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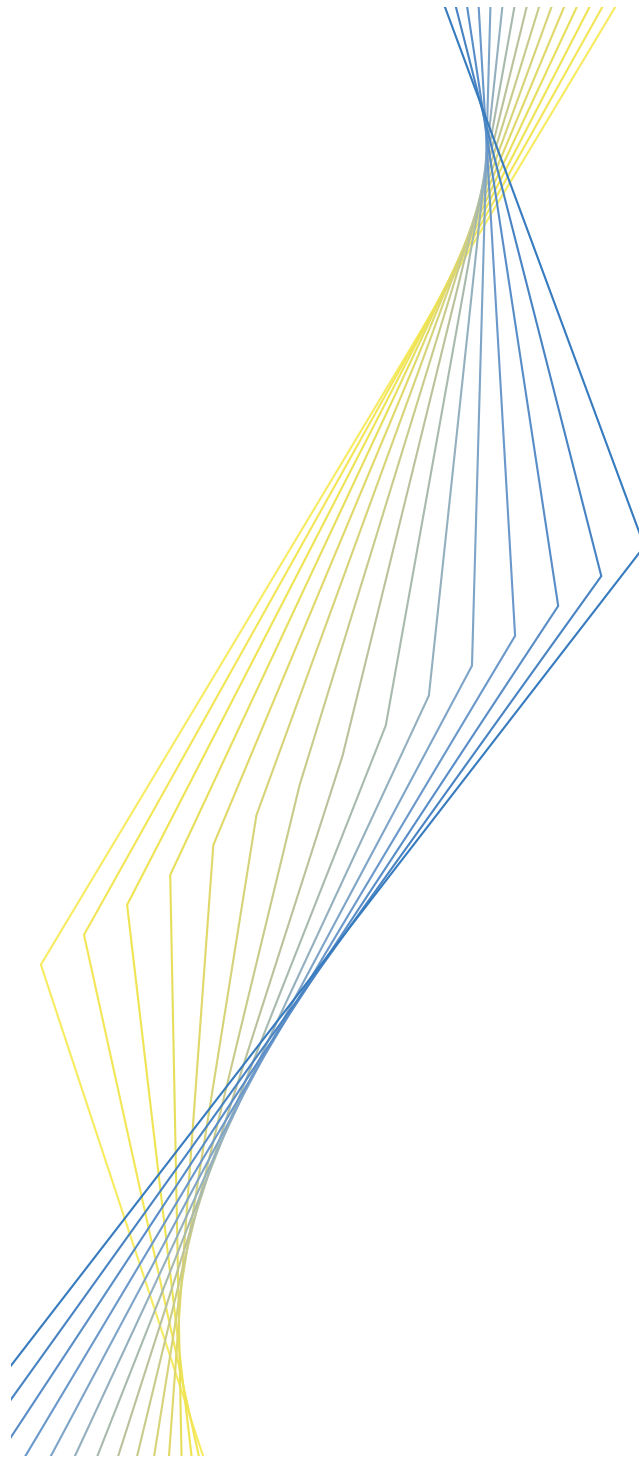
MONTHLY BULLETIN March 2002

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

March 2002



EUROPEAN CENTRAL BANK



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## Abbreviations

### Countries

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

### Others

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

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

# Editorial

At its meeting on 7 March 2002, the Governing Council of the ECB decided to leave the minimum bid rate on the main refinancing operations of the Eurosystem unchanged at 3.25%. The interest rates on the marginal lending facility and the deposit facility were also left unchanged at 4.25% and 2.25% respectively.

The decision to leave the key ECB interest rates unchanged reflects the assessment that their current levels remain appropriate to maintain price stability over the medium term. This assessment is based on the analysis of monetary, financial and economic developments provided under the two pillars of the ECB's monetary policy strategy.

Starting with the analysis under the first pillar, the three-month average of the annual growth rate of M3 stood at 8.0% in the period from November 2001 to January 2002, compared with 7.8% in the period from October to December 2001. The high annual rates of growth in M3 in past months essentially reflect portfolio shifts to liquid assets, most of which occurred in the autumn of 2001 in an economic and financial environment characterised by high uncertainty. Monetary developments in December 2001 and January 2002 point to a moderation in the short-term dynamics of M3. This would be in line with indications that the uncertainty in financial markets diminished. In addition, the rate of growth of loans to the private sector has continued to slow. Overall, although there was a substantial build-up in liquidity in 2001, the information from the first pillar thus far does not indicate risks to price stability. However, monetary developments need to be analysed closely in the coming months.

As regards the second pillar, there are further signs from short-term indicators that the trough in economic activity may have been reached late last year. In particular, survey data for the business sector increasingly point to a recovery in early 2002. Such a recovery is also reflected in financial market expectations, especially those embedded in

bond yields. The picture emerging from currently available forecasts is that of an upturn in real GDP growth in the course of this year. The precise strength of this upturn remains uncertain for the time being, but it can be expected that towards the end of the year it will be strong enough to see growth back at levels in line with potential growth.

On the domestic side, this expectation is supported by the sound economic fundamentals of the euro area and by the absence of major imbalances that would require a lengthy adjustment process. In such an environment, the favourable financing conditions and the beneficial effects on real disposable income from past and future declines in the rate of inflation should underpin growth in domestic demand. On the external side, there are now increasing signs of a recovery in global economic growth in the course of 2002. Such a recovery should lead to a gradual strengthening of the external demand for euro area goods and services and thereby also support a pick-up in euro area fixed capital formation.

Turning to short-term price developments, annual HICP inflation increased from 2.0% in December 2001 to 2.7% in January 2002. Part of this substantial rise was expected, as it related to base effects stemming from a decline in energy prices in early 2001 and to higher indirect taxes in some euro area countries in January this year. In addition, the rise in January 2002 reflects a considerable increase in unprocessed food prices due to unusually bad weather conditions, but preliminary data for February suggest that this effect has partly been reversed in the meantime. The January 2002 data provide no evidence of a significant upward effect from the euro cash changeover on the overall price level in the euro area, although there might have been some upward impact on prices for certain services. A rise in annual HICP inflation in January 2002 and the preliminary indications of a renewed decline in February are in line with earlier expectations of somewhat erratic movements in the first months of this year. In the coming

months, base effects will lead to further declines in the year-on-year rate of increase in prices for energy and unprocessed food. Moreover, the indirect effects of past increases in energy and food prices should gradually subside, as has been indicated by recent developments in producer prices for capital and consumer goods. As a result of these factors, the annual rate of HICP inflation is expected to fall below 2% in the coming months.

Beyond this horizon, barring unforeseen developments, inflation rates should remain in line with price stability. This reflects the expectation that there will be little upward pressure on prices from aggregate demand and, in particular, the assumption that wage moderation will continue. Against this background, forthcoming wage negotiations will be closely monitored with regard to their implications for future price developments. A continuation of wage moderation in the euro area is not only crucial for the maintenance of price stability but also to foster employment growth.

With regard to fiscal policy in the euro area, the Governing Council welcomed the reaffirmed commitment of euro area countries that still report fiscal imbalances to avoid breaching the 3% deficit limit this year and to adhere to the objective laid down in their stability programmes of attaining budgetary positions close to balance or in surplus by 2003-2004. The confirmation of the political will to continue along the path of fiscal consolidation is most appropriate. The Governing Council supports the actions taken by the European Commission in the context of the Stability and Growth Pact and the subsequent outcome of the ECOFIN Council

meeting last month. Vigilance is now needed to ensure that medium-term plans are strictly adhered to and that the procedures of the Stability and Growth Pact are rigorously and promptly implemented.

In order to improve further the fundamentals of the euro area and to put the expected recovery on a broad and sustainable basis, euro area countries must strengthen their efforts to implement comprehensive structural reforms. While progress has been made with regard to enhancing the flexibility of euro area product and capital markets over the past few years, further reforms are badly needed in these fields. Euro area countries have also made some headway in terms of improving the way their labour markets operate. These reforms, together with moderate wage developments, have contributed to the strong employment growth and to the reductions in unemployment observed in many member countries during the last cyclical upswing. At the same time, however, there are indications that the ability of euro area labour markets to match the supply and demand of labour is still insufficient. One such indication is that, despite an unemployment rate still above 8% in 2001, firms nonetheless reported difficulties in recruiting workers. A more detailed analysis of matching processes can be found in the ECB publication entitled "Labour market mismatches in euro area countries", dated March 2002. Further improvements in the functioning of labour markets are needed. In this context, it should be stressed that the more efficiently euro area product and capital markets function, the greater the success of labour market reforms in creating employment opportunities will be.

# Economic developments in the euro area

## I Monetary and financial developments

### Monetary policy decisions of the Governing Council of the ECB

At its meeting on 7 March 2002 the Governing Council of the ECB decided to leave the minimum bid rate in the main refinancing operations, conducted as variable rate tenders, at 3.25%. The interest rates on the marginal lending facility and the deposit facility were also kept unchanged, at 4.25% and 2.25% respectively (see Chart 1).

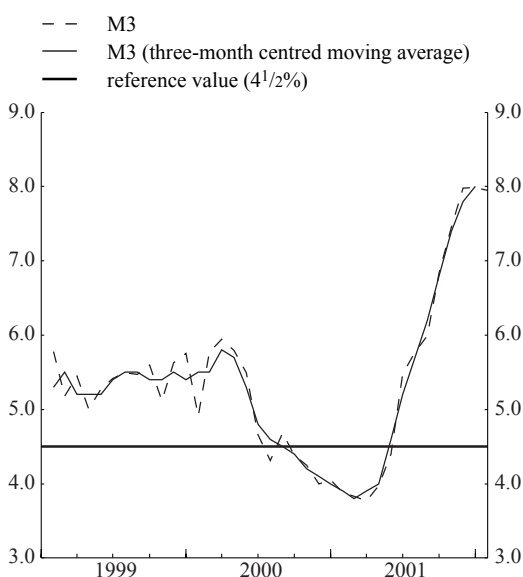
### Annual M3 growth rate remained high in January, but short-term dynamics show signs of moderation

In January 2002 the annual rate of growth of M3 declined to 7.9%, from 8.0% in December 2001. The three-month average of the annual growth rates of M3 rose to 8.0% in the period from November 2001 to January 2002, from 7.8% in the period from October to December 2001 (see Chart 2). As explained

**Chart 2**

### M3 growth and the reference value

(annual percentage changes; seasonally and calendar effect adjusted)



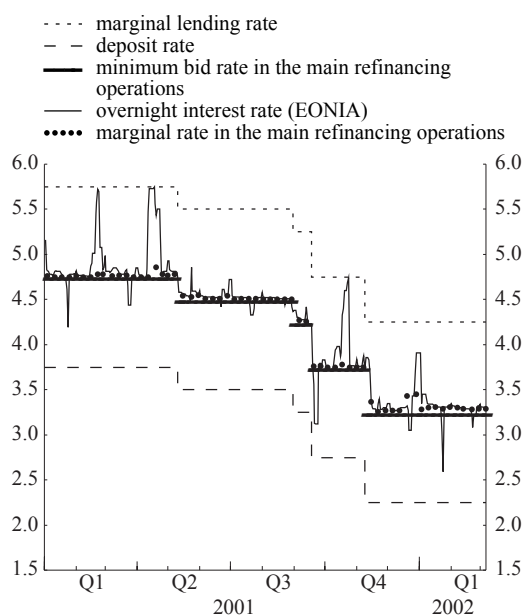
Source: ECB.

Note: Series adjusted for non-euro area residents' holdings of all negotiable instruments.

**Chart 1**

### ECB interest rates and money market rates

(percentages per annum; daily data)



Sources: ECB and Reuters.

in previous issues of the Monthly Bulletin, the strong annual M3 growth was driven in the course of 2001 by several factors, notably portfolio shifts away from long-term assets, which were compounded by a pronounced rise in investors' preference for liquid assets as a result of the high uncertainty prevailing in the global financial markets following the terrorist attacks in the United States on 11 September. Box 1 presents some evidence, based on financial account data, of the portfolio shifts underlying the strong M3 growth in 2001.

The build-up of liquidity in the recent past is also apparent from money gap measures constructed on the basis of the reference value for M3. The nominal money gap shown in Chart 3 refers to the difference between the actual level of M3 and the level of M3 which would have resulted from growth at the reference value (i.e. 4½% p.a.) since December 1998 (chosen arbitrarily as the base month). The nominal money gap



widened constantly from the beginning of 2001 up to November of that year, reflecting M3 growth above the reference value. However, part of this gap was used to finance a higher price level caused by the marked increases in, notably, energy and food prices in 2000 and early 2001. Given that the increase in HICP inflation during that period was temporary, it is more informative at this juncture to look at measures of the real money gap, as these take account of the past deviation of HICP inflation from the definition of price stability. (The real money gap shows the difference between the actual level of M3 deflated by the HICP and the level of M3 in real terms which would have resulted from nominal M3 growth at the reference value and HICP inflation in line with the definition of price stability – again using December 1998 as the base month.) The real money gap also widened

considerably in the course of 2001 until November of that year, before narrowing somewhat over the last two months. This measure confirms that liquidity was ample in the euro area in late 2001 and early 2002.

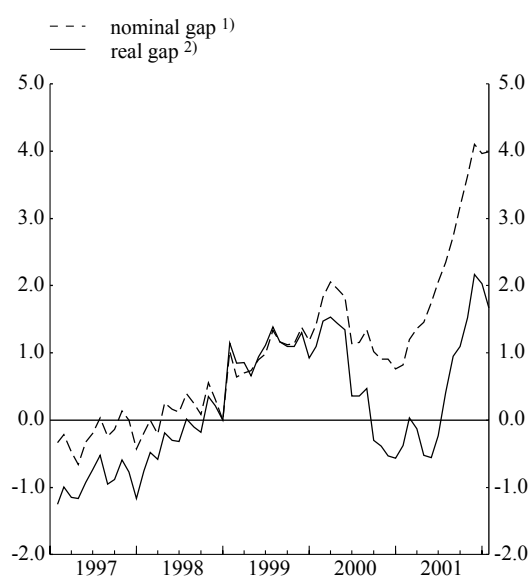
As a result of the significant portfolio shifts observed in 2001, M3 growth in late 2001 was considerably above what would have been in line with its fundamental determinants, notably real GDP and the opportunity costs of holding assets included in M3 (see Chart 4).

While annual M3 growth and excess liquidity measures remained high, there were first signs of a moderation in the short-term dynamics of M3 in December 2001 and January 2002. From a peak of 9.7% in November 2001, the seasonally adjusted and six-month annualised growth rate of M3 declined to 8.1% in January. This decrease is even more evident when evaluating monetary dynamics over shorter periods. This development suggests that the process of portfolio shifts towards financial assets included in the definition of M3 may have come to an end. This was to be expected following the normalisation in the financial markets which started late last year (as reflected in the decline in implied stock market volatility, see Chart 22) and the steepening of the yield curve since autumn 2001, which tended to reduce the attractiveness of short-term assets included in M3 relative to long-term assets.

### Stronger growth of the narrow monetary aggregate M1

After a somewhat weaker development in December 2001, mainly linked to the euro cash changeover, growth in the narrow monetary aggregate M1 resumed its dynamic pace in January 2002. Its annual growth rate increased to 6.6%, from 5.0% in December 2001 and 6.0% in November. The fall in opportunity costs following the decline in short-term interest rates in the course of 2001 is likely to have fuelled M1 growth

**Chart 3**  
**Estimates of the nominal and real money gaps**  
(as a percentage of the stock of M3)



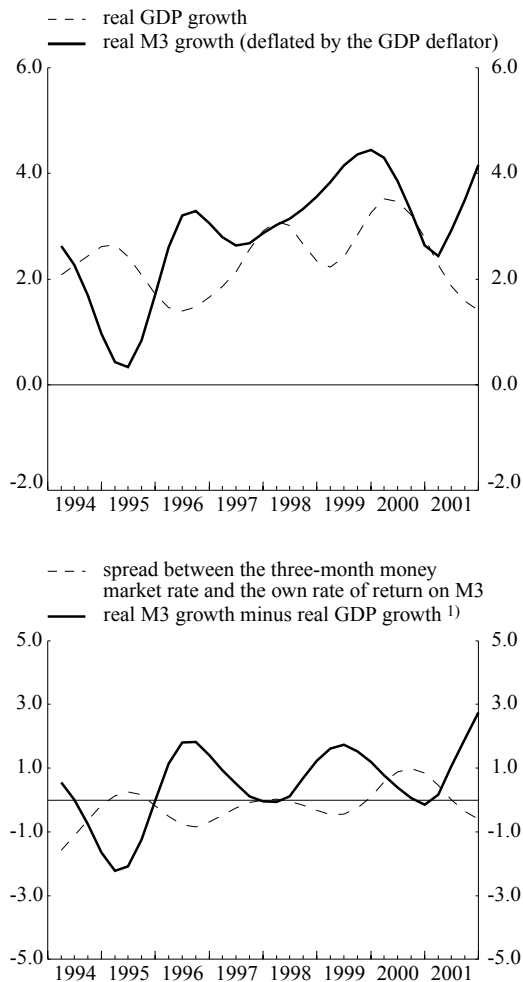
Source: ECB.

Note: Series adjusted for non-euro area residents' holdings of all negotiable instruments.

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

**Chart 4**  
**Real M3, real GDP and opportunity costs**

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



Source: ECB.

Notes: Series adjusted for non-euro area residents' holdings of all negotiable instruments. The annual growth rates of GDP and the GDP deflator in the fourth quarter of 2001 are assumed to be equal to those in the third quarter of 2001.

1) Calculated as the difference between M3 growth deflated by the GDP deflator and real GDP growth. This can be interpreted as an approximate measure of the part of the demand for M3 which is explained by opportunity cost variables.

during recent quarters. The rebound becomes particularly visible in the seasonally adjusted month-on-month change, which stood at 1.2% in January 2002 after -1.0% in December 2001.

Currency in circulation started to increase again in January 2002 after steep month-on-

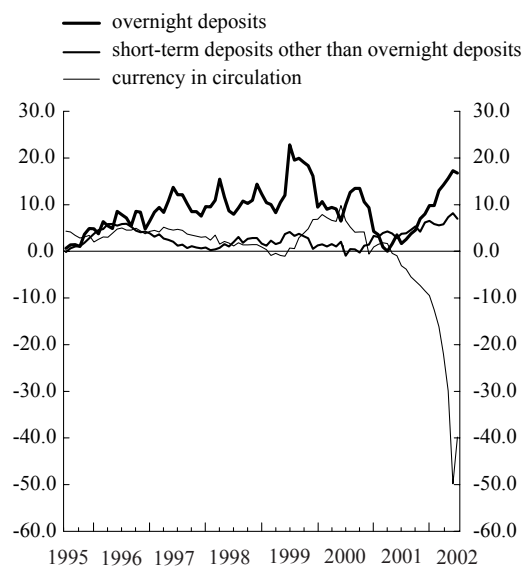
month declines in late 2001. The seasonally adjusted and six-month annualised rate of change recovered to -39.8% in January 2002, from -49.8% in December 2001.

The strengthening of currency in circulation in January was probably to some extent the result of a reversal of previous shifts from currency into short-term deposits after the cash changeover. Moreover, the need for larger transaction balances, particularly in the retail sector, because of the dual currency period may have induced shifts from short-term bank deposits into currency in January (see Chart 5).

The rise in M1 growth between December and January may also have resulted to a limited extent from accounting effects which reduced currency in circulation in December. As the euro banknotes only entered monetary statistics on 1 January 2002 (as they were not "money" before that date), the value received from the purchases of euro starter kits and, in a few cases, the immediate debiting of euro banknotes sub-frontloaded

**Chart 5**  
**Currency in circulation and short-term deposits**

(six-month annualised growth rates in percentages)



Source: ECB.

**Table I****Components of M3***(annual percentage changes; quarterly averages)*

	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Jan.
<i>Seasonally and calendar effect adjusted</i>						
<b>M1</b>	5.6	2.6	2.4	3.9	5.4	6.6
<i>of which: currency in circulation</i>	1.9	-1.2	-3.2	-7.5	-18.5	-26.2
<i>of which: overnight deposits</i>	6.4	3.4	3.5	6.3	10.3	13.2
M2 - M1 (= other short-term deposits)	2.2	3.4	4.4	4.9	5.8	6.8
<b>M2</b>	3.8	3.1	3.4	4.5	5.6	6.7
M3 - M2 (= marketable instruments)	6.5	9.4	10.3	16.2	20.9	16.0
<b>M3</b> <sup>1)</sup>	4.2	3.9	4.3	6.0	7.6	7.9
<i>Unadjusted for seasonal and calendar effects</i>						
Currency in circulation	1.8	-1.3	-3.3	-7.4	-18.4	-26.1
Overnight deposits	6.4	3.3	3.9	6.2	10.1	13.1
Deposits with an agreed maturity of up to 2 years	12.6	15.3	14.0	10.9	6.9	4.1
Deposits redeemable at notice of up to 3 months	-4.9	-4.7	-2.6	0.5	5.0	8.7
Repurchase agreements	10.3	20.7	15.5	20.5	19.7	3.0
Money market fund shares/units	1.8	5.4	11.2	20.5	30.2	35.2
Money market paper and debt securities issued with a maturity of up to 2 years	12.1	6.3	1.3	0.9	2.2	-4.6

Source: ECB.

1) Series adjusted for non-euro area residents' holdings of all negotiable instruments.

to euro area companies only appeared in the January monetary figures, while the debiting of the counterparts of these transactions, which typically implied reduced currency or deposit holdings, had already occurred in December 2001.

As expected, the increase in currency in circulation was more limited than the recorded rise in banknotes in January 2002. This was mainly due to the fact that statistics on banknotes also encompass the banknotes held by the MFI sector.<sup>1</sup> The latter increased particularly rapidly in January 2002, as banks held relatively large amounts of euro banknotes as well as the banknotes of the euro legacy currencies for precautionary and logistical reasons, respectively.

The annual rate of growth of short-term deposits other than overnight deposits declined to 6.8% in January 2002, from 7.2% in December 2001. Among the components of these deposits, and in line with developments during recent months, the annual rate of change of short-term time

deposits (deposits with an agreed maturity of up to two years) fell further, to 4.1% in January from 6.9% in the fourth quarter of 2001 (see Table I). By contrast, the annual rate of growth of short-term savings deposits (deposits redeemable at a period of notice of up to three months) continued to rise, to 8.7% in January from 5.0% in the fourth quarter of 2001. The considerable decline in the interest rate spread between these two deposit types, resulting from a more pronounced fall in the remuneration of short-term time deposits than in that of short-term savings deposits, suggests some substitution of short-term savings deposits for short-term time deposits during recent months (see Chart 6).

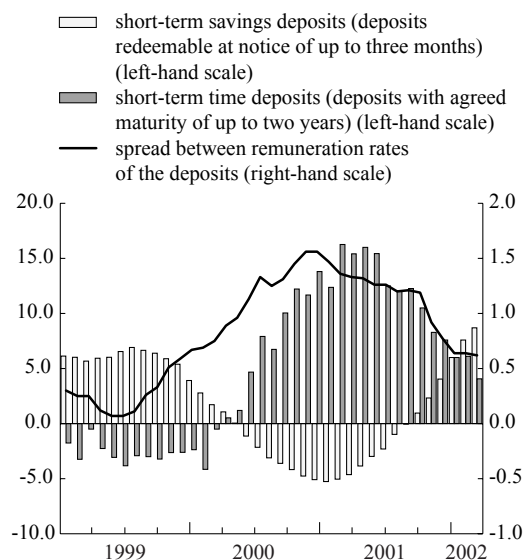
Finally, the annual growth rate of marketable instruments included in M3 decreased in January 2002 to 16.0% from 20.9% in the fourth quarter of 2001 (see Table I). This decline resulted exclusively from a fall in the annual growth rates both of money market paper and MFI debt securities issued with a maturity of up to two years and of repurchase agreements. At the same time, demand for money market fund shares continued to be strong. The annual rate of growth of money market fund shares increased slightly, to 35.2% in January 2002 from 30.2% in the

1 The definition of banknotes in circulation differs from that of currency in circulation in that currency in circulation includes coins, but excludes vault cash (i.e. cash held by MFIs). Typically the amount of outstanding banknotes exceeds the amount of currency in circulation by far.

## Chart 6

### Short-term savings and time deposits and their retail interest rate spread

(annual percentage changes and differences in percentage points; not seasonally adjusted)



Source: ECB.

fourth quarter of 2001 (see Box 2 for a longer-term analysis of trends in components of M3).

### Further decline in loans to the private sector

The annual rate of growth of total credit granted by MFIs to euro area residents remained broadly stable in recent months, at 5.3% in January 2002 after recording 5.2% on average in the fourth quarter of 2001. However, the development of credit extended to general government differed considerably from that of credit to the private sector in the euro area (see Table 2 and Chart 7).

The annual rate of change of credit to general government has increased in recent quarters. This mainly reflects the impact of the slowdown of economic activity in the euro area since the second half of 2000, which led to both lower revenues and higher expenditures for general government. The fading impact of the one-off proceeds from

## Table 2

### Counterparts of M3

(annual percentage changes; quarterly averages; unadjusted for seasonal and calendar effects)

	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Jan.
<b>Longer-term financial liabilities (excluding capital and reserves)</b>	3.6	3.8	3.1	2.2	2.8	2.9
Deposits with an agreed maturity of over 2 years	0.9	-0.1	-0.1	-0.4	-0.2	-0.0
Deposits redeemable at notice of over 3 months	10.9	12.2	8.2	1.2	-5.7	-11.5
Debt securities issued with a maturity of over 2 years	5.2	6.3	5.2	4.3	5.8	6.2
<b>Credit to euro area residents</b>	6.0	5.6	5.4	5.6	5.2	5.3
<b>Credit to general government</b>	-7.0	-7.3	-5.3	-1.9	-0.5	1.7
Securities other than shares	-10.5	-12.3	-8.2	-2.3	-0.5	4.3
Loans	-1.9	-0.1	-1.3	-1.4	-0.8	-1.8
<b>Credit to other euro area residents</b>	10.5	9.8	8.8	7.8	6.9	6.3
Securities other than shares	17.8	18.7	23.4	24.3	24.0	24.2
Shares and other equities	17.5	13.6	7.9	4.5	3.1	3.5
Loans	9.6	9.1	8.3	7.4	6.5	5.8
<i>Memo item: Sectoral breakdown for loans (end of quarter)<sup>1)</sup></i>						
To non-financial corporations	10.9	10.0	9.0	7.4	6.3	.
To households	7.4	6.6	6.3	6.0	5.3	.
Consumer credit <sup>2)</sup>	7.8	4.5	5.2	3.6	3.7	.
Lending for house purchase <sup>2)</sup>	8.6	8.3	7.7	7.8	6.6	.
Other lending	3.5	3.1	2.7	2.1	2.5	.

Source: ECB.

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

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

**Box I****Financing and financial investment of the non-financial sectors in the euro area up to the third quarter of 2001**

The release of quarterly financial accounts for the non-financial sectors in the euro area for the second and third quarters of 2001 allows the financing and financial investment decisions of these sectors to be analysed. With this release, the publication time-lag for quarterly financial account data is reduced to slightly more than four months. This makes it possible to conduct a more timely analysis of developments in financing and financial investment, and hence to put recent monetary and financial market developments into a broader perspective. An overview of the financing and financial investment decisions of the non-financial sectors is presented in Tables A and B. For more details, see Table 6.1 in the “Euro area statistics” section of this issue of the Monthly Bulletin.

**Table A: Financial investment of non-financial sectors in the euro area <sup>1)</sup>**

	Financial investment										Memo item: M3
	Currency, deposits and short-term marketable instruments	Currency and deposits <sup>3)</sup>	Short-term securities other than shares	Money market fund shares	Long-term marketable instruments and insurance technical reserves	Long-term securities other than shares	Quoted shares	Mutual fund shares other than money market fund shares	Insurance technical reserves		
<b>Annual growth rates (end of period)<sup>2)</sup></b>											
1998	5.6	1.8	3.2	-22.8	-4.3	8.6	-5.1	6.3	31.2	8.7	4.9
1999	6.0	2.7	2.8	-5.8	7.4	8.2	1.9	7.2	13.6	9.4	5.5
2000 Q1	4.9	3.7	3.3	6.8	11.1	5.7	-2.4	4.2	8.3	9.7	5.5
Q2	5.1	3.5	3.4	15.7	-2.3	6.1	3.4	4.0	5.2	9.6	5.5
Q3	6.0	3.8	3.1	40.4	-3.0	7.4	6.3	8.5	3.1	9.3	4.5
Q4	6.8	3.1	2.9	18.4	-1.7	8.9	4.2	12.8	7.0	8.6	4.2
2001 Q1	8.0	4.6	3.2	50.1	4.5	9.9	9.7	14.5	6.7	7.4	3.9
Q2	7.6	5.0	4.1	35.5	6.0	9.0	8.0	13.7	5.7	7.0	4.3
Q3	6.6	5.6	4.7	25.0	12.0	7.1	7.4	8.1	6.1	6.5	6.0
<b>Ratio to total financial investment as at 2001 Q3 (amounts outstanding)</b>	100%	39%	36%	1%	2%	61%	11%	16%	10%	23%	37%

Source: ECB.

- 1) Non-financial sectors comprise general government, non-financial corporations and households including non-profit institutions serving households.
- 2) Growth rates of financial investment are based on non-seasonally adjusted transactions and therefore do not include valuation effects and reclassifications. The growth rate of M3 is a quarterly average annual growth rate adjusted for seasonal and calendar effects.
- 3) Excluding central government deposits with MFIs.

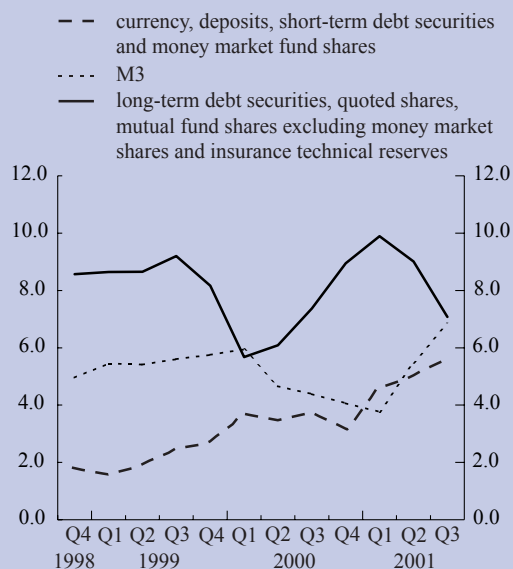
**Financial investment –evidence of portfolio reallocations towards shorter-term financial instruments**

The annual rate of growth of financial investment by the euro area non-financial sectors (excluding central government deposits with MFIs) declined to 6.6% in the third quarter of 2001, from 7.6% in the second quarter (see Table A). The decline in the annual rate of growth of financial investment was due entirely to a weakening in the annual growth of investment in longer-term financial assets (i.e. long-term debt securities, mutual fund shares excluding money market fund shares, quoted shares and insurance technical reserves) to 7.1% in the third quarter of 2001, down from a peak of 9.9% in the first quarter (see Chart A). Of the total annual (i.e. four-quarter flow) financial investment by the euro area non-financial sectors in the third quarter of 2001, around 70% was long-term investment, compared with 78% in the first quarter.

The pronounced decrease in the annual rate of growth of investment in longer-term financial assets resulted predominantly from lower investment in quoted shares. The annual rate of growth of investment by the non-financial sectors in quoted shares fell to 8.1% in the third quarter of 2001, from 13.7% in the second

**Chart A: Short-term and long-term financial investment of the non-financial sectors in the euro area**

(annual growth rates in percentages)



Source: ECB.

Note: Excluding central government deposits with MFIs. M3 refers to holdings of the non-MFI sector with euro area MFIs.

increased in the course of 2001, broadly in line with that of the monetary aggregate M3. This increased liquidity preference on the part of investors was probably related to a relatively flat yield curve up to August, the persistent decline in stock prices and the surge in financial market uncertainty following the events of 11 September. The financial account data thus support the assessment that the rise in M3 growth in the course of 2001 was driven to a significant extent by portfolio reallocations in favour of short-term financial instruments.

**Financing –changes in the maturity structure**

In the third quarter of 2001, the annual growth rate of financing of the euro area non-financial sectors decreased to 5.5%, from 6.1% in the second quarter (see Table B). Developments differed significantly across sectors, however. The annual rate of growth of financing of non-financial corporations fell to 7.1%, from 8.5% in the second quarter. The annual rate of growth of financing of households decreased to 5.8%, from 6.2% in the second quarter. The decline in both rates took place in an environment characterised by weakening economic activity and the fading away of a number of special factors, such as the strong merger and acquisition activity and the booming real estate markets in some euro area countries in 1999 and 2000. In contrast to the developments in the non-financial private sectors, the annual rate of growth of financing of general government increased to 2.5% in the third quarter of 2001, from 2.0% in the second quarter and 1.5% in the first. General government financing needs rose after the fading of the impact of the one-off UMTS revenues in autumn 2000 and as a result of the slowdown in euro area economic activity, which led to a rather subdued increase in general government taxes and social contributions accompanied by broadly stable growth of social benefits and government consumption.

An analysis of how the maturity structure of financing has developed may contain information about cyclical and structural changes in the financing behaviour of households, non-financial corporations and general

<sup>1</sup> A breakdown of the investment of the euro area non-financial sectors into short-term and long-term deposits is not available so far.

quarter. This may be related to investors having experienced substantial capital losses owing to almost continuously falling stock prices between March 2000 and the third quarter of 2001; it also resulted from a decrease in merger and acquisition transactions by euro area corporations during 2001 after the exceptionally high level in 2000. The global economic slowdown and the decline in business confidence contributed to the weakening of merger and acquisition activity.

The fall in the annual rate of growth of financial investment was also, to some extent, due to lower investment in the so-called insurance technical reserves (mainly life insurance and pension fund reserves) and debt securities. The annual rate of growth of investment in mutual fund shares excluding money market fund shares (i.e. equity and bond-related mutual fund shares) remained at a level similar to that recorded in previous quarters.

By contrast, the annual rate of growth of shorter-term financial investment (i.e. currency, deposits,<sup>1</sup> money market fund shares and short-term debt securities)

**Table B: Financing of non-financial sectors in the euro area <sup>1)</sup>**

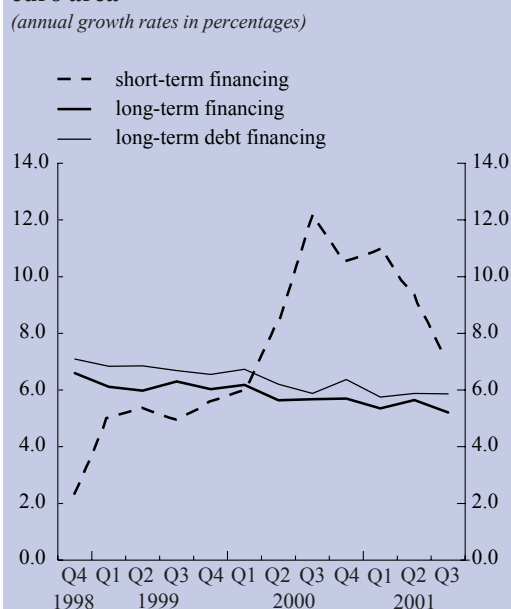
	Financing												
	Financing of general government						Financing of non-financial corporations					Financing of households <sup>3)</sup>	
	Loans	Taken from euro area MFIs		Securities other than shares	Held by euro area MFIs	Loans	Taken from euro area MFIs		Securities other than shares	Quoted shares	Loans taken from euro area MFIs <sup>3)</sup>		
<b>Annual growth rates (end of period) <sup>2)</sup></b>													
1998	6.0	3.1	-1.1	-0.4	4.3	3.2	7.0	8.8	8.5	8.6	5.0	8.9	9.1
1999	6.0	2.5	-1.2	0.4	3.3	2.4	6.7	8.2	7.0	13.8	4.6	10.3	10.7
2000 Q1	6.2	2.1	-1.4	0.0	3.1	-0.9	7.7	11.0	9.4	10.7	4.7	9.6	9.7
Q2	6.0	2.2	-1.6	-0.3	2.9	-4.6	7.7	11.4	9.3	12.2	4.2	8.6	8.7
Q3	6.6	1.9	-1.8	-1.2	2.6	-7.9	9.4	14.1	11.1	13.7	5.3	7.8	8.0
Q4	6.3	1.8	-1.4	-0.9	2.6	-10.6	8.7	14.4	10.9	16.0	4.4	7.3	7.4
2001 Q1	6.1	1.5	-1.1	-0.4	2.0	-11.9	8.6	13.2	10.0	24.6	4.7	6.4	6.6
Q2	6.1	2.0	-2.4	-1.8	3.0	-4.0	8.5	11.1	9.0	26.9	5.3	6.2	6.3
Q3	5.5	2.5	-1.4	-0.7	3.3	-1.6	7.1	9.5	7.4	23.8	3.8	5.8	6.0
<b>Ratio to total financing as at 2001 Q3 (amounts outstanding)</b>	100%	32%	6%	5%	26%	8%	46%	23%	19%	3%	18%	22%	20%

Source: ECB.

- 1) Non-financial sectors comprise general government, non-financial corporations and households including non-profit institutions serving households. Financing consists of loans, securities other than shares, quoted shares, pension fund reserves of non-financial corporations and deposit liabilities of central government.
- 2) Quarterly average annual growth rates are based on non-seasonally adjusted transactions and therefore do not include valuation effects and reclassifications.
- 3) Including non-profit institutions serving households.

government. The quarterly financial accounts for the euro area allow such an analysis, as they provide a split into short-term and long-term financing. The split between short-term and long-term financing is based on original maturities of up to one year and over one year.

**Chart B: Short-term and long-term financing of the non-financial sectors in the euro area**  
(annual growth rates in percentages)



Source: ECB.

Notes: Short-term financing consists of short-term loans and debt securities issued as well as government deposits; long-term financing consists of long-term loans and debt securities issued as well as quoted shares and pension fund reserves of non-financial corporations; debt financing consists of loans and debt securities issued.

As can be seen from Chart B, the annual rate of growth of financing of the euro area non-financial sectors via short-term financial instruments (short-term loans, short-term debt securities and deposit liabilities of central government) fell considerably, from 12.1% in the third quarter of 2000 to 7.0% in the third quarter of 2001. By contrast, the annual rate of growth of long-term financing (long-term loans, long-term debt securities, quoted shares and pension fund reserves) remained relatively stable, at 5.2% in the third quarter of 2001.

On average since the fourth quarter of 1997, 86% of the liabilities of the euro area non-financial sectors (loans, debt securities, quoted shares and pension fund reserves) were long-term. Broadly in line with this, between the fourth quarter of 2000 and the third quarter of 2001, 82% of the total financing of the non-financial sectors was raised through long-term instruments. In the four quarters up to the third quarter of 2000, by contrast, long-term financing accounted for only 75% of the total annual financing of the non-financial sectors. The fall in the annual rate of growth of short-term financing of the euro area non-financial sectors thus represents, to some extent, a return of the maturity structure to a ratio more in line with the past.



The overall financing development of the euro area non-financial sectors mainly reflects changes in the maturity structure of the financing of non-financial corporations. The annual growth rate of short-term financing of non-financial corporations dropped from a peak of 21.5% in the third quarter of 2000 to 9.0% in the third quarter of 2001. In the third quarter of 2001, short-term financing accounted for 20% of the total annual financing of non-financial corporations, in line with the ratio of short-term liabilities to total liabilities of non-financial corporations. In the third quarter of 2000, the corresponding figure had been 37%. This development presumably partly reflects the redemption by non-financial corporations of short-term bridge loans taken out earlier to finance mergers and acquisitions as well as the purchase of UMTS licences in the autumn of 2000 before switching in part to financing via the issuance of debt securities. Accordingly, the annual rate of change in financing via short-term loans declined continuously from the third quarter of 2000 until the third quarter of 2001.

By contrast, the annual rate of growth of long-term financing of non-financial corporations decreased less markedly, to 6.7% in the third quarter of 2001 from 7.5% in the second quarter. Partly as a result of the refinancing of short-term loans, long-term debt financing (long-term loans and long-term debt securities) remained relatively stable despite the slowdown in real economic activity. The annual growth in financing via the issuance of quoted shares, however, fell to 3.8% in the third quarter of 2001, from 5.3% in the second quarter. This decline is probably related to the fall in stock prices during 2001, which meant that financing via quoted shares became comparatively more expensive for corporations. In addition, lower merger and acquisition activity in the course of 2001 reduced the total financing needs of non-financial corporations. Overall, financing via debt securities gained further momentum in relation to other financing sources, accounting for 17% of the total annual financing of non-financial corporations at the end of the third quarter of 2001, though only about 7% of the amounts outstanding of financing instruments used by euro area non-financial corporations.

As regards the household sector, the annual rates of growth of both short-term and long-term loans continued to fall up to the third quarter of 2001, following the trend since 1999. The bulk of household debt (91% on average between the fourth quarter of 1997 and the third quarter of 2001) consists of long-term loans, mainly loans for house purchase. The decline in the annual growth rate of long-term loans is thus likely to be related to the slowdown in previously booming real estate markets in some euro area countries. The fall in lending rates for house purchase in the course of 2001 may, however, have prevented a steeper decline. The more pronounced decrease in the annual rate of growth of short-term loans, accounting for just 9% of total household debt and consisting to a considerable extent of consumer credit, is likely to reflect the adjustment of households to the slowdown in economic activity in the euro area. In addition, the decline in the retail interest rates for consumer credit was limited up to the third quarter of 2001, which might also explain the significant fall in short-term lending to households.

In contrast to the overall development of the financing of non-financial sectors and in particular to that of non-financial corporations, the annual rate of growth of short-term financing of general government increased considerably in the course of 2001, to 6.0% in the third quarter. Around two-thirds of the annual short-term financing of general government (short-term loans, short-term debt securities and deposit liabilities of central government) resulted from the issuance of short-term debt securities. Although the share of short-term debt in total general government debt was only 13% at the end of the third quarter of 2001, 32% of the total annual financing of general government at the end of the third quarter resulted from short-term financial instruments. Consequently, after a decline in recent years, the share of short-term debt in total general government debt increased slightly during 2001.

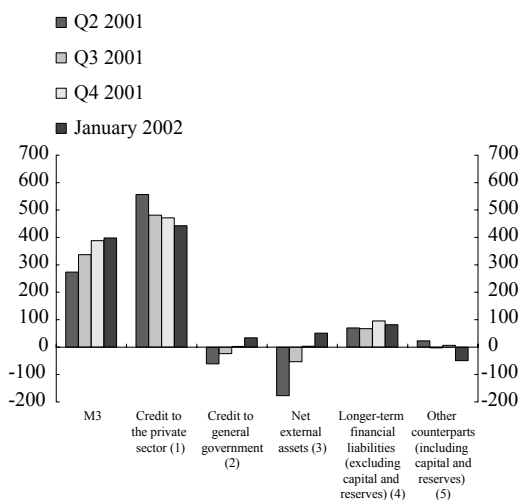
At the same time, the annual rate of change in longer-term general government financing rose only slightly in the course of 2001. While the demand of general government for long-term loans continued to decline up to the third quarter, it increased its issuance of longer-term debt securities during the year.



## Chart 7

### Movements in M3 and its counterparts

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



Source: ECB.

Notes: Series adjusted for non-euro area residents' holdings of all negotiable instruments.

$M3 = (1) + (2) + (3) - (4) + (5)$ .

the sale of UMTS licences also contributed to increased government financing needs. With regard to financing instruments provided by euro area MFIs, the annual rate of change of MFI loans to general government continued to be negative in January 2002 (-1.8%), while the annual rate of change of general government securities held by the euro area MFI sector rose to 4.3% in January 2002, from a low of -12.3% in the first quarter of 2001.

In contrast to credit to general government, the annual rate of growth of credit granted by MFIs to the private sector in the euro area fell further in January 2002, to 6.3% from 6.9% on average in the fourth quarter of 2001. This resulted mainly from an ongoing decline in the annual growth rate of loans to the private sector. A more detailed picture of the development of loans to the private sector is provided by the quarterly sectoral loan figures for euro area households and non-financial corporations up to the fourth quarter of 2001 (see Table 2 and Chart 8).

The annual rate of growth of loans granted by MFIs to households continued to decline in the

fourth quarter of 2001, to 5.3% from 6.0% in the third quarter. It had thus decreased constantly since the third quarter of 1999, when it stood at 11.2%. The annual rate of growth of MFI loans granted to euro area non-financial corporations decreased to 6.3% in the fourth quarter of 2001, from 7.4% in the third quarter. It followed a declining trend since the third quarter of 2000, when the annual growth rate was 11.1%. This may reflect the weakening of economic activity in 2001, but also the fading-out of certain special factors which had strengthened the demand for loans in 2000 (see Box 1).

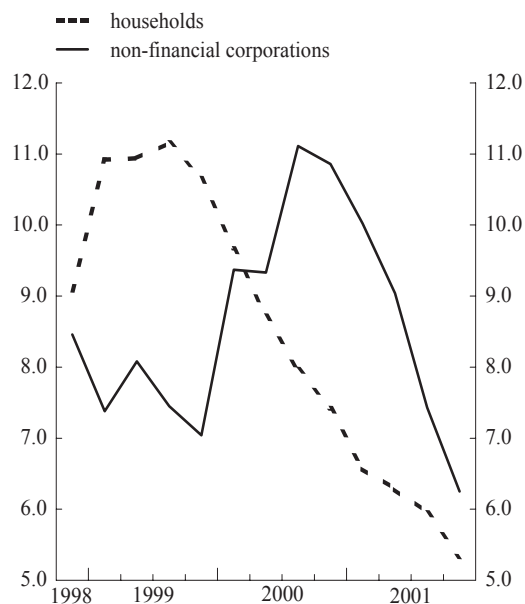
The annual growth rate of longer-term financial liabilities (excluding capital and reserves) of MFIs recovered somewhat in recent months, from a low of 2.2% on average in the third quarter of 2001, to 2.8% in the fourth quarter and 2.9% in January 2002, in line with the steepening of the euro area yield curve.

Finally, in January 2002 the net external assets of the euro area MFI sector decreased by €8 billion in non-seasonally adjusted terms. This

## Chart 8

### Development of sectoral loans in the euro area

(annual percentage changes)



Source: ECB.

decline was, however, less pronounced than it has usually been in January, implying a significant increase in the twelve-month flows of net external assets in January 2002 (see Chart 7).

### Monetary developments do not so far pose upward risks to price stability

The current monetary situation in the euro area does not seem thus far to pose upward risks to price stability in the medium term. The strong M3 growth in 2001 was mainly driven by portfolio shifts which should be temporary. The continuation of the slowdown in credit extended to households and non-financial corporations supports this assessment.

While due caution is needed in interpreting short-term monetary developments, the moderation in short-term M3 dynamics in December 2001 and January 2002 suggests that portfolio shifts towards M3 may have come to an end, as uncertainty has gradually declined in the financial markets. At the same time, there are no indications yet of investors reversing previous portfolio shifts to a significant extent, and liquidity in the euro area continues to be ample, as also indicated by money gap measures constructed on the basis of the reference value for M3 growth. Monetary developments therefore need to be analysed closely in the months to come. Should the moderation in monetary growth not be confirmed during the next few months, monetary developments may need to be

## Box 2

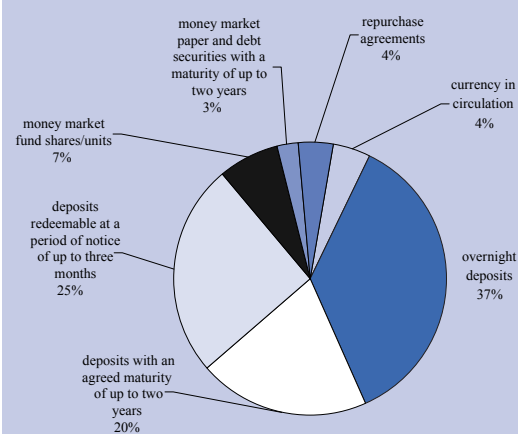
### Developments in the relative shares of the components of M3 between 1980 and 2001

The broad monetary aggregate M3 is composed of:

- a narrow monetary aggregate M1, consisting of currency in circulation and overnight deposits;
- other short-term deposits, namely deposits with an agreed maturity of up to two years and deposits redeemable at a period of notice of up to three months; and
- marketable instruments, which comprise repurchase agreements, money market fund shares/units, money market paper and debt securities with a maturity of up to two years (see Chart A).

#### Chart A: Relative shares of the components of M3

(in percentages, end-of-year figures, 2001)



Source: ECB.

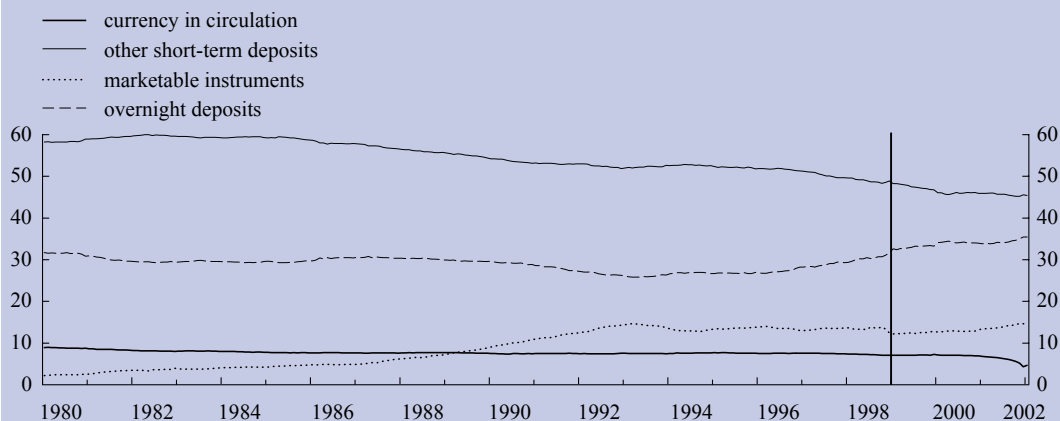
Note: Figures are based on notional stocks (base month January 2001).

These different components of M3 are relatively close substitutes for each other and share the feature that they can either be used directly for transaction purposes or transformed easily into assets which can be used for such purposes. At the same time, they vary as to their degree of liquidity, their remuneration and their sensitivity to changes in market interest rates. This box monitors changes in the composition of M3 over time.

For the period before September 1997, (partly estimated) figures are only available for currency in circulation, overnight deposits, short-term deposits other than overnight deposits and marketable instruments. The available information nonetheless allows shifts in the relative importance of the different M3 components to be analysed (see Chart B).

### Chart B: Percentage shares of components of M3

(end-of-month seasonally adjusted figures, 1980 to 2001)



Source: ECB.

Note: Figures are based on notional stocks (base month January 2001).

#### Decrease in the share of currency in circulation in M3

The share of currency in circulation in M3 declined continuously between 1980 and 2001. Aside from the large drop in 2001 in the run-up to the euro cash changeover, the downward trend in currency in circulation, from 8.8% at the end of 1980 to 6.9% at the end of 2000, is probably linked to structural factors. A more efficient use of currency in circulation as a means of payment over time and the increasing use of electronic means of payment are likely to have been behind this development.

#### Rise in the share of overnight deposits in recent years

Having remained broadly constant at around 30% in the 1980s, the relative share of overnight deposits had declined to around 26% by 1993. This was mainly linked to financial innovations in marketable instruments (see below). Subsequently, the share of overnight deposits in M3 increased constantly, to above 35% at the end of 2001. Up to the summer of 1999, this development seems to have been supported by declining short-term interest rates, which increased the attractiveness of overnight deposits compared with other short-term deposits. In addition, interest-bearing overnight deposits gained importance and probably further strengthened this trend.

#### Decline in the share of short-term deposits other than overnight deposits

The share of short-term deposits other than overnight deposits in M3 exhibits a downward trend throughout the period from 1980 to 2001. However, the main reasons for the decline differ over time. From the mid-1980s to the early 1990s it was driven by financial innovations in marketable instruments. By contrast, the further decline, which was especially pronounced between 1994 and 2000, was linked to generally falling interest rate levels as well as financial innovations in overnight deposits, increasing the relative attractiveness of overnight deposits compared with other short-term deposits.

The breakdown of short-term deposits into deposits with an agreed maturity of up to two years and deposits redeemable at a period of notice of up to three months is available from September 1997 onwards (see Chart C) and indicates substitutions between these two types of deposits. These substitutions appear to be mainly related to different developments in their respective retail rates. The interest rate on deposits redeemable at a period of notice of up to three months adjusts more slowly and to a lesser extent to market rate changes than the interest rate on deposits with an agreed maturity of up to two years. The difference in the pass-through

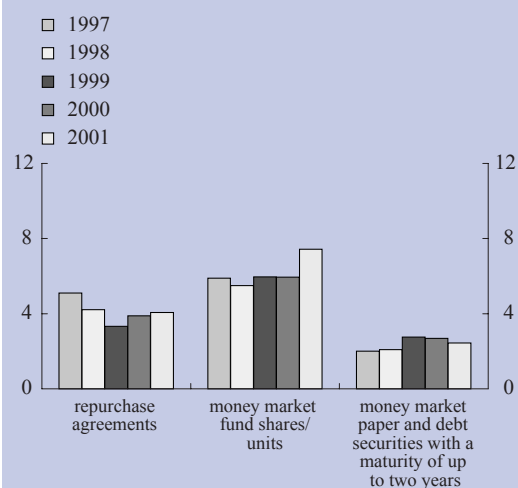
of market interest rate changes may reflect different degrees of competition in the respective markets.

### Broadly stable share of marketable instruments in recent years

Marketable instruments consist of money market fund shares/units, repurchase agreements, and money market paper and debt securities with a maturity of up to two years. Whereas in 1980 the share of marketable instruments in M3 was below 2.5%, by the end of 1993 it had increased to around 14%. The liberalisation of the financial markets in several euro area countries during the second half of the 1980s led to the creation of new financial instruments, such as money market fund shares/units or repurchase agreements. Changes in tax regulations and rising short-term interest rates up to 1992 also fuelled the increase in the share of marketable instruments in M3. Between 1994 and 2001, the share of this component in M3 was relatively stable.

### Chart D: Shares of the components of marketable instruments within M3

(in percentages, end-of-year figures)

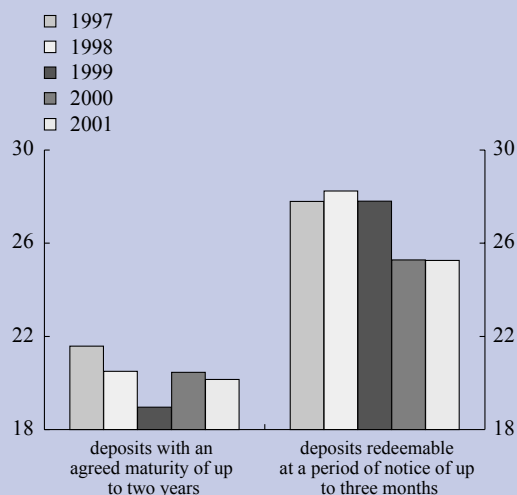


Source: ECB.

Note: Figures are based on notional stocks (base month January 2001).

### Chart C: Shares of specific deposits within M3

(in percentages, end-of-year figures)



Source: ECB.

Note: Figures are based on notional stocks (base month January 2001).

Looking at the components of marketable instruments in recent years (see Chart D), the most visible stylised fact is the increase in the share of money market fund shares/units to 7.5% in December 2001, from 6% in December 2000. This has to be seen in the context of portfolio shifts from longer-term, riskier assets into monetary assets in 2001. Within monetary assets, money market funds are one of the main channels for this substitution process, because they are particularly appropriate for temporarily “parking” funds.

Overall, one might therefore conclude that the major trends observed in the relative shares of the components of M3 in the run-up to Stage Three of EMU, which are the increasing trend of overnight deposits and the declining trend of other short-term deposits, continued in Stage Three. Furthermore, the share of currency in circulation in M3 is now significantly lower than it was at the beginning of the 1980s, while the share of marketable instruments in M3 has increased considerably over the last 20 years.

reassessed, in particular if there is further evidence of a recovery in euro area real economic growth.

### Debt securities issuance recovered towards the end of 2001

Continuing a pattern evident throughout much of 2001, the average annual growth of the amount outstanding of debt securities issued by euro area residents dropped slightly from 6.7% in the third quarter of 2001 to 6.5% in the fourth quarter. However, this figure conceals the dynamics of the annual growth of the amount outstanding of debt securities, which initially started to decline after the terrorist attacks in September before increasing again in late 2001 to reach 7.2% in December, which was around the average annual growth rate for 2001 (see Chart 9). This pattern in the overall annual growth rates was mostly driven by developments in the growth rate of the amount outstanding of long-term debt securities during these months, which first

declined and later picked up, leaving the average annual growth of the amount outstanding of long-term debt securities unchanged at 6.5% between the third and fourth quarters. Continuing a pattern evident since April 2001 (see Box 1), and which seemed to be amplified following the terrorist attacks in September, the annual growth in the amount outstanding of short-term debt securities fell in the fourth quarter, reaching the lowest annual growth for 2001 of 5.5% in December. Reflecting this, the average annual growth in the amount outstanding of short-term debt securities declined from 8.8% in the third quarter of 2001 to 6.6% in the fourth quarter.

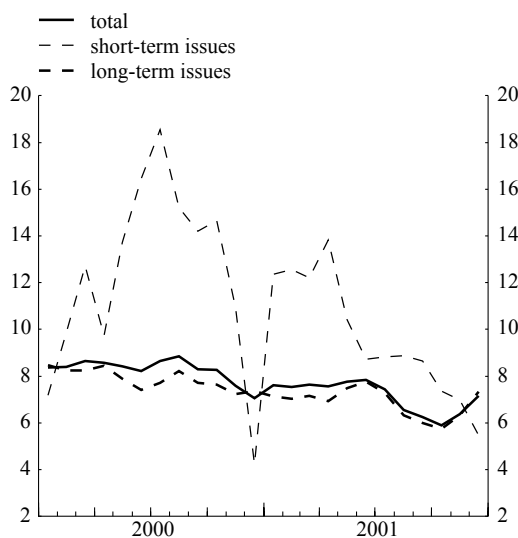
The breakdown by currency shows that the annual growth of the amount outstanding of euro-denominated debt securities issued by euro area residents increased slightly from 6.1% in the third quarter of 2001 to 6.2% in the fourth quarter. At the end of the fourth quarter of 2001, 91.2% of the amount outstanding of debt securities issued by euro area residents was denominated in euro, broadly unchanged from the share of 91.5% at the end of the third quarter of 2001.

With respect to the issuance of euro-denominated debt securities by non-residents of the euro area, the average annual growth rate of the amount outstanding of these securities decreased from 23.2% in the third quarter to 18.7% in the fourth quarter of 2001.

As regards the breakdown by issuing sector, the annual growth of the amount outstanding of debt securities issued by the MFI sector remained unchanged at 5.6% in the fourth quarter of 2001 compared with the third quarter, thus levelling off following the decline earlier in the year (see Chart 10). The average annual growth of the amount outstanding of euro-denominated debt securities issued by non-financial corporations declined from 21.6% in the third quarter of 2001 to 18.6% in the fourth quarter. The weaker issuance activity by this sector may have reflected difficult financing conditions in corporate

**Chart 9**  
Amounts outstanding of debt securities issued by euro area residents

(annual percentage changes)



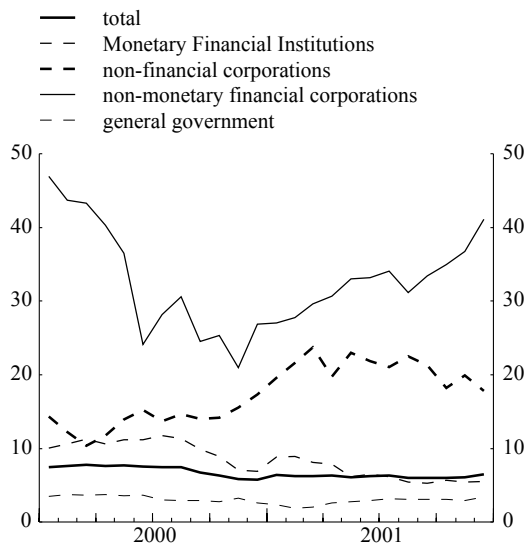
Source: ECB.

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.

### Chart 10

#### Amounts outstanding of euro-denominated 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.

bond markets following the September terrorist attacks, related to a rise in uncertainty at that time, as well as the decline in merger and acquisition activity. At the same time, the average annual growth in the amount outstanding of euro-denominated debt securities issued by non-monetary financial corporations, which had increased fairly steadily from late 2000 onwards, increased to 37.6% in the fourth quarter of 2001, from 32.9% in the third quarter.

The growth in the amount outstanding of euro-denominated debt securities issued by the public sector increased in the fourth quarter of 2001, continuing the tendency observed in the third quarter. The average annual growth of the amount outstanding of euro-denominated debt securities issued by the general government sector, combining the central government and other general government sectors, was 3.3% in the fourth quarter, compared with 3.1% in the third quarter. This development entirely reflected a significant increase in the issuance activity

of the other general government sector. Whereas the average annual growth of the amount outstanding of euro-denominated debt securities issued by the central government sector decreased from 2.7% in the third quarter of 2001 to 2.5% in the fourth quarter, the growth rate for the other general government sector increased from 17.9% in the third quarter to 22.8% in the fourth quarter.

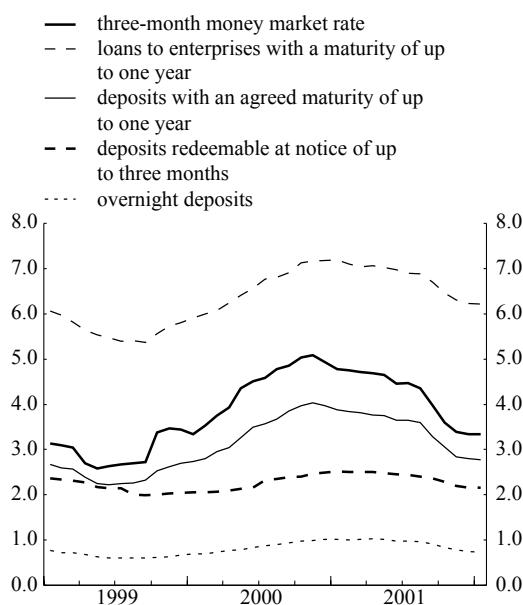
#### Retail bank interest rates broadly stable around the turn of the year

Following the trend observed from late 2000 onwards, short-term retail bank interest rates continued to decline in the last quarter of 2001. In January 2002, these rates stabilised (see Chart 11). After three-month money market interest rates had peaked in November 2000, the average interest rates on deposits with an agreed maturity of up to one year and on loans to enterprises for up to one year declined by around 125 and

### Chart 11

#### 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, data include Greece.

95 basis points respectively until January 2002. By comparison, three-month money market interest rates declined by 165 basis points during the same period. The interest rates on overnight deposits and deposits redeemable at a period of notice of up to three months showed an even more sticky response to money market interest rate movements, declining overall by only 25 basis points between November 2000 and January 2002. This differentiated response to market interest rate developments is typical of these retail interest rates and possibly reflects the degree of competition in the respective markets.

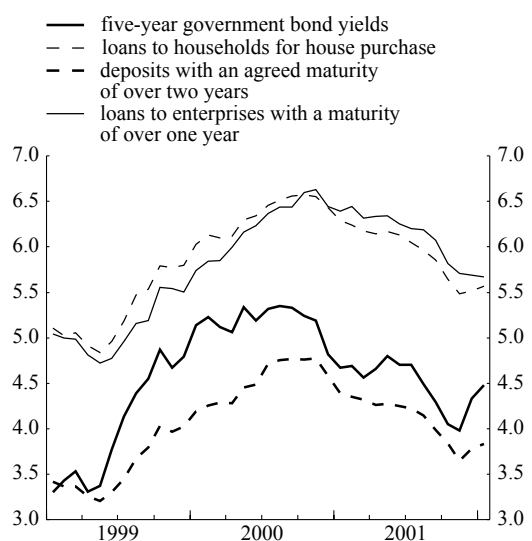
Between the third quarter of 2000 and December 2001, long-term retail bank interest rates followed a declining trend. The overall declines in long-term retail bank interest rates of around 90 basis points from the third quarter of 2000 broadly mirrored the decreases in the five-year government bond yields over this period of around 85 basis points. This suggests that the interest rate pass-through to long-term retail bank interest rates was almost complete. The

declining pattern of most long-term retail bank interest rates seemed to come to an end in late 2001 with only the average interest rate on loans to enterprises for over one year dropping further between the last quarter of 2001 and January 2002. This decline could be a reflection of decreasing credit risk concerns for long-term lending to enterprises, as also suggested by a narrowing of the spread between the yields on lower quality investment-grade corporate bonds and those on government bonds by around 90 basis points between September 2001 and January 2002 (see Chart 18).

### Money market interest rates increased in early 2002

The downward movement of money market rates, which lasted for approximately a year, came gradually to a halt in late 2001. At the longest maturities, money market rates started to rise in November. After a generalised increase in January 2002, most pronounced at the longest maturities, money market rates remained virtually unchanged in February. At the longer maturities, rates tended to increase again in early March. The slope of the money market yield curve turned positive in January and steepened somewhat in early March.

