growth in issuance in recent years in other euro area countries (for example, “Obligations Foncières” in France and “Cédulas Hipotecarias” in Spain).

Outstanding amounts of uncovered credit institution bonds are large in some countries, but turnover is generally low compared with government bonds or certain Pfandbrief-type products (such as the so-called “Jumbo” issues). For corporate bonds, the issue size is normally smaller than for other types of issuers in many euro area countries and the available data show that turnover is substantially lower than for government bonds. Lastly, tier one also includes negligible amounts of debt certificates issued by some NCBs prior to Stage Three, which are gradually maturing. The ECB has so far not issued any debt certificates.

Most NCBs have proposed assets for inclusion in tier two. The assets range from credit institution bonds to corporate commercial paper, medium-term notes,

² A special purpose vehicle is a legal entity set up to acquire and hold certain assets on its balance sheet and to issue securities backed by those assets, to be sold to third parties.

Table 2
Main categories of eligible assets for Eurosystem credit operations

Type of asset	Tier one (EEA)	Tier two (euro area)
Marketable	<ul style="list-style-type: none"> • ECB debt certificates (at present not issued) • Debt issued by foreign and supranational institutions • Central, regional and local government securities • Uncovered credit institution bonds • Pfandbrief-type securities • Corporate bonds 	<ul style="list-style-type: none"> • Central, regional and local government securities • Credit institution bonds • Corporate bonds • Certificates of deposit • Medium-term notes • Commercial paper • Equities • Marketable private claims
Non-marketable	None	<ul style="list-style-type: none"> • Bank loans • Mortgage-backed promissory notes • Trade bills

regional government bonds and equities. Except for this last category, the liquidity and market depth of tier two assets are generally lower compared with tier one collateral. Many of these assets are not listed or traded on a regulated market, but are traded over the counter. In Spain, the Netherlands and Portugal, tier two also includes the most liquid shares of non-financial companies listed on the national stock exchanges.

Some NCBs have also included non-marketable debt instruments in tier two, including bank loans, trade bills and mortgage-backed promissory notes. The total amount of eligible non-marketable assets is not available. However, the amount of non-marketable assets actually used by counterparties is available and is generally low (see the next section on "Use of collateral").

The total amount of marketable assets eligible as collateral for Eurosystem credit operations increased from approximately €5.6 trillion to €6.3 trillion (i.e. by about 13%) between January 1999 and December 2000. A very large proportion of marketable eligible assets (almost 94% as at December 2000) was composed of tier one assets, while the remaining 6% was marketable tier two assets. This proportion did not change significantly over the period under review, even though, in the last quarter of 2000, a reduction in the share of tier two assets was experienced owing to a decrease in the number of eligible equities and a fall in their market value.

As the figures above indicate, a large amount of securities is potentially available to counterparties for Eurosystem credit operations. However, the actual amount of assets held by credit institutions is but a minor part of the total eligible assets, since assets are also held by other economic agents. According to a rough estimate by the Eurosystem in mid-2000, about one-third (i.e. around €2 trillion) of all eligible collateral was held by credit institutions in the euro area, with the situation in individual countries deviating, sometimes substantially, from the

average. In addition, only part of the collateral held by counterparties can be readily used for ESCB credit operations, as the rest is needed by them for trading and client relationships, including proprietary trading, arbitrage, securities lending operations and participation in repo markets. The actual amount of collateral held by counterparties is a function of the banks' balance sheet structures, which, in turn, is connected to the financial structure of the individual euro area countries.

The differences in available collateral between counterparties also reflect differences in the level of development reached by financial markets in the individual euro area countries, such as the degree of development of private securities markets and of the legal frameworks for securitisation. The initial differences in availability appear to be diminishing, partly thanks to the significant growth in the cross-border use of collateral and partly to increased issuance in the euro area market, spurred by the introduction of the euro.

As at December 2000, government and credit institution bonds constituted the bulk of tier one assets (respectively 62% and 33%). The share of corporate securities grew significantly, but from a low level (from 3% in January 1999 to 5% in December 2000). Marketable tier two assets are composed mainly of assets issued by the non-financial sector (as at December 2000, these amounted to 83%, of which equities represented 63% and corporate bonds 20%) and by the financial sector (17%) (see Charts 1 and 2).

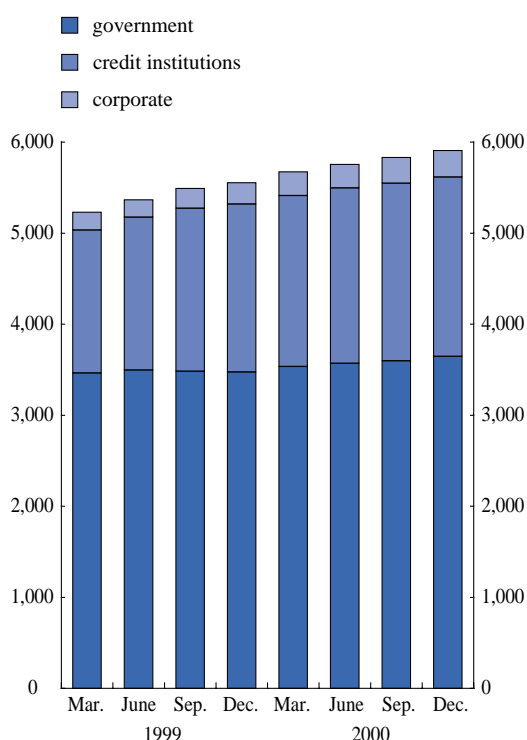
In terms of the breakdown by *issuer*, in December 2000 government securities represented 58% of all eligible assets, down from 61% in January 1999. The reduction in the relative share of government securities (which are virtually all included in tier one) compared with securities issued by private institutions took place because of the strong growth in the amount of non-government debt and a slower increase in issuance by

euro area governments. The share of securities issued by credit institutions rose to 32%, up from 29% in January 1999 (with only 1% of these assets being tier two).

The remaining 10% of all eligible assets were issued by non-financial corporations; their share did not change over the period, because the strong increase in the amount of eligible corporate debt instruments was offset by a decline (from 6.0% to 4.0%) in the proportion of eligible equities. The rapid growth in debt instruments issued by the corporate sector can be attributed to a number of mutually reinforcing factors: increasing financing needs of the corporate sector on account of mergers and acquisitions; improved market conditions and a wider investor base (partly owing to the introduction of the euro), which prompted direct issuance in the markets; increased competition in the European business sector, which seems to have focused

Chart 1
Tier one eligible assets for Eurosystem credit operations

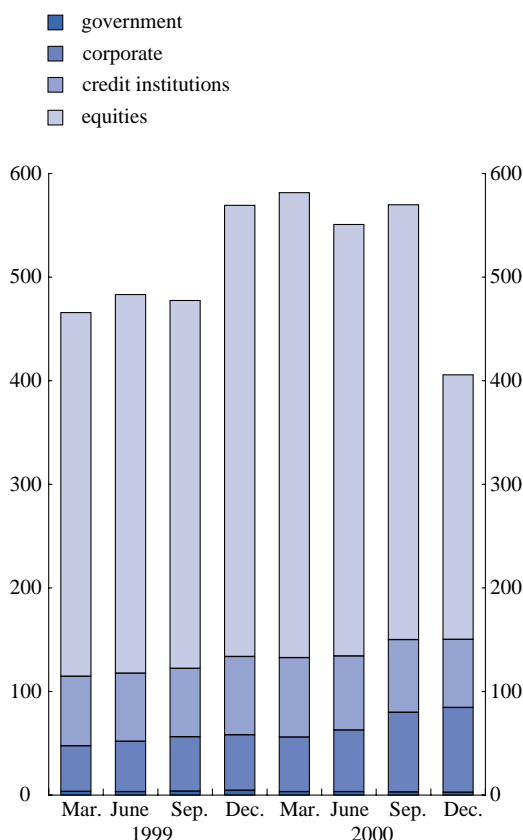
(EUR billions; end-of-month data)



Source: ECB.

Chart 2
Marketable tier two eligible assets for Eurosystem credit operations

(EUR billions; end-of-month data)



Source: ECB.

attention on the financial structure of firms; and the reduced appetite of banks for direct financing as they attempt to use balance sheets more efficiently and focus more on shareholder value.

Use of collateral

NCBs operate their systems for collateral management using either pooling or earmarking arrangements, or a combination of both. Under the *earmarking system*, each and every asset put forward (including pre-deposited assets) by a counterparty to the relevant central bank is specifically associated with a certain amount of credit obtained from the Eurosystem. In *pooling systems*, it is the pool as a whole, and not the specific assets,

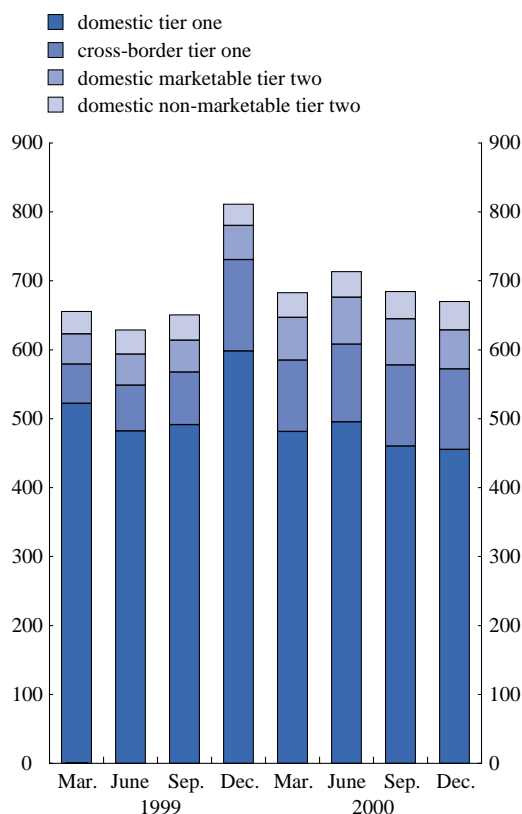
that secures all of the credit extended to a counterparty.

In the light of the differences between pooling and earmarking systems, it should be borne in mind that a caveat applies to the analysis of data on the use of collateral. In earmarking systems, there is a direct relationship between a credit operation and the actual assets collateralising it. By contrast, for pooling, no direct inferences about the collateral actually used by a counterparty can be made by analysing the structure of the pool; in the analysis presented in this article the assets in the pool are taken as a proxy for the collateral used by a counterparty.³

The average total amount of collateral used by counterparties to collateralise Eurosystem

Chart 3
Use of collateral in Eurosystem credit operations

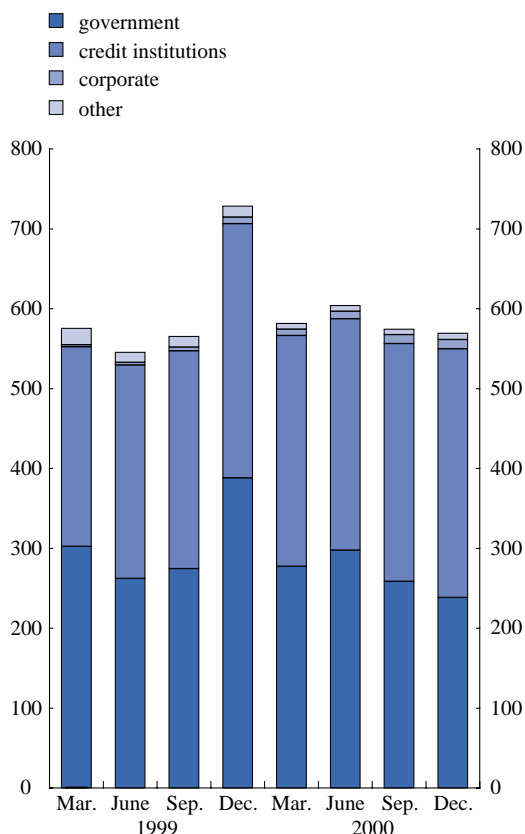
(EUR billions; end-of-month data)



Source: ECB.

Chart 4
Use of collateral in Eurosystem credit operations: tier one

(EUR billions; end-of-month data)



Source: ECB.

credit operations, taking into account both monetary policy and payment system operations, decreased slightly in 2000 compared with 1999, from €658 billion to €622 billion. This means that the amount of collateral used by counterparties was, on average, slightly more than one-tenth of the total volume of eligible assets and about one-third of the amount estimated to be held by counterparties. A peak in the total amount of collateral deposited or put forward for Eurosystem credit operations was reached in December 1999 (at €791 billion); this is explained by the build-up of assets by counterparties in anticipation of possible

³ However, it should be noted that using the pooled collateral as a proxy for the collateral used gives an upward bias to the estimate of the use of collateral, since in pooling systems more collateral is deposited than actually needed for credit operations with the Eurosystem.

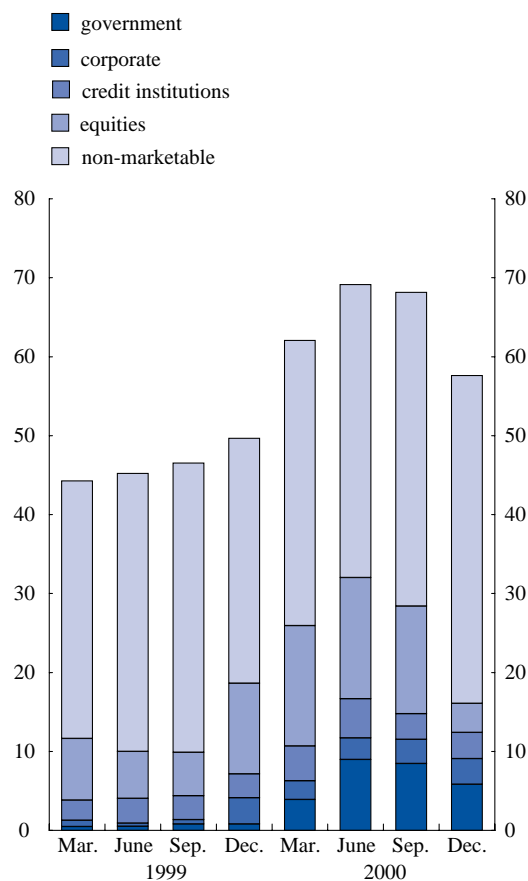
problems arising from the changeover to the year 2000 and the resulting need to access central bank money. A retrenchment then took place in the initial months of 2000.

A first conclusion, reached by comparing the use of collateral with data on the outstanding amounts of eligible assets, is that proportionately more tier one than tier two assets were used compared with the proportions of eligible tier one and tier two assets in order to secure credit operations at the start of Stage Three. However, the use of tier two assets steadily increased in the following months; whereas the share of tier one assets in the total outstanding amount of eligible assets increased from 92% to 94% in the period under review, the use of tier one

Chart 5

Use of collateral in Eurosystem credit operations: tier two

(EUR billions; end-of-month data)

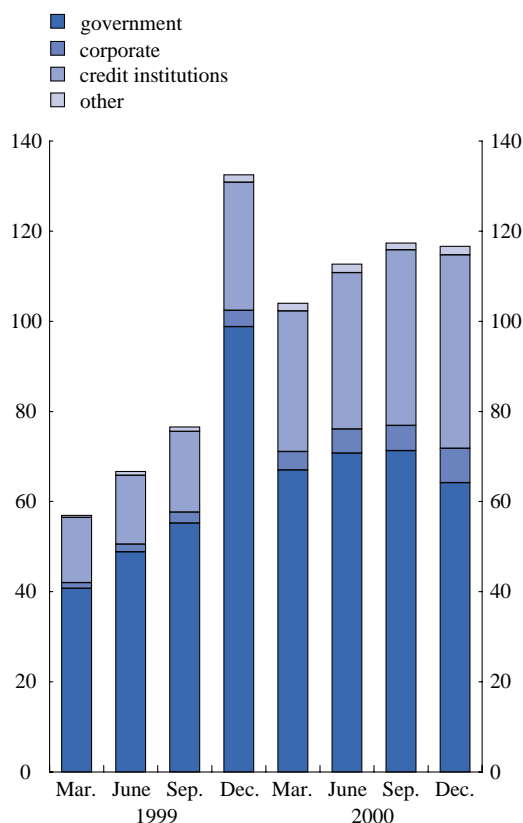


Source: ECB.

Chart 6

Use of collateral in Eurosystem credit operations: cross-border tier one

(EUR billions; end-of-month data)



Source: ECB.

assets decreased gradually from 94% to 91% of all assets used in the same period. In fact, in some countries a steady trend towards an increase in the use of marketable and non-marketable tier two assets has been observed. This trend may suggest a lower opportunity cost for using these assets than for more liquid tier one assets. As a matter of fact, with the exception of equities, most marketable securities included in tier two are not actively traded on secondary markets and their liquidity is low.

A second conclusion is that, similar to the trend recorded for eligible assets, a change occurred in the composition of assets used: the proportion of central and local government bonds (of both tiers) decreased steadily (from 49% to 39%), whereas the proportion of bonds issued by credit

institutions increased (from 42% to 50%), as did that of corporate bonds (from 2% to 3%). It is interesting to note that, in the same period, the proportion of non-marketable assets used also increased (from 4% to 7%, see Chart 3). A third conclusion is that, despite their declining share, government bonds remained the biggest category of eligible assets, while credit institution assets became the biggest category for used collateral in the period under review (see Charts 4 and 5).

Although in most countries predominantly domestic collateral was used for securing central bank credit, the cross-border use of collateral

grew steadily over the period under review. This was particularly the case in the course of 1999: assets used on a cross-border basis represented 8% of all assets used at the start of Stage Three, but climbed rapidly to over 21% at the end of 1999. A more stable development was then observed in 2000, when cross-border use oscillated around 18%, reaching a peak of 20% in December. Nearly all collateral used on a cross-border basis is tier one, which confirms the notion that tier two assets are mainly of national importance and/or, particularly in the case of non-marketable assets, their cross-border use may be seen as operationally too complex or costly (see Chart 6).

3 Challenges ahead for the collateral frameworks of central banks

Financial markets are undergoing rapid structural change. Against this background, the European Central Bank (ECB), as well as central banks outside the euro area such as the US Federal Reserve System and the Bank of Japan, face several challenges regarding their collateral frameworks.

The composition of the available pool of collateral in fixed income markets is changing. Government bonds are becoming scarcer in most industrialised countries. This development is most pronounced in the United States. The US Government posted its first budget surplus in 1998 and surpluses have continued to grow larger since. As a result, in the United States, privately held marketable Treasury debt is shrinking fast. Public finances in the euro area have also partially improved. Against this background, the outstanding amount of marketable government securities has been stagnating or increasing only slowly. The only exception is Japan, which has posted large fiscal deficits in recent years, meaning that the Japanese government bond market is expanding rapidly.

At the same time, recent years have seen high growth in private securities markets. Corporate issuance grew rapidly in the late 1990s. Euro-denominated corporate issuance

grew particularly noticeably in the months following the introduction of the euro, although starting from a very low level. Financial sector issuance broadly kept pace with corporate issuance, owing to a large extent to the expansion of the collateralised debt market.

As a consequence, especially in the United States but also in Europe, the market share of central governments in debt securities outstanding is decreasing, while that of the private sector is increasing. Even in Japan, where the share of the central government in debt securities markets rose considerably, the stock of yen-denominated private debt securities expanded, albeit moderately. These changes in the composition of the available pool of collateral will also affect the collateral policy of central banks. Central government securities will play a less predominant role in the collateral frameworks, whereas the acceptance of private issues as eligible collateral will increase.

However, broadening the range of eligible assets implies a changing overall risk profile. Government bonds have traditionally been preferred by central banks because of their low credit risk and high liquidity, allowing relatively simple risk control measures,

concentrated mainly on market risk. By contrast, with a growing proportion of private sector paper, the assessment of credit quality becomes increasingly complex and important. Moreover, private securities may have a higher price volatility and lower liquidity, which could imply difficulties in liquidating the assets in adverse market conditions. Consequently, not only market risk but also credit risk and liquidity factors need to be taken into account in the design of protective devices such as valuation haircuts to ensure an adequate degree of financial protection for the central bank.

Against this background, central banks face a trade-off in their collateral policy. On the one hand, the range of assets which can be used as collateral should be broad enough to ensure that sufficient instruments are available to collateralise the credit operations with the central bank. On the other hand, a heterogeneous list of eligible assets may conflict with the desire for operational efficiency and simplicity. The more heterogeneous the types of assets accepted as collateral, the more complex the eligibility criteria, risk control measures, collateral evaluation methods and operational handling by the central bank, counterparties and SSSs may be. For the same reasons, it may be more difficult to keep the collateral framework transparent to counterparties.

In the context of their collateral policies, central banks place varying emphasis on operational efficiency and simplicity on the one hand, and securing the availability of sufficient collateral on the other. For the Federal Reserve System, direct Treasury obligations and securities of federal agencies have so far been used to collateralise open market operations (for a more detailed description, see Box 2). This has facilitated a smooth, safe and speedy handling of collateral by the Federal Reserve System as well as by counterparties and SSSs. For discount window borrowing, a much broader range of assets is accepted. However, borrowing under the discount window accounts for a

negligible share of the overall amount of outstanding monetary policy operations.

The collateral policy of the Bank of Japan is largely determined by the need to secure the availability of sufficient collateral (see Box 2 for more details). This is due to the fact that the amount of collateral needed for monetary policy operations may be large as a result of the high volatility of autonomous factors. In addition, collateral requirements for payment system purposes are higher than in the case of the Federal Reserve System, since the Bank of Japan, like the Eurosystem, grants intraday credit only on a collateralised basis. Furthermore, the Bank of Japan has to spread its open market operations over several markets to avoid undue market effects, since its operations are larger, in particular in relation to the size of the markets, than in the United States. Therefore, a broad range of both public and private sector instruments, including relatively illiquid instruments, are eligible for market operations with the Bank of Japan, which makes the collateral framework more complex from an operational standpoint.

The collateral framework of the Eurosystem is, in practice, more homogeneous than that of the Bank of Japan, since the majority of collateral is concentrated in tier one, which comprises relatively homogeneous asset categories. Therefore, for a large part of the eligible assets, relatively simple risk control measures, evaluation methods and transfer conditions are in place.

The three central banks face different challenges regarding their collateral policy in the coming years.

The Federal Reserve System is confronted with a potential scarcity of its preferred collateral. Since 1981, it has used outright purchases of Treasury securities as a primary means of accommodating permanent increases in the demand for central bank liquidity. However, the reduced supply of marketable federal debt is likely to limit the Federal Reserve System's

Box 2

The collateral frameworks of the Federal Reserve System and the Bank of Japan

The collateral framework of the Federal Reserve System

In principle, the Federal Reserve Act allows a broad range of assets to be used in open market operations. However, currently, the Federal Open Market Committee (FOMC) authorises the Open Market Desk to transact only in Treasury and agency debt.

The volume, liquidity and transparency of the market for US Treasury securities has permitted the Federal Reserve System to use these low risk assets almost exclusively in its outright transactions and, therefore, also to maintain sufficient liquidity and minimise any impact on credit allocation within the private sector. At the end of 2000, securities held outright by the Federal Reserve System amounted to USD 533 billion.

Under repurchase agreements, both Treasury and agency debt have been eligible as collateral. Since August 1999, the FOMC has expanded temporarily the list of eligible securities to allow also agency mortgage-backed securities to be used as collateral in repurchase operations. A binding operational constraint for the Federal Reserve System is that there should be a liquid repo market for the assets eligible for its repurchase operations. The existence of such a market helps to explain why these securities have been used as collateral in repurchase operations. At the end of 2000, outstanding repurchase operations amounted to USD 43 billion.

Much broader collateral requirements apply to the discount window, operated by the 12 regional Federal Reserve Banks. Under this facility, funding is provided at below market rates to meet temporary liquidity shortages at the discretion of the respective Federal Reserve Bank. Common eligibility criteria ensure the uniformity of the collateral policy throughout the System. The range of accepted assets includes not only public debt instruments, but also private debt instruments, both marketable and non-marketable, as well as debt securities of foreign governments and international agencies, denominated also in currencies other than the US dollar. However, in practice, this facility is used only infrequently and for low amounts. At the end of 2000, the discount window loans amounted to only USD 0.1 billion.

Another key feature of the collateral framework of the Federal Reserve System is that it does not require collateral for intraday credit granted under Fedwire, the payment system operated by the Federal Reserve System. Instead, to limit recourse to intraday overdrafts, banks are charged a fee and a penalty rate is applied to end-of-day overdrafts. The Federal Reserve System's policies governing intraday overdrafts are currently undergoing a comprehensive review. It cannot be said at this point whether or not there will be changes to these policies.

As regards risk control measures, valuation haircuts are applied to collateral accepted under repurchase agreements, controlling mainly market risk. In the case of collateral accepted under the discount window facility, the haircut valuation also incorporates credit risk and liquidity factors, to cater for possible differences in the liquidation periods associated with each asset class.

