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ABBREVIATIONS

COUNTRIES

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
GR	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom
JP	Japan
US	United States

OTHERS

BIS	Bank for International Settlements
b.o.p.	balance of payments
BPM5	IMF Balance of Payments Manual (5th edition)
CD	certificate of deposit
c.i.f.	cost, insurance and freight at the importer's border
CPI	Consumer Price Index
ECB	European Central Bank
EER	effective exchange rate
EMI	European Monetary Institute
EMU	Economic and Monetary Union
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
EUR	euro
f.o.b.	free on board at the exporter's border
GDP	gross domestic product
HICP	Harmonised Index of Consumer Prices
HWWI	Hamburg Institute of International Economics
ILO	International Labour Organization
IMF	International Monetary Fund
MFI	monetary financial institution
NACE	statistical classification of economic activities in the European Union
NCB	national central bank
OECD	Organisation for Economic Co-operation and Development
PPI	Producer Price Index
SITC Rev. 4	Standard International Trade Classification (revision 4)
ULCM	unit labour costs in manufacturing
ULCT	unit labour costs in the total economy

In accordance with EU 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 November, the Governing Council took a number of decisions on key ECB interest rates, forward guidance and liquidity provision.

First, based on its regular economic and monetary analyses, the Governing Council decided to lower the interest rate on the main refinancing operations of the Eurosystem by 25 basis points to 0.25% and the rate on the marginal lending facility by 25 basis points to 0.75%. The rate on the deposit facility will remain unchanged at 0.00%. These decisions are in line with the Governing Council's forward guidance of July 2013, given the latest indications of further diminishing underlying price pressures in the euro area over the medium term, starting from currently low annual inflation rates of below 1%. In keeping with this picture, monetary and, in particular, credit dynamics remain subdued. At the same time, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%. Such a constellation suggests that the euro area may experience a prolonged period of low inflation, to be followed by a gradual upward movement towards inflation rates below, but close to, 2% later on. Accordingly, the monetary policy stance will remain accommodative for as long as necessary. It will thereby also continue to assist the gradual economic recovery as reflected in confidence indicators up to October.

Second, following the rate cut, the Governing Council reviewed the forward guidance provided in July and confirmed that it continues to expect the key ECB interest rates to remain at present or lower levels for an extended period of time. This expectation continues to be based on an overall subdued outlook for inflation extending into the medium term, given the broad-based weakness of the economy and subdued monetary dynamics.

Third, the Governing Council continues to monitor closely money market conditions and their potential impact on the monetary policy stance. The Governing Council is ready to consider all available instruments and, in this context, decided to continue conducting the main refinancing operations (MROs) as fixed rate tender procedures with full allotment for as long as necessary, and at least until the end of the 6th maintenance period of 2015 on 7 July 2015. This procedure will also remain in use for the Eurosystem's special-term refinancing operations with a maturity of one maintenance period, which will continue to be conducted for as long as needed, and at least until the end of the second quarter of 2015. The fixed rate in these special-term refinancing operations will be the same as the MRO rate prevailing at the time. Furthermore, the Governing Council decided to conduct the three-month longer-term refinancing operations (LTROs) to be allotted until the end of the second quarter of 2015 as fixed rate tender procedures with full allotment. The rates in these three-month operations will be fixed at the average rate of the MROs over the life of the respective LTRO.

With regard to the economic analysis, real GDP in the euro area rose by 0.3%, quarter on quarter, in the second quarter of 2013, following six quarters of falling output. Developments in survey-based confidence indicators up to October are consistent with continued, albeit modest, growth in the second half of the year. Looking ahead, output is expected to continue to recover at a slow pace, in particular owing to a gradual improvement in domestic demand supported by the accommodative monetary policy stance. Euro area economic activity should, in addition, benefit from a gradual strengthening of demand for exports. Furthermore, the overall improvements in financial markets seen since last year appear to be gradually working their way through to the real economy, as should the progress made in fiscal consolidation. In addition, real incomes have benefited recently from generally lower energy price inflation. This being said, unemployment in the euro area remains high, and the necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity.

The risks surrounding the economic outlook for the euro area continue to be on the downside. Developments in global money and financial market conditions and related uncertainties may have the potential to negatively affect economic conditions. Other downside risks include higher commodity prices, weaker than expected domestic demand and export growth, and slow or insufficient implementation of structural reforms in euro area countries.

According to Eurostat's flash estimate, euro area annual HICP inflation decreased in October 2013 to 0.7%, from 1.1% in September. This decline was stronger than expected and reflected, in particular, lower food price inflation, a larger fall in energy prices and some weakening in services price inflation. On the basis of current futures prices for energy, annual inflation rates are expected to remain at low levels in the coming months. Underlying price pressures in the euro area are expected to remain subdued over the medium term. At the same time, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%. Such a constellation suggests that the euro area may experience a prolonged period of low inflation, to be followed by a gradual upward movement towards inflation rates below but close to 2% later on.

Taking into account the Governing Council's decisions of 7 November, the risks to the outlook for price developments are broadly balanced over the medium term. Upside risks relate in particular to higher commodity prices as well as stronger than expected increases in administered prices and indirect taxes, and downside risks stem from weaker than expected economic activity.

Turning to the monetary analysis, data for September confirm the subdued underlying growth of broad money (M3) and, in particular, credit. Annual growth in M3 moderated to 2.1% in September, from 2.3% in August. Annual growth in M1 remained strong at 6.6%, reflecting a preference for liquidity, although it was below the peak of 8.7% observed in April. Net capital inflows into the euro area continued to be the main factor supporting annual M3 growth, while the annual rate of change of loans to the private sector remained weak. The annual growth rate of loans to households (adjusted for loan sales and securitisation) stood at 0.3% in September, broadly unchanged since the turn of the year. The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) was -2.7% in September, compared with -2.9% in August. Overall, weak loan dynamics for non-financial corporations continue to reflect primarily their lagged relationship with the business cycle, credit risk and the ongoing adjustment of financial and non-financial sector balance sheets. At the same time, the October 2013 bank lending survey tentatively signals a stabilisation in credit conditions for firms and households, in the context of still weak loan demand.

Since the summer of 2012 substantial progress has been made in improving the funding situation of banks. In order to ensure an adequate transmission of monetary policy to the financing conditions in euro area countries, it is essential that the fragmentation of euro area credit markets declines further and that the resilience of banks is strengthened where needed. The ECB's comprehensive assessment before it adopts its supervisory role under the single supervisory mechanism will further support this confidence-building process. It will enhance the quality of information available on the condition of banks and result in the identification and implementation of necessary corrective actions. Further decisive steps to establish a banking union will help to restore confidence in the financial system.

To sum up, taking into account the Governing Council's decisions, the economic analysis indicates that the euro area may experience a prolonged period of low inflation, to be followed by a gradual upward movement towards inflation rates below, but close to, 2% later on. A cross-check with the signals from the monetary analysis confirms this picture.

As regards fiscal policies, the euro area budget deficit is projected to decline further from 3.1% of GDP in 2013 to 2.5% in 2014, according to the European Commission's autumn 2013 economic forecast. At the same time, the euro area government debt ratio is expected to rise from 95.5% of GDP in 2013 to 95.9% in 2014. In order to put high public debt ratios on a downward path, governments should not unravel their efforts to reduce deficits and sustain fiscal adjustment over the medium term. The composition of fiscal consolidation should be geared towards growth-friendly measures which have a medium-term perspective and combine improving the quality and efficiency of public services with minimising distortionary effects of taxation. Governments must also decisively strengthen efforts to implement the needed structural reforms in product and labour markets. Progress has been made in reducing current account deficits and unit labour cost differentials, but substantial efforts still need to be undertaken with a view to further improving competitiveness, supporting rebalancing within the euro area and creating more flexible and dynamic economies that in turn generate sustainable economic growth and employment.

This issue of the Monthly Bulletin contains one article. The article reviews developments in euro area potential output since the start of the crisis and investigates the link between economic slack and nominal developments.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

Although global activity is continuing to recover gradually, it remains heterogeneous across economic regions. Recent developments further confirm the shift in favour of advanced economies of growth momentum. Indeed, in most major non-euro area advanced economies, growth prospects have been firming up, although headwinds persist in the medium term. By contrast, growth in emerging market economies appears to have lost some vigour, although it is still contributing significantly to global economic activity. Risks to the global outlook are tilted to the downside. Global inflation and inflationary pressures remain contained.

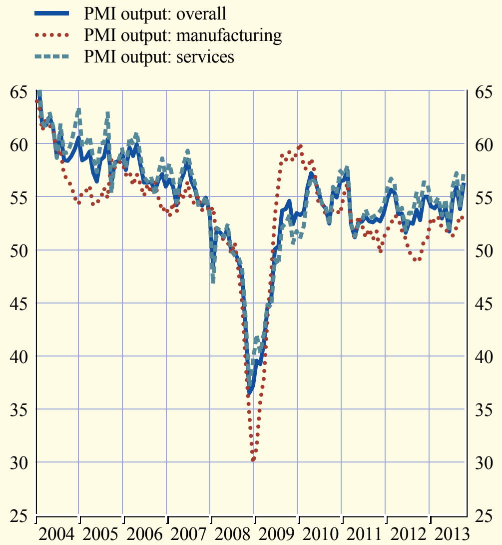
1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

Although global economic activity is continuing to recover gradually, it remains heterogeneous across economic regions, with growth momentum firming up in advanced economies but losing some vigour in emerging markets. The latest survey indicators continue to point towards improved growth prospects for the global economy in the fourth quarter. The global Purchasing Managers' Index (PMI) for all-industry output increased substantially to 55.5 in October, from 53.6 in September, driven by an acceleration in the global services sector, while the output index for the global manufacturing sector decelerated slightly. Excluding the euro area, the all-industry output PMI also increased sharply to 56.3 in October, from 53.9 in September (see Chart 1). Recent releases of hard data confirm the gradual pick-up in advanced economies' output growth, underpinned by strengthened short-term prospects in the United Kingdom and relatively robust economic activity in the United States and Japan. In the emerging markets, China's growth appears to have regained some traction in the third quarter on the back of a modest policy stimulus, but in most other emerging countries economic activity continues to be muted, hampered by structural impediments and tighter financial conditions.

Forward-looking global indicators continue to point to a gradual expansion of the world economy. The new orders component of the global all-industry PMI excluding the euro area remained broadly unchanged in October. By contrast, global manufacturing new export orders (excluding the euro area) increased well above 50 in October, providing a tentative indication of a timid upturn in global trade. The OECD's composite leading indicators, designed to anticipate turning points in economic activity relative to trend, also pointed to positive growth momentum in most major OECD countries in August, but signalled diverging growth patterns across large emerging economies (see Chart 2). The composite leading indicators anticipate growth firming up in the United Kingdom and hovering above trend in the United States and Japan. The picture is more mixed in large emerging economies, with growth gaining traction in China and Russia but remaining subdued in Brazil and India.

Chart 1 Global PMI (excluding the euro area)

(seasonally adjusted monthly data)



Source: Markit.

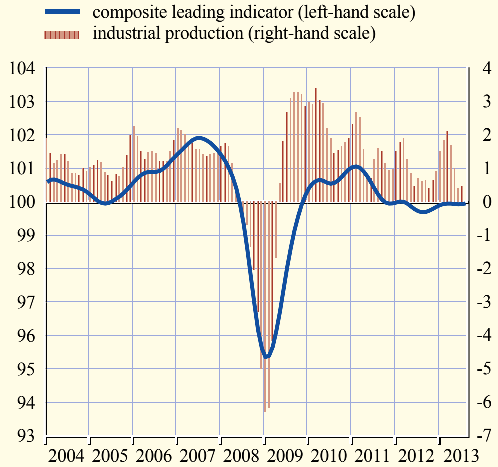
The global outlook continues to be surrounded by considerable uncertainty and the balance of risks remains tilted to the downside. Developments in global money and financial market conditions and related uncertainties may have the potential to negatively affect economic conditions. Other downside risks include higher commodity prices and weaker than expected global demand.

1.2 GLOBAL PRICE DEVELOPMENTS

Overall, global inflation remains contained, on account of prevailing spare capacity in advanced economies. In the OECD area, consumer price inflation was 1.5% year on year in September 2013, compared with 1.7% in August (see Table 1). This decline was driven by markedly lower energy price inflation and a slight decrease in food price inflation. Excluding food and energy, in September the OECD annual inflation rate remained stable at 1.6%. The decline in annual headline inflation was observed in most OECD countries and large emerging economies, with the exception of Japan and China, where it increased. In a number of countries, however, inflation remained above the targets announced by the respective monetary authorities.

Chart 2 Composite leading indicator and industrial production

(left-hand scale: normalised index average=100; right-hand scale: three month-on-three month percentage change)



Sources: OECD and ECB calculations.
Notes: The composite leading indicator refers to the OECD countries plus Brazil, China, India, Indonesia, Russia and South Africa. The horizontal line at 100 represents the trend of economic activity. Industrial production refers to the same sample excluding Indonesia.

Turning to commodity price developments, Brent crude oil prices were broadly stable during October, before declining by 2% in early November. On 6 November, they stood at USD 106 per barrel, approximately the same as their level one year ago.

Table 1 Price developments in selected economies

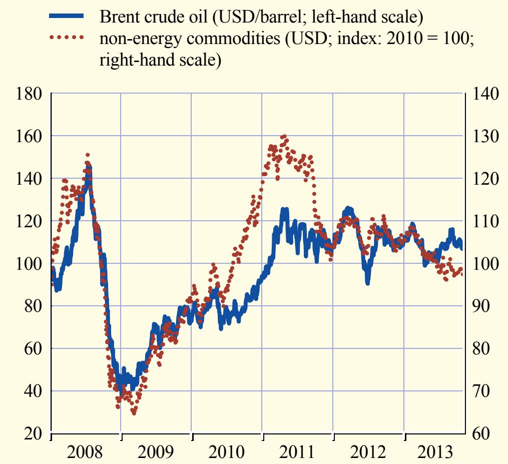
(annual percentage changes)

	2011	2012	2013					
			Apr.	May	June	July	Aug.	Sep.
OECD	2.9	2.3	1.3	1.5	1.8	2.0	1.7	1.5
United States	3.2	2.1	1.1	1.4	1.8	2.0	1.5	1.2
Japan	-0.3	0.0	-0.7	-0.3	0.2	0.7	0.9	1.0
United Kingdom	4.5	2.8	2.4	2.7	2.9	2.8	2.7	2.7
China	5.4	2.6	2.4	2.1	2.7	2.7	2.6	3.1
Memo item:								
OECD core inflation [1)]	1.7	1.8	1.4	1.5	1.5	1.5	1.6	1.6

Sources: OECD, national data, BIS, Eurostat and ECB calculations.
1) Excluding food and energy.

According to the International Energy Agency, global oil demand is forecast to remain flat in the fourth quarter of the year, while non-OPEC oil supply, particularly in the United States, is expected to pick up strongly. This notwithstanding, Brent crude oil prices were robust, owing to the impact of large supply disruptions in several countries in the Middle East and Africa (Iraq, Libya and Nigeria). Over the medium term, market participants anticipate slightly lower oil prices, with December 2014 futures prices trading around USD 102 per barrel.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

Prices of non-energy commodities were broadly unchanged in the course of October, thus confirming the trend of stabilisation observed since mid-2013. While prices of many food components declined, iron ore and non-ferrous metal prices increased. In aggregate terms, the price index for non-energy commodities (denominated in US dollars) was 8% lower on 1 November 2013 compared with the same period a year earlier.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, real GDP growth accelerated in the second quarter of 2013. According to the Bureau of Economic Analysis' third and final estimate, real GDP increased at an annualised quarterly rate of 2.5%, up from 1.1% in the first quarter. Real GDP growth was sustained by gains in personal consumption expenditure, although these gains were slower than in the first quarter, and by both non-residential and residential strong private fixed investment. The change in inventories added an annualised 0.4 percentage point to growth. By contrast, government consumption continued to be a drag on activity, although the decline in the second quarter of 2013 was relatively small, following

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2011	2012	2013 Q1	2013 Q2	2013 Q3	2013 Q1	2013 Q2	2013 Q3
United States	1.8	2.8	1.3	1.6	-	0.3	0.6	-
Japan	-0.6	2.0	0.1	1.3	-	1.0	0.9	-
United Kingdom	1.1	0.1	0.2	1.3	*1.5*	0.4	0.7	*0.8*
China	9.3	7.7	7.7	7.5	7.8	1.5	1.9	2.2

Sources: National data, BIS, Eurostat and ECB calculations.
Note: Data in italics refer to preliminary statistics.

two consecutive quarters of substantial declines. The contribution of net exports to GDP growth was slightly negative, reflecting buoyant export and import growth.