**Chart 12**  
**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, data include Greece.

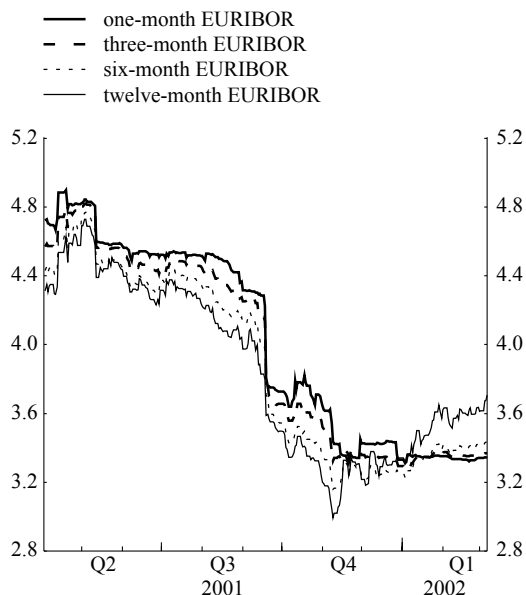
After some volatility related to the euro cash changeover at the beginning of the year, the overnight interest rate, as measured by the EONIA, stabilised in the course of January 2002. In February the EONIA remained fairly stable at levels slightly above the minimum bid rate in the Eurosystem's main refinancing operations for most of the time (see Box 3). The marginal and average rates of allotment in the main refinancing operations settled in January and early February were affected very slightly by the cash changeover, hovering between 3 and 7 basis points above the minimum bid rate. In the operations settled in late February and early March, they were between 3 and 5 basis points above the minimum bid rate.



### Chart 13

#### Short-term interest rates in the euro area

(percentages per annum; daily data)



Source: Reuters.

The one-month and the three-month EURIBOR increased somewhat in the course of January and then stabilised in February (see Chart 13). On 6 March the rates were 3.34% and 3.37% respectively, implying a relatively flat short end of the money market yield curve. The one-month rate was 1 basis point lower than on 31 January while the three-month rate was unchanged. The marginal and average rates in the Eurosystem's longer-term refinancing operation settled on 28 February 2002 were, as usual, broadly in line with the then prevailing three-month EURIBOR. The marginal rate stood at 3.32% and the average rate at 3.33%, virtually unchanged from the longer-term refinancing operation settled on 31 January.

At the longer end of the money market yield curve, the six-month and the twelve-month EURIBOR started to rise in late 2001. The increase became more marked in January 2002. After remaining broadly stable in February, the increase resumed in early March. In the period between 31 January and 6 March they increased by 3 and 9 basis points respectively, to stand at 3.44% and

3.71%. The slope of the money market yield curve, as measured by the difference between the twelve-month and the one-month EURIBOR, thus increased somewhat between the end of January and early March, standing at 37 basis points on 6 March.

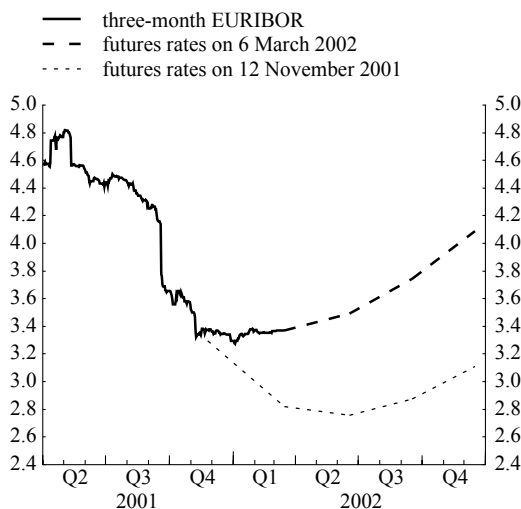
The expected path of the three-month EURIBOR, as implied in prices for futures contracts with delivery dates in 2002, also increased significantly in early 2002, continuing the trend of late 2001 (see Chart 14). In the period between end-January and 6 March the rates implied in prices for futures contracts with delivery dates in June and September 2002 both increased by 4 basis points and stood at 3.49% and 3.75% respectively on 6 March. The rates implied in futures for delivery in December 2002 rose by 5 basis points in the same period, to stand at 4.09% on 6 March. These levels were between 70 and 100 basis points higher than the lowest levels reached in mid-November 2001.

The volatility of the three-month EURIBOR implied in options on futures contracts maturing in June and September 2002

### Chart 14

#### Three-month interest rates and futures rates in the euro area

(percentages per annum; daily data)



Source: Reuters.

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



**Box 3****Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 February 2002**

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

**Regular monetary policy operations**

(EUR billions; interest rates in percentages per annum)

Operation	Date of settlement	Date of maturity	Bids (amount)	Allotment (amount)	Bid-cover ratio	Number of participants	Minimum bid rate	Marginal rate	Weighted average rate
MRO	30/01/2002	12/02/2002	108.0	38.0	2.8	342	3.25	3.31	3.32
MRO	06/02/2002	20/02/2002	157.0	91.0	1.7	389	3.25	3.30	3.31
MRO	12/02/2002	27/02/2002	90.3	35.0	2.6	272	3.25	3.29	3.30
MRO	20/02/2002	06/03/2002	135.5	72.0	1.9	377	3.25	3.28	3.29
LTRO	31/01/2002	25/04/2002	44.5	20.0	2.2	220	-	3.31	3.33

Source: ECB.

The spread between the weighted average rate and the marginal rate was only 1 basis point in all four MROs. In the course of the maintenance period, both the marginal and the weighted average rates dropped by 1 basis point in each MRO. The bid-cover ratio varied between 1.7 and 2.8.

The EONIA moved in a narrow range between 3.30% and 3.32% from the start of the maintenance period until Wednesday, 13 February 2002 (with the only exception on 31 January, i.e. the end of the month, when the rate increased to 3.35%). By Tuesday, 19 February 2002, the EONIA decreased to 3.27%. For the following last three business days of the maintenance period, the EONIA stayed slightly below the minimum bid rate, reaching a minimum of 3.08% on Thursday, 21 February, as liquidity conditions were perceived to be ample. It then increased again to 3.22% on Friday, 22 February, the last business day of the maintenance period, reflecting a reassessment of the actual liquidity situation by market participants.

The maintenance period ended with a net recourse to the marginal lending facility of €4.4 billion (€2.7 billion recourse to the marginal lending facility and €0.5 billion recourse to the deposit facility on both 22 and

**Contributions to the banking system's liquidity**

(EUR billions)

Daily average during the reserve maintenance period from 24 January 2002 to 23 February 2002

	Liquidity providing	Liquidity absorbing	Net contribution
<b>(a) Monetary policy operations of the Eurosystem</b>	<b>187.5</b>	<b>0.1</b>	<b>+ 187.5</b>
Main refinancing operations	127.3	-	+ 127.3
Longer-term refinancing operations	60.0	-	+ 60.0
Standing facilities	0.2	0.1	+ 0.1
Other operations	-	-	0.0
<b>(b) Other factors affecting the banking system's liquidity</b>	<b>386.0</b>	<b>440.9</b>	<b>- 54.9</b>
Banknotes in circulation	-	306.2	- 306.2
Government deposits with the Eurosystem	-	49.6	- 49.6
Net foreign assets (including gold)	386.0	-	+ 386.0
Other factors (net)	-	85.2	- 85.2
<b>(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)</b>			<b>132.6</b>
<b>(d) Required reserves</b>			<b>131.7</b>

Source: ECB.

Note: Totals may not add up due to rounding.

23 February). Excess reserves were slightly larger than usual, amounting to €0.8 billion (the difference between average current accounts of €132.6 billion and average minimum reserve requirements of €131.7 billion), which probably reflects the fact that the reserve maintenance period ended on a Saturday as well as exceptional factors related to the euro cash changeover.

For the maintenance period, the net liquidity-absorbing impact of the autonomous factors, i.e. the factors not related to monetary policy operations (item (b) of the previous table), on the banking system's liquidity averaged €54.9 billion. The estimates of average liquidity needs stemming from autonomous factors, published together with the tender announcements, ranged between €38.8 billion and €63.6 billion. At the start of the maintenance period, the actual figure turned out to be much lower, by €7.8 billion on average, which was mainly due to lower than expected banknote circulation. With the exception of the period from 4 to 11 February, when the actual figure was €4.1 billion higher than forecast, the other figures were close to published estimates, also reflecting the fact that the forecast of banknotes in circulation was no longer affected by the cash changeover.

increased significantly in September 2001 in the wake of the terrorist attacks in the United States. However, around the turn of the year implied volatility decreased markedly again to levels broadly in line with those prevailing before these events. It was generally stable in the course of February, indicating that the market perception of uncertainty surrounding the future path of interest rates had normalised, after the period of high uncertainty in autumn 2001 (see Chart 15).

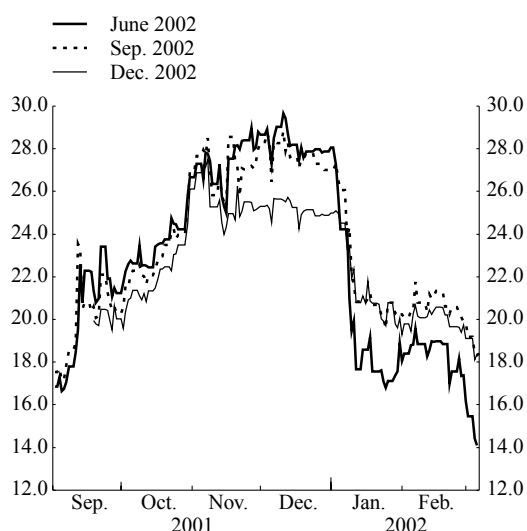
### Long-term government bond yields stabilised in early 2002

After having declined in the aftermath of the terrorist attacks in the United States, ten-year government bond yields in the euro area rose towards the end of 2001 before settling down to broadly stable levels in the first two months of 2002. In the United States, long-term government bond yields followed, at times, a different pattern, reflecting specific concerns in US capital markets about the reliability of profits data prompting "flight to safety" shifts from stock and corporate bond markets to government bond markets. In this environment, the differential between ten-year government bond yields in the United States and in the euro area moved into negative territory from around nil at end-January to -15 basis points on 6 March.

In the United States, ten-year government bond yields increased towards the end of 2001, thus partly reversing the steep decline that took place after the terrorist attacks of 11 September 2001. This increase seemed to reflect a more optimistic view among market participants about the economic outlook for the United States. From early January ten-year bond yields were subject to wide swings, reflecting countervailing factors. In particular, upward pressure on bond yields resulting from changing market views about the economic situation was partly

**Chart 15**  
Implied volatilities from options on three-month EURIBOR futures

(percentages per annum; daily data)



Source: Bloomberg.

**Chart 16**  
**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, euro area data include Greece.

countervailed by “flight to safety” flows. These flows were prompted by uncertainties about the reliability of the profits data disclosed by many US corporations. In particular, concerns about accounting practices were reflected in a widening of the spread between BBB-rated companies’ corporate bond yields and comparable government bond yields by about 10 basis points between the end of January and 6 March (see Chart 18). In this environment, ten-year government bond yields stood at around 5.1% on 6 March 2002, showing an overall increase of 5 basis points compared with the level of end-January.

In Japan, ten-year government bond yields did not change between end-January and 6 March 2002 and stood at about 1.5% on the latter date. Long-term Japanese bond yields remained stable despite a further deterioration in the outlook for economic activity and stronger deflationary tendencies in the Japanese economy. The downward pressure emanating from these cyclical factors

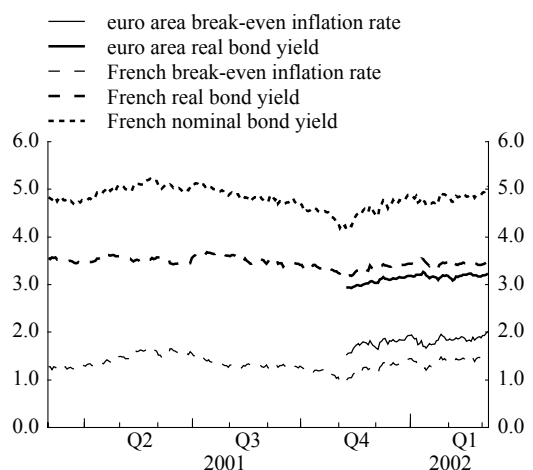
appears to have been offset by market participants’ perceptions of upward risks for bond yields generated by the current fiscal and monetary policy stance, as well as by rating agencies’ recent warning of a further downgrading of Japanese long-term debt. The selling of bonds by investors ahead of the end of the fiscal year in March in order to improve their balance sheets might also have affected the overall movements in bond yields.

In the euro area, the rebound in long-term interest rates in late 2001 seemed to be mainly due to an unwinding of safe-haven flows following the events of 11 September as well as growing optimism about the short-run prospects for economic activity. This was reflected in a significant increase in two-year bond yields as well as in the real yields on French ten-year index-linked government bonds (see Chart 17).

In the first two months of 2002, long-term interest rates tended broadly to stabilise despite short-lived swings, before climbing

**Chart 17**  
**Break-even inflation rates calculated for the euro area HICP and French CPI**

(in percentages; daily data)



Sources: Reuters, French Treasury and ISMA.

Note: The French and euro area real bond yields are derived from the market prices of French government bonds which are indexed to the French CPI or euro area HICP (both excluding tobacco prices) and which mature in 2009 and 2012 respectively. The latter bond was first issued on 1 November 2001. The nominal bond yields shown in the chart are derived from the market prices of bonds that mature in 2009. The methods used to compute the break-even inflation rate were outlined in Box 2 of the February 2002 issue of the Monthly Bulletin.

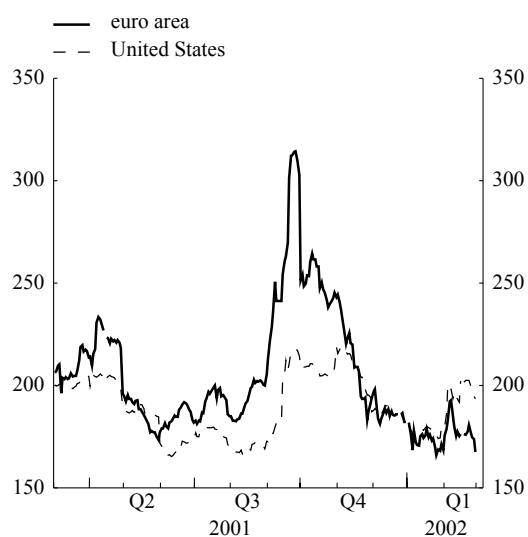
in early March to a level of 5.3% on 6 March (20 basis points above the level of end-January). A more optimistic view about long-term growth prospects for the euro area seemed to play a role in this development. This view was also reflected in a slight rise in the real yield on the French ten-year index-linked government bonds (indexed on the euro area HICP excluding tobacco) between end-January and 6 March. By contrast with the United States, there was less evidence of heightened concern about accounting practices in euro area capital markets in February, as long-term corporate bond spreads of BBB-rated companies showed little overall change (see Chart 18). Finally, the break-even inflation rate derived from the difference between ten-year nominal yields and ten-year index-linked yields (indexed on the euro area HICP excluding tobacco) increased by 20 basis points between end-January and 6 March 2002.

As regards the euro area yield curve, it became steeper between end-January and 6 March 2002 since interest rates rose for

### Chart 18

#### Corporate bond spreads in the euro area and the United States

(in basis points; daily data; BBB rating)



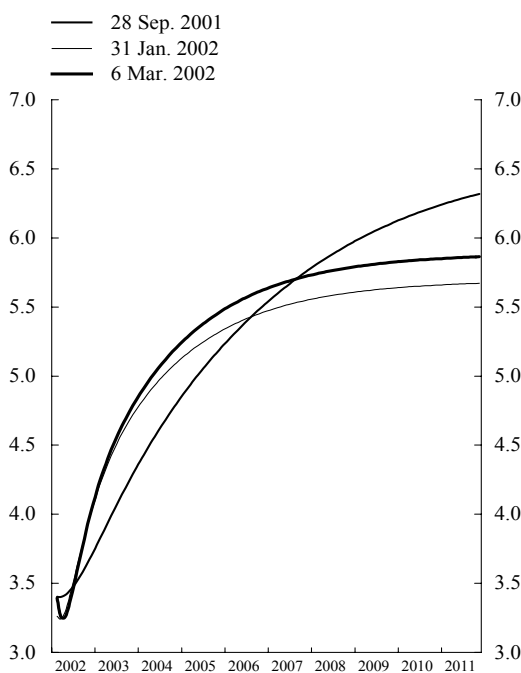
Sources: Bloomberg and ECB calculations.

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

### Chart 19

#### Implied forward euro area overnight interest rates

(percentages per annum; daily data)



Source: ECB estimation.

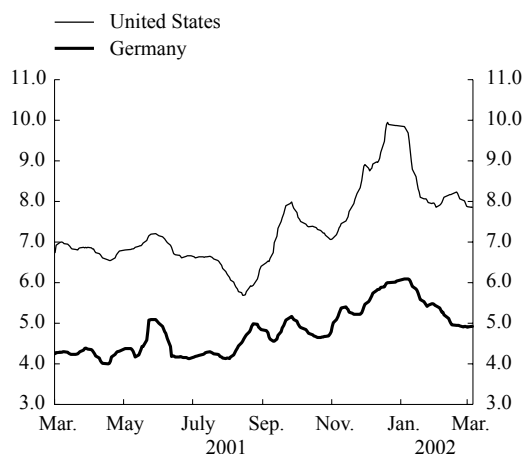
Note: The implied forward yield curve, which is derived from the term structure of interest rates observed in the market, reflects the market expectation of future levels for short-term interest rates. The method used to compute these implied forward yield curves was outlined on page 26 of the January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

bonds with maturities longer than two years, with larger increases seen at longer maturities. Since short-term interest rates were basically unchanged, the spread between ten-year government bond yields and the three-month EURIBOR increased by 20 basis points between end-January and 6 March 2002 to a level of 190 basis points. These developments in the yield curve also tend to confirm a more optimistic view of market participants about long-term growth prospects in the euro area. This view was further reflected in the steepening of the implied forward overnight interest rate curve for the euro area beyond medium-term maturities between the end of January and 6 March 2002 (see Chart 19).

### Chart 20

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

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



Source: Bloomberg.

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

The perceived degree of uncertainty among market participants with regard to long-term government bond yields has declined considerably in recent months. This was visible in the development of the implied volatility of ten-year German government bonds derived from the prices of options on Bund futures contracts (see Chart 20). On 6 March, this indicator of market participants' uncertainty about likely bond yield developments in the short term stood at around 5%, which was 30 basis points below the level at the end of January.

#### Stock prices changed little in recent months

Following the bout of turbulence prompted by the tragic events of 11 September 2001, global stock markets were broadly stable in recent months (see Chart 21). While market participants seemed to become more optimistic about the prospects for economic growth, uncertainty remained about the

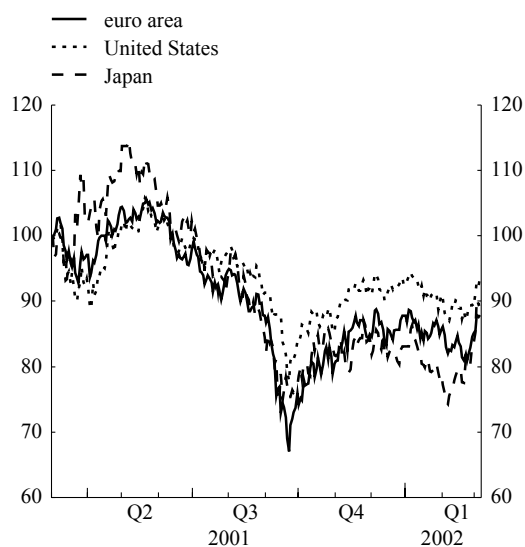
strength of the recovery. Moreover, market concerns about the reliability of corporate profits data in an environment in which US corporations were enduring a notable downturn in profits tended to have an adverse impact on US stock prices, which, at times, spilled over into euro area stock prices. In this environment, between end-January and 6 March 2002 US stock prices, as measured by the Standard & Poor's 500 index, and those in the euro area, as measured by the Dow Jones EURO STOXX index, increased by 4% and 2% respectively. In Japan, the Nikkei 225 index increased sharply by almost 14% during the same period.

In the United States, stock prices, having recovered in the months following the terrorist attacks of 11 September 2001, changed little overall in the first two months of 2002. However, reflecting countervailing influences, they were subject to some volatility as a result of seemingly contradictory signals about short-term economic prospects. Stock prices came under

### Chart 21

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

(index: 1 March 2001 = 100; daily data)



Source: Reuters.

Notes: Dow Jones EURO STOXX broad (stock price) index for the euro area, Standard & Poor's 500 for the United States and Nikkei 225 for Japan. From 1 January 2001, euro area data include Greece.

pressure at the beginning of 2002 as investors' optimism about a quick recovery in companies' profits waned, following several negative profit announcements, bringing the Standard & Poor's 500 index back to the levels prevailing in October 2001. At the same time, ongoing concerns about US corporate governance and the accounting practices adopted by listed companies for the disclosure of their earnings seemed to have an adverse impact on market participants' confidence, particularly with regard to stocks in the technology sector.

Reflecting these concerns, the Nasdaq Composite index, which has a large share of companies in the technology sector, declined by around 3% between end-December 2001 and 6 March 2002. These negative pressures seemed to diminish by the end of February when stock prices began to recover, supported by increasing signs that economic activity in the United States was improving. This view was also supported by a decline in the implied volatility derived from the

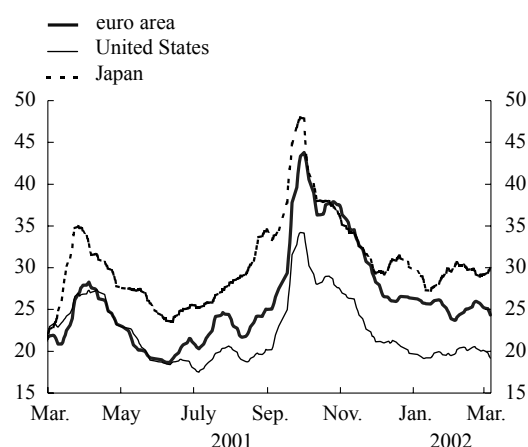
Standard & Poor's 500 index, which on 6 March 2002 stood well below the levels of September 2001 (see Chart 22).

In Japan, stock prices were subject to wide swings during the first months of 2002. Notably, the Japanese stock market seemed to be influenced more by concerns about domestic economic growth prospects than by movements in global equity markets. The Nikkei 225 index reached the lowest levels seen in 18 years on 6 February 2002, reflecting pessimism among market participants about the likelihood of a quick and lasting recovery for the Japanese economy. Later on, in the second half of February, there was a rebound in stock prices owing to new economic measures announced by the Japanese government to support the equity markets as well as to favourable signals regarding the economic recovery in the United States, which seemed to have a positive influence on the share prices of Japanese exporters. In this environment of wide swings in stock prices, implied stock price volatility stood on 6 March 2002 at a level almost 4 percentage points above the average over the last two years, suggesting that a high degree of uncertainty remained about the economic outlook for Japan.

### Chart 22

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

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



Source: Bloomberg.

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

In the euro area, stock prices were broadly stable during the first two months of 2002. This seemed to reflect the fact that earnings reports and macroeconomic data released during this period were mostly in line with market participants' expectations and, as a result, did not lead to significant changes in expectations for future corporate profitability. Consistent with this view, the implied volatility, derived from options on the Dow Jones EURO STOXX 50 index, declined slightly to stand, on 6 March 2002, at a level around 2 percentage points lower than the average of the last two years (see Chart 22).

The limited overall change in the broad equity index in the euro area concealed significant variations at a sectoral level. In particular, the stock prices of telecommunications

**Table 3****Price changes and historical volatility in the Dow Jones EURO STOXX economic sector indices***(price changes in percentages against end-of-period prices; historical volatility as percentages per annum)*

	Basic materials	Consumer cyclical	Consumer non-cyclical	Energy	Financial	Healthcare	Industrial	Technology	Telecommunications	Utility	EURO STOXX
<b>Price changes (end-of-period data)</b>											
2000 Q4	22.5	-10.6	-0.3	-3.8	0.0	1.7	-0.7	-10.7	-20.8	-0.4	-4.7
2001 Q1	-8.8	-7.5	-8.3	-0.4	-9.4	-6.7	-7.4	-32.7	-9.5	-8.3	-11.2
2001 Q2	2.2	1.0	6.2	5.9	1.5	11.7	-3.5	-5.0	-11.5	6.7	0.9
2001 Q3	-19.2	-29.0	-13.3	-14.2	-22.7	-12.0	-23.5	-37.9	-26.5	-7.4	-22.4
2001 Q4	15.4	26.8	6.0	5.5	9.7	1.9	17.5	58.0	21.7	-1.4	15.4
January 2002	3.9	-3.7	-2.1	1.1	-1.4	-4.9	-1.2	-3.7	-8.3	-0.2	-2.2
February 2002	1.7	-1.3	-0.6	4.2	-1.3	-1.7	2.7	-4.7	-4.4	-1.9	-1.0
End-December 2001 to 6 March 2002	8.2	0.3	-2.1	5.9	1.4	-9.1	4.9	-0.4	-9.0	-2.0	0.1
<b>Volatilities (period averages)</b>											
2000 Q4	21.3	24.8	13.6	25.1	18.6	23.1	18.5	56.6	41.4	16.2	22.5
2001 Q1	58.1	43.0	38.6	55.4	50.3	43.2	47.9	71.5	65.1	51.8	21.9
2001 Q2	17.3	22.2	12.5	18.8	15.6	18.3	19.3	56.6	29.5	12.2	18.3
2001 Q3	31.3	34.3	22.0	33.3	35.5	29.1	25.5	53.6	40.0	24.6	29.7
2001 Q4	21.2	32.6	17.3	34.8	26.8	20.9	23.4	54.8	37.6	17.0	26.3
January 2002	15.1	20.5	12.3	22.6	18.5	19.2	16.4	44.9	29.5	16.8	19.4
February 2002	12.5	23.0	9.9	16.3	23.2	25.6	13.4	38.7	31.6	11.0	19.4
End-December 2001 to 6 March 2002	14.2	22.6	10.9	19.2	20.5	22.0	15.4	41.9	29.7	14.1	19.3

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

sector companies displayed a significant decline of 9% between end-December 2001 and 6 March 2002 (see Table 3). The weakness of telecommunications stock prices seemed to reflect ongoing pessimism about the profitability of investments in third-

generation mobile phone licences as well as growing concern about the ability of highly indebted companies to raise funds in a more difficult funding environment in the corporate bond and commercial paper markets.



## 2 Price developments

### HICP inflation increase in January 2002 mainly caused by factors other than the euro cash changeover

The annual rate of HICP inflation in the euro area was 2.7% in January 2002, compared with a revised rate of 2.0% in December 2001 (see Table 4). The higher inflation outcome confirms earlier expectations that developments in the year-on-year rate of change in the HICP would be erratic in the first months of this year. Nevertheless, the annual rate of inflation is expected to resume its downward path in February 2002 according to Eurostat's flash estimate, which

puts the HICP inflation rate at 2.5%. (No detailed breakdown is available for February until the final data are released.) The annual rate of change in the HICP excluding unprocessed food and energy was 2.6% in January 2002, up from 2.5% in the previous month.

The increase in inflation in January 2002 reflects a number of factors, but mainly higher year-on-year rates of change in energy and unprocessed food prices. In particular, unfavourable weather conditions exerted upward pressures on vegetable and fruit prices. Moreover, higher prices for processed

**Table 4**  
**Price and cost developments in the euro area**  
(annual percentage changes, unless otherwise indicated)

	1999	2000	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2002	2002
				Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
<b>Harmonised Index of Consumer Prices (HICP) and its components</b>														
Overall index <sup>1)</sup>	1.1	2.3	2.5	2.3	3.1	2.5	2.2	2.3	2.4	2.1	2.0	2.7	2.5	
<i>of which:</i>														
Goods	0.9	2.7	2.5	2.4	3.5	2.4	1.8	2.1	2.1	1.6	1.7	2.5	.	
Food	0.6	1.4	4.6	3.3	5.0	5.2	4.8	5.1	5.2	4.6	4.7	5.6	.	
Processed food	0.9	1.1	2.9	1.9	2.8	3.4	3.5	3.5	3.5	3.5	3.5	3.8	.	
Unprocessed food	0.0	1.7	7.2	5.3	8.5	8.0	6.9	7.7	7.7	6.4	6.5	8.4	.	
Industrial goods	1.0	3.4	1.5	2.0	2.7	1.0	0.3	0.6	0.5	0.1	0.2	0.9	.	
Non-energy industrial goods	0.7	0.7	1.1	0.5	1.4	1.0	1.6	1.2	1.5	1.6	1.7	1.7	.	
Energy	2.4	13.3	2.8	7.2	7.3	1.2	-4.1	-1.3	-2.7	-5.0	-4.5	-1.7	.	
Services	1.5	1.7	2.5	2.2	2.5	2.5	2.8	2.6	2.8	2.7	2.8	3.0	.	
<b>Other price and cost indicators</b>														
Industrial producer prices <sup>2)</sup>	-0.4	5.5	2.2	4.6	3.7	1.5	-1.0	0.7	-0.7	-1.3	-1.1	-0.9	.	
Unit labour costs <sup>3)</sup>	1.3	1.1	.	2.1	2.5	2.3	.	-	-	-	-	-	-	
Labour productivity <sup>3)</sup>	0.9	1.4	.	0.2	0.0	0.1	.	-	-	-	-	-	-	
Compensation per employee <sup>3)</sup>	2.3	2.5	.	2.3	2.5	2.4	.	-	-	-	-	-	-	
Total hourly labour costs <sup>4)</sup>	2.2	3.4	.	3.2	2.9	3.4	.	-	-	-	-	-	-	
Oil prices (EUR per barrel) <sup>5)</sup>	17.1	31.0	27.8	28.4	31.7	29.0	22.4	28.8	23.8	21.7	21.5	22.6	23.5	
Commodity prices <sup>6)</sup>	-5.9	16.7	-7.6	-0.8	-3.0	-10.4	-15.6	-18.1	-19.3	-15.1	-12.3	-6.2	-3.7	

Sources: Eurostat, national data, International Petroleum Exchange, HWWA (Hamburg Institute of International Economics) and ECB calculations.

Note: For periods prior to 2001, HICP data do not include Greece. The other price and cost indicators include Greece for periods prior to 2001.

1) HICP inflation in February 2002 refers to Eurostat's flash estimate.

2) Excluding construction.

3) Whole economy.

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

5) Brent Blend (for one-month forward delivery).

6) Excluding energy. In euro; in ECU up to December 1998. Weighted according to extra-euro area commodity imports.



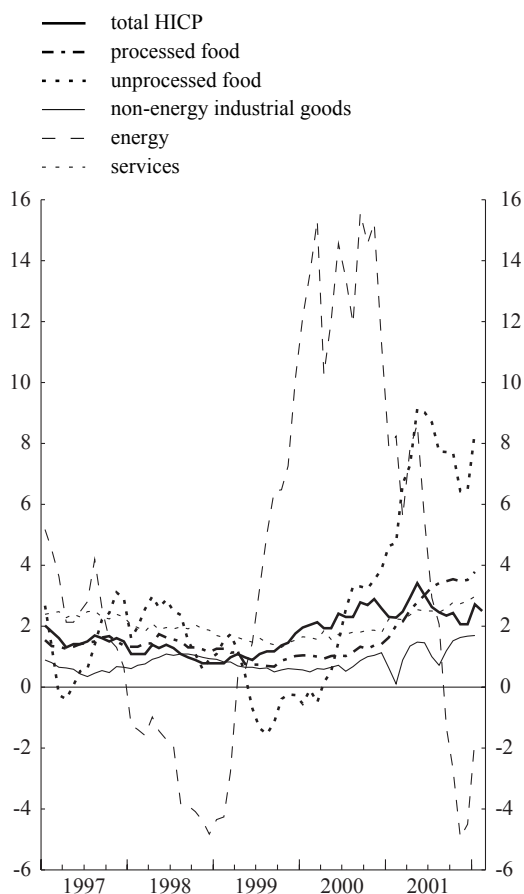
food were also recorded in January 2002, as a result of higher tobacco prices reflecting tax hikes in a few euro area countries. As regards the effect of the euro cash changeover on the overall HICP, there is no evidence so far of a significant upward impact at the aggregate level. This assessment is broadly consistent with an initial estimate published by Eurostat, which attributes between 0.0 and 0.16 percentage point of the 0.5% month-on-month increase in the HICP in January 2002 to the euro cash changeover. For certain individual components at the disaggregated level – in particular within the services sector – price increases were observed in January 2002, which could be associated with the introduction of euro banknotes and coins.

The annual rate of decline in the energy component stood at 1.7% in January 2002, compared with 4.5% in the previous month (see Chart 23). This slower rate of decline reflects a base effect from January last year as well as an increase in the level of energy prices in January 2002. In addition, it is consistent with recent developments in oil prices, which increased from €21.5 per barrel in December 2001 to €22.6 per barrel in January 2002. Although oil prices increased slightly further to an average of €23.5 per barrel in February, the average price in that month was still more than 20% lower than that recorded in February 2001.

The prices of unprocessed food were 8.4% higher in January 2002 than in the same month last year. This represents an increase in the annual rate of change of 1.9 percentage points compared with December 2001. The pick-up in the year-on-year rate of change in unprocessed food prices in January mainly reflects higher vegetable and fruit prices resulting from adverse weather conditions in some euro area countries. However, these weather-related effects should subside over the coming months and thereby contribute to a downward movement in the year-on-year rate of change in unprocessed food prices. This process will be reinforced by base effects stemming from the strong price

**Chart 23**  
**Breakdown of HICP inflation in the euro area by component**

(annual percentage changes; monthly data)



Source: Eurostat.

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

increases in early 2001 associated with the food-related health concerns. Furthermore, the year-on-year rate of change in processed food prices increased, from 3.5% to 3.8%, between December 2001 and January 2002. This rise is mostly explained by increases in taxes on tobacco in a few euro area countries.

The annual rate of change in non-energy industrial goods prices was 1.7% in January 2002, unchanged compared with the previous month. The latest developments in this component support the view that the indirect effects of previous import price movements should gradually abate and that the year-on-

year rate of change is approaching a turning-point. The unwinding of these indirect effects should also exert downward pressure on services prices in 2002. However, the annual rate of increase in prices of services in the euro area increased to 3.0% in January 2002, from 2.8% in December 2001. There is some evidence at a more detailed level of disaggregation that prices for certain services may have risen in January 2002 in connection with the euro cash changeover. For instance, prices charged by restaurants and cafés increased by 1.2% month-on-month in January 2002, which is significantly above the average

increase in this month from 1996 to 2001 (i.e. 0.4%).

With the release of HICP data for January 2002, Eurostat implemented additional rules for the harmonisation of the HICP. The improvement reflects three Commission Regulations regarding the treatment of price reductions, the coverage of the services sector and the revision policy of the HICP. The overall effect of these changes – which are further explained in Box 4 – on the euro area HICP is marginal.

#### **Box 4**

##### **Implementation of additional harmonisation rules for the HICP in January 2002**

With the release of the January 2002 data, Eurostat and the National Statistical Institutes have implemented additional harmonisation rules for the Harmonised Index of Consumer Prices (HICP). The modifications result from the implementation of three Commission Regulations on the treatment of price reductions (e.g. due to seasonal sales) in the national indices, on further harmonisation of the coverage of services prices, and on the treatment of revisions in the HICP. This box gives a short description of these changes (focusing on the first one) and also reviews the annual changes in the weighting scheme for the HICP, which are made in January.

##### **Harmonisation of the treatment of price reductions**

HICPs measure actual purchase prices. In order to follow this general principle, price reductions for goods and services (e.g. during seasonal sales periods) should be reflected in the HICP indices. Most EU Member States have always taken account of such price reductions, and the introduction of this practice in the HICP for Spain and Italy in January 2002 represents the last step of this harmonisation process. Portugal included these price reductions in January 1999, and Luxembourg and Belgium in January 2000 and 2001 respectively. When Member States introduce price reductions in the index, they are also required to revise HICP data for the previous 12 months in order to avoid a distortion of the annual rate of change.

Reduced prices are relevant for all months of the year, but particularly for the periods from January to February and from July to August due to the winter and summer sales. The impact of sales prices on the HICP index can vary across Member States depending not only on the nature and timing of price reductions, but also on the HICP data collection periods within the month, which are still not fully harmonised across the European Union. Data collection usually takes place over specific days or weeks within the month. When a special sales price period within a month is not covered by the price collection period, sales prices may not be covered, or may be only partially covered, in the index.

The impact on euro area annual HICP inflation rates from the introduction of price reductions in Spain and Italy should be minor. However, due to the revision of data for the year 2001 and the consequent statistical break between 2000 and 2001, the year-on-year rates of change in non-energy industrial goods prices, in particular, have been somewhat distorted in 2001. Reflecting this, a downward revision of the euro area annual average inflation rate for 2001, from 2.6% to 2.5%, is reported. In addition, the introduction of sales prices may change

the monthly variations and seasonal pattern of the index. Consequently, it may become more difficult to calculate seasonally adjusted indices.

#### Further harmonisation of the coverage of services prices

The treatment of services charges expressed as a proportion of the transaction value has been harmonised with effect from January 2002. These prices concern, in particular, services provided by housing agents for rental accommodation, financial services and legal or administrative services. For instance, the fee charged by a housing agent is usually in direct proportion to the rent. On account of the small weights of these services in total household consumption, the effect of this change on the euro area overall index remains marginal.

#### A harmonised revision policy of the HICP

A third regulation concerning the harmonised revision policy for the HICP took effect as of January 2002. It states, in particular, that HICPs are to be revised when new or improved information is provided or methodological changes are made. The regulation also stipulates that any revision of national HICPs must be co-ordinated by Eurostat. An exception is made for mistakes which must be corrected without unnecessary delay. This regulation more or less confirms practices already applied in the past. However, this is the first macroeconomic statistical area in which a common revision policy for EU Member States has been agreed and implemented.

#### Updating of the weighting pattern for 2002

As occurs every year, the item and country weights of the euro area HICP were revised with the release of January 2002 data. The purpose of this practice is to maintain the representativity of the index in terms of consumer expenditure and country shares. When updating the item weights in the national HICPs, the national practices differ to a certain degree. Roughly half the euro area countries carry out a comprehensive revision of all item weights of the index at annual intervals, whereas some countries follow the existing HICP minimum standard, which stipulates that the item weights must have a reference period of not more than seven years prior to the current year. These Member States are required to update item weights more frequently where significant shifts in the consumption pattern are evident.

The annual revisions of item weights in the HICP do not just reflect changes in consumption patterns. A price update of the weights is also carried out based on the relative price movements between individual items and item groups observed over the previous year. From 2001 to 2002, the changes in the item weights of the euro area HICP were relatively minor (see table).

#### Item weights in 2001 and 2002 of the euro area HICP

(percentages)

	2001	2002
<b>Harmonised Index of Consumer Prices (HICP) and its components</b>		
Overall index	100.0	100.0
<i>of which:</i>		
Goods	61.5	61.1
Food	20.3	20.4
Processed food	12.3	12.3
Unprocessed food	8.0	8.1
Industrial goods	41.2	40.7
Non-energy industrial goods	31.8	32.0
Energy	9.5	8.7
Services	38.5	38.9

Source: Eurostat.

Note: Weights may not add up due to rounding.

#### The year-on-year rate of decline in producer prices slowed in January 2002

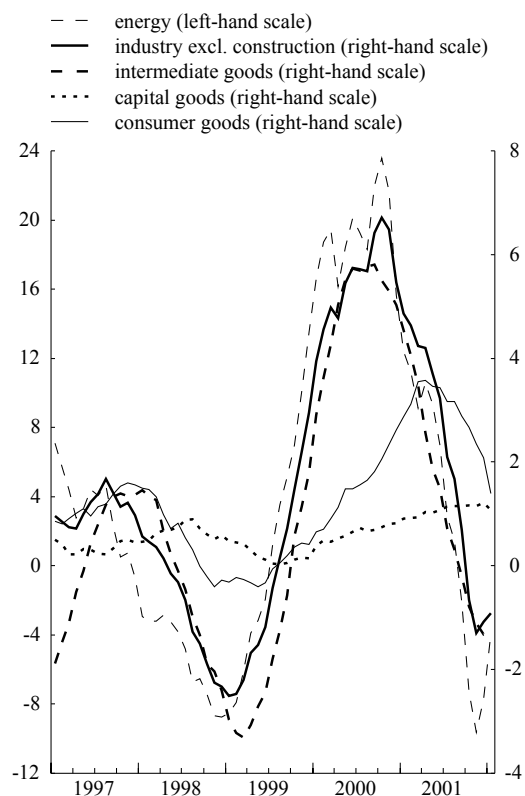
The latest data for euro area industrial producer prices confirm that price pressures

in the industrial sector remained subdued. The year-on-year rate of decline in producer prices slowed in January 2002, to 0.9%, from 1.1% in December 2001 (see Chart 24). This mainly reflects developments in the year-on-

year rate of decline in energy prices, which slowed from 7.7% in December 2001 to 3.9% in January 2002. Approximately one-third of this lower rate of decline relates to a base effect. In contrast, the annual rate of change in producer prices excluding energy declined from 0.6% to 0.3% in the same period. The annual rate of decline in intermediate goods prices was unchanged at 1.3% in January 2002 and the annual rate of change in capital goods prices was 1.1% in the same month, down from 1.2% in December 2001. Furthermore, the annual rate of change in consumer goods prices declined from 2.1% in December 2001 to 1.4% in January 2002, reflecting lower rates of increase in prices of non-durable as well as durable consumer goods. The latest developments in the prices of capital and consumer goods support the view that the

**Chart 24**  
**Breakdown of industrial producer prices for the euro area**

(annual percentage changes; monthly data)

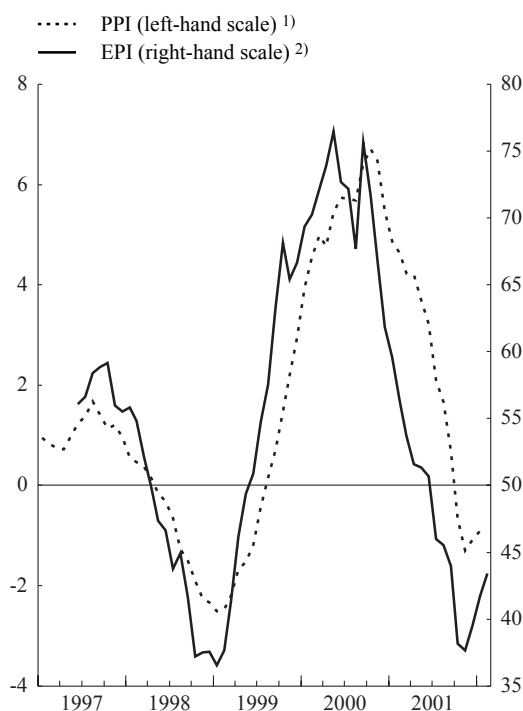


Source: Eurostat.

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

**Chart 25**  
**Overall producer prices and manufacturing input prices for the euro area**

(monthly data)



Sources: Eurostat and Reuters.

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

1) Producer Price Index; annual percentage changes; excluding construction.

2) Eurozone Price Index; manufacturing input prices from the Purchasing Managers' Survey. An index value above 50 indicates an increase in manufacturing input prices, whereas a value below 50 indicates a decrease.

indirect effects of previous import price movements have gradually started to unwind.

Producer price pressures are expected to remain subdued in February 2002. For instance, the latest information on the Eurozone Price Index from the Reuters Purchasing Managers' Survey indicates that prices paid by manufacturers for input goods fell in February for the eighth successive month (see Chart 25). The respondents to the survey quoted the existence of unsold stocks and excess capacity at suppliers as the main reasons. However, the pace of decline slowed for the third month in a row, which may partially reflect the increase in both

energy and non-energy commodity prices between January and February 2002.

### **Labour costs growth broadly unchanged in the second and third quarters of 2001**

Most recent data on compensation per employee show a slight decline in the annual rate of growth from 2.5% to 2.4% between the second and third quarters of 2001. This development is broadly consistent with information on negotiated wages. In contrast, the annual rate of growth of total hourly labour costs in the non-agricultural business sector of the euro area was 3.4% in the third quarter of 2001, up from 2.9% in the second quarter, according to Eurostat's third release. This measure is currently being affected by changes to wage payment practices (treatment of bonuses, retroactive payments, etc.) in one euro area country. Hence, at this juncture it is considered to overestimate the increase in labour cost growth. As regards the fourth quarter of 2001, available information on negotiated wages points towards a slight increase in annual wage growth. However, the uncertainty surrounding labour cost developments in the fourth quarter is still relatively high.

The annual growth rate of unit labour costs declined by 0.2 percentage point to 2.3% between the second and third quarters of 2001. Meanwhile, the annual change in labour productivity increased slightly, from 0.0% to 0.1%, in the same period. The low levels of productivity growth mainly reflect the cyclical downturn of the economy.

### **HICP inflation expected to fall below 2% this year**

Looking ahead, euro area HICP inflation is expected to fall below 2% this year and remain there for the foreseeable future. The expected decline over the short term in overall euro area inflation is mainly due to lower year-on-year rates of change in energy and unprocessed food prices, as the strong price increases in 2001 drop out of the year-on-year changes. The prospect of a decline is reinforced by the expected gradual reduction in HICP inflation excluding unprocessed food and energy, mainly due to the weakening of the indirect effects of the past oil price shock and the unwinding of the earlier shocks to processed food prices deriving from animal diseases. This view of falling inflation is supported by recent information such as the Survey of Professional Forecasters (SPF) compiled by the ECB in the first quarter of this year. According to the SPF, HICP inflation is expected to average 1.7% in 2002 and 1.8% in 2003. A more detailed analysis and review of the latest SPF results are presented in Box 5.

The expected development of HICP inflation in 2002 and 2003 is conditional on a number of assumptions. For instance, a continuation of the recent process of wage moderation is of utmost importance in order to maintain a favourable outlook for inflation. Against this background, forthcoming wage negotiations will be closely monitored and analysed by the ECB with a view to assessing any signals of increasing labour costs.

#### **Box 5**

#### **The 2002 Q1 Survey of Professional Forecasters (SPF)<sup>1</sup>**

In early February 2002, the ECB conducted the 13th round of the SPF. The 2002 Q1 questionnaire asked respondents what their expectations for average HICP inflation, real GDP growth and the unemployment rate in the euro area were for the calendar years 2002, 2003 and 2006. In addition, expectations for two "rolling horizons" were requested.<sup>2</sup> In the 2002 Q1 SPF, these rolling horizons were December 2002 and 2003 for the

<sup>1</sup> The survey is known as the Survey of Professional Forecasters (SPF) to reflect that all of the participants are experts affiliated with financial or non-financial institutions based in the European Union.

<sup>2</sup> These so-called rolling horizons are set one and two years ahead of the period for which the latest data for each particular variable are available at the time the survey is conducted. They may be useful to identify some dynamic patterns that are difficult to detect from expected averages for calendar years.

HICP inflation rate; the third quarter of 2002 and 2003 for the rate of growth in real GDP and November 2002 and 2003 for the unemployment rate. The aggregate results of the 2002 Q1 SPF, based on 57 replies, are summarised below. When interpreting them, it is important to bear in mind that the SPF participants are not given a common set of assumptions on which to base their forecasts. Hence, these aggregate results most likely reflect a relatively heterogeneous set of subjective views and assumptions.

### Results from the Survey of Professional Forecasters

*(annual percentage changes, unless otherwise indicated)*

	Survey horizon				
	2002	Dec. 2002	2003	Dec. 2003	2006
<b>HICP inflation</b>					
Latest survey, 2002 Q1	1.7	1.7	1.8	1.8	1.9
Previous survey, 2001 Q4	1.7	-	1.8	-	1.8
	2002	2002 Q3	2003	2003 Q3	2006
<b>Real GDP growth</b>					
Latest survey, 2002 Q1	1.3	1.6	2.5	2.6	2.5
Previous survey, 2001 Q4	1.5	-	2.5	-	2.5
	2002	Nov. 2002	2003	Nov. 2003	2006
<b>Unemployment rate <sup>1)</sup></b>					
Latest survey, 2002 Q1	8.6	8.6	8.4	8.3	7.3
Previous survey, 2001 Q4	8.6	-	8.2	-	7.2

1) As a percentage of the labour force.

### HICP inflation expected to be below 2.0% in 2002 and 2003

Forecasters expect the annual inflation rate to decrease from its current levels and to stabilise at levels below 2.0%. More specifically, average annual HICP inflation in the euro area is expected to be 1.7% in 2002 and 1.8% in 2003 (see table), unchanged from the expectations reported in the 2001 Q4 SPF. The inflation rates expected in December 2002 and December 2003 are 1.7% and 1.8% respectively.

The SPF questionnaire also asks for a quantitative assessment of the uncertainty surrounding participant's expectations for each variable and horizon. More specifically, the SPF questionnaire asks survey participants to assign some probability to actual outcomes falling into some specific intervals (for example, the intervals for inflation expectations are shown on the horizontal axis in Chart A below). The assigned probabilities reflect the forecaster's assessment of the risk of the actual outcome being different from the value considered most likely at the time the forecast is made. Although the aggregate probability distribution constructed from these subjective assessments may encompass many different macroeconomic scenarios, it helps to assess how survey participants, on average, gauge the risk of the actual outcome being above or below the most likely range.

Chart A shows the aggregate probability distributions for annual rates of HICP inflation at the shorter-term horizons requested in this survey round: the average for the current year, i.e. 2002, and for the rolling horizon one year ahead, i.e. December 2002. In the former, as expected, the highest probability (around 50%) is assigned to the range of values around the point estimate for this horizon 1.7%, i.e. to the 1.5-1.9% interval. In this particular case, the distribution is fairly well balanced around this central range 1.5-1.9% (see light bars). This indicates that survey participants felt there to be an equal "risk" that the actual average inflation in 2002 will turn out to be above or below the most likely range of 1.5-1.9% (around 25% on either side).

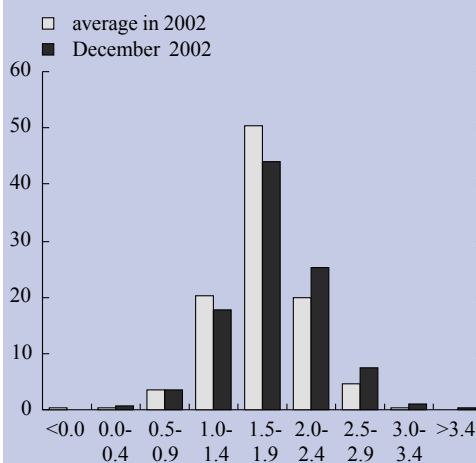
The darker bars in Chart A represent the probability distribution for the expected annual HICP inflation rate in December 2002. Survey participants also expect inflation to be 1.7% in December 2002, and most likely to fall

within the 1.5-1.9% range. However, Chart A also shows clearly asymmetrical risks for inflation expectations for the end of this year since the probability distribution is skewed to the right of the central interval. This indicates that survey participants consider that there is a higher “risk” of inflation ending up above the 1.5-1.9% range next December than below 1.5%. This is reflected in a cumulative probability of 34% assigned to outcomes above the most likely 1.5-1.9% range and only 22% to outcomes below this range. This pattern of probability distribution with regard to expected inflation for this horizon seems to be mostly related to survey participants’ expectations about the strength of the recovery in economic activity in the euro area towards the end of the current year (see the section on growth prospects below).

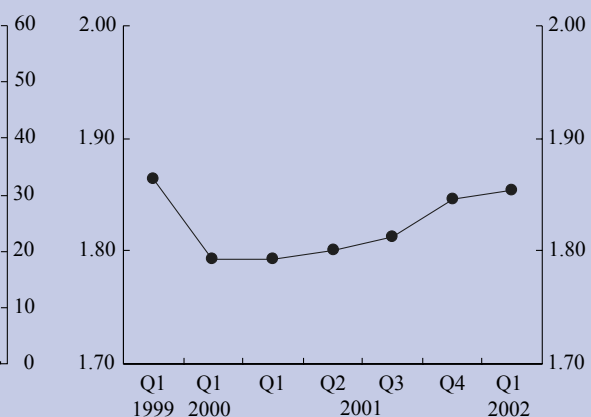
#### Longer-term inflation expectations remain below 2.0%

Inflation expectations five years ahead have now for several years been within a narrow range between 1.8% and 1.9% (see Chart B). In the last survey, for 2006, HICP inflation is expected to average 1.9%. This level of expected inflation broadly corresponds to the measure of inflation expectations extracted from the long-term bonds indexed to the euro area HICP excluding tobacco that were recently issued by the French Treasury. The so-called break-even inflation rate extracted from this type of bond remained below 2% in February 2002. It is important to bear in mind, however, that break-even inflation rates are not a direct measure of market participants’ inflation expectations since they are influenced by risk, maturity and liquidity premiums.<sup>3</sup>

**Chart A: Short-term inflation expectations: probability assigned to each interval**  
(percentages)



**Chart B: Average inflation rates expected five years ahead in each survey round<sup>1)</sup>**  
(annual percentage changes)



1) Please note that before 2001 the SPF questionnaire only asked for inflation expectations five years ahead in the survey round conducted in the first quarter of the year.

#### Real GDP growth rates revised downwards but a recovery is expected in the course of 2002 and 2003

In line with recent indications of weaker economic activity in the euro area, SPF participants have revised their expectations for the average annual growth rate of real GDP in 2002 to 1.3%, down by 0.2 percentage point compared with the previous survey round conducted last October. However, a higher annual rate of 1.6% is already expected for 2002 Q3, which suggests that a gradual upturn in economic growth is anticipated in the course of 2002. For 2003, a further increase in real GDP growth to 2.6% is expected for 2003 Q3 and 2.5% for the year as a whole. Long-term growth prospects, at 2.5% for 2006, remain in line with the upper end of the range for trend potential growth in the euro area.

3 For a thorough description of the nature of the break-even inflation rates, see the box entitled “Deriving long-term euro area inflation expectations from index-linked bonds issued by the French Treasury” on page 16 of the February 2002 issue of the Monthly Bulletin.



The euro area unemployment rate is expected to increase to an average of 8.6% for 2002. Thereafter it is expected to decline gradually over the forecast horizon. The unemployment rate is expected to average 8.4% in 2003, standing at 8.3% by December 2003, and to reach 7.3% in 2006.

### 3 Output, demand and labour market developments

#### Economic activity likely to have declined in the fourth quarter of 2001

As reported in the February 2002 issue of the Monthly Bulletin, euro area real GDP grew by 0.1% quarter-on-quarter in the third quarter of last year, unchanged compared with the rate of growth in the previous quarter (see Table 5). At this juncture, an estimate of real GDP growth in the fourth quarter of 2001 is only available for individual

member countries. Taken together, the national data suggest that the quarter-on-quarter rate of growth in euro area real GDP declined between the third and the fourth quarters of 2001 and that it was most likely slightly negative in the fourth quarter.

The weakening in overall economic activity in the fourth quarter of 2001 reflects to a large extent developments in the industrial sector. Industrial production (excluding construction)

**Table 5**  
**Composition of real GDP growth in the euro area**

(percentage changes, unless otherwise indicated; seasonally adjusted)

	Annual rates <sup>1)</sup>								Quarterly rates <sup>2)</sup>				
	1998	1999	2000	2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3
Real gross domestic product	2.9	2.6	3.4	3.2	2.8	2.4	1.6	1.4	0.4	0.6	0.6	0.1	0.1
<i>of which:</i>													
Domestic demand	3.6	3.2	2.8	2.8	2.2	1.7	1.0	0.7	0.1	0.5	0.1	0.2	-0.1
Private consumption	3.0	3.2	2.6	2.5	1.9	2.0	1.8	1.8	0.1	0.2	0.9	0.6	0.1
Government consumption	1.2	2.1	1.9	1.6	1.6	1.9	1.9	2.0	0.1	0.7	0.7	0.4	0.2
Gross fixed capital formation	5.2	5.4	4.3	3.9	3.2	1.3	-0.4	-1.3	0.9	0.0	-0.4	-0.8	0.0
Changes in inventories <sup>3), 4)</sup>	0.4	-0.2	0.0	0.1	0.1	-0.1	-0.3	-0.4	-0.2	0.2	-0.4	0.0	-0.2
Net exports <sup>3)</sup>	-0.6	-0.5	0.6	0.5	0.6	0.8	0.7	0.6	0.3	0.1	0.4	-0.1	0.3
Exports <sup>5)</sup>	7.3	5.2	12.0	12.4	12.0	8.7	5.1	0.8	3.6	2.3	-0.3	-0.6	-0.6
<i>of which goods</i>	7.3	4.9	12.3	12.3	12.4	9.9	4.6	1.1	3.4	2.5	0.2	-1.5	0.0
Imports <sup>5)</sup>	9.9	7.2	10.8	11.5	10.7	6.9	3.5	-0.9	3.0	2.2	-1.4	-0.3	-1.4
<i>of which goods</i>	10.4	6.9	11.2	12.1	12.4	7.9	3.7	-1.4	3.6	2.3	-1.9	-0.3	-1.4
Real gross value added:													
Agriculture and fishing <sup>6)</sup>	1.5	2.2	0.0	0.4	-0.7	0.1	-0.3	-0.5	1.0	-0.7	-0.6	0.0	0.8
Industry	2.6	1.1	4.1	3.8	3.5	2.7	1.0	0.2	0.6	0.5	0.9	-1.0	-0.2
Services	3.1	3.2	3.5	3.3	3.3	2.9	2.6	2.4	0.6	0.8	0.7	0.5	0.4

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.



**Table 6**  
**Industrial production in the euro area**

(annual percentage changes, unless otherwise indicated)

	2000	2001	2001 Oct.	2001 Nov.	2001 Dec.	2001	2001	2001	2001	2001	2001	2001	
						Oct.	Nov.	Dec.	July	Aug.	Sep.	Oct.	Nov.
						month-on-month			three-month moving averages				
Total industry excluding construction by main industrial groupings:	5.5	0.2	-2.7	-4.2	-4.8	-1.6	-0.7	0.3	-0.4	-0.5	-0.4	-1.5	-1.9
Total indus. excl. construction and energy <sup>1)</sup>	5.8	-0.2	-2.9	-4.9	-6.6	-1.4	-0.9	0.3	-0.2	-0.2	-0.2	-2.0	-2.3
Intermediate goods	5.8	-1.3	-3.7	-5.8	-8.9	-1.1	-1.2	-0.6	-0.3	-0.5	-1.0	-2.2	-2.6
Capital goods	8.6	1.4	-1.7	-4.6	-5.1	-0.9	-1.0	-0.3	-0.5	-0.5	-0.3	-1.6	-1.9
Consumer goods	2.4	0.0	-2.5	-3.5	-4.1	-1.7	-0.4	0.3	0.2	0.1	-0.4	-1.6	-2.1
Durable consumer goods	5.8	-2.6	-7.6	-7.5	-7.3	-2.0	-0.1	1.3	-1.5	-1.5	-1.3	-2.6	-2.2
Non-durable consumer goods	1.7	0.5	-1.4	-2.7	-3.4	-1.7	-0.4	0.1	0.5	0.4	-0.2	-1.4	-2.0
Energy	1.5	0.4	-0.9	1.5	4.8	-1.1	1.2	1.2	1.0	0.3	-0.3	-0.2	0.1
Manufacturing	5.9	0.1	-2.9	-5.0	-6.1	-1.7	-1.1	0.2	-0.5	-0.6	-0.5	-1.8	-2.3

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).

1) Manufacturing excluding the manufacture of coke and refined petroleum products, but including non-energy mining and quarrying activities.

fell by 1.9% quarter-on-quarter in the fourth quarter of 2001, a stronger decline than in the third quarter, when production fell by 0.5%. However, month-on-month, the rate of growth in industrial production excluding construction increased to 0.3% in December 2001, from -0.7% in November and -1.6% in October (see Table 6). A gradual upturn in the month-on-month rate of growth in industrial production would be in line with the recovery in business confidence in the manufacturing sector recorded late last year and early this year. The month-on-month increase in industrial production excluding construction in December 2001 largely reflects developments in the consumer goods sector. Production in consumer goods industries rose by 0.3% month-on-month, following a decline of 0.4% in the previous month. In the intermediate and capital goods sectors the month-on-month rate of growth also increased between November and December, but growth remained negative at -0.6% and -0.3% respectively. Overall, while there was some improvement in all the main industrial groupings, growth in industrial

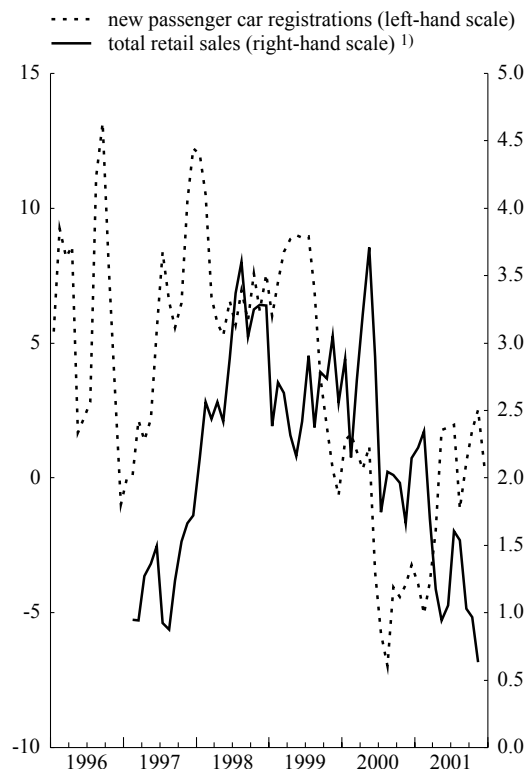
production remained weak at the end of 2001.

Indicators of activity related to the household sector of the economy are more volatile than those related to the industrial sector and do not yet provide clear signals on the general direction of developments at the turn of the year. Retail sales decreased in volume terms by 0.6% month-on-month in December 2001, following an increase of 1.2% in November. In the fourth quarter as a whole, growth in retail sales volumes declined to -0.2% quarter-on-quarter from +0.3% in the third quarter. By contrast, passenger car registrations saw a strong rise in quarter-on-quarter growth from -5.3% in the third quarter to +1.8% in the fourth quarter, but decreased again by 3.8% month-on-month in January 2002. In year-on-year terms, growth in retail sales volumes remained on the broad downward trend observed since mid-2000 and it appears that the upward trend in the rate of change in car registrations observed since then has levelled off (see Chart 26).

**Chart 26**

**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.

**Recovery in business confidence indicates a possible turning point around the turn of the year**

Taken together, the results from the various business surveys point to a further improvement in confidence in February 2002. In particular, the Purchasing Managers' Index (PMI) for the euro area manufacturing sector saw a further strong increase of 2.3 index points to 48.1, following an increase of 2.1 index points in the previous month. The sharp cumulative increase in the first two months of this year was unprecedented in the short history of the PMI, which dates from mid-1997, and points to a turning point in the rate of growth of manufacturing

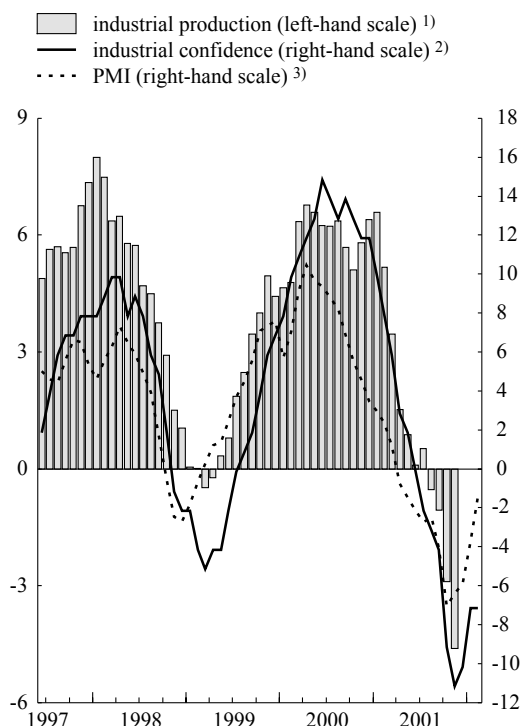
production (see Chart 27). As regards the individual components, the strong increases in January and February 2002 mainly reflect improvements in new orders and changes in output. Both of the latter two indices recovered to levels above the theoretical benchmark of 50 that characterises the borderline between negative and positive rates of growth in activity. In February 2002 all components of the PMI recorded an improvement, including a sizeable increase in the index for employment, which had declined somewhat in January.

According to the European Commission Business Survey, the industrial confidence

**Chart 27**

**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: When 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 deviations indicate an expansion of economic activity.

indicator was unchanged in February 2002, following increases in the previous two months (see Table 7). This largely reflects a correction of the particularly strong rise in production expectations in January. At the same time, the assessment of order books, in particular of export orders, improved in February for the first time after a protracted period of deterioration and a stabilisation at the turn of the year. This suggests that the recent improvement in business sentiment now also reflects actual conditions as well as expectations. Business confidence in the services sectors, as measured by the European Commission services confidence indicator, increased further in February 2002, reflecting improvements in demand expectations and in the assessment of the business climate, but also, for the first time, a rise in the assessment of demand in recent months.

Consumer confidence increased in February 2002, following a small decline in January and a rise in December 2001. The pattern of consumer confidence observed around the turn of the year does not therefore provide

clear indications that the decline in consumer confidence could have reached a trough. The increase in February 2002 reflects, in particular, improvements in households' expectations with regard to the general economic situation, but also in expectations with regard to unemployment and the financial situation of households. A clear recovery in consumer confidence is likely to depend on further improvements in the assessment of the financial situation, in addition to a more positive assessment of the general economic situation.