The collateral framework of the Bank of Japan

The collateral policy of the Bank of Japan faces two constraints:

- 1 *The need to secure sufficient collateral.* Collateral needs for monetary policy operations can be very high in Japan owing to the high volatility of autonomous factors. In 2000, the outstanding amount of open market operations reached a peak of almost €450 billion. Collateral requirements have further increased this year owing to the introduction of a real-time gross settlement (RTGS) system for the settlement of funds transfers across current accounts held at the Bank of Japan.

2 *The need to comply with the principle of market neutrality.* The Bank of Japan conducts its open market operations directly in the market. Like the Federal Reserve System, it does not want to influence the interest rate or price conditions in the markets in which it operates. Since liquidity needs can be very large, the Bank of Japan has to spread its open market operations over a broad spectrum of markets to limit the impact on market prices and interest rates.

As a consequence, the Bank of Japan employs a large variety of open market instruments and accepts a broad range of eligible assets, differentiated according to the type of operation. To enhance efficiency in the use of collateral and transparency regarding the selection criteria, it has recently established guidelines on eligible collateral.

The main categories of assets accepted by the Bank of Japan are:

- Treasury bills/financing bills (TBs, FBs), under repurchase agreements and for outright transactions;
- Japanese government bonds (JGBs), under repurchase agreements and for outright transactions;
- commercial paper, only under repurchase agreements; and
- purchases of master bills backed by eligible assets of various types, including non-marketable commercial bills and bank loans.

These types of collateral are also eligible for intraday overdraft facilities granted by the Bank of Japan.

In the case of collateral other than public debt, the Bank of Japan assesses the credit risk. With respect to corporate debt obligations, the creditworthiness of borrowers is evaluated by the Bank's in-house assessment system, for which guidelines have also been drawn up. In addition, the Bank may make use of ratings provided by rating agencies.

In line with market practice, no haircuts are applied to repurchase transactions in TBs/FBs and commercial paper. However, all other assets accepted in repurchase transactions and backing purchases of master bills are subject to valuation haircuts, tailored to individual asset categories. They incorporate market risk and, in the case of non-government securities, also credit risk and liquidity factors.

In March 2001, the Bank of Japan introduced a lending facility under which overnight loans are extended to counterparties upon request at a rate above the target overnight rate. These loans can be backed by the same range of eligible assets as those accepted for the various open market operations.

ability to add substantially to its Treasury holdings, even on a temporary basis, if it wishes to avoid exacerbating declines in market liquidity. The Federal Reserve System recently adopted self-imposed limits on its outright holdings of individual issues, which will, sooner or later, curb its ability to expand its Treasury debt portfolio. The Federal Reserve System has therefore announced that it is reviewing its collateral policy and considering alternative asset classes and selection criteria, in particular for its repurchase transactions.

The Bank of Japan has taken into account, as illustrated above, its large collateral needs for monetary policy and payment system operations by accepting a diverse range of asset categories. However, at the same time, there is a need to continuously improve the operational efficiency and transparency of such a heterogeneous collateral framework. A major concern for the Bank of Japan is also that its operations may have an undue market impact. Furthermore, it has to manage the risks stemming from the diversified range of assets that it accepts as collateral.

The collateral framework of the Eurosystem has served well the purposes for which it was designed before the start of Stage Three, allowing an effective and safe provision of liquidity to counterparties, both for monetary policy and payment system operations. It also successfully navigated the millennium date change, as it proved broad enough to cope even with substantial temporary increases in the demand for collateral. However, it will have to adapt to the rapid developments in the euro area and, in particular, to the ever closer integration in all sectors of the financial market. Moreover, a number of specific areas have been identified where operational efficiency and transparency could be improved.

Since the overall share of instruments issued by private entities is increasing relative to government issues, risk control measures have to be further developed to take into account the different risk profile of private instruments. In this context, the Eurosystem plans to adopt a more systematic treatment of liquidity risk. Currently, only the valuation haircuts applied to tier two assets take into consideration the assumed liquidation horizon.

To reflect recent developments in financial markets, the eligibility status of some

instruments has to be further clarified. Securities backed by assets other than mortgages are on the advance in Europe. However, the Eurosystem has not yet established specific eligibility standards for those instruments. It also needs to be clarified whether instruments which are guaranteed by corporates and fulfil the criterion of financial soundness should become eligible. Moreover, in view of the ongoing integration of the market infrastructure, the criterion to determine the location of an asset may have to be further refined. The eligibility of assets issued by special purpose vehicles located in offshore centres but guaranteed by an institution located in the euro area, should also be better clarified.

Furthermore, the policy on the use of credit ratings and in-house credit risk assessments needs to be continuously monitored, notably in the light of the New Basel Capital Accord on the minimum capital requirements to be met by banks to cover credit risk. The New Basel Capital Accord foresees the establishment of a list of rating agencies accepted for supervisory purposes and rules for internal credit risk assessment systems. It cannot be ruled out that these proposals may have a bearing on the Eurosystem's policies for the use of external ratings and the conduct of in-house credit risk assessments.

The introduction of euro banknotes and coins

The successful introduction of euro banknotes and coins in the euro area, which comprises around 300 million citizens, is in many respects a huge challenge. First, the launch of the euro banknotes requires an initial supply of 14.25 billion banknotes – representing a value of around €642 billion – to be available by the end of this year. The euro banknotes are currently being produced by 14 different printing works in Europe, including a number of NCB printing works. Second, the banking sector, security carriers as well as retailers and the cash-operated machine industry need to be closely involved in the preparations at an early stage, as a smooth cash changeover can only be achieved in a short period of time by systematic and co-ordinated interaction on the part of all leading actors. Third, the successful introduction of euro cash must be accompanied by an information campaign to prepare the general public and professional cash handlers in Europe for the new currency. Finally, a series of legal and organisational measures need to be taken to ensure both a successful cash changeover and smooth circulation in the future. The role of the ECB can be described as that of a central co-ordinating, controlling and monitoring body, focusing in particular on the timely production of euro banknotes and on the organisation of the changeover.

I Production of euro banknotes and coins

Multiphase lead-up to the production of more than 14 billion banknotes

Ten years will have passed between the conception and launch of the euro banknotes, for the process began back in 1992. Following the completion of the design competition in 1996, intensive work began to transform the draft designs into master printing plates (origination material). In order to check the compliance of the master printing plates with the general specifications, a pilot series was printed in 1998. The next important milestone in the lead-up to production was the approval of the technical specifications, comprising both the authentication features and all other characteristics of the euro banknotes; this approval was given at the beginning of 1999 and the production of euro banknotes started in July that year.

The volume of euro banknotes to be produced by the end of 2001 amounts to 14.25 billion, representing a value of around €642 billion. The number of banknotes includes both the launch and the logistical stocks. On top of that, the Governing Council of the ECB approved in March 2001 an additional production amounting to around 10% of the launch requirements. This central reserve arrangement is a further measure intended to contribute to a smooth cash changeover.

Monitoring and controlling the decentralised production

The decentralised production requires tight monitoring and controlling in order to ensure timely progress and banknote consistency. As each printing works determines its own production schedule, the ECB must be able to verify that the banknotes are being produced within the given time-frame. For this purpose, the ECB collects monthly information, conducts regular analyses and evaluates contingency plans.

Uniform quality of the banknotes and coins

Producing banknotes to the same quality standards at 14 printing works – using raw materials from different suppliers – is a demanding task. It is essential to ensure that the visual appearance is identical and that the performance is consistent in both banknote-sorting and banknote-accepting machines. Therefore, all the printing works have implemented a common quality management system, based on ISO 9000 quality standards.¹ The proper implementation and application of

¹ The ISO 9000 quality standards concern the organisation of a quality management system and demand the fulfilment of certain conditions covering all processes in an organisation, irrespective of the business of that organisation.

the quality system is being assessed by the ECB on the basis of detailed monthly reports and annual audits conducted at the production sites.

The euro coins, of which the Member States are the legal issuers pursuant to the Treaty establishing the European Community, are being produced in 11 countries by 15 different mints. In June 1999 the EU finance ministers, the mints and the ECB agreed on a detailed quality management system to ensure that the quality of euro coins was both high and uniform. Each mint is responsible for the quality of its own coins in accordance with common rules. The ECB acts as an independent assessor. It evaluates the monthly quality reports on the coins produced and conducts quality audits of the mints.

Protecting euro banknotes against counterfeiting

The Governing Council of the ECB has agreed upon measures for preventing counterfeiting,

for monitoring any counterfeiting activities and for assisting law enforcement authorities. First, euro banknotes will be protected against counterfeiting by the incorporation of effective authentication features, e.g. visually recognisable features – such as watermarks, which can be easily identified by the public – and machine-readable features. Second, the ECB is currently establishing a database to store technical and statistical data on counterfeit euro banknotes and coins. As an important part of the envisaged information system on euro banknote counterfeits, the Governing Council of the ECB has also decided to set up a counterfeit analysis centre. Third, measures involving Europol, Interpol and the European Commission have been taken to ensure co-ordination and an efficient flow of information in order to prevent and combat counterfeiting.

2 The logistics of the changeover to euro banknotes and coins in 2002

Changeover framework

In order to ensure a smooth cash changeover, the logistics of the 2002 cash changeover have been determined well in advance; this should allow enough time for all those concerned to make the necessary preparations. During the second half of 1999, there were intensive discussions with all those involved, which enabled finance ministers from participating Member States, in co-operation with the NCBs and in line with the views expressed by the ECB, to reach a consensus on the outline of the cash changeover as follows:

- Euro area Member States will do their best to ensure that the bulk of cash transactions can be made in euro within a fortnight of €-day, 1 January 2002.

- Euro area Member States consider that the withdrawal period, i.e. the period of dual circulation for the old and new banknotes and coins, should ideally last between four weeks and two months. Member States may facilitate the exchange of national banknotes and coins after this period.
- To provide for a sufficient quantity for circulation in the first few days of January 2002, it would be helpful if financial institutions and certain other groups, notably cash-in-transit companies and retailers, were provided with banknotes and coins some time before €-day. Member States may recall that such frontloading must not lead to euro banknotes and coins being put into circulation before 1 January 2002.

- In order to help people familiarise themselves with the new coins and to facilitate the changeover, euro area Member States agree that making limited quantities of coins available to the public on request – notably to vulnerable groups of the population – can be envisaged, but not before the second half of December 2001.

As announced on 3 August 2000, the Governing Council of the ECB has agreed on the general principles for the financial modalities of the 2002 cash changeover. The decisions were reached taking into account the major role that credit institutions will play in making the 2002 cash changeover a successful operation and relate to the following matters:

- frontloading/sub-frontloading,
- the debiting model, and
- coverage of risks.

Within this framework, the changeover plan is a national responsibility.

Frontloading/sub-frontloading: distribution of euro banknotes and coins as from 1 September 2001

The Eurosystem recognises that the shortening of the cash changeover period agreed by the ECOFIN Council will require the active frontloading of euro banknotes and coins to credit institutions and, via the latter, to certain other target groups (i.e. sub-frontloading to retailers and the cash-operated machine industry). The lead time for frontloading greatly depends on the national changeover scenario chosen, as well as on the national logistical infrastructure.

In the light of this, the Governing Council of the ECB has approved the start of frontloading and sub-frontloading of banknotes to professional target groups as from 1 September 2001. However, each NCB

is free to operate within the maximum lead time in order to meet the frontloading needs. This also implies that the lead time determined at the national level may differ between target groups as well as between banknotes and coins.

As mentioned earlier, the euro coins can be sub-frontloaded to the general public as of the second half of December 2001 and most participating countries have already decided to do this. Unlike coins, the sub-frontloading of banknotes to the general public has been ruled out by the ECB. This stance is fully in line with the view of the ECOFIN Council expressed at its informal meeting in Versailles last September. Banknotes and coins are being treated differently because of the risks and benefits associated with their early distribution. The main arguments for this different treatment are as follows:

- unlike banknotes, coins are normally put into circulation largely through retailers, therefore the sub-frontloading of coins to the general public will mitigate the risk of bottlenecks in the retail market; conversely, the major volume of banknotes will enter into circulation via ATMs;
- coins are more adaptable than banknotes because they simplify purchases and allow a customer to either pay the exact amount or to add coins to a banknote and thus to receive change in banknotes and/or high-denomination coins only;
- sub-frontloading of banknotes to the general public increases the risk of counterfeiting at a time when the public is still not fully accustomed to the euro banknote security features;
- sub-frontloading of both banknotes and coins to the general public might cause confusion, since it would not be possible to prevent consumers from using them before 1 January 2002. However, the risks associated with coin sub-frontloading seem minimal, given the low values of coins and their use as change; and

- the logistics of the introduction of coins are more complex because of their weight. This warrants sub-frontloading to the general public.

Overall, the sub-frontloading of banknotes to the general public bears more risks than benefits. Concerns expressed by retailers about holding large amounts of cash in the first few days of 2002 are, however, being taken into account. In order to address these concerns various measures are being considered and some of them have been adopted in several countries. These measures include:

- replacing higher national denominations in ATMs with lower ones at the end of 2001 so as to ensure that small amounts can be readily paid, thus reducing the need for retailers to have large cash holdings;
- dispensing lower denomination euro banknotes (i.e. €5, €10) via ATMs at the start of 2002. This measure would be very useful given that, on average in terms of transactions, around 70% of banknote withdrawals are made via ATMs;
- establishing temporary exchange points;
- making welfare payments, which in some countries are largely in cash, using lower banknote denominations; and
- conveying certain messages in the Information Campaign (e.g. encouraging the general public to minimise their cash holdings before the end of 2001 or to wait until the initial rush is over before exchanging national currency banknotes and coins at banks, to start using the euro in fiduciary form as soon as possible, and to offer the exact amount in payment wherever possible).

Debiting model

The debiting model, which is simple and easy to implement, will not interfere with the relationship between credit institutions and

their clients. In accordance with this model, euro cash frontloaded to credit institutions is to be debited, taking into account the provisional settlement dates of the first, fourth and fifth main refinancing operations in 2002 respectively. Thus one-third of the frontloaded euro cash will be debited at each of the main refinancing operations on 2, 23 and 30 January 2002.

Coverage of risks

The Governing Council has approved the scheme for the coverage of risk, which can be roughly summarised as follows:

- frontloading to credit institutions will be performed up to 31 December 2001 without collateral on the basis of an agreement whereby the ownership of the still non-legal tender will be retained by the NCBs of the Eurosystem;
- delivery of collateral from credit institutions to the NCBs of the Eurosystem will be required by the end of the last business day of 2001 for the amounts of frontloaded cash delivered by 31 December 2001 but not yet debited;
- credit institutions will have to cover the risk of loss resulting from the destruction, theft or robbery of the frontloaded cash as well as the risk of its premature use by the public; and
- sub-frontloading will be performed by credit institutions against the delivery of appropriate collateral to the NCBs.

Cash changeover outside the euro area

Every effort will be made to ensure the smooth introduction of and changeover to the new banknotes and coins, so that customers requiring euro banknotes are able to obtain them promptly and efficiently. In the light of this, it is also very important to be proactive in addressing the issue of the

international changeover and to prepare markets and the general public outside the euro area so as to minimise costs and disruptions.

As announced on 14 December 2000, the Governing Council of the ECB has adopted measures which will help to ensure the smooth changeover to euro banknotes and coins outside the euro area, as follows:

- credit institutions which are counterparties for monetary policy operations within the Eurosystem will be allowed to distribute frontloaded euro banknotes to their branches or headquarters outside the euro area, as appropriate;
- credit institutions with their main place of business inside the euro area will be allowed to sub-frontload euro banknotes to those of their subsidiaries which are also credit institutions and which are located outside the euro area, or to other credit institutions which have neither their registered office nor their head office inside the euro area; and
- branches, headquarters, subsidiaries and other credit institutions will not be allowed to sub-frontload to third parties (e.g. retailers) outside the euro area.

The financial modalities are to be applied for the frontloading/sub-frontloading as outlined above, with the exception that credit institutions will only be allowed to start distributing euro banknotes outside the euro area as from 1 December 2001.

Given the responsibility of the Eurosystem as a whole to ensure a smooth cash changeover

and owing to the critical importance of the above, it was felt necessary to make a transparent legal framework available to the public so that all those involved would be aware of the basic rules to be followed in preparation for the introduction of the euro banknotes and coins. Therefore, the Governing Council of the ECB adopted an ECB Guideline on certain provisions for the 2002 cash changeover, which was published on the ECB's website on 1 February 2001 and subsequently in the Official Journal of the European Communities.

In addition to these measures, the Eurosystem will be looking into other measures in the first half of 2001 to ensure that there is a smooth changeover to euro banknotes and coins outside the euro area.

Cash Changeover Co-ordination Committee

In respect of the cash changeover, a Eurosystem Cash Changeover Co-ordination Committee has been established comprising representatives from the ECB and the NCBs. The Committee will have overall responsibility for the co-ordination of the changeover to euro banknotes and coins until the end of February 2002. It will monitor the preparatory work carried out in relation to the issuance of, and changeover to, euro banknotes and coins and establish a Eurosystem-wide information exchange framework in the run-up to €-day and thereafter. Similar committees were established to prepare for the adoption of the euro at the beginning of 1999 and for the transition to the year 2000.

3 The Euro 2002 Information Campaign

As part of the ongoing preparations for the introduction of the new euro banknotes and coins on 1 January 2002, the Euro 2002 Information Campaign is currently under way to keep people in the euro area and beyond

informed of the developments relating to the new banknotes and coins. In particular, the campaign focuses on the appearance and the denominations of the new banknotes and coins, the security features of the banknotes,

as well as the overall changeover modalities. The campaign, approved by the Governing Council, is being run by the ECB and the NCBs. It is designed to complement the campaigns being organised by the Member States.

In order to reach as many people in the euro area as possible, the campaign uses four channels of communication:

- a Partnership Programme;
- public relations and press activities;
- a Mass Media Campaign; and
- a dedicated website.

The Partnership Programme

This is one of the cornerstones of the campaign and is open to any private or public sector organisation which is willing and able to pass on practical information about euro banknotes and coins to its staff and customers. Key sectors are the public, banking, and retail sectors, as well as travel and tourism businesses and organisations.

The Partnership Programme is being implemented at the national level by the NCBs, while the European and international elements of the programme are being co-ordinated by the ECB.

Public relations and press activities

A public relations and press programme has been established in an effort to maximise public interest in the euro banknotes and coins.

This initiative includes a series of Euro 2002 Information Campaign conferences, focusing on the euro banknotes and coins and different elements of the changeover. The first conference, which featured an address by the President of the ECB took place in Brussels

on 6 March, hosted by the Nationale Bank van België/Banque Nationale de Belgique. The second conference was hosted by the Banco de España in Madrid on 4 April, and further conferences will be organised by the other NCBs of the euro area throughout the year.

There is also an “editorial countdown” to €-day, 1 January 2002, which is based on six key dates in 2001: € -365 – 1 January 2001, € -300 – 7 March 2001, € -200 – 15 June 2001, € -100 – 23 September 2001, € -50 – 12 November 2001 and € -30 – 2 December 2001. A tailor-made media kit has been prepared for each key date and will be distributed across the euro area.

In addition to the media kits, a comprehensive information kit has just been produced for the general public.

Mass Media Campaign: the EURO. OUR money

The Mass Media Campaign will be launched in September 2001, following the unveiling of the final visual appearance of the euro banknotes and their security features. It will consist of TV commercials and print adverts. The media plan will be co-ordinated at the national level in order to make good use of the relevant media and to complement national campaigns.

In addition to the Mass Media Campaign, public information leaflets will provide more detailed information on the appearance and denominations of the euro banknotes and coins, as well as the banknote security features.

Website

The Euro 2002 Information Campaign’s dedicated website (www.euro.ecb.int) was launched in February 2001 in the 11 official languages of the European Community. The website features seven sections: Euro banknotes and coins, Information for

organisations, Getting ready for the euro, Background information, News and events, Children's zone and a restricted-access Partners' area. These sections will be updated regularly to provide the general public with comprehensive and accurate information.

Other elements

The campaign will also focus on cashiers, the educational sector, police forces, as well as target groups outside the euro area. Specific measures are being taken in relation to vulnerable sections of the population,

including collaboration with the European Blind Union, under the auspices of the Partnership Programme. As part of this collaboration, funding from the campaign budget has gone towards the production of a brochure containing information on the euro banknotes and coins and made available in three specially-adapted formats (large print, audio and Braille).

Steps are being taken to ensure that comprehensive information is also made available in both the accession countries and in other countries in which the currencies of Eurosystem countries are widely used.

4 Concluding remarks

The simultaneous exchange of banknotes and coins in 12 countries is an enormous challenge, which requires the commitment of all parties involved at the European and national levels. The production of banknotes and coins will be completed on time. The

decisions of the Governing Council of the ECB relating to the 2002 cash changeover has allowed third parties to proceed with their preparations on schedule, which will ensure that the changeover is both smooth and successful.



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 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 tables starting on page 65* (for details, see the general notes).

Conventions used in the tables

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

Euro area overview table

Summary table of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates

	M1 ¹⁾	M2 ¹⁾	M3 ¹⁾		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⁾
				3-month moving average (centred)				
	1	2	3	4	5	6	7	8
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	19.8	4.27	5.43
Q3	6.9	4.0	5.4	-	9.4	17.6	4.74	5.44
Q4	5.6	3.8	5.1	-	9.6	17.3	5.02	5.28
2000 Oct.	5.8	3.7	5.1	5.1	9.8	16.8	5.04	5.42
Nov.	5.1	3.7	5.0	5.1	9.3	16.9	5.09	5.34
Dec.	5.7	3.7	5.1	4.9	9.5	20.5	4.93	5.07
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	-	.	.	4.75	4.99
2001 Jan.	1.3	2.5	4.7	4.8	9.2	22.4	4.77	5.01
Feb.	1.8	2.7	4.7	.	8.8	.	4.76	5.02
Mar.	.	.	.	.	.	.	4.71	4.94

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	2.2	2.5	2.0	81.8	1.7	10.0
2000	2.3	5.4	3.7	3.4	5.5	83.8	.	9.0
2000 Q2	2.1	5.2	3.8	3.7	6.1	83.7	2.2	9.1
Q3	2.5	5.8	3.7	3.3	5.8	83.9	2.0	8.9
Q4	2.7	6.1	3.5	3.0	5.4	84.7	.	8.7
2000 Oct.	2.7	6.5	-	-	3.9	-	-	8.7
Nov.	2.9	6.3	-	-	4.5	-	-	8.7
Dec.	2.6	5.4	-	-	8.1	-	-	8.6
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	.	.	84.4	.	.
2001 Jan.	2.4	4.8	-	-	5.2	-	-	8.7
Feb.	2.6	4.4	-	-	.	-	-	8.7
Mar.	.	.	-	-	.	-	-	.

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 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	85.8	0.897
<i>Euro area enlargement</i>								
2001 Q1	.	.	.	.	.	91.4	88.7	0.923
2001 Jan.	-7.1	-1.9	-4.5	-45.5	386.0	91.7	89.0	0.938
Feb.	.	.	.	.	384.3	91.0	88.4	0.922
Mar.	.	.	.	.	.	91.4	88.6	0.910

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 10 Nov.	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 Mar.	118,612	261,032	21,542	5,612	237,017	182,000	54,999	0
9	118,612	260,395	21,156	5,831	225,058	169,999	54,999	0
16	118,612	257,433	21,235	5,824	249,571	194,000	54,999	0
23	118,612	256,078	23,197	5,791	241,408	186,000	54,999	0
30	118,464	271,583	20,123	5,410	244,282	184,999	59,102	0
6 Apr.	118,464	269,050	21,952	5,335	227,143	167,984	59,102	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 10 Nov.	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
2 Mar.	355,137	118,928	118,887	41	0	0	0	7,584	3,784
9	355,046	110,334	110,292	42	0	0	0	7,602	3,784
16	352,886	127,324	126,675	648	0	0	1	7,601	3,784
23	350,384	113,375	108,462	4,912	0	0	1	7,414	3,784
30	351,685	126,879	126,738	141	0	0	0	6,116	3,784
6 Apr.	356,089	119,056	118,997	59	0	0	0	6,065	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 ³⁾	Securities of euro area residents in euro	General government debt in euro	Other assets	Total	
							9	10	11	12	13	14	15	16
0	18	34	365	26,069	58,762	86,361	821,918	2000 10 Nov.
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
0	7	11	820	27,555	70,207	89,142	831,539	2 Mar.
0	17	43	822	27,368	70,207	88,741	818,190	9
0	524	48	503	27,363	70,207	89,364	840,112	16
0	348	61	318	27,428	70,211	89,734	832,777	23
0	128	53	554	27,880	70,211	89,452	847,959	30
0	9	48	431	27,880	70,211	88,643	829,109	6 Apr.