However, high frequency data suggest that economic activity continued to expand moderately in the third quarter. Retail sales, industrial production and construction spending, as well as measures of consumer and business sentiment, were generally higher in the third quarter than in the second, pointing to continued expansion in consumer spending and private fixed investment. The employment report for September confirmed some loss of momentum in job creation in the third quarter. While the unemployment rate declined further by 0.1 percentage point to 7.2%, average job gains in the third quarter have slowed from the average increases recorded in the first half of the year. In addition, the housing market recovery appears to have lost some vigour in the face of higher mortgage rates, as evidenced by recent developments in housing demand and residential construction, although the pace of house price increases has remained strong. Box 1 reviews developments in household deleveraging. With regard to the fourth quarter of 2013, the temporary government shutdown over the period 1-16 October, together with the associated rise in political uncertainty and declines in consumer confidence observed throughout the month, have temporarily clouded the outlook for economic activity in the near term.

Annual CPI inflation declined further by 0.3 percentage point to 1.2% in September, in part owing to strong base effects in energy prices over the past two months, which led to a swing in the year-on-year growth rate of energy costs from +4.7% in July to -3.1% in September. Food price inflation remained stable at 1.4%. Excluding food and energy, core inflation eased slightly to 1.7%, from 1.8% in August, supported by continued growth in shelter and medical services prices. Looking ahead, wage and input cost developments support expectations that inflation will remain contained, also on account of the considerable spare capacity in the economy.

On 30 October 2013 the Federal Open Market Committee (FOMC) decided to keep the target range for the federal funds rate at 0% to 0.25% and anticipated that exceptionally low levels will be appropriate for at least as long as (i) the unemployment rate remains above 6.5%; (ii) inflation between one and two years ahead is not projected to be above 2.5%; and (iii) longer-term inflation expectations continue to be well anchored. The Committee reaffirmed its stance from the September meeting and decided to wait for more evidence that progress in economic activity and labour market conditions would be sustained before adjusting the pace of its asset purchases from the current rate of USD 40 billion per month for agency mortgage-backed securities and from USD 45 billion per month for longer-term Treasury securities.

Box 1

HOW MUCH PROGRESS HAS BEEN ACHIEVED IN HOUSEHOLD DELEVERAGING IN THE UNITED STATES?

Household deleveraging in the United States has acted as a significant headwind to consumption and activity in recent years, holding back the recovery. Despite the substantial balance sheet adjustment that has resulted from both the paying-down of debt and defaults, a key question with regard to the outlook for the United States is whether deleveraging has ended or whether further adjustment is needed. This box focuses on recent trends and dynamics on the assets and liabilities sides of the aggregate household balance sheet. Overall, the substantial balance sheet repair that has occurred in the household sector since the end of 2007, coupled with sustained increases in net worth in recent years, suggests that household deleveraging will be less of a drag on consumption and activity in the future than it has been in the recent past. Although US household debt remains at historically high levels, suggesting a need for further deleveraging, the ongoing recovery of the US economy has translated into stronger economic fundamentals which, together with positive wealth effects, support consumption.

Household deleveraging in the United States

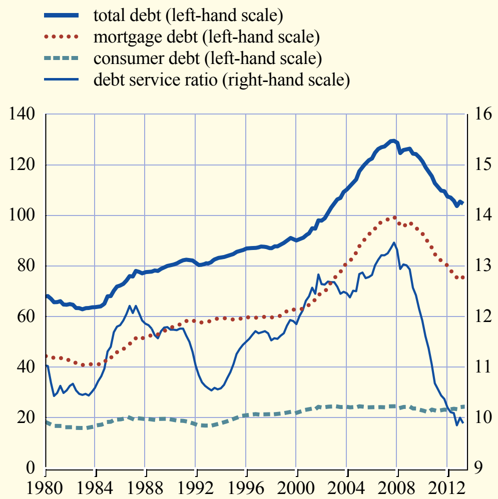
The balance sheet adjustment in the household sector has been a prominent feature of the most recent US recession and subsequent recovery. The beginning of the economic downturn in late 2007 broadly coincided with the start of a sustained reduction in household liabilities relative to income – or household deleveraging – which contrasted with the strong build-up of debt before the crisis. From a peak of around 129% in the fourth quarter of 2007, the household debt-to-income ratio fell by almost 25 percentage points to around 105% in the second quarter of 2013, led by sustained declines in mortgage debt (see Chart A).

The decline over that period resulted from a combination of a reduction in net borrowing (change in nominal debt stocks) and an increase in nominal incomes. These variables have played different roles in the deleveraging process over time, as seen in Chart B. Before the global crisis – up to the first quarter of 2008 – the debt-to-income ratio followed an upward trend as net borrowing rose steadily, although it was partially offset by rising incomes. Thereafter, the debt ratio started to decline. Initially, at the height of the crisis in 2009, the decline in net borrowing by households was partially offset by a sharp fall in nominal incomes. From the beginning of 2010, a reduction in actual debt and growth in nominal incomes resulting from economic recovery contributed to the deleveraging process. More recently, the pace of debt reduction has slowed markedly, with rising incomes being the most important factor behind a further fall in the debt-to-income ratio of the household sector.

While household deleveraging has clearly acted as a significant drag on the recovery,[1] the lack of an obvious benchmark on which the debt ratio should converge makes the assessment of progress on balance sheet repair difficult. History appears to offer little guidance as regards the adjustment needs in the current cycle, as the level of debt at the start of the most recent recession was unprecedented and recent swings in the household debt-to-income ratio are unusual by the standards of previous recessions

Chart A Household debt and debt service ratio

(as a percentage of personal disposable income)

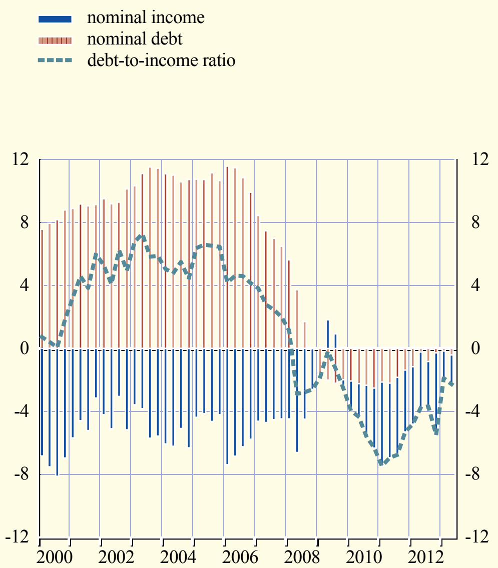


Source: Federal Reserve Board.
Note: The latest observation is for the second quarter of 2013.

1 For more details on the link between household leverage and activity, see, for example, Mian, A. and Sufi, A., "Household Leverage and the Recession of 2007 to 2009", *NBER Working Paper*, No 15896, 2010, and Mian, A., Rao, K. and Sufi, A., "Household Balance Sheets, Consumption, and the Economic Slump", *Chicago Booth Research Paper*, No 13-42, 2013.

Chart B Contributions to the change in the household debt-to-income ratio

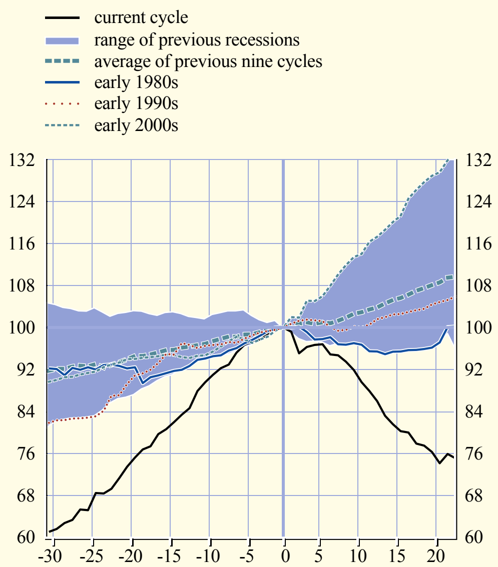
(annual percentage changes; percentage points)



Sources: Bureau of Economic Analysis, Federal Reserve Board and ECB calculations.
Note: The latest observation is for the second quarter of 2013.

Chart C Development of household debt-to-income ratio over current and past business cycles

(index: start of recession = 100; x-axis: quarters)



Sources: Federal Reserve Board and ECB calculations.
Notes: Zero marks the start of each recession. According to the National Bureau of Economic Research, there have been ten recessions in the United States since 1950, with the latest one starting in the fourth quarter of 2007.

(see Chart C). Historically, the ratio increased on average by 8 percentage points in the 30 quarters preceding a recession. This compares with a rise of 39 percentage points in the most recent recession. Moreover, when a recession ends, households typically start to build up debt again, reflecting an increase in credit availability, combined with rising confidence and an upward shift in future income expectations, which support credit demand. This feature has been absent from the current cycle, however, as the debt-to-income ratio continued to decline even in the fourth year of the economic recovery.

This unprecedented pattern reflects the ongoing process of balance sheet repair. The need to correct for unsustainably high debt-to-income levels before the crisis could be explained by a combination of factors. First, the build-up of debt prior to the crisis was in part based on overly optimistic expectations with regard to house price developments. Since these expectations were corrected abruptly in the context of the global financial crisis (as reflected in the sharpest correction in nominal house prices since the Great Depression), the ongoing adjustment in household debt could take longer than in previous cycles. Second, the weak and uncertain economic environment discouraged households from taking on new debt. Third, after the eruption of the crisis in late 2007, credit standards tightened considerably, constraining the refinancing of existing debt and restricting new lending mainly to prime borrowers with high credit scores. Fourth, a significant proportion of the reduction in debt has resulted from defaults by households, with estimates varying from around 40% to 70%.[2] This has shifted much of the burden of deleveraging to the financial sector. While some of these factors may also have been present in previous recessions, they appear to have been more pronounced in the current cycle.

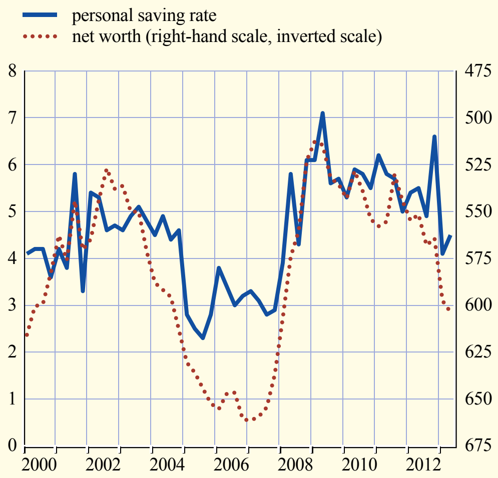
Notwithstanding these substantial adjustments in household liabilities and the historically low debt service ratio, the deleveraging process may not yet be complete. This is because current levels of interest rates are exceptionally low and monetary policy may become less accommodative over time, leading to an increase in debt service payments. Moreover, the assets side of the household sector's balance sheet also needs to be taken into account when assessing the implications of deleveraging for the private consumption outlook.

The assets side of the household balance sheet

Households' net worth (assets net of liabilities) has increased significantly since the first quarter of 2009, by around 35%, although it still remains below the pre-crisis peak when measured as a percentage of personal income (see Chart D). On the assets side, rising wealth reflects largely positive valuation effects stemming from the upturn in the real estate and financial markets (see Chart E). Recent increases in house prices reflect improved macroeconomic conditions, low mortgage rates, high pent-up demand and low levels of home inventories. Looking ahead, house price futures indicate that house prices should continue to support the value of housing assets. Moreover, since the trough of the 2007-09 recession, the value of financial assets – and in particular equity holdings, mutual fund shares and pension fund reserves – has been supported by rising equity prices, in turn reflecting strong corporate profitability and the strengthening economic recovery. Traditional financial and real estate wealth effects have been an important source of the recent resilience of private consumption in the United States.[3] These wealth gains have, to some extent, offset the drag stemming from the ongoing process of household deleveraging.

Chart D Household personal saving rate and net worth

(as a percentage of personal disposable income)



Sources: Bureau of Economic Analsis and Federal Reserve Board.
Note: The latest observation is for the second quarter of 2013.

Wealth heterogeneity across income classes

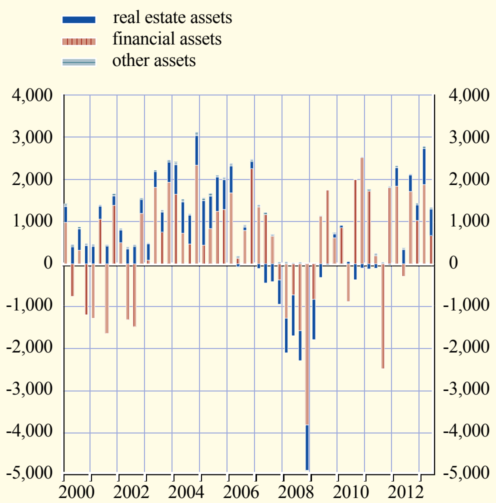
While the balance sheets of US households have clearly improved on aggregate, this masks considerable heterogeneity across the income distribution. First, the distribution of

2 See Brown, M., Haughwout, A., Lee, D. and van der Klaauw, W., "The Financial Crisis at the Kitchen Table: Trends in Household Debt and Credit", *Federal Reserve Bank of New York Staff Report*, No 480, 2010, and McKinsey Global Institute, "Debt and deleveraging: Uneven progress on the path to growth", 2012.

3 Case, K., Quigley, J. and Shiller, R., "Wealth Effects Revisited: 1975-2012", *NBER Working Paper*, No 18667, 2013 finds statistically significant and large effects of wealth on household consumption in the US states. Moreover, it finds that housing wealth has a greater effect than stock market wealth on consumption. Along the same lines, see Carroll, C., Otsuka, M. and Slacalek, J., "How Large Are Housing and Financial Wealth Effects? A New Approach", *Journal of Money, Credit, and Banking*, Vol. 43(1), 2011.

Chart E Change in household assets

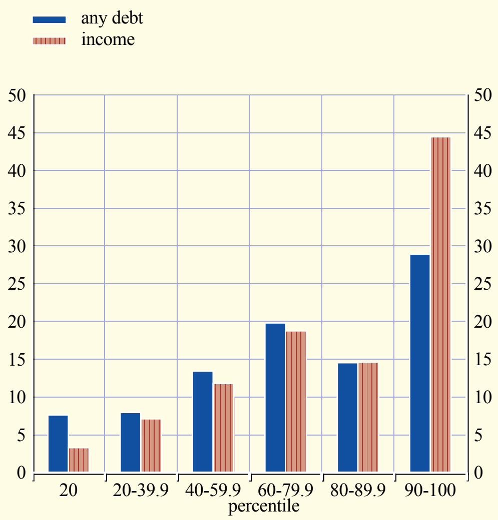
(in USD billions)



Source: Federal Reserve Board.
Notes: "Other assets" includes equipment, intellectual property products and consumer durable goods. The latest observation is for the second quarter of 2013.

Chart F Income and debt distribution in 2010

(percentages)



Source: Federal Reserve Board's Survey of Consumer Finances 2010.
Note: "Any debt" refers to any type of secured or unsecured debt.

income is more strongly concentrated within a small portion of high-income earners than the distribution of debt, which is somewhat more equally spread across the population, according to the latest Survey of Consumer Finances from 2010 (see Chart F). This means that the level of indebtedness of many low and middle-income households may be more critical than is suggested by the data for the national aggregate. Income is heavily skewed towards the top ten percentile, which accounts for around 45% of overall income. Looking at the implicit debt-to-income ratios of each income group, deleveraging needs thus appear to be more pressing for low and middle-income households, as these households hold a higher proportion of debt relative to income as compared with the national aggregate.

Second, financial assets are highly concentrated within the upper percentiles of the income distribution, to a greater extent than debt (see Chart G). Against this background, there is a large discrepancy between the households that hold most of the financial assets and those that hold the bulk of debt. In particular, while around 85% of middle to upper-income households (40th to 90th income percentiles) held some form of debt in 2010, the proportion of households holding stocks or investment funds stood below 25% for each income group, with the exception of the highest income group.