### Positive indications for an upturn in growth in the course of 2002

Overall, recent data on activity suggest that the quarter-on-quarter rate of output growth could have reached a low point in the fourth quarter of last year. The expectation of a possible upturn in growth in the course of this year essentially reflects the positive indications coming from the industrial sector. At this juncture, these indications are mainly confined to survey data and are not yet

**Table 7**  
**Results from European Commission Business and Consumer Surveys for the euro area**  
(seasonally adjusted data)

	1999	2000	2001	2001	2001	2001	2001	2001	2001	2001	2001	2002	2002
				Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Economic sentiment index <sup>1)</sup>	-0.2	2.6	-2.8	-0.6	-1.4	-1.3	-1.4	0.0	-1.0	-0.5	0.3	0.2	0.1
Consumer confidence indicator <sup>2)</sup>	7	12	6	12	9	3	0	2	1	-1	1	0	2
Industrial confidence indicator <sup>2)</sup>	0	12	-1	8	2	-3	-10	-4	-9	-11	-10	-7	-7
Construction confidence indicator <sup>2)</sup>	14	21	15	19	17	13	11	15	12	10	11	8	10
Retail trade confidence indicator <sup>2)</sup>	0	5	-1	3	-1	-1	-4	-1	-4	-4	-5	-6	-10
Services confidence indicator <sup>2)</sup>	3	7	-8	3	1	-9	-27	-11	-25	-29	-28	-22	-20
Business climate indicator <sup>3)</sup>	-0.1	1.3	-0.1	0.9	0.2	-0.4	-1.2	-0.5	-1.1	-1.2	-1.2	-1.0	-0.9
Capacity utilisation (%) <sup>4)</sup>	81.9	83.9	82.8	84.0	83.3	82.4	81.3	-	81.8	-	-	80.8	-

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

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

1) Percentage changes compared with the previous period.

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

3) Units are defined as points of standard deviation.

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

clearly visible in actual developments. However, the coincident and stable relationship between business confidence and production in manufacturing suggests that the signs of a turning point in confidence around the turn of the year also point to a possible recovery in production growth. Such a recovery would be in line with expectations of an upturn in growth in the course of this year, as implied by currently available forecasts. For the time being, however, the precise strength of this upturn remains uncertain.

A number of factors support the expectation of an upturn in growth in the course of this year. On the external side, the uncertainty with regard to developments in the world economy appears to have diminished, supported in particular by more positive indications for the US economy. An improvement in the external environment should buttress the expected strengthening of growth in euro area exports and fixed capital formation. On the domestic side, such impulses are supported by the fact that the euro area does not suffer from major imbalances that would imply the risk of a

more protracted adjustment process. With sound fundamentals and favourable financing conditions, growth in domestic demand should pick up in the course of the year, underpinned by the beneficial effects on real disposable income from past and future declines in the rate of inflation.

### Employment growth likely to have been close to zero in the fourth quarter

National accounts data on employment growth in the euro area for the fourth quarter of 2001 are not yet available. However, according to an early estimate based on available national data, quarter-on-quarter employment growth in the euro area is likely to have decreased slightly, to close to zero, in the fourth quarter of 2001. These developments reflect the lagged effect of weak growth in economic activity on employment, particularly in the second and third quarters of 2001. The annual growth rate is likely to have fallen further to around ¾% in the fourth quarter of 2001, compared with 2.2% in the fourth quarter of 2000 (see Table 8). This would be the lowest

**Table 8**  
**Employment growth in the euro area**

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

	1998	1999	2000	2000	2000	2001	2001	2001	2000	2000	2001	2001	2001
				Q3	Q4	Q1	Q2	Q3	Q3	Q4	Q1	Q2	Q3
	Quarterly rates <sup>1)</sup>												
Whole economy	1.6	1.6	2.1	2.1	2.2	2.1	1.6	1.2	0.5	0.5	0.3	0.2	0.1
<i>of which:</i>													
Agriculture and fishing <sup>2)</sup>	-1.4	-2.9	-1.5	-1.6	-0.8	0.0	-0.6	-1.3	-0.1	0.0	0.1	-0.7	-0.8
Industry	1.0	0.3	1.0	1.1	1.3	1.2	0.8	0.3	0.3	0.4	0.1	-0.1	-0.2
Excluding construction	1.1	0.0	0.8	1.0	1.3	1.4	0.8	0.2	0.3	0.4	0.2	-0.1	-0.3
Construction	0.3	1.0	1.6	1.0	1.4	0.8	0.8	0.7	0.3	0.7	-0.3	0.0	0.2
Services	2.2	2.6	2.8	2.8	2.8	2.5	2.1	1.8	0.6	0.7	0.4	0.4	0.4
Trade and transport <sup>3)</sup>	1.7	2.3	2.8	2.7	2.7	2.1	1.6	1.4	0.6	0.6	0.1	0.3	0.4
Finance and business <sup>4)</sup>	5.0	5.5	5.9	6.1	5.4	5.0	4.0	3.1	1.2	1.0	1.1	0.6	0.4
Public administration <sup>5)</sup>	1.4	1.5	1.3	1.4	1.7	1.8	1.7	1.6	0.3	0.5	0.4	0.5	0.3

Sources: Eurostat and ECB calculations.

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

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

2) Also includes hunting and forestry.

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

4) Also includes real estate and renting services.

5) Also includes education, health and other services.

year-on-year growth recorded since the second quarter of 1997 and would imply that employment grew by around 1.4% on average in 2001, compared with 2.1% in 2000.

No information at the sectoral level is available yet for the fourth quarter of 2001. The slowdown in annual employment growth was broadly based across the industrial and services sectors in the first three quarters of 2001. The year-on-year growth rate of employment in industry excluding construction declined strongly by 1.2 percentage points between the first and third quarters and, despite relatively resilient private consumption in the first half of 2001, annual employment growth in services decreased by 0.7 percentage point over that period. Within the services sector, while annual employment growth declined strongly in the finance and business sub-sector, it was more resilient in the trade and transport and public administration sub-sectors. In the same period, employment growth in construction decreased by only 0.1 percentage point.

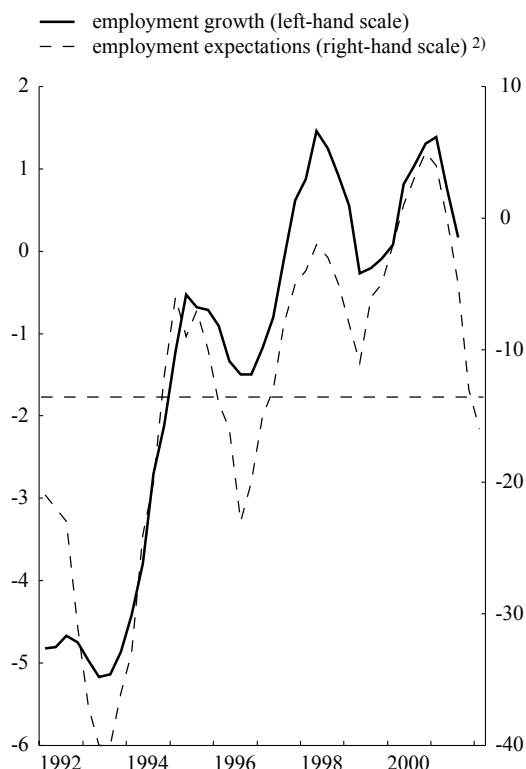
### Some signs of improvement in employment expectations at the start of 2002

Employment expectations derived from recent surveys improved slightly in February, following a deterioration from the end of 2000 to the end of 2001. Although the expectations in manufacturing from the European Commission Business Surveys deteriorated further in the first quarter of 2002 (see Chart 28), more recent data, derived from the Purchasing Managers' Survey in February, indicate that employment growth in manufacturing may have increased in early 2002. Employment expectations in construction improved slightly in February as well (see Chart 29).

Although the European Commission Business Surveys point to a decrease in employment

**Chart 28**  
**Employment growth and employment expectations in industry in the euro area<sup>1)</sup>**

(annual percentage changes; percentage balances)



Sources: Eurostat and European Commission Business and Consumer Surveys.

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

1) Excluding construction.

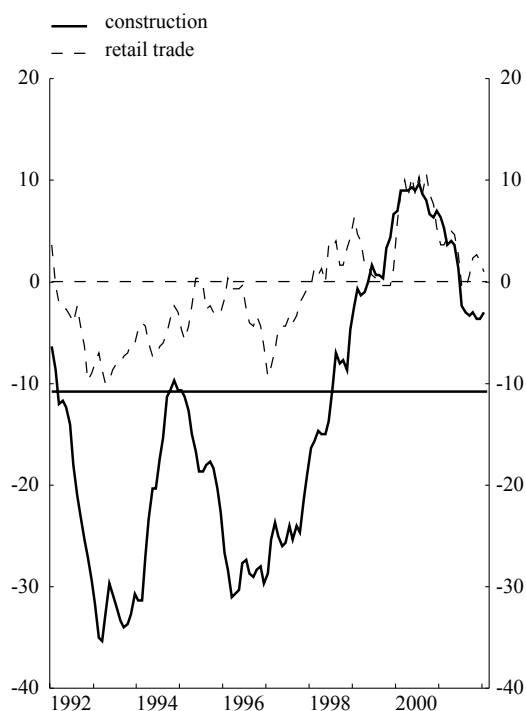
2) Employment expectations refer to manufacturing only.

expectations for the retail trade sector in February, expectations for services as a whole improved markedly for the third consecutive month, following the protracted deterioration of expectations for this sector since early 2001. This is confirmed by the Purchasing Managers' Survey, which records a substantial improvement in the employment index for the services sector in January and February 2002.

## Chart 29

### Employment expectations in the euro area

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



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

### Unemployment unchanged at 8.4% in January 2002

Following a downward revision of around 0.15 percentage point from the start of the series, the standardised rate of unemployment for the euro area was 8.4% in January 2002, unchanged from November 2001 (see Table 9). There are two reasons

for the downward revision. First, as a normal updating of the calculation process, the 2001 labour force survey results have been included in the monthly calculations. Second, the more precise definition of unemployment adopted in September 2000 has been implemented in several countries either entirely or partially in 2001 labour force survey data (see Box 4 in the March 2001 issue of the ECB's Monthly Bulletin). As a consequence, these figures should be treated with caution, as this should mark the start of a process, which may see further revisions to unemployment data in the course of this year and next.

Although the unemployment rate has been unchanged since November 2001, the number of unemployed has been rising in recent months, and continued to do so in January by around 23,000. The number of unemployed also increased year-on-year in January for the first time since November 1997 (see Chart 30). The increase in January, however, was below the average increase of 36,000 in the previous four months, which may reflect temporary hiring as a result of the cash changeover, as indicated by anecdotal evidence from some euro area countries.

The age breakdown of the unemployment rate has also remained unchanged since November 2001. Following the downward revision of the data, the unemployment rate stands at 7.3% for those over 25 and at 16.7% for those under 25. However, this conceals an increase in the number of unemployed for the older age group (24,000) and a slight

## Table 9

### Unemployment in the euro area

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

	1999	2000	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2002
				Q1	Q2	Q3	Q4	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Total	9.8	8.8	8.3	8.4	8.3	8.3	8.4	8.3	8.3	8.3	8.4	8.4	8.4
Under 25 years <sup>1)</sup>	19.2	17.3	16.5	16.5	16.5	16.5	16.7	16.5	16.5	16.6	16.7	16.7	16.7
25 years and over	8.5	7.7	7.2	7.3	7.2	7.2	7.3	7.2	7.2	7.2	7.3	7.3	7.3

Source: Eurostat.

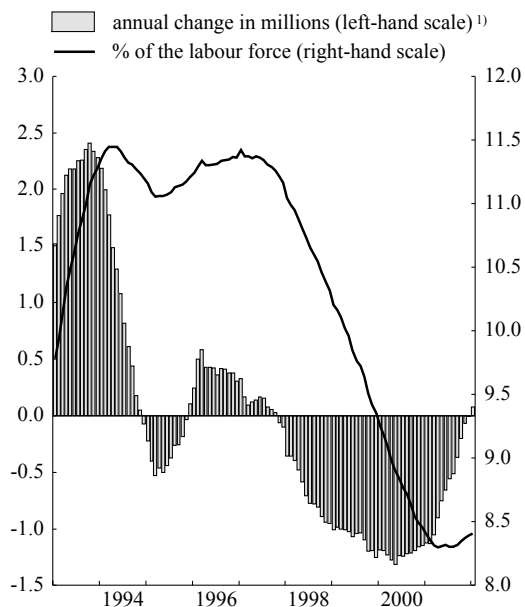
Notes: In accordance with ILO recommendations. Data refer to the Euro 12 (including periods prior to 2001).

1) In 2001 this category represented 23.5% of total unemployment.

### Chart 30

#### Unemployment in the euro area

(monthly data)



Source: Eurostat.

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

1) Annual changes are not seasonally adjusted.

decline in youth unemployment (around -1,000) in January 2002.

#### Short-term outlook points to further effects of weak economic growth on the labour market

Given the lagged effect of the slowdown in economic activity, employment growth is likely to have remained weak at the beginning of 2002, leading to a further increase in the number of unemployed.

Looking ahead, total employment growth is expected to be significantly lower in 2002 compared with 2001. As a result of the likely slowdown in the growth of the labour force, the lower level of job creation in the first half of this year may result, however, in only a small increase in the unemployment rate. Nevertheless, further labour market reform is necessary to tackle the significant mismatches between labour demand and labour supply, the persistently high rate of unemployment, the low level of labour force participation and the uneven labour market performance across euro area countries (see Box 6).

### Box 6

#### The need for further structural reforms in euro area labour markets

Structural reforms aimed at an efficient allocation of productive factors in euro area labour, product and capital markets are likely to have positive effects in terms of a higher economic growth potential and lower adjustment costs associated with economic shocks. Over the past few years, progress has been made regarding the integration of euro area product markets and the opening up of previously sheltered economic sectors. Euro area countries have also made some progress in improving the way the labour market functions, but many of the reforms in this area have been modest or have been introduced only recently.

One indication of still insufficiently functioning labour markets is the fact that in 2001 the euro area experienced an unemployment rate of more than 8% while, at the same time, firms in euro area countries reported difficulties in recruiting workers. This co-existence of unsatisfied labour supply and unsatisfied labour demand suggests that the euro area labour market's ability to match supply and demand – and thus to create employment by bringing the non-employed to work and by filling vacancies – is insufficient.

#### Importance of efficient labour market matching processes for monetary policy

Efficient labour market matching processes are very important for monetary policy:

- The functioning of the labour market affects the economic environment in which monetary policy is conducted. An inefficient allocation of labour has a negative effect on the level of potential output and, in



the short-run, limits the pace at which an economy can grow without creating inflationary pressures. If labour markets were to become more flexible and the job matching process more efficient, this should bring about a temporary increase in the potential growth rate of the euro area economy until the employment rate is higher.

- Bottlenecks in the labour market, resulting from matching inefficiencies, might also lead to general wage increases in excess of labour productivity growth, thus triggering inflationary pressures. In general, it is possible that more efficient matching processes may also reduce the risk of cyclical upswings, reallocations in production structures and the expected demographic changes in the euro area resulting in labour shortages and upward pressure on wages and inflation.
- A higher efficiency of matching processes of euro area labour markets accompanied by a higher degree of wage flexibility should speed up the adjustment of wages and prices to monetary policy actions and reduce the short-run effects of monetary policy on the real economy. This improved efficiency would facilitate the conduct of the stability-oriented monetary policy of the ECB.
- Efficiently functioning labour markets are particularly important for countries participating in EMU, because euro area countries are unable to use country-specific monetary and exchange rate policies to address asymmetric economic shocks.

Labour market reform measures conducted in euro area countries during the 1990s have contributed to strong employment growth and the considerable decline in unemployment in many euro area countries during the cyclical upswing between 1997 and 2000. This occurred despite an increasingly competitive global environment and skill-biased technological change, both of which tend to amplify the negative consequences of any remaining labour market deficiencies. It is difficult, however, to assess the extent to which these reforms have improved the labour market situation through providing better conditions for job creation and additional labour supply or through enhancing the ability of the labour market to match non-employed and vacancies.

#### **Further structural reforms are crucial**

Evidence gathered in a recent analysis indicates that significant mismatches are still present in a number of areas, leaving ample scope for the continuation of the labour market reform process.<sup>1</sup> In general, the persistently high rate of unemployment, the low level of labour force participation and the uneven labour market performance across euro area countries indicate that more progress in labour market reform is necessary.

Successful steps to make the matching process more efficient and labour markets more flexible include the following: improved job mediation, more flexible wages and increased wage differentiation, improved education, training and life-long learning, reforms of tax and benefit systems, less restrictive employment protection regulation, working time flexibility, and measures to increase labour mobility.

To seize the full benefits of labour market reforms, they need to go hand in hand with further progress in structural reforms on product and capital markets. A better functioning of the labour market will create most employment possibilities if product and capital markets also function more efficiently.

*1 A more detailed analysis of matching processes can be found in the ECB publication entitled "Labour market mismatches in euro area countries", March 2002.*

## 4 Fiscal developments

### **Budgetary developments for the euro area in 2001 less favourable than expected**

Based on the estimates contained in the updated stability programmes submitted by Member States at the end of 2001, the average general government deficit-to-GDP ratio in the euro area, net of the proceeds of the sales of UMTS licences, increased from 0.8% in 2000 to 1.1% in 2001. The debt-to-GDP ratio declined by almost 2 percentage points, from 70.5% in 2000 to 68.7% in 2001. More recent data released by several countries suggest that in 2001 both the deficit and debt ratios in the euro area as a whole may have been somewhat higher.

Budget balances in 2001 deteriorated in about half the euro area countries and remained unchanged or improved in the other half. Four countries still recorded sizeable deficits and two had budget deficits close to the 3% reference value. The deterioration of the budget balances in comparison with the preceding year was due to the economic slowdown which took effect via the working of automatic stabilisers and the implementation of major tax cuts without adequate offsetting expenditure restraint in some euro area countries. In fact, growth in primary expenditure increased in 2001, partly as a result of health expenditure dynamics, while interest expenditure declined as expected. In 2001 the fiscal stance in the euro area as a whole was slightly expansionary on account of the unambitious initial fiscal targets in a number of countries. However, in most countries and for the average of the euro area, there was no further easing in response to the economic slowdown.

When comparing original 2001 budget targets with the outcome, the average budget balance ratio in the euro area was some 0.5 percentage point of GDP less favourable than the initial targets. This reflects the fact that a majority of countries, including the

three largest ones, did not meet their original objectives, as indicated in the updated stability programmes submitted at the end of 2000 and the beginning of 2001. By contrast, in five euro area countries, the budget balance outcomes were equal to or more favourable than the targets. Compared with their targets, the budgetary deterioration mainly reflects the budgetary impact of the unexpected economic slowdown. This resulted in lower revenue growth, while expenditure plans were implemented broadly in line with the initial budgets.

In 2001, the average debt ratio in the euro area decreased by about 1 percentage point of GDP less than projected, owing to the worsening fiscal balances and lower economic growth. Moreover, deficit-debt adjustment also contributed to slowing down the reduction of the debt ratio in 2001.

### **Medium-term targets confirm the objective of ‘close to balance or in surplus’**

At the end of 2001, all euro area countries submitted new, updated stability programmes covering the period from 2002 to 2004-05 to the EU Council and the European Commission (see Table 10). The programmes had to incorporate the Broad Economic Policy Guidelines for 2001. The latter requested that “Member States should prepare budgets for 2002 in keeping with the need to preserve budgetary positions close to balance or in surplus, to avoid pro-cyclical fiscal policies” and, “where appropriate, further strengthen public finances, especially with a view to securing their long-term sustainability”. Furthermore, the application of the new code of conduct to this round of updated stability programmes required more information, in particular with respect to population ageing and long-term sustainability.

The new, updated stability programmes show that most countries revised their

macroeconomic projections downward, with real GDP growth in the euro area now expected to average 2% in 2002. This is almost 1 percentage point less than that anticipated in the previous round of stability programmes, but still significantly more optimistic than the forecasts published by international organisations.

The nominal targets for 2002 were revised to reflect the less favourable growth prospects and, in a number of cases, the worse than expected budgetary outcomes in 2001. For the average of the euro area countries, the programmes project the deficit ratio to decline only marginally in 2002, namely by 0.2 percentage point to 0.9% of GDP. The deficit ratio is thus some 0.5 percentage point higher than targeted in the average of the previous round of stability programmes. The improvement over 2001 expected in 2002 appears due to slightly falling interest expenditure and a marginal improvement of the primary balance ratio. The macroeconomic environment will continue to curb revenue growth in 2002 and a few countries will implement further tax cuts. Nevertheless, the revised programmes suggest that revenue is projected to remain buoyant, while primary expenditure growth has often been revised upwards. The latter is reflected in the primary expenditure ratio projection for the euro area as a whole, which is expected to remain broadly constant in 2002, rather than decline as projected in the previous round of programmes.

In 2002, four countries still expect to record sizeable budget deficit ratios near or above 1% of GDP and, in two cases, these deficits would remain close to the 3% reference value. These deficits signal sizeable structural imbalances, and not just cyclical developments affecting public accounts.

Overall, the updated stability programmes suggest that the fiscal stance planned for the euro area in 2002 will be tightened somewhat. However, only little progress in fiscal consolidation is expected in countries with

remaining imbalances. The planned consolidation efforts are not always based on well-specified, lasting measures, and one country relies on significant one-off measures to attain its target.

Beyond 2002, the euro area deficit ratio is projected to decline by 0.5 percentage point to 0.4% of GDP in 2003 before reaching a balanced position in 2004, which is one year later than planned in the previous round of stability programmes. Only by 2004 will all euro area countries comply with the requirement of the Stability and Growth Pact of attaining a medium-term budgetary position close to balance or in surplus.

The fiscal stance for the euro area as a whole is projected to be tightened marginally in 2003-04, largely owing to the envisaged consolidation efforts by governments of Member States with remaining imbalances. The latter have reconfirmed their intention to attain their medium-term targets of a balanced budget for the initially set deadline of 2003-04. The attainment of these targets relies on the growth assumptions of the baseline scenario and requires tight expenditure restraint, for which the underlying measures, however, have not been fully specified. Moreover, in the event of the low-growth scenarios included in the new, updated stability programmes materialising in the countries with remaining imbalances, the achievement of a balanced budget in 2004 would require additional discretionary measures.

In many countries, the projected debt ratio in 2004 is higher than planned in the previous round of stability programmes, leaving three countries with debt ratios at or above 90% of GDP. In a few cases, the deterioration is significant and also higher than could be explained by deficit and GDP growth developments. This shows that some countries will continue to undertake financial transactions (such as injections of equity into public enterprises) that slow down the decline in the debt ratio.

### **Medium-term plans appropriate, but vigilance needed on downside risks**

The medium-term orientation contained in the updated stability programmes and, in particular, the reaffirmed commitment of countries that still report fiscal imbalances to adhere to the objective of attaining balanced budgets by 2003-04 are appropriate. Both reflect the political decision to go ahead with consolidation plans within the framework of the Stability and Growth Pact and thereby to support consumer and investor confidence. The implementation of the medium-term plans will accelerate debt reduction and allow automatic stabilisers to cushion economic fluctuations, thereby further enhancing confidence and stability.

However, given fiscal developments in 2001 and the projected outcomes in 2002, the Commission had to recommend to the ECOFIN Council that it issue a recommendation for an early warning to Germany and Portugal in order to prevent the occurrence of an excessive deficit. In response to the concerns expressed in the Commission's recommendation, Germany and Portugal reconfirmed and even strengthened their commitments to eliminate remaining imbalances within the pre-announced time frame and to prevent a breaching of the 3% reference value. The Council saw this as a sufficient response to the concerns underlying the Commission's recommendation, and forcefully supported the attainment of sound budgetary positions by 2003/04 in its opinions on the updated stability programmes of the countries with remaining imbalances.

These events show that the EU's fiscal framework works transparently, raises awareness of fiscal issues in public debate and results in important peer pressure towards fiscal discipline. Nevertheless, vigilance is needed to ensure that medium-term plans are strictly adhered to and that the procedures of the Stability and Growth Pact are rigorously and promptly implemented. Only then can new tests be

mastered to the benefit of fiscal discipline and the EU's institutional framework.

At this juncture, the main risk arises from the relatively optimistic growth assumptions that underlie a number of programmes – despite the code of conduct's requirement of realistic assumptions. Especially in countries with remaining imbalances, realistic growth assumptions are crucial to obtain a timely signal of the need for corrective measures. Otherwise, there is a risk that restrictive ad hoc measures will be required to prevent the 3% reference value for the deficit limit from being breached.

A further risk relates to the need for specific and credible measures to make programmes fully reliable. Measures are sometimes not well specified and, in some cases, fiscal adjustment builds on one-off measures, which only have temporary effects on the budget and will require further action in the following years. Should the required measures not be specified and implemented in time, a repetition of expenditure overruns cannot be excluded in the years to come, putting countries' fiscal balance targets at risk. In view of the elections that will take place in a number of countries in 2002-03, the risk of governments introducing further tax cuts and showing less expenditure restraint than has been assumed in the programmes cannot be excluded.

Finally, the attainment of fiscal targets could be adversely affected by delayed spillovers from low GDP growth in 2001 on revenue in 2002, by higher than expected revenue losses from recent tax reforms and by consolidation measures that turn out to be less effective than projected.

### **Commitments on comprehensive structural reforms to be strengthened**

In addition to the need for further budgetary consolidation in some countries, comprehensive fiscal structural reform is generally required in the euro area so as to

**Table 10****Member States' updated stability programmes**

	Real GDP growth rate (%)				Budget balance ratio (% of GDP)				Debt ratio (% of GDP)			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
<b>Belgium</b>												
Updated programme (Dec. 2000)	2.5	2.5	2.5	2.5	0.3	0.5	0.6	0.7	101.4	97.2	92.9	88.7
Updated programme (Nov. 2001)	1.3	3.0	2.5	2.4	0.0	0.5	0.6	0.7	103.3	97.7	93.0	88.6
<b>Germany</b>												
Updated programme (Oct. 2000)	2½	2½	2½	.	-1	-½	0	.	57½	56½	54½	.
Updated programme (Dec. 2001)	1¼	2½	2½	2½	-2.0	-1.0	0	0	60.0	59.0	57.0	55½
<b>Greece</b>												
Stability programme (Dec. 2000)	5.2	5.5	5.5	.	1.5	2.0	2.0	.	96.0	90.5	84.0	.
Updated programme (Dec. 2001)	3.8	4.0	4.0	.	0.8	1.0	1.2	.	97.3	94.4	90.0	.
<b>Spain</b>												
Updated programme (Jan. 2001)		3.2		.	0.2	0.3	0.3	.	56.6	52.8	49.6	.
Updated programme (Dec. 2001)	2.4	3.0	3.0	3.0	0.0	0.0	0.1	0.2	55.7	53.8	51.9	50.0
<b>France</b>												
Updated programme (Dec. 2000)		3.0		.	-0.6	-0.4	0.2	.	55.9	54.6	52.9	.
Updated programme (Dec. 2001)	2.5		3.0		-1.4	-1.0	0.0	0.3	56.3	55.3	53.6	51.8
<b>Ireland</b>												
Updated programme (Dec. 2000)	6.3	5.7	.	.	3.8	4.6	.	.	28.0	24.0	.	.
Updated programme (Dec. 2001)	3.9	5.8	5.3	.	0.7	-0.5	-0.6	.	33.7	33.8	34.1	.
<b>Italy</b>												
Updated programme (Dec. 2000)	3.1	3.1	3.1	.	-0.5	0.0	0.3	.	103.5	99.6	94.9	.
Updated programme (Nov. 2001)	2.3	3.0	3.0	3.1	-0.5	0.0	0.0	0.2	104.3	101.0	98.0	95.4
<b>Luxembourg</b>												
Updated programme (Dec. 2000)	5.3	5.8	.	.	2.5	2.5	.	.	.	.	.	.
Updated programme (Nov. 2001)	5.3	5.7	5.6	.	2.8	3.1	3.4	.	4.6	4.2	3.9	.
<b>The Netherlands</b>												
Updated programme (Sep. 2000)	2.0	2.0	2.0	.	¼	¼	¼	.	50¼	48¼	46¼	.
Updated programme (Oct. 2001)	2.0	2¼	2¼	.	1.0	1.0	1.0	.	47.7	45.0	42.0	.
Addendum (Dec. 2001)	1¼	2½	2½	2½	0.4	0.2	0.5	1.0	48.0	45.0	42.0	.
<b>Austria</b>												
Updated programme (Dec. 2000)	2.7	2.3	2.5	.	0.0	0.0	0.0	.	59.1	57.2	55.3	.
Updated programme (Nov. 2001)	1.3	2.4	2.8	2.8	0.0	0.0	0.2	0.5	59.6	57.2	54.7	52.1
<b>Portugal</b>												
Updated programme (Jan. 2001)	3.2	3.2	3.2	.	-0.7	-0.3	0.0	.	51.5	49.8	48.1	.
Updated programme (Dec. 2001)	1.75	2.5	3.0	3.0	-1.8	-1.0	0.0	0.4	55.7	55.5	54.0	53.2
<b>Finland</b>												
Updated programme (Sep. 2000)	3.2	2.7	2.7	.	4.4	4.5	4.9	.	37.1	34.9	32.2	.
Updated programme (Nov. 2001)	1.6	2.7	3.0	.	2.6	2.1	2.6	.	42.9	43.0	41.8	.

Note: Whenever alternative scenarios were presented, the baseline scenario is shown. The budget balance ratio excludes proceeds from the sale of UMTS licences.

enhance employment and growth and to prepare for the budgetary impact of ageing populations. Expenditure restraint and restructuring are the first and most important elements of such a strategy. It is essential that ambitious expenditure reforms remove as much as possible the obstacles to employment and investment that emanate from public benefit and subsidy schemes. A more efficient management of public expenditure and effective mechanisms to

monitor spending and contain slippages are also needed. This could help reduce public expenditure growth and improve the quality of public finances. It would also boost the credibility of budget targets and consolidation efforts and create room for further growth and employment-enhancing tax cuts.

The lack of a comprehensive expenditure reform strategy is also visible in the slow progress regarding ageing-related fiscal

challenges. Conservative estimates of the increase in ageing-related spending amount to at least 6% of GDP per annum for the average of the euro area in the coming decades. In line with the revised code of conduct for the stability and convergence programmes, the latest programmes have started discussing the long-term sustainability of public finances, especially with regard to pension systems. In a number of countries, however, little progress has been made in putting in place a strategy to guarantee the long-term sustainability of public finances.

In summary, the fiscal framework of the European Union has proven its flexibility and

robustness in times of economic slowdown: governments have abstained from discretionary expansionary fiscal policies during the economic downturn and they have all reconfirmed their commitment to attaining or maintaining close-to-balance or in-surplus budgetary positions in the medium term. Nevertheless, important tests still lie ahead. Renewed emphasis on consolidation in countries with remaining imbalances, significant progress in the structural reform agenda in all countries and a rigorous implementation of the rules set up in the institutional framework of the EU would boost confidence in fiscal policies supporting stability and strong economic growth.

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

### **First signs of a recovery in the world economy**

Following the relatively rapid deterioration of conditions in the world economy in 2001, there are some signs, particularly related to economic developments in the United States, of a gradual recovery of the world economy in the course of 2002. Uncertainty as to the outlook may be diminishing, mostly owing to the fact that the impact of the events of 11 September, contrary to what was initially feared, now seems less permanent. Nevertheless, a number of risks remain, and the timing and strength of the upswing of the world economy are still uncertain. Among the most significant risks is a delayed and/or weaker recovery in the United States, linked in particular to a possible continued decline in investment and a weakening of private consumption. It is also uncertain to what extent an upswing in the United States will be transmitted to other regions of the world.

In the United States, recent developments suggest a gradual strengthening of economic growth in the course of 2002. In contrast to the expectations following the 11 September 2001 terrorist attacks, the strong

deterioration of consumer confidence in the aftermath of the attacks was only temporary and private consumption expenditure rebounded sharply in the last quarter of 2001. However, the weakness in private business investment was exacerbated in the last quarter of 2001 and remained the main drag on real GDP growth.

According to preliminary data, in the fourth quarter of 2001, real GDP growth again turned positive (+1.4%, quarter on quarter, annualised) after contracting by 1.3% (quarter on quarter, annualised) in the third quarter of 2001. Private consumption and public expenditure growth were the main positive contributors to real GDP growth (4.1 and 1.7 percentage points respectively), while gross private fixed investment and the external sector subtracted 4.1 and 0.4 percentage points respectively from overall real GDP growth. The sharp rebound of private consumption growth (+6.0% from +1.0% in the third quarter, quarter on quarter annualised) was mainly due to the effect of aggressive pricing policies by automotive dealers, which pushed real growth in durable consumer goods to 39.2% (quarter on quarter, annualised). During the same period,



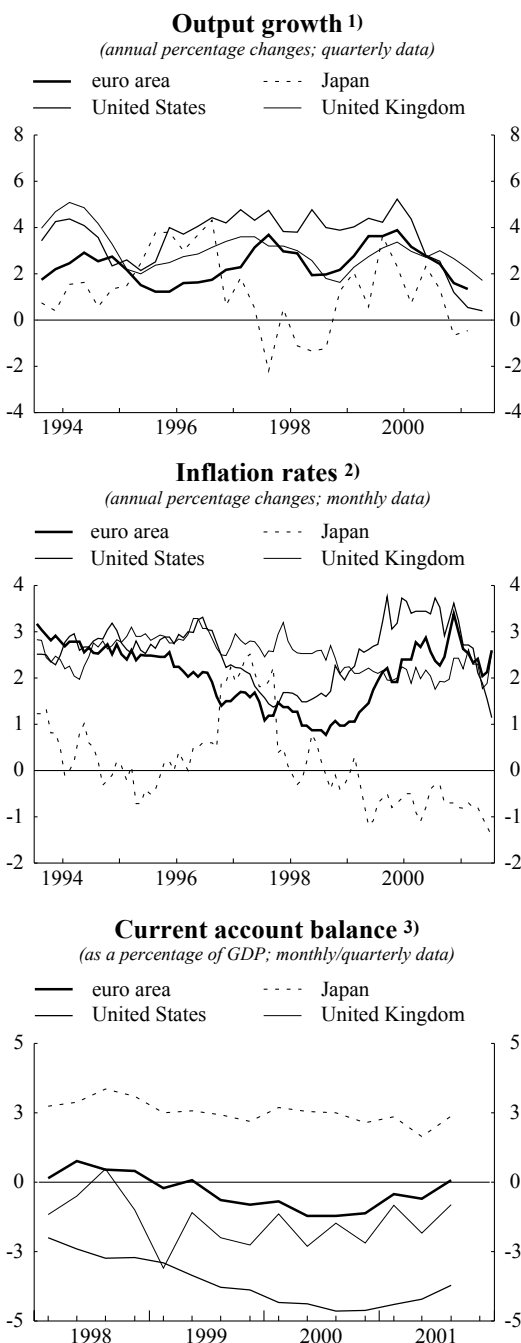
public expenditure growth increased substantially for both defence and non-defence categories. Gross private investment suffered from a sharp contraction of fixed investment as well as from an historically high inventories destocking totalling USD 120 billion (1.2% of GDP). The performance of the external trade sector was negatively affected by the global slowdown, while the US dollar remained strong.

Looking ahead, despite the typical uncertainty associated with the turning points of the business cycle, real GDP growth is currently expected to gradually gain strength in the course of 2002. Private consumption growth in January 2002 was higher than expected as the consumption of non-durable goods and services grew faster than expected and outweighed an expected decline in durable goods consumption growth. In this respect, the combination of a slowdown in the deterioration of the labour market, with still persistent household uncertainty, as reflected in February's decline in consumer confidence indices, suggest that private consumption may support a gradual strengthening of the economic recovery rather than a sharp rebound, which has been typical in past upswings. Furthermore, the huge downward correction in the level of inventories recorded in the last quarter of 2001 could moderate significantly already in the first quarter of 2002, thus supporting real GDP growth (see Chart 31). However, private business investment growth is forecast to remain very low in the first half of 2002, amidst declining corporate profits and capacity utilisation levels that remain historically low.

As regards inflation, in January 2002, the annual rate of change of the headline consumer price and producer price indices declined to 1.1% and -2.7% respectively, from 1.6% and -1.7% in December 2001. Looking forward, both demand and cost factors are currently not expected to fuel any significant upward price pressures in the short to medium-term. Output growth is expected to remain below its long-run average levels in

**Chart 3 I**  
**Main developments in major industrialised economies**

(daily data)



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

- 1) Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used.
- 2) Data for the euro area up to 1995 are estimates for the HICP based on national CPI data; after 1995 HICP data are used. The RPIX index is used for the United Kingdom.
- 3) ECB and Eurostat data are used for the euro area and the United Kingdom; for the United States and Japan national data are used. For all countries, figures refer to seasonally adjusted data for both GDP and the current account.



2002. On the cost side, unit labour costs in the non-farm business sector, which contracted by more than 4% (quarter on quarter, annualised) in the last quarter of 2001 – as compared with a positive growth rate of more than 2% in the third quarter of 2001 – are expected to remain subdued.

At its meeting on 29 and 30 January 2002 the FOMC left its target for the federal funds rate unchanged at 1.75%, after a series of 11 consecutive interest rate cuts that brought the US federal funds rate target down from 6.5% at the end of 2000 to its current level in December 2001. The FOMC justified its decision by noting that “the degree of any strength in business capital and household spending is still uncertain, ... the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future”. It also indicates that “...the outlook for economic recovery has become more promising” as preliminary signs of a cyclical revival in economic activity are combined “...with the long-term prospects for productivity growth remaining favourable”.

In Japan, economic conditions continued to deteriorate, although recent developments suggest that exports and production may bottom out. In particular, the steady decline of annual growth rates in export volumes in evidence since the second half of 2000 appears to have come to a halt during the fourth quarter of 2001 – especially with regard to exports to other Asian countries. Partly as a consequence of this, the decline in the manufacturing sector slowed down towards the end of 2001 as well, while activity in the tertiary sector actually increased. At the same time labour market conditions continued to deteriorate, with the unemployment rate reaching an unprecedented 5.5% of the labour force in December 2001, while consumer confidence remained weak.

Looking forward, economic conditions in Japan are anticipated to remain weak in

the near future, with a moderate recovery later in the year conditional on a further improvement in export performance. The outlook for industrial production could improve gradually, as manufacturers have succeeded in preventing further increases in the inventory-shipment ratio. Against the background of the continued weakness in machinery orders and persisting structural problems in the corporate sector, private investment spending is expected to remain subdued (see Chart 31). At the same time weak labour market conditions are seen as continuing to weigh on private consumption spending. As for the financial system, the continued high levels of non-performing loans should constrain the banking system’s ability to support a recovery in economic activity. Furthermore, as a result of the termination of full deposit insurance on time deposits, some additional strains on individual banking institutions may arise towards the end of the first quarter of 2002.

Deflationary pressures are likely to persist for some time. Against this background, the Bank of Japan decided on 19 December 2001 to increase the target for the outstanding balance of the current accounts held at the Bank of Japan to around JPY 10 trillion to JPY 15 trillion, while announcing that it would stand ready to provide liquidity in excess of this target range in order to pre-empt financial market instability. In order to achieve this increase in the operating target a further increase in outright purchases of long-term government bonds from JPY 600 billion to JPY 800 billion per month was decided on at the same time – along with some other measures to strengthen money market operations – followed by a further increase to JPY 1 trillion per month on 28 February 2002. On the fiscal side, the Parliament passed a JPY 2.6 trillion (0.5% of GDP) second supplementary budget for the 2001 fiscal year in February 2002, financed largely through the National Bonds Consolidation Fund, thus allowing the government to respect the self-imposed JPY 30 trillion cap on government bonds issuance.

In the United Kingdom, real GDP growth, which had remained relatively robust until the third quarter, came to a standstill in the fourth quarter of 2001. Annual real GDP growth decelerated from 2.2% in the third quarter to 1.7% in the fourth quarter. The imbalance in the sectoral composition of output growth persisted during the fourth quarter. Whereas service sector output growth was 0.9% compared with the previous quarter, manufacturing output declined by 1.7% during the same period. These differences reflect the divergence between buoyant consumer spending on the one hand and relatively weaker corporate sector growth and external demand on the other. During the fourth quarter, private consumption growth was 1.0%, whereas total investment and exports fell by 1.7% and 1.8%, respectively. The negative contribution of net foreign trade to output growth was attenuated by a fall in imports of 0.2% during the fourth quarter.

The labour market remained tight in the last months of 2001, although the deceleration in output growth resulted in a moderate weakening of the labour market. The unemployment rate rose to 5.2% in the fourth quarter of 2001, up by 0.1 percentage point from the preceding quarter. Annual growth in average earnings slowed from 4.3% in the third quarter to 3.3% in the fourth quarter. Inflation, measured on the basis of the Retail Price Index excluding mortgage interest payments (RPIX), rose to 2.6% in January, up from 1.9% in December. HICP inflation increased as well, from 1.0% in December to 1.6% in January. Virtually all spending categories contributed to this increase. Although the rise was partly accounted for by one-off factors, such as increases in seasonal food prices due to bad weather conditions, the strength in consumer spending may also have caused retailers to increase their prices.

The short-term outlook for the UK economy partly depends on the timing and magnitude of a possible slowdown in private consumption. The decline in financial wealth

during 2001 and a further weakening in the labour market may contribute to a deceleration of consumer spending (see Chart 31). Furthermore, the international environment remains a source of uncertainty in terms of both exports and investment. Following a cumulative reduction of the repo rate by 200 basis points since early 2001, the Bank of England's key interest rate has been held constant at 4.0% since November 2001.

In non-Japan Asia, prospects appear to be rather diversified. The latest figures point towards signs of trade stabilisation of the small open economies; however, in the more insulated economies of China and India weak global demand is weighing on economic activity. Recent data on merchandise exports and manufacturing showed steady improvements in Korea, Singapore and Taiwan over the fourth quarter of 2001, mainly concentrated in the electronics and communications sectors, although in Singapore and Taiwan the recovery seems less advanced than in Korea.

In the other small open economies in the region, signs of stabilisation are expected over the coming months, leading to an anticipated economic recovery towards the second half of 2002. By contrast, in China, there were indications of lower growth in the fourth quarter of 2001 and the central bank cut interest rates for the first time in nearly three years, citing the negative impact of the world economy on economic developments. In India there are also concerns of some weakening in economic activity early in 2002, as reflected in depressed wholesale prices. Looking ahead, while the economic outlook in the region is improving, it continues to depend strongly on export performance and, hence, on the strength of the recovery in the major export markets.

In the larger EU accession countries, while showing some resilience to developments in the rest of the world in the first half of 2001, the latest available indicators have confirmed the anticipated moderation of growth. Reflecting the less favourable cyclical conditions, prudent monetary policies as well

as lower oil prices and appreciating exchange rates, inflationary pressures decreased sizeably in the second half of 2001. Looking ahead, weak though recovering external demand is bound to limit the prospects for a strong recovery, while inflationary pressures are expected to remain subdued.

At the country level, the main difficulties are currently being experienced by Poland, where domestic demand continues to be weak, particularly because of the ongoing contraction in investment. In this context, annual inflation fell from over 10% in 2000 to 3.5% in January 2002. Also, the Czech Republic and Hungary economies, which had initially weathered the global slowdown relatively well owing to the upturn in household consumption, are currently experiencing lower output growth. The weakening of export orders is having both direct effects on the manufacturing sector as well as second-round effects on the rest of the economy. In line with the general regional trends, inflation fell in both countries, reaching 3.7% in the Czech Republic and 6.6% in Hungary in January 2002. Although the outlook remains problematical in Turkey, market sentiment has begun to improve somewhat in recent months, owing to some progress in reforms and to the continued IMF support. Against this background, the Turkish lira recovered in the past few months, which may help the ongoing attempts to lower inflation from the current extremely high rates.

In Russia, while domestic demand remains strong, several factors point to a continued decline of output growth. Industrial production is weakening and business sentiment is declining, while some external factors that had underpinned growth have faded. On the positive side, the strong economic growth experienced previously has increased the macroeconomic and financial stability of the country substantially, in particular by reducing its external indebtedness exposure.

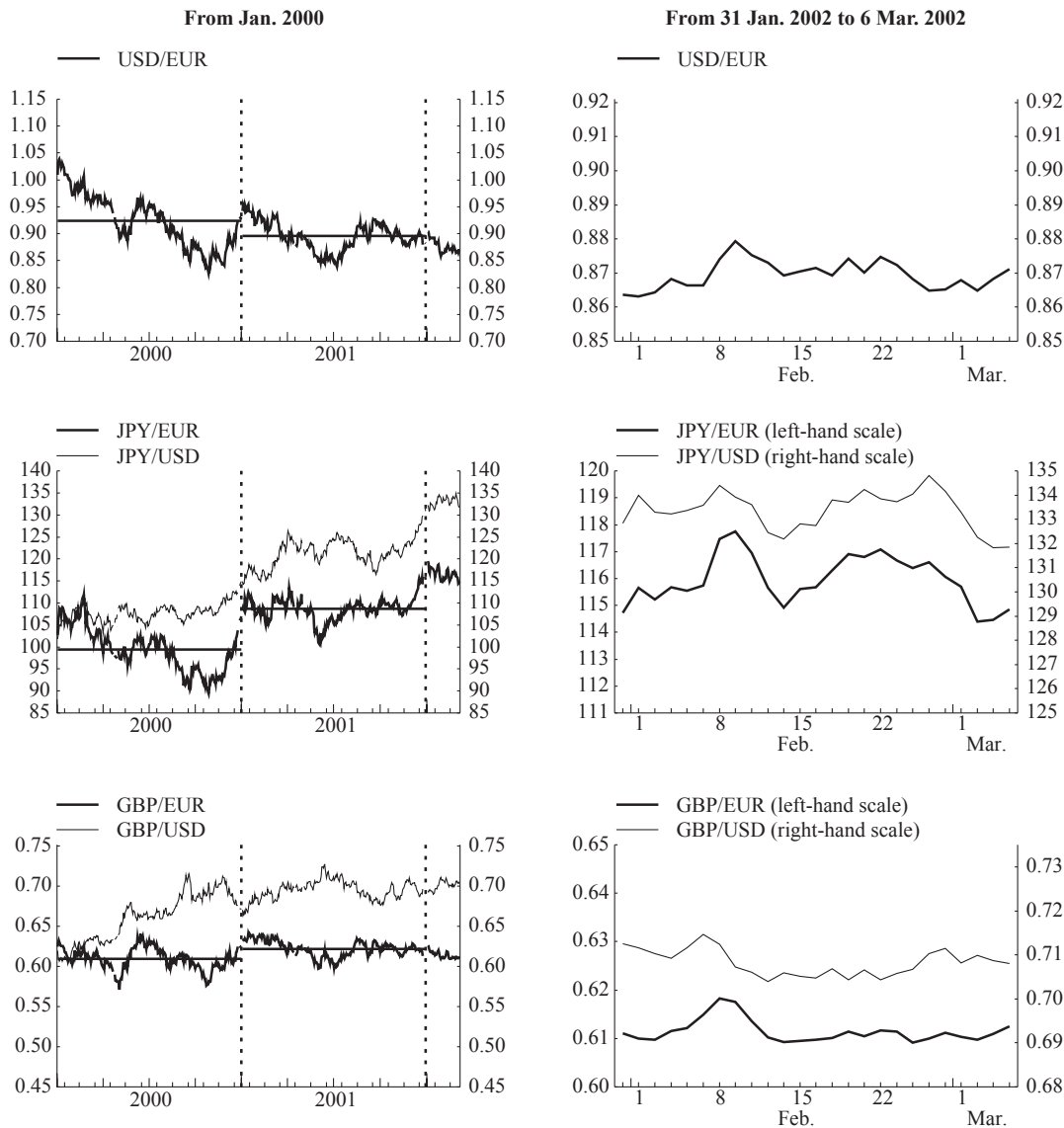
The economic situation in Latin America has continued to deteriorate and there are as yet no clear signs that the region's production slowdown is bottoming out. Real GDP contracted in the fourth quarter of 2001, mainly driven by the outbreak of the economic crisis in Argentina, but also in reaction to the global slowdown. The Brazilian economy has managed to weather difficulties in neighbouring Argentina relatively well, showing clear signs of de-coupling since the last quarter of 2001. This, combined with the relaxation of the power rationing scheme and the resurgence in FDI inflows, has led to a pick-up in economic activity. The Mexican economy is still contracting as a result of lower sales to the United States – Mexico's main export destination – and the moderation in oil prices. These adverse developments notwithstanding, sound macroeconomic policies and debt management has allowed the country to attract considerable FDI inflows and pay low borrowing costs when tapping capital markets. Argentina, having ended 2001 with a default on its sizeable external liabilities, abandoned its decade-long currency board arrangement in early 2002, eventually switching to a floating exchange rate. In order to contain capital flight and exchange rate depreciation, the authorities have maintained restrictions on withdrawals of bank deposits, which in turn contribute to weak consumption and an increase in the fiscal deficit by lowering tax collection.

Looking forward, a recovery in Latin American economic activity is not anticipated before the second half of 2002, mainly as a result of the ongoing deep recession in Argentina. Over the near future, this negative force is expected to more than offset positive developments in other countries in the region, supported by the expected gradual upturn of the global economy. The Argentine crisis also poses a downside risk to the economic outlook for Latin America, as it has the potential to deteriorate even further with negative spillover effects on other countries in the region.

## Chart 32

### Patterns in exchange rates

(daily data)



Source: ECB.

Note: The scaling of the charts is comparable in each column.

#### Euro broadly stable in February and early March 2002

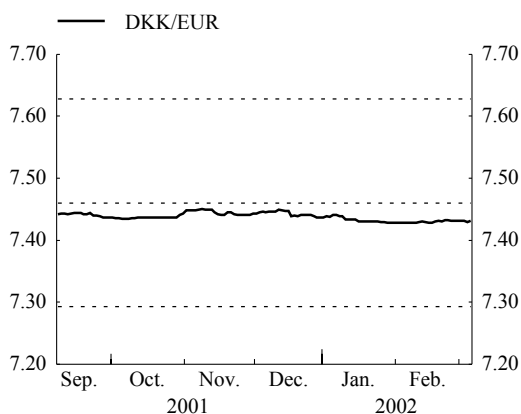
In February and early March 2002 foreign exchange markets remained relatively calm. The euro fluctuated within rather narrow ranges against all major currencies without establishing any clear upward or downward trend. Given its broad stability over the period under review, on 6 March the euro stood, in nominal effective terms, at

essentially the same level as at end-January and about 1% below its average level in 2001.

In the first half of February the euro appreciated moderately against the US dollar amid temporary weakness in the US equity markets. At the same time, evidence from leading indicators on business and consumer confidence provided encouraging signals of a forthcoming recovery in the euro area, which supported the single currency. In the second

**Chart 33**  
**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).

half of February and in early March, however, evidence of private consumption spending remaining resilient in the United States, coupled with a larger than expected upward revision of US real GDP growth in the fourth quarter of 2001, provided support for the dollar. Overall, as a result of these counterbalancing developments, the euro traded within a narrow range of USD 0.86 to USD 0.88 during the reporting period (see Chart 32). On 6 March, the euro was quoted at USD 0.87, slightly above its level as at the end of January and 2.7% below its average value in 2001.

During most of February and early March 2002, deteriorating economic conditions in Japan, coupled with market concerns over the state of the Japanese banking system and the pace of economic reforms, kept the Japanese yen under some pressure to depreciate vis-à-vis both the euro and the US dollar. Nevertheless, some of this pressure was reportedly alleviated by repatriation flows by Japanese investors in view of the end of the fiscal year in Japan as well as a recovery of the Japanese stock market in early March. The decision by the Bank of Japan on 28 February to further ease its monetary policy as a means of combating deflation did not have any significant impact

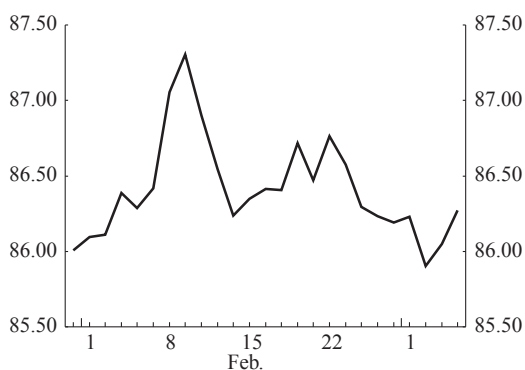
on foreign exchange markets. On 6 March the euro stood at JPY 114.86 against the yen, that is almost at the same level as at the end of January and about 5.6% above its 2001 average.

As for the pound sterling, it remained rather stable vis-à-vis both the euro and the US dollar. The fact that the British currency proved resilient, despite news that Britain's real GDP remained unchanged in the last quarter of 2001, is probably due to market perceptions about the future economic recovery in the United Kingdom. On

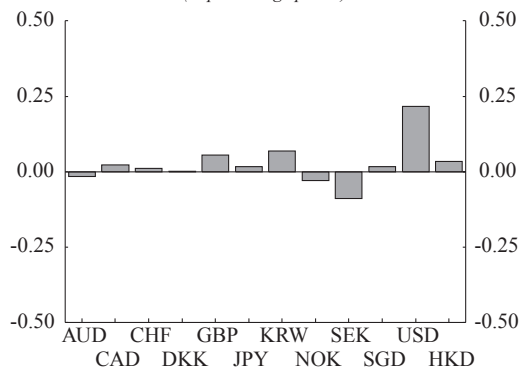
**Chart 34**  
**The effective euro exchange rate and its decomposition<sup>1)</sup>**

(daily data)

**From 6 Feb. 2002 to 6 Mar. 2002**  
(index: 1999 Q1 = 100)



**Contributions to EER changes<sup>2)</sup>**  
(in percentage points)



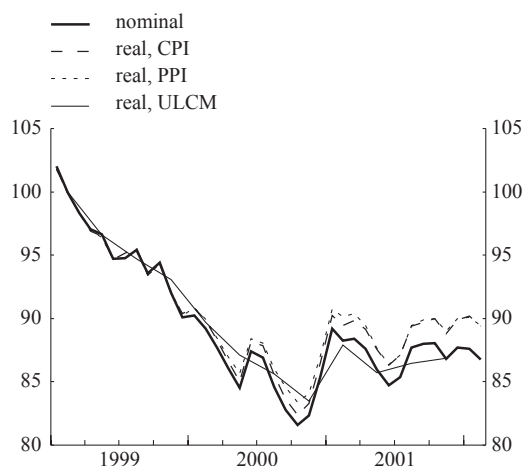
Source: ECB.

1) An upward movement of the index represents an appreciation of the effective exchange rate against 12 partner countries.

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

### Chart 35 Nominal and real effective exchange rates of the euro<sup>1)</sup>

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



Source: ECB.

1) An upward movement of the index represents an appreciation of the euro. The latest observations for monthly data are February 2002. In the case of the ULCM-based real EER, the latest observation is for Q3 2001 and is partly based on estimates.

7 February the Bank of England's Monetary Policy Committee voted to keep the Bank's repo rate at 4.0%. On 6 March, the euro traded against the pound sterling at GBP 0.61, effectively unchanged compared with the end of January level and around 1.5% below its 2001 average.

As far as other European currencies are concerned, the Danish krone continued to fluctuate slightly below its central parity within ERM II (see Chart 33), while the Swedish krona showed a tendency to appreciate against the euro. Such a trend is most likely associated with a recovery of the Swedish stock market. The euro was stable vis-à-vis the Swiss franc, remaining 2.2% below its average value in 2001.

The nominal effective exchange rate of the euro, as measured against the currencies of the 12 most important trading partners of the euro area, remained broadly stable in February and early March 2002. This is clearly reflected in the very small and mostly counterbalancing weighted contributions of

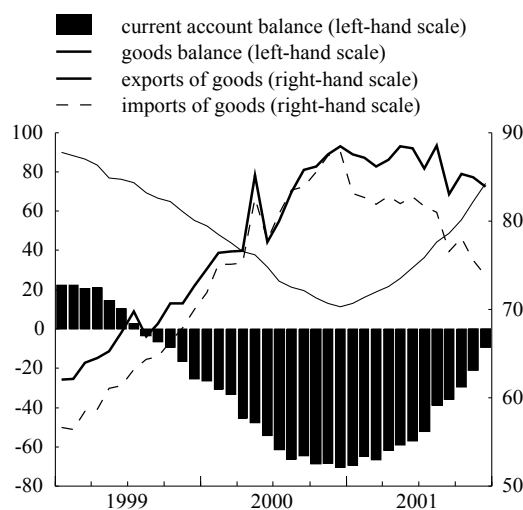
the underlying bilateral rates to the change in the euro's effective exchange rate index during this period (see Chart 34). Thus, on 6 March the nominal effective exchange rate was essentially unchanged compared with its end-January level and about 1% below its average level in 2001. The real effective exchange rate indices of the euro followed the nominal index rather closely. Nonetheless, the CPI and PPI-deflated indices depreciated by slightly less than the nominal effective exchange rate in the course of 2001 and in early 2002 (see Chart 35).

### Current account broadly in balance in 2001 due to a significant increase in the goods surplus

In December 2001, the current account recorded a surplus of €2.9 billion, compared with a deficit of €8.2 billion in the same month in 2000 (see Table II). This shift from a deficit to a surplus resulted from an increase in the goods surplus (from €1.4 billion to €10.4 billion), combined with a decrease

### Chart 36 The euro area current account balance, the goods balance and exports and imports of goods

(EUR billions, seasonally adjusted)



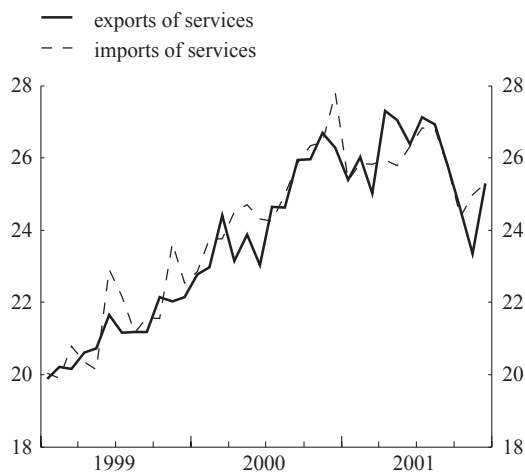
Source: ECB.

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



**Chart 37**  
Euro area exports and imports of services

(EUR billions, seasonally adjusted)



Source: ECB.

in the deficits for both services (from €2.7 billion to €1.1 billion) and current transfers (from €5.8 billion to €5.1 billion). Meanwhile, the deficit for income widened only marginally (from €1.1 billion to €1.3 billion).

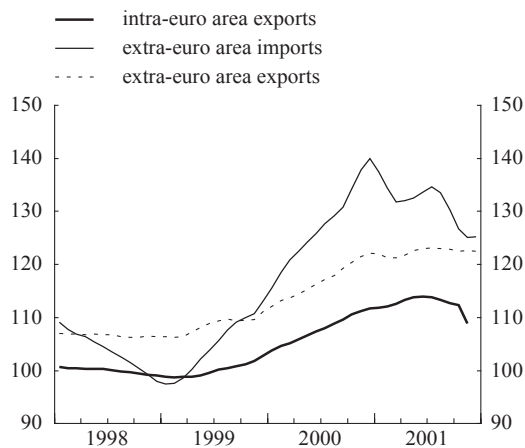
For 2001 as a whole, the euro area current account was virtually in balance after recording a deficit of just over 1% of GDP in 2000. In more detail, the current account recorded a deficit of €9.3 billion in 2001 compared with a deficit of €70.1 billion in 2000. The main factor behind this decline was a marked increase in the goods surplus of approximately 1% of GDP (from €11.7 billion to €74.1 billion). This sharp widening in the goods surplus resulted from the annual increase in the value of goods exports by around 6%, compared with a virtually unchanged value for goods imports. A shift in the services balance from a deficit of €5.2 billion to a surplus of €1.5 billion, combined with a small decrease in the deficit for current transfers (from €49.0 billion to €47.1 billion), also contributed to the decline in the current account deficit in 2001. These movements were only partially offset by an increase in the income deficit from €27.5 billion to €37.7 billion.

Seasonally adjusted data for 2001 show that the widening of the goods surplus in the course of the year was particularly marked in the final quarter. Although the value of exports began to decline in line with foreign demand during 2001, the goods surplus improved due to the larger decline in the value of imports. The latter resulted from both the slowdown in domestic demand and the sharp fall in import prices due to the steep decline in oil prices, especially during the later months of the year (see Chart 36). In addition, the seasonally adjusted values of both exports and imports of services increased significantly in December, thereby reversing, at least in part, the declines which began in September (see Chart 37). This development may reflect a partial recovery in international travel following the decline associated with the terrorist attacks of 11 September.

The considerable fall in extra-euro area import prices of goods was a major factor behind the rising goods surplus last year and is clearly illustrated in Chart 38, which shows developments in intra-euro area and extra-euro area trade prices (proxied by unit value

**Chart 38**  
Intra and extra-euro area trade unit value indices<sup>1)</sup>

(1995 = 100, seasonally adjusted, three-month moving average)

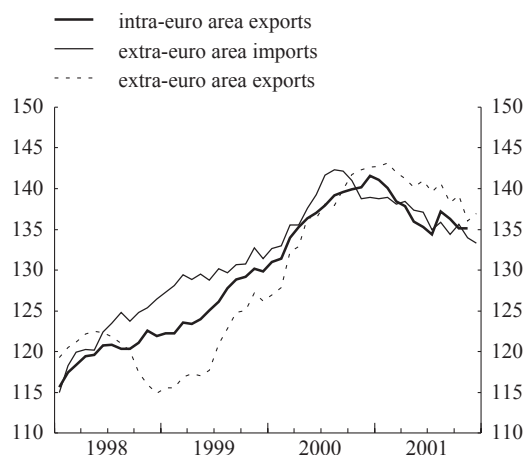


Sources: Eurostat and ECB calculations based on Eurostat data.  
1) All data refer to the Euro 11; latest extra-euro area observations are for December 2001; latest intra-euro area observations are for November 2001.



**Chart 39**  
**Intra-euro area and extra-euro area trade volumes<sup>1)</sup>**

(1995 = 100; seasonally adjusted; three-month moving average)



Sources: Eurostat and ECB calculations based on Eurostat data.  
 1) All data refer to the Euro 12 (estimated using Euro 11 unit value indices); latest extra-euro area observations are for December 2001; latest intra-euro area observations are for November 2001.

indices). Meanwhile, Chart 39 shows how the decline in extra-euro area import volumes also contributed to the fall in the value of imports of goods during the course of 2001. The slowdown in import-intensive categories of euro area expenditure, particularly equipment investment and inventories, may help to explain the significant falls in both extra and intra-euro area import volumes. This seems to be partly confirmed by the steep decrease in extra-euro area import volumes of capital goods, while import volumes of consumption and intermediate goods showed a smaller decline (see Table 9 in the “Euro area statistics” section). Regarding the decline in the value of exports of goods during the course of last year, Charts 38 and 39 show that this is explained by a fall in export volumes as export prices remained fairly flat. Falling demand in both the United States and Asia account for much of the decline in export volumes.

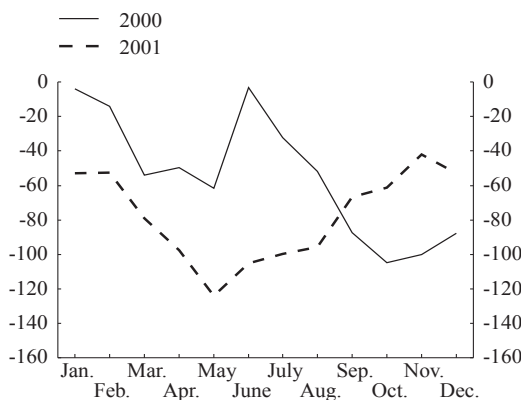
**Equity portfolio investment inflows offset by debt instrument outflows in December 2001**

The main feature of the December 2001 financial account was the disinvestment of euro area debt instruments (€17.6 billion) by non-residents. Conversely, developments in euro area direct investment and equity portfolio investment in December 2001 followed the patterns already seen in the previous months of that year on both the asset and liability sides of the financial account.

In December 2001 combined direct and portfolio investment for the first time in the second half of 2001 registered net outflows of €11.1 billion. This was due to net outflows in portfolio investment amounting to €11.7 billion, as direct investment was close to a net balanced position. Within portfolio investment, equity portfolio investment continued to register net inflows in December (€9.1 billion). Debt instruments, on the other hand, registered net outflows (€20.8 billion), which in turn reflected net outflows of €29.2 billion in bonds and notes,

**Chart 40**  
**Euro area combined net direct and portfolio investment flows in 2000 and 2001**

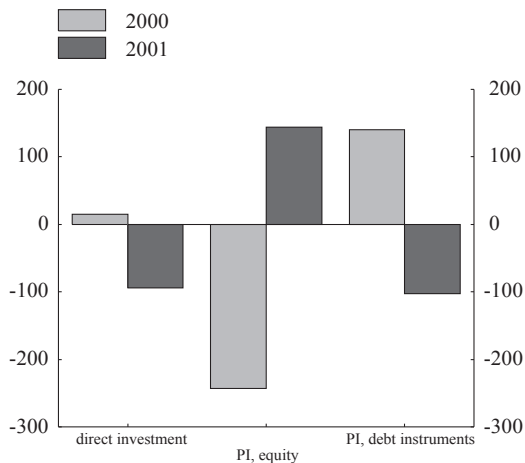
(EUR billions, cumulated data)



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

### Chart 4 I Composition of net capital flows

(In EUR billions)



Source: ECB.