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
54,257	9,888	864	11,988	7,077	65,846	144,152	55,145	821,918	2000 10 Nov.
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
57,893	9,787	4,981	13,138	7,168	78,447	119,274	55,418	831,539	2 Mar.
53,188	9,841	4,936	12,450	7,168	79,148	119,274	55,419	818,190	9
61,006	10,653	4,902	9,896	7,168	79,265	119,274	56,353	840,112	16
69,459	9,972	4,795	11,110	7,168	79,689	119,274	56,353	832,777	23
60,504	8,542	3,772	12,978	6,984	82,491	126,268	57,956	847,959	30
53,735	8,328	3,796	12,767	6,984	73,302	126,268	58,935	829,109	6 Apr.

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 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
7 Mar.	189,927	143,000	-	4.75	4.76	4.77	14
14	130,260	51,000	-	4.75	4.77	4.78	14
21	182,057	135,000	-	4.75	4.77	4.78	14
28	57,526	50,000	-	4.75	4.75	4.75	14
4 Apr.	129,101	118,000	-	4.75	4.75	4.75	15
11	24,949	24,949	-	4.75	4.75	4.75	14

2. Longer-term refinancing operations

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders		Running for (...) days
			Fixed rate	Marginal rate ³⁾	Weighted average rate	
	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
29	38,169	19,101	-	4.47	4.50	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 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.	10,164.2	5,712.6	139.2	196.7	1,275.6	574.6	2,265.6
Feb. ⁴⁾	10,245.5	5,725.3	145.0	201.0	1,284.4	596.9	2,292.9

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 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 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.	120.1	120.6	0.5	0.0	4.76
Mar.	120.4	120.9	0.5	0.0	4.77
Apr. ⁴⁾	120.9	-	-	-	-

Source: ECB.

- 1) This table contains full data for completed maintenance periods and required reserves for the current maintenance period.
- 2) The amount of reserve requirement of each individual credit institution is first calculated by applying the reserve ratio for the corresponding categories of liabilities to the eligible liabilities, using the balance sheet data as at the end of each calendar month; subsequently, each credit institution deducts from this figure a lump-sum allowance of EUR 100,000. The resulting reserve requirements are then aggregated at the euro area level.
- 3) Aggregate average daily holdings of credit institutions required to hold a positive amount of reserves on their reserve accounts over the maintenance period.
- 4) Average actual reserve holdings over the maintenance period in excess of the required reserves, computed on the basis of those credit institutions that have fulfilled the reserve requirement.
- 5) Average shortfalls of actual reserve holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled the reserve requirement.
- 6) This rate equals the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's main refinancing operations (see Table 1.3).
- 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	114.1	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
Mar.	375.6	185.2	54.1	0.4	0.0	0.5	0.0	353.0	53.0	87.7	121.0	474.5

Source: ECB.

- 1) The banking system's liquidity position is defined as the current account holdings in euro of credit institutions in the euro area with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem.
- 2) 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-remaining 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	620.1	599.5	20.4	0.2	94.0	1.5	91.9	0.6	8.1	4.0	4.1	427.3	9.3	52.5	1,211.4
Q2	807.8	787.2	20.4	0.2	92.4	1.5	90.0	0.9	8.7	4.4	4.3	498.6	9.7	47.4	1,464.5
Q3	471.7	451.1	20.4	0.2	92.4	1.4	89.9	1.1	8.7	4.3	4.4	427.9	9.8	48.2	1,058.8
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 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.	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	54.0	975.6
Feb. ^(a)	398.8	371.0	27.2	0.6	104.2	2.5	100.5	1.2	14.9	4.6	10.3	386.2	10.4	54.8	969.5

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
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	561.0	498.1	54.4	8.5	4.9	5.3	138.0	97.9	55.8	1,211.4
Q2	356.1	743.2	691.3	43.1	8.9	4.9	5.3	140.7	171.4	43.0	1,464.5
Q3	359.7	405.3	347.7	50.1	7.6	3.3	5.3	146.3	88.8	50.1	1,058.8
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 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.	373.1	313.3	250.9	51.5	10.9	0.0	4.5	197.2	30.6	56.9	975.6
Feb. ^(a)	370.6	313.1	249.7	52.0	11.4	0.0	4.5	194.5	27.9	58.9	969.5

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	MFIs			Money market paper	Holdings of shares/other equity issued by euro area residents	Other euro area residents		External assets	Fixed assets	Remaining assets	Total
	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 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	939.1	1,020.6	263.1	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	937.0	1,017.3	262.3	157.8	597.7	151.2	446.5	2,066.2	297.7	1,048.9	16,786.7
Dec.	10,413.7	3,507.7	817.6	6,088.4	2,187.6	931.7	992.8	263.2	145.9	617.9	164.3	453.6	2,003.4	299.9	1,033.5	16,701.9
<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.	10,566.1	3,556.7	829.9	6,179.5	2,249.2	936.1	1,043.9	269.2	156.0	641.3	171.0	470.3	2,049.9	304.9	1,042.8	17,010.3
Feb. ^(p)	10,631.3	3,611.4	821.7	6,198.3	2,283.3	956.2	1,050.3	276.8	157.9	649.8	172.3	477.5	2,071.3	306.4	1,044.9	17,144.9

2. Liabilities

	Currency in circulation	Deposits of euro area residents	MFIs	Central government	Other general government/other euro area residents	Money market				Debt securities issued	Money market paper	Capital and reserves	External liabilities	Remaining liabilities	Total	
						Overnight	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 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	9,049.0	3,669.0	117.6	5,262.3	1,649.3	2,159.3	1,278.2	175.6	393.9	2,571.9	261.6	923.9	2,114.2	1,387.4	16,701.9
<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.	0.0	9,138.9	3,679.3	96.1	5,363.5	1,607.7	2,210.1	1,330.7	215.0	409.0	2,603.3	274.0	953.2	2,226.7	1,405.0	17,010.3
Feb. ^(p)	0.0	9,184.8	3,712.9	100.0	5,371.9	1,609.2	2,221.8	1,324.1	216.7	423.2	2,637.0	273.4	957.8	2,237.8	1,430.9	17,144.9

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

	Assets						External assets ³⁾	Fixed assets	Remaining assets	Total	
	Loans to euro area residents	General government	Other euro area residents	Holdings of securities other than shares issued by euro area residents	General government	Other euro area residents					
	1	2	3	4	5	6	7	8	9	10	11
1999 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	1,379.8	1,115.5	264.3	449.6	2,495.9	291.2	1,118.7	12,576.6
Nov.	6,883.8	827.0	6,056.8	1,375.9	1,112.2	263.7	457.6	2,469.0	308.0	1,067.7	12,562.0
Dec.	6,923.6	834.7	6,088.9	1,350.8	1,086.4	264.5	464.5	2,384.1	310.2	1,046.9	12,480.3
<i>Euro area enlargement</i>											
2001 1 Jan.	7,004.3	852.6	6,152.2	1,421.6	1,151.9	269.6	473.3	2,380.9	313.2	1,071.2	12,664.5
2001 Jan.	7,037.2	857.1	6,180.1	1,414.1	1,143.8	270.2	481.2	2,440.3	315.4	1,058.9	12,747.1
Feb. ^(p)	7,047.8	848.9	6,198.9	1,428.8	1,150.8	278.0	487.8	2,457.5	316.8	1,063.4	12,802.1

2. Liabilities: levels outstanding

	Liabilities											Total		
	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
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1999 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	1,644.7	977.2	2,252.9	1,486.6	-1.8	12,576.6
Nov.	336.8	168.8	5,187.5	1,608.9	2,147.0	1,258.0	173.5	542.4	1,642.2	988.6	2,227.7	1,482.0	-13.9	12,562.0
Dec.	347.5	164.8	5,272.1	1,659.1	2,159.3	1,278.2	175.6	509.6	1,641.5	955.4	2,144.1	1,440.9	4.3	12,480.3
<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	147.6	5,374.5	1,618.2	2,210.5	1,330.7	215.0	527.1	1,669.1	974.7	2,257.3	1,461.9	-0.3	12,747.1
Feb. ^(p)	334.2	152.0	5,383.3	1,620.3	2,222.2	1,324.1	216.7	538.7	1,682.7	975.4	2,265.7	1,489.9	-19.8	12,802.1

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 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	-8.3	-15.5	7.2	1.6	9.5	3.4	68.9	115.8
Nov.	49.2	7.2	42.1	-1.8	-1.4	-0.4	7.3	9.0	16.8	-51.0	29.5
Dec.	62.3	11.8	50.5	-21.5	-23.1	1.6	8.0	0.8	2.2	-21.3	30.6
<i>Euro area enlargement</i>											
2001 Jan.	29.9	2.8	27.1	-0.9	-5.0	4.1	5.1	58.9	1.2	-12.1	83.4
Feb. ^(p)	11.1	-8.2	19.3	14.7	6.2	8.5	7.2	13.2	1.4	4.0	51.5

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 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	16.6	5.8	20.2	45.3	9.4	115.8
Nov.	0.1	-3.6	26.0	20.0	8.8	-5.8	3.0	1.8	4.4	12.1	7.6	-5.6	-13.4	29.5
Dec.	10.7	-4.0	98.0	54.3	21.2	20.4	2.1	-21.9	8.9	-29.1	-12.8	-27.6	8.5	30.6
<i>Euro area enlargement</i>														
2001 Jan.	-20.1	-18.8	-22.4	-55.4	12.8	1.2	19.1	21.5	20.8	2.2	112.1	2.3	-14.3	83.4
Feb. ^(p)	-1.0	4.6	8.3	1.7	11.5	-6.6	1.7	11.5	12.9	1.5	4.7	28.5	-19.5	51.5

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 ¹	Overnight deposits ²	M1		Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Index Dec. 98=100 ²⁾				
			Total	Index Dec. 98=100 ²⁾								
			3	4								
1	2	3	4	5	6	7	8	9	10	11		
1999 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	88.2	
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	97.3	
Dec.	347.5	1,728.9	2,076.4	116.34	989.7	1,221.3	4,287.4	109.21	175.6	509.6	107.3	
<i>Euro area enlargement</i>												
2001 1 Jan.	355.3	1,744.0	2,098.9	-	1,027.3	1,271.4	4,396.8	-	195.9	509.4	109.1	
2001 Jan.	335.2	1,686.7	2,021.9	112.08	1,040.9	1,274.8	4,337.7	107.75	215.0	527.1	109.6	
Feb. ^(a)	334.2	1,687.0	2,021.2	112.02	1,053.0	1,269.2	4,343.4	107.88	216.7	538.7	114.3	

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 ¹	Overnight deposits ²	M1		Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Annual percentage change ⁴⁾				
			Total	Annual percentage change ⁴⁾								
			3	4								
1	2	3	4	5	6	7	8	9	10	11		
1999 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	5.6	
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	57.8	68.5	5.7	11.7	19.0	99.3	3.7	2.1	-21.9	10.7	
<i>Euro area enlargement</i>												
2001 Jan.	-20.1	-56.7	-76.8	1.3	14.6	3.5	-58.7	2.5	19.1	21.5	1.6	
Feb. ^(a)	-1.0	-0.1	-1.1	1.8	11.9	-5.6	5.2	2.7	1.7	11.5	4.6	

Source: ECB.

- 1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.
- 2) 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		
4,601.7	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	1999 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.	
4,976.2	108.75		1,170.4	121.6	1,556.5	977.2	1,935.4	6,735.4	6,021.5	118.21	243.0	Oct.	
5,011.2	109.65		1,163.7	124.2	1,544.9	988.6	1,939.2	6,778.1	6,056.8	119.03	241.3	Nov.	
5,079.9	111.62		1,169.9	126.5	1,534.2	955.4	1,921.1	6,817.9	6,088.9	120.02	240.0	Dec.	
<i>Euro area enlargement</i>													
5,209.7	-		1,170.9	127.7	1,533.3	972.2	2,004.6	6,894.5	6,152.2	-	234.1	2001 Jan.	
5,189.4	111.27		1,169.9	128.0	1,559.5	974.7	2,000.9	6,931.5	6,180.1	120.55	183.0	2001 Jan.	
5,213.2	111.76		1,169.5	128.0	1,568.4	975.4	1,999.7	6,964.8	6,198.9	120.93	191.8	Feb. ^(p)	

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			
14.4	6.0	5.9	2.2	0.2	21.2	5.8	29.1	28.5	41.2	9.9	16.1	1999 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.		
11.8	5.1	5.1	0.0	0.8	10.9	5.8	-13.5	47.5	38.8	9.8	-10.8	Oct.		
41.2	5.0	5.1	-5.9	2.7	-5.6	12.1	5.8	48.9	42.1	9.3	1.3	Nov.		
90.1	5.1	4.9	9.5	2.3	-1.8	-29.1	-11.2	60.1	50.5	9.5	13.6	Dec.		
<i>Euro area enlargement</i>														
-16.5	4.7	4.8	-1.8	0.2	19.2	2.2	-2.2	36.3	27.1	9.2	-53.2	2001 Jan.		
23.0	4.7	-	-0.4	0.1	8.3	1.5	-2.0	35.0	19.3	8.8	8.4	Feb. ^(p)		

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 ¹⁾	Index ²⁾	Total ³⁾	Index ²⁾	Total	Index ²⁾	Total	Index ²⁾	Total	Index ²⁾		
1	2	3	4	5	6	7	8	9	10	11	12	
1999 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	807.5	128.31	5,027.4	109.87	6,029.2	118.36
Nov.	2,023.1	113.13	2,203.7	102.65	4,226.8	107.42	813.5	129.64	5,040.3	110.29	6,058.6	119.07
Dec.	2,023.5	113.38	2,191.1	102.33	4,214.6	107.35	823.3	133.13	5,037.9	110.70	6,073.4	119.72
<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.	2,011.4	111.50	2,290.0	102.91	4,301.4	106.85	874.1	138.34	5,175.5	110.97	6,173.9	120.43
Feb. ^(p)	2,043.2	113.24	2,303.1	103.49	4,346.3	107.95	866.2	137.06	5,212.5	111.75	6,210.0	121.14

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 ¹⁾	Change on previous month (%) ²⁾	Total ³⁾	Change on previous month (%) ²⁾	Total	Change on previous month (%)	Total	Change on previous month (%)	Total	Change on previous month (%)		
1	2	3	4	5	6	7	8	9	10	11	12	
1999 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	14.1	1.8	22.7	0.5	34.6	0.6
Nov.	4.1	0.2	6.6	0.3	10.7	0.3	8.4	1.0	19.0	0.4	36.1	0.6
Dec.	4.4	0.2	-6.8	-0.3	-2.5	-0.1	21.9	2.7	19.4	0.4	33.1	0.5
<i>Euro area enlargement</i>												
2001 Jan.	-34.3	-1.7	13.1	0.6	-21.1	-0.5	33.3	3.9	12.2	0.2	36.4	0.6
Feb. ^(p)	31.4	1.6	12.9	0.6	44.3	1.0	-8.1	-0.9	36.2	0.7	36.6	0.6

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⁾
		2	3	4			7	8	10		11	13	14			15		
1999 Q1	2,265.6	819.0	338.8	1,107.7	2,534.1	86.2	149.1	188.4	15.5	67.0	1,469.3	135.2	98.1	325.3	35.8			
Q2	2,337.5	845.1	352.0	1,140.3	2,602.6	83.7	155.4	194.1	18.8	63.8	1,520.2	138.7	98.5	329.4	35.8			
Q3	2,353.5	832.2	362.8	1,158.4	2,661.7	85.9	157.3	196.6	19.6	64.4	1,568.6	136.0	96.2	337.1	36.2			
Q4	2,427.5	859.1	372.9	1,195.5	2,726.7	88.4	156.4	195.6	20.0	60.4	1,626.3	141.8	98.5	339.3	37.4			
2000 Q1	2,501.3	902.3	392.3	1,206.7	2,775.0	89.1	162.5	200.5	20.3	58.9	1,659.6	141.0	100.4	342.8	39.0			
Q2	2,561.8	919.4	406.0	1,236.4	2,826.0	93.6	161.7	201.8	21.4	60.7	1,698.4	145.0	102.2	341.3	37.6			
Q3	2,633.9	954.6	422.5	1,256.8	2,888.1	96.5	165.1	208.2	22.8	63.1	1,747.0	142.5	100.9	342.1	37.5			
Q4 ⁴⁾	2,686.3	974.1	427.3	1,284.9	2,937.4	96.9	165.1	211.7	22.8	62.2	1,785.7	146.9	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
	17	18	19	21	22	23		
1999 Q1	300.3	184.1	55.1	61.1	36.1	27.1	3.0	5.9
Q2	306.8	192.9	52.2	61.7	40.4	28.9	2.7	8.8
Q3	299.4	181.9	53.8	63.7	41.9	33.1	2.8	6.0
Q4	315.7	191.4	55.1	69.2	29.4	20.7	2.7	5.9
2000 Q1	335.7	207.1	56.2	72.4	37.1	25.7	4.0	7.4
Q2	381.7	246.0	60.8	74.9	38.8	29.1	3.8	5.8
Q3	385.6	247.0	64.8	73.8	33.0	25.3	2.9	4.8
Q4 ⁴⁾	394.7	255.2	67.5	72.0	31.6	23.2	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	838.3	220.8	276.7	12.1	20.9	243.7	328.5	19.7	12.6	296.2	12.4
Q2	838.2	212.0	279.2	11.5	20.5	247.1	329.4	20.2	10.9	298.3	17.5
Q3	831.1	206.4	278.4	10.1	21.3	247.0	329.5	19.9	10.5	299.1	16.8
Q4	847.9	199.5	292.9	15.0	25.1	252.7	339.9	20.6	11.7	307.7	15.6
2000 Q1	839.7	193.8	291.9	13.2	27.4	251.3	338.1	21.3	10.8	306.0	16.0
Q2	835.6	186.8	290.0	9.9	28.1	252.1	339.0	21.6	11.5	305.9	19.7
Q3	818.0	173.3	288.4	8.9	27.2	252.4	337.8	21.5	11.1	305.2	18.5
Q4 ⁴⁾	834.7	169.7	297.3	13.7	28.1	255.4	352.3	24.2	12.2	315.9	15.5

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	729.2	394.9	287.2	23.7	23.5	3,228.0	798.4	1,111.3	1,278.8	39.5
Q2	741.0	427.9	263.8	25.5	23.9	3,245.9	841.8	1,085.3	1,286.1	32.7
Q3	747.4	429.6	270.0	25.7	22.1	3,239.2	845.0	1,076.8	1,283.5	33.9
Q4	772.7	446.0	281.2	24.0	21.5	3,306.4	871.6	1,099.7	1,295.8	39.4
2000 Q1	787.9	440.2	292.1	24.5	31.1	3,297.7	887.2	1,093.1	1,275.1	42.4
Q2	818.6	459.7	307.8	24.2	26.9	3,287.2	888.3	1,097.4	1,255.0	46.6
Q3	843.7	464.2	329.8	24.8	25.0	3,273.6	874.4	1,112.0	1,235.6	51.6
Q4 ^(p)	871.8	496.8	324.8	23.9	26.3	3,338.3	904.6	1,134.9	1,241.7	57.1

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	376.4	127.9	142.3	4.7	101.5	426.1	32.1	380.1	3.0	10.8
Q2	402.3	134.9	165.2	4.7	97.4	430.8	36.4	380.5	3.3	10.7
Q3	391.2	122.5	173.0	5.2	90.5	436.6	32.0	389.8	3.3	11.5
Q4	398.9	143.1	181.7	4.7	69.3	447.7	32.2	400.4	3.3	11.9
2000 Q1	435.3	162.2	180.1	5.6	87.4	458.8	35.4	407.0	3.2	13.1
Q2	425.3	164.5	178.7	5.3	76.8	460.7	34.6	411.0	3.5	11.6
Q3	425.1	158.6	184.8	5.1	76.6	464.4	34.1	413.7	3.7	12.9
Q4 ^(p)	433.3	157.0	195.3	5.9	75.2	477.0	41.0	418.1	3.2	14.7

3. Deposits held by government

	General government ²⁾																
	1	Central government		Other general government													
		2	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	Repos 16	17
1999 Q1	254.1	133.4	25.6	7.4	17.9	0.1	0.2	53.1	24.2	24.0	3.2	1.7	42.0	14.3	25.7	1.0	1.0
Q2	254.9	125.0	27.3	8.1	18.9	0.2	0.1	54.6	26.2	24.2	3.4	0.7	48.0	18.2	27.7	1.1	1.0
Q3	262.3	133.3	27.8	8.7	18.7	0.1	0.2	54.6	24.5	25.6	3.4	1.1	46.7	17.1	27.3	0.9	1.5
Q4	281.0	142.0	31.6	10.2	21.1	0.1	0.2	59.2	27.1	27.4	3.4	1.2	48.2	16.0	30.6	0.7	0.7
2000 Q1	270.2	130.2	28.7	8.3	20.2	0.1	0.1	58.6	25.8	27.7	3.3	1.8	52.7	18.7	31.9	0.7	1.4
Q2	300.2	146.0	32.2	10.5	21.5	0.1	0.1	62.7	28.7	28.6	3.1	2.3	59.3	23.0	32.7	0.5	3.0
Q3	311.1	159.3	30.8	10.0	20.6	0.1	0.1	63.2	27.4	30.8	2.9	2.1	57.8	21.5	32.8	0.5	3.1
Q4 ^(p)	316.3	164.6	30.6	10.6	19.8	0.1	0.1	68.1	30.7	33.0	3.0	1.5	53.0	18.5	33.4	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			
	1	Banks ³⁾⁴⁾ 2	Non-banks		5	Banks ³⁾ 6	Non-banks		9	Banks ³⁾ 10	Other 11	12	Banks ³⁾ 13	Non-banks	
			General government 3	Other 4			General government 7	Other 8						General government 14	Other 15
1999 Q1	111.0	99.7	8.4	2.9	182.8	3.9	176.1	2.9	0.4	0.1	0.3	91.9	89.6	0.4	1.8
Q2	191.4	174.7	13.1	3.7	175.2	4.5	166.9	3.8	0.4	0.1	0.3	165.2	162.8	0.2	2.2
Q3	108.1	99.0	6.8	2.3	176.2	4.0	168.1	4.1	0.4	0.1	0.3	82.6	80.6	0.4	1.5
Q4	59.6	45.6	10.5	3.5	193.9	5.7	184.4	3.8	0.6	0.1	0.5	43.2	39.8	0.3	3.2
2000 Q1	89.9	78.8	8.9	2.2	202.7	4.8	192.2	5.7	0.5	0.1	0.4	68.3	66.7	0.2	1.4
Q2	104.6	91.5	10.3	2.7	201.9	4.5	193.4	4.0	0.4	0.1	0.3	85.3	82.8	0.5	2.0
Q3	83.7	72.7	8.2	2.7	221.9	5.3	211.2	5.5	1.0	0.1	0.9	67.9	64.6	1.0	2.4
Q4 ⁴⁾	32.7	23.3	7.0	2.3	203.4	5.2	193.3	4.9	1.0	0.1	0.9	23.2	19.9	1.1	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			
	1	Banks ³⁾⁴⁾ 2	Non-banks		5	Banks ³⁾ 6	Non-banks		9	Banks ³⁾ 10	Other 11	12	Banks ³⁾ 13	Non-banks	
			General government 3	Other 4			General government 7	Other 8						General government 14	Other 15
1999 Q1	1,271.6	899.1	64.0	308.5	300.4	79.3	104.3	116.8	58.4	22.3	36.1	1,623.9	1,208.9	70.8	344.3
Q2	1,253.4	851.6	66.9	334.9	321.3	86.7	100.1	134.5	75.6	32.7	42.8	1,674.2	1,220.7	62.3	391.1
Q3	1,259.5	854.3	67.3	337.9	320.2	88.2	89.1	142.9	78.0	39.2	38.8	1,696.1	1,237.4	62.2	396.4
Q4	1,287.2	867.7	68.3	351.2	339.4	94.0	88.8	156.6	81.9	37.6	44.3	1,782.6	1,285.8	72.1	424.7
2000 Q1	1,339.4	894.0	70.5	374.9	370.5	109.0	99.5	162.0	99.9	46.2	53.7	2,000.8	1,449.8	71.2	479.8
Q2	1,353.3	919.0	70.6	363.7	415.1	134.0	109.6	171.6	106.2	49.9	56.4	1,967.1	1,412.6	74.3	480.1
Q3	1,416.1	943.6	71.0	401.5	443.2	146.8	110.3	186.0	122.9	56.1	66.8	2,117.1	1,499.5	80.7	536.9
Q4 ⁴⁾	1,434.5	951.1	74.1	409.4	439.4	147.5	94.9	197.0	126.7	60.9	65.9	2,114.2	1,507.2	83.8	523.2