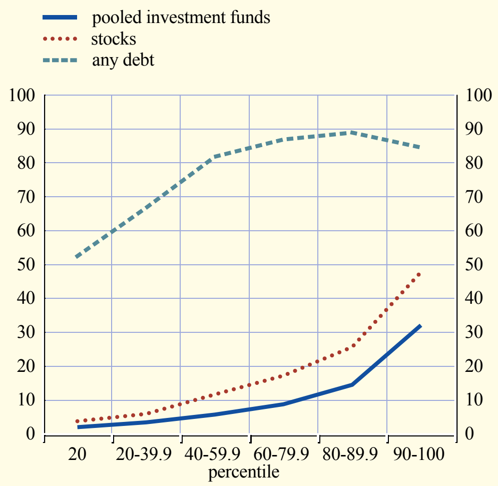
This heterogeneity has a number of implications for the consumption outlook. The current process of deleveraging has affected a large proportion of the population – especially those households that belong to the low and middle-income groups that are particularly indebted. Evidence from the literature suggests that highly leveraged households also tend to have relatively low levels of financial wealth.[4] This creates incentives for them to cut back on spending

4 See Dynan, K., "Is a Household Debt Overhang Holding Back Consumption?", *Brookings Papers on Economic Activity*, Spring 2012.

and engage in saving for precautionary reasons, in order to accumulate a wealth buffer so as to be able to smooth consumption over time in the face of future adverse shocks. The drag on consumption from balance sheet deleveraging could therefore be stronger than suggested by the aggregate data on debt and wealth. This is related to the fact that households belonging to the low and middle-income groups have, in general, a higher marginal propensity to consume than those in the high-income groups, which, in turn, are likely to have benefited proportionately more from the recent appreciation of financial assets.[5]

Chart G Households' holdings of stocks and investment funds in 2010

(percentages)



Source: Federal Reserve Board's Survey of Consumer Finances 2010.
Note: "Any debt" refers to any type of secured or unsecured debt.

Conclusion

Household deleveraging in the United States has acted as a significant headwind to consumption and activity in recent years, holding back the recovery. Although substantial balance sheet adjustment has taken place, household debt in the United States remains at historically high levels. Moreover, the improvement in the aggregate balance sheet is masked by considerable heterogeneity across the income distribution. The ongoing recovery of the US economy has translated into stronger economic fundamentals, however, which, together with sustained increases in net worth in recent years, support the view that the drag from household deleveraging on consumption and activity will gradually ease.

5 See Dynan, K, Skinner, J. and Zeldes, S., "Do the Rich Save More?", *Journal of Political Economy*, Vol. 112, 2004.

JAPAN

The latest economic data suggest that the Japanese economy expanded during the third quarter, although the pace of growth may have slowed. On the domestic side, industrial production rose by 1.5% month on month in September, following a 0.9% decline in August. Recent sentiment indicators also point to a further expansion in output during the third quarter. The latest reading of the Tankan survey shows a further rise in confidence among large and medium-sized enterprises, while the PMI manufacturing output index increased further from 52.4 in September to 54.2 in October. The trade deficit widened further during the third quarter, with real exports and imports of goods registering a contraction of 1.1% and an expansion of 2.5% respectively.

Consumer price inflation has maintained its upward trend since the beginning of the year, with the headline index moving into positive territory in June 2013. Annual consumer price inflation increased to 1% in September from 0.9% in August. At the same time, annual core inflation (excluding food, beverages and energy) remained at 0% in September, unchanged from August. The recent upward trend in inflation follows the depreciation of the yen against the currencies of its main trading partners earlier this year.

At its latest monetary policy meeting on 31 October 2013, the Bank of Japan decided to keep its target for the monetary base unchanged.

UNITED KINGDOM

In the United Kingdom, economic activity has recently seen strong growth, although spare capacity remains high and the outlook for growth continues to be uncertain. Real GDP increased by 0.8% quarter on quarter in the third quarter of this year, according to the preliminary estimate. This increase was mainly due to growth in the services sector, although the industrial and construction sectors also made positive contributions. The strength of the main survey indicators in September suggests that robust growth will continue in the near term. In the medium term, however, the pace of growth is likely to moderate somewhat. The relatively weak household real income dynamics and the ongoing need for private and public sector balance sheet adjustment will continue to constrain domestic demand for some time, while prospects for export growth remain subdued. The labour market situation has continued to improve gradually, with employment growth picking up in recent months. The unemployment rate has also fallen recently, albeit remaining relatively high at 7.7% in the three months to August. Buoyed by recent policy measures, both activity and price indicators have picked up further in the housing market, and credit growth has shown signs of recovering.

Annual CPI inflation has been relatively high in recent months. In September 2013 the headline inflation rate remained stable at 2.7%, with lower energy price inflation being offset by higher inflation in the volatile airfare services component. Looking ahead, it is expected that inflationary pressures will be dampened by existing spare capacity in labour and capital utilisation in the medium term. However, rises in administered and regulated prices, as well as the need for companies to restore their profit margins, could put some upward pressure on inflation. At its meeting on 9 October 2013, the Bank of England's Monetary Policy Committee kept the policy rate at 0.5% and the size of its asset purchase programme at GBP 375 billion.

CHINA

In China, survey indicators and hard data continued to point to a recovery of the growth momentum. Economic growth in the third quarter accelerated to 7.8% year on year, from 7.5% in the second quarter, on the back of the implementation of a small stimulus package. Growth was mainly driven by higher investment and, to a lesser extent, consumption. While fixed-asset investment and industrial profit growth declined somewhat in September, growth in industrial production and retail sales remained strong. Overall, activity continues to be supported by buoyant credit and loan growth, which has remained well above nominal GDP growth, although it decelerated somewhat further in September. The latest survey indicators also suggest that the improved growth momentum has extended into the fourth quarter. In October, the Markit manufacturing PMI registered a sustained, broad-based increase, with the overall index rising to 50.9, up from 50.2 in September. Largely as a result of strong increases in the (volatile) food price component, CPI inflation increased in September to 3.1%, although it remains below the authorities' 3.5% target for 2013. PPI inflation has remained in negative territory since March 2012.

1.4 EXCHANGE RATES

On 6 November 2013 the nominal effective exchange rate of the euro, as measured against the currencies of 21 of the euro area's most important trading partners, stood 0.1% below its level on 1 October 2013 and 5.4% above the level recorded a year earlier (see Chart 4 and Table 3). Movements in exchange rates were largely related to developments in interest rate expectations, policy uncertainty outside the euro area, as well as changing expectations about the economic outlook for the euro area relative to other major economies.

In bilateral terms, over the past month the euro has weakened against the US dollar (by 0.3%) but has appreciated against other major currencies, including the Japanese yen (by 0.6%) and the pound sterling (by 0.7%). Also during this period, the single currency has weakened against the currencies of most major emerging economies in Asia as well as against the currencies of some commodity-exporting countries.

Chart 4 Nominal effective exchange rate of the euro

(daily data; index: Q1 1999 = 100)

Source: ECB.
Note: The nominal effective exchange rate of the euro is calculated against the currencies of 21 of the most important trading partners of the euro area.

With regard to the currencies of other EU Member States, the exchange rate of the euro has increased against the Swedish krona (by 1.8%), the Czech koruna (by 0.5%), and, to a lesser extent, the Hungarian forint (by 0.2%) and the Croatian kuna (by 0.1%). The single currency has depreciated against the Romanian leu (by 0.3%) and the Polish zloty (by 1.5%). The currencies participating in ERM II have remained broadly stable against the euro, trading at, or close to, their respective central rates.

Table 3 Euro exchange rate developments

(daily data; units of currency per euro; percentage changes)

	Weight in the effective exchange rate of the euro (EER-21)	Change in the exchange rate of the euro as at 6 November 2013 with respect to	
		1 October 2013	6 November 2012
EER-21		-0.1	5.4
Chinese renminbi	18.6	-0.8	2.7
US dollar	16.8	-0.3	5.6
Pound sterling	14.8	0.7	4.9
Japanese yen	7.1	0.6	30.0
Swiss franc	6.4	0.6	2.0
Polish zloty	6.1	-1.5	1.1
Czech koruna	5.0	0.5	1.9
Swedish krona	4.7	1.8	2.5
Korean won	3.9	-1.6	2.7
Hungarian forint	3.2	0.2	5.3
Danish krone	2.6	0.0	0.0
Romanian leu	2.0	-0.3	-1.9
Croatian kuna	0.6	0.1	1.2

Source: ECB.
Note: The nominal effective exchange rate is calculated against the currencies of 21 of the most important trading partners of the euro area.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

Annual M3 growth decreased in September 2013, in line with subdued underlying monetary dynamics. On the component side, annual growth in M1 decreased further but remained the main contributor to annual M3 growth. On the counterpart side, annual growth in broad money continued to be supported by net capital inflows into the euro area and reductions in longer-term financial liabilities. The annual growth of MFI credit to the private sector stabilised, albeit at negative rates. This stabilisation is consistent with the observed turnaround in the business cycle, still weak demand and remaining supply constraints. MFI credit to general government continued to decrease, mirroring easing conditions in sovereign debt markets amid increased confidence in the euro area.

THE BROAD MONETARY AGGREGATE M3

The annual growth rate of M3 decreased to 2.1% in September 2013, from 2.3% in August (see Chart 5). The September monthly flow was slightly negative, following two consecutive monthly inflows. Developments in September were mainly driven by a significant decline in inflows for overnight deposits as well as sizeable outflows from marketable instruments.

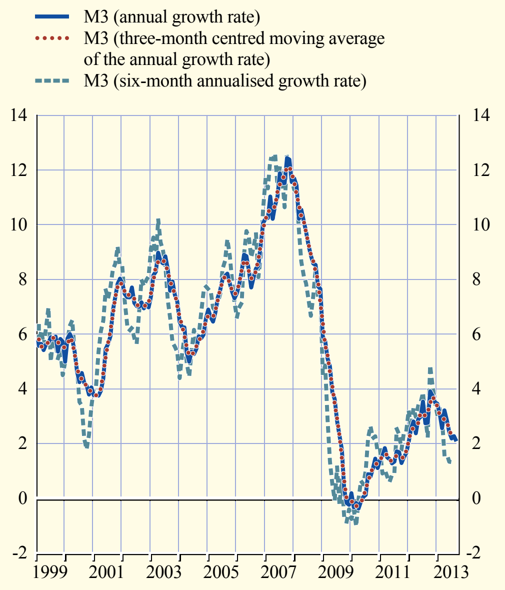
On the component side, M1 remained the main contributor to annual M3 growth, despite the moderation in its annual growth rate. The contribution from other short-term deposits (M2 minus M1) was almost zero, while that from marketable instruments (M3 minus M2) remained strongly negative. The moderation in M3 growth continues to signal a search for yield by the money-holding sector, with shifts of funds from higher-yielding instruments within M3 towards less liquid, riskier assets outside M3.

On the counterpart side, money creation continued to be supported by an increase in MFIs' net external asset position in September, resulting from the ongoing net capital inflows into the euro area. Moreover, negative flows from longer-term financial liabilities, in particular moderate outflows from longer-term deposits, were also supportive of M3 growth. By contrast, practically zero flows for credit to the private sector and a decrease in credit to general government, driven by net sales of government bonds by MFIs in September, reduced money growth.

The volume of euro area MFIs' main assets contracted further in September, continuing the deleveraging observed since spring 2012. The month-on-month decline reflects decreases in all main asset classes, with net redemptions of loans to the private sector concentrated in stressed countries. The September data also showed a larger contraction in the main assets of MFIs in non-stressed countries, which,

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

to a significant extent, reflected a reduction of interbank loans motivated by special factors. This added to the ongoing reduction in cross-holdings of MFI securities resulting from continued net redemptions. Euro area MFIs' reliance on Eurosystem liquidity provision decreased further in September, thereby continuing the declining trend observed since August 2012.

MAIN COMPONENTS OF M3

As regards the components of M3, the annual growth rate of M1 decreased to 6.6% in September 2013, from 6.8% in August, reflecting a decline in the monthly inflow for overnight deposits. The moderation in this aggregate does not yet justify interpreting it as a break in the strong preference for liquidity displayed by the money-holding sector over the past six quarters. It should nonetheless be seen in the context of a return of confidence in parts of the money-holding sector and an increased interest in obtaining higher yields by investing in riskier assets. This has also weighed on the developments observed in other M3 instruments.

Accordingly, the annual growth rate of short-term deposits other than overnight deposits (M2 minus M1) decreased to 0.2% in September, from 0.4% in August. This reflected a sharper annual decline in short-term time deposits (i.e. deposits with an agreed maturity of up to two years) of -4.8% in September, compared with -4.5% in August. Similarly, the annual growth of short-term savings deposits (i.e. deposits redeemable at notice of up to three months) continued to moderate, to 4.5% in September from 4.8% in August.

The annual growth rate of marketable instruments (M3 minus M2) remained negative, standing at -16.6% in September after -16.3% in August. This reflected negative annual growth rates of all three components (money market fund shares/units, repurchase agreements and short-term MFI debt securities). The continuous outflows from money market fund shares/units are a consequence of these instruments' relative unattractiveness in a low interest rate environment. The persistently negative growth rate of the net issuance of short-term debt securities reflects the reduced funding needs of euro area MFIs in a context of balance sheet adjustment and robust developments in their deposit base.

The annual growth rate of M3 deposits – which include repurchase agreements and represent the broadest component of M3 for which a timely sectoral breakdown is available – decreased to 3.6% in September, from 3.9% in August. The decrease was mainly driven by a slight moderation in the annual growth of M3 deposits held by households and outflows from M3 deposits held by non-financial corporations. The annual growth of M3 deposits held by non-monetary financial intermediaries other than insurance corporations and pension funds (OFIs) also declined.

MAIN COUNTERPARTS OF M3

The annual growth rate of MFI credit to euro area residents decreased slightly in September, to -0.7% from -0.5% in August. This mainly reflected a marked decline in the annual growth of credit to the general government sector, which decreased to 0.7% from 2.1%. By contrast, the decline in credit to the private sector slowed marginally in September, to -1.1% from -1.2% in August.

The slower annual growth of credit to general government mainly reflects net sales of government securities in September, which occurred despite positive net issuance in a number of large countries. This points to easing conditions in the euro area sovereign debt markets.

Table 4 Summary table of monetary variables

(quarterly figures are averages; adjusted for seasonal and calendar effects)

	Outstanding amounts as a percentage of M3[1]	Annual growth rates					
		2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Aug.	2013 Sep.
M1	**54.3**	**6.2**	**6.8**	**8.1**	**7.0**	**6.8**	**6.6**
Currency in circulation	9.1	3.0	1.7	2.7	2.6	2.7	3.2
Overnight deposits	45.2	6.9	7.9	9.3	7.9	7.6	7.3
M2-M1 (=other short-term deposits)	39.1	1.6	1.3	0.2	0.3	0.4	0.2
Deposits with an agreed maturity of up to two years	17.4	-1.8	-3.7	-5.8	-5.0	-4.5	-4.8
Deposits redeemable at notice of up to three months	21.6	4.8	6.0	5.8	5.0	4.8	4.5
M2	**93.4**	**4.2**	**4.3**	**4.6**	**4.1**	**4.0**	**3.8**
M3-M2 (=marketable instruments)	6.6	-2.3	-8.5	-15.0	-17.0	-16.3	-16.6
M3	**100.0**	**3.6**	**3.2**	**2.9**	**2.2**	**2.3**	**2.1**
Credit to euro area residents		**0.5**	**0.0**	**-0.1**	**-0.5**	**-0.5**	**-0.7**
Credit to general government		8.3	4.2	3.3	2.0	2.1	0.7
Loans to general government		1.9	-0.8	-2.6	-6.0	-6.2	-6.4
Credit to the private sector		-1.3	-1.0	-1.0	-1.1	-1.2	-1.1
Loans to the private sector		-0.8	-0.8	-1.1	-1.9	-2.0	-1.9
Loans to the private sector adjusted for sales and securitisation[2]		-0.4	-0.4	-0.6	-1.4	-1.5	-1.4
Longer-term financial liabilities (excluding capital and reserves)		**-5.1**	**-5.1**	**-4.6**	**-4.2**	**-4.4**	**-4.4**

Source: ECB.
1) As at the end of the last month available. Figures may not add up due to rounding.
2) Adjusted for the derecognition of loans from the MFI statistical balance sheet owing to their sale or securitisation.

Credit to the private sector registered practically zero net flows in September, on account of small net redemptions in loans and net sales of securities other than shares by MFIs being offset by a sizeable inflow in shares and other equity.

The annual growth rate of loans to the private sector originated by MFIs (i.e. adjusted for sales and securitisation) remained broadly unchanged in September, standing at -1.4% after -1.5% in August. The broad stabilisation in private sector loan growth reflects the levelling-off in loans to households and loans to non-financial corporations observed, respectively, since the beginning of 2013 and in the third quarter of this year. Box 2 briefly presents recent developments in MFI loans to non-financial corporations broken down by economic sector.