Note: PI denotes portfolio investment. A positive (negative) number indicates a net inflow (outflow).

and net inflows of €8.4 billion in money market instruments. Investment in foreign bonds and notes by euro area residents amounted to €11.6 billion, while non-residents were net sellers of €17.6 billion of euro area bonds and notes. The net inflows

in money market instruments reflected mainly net sales of foreign money market instruments by euro area residents.

Turning to developments for the year as a whole, combined net outflows in direct and portfolio investment in 2001 (€53 billion) were lower than in 2000 (€87.6 billion; see Chart 40). This development is explained primarily by a switch in equity portfolio investment (from net outflows of €242.6 billion in 2000 to net inflows of €143.8 billion in 2001), which was only partially offset by a shift in both direct investment and portfolio investment in debt instruments from net inflows in 2000 to net outflows in 2001 (see Chart 41).

Other investment was mainly driven by the results for the MFI sector, which was nevertheless near a net balance position in 2001 (i.e. with net inflows of €3.8 billion). On the contrary, in 2000, other investment in the MFI sector registered large net inflows (€162.6 billion), contributing to the financing of the current account deficit and net outflows in combined direct and portfolio investment that year.

**Table 11****Balance of payments of the euro area***(EUR billions; not seasonally adjusted)*

	2000 Jan. - Dec.	2000 Dec.	2001 Jan. - Dec.	2001 Oct.	2001 Nov.	2001 Dec.
<b>Current account balance</b>	-70.1	-8.2	-9.3	0.1	2.8	2.9
Credits	1604.8	146.6	1705.7	146.6	138.1	142.0
Debits	1674.9	154.8	1714.9	146.5	135.3	139.1
Goods balance	11.7	1.4	74.1	9.6	9.3	10.4
Exports	976.4	85.8	1036.5	95.1	90.2	81.5
Imports	964.7	84.4	962.4	85.5	80.9	71.1
Services balance	-5.2	-2.7	1.5	0.2	-1.9	-1.1
Exports	294.0	26.6	310.8	25.9	22.3	25.6
Imports	299.2	29.3	309.4	25.7	24.2	26.7
Income balance	-27.5	-1.1	-37.7	-4.3	0.4	-1.3
Current transfers balance	-49.0	-5.8	-47.1	-5.4	-4.9	-5.1
<b>Capital account balance</b>	11.9	1.9	9.4	0.3	0.4	1.2
<b>Financial account balance</b>	98.0	20.2	-74.8	-14.6	-15.4	3.7
Direct investment	15.2	2.8	-93.9	5.3	7.8	0.6
Abroad	-384.8	-22.3	-217.1	-2.0	-13.8	-17.5
Equity capital and reinvested earnings	-286.2	-11.0	-128.4	-4.6	-6.5	-5.7
Other capital, mostly inter-company loans	-98.6	-11.4	-88.7	2.6	-7.3	-11.8
In the euro area	400.1	25.1	123.2	7.3	21.6	18.1
Equity capital and reinvested earnings	296.4	-2.8	90.0	3.0	11.7	11.6
Other capital, mostly inter-company loans	103.6	28.0	33.2	4.3	9.9	6.5
Portfolio investment	-102.8	9.6	40.9	0.3	11.5	-11.7
Equities	-242.6	-6.3	143.8	19.8	9.9	9.1
Assets	-288.8	-34.2	-94.0	-5.8	-12.4	-4.9
Liabilities	46.2	27.9	237.7	25.6	22.3	14.0
Debt instruments	139.8	15.9	-102.9	-19.5	1.6	-20.8
Assets	-111.0	0.9	-153.5	-30.6	-25.6	-1.3
Liabilities	250.8	15.0	50.6	11.1	27.1	-19.5
Memo item:						
Combined net direct and portfolio investment	-87.6	12.4	-53.0	5.6	19.3	-11.1
Financial derivatives	-1.4	-4.0	-22.1	-3.8	-4.0	-0.5
Other investment	172.5	12.7	-17.6	-13.8	-30.7	9.4
Reserve assets	14.5	-1.0	17.8	-2.6	0.0	5.9
<b>Errors and omissions</b>	-39.8	-13.9	74.7	14.2	12.1	-7.7

Source: ECB.

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





## **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.

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

#### Conventions used in the tables

“-”	data do not exist/data not applicable
“.”	data are not yet available
“...”	nil or negligible
“billion”	10 <sup>9</sup>
(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 <sup>1)</sup>	M2 <sup>1)</sup>	M3 <sup>1)2)</sup>		MFI loans to euro area residents excluding MFIs and general government <sup>1)</sup>	Securities issued by non-financial and non-monetary financial corporations <sup>1)</sup>	3-month interest rate (EURIBOR, % per annum, period averages) <sup>7)</sup>	10-year government bond yield (% per annum, period averages) <sup>8)</sup>
	1	2	3	3-month moving average (centred) <sup>4)</sup>				
2000	7.9	4.4	4.9	-	9.6	20.7	4.40	5.44
<i>Euro area enlargement</i>								
2001	3.6	4.2	5.5	-	7.8	25.4	4.26	5.03
2001 Q2	2.4	3.4	4.3	-	8.2	25.7	4.60	5.19
Q3	3.9	4.5	6.0	-	7.4	26.2	4.28	5.12
Q4	5.4	5.6	7.6	-	6.5	26.1	3.45	4.81
2002 Q1	.	.	.	-	.	.	.	.
2001 Oct.	5.2	5.4	7.5	7.4	6.5	24.9	3.60	4.82
Nov.	6.0	5.9	8.0	7.8	6.6	26.6	3.39	4.67
Dec.	5.0	6.2	8.0	8.0	6.1	27.3	3.34	4.96
2002 Jan.	6.6	6.7	7.9	.	5.8	.	3.34	5.02
Feb.	.	.	.	.	.	.	3.36	5.07

### 2. Price and real economy developments

	HICP	Industrial producer prices	Hourly labour costs (whole economy) <sup>11)</sup>	Real GDP <sup>12)</sup>	Industrial production (excluding construction) <sup>13)</sup>	Capacity utilisation in manufacturing (percentages) <sup>14)</sup>	Employment (whole economy) <sup>15)</sup>	Unemployment (% of labour force) <sup>16)</sup>
	9	10	11	12	13	14	15	16
2000	2.3	5.5	3.4	3.4	5.5	83.8	2.1	8.8
<i>Euro area enlargement</i>								
2001	2.5	2.2	.	.	0.2	83.2	.	8.3
2001 Q2	3.1	3.7	2.9	1.6	0.9	83.6	1.6	8.3
Q3	2.5	1.5	3.4	1.4	-0.4	83.0	1.2	8.3
Q4	2.2	-1.0	.	.	-3.9	81.8	.	8.4
2002 Q1	.	.	.	.	.	80.8	.	.
2001 Oct.	2.4	-0.7	-	-	-2.7	-	-	8.3
Nov.	2.1	-1.3	-	-	-4.2	-	-	8.4
Dec.	2.0	-1.1	-	-	-4.8	-	-	8.4
2002 Jan.	2.7	-0.9	-	-	.	-	-	8.4
Feb.	2.5	.	-	-	.	-	-	.

### 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) <sup>21)</sup>	Effective exchange rate of the euro: broad group (1999 Q1 = 100)		USD/EUR exchange rate <sup>24)</sup>
	Current and capital accounts <sup>17)</sup>	Goods <sup>18)</sup>	Direct investment <sup>19)</sup>	Portfolio investment <sup>20)</sup>		Nominal <sup>22)</sup>	Real (CPI) <sup>23)</sup>	
2000	-50.2	35.6	17.6	-111.5	378.0	88.2	86.3	0.924
<i>Euro area enlargement</i>								
2001	0.1	74.1	-93.9	40.9	392.4	91.0	88.0	0.896
2001 Q2	-6.4	15.9	-51.7	25.7	410.0	89.5	86.8	0.873
Q3	6.3	23.4	-15.3	53.6	393.4	91.2	88.0	0.890
Q4	7.8	29.3	13.8	0.0	392.4	92.0	88.5	0.896
2002 Q1	.	.	.	.	.	.	.	.
2001 Oct.	0.5	9.6	5.3	0.3	393.6	92.8	89.4	0.906
Nov.	3.2	9.3	7.8	11.5	396.5	91.3	87.8	0.888
Dec.	4.1	10.4	0.6	-11.7	392.4	91.9	88.4	0.892
2002 Jan.	.	.	.	.	407.8	91.6	88.2	0.883
Feb.	.	.	.	.	.	91.1	87.7	0.870

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

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

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

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

# I Monetary policy statistics

**Table 1.1**

## Consolidated financial statement of the Eurosystem

(EUR millions)

### 1. Assets

		Gold and gold receivables	Claims on non-euro area residents in foreign currency	Claims on euro area residents in foreign currency	Claims on non-euro area residents in euro	Lending to euro area credit institutions in euro	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations
		1	2	3	4	5	6	7	8
2001	5 Oct.	128,236	260,738	21,750	5,134	197,093	136,999	60,002	0
	12	128,235	263,821	21,573	5,353	176,542	116,509	60,004	0
	19	128,235	264,640	22,147	5,539	203,189	142,510	60,004	0
	26	128,234	264,955	21,503	5,582	203,107	143,000	60,001	0
	2 Nov.	128,233	264,162	21,770	5,728	187,030	127,001	60,001	0
	9	128,233	262,142	21,932	5,895	164,621	104,368	60,001	0
	16	128,233	262,623	21,311	5,942	214,783	154,369	60,001	0
	23	128,233	264,958	20,997	5,980	193,762	133,002	60,001	0
	30	128,233	264,230	21,900	5,956	201,288	88,001	60,001	0
	7 Dec.	128,228	266,093	21,572	6,040	199,026	139,001	60,001	0
	14	128,228	264,143	23,388	5,823	194,462	134,001	60,001	0
	21	128,227	263,756	22,269	5,699	186,228	123,000	60,000	0
	28	126,801	264,607	25,200	5,736	203,597	142,000	60,000	0
	2002	4 Jan.	126,801	265,809	23,862	6,280	201,109	116,000	60,000
11		126,801	266,160	23,154	6,413	174,073	114,000	60,000	0
18		126,801	270,820	20,624	6,224	165,037	105,000	60,000	0
25		126,801	269,475	22,236	6,312	185,053	125,000	60,000	0
1 Feb.		126,801	267,766	21,901	6,498	201,055	141,000	60,000	0
8		126,801	267,929	20,878	6,150	189,033	128,998	60,000	0
15		126,801	269,623	21,550	5,948	186,017	126,000	60,000	0
22		126,801	267,712	21,037	5,330	169,730	107,000	60,000	0
1 Mar.		126,801	266,023	21,985	5,448	183,030	123,001	60,001	0

### 2. Liabilities

		Banknotes in circulation	Liabilities to euro area credit institutions in euro	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls	Other liabilities to euro area credit institutions in euro	Debt certificates issued
		1	2	3	4	5	6	7	8	9
2001	5 Oct.	329,095	120,574	120,452	109	0	0	13	5,160	3,784
	12	325,194	104,993	104,828	153	0	0	12	5,470	3,784
	19	319,984	143,582	143,444	126	0	0	12	5,512	3,784
	26	315,159	129,632	129,591	29	0	0	12	5,680	3,784
	2 Nov.	316,956	124,952	124,830	110	0	0	12	5,829	2,939
	9	312,642	103,687	103,581	94	0	0	12	9,165	2,939
	16	306,770	150,156	149,826	311	0	0	19	12,969	2,939
	23	300,526	115,953	114,745	1,152	0	0	56	16,850	2,939
	30	300,093	131,734	131,577	152	0	0	5	21,096	2,939
	7 Dec.	302,095	117,849	117,792	51	0	0	6	24,217	2,939
	14	296,918	130,282	130,010	263	0	0	9	27,447	2,939
	21	292,780	126,867	120,378	6,485	0	0	4	29,604	2,939
	28	278,110	142,595	142,126	465	0	0	4	34,757	2,939
	2002	4 Jan.	394,627	131,467	131,338	121	0	0	8	23,657
11		375,052	129,061	128,927	130	0	0	4	23,771	2,939
18		349,219	139,161	139,001	155	0	0	5	23,811	2,939
25		325,771	130,845	130,804	37	0	0	4	12,379	2,939
1 Feb.		312,923	134,033	133,974	59	0	0	0	2,116	2,939
8		305,434	128,443	128,397	46	0	0	0	2,172	2,939
15		296,361	138,276	138,204	72	0	0	0	2,269	2,939
22		287,727	132,339	131,839	500	0	0	0	2,119	2,939
1 Mar.		285,800	134,936	134,872	52	0	0	12	2,636	2,939

Source: ECB.

Structural reverse operations	Marginal lending facility	Credits related to margin calls	Other claims on euro area credit institutions in euro	Securities of euro area residents in euro	General government debt in euro	Other assets	Total		
							9	10	11
0	10	82	294	28,734	70,163	86,708	798,851	2001	5 Oct.
0	12	17	793	28,293	70,166	87,307	782,084		12
0	632	43	830	28,123	70,166	87,569	810,439		19
0	72	34	418	28,371	70,171	87,654	809,996		26
0	3	25	397	28,498	70,171	89,664	795,654		2 Nov.
0	228	24	458	28,464	70,085	90,152	771,984		9
0	393	20	399	28,203	70,085	89,923	821,504		16
0	741	18	525	28,178	70,075	89,781	802,491		23
53,000	276	10	499	28,273	70,088	90,221	810,690		30
0	12	12	421	28,113	70,102	90,264	809,860		7 Dec.
0	454	6	419	28,180	70,000	90,907	805,551		14
0	3,199	29	404	28,210	69,599	91,039	795,432		21
0	1,573	24	487	27,981	68,729	91,523	814,662		28
0	30	79	88,488	27,924	68,603	90,355	899,232	2002	4 Jan.
0	65	8	88,487	27,847	68,611	90,554	872,101		11
0	30	7	88,490	27,917	68,616	90,323	864,853		18
0	28	25	44,363	27,927	68,616	88,903	839,687		25
0	11	44	531	27,601	68,575	89,397	810,126		1 Feb.
0	15	20	526	27,922	68,577	89,107	796,924		8
0	16	1	346	28,163	68,576	89,769	796,794		15
0	2,727	3	233	29,048	68,572	88,938	777,402		22
0	23	5	391	29,172	68,577	88,743	790,171		1 Mar.

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
49,116	8,225	2,497	14,560	6,889	73,508	124,991	60,452	798,851	2001	5 Oct.
48,132	8,835	2,440	17,391	6,889	73,513	124,991	60,452	782,084		12
40,613	8,495	2,444	19,392	6,889	74,301	124,991	60,452	810,439		19
58,830	8,642	2,475	19,623	6,889	73,839	124,991	60,452	809,996		26
48,019	8,651	2,432	19,477	6,889	74,067	124,991	60,452	795,654		2 Nov.
47,322	8,711	2,433	18,355	6,889	74,397	124,991	60,453	771,984		9
51,757	8,676	2,429	18,082	6,889	75,393	124,991	60,453	821,504		16
67,049	8,460	2,427	20,730	6,889	75,224	124,991	60,453	802,491		23
54,422	8,580	2,524	21,215	6,889	75,754	124,991	60,453	810,690		30
60,080	9,019	2,506	22,848	6,889	75,974	124,991	60,453	809,860		7 Dec.
44,885	9,172	2,410	22,900	6,889	76,264	124,991	60,454	805,551		14
40,300	9,481	2,412	21,389	6,889	77,326	124,991	60,454	795,432		21
50,902	9,446	2,525	20,458	6,967	78,073	125,309	62,581	814,662		28
39,193	10,860	2,670	20,807	6,967	77,594	125,288	63,164	899,232	2002	4 Jan.
36,511	8,471	2,716	20,675	6,967	77,448	125,318	63,173	872,101		11
42,861	8,451	2,605	22,998	6,967	77,375	125,318	63,149	864,853		18
61,347	8,538	2,584	23,432	6,967	76,451	125,318	63,117	839,687		25
54,483	8,738	2,713	21,300	6,967	75,480	125,316	63,119	810,126		1 Feb.
55,608	8,508	2,589	20,545	6,967	75,324	125,316	63,080	796,924		8
52,811	8,524	2,623	21,454	6,967	76,198	125,316	63,057	796,794		15
49,650	8,633	2,599	18,987	6,967	77,016	125,316	63,111	777,402		22
62,731	8,365	2,847	17,926	6,967	76,560	125,320	63,145	790,171		1 Mar.

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

With effect from <sup>1)</sup>	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 <sup>2)</sup>	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 <sup>3)</sup>	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
<i>Euro area enlargement</i>							
2001 11 May	3.50	-0.25	-	4.50	-0.25	5.50	-0.25
31 Aug.	3.25	-0.25	-	4.25	-0.25	5.25	-0.25
18 Sep.	2.75	-0.50	-	3.75	-0.50	4.75	-0.50
9 Nov.	2.25	-0.50	-	3.25	-0.50	4.25	-0.50

Source: ECB.

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

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

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
			Fixed rate	Minimum bid rate	Marginal rate <sup>3)</sup>	Weighted average rate	
	1	2	3	4	5	6	7
2001 5 Sep.	132,696	82,000	-	4.25	4.27	4.28	14
12	118,708	61,000	-	4.25	4.26	4.27	14
19	110,778	71,000	-	3.75	3.76	3.77	14
26	111,927	81,000	-	3.75	3.76	3.77	14
3 Oct.	76,444	56,000	-	3.75	3.75	3.76	14
10	60,510	60,510	-	3.75	3.75	3.75	14
17	143,828	82,000	-	3.75	3.78	3.79	14
24	73,932	61,000	-	3.75	3.75	3.76	14
31	99,611	66,000	-	3.75	3.75	3.76	14
7 Nov.	38,368	38,368	-	3.75	3.75	3.75	14
14	174,732	116,000	-	3.25	3.37	3.40	14
21	63,173	17,000	-	3.25	3.26	3.27	14
28	95,578	71,000	-	3.25	3.27	3.29	14
5 Dec.	106,643	68,000	-	3.25	3.27	3.27	14
12	109,662	66,000	-	3.25	3.27	3.27	16
19	140,810	57,000	-	3.25	3.43	3.46	14
28	105,649	85,000	-	3.25	3.45	3.52	12
2002 2 Jan.	88,696	31,000	-	3.25	3.28	3.29	14
9	155,890	83,000	-	3.25	3.30	3.32	14
16	116,846	22,000	-	3.25	3.31	3.32	14
23	146,286	103,000	-	3.25	3.29	3.30	14
30	108,013	38,000	-	3.25	3.31	3.32	13
6 Feb.	156,977	91,000	-	3.25	3.30	3.31	14
12	90,332	35,000	-	3.25	3.29	3.30	15
20	135,530	72,000	-	3.25	3.28	3.29	14
27	127,024	51,000	-	3.25	3.29	3.30	14
6 Mar.	127,212	67,000	-	3.25	3.29	3.30	12

## 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 <sup>3)</sup>	Weighted average rate	5	
1	2	3	4	5	6	7	8
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	
25 Apr.	43,416	20,000	-	4.67	4.70	92	
31 May	46,448	20,000	-	4.49	4.51	91	
28 June	44,243	20,000	-	4.36	4.39	91	
26 July	39,369	20,000	-	4.39	4.42	91	
30 Aug.	37,855	20,000	-	4.20	4.23	91	
27 Sep.	28,269	20,000	-	3.55	3.58	85	
25 Oct.	42,308	20,000	-	3.50	3.52	98	
29 Nov.	49,135	20,000	-	3.32	3.34	91	
21 Dec.	38,178	20,000	-	3.29	3.31	97	
2002 31 Jan.	44,547	20,000	-	3.31	3.33	84	
28 Feb.	47,001	20,000	-	3.32	3.33	91	

## 3. Other tender operations

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

Source: ECB.

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

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

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

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

**Table 1.4****Minimum reserve statistics****1. Reserve base of credit institutions subject to reserve requirements <sup>1) 2)</sup>***(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
2001 Jan.	10,164.2	5,712.6	139.2	196.7	1,275.6	574.6	2,265.6
Feb.	10,247.4	5,724.4	145.3	201.2	1,284.7	597.8	2,294.0
Mar.	10,503.6	5,883.5	151.1	203.4	1,292.6	654.7	2,318.3
Apr.	10,554.6	5,924.3	154.5	202.8	1,292.1	657.7	2,323.2
May	10,687.3	5,984.7	166.6	198.9	1,307.5	693.2	2,336.4
June	10,705.3	6,015.6	175.7	198.7	1,314.2	656.6	2,344.5
July	10,590.4	5,912.2	183.4	199.1	1,312.5	636.2	2,346.9
Aug.	10,551.6	5,872.7	187.8	190.2	1,309.3	654.1	2,337.6
Sep.	10,627.3	5,956.0	188.2	191.3	1,315.7	631.6	2,344.6
Oct.	10,687.8	5,962.3	190.8	196.5	1,313.7	672.4	2,352.2
Nov.	10,798.1	6,073.4	199.0	191.3	1,300.9	656.5	2,376.9
Dec.	10,910.1	6,226.1	204.7	185.0	1,315.2	605.1	2,374.0
2002 Jan. <sup>(p)</sup>	10,934.3	6,195.5	195.1	202.2	1,332.4	610.1	2,399.0

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.

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

Maintenance period ending in:	Required reserves <sup>2)</sup>	Actual reserves <sup>3)</sup>	Excess reserves <sup>4)</sup>	Deficiencies <sup>5)</sup>	Interest rate on minimum reserves <sup>6)</sup>
	1	2	3	4	5
2001 Mar.	120.4	120.9	0.5	0.0	4.77
Apr.	120.8	121.3	0.5	0.0	4.77
May	124.2	124.8	0.7	0.0	4.71
June	125.0	125.6	0.6	0.0	4.52
July	126.4	127.0	0.6	0.0	4.51
Aug.	127.2	127.7	0.5	0.0	4.50
Sep.	125.3	126.0	0.7	0.0	4.27
Oct.	124.4	125.0	0.6	0.0	3.76
Nov.	126.1	126.6	0.5	0.0	3.62
Dec.	126.4	127.3	0.9	0.0	3.30
2002 Jan.	128.7	130.1	1.4	0.0	3.34
Feb.	131.7	132.4	0.7	0.0	3.30
Mar. <sup>(p)</sup>	131.2	.	.	.	.

Source: ECB.

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



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

Maintenance period ending in:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts <sup>4)</sup>	Base money <sup>5)</sup>
	Monetary policy operations of the Eurosystem					Deposit facility	Other liquidity-absorbing operations <sup>2)</sup>	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net) <sup>3)</sup>		
	Eurosystem's net assets in gold and foreign currency <sup>1)</sup>	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations <sup>2)</sup>							
1	2	3	4	5	6	7	8	9	10	11	12	
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
Apr.	382.1	172.4	58.4	2.2	0.0	0.5	0.0	354.6	49.5	89.1	121.4	476.4
May	384.4	144.0	59.1	0.4	17.0	0.6	0.0	352.7	39.4	87.5	124.8	478.1
June	385.0	161.7	59.1	0.2	0.0	0.4	0.0	351.1	41.3	87.5	125.7	477.3
July	397.6	161.9	59.9	0.2	0.0	0.4	0.0	350.8	42.5	98.8	127.1	478.3
Aug.	402.1	164.0	60.0	0.1	0.0	0.2	0.0	347.6	48.8	101.8	127.8	475.6
Sep.	401.3	147.1	60.0	0.5	3.5	0.4	0.0	335.4	45.2	105.4	126.1	461.9
Oct.	389.9	136.7	60.0	1.1	0.0	0.1	0.0	325.2	43.6	93.6	125.1	450.4
Nov.	385.0	132.3	60.0	0.2	0.0	0.3	0.0	311.3	46.1	93.1	126.7	438.3
Dec.	383.7	122.5	60.0	0.5	12.4	0.8	0.0	298.0	43.5	109.3	127.4	426.2
2002 Jan.	385.2	118.5	60.0	0.4	3.7	0.6	0.0	344.3	38.3	54.2	130.4	475.2
Feb. <sup>(p)</sup>	386.0	127.3	60.0	0.2	0.0	0.1	0.0	306.2	49.6	85.2	132.6	438.8

Source: ECB.

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

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

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

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

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

## 2 Monetary developments in the euro area

**Table 2.1**

### Aggregated balance sheet of the Eurosystem

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

#### 1. Assets

	Loans to euro area residents		General government	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 <sup>1)</sup>	Fixed assets	Re-maining assets	Total	
	1	MFI <sup>1)</sup> 2			3	4	5	MFI <sup>1)</sup> 6	General government 7	Other euro area residents 8					9
1999	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 Q1	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	48.9	1,051.9
Q2	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	1,209.3
Q3	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
Q4	445.0	427.4	17.1	0.5	97.4	2.5	93.6	1.3	15.3	4.3	11.0	380.7	11.2	56.1	1,005.8
<i>Euro area enlargement</i>															
2001 Jan.	401.5	373.7	27.2	0.6	104.5	2.6	100.8	1.0	15.5	4.7	10.8	390.4	11.4	54.0	977.4
Feb.	398.8	371.0	27.2	0.6	105.2	2.5	101.5	1.2	14.9	4.6	10.3	386.2	11.3	53.7	970.1
Mar.	401.7	373.9	27.2	0.6	105.0	2.7	101.2	1.1	14.7	4.6	10.1	396.8	11.3	54.4	983.9
Apr.	376.1	348.3	27.2	0.6	106.5	2.6	102.7	1.3	14.7	4.6	10.1	390.3	11.7	53.6	953.0
May	398.5	370.7	27.2	0.6	106.4	2.9	102.3	1.3	14.3	4.6	9.7	398.9	11.8	53.2	983.2
June	426.0	398.2	27.2	0.6	105.8	3.1	101.5	1.2	14.2	4.6	9.6	414.7	11.9	54.5	1,027.2
July	424.4	396.6	27.2	0.6	106.9	3.3	102.4	1.2	14.3	4.7	9.7	404.9	12.0	57.3	1,019.9
Aug.	391.1	363.3	27.2	0.6	107.6	3.5	102.9	1.2	14.0	4.6	9.4	396.9	12.0	54.6	976.0
Sep.	388.2	360.4	27.2	0.6	106.6	3.7	101.9	1.1	13.1	4.8	8.3	397.1	11.9	54.9	971.8
Oct.	356.7	328.9	27.2	0.6	107.8	3.9	102.8	1.2	13.4	4.8	8.7	400.0	12.0	55.6	945.7
Nov.	370.0	342.4	27.1	0.6	107.3	3.8	102.2	1.2	13.6	4.7	8.9	400.4	12.1	55.0	958.4
Dec.	412.7	386.4	25.7	0.6	107.0	3.8	101.8	1.3	13.8	4.6	9.2	399.0	12.1	54.5	999.1
2002 Jan. <sup>(p)</sup>	419.7	393.4	25.7	0.6	104.0	3.8	99.0	1.2	13.8	4.7	9.1	409.0	12.2	102.9	1,061.5

#### 2. Liabilities

	Currency in circulation	Deposits of euro area residents		Central government	Other general government/other euro area residents	Money market paper and debt securities issued	Capital and reserves	External liabilities <sup>1)</sup>	Remaining liabilities	Total
		1	MFI <sup>1)</sup> 2							
1999	393.4	341.5	279.3	53.4	8.8	7.9	174.3	49.8	47.6	1,014.5
2000 Q1	366.2	372.1	319.8	43.1	9.1	6.3	186.5	75.1	45.7	1,051.9
Q2	374.4	497.9	432.8	52.6	12.5	6.3	193.4	92.0	45.4	1,209.3
Q3	373.5	404.2	346.1	45.6	12.5	4.6	221.2	75.0	51.4	1,129.8
Q4	390.3	327.3	270.4	47.1	9.8	3.8	197.5	29.9	57.0	1,005.8
<i>Euro area enlargement</i>										
2001 Jan.	373.2	313.3	250.9	51.5	10.9	5.5	196.8	30.6	58.0	977.4
Feb.	370.6	313.1	249.7	52.0	11.4	5.5	194.8	27.9	58.3	970.1
Mar.	370.6	312.6	253.4	46.8	12.4	5.5	204.6	26.8	63.8	983.9
Apr.	372.6	289.9	234.8	41.2	13.8	5.5	205.6	25.3	54.1	953.0
May	369.6	317.5	266.5	36.0	15.1	5.5	212.1	27.6	50.9	983.2
June	368.9	342.2	274.1	51.8	16.3	5.6	223.7	32.6	54.2	1,027.2
July	366.9	343.5	282.7	46.9	14.0	5.6	214.7	31.9	57.3	1,019.9
Aug.	356.1	320.4	259.2	46.6	14.7	5.6	211.6	28.4	53.9	976.0
Sep.	346.2	323.6	269.4	37.6	16.6	5.5	209.2	30.0	57.3	971.8
Oct.	333.9	302.8	244.7	40.0	18.1	5.5	210.6	34.3	58.5	945.7
Nov.	317.5	330.4	277.5	35.2	17.6	4.7	210.1	35.2	60.6	958.4
Dec.	286.1	391.2	342.4	35.1	13.8	4.6	211.7	35.6	69.8	999.1
2002 Jan. <sup>(p)</sup>	338.4	357.8	298.4	44.9	14.5	4.6	215.8	37.4	107.5	1,061.5

Source: ECB.

1) Since the end of November 2000, balances arising from the TARGET system are netted by novation on a daily basis. This implies that the bilateral positions of each NCB vis-à-vis the ECB and other NCBs have been replaced by a single net bilateral position vis-à-vis the ECB. For the TARGET gross end-month positions in 1999 and in 2000 (January to October), see the corresponding footnote in the February 2000 and December 2000 issues of the ECB's 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		6	7	8			11	12				
1999	9,779.2	3,413.9	828.3	5,537.0	2,179.3	828.8	1,123.7	226.7	129.9	650.6	211.5	439.1	1,719.4	154.0	919.3	15,531.7
2000 Q1	10,020.5	3,511.1	821.4	5,688.1	2,225.3	869.5	1,128.0	227.8	131.9	729.6	230.2	499.4	1,822.5	152.0	977.5	16,059.2
Q2	10,125.0	3,461.9	817.3	5,845.8	2,211.1	894.9	1,073.2	243.0	151.4	704.0	210.0	494.0	1,892.1	154.2	1,023.3	16,261.1
Q3	10,233.9	3,456.0	799.8	5,978.0	2,231.5	940.5	1,033.8	257.2	142.0	707.6	204.1	503.6	2,003.5	155.8	1,035.0	16,509.4
Q4	10,419.3	3,510.3	818.7	6,090.2	2,192.4	932.7	995.8	263.8	142.8	750.9	240.1	510.7	2,025.7	158.7	1,015.3	16,705.0
<i>Euro area enlargement</i>																
2001 Jan.	10,598.7	3,583.4	830.9	6,184.4	2,249.7	935.3	1,044.8	269.5	152.4	779.2	247.2	532.0	2,072.5	160.4	1,066.9	17,079.7
Feb.	10,668.2	3,639.9	822.7	6,205.6	2,287.3	954.3	1,054.7	278.4	154.5	788.0	248.5	539.5	2,097.2	161.0	1,054.6	17,210.9
Mar.	10,805.1	3,707.2	825.3	6,272.5	2,318.9	968.4	1,064.0	286.5	158.1	812.1	255.3	556.9	2,240.1	160.8	1,097.1	17,592.2
Apr.	10,775.5	3,646.5	817.2	6,311.8	2,336.6	975.4	1,068.7	292.6	163.0	836.0	259.3	576.7	2,223.5	161.5	1,110.8	17,607.0
May	10,799.5	3,655.3	812.1	6,332.1	2,379.0	991.2	1,089.0	298.8	163.4	835.9	258.4	577.5	2,275.8	162.8	1,131.7	17,748.1
June	10,886.2	3,691.0	809.4	6,385.9	2,393.8	990.3	1,103.7	299.8	166.6	799.1	251.3	547.9	2,287.8	163.5	1,128.3	17,825.3
July	10,845.7	3,647.1	806.6	6,392.0	2,414.7	1,003.8	1,098.0	312.9	171.5	795.0	252.4	542.5	2,210.9	164.6	1,073.8	17,676.0
Aug.	10,820.8	3,651.0	802.5	6,367.4	2,413.2	1,002.9	1,088.9	321.4	165.4	783.2	247.5	535.7	2,223.5	164.9	1,064.9	17,635.9
Sep.	10,945.6	3,722.4	803.6	6,419.6	2,414.0	996.1	1,092.4	325.6	165.2	771.5	245.1	526.4	2,295.6	165.7	1,115.8	17,873.4
Oct.	10,969.4	3,719.1	801.0	6,449.3	2,415.5	1,004.2	1,083.0	328.2	167.1	778.9	244.0	534.9	2,338.9	166.3	1,147.2	17,983.2
Nov.	11,110.7	3,793.6	816.2	6,500.9	2,428.9	1,009.6	1,087.9	331.4	158.8	782.3	246.8	535.5	2,424.5	167.1	1,137.5	18,209.8
Dec.	11,138.4	3,797.8	820.7	6,519.9	2,421.3	1,008.8	1,076.2	336.3	154.1	809.8	248.6	561.2	2,404.5	168.2	1,139.0	18,235.3
2002 Jan. <sup>(p)</sup>	11,069.9	3,716.3	817.7	6,535.9	2,465.8	1,018.2	1,106.5	341.1	170.1	810.7	249.7	561.0	2,419.5	165.9	1,172.6	18,274.6

## 2. Liabilities

	Currency in circulation	Deposits of euro area residents	MFIs	Central government	Other general government/other euro area residents	Overnight				Money market fund shares/ <sup>1)</sup> units <sup>1)</sup>	Money market paper and debt securities issued <sup>1)</sup>	Capital and reserves	External liabilities	Remaining liabilities	Total	
						6	7	8	9							
1999	0.7	8,735.0	3,590.6	88.6	5,055.8	1,537.4	2,043.1	1,331.4	143.9	293.4	2,531.0	849.2	1,870.2	1,252.3	15,531.7	
2000 Q1	0.7	8,809.3	3,612.4	87.0	5,109.9	1,568.0	2,052.6	1,312.0	177.3	325.1	2,589.9	890.7	2,099.0	1,344.6	16,059.2	
Q2	0.6	8,849.4	3,620.7	93.3	5,135.4	1,596.2	2,080.7	1,291.3	167.3	344.7	2,652.2	898.5	2,120.2	1,395.5	16,261.1	
Q3	0.0	8,858.0	3,595.0	113.7	5,149.4	1,577.0	2,128.7	1,272.3	171.4	334.8	2,720.3	913.5	2,294.7	1,388.0	16,509.4	
Q4	0.0	9,056.8	3,679.2	117.4	5,260.2	1,648.8	2,159.7	1,276.8	174.9	323.3	2,712.9	941.5	2,299.3	1,371.2	16,705.0	
<i>Euro area enlargement</i>																
2001 Jan.	0.0	9,191.4	3,727.3	95.6	5,368.4	1,613.2	2,211.7	1,329.7	213.8	337.1	2,756.6	964.1	2,414.9	1,415.6	17,079.7	
Feb.	0.0	9,222.5	3,742.1	103.6	5,376.8	1,614.5	2,223.1	1,323.4	215.8	346.9	2,791.6	969.7	2,447.2	1,432.9	17,210.9	
Mar.	0.0	9,324.9	3,806.1	103.6	5,415.2	1,623.9	2,242.6	1,322.8	225.9	358.8	2,817.3	982.4	2,636.0	1,472.8	17,592.2	
Apr.	0.0	9,302.4	3,747.8	111.3	5,443.3	1,653.5	2,241.2	1,323.8	224.9	367.0	2,829.9	986.4	2,650.8	1,470.4	17,607.0	
May	0.0	9,336.8	3,746.3	110.9	5,479.6	1,677.0	2,242.9	1,322.4	237.3	378.2	2,845.5	990.9	2,727.1	1,469.6	17,748.1	
June	0.0	9,423.6	3,798.3	113.7	5,511.6	1,715.8	2,240.6	1,330.7	224.5	382.2	2,861.2	998.2	2,710.4	1,449.9	17,825.3	
July	0.0	9,364.8	3,755.3	108.7	5,500.8	1,699.0	2,241.9	1,333.5	226.4	393.6	2,872.3	997.7	2,610.3	1,437.3	17,676.0	
Aug.	0.0	9,344.5	3,746.4	105.8	5,492.2	1,666.9	2,254.2	1,337.2	233.9	405.1	2,859.6	1,000.5	2,591.0	1,435.3	17,635.9	
Sep.	0.0	9,484.2	3,832.0	110.2	5,541.9	1,733.6	2,237.5	1,342.5	228.2	410.4	2,874.2	1,011.3	2,609.4	1,483.9	17,873.4	
Oct.	0.0	9,484.3	3,808.8	113.2	5,562.3	1,732.4	2,241.1	1,351.8	236.9	423.6	2,899.2	1,019.5	2,626.6	1,530.0	17,983.2	
Nov.	0.0	9,601.3	3,868.7	115.1	5,617.4	1,780.8	2,242.1	1,365.0	229.5	434.6	2,887.1	1,024.2	2,691.0	1,571.6	18,209.8	
Dec.	0.0	9,710.6	3,839.7	104.2	5,766.7	1,879.7	2,262.2	1,404.9	220.0	433.7	2,881.1	1,037.5	2,679.7	1,492.7	18,235.3	
2002 Jan. <sup>(p)</sup>	0.0	9,646.8	3,817.9	104.3	5,724.6	1,830.8	2,259.2	1,414.5	220.2	455.8	2,919.5	1,046.0	2,711.8	1,494.7	18,274.6	

Source: ECB.

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

Table 2.3

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

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

## 1. Assets: levels

											Total
	Loans to euro area residents	General government	Other euro area residents	Holdings of securities other than shares issued by euro area residents	General government	Other euro area residents	Holdings of shares/ other equity issued by other euro area residents	External assets <sup>2)</sup>	Fixed assets	Remaining assets	
	1	2	3	4	5	6	7	8	9	10	11
2000 July	6,708.5	833.9	5,874.6	1,393.1	1,140.7	252.4	509.0	2,374.1	164.9	1,086.5	12,236.1
Aug.	6,715.1	822.0	5,893.1	1,385.2	1,128.6	256.6	510.7	2,419.6	165.2	1,127.2	12,323.1
Sep.	6,796.6	818.1	5,978.5	1,386.6	1,128.4	258.2	513.8	2,462.5	166.0	1,054.9	12,380.3
Oct.	6,841.4	820.0	6,021.4	1,379.8	1,115.5	264.3	514.0	2,515.0	168.0	1,119.0	12,537.3
Nov.	6,883.7	827.0	6,056.7	1,375.9	1,112.2	263.7	515.8	2,487.9	167.7	1,068.0	12,499.1
Dec.	6,926.6	835.9	6,090.7	1,354.6	1,089.4	265.1	521.7	2,406.4	169.9	1,028.8	12,408.0
<i>Euro area enlargement</i>											
2001 1 Jan.	7,007.9	853.9	6,154.0	1,423.6	1,156.0	267.6	530.4	2,402.7	172.9	1,008.9	12,533.7
2001 Jan.	7,043.1	858.1	6,185.0	1,416.2	1,145.6	270.6	542.8	2,462.9	171.8	1,083.0	12,719.8
Feb.	7,056.1	849.9	6,206.2	1,435.7	1,156.1	279.6	549.8	2,483.5	172.3	1,072.0	12,769.3
Mar.	7,125.7	852.6	6,273.1	1,452.7	1,165.2	287.6	567.0	2,636.9	172.0	1,116.5	13,070.8
Apr.	7,156.8	844.4	6,312.4	1,465.2	1,171.4	293.8	586.8	2,613.8	173.3	1,127.3	13,123.1
May	7,172.0	839.3	6,332.7	1,491.4	1,191.3	300.1	587.2	2,674.7	174.6	1,147.5	13,247.4
June	7,223.1	836.6	6,386.5	1,506.3	1,205.2	301.0	557.4	2,702.5	175.4	1,146.2	13,310.9
July	7,226.4	833.8	6,392.6	1,514.5	1,200.4	314.1	552.2	2,615.8	176.5	1,091.4	13,176.9
Aug.	7,197.7	829.7	6,368.0	1,514.4	1,191.8	322.6	545.1	2,620.3	176.9	1,081.8	13,136.1
Sep.	7,251.0	830.8	6,420.2	1,520.9	1,194.2	326.6	534.7	2,692.8	177.6	1,133.4	13,310.4
Oct.	7,278.1	828.2	6,449.9	1,515.2	1,185.8	329.4	543.5	2,739.0	178.3	1,163.6	13,417.7
Nov.	7,344.8	843.3	6,501.5	1,522.8	1,190.1	332.6	544.5	2,824.9	179.1	1,154.0	13,570.1
Dec.	7,366.9	846.4	6,520.6	1,515.7	1,178.0	337.7	570.4	2,803.4	180.3	1,147.1	13,583.9
2002 Jan. <sup>(p)</sup>	7,379.9	843.4	6,536.5	1,547.8	1,205.5	342.3	570.1	2,828.5	178.1	1,182.4	13,686.7

## 2. Liabilities: levels

													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 <sup>3)</sup>	Money market paper and debt securities issued <sup>3)</sup>	Capital and reserves	External liabilities <sup>2)</sup>	Re-maining liabilities		Excess of inter-MFI liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2000 July	343.1	134.6	5,150.3	1,605.0	2,088.6	1,284.6	172.0	316.8	1,639.7	893.9	2,256.0	1,475.9	25.9	12,236.1
Aug.	338.0	140.5	5,149.0	1,577.6	2,122.4	1,279.6	169.4	320.4	1,658.0	898.2	2,310.0	1,500.2	8.8	12,323.1
Sep.	339.0	159.2	5,161.8	1,589.5	2,128.7	1,272.3	171.4	310.5	1,663.8	926.3	2,369.7	1,439.4	10.7	12,380.3
Oct.	336.8	172.4	5,165.9	1,590.7	2,141.1	1,263.5	170.6	313.5	1,684.4	932.8	2,437.2	1,481.7	12.5	12,537.3
Nov.	336.9	168.7	5,187.2	1,608.9	2,148.6	1,256.2	173.5	319.8	1,668.5	920.7	2,419.8	1,477.0	0.4	12,499.1
Dec.	347.6	164.5	5,270.0	1,658.6	2,159.7	1,276.8	174.9	300.1	1,661.9	894.5	2,329.3	1,428.2	11.9	12,408.0
<i>Euro area enlargement</i>														
2001 1 Jan.	355.3	166.2	5,395.1	1,673.3	2,198.4	1,328.2	195.2	300.1	1,663.7	912.1	2,219.4	1,455.2	12.1	12,533.7
2001 Jan.	335.3	147.1	5,379.3	1,623.7	2,212.1	1,329.7	213.8	313.2	1,695.6	909.0	2,445.5	1,473.6	21.1	12,719.8
Feb.	334.3	155.6	5,388.2	1,625.5	2,223.5	1,323.4	215.8	322.3	1,710.4	911.3	2,475.1	1,491.2	-19.2	12,769.3
Mar.	335.5	150.3	5,427.6	1,636.0	2,242.9	1,322.8	225.9	333.2	1,719.2	927.1	2,662.8	1,536.7	-21.6	13,070.8
Apr.	335.4	152.5	5,457.1	1,666.9	2,241.6	1,323.8	224.9	341.8	1,719.7	928.1	2,676.2	1,524.4	-12.2	13,123.1
May	332.1	146.9	5,494.7	1,691.7	2,243.2	1,322.4	237.3	351.3	1,720.5	940.0	2,754.7	1,520.4	-13.2	13,247.4
June	332.2	165.5	5,527.9	1,731.7	2,241.0	1,330.7	224.5	349.3	1,739.6	966.0	2,743.0	1,504.1	-16.8	13,310.9
July	327.3	155.5	5,514.8	1,712.6	2,242.3	1,333.5	226.4	358.4	1,734.5	955.3	2,642.1	1,494.6	-5.7	13,176.9
Aug.	318.5	152.4	5,506.8	1,681.2	2,254.6	1,337.2	233.9	369.9	1,728.6	960.0	2,619.4	1,489.2	-8.6	13,136.1
Sep.	308.9	147.8	5,558.5	1,749.9	2,237.9	1,342.5	228.2	374.4	1,750.9	970.6	2,639.4	1,541.2	18.7	13,310.4
Oct.	294.7	153.3	5,580.4	1,750.2	2,241.5	1,351.8	236.9	386.4	1,766.7	981.4	2,660.9	1,588.5	5.4	13,417.7
Nov.	279.0	150.2	5,635.1	1,798.1	2,242.5	1,365.0	229.5	395.2	1,758.9	982.9	2,726.2	1,632.2	10.3	13,570.1
Dec.	239.7	139.3	5,780.4	1,893.1	2,262.5	1,404.9	220.0	394.3	1,758.4	995.9	2,715.4	1,562.5	-2.1	13,583.9
2002 Jan. <sup>(p)</sup>	245.2	149.2	5,739.1	1,844.9	2,259.6	1,414.5	220.2	413.8	1,773.9	1,007.4	2,749.2	1,602.3	6.7	13,686.7

Source: ECB.

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

2) See Table 2.1, footnote 1.

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

### 3. Assets: flows <sup>1)</sup>

	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 <sup>2)</sup>	Fixed assets	Remaining assets	Total
	1	2			3	4					
2000 Aug.	6.8	-8.6	15.4	-7.1	-10.5	3.4	1.0	3.2	0.3	40.5	44.7
Sep.	66.0	-4.1	70.2	-0.3	-3.5	3.2	2.4	13.9	0.7	-73.2	9.6
Oct.	39.7	1.9	37.8	-10.3	-17.0	6.8	1.6	6.4	3.2	64.3	104.9
Nov.	50.9	7.2	43.7	-6.1	-5.2	-0.9	0.5	15.5	-0.3	-51.0	9.4
Dec.	61.4	9.8	51.6	-15.5	-19.0	3.5	4.8	9.5	1.2	-29.4	32.0
<i>Euro area enlargement</i>											
2001 Jan.	35.0	2.9	32.1	-12.2	-15.6	3.5	12.5	63.3	-1.0	29.5	127.2
Feb.	14.1	-8.2	22.3	13.4	4.5	8.9	7.4	16.7	0.5	-11.9	40.3
Mar.	60.8	2.3	58.5	11.8	4.2	7.6	17.2	98.1	0.1	46.0	234.0
Apr.	33.2	-8.2	41.4	12.5	6.7	5.8	18.4	-18.4	1.2	9.9	56.9
May	3.9	-5.6	9.6	25.7	21.3	4.4	1.0	-1.0	1.4	18.7	49.6
June	57.4	-2.6	60.0	14.4	13.7	0.7	-32.6	28.0	0.9	-1.4	66.6
July	12.7	-2.5	15.1	9.8	-3.0	12.9	-8.4	-42.4	1.1	-50.5	-77.7
Aug.	-18.8	-3.7	-15.1	4.7	-4.2	8.9	-6.0	55.9	0.3	-10.6	25.5
Sep.	48.6	1.0	47.5	-0.9	-4.2	3.3	-5.0	49.1	0.7	51.9	144.4
Oct.	25.7	-2.7	28.4	-6.7	-9.6	2.9	5.4	45.1	0.7	30.2	100.4
Nov.	66.0	15.0	51.0	10.0	7.9	2.1	-3.4	66.7	1.1	6.7	147.3
Dec.	27.8	3.1	24.8	-6.6	-9.6	3.0	24.9	-27.9	1.2	-8.2	11.2
2002 Jan. <sup>(p)</sup>	11.4	-3.2	14.5	26.9	21.6	5.4	0.0	4.6	-2.3	34.8	75.4

### 4. Liabilities: flows <sup>1)</sup>

	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 <sup>3)</sup>	Money market paper and debt securities issued <sup>3)</sup>	Capital and reserves	External liabilities <sup>2)</sup>	Re-maining liabilities	Excess of inter-MFI liabilities	Total
2000 Aug.	-5.1	5.8	-5.9	-29.4	31.3	-5.1	-2.7	3.3	10.7	4.9	13.8	32.3	-15.1	44.7
Sep.	1.0	18.8	6.2	10.7	0.9	-7.4	2.0	-8.9	-0.3	18.8	39.0	-64.4	-0.5	9.6
Oct.	-2.2	13.2	-1.9	-1.0	8.8	-8.9	-0.9	2.5	12.1	5.0	19.5	47.0	9.6	104.9
Nov.	0.1	-3.6	27.1	20.4	10.9	-7.2	3.0	6.1	-7.1	-11.9	28.1	-16.2	-13.2	9.4
Dec.	10.7	-4.3	96.4	53.7	20.3	20.9	1.5	-9.4	-2.9	-21.9	-8.0	-33.9	5.4	32.0
<i>Euro area enlargement</i>														
2001 Jan.	-20.1	-19.0	-14.9	-49.2	14.1	1.5	18.6	14.6	28.1	-4.3	119.2	16.9	6.6	127.2
Feb.	-1.0	8.7	8.4	1.5	11.3	-6.3	1.9	9.3	14.3	2.8	26.5	11.1	-39.8	40.3
Mar.	1.3	-5.2	32.5	8.3	14.9	-0.8	10.1	12.4	3.5	16.6	133.7	47.4	-8.2	234.0
Apr.	-0.1	2.2	29.8	30.8	-1.0	1.1	-1.1	9.3	-2.7	1.3	18.5	-11.7	10.3	56.9
May	-3.3	-5.6	28.8	21.7	-3.6	-1.7	12.4	10.4	-12.5	8.7	11.7	12.8	-1.3	49.6
June	0.1	18.6	34.6	40.4	-1.4	8.3	-12.8	-0.9	21.0	19.0	-5.3	-18.3	-2.3	66.6
July	-5.0	-10.0	-8.1	-17.4	4.4	3.0	1.9	9.5	1.2	-6.4	-58.6	-11.8	11.5	-77.7
Aug.	-8.8	-3.1	-1.9	-29.6	16.3	3.9	7.5	10.8	1.6	7.2	30.3	-7.7	-2.9	25.5
Sep.	-9.6	-4.6	50.8	68.4	-17.3	5.3	-5.6	4.1	15.3	9.6	18.1	41.5	19.1	144.4
Oct.	-14.1	5.4	21.9	0.9	2.9	9.2	8.9	12.4	14.8	7.7	18.2	46.0	-11.8	100.4
Nov.	-15.7	-3.0	52.7	47.3	-0.2	13.2	-7.4	10.1	23.7	2.5	39.3	33.0	4.6	147.3
Dec.	-39.3	-10.9	145.2	95.2	19.6	39.9	-9.5	1.0	-1.6	13.2	-21.4	-62.0	-13.0	11.2
2002 Jan. <sup>(p)</sup>	8.2	10.5	-43.2	-49.2	-3.7	9.5	0.1	20.6	10.5	13.7	12.8	32.7	9.5	75.4

Table 2.4

Monetary aggregates <sup>1)</sup> and counterparts

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

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

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Index Dec. 98=100 <sup>3)</sup>
	Currency in circulation <sup>1)</sup>	Overnight deposits <sup>2)</sup>	Total	Index Dec. 98=100 <sup>3)</sup>				
			3	4	5	6	7	8
2000 July	343.1	1,672.3	2,015.4	112.73	924.0	1,236.8	4,176.2	106.17
Aug.	338.0	1,643.0	1,981.0	110.70	956.5	1,230.4	4,167.9	105.86
Sep.	339.0	1,654.4	1,993.4	111.33	961.5	1,220.3	4,175.3	105.98
Oct.	336.8	1,656.8	1,993.6	111.22	973.1	1,211.1	4,177.7	105.92
Nov.	336.9	1,675.2	2,012.1	112.37	986.3	1,202.0	4,200.4	106.62
Dec.	347.6	1,728.7	2,076.3	116.18	991.8	1,221.0	4,289.1	109.12
<i>Euro area enlargement</i>								
2001 1 Jan.	355.3	1,743.4	2,098.7	-	1,028.6	1,271.1	4,398.5	-
2001 Jan.	335.3	1,692.7	2,028.0	112.28	1,042.1	1,275.0	4,345.1	107.81
Feb.	334.3	1,692.9	2,027.2	112.22	1,054.6	1,269.6	4,351.4	107.96
Mar.	335.5	1,703.1	2,038.6	112.74	1,070.7	1,269.7	4,379.0	108.52
Apr.	335.4	1,735.8	2,071.2	114.54	1,072.0	1,273.3	4,416.6	109.46
May	332.1	1,759.1	2,091.2	115.47	1,072.9	1,273.1	4,437.2	109.77
June	332.2	1,798.3	2,130.5	117.66	1,070.3	1,282.9	4,483.7	110.95
July	327.3	1,780.2	2,107.5	116.48	1,077.2	1,287.1	4,471.8	110.76
Aug.	318.5	1,747.4	2,065.9	114.29	1,092.7	1,292.8	4,451.4	110.37
Sep.	308.9	1,815.1	2,123.9	117.48	1,075.2	1,299.6	4,498.7	111.53
Oct.	294.7	1,816.1	2,110.8	116.78	1,078.9	1,311.5	4,501.1	111.59
Nov.	279.0	1,864.6	2,143.6	118.56	1,081.0	1,326.4	4,551.0	112.79
Dec.	239.7	1,963.8	2,203.5	121.89	1,094.5	1,367.8	4,665.8	115.63
2002 Jan. <sup>(p)</sup>	245.2	1,918.2	2,163.4	119.76	1,088.2	1,386.1	4,637.6	114.97

2. Monetary aggregates: flows <sup>4)</sup>

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Annual growth rate <sup>3)</sup> (%)
	Currency in circulation <sup>1)</sup>	Overnight deposits <sup>2)</sup>	Total	Annual growth rate <sup>3)</sup> (%)				
			3	4	5	6	7	8
2000 Aug.	-5.1	-31.2	-36.3	7.1	30.8	-6.5	-12.0	4.3
Sep.	1.0	10.1	11.2	6.2	3.6	-10.2	4.6	4.2
Oct.	-2.2	0.2	-2.0	5.8	9.0	-9.4	-2.4	3.7
Nov.	0.1	20.6	20.7	5.0	15.6	-8.9	27.4	3.7
Dec.	10.7	57.5	68.2	5.7	11.2	19.3	98.7	3.7
<i>Euro area enlargement</i>								
2001 Jan.	-20.1	-50.4	-70.4	1.6	13.9	3.9	-52.6	2.6
Feb.	-1.0	-0.1	-1.1	2.1	12.3	-5.4	5.8	2.9
Mar.	1.3	8.1	9.3	2.0	13.4	-0.1	22.7	3.3
Apr.	-0.1	32.6	32.5	1.6	1.6	3.7	37.8	3.2
May	-3.3	20.1	16.8	3.2	-3.7	-0.5	12.6	3.6
June	0.1	39.6	39.7	4.3	-1.8	9.8	47.7	4.4
July	-5.0	-16.4	-21.4	3.3	9.0	4.4	-7.9	4.3
Aug.	-8.8	-30.9	-39.7	3.2	18.4	5.9	-15.5	4.3
Sep.	-9.6	67.4	57.8	5.5	-17.9	6.8	46.7	5.2
Oct.	-14.1	1.6	-12.6	5.0	3.2	11.8	2.4	5.4
Nov.	-15.7	47.9	32.2	5.5	1.3	14.8	48.3	5.8
Dec.	-39.3	99.4	60.1	4.9	13.3	41.4	114.7	6.0
2002 Jan. <sup>(p)</sup>	8.2	-46.7	-38.5	6.7	-6.6	18.2	-26.8	6.6

Source: ECB.

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

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

M3 <sup>2)</sup>						
Repurchase agreements	Money market fund shares/units	Money market paper and debt securities up to 2 years	Total	Index Dec. 98=100 <sup>3)</sup>		
9	10	11	12	13		
172.0	316.8	127.2	4,792.2	107.39		2000 July
169.4	320.4	129.8	4,787.5	107.19		Aug.
171.4	310.5	128.9	4,786.1	107.10		Sep.
170.6	313.5	131.7	4,793.6	107.15		Oct.
173.5	319.8	126.7	4,820.5	107.86		Nov.
174.9	300.1	134.9	4,898.9	109.97		Dec.
<i>Euro area enlargement</i>						
195.2	300.1	135.0	5,028.8	-		2001 1 Jan.
213.8	313.2	137.9	5,010.0	109.61		2001 Jan.
215.8	322.3	144.3	5,033.8	110.12		Feb.
225.9	333.2	139.0	5,077.2	110.97		Mar.
224.9	341.8	139.5	5,122.8	111.94		Apr.
237.3	351.3	133.5	5,159.3	112.55		May
224.5	349.3	144.3	5,201.8	113.50		June
226.4	358.4	139.4	5,196.0	113.47		July
233.9	369.9	141.1	5,196.2	113.58		Aug.
228.2	374.4	145.6	5,246.9	114.54		Sep.
236.9	386.4	149.7	5,274.2	115.12		Oct.
229.5	395.2	151.9	5,327.7	116.33		Nov.
220.0	394.3	144.5	5,424.6	118.45		Dec.
220.2	413.8	140.2	5,411.8	118.30		2002 Jan. <sup>4)</sup>

M3 <sup>2)</sup>						
Repurchase agreements	Money market fund shares/units	Money market paper and debt securities up to 2 years	Total	Annual growth rate <sup>3)</sup> (%)		
9	10	11	12	13		
-2.7	3.3	2.7	-8.8	4.7		2000 Aug.
2.0	-8.9	-2.0	-4.2	4.4		Sep.
-0.9	2.5	3.1	2.4	4.2		Oct.
3.0	6.1	-4.7	31.9	3.9		Nov.
1.5	-9.4	3.4	94.2	4.2		Dec.
<i>Euro area enlargement</i>						
18.6	14.6	2.8	-16.6	3.6		2001 Jan.
1.9	9.3	6.2	23.3	3.8		Feb.
10.1	12.4	-6.4	38.8	4.0		Mar.
-1.1	9.3	-1.8	44.3	4.0		Apr.
12.4	10.4	-7.5	27.9	4.5		May
-12.8	-0.9	9.7	43.7	5.6		June
1.9	9.5	-5.0	-1.4	5.7		July
7.5	10.8	2.4	5.3	6.0		Aug.
-5.6	4.1	-1.4	43.7	6.9		Sep.
8.9	12.4	2.7	26.5	7.4		Oct.
-7.4	10.1	4.5	55.5	7.8		Nov.
-9.5	1.0	-9.0	97.2	7.7		Dec.
0.1	20.6	-0.9	-6.9	7.9		2002 Jan. <sup>4)</sup>

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

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



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

	M2								
	M1				Other short-term deposits <sup>5)</sup>			Total	Index Dec. 98=100 <sup>4)</sup>
	Currency in circulation 1	Overnight deposits 2	Total	Index	Total	Index			
			3	Dec. 98=100 <sup>4)</sup>		4	Dec. 98=100 <sup>4)</sup>	5	6
2000 July	338.9	1,661.3	2,000.2	111.89	2,171.2	101.17	4,171.4	106.05	
Aug.	339.2	1,676.2	2,015.5	112.63	2,185.8	101.77	4,201.2	106.71	
Sep.	339.5	1,670.8	2,010.4	112.27	2,194.9	102.13	4,205.3	106.74	
Oct.	339.8	1,677.3	2,017.1	112.53	2,200.2	102.25	4,217.3	106.92	
Nov.	337.8	1,679.5	2,017.3	112.66	2,209.9	102.82	4,227.3	107.30	
Dec.	337.1	1,677.1	2,014.2	112.71	2,198.9	102.58	4,213.1	107.19	
<i>Euro area enlargement</i>									
2001 1 Jan.	342.3	1,692.5	2,034.8	-	2,285.6	-	4,320.3	-	
2001 Jan.	341.0	1,688.4	2,029.4	112.36	2,295.7	103.07	4,325.1	107.32	
Feb.	340.0	1,709.5	2,049.5	113.46	2,310.5	103.73	4,360.1	108.18	
Mar.	337.5	1,714.6	2,052.1	113.49	2,329.7	104.46	4,381.9	108.59	
Apr.	336.2	1,725.4	2,061.5	114.00	2,340.0	104.93	4,401.5	109.08	
May	332.4	1,753.4	2,085.8	115.17	2,345.6	104.97	4,431.4	109.63	
June	329.7	1,762.9	2,092.6	115.57	2,361.4	105.71	4,454.0	110.22	
July	324.4	1,772.7	2,097.1	115.91	2,374.1	106.39	4,471.3	110.74	
Aug.	318.0	1,792.8	2,110.8	116.77	2,378.6	106.72	4,489.4	111.31	
Sep.	309.1	1,822.5	2,131.5	117.90	2,392.2	107.32	4,523.7	112.15	
Oct.	296.9	1,842.6	2,139.5	118.37	2,406.2	107.92	4,545.7	112.69	
Nov.	278.3	1,881.6	2,159.8	119.46	2,425.8	108.75	4,585.6	113.64	
Dec.	233.5	1,905.4	2,138.9	118.31	2,452.3	109.93	4,591.2	113.78	
2002 Jan. <sup>6)</sup>	249.0	1,914.6	2,163.6	119.78	2,455.0	110.04	4,618.6	114.50	

**4. Seasonally adjusted flows <sup>7)</sup>**

	M2										
	M1					Other short-term deposits <sup>5)</sup>			Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)
	Currency in circulation 1	Overnight deposits 2	Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)	Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)			
			3	4	5		6	7	8	9	10
2000 Aug.	0.3	12.9	13.3	0.7	7.2	12.8	0.6	1.8	26.1	0.6	4.3
Sep.	0.3	-6.6	-6.3	-0.3	6.3	7.6	0.3	2.2	1.3	0.0	4.1
Oct.	0.3	4.2	4.5	0.2	5.9	2.6	0.1	2.0	7.1	0.2	3.8
Nov.	-2.0	4.5	2.4	0.1	5.3	12.3	0.6	2.5	14.7	0.3	3.8
Dec.	-0.7	1.5	0.9	0.0	5.1	-5.1	-0.2	2.1	-4.3	-0.1	3.5
<i>Euro area enlargement</i>											
2001 Jan.	-4.0	-3.0	-7.0	-0.3	2.3	11.1	0.5	3.5	4.1	0.1	3.0
Feb.	-1.0	20.8	19.9	1.0	2.3	14.6	0.6	3.5	34.5	0.8	3.0
Mar.	-2.5	3.0	0.4	0.0	1.6	16.4	0.7	4.3	16.8	0.4	3.0
Apr.	-1.4	10.7	9.3	0.5	1.5	10.5	0.4	4.8	19.8	0.5	3.2
May	-3.8	24.9	21.1	1.0	2.9	0.9	0.0	4.0	22.0	0.5	3.5
June	-2.7	9.9	7.2	0.3	3.9	16.6	0.7	4.5	23.7	0.5	4.2
July	-5.3	11.5	6.2	0.3	3.6	15.1	0.6	5.2	21.3	0.5	4.4
Aug.	-6.4	22.0	15.6	0.7	3.7	7.5	0.3	4.9	23.1	0.5	4.3
Sep.	-9.0	29.4	20.5	1.0	5.0	13.2	0.6	5.1	33.7	0.8	5.1
Oct.	-12.2	20.7	8.5	0.4	5.2	13.5	0.6	5.5	22.0	0.5	5.4
Nov.	-18.6	38.3	19.7	0.9	6.0	18.6	0.8	5.8	38.3	0.8	5.9
Dec.	-44.8	24.0	-20.8	-1.0	5.0	26.3	1.1	7.2	5.6	0.1	6.2
2002 Jan. <sup>6)</sup>	18.2	8.2	26.4	1.2	6.6	2.4	0.1	6.8	28.8	0.6	6.7

Source: ECB.

- 1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.
- 2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units, money market paper and debt securities up to 2 years.
- 3) Loans, with other components of credit, are shown without seasonal adjustment on page 20\*.
- 4) For the calculations of the index and the growth rates, see the technical notes.