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			
	1	Banks ³⁾⁴⁾ 2	Non-banks		5	Banks ³⁾ 6	Non-banks		9	Banks ³⁾ 10	Other 11	12	Banks ³⁾ 13	Non-banks	
			General government 3	Other 4			General government 7	Other 8						General government 14	Other 15
1999 Q1	1,382.5	998.8	72.4	311.4	483.2	83.2	280.4	119.6	58.8	22.4	36.4	1,715.8	1,298.5	71.2	346.1
Q2	1,444.8	1,026.3	80.0	338.5	496.5	91.2	266.9	138.4	76.0	32.8	43.1	1,839.4	1,383.5	62.5	393.4
Q3	1,367.5	953.3	74.0	340.2	496.4	92.2	257.2	147.0	78.4	39.3	39.1	1,778.7	1,318.1	62.7	397.9
Q4	1,346.8	913.3	78.8	354.7	533.3	99.7	273.1	160.4	82.4	37.7	44.8	1,825.8	1,325.6	72.4	427.8
2000 Q1	1,429.3	972.8	79.4	377.1	573.2	113.8	291.7	167.7	100.4	46.3	54.1	2,069.1	1,516.5	71.4	481.2
Q2	1,457.9	1,010.5	81.0	366.4	617.1	138.6	302.9	175.6	106.6	49.9	56.7	2,052.4	1,495.4	74.8	482.1
Q3	1,499.7	1,016.2	79.2	404.2	665.1	152.1	321.5	191.5	123.9	56.2	67.7	2,185.1	1,564.1	81.7	539.3
Q4 ⁴⁾	1,467.2	974.4	81.1	411.8	642.8	152.7	288.2	201.9	127.7	61.0	66.8	2,137.4	1,527.1	84.9	525.4

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 MFIs ¹⁾
(EUR billions (not seasonally adjusted; end of period))
Liabilities outstanding
1. Deposits placed by euro area residents

	MFIs								Non-MFIs							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4					All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12				
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
1999 Q1	3,882.0	3,457.6	54.0	370.4	266.9	23.0	56.4	24.1	5,013.7	4,861.3	25.2	127.2	90.0	13.8	14.9	8.5
Q2	4,116.1	3,716.0	50.9	349.2	252.5	20.2	53.0	23.4	5,073.9	4,912.3	27.8	133.8	97.4	14.8	12.9	8.6
Q3	3,843.3	3,435.9	53.0	354.3	251.2	24.4	57.9	20.9	5,075.7	4,914.5	27.5	133.7	96.7	16.3	12.2	8.5
Q4	3,868.4	3,456.8	46.6	364.9	261.7	29.5	54.7	19.0	5,205.7	5,040.6	25.8	139.3	101.4	17.3	11.7	8.9
2000 Q1	3,932.4	3,496.3	55.0	381.1	265.8	32.5	60.5	22.3	5,248.7	5,074.1	30.5	144.1	105.1	17.6	11.9	9.5
Q2	4,056.4	3,620.9	52.8	382.7	265.3	34.8	62.3	20.2	5,290.8	5,110.6	27.9	152.2	113.0	17.1	13.2	9.0
Q3	3,946.1	3,485.3	58.1	402.7	279.6	38.3	64.9	20.0	5,316.7	5,127.0	29.1	160.7	121.7	16.5	12.5	10.1
Q4 ⁴⁾	3,931.5	3,515.1	50.7	365.6	255.8	33.9	60.0	15.9	5,436.3	5,257.7	27.3	151.4	115.8	14.8	10.8	10.0

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					All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12				
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
1999 Q1	1,298.5	560.8	128.3	609.3	483.3	47.2	52.9	26.0	417.3	184.6	39.2	193.5	155.4	15.0	13.5	9.5
Q2	1,383.5	616.9	127.4	639.2	517.3	38.1	52.5	31.3	455.9	199.5	42.3	214.1	176.2	15.2	11.9	10.8
Q3	1,318.1	563.6	129.4	625.1	503.4	38.8	53.6	29.3	460.6	207.2	43.7	209.7	167.2	19.6	11.4	11.4
Q4	1,325.6	531.6	114.5	679.5	557.1	44.2	50.5	27.8	500.2	217.8	46.1	236.2	193.4	18.4	13.0	11.3
2000 Q1	1,516.5	599.3	155.6	761.6	602.6	64.0	65.1	29.8	552.6	243.1	53.3	256.2	209.0	22.3	12.2	12.6
Q2	1,495.4	595.9	137.1	762.4	605.6	59.8	62.7	34.2	556.9	241.6	54.4	260.9	211.4	22.4	15.7	11.4
Q3	1,564.1	608.3	146.3	809.4	652.8	61.9	63.0	31.8	621.0	253.5	62.5	305.0	254.7	23.4	14.3	12.6
Q4 ⁴⁾	1,527.1	586.9	138.0	802.1	661.0	49.0	62.4	29.7	610.4	256.1	66.5	287.7	240.1	21.2	13.0	13.5

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					All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12				
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
1999 Q1	2,203.4	1,970.1	30.9	202.4	119.0	37.1	30.6	15.7	185.4	169.8	0.7	14.9	12.5	0.8	1.4	0.2
Q2	2,279.8	2,030.3	36.2	213.3	125.5	38.0	32.2	17.4	188.1	170.3	1.5	16.3	12.8	1.5	1.7	0.4
Q3	2,340.4	2,083.7	38.7	218.1	126.7	43.3	31.1	16.9	207.5	187.8	1.8	17.8	11.6	3.2	2.4	0.6
Q4	2,375.2	2,112.8	39.9	222.6	126.9	47.8	30.6	17.2	245.4	220.5	1.8	23.1	15.4	4.2	2.3	1.2
2000 Q1	2,434.6	2,151.2	42.9	240.4	134.5	53.4	33.7	18.8	250.5	226.0	1.8	22.7	14.5	4.6	2.0	1.7
Q2	2,491.3	2,196.6	40.3	254.3	143.8	58.4	33.7	18.4	262.8	234.9	1.4	26.4	17.2	5.4	2.5	1.4
Q3	2,563.2	2,237.7	47.5	278.0	156.2	64.9	37.4	19.6	272.2	233.6	2.2	36.4	26.6	5.7	2.8	1.3
Q4 ⁴⁾	2,573.7	2,255.1	46.1	272.6	158.8	58.1	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 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	3,870.6	-	-	-	-	-	-	-	6,010.2	5,813.1	21.3	175.8	98.6	17.9	52.8	6.6
Q2	4,103.7	-	-	-	-	-	-	-	6,161.4	5,949.8	23.2	188.3	106.9	19.1	56.3	6.0
Q3	3,827.3	-	-	-	-	-	-	-	6,223.9	6,003.4	24.5	196.0	105.7	23.8	60.4	6.2
Q4	3,851.3	-	-	-	-	-	-	-	6,385.1	6,151.9	23.4	209.9	115.8	28.3	62.0	3.8
2000 Q1	3,948.9	-	-	-	-	-	-	-	6,528.3	6,261.2	34.0	233.1	128.3	35.1	65.9	3.7
Q2	4,039.5	-	-	-	-	-	-	-	6,681.9	6,388.3	35.4	258.1	144.9	38.4	70.5	4.3
Q3	3,949.5	-	-	-	-	-	-	-	6,796.5	6,485.4	34.8	276.3	155.8	44.4	72.2	4.0
Q4 ⁴⁾	3,929.0	-	-	-	-	-	-	-	6,923.0	6,619.8	32.0	271.1	151.9	41.6	73.0	4.7

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

	Issued by MFIs								Issued by 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	763.3	727.6	8.3	27.4	18.2	5.6	1.8	1.8	1,421.4	1,388.9	3.6	28.9	15.6	10.5	1.6	1.2
Q2	802.6	768.4	6.5	27.7	18.9	5.3	1.6	1.9	1,432.3	1,402.1	3.0	27.2	14.5	10.3	1.3	1.1
Q3	830.2	796.1	7.5	26.6	17.1	5.4	2.0	2.2	1,446.0	1,415.7	3.1	27.2	13.5	11.0	1.6	1.2
Q4	830.3	795.7	8.1	26.5	17.4	5.0	2.5	1.6	1,438.6	1,406.0	5.6	27.0	13.5	11.0	1.2	1.3
2000 Q1	871.8	834.7	11.6	25.5	16.4	5.0	2.4	1.7	1,449.6	1,417.1	4.8	27.6	14.2	11.3	1.2	0.8
Q2	897.5	858.1	12.5	26.9	17.8	4.9	2.6	1.7	1,411.0	1,377.3	6.0	27.7	14.7	10.5	1.6	0.9
Q3	943.4	898.7	10.6	34.1	24.5	5.3	2.5	1.9	1,386.6	1,353.3	3.6	29.7	16.6	11.0	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	3.9	29.9	17.5	10.5	1.0	0.9

6. Loans to 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	998.8	475.3	77.6	445.8	323.0	50.7	27.1	44.9	383.8	137.5	28.6	217.7	189.3	7.3	13.0	8.1
Q2	1,026.3	527.3	76.4	422.5	310.1	41.3	26.4	44.8	418.5	142.6	35.7	240.2	208.5	7.5	15.0	9.2
Q3	953.3	447.9	82.2	423.2	304.3	44.9	29.2	44.8	414.2	147.5	36.5	230.2	194.4	10.4	16.8	8.6
Q4	913.3	389.6	77.8	445.9	330.2	52.1	30.6	32.9	433.5	140.5	40.2	252.8	217.4	10.8	18.6	6.0
2000 Q1	972.8	430.9	98.5	443.4	321.2	51.9	33.5	36.8	456.5	147.3	39.9	269.4	230.3	13.5	19.6	5.9
Q2	1,010.5	471.0	94.8	444.7	325.9	47.0	34.2	37.6	447.4	141.5	40.3	265.6	225.1	13.7	20.4	6.4
Q3	1,016.2	453.5	94.0	468.8	353.1	44.7	34.9	36.0	483.5	148.3	43.6	291.5	249.0	14.0	22.1	6.5
Q4 ⁴⁾	974.4	413.3	93.5	467.6	354.6	45.1	34.2	33.7	492.9	155.9	43.3	293.7	251.2	11.2	24.3	7.0

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 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	83.2	29.5	7.1	46.6	35.0	5.8	2.0	3.7	400.0	76.6	22.1	301.3	256.0	22.0	6.1	17.1
Q2	91.2	33.6	7.3	50.3	39.1	5.8	2.2	3.3	405.3	93.1	23.9	288.3	251.1	21.5	6.5	9.2
Q3	92.2	36.3	7.0	48.9	38.4	5.9	1.8	2.8	404.2	96.9	25.6	281.6	245.3	24.6	4.1	7.5
Q4	99.7	40.4	7.7	51.6	39.7	6.9	1.9	3.2	433.5	108.5	24.3	300.7	263.8	24.1	4.2	8.6
2000 Q1	113.8	44.4	8.1	61.4	47.9	6.9	2.2	4.5	459.4	103.3	28.9	327.2	283.9	28.2	5.7	9.5
Q2	138.6	50.0	13.2	75.4	61.1	7.0	2.2	5.1	478.5	105.0	29.2	344.3	302.4	27.8	4.5	9.5
Q3	152.1	50.5	16.5	85.2	72.0	7.1	2.2	3.9	513.0	119.3	33.2	360.5	315.5	31.5	4.2	9.2
Q4 ⁴⁾	152.7	49.5	18.8	84.3	72.3	6.4	1.7	3.9	490.1	122.8	35.9	331.4	291.4	27.6	3.6	8.9

3 Financial markets and interest rates in the euro area

Table 3.1

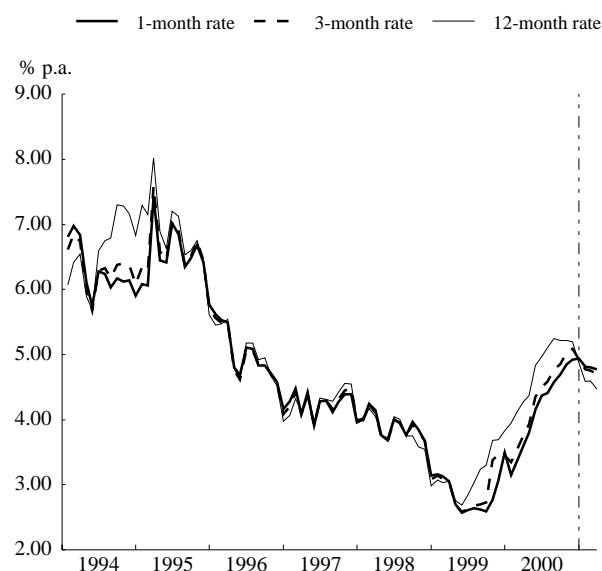
Money market interest rates ¹⁾

(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 ⁶⁾ 6	3-month deposits ⁷⁾ 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 Mar.	3.51	3.59	3.75	3.94	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
Mar.	4.78	4.78	4.71	4.58	4.47	4.96	0.19
2001 2 Mar.	4.81	4.80	4.76	4.65	4.56	5.08	0.26
9	4.85	4.83	4.78	4.66	4.57	5.04	0.24
16	4.78	4.82	4.77	4.62	4.49	4.90	0.19
23	4.44	4.68	4.57	4.44	4.32	4.86	0.15
30	4.85	4.70	4.56	4.42	4.32	4.88	0.13
6 Apr.	4.75	4.70	4.57	4.45	4.35	4.81	0.12

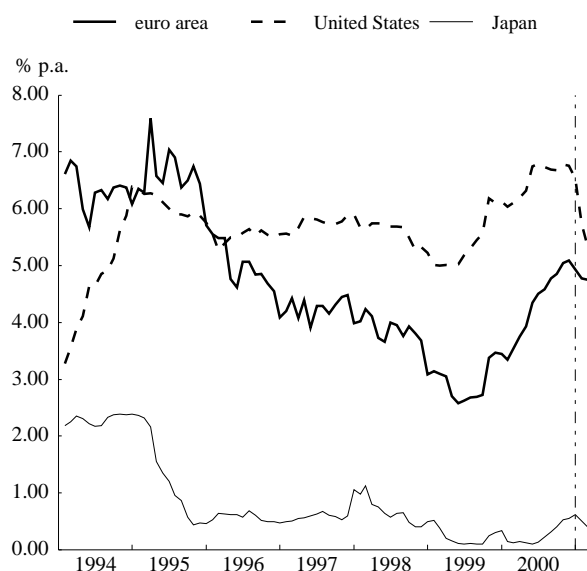
Euro area money market rates

(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

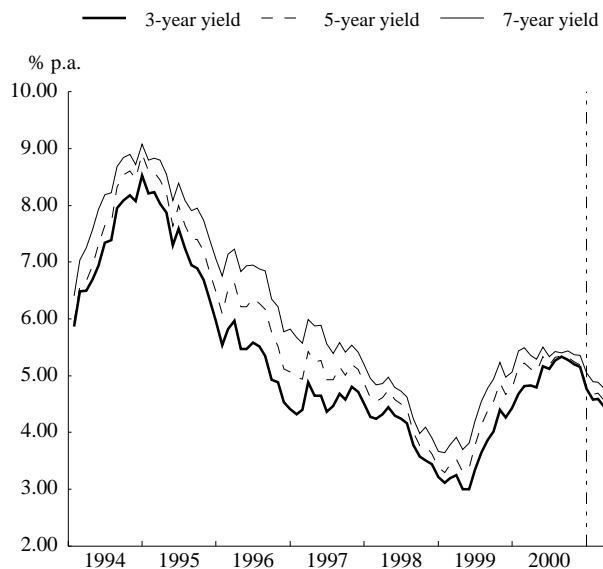
Government bond yields ¹⁾

(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 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
Mar.	4.44	4.44	4.56	4.78	4.94	4.89	1.19
2001 2 Mar.	4.54	4.54	4.64	4.83	4.97	4.89	1.23
9	4.55	4.52	4.64	4.82	4.96	4.95	1.22
16	4.41	4.45	4.53	4.76	4.92	4.80	1.14
23	4.29	4.35	4.43	4.68	4.86	4.77	1.14
30	4.30	4.32	4.48	4.74	4.94	4.93	1.27
6 Apr.	4.29	4.31	4.49	4.74	4.95	4.88	1.27

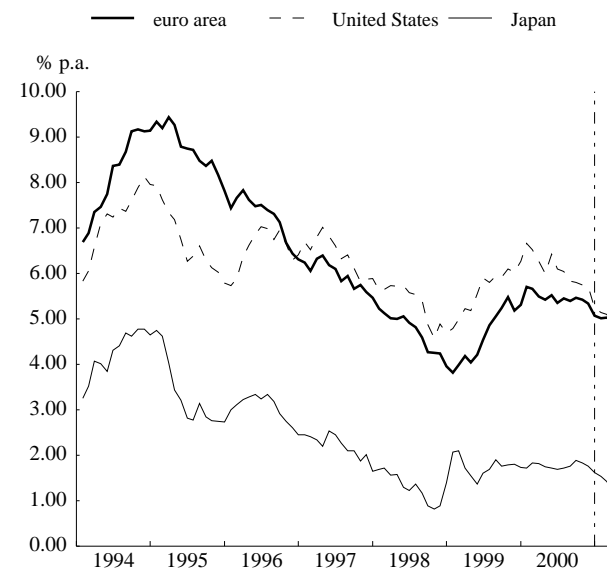
Euro area government bond yields

(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

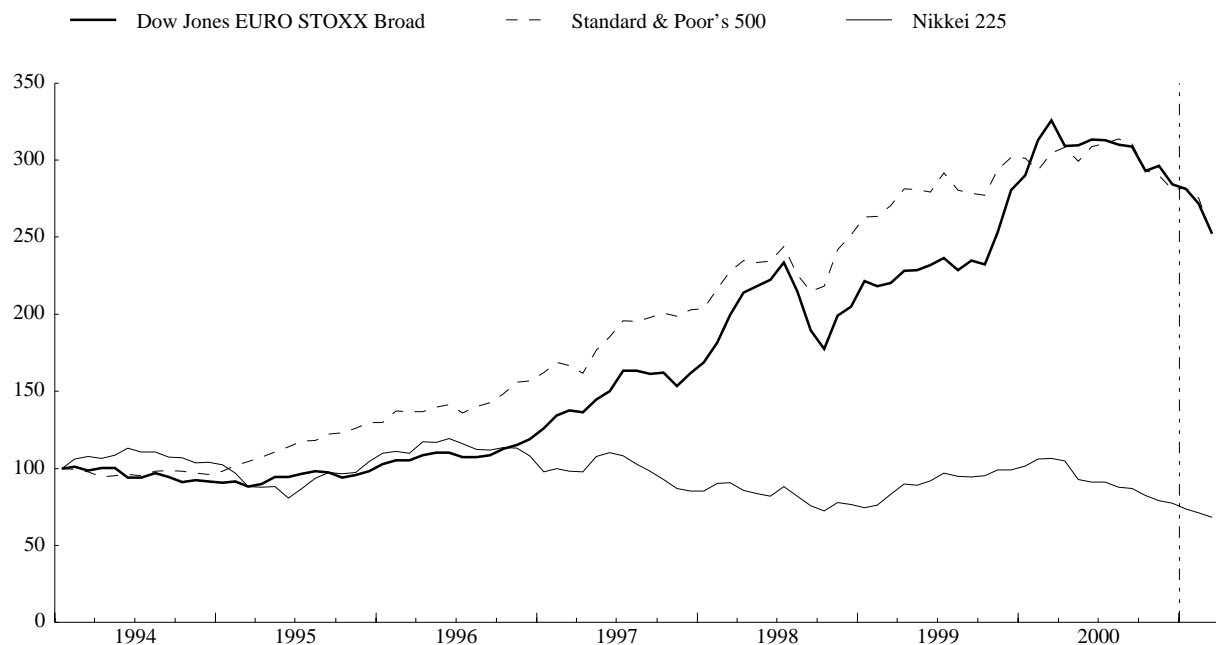
Stock market indices

(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	202.3	230.1	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	324.1	301.7	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	282.4	488.1	348.9	1,085.3	15,338.4
1999	325.8	3,787.3	279.2	262.9	327.7	286.0	295.7	285.1	470.4	306.2	717.7	392.6	1,327.8	16,829.9
2000	423.9	5,075.5	299.1	292.9	324.3	342.3	350.7	378.0	963.1	341.7	1,072.5	476.0	1,426.7	17,162.7
2000 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
Mar.	349.9	4,199.2	311.0	241.7	305.7	340.6	334.5	334.5	567.8	300.6	602.9	524.7	1,186.8	12,684.9
2001 2 Mar.	358.8	4,300.4	323.0	249.4	316.2	339.7	347.0	345.9	564.5	312.9	610.2	548.3	1,234.2	12,261.8
9	362.0	4,334.2	326.8	255.9	313.3	345.6	350.8	353.6	567.8	305.6	618.5	526.3	1,233.4	12,627.9
16	342.9	4,106.8	308.2	235.4	303.3	341.1	325.6	331.1	548.3	297.3	594.7	503.2	1,150.5	12,233.0
23	332.6	4,002.6	286.1	225.0	291.3	328.9	314.2	311.7	572.1	290.6	564.9	508.3	1,139.8	13,214.5
30	347.8	4,185.0	301.5	236.1	305.0	343.2	336.9	325.6	544.9	303.8	603.4	540.9	1,160.3	12,999.7
6 Apr.	343.9	4,145.9	294.1	231.3	299.7	342.9	333.4	318.5	529.5	307.0	608.5	539.7	1,128.4	13,383.8

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

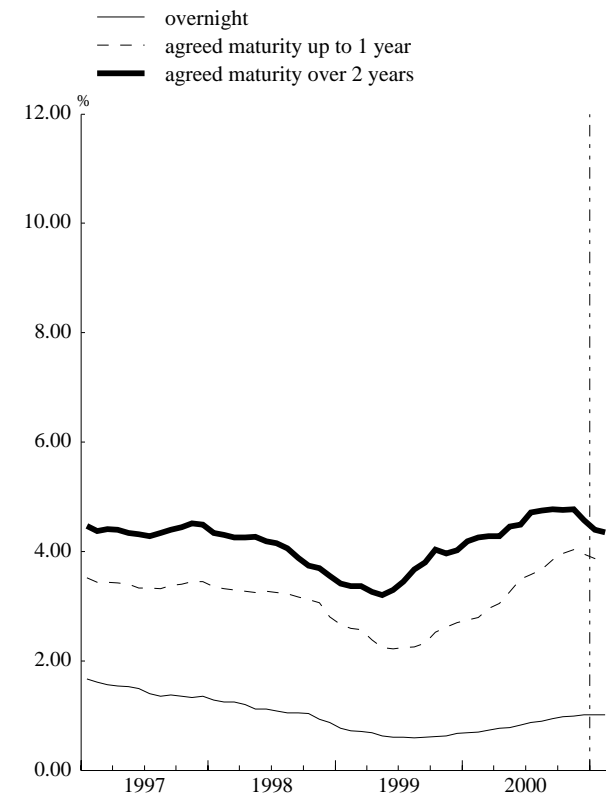
Retail bank interest rates

(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 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	4.58	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	7.19	6.40	10.28	6.29
Feb.	1.01	3.84	3.83	4.35	2.50	3.99	7.11	6.44	10.23	6.22

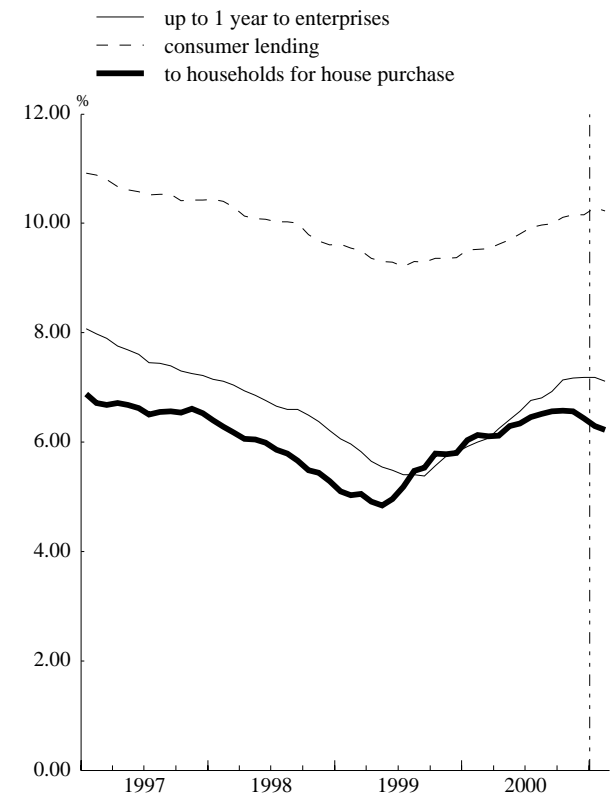
Deposit interest rates

(monthly)



Lending interest rates

(monthly)



Source: ECB.