Box 2

RECENT DEVELOPMENTS IN MFI LOANS TO NON-FINANCIAL CORPORATIONS, BROKEN DOWN BY ECONOMIC SECTOR

MFI loans to non-financial corporations (NFCs) have been characterised by net redemptions over the past few quarters. Given the incipient recovery of economic activity in the euro area, the question arises as to whether the banking sector will provide enough funds to firms for the upturn to become self-sustained. This question has a number of dimensions. First, there is a time dimension. Based on historical experience, firms have normally taken recourse to internal sources of funding, as well as to market-based sources of funding, rather than to MFI loans, in the initial phase of the recovery. Thereafter, a lasting recovery remains dependent on support from MFI lending to

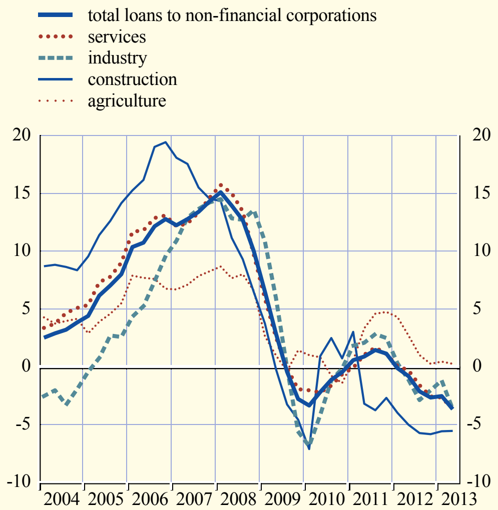
NFCs. This holds particularly true of the euro area with its bank-based financing model. Second, in an environment of deleveraging needs and restructuring, it is not only the overall development of MFI loans to NFCs that matters, but also the loan quality (i.e. loans to productive sectors versus the "evergreening" of loans to currently less productive sectors) and the loan composition by industry that provide valuable insights into the appropriateness of lending to the economy. This box contributes to this discussion by reporting on developments in MFI loans to NFCs, broken down by economic sector (based on the NACE classification). These data are available up to the second quarter of 2013.[1]

In the first half of 2013 the annual growth rate of loans to NFCs continued to decline, following a slight recovery in 2010 and 2011. This reflected subdued economic activity, as well as the still high level of firms' indebtedness, which led to low demand for loans. Moreover, supply constraints still play a role in a number of euro area countries. From a sectoral perspective, the decline in the annual growth rate of total lending to NFCs in 2012 and the first half of 2013 was broadly based across the main sub-sectors, but was particularly marked in the case of construction-related loans (see Chart A).

1 For details of the latest data release, see the ECB's website (www.ecb.europa.eu). For previous analysis, see the box entitled "Recent developments in MFI loans to non-financial corporations broken down by economic sector", *Monthly Bulletin*, ECB, November 2011. Data for the sectoral breakdown of MFI loans to NFCs should be interpreted with caution, as they are based on national data that are not fully harmonised and are partly estimated. Indeed, recent data have been affected by various special factors, including operations linked to the restructuring of the banking sector in a number of countries, which need to be given due consideration.

Chart A Annual growth rate of loans to non-financial corporations, broken down by economic sector

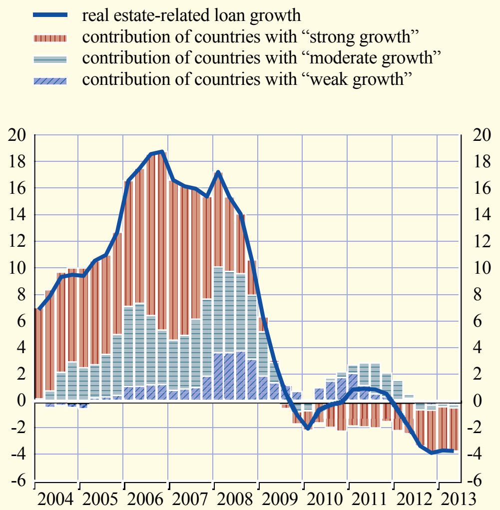
(annual percentage changes)



Source: ECB.

Chart B Real estate-related loans to non-financial corporations and country contributions to growth

(annual percentage changes; percentage points)



Source: ECB.
Notes: "Real estate-related loans" comprise loans to non-financial corporations that engage in construction and real estate services activities (based on data for those countries that have reported the corresponding series since 2003). Countries are considered to exhibit "strong growth" (Ireland, Greece, Spain and Italy), "moderate growth" (Belgium, France, Luxembourg and Finland) or "weak growth" (Germany, the Netherlands, Austria and Portugal) growth on the basis of the average growth rates recorded at the country level in 2006.

Two sectors in which deleveraging is still necessary in various countries are the construction and real estate services sectors. The aggregation that is proposed here groups the two sectors together, labelling their combined bank borrowing as "real estate-related loans". This aggregation also improves data quality on account of reclassifications.[2] The resulting aggregate suggests that growth in loans to firms in the construction and real estate services sectors has been a drag on total NFC loans since early 2012 (see Chart B).

Loan developments in the real estate-related sectors have been highly heterogeneous across countries in recent years, largely reflecting differences in the evolution of individual euro area countries' housing markets, and thus in the need to correct for past excesses. This heterogeneity can be illustrated by grouping euro area countries into three categories, based on the average growth rate of real estate-related loans in the peak year of 2006 (see also Chart B). Looking at recent developments, countries with "strong growth" (Ireland, Greece, Spain and Italy), which drove most of the credit boom prior to 2007, as well as the subsequent decline, are still contributing negatively to real estate-related loan growth. The slowdown in such lending can also be explained by the declining contributions of countries with "weak growth" (Germany, the Netherlands, Austria and Portugal) and "moderate growth" (Belgium, France, Luxembourg and Finland) as from early 2012, after having driven a slight recovery in 2010 and part of 2011.

Overall, the sectoral perspective suggests that the correction of past excesses in lending to the real estate-related sectors in a number of euro area countries is still ongoing and remains a significant driver of overall NFC loan growth. At the same time, lending to other industrial sectors and services continued to grow at a subdued pace up to the second quarter of 2013. Looking ahead, if historical regularities continue to hold, the projected recovery in economic activity may eventually be reflected in a recovery of NFC loan growth as from 2014, although the strength of credit expansion will depend on the progress made in correcting for past excesses in some sectors in a number of countries.

2 Since data for real estate services are in most cases reported only in combination with other activities (such as rental and business activities), an estimate of real estate service loans is calculated on the basis of data for those euro area countries that provide country-level estimates solely for real estate activities. This is then used to estimate loans for real estate activities at the euro area level. Moreover, the euro area aggregate is based on data for those countries that have reported the corresponding series since 2003.

The annual growth rate of loans to non-financial corporations adjusted for sales and securitisation was -2.7% in September, compared with -2.9% in August (see Table 5). The slightly smaller decline reflected a sizeable decrease in monthly net redemptions in September and August compared with the four months to July. The lower net redemptions in September also reflect a shortening of maturities, with positive monthly flows for loans with an original maturity of up to one year partly offsetting net redemptions in medium and longer-term loans. The annual growth of loans to households adjusted for sales and securitisation remained unchanged in September at 0.3%, broadly the level observed since the turn of the year. The September monthly flow was moderately positive on account of lending for house purchase and, to a lesser extent, other lending.

Overall, the general profile of loan developments appears to be in line with the patterns observed during previous major recession and recovery episodes. The tentative levelling-off in the annual growth rate of loans to non-financial corporations and the shift towards shorter maturities are compatible with the typical inventory cycle in the early phases of a recovery. Both developments reflect the ongoing stabilisation in credit conditions, as reported in the latest euro area bank lending

Table 5 MFI loans to the private sector

(quarterly figures are averages; adjusted for seasonal and calendar effects)

	Outstanding amount as a percentage of the total[1)]	Annual growth rates					
		2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Aug.	2013 Sep.
Non-financial corporations	**41.4**	**-1.9**	**-2.5**	**-3.0**	**-3.6**	**-3.8**	**-3.5**
Adjusted for sales and securitisation[2)]	*-*	*-1.4*	*-1.4*	*-2.0*	*-2.7*	*-2.9*	*-2.7*
Up to one year	24.7	-1.3	0.6	-0.8	-3.5	-4.4	-2.9
Over one and up to five years	17.3	-5.2	-5.9	-6.4	-5.7	-5.3	-5.7
Over five years	58.0	-1.0	-2.7	-2.9	-3.0	-3.1	-3.1
Households[3)]	**49.3**	**0.4**	**0.5**	**0.2**	**0.0**	**0.0**	**0.1**
Adjusted for sales and securitisation[2)]	*-*	*0.8*	*0.4*	*0.3*	*0.3*	*0.3*	*0.3*
Consumer credit[4)]	11.1	-2.9	-3.2	-3.4	-2.7	-2.5	-2.4
Lending for house purchase[4)]	73.5	1.1	1.4	1.1	0.8	0.7	0.8
Other lending	15.4	-0.6	-1.0	-0.9	-1.2	-1.2	-1.1
Insurance corporations and pension funds	**0.9**	**-4.2**	**6.1**	**12.2**	**12.7**	**13.0**	**10.2**
Other non-monetary financial intermediaries	**8.4**	**-1.4**	**-0.1**	**-0.1**	**-5.3**	**-6.0**	**-6.6**

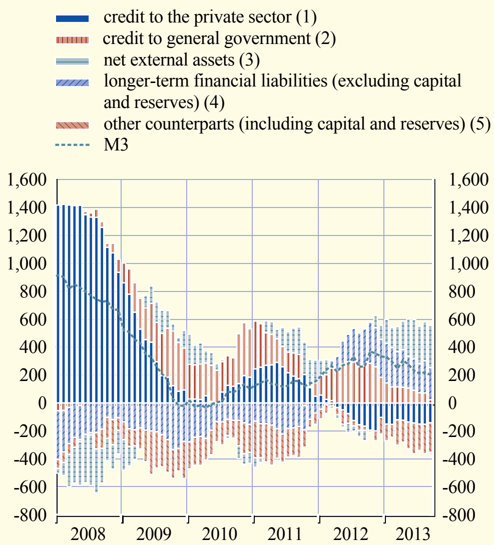
Source: ECB.
Notes: MFI sector including the Eurosystem; sectoral classification based on the ESA 95. For further details, see the relevant technical notes.
1) As at the end of the last month available. Sector loans as a percentage of total MFI loans to the private sector; maturity breakdown and breakdown by purpose as a percentage of MFI loans to the respective sector. Figures may not add up due to rounding.
2) Adjusted for the derecognition of loans from the MFI statistical balance sheet owing to their sale or securitisation.
3) As defined in the ESA 95.
4) Definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.

survey (see Box 3 for details). At the same time, the stabilisation in private sector loans is occurring at very low levels, with growth still negative in the case of non-financial corporations. The latter reflects low demand for external financing due to (i) still subdued investment activity, (ii) the use of retained earnings (iii) balance sheet adjustment by non-financial corporations, and (iv) large non-financial corporations in some countries replacing MFI loans with market-based financing. Furthermore, despite signs of improvement, financial market fragmentation and capital shortages are still weighing on loan supply in stressed countries. Box 4 presents the results of the latest survey on small and medium-sized enterprises' access to finance in the euro area. A broader analysis of savings, investment and financing broken down by institutional sector is presented in Box 5.

The annual growth rate of longer-term financial liabilities (excluding capital and reserves) was unchanged in September at -4.4%. In September the monthly net flow also remained negative, reflecting small outflows from longer-term deposits, although households in some countries have continued to place funds in longer-term deposits since the beginning of the year. Capital and reserves showed practically zero flows in September.

Chart 6 Counterparts of M3

(annual flows; EUR billions; adjusted for seasonal and calendar effects)



Source: ECB.
Notes: M3 is shown for reference only (M3 = 1+2+3-4+5). Longer-term financial liabilities (excluding capital and reserves) are shown with an inverted sign, since they are liabilities of the MFI sector.

The net external asset position of euro area MFIs increased by €20 billion in September, after having increased by €23 billion in August. The capital inflows into the euro area that have been observed since July 2012 are the main factor supporting positive M3 growth, counteracting the negative contribution from the net redemptions in loans to the private sector. In the 12 months to September, the net external asset position of euro area MFIs improved by €302 billion (see Chart 6).

Overall, the latest monetary data support the view that the underlying dynamics of money and credit growth remain subdued. Broad money growth continues to be supported by capital inflows and shifts from longer-term financial liabilities, but dampened by negative annual growth of MFI credit to the private sector. The weakness in monetary dynamics also reflects a search for yield by the money-holding sector in an environment of low remuneration of monetary assets and returning confidence.

Box 3

THE RESULTS OF THE EURO AREA BANK LENDING SURVEY FOR THE THIRD QUARTER OF 2013

This box summarises the main results of the October 2013 euro area bank lending survey (BLS), conducted by the Eurosystem between 25 September and 10 October 2013[1], for the third quarter of 2013. Overall, it confirmed the ongoing stabilisation in credit conditions for firms and households in the context of loan demand remaining weak.

Summary of the main results

Net tightening of credit standards for loans to enterprises edged down marginally in the third quarter of 2013, remaining at a level below the historical average calculated over the period since the survey's inception in 2003. The net tightening of credit standards applied to housing loans decreased somewhat further to a level below the historical average, while euro area banks reported a marginal net tightening of credit standards on loans for consumer credit at a level below the historical average.

Among the factors underlying the above-mentioned developments, the contribution from the cost of funds and balance sheet constraints had, on average, an easing impact on bank lending conditions for enterprises and only a marginal tightening effect on lending to households. Besides, euro area banks' risk perceptions contributed less to the net tightening of loans, although such risks remained their main concerns in setting their lending policies. Finally, the contribution from competition pointed on average to a net easing of credit standards.

As regards demand for loans, the net decrease in demand for loans to enterprises was smaller in the third quarter of 2013 than in the preceding quarter (thereby approaching the historical average for this indicator). In addition, the net demand for both loans to households for house purchase and consumer credit turned positive, reaching levels above the respective long-term averages.

1 The cut-off date for completion of the survey was 10 October 2013. A comprehensive assessment of its results was published on the ECB's website on 30 October 2013.

Looking ahead, the banks participating in the survey expect a net easing of credit standards for both corporate and consumer credit loans in the fourth quarter of 2013, but anticipate unchanged credit standards for housing loans. They also expect positive net demand for all loan categories.

Loans and credit lines to enterprises

In the third quarter of 2013 the net percentage[2] of euro area banks reporting a net tightening of credit standards stood at 5%, down from 7% in the previous survey round (see Chart A). At the time of the previous survey round, participating banks expected a slightly smaller degree of net tightening in credit standards (1%).

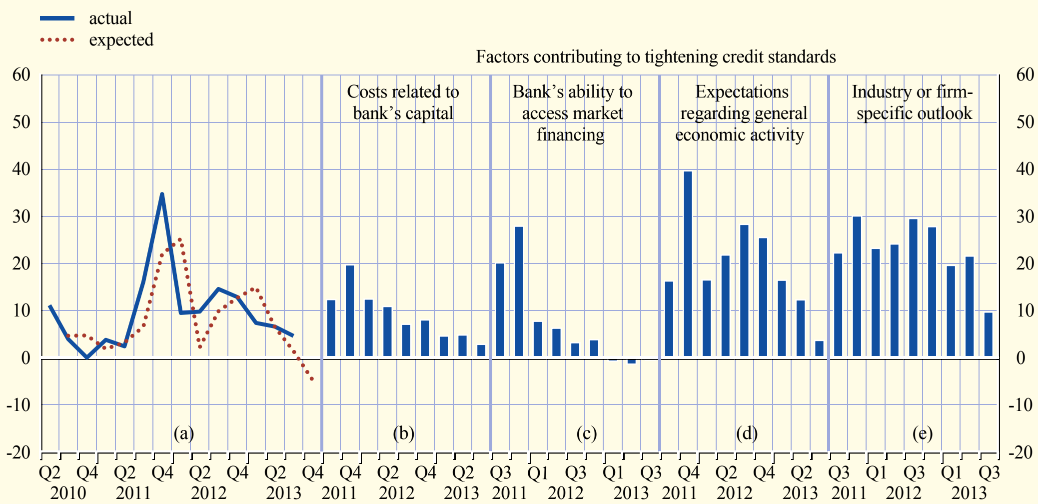
With regard to developments by firm size, in the third quarter of 2013 overall net tightening of credit standards was broadly unchanged for both loans to large firms (5%, compared with 3% in the second quarter) and loans to small and medium-sized enterprises (SMEs) (4%, compared with 5% in the second quarter). In terms of maturity, net tightening of credit standards remained broadly unchanged for short-term loans in the third quarter of 2013 (3%, compared with 4% in the second quarter), but declined considerably for long-term loans (to 5%, down from 10%).