M3 <sup>2)</sup>				Loans to other euro area residents (excluding government) <sup>3)</sup>		
Marketable instruments <sup>6)</sup>		Total	Index Dec. 98=100 <sup>4)</sup>	Total	Index Dec. 98=100 <sup>4)</sup>	
Total	Index Dec. 98=100 <sup>4)</sup>					
9	10	11	12	13	14	
617.2	116.98	4,788.6	107.31	5,858.5	115.31	2000 July
618.1	117.09	4,819.4	107.91	5,917.8	116.42	Aug.
618.6	117.17	4,824.0	107.95	5,991.1	117.56	Sep.
624.2	118.17	4,841.5	108.22	6,035.7	118.34	Oct.
626.8	118.71	4,854.1	108.62	6,067.5	119.13	Nov.
636.4	121.65	4,849.5	108.86	6,075.3	119.62	Dec.
<i>Euro area enlargement</i>						
657.8	-	4,978.1	-	6,130.0	-	2001 1 Jan.
672.1	124.58	4,997.2	109.33	6,179.7	120.45	2001 Jan.
675.2	125.14	5,035.2	110.15	6,212.7	121.11	Feb.
684.5	126.93	5,066.4	110.73	6,263.5	121.94	Mar.
689.8	127.65	5,091.3	111.25	6,303.8	122.77	Apr.
702.1	129.80	5,133.5	111.98	6,340.7	123.27	May
713.7	131.95	5,167.6	112.75	6,361.2	123.79	June
726.3	134.35	5,197.6	113.50	6,377.1	124.28	July
743.0	137.46	5,232.4	114.37	6,395.7	124.83	Aug.
759.2	139.26	5,282.9	115.32	6,432.2	125.45	Sep.
782.3	143.36	5,327.9	116.29	6,465.1	126.06	Oct.
786.0	144.71	5,371.6	117.29	6,512.4	126.97	Nov.
792.6	145.97	5,383.8	117.56	6,505.5	126.95	Dec.
780.3	144.55	5,398.9	118.02	6,531.4	127.43	2002 Jan. <sup>6)</sup>

M3 <sup>2)</sup>							Loans to other euro area residents (excluding government) <sup>3)</sup>			
Marketable instruments <sup>6)</sup>			Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)	3-month moving average (centred) (%)	Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)	
Total	Monthly growth rate <sup>4)</sup> (%)	Annual growth rate <sup>4)</sup> (%)								
12	13	14	15	16	17	18	19	20	21	
0.6	0.1	7.4	26.7	0.6	4.7	4.5	59.1	1.0	9.5	2000 Aug.
0.4	0.1	6.3	1.8	0.0	4.4	4.4	73.3	1.0	10.0	Sep.
5.2	0.8	7.2	12.4	0.3	4.3	4.2	44.5	0.7	9.7	Oct.
2.9	0.5	5.2	17.6	0.4	4.0	4.1	31.9	0.7	9.3	Nov.
15.5	2.5	7.6	11.2	0.2	4.1	4.0	7.9	0.4	9.6	Dec.
<i>Euro area enlargement</i>										
16.5	2.4	10.3	20.7	0.4	3.9	3.9	104.4	0.7	9.3	2001 Jan.
3.0	0.4	9.9	37.5	0.8	3.8	3.8	32.9	0.6	9.0	Feb.
9.7	1.4	8.8	26.5	0.5	3.8	3.9	50.7	0.7	8.7	Mar.
3.9	0.6	9.1	23.7	0.5	4.0	4.0	40.4	0.7	8.4	Apr.
11.6	1.7	10.6	33.6	0.7	4.4	4.6	36.7	0.4	8.0	May
11.6	1.6	13.9	35.3	0.7	5.5	5.2	20.5	0.4	7.9	June
13.0	1.8	14.8	34.3	0.7	5.8	5.7	16.0	0.4	7.8	July
16.8	2.3	17.4	39.9	0.8	6.0	6.2	18.7	0.4	7.2	Aug.
9.7	1.3	18.9	43.4	0.8	6.8	6.8	36.4	0.5	6.7	Sep.
22.3	2.9	21.3	44.3	0.8	7.5	7.4	32.9	0.5	6.5	Oct.
7.4	0.9	21.9	45.7	0.9	8.0	7.8	47.3	0.7	6.6	Nov.
6.8	0.9	20.0	12.4	0.2	8.0	8.0	-6.9	0.0	6.1	Dec.
-7.7	-1.0	16.0	21.1	0.4	7.9	.	25.9	0.4	5.8	2002 Jan. <sup>6)</sup>

5) 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.

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

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

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

	Longer-term MFI liabilities				Credit <sup>2)</sup>				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to government	Credit to other euro area residents	Of which loans	Index Dec. 98 =100 <sup>3)</sup>		
	1	2	3	4	5	6	7	8	9	10
2000 July	1,165.1	116.6	1,507.2	893.9	1,974.6	6,636.0	5,874.6	115.63	118.1	164.9
Aug.	1,166.3	118.2	1,523.0	898.2	1,950.6	6,660.4	5,893.1	115.94	109.6	165.2
Sep.	1,167.5	120.5	1,529.9	926.3	1,946.4	6,750.5	5,978.5	117.32	92.8	166.0
Oct.	1,168.4	121.3	1,548.6	932.8	1,935.5	6,799.7	6,021.4	118.06	77.8	168.0
Nov.	1,162.6	122.9	1,537.2	920.7	1,939.2	6,836.2	6,056.7	118.91	68.1	167.7
Dec.	1,168.2	125.4	1,525.2	894.5	1,925.3	6,877.6	6,090.7	119.93	77.1	169.9
<i>Euro area enlargement</i>										
2001 1 Jan.	1,170.0	126.7	1,526.9	912.1	2,009.9	6,952.0	6,154.0	-	183.3	172.9
2001 Jan.	1,170.2	126.8	1,555.3	909.0	2,003.7	6,998.4	6,185.0	120.55	17.4	171.8
Feb.	1,169.2	126.9	1,564.2	911.3	2,006.0	7,035.5	6,206.2	120.99	8.4	172.3
Mar.	1,172.5	126.4	1,576.9	927.1	2,017.7	7,127.7	6,273.1	122.13	-26.0	172.0
Apr.	1,169.7	124.6	1,577.8	928.1	2,015.7	7,193.0	6,312.4	122.93	-62.4	173.3
May	1,170.5	123.2	1,584.5	940.0	2,030.6	7,220.0	6,332.7	123.12	-80.0	174.6
June	1,170.8	122.0	1,593.2	966.0	2,041.8	7,245.0	6,386.5	124.29	-40.5	175.4
July	1,165.2	120.7	1,592.5	955.3	2,034.1	7,258.9	6,392.6	124.58	-26.3	176.5
Aug.	1,161.9	119.5	1,585.1	960.0	2,021.5	7,235.6	6,368.0	124.29	0.9	176.9
Sep.	1,162.7	118.6	1,603.7	970.6	2,025.0	7,281.6	6,420.2	125.21	53.4	177.6
Oct.	1,162.6	116.9	1,615.6	981.4	2,014.0	7,322.8	6,449.9	125.77	78.1	178.3
Nov.	1,161.5	115.8	1,605.4	982.9	2,033.5	7,378.6	6,501.5	126.76	98.7	179.1
Dec.	1,168.0	115.8	1,612.6	995.9	2,024.4	7,428.6	6,520.6	127.24	88.0	180.3
2002 Jan. <sup>4)</sup>	1,171.4	112.3	1,632.6	1,007.4	2,048.9	7,448.9	6,536.5	127.53	79.4	178.1

**6. Main counterparts of M3: flows <sup>4)</sup>**

	Longer-term MFI liabilities				Credit <sup>2)</sup>				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to government	Credit to other euro area residents	Of which loans	Annual growth rate <sup>3)</sup> (%)		
	1	2	3	4	5	6	7	8	9	10
2000 Aug.	0.5	1.7	8.0	4.9	-19.1	19.9	15.4	9.5	-10.6	0.3
Sep.	-2.7	2.2	1.8	18.8	-7.6	75.8	70.2	10.0	-25.0	0.7
Oct.	-0.2	0.8	10.0	5.0	-15.1	46.2	37.8	9.7	-13.2	3.2
Nov.	-4.8	1.6	-3.1	-11.9	2.0	43.3	43.7	9.3	-12.6	-0.3
Dec.	9.1	2.5	-3.4	-21.9	-9.1	59.9	51.6	9.5	17.5	1.2
<i>Euro area enlargement</i>										
2001 Jan.	0.2	0.2	24.7	-4.3	-12.7	48.1	32.1	9.3	-55.9	-1.0
Feb.	-1.1	0.1	8.6	2.8	-3.7	38.6	22.3	9.0	-9.8	0.5
Mar.	1.4	-0.5	8.5	16.6	6.5	83.4	58.5	8.7	-35.6	0.1
Apr.	-2.6	-1.9	-0.1	1.3	-1.4	65.6	41.4	8.4	-36.8	1.2
May	0.1	-1.4	-5.1	8.7	15.6	15.0	9.6	8.0	-12.8	1.4
June	0.4	-1.1	11.6	19.0	11.1	28.1	60.0	7.9	33.3	0.9
July	-4.7	-1.4	5.8	-6.4	-5.5	19.6	15.1	7.7	16.2	1.1
Aug.	-2.1	-1.2	-0.7	7.2	-7.9	-12.1	-15.1	7.2	25.6	0.3
Sep.	0.6	-0.9	17.6	9.6	-3.2	45.9	47.5	6.7	31.0	0.7
Oct.	-0.3	-1.7	12.3	7.7	-12.3	36.7	28.4	6.5	26.9	0.7
Nov.	-1.5	-1.1	19.0	2.5	22.9	49.7	51.0	6.6	27.4	1.1
Dec.	6.4	0.1	7.7	13.2	-6.6	52.6	24.8	6.1	-6.5	1.2
2002 Jan. <sup>4)</sup>	2.9	-3.6	11.5	13.7	18.4	19.8	14.5	5.8	-8.2	-2.3

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

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

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

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

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

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total		Index Dec.98 =100 <sup>2)</sup>	Total		Index Dec.98 =100 <sup>2)</sup>	Central government <sup>3)</sup>	Other general government					Total	Index Dec.98 =100 <sup>2)</sup>
	1	Up to 1 year		4	Up to 1 year			8	State government	Local government		Social security funds		
			Over 5 years			Over 5 years	10			11	12			
13	14													
2000 Q2	381.5	246.1	135.7	38.8	29.1	141.3	186.8	290.0	252.1	339.0	306.0	19.7	835.6	99.0
Q3	385.4	247.2	138.8	33.0	25.3	120.4	173.3	288.4	252.4	337.8	305.3	18.5	818.1	97.3
Q4	394.8	252.9	142.8	31.5	21.8	114.8	173.1	297.3	255.4	350.9	315.8	14.6	835.9	99.5
<i>Euro area enlargement</i>														
2001 1 Jan.	395.4	253.4	-	31.6	21.8	-	185.6	297.3	255.4	351.5	316.4	15.2	849.6	-
2001 Q1	418.0	273.0	152.9	35.9	26.8	130.5	189.3	295.3	255.3	352.4	314.0	15.6	852.6	99.1
Q2	425.2	280.6	155.7	35.8	26.7	130.1	175.1	294.0	254.9	350.4	312.4	17.2	836.6	97.2
Q3	408.4	256.3	149.4	36.6	26.9	133.9	168.2	293.9	254.1	349.7	311.9	18.9	830.8	96.6
Q4 <sup>4)</sup>	434.3	276.5	159.6	33.3	24.2	122.0	167.8	298.3	252.0	361.9	319.6	18.5	846.4	98.4

**2. Loans to non-monetary financial corporations and to government: flows <sup>4)</sup>**

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total		Annual growth rate <sup>2)</sup> (%)	Total		Annual growth rate <sup>2)</sup> (%)	Central government <sup>3)</sup>	Other general government					Total	Annual growth rate <sup>2)</sup> (%)
	1	Up to 1 year		4	Up to 1 year			8	State government	Local government		Social security funds		
			Over 5 years			Over 5 years	10			11	12			
13	14													
2000 Q3	8.6	1.1	24.5	-5.7	-3.8	-21.2	-9.9	-2.3	-0.3	-0.5	0.0	-1.2	-13.9	-1.1
Q4	11.2	6.8	18.2	-1.5	-3.5	6.6	0.2	8.8	3.0	12.8	10.3	-3.9	18.0	-0.9
<i>Euro area enlargement</i>														
2001 Q1	28.1	22.7	19.6	4.3	5.0	-3.4	-0.6	-2.0	-0.1	-0.7	-3.7	0.4	-2.9	-0.4
Q2	7.5	7.6	14.7	-0.1	-0.1	-7.9	-14.7	-1.3	-0.4	-2.0	-1.7	1.6	-16.4	-1.8
Q3	-17.2	-24.4	7.7	1.0	0.2	11.2	-6.2	0.0	-0.7	-0.7	-0.4	1.7	-5.2	-0.7
Q4 <sup>4)</sup>	28.0	21.9	11.8	-3.3	-2.7	6.3	-0.7	4.3	-2.1	12.2	7.7	-0.4	15.4	-1.1

Source: ECB.

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

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

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

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

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

	Non-financial corporations					Consumer credit <sup>3)</sup>				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 <sup>2)</sup>	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 <sup>2)</sup>
	1	2	3	4	5	6	7	8	9	10
2000 Q2	918.2	407.1	1,236.9	2,562.1	113.0	93.5	161.4	201.9	456.8	111.7
Q3	953.5	423.6	1,256.9	2,634.0	115.8	96.4	164.9	208.3	469.6	114.4
Q4	967.9	429.3	1,287.8	2,685.0	118.7	97.5	165.2	212.9	475.7	115.9
<i>Euro area enlargement</i>										
2001 1 Jan.	996.6	436.6	1,293.6	2,726.9	-	102.1	166.1	213.0	481.2	-
2001 Q1	1,034.2	445.4	1,313.5	2,793.1	120.9	98.7	168.4	212.7	479.8	115.0
Q2	1,051.7	455.8	1,343.3	2,850.8	123.2	100.0	171.1	217.6	488.7	117.5
Q3	1,027.8	466.8	1,371.7	2,866.3	124.4	100.6	170.7	221.7	493.1	118.6
Q4 <sup>(p)</sup>	1,031.6	489.3	1,384.2	2,905.1	126.1	101.8	172.0	226.7	500.5	120.2

**4. Loans to non-financial sectors other than government: flows <sup>4)</sup>**

	Non-financial corporations					Consumer credit <sup>3)</sup>				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate <sup>2)</sup> (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate <sup>2)</sup> (%)
	1	2	3	4	5	6	7	8	9	10
2000 Q3	28.8	16.4	18.1	63.2	11.1	2.1	3.2	5.8	11.2	8.0
Q4	20.0	9.6	36.3	65.8	10.9	1.1	0.4	4.6	6.2	7.8
<i>Euro area enlargement</i>										
2001 Q1	32.8	5.4	13.3	51.5	10.0	-4.4	0.1	0.4	-3.9	4.5
Q2	13.9	12.2	26.0	52.1	9.0	1.3	3.9	5.2	10.4	5.2
Q3	-18.8	14.2	31.9	27.2	7.4	0.9	-0.5	4.1	4.5	3.6
Q4 <sup>(p)</sup>	3.1	24.0	12.3	39.3	6.3	1.1	0.8	4.9	6.8	3.7

Source: ECB.

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

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

Households											Non-profit institutions serving households			
Lending for house purchase <sup>3)</sup>					Other lending					Total	Index Dec.98 =100 <sup>2)</sup>	Total	Index Dec.98 =100 <sup>2)</sup>	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 <sup>2)</sup>	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 <sup>2)</sup>					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
20.3	60.5	1,699.2	1,780.1	116.8	145.7	102.4	341.3	589.4	111.7	2,826.2	114.8	37.6	107.8	2000 Q2
21.8	62.8	1,747.8	1,832.4	119.0	143.3	101.0	342.1	586.4	111.6	2,888.4	116.6	37.6	107.7	Q3
22.2	62.4	1,792.5	1,877.2	121.8	147.4	101.0	340.0	588.3	112.7	2,941.2	118.9	38.2	109.3	Q4
<i>Euro area enlargement</i>														
22.2	62.9	1,803.4	1,888.5	-	147.6	101.0	340.0	588.5	-	2,958.2	-	38.2	-	2001 1 Jan.
21.8	61.9	1,832.1	1,915.8	123.7	146.9	104.2	342.1	593.2	113.7	2,988.9	120.1	37.3	106.5	2001 Q1
22.3	62.4	1,868.3	1,953.1	125.8	148.8	100.6	342.7	592.1	114.8	3,033.9	122.1	40.7	116.5	Q2
22.3	61.0	1,906.7	1,990.0	128.2	144.3	100.5	342.1	586.9	113.9	3,070.0	123.6	39.0	111.6	Q3
22.7	60.9	1,932.2	2,015.8	129.9	144.9	102.1	345.4	592.3	115.5	3,108.6	125.2	39.2	112.2	Q4 <sup>(p)</sup>

Households											Non-profit institutions serving households			
Lending for house purchase <sup>3)</sup>					Other lending					Total	Annual growth rate <sup>2)</sup> (%)	Total	Annual growth rate <sup>2)</sup> (%)	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate <sup>2)</sup> (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate <sup>2)</sup> (%)					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
-0.1	0.7	32.9	33.5	9.0	-1.7	-0.9	2.0	-0.7	4.9	44.0	8.0	0.0	3.9	2000 Q3
0.4	-0.4	43.5	43.4	8.6	4.4	1.1	0.3	5.8	3.5	55.4	7.4	0.6	2.0	Q4
<i>Euro area enlargement</i>														
-0.5	-0.9	30.2	28.7	8.3	0.4	3.1	2.0	5.5	3.1	30.3	6.6	-1.0	-4.8	2001 Q1
0.5	0.5	32.1	33.1	7.7	2.0	-1.8	5.1	5.3	2.7	48.9	6.3	3.5	8.1	Q2
-0.1	-1.4	39.0	37.5	7.8	-4.5	0.1	0.1	-4.4	2.1	37.6	6.0	-1.7	3.7	Q3
0.5	-0.1	25.1	25.4	6.6	0.6	4.0	3.9	8.4	2.5	40.6	5.3	0.2	2.6	Q4 <sup>(p)</sup>

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

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

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

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total <sup>2)</sup>				Index Dec.98 =100 <sup>3)</sup>	Total <sup>2)</sup>				Index Dec.98 =100 <sup>3)</sup>	Central government	Other general government			Total	Index Dec.98 =100 <sup>3)</sup>
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	430.7	164.5	184.1	76.8	130.6	460.7	34.6	411.0	11.6	111.4	146.0	31.7	62.7	59.3	299.6	114.0
Q3	431.4	158.6	191.1	76.6	131.1	464.5	34.1	413.8	12.9	111.7	159.2	30.3	63.2	57.8	310.6	117.8
Q4	431.1	153.6	198.9	74.0	131.0	477.6	40.6	418.5	15.3	114.8	164.5	30.6	68.2	53.2	316.5	120.1
<i>Euro area enlargement</i>																
2001 1 Jan.	434.1	154.1	200.2	75.2	-	479.9	40.7	418.5	17.5	-	166.2	30.6	69.1	55.1	321.0	-
2001 Q1	441.9	151.8	194.2	91.2	133.4	483.5	38.2	423.0	18.8	115.7	150.3	30.9	65.0	57.2	303.5	113.4
Q2	455.4	164.3	195.9	89.3	136.3	486.1	41.4	424.0	16.9	116.3	165.5	31.4	66.8	60.8	324.6	121.3
Q3	455.2	162.7	201.7	85.6	133.8	487.6	39.3	426.7	17.9	116.7	147.8	33.3	67.4	60.4	308.9	115.5
Q4 <sup>4)</sup>	467.3	158.3	217.9	85.9	136.1	493.9	46.8	427.3	16.4	118.2	139.3	30.0	70.0	60.2	299.4	111.9

**2. Deposits held by non-monetary financial corporations and by government: flows <sup>4)</sup>**

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total <sup>2)</sup>				Annual growth rate <sup>3)</sup> (%)	Total <sup>2)</sup>				Annual growth rate <sup>3)</sup> (%)	Central government	Other general government			Total	Annual growth rate <sup>3)</sup> (%)
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q3	1.5	-5.8	7.7	-0.2	11.2	1.2	-0.7	0.4	1.3	5.7	13.3	-1.4	-0.4	-1.4	10.1	18.3
Q4	-0.2	-4.9	7.7	-2.6	8.9	13.1	6.5	4.7	2.4	6.1	5.3	0.3	5.0	-4.7	6.0	12.5
<i>Euro area enlargement</i>																
2001 Q1	7.7	-2.5	-5.9	16.0	1.8	3.7	-2.5	4.5	1.3	4.3	-15.6	0.1	-4.1	2.1	-17.5	10.6
Q2	9.6	12.4	-2.1	-1.8	4.3	2.8	3.4	1.0	-1.9	4.5	15.1	0.5	1.9	3.6	21.1	6.5
Q3	-8.2	-1.6	-2.2	-3.7	2.1	1.5	-2.1	2.7	1.0	4.5	-17.7	1.9	0.5	-0.5	-15.7	-2.0
Q4 <sup>4)</sup>	7.7	-4.3	11.4	0.4	3.9	6.3	7.6	0.5	-1.5	3.0	-8.6	-3.4	2.6	-0.2	-9.5	-6.8

Source: ECB.

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

2) Including deposits redeemable at notice.

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

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



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

	Non-financial corporations						Households <sup>2)</sup>					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.98 =100 <sup>3)</sup>	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.98 =100 <sup>3)</sup>
	1	2	3	4	5	6	7	8	9	10	11	12
2000 Q2	459.7	307.7	24.1	26.9	818.4	104.6	888.2	1,095.1	1,254.6	46.6	3,284.5	101.8
Q3	464.2	331.8	24.7	25.0	845.7	106.7	874.4	1,107.6	1,235.3	51.6	3,268.9	101.4
Q4	497.4	324.6	24.1	26.3	872.4	111.5	906.9	1,131.5	1,241.4	57.1	3,336.9	103.5
<i>Euro area enlargement</i>												
2001 1 Jan.	504.5	337.9	24.2	30.5	897.2	-	910.4	1,154.0	1,292.3	69.6	3,426.4	-
2001 Q1	478.9	349.2	24.1	32.4	884.6	108.9	906.1	1,192.3	1,287.0	78.9	3,464.4	104.6
Q2	514.5	335.7	24.4	32.1	906.7	111.3	947.2	1,198.7	1,293.5	81.3	3,520.7	106.3
Q3	514.8	322.7	25.4	34.5	897.5	112.3	963.5	1,203.8	1,305.2	84.6	3,557.1	107.5
Q4 <sup>4)</sup>	576.5	338.4	27.5	36.8	979.1	122.2	1,041.6	1,195.8	1,365.6	77.0	3,680.0	111.3

**4. Deposits held by non-financial sectors other than government: flows <sup>4)</sup>**

	Non-financial corporations						Households <sup>2)</sup>					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate <sup>3)</sup> (%)	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate <sup>3)</sup> (%)
	1	2	3	4	5	6	7	8	9	10	11	12
2000 Q3	0.3	16.4	1.3	-2.0	16.0	9.2	-13.8	12.6	-19.6	5.0	-15.8	1.0
Q4	36.8	0.5	-0.6	1.3	38.0	11.1	32.6	24.5	6.4	5.5	69.0	1.1
<i>Euro area enlargement</i>												
2001 Q1	-28.4	6.9	-0.1	1.8	-19.9	7.4	-4.6	37.8	-5.8	9.3	36.7	2.4
Q2	32.9	-13.4	0.3	-0.4	19.4	6.4	41.1	6.4	6.2	2.3	56.1	4.4
Q3	3.7	1.1	0.4	2.5	7.7	5.2	16.2	5.2	12.7	3.4	37.4	6.0
Q4 <sup>4)</sup>	61.6	13.2	2.0	2.3	79.2	9.6	78.3	-3.0	60.3	-7.6	128.0	7.6

Source: ECB.

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

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

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

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

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

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks <sup>1)2)</sup>		Non-banks				Total	Index Dec.98 =100 <sup>3)</sup>	Banks <sup>1)</sup>		Non-banks				Total	Index Dec.98 =100 <sup>3)</sup>
	Total	Index Dec.98 =100 <sup>3)</sup>	General govern- ment	Other	Total	Index Dec.98 =100 <sup>3)</sup>			Total	Index Dec.98 =100 <sup>3)</sup>	General govern- ment	Other	Total	Index Dec.98 =100 <sup>3)</sup>		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	977.7	97.1	81.0	399.0	480.0	118.7	1,457.7	103.2	153.0	152.8	302.8	161.3	464.1	107.8	617.1	116.0
Q3	979.4	94.4	79.3	441.4	520.7	123.3	1,500.0	102.6	168.2	160.9	321.5	175.4	496.9	110.1	665.1	119.5
Q4	945.4	93.4	78.9	445.6	524.5	127.9	1,469.8	103.3	171.1	172.5	290.6	183.7	474.3	109.1	645.4	120.9
<i>Euro area enlargement</i>																
2001 1 Jan.	964.1	-	78.9	449.3	528.2	-	1,492.2	-	171.3	-	296.2	184.0	480.2	-	651.5	-
2001 Q1	1,051.5	100.4	76.3	517.9	594.2	143.1	1,645.7	112.6	188.8	188.0	285.9	204.5	490.4	113.1	679.3	126.9
Q2	1,071.3	100.7	78.9	519.3	598.2	141.0	1,669.5	112.3	205.1	200.4	294.6	207.8	502.3	113.9	707.4	129.9
Q3	1,081.3	103.6	74.9	527.7	602.6	146.9	1,683.9	116.0	200.6	202.0	273.8	212.1	485.8	113.8	686.4	130.1
Q4 <sup>4)</sup>	1,110.3	106.0	74.4	548.5	622.9	149.7	1,733.2	118.6	234.9	233.1	289.0	220.0	509.0	117.7	743.9	139.1

**2. Flows <sup>4)</sup>**

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks <sup>1)2)</sup>		Non-banks				Total	Annual growth rate <sup>3)</sup> (%)	Banks <sup>1)</sup>		Non-banks				Total	Annual growth rate <sup>3)</sup> (%)
	Total	Annual growth rate <sup>3)</sup> (%)	General govern- ment	Other	Total	Annual growth rate <sup>3)</sup> (%)			Total	Annual growth rate <sup>3)</sup> (%)	General govern- ment	Other	Total	Annual growth rate <sup>3)</sup> (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q3	-27.3	-2.4	-1.7	20.5	18.8	7.8	-8.6	0.9	8.1	23.2	17.1	-6.9	10.2	13.0	18.3	15.3
Q4	-10.3	3.6	-0.7	19.9	19.2	10.4	9.0	6.0	12.2	26.7	-31.8	27.3	-4.5	7.1	7.7	11.6
<i>Euro area enlargement</i>																
2001 Q1	70.9	6.8	3.7	58.9	62.6	20.1	133.5	11.3	15.4	27.5	5.3	11.7	17.0	6.3	32.4	11.4
Q2	3.0	3.7	2.6	-11.2	-8.6	18.9	-5.6	8.7	12.4	31.1	9.2	-5.6	3.6	5.7	16.0	12.0
Q3	31.2	9.8	-4.0	28.9	24.9	19.1	56.1	13.0	1.6	25.5	-21.8	21.2	-0.6	3.3	1.0	8.9
Q4 <sup>4)</sup>	25.4	13.5	-0.4	12.1	11.6	17.1	37.0	14.8	30.9	35.1	15.2	1.5	16.7	7.8	47.6	15.1

Source: ECB.

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

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

**Table 2.7 (cont'd)**

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks <sup>1)</sup>		Other		Total	Index Dec.98 =100 <sup>3)</sup>	Banks <sup>1)</sup>		Non-banks				Total	Index Dec.98 =100 <sup>3)</sup>	
Total	Index Dec.98 =100 <sup>3)</sup>	Total	Index Dec.98 =100 <sup>3)</sup>			Total	Index Dec.98 =100 <sup>3)</sup>	General government	Other	Total	Index Dec.98 =100 <sup>3)</sup>			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
50.8	205.0	67.5	160.7	118.3	176.5	1,505.6	122.4	77.2	470.1	547.3	130.7	2,052.9	124.5	2000 Q2
58.0	226.4	81.4	190.0	139.4	202.8	1,578.2	123.5	81.6	526.4	608.0	140.2	2,186.2	127.8	Q3
61.6	241.8	80.0	192.7	141.6	210.2	1,550.8	125.1	84.6	504.0	588.6	139.1	2,139.4	128.7	Q4
<i>Euro area enlargement</i>														
62.3	-	80.2	-	142.5	-	1,560.8	-	85.6	507.9	593.4	-	2,154.2	-	2001 1 Jan.
65.1	252.2	94.3	227.2	159.4	235.4	1,781.6	140.8	89.3	577.1	666.4	154.1	2,448.0	144.2	2001 Q1
61.1	236.5	97.2	233.7	158.3	233.3	1,817.3	140.8	94.8	587.0	681.9	155.0	2,499.2	144.5	Q2
63.6	245.8	89.9	215.6	153.5	225.8	1,710.0	137.0	93.7	588.5	682.1	159.6	2,392.1	142.7	Q3
73.1	269.4	91.2	220.3	164.3	237.7	1,712.8	135.9	95.0	621.8	716.8	165.8	2,429.5	143.5	Q4 <sup>(p)</sup>

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks <sup>1)</sup>		Other		Total	Annual growth rate <sup>3)</sup> (%)	Banks <sup>1)</sup>		Non-banks				Total	Annual growth rate <sup>3)</sup> (%)	
Total	Annual growth rate <sup>3)</sup> (%)	Total	Annual growth rate <sup>3)</sup> (%)			Total	Annual growth rate <sup>3)</sup> (%)	General government	Other	Total	Annual growth rate <sup>3)</sup> (%)			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
5.3	31.1	12.3	63.4	17.6	48.6	14.5	9.7	4.4	35.6	40.0	22.2	54.4	12.9	2000 Q3
4.0	47.8	1.1	46.2	5.1	46.8	20.1	12.4	3.0	-7.9	-4.9	17.7	15.2	13.8	Q4
<i>Euro area enlargement</i>														
2.7	27.1	14.3	46.7	17.0	38.1	194.8	12.9	3.5	60.0	63.5	20.8	258.3	14.9	2001 Q1
-4.1	15.3	2.7	45.4	-1.4	32.2	0.2	15.1	5.6	-1.5	4.1	18.6	4.2	16.0	Q2
2.4	8.6	-7.5	13.4	-5.1	11.4	-49.9	10.9	-1.2	21.0	19.9	13.8	-30.1	11.7	Q3
6.1	11.4	2.0	14.3	8.1	13.1	-13.1	8.6	1.3	25.4	26.7	19.2	13.6	11.5	Q4 <sup>(p)</sup>

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

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

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

	MFIs								Non-MFIs							
	All currencies 1	Euro <sup>2)</sup> 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro <sup>2)</sup> 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
2000 Q2	4,053.5	3,618.5	52.8	382.2	265.1	34.7	62.2	20.1	5,293.9	5,113.7	27.9	152.3	113.0	17.1	13.2	9.0
Q3	3,941.1	3,481.1	57.9	402.1	279.2	38.1	64.9	19.9	5,321.0	5,132.0	29.1	160.0	121.0	16.5	12.5	10.1
Q4	3,949.6	3,526.2	47.5	376.0	265.0	34.4	61.0	15.6	5,434.5	5,256.3	27.3	150.9	115.1	14.6	11.3	9.9
<i>Euro area enlargement</i>																
2001 Q1	4,059.5	3,558.8	55.4	445.3	316.6	40.2	67.8	20.7	5,578.0	5,367.6	31.2	179.2	130.8	23.8	12.3	12.2
Q2	4,072.3	3,585.9	52.8	433.6	309.0	40.3	65.4	19.0	5,693.4	5,480.4	30.7	182.2	133.5	24.0	11.6	13.2
Q3	4,101.4	3,624.1	48.9	428.4	300.5	38.9	71.0	17.9	5,706.4	5,507.3	28.2	170.9	125.7	22.1	10.8	12.2
Q4 <sup>(p)</sup>	4,182.2	3,710.2	47.1	424.9	306.8	33.8	67.0	17.3	5,919.8	5,718.4	26.7	174.7	126.8	24.5	10.5	12.9

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

	Banks <sup>3)</sup>								Non-banks							
	All currencies 1	Euro <sup>2)</sup> 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro <sup>2)</sup> 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
2000 Q2	1,505.6	598.2	134.1	773.2	614.1	61.0	63.2	34.9	547.3	243.5	52.1	251.7	203.8	22.0	15.1	10.7
Q3	1,578.2	611.6	145.6	821.0	661.9	63.3	63.4	32.4	608.0	252.8	61.0	294.2	245.5	23.1	13.8	11.8
Q4	1,550.8	590.9	126.8	833.2	684.3	53.1	65.7	30.1	588.6	254.1	64.0	270.5	225.5	20.5	12.3	12.2
<i>Euro area enlargement</i>																
2001 Q1	1,781.6	698.5	142.6	940.5	776.8	66.4	65.8	31.5	666.4	295.7	70.6	300.1	255.9	17.6	14.2	12.4
Q2	1,817.3	690.0	133.8	993.5	815.3	72.9	73.1	32.2	681.9	286.7	73.2	322.0	274.1	19.3	13.6	14.9
Q3	1,710.0	664.2	140.3	905.4	744.5	53.5	76.2	31.2	682.1	297.7	69.2	315.2	263.7	18.4	17.1	16.0
Q4 <sup>(p)</sup>	1,712.8	630.4	140.0	942.3	775.4	58.3	76.5	32.1	716.8	307.3	61.8	347.7	298.6	16.9	17.9	14.4

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

	Debt securities								Money market paper							
	All currencies 1	Euro <sup>2)</sup> 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro <sup>2)</sup> 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
2000 Q2	2,482.6	2,185.5	40.6	256.6	145.5	58.9	33.6	18.6	262.8	234.9	1.4	26.4	17.2	5.4	2.5	1.4
Q3	2,554.8	2,226.6	47.7	280.5	158.2	65.3	37.4	19.7	272.2	233.6	2.2	36.4	26.6	5.7	2.8	1.3
Q4	2,566.9	2,246.0	46.5	274.4	157.3	62.1	35.4	19.7	262.2	215.8	2.4	44.1	34.0	5.6	2.9	1.5
<i>Euro area enlargement</i>																
2001 Q1	2,667.6	2,327.9	48.3	291.4	172.0	61.5	37.5	20.5	278.5	227.8	2.1	48.6	41.6	3.0	2.6	1.5
Q2	2,731.2	2,358.2	53.9	319.1	189.2	69.4	39.6	20.8	275.5	227.0	4.3	44.2	35.8	4.7	2.5	1.1
Q3	2,749.8	2,383.6	52.8	313.4	186.9	68.5	38.4	19.5	265.0	217.9	4.0	43.2	36.0	3.1	2.8	1.2
Q4 <sup>(p)</sup>	2,777.9	2,377.4	67.5	333.0	205.0	67.1	40.4	20.6	254.0	204.1	4.8	45.1	38.9	2.6	2.5	1.2

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.

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

	MFIs								Non-MFIs							
	All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies					All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	4,023.7	-	-	-	-	-	-	-	6,681.9	6,388.6	35.4	257.9	144.7	38.4	70.5	4.3
Q3	3,930.5	-	-	-	-	-	-	-	6,796.5	6,485.5	34.8	276.3	155.8	44.4	72.1	4.0
Q4	3,937.6	-	-	-	-	-	-	-	6,926.6	6,622.4	32.4	271.8	151.6	41.2	74.3	4.7
<i>Euro area enlargement</i>																
2001 Q1	4,081.1	-	-	-	-	-	-	-	7,125.6	6,782.4	35.1	308.1	182.3	45.4	74.9	5.6
Q2	4,089.2	-	-	-	-	-	-	-	7,223.1	6,856.9	29.4	336.9	204.6	51.7	74.0	6.5
Q3	4,082.7	-	-	-	-	-	-	-	7,251.0	6,907.0	30.9	313.1	177.9	52.1	77.3	5.8
Q4 <sup>4)</sup>	4,185.5	-	-	-	-	-	-	-	7,363.1	7,021.8	31.3	310.0	179.3	48.3	77.1	5.4

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

	Issued by MFIs								Issued by non-MFIs							
	All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies					All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	897.5	858.2	12.5	26.9	17.8	4.9	2.6	1.7	1,411.0	1,377.3	6.0	27.6	14.7	10.5	1.6	0.9
Q3	943.4	898.8	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	935.3	895.0	10.8	29.5	19.7	5.9	2.1	1.7	1,354.6	1,320.7	5.6	28.2	16.7	9.7	1.0	0.9
<i>Euro area enlargement</i>																
2001 Q1	971.2	931.2	9.5	30.4	20.6	6.3	1.7	1.8	1,452.7	1,413.1	3.6	36.0	21.2	13.1	1.1	0.6
Q2	993.4	950.7	10.7	32.0	22.1	6.5	1.6	1.8	1,506.3	1,464.7	4.7	36.9	21.7	13.3	1.1	0.8
Q3	999.7	960.2	9.7	29.9	21.0	5.9	1.5	1.5	1,520.9	1,482.1	4.0	34.8	20.4	12.6	1.2	0.6
Q4 <sup>4)</sup>	1,012.1	967.9	12.3	32.3	22.7	6.4	1.5	1.7	1,516.2	1,478.3	3.6	34.5	20.9	11.9	1.1	0.6

**6. Loans to non-residents of the euro area**

	Banks <sup>3)</sup>								Non-banks							
	All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies					All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	977.7	462.7	92.2	422.8	308.2	44.9	33.2	36.4	480.0	149.6	41.6	288.8	246.6	14.1	21.4	6.8
Q3	979.4	445.9	90.9	442.6	331.9	42.1	33.8	34.8	520.7	156.0	46.1	318.5	273.9	14.5	23.3	6.9
Q4	945.4	410.0	89.2	446.2	337.8	44.1	32.6	31.7	524.5	163.3	45.3	315.8	271.2	11.5	25.9	7.2
<i>Euro area enlargement</i>																
2001 Q1	1,051.5	468.3	98.6	484.5	365.8	46.3	34.5	37.0	594.2	198.2	48.6	347.4	301.2	11.9	26.2	8.0
Q2	1,071.3	473.2	103.0	495.2	376.1	47.3	36.7	35.0	598.2	184.4	47.7	366.0	318.4	12.1	26.9	8.6
Q3	1,081.3	486.1	101.5	493.7	378.3	41.2	40.3	33.9	602.6	201.3	46.8	354.5	307.9	12.7	24.9	9.0
Q4 <sup>4)</sup>	1,110.3	453.6	116.5	540.2	417.9	48.4	38.8	35.0	622.9	196.7	47.9	378.3	331.4	12.3	26.0	8.7

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

	Issued by banks <sup>3)</sup>								Issued by non-banks							
	All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies					All currencies	Euro <sup>3)</sup>	Other EU currencies	Other currencies				
					USD	JPY	CHF	Other					USD	JPY	CHF	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	153.0	64.8	8.3	79.8	63.7	7.9	2.7	5.5	464.1	95.7	28.3	340.1	299.4	26.9	4.5	9.3
Q3	168.2	62.4	15.3	90.4	75.1	8.2	2.7	4.4	496.9	109.1	32.2	355.6	312.0	30.3	4.2	9.0
Q4	171.1	61.1	19.7	90.3	75.6	7.7	2.4	4.6	474.3	111.5	31.7	331.0	290.6	27.1	3.6	9.7
<i>Euro area enlargement</i>																
2001 Q1	188.8	64.8	22.7	101.3	87.1	7.3	2.3	4.6	490.4	120.8	24.4	345.3	306.8	25.7	2.7	10.1
Q2	205.1	71.9	25.1	108.1	94.1	6.8	2.5	4.8	502.3	121.0	25.7	355.7	315.8	26.9	3.0	9.9
Q3	200.6	75.5	24.7	100.5	90.3	4.7	2.1	3.4	485.8	128.6	26.7	330.6	292.5	27.1	3.9	7.1
Q4 <sup>4)</sup>	234.9	78.8	27.2	128.9	118.1	4.6	2.4	3.8	509.0	133.3	27.4	348.4	305.9	29.6	4.3	8.6

### 3 Financial markets and interest rates in the euro area

**Table 3.1**

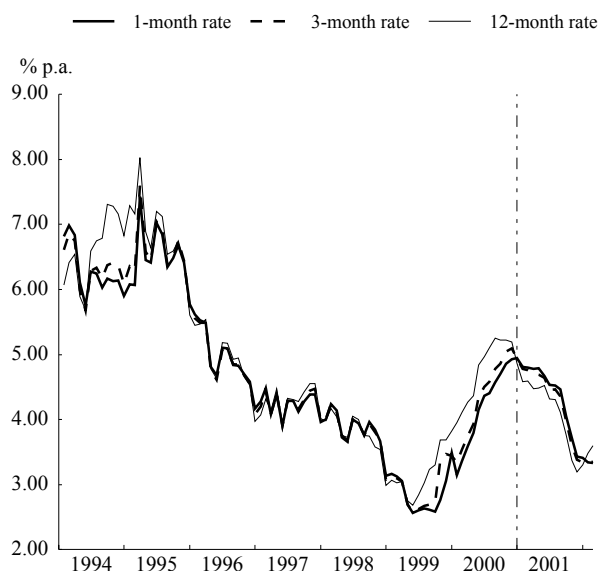
**Money market interest rates <sup>1)</sup>**

(percentages per annum)

	Euro area <sup>4)</sup>					United States <sup>6)</sup>	Japan <sup>6)</sup>
	Overnight deposits <sup>2) 3)</sup> 1	1-month deposits <sup>5)</sup> 2	3-month deposits <sup>5)</sup> 3	6-month deposits <sup>5)</sup> 4	12-month deposits <sup>5)</sup> 5	3-month deposits <sup>6)</sup> 6	3-month deposits <sup>7)</sup> 7
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
<i>Euro area enlargement</i>							
2001	4.39	4.33	4.26	4.16	4.09	3.78	0.15
2001 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
Apr.	5.06	4.79	4.69	4.57	4.49	4.63	0.10
May	4.65	4.67	4.64	4.57	4.53	4.11	0.07
June	4.54	4.53	4.45	4.35	4.31	3.83	0.07
July	4.51	4.52	4.47	4.39	4.31	3.75	0.08
Aug.	4.49	4.46	4.35	4.22	4.11	3.56	0.08
Sep.	3.99	4.05	3.98	3.88	3.77	3.03	0.06
Oct.	3.97	3.72	3.60	3.46	3.37	2.40	0.08
Nov.	3.51	3.43	3.39	3.26	3.20	2.10	0.08
Dec.	3.34	3.42	3.34	3.26	3.30	1.92	0.08
2002 Jan.	3.29	3.35	3.34	3.34	3.48	1.82	0.09
Feb.	3.28	3.34	3.36	3.40	3.59	1.90	0.10
2002 1 Feb.	3.32	3.35	3.38	3.42	3.63	1.92	0.09
8	3.30	3.34	3.35	3.39	3.57	1.90	0.09
15	3.29	3.33	3.35	3.40	3.60	1.91	0.09
22	3.22	3.33	3.36	3.40	3.59	1.90	0.10
1 Mar.	3.31	3.34	3.37	3.41	3.62	1.90	0.11

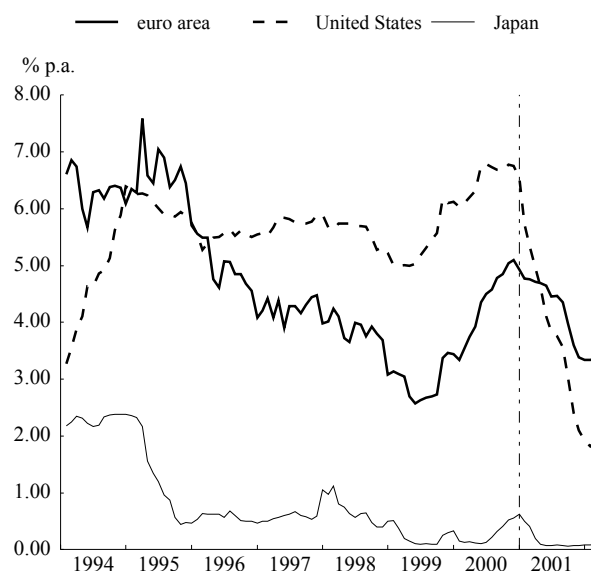
**Euro area money market rates**

(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**

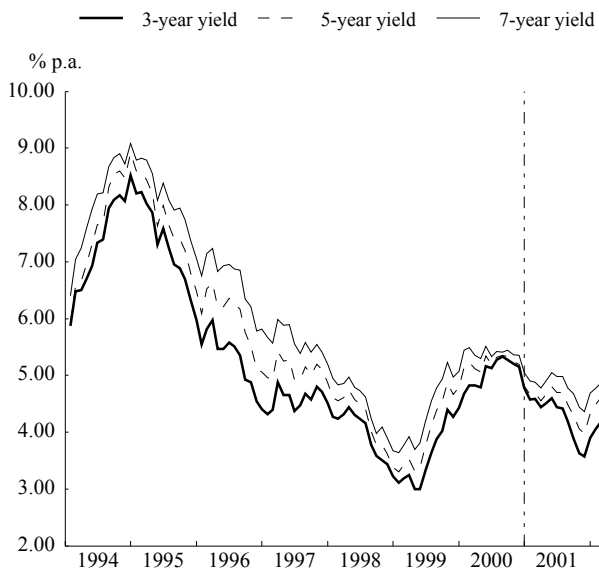
**Government bond yields <sup>1)</sup>**

(percentages per annum)

	Euro area <sup>2)</sup>					United States	Japan
	2 years <sup>1</sup>	3 years <sup>2</sup>	5 years <sup>3</sup>	7 years <sup>4</sup>	10 years <sup>5</sup>	10 years <sup>6</sup>	10 years <sup>7</sup>
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
<i>Euro area enlargement</i>							
2001	4.11	4.23	4.49	4.79	5.03	5.01	1.34
2001 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
Apr.	4.49	4.51	4.66	4.90	5.10	5.13	1.36
May	4.56	4.60	4.80	5.05	5.26	5.37	1.28
June	4.39	4.44	4.70	4.99	5.21	5.26	1.19
July	4.33	4.42	4.70	4.99	5.25	5.23	1.33
Aug.	4.11	4.19	4.49	4.78	5.06	4.97	1.36
Sep.	3.77	3.89	4.29	4.67	5.04	4.76	1.40
Oct.	3.44	3.63	4.05	4.44	4.82	4.55	1.36
Nov.	3.36	3.58	3.98	4.37	4.67	4.61	1.33
Dec.	3.66	3.90	4.33	4.68	4.96	5.07	1.35
2002 Jan.	3.84	4.04	4.48	4.76	5.02	5.00	1.42
Feb.	3.96	4.17	4.60	4.85	5.07	4.90	1.52
2002 1 Feb.	3.98	4.16	4.58	4.83	5.01	5.00	1.50
8	3.94	4.12	4.58	4.85	5.06	4.89	1.51
15	3.96	4.20	4.60	4.84	5.05	4.86	1.50
22	3.93	4.15	4.57	4.80	5.05	4.82	1.53
1 Mar.	4.01	4.23	4.66	4.92	5.14	4.96	1.52

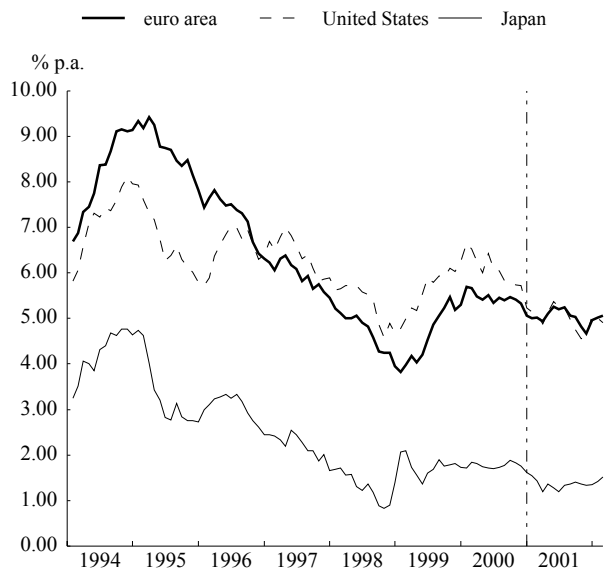
**Euro area government bond yields**

(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**

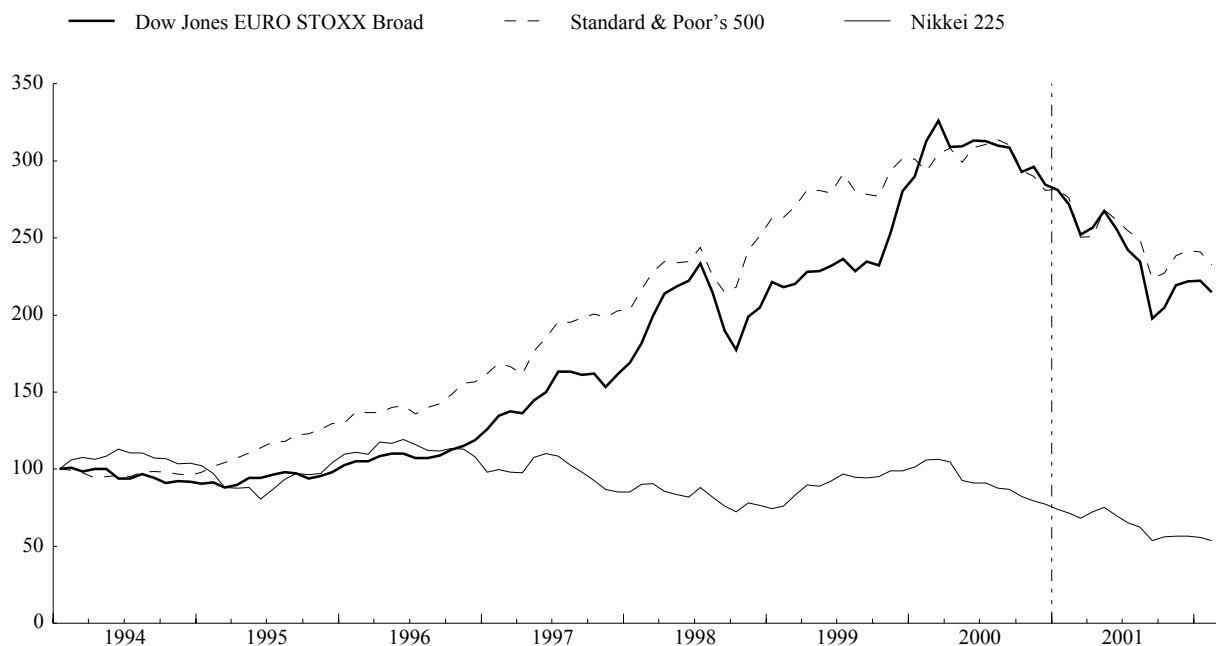
**Stock market indices**

(index levels, in points)<sup>1)</sup>

	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		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
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
<i>Euro area enlargement</i>														
2001	336.3	4,049.4	296.0	228.2	303.3	341.4	321.6	310.0	530.5	309.6	541.2	540.1	1,193.8	12,114.8
2001 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
Apr.	356.3	4,305.2	308.4	242.6	304.8	352.5	339.4	329.9	587.4	311.5	635.0	534.6	1,189.2	13,436.7
May	370.8	4,481.8	316.5	258.9	312.0	371.8	345.9	345.9	662.4	311.0	623.9	553.2	1,270.7	14,014.3
June	355.1	4,289.7	306.4	241.8	316.9	379.2	341.0	328.6	553.5	320.9	538.3	580.1	1,238.7	12,974.9
July	336.2	4,037.8	302.7	233.8	316.6	349.9	328.2	306.5	449.5	324.2	512.0	565.7	1,205.9	12,140.1
Aug.	325.8	3,884.7	287.9	226.3	309.0	346.6	322.4	303.6	426.5	324.2	453.6	549.3	1,178.3	11,576.2
Sep.	274.3	3,277.0	253.2	176.7	284.2	315.8	265.9	253.2	325.4	298.7	366.5	509.2	1,058.7	9,974.7
Oct.	284.4	3,440.9	260.5	180.4	281.1	322.5	269.9	253.7	373.4	302.7	418.9	539.7	1,076.6	10,428.8
Nov.	304.2	3,674.4	281.3	202.1	286.7	313.7	287.5	270.6	464.5	297.0	473.2	528.8	1,130.3	10,519.7
Dec.	308.0	3,708.4	286.2	209.9	288.8	313.0	285.6	282.2	496.4	286.4	480.9	520.9	1,144.9	10,490.8
2002 Jan.	308.5	3,690.1	293.2	210.8	287.8	320.2	286.3	281.8	494.5	291.1	459.7	524.8	1,140.5	10,338.5
Feb.	297.9	3,537.6	294.9	198.6	288.5	334.0	275.1	279.3	463.7	291.1	406.3	490.1	1,101.5	9,966.9
2002 1 Feb.	308.6	3,682.7	299.9	207.1	291.9	337.1	285.8	281.0	494.8	296.5	435.2	511.9	1,122.2	9,791.4
8	295.2	3,507.5	290.9	196.7	284.7	328.4	274.1	276.0	458.8	293.8	405.6	472.6	1,096.2	9,686.1
15	299.6	3,555.2	293.1	199.6	291.9	334.8	278.4	282.7	469.4	289.9	400.9	493.5	1,116.5	10,048.1
22	290.0	3,430.2	294.1	192.9	286.7	332.7	267.1	276.0	428.8	285.5	390.0	489.1	1,089.8	10,356.8
1 Mar.	306.7	3,645.3	306.1	207.1	290.8	347.1	284.3	289.0	470.2	291.3	423.7	497.1	1,131.8	10,812.0

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

(base month: January 1994 = 100; monthly)



Source: Reuters.

1) Monthly and yearly values are period averages.

**Table 3.4**

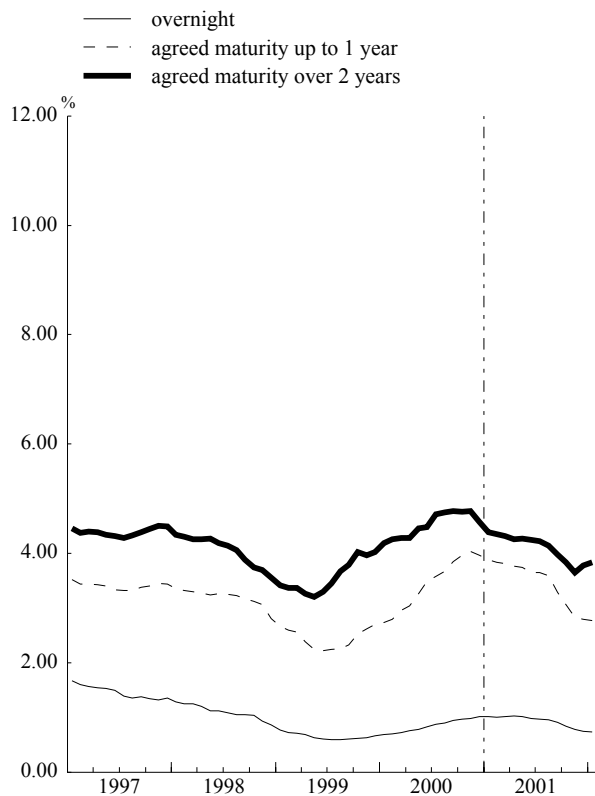
**Retail bank interest rates**

(percentages per annum; period averages)

	Deposit interest rates						Lending interest rates			
	Overnight 1	With agreed maturity			Redeemable at notice		To enterprises		To households	
		Up to 1 year 2	Up to 2 years 3	Over 2 years 4	Up to 3 months 5	Over 3 months 6	Up to 1 year 7	Over 1 year 8	Consumer lending 9	For house purchase 10
1999	0.65	2.44	2.45	3.57	2.15	2.76	5.65	5.10	9.40	5.29
2000	0.85	3.45	3.45	4.52	2.25	3.79	6.60	6.23	9.87	6.34
<i>Euro area enlargement</i>										
2001	0.94	3.49	3.49	4.12	2.40	3.59	6.83	6.15	10.12	5.97
2001 Jan.	1.01	3.88	3.88	4.39	2.52	4.01	7.19	6.40	10.32	6.29
Feb.	1.01	3.84	3.83	4.35	2.50	3.99	7.11	6.44	10.26	6.24
Mar.	1.02	3.82	3.82	4.32	2.50	3.99	7.04	6.32	10.22	6.18
Apr.	1.03	3.76	3.76	4.26	2.50	3.91	7.07	6.34	10.25	6.14
May	1.01	3.75	3.74	4.27	2.48	3.91	7.03	6.34	10.22	6.17
June	0.98	3.65	3.65	4.25	2.45	3.85	6.97	6.25	10.17	6.13
July	0.97	3.65	3.65	4.22	2.44	3.80	6.90	6.20	10.11	6.05
Aug.	0.96	3.59	3.59	4.14	2.40	3.68	6.89	6.19	10.16	5.96
Sep.	0.91	3.28	3.28	3.98	2.36	3.33	6.71	6.07	10.08	5.86
Oct.	0.84	3.06	3.06	3.84	2.29	3.01	6.46	5.82	9.99	5.65
Nov.	0.78	2.84	2.83	3.65	2.19	2.75	6.31	5.71	9.87	5.48
Dec.	0.74	2.80	2.79	3.78	2.15	2.79	6.24	5.69	9.81	5.52
2002 Jan.	0.74	2.78	2.78	3.83	2.16	2.80	6.22	5.67	9.83	5.57

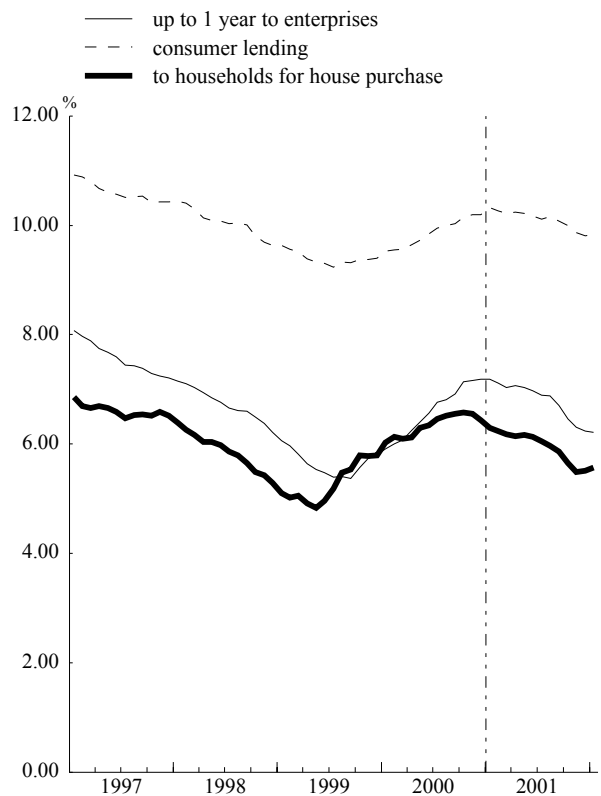
**Deposit interest rates**

(monthly)



**Lending interest rates**

(monthly)



Source: ECB.

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

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

	By euro area residents									
					In euro <sup>1)</sup>				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 Dec.	246.0	278.8	-32.8	653.6	229.7	264.5	-34.8	578.8	16.3	14.3
<i>Euro area enlargement</i>										
2001 Jan.	376.4	346.8	29.6	687.5	358.6	326.2	32.4	616.0	17.7	20.6
Feb.	404.6	390.7	13.9	702.7	383.9	373.5	10.4	626.0	20.7	17.2
Mar.	452.8	436.5	16.3	722.9	432.7	417.8	14.9	643.3	20.1	18.7
Apr.	441.9	431.8	10.1	733.8	424.2	412.8	11.5	654.5	17.7	19.0
May	478.1	480.7	-2.6	735.8	456.9	460.2	-3.3	652.5	21.2	20.5
June	410.7	418.8	-8.1	726.9	388.1	395.7	-7.6	643.3	22.7	23.2
July	393.5	385.8	7.7	735.0	370.3	365.3	5.0	649.7	23.2	20.5
Aug.	422.7	418.1	4.6	738.2	404.6	400.0	4.6	655.3	18.1	18.1
Sep.	396.3	399.8	-3.5	734.9	374.1	376.3	-2.2	653.5	22.2	23.5
Oct.	498.2	494.1	4.1	742.1	480.1	470.9	9.2	663.0	18.0	23.2
Nov.	486.0	489.7	-3.7	739.9	459.6	466.6	-7.0	655.9	26.4	23.1
Dec.	330.3	375.6	-45.3	694.3	307.5	353.4	-45.9	610.9	22.8	22.2

**2. Long-term**

	By euro area residents									
					In euro <sup>1)</sup>				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 Dec.	102.0	103.6	-1.6	6,438.5	88.4	87.8	0.6	5,898.8	13.6	15.9
<i>Euro area enlargement</i>										
2001 Jan.	153.4	144.6	8.8	6,536.7	136.1	132.2	3.9	5,993.7	17.2	12.3
Feb.	139.6	85.7	53.9	6,591.3	117.1	70.5	46.5	6,042.2	22.5	15.1
Mar.	155.9	102.2	53.7	6,655.6	127.8	87.1	40.6	6,085.0	28.1	15.0
Apr.	114.9	74.1	40.8	6,695.2	98.2	64.6	33.6	6,118.1	16.7	9.5
May	134.9	80.8	54.1	6,766.5	117.4	68.0	49.4	6,167.8	17.5	12.8
June	137.6	78.5	59.1	6,821.0	116.5	58.8	57.7	6,223.9	21.1	19.7
July	140.3	98.7	41.6	6,853.1	124.1	85.6	38.5	6,262.7	16.2	13.1
Aug.	89.2	74.1	15.1	6,856.0	75.7	62.8	12.9	6,274.2	13.5	11.2
Sep.	129.0	110.3	18.7	6,877.3	113.2	92.3	20.9	6,295.5	15.8	18.0
Oct.	143.5	107.0	36.4	6,915.9	122.8	91.8	31.0	6,326.8	20.6	15.2
Nov.	141.5	91.4	50.2	6,969.9	114.8	86.4	28.4	6,355.1	26.7	5.0
Dec.	122.5	84.7	37.7	7,005.8	109.1	72.0	37.1	6,390.7	13.4	12.8

**3. Total**

	By euro area residents									
					In euro <sup>1)</sup>				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 Dec.	348.0	382.4	-34.4	7,092.0	318.0	352.2	-34.2	6,477.6	30.0	30.1
<i>Euro area enlargement</i>										
2001 Jan.	529.7	491.4	38.4	7,224.2	494.8	458.4	36.3	6,609.7	35.0	32.9
Feb.	544.2	476.4	67.8	7,294.1	501.0	444.1	56.9	6,668.3	43.2	32.3
Mar.	608.7	538.7	70.0	7,378.5	560.5	504.9	55.5	6,728.3	48.2	33.8
Apr.	556.8	505.9	50.9	7,429.0	522.5	477.4	45.1	6,772.6	34.3	28.5
May	613.0	561.5	51.4	7,502.4	574.3	528.2	46.1	6,820.3	38.7	33.3
June	548.3	497.3	51.0	7,547.9	504.5	454.4	50.1	6,867.2	43.8	42.9
July	533.8	484.5	49.3	7,588.1	494.4	450.9	43.5	6,912.4	39.4	33.6
Aug.	511.9	492.2	19.7	7,594.2	480.3	462.8	17.5	6,929.5	31.5	29.3
Sep.	525.3	510.2	15.1	7,612.1	487.2	468.6	18.7	6,949.0	38.0	41.6
Oct.	641.6	601.1	40.5	7,657.9	602.9	562.7	40.2	6,989.8	38.7	38.4
Nov.	627.5	581.0	46.4	7,709.9	574.3	552.9	21.4	7,011.0	53.1	28.1
Dec.	452.8	460.4	-7.6	7,700.1	416.6	425.4	-8.8	7,001.6	36.2	34.9

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

currencies		By non-residents of the euro area in euro <sup>1)</sup>				Total in euro <sup>1)</sup>				
		Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	
11	12	13	14	15	16	17	18	19	20	
2.0	74.8	21.1	7.0	14.0	74.8	250.7	271.5	-20.8	653.6	2000 Dec.
<i>Euro area enlargement</i>										
-2.8	71.5	12.9	29.3	-16.4	58.5	371.6	355.5	16.0	674.5	2001 Jan.
3.5	76.7	12.5	13.1	-0.5	57.9	396.4	386.6	9.9	684.0	Feb.
1.4	79.6	26.3	6.3	20.0	78.0	459.0	424.1	34.9	721.3	Mar.
-1.4	79.3	7.2	29.2	-22.0	55.9	431.4	441.9	-10.5	710.4	Apr.
0.7	83.3	11.8	13.5	-1.7	54.2	468.8	473.7	-5.0	706.7	May
-0.5	83.6	25.1	9.8	15.2	69.5	413.1	405.5	7.6	712.8	June
2.7	85.3	6.2	25.5	-19.3	50.2	376.6	390.8	-14.3	699.9	July
0.0	82.9	9.9	14.7	-4.8	45.4	414.6	414.7	-0.2	700.6	Aug.
-1.3	81.4	22.0	12.0	10.0	55.4	396.1	388.3	7.8	708.9	Sep.
-5.2	79.1	8.8	20.0	-11.1	44.3	489.0	490.9	-1.9	707.3	Oct.
3.3	84.0	16.2	12.9	3.3	47.6	475.7	479.4	-3.7	703.5	Nov.
0.6	83.4	17.1	10.2	6.9	54.5	324.7	363.7	-39.0	665.4	Dec.

currencies		By non-residents of the euro area in euro <sup>1)</sup>				Total in euro <sup>1)</sup>				
		Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	
11	12	13	14	15	16	17	18	19	20	
-2.2	539.7	17.5	7.1	10.4	718.4	105.9	94.8	11.1	6,617.2	2000 Dec.
<i>Euro area enlargement</i>										
4.9	543.0	16.3	8.2	8.2	713.8	152.5	140.4	12.1	6,707.5	2001 Jan.
7.4	549.1	36.3	13.1	23.2	736.7	153.3	83.7	69.7	6,778.9	Feb.
13.1	570.6	37.0	8.1	29.0	765.7	164.8	95.2	69.6	6,850.7	Mar.
7.2	577.1	20.0	6.7	13.3	778.8	118.2	71.4	46.9	6,896.9	Apr.
4.7	598.8	27.0	10.4	16.6	795.3	144.4	78.4	66.0	6,963.0	May
1.4	597.1	33.6	8.7	24.8	820.3	150.1	67.5	82.5	7,044.2	June
3.1	590.4	14.8	5.8	9.0	829.6	138.9	91.3	47.5	7,092.2	July
2.2	581.8	12.9	6.0	6.9	836.7	88.6	68.8	19.8	7,110.9	Aug.
-2.2	581.7	8.4	9.0	-0.6	836.0	121.6	101.3	20.3	7,131.6	Sep.
5.5	589.1	19.4	4.5	14.9	850.8	142.2	96.4	45.8	7,177.6	Oct.
21.8	614.8	30.0	7.4	22.7	873.5	144.8	93.7	51.1	7,228.6	Nov.
0.6	615.2	13.6	13.4	0.1	873.6	122.6	85.4	37.2	7,264.3	Dec.

currencies		By non-residents of the euro area in euro <sup>1)</sup>				Total in euro <sup>1)</sup>				
		Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	
11	12	13	14	15	16	17	18	19	20	
-0.2	614.5	38.6	14.1	24.5	793.3	356.6	366.3	-9.7	7,270.8	2000 Dec.
<i>Euro area enlargement</i>										
2.1	614.5	29.3	37.5	-8.2	772.3	524.0	495.9	28.1	7,382.0	2001 Jan.
10.9	625.8	48.8	26.2	22.6	794.6	549.8	470.2	79.5	7,462.9	Feb.
14.4	650.2	63.4	14.4	49.0	843.6	623.8	519.3	104.5	7,571.9	Mar.
5.8	656.3	27.2	35.9	-8.7	834.7	549.6	513.3	36.3	7,607.4	Apr.
5.4	682.1	38.8	23.9	14.9	849.5	613.1	552.1	61.0	7,669.8	May
0.9	680.7	58.6	18.5	40.1	889.8	563.2	473.0	90.2	7,757.0	June
5.8	675.7	21.0	31.3	-10.2	879.8	515.4	482.2	33.3	7,792.2	July
2.2	664.7	22.8	20.7	2.1	882.0	503.1	483.6	19.6	7,811.5	Aug.
-3.5	663.1	30.4	21.0	9.4	891.5	517.7	489.6	28.1	7,840.5	Sep.
0.3	668.2	28.2	24.5	3.7	895.1	631.2	587.2	43.9	7,884.9	Oct.
25.0	698.9	46.2	20.2	25.9	921.1	620.5	573.2	47.4	7,932.1	Nov.
1.2	698.5	30.7	23.7	7.0	928.1	447.3	449.1	-1.8	7,929.7	Dec.