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

Table 3.5**Securities issues other than shares by original maturity, residency of the issuer and currency denomination***(EUR billions; transactions during the 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
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	637.4	240.4	239.8	0.7	591.0	12.5	11.9
May	278.6	261.8	16.8	660.0	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	287.2	282.5	4.7	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.	243.9	278.6	-34.7	652.1	227.5	264.4	-36.9	576.7	16.4	14.1

Euro area enlargement

2001 Jan.	376.2	345.3	30.9	687.3	358.0	325.4	32.6	614.1	18.2	19.9
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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
2000 Jan.	111.5	94.2	17.3	6,014.2	101.8	86.9	14.9	5,551.4	9.7	7.3
Feb.	124.0	68.8	55.3	6,069.9	110.5	60.5	50.1	5,600.9	13.4	8.3
Mar.	130.2	91.7	38.6	6,118.1	115.3	81.9	33.4	5,635.7	14.9	9.8
Apr.	114.6	74.9	39.7	6,166.6	101.9	65.4	36.5	5,671.8	12.7	9.5
May	125.1	89.1	35.9	6,198.2	113.0	77.5	35.5	5,709.5	12.2	11.7
June	101.3	65.3	36.0	6,232.1	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	45.7	6,344.4	81.7	51.2	30.5	5,809.4	22.5	7.4
Sep.	110.9	75.5	35.0	6,384.4	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	5,861.7	17.6	8.6
Nov.	109.3	74.7	34.5	6,454.7	91.1	63.7	27.4	5,888.3	18.2	11.0
Dec.	92.6	95.7	-0.7	6,431.8	84.0	82.0	2.1	5,893.1	8.6	13.7

Euro area enlargement

2001 Jan.	140.8	144.2	-2.5	6,520.1	131.2	127.7	3.5	5,988.1	9.6	16.5
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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
2000 Jan.	363.3	362.6	0.8	6,616.6	342.0	344.0	-2.0	6,114.2	21.3	18.6
Feb.	377.9	309.6	68.4	6,685.2	351.5	291.5	59.9	6,173.5	26.5	18.1
Mar.	401.1	342.1	59.1	6,754.0	373.6	322.2	51.5	6,227.1	27.5	19.9
Apr.	367.6	326.6	41.1	6,804.1	342.3	305.2	37.2	6,262.8	25.3	21.4
May	403.7	351.0	52.7	6,858.2	379.9	328.8	51.1	6,322.9	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	413.9	360.3	53.6	6,955.6	370.7	335.8	34.9	6,390.9	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	31.4	7,056.4	383.8	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	33.7	7,141.8	374.9	353.8	21.0	6,501.1	36.1	23.4
Dec.	336.5	374.3	-35.4	7,083.8	311.5	346.4	-34.9	6,469.8	25.0	27.9

Euro area enlargement

2001 Jan.	517.0	489.5	28.4	7,207.4	489.2	453.1	36.1	6,602.2	27.8	36.4
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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	
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	18.6	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.
2.3	75.4	43.4	27.2	16.2	59.7	892.8	912.0	-19.2	636.4	Dec.
<i>Euro area enlargement</i>										
-1.7	73.2	.	.	.	.	.	.	.	.	2001 Jan.

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	
2.4	462.8	.	.	.	.	.	.	.	.	2000 Jan.
5.2	468.0	.	.	.	.	.	.	.	.	Feb.
5.2	482.4	65.8	21.5	44.3	638.2	393.4	250.7	142.8	6,273.9	Mar.
3.2	494.8	.	.	.	.	.	.	.	.	Apr.
0.4	488.7	.	.	.	.	.	.	.	.	May
0.9	485.1	46.6	23.7	22.9	661.2	348.6	218.6	130.0	6,408.1	June
17.4	508.3	.	.	.	.	.	.	.	.	July
15.2	535.0	.	.	.	.	.	.	.	.	Aug.
10.4	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.
7.1	566.5	.	.	.	.	.	.	.	.	Nov.
-2.8	538.7	58.6	17.7	40.9	734.0	334.7	238.7	96.0	6,627.1	Dec.
<i>Euro area enlargement</i>										
-6.0	532.0	.	.	.	.	.	.	.	.	2001 Jan.

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	
2.7	502.4	.	.	.	.	.	.	.	.	2000 Jan.
8.4	511.6	.	.	.	.	.	.	.	.	Feb.
7.6	526.9	98.4	53.5	44.9	675.0	1,165.5	1,011.1	154.4	6,902.1	Mar.
3.9	541.3	.	.	.	.	.	.	.	.	Apr.
1.6	535.3	.	.	.	.	.	.	.	.	May
6.8	538.6	84.1	54.7	29.4	704.4	1,138.8	990.2	148.6	7,060.0	June
18.7	564.8	.	.	.	.	.	.	.	.	July
13.3	592.1	.	.	.	.	.	.	.	.	Aug.
12.1	610.1	102.4	73.9	28.5	738.5	1,199.6	1,083.9	115.7	7,184.8	Sep.
13.9	638.5	.	.	.	.	.	.	.	.	Oct.
12.6	640.7	.	.	.	.	.	.	.	.	Nov.
-0.5	614.0	102.0	44.9	57.1	793.7	1,227.5	1,150.7	76.8	7,263.6	Dec.
<i>Euro area enlargement</i>										
-7.7	605.2	.	.	.	.	.	.	.	.	2001 Jan.

Table 3.6**Euro-denominated securities other than shares by original maturity and by residency and sector of the issuer¹⁾***(EUR billions; end of period; nominal values)***Amounts outstanding****1. Short-term**

	By euro area residents						By non-residents			
	Total	MFI (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
2000 Jan.	562.8	229.9	6.2	66.1	257.1	3.4	.	.	.	.
Feb.	572.6	240.5	6.6	65.8	256.7	3.0	.	.	.	.
Mar.	591.4	251.1	6.5	66.6	264.6	2.6	36.8	15.5	11.9	8.1
Apr.	591.0	245.6	6.3	72.1	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	77.3	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	242.1	4.5	86.3	241.0	2.9	59.7	22.3	16.7	19.2
<i>Euro area enlargement</i>										
2001 Jan.	614.1	255.3	4.9	89.8	261.2	2.9	.	.	.	.

2. Long-term

	By euro area residents						By non-residents			
	Total	MFI (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
2000 Jan.	5,551.4	2,024.1	194.4	246.9	2,990.1	95.9	.	.	.	.
Feb.	5,600.9	2,042.4	196.5	248.4	3,017.0	96.7	.	.	.	.
Mar.	5,635.7	2,062.7	197.2	251.8	3,026.4	97.6	638.2	176.2	89.1	128.2
Apr.	5,671.8	2,084.6	199.8	258.5	3,030.4	98.5	.	.	.	.
May	5,709.5	2,108.6	203.4	259.0	3,038.7	99.8	.	.	.	.
June	5,746.9	2,115.6	210.8	265.9	3,055.2	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.	5,861.7	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.	5,893.1	2,175.9	248.0	287.7	3,074.6	106.9	734.0	213.5	107.9	159.2
<i>Euro area enlargement</i>										
2001 Jan.	5,988.1	2,196.9	248.3	286.0	3,149.4	107.5	.	.	.	.

3. Total

	By euro area residents						By non-residents			
	Total	MFI (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
2000 Jan.	6,114.2	2,254.0	200.7	313.1	3,247.2	99.3	.	.	.	.
Feb.	6,173.5	2,282.9	203.1	314.2	3,273.7	99.7	.	.	.	.
Mar.	6,227.1	2,313.8	203.7	318.4	3,291.0	100.2	675.0	191.7	101.0	136.3
Apr.	6,262.8	2,330.2	206.1	330.6	3,294.6	101.3	.	.	.	.
May	6,322.9	2,368.2	209.0	335.0	3,308.8	102.0	.	.	.	.
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	6,390.9	2,398.2	223.4	349.3	3,316.5	103.6	.	.	.	.
Aug.	6,425.5	2,410.9	228.3	354.8	3,327.2	104.3	.	.	.	.
Sep.	6,446.3	2,419.0	227.7	357.0	3,337.7	105.0	738.5	207.6	114.8	167.3
Oct.	6,480.5	2,433.2	233.3	366.7	3,340.4	107.0	.	.	.	.
Nov.	6,501.1	2,429.8	238.1	372.0	3,352.3	108.9	.	.	.	.
Dec.	6,469.8	2,417.9	252.5	374.0	3,315.6	109.8	793.7	235.8	124.7	178.4
<i>Euro area enlargement</i>										
2001 Jan.	6,602.2	2,452.2	253.2	375.8	3,410.6	110.3	.	.	.	.

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	
.	.	.	.	.	.	.	.	.	.	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	86.9	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	264.4	21.2	105.5	241.2	3.4	0.8	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	2000 Jan.
93.5	29.8	121.3	6,273.9	2,238.9	286.3	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	6,627.1	2,389.4	355.9	446.9	3,172.8	145.6	116.5	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	2000 Jan.
93.7	30.2	122.0	6,902.1	2,505.5	304.7	454.7	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	2,626.6	342.6	524.3	3,435.2	138.8	117.3	June
.	.	.	.	.	.	.	.	.	.	July
98.4	39.2	117.3	7,263.6	2,653.7	377.1	552.4	3,414.0	149.0	117.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month 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
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
<i>Euro area enlargement</i>										
2001 Jan.	358.0	238.6	3.3	66.9	47.4	1.9	.	.	.	.

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
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.	84.0	38.6	15.8	4.5	23.1	2.0	58.6	26.7	7.3	11.7
<i>Euro area enlargement</i>										
2001 Jan.	131.2	53.8	1.2	1.4	72.1	2.8	.	.	.	.

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
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	64.9	76.5	3.9	.	.	.	.
Aug.	342.7	206.2	8.3	55.2	69.6	3.4	.	.	.	.
Sep.	383.8	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.	311.5	198.9	17.8	50.4	40.8	3.7	102.0	42.8	18.7	26.3
<i>Euro area enlargement</i>										
2001 Jan.	489.2	292.4	4.4	68.3	119.5	4.7	.	.	.	.

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	
.	.	.	.	.	.	.	.	.	.	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	544.7	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.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	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	334.7	142.2	36.5	29.9	108.5	13.6	4.0	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	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	216.8	226.3	16.5	1.7	June
.	.	.	.	.	.	.	.	.	.	July
3.1	6.3	4.7	1,227.5	746.1	55.6	206.8	195.4	19.0	4.7	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month 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	
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	-0.3	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	
	<i>Euro area enlargement</i>										
2001 Jan.	32.6	13.2	0.4	3.4	15.1	0.4	.	.	.	.

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	
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.	2.1	-2.4	14.5	2.9	-13.9	1.0	40.9	20.9	5.8	7.7	
	<i>Euro area enlargement</i>										
2001 Jan.	3.5	19.2	0.3	-1.7	-15.0	0.7	.	.	.	.

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	
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	4.2	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.	-34.9	-15.4	14.4	1.9	-36.7	1.0	57.1	28.7	10.0	11.8	
	<i>Euro area enlargement</i>										
2001 Jan.	36.1	32.4	0.7	1.7	0.1	1.2	.	.	.	.

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	
.	.	.	.	.	.	.	.	.	.	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	18.6	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.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	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	96.0	30.7	30.5	19.7	4.8	10.1	0.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
.	.	.	.	.	.	.	.	.	.	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	115.7	37.5	24.9	33.2	16.0	6.9	-2.9	June
.	.	.	.	.	.	.	.	.	.	July
0.8	5.4	0.3	76.8	23.7	35.1	28.7	-21.2	10.2	0.3	Aug.
.	.	.	.	.	.	.	.	.	.	Sep.
.	.	.	.	.	.	.	.	.	.	Oct.
.	.	.	.	.	.	.	.	.	.	Nov.
.	.	.	.	.	.	.	.	.	.	Dec.
<i>Euro area enlargement</i>										
.	.	.	.	.	.	.	.	.	.	2001 Jan.

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	105.1	0.6	104.2	107.0
Q2	105.9	2.1	105.1	2.3	107.4	1.7	105.7	0.6	104.9	107.5
Q3	106.6	2.5	105.7	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	106.8	108.6
2000 Feb.	105.2	2.0	104.2	2.3	107.1	1.6	105.1	0.2	104.1	107.0
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	104.8	1.9	107.4	1.8	105.5	0.1	104.5	107.5
May	105.8	1.9	105.1	2.2	107.3	1.5	105.6	0.1	104.8	107.4
June	106.3	2.4	105.5	2.8	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	3.4	108.2	1.8	107.1	0.6	106.6	108.2
Oct.	107.0	2.7	106.5	3.2	108.1	1.9	107.1	0.1	106.6	108.4
Nov.	107.3	2.9	106.9	3.4	108.2	1.8	107.4	0.3	106.9	108.6
Dec.	107.4	2.6	106.8	3.0	108.4	1.8	107.4	0.0	106.8	108.8
<i>Euro area enlargement</i>										
2001 Jan.	107.3	2.4	106.5	2.6	109.0	2.2	107.5	0.0	106.6	109.2
Feb.	107.9	2.6	107.1	2.8	109.4	2.2	107.8	0.3	107.1	109.3

2. Breakdown of goods and services

	Goods						Services				
	Food ³⁾	Processed food ³⁾	Unprocessed food	Industrial goods	Non-energy industrial goods	Energy	Housing	Transport	Communi- cation	Recreation and personal	Miscellan- eous
Weight in the total (%) ²⁾	20.4	12.4	8.0	41.6	32.1	9.5	9.9	6.2	2.3	14.0	5.6
	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	3.4	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	3.1	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 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	0.6	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	0.7	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	2.3
Oct.	2.0	1.2	3.2	3.9	1.0	14.6	1.8	2.7	-4.9	2.5	2.2
Nov.	2.2	1.4	3.5	4.1	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.	2.8	1.6	4.5	2.6	1.1	7.9	1.8	3.3	-4.6	3.0	2.3
Feb.	3.1	2.0	4.7	2.7	1.1	8.3	1.9	3.1	-4.2	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			Inter-mediate 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	-0.5	1.3	2.2	2.1	2.2	1.2	6.5	-6.9	16.0
1997	101.4	1.1	0.8	1.4	0.3	1.1	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	-0.4	0.2	0.2	0.5	0.1	0.6	17.8	-3.1	17.1
2000	105.6	5.4	5.1	11.6	0.7	1.5	1.2	1.6	.	51.7	18.1	31.0
2000 Q1	103.3	4.3	4.6	10.5	0.5	0.9	1.0	0.9	1.7	78.3	19.9	26.9
Q2	104.8	5.2	5.2	11.6	0.6	1.4	1.1	1.5	1.9	53.7	18.3	28.8
Q3	106.4	5.8	5.4	12.3	0.7	1.7	1.3	1.8	.	46.7	18.0	33.7
Q4	107.9	6.1	5.3	12.1	0.8	2.2	1.5	2.4	.	37.7	16.4	34.5
2000 Mar.	103.8	4.8	5.1	11.4	0.6	1.0	1.0	1.0	-	72.0	20.2	28.2
Apr.	104.1	4.6	4.7	10.4	0.6	1.2	1.0	1.3	-	43.9	19.4	24.6
May	104.9	5.3	5.3	11.8	0.6	1.5	1.0	1.7	-	61.9	22.8	30.3
June	105.3	5.6	5.6	12.5	0.7	1.4	1.2	1.5	-	55.2	12.9	31.3
July	105.8	5.6	5.3	11.9	0.8	1.6	1.3	1.7	-	42.0	14.3	30.5
Aug.	106.2	5.6	5.1	11.6	0.7	1.7	1.3	1.8	-	47.5	18.3	33.3
Sep.	107.3	6.2	5.8	13.3	0.7	1.8	1.3	1.9	-	50.3	21.4	37.2
Oct.	108.0	6.5	6.0	13.9	0.8	2.0	1.5	2.1	-	56.6	23.1	36.8
Nov.	108.2	6.3	5.6	12.8	0.8	2.2	1.5	2.4	-	45.6	18.2	37.7
Dec.	107.7	5.4	4.5	9.7	0.9	2.4	1.6	2.7	-	13.7	8.6	28.8
<i>Euro area enlargement</i>												
2001 Q1	.	.	.	.	.	.	.	.	.	4.8	1.4	28.4
2001 Jan.	107.9	4.8	3.5	7.8	0.9	2.7	1.7	3.0	-	8.4	3.3	27.5
Feb.	108.1	4.4	3.2	6.7	0.9	2.9	1.9	3.2	-	6.5	1.7	29.9
Mar.	.	.	.	.	.	.	.	.	-	-0.2	-0.8	28.1

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	
1997	103.6	1.5	1.8	2.0	1.7	1.1	1.7	2.5	
1998	105.4	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	-0.4	-0.1	
2000	107.9	1.2	2.5	2.3	1.7	2.4	3.8	7.8	
1998 Q4	105.9	1.5	0.8	1.0	1.4	0.4	-1.6	-3.9	
1999 Q1	106.3	1.6	0.9	0.9	2.0	0.5	-1.8	-4.0	
Q2	106.6	1.2	1.1	1.0	2.2	0.5	-1.2	-1.7	
Q3	106.8	1.1	1.5	1.2	2.4	0.9	-0.2	0.9	
Q4	107.0	1.0	1.8	1.6	2.4	1.4	1.4	4.1	
2000 Q1	107.5	1.1	2.5	2.2	1.9	2.0	2.9	7.3	
Q2	107.7	1.1	2.4	2.1	1.6	2.3	3.6	7.6	
Q3	108.2	1.3	2.6	2.4	1.7	2.5	4.1	7.9	
Q4	108.3	1.2	2.6	2.4	1.7	2.7	4.4	8.3	

Sources: Eurostat, except columns 10 and 11 (HWWA, Institut für Wirtschaftsforschung, Hamburg), column 12 (Thomson Financial 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 3	Government consumption 4	Gross fixed capital formation 5	Changes in inventories ²⁾ 6	Exports ³⁾ 8	Imports ³⁾ 9
1996		5,534.0	5,408.4							3,142.9	1,142.4	1,121.7	1.4	125.7	1,658.0	1,532.3
1997	5,650.1	5,501.1	3,199.6	1,150.8	1,140.0	10.6	149.0	1,828.5	1,679.6
1998	5,879.8	5,738.2	3,331.2	1,177.3	1,200.8	28.9	141.6	1,945.1	1,803.5
1999	6,136.6	6,028.3	3,485.9	1,231.0	1,282.2	29.2	108.3	2,041.1	1,932.8
2000	6,417.5	6,351.5	3,656.8	1,272.4	1,373.4	49.0	66.0	2,365.8	2,299.8
1999 Q3	1,541.4	1,514.6	875.4	309.4	324.6	5.2	26.8	518.5	491.8
Q4	1,560.0	1,535.8	886.5	311.8	328.0	9.5	24.2	538.8	514.7
2000 Q1	1,581.5	1,560.3	899.9	314.7	336.7	8.9	21.2	559.4	538.2
Q2	1,597.4	1,580.4	911.3	316.7	340.8	11.6	17.0	576.9	560.0
Q3	1,612.6	1,597.0	919.0	318.9	346.1	13.0	15.6	601.3	585.7
Q4	1,626.1	1,613.8	926.5	322.0	349.8	15.5	12.3	628.2	615.9

2. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	GDP						External balance ³⁾		
	10	Domestic demand		Private consumption 12	Government consumption 13	Gross fixed capital formation 14	Changes in inventories ²⁾ 15	Exports ³⁾ 17	Imports ³⁾ 18
1996		5,383.3	5,262.9							3,045.0	1,112.0	1,106.0	-0.1	120.5	1,637.7	1,517.2
1997	5,506.9	5,352.7	3,092.7	1,121.4	1,132.7	6.0	154.2	1,807.2	1,653.0
1998	5,660.5	5,536.2	3,188.4	1,133.1	1,187.3	27.4	124.4	1,933.8	1,809.5
1999	5,802.6	5,707.2	3,278.3	1,151.8	1,249.9	27.2	95.3	2,025.6	1,930.3
2000	5,997.1	5,864.6	3,362.0	1,170.5	1,307.7	24.4	132.4	2,262.8	2,130.3
1999 Q3	1,456.2	1,430.1	821.9	288.6	316.0	3.6	26.1	513.6	487.4
Q4	1,470.6	1,443.0	827.9	289.6	317.9	7.6	27.5	529.6	502.0
2000 Q1	1,484.1	1,453.2	833.9	291.6	323.5	4.2	30.9	543.9	513.0
Q2	1,495.3	1,464.5	840.8	292.2	325.3	6.2	30.8	555.4	524.6
Q3	1,503.6	1,469.6	842.3	292.4	328.8	6.1	33.9	572.0	538.1
Q4	1,514.1	1,477.3	845.1	294.3	330.1	7.9	36.8	591.4	554.7

(annual percentage changes)

1996	1.4	1.0	1.6	1.7	1.2	—	—	4.3	3.1
1997	2.3	1.7	1.6	0.8	2.4	—	—	10.4	9.0
1998	2.8	3.4	3.1	1.0	4.8	—	—	7.0	9.5
1999	2.5	3.1	2.8	1.6	5.3	—	—	4.7	6.7
2000	3.4	2.8	2.6	1.6	4.6	—	—	11.7	10.4
1999 Q3	2.6	3.0	2.7	1.8	5.7	—	—	5.8	7.2
Q4	3.3	3.1	2.7	1.7	5.5	—	—	10.0	9.5
2000 Q1	3.5	2.7	2.5	1.8	5.7	—	—	12.4	10.3
Q2	3.7	3.2	3.1	1.8	4.9	—	—	11.4	10.3
Q3	3.3	2.8	2.5	1.3	4.0	—	—	11.4	10.4
Q4	3.0	2.4	2.1	1.6	3.8	—	—	11.7	10.5

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 ^{b)}	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
1996	5,172.4	139.7	1,207.0	300.7	1,059.5	1,333.2	1,132.4	201.1	562.7
1997	5,266.5	138.1	1,227.7	292.1	1,086.6	1,377.7	1,144.3	200.5	584.0
1998	5,463.9	138.1	1,266.2	294.7	1,138.3	1,446.5	1,180.1	200.5	616.4
1999	5,674.4	135.6	1,284.7	308.5	1,180.2	1,538.3	1,227.1	202.5	664.7
2000	5,935.9	136.9	1,352.6	322.9	1,229.7	1,632.5	1,261.3	209.0	690.7
1999 Q3	1,424.6	33.5	322.5	77.5	296.2	386.9	307.9	50.6	167.4
Q4	1,440.5	33.8	325.4	78.6	299.3	393.5	309.8	51.6	171.1
2000 Q1	1,462.8	33.7	333.2	80.5	302.6	400.2	312.5	52.0	170.8
Q2	1,476.9	33.8	337.5	80.4	306.3	404.9	314.0	52.6	173.1
Q3	1,492.6	34.6	341.0	80.5	308.2	411.7	316.6	52.4	172.3
Q4	1,503.6	34.7	340.8	81.5	312.7	415.6	318.3	52.0	174.5

4. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM ^{b)}	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
1996	5,040.2	139.5	1,178.0	295.5	1,039.5	1,288.2	1,099.4	200.1	543.2
1997	5,158.4	140.2	1,216.1	290.4	1,071.7	1,330.1	1,109.8	207.5	556.0
1998	5,303.0	142.7	1,243.5	291.3	1,113.1	1,386.3	1,126.2	213.9	571.5
1999	5,429.8	145.7	1,260.0	296.8	1,147.7	1,441.6	1,138.1	222.0	594.8
2000	5,616.5	147.6	1,316.9	300.2	1,196.4	1,505.5	1,150.0	233.0	613.6
1999 Q3	1,362.8	36.6	316.5	74.5	288.0	362.2	285.0	56.1	149.5
Q4	1,373.7	36.9	319.1	74.8	291.1	366.2	285.7	56.7	153.6
2000 Q1	1,389.7	36.6	325.2	75.7	295.2	370.7	286.3	57.1	151.5
Q2	1,398.5	36.5	328.2	74.8	298.2	373.8	286.9	58.0	154.7
Q3	1,408.6	37.2	330.9	74.7	299.5	378.6	287.7	58.7	153.7
Q4	1,419.7	37.2	332.6	75.0	303.5	382.4	289.0	59.2	153.6

(annual percentage changes)

1996	1.4	5.5	-0.3	-1.8	0.9	3.6	1.7	2.5	1.4
1997	2.3	0.4	3.2	-1.7	3.1	3.3	0.9	3.7	2.3
1998	2.8	1.8	2.3	0.3	3.9	4.2	1.5	3.1	2.8
1999	2.4	2.1	1.3	1.9	3.1	4.0	1.1	3.8	4.1
2000	3.4	1.3	4.5	1.2	4.2	4.4	1.0	5.0	3.2
1999 Q3	2.5	3.3	1.4	2.3	3.0	4.2	0.9	4.3	4.4
Q4	3.0	2.9	3.1	2.5	3.8	4.2	0.8	3.8	6.5
2000 Q1	3.5	1.6	4.5	2.9	4.1	4.5	1.0	5.2	3.9
Q2	3.5	1.0	4.8	1.2	4.6	4.3	1.1	5.5	6.1
Q3	3.4	1.6	4.5	0.3	4.0	4.5	1.0	4.7	2.8
Q4	3.3	0.9	4.2	0.3	4.3	4.4	1.2	4.4	0.1

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		Durable consumer goods	Non-durable consumer goods		
	1	2	3	4			5	6			7		8	9	10
1997	103.8	3.7	104.7	4.2	4.8	5.3	4.9	2.6	3.3	2.5	0.0	
1998	107.8	3.8	109.2	4.3	4.8	4.1	6.6	2.6	6.2	1.9	0.3	
1999	110.1	2.1	111.4	2.0	2.0	2.5	1.5	1.7	3.1	1.4	2.7	
2000	115.8	5.2	117.5	5.5	6.0	5.5	9.1	2.5	7.4	1.4	1.4	
1999 Q4	112.4	4.5	113.7	4.5	4.9	5.7	2.8	3.9	5.7	3.5	4.6	
2000 Q1	113.5	4.9	114.9	4.8	5.0	5.7	6.9	1.2	7.8	-0.2	4.2	
Q2	114.8	5.5	117.1	6.1	6.5	6.3	8.7	3.7	8.6	2.6	0.1	
Q3	116.5	5.1	118.2	5.8	6.3	5.4	10.0	2.8	7.6	1.8	-1.0	
Q4	118.3	5.2	120.0	5.4	6.1	4.8	10.7	2.2	5.6	1.4	2.7	
2000 Feb.	114.5	6.7	115.4	5.9	6.6	6.5	7.6	2.8	9.9	1.2	12.5	
Mar.	114.3	5.3	115.7	5.7	5.8	6.0	8.3	1.8	8.2	0.4	0.8	
Apr.	114.0	5.4	116.7	6.1	6.6	6.3	8.3	4.7	10.1	3.4	-0.7	
May	116.3	7.4	117.8	7.8	8.0	8.6	11.7	4.5	11.0	3.1	3.1	
June	114.1	3.9	116.7	4.6	4.9	4.1	6.5	1.9	4.9	1.2	-2.0	
July	115.5	5.0	117.6	5.6	6.0	4.9	8.9	2.6	7.2	1.6	-1.3	
Aug.	117.8	6.0	118.2	6.8	7.5	6.9	11.7	2.6	10.7	1.4	0.3	
Sep.	116.2	4.5	118.7	5.2	5.6	4.6	9.9	3.0	6.1	2.2	-1.8	
Oct.	116.0	3.5	118.5	3.9	4.2	3.8	8.0	0.1	1.5	-0.2	-0.1	
Nov.	117.7	4.2	119.8	4.5	4.9	4.3	9.2	1.3	4.4	0.6	0.9	
Dec.	121.3	8.2	121.8	8.1	9.5	6.5	14.8	5.5	11.8	4.1	8.2	
<i>Euro area enlargement</i>												
2001 Jan.	117.6	5.0	119.6	5.2	6.1	4.2	9.6	3.2	6.4	2.5	5.5	
Feb.	.	.	.	.	.	.	.	.	.	.	.