Looking at the underlying factors, for the first time since the third quarter of 2009 euro area banks reported that, on average, cost of funds and balance sheet constraints had contributed to a slight net easing of credit standards. This resulted from a lower contribution of the net tightening of costs related to banks' capital positions (3%, down from 5% in the second quarter of 2013), as well as

2 The net percentage refers to the difference between the proportion of banks reporting that credit standards have been tightened and the proportion reporting that they have been eased. A positive net percentage indicates that banks have tended to tighten credit standards (net tightening), whereas a negative net percentage indicates that banks have tended to ease credit standards (net easing).

Chart A Changes in credit standards applied to the approval of loans or credit lines to enterprises

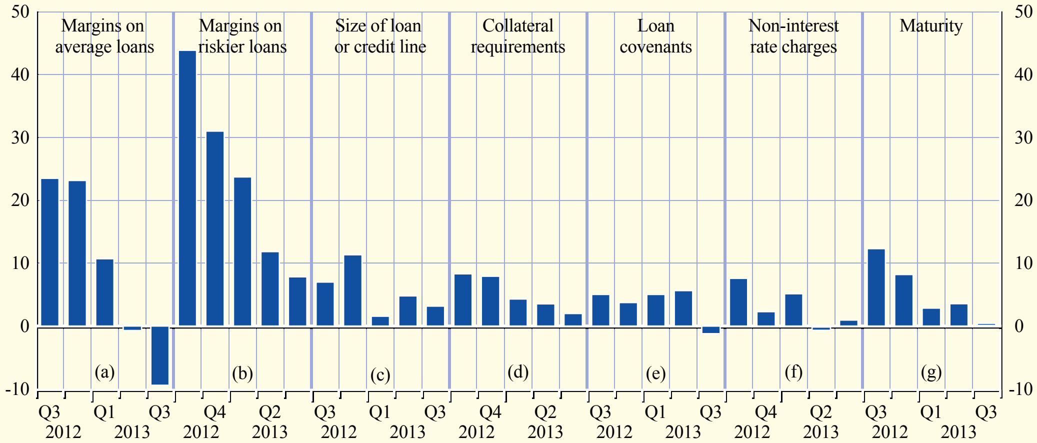
(net percentages)



Notes: In panel (a), the net percentages refer to the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". The net percentages for the questions related to the factors are the difference between the percentage of banks reporting that the given factor contributed to tightening and the percentage reporting that it contributed to easing. "Actual" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

Chart B Changes in terms and conditions for approving loans or credit lines to enterprises

(net percentages of banks reporting tightening terms and conditions)



Note: The net percentages refer to the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably".

an easing contribution from banks' access to market funding (-1%, unchanged from the previous quarter) and, in particular, from their liquidity positions (-7%, down from -3% in the July round). In addition, the impact of risk perceptions on the tightening of credit standards was reported to have considerably declined, on average, despite remaining the main factor behind the net tightening. Specifically, the decline in the impact of risk perceptions was mainly caused by banks having less pessimistic expectations regarding general economic activity (a net percentage of 4%, down from 12%) and regarding the industry or firm-specific outlook (10%, down from 22%). For the risk on collateral demanded, banks reported a small decrease in the tightening impact on credit standards (to 4%, down from 6%). Finally, competitive pressures were reported to have contributed to a net easing of credit standards in the third quarter of 2013, broadly unchanged from the previous survey round.

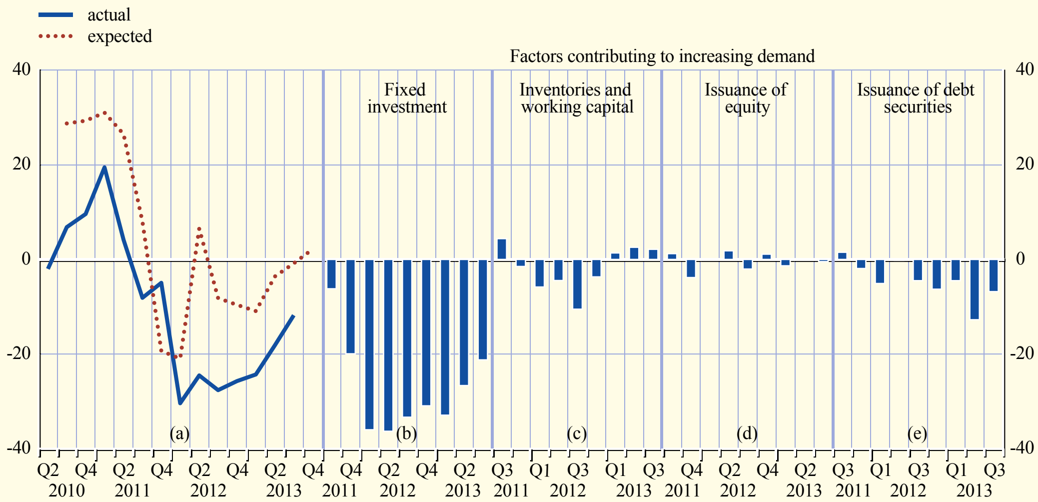
The developments in the net tightening of credit standards on loans to enterprises in the third quarter of 2013 translated into a further narrowing of margins on average-risk loans and a smaller widening of margins on riskier loans (see Chart B). For most of the non-price credit terms and conditions, euro area banks reported reduced net tightening, whereas for loan covenants they reported marginal net easing for the first time since the second quarter of 2007.

Looking ahead to the fourth quarter of 2013, on balance, euro area banks expect an easing of credit standards for loans to enterprises (-5%) for the first time since the fourth quarter of 2009. Looking at firm size, euro area banks expect a slight net easing of credit standards for loans to SMEs (-3%) and a marginal net easing for loans to large firms (-1%). Looking at loan maturity, banks expect a net easing of credit standards for short-term loans (-6%) and unchanged credit standards for long-term loans (0%).

Turning to demand, in the third quarter of 2013 the net decline in demand for loans to enterprises abated in comparison with that reported in the previous survey round (to -12%, compared with -18%; see Chart C). Similar developments were also recorded across loan sizes and maturities.

Chart C Changes in demand for loans or credit lines to enterprises

(net percentages)



Notes: In panel (a), the net percentages refer to the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The net percentages for the questions related to the factors are the difference between the percentage of banks reporting that the given factor contributed to an increase in demand and the percentage reporting that it contributed to a decline. "Actual" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

As in the previous quarter, the net fall in demand was driven mainly by the negative impact of reduced fixed investment (-21%, from -27%) on financing needs. Other financing needs, such as those arising from mergers and acquisitions (-1%, compared with -2% in the second quarter of 2013), continued to contribute to the net decline in demand, while financing needs for inventories and working capital, as well as for debt restructuring, had a positive impact on loan demand (2% and 16% respectively, compared with 3% and 15% respectively in the second quarter of 2013). On average, the contribution from the use of alternative sources of finance to the net decline in demand remained broadly unchanged in comparison with the previous survey round.

Looking ahead, banks expect a net increase in demand for loans to enterprises in the fourth quarter of 2013 (2%). Similarly, a net increase in demand is expected for loans to SMEs (2%), loans to large firms (3%), and for short-term loans (6%), while a net decline in demand is expected for long-term loans (-3%).

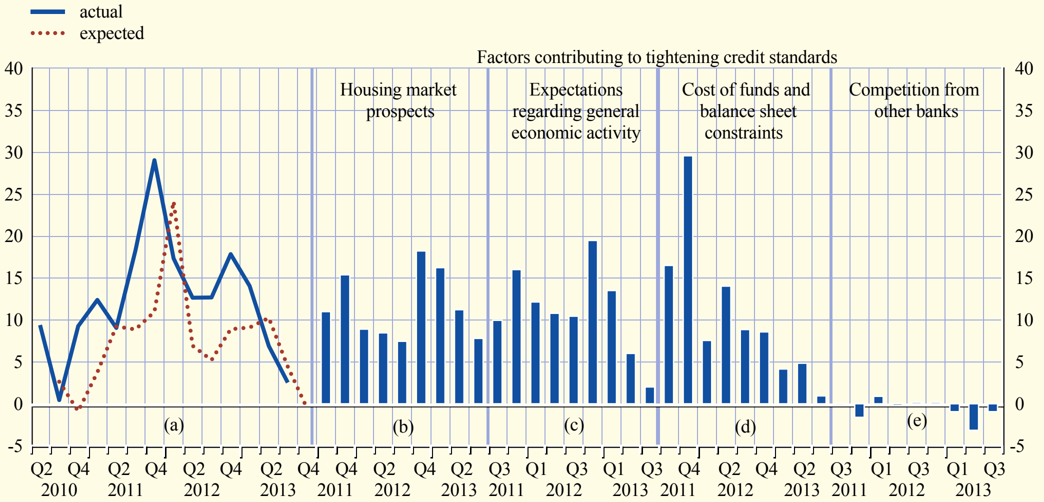
Loans to households for house purchase

The net percentage of banks reporting a tightening of credit standards on loans to households for house purchase declined to 3% in the third quarter of 2013, from 7% in the second quarter (see Chart D). This decrease was in line with what respondents expected in the previous survey round (4%).

Banks' cost of funds and balance sheet constraints had a marginal net tightening effect on credit standards for loans to households for house purchase in the third quarter of 2013 (1%, down from 5% in the second quarter). At the same time, the net tightening impact of the general

Chart D Changes in credit standards applied to the approval of loans to households for house purchase

(net percentages)



Note: See notes to Chart A.

economic outlook (2%, down from 6%) and housing market prospects (8%, down from 11%) on credit standards for housing loans decreased further in the third quarter of 2013. Finally, competitive pressures were reported, all in all, to have contributed to unchanged credit standards.

Most price and non-price terms and conditions applied to housing loans were tightened less, or even eased, in the third quarter of 2013. Euro area banks reported an easing of margins on average loans in net terms (-7%, compared with 1% in the second quarter), while margins on riskier loans were still tightened in net terms, but to a considerably lower degree than in the second quarter (4%, down from 13%). Responses regarding non-price terms and conditions pointed to a decline in the net tightening for collateral requirements, loan maturity and non-interest rate charges, whereas banks reported a small net increase in tightening for loan-to-value ratios.

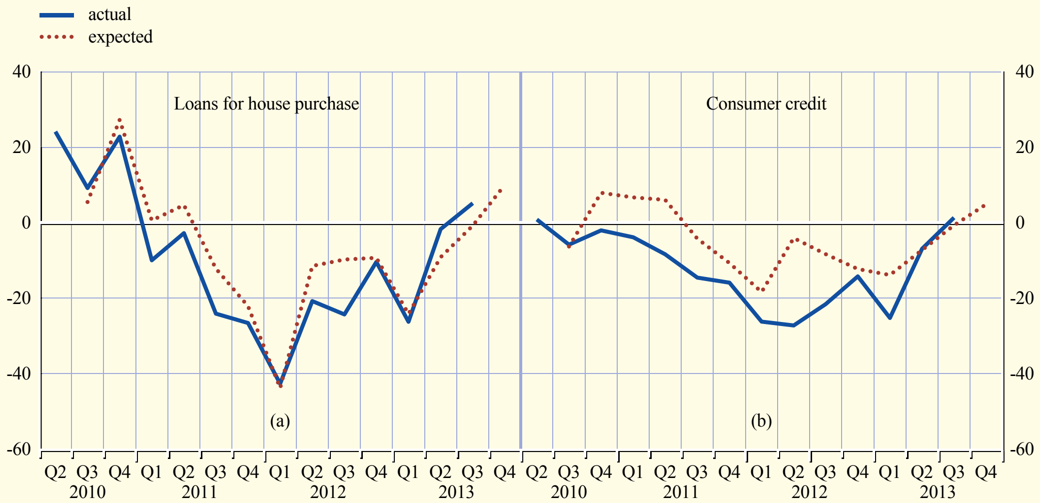
Looking ahead, banks expect broadly unchanged credit standards for loans for house purchase in net terms in the fourth quarter of 2013.

Turning to loan demand, euro area banks reported a net increase in demand for housing loans (5%, compared with -2% in the second quarter of 2013; see Chart E) for the first time since the fourth quarter of 2010. Regarding the factors affecting demand in the third quarter, housing market prospects contributed positively to the net demand (3%, from -6% in the second quarter), while all other factors – such as consumer confidence (-5%, compared with -21%), non-housing-related consumption (-6%, compared with -7%) and the use of household savings as an alternative source of finance (-5%, compared with -10%) – continued to contribute to a net decrease. At the same time, these negative contributions declined.

Looking ahead, banks continue to expect demand for housing loans to remain positive (10%).

Chart E Changes in demand for loans to households for house purchase and consumer credit

(net percentages)



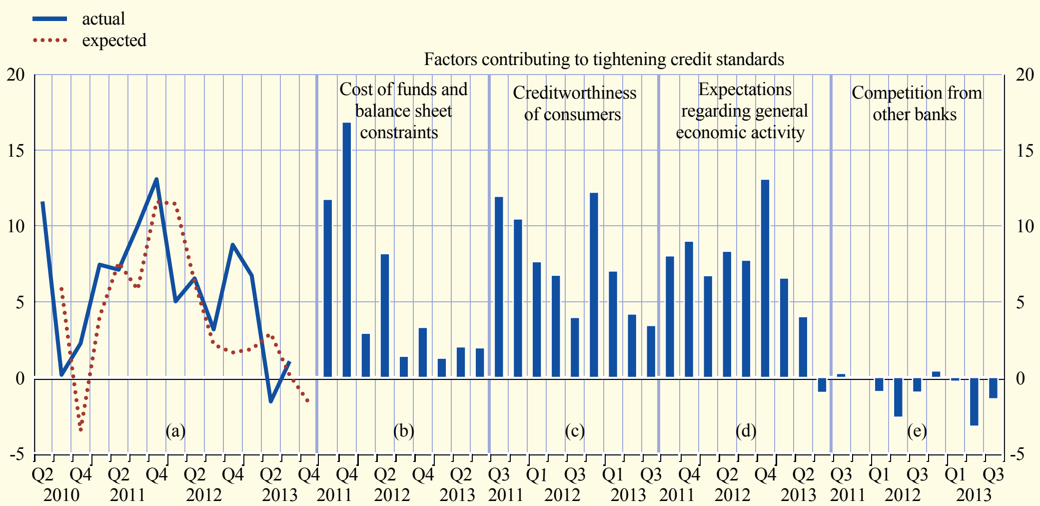
Notes: The net percentages refer to the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". "Actual" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

Consumer credit and other lending to households

After a slight net easing in the previous round, euro area banks reported a marginal net tightening of credit standards for consumer credit in the third quarter of 2013 (1%, from -2%; see Chart F). Pressures emerging from the cost of funds and balance sheet constraints remained broadly

Chart F Changes in credit standards applied to the approval of consumer credit and other lending to households

(net percentages)



Note: See notes to Chart A.

unchanged in the third quarter. At the same time, on average, banks' risk perceptions contributed less to the net tightening, while competitive pressures continued to contribute to a net easing.

Turning to the terms and conditions for approving consumer credit, euro area banks reported unchanged margins on average loans, following a narrowing of margins in the second quarter (0%, up from -3% in the second quarter of 2013), and a continued small net widening of margins on riskier loans (3%, compared with 2% in the second quarter). In addition, the net tightening of non-price terms and conditions on consumer credit remained mostly unchanged.

Looking ahead, euro area banks expect a slight net easing in credit standards on consumer credit and other lending to households for the fourth quarter of 2013.

In the third quarter of 2013, the banks surveyed reported a marginal net increase in demand for consumer credit (1%, up from -7% in the previous quarter; see Chart E). The developments in demand for consumer credit were driven mainly by household spending on durable goods, consumer confidence and household saving all having a smaller negative impact.