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

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	578.8	244.0	4.5	86.0	241.4	2.9	74.8	34.9	23.7	14.2
<i>Euro area enlargement</i>										
2001 Jan.	616.0	257.1	5.0	89.5	261.5	2.9	58.5	30.0	17.0	10.1
Feb.	626.0	260.3	4.9	93.2	265.4	2.2	57.9	30.6	16.0	10.0
Mar.	643.3	265.1	5.1	94.5	276.5	2.2	78.0	37.9	25.8	12.6
Apr.	654.5	269.2	5.5	92.4	285.3	2.2	55.9	26.8	18.5	9.7
May	652.5	261.0	5.5	99.4	284.1	2.4	54.2	26.5	18.0	8.8
June	643.3	261.7	5.3	97.5	276.9	2.0	69.5	32.1	24.7	11.5
July	649.7	259.4	5.1	100.8	280.8	3.6	50.2	25.3	17.3	6.7
Aug.	655.3	255.0	4.4	106.4	285.9	3.6	45.4	23.1	15.7	5.8
Sep.	653.5	252.2	4.1	105.9	287.5	3.7	55.4	27.1	22.2	5.5
Oct.	663.0	262.0	3.8	109.8	284.0	3.4	44.3	23.3	16.4	4.0
Nov.	655.9	251.4	3.9	105.8	291.2	3.6	47.6	23.6	19.4	3.4
Dec.	610.9	240.9	3.4	95.1	267.3	4.1	54.5	23.8	24.4	4.4

**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 Dec.	5,898.8	2,175.9	252.8	288.3	3,075.3	106.5	718.4	175.1	220.8	68.4
<i>Euro area enlargement</i>										
2001 Jan.	5,993.7	2,200.1	251.6	285.2	3,149.8	107.1	713.8	176.2	226.7	65.8
Feb.	6,042.2	2,230.1	257.7	289.2	3,156.5	108.8	736.7	187.4	232.2	75.3
Mar.	6,085.0	2,241.1	265.4	299.8	3,168.2	110.5	765.7	199.8	237.5	80.4
Apr.	6,118.1	2,247.8	271.2	303.8	3,182.7	112.7	778.8	202.5	245.1	82.8
May	6,167.8	2,255.8	281.1	312.8	3,204.6	113.4	795.3	208.1	251.2	88.1
June	6,223.9	2,270.7	288.8	320.2	3,230.8	113.4	820.3	216.5	256.9	91.3
July	6,262.7	2,289.7	305.9	322.7	3,228.8	115.5	829.6	219.0	262.4	93.3
Aug.	6,274.2	2,289.6	307.3	329.2	3,229.7	118.4	836.7	220.2	269.3	94.0
Sep.	6,295.5	2,296.4	311.6	327.7	3,237.3	122.5	836.0	220.9	270.1	93.4
Oct.	6,326.8	2,311.8	322.2	324.4	3,240.9	127.5	850.8	222.7	276.6	95.4
Nov.	6,355.1	2,314.0	330.1	340.7	3,241.0	129.3	873.5	226.7	288.2	99.8
Dec.	6,390.7	2,315.9	359.7	346.1	3,238.4	130.5	873.6	229.0	287.7	100.4

**3. Total**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	6,477.6	2,419.9	257.2	374.4	3,316.7	109.4	793.3	210.1	244.5	82.6
<i>Euro area enlargement</i>										
2001 Jan.	6,609.7	2,457.2	256.6	374.7	3,411.2	110.0	772.3	206.2	243.7	75.9
Feb.	6,668.3	2,490.3	262.6	382.4	3,421.9	111.0	794.6	218.0	248.1	85.3
Mar.	6,728.3	2,506.1	270.5	394.3	3,444.7	112.7	843.6	237.7	263.3	93.0
Apr.	6,772.6	2,517.0	276.6	396.2	3,467.9	114.8	834.7	229.3	263.5	92.5
May	6,820.3	2,516.8	286.7	412.2	3,488.7	115.8	849.5	234.6	269.2	96.9
June	6,867.2	2,532.4	294.0	417.7	3,507.7	115.4	889.8	248.5	281.5	102.9
July	6,912.4	2,549.1	311.0	423.5	3,509.7	119.1	879.8	244.3	279.7	100.0
Aug.	6,929.5	2,544.6	311.7	435.7	3,515.6	121.9	882.0	243.3	285.0	99.8
Sep.	6,949.0	2,548.6	315.8	433.7	3,524.8	126.2	891.5	248.0	292.3	98.9
Oct.	6,989.8	2,573.8	326.0	434.2	3,524.9	130.9	895.1	246.0	293.0	99.4
Nov.	7,011.0	2,565.4	334.0	446.5	3,532.2	132.9	921.1	250.3	307.6	103.2
Dec.	7,001.6	2,556.9	363.1	441.2	3,505.7	134.7	928.1	252.8	312.0	104.8

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

<sup>1)</sup> Including items expressed in the national denominations of the euro.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.1	1.1	0.8	653.6	278.9	28.2	100.2	241.5	4.0	0.8	2000 Dec.
<i>Euro area enlargement</i>										
0.1	1.0	0.2	674.5	287.2	22.1	99.6	261.6	3.9	0.2	2001 Jan.
0.1	1.1	0.1	684.0	290.9	20.9	103.2	265.5	3.3	0.1	Feb.
0.2	1.0	0.4	721.3	303.0	30.9	107.1	276.7	3.2	0.4	Mar.
0.1	0.8	0.1	710.4	296.0	23.9	102.1	285.3	2.9	0.1	Apr.
0.1	0.8	0.1	706.7	287.5	23.5	108.2	284.2	3.2	0.1	May
0.2	0.8	0.2	712.8	293.7	29.9	109.0	277.1	2.8	0.2	June
0.2	0.7	0.0	699.9	284.7	22.3	107.5	281.0	4.3	0.0	July
0.1	0.6	0.0	700.6	278.1	20.1	112.3	286.0	4.2	0.0	Aug.
0.1	0.5	0.1	708.9	279.3	26.3	111.4	287.7	4.2	0.1	Sep.
0.1	0.3	0.2	707.3	285.3	20.2	113.8	284.2	3.7	0.2	Oct.
0.1	0.4	0.6	703.5	275.0	23.3	109.2	291.3	4.0	0.6	Nov.
0.1	0.5	1.3	665.4	264.8	27.8	99.5	267.4	4.7	1.3	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
102.0	34.9	117.2	6,617.2	2,351.0	473.6	356.7	3,177.3	141.3	117.2	2000 Dec.
<i>Euro area enlargement</i>										
90.2	33.8	121.1	6,707.5	2,376.3	478.3	351.0	3,240.0	140.9	121.1	2001 Jan.
88.2	34.7	118.9	6,778.9	2,417.4	489.9	364.5	3,244.7	143.5	118.9	Feb.
90.7	39.9	117.5	6,850.7	2,440.8	502.9	380.2	3,258.9	150.5	117.5	Mar.
91.5	40.0	116.9	6,896.9	2,450.3	516.2	386.6	3,274.2	152.7	116.9	Apr.
92.5	39.6	115.7	6,963.0	2,463.9	532.4	401.0	3,297.0	153.0	115.7	May
94.4	46.1	115.1	7,044.2	2,487.2	545.7	411.5	3,325.2	159.5	115.1	June
94.0	46.1	114.7	7,092.2	2,508.7	568.3	416.0	3,322.8	161.6	114.7	July
93.8	46.0	113.4	7,110.9	2,509.8	576.6	423.2	3,323.5	164.4	113.4	Aug.
92.0	46.0	113.6	7,131.6	2,517.3	581.7	421.1	3,329.2	168.5	113.6	Sep.
91.8	51.3	113.0	7,177.6	2,534.5	598.8	419.8	3,332.7	178.8	113.0	Oct.
91.5	51.7	115.7	7,228.6	2,540.6	618.3	440.5	3,332.5	181.0	115.7	Nov.
92.1	51.7	112.9	7,264.3	2,544.9	647.3	446.5	3,330.5	182.2	112.9	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
102.1	35.9	118.0	7,270.8	2,629.9	501.8	456.9	3,418.8	145.4	118.0	2000 Dec.
<i>Euro area enlargement</i>										
90.3	34.8	121.3	7,382.0	2,663.5	500.3	450.5	3,501.6	144.8	121.3	2001 Jan.
88.3	35.8	119.1	7,462.9	2,708.4	510.8	467.7	3,510.2	146.8	119.1	Feb.
90.9	41.0	117.9	7,571.9	2,743.8	533.7	487.3	3,535.6	153.6	117.9	Mar.
91.6	40.8	117.0	7,607.4	2,746.3	540.2	488.7	3,559.5	155.7	117.0	Apr.
92.6	40.4	115.8	7,669.8	2,751.4	555.9	509.2	3,581.3	156.2	115.8	May
94.6	46.9	115.3	7,757.0	2,780.9	575.6	520.5	3,602.3	162.3	115.3	June
94.2	46.9	114.8	7,792.2	2,793.4	590.7	523.5	3,603.8	166.0	114.8	July
93.9	46.6	113.5	7,811.5	2,787.9	596.7	535.4	3,609.5	168.6	113.5	Aug.
92.1	46.5	113.7	7,840.5	2,796.6	608.0	532.6	3,616.9	172.7	113.7	Sep.
92.0	51.6	113.2	7,884.9	2,819.8	619.0	533.6	3,616.9	182.5	113.2	Oct.
91.6	52.1	116.3	7,932.1	2,815.6	641.7	549.7	3,623.8	185.0	116.3	Nov.
92.2	52.2	114.1	7,929.7	2,809.6	675.2	546.0	3,598.0	186.8	114.1	Dec.

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

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	229.7	162.1	2.1	45.9	18.0	1.6	21.1	9.3	6.9	4.2
<i>Euro area enlargement</i>										
2001 Jan.	358.6	238.7	3.4	67.0	47.7	1.9	12.9	6.7	4.7	1.2
Feb.	383.9	275.9	2.2	62.9	41.4	1.5	12.5	6.1	4.5	1.7
Mar.	432.7	312.8	3.1	67.0	48.1	1.6	26.3	10.1	12.3	3.5
Apr.	424.2	301.7	3.2	69.4	48.5	1.4	7.2	2.7	3.3	1.1
May	456.9	341.6	2.8	71.3	39.2	1.9	11.8	5.7	5.0	0.8
June	388.1	282.1	2.7	64.7	37.4	1.1	25.1	9.8	11.5	3.3
July	370.3	245.3	2.3	75.3	44.9	2.6	6.2	2.8	2.8	0.6
Aug.	404.6	287.5	1.6	68.7	45.3	1.5	9.9	4.8	4.1	0.9
Sep.	374.1	269.6	2.2	66.2	34.3	1.8	22.0	8.0	11.4	2.2
Oct.	480.1	346.2	2.0	85.7	45.1	1.1	8.8	3.0	4.7	0.9
Nov.	459.6	347.5	2.3	66.3	42.2	1.3	16.2	6.4	7.9	1.1
Dec.	307.5	228.8	1.3	52.1	23.4	1.9	17.1	6.6	8.4	1.3

**2. Long-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	88.4	38.8	19.9	4.5	23.1	2.0	17.5	5.1	3.7	3.3
<i>Euro area enlargement</i>										
2001 Jan.	136.1	56.4	4.0	0.8	72.1	2.8	16.3	3.8	7.5	0.4
Feb.	117.1	57.6	10.0	5.0	42.1	2.4	36.3	12.7	8.8	10.0
Mar.	127.8	45.2	12.0	14.4	53.3	2.8	37.0	14.3	7.3	5.6
Apr.	98.2	40.9	8.5	7.1	39.1	2.6	20.0	5.3	9.1	2.7
May	117.4	38.7	13.2	11.7	52.9	0.9	27.0	8.9	9.7	6.5
June	116.5	44.5	11.0	10.9	49.6	0.5	33.6	11.7	7.7	4.7
July	124.1	52.1	20.7	6.1	42.6	2.6	14.8	4.8	7.1	2.2
Aug.	75.7	29.2	6.1	7.6	29.6	3.1	12.9	3.4	8.5	0.9
Sep.	113.2	35.9	7.2	2.3	63.2	4.6	8.4	4.8	3.0	0.2
Oct.	122.8	58.4	13.3	4.6	40.8	5.7	19.4	3.2	7.8	2.3
Nov.	114.8	48.0	11.3	17.1	35.8	2.7	30.0	5.8	13.0	4.6
Dec.	109.1	42.4	32.7	8.7	23.0	2.3	13.6	6.4	3.9	1.7

**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 Dec.	318.0	200.9	22.0	50.4	41.1	3.7	38.6	14.4	10.6	7.5
<i>Euro area enlargement</i>										
2001 Jan.	494.8	295.1	7.4	67.8	119.8	4.7	29.3	10.5	12.2	1.6
Feb.	501.0	333.5	12.1	67.9	83.5	3.9	48.8	18.9	13.4	11.7
Mar.	560.5	358.0	15.1	81.4	101.5	4.4	63.4	24.4	19.6	9.1
Apr.	522.5	342.6	11.7	76.5	87.6	4.0	27.2	7.9	12.4	3.8
May	574.3	380.3	16.0	83.0	92.1	2.9	38.8	14.7	14.8	7.3
June	504.5	326.6	13.7	75.5	87.0	1.6	58.6	21.6	19.2	8.0
July	494.4	297.3	23.0	81.4	87.5	5.1	21.0	7.6	9.9	2.9
Aug.	480.3	316.7	7.8	76.3	74.9	4.6	22.8	8.2	12.6	1.7
Sep.	487.2	305.5	9.3	68.5	97.5	6.4	30.4	12.7	14.3	2.4
Oct.	602.9	404.5	15.3	90.3	86.0	6.9	28.2	6.3	12.6	3.2
Nov.	574.3	395.5	13.6	83.4	78.0	4.0	46.2	12.2	20.8	5.7
Dec.	416.6	271.2	34.0	60.8	46.4	4.2	30.7	13.0	12.3	3.1

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

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.0	0.2	0.4	250.7	171.4	9.0	50.1	18.0	1.8	0.4	2000 Dec.
<i>Euro area enlargement</i>										
0.1	0.0	0.1	371.6	245.4	8.1	68.2	47.8	1.9	0.1	2001 Jan.
0.0	0.1	0.0	396.4	282.0	6.7	64.6	41.4	1.6	0.0	Feb.
0.1	0.1	0.3	459.0	322.9	15.4	70.5	48.2	1.7	0.3	Mar.
0.0	0.1	0.0	431.4	304.3	6.5	70.5	48.5	1.5	0.0	Apr.
0.0	0.2	0.0	468.8	347.4	7.9	72.1	39.3	2.1	0.0	May
0.1	0.1	0.2	413.1	291.9	14.3	67.9	37.5	1.2	0.2	June
0.0	0.0	0.0	376.6	248.0	5.1	75.9	44.9	2.6	0.0	July
0.1	0.0	0.0	414.6	292.3	5.7	69.6	45.4	1.5	0.0	Aug.
0.1	0.4	0.0	396.1	277.6	13.5	68.4	34.3	2.1	0.0	Sep.
0.0	0.0	0.2	489.0	349.2	6.7	86.6	45.1	1.2	0.2	Oct.
0.1	0.2	0.4	475.7	353.9	10.2	67.4	42.3	1.5	0.4	Nov.
0.0	0.1	0.7	324.7	235.3	9.7	53.5	23.4	2.0	0.7	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.2	5.0	0.1	105.9	43.9	23.7	7.8	23.3	7.1	0.1	2000 Dec.
<i>Euro area enlargement</i>										
1.2	0.3	3.1	152.5	60.2	11.5	1.2	73.4	3.1	3.1	2001 Jan.
2.8	1.7	0.2	153.3	70.4	18.8	15.0	44.8	4.1	0.2	Feb.
3.2	5.5	1.1	164.8	59.5	19.3	20.0	56.6	8.3	1.1	Mar.
1.3	0.4	1.2	118.2	46.2	17.6	9.8	40.4	3.0	1.2	Apr.
1.7	0.0	0.1	144.4	47.6	22.9	18.2	54.6	1.0	0.1	May
2.0	6.7	0.8	150.1	56.3	18.7	15.6	51.6	7.2	0.8	June
0.5	0.1	0.0	138.9	56.9	27.8	8.3	43.2	2.6	0.0	July
0.1	0.0	0.0	88.6	32.6	14.6	8.5	29.7	3.2	0.0	Aug.
0.1	0.0	0.4	121.6	40.7	10.1	2.5	63.3	4.6	0.4	Sep.
0.2	5.4	0.4	142.2	61.6	21.1	6.9	41.1	11.1	0.4	Oct.
1.0	0.5	5.1	144.8	53.7	24.2	21.7	36.8	3.2	5.1	Nov.
1.3	0.1	0.1	122.6	48.8	36.5	10.4	24.3	2.4	0.1	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.2	5.2	0.6	356.6	215.3	32.6	57.9	41.3	8.9	0.6	2000 Dec.
<i>Euro area enlargement</i>										
1.3	0.3	3.3	524.0	305.6	19.6	69.4	121.1	5.1	3.3	2001 Jan.
2.8	1.9	0.2	549.8	352.4	25.5	79.6	86.3	5.7	0.2	Feb.
3.3	5.6	1.5	623.8	382.4	34.7	90.5	104.8	10.0	1.5	Mar.
1.3	0.5	1.2	549.6	350.5	24.1	80.4	88.9	4.5	1.2	Apr.
1.7	0.2	0.1	613.1	395.0	30.8	90.3	93.9	3.1	0.1	May
2.1	6.8	1.0	563.2	348.2	32.9	83.5	89.1	8.4	1.0	June
0.6	0.1	0.1	515.4	305.0	32.9	84.2	88.1	5.2	0.1	July
0.2	0.0	0.1	503.1	324.9	20.4	78.0	75.1	4.7	0.1	Aug.
0.2	0.4	0.4	517.7	318.3	23.7	70.9	97.6	6.7	0.4	Sep.
0.2	5.4	0.5	631.2	410.8	27.9	93.5	86.2	12.3	0.5	Oct.
1.1	0.8	5.6	620.5	407.7	34.4	89.1	79.1	4.7	5.6	Nov.
1.3	0.3	0.8	447.3	284.1	46.2	63.9	47.8	4.5	0.8	Dec.



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

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	-34.8	-11.1	-0.1	-1.1	-22.5	0.0	14.0	6.9	3.4	3.2
<i>Euro area enlargement</i>										
2001 Jan.	32.4	13.1	0.6	3.5	14.9	0.5	-16.4	-4.9	-6.6	-4.2
Feb.	10.4	3.6	-0.1	3.6	3.9	-0.7	-0.5	0.6	-1.1	-0.1
Mar.	14.9	2.7	0.2	1.0	11.1	-0.1	20.0	7.3	9.8	2.6
Apr.	11.5	4.4	0.4	-2.0	8.8	0.0	-22.0	-11.1	-7.3	-3.0
May	-3.3	-9.4	0.1	7.0	-1.1	0.2	-1.7	-0.4	-0.5	-0.9
June	-7.6	2.1	-0.3	-1.8	-7.3	-0.4	15.2	5.6	6.7	2.7
July	5.0	-3.6	-0.2	3.2	4.0	1.6	-19.3	-6.7	-7.4	-4.8
Aug.	4.6	-5.3	-0.7	5.6	5.0	0.0	-4.8	-2.2	-1.6	-0.9
Sep.	-2.2	-3.2	-0.3	-0.5	1.7	0.1	10.0	4.0	6.5	-0.3
Oct.	9.2	9.7	-0.4	3.7	-3.5	-0.3	-11.1	-3.8	-5.8	-1.5
Nov.	-7.0	-10.7	0.1	-3.8	7.1	0.2	3.3	0.3	3.0	-0.6
Dec.	-45.9	-11.5	-0.5	-10.6	-23.8	0.6	6.9	0.2	5.0	1.0

**2. Long-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2000 Dec.	0.6	-2.5	13.1	2.9	-13.9	1.0	10.4	2.2	2.1	2.6
<i>Euro area enlargement</i>										
2001 Jan.	3.9	22.4	-1.2	-3.2	-14.8	0.8	8.2	0.8	6.4	0.1
Feb.	46.5	28.1	6.1	3.9	6.8	1.7	23.2	11.2	5.5	9.8
Mar.	40.6	9.4	7.2	10.6	11.7	1.8	29.0	12.4	5.3	5.1
Apr.	33.6	7.4	5.5	4.0	14.5	2.1	13.3	2.8	7.7	2.5
May	49.4	7.9	9.9	9.0	21.9	0.7	16.6	5.6	6.2	5.4
June	57.7	16.5	7.6	7.3	26.2	0.0	24.8	8.3	5.6	3.2
July	38.5	19.0	17.1	2.5	-2.2	2.0	9.0	2.5	5.4	1.9
Aug.	12.9	1.2	1.4	6.5	0.9	2.9	6.9	1.1	6.8	0.7
Sep.	20.9	6.4	4.3	-1.5	7.5	4.2	-0.6	0.8	0.8	-0.6
Oct.	31.0	15.1	10.6	-3.4	3.7	5.0	14.9	1.8	6.5	2.0
Nov.	28.4	2.1	8.0	16.5	0.1	1.8	22.7	3.9	11.6	4.4
Dec.	37.1	3.1	29.6	5.7	-2.6	1.3	0.1	2.3	-0.6	0.6

**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 Dec.	-34.2	-13.6	13.0	1.9	-36.4	0.9	24.5	9.0	5.5	5.8
<i>Euro area enlargement</i>										
2001 Jan.	36.3	35.4	-0.6	0.2	0.1	1.2	-8.2	-4.1	-0.3	-4.1
Feb.	56.9	31.7	6.0	7.4	10.7	1.0	22.6	11.8	4.4	9.7
Mar.	55.5	12.1	7.3	11.6	22.8	1.7	49.0	19.6	15.1	7.7
Apr.	45.1	11.8	5.8	2.0	23.2	2.1	-8.7	-8.3	0.4	-0.5
May	46.1	-1.6	10.0	15.9	20.7	1.0	14.9	5.3	5.7	4.5
June	50.1	18.6	7.4	5.5	18.9	-0.4	40.1	13.9	12.2	5.9
July	43.5	15.4	16.9	5.7	1.7	3.7	-10.2	-4.2	-2.0	-2.9
Aug.	17.5	-4.1	0.7	12.1	5.9	2.8	2.1	-1.1	5.2	-0.2
Sep.	18.7	3.1	4.0	-2.0	9.2	4.3	9.4	4.7	7.3	-0.9
Oct.	40.2	24.8	10.2	0.3	0.2	4.7	3.7	-2.0	0.8	0.5
Nov.	21.4	-8.6	8.1	12.7	7.2	2.1	25.9	4.2	14.7	3.7
Dec.	-8.8	-8.4	29.1	-4.9	-26.5	1.9	7.0	2.5	4.4	1.6

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

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
-0.1	0.2	0.4	-20.8	-4.3	3.3	2.2	-22.6	0.1	0.4	2000 Dec.
<i>Euro area enlargement</i>										
0.0	-0.1	-0.6	16.0	8.1	-6.1	-0.7	14.9	0.3	-0.6	2001 Jan.
0.0	0.1	-0.1	9.9	4.2	-1.2	3.5	3.9	-0.5	-0.1	Feb.
0.1	-0.1	0.3	34.9	10.0	10.0	3.6	11.2	-0.1	0.3	Mar.
-0.1	-0.2	-0.3	-10.5	-6.7	-7.0	-5.0	8.6	-0.2	-0.3	Apr.
0.0	0.0	0.0	-5.0	-9.8	-0.4	6.1	-1.1	0.2	0.0	May
0.1	0.0	0.1	7.6	7.7	6.4	0.9	-7.2	-0.3	0.1	June
0.0	-0.1	-0.2	-14.3	-10.3	-7.6	-1.6	3.9	1.5	-0.2	July
0.0	-0.1	0.0	-0.2	-7.5	-2.2	4.7	5.0	-0.2	0.0	Aug.
0.0	-0.1	0.0	7.8	0.7	6.2	-0.8	1.7	0.0	0.0	Sep.
0.0	-0.2	0.1	-1.9	5.9	-6.1	2.2	-3.5	-0.5	0.1	Oct.
0.0	0.1	0.4	-3.7	-10.4	3.2	-4.4	7.1	0.4	0.4	Nov.
0.0	0.1	0.7	-39.0	-11.2	4.5	-9.6	-23.9	0.6	0.7	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
-0.4	5.0	-1.0	11.1	-0.3	15.2	5.5	-14.3	6.0	-1.0	2000 Dec.
<i>Euro area enlargement</i>										
-0.5	0.0	1.4	12.1	23.2	5.1	-3.1	-15.3	0.8	1.4	2001 Jan.
-2.0	0.9	-2.2	69.7	39.3	11.6	13.6	4.8	2.6	-2.2	Feb.
2.5	5.2	-1.5	69.6	21.8	12.4	15.7	14.2	7.0	-1.5	Mar.
0.9	0.1	-0.6	46.9	10.2	13.2	6.5	15.3	2.2	-0.6	Apr.
1.0	-0.4	-1.1	66.0	13.5	16.1	14.4	22.8	0.3	-1.1	May
1.9	6.5	-0.6	82.5	24.8	13.2	10.5	28.2	6.5	-0.6	June
-0.5	0.0	-0.4	47.5	21.6	22.5	4.4	-2.7	2.1	-0.4	July
-0.2	-0.1	-1.3	19.8	2.3	8.2	7.2	0.7	2.8	-1.3	Aug.
-1.8	0.0	0.2	20.3	7.1	5.1	-2.0	5.7	4.2	0.2	Sep.
-0.1	5.3	-0.6	45.8	16.9	17.1	-1.4	3.5	10.3	-0.6	Oct.
-0.4	0.4	2.7	51.1	6.0	19.6	20.8	-0.3	2.2	2.7	Nov.
0.6	0.0	-2.8	37.2	5.3	29.0	6.4	-2.0	1.3	-2.8	Dec.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
-0.5	5.2	-0.6	-9.7	-4.5	18.5	7.7	-36.9	6.1	-0.6	2000 Dec.
<i>Euro area enlargement</i>										
-0.5	-0.1	0.8	28.1	31.3	-0.9	-3.8	-0.4	1.2	0.8	2001 Jan.
-2.0	1.0	-2.2	79.5	43.5	10.5	17.1	8.7	2.0	-2.2	Feb.
2.6	5.2	-1.1	104.5	31.8	22.4	19.3	25.3	6.9	-1.1	Mar.
0.7	-0.1	-0.9	36.3	3.5	6.2	1.5	24.0	2.0	-0.9	Apr.
1.0	-0.5	-1.1	61.0	3.7	15.7	20.5	21.7	0.5	-1.1	May
2.0	6.5	-0.5	90.2	32.5	19.6	11.4	21.0	6.1	-0.5	June
-0.5	0.0	-0.6	33.3	11.2	14.9	2.8	1.3	3.6	-0.6	July
-0.3	-0.2	-1.3	19.6	-5.2	5.9	11.9	5.6	2.6	-1.3	Aug.
-1.8	-0.1	0.2	28.1	7.8	11.3	-2.9	7.4	4.2	0.2	Sep.
-0.2	5.1	-0.5	43.9	22.8	11.0	0.9	0.0	9.8	-0.5	Oct.
-0.3	0.5	3.1	47.4	-4.4	22.8	16.4	6.9	2.6	3.1	Nov.
0.6	0.0	-2.2	-1.8	-5.9	33.5	-3.3	-25.9	1.9	-2.2	Dec.

## 4 HICP and other prices in the euro area

**Table 4.1**

### Harmonised Index of Consumer Prices

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

#### 1. Total index and goods and services

	Total		Goods		Services		Total (s.a.)		Goods (s.a.)	Services (s.a.)
	Index 1996 = 100		Index 1996 = 100		Index 1996 = 100		Index 1996 = 100	% change on previous period	Index 1996 = 100	Index 1996 = 100
Weight in the total (%) <sup>1)</sup>	100.0	100.0	61.1	61.1	38.9	38.9	100.0	100.0	61.1	38.9
	1	2	3	4	5	6	7	8	9	10
1997	101.6	1.6	101.2	1.2	102.4	2.4	-	-	-	-
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	105.5	2.7	107.8	1.7	-	-	-	-
<i>Euro area enlargement</i>										
2001	108.9	2.5	108.2	2.5	110.5	2.5	-	-	-	-
2001 Q1	107.7	2.3	106.8	2.4	109.3	2.2	107.7	0.3	106.9	109.4
Q2	109.2	3.1	108.8	3.5	110.1	2.5	109.1	1.3	108.6	110.2
Q3	109.3	2.5	108.3	2.4	111.2	2.5	109.2	0.1	108.5	110.7
Q4	109.6	2.2	108.7	1.8	111.3	2.8	109.7	0.4	108.7	111.6
2001 Mar.	108.2	2.5	107.5	2.6	109.5	2.2	108.0	0.4	107.3	109.5
Apr.	108.8	2.9	108.3	3.3	109.9	2.4	108.7	0.6	108.0	110.1
May	109.4	3.4	109.1	3.8	110.0	2.5	109.2	0.4	108.8	110.1
June	109.5	3.0	109.1	3.4	110.4	2.5	109.3	0.1	108.9	110.3
July	109.2	2.6	108.2	2.8	111.2	2.5	109.1	-0.2	108.4	110.6
Aug.	109.1	2.4	108.0	2.4	111.3	2.5	109.0	0.0	108.2	110.7
Sep.	109.5	2.3	108.7	2.1	111.0	2.6	109.5	0.4	108.8	111.0
Oct.	109.6	2.4	108.7	2.1	111.1	2.8	109.7	0.1	108.8	111.4
Nov.	109.5	2.1	108.6	1.6	111.2	2.7	109.6	0.0	108.7	111.5
Dec.	109.6	2.0	108.7	1.7	111.5	2.8	109.8	0.1	108.7	111.8
2002 Jan.	110.1	2.7	109.0	2.5	112.2	3.0	110.3	0.5	109.2	112.5
Feb. <sup>2)</sup>	.	2.5	.	.	.	.	.	.	.	.

#### 2. Breakdown of goods and services

	Goods						Services				
	Food <sup>3)</sup>			Industrial goods			Housing	Transport	Communi- cation	Recreation and personal	Miscellane- ous
	Total	Processed food <sup>3)</sup>	Unprocessed food	Total	Non-energy industrial goods	Energy					
Weight in the total (%) <sup>1)</sup>	20.4	12.3	8.1	40.7	32.0	8.7	9.7	6.3	2.5	14.3	6.1
	11	12	13	14	15	16	17	18	19	20	21
1997	1.4	1.4	1.4	1.0	0.6	2.7	3.0	2.3	-1.4	2.5	2.6
1998	1.6	1.4	2.0	0.2	0.9	-2.6	2.3	1.7	-1.0	2.2	1.8
1999	0.6	0.9	0.0	1.0	0.7	2.4	1.8	2.1	-4.4	2.0	1.8
2000	1.4	1.1	1.7	3.4	0.7	13.3	1.6	2.6	-4.2	2.3	2.4
<i>Euro area enlargement</i>											
2001	4.6	2.9	7.2	1.5	1.1	2.8	1.9	3.6	-2.9	3.3	2.7
2001 Q1	3.3	1.9	5.3	2.0	0.5	7.2	1.9	3.2	-4.3	3.1	2.4
Q2	5.0	2.8	8.5	2.7	1.4	7.3	1.8	3.5	-2.8	3.3	2.6
Q3	5.2	3.4	8.0	1.0	1.0	1.2	1.9	3.7	-2.5	3.2	2.8
Q4	4.8	3.5	6.9	0.3	1.6	-4.1	1.9	3.8	-1.8	3.7	3.0
2001 Mar.	3.9	2.1	6.7	1.9	0.9	5.6	1.8	3.1	-4.1	3.1	2.5
Apr.	4.4	2.5	7.3	2.8	1.3	7.8	1.8	3.6	-2.9	3.1	2.5
May	5.3	2.8	9.1	3.1	1.5	8.6	1.8	3.5	-2.8	3.5	2.5
June	5.4	3.0	9.0	2.4	1.4	5.5	1.8	3.4	-2.7	3.4	2.6
July	5.4	3.3	8.7	1.4	1.0	2.9	1.9	3.8	-2.5	3.2	2.7
Aug.	5.1	3.4	7.7	1.0	0.7	2.1	1.8	3.7	-2.7	3.1	2.7
Sep.	5.1	3.5	7.7	0.6	1.2	-1.3	1.9	3.6	-2.3	3.4	2.9
Oct.	5.2	3.5	7.7	0.5	1.5	-2.7	1.9	3.8	-1.8	3.7	3.0
Nov.	4.6	3.5	6.4	0.1	1.6	-5.0	1.9	3.7	-1.9	3.6	3.0
Dec.	4.7	3.5	6.5	0.2	1.7	-4.5	1.9	4.0	-1.7	3.7	3.0
2002 Jan.	5.6	3.8	8.4	0.9	1.7	-1.7	2.1	3.6	-1.2	3.9	3.1
Feb.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

1) Referring to the index period 2002.

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

3) Including alcoholic beverages and tobacco.

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

	Industrial producer prices										World market prices of raw materials <sup>1)</sup>		Oil prices <sup>2)</sup> (EUR per barrel)	
	Industry excluding construction <sup>3)</sup>									Construc- tion <sup>4)</sup>	Manu- facturing	Total excluding energy		
	Total		Industry excluding construction and energy					Energy						
	Index 1995 = 100		Total	Inter- mediate goods	Capital goods	Consumer goods								
						Total	Durable consumer goods	Non-durable consumer goods						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1996	100.3	0.3	0.3	-1.8	1.4	1.7	2.0	1.7	0.9	1.4	0.9	6.0	-7.5	16.0
1997	101.4	1.1	0.6	0.2	0.3	1.1	0.6	1.2	3.2	1.3	0.8	10.7	14.6	17.0
1998	100.6	-0.8	0.2	-0.4	0.6	0.5	0.7	0.5	-5.2	0.3	-0.6	-21.0	-12.5	12.0
1999	100.2	-0.4	-0.6	-1.5	0.2	-0.1	0.7	-0.2	0.5	1.2	0.2	15.8	-5.9	17.1
2000	105.7	5.5	2.6	5.0	0.6	1.5	1.4	1.5	19.0	2.4	5.2	50.8	16.7	31.0
2000 Q4	108.0	6.2	3.1	5.3	0.8	2.3	1.7	2.4	20.1	3.3	5.4	36.8	14.2	34.5
<i>Euro area enlargement</i>														
2001	107.9	2.2	1.9	1.3	1.1	3.0	2.0	3.2	2.7	2.3	1.2	-8.8	-7.6	27.8
2001 Q1	108.3	4.6	3.0	4.0	0.9	3.2	2.0	3.3	10.9	2.5	3.2	4.1	-0.8	28.4
Q2	108.9	3.7	2.4	2.0	1.0	3.5	2.2	3.7	8.9	2.7	2.6	4.6	-3.0	31.7
Q3	108.3	1.5	1.6	0.3	1.1	3.1	2.1	3.2	0.7	2.4	0.6	-11.3	-10.4	29.0
Q4	107.1	-1.0	0.8	-1.1	1.2	2.4	1.8	2.4	-8.2	1.6	-1.5	-28.8	-15.6	22.4
2001 Feb.	108.3	4.6	3.0	4.1	0.9	3.1	2.0	3.3	11.2	-	3.3	5.9	-0.1	29.9
Mar.	108.5	4.2	2.9	3.5	0.9	3.5	2.2	3.7	9.1	-	2.8	-0.8	-3.0	28.1
Apr.	108.7	4.2	2.7	2.6	1.0	3.6	2.2	3.8	10.6	-	3.0	10.1	-3.7	29.8
May	109.0	3.7	2.3	1.9	1.0	3.5	2.2	3.6	9.3	-	2.7	1.4	-5.9	32.7
June	109.0	3.2	2.2	1.5	1.1	3.4	2.2	3.6	7.0	-	2.1	3.0	0.9	32.5
July	108.3	2.1	1.8	0.7	1.1	3.2	2.1	3.3	2.8	-	1.2	-1.3	-1.8	29.4
Aug.	108.2	1.7	1.6	0.3	1.1	3.2	2.1	3.3	1.4	-	0.8	-10.4	-10.7	28.7
Sep.	108.3	0.7	1.4	-0.2	1.2	2.9	1.9	3.0	-2.1	-	-0.1	-20.7	-18.1	28.8
Oct.	107.6	-0.7	1.0	-0.8	1.2	2.7	1.8	2.8	-7.3	-	-1.2	-30.2	-19.3	23.8
Nov.	107.1	-1.3	0.8	-1.1	1.2	2.4	1.7	2.4	-9.6	-	-1.8	-34.1	-15.1	21.7
Dec.	106.8	-1.1	0.6	-1.3	1.2	2.1	1.8	2.1	-7.7	-	-1.5	-20.6	-12.3	21.5
2002 Jan.	107.0	-0.9	0.3	-1.3	1.1	1.4	1.3	1.4	-3.9	-	-0.8	-14.3	-6.2	22.6
Feb.	.	.	.	.	.	.	.	.	.	-	.	-15.1	-3.7	23.5

**2. Deflators of gross domestic product<sup>5)</sup>**
*(annual percentage changes, unless otherwise indicated; seasonally adjusted)*

	Total		Domestic demand	Private consumption	Government consumption	Gross fixed capital formation	Exports <sup>6)</sup>	Imports <sup>6)</sup>
	Index 1995 = 100							
	15	16	17	18	19	20	21	22
1996	102.0	2.0	2.1	2.4	2.2	0.9	0.8	0.8
1997	103.6	1.5	1.7	2.0	1.3	1.0	1.8	2.6
1998	105.3	1.7	1.3	1.4	1.4	0.9	-0.1	-1.4
1999	106.4	1.1	1.2	1.1	1.8	0.9	-0.5	-0.1
2000	107.8	1.3	2.5	2.2	1.9	2.6	4.8	8.3
1999 Q4	106.8	0.9	1.6	1.5	2.1	1.4	1.8	4.3
2000 Q1	107.3	1.1	2.3	2.0	2.0	2.3	3.8	7.7
Q2	107.6	1.1	2.2	1.8	1.8	2.6	4.7	8.2
Q3	108.1	1.5	2.6	2.3	1.9	2.5	5.1	8.4
Q4	108.5	1.6	2.7	2.5	2.0	2.9	5.5	8.8
<i>Euro area enlargement</i>								
2001	110.7	2.7	2.6	2.7	2.6	2.5	1.7	1.6
2001 Q1	109.8	2.1	2.4	2.4	2.1	2.3	3.5	4.4
Q2	110.6	2.5	2.6	2.7	2.3	2.0	2.7	3.1
Q3	110.7	2.1	2.0	2.3	2.0	2.0	0.8	0.7

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

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

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

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

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

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

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

## 5 Real economy indicators in the euro area

**Table 5.1**

### National accounts <sup>1)</sup>

#### GDP and expenditure components

##### 1. Current prices

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

	GDP								
	Total	Domestic demand					External balance <sup>3)</sup>		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories <sup>2)</sup>	Total	Exports <sup>3)</sup>	Imports <sup>3)</sup>
1	2	3	4	5	6	7	8	9	
1996	5,534.9	5,409.2	3,143.8	1,142.4	1,121.9	1.1	125.7	1,655.2	1,529.5
1997	5,649.3	5,500.8	3,201.4	1,150.7	1,138.4	10.3	148.6	1,827.2	1,678.7
1998	5,882.9	5,743.6	3,331.2	1,176.9	1,202.4	33.1	139.3	1,948.7	1,809.5
1999	6,139.8	6,035.6	3,495.5	1,230.7	1,286.8	22.6	104.1	2,053.0	1,948.9
2000	6,429.5	6,358.1	3,661.7	1,277.9	1,376.7	41.7	71.5	2,408.4	2,337.0
2000 Q2	1,601.3	1,584.2	912.6	318.0	342.8	10.8	17.1	587.9	570.9
Q3	1,615.5	1,597.5	920.0	320.3	347.3	9.9	18.0	616.6	598.6
Q4	1,630.1	1,614.9	927.4	324.1	349.5	14.0	15.2	638.7	623.5
<i>Euro area enlargement</i>									
2001 Q1	1,685.8	1,659.1	962.8	333.0	356.5	6.8	26.7	643.9	617.2
Q2	1,698.5	1,675.0	976.1	336.4	355.4	7.1	23.5	642.8	619.2
Q3	1,702.9	1,675.9	980.7	338.0	356.8	0.4	27.0	634.2	607.2

##### 2. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	GDP								
	Total	Domestic demand					External balance <sup>3)</sup>		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories <sup>2)</sup>	Total	Exports <sup>3)</sup>	Imports <sup>3)</sup>
10	11	12	13	14	15	16	17	18	
1996	5,384.3	5,263.4	3,046.1	1,112.2	1,106.1	-1.0	120.9	1,635.8	1,514.9
1997	5,509.4	5,354.3	3,093.5	1,126.1	1,132.0	2.7	155.0	1,806.3	1,651.2
1998	5,667.2	5,544.2	3,186.7	1,140.0	1,190.3	27.2	123.1	1,938.6	1,815.5
1999	5,816.5	5,723.7	3,288.4	1,164.6	1,254.4	16.3	92.7	2,039.5	1,946.7
2000	6,011.8	5,883.7	3,372.2	1,186.2	1,308.1	17.1	128.0	2,283.1	2,155.1
2000 Q2	1,501.0	1,471.8	844.0	296.2	326.4	5.3	29.2	561.1	531.9
Q3	1,506.9	1,473.2	844.7	296.5	329.1	2.9	33.7	581.3	547.5
Q4	1,515.8	1,480.5	846.1	298.6	329.1	6.7	35.3	594.9	559.6
<i>Euro area enlargement</i>									
2001 Q1	1,551.2	1,511.7	873.3	304.4	333.9	0.1	39.4	600.3	560.9
Q2	1,552.2	1,515.1	878.3	305.5	331.3	0.0	37.1	596.5	559.3
Q3	1,554.5	1,513.1	879.6	306.2	331.1	-3.9	41.4	592.8	551.4
<i>(annual percentage changes)</i>									
1996	1.4	1.0	1.6	1.7	1.2	-	-	4.5	3.2
1997	2.3	1.7	1.6	1.3	2.3	-	-	10.4	9.0
1998	2.9	3.5	3.0	1.2	5.1	-	-	7.3	9.9
1999	2.6	3.2	3.2	2.2	5.4	-	-	5.2	7.2
2000	3.4	2.8	2.5	1.9	4.3	-	-	11.9	10.7
2000 Q2	3.9	3.5	3.3	2.2	4.9	-	-	11.7	10.9
Q3	3.2	2.7	2.4	1.6	3.8	-	-	12.3	11.4
Q4	2.8	2.2	1.9	1.6	3.2	-	-	12.0	10.7
<i>Euro area enlargement</i>									
2001 Q1	2.4	1.7	2.0	1.9	1.3	-	-	8.7	6.9
Q2	1.6	1.0	1.8	1.9	-0.4	-	-	5.1	3.5
Q3	1.4	0.7	1.8	2.0	-1.3	-	-	0.8	-0.9

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 <sup>1)</sup>	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	5,177.4	139.7	1,207.3	300.7	1,059.2	1,338.7	1,131.8	204.8	562.2
1997	5,269.9	138.6	1,227.1	291.8	1,086.9	1,381.3	1,144.3	202.8	582.3
1998	5,468.8	138.7	1,273.5	295.0	1,139.4	1,442.9	1,179.2	201.5	615.5
1999	5,675.2	135.4	1,295.2	311.3	1,183.5	1,525.2	1,224.7	200.5	665.0
2000	5,947.5	137.0	1,373.9	325.9	1,235.9	1,609.7	1,265.1	210.0	692.1
2000 Q2	1,480.3	33.9	342.2	81.2	307.8	400.0	315.2	52.5	173.5
Q3	1,495.8	34.7	346.4	81.3	310.1	405.5	317.8	52.8	172.4
Q4	1,507.7	34.7	349.0	82.1	313.9	408.7	319.4	52.8	175.1
<i>Euro area enlargement</i>									
2001 Q1	1,561.0	37.2	360.4	85.2	327.2	420.9	330.0	54.5	179.3
Q2	1,572.3	37.9	359.0	85.3	330.9	426.2	332.9	54.9	181.1
Q3	1,579.5	38.3	357.2	86.2	334.2	428.1	335.4	55.5	178.8

### 4. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM <sup>1)</sup>	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	5,047.4	139.6	1,178.3	295.5	1,039.4	1,295.7	1,098.9	206.3	543.2
1997	5,167.3	140.2	1,216.9	290.3	1,072.1	1,338.0	1,109.9	214.0	556.1
1998	5,316.7	142.2	1,253.6	292.0	1,113.8	1,389.2	1,125.9	221.3	571.8
1999	5,451.0	145.2	1,263.8	298.9	1,162.7	1,440.4	1,140.1	229.8	595.3
2000	5,644.8	145.2	1,322.0	304.4	1,211.0	1,503.7	1,158.5	241.1	608.0
2000 Q2	1,407.3	36.2	329.6	75.9	301.7	374.3	289.6	59.8	153.6
Q3	1,415.8	36.6	332.1	75.9	303.5	377.8	289.8	60.6	151.8
Q4	1,425.0	36.3	334.1	75.8	307.1	380.6	291.0	61.3	152.1
<i>Euro area enlargement</i>									
2001 Q1	1,460.3	38.2	341.9	77.4	317.3	388.7	296.8	62.8	153.7
Q2	1,460.7	38.2	338.4	76.5	318.3	391.5	297.8	63.5	155.0
Q3	1,464.4	38.5	337.5	76.7	319.3	393.7	298.7	64.3	154.4
<i>(annual percentage changes)</i>									
1996	1.5	5.5	-0.3	-1.8	1.0	3.7	1.7	2.7	1.4
1997	2.4	0.4	3.3	-1.8	3.1	3.3	1.0	3.7	2.4
1998	2.9	1.4	3.0	0.6	3.9	3.8	1.4	3.4	2.8
1999	2.5	2.1	0.8	2.3	4.4	3.7	1.3	3.9	4.1
2000	3.6	0.0	4.6	1.8	4.2	4.4	1.6	4.9	2.1
2000 Q2	3.9	-0.2	4.9	2.4	4.6	4.6	1.9	5.3	4.7
Q3	3.4	0.4	4.5	1.0	3.7	4.3	1.6	4.4	1.7
Q4	3.2	-0.7	4.2	0.5	4.1	3.9	1.4	4.6	-0.5
<i>Euro area enlargement</i>									
2001 Q1	2.8	0.1	3.7	-1.4	3.7	3.3	1.5	4.4	0.2
Q2	2.0	-0.3	1.5	-1.3	3.0	3.1	1.3	4.5	-1.0
Q3	1.7	-0.5	0.5	-1.1	2.7	2.8	1.5	4.4	-0.3

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 <sup>1)</sup>**
**1. Industrial production**
*(annual percentage changes, unless otherwise indicated)*

	Total	Industry excluding construction <sup>2)</sup>									Construction	Manufacturing	
		Total			Industry excluding construction and energy								Energy
		Index (s.a.) 1995 = 100		Total	Inter- mediate goods	Capital goods	Consumer goods						
							Total	Durable consumer goods	Non-durable consumer goods				
1	2	3	4	5	6	7	8	9	10	11	12		
1998	3.5	109.3	4.3	4.5	3.5	7.5	2.9	4.7	2.5	1.2	0.3	4.8	
1999	1.9	111.4	1.9	1.8	1.5	2.4	1.7	1.3	1.8	1.4	2.9	2.0	
2000	5.0	117.5	5.5	5.8	5.8	8.6	2.3	5.8	1.6	1.8	2.1	5.9	
2000 Q4	4.4	120.1	5.1	5.5	5.1	8.9	2.0	4.0	1.6	0.0	1.1	5.8	
<i>Euro area enlargement</i>													
2001	-0.3	117.8	0.2	-0.2	-1.3	1.4	0.0	-2.6	0.5	0.4	-2.5	0.1	
2001 Q1	3.2	119.6	4.3	4.5	2.9	8.1	3.3	3.1	3.3	-1.6	-2.1	5.2	
Q2	0.2	118.3	0.9	0.5	-0.2	1.6	0.4	-1.8	0.8	1.0	-2.5	0.9	
Q3	-1.2	117.7	-0.4	-0.7	-1.6	0.3	0.0	-3.8	0.8	0.7	-0.8	-0.5	
Q4	-3.1	115.4	-3.9	-4.8	-6.0	-3.8	-3.4	-7.5	-2.5	1.9	-2.5	-4.6	
2001 Mar.	1.9	119.6	3.3	3.5	1.8	6.4	2.9	3.1	2.9	-2.3	-4.3	4.0	
Apr.	-0.1	118.3	0.8	0.2	-0.2	1.2	0.1	-2.0	0.5	0.7	-4.0	0.9	
May	-0.4	117.8	0.0	-0.4	-1.0	0.6	-0.4	-3.7	0.3	1.9	-3.3	-0.4	
June	1.1	118.8	1.8	1.7	0.8	3.0	1.4	0.3	1.7	0.3	-1.0	2.1	
July	-1.3	116.9	-1.4	-1.5	-1.7	-1.5	-0.9	-6.6	0.2	0.2	-1.4	-1.5	
Aug.	-1.1	118.4	1.1	0.8	-1.1	3.0	1.5	0.7	1.6	1.0	-2.7	1.0	
Sep.	-1.1	117.7	-0.6	-0.9	-2.0	0.1	-0.2	-4.1	0.6	0.9	-3.4	-0.8	
Oct.	-2.3	115.9	-2.7	-2.9	-3.7	-1.7	-2.5	-7.6	-1.4	-0.9	-0.9	-2.9	
Nov.	-3.5	115.1	-4.2	-4.9	-5.8	-4.6	-3.5	-7.5	-2.7	1.5	-3.0	-5.0	
Dec.	-3.6	115.4	-4.8	-6.6	-8.9	-5.1	-4.1	-7.3	-3.4	4.8	-3.6	-6.1	
2002 Jan.	.	.	.	.	.	.	.	.	.	.	.	.	

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

	Retail sales (s.a.)									New passenger car registrations	
	Current prices		Constant prices							Thousands <sup>3)</sup> (s.a.)	
	Total		Total		Food, beverages, tobacco	Non-food					
	Index 1995 = 100		Index 1995 = 100				Textiles, clothing, footwear	Household equipment			
13	14	15	16	17	18	19	20	21	22		
1998	108.0	3.6	104.4	3.0	2.0	3.6	2.1	4.5	923	7.2	
1999	111.6	3.4	107.1	2.6	3.1	2.5	1.4	3.0	973	5.4	
2000	116.3	4.2	109.7	2.4	1.9	2.3	1.7	4.9	952	-2.1	
2000 Q4	117.9	3.3	110.5	1.7	1.3	1.7	0.8	3.8	921	-3.9	
<i>Euro area enlargement</i>											
2001	121.0	3.7	111.3	1.4	1.2	1.3	1.3	-0.2	970	-0.7	
2001 Q1	119.6	4.2	111.0	2.3	1.8	2.6	2.7	1.2	952	-5.0	
Q2	121.0	3.9	111.2	0.9	0.7	1.0	0.8	-0.6	1,005	1.8	
Q3	121.6	3.8	111.5	1.5	1.5	1.3	2.0	-0.8	952	-1.2	
Q4	121.9	2.9	111.3	0.6	1.0	0.4	-0.2	-0.5	969	2.5	
2001 Mar.	120.3	5.1	110.7	2.4	1.6	3.1	2.4	0.1	951	-3.8	
Apr.	119.8	3.1	111.2	1.1	0.9	1.1	1.0	-0.5	969	-1.7	
May	121.0	3.2	111.0	0.0	-0.1	0.0	-0.2	-1.9	993	0.0	
June	122.2	5.4	111.3	1.7	1.2	2.0	1.7	0.5	1,053	7.3	
July	120.9	4.2	111.3	1.5	2.0	1.1	0.7	-2.0	937	-1.5	
Aug.	122.4	4.6	111.5	1.6	1.7	1.3	0.6	0.8	961	-0.5	
Sep.	121.6	2.6	111.7	1.5	0.9	1.6	4.8	-1.2	959	-1.3	
Oct.	121.5	3.5	110.7	0.0	0.5	0.3	-3.2	0.0	964	3.2	
Nov.	122.8	3.5	112.0	1.4	1.2	1.3	2.0	-0.5	972	3.3	
Dec.	121.2	1.8	111.3	0.5	1.2	-0.5	0.8	-0.9	970	0.8	
2002 Jan.	.	.	.	.	.	.	.	.	933	-2.4	

*Sources: Eurostat, except columns 21 and 22 (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) Breakdown in accordance with the harmonised definition of Main Industrial Groupings.*
*3) Monthly averages.*

Table 5.3

## European Commission Business and Consumer Surveys

## 1. Economic sentiment indicator, manufacturing industry and consumer surveys

(percentage balances, seasonally adjusted, unless otherwise indicated)

	Economic sentiment indicator <sup>1)2)</sup> (index 1995 = 100) 1	Manufacturing industry					Consumer confidence indicator <sup>1)</sup>				
		Industrial confidence indicator				Capacity utilisation <sup>3)</sup> (percentages) 6	Total 7	Financial situation over next 12 months 8	Economic situation over next 12 months 9	Unemployment situation over next 12 months 10	Savings over next 12 months 11
		Total 2	Order books 3	Stocks of finished products 4	Production expectations 5						
1998	101.4	-1	-5	9	11	83.0	-5	2	-4	16	-2
1999	101.2	-7	-17	11	7	81.8	-4	3	-4	12	-1
2000	103.8	5	3	5	17	83.8	1	4	1	1	0
<i>Euro area enlargement</i>											
2001	100.9	-8	-13	13	3	83.2	-5	2	-9	13	0
2001 Q1	103.0	1	-1	8	12	84.4	1	4	-2	-1	1
Q2	101.6	-5	-8	13	5	83.6	-2	3	-5	6	1
Q3	100.3	-10	-17	15	2	83.0	-8	1	-12	18	-2
Q4	98.9	-17	-27	17	-8	81.8	-11	1	-16	29	0
2002 Q1	.	.	.	.	.	80.8	.	.	.	.	.
2001 Feb.	103.1	1	0	8	12	-	1	4	-2	1	2
Mar.	102.5	-1	-3	10	9	-	1	4	-3	0	2
Apr.	102.1	-4	-6	12	6	-	0	4	-3	3	2
May	101.6	-5	-9	13	6	-	-2	3	-4	8	1
June	101.1	-7	-10	14	3	-	-3	2	-7	8	1
July	100.7	-9	-16	15	5	-	-6	2	-10	14	-1
Aug.	100.1	-10	-16	15	2	-	-8	1	-12	19	-3
Sep.	100.1	-11	-18	15	-1	-	-9	1	-13	21	-1
Oct.	99.1	-16	-25	16	-8	-	-10	2	-17	27	1
Nov.	98.6	-18	-28	18	-9	-	-12	1	-17	31	-1
Dec.	98.9	-17	-28	16	-7	-	-10	1	-14	28	0
2002 Jan.	99.1	-14	-28	14	-1	-	-11	0	-13	28	-1
Feb.	99.2	-14	-25	14	-2	-	-9	1	-10	26	-1

## 2. Construction industry, retail trade and services surveys

(percentage balances, seasonally adjusted)

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator <sup>1)</sup>			
	Total 12	Order books 13	Employment expectations 14	Total 15	Present business situation 16	Volume of stocks 17	Expected business situation 18	Total 19	Business climate 20	Demand in recent months 21	Demand in the months ahead 22
	1998	-19	-25	-12	-3	-3	13	8	32	32	30
1999	-7	-14	1	-5	-5	15	4	26	24	24	30
2000	1	-6	8	-1	4	16	9	30	36	22	32
<i>Euro area enlargement</i>											
2001	-5	-10	1	-6	-4	16	3	15	17	8	21
2001 Q1	-1	-7	5	-2	4	18	9	26	30	16	34
Q2	-3	-9	4	-6	-5	16	3	24	24	16	31
Q3	-7	-10	-3	-6	-5	16	3	14	18	6	19
Q4	-9	-14	-4	-9	-11	15	-2	-4	-5	-8	0
2002 Q1	.	.	.	.	.	.	.	.	.	.	.
2001 Feb.	-2	-7	4	0	10	19	10	26	29	17	33
Mar.	-2	-7	3	-5	-3	15	2	25	28	10	36
Apr.	-2	-8	4	-4	-1	16	4	25	23	17	34
May	-2	-9	5	-7	-9	15	3	23	24	15	30
June	-5	-11	2	-7	-6	17	3	23	24	16	29
July	-7	-10	-3	-4	0	16	3	17	21	10	21
Aug.	-8	-10	-6	-8	-6	17	0	14	16	4	21
Sep.	-5	-9	0	-6	-8	15	6	12	17	5	15
Oct.	-8	-12	-4	-9	-11	14	-1	-2	-4	-6	3
Nov.	-10	-14	-5	-9	-10	14	-3	-6	-7	-7	-4
Dec.	-9	-16	-2	-10	-12	17	-1	-5	-5	-11	1
2002 Jan.	-12	-19	-4	-11	-15	15	-4	1	1	-15	18
Feb.	-10	-17	-3	-15	-24	17	-3	3	2	-13	20

Source: European Commission Business and Consumer Surveys.

1) Data for all periods refer to the Euro 12.

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

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



**Table 5.4**
**Labour market indicators**
**1. Employment and unemployment in the whole economy <sup>1)</sup>**
*(annual percentage changes, seasonally adjusted, unless otherwise indicated)*

	Employment						Unemployment			
	Total		By employment status		By selected sector		Total		Adult <sup>2)</sup>	Youth <sup>2)</sup>
	Index 1995 = 100		Employees	Self- employed	Industry excluding construction	Services	Millions	% of labour force	% of labour force	% of labour force
	1	2	3	4	5	6	7	8	9	10
1997	101.3	0.8	0.9	0.1	-0.4	1.5	14.549	11.4	9.8	22.9
1998	102.9	1.6	1.8	0.4	1.1	2.2	13.816	10.7	9.3	20.9
1999	104.6	1.6	2.2	-0.6	0.0	2.6	12.722	9.7	8.5	18.8
2000	106.8	2.1	2.4	0.2	0.8	2.8	11.515	8.8	7.6	17.0
2000 Q4	107.7	2.2	2.4	1.1	1.3	2.8	11.130	8.4	7.3	16.4
<i>Euro area enlargement</i>										
2001	-	-	-	-	-	-	11.403	8.3	7.2	16.5
2001 Q1	108.0	2.1	2.3	0.8	1.4	2.5	11.419	8.4	7.3	16.5
Q2	108.2	1.6	1.8	0.5	0.8	2.1	11.351	8.3	7.2	16.5
Q3	108.4	1.2	1.5	-0.1	0.2	1.8	11.369	8.3	7.2	16.5
Q4	-	-	-	-	-	-	11.474	8.4	7.3	16.7
2001 Jan.	-	-	-	-	-	-	11.482	8.4	7.3	16.6
Feb.	-	-	-	-	-	-	11.417	8.4	7.2	16.5
Mar.	-	-	-	-	-	-	11.358	8.3	7.2	16.4
Apr.	-	-	-	-	-	-	11.335	8.3	7.2	16.5
May	-	-	-	-	-	-	11.353	8.3	7.2	16.5
June	-	-	-	-	-	-	11.365	8.3	7.2	16.5
July	-	-	-	-	-	-	11.363	8.3	7.2	16.5
Aug.	-	-	-	-	-	-	11.359	8.3	7.2	16.5
Sep.	-	-	-	-	-	-	11.385	8.3	7.2	16.5
Oct.	-	-	-	-	-	-	11.439	8.3	7.2	16.6
Nov.	-	-	-	-	-	-	11.479	8.4	7.3	16.7
Dec.	-	-	-	-	-	-	11.503	8.4	7.3	16.7
2002 Jan.	-	-	-	-	-	-	11.525	8.4	7.3	16.7

**2. Labour costs and productivity**
*(annual percentage changes)*

	Unit labour cost in the whole economy, and components (s.a.)			Labour cost indices <sup>3)</sup>					Earnings per employee in manufacturing	
	Unit labour cost	Compensation per employee	Labour productivity	Total	By component		By selected sector			
					Wages and salaries	Employers' social contributions and other costs	Industry excluding construction	Services		
	11	12	13	14	15	16	17	18	19	
1996	1.9	3.0	1.1	3.5	3.0	4.5	3.6	4.0	3.7	
1997	0.7	2.2	1.6	2.5	2.6	2.5	2.2	2.7	2.3	
1998	0.2	1.4	1.3	1.7	2.1	0.8	1.6	1.5	2.2	
1999	1.3	2.2	0.9	2.2	2.4	1.4	2.5	1.9	2.7	
2000	1.1	2.5	1.4	3.4	3.7	2.4	3.3	3.0	2.7	
1999 Q3	1.1	2.0	0.9	2.3	2.5	1.6	2.7	2.0	2.9	
Q4	0.3	2.2	1.8	2.5	2.7	1.5	2.8	1.8	2.5	
2000 Q1	0.5	2.5	2.1	3.6	3.9	2.8	3.8	3.4	3.0	
Q2	0.4	2.1	1.7	3.5	3.8	2.6	3.4	2.9	2.8	
Q3	1.4	2.4	1.0	3.4	3.8	2.4	3.2	2.6	2.5	
Q4	1.7	2.1	0.5	3.1	3.5	1.9	2.8	3.0	2.3	
<i>Euro area enlargement</i>										
2001 Q1	2.1	2.3	0.2	3.2	3.6	1.9	3.0	3.1	3.2	
Q2	2.5	2.5	0.0	2.9	3.3	1.6	3.1	2.1	2.8	
Q3	2.3	2.4	0.1	3.4	3.7	2.3	3.3	3.4	3.1	

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 6.1

### Financial investment and financing of non-financial sectors <sup>1)</sup>

(EUR billions (ECU billions to end-1998); not seasonally adjusted; end of period)

#### Amounts outstanding

##### 1. Main financial assets <sup>2)</sup>

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area <sup>3)</sup>
	Total	Currency	Deposits of non-financial sectors other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs <sup>4)</sup>	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1997 Q4	4,685.3	320.6	4,072.2	1,158.1	1,466.3	1,322.5	125.3	153.9	138.7	215.8
1998 Q1	4,642.4	311.8	4,050.9	1,133.2	1,457.0	1,342.7	118.0	139.4	140.2	247.2
Q2	4,699.1	315.5	4,100.3	1,204.9	1,452.7	1,341.9	100.8	147.4	135.8	239.7
Q3	4,677.5	311.8	4,074.2	1,184.2	1,451.1	1,341.4	97.4	156.4	135.1	237.6
Q4	4,826.0	323.4	4,211.1	1,282.9	1,463.3	1,386.3	78.6	149.8	141.6	215.3
1999 Q1	4,675.4	317.8	4,075.8	1,239.1	1,464.6	1,306.2	66.0	133.4	148.4	243.9
Q2	4,701.5	324.0	4,114.1	1,321.8	1,418.3	1,315.6	58.4	125.0	138.4	242.7
Q3	4,712.8	327.5	4,112.6	1,324.5	1,416.4	1,313.0	58.7	133.3	139.4	238.6
Q4	4,858.9	350.0	4,214.8	1,370.8	1,457.6	1,323.4	63.0	142.0	152.1	229.7
2000 Q1	4,836.8	334.7	4,222.0	1,379.5	1,462.5	1,303.2	76.8	130.2	150.0	260.6
Q2	4,893.8	341.2	4,256.5	1,409.6	1,485.6	1,282.5	78.9	146.0	150.1	247.2
Q3	4,913.8	339.0	4,265.9	1,396.7	1,523.7	1,263.5	81.9	159.2	149.7	254.1
Q4	5,029.4	347.6	4,361.4	1,464.3	1,542.4	1,269.1	85.6	164.5	156.0	230.3
<i>Euro area enlargement</i>										
2001 Q1	5,145.2	335.5	4,502.2	1,446.0	1,625.7	1,314.5	115.9	150.3	157.2	260.0
Q2	5,242.1	332.2	4,586.4	1,526.0	1,621.1	1,321.0	118.3	165.5	158.0	269.0
Q3	5,232.4	308.9	4,615.7	1,547.9	1,609.5	1,333.6	124.7	147.8	160.0	.
Q4	.	239.7	4,819.2	1,687.9	1,617.4	1,396.2	117.7	139.3	.	.
	Securities other than shares			Shares <sup>5)</sup>				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
	11	12	13	14	15	16	17	18	19	20
1997 Q4	1,580.0	202.9	1,377.1	2,741.2	1,578.7	1,162.4	184.9	2,385.0	2,129.4	255.5
1998 Q1	1,599.5	194.5	1,405.0	3,271.4	1,948.1	1,323.3	186.5	2,464.7	2,199.6	265.1
Q2	1,556.7	169.2	1,387.4	3,495.7	2,066.8	1,428.9	186.7	2,523.2	2,255.9	267.3
Q3	1,547.1	158.1	1,389.0	3,193.5	1,750.3	1,443.2	187.9	2,568.8	2,298.7	270.1
Q4	1,544.9	157.5	1,387.4	3,527.4	2,006.3	1,521.1	172.7	2,632.5	2,362.4	270.0
1999 Q1	1,585.6	136.5	1,449.1	3,750.1	2,118.7	1,631.4	194.8	2,708.7	2,429.1	279.6
Q2	1,506.5	127.2	1,379.2	4,010.6	2,275.8	1,734.8	211.6	2,776.4	2,494.8	281.6
Q3	1,514.8	116.0	1,398.8	4,068.8	2,322.1	1,746.7	210.8	2,842.4	2,558.1	284.3
Q4	1,560.3	146.4	1,414.0	4,597.3	2,761.0	1,836.3	203.9	2,957.1	2,669.5	287.7
2000 Q1	1,548.1	146.8	1,401.3	4,854.5	2,919.6	1,934.9	218.3	3,084.0	2,782.8	301.2
Q2	1,585.0	146.9	1,438.1	4,763.8	2,854.5	1,909.3	208.9	3,128.4	2,824.5	303.9
Q3	1,635.8	162.6	1,473.2	4,906.7	2,983.7	1,923.1	207.3	3,179.8	2,872.7	307.2
Q4	1,700.2	177.9	1,522.3	4,942.3	3,066.3	1,876.1	203.4	3,207.2	2,897.5	309.7
<i>Euro area enlargement</i>										
2001 Q1	1,786.7	224.3	1,562.4	4,685.1	2,836.3	1,848.8	229.3	3,255.5	2,932.5	323.0
Q2	1,792.0	201.7	1,590.3	4,727.5	2,862.0	1,865.5	237.8	3,308.1	2,982.8	325.3
Q3	1,825.5	207.5	1,618.0	4,108.8	2,359.3	1,749.5	254.9	3,281.0	2,952.5	328.5
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

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

2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.