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

	Retail sales (s.a.)									New passenger car registrations	
	Current prices			Constant prices						Thousands ²⁾ (s.a.)	
	Total		Index 1995 = 100	Total		Food, beverages, tobacco	Non-food	Textiles, clothing, footwear	Household equipment		
	Index 1995 = 100			Index 1995 = 100							
12	13	14	15	16	17	18	19	20	21		
1997	104.1	2.2	101.7	1.2	1.1	1.3	0.6	1.5	861	4.2	
1998	107.8	3.6	104.7	3.0	2.1	3.5	2.1	4.5	923	7.2	
1999	111.4	3.3	107.5	2.6	3.2	2.4	1.5	3.1	973	5.4	
2000	115.9	4.0	109.9	2.3	1.9	2.0	1.5	4.5	951	-2.2	
1999 Q4	113.7	4.4	109.2	3.3	3.6	2.8	3.2	3.8	950	-0.6	
2000 Q1	114.0	3.8	108.8	2.2	2.3	1.8	1.3	5.4	981	1.4	
Q2	115.6	4.7	109.9	3.3	2.9	3.1	1.5	5.0	977	0.2	
Q3	116.5	4.3	110.3	2.4	1.7	2.3	3.1	4.2	922	-7.9	
Q4	117.4	3.2	110.7	1.4	1.0	1.0	0.2	3.5	925	-3.2	
2000 Feb.	115.1	5.6	109.5	3.7	2.8	4.3	7.2	7.0	993	5.1	
Mar.	113.5	1.9	108.0	0.4	1.3	-0.3	-2.9	4.6	972	-0.9	
Apr.	114.8	4.7	110.0	4.0	4.2	3.5	1.7	5.7	970	-1.8	
May	116.4	6.0	110.9	4.8	5.2	4.6	3.4	5.8	977	1.4	
June	115.5	3.5	108.9	1.0	-0.6	1.1	-0.6	3.5	985	1.1	
July	115.9	3.5	110.1	2.1	1.2	1.5	0.6	5.1	883	-14.5	
Aug.	116.5	4.0	110.1	1.8	1.4	1.9	1.3	2.7	937	-4.3	
Sep.	117.1	5.5	110.7	3.4	2.5	3.5	7.6	4.9	946	-1.6	
Oct.	116.8	2.7	110.4	0.9	0.3	0.5	-0.1	2.7	912	-7.0	
Nov.	117.9	3.4	110.8	1.3	1.0	1.0	-0.1	3.9	928	-3.3	
Dec.	117.5	3.6	110.9	1.9	1.7	1.4	0.7	4.0	934	1.9	
<i>Euro area enlargement</i>											
2001 Jan.	118.9	4.3	111.4	2.4	2.1	2.4	2.4	2.7	941	-5.6	
Feb.	.	.	.	.	.	.	.	.	951	-6.0

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

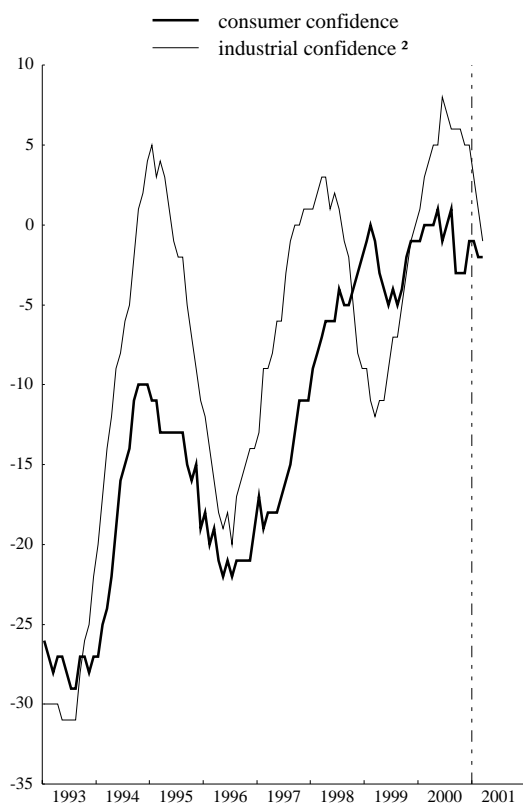
Business and consumer surveys

(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 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	1	12	-1	84.4	-1	-1	-2
2001 Jan.	3	14	0	-	1	0	-1
Feb.	1	12	0	-	-2	0	-2
Mar.	-1	9	-3	-	-2	-4	-2

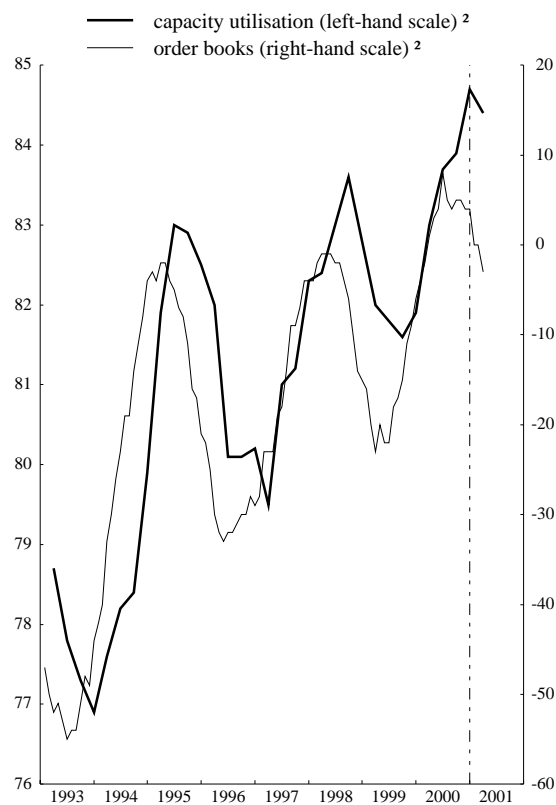
Consumer and industrial confidence indicators

(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 1	2	Employees 3	Self- employed 4			Millions 7	% of labour force 8	% of labour force 9	% of labour force 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	14.821	11.6	9.9	23.2
1998	103.0	1.6	1.8	0.6	1.2	2.1	14.082	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	.	.	.	.	.	.	11.818	9.0	7.9	17.2
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	12.313	9.4	8.2	17.9
Q2	106.7	2.2	2.5	0.3	0.9	2.9	11.903	9.1	7.9	17.4
Q3	107.1	2.0	2.3	0.6	1.0	2.7	11.673	8.9	7.8	17.1
Q4	.	.	.	.	.	.	11.381	8.7	7.6	16.5
2000 Feb.	-	-	-	-	-	-	12.330	9.4	8.2	18.0
Mar.	-	-	-	-	-	-	12.167	9.3	8.1	17.8
Apr.	-	-	-	-	-	-	12.038	9.2	8.0	17.6
May	-	-	-	-	-	-	11.908	9.1	7.9	17.4
June	-	-	-	-	-	-	11.762	9.0	7.9	17.2
July	-	-	-	-	-	-	11.703	8.9	7.8	17.1
Aug.	-	-	-	-	-	-	11.723	8.9	7.8	17.2
Sep.	-	-	-	-	-	-	11.593	8.8	7.7	17.0
Oct.	-	-	-	-	-	-	11.441	8.7	7.6	16.7
Nov.	-	-	-	-	-	-	11.369	8.7	7.6	16.5
Dec.	-	-	-	-	-	-	11.334	8.6	7.6	16.4
<i>Euro area enlargement</i>										
2001 Jan.	-	-	-	-	-	-	11.831	8.7	7.6	17.0
Feb.	-	-	-	-	-	-	11.775	8.7	7.5	17.1

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 17	Total 18		
	11	12	13	14	15	16	17	18		
1996	1.9	3.0	1.1	3.4	3.0	4.4	3.5	4.0	3.7	
1997	0.7	2.2	1.5	2.6	2.6	2.7	2.3	2.7	2.6	
1998	0.2	1.4	1.2	1.8	2.2	1.1	1.8	1.4	2.9	
1999	1.2	2.0	0.8	2.2	2.5	1.7	2.3	1.9	2.4	
2000	.	.	.	3.7	4.1	2.9	3.6	3.0	.	
1998 Q4	1.0	1.2	0.3	1.7	2.1	1.2	1.9	1.4	3.2	
1999 Q1	1.5	1.6	0.0	2.0	2.2	1.3	2.2	1.5	2.7	
Q2	1.6	2.1	0.6	2.1	2.4	1.4	2.1	2.0	2.5	
Q3	1.1	1.8	0.7	2.3	2.6	1.9	2.4	2.2	2.4	
Q4	0.2	1.8	1.5	2.5	2.8	2.1	2.5	1.9	1.9	
2000 Q1	0.6	2.4	1.8	3.9	4.3	2.8	3.8	3.0	2.8	
Q2	0.5	2.0	1.4	3.8	4.1	3.1	3.7	2.9	2.7	
Q3	1.2	2.3	1.0	3.7	4.1	3.0	3.6	3.0	2.4	
Q4	.	.	.	3.5	4.0	2.8	3.4	3.2	.	

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)

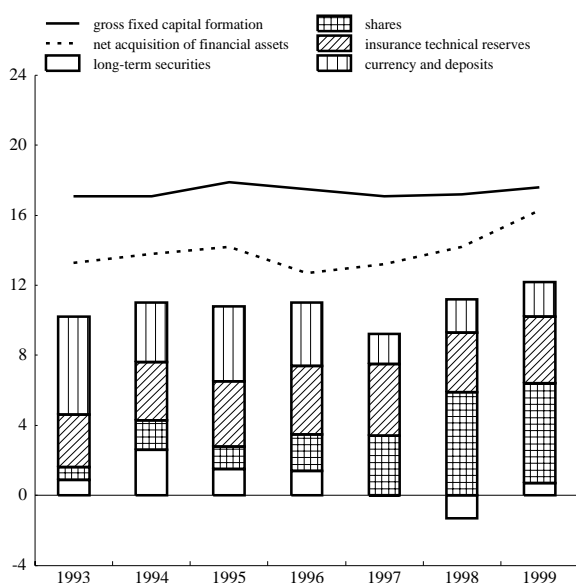
	Euro area saving and investment ¹⁾			Investment of private non-financial sectors ¹⁾²⁾							
	Gross saving	Gross fixed capital formation	Net lending to the rest of the world	Gross fixed capital formation	Non-financial corporations	Net acquisition of financial assets	Currency and deposits	Securities other than shares	Long-term securities	Shares	Insurance technical reserves
	1	2	3	4	5	6	7	8	9	10	11
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			
	12	13	14	15	16	17	18	19	20	21	22
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

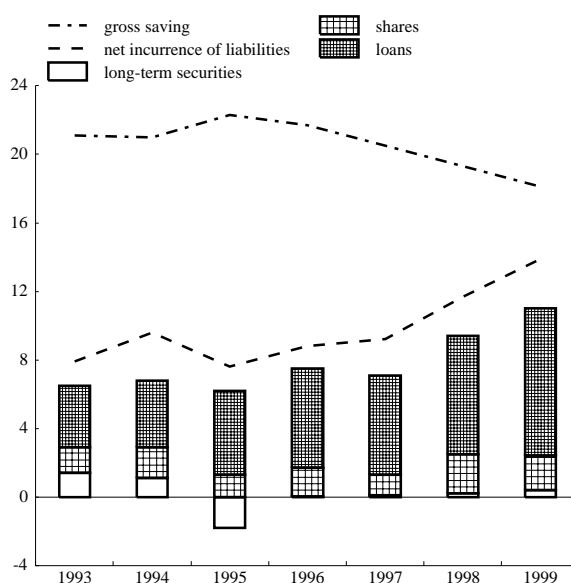
Investment and financing of private non-financial sectors ¹⁾²⁾

(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									Sales	Capital revenue		Memo: fiscal burden ²⁾
		Direct taxes	Households	Corporations	Indirect taxes	Received by EU institutions	Social contributions	Employers	Employees	Capital taxes				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	46.4	46.1	11.8	9.5	2.2	13.0	0.9	16.7	8.5	5.1	2.3	0.3	0.2	41.8
1992	47.5	46.8	11.9	9.8	2.0	13.0	0.9	17.1	8.6	5.2	2.5	0.7	0.6	42.6
1993	48.2	47.7	12.1	10.0	2.1	13.3	0.8	17.5	8.6	5.3	2.5	0.5	0.3	43.2
1994	47.7	47.2	11.6	9.6	2.0	13.5	0.8	17.5	8.5	5.4	2.5	0.4	0.2	42.9
1995	47.2	46.6	11.6	9.5	2.0	13.3	0.9	17.3	8.4	5.4	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	5.4	2.5	0.5	0.3	43.3
1997	48.2	47.6	12.2	9.6	2.6	13.6	0.7	17.6	8.7	5.3	2.5	0.7	0.4	43.7
1998	47.7	47.2	12.4	9.9	2.5	14.1	0.7	16.5	8.5	4.8	2.5	0.5	0.3	43.3
1999	48.3	47.7	12.8	10.1	2.7	14.4	0.6	16.4	8.5	4.8	2.4	0.6	0.3	43.9
2000	48.0	47.5	13.0	10.1	2.8	14.3	0.6	16.3	8.5	4.7	2.4	0.5	0.3	43.8

2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure	Investment	Capital transfers	Paid by EU institutions	Memo: primary expenditure ⁴⁾
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments ³⁾	Subsidies	Paid by EU institutions					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	51.1	46.3	11.2	5.0	5.3	24.8	21.0	2.4	0.6	4.9	3.2	1.6	0.0	45.9
1992	52.3	47.6	11.4	5.1	5.7	25.5	21.9	2.3	0.5	4.7	3.2	1.5	0.0	46.7
1993	53.8	49.2	11.6	5.2	5.9	26.5	22.8	2.4	0.6	4.6	3.1	1.6	0.1	47.9
1994	52.7	48.4	11.3	5.0	5.5	26.5	22.9	2.3	0.6	4.4	2.9	1.5	0.1	47.2
1995	52.2	47.7	11.2	4.9	5.7	26.0	22.7	2.2	0.6	4.5	2.7	1.8	0.1	46.5
1996	52.2	48.3	11.2	4.9	5.7	26.5	23.2	2.2	0.6	4.0	2.6	1.4	0.0	46.6
1997	50.8	47.1	11.0	4.8	5.1	26.1	23.1	2.1	0.5	3.7	2.4	1.3	0.1	45.7
1998	49.9	46.0	10.7	4.8	4.7	25.7	22.4	2.0	0.5	3.9	2.4	1.5	0.1	45.2
1999	49.5	45.5	10.7	4.9	4.2	25.6	22.4	2.0	0.5	4.0	2.5	1.6	0.1	45.3
2000	48.7	44.8	10.5	4.9	4.0	25.4	22.1	1.9	0.5	4.0	2.5	1.5	0.0	43.7

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

	Deficit (-) / surplus (+)					Primary deficit (-) / surplus (+)	Government consumption ⁵⁾							
	Total	Central government	State government	Local government	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Government collective consumption	Government individual consumption
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	-4.7	-4.6	-0.3	-0.1	0.3	0.6	20.4	11.2	5.0	4.7	1.8	-2.3	8.7	11.7
1992	-4.8	-4.2	-0.3	-0.2	0.0	0.8	20.8	11.4	5.1	4.9	1.8	-2.5	8.8	12.0
1993	-5.7	-5.0	-0.5	-0.2	-0.1	0.2	21.2	11.6	5.2	5.0	1.8	-2.5	9.0	12.3
1994	-5.0	-4.3	-0.5	-0.2	0.0	0.5	20.8	11.3	5.0	5.0	1.8	-2.5	8.7	12.2
1995	-5.0	-4.2	-0.5	-0.1	-0.3	0.7	20.5	11.2	4.9	5.1	1.8	-2.5	8.5	12.0
1996	-4.3	-3.6	-0.4	-0.1	-0.2	1.4	20.6	11.2	4.9	5.1	1.8	-2.5	8.5	12.1
1997	-2.6	-2.3	-0.4	0.1	0.0	2.5	20.3	11.0	4.8	5.1	1.8	-2.5	8.4	12.0
1998	-2.1	-2.1	-0.3	0.2	0.1	2.5	20.0	10.7	4.8	5.1	1.7	-2.5	8.2	11.8
1999	-1.2	-1.6	-0.1	0.1	0.4	3.0	20.0	10.7	4.9	5.1	1.7	-2.4	8.2	11.9
2000	-0.7	-1.3	-0.2	0.2	0.5	3.3	19.9	10.5	4.9	5.1	1.7	-2.4	8.0	11.9

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
1997	-1.9	-2.7	-4.6	-3.2	-3.0	0.7	-2.7	3.6	-1.1	-1.7	-2.7	-1.5
1998	-0.9	-2.1	-3.2	-2.6	-2.7	2.1	-2.8	3.2	-0.7	-2.3	-2.2	1.3
1999	-0.7	-1.4	-1.8	-1.2	-1.6	2.1	-1.8	4.7	1.0	-2.1	-2.0	1.8
2000	0.0	1.3	-0.9	-0.3	-1.3	4.5	-0.3	5.3	2.0	-1.1	-1.4	6.7

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' deficit / surplus (including proceeds from sales of UMTS licences).

- 1) Revenue, expenditure and deficit / surplus based on the ESA 95, but the figures exclude proceeds from sales of UMTS licences in 2000 (the euro area deficit / surplus including those proceeds is equal to 0.4). Data before 1995 are partially estimated. Transactions between countries and EU institutions are included and consolidated. Transactions among governments are not consolidated.
- 2) The fiscal burden comprises taxes and social contributions.
- 3) Comprises social benefits, social transfers in kind via market producers and transfers to non-profit institutions serving households.
- 4) Comprises total expenditure minus interest expenditure.
- 5) Corresponds to final consumption expenditure (P.3) of the general government in the ESA 95.

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

	Total	Financial instrument				Holder				
		Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors ²⁾				Other creditors ³⁾
						Total	MFI	Other financial corporations	Other sectors	
1	2	3	4	5	6	7	8	9	10	
1991	57.6	2.7	16.1	9.6	29.2	48.2	24.7	7.3	16.3	9.4
1992	61.1	2.6	16.8	10.1	31.5	50.4	26.4	7.5	16.4	10.7
1993	67.4	2.7	17.6	10.0	37.1	52.7	27.7	8.6	16.3	14.8
1994	70.2	2.9	16.8	10.4	40.1	56.3	29.9	9.7	16.6	13.9
1995	74.2	2.9	18.2	9.8	43.1	58.6	30.5	10.9	17.2	15.6
1996	75.4	2.9	17.8	9.9	44.8	59.2	30.3	13.1	15.8	16.2
1997	74.8	2.9	17.0	8.9	46.1	57.1	29.1	14.4	13.7	17.7
1998	73.1	2.8	15.8	7.9	46.6	53.5	27.0	16.1	10.5	19.6
1999	72.0	2.9	14.8	6.8	47.5	50.1	25.3	15.0	9.8	21.9
2000	69.7	2.7	13.8	6.2	47.0	46.7	23.5	13.6	9.6	23.0

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	57.6	46.5	4.5	6.3	0.3	11.7	45.8	4.8	17.6	18.6	21.4	56.4	1.7	1.1
1992	61.1	49.6	4.7	6.3	0.4	12.2	48.9	6.4	17.9	21.1	22.1	59.8	2.1	1.3
1993	67.4	55.1	5.2	6.6	0.6	12.0	55.4	6.7	18.6	24.4	24.4	65.7	2.7	1.8
1994	70.2	57.7	5.5	6.4	0.7	11.3	58.9	7.4	16.6	26.7	26.9	68.2	2.7	2.0
1995	74.2	61.3	5.7	6.3	0.8	10.6	63.5	6.9	17.6	26.2	30.3	72.2	2.7	2.0
1996	75.4	62.6	6.1	6.2	0.5	10.2	65.2	6.4	19.2	25.3	30.9	73.4	2.5	2.0
1997	74.8	62.0	6.3	5.9	0.6	8.8	66.0	6.0	18.6	25.2	31.0	72.7	2.5	2.1
1998	73.1	60.8	6.3	5.7	0.4	7.7	65.4	5.5	16.3	25.9	30.9	71.3	2.8	1.8
1999	72.0	59.9	6.2	5.6	0.3	6.9	65.1	5.0	14.4	26.8	30.8	70.2	-	1.8
2000	69.7	57.9	6.1	5.4	0.3	5.5	64.2	4.5	.	.	.	68.0	-	1.7

3. Euro area countries – government debt

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1997	125.3	60.9	108.3	66.7	59.3	65.1	120.1	6.0	70.0	64.7	59.1	54.1
1998	119.8	60.7	105.5	64.7	59.7	55.0	116.2	6.4	66.8	63.9	55.3	48.8
1999	116.4	61.1	104.6	63.4	58.7	50.1	114.5	6.0	63.2	64.7	55.0	46.9
2000	110.9	60.2	103.9	60.6	58.0	39.1	110.2	5.3	56.3	62.8	53.8	44.0

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

1) Data are partially estimated. General government gross consolidated debt at nominal value at the end of the year.

Holdings by other governments are not consolidated.

2) Holders resident in the country whose government has issued the debt.

3) Includes residents of euro area countries other than the country whose government has issued the debt.

4) Excludes debt held by general government in the country whose government has issued it.

5) Before 1999, comprises debt in ECU, in domestic currency and in the currencies of other Member States which have adopted the euro.