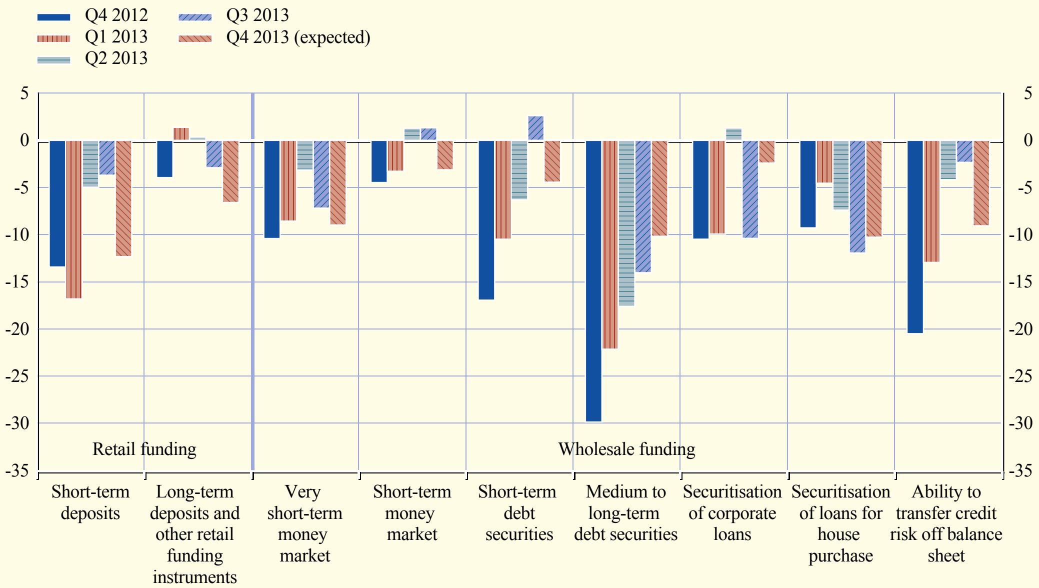
Looking ahead to the fourth quarter, euro area banks expect a further net increase in demand for consumer credit (to 5%).

Ad hoc question on the impact of market tensions

As in previous survey rounds, the October 2013 BLS also contained an ad hoc question on banks' access to retail and wholesale funding.

Chart G Changes in access to funding over the past three months

(net percentages of banks reporting deteriorated market access)



Note: The net percentages are defined as the difference between the sum of the percentages for "deteriorated considerably" and "deteriorated somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably".

On balance, euro area banks continued to report an improvement across all funding categories in net terms in the third quarter of 2013. In most categories, this was somewhat stronger than in the previous quarter (see Chart G). In particular, euro area banks reported a net easing in their access to retail funding (-3%, compared with -2% in the second quarter of 2013), money markets (-3%, compared with -1%), debt securities (-6%, compared with -12%) and securitisation (-8%, compared with -3%). With the exception of debt securities funding, the net easing was more pronounced in the third quarter than in the second.

The further improvement in banks' access to wholesale funding markets was stronger than expected at the time of the previous survey round, particularly for debt securities and securitisation. For retail funding, the improvement was broadly in line with expectations overall.

Looking ahead to the fourth quarter of 2013, euro area banks expect a stronger easing in their access for most categories, with the exception of securitisation.

Ad hoc question on the impact of the sovereign debt crisis on banks' funding conditions, credit standards and credit margins

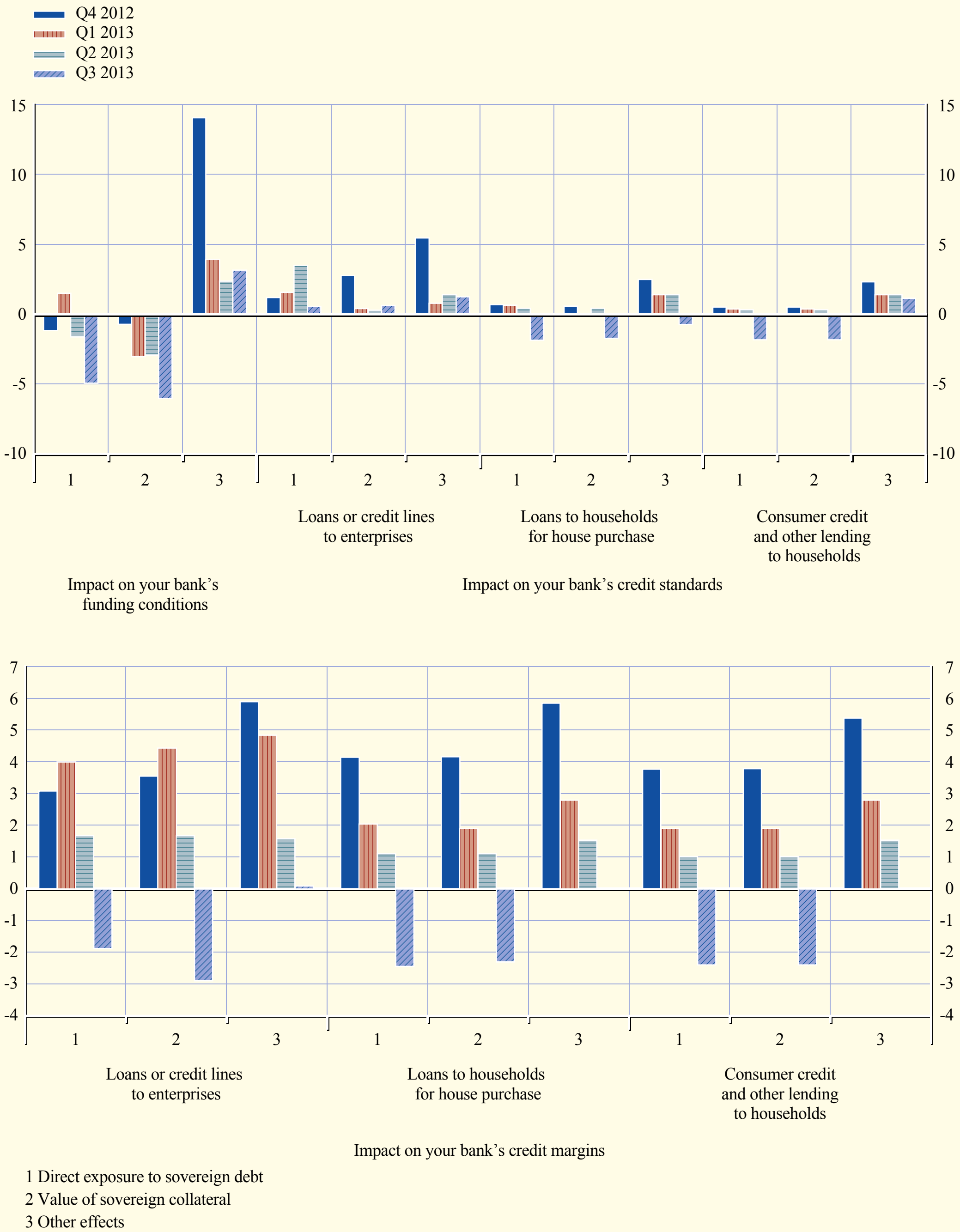
As in previous survey rounds, the questionnaire for the October 2013 survey also included an ad hoc question aimed at assessing the impact of the sovereign debt crisis on banks' funding conditions, credit standards and credit margins over the three previous months.

Responses to the October 2013 survey indicated that developments in sovereign debt markets contributed on average to an easing of banks' funding conditions in the third quarter of 2013 (see Chart H). Specifically, on balance, 5% and 6% respectively of euro area banks reported that their direct exposure to sovereign debt and the value of their sovereign collateral contributed to an easing in funding conditions (compared with a net easing of 2% and 3% respectively in the second quarter), whereas 3% of the banks signalled that "Other effects" contributed to a net tightening impact (compared with 2% in the previous quarter).

Compared with the previous quarter, the impact of the sovereign debt crisis on banks' credit standards receded further in the third quarter of 2013. While there continued to be a marginal net tightening impact on credit standards for loans to enterprises (1% on average, down from 2% in the second quarter), there has been a marginal net easing impact for loans to households for house purchase and for consumer credit (both -1% on average, down from 1%) for the first time since the introduction of this ad hoc question in the fourth quarter of 2011. At the same time, banks reported that the sovereign debt crisis had an easing impact on their loan margins across all loan categories.

Chart H Impact of the sovereign debt crisis on banks' funding conditions, credit standards and lending margins

(net percentages of banks reporting an impact on funding conditions, on the tightening of credit standards or on the widening of lending margins)



Note: The net percentages are defined as the difference between the sum of the percentages for "contributed considerably to a deterioration of funding conditions/tightening of credit standards/widening of lending margins" and "contributed somewhat" and the sum of the percentages for "contributed somewhat to an easing of funding conditions/easing of credit standards/narrowing of lending margins" and "contributed considerably".

2.2 SECURITIES ISSUANCE

In August 2013 debt securities issuance by euro area residents contracted slightly in annual terms, as in the previous two months. Year-on-year growth of debt securities issued by non-financial corporations remained at historically high levels. Issuance activity of quoted shares continued to be strong in the case of MFIs.

DEBT SECURITIES

In August 2013 the annual growth rate of debt securities issued by euro area residents remained negative at -0.7%, after -0.8% in the previous month (see Table 6). Developments across sectors were mixed. The annual growth rate of debt securities issued increased from 9.9% in July to 10.2% in August in the case of non-financial corporations, while it decreased from -8.7% to -9.2% in that of MFIs. Moreover, the annual growth rate of debt securities issued by the general government increased to 3.4%, from 3.2% in July. Similarly, debt securities issuance by non-monetary financial institutions intensified further in August, with the growth rate standing at 2.2%, which was 1.0 percentage point higher than in July.

Viewed in terms of types of securities, the contraction of issuance of short-term debt securities slowed down marginally (to -10.0%, from -10.1% in July), while the annual growth rate of long-term debt securities issuance increased somewhat (to 0.3%, from 0.2% in July). Refinancing activity remained concentrated on issuance in the long-term segment of the market, notably at fixed rates. Nonetheless, the annual growth rate of issuance of fixed rate long-term debt securities edged down to 2.7% in August (from 3.0% in July). The annual rate of growth in issuance of floating rate long-term debt securities remained negative, as it has been over the past 12 months, but increased by 0.3 percentage point to -8.4% in August.

Looking at short-term trends, however, the six-month annualised growth rate of debt securities issuance in August was 0.4 percentage point higher than that in July and stood at -0.7% (see Chart 7). Over the same period, the corresponding rate decreased from 2.3% to 1.6% in the case of non-monetary financial corporations, and from 4.8% to 4.5% in that of the general government.

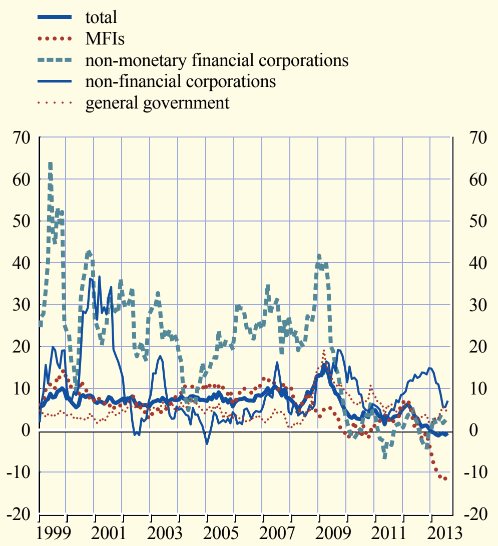
Table 6 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) 2013 August	Annual growth rates[1] 2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 July	2013 August
Debt securities	**16,561**	**3.7**	**2.9**	**0.8**	**-0.1**	**-0.8**	**-0.7**
MFIs	5,066	3.5	1.2	-3.3	-6.3	-8.7	-9.2
Non-monetary financial corporations	3,235	0.9	0.3	0.7	-0.4	1.2	2.2
Non-financial corporations	1,053	11.0	12.9	13.4	11.5	9.9	10.2
General government	7,207	4.3	4.1	2.6	3.6	3.2	3.4
of which:							
Central government	6,532	3.5	3.6	2.6	4.0	4.1	4.2
Other general government	675	12.8	9.1	2.4	-0.6	-4.7	-3.6
Quoted shares	**4,891**	**1.0**	**1.0**	**0.8**	**0.6**	**1.1**	**1.1**
MFIs	462	5.6	5.2	3.0	2.5	7.9	7.8
Non-monetary financial corporations	415	2.9	2.6	2.6	2.6	1.8	1.2
Non-financial corporations	4,014	0.3	0.4	0.5	0.2	0.3	0.3

Source: ECB.
1) For details, see the technical notes for Sections 4.3 and 4.4 of the "Euro area statistics" section.

Chart 7 Sectoral breakdown of debt securities issued by euro area residents

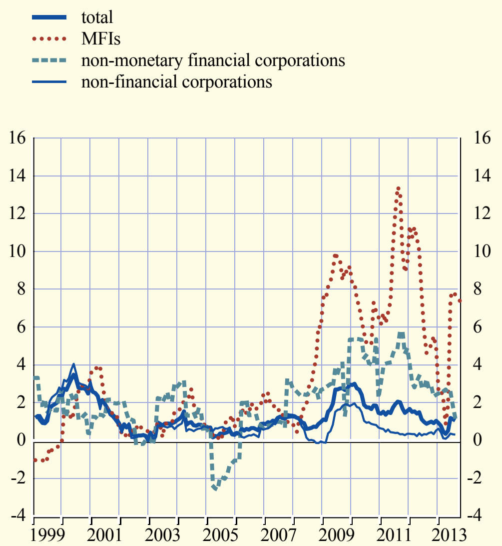
(six-month annualised growth rates; seasonally adjusted)



Source: ECB.

Chart 8 Sectoral breakdown of quoted shares issued by euro area residents

(annual growth rates)



Source: ECB.
Note: Growth rates are calculated on the basis of financial transactions.

At the same time, the six-month annualised growth rate of debt securities issued by non-financial corporations rose from 5.5% to 7.0%. The pronounced contraction of issuance by MFIs decelerated somewhat from -11.6% to -10.1%.

QUOTED SHARES

In August 2013 the annual growth rate of quoted shares issued by euro area residents remained unchanged at 1.1% (see Chart 8). The annual rate of growth in equity issuance by non-financial corporations remained unchanged at 0.3% and that of equity issuance by non-monetary financial institutions declined by 0.6 percentage point, to 1.2%. Similarly, the annual rate of growth in equity issuance by MFIs remained high at 7.8%, 0.1 percentage point lower than in the previous month, reflecting further consolidation of their capital base.

2.3 MONEY MARKET INTEREST RATES

While overnight money market interest rates remained broadly stable in October and early November 2013, the money market yield curve flattened. In the tenth maintenance period of the year, which began on 9 October, the EONIA remained at low levels in an environment characterised by significant amounts of excess liquidity and gradually receding money market fragmentation.

Unsecured money market interest rates remained broadly stable in October and early November 2013. On 6 November the one-month, three-month, six-month and twelve-month EURIBOR stood at 0.13%, 0.23%, 0.34% and 0.54% respectively, i.e. unchanged for all maturities. Consequently, the spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – was also unchanged, standing at 41 basis points on 6 November (see Chart 9).

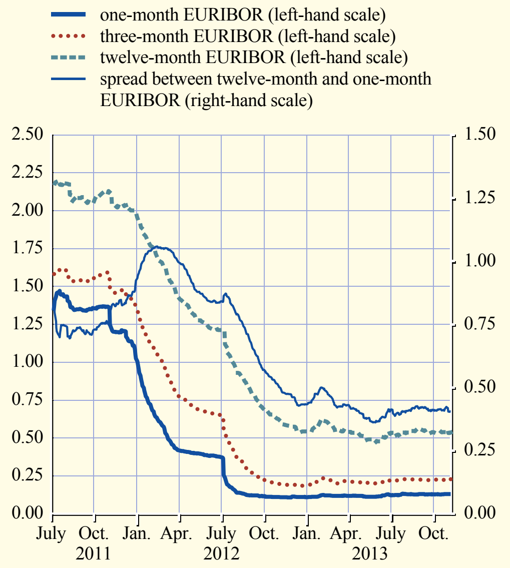
The interest rates implied by the prices of three-month EURIBOR futures maturing in December 2013 and March, June and September 2014 decreased by 3, 5, 6 and 7 basis points respectively in comparison with the levels seen on 1 October, standing at 0.23%, 0.27%, 0.31% and 0.36% on 6 November. The three-month EONIA swap rate stood at 0.11% on 6 November, 1 basis point higher than on 1 October. Thus, the spread between the three-month EURIBOR and the three-month EONIA swap rate decreased by 1 basis point.

Between 1 October and the end of the ninth maintenance period of 2013 on 8 October, the EONIA continued to stand at levels of around 0.08% amid significant levels of excess liquidity and in an environment of receding market fragmentation. Since the start of the tenth maintenance period the EONIA has been trading at levels between 0.08% and 0.10% (see Chart 10). At the end of the month, on 31 October, the EONIA spiked at 0.23%.