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

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

5) Excluding unquoted shares.

**Table 6.1 (cont'd)**
**Financial investment and financing of non-financial sectors <sup>1)</sup>**
*(EUR billions (ECU billions to end-1998); not seasonally adjusted; end of period)*
**Amounts outstanding**
**2. Main liabilities <sup>2)</sup>**

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks <sup>3)</sup>
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households <sup>4)</sup>			
			Total	Short-term	Long-term <sup>5)</sup>	Total	Short-term	Long-term	Total	Short-term	Long-term	
1	2	3	4	5	6	7	8	9	10	11	12	
1997 Q4	5,835.2	5,315.1	923.5	54.2	869.3	2,404.3	837.1	1,567.2	2,507.4	223.7	2,283.8	141.6
1998 Q1	5,894.1	5,357.3	907.2	35.5	871.7	2,449.6	853.7	1,595.9	2,537.2	223.4	2,313.8	146.9
Q2	6,005.8	5,453.0	902.0	31.8	870.2	2,504.1	877.8	1,626.2	2,599.7	232.5	2,367.1	151.3
Q3	6,080.9	5,524.1	903.1	33.3	869.9	2,528.3	864.9	1,663.3	2,649.6	233.7	2,415.8	147.4
Q4	6,227.4	5,663.4	911.3	36.0	875.2	2,600.6	902.9	1,697.7	2,715.5	240.8	2,474.8	151.3
1999 Q1	6,263.1	5,682.7	903.4	36.1	867.3	2,594.0	919.4	1,674.6	2,765.7	251.7	2,514.0	156.8
Q2	6,426.1	5,817.3	900.9	38.7	862.1	2,686.3	962.3	1,724.0	2,839.0	255.3	2,583.7	183.3
Q3	6,492.3	5,886.3	886.3	37.7	848.5	2,700.8	941.5	1,759.3	2,905.2	255.2	2,650.0	191.4
Q4	6,668.5	6,039.1	900.7	42.1	858.7	2,795.5	979.7	1,815.8	2,972.2	264.0	2,708.2	201.4
2000 Q1	6,813.5	6,155.8	891.3	41.1	850.3	2,894.5	1,037.6	1,856.8	3,027.7	265.6	2,762.1	221.1
Q2	6,962.9	6,261.6	885.6	42.0	843.6	2,997.9	1,090.7	1,907.2	3,079.4	274.4	2,805.0	219.7
Q3	7,098.9	6,378.1	865.7	39.9	825.9	3,100.5	1,145.7	1,954.9	3,132.6	275.8	2,856.8	252.2
Q4	7,270.3	6,500.3	883.0	42.0	841.0	3,198.7	1,160.5	2,038.2	3,188.6	280.9	2,907.7	253.5
<i>Euro area enlargement</i>												
2001 Q1	7,450.1	6,671.8	896.2	41.7	854.5	3,319.0	1,239.3	2,079.7	3,234.9	279.2	2,955.7	257.3
Q2	7,547.9	6,762.1	878.5	42.1	836.5	3,388.2	1,263.9	2,124.3	3,281.2	285.1	2,996.0	278.8
Q3	7,616.4	6,806.1	871.1	45.0	826.1	3,427.9	1,244.9	2,183.0	3,317.4	280.4	3,037.0	.
Q4	.	6,899.3	.	.	.	.	.	.	.	.	.	.
<i>Securities other than shares issued by</i>												
	Total	General government			Non-financial corporations			Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations		
		Total	Short-term	Long-term	Total	Short-term	Long-term					
13	14	15	16	17	18	19	20	21	22			
1997 Q4	3,640.6	3,337.7	504.3	2,833.4	302.9	45.8	257.1	2,003.2	135.2	236.2		
1998 Q1	3,758.2	3,438.6	491.3	2,947.3	319.7	55.7	263.9	2,479.9	136.3	239.1		
Q2	3,821.9	3,499.8	489.7	3,010.0	322.1	53.9	268.2	2,715.9	134.2	242.1		
Q3	3,914.6	3,581.7	491.4	3,090.3	332.9	55.5	277.4	2,321.9	133.8	245.1		
Q4	3,921.4	3,587.9	462.8	3,125.1	333.5	55.0	278.5	2,659.1	140.3	248.2		
1999 Q1	3,965.9	3,630.4	463.5	3,167.0	335.4	66.2	269.3	2,770.5	146.9	251.2		
Q2	3,948.0	3,606.7	452.9	3,153.9	341.3	67.1	274.1	3,013.1	136.6	254.3		
Q3	3,932.6	3,578.8	446.1	3,132.7	353.8	75.4	278.4	3,089.2	137.6	257.4		
Q4	3,896.5	3,532.8	421.5	3,111.4	363.6	78.6	285.0	3,959.1	149.8	260.8		
2000 Q1	3,966.7	3,598.1	426.4	3,171.7	368.6	80.7	287.9	4,422.6	147.6	263.3		
Q2	4,000.0	3,619.2	426.9	3,192.4	380.8	90.5	290.3	4,173.7	147.6	265.9		
Q3	4,037.3	3,635.4	422.9	3,212.5	401.9	97.3	304.6	4,052.1	147.2	268.0		
Q4	4,081.3	3,662.4	401.8	3,260.6	418.9	102.4	316.5	3,833.9	153.7	270.1		
<i>Euro area enlargement</i>												
2001 Q1	4,249.2	3,795.2	429.5	3,365.6	454.0	113.0	341.0	3,454.8	154.7	272.6		
Q2	4,307.4	3,828.8	440.9	3,387.9	478.6	124.2	354.4	3,476.8	155.2	275.0		
Q3	4,388.8	3,896.8	450.1	3,446.7	492.0	137.6	354.4	2,768.1	155.4	277.5		
Q4	.	.	.	.	.	.	.	.	.	.		

Source: ECB.

- 1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- 3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 4) Including non-profit institutions serving households.
- 5) Including all loans taken by central government from MFIs in the euro area.

## Transactions

### 1. Main financial assets <sup>1)</sup>

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area <sup>2)</sup>
	Total	Currency	Deposits of non-financial sectors <sup>3)</sup> other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs <sup>4)</sup>	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1997 Q4	130.5	9.4	111.5	73.9	5.1	37.6	-5.1	3.2	6.4	-13.6
1998 Q1	-45.7	-8.8	-24.1	-25.7	-11.1	20.1	-7.3	-14.5	1.6	29.5
Q2	52.1	3.6	44.8	68.0	-5.9	-0.5	-16.7	8.0	-4.4	-4.9
Q3	-14.7	-3.7	-19.2	-18.0	2.3	-0.3	-3.3	9.0	-0.7	2.8
Q4	148.1	11.6	136.6	98.0	12.7	44.8	-18.9	-6.6	6.5	-24.4
1999 Q1	-39.3	-5.2	-36.7	-19.2	-15.0	10.2	-12.7	-4.2	6.8	22.0
Q2	22.2	6.3	34.3	81.3	-48.7	9.3	-7.6	-8.4	-9.9	-4.4
Q3	13.2	3.4	0.4	3.6	-0.9	-2.6	0.3	8.3	1.0	-2.6
Q4	139.4	22.2	95.8	44.4	36.9	10.3	4.2	8.7	12.7	-14.5
2000 Q1	-28.2	-15.3	1.1	6.4	1.4	-20.4	13.7	-11.9	-2.1	26.0
Q2	51.2	6.7	28.6	31.5	16.9	-21.8	2.1	15.8	0.1	-12.8
Q3	7.6	-2.2	-3.0	-17.0	29.5	-18.5	2.9	13.3	-0.4	-2.1
Q4	127.9	8.6	107.7	71.2	27.0	5.8	3.8	5.3	6.3	-16.5
<i>Euro area enlargement</i>										
2001 Q1	-19.2	-19.8	15.0	-34.3	41.9	-6.1	13.4	-15.6	1.2	13.5
Q2	94.1	-3.3	81.5	77.3	-4.4	6.3	2.3	15.1	0.8	4.4
Q3	8.2	-23.4	47.1	25.2	2.6	13.0	6.5	-17.7	2.1	.
Q4	.	-69.2	206.3	140.2	10.6	62.5	-6.9	-8.6	.	.
	Securities other than shares			Shares <sup>5)</sup>				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
	11	12	13	14	15	16	17	18	19	20
1997 Q4	4.3	-7.7	12.0	68.7	51.7	17.0	-12.4	53.6	51.9	1.8
1998 Q1	-23.8	-8.4	-15.4	92.7	-6.2	98.9	7.3	67.0	54.6	12.4
Q2	-66.4	-25.1	-41.3	117.4	24.2	93.2	0.0	47.0	44.9	2.0
Q3	-12.6	-11.0	-1.5	97.9	12.0	85.8	1.0	43.2	40.6	2.6
Q4	-13.1	-1.7	-11.4	88.0	69.0	18.9	-16.1	50.2	48.2	2.0
1999 Q1	15.9	-13.5	29.4	101.7	-0.6	102.3	3.2	68.5	56.1	12.5
Q2	-45.2	-11.7	-33.6	145.0	60.3	84.7	16.9	52.3	49.7	2.6
Q3	-6.0	-10.5	4.5	94.7	53.6	41.1	-0.4	54.6	51.5	3.1
Q4	52.6	26.6	26.1	-0.8	30.8	-31.5	-6.8	72.1	69.8	2.3
2000 Q1	-26.4	4.8	-31.3	-8.6	-54.8	46.2	11.9	84.4	71.5	12.9
Q2	47.4	-0.9	48.3	81.0	61.7	19.2	-9.6	54.6	51.9	2.7
Q3	60.9	16.4	44.5	166.5	159.7	6.8	-1.8	53.8	50.5	3.3
Q4	4.7	6.5	-1.9	226.9	187.8	39.1	-3.9	62.7	60.2	2.5
<i>Euro area enlargement</i>										
2001 Q1	96.5	51.5	45.0	73.0	13.8	59.2	25.2	57.7	44.3	13.4
Q2	5.0	-22.3	27.3	33.3	28.4	4.9	-6.9	45.8	43.4	2.3
Q3	43.8	5.0	38.8	36.4	10.3	26.1	10.5	41.7	38.6	3.2
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

- Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- Covering deposits with euro area central government (S.1311), other financial intermediaries (S.123) and insurance corporations and pension funds (S.125).
- Excluding unquoted shares.

**Table 6.1 (cont'd)**
**Financial investment and financing of non-financial sectors <sup>1)</sup>**
*(EUR billions (ECU billions to end-1998); not seasonally adjusted)*
**Transactions**
**2. Main liabilities <sup>2)</sup>**

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks <sup>3)</sup>
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households <sup>4)</sup>			
			Total	Short-term	Long-term <sup>5)</sup>	Total	Short-term	Long-term	Total	Short-term	Long-term	
1	2	3	4	5	6	7	8	9	10	11	12	
1997 Q4	155.8	146.2	21.1	4.4	16.7	68.4	27.6	40.8	66.3	6.7	59.6	-16.6
1998 Q1	67.3	43.9	-15.7	-18.5	2.8	55.0	27.1	27.9	28.0	-0.3	28.3	3.9
Q2	116.8	110.6	-5.5	-3.7	-1.9	54.4	22.1	32.3	68.0	9.0	58.9	6.4
Q3	77.7	81.0	2.6	1.4	1.2	25.0	-15.9	40.9	50.1	1.2	48.9	-0.7
Q4	161.5	150.8	8.8	2.8	6.1	76.3	37.5	38.9	76.4	7.1	69.3	3.5
1999 Q1	85.8	77.0	-6.7	0.1	-6.7	19.7	21.9	-2.2	72.8	9.1	63.7	0.8
Q2	159.8	133.2	-4.3	2.6	-7.0	89.2	40.9	48.3	74.9	3.6	71.3	23.9
Q3	70.0	71.7	-14.7	-1.0	-13.7	17.5	-17.0	34.5	67.2	-0.1	67.3	8.5
Q4	168.4	147.3	14.7	4.3	10.4	87.5	35.8	51.8	66.2	8.9	57.3	-7.1
2000 Q1	140.2	109.6	-8.0	-0.9	-7.1	90.9	55.2	35.7	57.4	1.6	55.7	15.0
Q2	158.2	116.6	-6.3	0.8	-7.1	110.4	58.1	52.3	54.1	8.7	45.4	-0.8
Q3	122.4	93.3	-16.2	-2.1	-14.1	90.8	47.6	43.2	47.8	-0.2	48.1	22.9
Q4	187.2	139.8	17.8	2.1	15.6	110.8	19.1	91.7	58.6	5.3	53.3	10.9
	<i>Euro area enlargement</i>											
2001 Q1	96.6	78.0	-4.8	-0.5	-4.3	69.5	46.5	23.0	31.8	-5.1	37.0	0.9
Q2	98.3	88.1	-18.1	0.4	-18.4	63.0	20.4	42.6	53.3	5.9	47.4	16.4
Q3	82.4	58.0	-6.8	2.9	-9.8	51.4	-13.9	65.3	37.8	-4.4	42.2	.
Q4	.	95.6	.	.	.	.	.	.	.	.	.	.

	Securities other than shares issued by							Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations
	Total	General government			Non-financial corporations					
		Total	Short-term	Long-term	Total	Short-term	Long-term			
13	14	15	16	17	18	19	20	21	22	
1997 Q4	-6.6	-2.4	-31.9	29.5	-4.2	-7.5	3.3	44.1	6.9	2.3
1998 Q1	63.8	53.4	-11.4	64.8	10.4	9.6	0.9	11.0	1.1	2.4
Q2	53.6	50.6	-1.3	52.0	2.9	-1.8	4.7	37.3	-2.1	2.4
Q3	61.2	54.0	2.0	51.9	7.3	1.4	5.8	10.7	-0.4	2.4
Q4	-9.9	-15.3	-30.9	15.6	5.4	0.8	4.6	40.6	6.4	2.2
1999 Q1	79.2	65.7	6.0	59.7	13.5	10.9	2.6	10.8	6.6	2.5
Q2	38.1	30.2	-7.8	38.0	7.9	0.8	7.2	34.0	-10.3	2.5
Q3	57.0	39.7	-9.8	49.6	17.3	8.2	9.1	34.4	1.0	2.5
Q4	-11.6	-18.8	-27.6	8.8	7.2	3.1	4.0	42.0	12.1	2.6
2000 Q1	63.1	59.7	10.7	49.0	3.4	1.8	1.6	19.6	-2.2	2.1
Q2	38.2	24.3	-0.9	25.3	13.9	10.1	3.8	29.8	0.0	2.1
Q3	50.1	26.2	-2.7	28.9	23.9	7.2	16.7	72.3	-0.4	2.1
Q4	-0.7	-17.7	-27.2	9.5	17.0	5.4	11.6	51.8	6.4	2.1
	<i>Euro area enlargement</i>									
2001 Q1	74.2	38.3	31.3	7.0	35.8	9.4	26.5	52.2	1.1	2.5
Q2	87.9	62.1	10.7	51.4	25.8	11.1	14.7	44.3	0.4	2.4
Q3	52.8	35.6	8.8	26.9	17.2	13.4	3.8	6.8	0.2	2.5
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

- 1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- 3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 4) Including non-profit institutions serving households.
- 5) Including all loans taken by central government from MFIs in the euro area.

**Table 6.2**

**Saving, investment and financing**

(as a percentage of GDP, unless otherwise indicated)

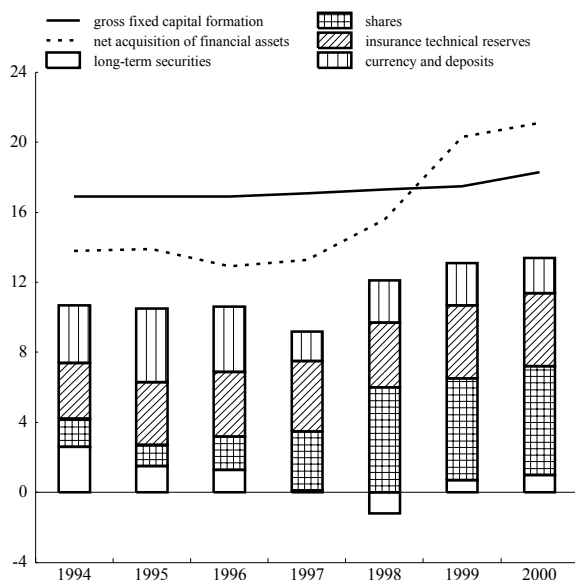
	Euro area saving and investment <sup>1)</sup>			Investment of private non-financial sectors <sup>1)2)</sup>							
	Gross saving	Gross fixed capital formation	Net lending to the rest of the world	Gross fixed capital formation	Non-financial corporations	Net acquisition of financial assets	Currency and deposits	Securities other than shares	Long-term securities	Shares	Insurance technical reserves
1993	20.2	20.3	0.5	16.8	10.6	13.0	5.5	0.4	0.9	0.5	3.0
1994	20.6	20.1	0.2	16.9	10.3	13.8	3.3	2.4	2.6	1.6	3.2
1995	21.1	20.1	0.3	16.9	10.3	13.9	4.2	1.8	1.5	1.2	3.6
1996	20.9	20.0	0.7	16.9	10.3	12.9	3.7	0.2	1.3	1.9	3.7
1997	21.8	20.2	1.3	17.1	10.5	13.3	1.7	-0.5	0.1	3.4	4.0
1998	21.8	20.4	0.7	17.3	10.8	15.6	2.4	-2.0	-1.2	6.0	3.7
1999	21.8	20.6	-0.1	17.5	10.9	20.3	2.4	0.9	0.7	5.8	4.2
2000	22.0	21.1	-0.4	18.3	11.7	21.1	2.0	1.7	1.0	6.2	4.2

	Financing of private non-financial sectors <sup>1)2)</sup>									Net financial investment <sup>3)</sup>	Financial investment as a % of gross investment <sup>4)</sup>	Net incurrence of liabilities as a % of financing <sup>5)</sup>
	Gross saving	Households	Net incurrence of liabilities	Securities other than shares	Long-term securities	Shares	Loans	Long-term loans				
									12			
1993	20.8	12.8	7.7	1.2	1.4	1.4	3.7	4.5	5.3	43.6	27.0	
1994	20.7	11.8	9.6	1.0	1.1	1.6	3.7	3.8	4.2	45.0	31.7	
1995	21.4	11.8	7.4	-1.8	-1.7	1.5	4.8	3.6	6.5	45.1	25.7	
1996	21.1	11.6	8.8	0.2	0.0	1.7	5.7	4.8	4.1	43.3	29.4	
1997	20.6	11.3	9.5	0.1	0.1	1.4	5.9	4.7	3.8	43.8	31.6	
1998	20.3	10.5	12.4	0.4	0.3	2.5	7.6	5.8	3.2	47.4	37.9	
1999	19.3	9.9	17.6	0.9	0.4	3.3	9.9	7.6	2.7	53.7	47.7	
2000	18.9	9.5	21.2	1.3	0.8	4.0	10.8	7.0	-0.1	53.6	52.9	

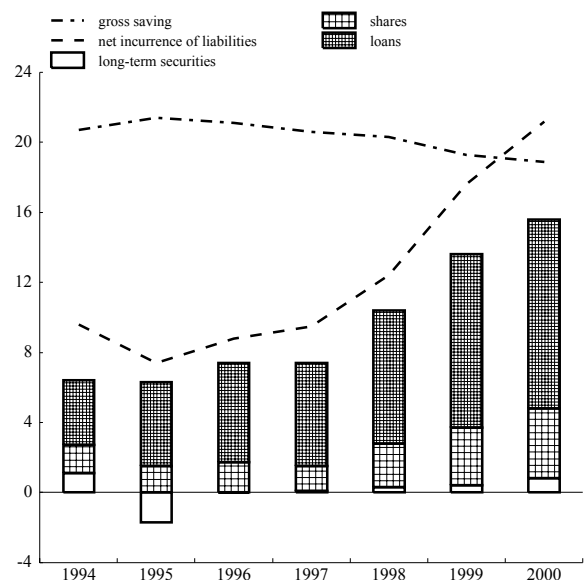
**Investment and financing of private non-financial sectors <sup>1)2)</sup>**

(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 <sup>1)</sup>

(as a percentage of GDP)

### 1. Euro area – revenue

	Total	Current revenue					Indirect taxes	Received by EU institutions	Social contributions			Sales	Capital revenue	Capital taxes	Memo: fiscal burden <sup>2)</sup>
		Direct taxes	Households	Corporations	Employers	Employees									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1991	46.4	46.0	11.8	9.5	2.2	13.0	0.9	16.7	8.5	5.1	2.3	0.4	0.2	41.7	
1992	47.4	46.7	11.9	9.8	2.0	13.0	0.9	17.1	8.6	5.2	2.4	0.7	0.6	42.5	
1993	48.0	47.5	12.1	10.0	2.1	13.2	0.8	17.4	8.6	5.3	2.5	0.5	0.3	43.0	
1994	47.5	47.1	11.6	9.5	2.0	13.5	0.8	17.5	8.5	5.4	2.5	0.4	0.2	42.7	
1995	47.2	46.6	11.6	9.5	2.0	13.3	0.9	17.3	8.4	5.6	2.5	0.5	0.3	42.6	
1996	48.0	47.5	12.0	9.6	2.3	13.4	0.8	17.6	8.7	5.6	2.5	0.5	0.3	43.3	
1997	48.3	47.6	12.2	9.6	2.6	13.5	0.7	17.6	8.8	5.5	2.5	0.7	0.4	43.7	
1998	47.7	47.2	12.4	9.9	2.5	14.1	0.7	16.5	8.5	4.9	2.5	0.5	0.3	43.3	
1999	48.3	47.7	12.8	10.1	2.6	14.4	0.6	16.5	8.5	5.0	2.4	0.6	0.3	43.9	
2000	47.9	47.4	13.0	10.1	2.7	14.2	0.6	16.3	8.5	4.9	2.4	0.5	0.3	43.7	

### 2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure	Investment	Capital transfers	Paid by EU institutions	Memo: primary expenditure <sup>4)</sup>
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments <sup>3)</sup>	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	24.9	21.0	2.4	0.6	4.8	3.2	1.6	0.0	45.8
1992	52.2	47.5	11.4	5.0	5.6	25.5	21.9	2.3	0.5	4.7	3.2	1.5	0.0	46.6
1993	53.6	49.0	11.6	5.2	5.8	26.5	22.8	2.4	0.6	4.6	3.1	1.6	0.1	47.8
1994	52.6	48.3	11.3	5.0	5.5	26.5	22.9	2.3	0.5	4.4	2.9	1.5	0.1	47.1
1995	52.2	47.7	11.2	4.8	5.7	26.1	22.8	2.2	0.6	4.5	2.7	1.8	0.1	46.5
1996	52.2	48.3	11.2	4.8	5.7	26.6	23.2	2.2	0.6	4.0	2.6	1.4	0.0	46.6
1997	50.8	47.1	11.0	4.8	5.1	26.2	23.1	2.1	0.5	3.7	2.4	1.3	0.1	45.8
1998	49.9	46.0	10.7	4.7	4.7	25.9	22.6	2.0	0.5	3.9	2.4	1.5	0.1	45.2
1999	49.6	45.5	10.7	4.7	4.2	25.9	22.6	2.0	0.5	4.1	2.5	1.6	0.1	45.4
2000	48.7	44.7	10.5	4.7	4.0	25.5	22.2	1.9	0.5	3.9	2.5	1.4	0.1	44.6

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

	Deficit (-) / surplus (+)					Primary deficit (-) / surplus (+)	Government consumption <sup>5)</sup>							
	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	20.3	11.2	5.0	4.8	1.8	-2.3	8.6	11.7
1992	-4.8	-4.2	-0.3	-0.2	0.0	0.8	20.7	11.4	5.0	4.9	1.8	-2.4	8.7	12.0
1993	-5.7	-5.0	-0.4	-0.2	-0.1	0.2	21.1	11.6	5.2	5.0	1.9	-2.5	8.9	12.2
1994	-5.1	-4.4	-0.5	-0.2	0.0	0.4	20.8	11.3	5.0	5.1	1.8	-2.5	8.6	12.1
1995	-5.0	-4.2	-0.5	-0.1	-0.3	0.7	20.5	11.2	4.8	5.1	1.8	-2.5	8.4	12.0
1996	-4.3	-3.6	-0.4	-0.1	-0.2	1.4	20.6	11.2	4.8	5.2	1.8	-2.5	8.5	12.1
1997	-2.6	-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	-2.2	-2.2	-0.2	0.2	0.1	2.5	20.0	10.7	4.7	5.1	1.7	-2.5	8.1	11.8
1999	-1.3	-1.6	-0.1	0.1	0.4	2.9	20.0	10.7	4.7	5.1	1.7	-2.4	8.2	11.8
2000	-0.8	-1.3	-0.1	0.2	0.5	3.2	19.8	10.5	4.7	5.1	1.7	-2.4	8.1	11.8

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

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1997	-2.0	-2.7	-4.0	-3.2	-3.0	1.2	-2.7	3.4	-1.1	-1.9	-2.7	-1.5
1998	-0.8	-2.2	-2.4	-2.6	-2.7	2.3	-2.8	3.5	-0.8	-2.4	-2.4	1.3
1999	-0.6	-1.6	-1.8	-1.1	-1.6	2.3	-1.8	3.7	0.4	-2.2	-2.1	1.9
2000	0.1	1.2	-1.1	-0.3	-1.3	4.5	-0.3	6.1	2.2	-1.1	-1.5	6.9

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 0.3). 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 <sup>1)</sup>***(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 <sup>2)</sup>				Other creditors <sup>3)</sup>
						Total	MFI	Other financial corporations	Other sectors	
1	2	3	4	5	6	7	8	9	10	
1991	57.4	2.6	16.1	9.6	29.1	48.1	24.7	7.4	16.1	9.2
1992	60.9	2.6	16.8	10.1	31.5	50.2	26.4	7.6	16.2	10.7
1993	67.2	2.7	17.6	9.9	37.0	52.5	27.6	8.7	16.2	14.8
1994	69.9	2.9	16.8	10.3	40.0	56.2	29.8	9.9	16.4	13.8
1995	74.2	2.9	18.3	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	13.2	15.8	16.2
1997	74.8	2.8	17.0	8.9	46.1	57.2	29.0	14.4	13.7	17.7
1998	73.1	2.8	15.8	7.9	46.6	53.5	27.0	16.2	10.4	19.6
1999	72.0	2.9	14.8	6.9	47.5	50.1	25.3	14.9	9.9	22.0
2000	69.5	2.7	13.6	6.3	47.0	46.3	22.9	13.4	10.0	23.2

**2. Euro area – government debt by issuer, maturity and currency denomination**

	Total	Issued by <sup>4)</sup>				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 <sup>5)</sup>	Non-domestic currency	Other currencies
1991	57.4	46.6	4.5	6.0	0.3	11.8	45.6	4.8	17.7	18.8	20.9	56.2	1.9	1.1
1992	60.9	49.7	4.7	6.1	0.4	12.2	48.7	6.3	17.8	20.9	22.1	59.6	2.2	1.3
1993	67.2	55.2	5.2	6.3	0.6	11.9	55.3	6.7	18.5	24.3	24.5	65.5	2.9	1.7
1994	69.9	57.9	5.4	6.1	0.5	11.2	58.7	7.4	16.6	26.6	26.8	68.1	3.0	1.9
1995	74.2	61.7	5.7	6.0	0.8	10.6	63.6	6.9	17.6	26.2	30.3	72.3	2.9	1.9
1996	75.4	62.9	6.1	5.9	0.5	10.2	65.2	6.3	19.2	25.3	30.9	73.5	2.7	1.9
1997	74.8	62.3	6.3	5.6	0.6	8.8	66.0	6.0	18.6	25.2	31.0	72.8	2.8	2.0
1998	73.1	61.0	6.3	5.4	0.3	7.7	65.4	5.5	16.3	25.9	30.9	71.4	3.2	1.7
1999	72.0	60.2	6.2	5.3	0.3	7.0	65.1	5.0	14.4	26.8	30.8	70.2	-	1.8
2000	69.5	58.1	6.1	5.1	0.3	5.6	63.9	4.4	14.5	27.4	27.7	67.7	-	1.8

**3. Euro area countries – government debt**

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1997	125.3	61.0	108.2	66.7	59.3	65.1	120.2	6.1	69.9	64.7	58.9	54.1
1998	119.7	60.9	105.0	64.7	59.5	54.8	116.4	6.4	66.8	63.9	54.7	48.8
1999	115.9	61.3	103.9	63.4	58.5	49.3	114.6	6.0	63.1	64.7	54.5	47.3
2000	110.3	60.3	102.7	60.7	57.6	38.6	110.5	5.3	56.1	63.1	53.7	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 <sup>1)</sup>**
*(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 <sup>2)</sup>	Valuation effects <sup>3)</sup>	Other changes in volume <sup>4)</sup>	Aggregation effect <sup>5)</sup>	Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors <sup>6)</sup>	MFIs	Other financial corporations	Other creditors <sup>7)</sup>
	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	0.4	0.7	0.1	0.1	1.6	1.0	4.0	4.8	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	1.7	-0.3
1995	7.7	5.5	0.2	2.2	-0.2	0.2	2.4	0.0	5.2	5.2	2.2	1.5	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	2.4	2.7
1999	1.6	1.3	0.3	0.0	0.0	0.2	-0.5	-0.7	2.6	-1.5	-0.7	-0.7	3.1
2000	0.8	0.8	0.1	-0.1	0.0	-0.1	-0.5	-0.3	1.7	-1.5	-1.3	-0.7	2.3

**2. Euro area – deficit-debt adjustment**

	Change in debt	Deficit (-) / surplus (+) <sup>8)</sup>	Deficit-debt adjustment <sup>9)</sup>											
			Total	Transactions in main financial assets held by general government							Valuation effects	Exchange rate effects	Other changes in volume	Other <sup>11)</sup>
				Total	Currency and deposits	Securities <sup>10)</sup>	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	1.1	0.3	0.1	0.4	0.2	-0.1	0.2	0.0	0.1	0.2	-0.8
1992	6.8	-4.8	2.0	0.8	0.2	0.1	0.3	0.2	-0.1	0.2	0.4	0.3	0.7	0.1
1993	8.1	-5.7	2.4	1.3	1.0	0.2	0.3	-0.2	-0.3	0.1	0.3	0.3	0.1	0.6
1994	6.1	-5.1	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	-0.1	-0.3	0.2	-0.2	-0.1	0.1	-0.3
1997	2.3	-2.6	-0.3	-0.5	0.2	-0.1	-0.1	-0.5	-0.8	0.3	0.2	0.2	-0.2	0.3
1998	1.6	-2.2	-0.6	-0.6	0.2	0.0	-0.2	-0.6	-0.8	0.1	-0.2	0.0	0.0	0.3
1999	1.6	-1.3	0.3	0.0	0.4	0.2	0.1	-0.7	-0.8	0.1	0.3	0.2	0.0	0.0
2000	0.8	0.3	1.1	1.0	0.9	0.2	0.1	-0.2	-0.4	0.1	0.1	0.0	-0.1	0.1

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**

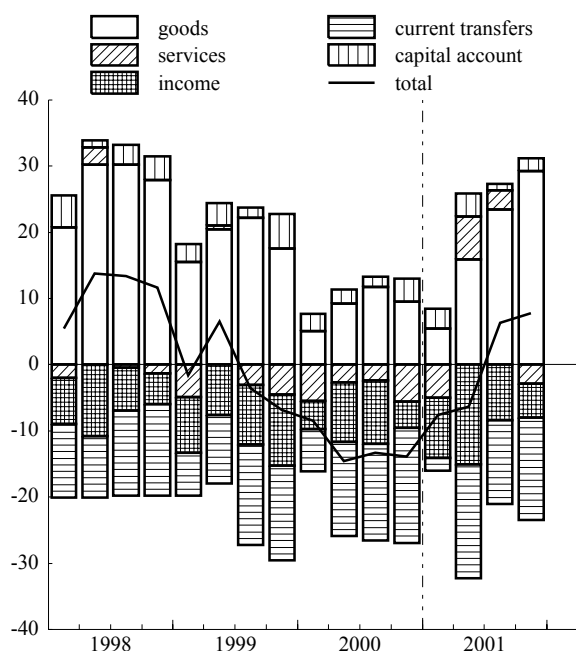
**Summary balance of payments <sup>1) 2)</sup>**

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

	Current account					Capital account	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers		Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1997	62.1	116.4	3.1	-15.2	-42.2	13.0	.	-44.5	-24.3	.	.	.	.
1998	31.9	109.0	-1.1	-28.8	-47.2	12.4	-68.4	-81.3	-110.0	-8.2	123.0	8.2	24.1
1999	-18.3	75.6	-11.9	-35.7	-46.3	12.9	10.9	-118.1	-45.7	4.5	160.1	10.1	-5.5
2000	-59.9	35.6	-16.1	-26.7	-52.6	9.7	93.4	17.6	-111.5	-1.7	171.5	17.6	-43.2
2000 Q4	-17.4	9.5	-5.6	-3.9	-17.4	3.5	25.7	-13.5	12.7	-8.5	24.4	10.7	-11.8
2000 Oct.	-5.4	4.3	-1.6	-2.0	-6.2	0.3	0.8	-18.4	0.5	-2.1	19.9	0.7	4.4
Nov.	-5.0	1.9	-0.8	-0.8	-5.2	1.4	3.7	1.4	2.2	-2.5	-5.1	7.7	-0.2
Dec.	-7.0	3.3	-3.2	-1.1	-5.9	1.8	21.2	3.4	9.9	-4.0	9.6	2.3	-16.0
<i>Euro area enlargement</i>													
2001	-9.3	74.1	1.5	-37.7	-47.1	9.4	-74.8	-93.9	40.9	-22.1	-17.6	17.8	74.7
2001 Q1	-10.5	5.5	-5.0	-9.1	-1.9	2.9	30.6	-40.6	-38.5	-2.0	102.2	9.5	-23.0
Q2	-9.9	15.9	6.5	-15.1	-17.2	3.5	-12.0	-51.7	25.7	0.7	10.8	2.5	18.4
Q3	5.3	23.4	2.9	-8.4	-12.7	1.0	-67.1	-15.3	53.6	-12.3	-95.6	2.5	60.8
Q4	5.9	29.3	-2.8	-5.2	-15.4	1.9	-26.3	13.8	0.0	-8.4	-35.0	3.3	18.6
2001 Jan.	-11.1	-3.9	-2.4	-7.5	2.7	1.3	2.3	-9.9	-42.8	-4.6	57.2	2.4	7.5
Feb.	1.2	3.3	-1.1	-0.6	-0.5	1.5	7.7	2.4	-2.3	-0.7	3.8	4.5	-10.4
Mar.	-0.6	6.0	-1.5	-1.0	-4.0	0.1	20.6	-33.2	6.6	3.3	41.2	2.7	-20.1
Apr.	-6.7	3.1	1.6	-7.0	-4.5	2.2	11.7	0.8	-19.2	1.7	21.4	7.0	-7.1
May	-2.2	4.4	2.8	-3.9	-5.4	0.5	-9.6	-41.5	15.1	3.6	16.8	-3.6	11.3
June	-1.0	8.4	2.1	-4.2	-7.3	0.8	-14.0	-11.0	29.8	-4.6	-27.4	-0.8	14.2
July	-0.8	10.7	1.7	-7.5	-5.7	0.4	-20.1	1.1	4.1	-7.5	-17.9	0.0	20.5
Aug.	6.0	7.3	1.1	0.4	-2.8	0.6	-13.9	-0.7	4.9	-3.7	-18.5	4.1	7.3
Sep.	0.0	5.4	0.1	-1.3	-4.2	0.0	-33.0	-15.7	44.6	-1.1	-59.1	-1.6	33.0
Oct.	0.1	9.6	0.2	-4.3	-5.4	0.3	-14.6	5.3	0.3	-3.8	-13.8	-2.6	14.2
Nov.	2.8	9.3	-1.9	0.4	-4.9	0.4	-15.4	7.8	11.5	-4.0	-30.7	0.0	12.1
Dec.	2.9	10.4	-1.1	-1.3	-5.1	1.2	3.7	0.6	-11.7	-0.5	9.4	5.9	-7.7

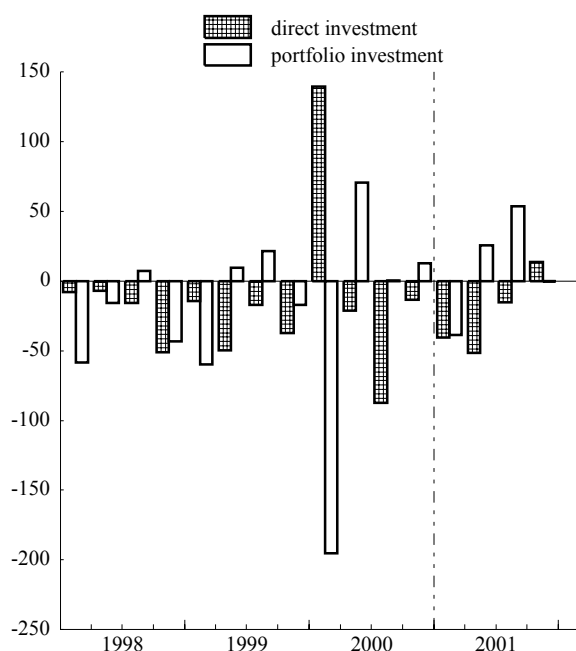
**Current and capital accounts**

(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 <sup>1)</sup>***(EUR billions (ECU billions to end-1998))***1. Main items**

	Current account											Capital account	
	Total			Goods		Services		Income		Current transfers		Credit <sub>12</sub>	Debit <sub>13</sub>
	Credit <sub>1</sub>	Debit <sub>2</sub>	Net <sub>3</sub>	Credit <sub>4</sub>	Debit <sub>5</sub>	Credit <sub>6</sub>	Debit <sub>7</sub>	Credit <sub>8</sub>	Debit <sub>9</sub>	Credit <sub>10</sub>	Debit <sub>11</sub>		
1997	1,218.5	1,156.3	62.1	754.6	638.3	214.2	211.0	189.5	204.7	60.1	102.3	18.9	5.9
1998	1,277.7	1,245.8	31.9	784.4	675.4	231.9	233.0	198.5	227.3	63.0	110.1	17.7	5.3
1999	1,334.5	1,352.7	-18.3	818.1	742.5	244.5	256.4	207.0	242.7	64.8	111.1	19.1	6.3
2000	1,597.6	1,657.5	-59.9	986.8	951.3	279.5	295.7	264.0	290.7	67.2	119.9	18.3	8.7
2000 Q4	437.4	454.8	-17.4	274.6	265.1	75.1	80.8	72.7	76.6	14.9	32.3	5.9	2.5
2000 Oct.	146.0	151.5	-5.4	94.2	89.8	25.3	26.9	22.9	24.9	3.6	9.8	0.9	0.6
Nov.	145.2	150.2	-5.0	93.9	92.0	24.3	25.1	21.9	22.7	5.1	10.3	2.2	0.8
Dec.	146.2	153.1	-7.0	86.6	83.3	25.5	28.7	27.9	29.0	6.2	12.2	2.9	1.1
<i>Euro area enlargement</i>													
2001	1,705.7	1,714.9	-9.3	1,036.5	962.4	310.8	309.4	284.5	322.2	73.8	120.9	17.0	7.6
2001 Q1	423.3	433.9	-10.5	254.5	249.0	68.7	73.7	70.6	79.6	29.6	31.5	4.4	1.5
Q2	435.1	444.9	-9.9	262.7	246.8	83.0	76.5	74.4	89.5	15.0	32.2	5.3	1.8
Q3	420.6	415.3	5.3	252.6	229.2	85.3	82.5	68.3	76.7	14.3	27.0	2.7	1.6
Q4	426.7	420.8	5.9	266.8	237.5	73.8	76.7	71.2	76.4	14.9	30.3	4.7	2.7
2001 Jan.	140.4	151.5	-11.1	79.8	83.7	22.4	24.8	22.6	30.1	15.6	12.9	1.8	0.5
Feb.	135.1	133.9	1.2	82.3	78.9	22.4	23.5	22.5	23.1	7.9	8.4	1.9	0.4
Mar.	147.8	148.5	-0.6	92.4	86.4	23.9	25.4	25.4	26.4	6.1	10.2	0.7	0.5
Apr.	138.7	145.4	-6.7	83.6	80.5	26.3	24.6	23.0	30.0	5.8	10.3	2.6	0.4
May	148.3	150.5	-2.2	89.0	84.7	28.3	25.6	26.0	29.9	4.9	10.3	1.4	1.0
June	148.1	149.1	-1.0	90.0	81.6	28.4	26.3	25.4	29.6	4.3	11.6	1.3	0.4
July	151.8	152.5	-0.8	90.8	80.1	30.6	28.9	25.5	32.9	4.9	10.6	1.0	0.6
Aug.	136.0	130.0	6.0	81.5	74.2	29.0	27.9	21.0	20.7	4.5	7.2	1.1	0.5
Sep.	132.8	132.8	0.0	80.3	74.9	25.8	25.7	21.8	23.1	4.9	9.2	0.6	0.5
Oct.	146.6	146.5	0.1	95.1	85.5	25.9	25.7	21.1	25.4	4.4	9.8	1.0	0.6
Nov.	138.1	135.3	2.8	90.2	80.9	22.3	24.2	20.7	20.4	4.9	9.8	1.0	0.6
Dec.	142.0	139.1	2.9	81.5	71.1	25.6	26.7	29.4	30.6	5.6	10.7	2.6	1.5

**2. Main current account items (seasonally adjusted)**

	Current account										
	Total			Goods		Services		Income		Current transfers	
	Credit <sub>1</sub>	Debit <sub>2</sub>	Net <sub>3</sub>	Credit <sub>4</sub>	Debit <sub>5</sub>	Credit <sub>6</sub>	Debit <sub>7</sub>	Credit <sub>8</sub>	Debit <sub>9</sub>	Credit <sub>10</sub>	Debit <sub>11</sub>
1999 Q4	353.1	365.0	-11.9	217.5	203.7	64.0	68.3	53.9	64.1	17.8	28.9
2000 Q1	371.1	378.7	-7.6	229.3	217.2	65.6	68.7	59.8	65.4	16.4	27.4
Q2	387.3	407.2	-19.8	241.5	231.8	67.3	72.6	60.9	70.0	17.7	32.7
Q3	410.5	426.4	-16.0	252.9	245.0	71.6	74.2	70.2	79.0	15.8	28.2
Q4	431.7	449.5	-17.8	264.8	259.8	75.5	80.9	73.8	76.8	17.5	32.1
2000 Oct.	141.8	146.8	-5.0	87.1	84.8	24.7	26.3	24.7	25.4	5.3	10.3
Nov.	144.6	149.7	-5.0	88.4	86.8	25.4	26.3	24.7	25.8	6.1	10.8
Dec.	145.3	153.1	-7.8	89.4	88.2	25.4	28.3	24.5	25.6	6.1	11.0
<i>Euro area enlargement</i>											
2001 Q1	428.6	436.1	-7.5	260.8	247.6	76.4	77.0	72.1	82.0	19.2	29.4
Q2	431.2	441.6	-10.3	263.5	247.5	80.7	78.1	69.1	82.1	17.9	34.0
Q3	428.7	427.5	1.2	257.5	239.2	79.9	79.4	72.9	80.0	18.4	28.9
Q4	415.6	408.3	7.3	254.2	227.5	73.2	74.7	70.4	77.0	17.7	29.1
2001 Jan.	144.1	147.1	-3.0	87.5	83.1	25.4	25.4	24.6	29.6	6.5	9.0
Feb.	143.4	143.5	0.0	87.2	82.7	26.0	25.8	24.0	25.4	6.3	9.5
Mar.	141.1	145.6	-4.5	86.1	81.9	25.0	25.8	23.6	26.9	6.3	10.9
Apr.	143.7	148.1	-4.3	86.9	82.8	27.3	25.9	22.8	28.3	6.7	11.0
May	145.5	146.3	-0.8	88.4	82.0	27.1	25.8	24.4	27.4	5.6	11.1
June	142.0	147.2	-5.2	88.2	82.7	26.4	26.3	21.9	26.4	5.6	11.8
July	145.1	149.8	-4.7	85.9	81.7	27.1	26.8	26.0	30.4	6.1	10.9
Aug.	146.3	141.9	4.4	88.5	81.0	26.9	26.8	24.8	26.2	6.0	7.9
Sep.	137.2	135.8	1.5	83.0	76.6	25.8	25.8	22.0	23.4	6.4	10.1
Oct.	139.0	139.1	-0.1	85.3	78.1	24.6	24.4	22.6	26.5	6.5	10.1
Nov.	136.7	133.4	3.2	85.0	75.6	23.3	25.0	22.5	23.0	5.9	9.8
Dec.	139.9	135.7	4.2	83.9	73.8	25.3	25.3	25.4	27.5	5.3	9.1

Source: ECB.

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

**Table 8.3****Balance of payments: income account***(EUR billions; gross flows)*

	Total		Compensation of employees		Investment income							
	Credit 1	Debit 2	Credit 3	Debit 4	Total		Direct investment		Portfolio investment		Other investment	
					Credit 5	Debit 6	Credit 7	Debit 8	Credit 9	Debit 10	Credit 11	Debit 12
1999	207.0	242.7	12.6	5.0	194.4	237.7	42.7	50.3	64.1	101.5	87.7	85.9
2000	264.0	290.7	13.2	5.4	250.8	285.2	57.4	59.3	74.6	106.9	118.7	119.0
2000 Q3	65.7	75.3	3.3	1.5	62.4	73.8	14.3	15.2	18.9	28.7	29.3	29.8
Q4	72.7	76.6	3.4	1.3	69.3	75.3	16.7	17.0	18.9	24.2	33.7	34.1
<i>Euro area enlargement</i>												
2001 Q1	70.6	79.6	3.3	1.1	67.2	78.5	15.6	15.4	17.8	26.3	33.8	36.8
Q2	74.4	89.5	3.4	1.5	71.0	88.0	18.8	15.4	21.5	39.4	30.7	33.3
Q3	68.3	76.7	3.3	1.5	65.0	75.1	14.7	15.9	22.0	28.2	28.3	31.1

	Income on direct investment				Income on portfolio investment			
	Equity		Debt		Equity		Debt	
	Credit 13	Debit 14	Credit 15	Debit 16	Credit 17	Debit 18	Credit 19	Debit 20
1999	36.2	46.1	6.4	4.2	9.5	34.0	54.6	67.5
2000	47.4	52.2	10.0	7.1	14.2	30.6	60.5	76.3
2000 Q3	11.9	13.2	2.4	2.0	3.4	7.6	15.5	21.1
Q4	13.3	14.8	3.3	2.3	3.0	5.5	16.0	18.7
<i>Euro area enlargement</i>								
2001 Q1	13.1	13.0	2.5	2.4	2.4	7.0	15.4	19.4
Q2	16.2	13.0	2.6	2.4	5.3	17.1	16.2	22.3
Q3	12.4	14.1	2.2	1.7	3.6	8.3	18.5	19.9

Source: ECB.

**Table 8.4****Balance of payments: direct investment account <sup>1)</sup>***(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 inter-company loans 3	Total 4	Equity capital and reinvested earnings 5	Other capital, mostly inter-company loans 6
1997	-93.1	.	.	48.6	.	.
1998	-172.8	.	.	91.5	.	.
1999	-315.6	-234.7	-81.0	197.5	144.2	53.3
2000	-382.4	-283.6	-98.7	400.0	296.4	103.6
2000 Q4	-93.3	-67.9	-25.4	79.7	32.7	47.1
2000 Oct.	-35.9	-31.7	-4.2	17.5	11.1	6.4
Nov.	-35.6	-25.7	-9.9	37.0	24.4	12.6
Dec.	-21.8	-10.5	-11.3	25.2	-2.8	28.0
<i>Euro area enlargement</i>						
2001	-217.1	-128.4	-88.7	123.2	90.0	33.2
2001 Q1	-65.4	-26.5	-38.9	24.7	28.7	-4.0
Q2	-80.6	-59.2	-21.4	28.9	16.4	12.4
Q3	-37.8	-25.9	-12.0	22.6	18.5	4.0
Q4	-33.3	-16.8	-16.4	47.0	26.3	20.8
2001 Jan.	-17.4	-11.6	-5.8	7.5	5.1	2.4
Feb.	-15.0	-1.9	-13.1	17.4	15.3	2.1
Mar.	-33.0	-13.0	-20.0	-0.2	8.4	-8.5
Apr.	-6.8	-9.4	2.6	7.6	2.8	4.9
May	-51.8	-41.3	-10.5	10.3	10.2	0.1
June	-21.9	-8.5	-13.4	10.9	3.4	7.5
July	-13.9	-15.4	1.5	15.1	10.4	4.7
Aug.	-4.1	-5.5	1.4	3.4	1.9	1.5
Sep.	-19.8	-5.0	-14.9	4.1	6.3	-2.2
Oct.	-2.0	-4.6	2.6	7.3	3.0	4.3
Nov.	-13.8	-6.5	-7.3	21.6	11.7	9.9
Dec.	-17.5	-5.7	-11.8	18.1	11.6	6.5

Source: ECB.

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

**Table 8.5**
**Balance of payments: portfolio investment account <sup>1)</sup>**
*(EUR billions (ECU billions to end-1998); net flows)*
**1. By instrument <sup>2)</sup>**

	Total		Equity		Debt instruments					
	Assets	Liabilities	Assets	Liabilities	Assets			Liabilities		
					Total	Bonds and notes	Money market instruments	Total	Bonds and notes	Money market instruments
1	2	3	4	5	6	7	8	9	10	
1998	-363.3	253.3	-116.2	104.0	-247.1	-238.9	-8.2	149.3	121.6	27.7
1999	-311.4	265.7	-156.3	92.4	-155.1	-154.4	-0.7	173.4	117.4	55.9
2000	-412.8	301.2	-288.5	44.9	-124.3	-102.7	-21.6	256.3	229.6	26.7
2000 Q4	-78.4	91.1	-59.9	38.4	-18.5	-15.6	-2.9	52.7	59.4	-6.7
2000 Oct.	-19.5	20.0	-9.1	2.7	-10.4	-10.4	0.0	17.4	25.0	-7.6
Nov.	-25.9	28.1	-16.4	7.6	-9.5	-7.5	-2.0	20.6	23.8	-3.2
Dec.	-33.0	42.9	-34.4	28.2	1.4	2.3	-0.9	14.7	10.6	4.1
<i>Euro area enlargement</i>										
2001	-247.4	288.3	-94.0	237.7	-153.5	-142.7	-10.7	50.6	76.7	-26.1
2001 Q1	-82.9	44.4	-29.1	18.7	-53.8	-37.2	-16.6	25.7	24.5	1.2
Q2	-75.5	101.3	-42.5	108.7	-33.0	-46.6	13.6	-7.5	-1.6	-5.9
Q3	-8.4	62.0	0.7	48.3	-9.1	-12.3	3.2	13.6	30.4	-16.7
Q4	-80.7	80.7	-23.1	62.0	-57.5	-46.5	-11.0	18.7	23.4	-4.6
2001 Jan.	-36.9	-5.9	-20.7	-0.4	-16.2	-6.9	-9.3	-5.5	-9.1	3.6
Feb.	-29.2	26.9	-12.6	12.5	-16.6	-16.4	-0.2	14.4	16.2	-1.8
Mar.	-16.7	23.3	4.3	6.5	-21.0	-13.9	-7.1	16.8	17.4	-0.6
Apr.	-20.7	1.5	-16.4	11.0	-4.3	-11.8	7.5	-9.5	-3.1	-6.4
May	-28.1	43.2	-14.5	58.8	-13.6	-17.0	3.5	-15.7	-12.8	-2.8
June	-26.8	56.6	-11.6	38.9	-15.2	-17.8	2.6	17.7	14.3	3.3
July	-13.6	17.7	-9.9	15.6	-3.7	-7.4	3.8	2.1	3.9	-1.8
Aug.	-22.7	27.5	-4.7	16.8	-18.0	-15.4	-2.6	10.7	21.4	-10.7
Sep.	27.9	16.8	15.4	15.9	12.5	10.5	2.0	0.8	5.2	-4.3
Oct.	-36.4	36.7	-5.8	25.6	-30.6	-20.6	-10.1	11.1	9.0	2.1
Nov.	-38.0	49.5	-12.4	22.3	-25.6	-14.4	-11.2	27.1	32.0	-4.9
Dec.	-6.3	-5.5	-4.9	14.0	-1.3	-11.6	10.2	-19.5	-17.6	-1.9

**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	-1.5	-152.8	0.1	-1.7	-15.4	-137.4	0.9	-0.1	-8.1	6.7
2000	0.0	-2.5	-4.4	-281.6	-1.7	-1.2	-72.7	-27.2	2.2	-0.7	-11.5	-11.5
2000 Q3	-0.1	-0.4	-2.4	-54.1	-2.3	-0.4	-14.8	-17.4	0.5	-1.4	-7.5	1.8
Q4	0.0	-0.6	-5.0	-54.3	0.9	0.0	2.7	-19.2	0.6	0.9	0.8	-5.1
<i>Euro area enlargement</i>												
2001 Q1	-0.1	-0.4	-11.0	-17.6	1.0	-0.6	-16.3	-21.4	-1.3	-1.2	-18.0	4.0
Q2	0.0	-0.7	6.3	-48.0	0.7	0.0	-22.3	-25.0	-0.7	-0.1	2.1	12.3
Q3	-0.1	-0.4	-1.1	2.3	1.0	-0.2	2.1	-15.2	0.1	-0.6	-12.2	15.9

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 <sup>1) 2)</sup>**

	Total		Eurosystem		General government		MFIs (excluding the Eurosystem)						Other sectors	
	Assets 1	Liabilities 2	Assets 3	Liabilities 4	Assets 5	Liabilities 6	Total		Long-term		Short-term		Assets 13	Liabilities 14
							Assets 7	Liabilities 8	Assets 9	Liabilities 10	Assets 11	Liabilities 12		
1998	-81.9	204.9	-0.7	3.5	-1.0	-6.1	-22.6	192.4	-37.6	40.4	15.0	152.0	-57.6	15.2
1999	-32.5	192.6	-2.0	6.6	3.3	-13.0	18.1	161.1	-47.2	53.8	65.3	107.3	-51.8	37.8
2000	-178.9	350.5	-1.1	0.9	-2.5	1.0	-131.3	289.6	-49.3	53.0	-82.0	236.6	-44.0	58.9
2000 Q4	-49.5	74.0	-0.9	2.9	5.7	3.4	-63.9	59.5	-22.7	11.8	-41.1	47.6	9.6	8.3
2000 Oct.	-8.5	28.4	-0.4	0.7	8.1	1.7	-18.4	25.0	-3.2	6.3	-15.2	18.7	2.1	1.1
Nov.	-51.0	45.9	-0.3	0.9	-2.9	0.6	-50.6	48.0	-6.4	8.1	-44.2	39.9	2.8	-3.7
Dec.	10.0	-0.4	-0.2	1.2	0.4	1.2	5.1	-13.5	-13.2	-2.5	18.3	-11.0	4.6	10.8
<i>Euro area enlargement</i>														
2001	-251.3	233.7	0.6	4.4	4.3	-1.5	-230.7	234.5	-42.9	20.7	-187.8	213.7	-25.4	-3.7
2001 Q1	-136.1	238.3	0.8	-2.6	2.4	-8.2	-135.0	261.7	-7.4	1.8	-127.6	259.9	-4.3	-12.6
Q2	8.1	2.6	-0.8	4.3	-0.3	2.8	12.0	-9.1	-10.2	17.0	22.2	-26.1	-2.7	4.7
Q3	-71.6	-24.0	1.0	-0.9	0.3	0.0	-61.5	-29.2	-6.6	11.3	-54.9	-40.5	-11.4	6.2
Q4	-51.8	16.7	-0.4	3.7	1.9	4.0	-46.3	11.0	-18.7	-9.4	-27.6	20.4	-7.0	-2.0
2001 Jan.	-45.2	102.4	0.5	1.3	3.6	-6.4	-51.4	108.2	-3.9	-1.9	-47.5	110.1	2.1	-0.7
Feb.	-6.6	10.4	0.3	-2.1	0.1	-3.8	-4.8	16.8	-2.8	4.7	-2.0	12.1	-2.2	-0.5
Mar.	-84.3	125.5	0.0	-1.8	-1.3	2.0	-78.7	136.7	-0.7	-1.0	-78.0	137.7	-4.3	-11.3
Apr.	7.1	14.3	-0.3	-1.6	-0.2	-0.8	14.4	16.2	-0.4	5.4	14.8	10.8	-6.9	0.5
May	2.3	14.5	-0.3	1.6	1.2	2.4	4.7	4.9	-7.3	4.2	12.0	0.7	-3.4	5.6
June	-1.2	-26.2	-0.3	4.2	-1.3	1.2	-7.2	-30.2	-2.6	7.4	-4.6	-37.6	7.5	-1.4
July	43.1	-61.0	0.7	-0.4	-1.7	0.8	46.3	-67.2	-2.1	1.9	48.4	-69.1	-2.2	5.8
Aug.	-35.1	16.6	0.1	-2.4	1.7	-2.7	-31.5	25.0	-4.6	3.7	-26.9	21.3	-5.4	-3.4
Sep.	-79.6	20.4	0.1	1.9	0.3	1.8	-76.2	13.0	0.1	5.6	-76.3	7.4	-3.8	3.8
Oct.	-26.5	12.7	-0.5	4.5	-0.2	2.1	-22.4	7.1	-4.4	2.9	-18.0	4.2	-3.3	-1.1
Nov.	-58.8	28.2	0.0	2.0	2.5	2.3	-54.0	25.1	-10.0	-14.6	-44.0	39.7	-7.3	-1.2
Dec.	33.5	-24.1	0.1	-2.8	-0.4	-0.5	30.2	-21.2	-4.3	2.3	34.5	-23.5	3.7	0.4

**2. Other investment by sector and instrument <sup>1)</sup>**
**2.1. Eurosystem**

	Loans/currency and deposits			Other assets/liabilities		
	Assets 1	Liabilities 2	Balance 3	Assets 4	Liabilities 5	Balance 6
1999	-1.2	6.7	5.5	-0.8	-0.1	-0.9
2000	-1.1	0.9	-0.2	0.0	0.0	0.0
2000 Q3	0.2	-2.0	-1.8	0.0	0.0	0.0
Q4	-0.9	2.9	2.0	0.0	0.0	0.0
<i>Euro area enlargement</i>						
2001 Q1	0.8	-2.7	-1.9	0.0	0.0	0.0
Q2	-0.8	4.3	3.5	0.0	0.0	0.0
Q3	1.0	-0.9	0.0	0.0	0.0	0.0

*Source: ECB.*
*1) Inflows (+); outflows (-).*
*2) For the comparability of recent and some earlier data, see the general notes.*

## 2.2. General government

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 7	Liabilities 8	Balance 9	Assets 10	Liabilities 11	Balance 12	Assets 13	Liabilities 14	Balance 15
1999	0.0	0.0	0.0	4.4	-13.1	-8.7	-1.2	0.2	-1.0
2000	0.1	0.0	0.1	-1.8	1.0	-0.8	-0.8	0.0	-0.8
2000 Q3	0.0	0.0	0.0	-5.1	2.6	-2.5	-0.3	0.1	-0.2
Q4	0.1	0.0	0.1	5.3	3.2	8.6	0.3	0.2	0.4
<i>Euro area enlargement</i>									
2001 Q1	0.0	0.0	0.0	2.9	-8.0	-5.1	-0.5	-0.2	-0.7
Q2	0.0	0.0	0.0	0.1	2.7	2.8	-0.4	0.1	-0.3
Q3	0.0	0.0	0.0	0.6	0.0	0.6	-0.3	0.0	-0.3

## 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	17.3	160.4	177.7	0.8	0.7	1.5
2000	-127.3	284.3	157.0	-4.1	5.3	1.3
2000 Q3	-15.8	74.9	59.1	-1.4	0.0	-1.4
Q4	-62.4	55.1	-7.4	-1.4	4.4	2.9
<i>Euro area enlargement</i>						
2001 Q1	-130.5	257.8	127.3	-4.5	3.9	-0.6
Q2	15.4	-11.9	3.5	-3.4	2.8	-0.6
Q3	-60.6	-31.0	-91.6	-0.8	1.8	1.0

## 2.4. Other sectors

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 22	Liabilities 23	Balance 24	Assets 25	Liabilities 26	Balance 27	Assets 28	Liabilities 29	Balance 30
1999	-7.5	4.8	-2.7	-21.3	20.4	-1.0	-23.0	12.7	-10.3
2000	-14.9	10.4	-4.5	-23.8	53.6	29.8	-5.4	-5.0	-10.4
2000 Q3	-4.3	3.0	-1.3	-4.0	30.3	26.3	-1.0	0.0	-1.0
Q4	-4.3	1.3	-2.9	17.7	4.5	22.3	-3.9	2.4	-1.5
<i>Euro area enlargement</i>									
2001 Q1	-4.8	4.2	-0.6	3.0	-16.3	-13.3	-2.5	-0.4	-3.0
Q2	-3.7	1.8	-1.9	2.1	3.9	6.0	-1.2	-1.0	-2.1
Q3	-1.3	-2.2	-3.6	-8.4	7.3	-1.1	-1.7	1.1	-0.6

## 3. Reserve assets <sup>1)</sup>

	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	10.1	0.3	1.0	2.0	6.7	12.5	-11.4	0.2	3.5	2.0	-0.1	0.2
2000	17.6	1.0	0.3	2.9	11.6	4.3	2.9	0.0	-5.6	10.1	-0.1	1.7
2000 Q3	4.7	0.3	-0.1	0.0	3.6	2.4	3.2	0.0	-5.5	3.5	-0.1	0.8
Q4	10.7	0.0	0.3	-0.6	10.5	1.1	3.8	0.0	0.8	4.7	0.0	0.5
<i>Euro area enlargement</i>												
2001 Q1	9.5	0.3	-0.4	0.2	10.8	7.8	-6.9	-1.1	5.2	5.7	0.0	-1.3
Q2	2.5	-0.1	-0.6	-0.7	5.0	0.2	-0.8	0.0	5.5	0.0	0.0	-1.1
Q3	2.5	0.2	0.0	-4.5	5.0	-0.9	1.4	0.0	4.9	-0.4	0.0	1.7

Source: ECB.