Table 7.3
Change in debt ¹⁾
(as a percentage of GDP)
1. Euro area – change in government debt by source, financial instrument and sector of the holder

	Total	Source of change				Financial instrument				Holder			
		Borrowing requirement ²⁾	Valuation effects ³⁾	Other changes in volume ⁴⁾	Aggregation effect ⁵⁾	Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors ⁶⁾	MFIs	Other financial corporations	Other creditors ⁷⁾
	1	2	3	4	5	6	7	8	9	10	11	12	13
1991	5.2	5.1	0.0	0.2	-0.1	0.2	1.2	0.0	3.9	.	.	.	.
1992	6.8	5.6	0.3	0.7	0.1	0.1	1.6	1.0	4.0	4.9	3.1	0.7	1.9
1993	8.1	7.5	0.3	0.1	0.1	0.2	1.3	0.1	6.4	3.7	2.0	1.3	4.4
1994	6.1	5.2	0.2	0.7	0.0	0.4	0.0	0.9	4.8	6.3	3.6	1.5	-0.2
1995	7.7	5.5	0.2	2.2	-0.2	0.2	2.3	0.0	5.2	5.3	2.2	1.7	2.5
1996	3.8	4.2	-0.2	0.1	-0.3	0.1	0.2	0.4	3.2	2.7	0.8	2.6	1.1
1997	2.3	2.4	0.2	-0.2	0.0	0.0	-0.1	-0.6	3.0	0.2	-0.1	1.8	2.1
1998	1.6	1.9	-0.2	0.0	0.0	0.1	-0.4	-0.6	2.6	-1.1	-0.8	2.3	2.7
1999	1.6	1.3	0.3	0.0	0.0	0.2	-0.4	-0.8	2.6	-1.4	-0.6	-0.5	3.0
2000	0.8	0.8	0.0	0.0	0.0	-0.1	-0.4	-0.3	1.6	-1.2	-0.7	-0.7	2.0

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+) ⁸⁾	Deficit-debt adjustment ⁹⁾											Other ¹¹⁾
			Total	Transactions in main financial assets held by general government							Valuation effects	Exchange rate effects	Other changes in volume	
				Total	Currency and deposits	Securities ¹⁰⁾	Loans	Shares and other equity	Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	5.2	-4.7	0.5	1.0	0.3	0.1	0.5	0.2	-0.1	0.2	0.0	0.1	0.2	-0.8
1992	6.8	-4.8	1.9	0.8	0.2	0.1	0.3	0.1	-0.1	0.2	0.3	0.3	0.7	0.1
1993	8.1	-5.7	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	6.1	-5.0	1.0	0.2	0.0	0.1	0.3	-0.1	-0.4	0.2	0.2	0.0	0.7	-0.1
1995	7.7	-5.0	2.7	0.6	0.0	-0.1	0.5	0.1	-0.4	0.2	0.2	0.0	2.2	-0.3
1996	3.8	-4.3	-0.4	-0.1	-0.1	0.0	0.0	0.0	-0.3	0.2	-0.2	-0.1	0.1	-0.3
1997	2.3	-2.6	-0.3	-0.5	0.1	-0.1	-0.1	-0.4	-0.8	0.3	0.2	0.2	-0.2	0.2
1998	1.6	-2.1	-0.5	-0.6	0.2	0.0	-0.2	-0.5	-0.9	0.2	-0.2	0.0	0.0	0.3
1999	1.6	-1.2	0.4	0.2	0.5	0.1	0.1	-0.5	-0.8	0.2	0.3	0.2	0.0	-0.1
2000	0.8	0.4	1.2	0.8	0.7	0.2	0.1	-0.2	-0.4	0.1	0.0	0.0	0.0	0.4

Source: ECB.

- 1) Data are partially estimated. Annual change in gross nominal consolidated debt expressed as a percentage of GDP [$debt(t) - debt(t-1) \div GDP(t)$].
- 2) The borrowing requirement is by definition equal to transactions in government debt.
- 3) Includes, in addition to the impact of foreign exchange movements, effects arising from measurement at nominal value (e.g. premia or discounts on securities issued).
- 4) Comprises, in particular, the impact of the reclassification of units and certain types of debt assumption.
- 5) The difference between the changes in the aggregated debt, resulting from the aggregation of countries' debt, and the aggregation of countries' change in debt, due to variations in the exchange rates used for aggregation before 1999.
- 6) Holders resident in the country whose government has issued the debt.
- 7) Includes residents of euro area countries other than the country whose government has issued the debt.
- 8) Including proceeds from sales of UMTS licences.
- 9) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
- 10) Excluding financial derivatives.
- 11) Comprises mainly transactions in other assets and liabilities (trade credit, other receivables/payables and financial derivatives).

8 Balance of payments and international investment position of the euro area (including reserves)

Table 8.1

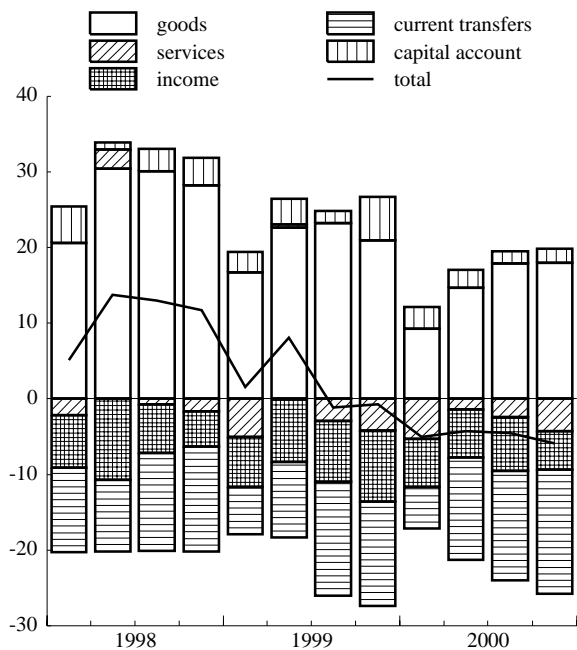
Summary balance of payments ^{1) 2)}

(EUR billions (ECU billions to end-1998); net flows)

	Current account					Capital account	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers		Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1997	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 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
<i>Euro area enlargement</i>													
2001 Jan.	-8.5	-1.9	-2.5	-6.7	2.5	1.4	-4.7	-4.5	-45.5	-5.1	47.9	2.4	11.9

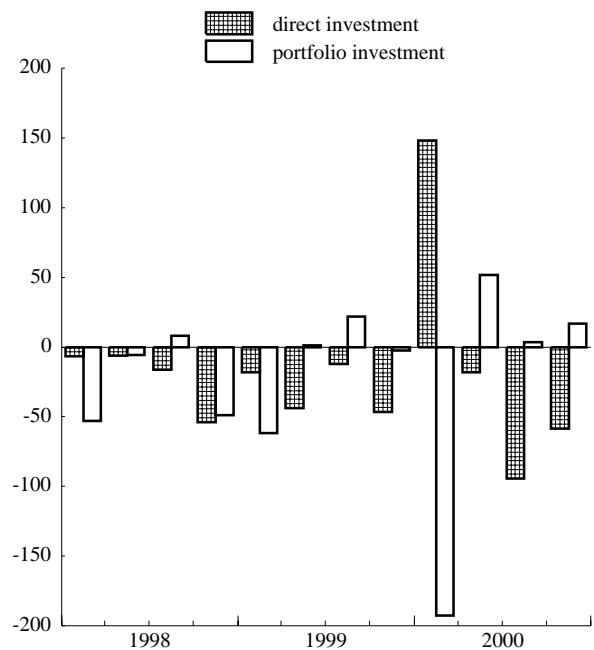
Current and capital accounts

(EUR billions (ECU billions to end-1998); net flows)



Direct and portfolio investment

(EUR billions (ECU billions to end-1998); net flows)



Source: ECB.

1) Inflows (+); outflows (-). Reserve assets: increase (-); decrease (+).

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

Table 8.2**Balance of payments: current and capital accounts ¹⁾***(EUR billions (ECU billions to end-1998); 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 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
<i>Euro area enlargement</i>												
2001 Jan.	138.2	146.8	79.4	81.3	21.2	23.7	22.5	29.2	15.0	12.6	1.9	0.5

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 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
<i>Euro area enlargement</i>						
2001 Jan.	-13.0	-9.0	-4.0	8.5	6.2	2.3

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 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
<i>Euro area enlargement</i>										
2001 Jan.	-34.3	-11.2	-17.8	-2.1	-16.5	-6.6	-10.0	-9.1	-9.6	0.5

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		Eurosystem		General government		MFIs (excluding the Eurosystem)						Other sectors	
	Assets 1	Liabilities 2	Assets 3	Liabilities 4	Assets 5	Liabilities 6	Total		Long-term		Short-term		Assets 13	Liabilities 14
							Assets 7	Liabilities 8	Assets 9	Liabilities 10	Assets 11	Liabilities 12		
1998	-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	-20.9	184.0	0.0	4.6	2.8	-12.5	18.2	159.6	-46.4	54.4	64.6	105.2	-41.9	32.3
2000	-193.6	325.2	0.0	-2.3	-6.4	4.5	-129.8	271.7	-38.7	50.9	-91.1	220.8	-57.4	51.4
1999 Q4	11.5	41.4	0.0	2.3	0.5	-3.9	-0.2	39.0	-5.0	7.6	4.7	31.3	11.2	4.0
2000 Q1	-78.9	170.2	0.0	-5.1	-6.0	-2.7	-30.0	163.1	-11.2	20.0	-18.8	143.1	-42.8	14.9
Q2	-29.3	-16.0	0.0	3.1	1.0	-0.3	-21.1	-20.7	-4.9	7.6	-16.2	-28.3	-9.3	2.0
Q3	-29.2	101.1	0.0	-1.7	-4.0	1.4	-14.3	72.3	-9.6	8.9	-4.7	63.4	-11.0	29.0
Q4	-56.3	69.9	0.0	1.5	2.6	6.1	-64.5	57.0	-13.1	14.4	-51.5	42.6	5.6	5.4
1999 Nov.	-60.2	65.6	0.0	0.2	1.2	-2.0	-56.6	63.2	1.7	1.4	-58.3	61.8	-4.8	4.2
Dec.	92.1	-78.8	0.0	3.2	0.4	-0.8	78.3	-76.0	-3.0	2.6	81.3	-78.7	13.4	-5.2
2000 Jan.	-21.1	47.8	0.0	0.1	-2.9	-1.0	-2.6	43.4	-3.9	6.2	1.4	37.2	-15.6	5.3
Feb.	-30.1	33.0	0.0	-1.8	-2.7	-0.3	-17.4	26.4	-4.9	7.7	-12.5	18.7	-10.0	8.6
Mar.	-27.6	89.4	0.0	-3.5	-0.4	-1.4	-10.0	93.3	-2.3	6.1	-7.7	87.2	-17.2	1.0
Apr.	-34.9	40.1	0.0	3.1	0.4	-0.5	-30.8	37.1	-5.4	5.7	-25.5	31.4	-4.5	0.4
May	-14.0	29.7	0.0	-2.4	0.5	0.6	-9.1	27.8	-0.5	-0.8	-8.5	28.7	-5.4	3.6
June	19.6	-85.7	0.0	2.3	0.2	-0.4	18.8	-85.7	1.0	2.6	17.8	-88.3	0.6	-2.0
July	5.4	20.9	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.	-26.2	54.0	0.0	-1.8	-1.5	1.0	-19.3	24.8	-0.7	-1.1	-18.6	25.9	-5.3	30.0
Sep.	-8.5	26.2	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.	-16.3	28.1	0.0	-0.2	7.3	2.8	-21.0	25.3	-3.6	6.8	-17.4	18.5	-2.6	0.3
Nov.	-47.2	48.1	0.0	0.7	-4.1	1.9	-46.2	48.2	-6.6	7.0	-39.6	41.2	3.2	-2.7
Dec.	7.2	-6.3	0.0	1.0	-0.6	1.4	2.7	-16.5	-2.8	0.6	5.5	-17.1	5.1	7.8
<i>Euro area enlargement</i>														
2001 Jan.	-50.4	98.3	0.6	1.4	3.7	-6.1	-53.7	103.1	-4.2	-1.1	-49.5	104.2	-1.0	-0.1

2. Other investment by sector and instrument ¹⁾**2.1. Eurosystem**

	Loans/currency and deposits			Other assets/liabilities		
	Assets 1	Liabilities 2	Balance 3	Assets 4	Liabilities 5	Balance 6
1999	0.0	5.5	5.5	0.0	-0.9	-0.9
1999 Q3	0.0	-2.9	-2.9	0.0	0.0	0.0
Q4	0.0	2.4	2.4	0.0	0.0	0.0
2000 Q1	0.0	-5.1	-5.1	0.0	0.0	0.0
Q2	0.0	3.0	3.0	0.0	0.0	0.0
Q3	0.0	-1.8	-1.8	0.0	0.0	0.0

Source: ECB.

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

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

2.2. General government

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 7	Liabilities 8	Balance 9	Assets 10	Liabilities 11	Balance 12	Assets 13	Liabilities 14	Balance 15
1999	0.0	0.0	0.0	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	Monetary gold	Special drawing rights	Reserve position in the IMF	Foreign exchange							Other claims
					Total	Currency and deposits		Securities			Financial derivatives	
						With monetary authorities and the BIS	With banks	Equity	Bonds and notes	Money market instruments		
1	2	3	4	5	6	7	8	9	10	11	12	
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.	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.	386.0	115.0	404.119	4.5	22.3	243.4	11.8	19.9	211.2	-	-	-	0.5	0.8	18.0
Feb.	384.3	116.5	404.119	4.8	21.3	241.0	10.4	21.7	208.4	-	-	-	0.5	0.6	18.3

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
Feb.	46.7	7.1	24.656	0.0	0.0	38.9	0.6	3.9	34.4	-	-	-	0.0	0.6	3.0

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	1,005.2	61.1	19.6	23.2	138.9	266.5	467.0	28.8	161.5	136.7	118.1
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	230.2	13.7	4.7	5.0	32.4	62.1	105.1	7.0	147.9	128.8	114.9
Q2	248.0	15.1	5.0	5.3	34.0	64.9	116.3	7.3	159.4	136.9	116.4
Q3	250.7	15.2	4.7	6.1	35.6	66.9	115.0	7.2	161.1	134.8	119.5
Q4	276.3	17.2	5.1	6.7	36.9	72.6	130.6	7.3	177.6	146.7	121.0
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	127.5	111.7	114.1
Feb.	75.5	4.5	1.6	1.7	10.7	20.8	33.9	2.2	145.5	125.6	115.8
Mar.	88.6	5.2	1.8	1.8	12.3	23.7	41.2	2.6	170.8	148.8	114.8
Apr.	73.5	4.5	1.6	1.6	10.2	19.5	34.0	2.1	141.7	122.3	115.9
May	89.3	5.5	1.8	1.9	12.0	23.2	42.3	2.6	172.2	147.9	116.4
June	85.2	5.1	1.6	1.8	11.8	22.2	40.1	2.6	164.2	140.3	117.0
July	84.9	4.9	1.5	2.0	11.5	23.3	39.4	2.4	163.7	137.5	119.0
Aug.	78.2	5.0	1.6	2.0	11.6	20.6	35.1	2.4	150.8	127.0	118.8
Sep.	87.5	5.3	1.7	2.2	12.5	23.0	40.4	2.4	168.8	139.9	120.6
Oct.	95.9	5.9	1.8	2.4	13.4	25.5	44.3	2.6	184.8	152.5	121.2
Nov.	94.9	6.0	1.8	2.3	12.6	25.0	44.8	2.4	183.0	151.9	120.5
Dec.	85.5	5.2	1.6	2.1	10.8	22.1	41.4	2.3	164.9	136.1	121.2
<i>Euro area enlargement</i>											
2001 Jan.	79.0	.	.	.	.	.	.	.	154.2	.	.

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	992.5	55.0	48.0	142.7	84.8	252.7	375.0	34.3	176.4	136.3	129.4
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	231.4	12.7	11.3	31.5	20.1	60.7	87.5	7.7	164.5	135.8	121.1
Q2	243.3	14.0	12.4	32.1	21.3	62.2	93.3	8.0	172.9	137.1	126.1
Q3	245.2	13.3	11.8	37.5	21.1	64.5	88.9	8.1	174.3	132.7	131.3
Q4	272.6	15.0	12.5	41.5	22.4	65.3	105.3	10.4	193.8	139.4	139.0
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	127.7	118.7
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	32.8	2.7	180.8	146.8	123.2
Apr.	73.1	4.2	3.7	9.5	6.5	18.3	28.3	2.4	155.8	127.0	122.7
May	88.1	5.1	4.7	11.3	7.5	22.8	33.9	2.9	187.8	148.0	126.9
June	82.2	4.6	4.1	11.3	7.3	21.1	31.0	2.7	175.2	136.4	128.4
July	79.2	4.5	4.0	11.9	6.7	21.0	28.3	2.9	169.0	131.7	128.3
Aug.	78.6	4.4	3.5	12.5	6.8	20.6	28.4	2.4	167.5	128.3	130.6
Sep.	87.4	4.5	4.2	13.2	7.6	22.9	32.3	2.8	186.4	138.3	134.8
Oct.	92.4	5.2	4.2	13.2	7.8	22.9	35.3	3.7	196.9	142.1	138.6
Nov.	95.0	5.1	4.4	14.8	7.9	22.6	36.5	3.8	202.6	145.5	139.2
Dec.	85.3	4.8	3.9	13.6	6.8	19.8	33.5	2.9	181.9	130.7	139.2
<i>Euro area enlargement</i>											
2001 Jan.	86.4	.	.	.	.	.	.	.	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	6.1	-28.4	-119.5	54.1	13.8	92.0	-5.5
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	-1.2	1.1	-6.5	-26.5	12.3	1.5	17.7	-0.7
Q2	4.7	1.1	-7.4	-26.8	12.7	2.7	23.1	-0.7
Q3	5.5	1.9	-7.1	-31.4	14.6	2.4	26.0	-0.9
Q4	3.7	2.1	-7.4	-34.8	14.4	7.3	25.2	-3.2
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	-8.7	3.5	-0.9	3.6	-0.3
Feb.	0.0	0.4	-2.0	-8.5	4.0	0.7	5.6	-0.3
Mar.	3.8	0.6	-2.3	-9.3	4.8	1.7	8.5	-0.1
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	4.5	0.4	8.3	-0.2
June	3.0	0.5	-2.5	-9.5	4.5	1.1	9.0	-0.1
July	5.7	0.4	-2.5	-9.9	4.8	2.3	11.2	-0.6
Aug.	-0.3	0.6	-2.0	-10.5	4.8	0.0	6.7	0.1
Sep.	0.1	0.9	-2.6	-11.0	5.0	0.1	8.2	-0.4
Oct.	3.5	0.7	-2.5	-10.8	5.6	2.6	9.0	-1.1
Nov.	-0.1	0.9	-2.6	-12.5	4.7	2.4	8.3	-1.4
Dec.	0.2	0.5	-2.3	-11.5	4.1	2.3	7.9	-0.6
<i>Euro area enlargement</i>								
2001 Jan.	-7.4	.	.	.	.	.	.	.

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	99.7	90.4	96.6	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.7	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	96.2	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.5	86.9	86.8	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	96.6	96.5	96.0	1.057	127.7	1.600	0.658
Q3	94.6	94.7	94.5	94.9	95.5	94.6	1.049	118.7	1.602	0.655
Q4	92.2	92.2	92.2	93.2	94.2	92.6	1.038	108.4	1.600	0.636
2000 Q1	89.0	89.6	89.7	89.4	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	86.2	87.3	85.3	0.905	97.4	1.544	0.612
Q4	83.0	84.0	84.8	84.4	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	85.2	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	84.1	-	85.1	82.9	0.856	93.3	1.522	0.600
Dec.	85.4	86.4	86.9	-	88.1	85.8	0.897	100.6	1.514	0.613
<i>Euro area enlargement</i>										
2001 Q1	88.6	89.9	90.2	90.3	91.4	88.7	0.923	109.1	1.533	0.633
2001 Jan.	89.2	90.3	90.5	-	91.7	89.0	0.938	109.6	1.529	0.635
Feb.	88.3	89.6	89.9	-	91.0	88.4	0.922	107.1	1.536	0.634
Mar.	88.4	89.7	90.1	-	91.4	88.6	0.910	110.3	1.535	0.629
% ch. vs. ⁴⁾ prev. month										
2001 Mar.	0.1	0.1	0.3	-	0.4	0.3	-1.3	3.0	0.0	-0.8
% ch. vs. ⁴⁾ prev. year										
2001 Mar.	-	-	-	-	-	-	-5.7	7.5	-4.3	3.0

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 ⁵⁾	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>								
9.00	7.46	8.20	1.410	1.741	7.20	1,174.7	1.616	2001 Q1
8.91	7.46	8.24	1.410	1.689	7.32	1,194.9	1.630	2001 Jan.
8.98	7.46	8.21	1.403	1.724	7.19	1,153.8	1.607	Feb.
9.13	7.46	8.16	1.417	1.807	7.09	1,173.4	1.611	Mar.
1.7	0.0	-0.6	1.0	4.8	-1.3	1.7	0.3	% ch. vs. ⁴⁾ prev. month 2001 Mar.
8.8	0.2	0.6	0.6	14.2	-5.5	9.0	-2.6	% ch. vs. ⁴⁾ prev. year 2001 Mar.

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	0.3	61.2	6.25	7.48	0.6	1.9	3.0	5.3	5.6	4.7	3.73
1998	1.3	1.1	55.6	4.94	7.50	-0.9	2.3	2.8	2.1	5.2	4.6	4.27
1999	2.1	3.1	52.0	4.91	7.44	1.7	3.0	2.1	1.9	5.2	4.2	3.44
2000	2.7	2.5	46.5	5.64	7.45	1.5	1.8	2.9	6.1	4.7	1.9	5.00
1999 Q4	2.8	-	-	5.57	7.44	0.4	-0.6	3.3	4.6	4.9	4.1	3.78
2000 Q1	2.8	-	-	5.79	7.45	1.0	1.9	2.6	3.2	4.8	2.2	3.95
Q2	2.9	-	-	5.67	7.46	1.3	2.1	3.6	7.8	4.6	1.3	4.73
Q3	2.6	-	-	5.69	7.46	3.2	1.1	3.2	7.6	4.7	2.3	5.84
Q4	2.6	-	-	5.42	7.45	0.6	1.9	2.4	5.9	4.8	1.8	5.48
2001 Q1	.	-	-	5.03	7.46	.	.	.	.	.	.	5.26
2000 Oct.	2.8	-	-	5.57	7.45	-	-	-	4.8	4.9	2.6	5.55
Nov.	2.7	-	-	5.49	7.46	-	-	-	2.5	4.8	0.7	5.50
Dec.	2.3	-	-	5.20	7.46	-	-	-	11.0	4.7	2.0	5.38
2001 Jan.	2.3	-	-	5.09	7.46	-	-	-	2.9	4.6	.	5.34
Feb.	2.3	-	-	5.06	7.46	-	-	-	3.6	.	.	5.27
Mar.	.	-	-	4.95	7.46	-	-	-	.	.	.	5.16
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	2.6	-0.4	4.1	2.0	7.2	6.8	3.32
2000	1.3	.	.	5.37	8.45	2.7	5.6	3.6	8.5	5.9	6.2	4.07
1999 Q4	1.0	-	-	5.69	8.65	1.2	-1.1	4.2	3.6	6.8	9.1	3.69
2000 Q1	1.2	-	-	5.79	8.50	3.4	5.7	4.2	5.9	6.5	8.7	3.99
Q2	1.2	-	-	5.30	8.28	1.4	4.5	4.1	10.2	6.0	8.9	4.09
Q3	1.3	-	-	5.30	8.40	2.3	5.3	3.7	9.1	5.7	5.1	4.14
Q4	1.5	-	-	5.09	8.60	3.9	6.7	2.3	8.7	5.4	2.2	4.06
2001 Q1	.	-	-	4.83	9.00	.	.	.	.	.	.	4.10
2000 Oct.	1.3	-	-	5.23	8.52	-	-	-	7.2	5.5	1.2	4.03
Nov.	1.8	-	-	5.13	8.63	-	-	-	9.0	5.6	3.4	4.02
Dec.	1.3	-	-	4.92	8.66	-	-	-	9.9	5.1	2.1	4.13
2001 Jan.	1.6	-	-	4.89	8.91	-	-	-	9.4	5.4	0.4	4.14
Feb.	1.5	-	-	4.86	8.98	-	-	-	.	5.3	-1.2	4.10
Mar.	.	-	-	4.75	9.13	-	-	-	.	.	.	4.06
United Kingdom												
1997	1.8	-2.0	51.1	7.13	0.692	0.9	2.9	3.5	1.3	7.0	11.2	6.92
1998	1.6	0.4	48.1	5.60	0.676	0.0	2.9	2.6	0.8	6.3	9.7	7.42
1999	1.3	1.3	45.7	5.01	0.659	-1.0	3.5	2.3	0.6	6.1	5.3	5.54
2000	0.8	1.9	42.9	5.33	0.609	-1.5	.	3.0	1.5	5.5	6.6	6.19
1999 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	6.3	43.7	5.60	0.614	-1.5	3.1	3.2	1.9	5.9	3.8	6.20
Q2	0.6	-0.4	43.7	5.31	0.610	-1.4	0.9	3.4	2.6	5.6	5.7	6.28
Q3	0.8	2.1	42.3	5.31	0.612	-1.8	1.4	3.0	0.7	5.4	8.4	6.21
Q4	0.9	-0.1	42.6	5.09	0.600	-1.4	.	2.6	0.9	5.4	8.3	6.07
2001 Q1	.	.	.	4.90	0.633	.	.	.	.	.	.	5.72
2000 Oct.	1.0	7.0	42.0	5.20	0.589	-	-	-	0.6	5.4	8.8	6.16
Nov.	1.0	-3.8	42.6	5.11	0.600	-	-	-	0.1	5.4	8.3	6.09
Dec.	0.9	-3.6	42.6	4.95	0.613	-	-	-	1.9	5.2	7.9	5.96
2001 Jan.	0.9	15.9	41.2	4.94	0.635	-	-	-	1.2	.	9.6	5.84
Feb.	0.8	3.3	40.4	4.95	0.634	-	-	-	0.6	.	.	5.76
Mar.	.	.	.	4.82	0.629	-	-	-	.	.	.	5.55