Between 1 October and 6 November the Eurosystem conducted several refinancing operations. In the main refinancing operations of the tenth maintenance period, conducted on 8, 15, 22 and 29 October and 5 November, the Eurosystem allotted €93.4 billion, €91.2 billion, €90.6 billion, €89.3 billion and €89.5 billion respectively. The Eurosystem also conducted two longer-term refinancing operations (LTROs) in October, both as fixed rate tender procedures with full allotment, namely a special-term refinancing operation with a maturity of one maintenance period on 8 October (in which €3.4 billion was allotted) and a three-month LTRO on 30 October (in which €1.9 billion was allotted).

Chart 9 Money market interest rates

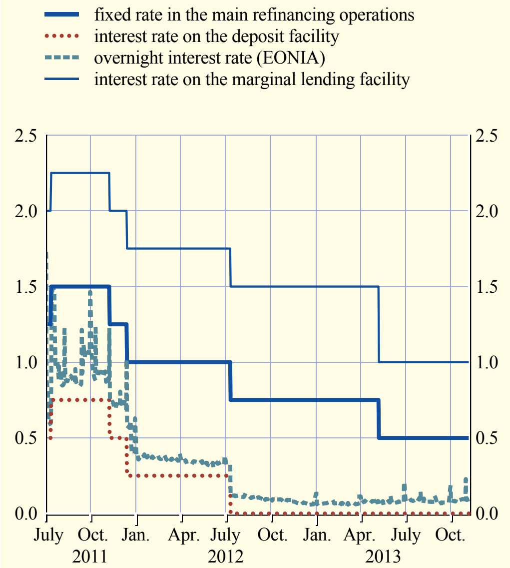
(percentages per annum; spread in percentage points; daily data)



Sources: ECB and Thomson Reuters.

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

The Eurosystem also conducted five one-week liquidity-absorbing operations, on 8, 15, 22 and 29 October and 5 November, as variable rate tender procedures with a maximum bid rate of 0.50%. With these operations, the Eurosystem absorbed all of the liquidity associated with bond holdings under the Securities Markets Programme.

Moreover, counterparties opted to repay before maturity, on a weekly basis, additional funds that were borrowed in the three-year LTROs allotted on 21 December 2011 and 29 February 2012. As of 6 November, a total of €371.4 billion had been repaid since 30 January 2013. Out of the total repayments, €234.9 billion related to the LTRO allotted on 21 December 2011, and the remaining €136.5 billion related to the LTRO allotted on 29 February 2012. Thus, of the €523 billion of net liquidity originally injected through the two three-year LTROs, around 71% has been repaid so far.

Excess liquidity declined further in the ninth maintenance period of 2013, averaging €223.4 billion, which compares with €248.3 billion on average in the previous maintenance period. The lower average level of excess liquidity in the ninth maintenance period was mostly explained by a smaller volume of outstanding open market operations, which accounted for more than 80% of the €25 billion decrease (in particular owing to LTRO repayments). Daily fluctuations of excess liquidity during the maintenance period were, however, mostly driven by autonomous factors, in particular fluctuations in government deposits. Average daily recourse to the deposit facility decreased to €58.9 billion in the ninth maintenance period, from €79.2 billion in the previous maintenance period, and average current account holdings in excess of reserve requirements decreased from €169.6 billion to €164.7 billion. In the current, tenth maintenance period of the year, excess liquidity declined to stand at €189.6 billion on 6 November, owing mostly to an increase in the liquidity absorbed by government deposits and further LTRO repayments.

2.4 BOND MARKETS

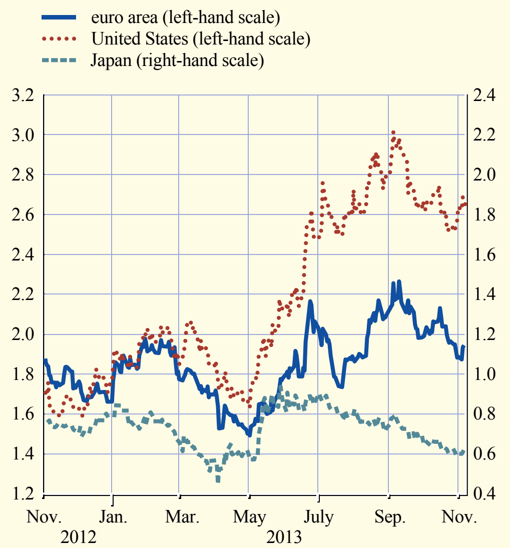
Between end-September and 6 November, AAA-rated long-term euro area government bond yields declined slightly. The increase in the first half of October that reflected mainly the uncertainty about the raising of the debt ceiling in the United States was reversed later in the month, following mixed data releases, in particular HICP data. Intra-euro area sovereign bond yield spreads continued to narrow for most countries. US long-term government bond yields were somewhat more volatile, rising in early October, and subsequently declining after the agreement on the US debt ceiling and some weak data releases for the US economy. Uncertainty about future bond market developments also declined further on both sides of the Atlantic. Financial indicators of long-term inflation expectations in the euro area rose slightly but remain fully consistent with price stability.

Between the end of September and 6 November, AAA-rated long-term euro area government bond yields declined slightly, to stand at around 1.9% (see Chart 11). At the same time, long-term government bond yields in the United States remained broadly unchanged, standing at around 2.7% on 6 November. In Japan, ten-year government bond yields also remained broadly unchanged at around 0.7% over the period under review.

In the first half of October, AAA-rated long-term euro area government bond yields increased slightly, reflecting the uncertainty surrounding the negotiations about the debt ceiling for US federal debt (see below). Later in the month, amid somewhat mixed data releases including, in particular, Eurostat's flash estimate of the HICP in late October, which was well below

Chart 11 Long-term government bond yields

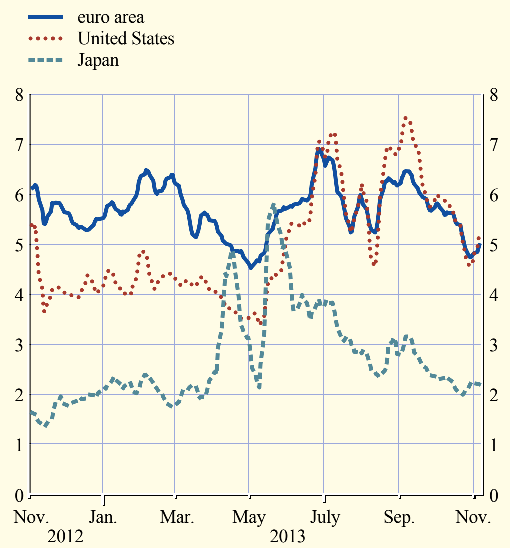
(percentages per annum; daily data)



Sources: EuroMTS, ECB, Bloomberg and Thomson Reuters.
Notes: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity. The euro area bond yield is based on the ECB's data on AAA-rated bonds, which currently include bonds from Austria, Finland, Germany and the Netherlands.

Chart 12 Implied government bond market volatility

(percentages per annum; five-day moving averages of daily data)



Source: Bloomberg.
Notes: Implied government bond market volatility is a measure of uncertainty surrounding the short term (up to three months) for German and US ten-year government bond prices. It is based on the market values of related traded options contracts. Bloomberg uses implied volatility of the closest-to at-the-money strikes for both puts and calls using near-month expiry futures.

market expectations, the earlier increases in euro area bond yields were simply reversed. In early November, bond yields remained broadly unchanged at levels slightly lower than those observed at end-September.

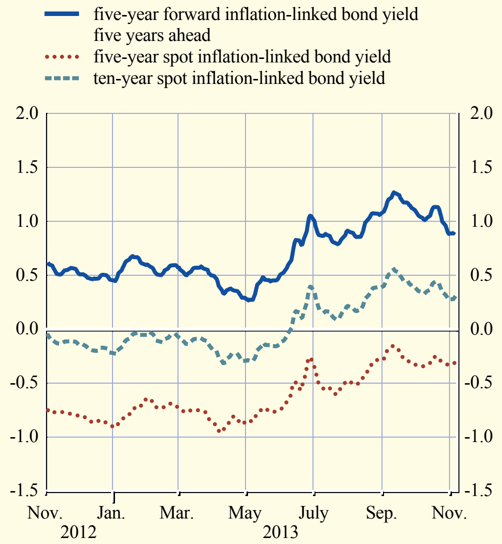
In the United States, long-term bond yields exhibited somewhat higher volatility over the period under review. They rose by more than 10 basis points in the first half of October. Thereafter, they declined after the US Congress agreed to raise the debt ceiling temporarily, and following some mixed data releases for the US economy, notably labour market data and confidence indicators, which influenced market expectations on the timing of future Federal Reserve System monetary policy decisions. The statement of the Federal Open Market Committee (FOMC) of 30 October tended to corroborate expectations of a delay in the removal of monetary policy accommodation. However, since it was perceived to be somewhat less reassuring than expected, the decline in bond yields moderated.

Investor uncertainty about near-term bond market developments, as measured by the implied volatility extracted from options on bond prices, continued to decline gradually on both sides of the Atlantic in October, benefiting from the fiscal agreement reached in the United States (see Chart 12). By early November, implied volatility stood at around 5.0% and 4.7% respectively in the euro area and in the United States.

In the period under review, both long-term bond yields and their spreads vis-à-vis overnight indexed swap (OIS) rates declined in most euro area countries. The compression of spreads was stronger in

Chart 13 Euro area zero coupon inflation-linked bond yields

(percentages per annum; five-day moving averages of daily data; seasonally adjusted)



Sources: Thomson Reuters and ECB calculations.
Note: Real rates have been computed as a GDP-weighted average of separate real rates for France and Germany.

Chart 14 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

(percentages per annum; five-day moving averages of daily data; seasonally adjusted)

Sources: Thomson Reuters and ECB calculations.
Note: Break-even inflation rates have been computed as a GDP-weighted average of separately estimated break-even rates for France and Germany.

the stressed segments of the euro area government bond market, which continued to benefit most from the improved economic outlook of recent months.

Developments in real bond yields, as measured by the yields on inflation-linked government bonds,[1] mimicked those in nominal bonds, as described earlier. Real ten-year bond yields remained broadly unchanged at around 0.3%, while the real yields on five-year bonds rose by almost 10 basis points to around -0.3% (see Chart 13). As a result, real long-term forward interest rates in the euro area (five-year forward rates five years ahead) declined by 10 basis points, to around 1.0%.

Financial market indicators of long-term inflation expectations in the euro area rose somewhat in October, while they declined significantly for near-term horizons following the latest publication of inflation data in late October. The five-year break-even inflation rates implied by inflation-linked bonds declined by more than 10 basis points, to around 1.1%, while those at the ten-year horizon remained broadly unchanged at 1.8%. Accordingly, the five-year forward break-even inflation rate five years ahead rose by around 10 basis points, and stood at 2.4% in early November (see Chart 14). The long-term forward inflation swap rate, by contrast, remained broadly unchanged at 2.2% over the period under review. Overall, with due consideration both of the inflation risk premium and of liquidity premia embodied in break-even inflation rates, market-based indicators suggest that inflation expectations remain fully consistent with price stability.[2]

1 The real yield on inflation-linked euro area government bonds is calculated as the GDP-weighted average yield on French and German inflation-linked government bonds. For more details, see the box entitled "Estimating real yields and break-even inflation rates following the recent intensification of the sovereign debt crisis", *Monthly Bulletin,* ECB, December 2011.

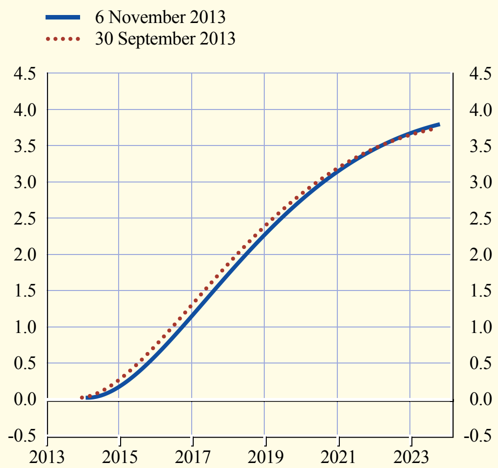
2 For a more thorough analysis of the anchoring of long-term inflation expectations, see the article entitled "Assessing the anchoring of longer-term inflation expectations", *Monthly Bulletin,* ECB, July 2012.

The term structure of implied forward overnight interest rates in the euro area shifted marginally downwards across short-to-medium-term maturities in November, but remained broadly unchanged for longer maturities (see Chart 15). This suggests that expectations of future short-term interest rates and related risk premia declined somewhat over the review period.

In the period under review, the spreads of investment-grade corporate bonds issued by non-financial and financial corporations in the euro area (relative to the Merrill Lynch EMU AAA-rated government bond index) declined slightly, and corporate bond spreads for most rating classes remained below the levels recorded at the beginning of the year.

Chart 15 Implied forward euro area overnight interest rates

(percentages per annum; daily data)



Sources: ECB, EuroMTS (underlying data) and Fitch Ratings (ratings).
Notes: The implied forward yield curve, which is derived from the term structure of interest rates observed in the market, reflects market expectations of future levels for short-term interest rates. The method used to calculate these implied forward yield curves is outlined in the "Euro area yield curve" section of the ECB's website. The data used in the estimate are AAA-rated euro area government bond yields.

2.5 INTEREST RATES ON LOANS AND DEPOSITS

In September 2013 MFI lending rates on loans to households and non-financial corporations increased for short as well as long maturities. The spreads between the rates on small and large loans to non-financial corporations narrowed marginally in September, although remaining at elevated levels. The spreads of both short and long-term lending rates vis-à-vis market rates widened in the same month.

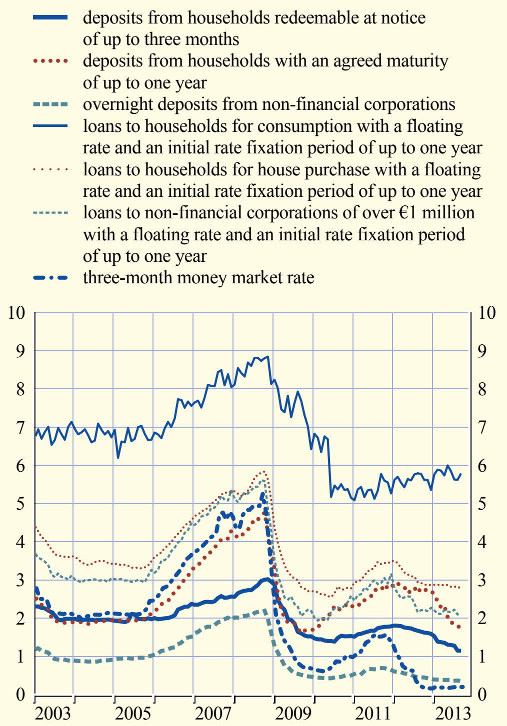
In September 2013 MFI interest rates on short-term deposits of non-financial corporations increased, while those of households declined. Short-term rates on loans to households for house purchase increased by 2 basis points, to 2.8% in September, and those on consumer credit rose by 17 basis points, to 5.8%. With respect to non-financial corporations, short-term interest rates on large loans (defined as loans of more than €1 million) increased by 5 basis points, to 2.1%, while those on small loans (i.e. loans of up to €1 million) rose by 4 basis points, to 3.8% (see Chart 16). Accordingly, the spread between short-term interest rates on small loans to non-financial corporations and the corresponding interest rates on large loans narrowed further in September, although only marginally, to 161 basis points. The magnitude of the spread nonetheless illustrates that financing conditions remain tighter for small and medium-sized enterprises than for large firms.

Overall, given that the three-month EURIBOR remained broadly unchanged in September, the spread between short-term MFI interest rates on loans to households and the three-month money market rate increased marginally, to 259 basis points, while the corresponding spread for short-term interest rates on large loans to non-financial corporations widened to 192 basis points (see Chart 17).