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



**Table 8.7**
**International investment position and reserve assets outstanding**
**1. Net international investment position <sup>1)</sup>**
*(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	-147.9	152.2	124.2	28.0	-713.5	-462.0	-251.5	-229.0	-22.5	2.3	81.7	100.0	-107.1	88.8	329.4
1999	-75.0	402.4	318.9	83.5	-752.8	-591.3	-161.4	-108.4	-53.0	10.1	-107.3	111.9	-338.2	119.0	372.6
2000	-101.4	466.6	395.0	71.6	-666.8	-366.9	-299.9	-263.1	-36.7	7.0	-286.2	115.7	-530.4	128.5	378.0
<i>Euro area enlargement</i>															
2001 1 Jan.	-152.1	459.3	388.5	70.8	-721.5	-375.8	-345.7	-308.6	-37.1	7.0	-288.2	114.9	-531.6	128.5	391.2

Source: ECB.

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

## 2. Reserves and related assets of the Eurosystem and of the European Central Bank <sup>1)</sup>

(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 derivatives			
							With monetary authorities and the BIS	With banks	Total	Equities	Bonds and notes				Money market instru- ments
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>Eurosystem <sup>2)</sup></b>															
1998 Dec. <sup>3)</sup>	329.4	99.6	404.131	5.2	23.4	199.9	12.6	18.3	169.0	0.0	116.6	52.4	0.0	1.3	7.6
1999 Dec.	372.6	116.4	402.762	4.5	24.3	225.1	12.8	21.4	191.1	0.0	134.3	56.7	-0.2	2.4	14.6
2000 Dec.	378.0	117.8	399.537	4.3	20.8	234.2	9.2	20.2	204.2	0.0	153.9	50.3	0.7	0.7	15.8
<i>Euro area enlargement</i>															
2001 1 Jan.	391.2	119.2	404.119	4.3	21.2	245.7	9.2	27.6	208.2	0.0	157.9	50.3	0.7	0.7	16.3
2001 Jan.	385.8	115.0	404.119	4.5	22.3	243.2	11.8	19.9	210.7	-	-	-	0.8	0.8	20.9
Feb.	383.8	116.5	404.119	4.8	21.3	240.5	10.4	21.7	207.8	-	-	-	0.6	0.6	21.2
Mar. <sup>4)</sup>	393.0	117.6	403.153	4.9	21.4	246.9	9.7	27.3	209.5	-	-	-	0.5	2.1	20.2
Apr.	386.3	119.5	403.153	4.9	21.1	240.2	11.5	23.7	204.6	-	-	-	0.4	0.6	23.4
May	408.4	127.2	403.153	5.6	22.3	251.5	10.6	25.7	215.0	-	-	-	0.2	1.8	22.9
June <sup>4)</sup>	410.0	128.6	403.089	5.7	22.9	249.6	9.8	28.4	211.2	-	-	-	0.2	3.2	22.7
July <sup>4)</sup>	397.1	122.3	402.639	5.5	22.7	242.7	8.5	32.7	201.2	-	-	-	0.4	3.9	23.8
Aug. <sup>4)</sup>	381.8	120.0	402.430	5.5	21.9	232.4	8.3	26.3	197.3	-	-	-	0.5	2.0	23.7
Sep. <sup>4)</sup>	393.4	129.0	401.904	5.4	25.8	232.0	10.2	24.7	196.7	-	-	-	0.4	1.2	21.9
Oct. <sup>4)</sup>	393.6	123.9	401.902	5.4	24.9	237.4	8.6	31.2	197.1	-	-	-	0.5	2.1	22.0
Nov. <sup>4)</sup>	396.5	124.4	401.903	5.4	24.7	240.1	7.9	31.8	199.9	-	-	-	0.4	1.9	22.2
Dec. <sup>4)</sup>	392.4	126.1	401.874	5.5	25.3	233.0	7.9	23.4	201.2	-	-	-	0.4	2.6	24.9
2002 Jan. <sup>4)</sup>	407.8	131.4	401.877	5.5	25.7	243.1	8.3	36.1	198.4	-	-	-	0.3	2.1	22.3
<b>European Central Bank <sup>5)</sup></b>															
1999 Dec.	49.3	7.0	24.030	0.0	0.0	40.6	0.3	6.0	34.3	0.0	27.7	6.5	0.0	1.7	2.6
2000 Dec.	44.7	7.0	24.030	0.0	0.0	36.9	0.6	6.1	30.0	0.0	19.8	10.2	0.3	0.7	3.8
<i>Euro area enlargement</i>															
2001 Jan.	45.7	7.0	24.656	0.0	0.0	37.9	0.7	2.6	34.3	-	-	-	0.3	0.7	3.5
Feb.	46.2	7.1	24.656	0.0	0.0	38.4	0.6	3.9	33.9	-	-	-	0.1	0.6	3.0
Mar.	46.3	7.2	24.656	0.0	0.0	37.0	0.6	5.2	31.1	-	-	-	0.0	2.1	3.9
Apr.	44.8	7.3	24.656	0.0	0.0	37.0	0.8	5.2	31.0	-	-	-	0.0	0.5	3.6
May	49.6	7.8	24.656	0.0	0.0	40.0	0.8	5.2	34.0	-	-	-	0.0	1.8	2.7
June	50.7	7.9	24.656	0.1	0.0	40.0	0.9	6.8	32.3	-	-	-	0.0	2.8	3.1
July	49.8	7.5	24.656	0.1	0.0	38.4	1.0	7.8	29.6	-	-	-	0.0	3.9	2.9
Aug.	45.5	7.3	24.656	0.1	0.0	36.1	1.1	4.2	30.8	-	-	-	0.0	2.0	3.5
Sep.	44.5	7.9	24.656	0.1	0.0	35.4	1.4	3.4	30.6	-	-	-	0.0	1.1	3.9
Oct.	47.9	7.6	24.656	0.1	0.0	38.5	0.9	5.5	32.1	-	-	-	0.0	1.8	2.8
Nov.	48.3	7.6	24.656	0.1	0.0	38.7	0.9	4.2	33.6	-	-	-	0.0	1.9	3.2
Dec.	49.0	7.7	24.656	0.1	0.0	38.6	0.8	4.5	33.3	-	-	-	0.0	2.6	3.6
2002 Jan.	51.8	8.1	24.656	0.1	0.0	41.6	1.1	6.9	33.5	-	-	-	0.0	2.1	3.5

Source: ECB.

1) More comprehensive data in accordance with the template on international reserves and foreign currency liquidity can be found on the ECB's website.

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

3) Position as at 1 January 1999.

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

5) Part of the Eurosystem's reserves.

## 9 External trade in goods of the euro area

Table 9

### 1. Values, volumes and unit values by commodity <sup>1) 2)</sup>

(not seasonally adjusted, unless otherwise indicated)

	Exports of goods (f.o.b.)					Imports of goods (c.i.f.)					Total (s.a.) (1995=100)		
	Total				Memo: Manufac- tures 5	Total				Memo: Oil 11	Exports 12	Imports 13	
	1	Inter- mediate 2	Capital 3	Consump- tion 4		6	Inter- mediate 7	Capital 8	Consump- tion 9				Manufac- tures 10
Values (EUR billions (ECU billions to end-1998); 1995=100 for columns 12 and 13)													
1998	797.1	369.9	179.9	214.0	697.8	711.4	393.5	123.0	175.9	540.3	41.6	128.1	126.4
1999	832.8	386.5	183.2	224.2	725.0	781.2	423.2	143.6	192.1	590.6	61.5	133.8	138.8
2000	1,013.7	482.6	221.7	265.4	883.2	1,008.4	579.8	179.4	218.1	730.2	118.9	162.9	179.2
2000 Q3	251.7	121.1	53.8	65.8	219.2	248.0	143.8	42.1	54.6	177.9	31.9	165.8	184.2
Q4	281.6	132.0	64.0	73.6	245.3	280.9	160.9	52.4	58.4	201.0	34.6	173.8	195.5
<i>Euro area enlargement</i>													
2001	1,050.9	.	.	.	.	1,001.4	.	.	.	.	.	170.9	176.8
2001 Q1	259.0	121.7	56.2	68.0	226.1	260.6	148.5	47.4	54.4	190.1	27.0	173.3	182.3
Q2	265.9	121.8	58.6	68.5	231.9	258.1	145.4	44.2	54.0	186.3	28.0	172.9	182.9
Q3	254.9	116.8	55.1	70.3	221.7	237.3	133.2	38.4	55.7	169.9	27.8	171.4	176.9
Q4	271.1	.	.	.	.	245.3	.	.	.	.	.	168.9	168.7
2001 July	91.6	42.3	19.8	25.2	80.4	83.4	47.3	13.5	19.3	59.6	9.6	169.5	179.9
Aug.	81.2	37.1	18.3	21.7	70.4	76.0	42.0	11.9	18.4	54.3	9.3	175.4	178.5
Sep.	82.1	37.4	17.0	23.4	71.0	78.0	44.0	13.0	17.9	56.1	8.9	169.1	172.4
Oct.	97.7	42.9	21.3	26.5	83.9	87.6	47.9	14.7	19.8	63.5	8.4	171.8	171.2
Nov.	90.5	39.8	19.5	24.4	77.3	83.5	44.7	15.0	18.7	60.4	7.3	167.4	168.0
Dec.	82.9	.	.	.	.	74.2	.	.	.	.	.	167.6	166.9
Volumes (annual percentage changes; 1995=100 for columns 12 and 13) <sup>3)</sup>													
1998	3.6	4.2	6.0	3.8	4.0	11.4	8.2	21.8	7.7	13.4	-4.5	120.1	123.1
1999	2.2	2.8	-0.8	3.3	1.4	6.1	3.5	12.9	7.7	7.1	6.0	122.7	130.6
2000	12.4	12.5	12.7	12.7	13.6	5.9	6.8	11.7	4.5	8.9	4.7	138.1	138.3
2000 Q3	10.1	9.7	10.4	12.1	11.1	6.6	7.7	11.2	4.0	8.9	5.9	139.1	140.9
Q4	10.4	12.0	14.1	8.5	11.9	3.9	4.6	11.2	1.8	5.2	7.0	142.3	139.7
<i>Euro area enlargement</i>													
2001	1.1	.	.	.	.	-2.3	.	.	.	.	.	139.7	135.8
2001 Q1	6.1	4.0	11.3	5.6	6.6	1.1	0.2	4.9	-4.7	0.2	-3.1	142.9	138.3
Q2	2.5	-1.7	4.0	2.2	2.8	-2.0	-4.4	-6.1	-5.5	-3.2	-3.1	140.6	136.9
Q3	-0.7	-3.8	1.5	1.8	-0.7	-5.1	-6.3	-12.5	-4.1	-7.6	-3.3	139.5	135.8
Q4	-3.0	.	.	.	.	-3.2	.	.	.	.	.	138.0	134.8
2001 July	4.2	3.2	2.2	4.6	5.0	-2.0	-2.0	-6.7	-0.4	-3.2	-1.0	137.9	133.3
Aug.	1.8	-4.2	12.2	3.3	2.1	-5.3	-7.0	-15.6	-2.6	-8.0	-4.4	143.2	136.8
Sep.	-7.7	-10.5	-8.7	-2.2	-8.5	-7.8	-9.7	-14.7	-9.0	-11.0	-4.3	137.3	137.4
Oct.	1.0	-5.5	0.2	1.2	-1.1	1.5	-1.9	-12.3	-3.0	-3.5	3.5	141.1	137.8
Nov.	-6.0	-12.8	-9.0	-5.9	-8.7	-4.0	-8.6	-15.2	-5.8	-8.5	.	136.1	133.8
Dec.	-4.3	.	.	.	.	-7.2	.	.	.	.	.	136.7	132.7
Unit values (annual percentage changes; 1995=100 for columns 12 and 13) <sup>3)</sup>													
1998	0.9	-0.7	0.8	2.0	1.5	-5.4	-6.5	-3.6	1.2	-1.1	-30.4	106.6	102.8
1999	2.3	1.7	2.7	1.4	2.4	3.5	3.9	3.4	1.4	2.0	39.4	108.9	106.2
2000	8.3	11.0	7.4	5.1	7.2	21.9	28.3	11.8	8.7	13.5	84.8	117.8	129.4
2000 Q3	9.1	12.7	7.5	4.4	8.5	20.0	26.6	10.4	7.9	12.5	71.0	119.2	130.8
Q4	10.0	11.4	7.7	7.4	8.8	23.9	28.3	15.1	12.6	18.1	53.1	122.1	140.0
<i>Euro area enlargement</i>													
2001	3.7	3.0	3.0	5.2	3.9	0.5	-0.3	3.1	5.0	2.8	-11.5	122.4	130.2
2001 Q1	6.6	6.4	5.6	5.5	6.5	8.8	9.2	8.6	8.0	9.3	3.2	121.3	131.8
Q2	5.8	5.1	4.2	7.0	5.7	6.0	6.3	5.3	7.5	6.1	4.3	123.0	133.6
Q3	3.1	0.8	2.3	6.6	3.0	-0.4	-2.3	2.4	5.3	2.2	-12.7	122.9	130.3
Q4	0.2	.	.	.	.	-10.5	.	.	.	.	.	122.4	125.2
2001 July	4.0	0.8	6.4	8.3	3.4	5.0	3.3	7.4	7.7	6.6	-4.7	122.9	134.9
Aug.	3.0	1.2	1.3	7.3	3.1	0.0	-2.5	1.4	6.4	2.7	-11.1	122.5	130.5
Sep.	2.2	0.5	-1.1	4.5	2.5	-5.8	-7.4	-1.5	2.0	-2.5	-21.5	123.2	125.5
Oct.	0.2	-0.8	0.1	2.9	1.0	-10.5	-12.7	-3.3	0.5	-5.6	-33.0	121.8	124.2
Nov.	0.5	0.8	1.8	1.3	1.5	-11.2	-13.2	-2.4	-1.2	-5.6	-36.8	123.0	125.5
Dec.	0.2	.	.	.	.	-9.9	.	.	.	.	.	122.5	125.7

Sources: Eurostat and ECB calculations based on Eurostat data (volume calculations and seasonal adjustment of unit values).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Table 8.2).

2) The commodity breakdown in columns 2 to 4 and 7 to 9 is in accordance with the Classification by Broad Economic Categories. Manufactured goods (columns 5 and 10) and oil (column 11) are in accordance with the SITC Rev.3.

3) For 2001, unit value indices, which are also used for the estimation of volumes, refer to the euro area excluding Greece.

## 2. Geographical breakdown <sup>1)</sup>

(EUR billions (ECU billions to end-1998); not seasonally adjusted, unless otherwise indicated)

	Total 1	Total (s.a.) 2	United Kingdom 3	Sweden 4	Denmark 5	Candidate countries 6	Switzer- land 7	United States 8	Japan 9	Asia excl. Japan 10	Africa 11	Latin America 12	Other countries 13
Exports (f.o.b.)													
1998	797.1	-	150.5	31.6	20.6	101.5	51.1	120.3	23.9	114.9	49.7	42.4	90.5
1999	832.8	-	161.4	33.1	21.1	102.9	56.1	135.1	26.8	119.2	48.4	39.1	89.6
2000	1,013.7	-	189.7	38.8	23.2	131.0	63.4	171.4	34.2	151.6	56.1	46.7	107.8
2000 Q3	251.7	257.2	46.2	9.1	5.5	32.8	15.6	43.2	8.7	38.0	13.6	12.1	26.9
Q4	281.6	269.6	51.0	10.5	6.3	37.1	17.1	48.3	9.4	43.8	15.4	13.4	29.3
Euro area enlargement													
2001	1,050.9	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	259.0	265.6	49.5	9.7	6.1	33.4	17.1	45.1	9.2	39.8	14.4	12.1	22.9
Q2	265.9	264.9	50.7	9.0	7.2	34.0	16.6	45.1	8.3	40.4	15.3	12.7	26.5
Q3	254.9	262.6	48.7	8.0	5.8	32.3	16.0	43.6	8.2	39.8	14.3	12.1	26.1
Q4	271.1	258.9	.	.	.	.	.	.	.	.	.	.	.
2001 July	91.6	86.6	17.2	2.4	1.9	11.5	5.6	16.6	2.8	14.5	5.1	4.8	9.1
Aug.	81.2	89.6	15.0	2.7	1.9	10.3	5.1	13.6	2.6	13.2	4.8	4.0	8.1
Sep.	82.1	86.4	16.5	2.9	2.0	10.5	5.3	13.3	2.8	12.1	4.4	3.3	8.8
Oct.	97.7	87.8	17.8	3.2	2.1	12.6	5.8	16.7	3.2	14.7	5.7	4.5	.
Nov.	90.5	85.5	16.7	3.2	2.1	12.0	5.5	14.2	2.8	13.8	5.0	3.9	.
Dec.	82.9	85.6	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2001 Dec.	-4.0	-	.	.	.	.	.	.	.	.	.	.	.
Imports (c.i.f.)													
1998	711.4	-	122.6	30.9	17.4	71.6	40.9	104.8	48.5	132.0	45.8	29.3	67.6
1999	781.2	-	131.0	33.2	18.6	80.4	43.2	113.2	53.9	151.8	49.0	30.4	76.5
2000	1,008.4	-	156.6	38.0	21.8	101.2	49.8	140.7	65.5	211.6	72.2	39.7	111.5
2000 Q3	248.0	257.9	36.8	8.7	5.2	25.1	12.0	34.2	15.3	54.8	17.8	10.1	28.0
Q4	280.9	273.8	44.1	10.3	6.1	27.9	13.2	39.2	17.5	59.6	20.9	10.3	31.7
Euro area enlargement													
2001	1,001.4	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	260.6	257.0	38.7	8.9	5.2	29.0	13.5	37.5	16.1	53.8	19.8	9.8	28.3
Q2	258.1	257.8	39.1	8.6	5.0	29.3	13.1	36.0	15.7	51.9	18.9	11.1	29.5
Q3	237.3	249.5	35.2	7.6	5.1	28.0	12.0	30.8	12.7	50.2	17.8	10.1	28.0
Q4	245.3	237.8	.	.	.	.	.	.	.	.	.	.	.
2001 July	83.4	84.5	11.7	2.4	1.7	10.0	4.6	10.9	4.6	17.3	6.5	3.6	10.0
Aug.	76.0	83.9	11.0	2.4	1.7	8.7	3.4	10.7	4.1	16.8	5.6	3.3	8.3
Sep.	78.0	81.0	12.4	2.8	1.7	9.3	4.0	9.2	4.0	16.0	5.6	3.2	9.7
Oct.	87.6	80.5	13.2	3.0	1.9	10.5	5.0	11.5	4.8	17.2	6.0	3.5	.
Nov.	83.5	78.9	12.7	2.9	1.7	10.3	4.9	10.7	4.5	16.2	5.3	3.0	.
Dec.	74.2	78.4	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2001 Dec.	-16.4	-	.	.	.	.	.	.	.	.	.	.	.
Balance													
1998	85.7	-	28.0	0.7	3.2	29.9	10.2	15.5	-24.6	-17.1	3.9	13.1	22.9
1999	51.6	-	30.4	-0.1	2.6	22.5	12.9	21.9	-27.1	-32.6	-0.6	8.7	13.1
2000	5.3	-	33.1	0.8	1.4	29.8	13.6	30.7	-31.3	-60.0	-16.1	7.0	-3.7
2000 Q3	3.6	-0.7	9.4	0.4	0.2	7.7	3.6	9.1	-6.6	-16.8	-4.2	2.0	-1.2
Q4	0.7	-4.2	6.9	0.2	0.2	9.1	3.9	9.1	-8.1	-15.8	-5.5	3.2	-2.5
Euro area enlargement													
2001	49.4	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	-1.6	8.6	10.8	0.8	0.9	4.4	3.5	7.6	-7.0	-14.0	-5.5	2.3	-5.4
Q2	7.8	7.1	11.6	0.5	2.2	4.7	3.5	9.2	-7.3	-11.5	-3.6	1.6	-3.0
Q3	17.6	13.1	13.5	0.4	0.7	4.3	4.1	12.8	-4.5	-10.4	-3.4	2.0	-1.9
Q4	25.7	21.1	.	.	.	.	.	.	.	.	.	.	.
2001 July	8.2	2.1	5.5	0.0	0.1	1.5	1.1	5.7	-1.8	-2.8	-1.4	1.1	-0.9
Aug.	5.2	5.7	3.9	0.2	0.3	1.5	1.6	2.9	-1.5	-3.6	-0.8	0.7	-0.1
Sep.	4.1	5.4	4.1	0.1	0.3	1.3	1.3	4.1	-1.3	-3.9	-1.2	0.1	-0.9
Oct.	10.1	7.3	4.6	0.2	0.1	2.1	0.8	5.2	-1.7	-2.5	-0.3	1.0	.
Nov.	7.0	6.6	4.0	0.3	0.4	1.7	0.6	3.5	-1.7	-2.4	-0.3	0.9	.
Dec.	8.7	7.2	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations based on Eurostat data (balance and other countries).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Tables 8.1 and 8.2).

# 10 Exchange rates

**Table 10**

## Exchange rates

(period averages; units of national currency per ECU or euro (bilateral); index 1999 Q1=100 (effective))

	Effective exchange rate of the euro <sup>1)</sup>						Bilateral ECU or euro exchange rates <sup>2)</sup>			
	Narrow group				Broad group		US dollar	Japanese yen	Swiss franc	Pound sterling
	Nominal	Real CPI	Real PPI	Real ULCM	Nominal	Real CPI				
1	2	3	4	5	6	7	8	9	10	
1997	99.1	99.4	99.3	100.0	90.4	96.6	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.6	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	96.1	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.5	86.9	86.5	88.2	86.3	0.924	99.5	1.558	0.609
2000 Q1	89.0	89.6	89.7	89.7	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	85.6	87.3	85.3	0.905	97.4	1.544	0.612
Q4	83.0	84.0	84.8	83.5	85.9	83.6	0.868	95.3	1.516	0.600
2000 Jan.	90.2	90.8	90.8	-	92.4	90.7	1.014	106.5	1.610	0.618
Feb.	89.2	89.8	89.9	-	91.2	89.6	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	87.0	-	88.4	86.7	0.947	99.9	1.574	0.598
May	84.5	85.0	85.6	-	86.9	85.1	0.906	98.1	1.556	0.602
June	87.4	88.1	88.4	-	89.9	88.1	0.949	100.7	1.561	0.629
July	86.9	87.9	88.1	-	89.4	87.5	0.940	101.4	1.551	0.623
Aug.	84.6	85.5	86.0	-	87.0	85.1	0.904	97.8	1.551	0.607
Sep.	82.8	83.6	84.5	-	85.3	83.3	0.872	93.1	1.531	0.608
Oct.	81.6	82.4	83.3	-	84.4	82.2	0.855	92.7	1.513	0.589
Nov.	82.3	83.3	84.0	-	85.1	82.9	0.856	93.3	1.522	0.600
Dec.	85.4	86.4	87.0	-	88.1	85.8	0.897	100.6	1.514	0.613
<i>Euro area enlargement</i>										
2001	87.3	88.9	89.2	86.7	91.0	88.0	0.896	108.7	1.511	0.622
2001 Q1	88.6	89.9	90.4	87.9	91.4	88.8	0.923	109.1	1.533	0.633
Q2	86.0	87.7	87.8	85.7	89.5	86.8	0.873	106.9	1.528	0.614
Q3	87.0	88.7	88.8	86.5	91.2	88.0	0.890	108.3	1.507	0.619
Q4	87.5	89.5	89.6	86.8	92.0	88.5	0.896	110.5	1.473	0.621
2001 Jan.	89.2	90.3	90.7	-	91.7	89.0	0.938	109.6	1.529	0.635
Feb.	88.3	89.5	90.1	-	91.0	88.4	0.922	107.1	1.536	0.634
Mar.	88.4	89.8	90.4	-	91.4	88.9	0.910	110.3	1.535	0.629
Apr.	87.6	89.1	89.4	-	91.0	88.4	0.892	110.4	1.529	0.622
May	85.9	87.6	87.6	-	89.3	86.7	0.874	106.5	1.533	0.613
June	84.7	86.3	86.4	-	88.1	85.3	0.853	104.3	1.522	0.609
July	85.4	87.1	87.1	-	89.1	86.2	0.861	107.2	1.514	0.609
Aug.	87.7	89.4	89.5	-	91.8	88.6	0.900	109.3	1.514	0.627
Sep.	88.0	89.7	89.9	-	92.6	89.3	0.911	108.2	1.491	0.623
Oct.	88.0	90.0	90.0	-	92.8	89.4	0.906	109.9	1.479	0.624
Nov.	86.8	88.8	89.0	-	91.3	87.8	0.888	108.7	1.466	0.618
Dec.	87.7	89.9	90.0	-	91.9	88.4	0.892	113.4	1.475	0.620
2002 Jan.	87.6	90.2	90.1	-	91.6	88.2	0.883	117.1	1.475	0.617
Feb.	86.8	89.4	89.4	-	91.1	87.7	0.870	116.2	1.477	0.612
% ch. vs. <sup>4)</sup> prev. month										
2002 Feb.	-1.0	-0.9	-0.8	-	-0.5	-0.6	-1.5	-0.8	0.2	-0.8
% ch. vs. <sup>4)</sup> prev. year										
2002 Feb.	-1.7	-0.1	-0.8	-	0.1	-0.8	-5.6	8.5	-3.8	-3.5

Source: ECB.

1) More details of the calculation are given in the general notes.

2) To December 1998, rates for the ECU (source BIS); from January 1999, rates for the euro.

3) Indicative rates for these currencies are shown up to September 2000, as the ECB did not provide official reference rates for these currencies before that.

Bilateral ECU or euro exchange rates <sup>2)</sup>								
Swedish krona	Danish krone	Norwegian krone	Canadian dollar	Australian dollar	Hong Kong dollar <sup>3)</sup>	Korean won <sup>3)</sup>	Singapore dollar <sup>3)</sup>	
11	12	13	14	15	16	17	18	
8.65	7.48	8.02	1.569	1.528	8.75	1,069.8	1.678	1997
8.92	7.50	8.47	1.665	1.787	8.69	1,568.9	1.876	1998
8.81	7.44	8.31	1.584	1.652	8.27	1,267.3	1.806	1999
8.45	7.45	8.11	1.371	1.589	7.20	1,043.5	1.592	2000
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
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>								
9.26	7.45	8.05	1.386	1.732	6.99	1,154.8	1.604	2001
9.00	7.46	8.20	1.410	1.741	7.20	1,174.7	1.616	2001 Q1
9.13	7.46	8.01	1.345	1.701	6.81	1,138.9	1.583	Q2
9.41	7.44	8.01	1.374	1.734	6.94	1,150.1	1.582	Q3
9.48	7.44	7.97	1.416	1.751	6.99	1,155.2	1.634	Q4
8.91	7.46	8.24	1.410	1.689	7.32	1,194.9	1.630	2001 Jan.
8.98	7.46	8.21	1.403	1.724	7.19	1,153.8	1.607	Feb.
9.13	7.46	8.16	1.417	1.807	7.09	1,173.4	1.611	Mar.
9.11	7.46	8.11	1.390	1.785	6.96	1,183.5	1.617	Apr.
9.06	7.46	7.99	1.347	1.681	6.82	1,133.7	1.586	May
9.21	7.45	7.94	1.302	1.647	6.65	1,104.1	1.550	June
9.26	7.44	7.97	1.315	1.689	6.71	1,120.3	1.569	July
9.31	7.45	8.06	1.386	1.717	7.02	1,154.0	1.586	Aug.
9.67	7.44	8.00	1.426	1.804	7.11	1,178.3	1.593	Sep.
9.58	7.44	8.00	1.422	1.796	7.07	1,178.6	1.640	Oct.
9.42	7.45	7.92	1.415	1.717	6.93	1,137.5	1.625	Nov.
9.44	7.44	7.99	1.408	1.735	6.96	1,147.0	1.639	Dec.
9.23	7.43	7.92	1.413	1.709	6.89	1,160.8	1.625	2002 Jan.
9.18	7.43	7.79	1.388	1.696	6.79	1,147.2	1.594	Feb.
-0.5	0.0	-1.7	-1.8	-0.8	-1.5	-1.2	-1.9	% ch. vs. <sup>4)</sup> prev. month 2002 Feb.
2.3	-0.4	-5.2	-1.0	-1.6	-5.6	-0.6	-0.8	% ch. vs. <sup>4)</sup> prev. year 2002 Feb.

4) The table shows the percentage change in the latest monthly observation vis-à-vis the previous month, and vis-à-vis the same month of the previous year. A positive change denotes an appreciation of the euro. Due to the change in the weighting scheme, effective exchange rate data as from January 2001 are not fully comparable with earlier observations.

## II Economic and financial developments in the other EU Member States

**Table 11**

### Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	HICP	General government deficit (-)/ surplus (+) as a % of GDP	General government gross debt as a % of GDP	Long-term government bond yield <sup>1)</sup> as a % per annum	Exchange rate <sup>2)</sup> as national currency per ECU or euro	Current and new capital account as a % of GDP	Unit labour costs <sup>3)</sup>	Real GDP	Industrial production index <sup>4)</sup>	Standardised unemployment rate as a % of labour force (s.a.)	Broad money <sup>5)</sup>	3-month interest rate <sup>1)</sup> as a % per annum
	1	2	3	4	5	6	7	8	9	10	11	12
Denmark												
1998	1.3	1.1	55.6	4.94	7.50	-0.9	3.0	2.5	2.2	4.9	5.4	4.27
1999	2.1	3.1	52.0	4.91	7.44	1.7	2.2	2.3	1.8	4.8	-0.2	3.44
2000	2.7	2.8	46.1	5.64	7.45	1.6	1.5	3.0	6.3	4.4	1.2	5.00
2001	2.3	.	.	5.08	7.45	2.7	3.5	1.2	1.6	4.3	5.9	4.70
2000 Q3	2.6	-	-	5.69	7.46	3.6	1.0	3.1	8.1	4.4	-0.1	5.84
Q4	2.6	-	-	5.42	7.45	1.4	1.6	2.7	6.1	4.5	-1.3	5.48
2001 Q1	2.3	-	-	5.03	7.46	4.7	2.6	2.0	5.2	4.4	2.4	5.26
Q2	2.5	-	-	5.27	7.46	2.4	3.5	0.9	0.9	4.4	4.1	5.06
Q3	2.3	-	-	5.18	7.44	3.5	3.7	1.2	1.7	4.3	7.9	4.73
Q4	2.0	-	-	4.83	7.44	0.4	4.2	0.7	-1.2	4.2	9.3	3.77
2001 Sep.	2.1	-	-	5.11	7.44	-	-	-	-1.7	4.3	9.2	4.43
Oct.	2.0	-	-	4.86	7.44	-	-	-	0.1	4.2	9.1	3.96
Nov.	1.7	-	-	4.67	7.45	-	-	-	2.2	4.2	11.4	3.70
Dec.	2.1	-	-	4.97	7.44	-	-	-	-6.2	4.2	7.2	3.63
2002 Jan.	2.5	-	-	5.08	7.43	-	-	-	.	.	.	3.63
Feb.	.	-	-	5.14	7.43	-	-	-	.	.	.	3.60
Sweden												
1998	1.0	1.9	71.8	4.99	8.92	3.7	0.9	3.6	3.8	8.3	3.5	4.36
1999	0.6	1.8	65.2	4.98	8.81	2.7	-1.0	4.5	1.8	7.2	6.8	3.32
2000	1.3	4.1	55.6	5.37	8.45	3.3	5.5	3.6	7.8	5.9	6.2	4.07
2001	2.7	.	.	5.11	9.26	3.2	.	.	-0.7	5.1	.	4.11
2000 Q3	1.3	-	-	5.30	8.40	2.8	5.1	3.9	9.2	5.7	5.1	4.14
Q4	1.5	-	-	5.09	8.60	4.4	6.6	2.4	8.1	5.3	2.2	4.06
2001 Q1	1.6	-	-	4.83	9.00	3.4	2.4	2.3	5.6	5.3	0.2	4.10
Q2	3.0	-	-	5.20	9.13	2.5	4.4	1.1	-2.5	5.0	1.1	4.15
Q3	3.1	-	-	5.28	9.41	4.4	.	0.4	-2.0	4.9	2.6	4.34
Q4	3.0	-	-	5.12	9.48	.	.	.	-3.6	5.1	.	3.85
2001 Sep.	3.3	-	-	5.26	9.67	-	-	-	-1.9	5.1	3.1	4.14
Oct.	2.9	-	-	5.17	9.58	-	-	-	-5.7	5.2	4.9	3.86
Nov.	2.9	-	-	4.96	9.42	-	-	-	-5.5	5.0	6.2	3.81
Dec.	3.2	-	-	5.24	9.44	-	-	-	0.4	5.1	.	3.88
2002 Jan.	2.9	-	-	5.27	9.23	-	-	-	.	5.2	.	3.87
Feb.	.	-	-	5.37	9.18	-	-	-	.	.	.	3.94
United Kingdom												
1998	1.6	0.4	48.1	5.60	0.676	-0.5	2.8	3.0	0.9	6.2	9.7	7.42
1999	1.3	1.3	45.7	5.01	0.659	-2.0	3.8	2.1	0.8	5.9	5.4	5.54
2000	0.8	1.9	42.8	5.33	0.609	-1.6	2.0	3.0	1.7	5.4	6.6	6.19
2001	1.2	.	.	5.01	0.622	.	.	2.4	-2.2	.	7.9	5.04
2000 Q3	0.8	1.7	41.9	5.31	0.612	-1.5	2.2	3.0	1.0	5.3	8.2	6.21
Q4	0.9	0.2	42.1	5.09	0.600	-2.1	2.2	2.7	1.3	5.2	8.4	6.07
2001 Q1	0.9	6.5	39.8	4.90	0.633	-1.0	3.1	3.0	1.2	5.0	8.9	5.72
Q2	1.5	-1.8	39.8	5.18	0.614	-1.0	3.8	2.7	-1.7	4.9	7.4	5.30
Q3	1.5	2.1	38.7	5.13	0.619	-1.1	3.2	2.2	-2.9	5.0	7.6	5.00
Q4	1.0	-2.6	38.8	4.82	0.621	.	.	1.7	-5.4	.	7.8	4.16
2001 Sep.	1.3	0.5	38.7	5.02	0.623	-	-	-	-3.8	5.0	8.2	4.73
Oct.	1.2	4.9	38.5	4.86	0.624	-	-	-	-5.2	5.0	8.3	4.43
Nov.	0.8	-6.3	38.2	4.67	0.618	-	-	-	-4.2	5.1	8.3	4.00
Dec.	1.0	-6.5	38.8	4.94	0.620	-	-	-	-6.7	.	6.7	4.05
2002 Jan.	1.6	11.7	38.3	5.02	0.617	-	-	-	.	.	.	4.05
Feb.	.	.	.	5.04	0.612	-	-	-	.	.	.	4.05

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**

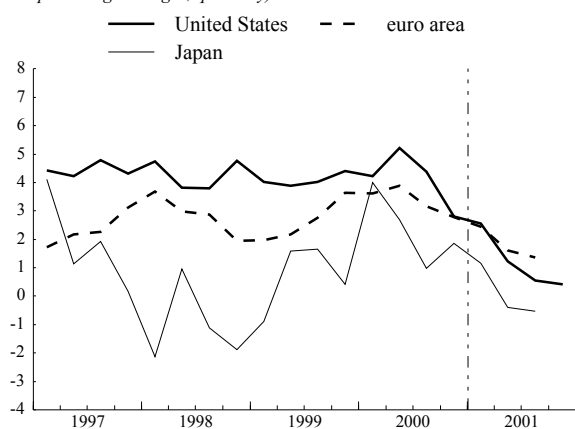
### Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs <sup>1)</sup>	Real GDP	Industrial production index <sup>1)</sup>	Unemployment rate as a % of labour force (s.a.)	M2 <sup>2)</sup>	3-month interbank deposit rate <sup>3)</sup> as a % per annum	10-year government bond yield <sup>3)</sup> as a % per annum	Exchange rate <sup>4)</sup> as national currency per ECU or euro	Fiscal deficit (-)/surplus (+) <sup>5)</sup> as a % of GDP	Gross public debt <sup>6)</sup> as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
United States											
1998	1.6	0.1	4.3	5.9	4.5	7.3	5.57	5.33	1.121	0.3	53.4
1999	2.2	-0.5	4.1	4.2	4.2	7.6	5.42	5.64	1.066	0.8	50.5
2000	3.4	0.8	4.1	4.7	4.0	6.1	6.53	6.03	0.924	1.7	44.9
2001	2.8	6.2	1.2	-4.3	4.8	8.7	3.78	5.01	0.896	.	.
2000 Q3	3.5	0.5	4.4	5.1	4.1	6.0	6.70	5.89	0.905	1.9	45.6
Q4	3.4	4.1	2.8	2.3	4.0	6.1	6.69	5.56	0.868	1.7	45.0
2001 Q1	3.4	6.7	2.5	-1.0	4.2	7.1	5.35	5.04	0.923	1.5	45.1
Q2	3.4	8.0	1.2	-4.2	4.5	8.1	4.19	5.25	0.873	1.1	43.5
Q3	2.7	6.4	0.5	-5.6	4.8	9.4	3.46	4.98	0.890	-0.9	44.2
Q4	1.9	3.8	0.4	-6.2	5.6	10.2	2.15	4.74	0.896	.	.
2001 Sep.	2.6	-	-	-6.5	5.0	10.6	3.03	4.76	0.911	-	-
Oct.	2.1	-	-	-6.5	5.4	9.9	2.40	4.55	0.906	-	-
Nov.	1.9	-	-	-6.2	5.6	10.4	2.10	4.61	0.888	-	-
Dec.	1.6	-	-	-5.9	5.8	10.3	1.92	5.07	0.892	-	-
2002 Jan.	1.1	-	-	-5.1	5.6	9.5	1.82	5.00	0.883	-	-
Feb.	.	-	-	.	.	.	1.90	4.90	0.870	-	-
Japan											
1998	0.7	6.3	-1.1	-7.1	4.1	4.4	0.66	1.30	146.4	-10.3	.
1999	-0.3	-2.5	0.7	0.8	4.7	3.7	0.22	1.75	121.3	-10.4	.
2000	-0.7	-6.5	2.4	5.9	4.7	2.1	0.28	1.76	99.5	.	.
2001	-0.7	.	.	-7.9	5.0	2.8	0.15	1.34	108.7	.	.
2000 Q3	-0.6	-6.1	1.0	5.5	4.6	1.9	0.32	1.79	97.4	.	.
Q4	-0.8	-5.3	1.9	4.9	4.8	2.0	0.56	1.73	95.3	.	.
2001 Q1	-0.4	-0.2	1.2	-1.1	4.8	2.4	0.37	1.38	109.1	.	.
Q2	-0.7	3.7	-0.4	-5.7	4.9	2.7	0.08	1.28	106.9	.	.
Q3	-0.8	9.4	-0.5	-11.1	5.1	3.1	0.07	1.36	108.3	.	.
Q4	-1.0	.	.	-13.4	5.5	3.2	0.08	1.35	110.5	.	.
2001 Sep.	-0.8	11.0	-	-12.8	5.3	3.3	0.06	1.40	108.2	-	-
Oct.	-0.8	9.4	-	-11.8	5.4	3.0	0.08	1.36	109.9	-	-
Nov.	-1.0	11.0	-	-13.1	5.5	3.2	0.08	1.33	108.7	-	-
Dec.	-1.2	.	-	-15.3	5.6	3.4	0.08	1.35	113.4	-	-
2002 Jan.	-1.4	.	-	-11.1	.	3.6	0.09	1.42	117.1	-	-
Feb.	.	.	-	.	.	.	0.10	1.52	116.2	-	-

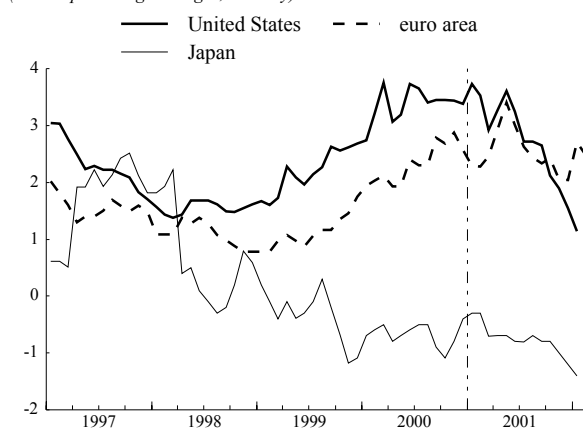
#### Real gross domestic product

(annual percentage changes; quarterly)



#### Consumer price indices

(annual percentage changes; monthly)



Sources: National data (columns 1, 2 (United States), 3, 4, 5, 6, 8 (to December 1998), 9 and 10); OECD (column 2 (Japan)); Eurostat (euro area chart data); Reuters (column 7 and 8 (from January 1999)); ECB calculation (column 11).

1) Manufacturing.

2) Average-of-period values; M2 and CDs for Japan.

3) For more information, see Tables 3.1 and 3.2.

4) For more information, see Table 10.

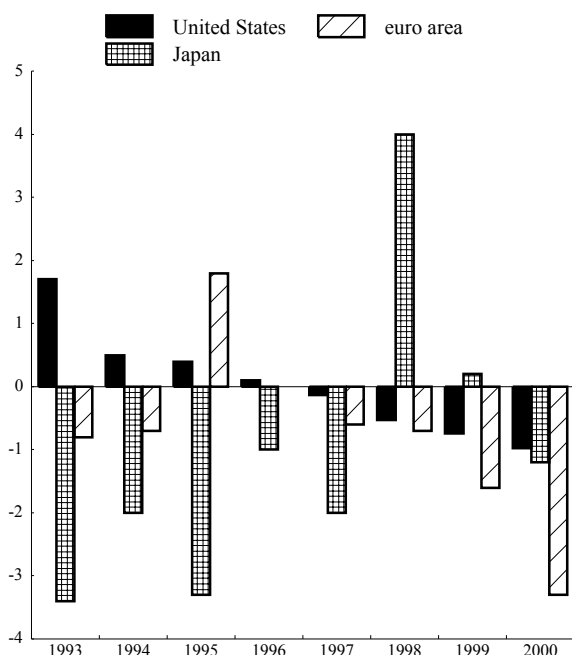
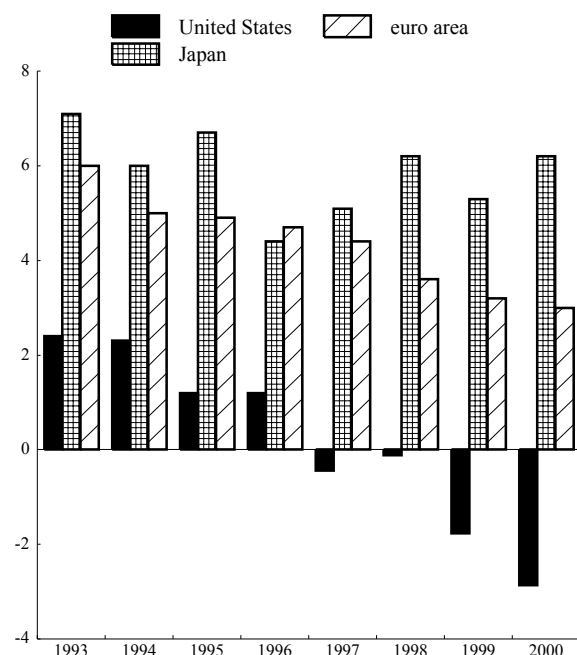
5) Japan: the 1998 deficit includes a large debt assumption; financial accounts sources for 1999.

6) Gross consolidated debt for the general government (end of period).



**Table 12.2**
**Saving, investment and financing**
*(as a percentage of GDP)*

	National saving and investment			Investment and financing of non-financial corporations						Investment and financing of households <sup>1)</sup>			
	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 incurrance of liabilities	Securities and shares	Capital expenditure	Net acquisition of financial assets	Gross saving	Net incurrance 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	3.3	8.7	3.4	2.1	11.8	4.1	12.1	4.6
1998	18.8	20.7	-2.3	9.7	8.8	6.5	8.1	7.0	1.6	12.3	5.5	12.8	5.6
1999	18.4	20.9	-3.3	9.9	9.3	7.2	8.1	7.9	3.2	12.9	4.7	11.4	6.5
2000	18.1	21.1	-4.4	9.9	9.5	6.3	8.0	7.3	2.8	13.0	2.9	10.4	5.8
1999 Q4	18.1	21.2	-3.7	10.0	9.2	5.5	8.2	6.3	3.5	12.9	4.6	10.7	6.6
2000 Q1	17.8	21.0	-4.1	9.8	9.4	7.7	7.9	8.8	5.6	13.3	4.5	10.4	7.9
Q2	18.3	21.4	-4.2	10.1	9.3	6.6	8.1	7.6	3.1	13.0	3.5	10.6	5.8
Q3	18.2	21.2	-4.5	10.2	9.6	6.9	8.2	8.0	2.4	12.9	2.8	10.3	5.8
Q4	18.0	21.0	-4.5	9.8	9.4	4.0	8.0	4.9	0.4	12.8	0.8	10.4	3.7
2001 Q1	17.3	20.2	-4.1	9.1	9.4	2.2	7.5	3.0	2.0	12.8	4.1	10.3	3.9
Q2	17.2	19.7	-4.0	8.6	8.9	0.1	7.5	0.8	2.8	12.8	4.5	10.5	6.7
Q3	17.1	19.1	-3.4	8.2	8.7	1.3	7.6	1.4	1.3	12.8	8.4	12.4	8.3
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	-6.0	13.3	-8.3	-0.3	5.3	6.1	11.7	-1.0
1999	27.6	25.8	2.2	14.4	14.8	3.3	13.5	-2.0	1.8	5.2	5.9	11.1	-0.3
2000	27.7	25.9	2.3	15.2	15.5	2.6	13.8	1.0	1.0	5.2	4.3	10.9	-0.4
1999 Q4	.	26.9	.	.	.	19.1	.	13.7	4.0	.	12.7	.	1.4
2000 Q1	.	26.3	.	.	.	15.5	.	4.4	-1.2	.	-0.7	.	5.3
Q2	.	24.8	.	.	.	-25.0	.	-17.2	2.5	.	8.8	.	-7.5
Q3	.	27.1	.	.	.	12.7	.	1.8	-0.2	.	0.6	.	1.4
Q4	.	27.1	.	.	.	6.8	.	13.7	2.7	.	7.9	.	-0.5
2001 Q1	.	27.5	.	.	.	8.9	.	-3.3	0.2	.	-4.8	.	2.7
Q2	.	23.5	.	.	.	-30.8	.	-18.5	4.4	.	14.0	.	-5.3
Q3	.	26.2	.	.	.	-3.0	.	-7.9	-0.6	.	-3.4	.	-5.7

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

**Net lending of households <sup>1)</sup>**
*(as a percentage of GDP)*


Sources: ECB, Federal Reserve Board, Bank of Japan and Economic and Social Research Institute.

1) Households including non-profit institutions serving households.

# Technical notes

## Relating to Table 2.4<sup>1</sup>

### Seasonal adjustment of the euro area monetary aggregates

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2).<sup>2</sup> 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 required.

### Calculation of growth rates

Growth rates may be calculated from flows or the index of adjusted stocks.

If  $F_t^M$  represents the flow in month  $t$ ,  $L_t$  the level outstanding at the end of the month  $t$ ,  $X_t^M$  the rate of change in month  $t$  (augmented by one) defined as

$$(a) \quad X_t^M = \left( \frac{F_t^M}{L_{t-1}} + 1 \right)$$

and  $I_t$  the index of adjusted stocks in month  $t$ , defined as

$$I_t = I_{t-1} \times \left( 1 + \frac{F_t}{L_{t-1}} \right)$$

where the base  $I_{\text{DEC}1998} = 100$  is used, the annual percentage change  $a_t$  for month  $t$  – i.e. the change in the 12 months ending in month  $t$  – may be calculated as follows:

$$(b) \quad a_t = \left( \prod_{i=0}^{11} X_{t-i}^M - 1 \right) \times 100$$

$$(c) \quad a_t = \left( \frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

Similarly, the monthly change, as shown in Table 2.4.4, may be calculated as  $(I_t/I_{t-1} - 1) \times 100$ . Finally, the three-month moving average for M3 is obtained as  $(a_t + a_{t-1} + a_{t-2})/3$ .

Roundings may give rise to differences from the annual percentage changes shown in Table 2.4. The index of adjusted stocks is available with a higher level of precision on the ECB's website ([www.ecb.int](http://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 have been harmonised and are comparable. Nevertheless, as a result of the implementation of a new reporting scheme in January 1999, outstanding levels for Tables 2.5 to 2.8 prior to the first quarter of 1999 are not directly comparable with those referring to later periods, although they are sufficiently comparable for structural analysis. A detailed analysis of the growth rates can be performed for Tables 2.5 to 2.7 where quarterly flows are shown.

Finally, since the values reported for Tables 2.5 to 2.8 are revised on a quarterly basis (in the March, June, September and December issues), minor discrepancies may occur between these tables and those reporting monthly data.

### Calculation of growth rates

Growth rates may be calculated from flows or the index of adjusted stocks.

<sup>1</sup> For details see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000).

<sup>2</sup> 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.

If  $F_t^Q$  represents the flow in the quarter ending in month  $t$ ,  $X_t^Q$  the rate of change (augmented by one) in the quarter ending in month  $t$  defined as

$$(d) \quad X_t^Q = \left( \frac{F_t^Q}{L_{t-3}} + 1 \right)$$

and  $I_t$  and  $L_t$  are defined as above, the annual percentage change  $a_t$  referring to the quarter ending in month  $t$  may be calculated as follows:

$$(e) \quad a_t = \left( \prod_{i=0}^3 X_{t-3i}^Q - 1 \right) \times 100$$

$$(f) \quad a_t = \left( \frac{I_t}{I_{t-12}} - 1 \right) \times 100.$$

Similarly, the quarterly change may be calculated as  $(I_t/I_{t-3} - 1) \times 100$ .

Roundings may give rise to differences from the annual percentage changes shown in Tables 2.5 to 2.7. The index of adjusted stocks is available with a higher level of precision on the ECB's website ([www.ecb.int](http://www.ecb.int)) on the "Euro area statistics – download" page (in csv file format), from which the exact percentage changes in Tables 2.5 to 2.7 may be calculated.

## Relating to Table 4.1

### Seasonal adjustment of the HICP<sup>1</sup>

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on the previous page). The seasonal adjustment of the total HICP for the euro area is carried out indirectly by aggregating the seasonally adjusted euro area series for processed food, unprocessed food, industrial goods excluding energy and services. Energy is added without adjustment since there is no statistical evidence of seasonality. Seasonal factors are revised at annual intervals or as required.

## Relating to Table 8.2

### Seasonal adjustment of the balance of payments current account

The approach relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on the previous page). The seasonal adjustment for goods includes a working day and an Easter adjustment, whereas that for services includes only a working day adjustment. The seasonal adjustment of the total current account is carried out by aggregating the seasonally adjusted euro area series for goods, services, income and current transfers. Seasonal factors are revised at annual intervals or as required.

<sup>1</sup> See footnote 1 on the previous page.

# 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.<sup>1</sup>

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](http://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 6 March 2002.

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

## Overview

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

## Monetary policy and financial statistics

Tables 1.1 to 1.5 show the consolidated financial statement of the Eurosystem, data on Eurosystem operations, statistics relating to minimum reserves, and the banking system's liquidity position. Tables 1.2 and 1.3 reflect the switch to variable rate tenders in June 2000. Monetary data relating to Monetary Financial Institutions (MFIs), including the Eurosystem, are shown in Tables 2.1 to 2.3. Table 2.3 is consolidated; inter-MFI positions within the euro area are not shown, but any difference between the sum total of such claims and liabilities as recorded is shown in column 13. Table 2.4 sets out monetary aggregates drawn from the consolidated MFI balance sheet; they also include some (monetary) liabilities of central government. The M3 data shown in Table 2.4 exclude holdings by non-residents of the euro area of i) shares/units issued by money market funds located in the euro area, and ii) money market paper and debt securities issued with a maturity up to two years by MFIs located in the euro area. Accordingly, these holdings are included in the item external liabilities shown in Table 2.3, and as a result have an

<sup>1</sup> 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).

impact on the item net external assets shown in Table 2.4. Table 2.5 shows a quarterly sectoral and maturity analysis of loans by MFIs to euro area residents. Table 2.6 shows a quarterly analysis of deposits held by euro area residents with MFIs. Table 2.7 provides a quarterly analysis of MFI claims on and liabilities to non-residents of the euro area. Table 2.8 shows a quarterly currency analysis of certain MFI balance sheet items. In this issue for the first time Tables 2.5 to 2.7 show flows adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions, and annual percentage changes. A complete list of MFIs is published on the ECB's website. Details of the sector definitions are set out in the "Money and Banking Statistics Sector Manual: Guidance for the statistical classification of customers" (ECB, November 1999). The "Money and Banking Statistics Compilation Guide" (EMI, April 1998) explains recommended practices to be followed by the NCBs. From 1 January 1999 the statistical information is collected and compiled on the basis of the ECB Regulation concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16, as replaced from January 2002 by ECB/2001/13).

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).<sup>2</sup> 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

<sup>2</sup> 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 (S.121) and other monetary financial institutions (S.122); non-monetary financial corporations comprises other financial intermediaries (S.123), financial auxiliaries (S.124) and insurance corporations and pension funds (S.125); non-financial corporations (S.11); central government (S.1311); other general government comprises state government (S.1312), local government (S.1313) and social security funds (S.1314).

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

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 4.1) is available from 1995 onwards. The index is based on national HICPs that follow the same methodology in all euro area countries. The breakdown by goods and services components is derived from the Classification of individual consumption by purpose (Coicop) used for the HICP. The HICP covers monetary expenditure on final consumption by households on the economic territory of the 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. The breakdown by end-use of the products applied in Tables 4.2.1 and 5.2.1 represents the harmonised sub-division of industry excluding construction (NACE sections C to E) into Main Industrial Groupings as defined in the Commission Regulation (EC) No. 586/2001 of 26 March 2001.

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

Employment data (Table 5.4) are based on the ESA 95. Whenever coverage of the euro area is incomplete, some data are estimated by the ECB on the basis of the information available. Unemployment rates conform to International Labour Organization (ILO) guidelines.

### **Financial accounts statistics**

Table 6.1 shows quarterly data on financial accounts for non-financial sectors in the euro area, comprising general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15). The data (not seasonally adjusted) cover levels outstanding and financial transactions classified according to the ESA 95 and show the main financial investment and financing activities of the non-financial sectors. On the financing side (liabilities) the data are presented by ESA 95 sector and original maturity. Whenever possible the financing taken from MFIs is separately presented. The information on financial investment (assets) is currently less detailed than that on financing, especially since a breakdown by sector is not possible. While both levels and transactions may throw light on economic developments, the latter are more likely to be the focus of attention.

The quarterly data are based on euro area MFI and securities issues statistics, government finance statistics, quarterly national financial accounts, and BIS international banking statistics. While all euro area countries contribute to the euro area statistics, Ireland and Luxembourg, as yet, do not provide quarterly national financial accounts data.

Table 6.2 shows annual data on saving, (financial and non-financial) investment and financing in the euro area. These data cannot yet be reconciled with the quarterly data presented in Table 6.1.

## 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 outstanding amounts of the Eurosystem's international reserves and related assets are shown in Table 8.7.2 with the corresponding reserves and related assets held by the ECB. The data in Table 8.7.2 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 shows data on euro area external trade in goods. The main source for the data is Eurostat. The ECB derives volume indices from Eurostat value and unit value indices, and performs seasonal adjustment of unit value indices, while value data are seasonally and working day adjusted by Eurostat.



The commodity breakdown is in accordance with the classification by Broad Economic Categories (based on the SITC Rev. 3 definition) for intermediate, capital and consumption goods, and with the SITC Rev. 3 for manufactured goods and oil. The geographical breakdown shows main trading partners, individually or in regional groups. The 13 EU candidate countries are Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey.

Owing to differences in definitions, classification, coverage and time of recording, external trade data, in particular imports, are not fully comparable with the goods item in the balance of payments statistics (Tables 8.1 and 8.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of goods imported, which accounted for about 3.8% of the value of imports (c.i.f.) in 1998 (ECB estimates).

Table 10 shows ECB calculations of nominal and real effective exchange rate indices for the euro based on weighted averages of bilateral euro exchange rates. Weights are based on 1995-97 manufactured goods trade with the trading partners and capture third-market effects. Up to December 2000, the narrow group is composed of the countries whose currencies are shown in the table plus the Greek drachma. On adopting the euro in January 2001, Greece ceased to be a partner

country in the effective exchange rate of the euro and the weighting scheme has been adjusted accordingly. In addition, the broad group includes the following countries: Algeria, Argentina, Brazil, China, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Taiwan, Thailand and Turkey. Real rates are calculated using consumer prices (CPI), producer prices in manufacturing (PPI) and unit labour costs in manufacturing (ULCM). Where deflators are not yet available, estimates are used. The bilateral rates shown are those against the 12 currencies used in the ECB's calculation of the "narrow" effective exchange rate of the euro. The ECB publishes daily reference rates for these and some other currencies.

#### **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.





# Chronology of monetary policy measures of the Eurosystem<sup>1</sup>

## 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.

<sup>1</sup> 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, 26 April 2001**

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

## **10 May 2001**

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 4.50%, with effect from the operation to be settled on 15 May 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.50% and 3.50% respectively, both with effect from 11 May 2001.

## **23 May, 7 June, 21 June, 5 July, 19 July, 2 August 2001**

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.50%, 5.50% and 3.50% respectively.

### **30 August 2001**

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 4.25%, with effect from the operation to be settled on 5 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.25% and 3.25% respectively, both with effect from 31 August 2001.

### **13 September 2001**

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.25%, 5.25% and 3.25% respectively.

### **17 September 2001**

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 3.75%, with effect from the operation to be settled on 19 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.75% and 2.75% respectively, both with effect from 18 September 2001.

### **27 September, 11 October, 25 October 2001**

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

### **8 November 2001**

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 3.25%, starting from the operation to be settled on 14 November 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.25% and 2.25% respectively, both with effect from 9 November 2001.

### **6 December 2001**

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

In addition, it decides that the reference value for the annual growth rate of the broad monetary aggregate M3 will remain at 4½%.

### **3 January 2002**

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

The Governing Council also decides on an allotment amount of €20 billion per operation for the longer-term refinancing operations to be conducted in 2002. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2002 and the desire of the Eurosystem to continue to provide the bulk of refinancing of the financial sector through its main refinancing operations. The Governing Council may adjust the allotment amount in the course of the year in the event of unexpected developments in liquidity needs.

**7 February, 7 March 2002**

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing

operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

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

## Payment flows in TARGET

The average daily number of payments processed in the fourth quarter of 2001 in TARGET as a whole, i.e. cross-border and domestic payments taken together, increased by 19% compared with the third quarter of 2001, while the value of such payments increased by 22%. The total number of TARGET payments in the fourth quarter of 2001 reached 237,940 as a daily average, representing a value of around €1.5 trillion. The number of cross-border payments processed increased by 10% (averaging 48,334 payments a day), while their value increased by 4% (average daily value of €511 billion).

The peak day for TARGET cross-border activity during the fourth quarter (and also for the whole

of 2001) in terms of both volume and value was 28 December 2001. On that day 63,159 payments were processed, representing a value of €750.6 billion.

The ratio of customer payments to the average number of daily TARGET cross-border payments remained stable at around 39% in terms of volume and 3% in terms of value. The average value of customer payments also remained stable at €1 million; the average value of interbank payments increased slightly to €17.9 million.

This significant increase in traffic during the last quarter of 2001 is due to the combination of three factors: i) the replacement of the Euro Access Frankfurt (EAF) system and the Euro Link System (ELS) by the new German system,

**Table I**

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

(number of payments)

	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4
<b>TARGET</b>					
All TARGET payments					
Total volume	12,536,026	12,699,321	12,957,667	12,992,738	14,990,244
Daily average	198,985	198,427	208,995	199,888	237,940
Cross-border TARGET payments					
Total volume	2,630,202	2,810,046	2,789,449	2,854,823	3,045,061
Daily average	41,749	43,907	44,991	43,920	48,334
Domestic TARGET payments					
Total volume	9,905,824	9,889,275	10,168,218	10,137,915	11,945,183
Daily average	157,235	154,520	164,004	155,968	189,606
<b>Other systems</b>					
Euro 1 (EBA)					
Total volume	6,502,684	6,959,929	7,074,610	6,990,816	7,607,298
Daily average	103,217	108,749	114,107	107,551	120,751
Euro Access Frankfurt (EAF) <sup>1)</sup>					
Total volume	3,302,144	3,329,975	3,243,631	3,230,911	1,209,501
Daily average	52,415	52,031	52,317	49,706	19,198
Paris Net Settlement (PNS) <sup>2)</sup>					
Total volume	1,758,207	2,021,258	2,025,034	1,959,480	1,998,239
Daily average	27,908	31,582	32,662	30,146	31,718
Servicio Español de Pagos Interbancarios (SPI)					
Total volume	234,306	253,240	329,963	360,296	421,685
Daily average	3,719	3,957	5,322	5,543	6,693

1) The EAF system ceased operations on 2 November 2001 and its functions were taken over by the RTGS<sup>plus</sup> system.

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



RTGS<sup>plus</sup>, in early November 2001; ii) the lower number of business days compared with other quarters; and iii) the fact that a higher number of transactions are settled in the final quarter of the year. Indeed, since its launch, TARGET activity has been characterised by a marked seasonal pattern which was also confirmed in 2001. Towards the end of the year, TARGET traffic increases substantially to reach a peak in December. In December 2001, the daily average for TARGET as a whole was 271,432 payments, totalling an average daily value of €1.6 trillion.

#### Derogation for Greece from the long-term calendar for TARGET closing days

On 14 December 2000, the Governing Council of the ECB decided upon the long-term calendar of closing days for the TARGET system, applicable from 2002 until further notice. In

accordance with this decision, the entire TARGET system, including all of its national components will, in addition to Saturdays and Sundays, be closed on the following days: i) New Year's Day; ii) Good Friday (Catholic/Protestant religious calendar); iii) Easter Monday (Catholic/Protestant religious calendar); iv) 1 May (Labour Day); v) Christmas Day; and vi) 26 December.

On 28 February 2002, the Governing Council of the ECB approved an exceptional derogation from the long-term calendar applicable in Greece for a three-year period, on the basis of a limited adaptation. When Easter Friday and Monday in the Catholic/Protestant religious calendar do not coincide with the Greek Orthodox Easter Friday and Monday, the Greek RTGS system (HERMES) will be operational, but only for a limited range of operations.

**Table 2**  
Payment instructions processed by TARGET and other selected interbank funds transfer systems: value of transactions

(EUR billions)

	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4
<b>TARGET</b>					
All TARGET payments					
Total value	66,782	79,180	80,019	78,040	92,627
Daily average	1,060	1,237	1,291	1,201	1,470
Cross-border TARGET payments					
Total value	27,394	33,170	31,439	31,818	32,176
Daily average	435	518	507	490	511
Domestic TARGET payments					
Total value	39,388	46,010	48,580	46,222	60,451
Daily average	625	719	784	711	960
<b>Other systems</b>					
Euro 1 (EBA)					
Total value	12,306	13,892	13,164	12,533	12,445
Daily average	195	217	212	193	198
Euro Access Frankfurt (EAF) <sup>1)</sup>					
Total value	10,240	10,904	10,380	10,082	3,660
Daily average	163	170	167	155	58
Paris Net Settlement (PNS) <sup>2)</sup>					
Total value	5,736	5,832	5,700	5,393	5,399
Daily average	91	91	92	83	86
Servicio Español de Pagos Interbancarios (SPI)					
Total value	84	96	94	98	73
Daily average	1	2	2	2	1

1) The EAF system ceased operations on 2 November 2001 and its functions were taken over by the RTGS<sup>plus</sup> system.

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

Settlement services offered by HERMES on these days will only cover domestic customer payments of a retail nature, including the settlement of retail payment systems. No other types of payment, such as cross-border, interbank, money market, capital market or foreign exchange transactions, will be processed through HERMES. The Bank of Greece will not normally offer access to standing facilities on these days and it will only be granted if absolutely necessary, e.g. to avoid a failure in the settlement of an ancillary system. Following this three-year period, Greece's situation will be reassessed.

This derogation was deemed necessary because the closure of HERMES on Easter Friday and Easter Monday as they fall in the Catholic/

Protestant religious calendar, usually normal business days in Greece, would be problematic for the Greek banking industry, business and public, as Greece faces the unique situation that Catholic/Protestant and Orthodox Easters seldom coincide. This implies a larger number of de facto closing days for domestic markets than is the case in other EU countries. With this limited derogation, the specific needs of the Greek banking industry, business and public can be accommodated without any major impact on the level playing-field between market participants in different countries.

Further information on the TARGET system is available in the "TARGET" section of the ECB's website.



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