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

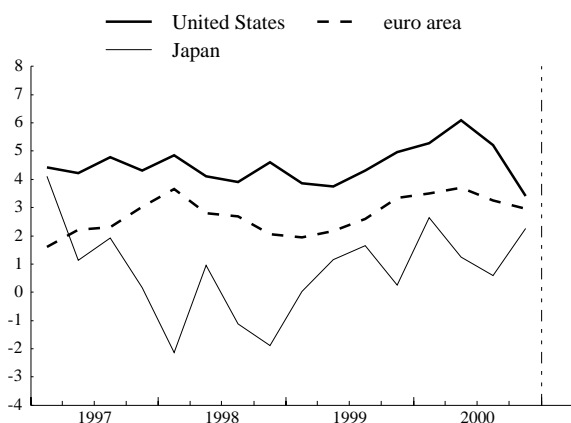
Table 12.1
Economic and financial developments

(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	53.4
1999	2.2	-1.7	4.2	4.8	4.2	7.6	5.42	5.64	1.066	1.0	50.3
2000	3.4	-3.8	5.0	6.0	4.0	6.1	6.53	6.03	0.924	2.2	44.5
1999 Q4	2.6	-3.1	5.0	5.6	4.1	6.3	6.14	6.13	1.038	1.3	50.3
2000 Q1	3.2	-3.7	5.3	6.3	4.0	6.0	6.11	6.48	0.986	2.0	49.3
Q2	3.3	-4.4	6.1	7.0	4.0	6.1	6.63	6.18	0.933	2.1	46.5
Q3	3.5	-5.4	5.2	6.4	4.0	6.0	6.70	5.89	0.905	2.3	45.2
Q4	3.4	-1.5	3.4	4.3	4.0	6.2	6.69	5.56	0.868	2.4	44.5
2001 Q1	.	.	.	.	4.2	.	5.35	5.04	0.923	.	.
2000 Oct.	3.4	-	-	5.5	3.9	6.2	6.78	5.74	0.855	-	-
Nov.	3.4	-	-	4.5	4.0	6.1	6.75	5.72	0.856	-	-
Dec.	3.4	-	-	3.0	4.0	6.4	6.54	5.23	0.897	-	-
2001 Jan.	3.7	-	-	1.9	4.2	6.9	5.73	5.14	0.938	-	-
Feb.	3.5	-	-	0.9	4.2	7.6	5.35	5.10	0.922	-	-
Mar.	.	-	-	.	4.3	.	4.96	4.89	0.910	-	-
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	-6.3	1.7	5.8	4.7	2.1	0.28	1.76	99.5	.	-
1999 Q4	-1.0	-6.0	0.3	4.8	4.7	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	-5.0	2.3	4.5	4.8	2.1	0.56	1.73	95.3	-	-
2001 Q1	.	.	.	.	.	.	0.37	1.38	109.1	-	-
2000 Oct.	-0.9	-6.6	-	6.6	4.7	2.1	0.52	1.83	92.7	-	-
Nov.	-0.5	-4.0	-	3.3	4.8	2.1	0.55	1.75	93.3	-	-
Dec.	-0.2	-4.5	-	3.8	4.9	2.2	0.62	1.62	100.6	-	-
2001 Jan.	0.1	-2.9	-	2.0	4.9	2.4	0.50	1.54	109.6	-	-
Feb.	-0.1	.	-	-2.0	4.7	2.7	0.41	1.43	107.1	-	-
Mar.	.	.	-	.	.	.	0.19	1.19	110.3	-	-

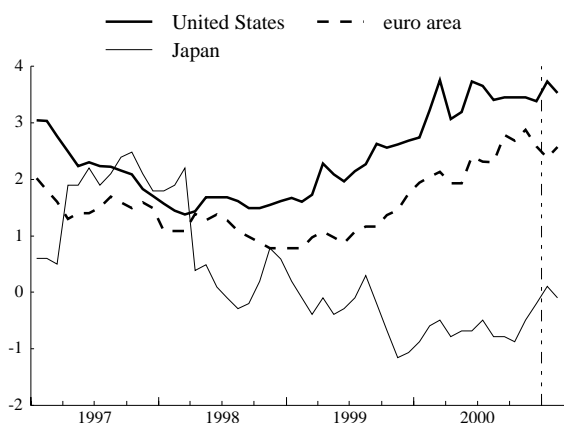
Real gross domestic product

(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.

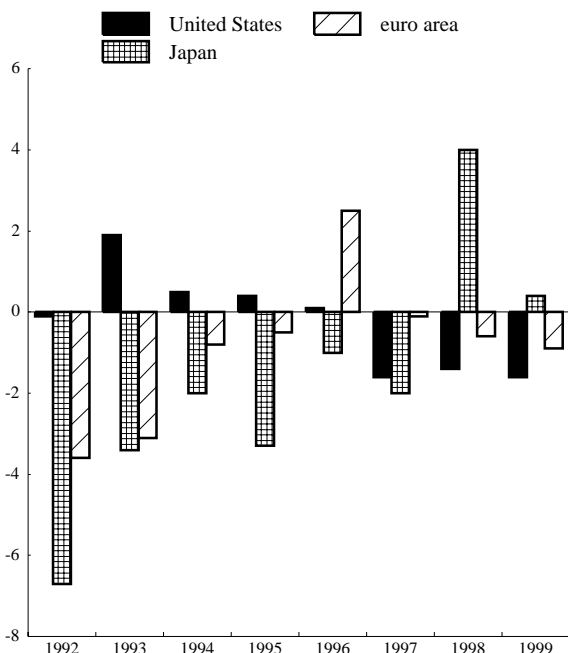
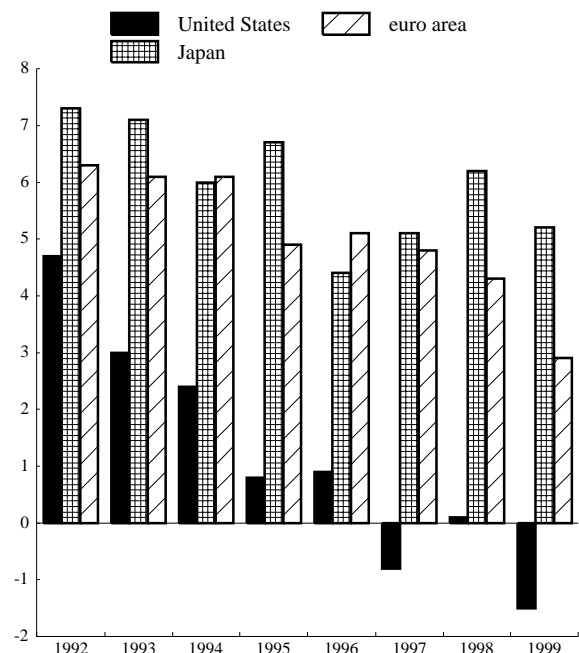
4) For more information, see Table 10.

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													
1997	18.1	19.9	-1.5	9.4	8.6	1.8	8.7	3.4	1.8	11.7	3.8	12.1	4.6
1998	18.8	20.8	-2.3	9.6	8.8	3.9	8.5	5.4	1.7	12.3	5.8	12.4	5.8
1999	18.5	21.1	-3.4	9.8	9.3	7.4	8.7	9.0	3.6	12.6	5.2	11.0	6.7
2000	18.3	21.8	-4.4	10.2	9.7	5.2	8.9	6.8	2.9	12.5	3.1	9.4	5.9
1999 Q1	18.8	21.0	-2.7	9.6	9.1	8.3	8.7	9.7	6.3	12.4	4.6	11.5	6.6
Q2	18.4	20.8	-3.2	9.6	9.5	8.2	8.7	9.6	0.4	12.7	5.1	11.2	6.7
Q3	18.4	21.1	-3.6	9.8	9.3	7.7	8.6	8.9	3.7	12.6	4.7	10.8	6.3
Q4	18.3	21.4	-3.9	10.0	9.3	6.2	8.7	7.8	4.2	12.6	6.6	10.5	7.1
2000 Q1	18.2	21.4	-4.0	9.9	9.6	5.8	8.8	7.2	5.6	12.8	4.3	9.8	7.8
Q2	18.5	22.0	-4.1	10.3	9.6	6.0	9.0	7.6	3.5	12.5	4.4	9.6	5.8
Q3	18.5	21.9	-4.5	10.5	9.9	5.7	9.1	7.4	2.3	12.5	2.8	9.3	5.7
Q4	17.8	21.8	-4.8	10.3	9.7	3.2	8.6	5.2	0.5	12.3	0.9	8.8	4.1
Japan													
1997	30.2	28.7	2.2	16.6	16.1	3.2	13.8	1.2	0.1	6.0	6.9	11.3	0.7
1998	29.1	26.9	2.6	15.6	15.6	-6.4	13.3	-9.1	-1.4	5.3	5.4	11.7	-0.5
1999	27.8	26.0	2.2	14.5	14.7	2.5	13.7	-2.8	1.2	5.3	6.6	11.3	-0.5
2000	.	26.0	.	.	.	1.3	.	0.1	-0.3	.	4.7	.	-0.3
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	3.9	.	11.6	.	-2.2
2000 Q1	.	26.3	.	.	.	7.7	.	-3.4	-3.4	.	3.9	.	9.7
Q2	.	24.8	.	.	.	-26.9	.	-19.6	0.4	.	5.2	.	-9.2
Q3	.	27.1	.	.	.	18.6	.	5.0	-0.6	.	-0.7	.	2.3
Q4	.	27.1	.	.	.	4.7	.	16.6	2.2	.	10.4	.	0.5

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

Net lending of households ¹⁾
(as a percentage of GDP)


Sources: ECB, Federal Reserve Board, Bank of Japan and Economic 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	.	4,614.5	.	7,805.5	.	5,169.0	.
Feb.	1,787.4	.	4,001.0	.	4,601.3	.	7,825.5	.	5,171.3	.
Mar.	1,809.5	.	4,019.8	.	4,618.4	.	7,900.8	.	5,219.0	.
Apr.	1,824.0	.	4,040.2	.	4,658.6	.	7,933.2	.	5,240.7	.
May	1,856.2	.	4,069.1	.	4,694.9	.	8,010.2	.	5,278.0	.
June	1,900.6	.	4,096.6	.	4,720.7	.	8,087.6	.	5,371.5	.
July	1,901.2	.	4,114.6	.	4,730.7	.	8,106.4	.	5,407.9	.
Aug.	1,865.9	.	4,082.4	.	4,712.9	.	8,109.2	.	5,402.9	.
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	.	8,230.2	.	5,490.4	.
Nov.	1,933.2	.	4,139.8	.	4,814.3	.	8,330.0	.	5,556.3	.
Dec.	1,988.5	.	4,239.1	.	4,909.1	.	8,354.9	.	5,589.0	.
2000 Jan.	1,997.1	9.4	4,233.2	4.3	4,917.5	5.4	8,411.8	8.1	5,633.8	8.8
Feb.	1,986.7	10.8	4,226.5	5.3	4,938.8	6.3	8,472.6	8.5	5,670.0	9.5
Mar.	1,998.1	10.1	4,236.3	5.0	4,978.9	6.7	8,567.9	8.4	5,741.4	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	4.6	5,071.5	6.1	8,670.3	8.2	5,834.5	10.3
June	2,038.0	7.1	4,281.7	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	9.2
Aug.	2,002.5	7.0	4,268.0	4.1	5,082.9	5.8	8,700.3	7.1	5,951.9	9.6
Sep.	2,014.5	6.1	4,274.8	4.0	5,084.6	5.4	8,787.8	7.2	6,038.9	10.1
Oct.	2,013.7	5.6	4,281.4	3.7	5,104.5	5.3	8,830.1	6.6	6,082.9	9.9
Nov.	2,032.4	4.9	4,303.6	3.7	5,140.0	5.1	8,877.8	6.1	6,119.0	9.4
Dec.	2,098.9	5.5	4,396.8	3.7	5,209.7	5.2	8,899.1	6.4	6,152.2	9.6

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 ³⁾ ¹⁶⁾	By general government ³⁾ ¹⁷⁾	By non-financial and non-monetary financial corporations ³⁾ 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	6,051.2
Aug.	2.86	3.37	3.65	5.10	239.1	50.2	32.3	17.5	35.8	6,087.6
Sep.	2.89	3.43	3.75	5.27	311.6	51.7	31.2	17.1	59.8	6,145.9
Oct.	3.53	3.81	4.16	5.51	305.1	51.6	30.2	18.2	52.6	6,199.7
Nov.	3.64	3.82	4.07	5.22	285.1	57.1	26.2	16.7	41.8	6,242.8
Dec.	3.58	3.94	4.24	5.32	236.0	66.7	20.1	13.2	-32.7	6,215.0
2000 Jan.	3.47	4.04	4.43	5.72	347.6	56.6	30.5	12.9	1.6	6,210.7
Feb.	3.65	4.18	4.59	5.68	353.1	58.0	26.5	15.5	60.1	6,269.6
Mar.	3.86	4.33	4.62	5.51	377.2	58.9	26.5	14.6	52.8	6,324.3
Apr.	4.03	4.42	4.61	5.43	344.8	54.3	26.3	19.4	38.0	6,360.4
May	4.44	4.88	5.04	5.53	381.9	60.3	22.8	16.9	51.0	6,420.2
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	6,489.4
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	6,546.2
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	313.3	63.5	14.7	21.8	-40.7	6,565.4

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

B.1 Price developments

(annual percentage changes)

	HICP					Industrial producer prices (excluding construction)	Deflators of GDP				
	Total	Goods			Services		GDP	Private consumption	Government consumption	Gross fixed capital formation	
		Food	Non-energy industrial goods	Energy							
	1	2	3	4	5	6	7	8	9	10	11
1996	2.3	2.0	2.3	1.6	3.1	2.9	0.4	2.1	2.5	2.2	1.0
1997	1.7	1.2	1.5	0.6	2.6	2.5	1.1	1.6	2.0	1.8	1.1
1998	1.2	0.7	1.7	1.0	-2.6	2.0	-0.7	1.7	1.5	1.7	1.0
1999	1.1	0.9	0.6	0.7	2.3	1.6	-0.4	1.2	1.2	2.3	0.9
2000	2.4	2.7	1.4	0.7	13.4	1.7	5.4	1.2	2.3	1.8	2.4
1999 Q4	1.5	1.5	0.5	0.5	8.0	1.5	2.2	1.0	1.6	2.5	1.5
2000 Q1	2.1	2.3	0.5	0.5	13.7	1.6	4.4	1.1	2.2	1.9	2.0
Q2	2.1	2.3	0.9	0.6	12.3	1.7	5.2	1.1	2.1	1.6	2.3
Q3	2.5	2.9	1.9	0.6	13.7	1.8	5.8	1.3	2.4	1.8	2.5
Q4	2.7	3.2	2.2	1.1	13.8	1.9	6.1	1.3	2.4	1.7	2.8
1999 Dec.	1.7	1.8	0.6	0.5	10.2	1.6	2.9	-	-	-	-
2000 Jan.	1.9	2.0	0.4	0.5	12.2	1.7	3.8	-	-	-	-
Feb.	2.1	2.3	0.6	0.5	13.6	1.6	4.4	-	-	-	-
Mar.	2.2	2.5	0.4	0.6	15.4	1.6	4.9	-	-	-	-
Apr.	1.9	1.9	0.7	0.6	10.3	1.8	4.7	-	-	-	-
May	1.9	2.2	0.8	0.6	12.0	1.6	5.3	-	-	-	-
June	2.4	2.7	1.2	0.7	14.6	1.7	5.6	-	-	-	-
July	2.4	2.7	1.7	0.5	13.5	1.7	5.6	-	-	-	-
Aug.	2.4	2.7	2.0	0.6	12.0	1.8	5.6	-	-	-	-
Sep.	2.8	3.4	2.1	0.9	15.6	1.8	6.3	-	-	-	-
Oct.	2.7	3.3	2.0	1.0	14.7	1.9	6.6	-	-	-	-
Nov.	2.9	3.5	2.2	1.1	15.3	1.9	6.4	-	-	-	-
Dec.	2.6	3.0	2.3	1.1	11.3	1.8	5.4	-	-	-	-

B.2 Real economy and fiscal developments

(annual percentage changes, unless otherwise indicated)

	Real GDP and expenditure components				Industrial production (excluding construction)	Retail sales (constant prices)	Employment (whole economy)	Unemployment (% of labour force)	Trade balance (EUR billions; (ECU billions to end-1998))	Fiscal developments	
	GDP	Private consumption	Government consumption	Gross fixed capital formation						Deficit (-) / surplus (+) (% of GDP)	Government debt (% of GDP)
	12	13	14	15	16	17	18	19	20	21	22
1996	1.4	1.6	1.7	1.3	0.3	0.5	0.5	11.5	62.4	-4.3	76.0
1997	2.3	1.6	0.9	2.6	4.2	1.3	0.9	11.5	74.5	-2.6	75.4
1998	2.8	3.1	1.1	4.9	4.4	3.0	1.8	10.9	68.4	-2.1	73.7
1999	2.5	2.8	1.6	5.3	2.0	2.6	2.2	10.0	34.0	-1.2	72.6
2000	3.4	2.6	1.6	4.7	5.5	2.3	.	9.1	-9.1	-0.7	70.3
1999 Q4	3.4	2.7	1.7	5.6	4.4	3.3	2.2	9.7	8.7	-	-
2000 Q1	3.5	2.5	1.8	5.8	4.8	2.2	2.3	9.5	-6.1	-	-
Q2	3.7	3.2	1.8	5.0	6.1	3.3	2.5	9.2	-1.8	-	-
Q3	3.3	2.5	1.3	4.1	5.8	2.5	2.3	9.0	0.2	-	-
Q4	3.0	2.1	1.6	3.9	5.4	1.4	.	8.8	-1.4	-	-
1999 Dec.	-	-	-	-	5.3	2.9	-	9.6	1.5	-	-
2000 Jan.	-	-	-	-	2.7	2.4	-	9.6	-6.3	-	-
Feb.	-	-	-	-	5.9	3.8	-	9.5	-1.5	-	-
Mar.	-	-	-	-	5.7	0.5	-	9.4	1.7	-	-
Apr.	-	-	-	-	6.1	4.1	-	9.2	-1.0	-	-
May	-	-	-	-	7.8	4.8	-	9.2	-0.8	-	-
June	-	-	-	-	4.5	1.1	-	9.1	0.0	-	-
July	-	-	-	-	5.6	2.1	-	9.0	3.9	-	-
Aug.	-	-	-	-	6.8	1.9	-	9.0	-1.8	-	-
Sep.	-	-	-	-	5.2	3.5	-	8.9	-1.8	-	-
Oct.	-	-	-	-	3.9	0.9	-	8.8	1.7	-	-
Nov.	-	-	-	-	4.5	1.2	-	8.8	-1.8	-	-
Dec.	-	-	-	-	8.1	1.9	-	8.7	-1.3	-	-

Sources: European Commission (Eurostat) and ECB calculations.

C. Summary balance of payments ¹⁾

(EUR billions; net flows)

	Current account					Capital account	Direct investment	Portfolio investment	Financial derivatives	Other investment
	Total	Goods	Services	Income	Current transfers					
	1	2	3	4	5	6	7	8	9	10
2000	-38.5	36.8	-3.0	-25.9	-46.3	10.9	-25.6	-111.7	-3.3	134.3
2000 Q1	-11.5	3.1	-3.9	-6.6	-4.2	3.9	147.5	-190.4	2.7	91.6
Q2	-9.4	8.9	1.3	-6.8	-12.7	3.2	-18.0	52.9	4.8	-45.6
Q3	-6.2	12.7	2.1	-7.4	-13.5	1.6	-95.9	7.6	0.5	70.7
Q4	-11.4	12.2	-2.4	-5.2	-15.9	2.2	-59.1	18.1	-11.3	17.5
2000 Jan.	-10.4	-2.4	-1.8	-5.2	-1.1	1.5	0.5	-4.2	-0.8	28.6
Feb.	-1.1	2.2	-1.8	-1.0	-0.4	0.9	145.9	-151.7	1.9	1.4
Mar.	0.0	3.3	-0.3	-0.4	-2.7	1.5	1.1	-34.4	1.6	61.6
Apr.	-7.0	2.5	-0.7	-4.0	-4.8	2.3	1.1	-5.6	2.1	6.1
May	-1.1	2.3	0.7	-1.2	-2.9	0.6	-8.5	1.1	0.4	16.8
June	-1.3	4.0	1.3	-1.6	-5.1	0.3	-10.5	57.4	2.3	-68.4
July	-2.6	6.3	1.5	-4.8	-5.5	0.5	-24.6	-13.1	-0.4	27.8
Aug.	-3.6	2.4	1.0	-1.7	-5.3	0.2	-42.8	17.1	-0.9	25.4
Sep.	0.0	4.0	-0.4	-0.9	-2.7	0.9	-28.5	3.7	1.8	17.5
Oct.	-1.2	6.2	-0.3	-1.3	-5.8	0.2	-15.7	-1.2	-2.2	13.3
Nov.	-4.3	2.5	0.3	-2.3	-4.9	1.0	-9.5	-2.8	-4.2	0.3
Dec.	-5.9	3.4	-2.5	-1.7	-5.2	1.0	-33.9	22.1	-4.9	3.9

D. 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	111.2	95.4	105.8
1997	99.1	99.4	99.2	99.7	90.3	96.5
1998	101.5	101.3	101.5	99.7	96.5	99.1
1999	95.6	95.7	95.7	96.2	96.5	95.8
2000	85.4	86.3	86.8	86.6	88.0	86.1
1999 Q4	92.0	92.1	92.2	93.1	94.1	92.5
2000 Q1	88.8	89.5	89.6	89.3	90.9	89.4
Q2	85.7	86.4	86.8	87.0	88.2	86.5
Q3	84.5	85.4	86.0	86.0	87.1	85.1
Q4	82.7	83.8	84.6	84.2	85.7	83.5
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	84.3	-	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	86.8	-	87.9	85.7

Source: ECB.

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

Technical notes¹

Relating to Table 2.4

Seasonal adjustment of the euro area monetary aggregates

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2).² Seasonal adjustment for monetary aggregates includes a day-of-the-week adjustment for some components of M2. The seasonal adjustment of M3 is carried out indirectly by aggregating the seasonally adjusted series of M1, M2 less M1, and M3 less M2 to fulfil the additivity constraint.

Seasonal factors are estimated for the index of adjusted stocks. 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. Seasonal factors are revised at annual intervals or as and when required.

Calculation of growth rates

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

If F_t represents the flow in month t , L_t the level outstanding at the end of the month t , $X_t = (F_t / L_{t-1} + 1)$, and I_t the index of the 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:

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

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

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

(www.ecb.int) on the “Euro area statistics – download” page (in csv file format), from which the exact percentage changes in Table 2.4 may be calculated.

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.

Relating to Table 4.1

Seasonal adjustment of the HICP

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2).² The seasonal adjustment of the total HICP for the euro area is carried out indirectly by aggregating the seasonally adjusted euro area series of processed food, unprocessed food, industrial goods excluding energy and services. Energy is added as a raw component since there is no statistical evidence of seasonality. Seasonal factors are revised at annual intervals or as and when required.

¹ For details see “Seasonal adjustment of monetary aggregates and HICP for the euro area”, ECB (August 2000).

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

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 10 April 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 presents selected balance of payments past data for the euro area plus Greece. The methodology applied is generally the same as that used in Section 8. All available information for the past data is shown on the ECB’s website (in the “Statistics: Latest monetary, financial and balance of payments statistics – release schedules” section).

Table D 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, 15 March, 29 March, 11 April 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

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"Annual Report 1999", April 2000.

Convergence Report

"Convergence Report 2000", May 2000.

Monthly Bulletin

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