Short-term MFI interest rates on loans to households for house purchase and those on loans to non-financial corporations have remained broadly stable since the beginning of 2013. The reductions in key ECB interest rates, together with the effects of the non-standard measures implemented or

Chart 16 Short-term MFI interest rates and a short-term market rate

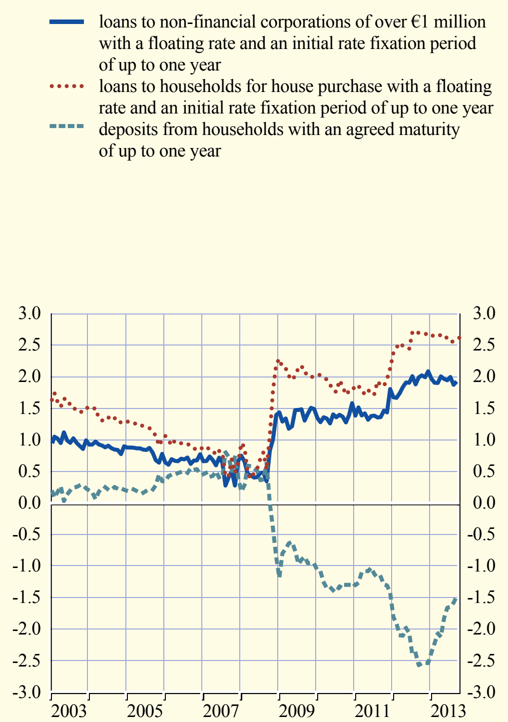
(percentages per annum; rates on new business)



Source: ECB.
Note: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

Chart 17 Spreads of short-term MFI interest rates vis-à-vis the three-month money market rate

(percentage points; rates on new business)



Source: ECB.
Notes: For the loans, the spreads are calculated as the lending rate minus the three-month money market rate. For the deposits, the spread is calculated as the three-month money market rate minus the deposit rate. Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

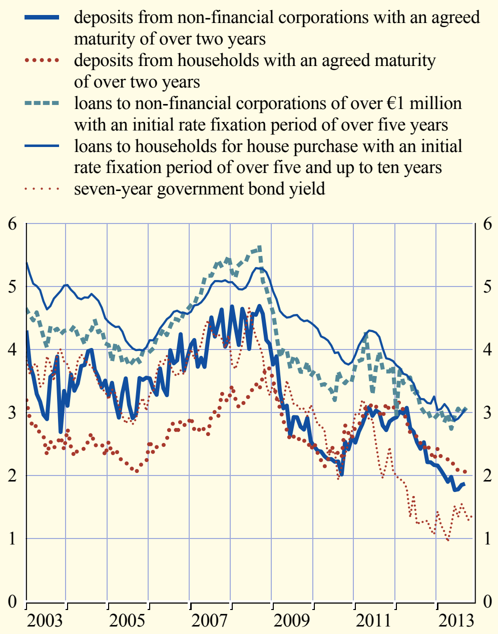
announced by the ECB, are gradually being passed through to bank lending rates. At the same time, financial fragmentation and weak economic conditions are still putting upward pressure on bank lending rates in a number of countries.

Turning to longer maturities, MFI interest rates on long-term deposits from households and on deposits from non-financial corporations grew marginally in September, namely by 1 basis point, to 2.1%, in the case of households and by 2 basis points, to 1.9%, in that of non-financial corporations. Where loans are concerned, interest rates on long-term loans to households for house purchase increased by 8 basis points, to 3.1%, while those on large loans to non-financial corporations rose by 7 basis points, to stand at 3.0% (see Chart 18). Long-term rates on small loans to non-financial corporations increased by 3 basis points, to 3.3% in September. Hence, the spread between long-term rates on small loans and those on large loans declined from 25 basis points in August to 21 basis points in September, the same level as that recorded in July. This was around 15 basis points below the historical average recorded over the period since 2003. As the yields on AAA-rated seven-year government bonds fell by 13 basis points, to 1.4%, in September, the spread between long-term lending rates and the yields on such bonds widened in the case of both housing loans and loans to non-financial corporations.

The spread between long-term lending rates and the yields on AAA-rated seven-year government bonds has fluctuated, in the course of 2013, between 170 and 250 basis points in the case of loans to non-financial corporations, and between 140 and 210 basis points in the case of loans to households. The recent widening of the spreads was a result of a decline in the yields on AAA-rated government bonds and a move in the opposite direction by long-term lending rates. However, the spreads have narrowed in comparison with the year 2012, reflecting the effects of the ECB's standard and non-standard measures.

Chart 18 Long-term MFI interest rates and a long-term market rate

(percentages per annum; rates on new business)



Source: ECB.
Note: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

2.6 EQUITY MARKETS

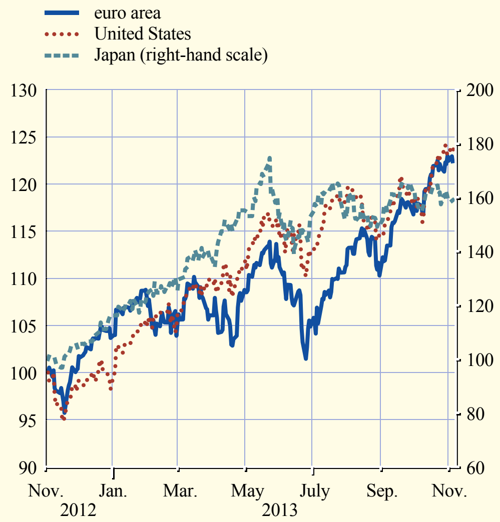
Between the end of September and 6 November 2013, stock prices increased by around 5% both in the euro area and in the United States. Stock market developments in both areas were supported by the agreement to reinstate government spending and raise the debt ceiling in the United States, and by mixed data releases that influenced market expectations of future monetary policy decisions in both economic areas. Stock market uncertainty, as measured by implied volatility, decreased further on both sides of the Atlantic over the period under review.

Positive market sentiment continued to support stock prices in major markets. Between the end of September and 6 November 2013, stock prices in the euro area, as measured by the broad-based Dow Jones EURO STOXX index, increased by around 5%. Over the same period, stock prices in the United States, as measured by the Standard & Poor's 500 index, also rose by around 5% (see Chart 19), while stock prices in Japan, as measured by the Nikkei 225 index, declined slightly.

In the earlier part of the review period, stock prices in both the euro area and the United States were driven primarily by the temporary fiscal agreement in the United States. Moreover, rising expectations of a delay in the withdrawal of monetary policy accommodation in the United States, as a result of weak US economic data releases and concerns about the potential economic impact of the government shut-down, also drove major indices to new historical highs over the period. On 30 October, the Federal Reserve System announced that it would continue with the current pace of asset purchases for the time being. However, its statement was perceived as somewhat less reassuring than expected and, in the light of some mixed data releases in early November, the stock

Chart 19 Stock price indices

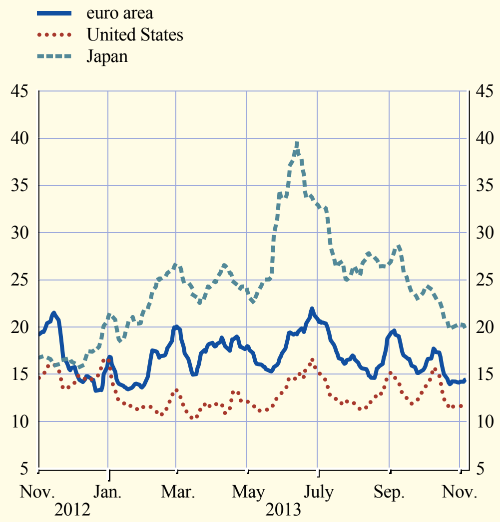
(index: 1 November 2012 = 100; daily data)



Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

Chart 20 Implied stock market volatility

(percentages per annum; five-day moving averages of daily data)



Source: Bloomberg.
Notes: The implied volatility series reflects the expected standard deviation of percentage changes in stock prices 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.

market gains moderated somewhat thereafter. In the euro area, most economic data releases were slightly better than expected by financial market participants, thereby supporting stock prices.

Advances in euro area stock prices were spread across sectors and countries. Major indices in some euro area countries reached new historical highs in October, despite some fluctuations resulting from mixed signals from macroeconomic data releases during the review period. As regards the behaviour of the different sectors, financial stock prices outperformed the overall index, with gains of more than 9%, while non-financial stock prices rose in line with the overall index, with the telecommunications sector leading in terms of performance.

In the United States, mixed data releases, in particular labour market data and confidence indicators, continue to influence expectations regarding the timing of the Federal Reserve's tapering-off of its asset purchases, but major US indices continued to advance over the period under review. In contrast to the euro area, US non-financial stock prices outperformed the financial sector.

In Japan, stock prices declined slightly after the strong increases recorded in previous months. Stock price declines were widespread across sectors, but were somewhat higher in the financial sector. Nonetheless, overall market sentiment remained positive amid continued optimism about the prospects for economic growth.

Stock market uncertainty in the euro area, as measured by implied volatility, decreased further, from around 17% in early October to 15% on 6 November (see Chart 20). In the United States, it decreased from around 14% to 11% over the same period. In both areas, stock market uncertainty has declined to below the levels prevailing in early May this year, before the Federal Reserve System announced that a reduction in the pace of its asset purchases was to be considered. Implied volatility in Japan declined as well, but remains somewhat elevated in comparison with previous years.

Box 4

SURVEY ON THE ACCESS TO FINANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN THE EURO AREA: APRIL TO SEPTEMBER 2013

This box presents the main results of the ninth round of the "Survey on the access to finance of small and medium-sized enterprises (SMEs) in the euro area".[1] This survey round was conducted between 28 August and 4 October 2013 in all countries except Slovakia, where survey interviews lasted one week longer. The total sample comprised 8,305 firms, of which 7,674 (i.e. 92%) were SMEs (i.e. they had fewer than 250 employees), with the remainder constituting a control group. This box describes the changes in the financial situation, financing needs and access to financing of SMEs in the euro area over the six preceding months (i.e. from April to September 2013).[2] In addition, developments for SMEs are compared with those for large firms over the same period.

Overall, "finding customers" remained the dominant concern for euro area SMEs (24%, down from 27% in the previous survey round). "Access to finance" was a concern for the second largest percentage of euro area SMEs (16%, unchanged), but was not as significant for large euro area firms (10%, down from 11%).

Deterioration in the financial situation of SMEs slower than in the previous survey

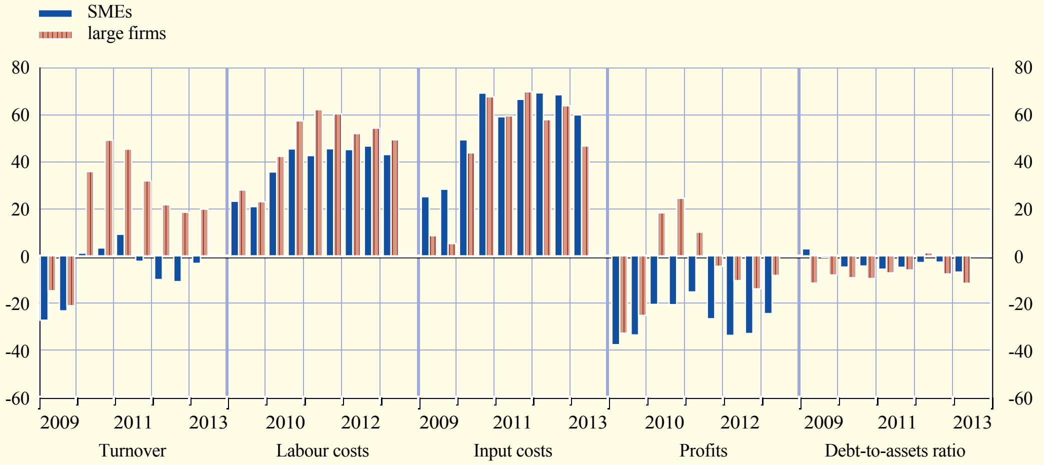
In the period from April to September 2013, the financial situation of euro area SMEs continued to deteriorate, albeit at a slower pace than in the previous period. Euro area SMEs continued to report a decline in turnover in net terms[3] (-3%), which was, however, lower than in the previous survey period (-11%; see Chart A). In addition, a high net percentage of euro area SMEs continued to report increases in labour and other costs (43% and 60% respectively, compared with 47% and 69% in the previous period). In line with turnover and cost developments, euro area SMEs reported a continued decline in profits (-25%, compared with -33%). By contrast, large euro area firms reported an increase in turnover on balance in the period from April to September 2013 (20%, broadly unchanged from the previous survey round). In addition, the deterioration in their profits was, on balance, more moderate than that of euro area SMEs (-8%, up from -14%).

Against the background of still high corporate indebtedness, euro area SMEs reported a further net decrease in their leverage in the period from April to September 2013 (-7%, down from -3%). Large euro area firms also reported a stronger deleveraging pattern (-12% on balance, down from -8%).

1 A comprehensive report, detailed statistical tables and additional breakdowns were published in the "Statistics" section of the ECB's website on 14 November 2013 (see "Monetary and financial statistics"/"Surveys"/"Access to finance of SMEs").
2 The reference period for the previous survey round was October 2012 to March 2013.
3 "Net terms" refers to the difference between the percentage of firms reporting an increase and that of those reporting a decrease.

Chart A Indicators of the financial situation of euro area firms

(change over the preceding six months; in net percentage of respondents)



Sources: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase for a given factor and that reporting a decrease.

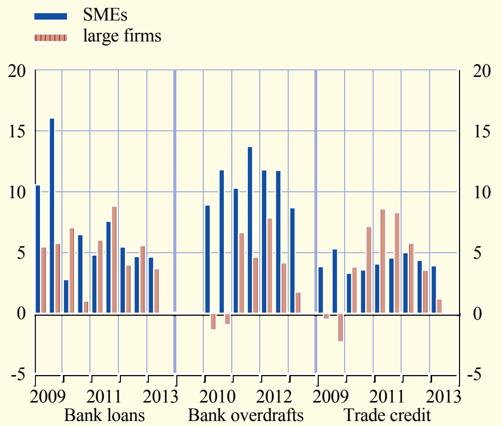
Smaller increase in the external financing needs of euro area SMEs

On balance, 5% of euro area SMEs reported an increase in their need for bank loans (unchanged from the previous survey round; see Chart B) and 9% reported an increased need for bank overdrafts (down from 12% in the previous survey round). The development of the need for trade credit was similar, with a net percentage of 4% of euro area SMEs reporting an increase (unchanged from the previous survey round). Among the factors affecting SMEs' need for external financing, fixed investment, along with inventory and working capital, played the largest role. For fixed investment, on balance, a smaller percentage of euro area SMEs reported that this factor had an impact on their external financing needs (11%, down from 13%). Euro area SMEs also reported, on balance, a somewhat lesser need for external financing resulting from insufficient availability of internal funds (3%, down from 7%).

Similarly, large firms reported, on balance, a slight decline in the need for bank loans (4%, down from 6% in the previous survey round), trade credit (1%, down from 4%) and bank overdrafts (2%, down from 4%).

Chart B External financing needs of euro area firms

(change over the preceding six months; in net percentage of respondents)



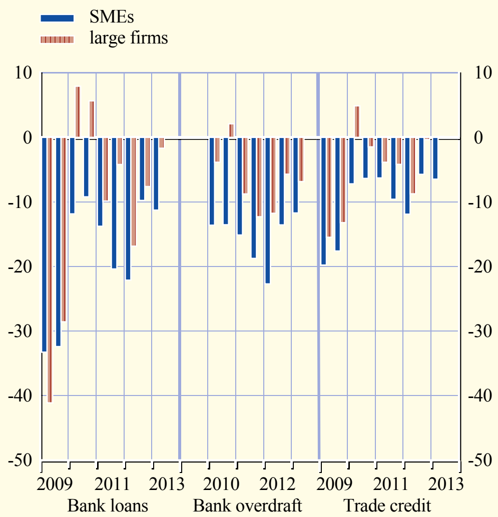
Sources: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase in needs and that reporting a decrease. Data for bank overdrafts (which also include credit lines and credit card overdrafts) are not available for the first two rounds of the survey.

Continued deterioration in the availability of external financing for euro area SMEs

Between April and September 2013, the net percentage of euro area SMEs reporting a deterioration in the availability of bank loans increased marginally to -11% (from -10%; see Chart C). Euro area SMEs reported a smaller deterioration in the availability of bank overdrafts on balance (-12%, from -14%) while the availability of trade credit remained broadly unchanged at -6%. Turning to the factors affecting the availability of external financing across different instruments, SMEs indicated that the deterioration was less significant than in the previous round. They continued to refer in particular to a worsening of the general economic outlook, but to a considerably smaller degree (-24% in net terms, from -35%). Indeed, SMEs reported some signals of a reduced deterioration in most of the factors related to the availability of external financing between April and September 2013; the net percentage of euro area SMEs reporting a worsening of their firm-specific outlook was -5%, from -16%. By contrast, SMEs' own capital had a positive impact on the availability of external financing on balance (3%, from -2%). As with these demand-driven factors, SMEs indicated a smaller deterioration in banks' willingness to provide a loan in the period from April to September 2013 (-17%, from -21%).

Chart C Availability of external financing for euro area firms

(change over the preceding six months, in net percentage of firms that applied for external financing)



Sources: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase in availability and that reporting a decrease.

On balance, euro area SMEs also reported a slight worsening in the terms and conditions of bank loan financing, in line with the marginal net deterioration in the availability of bank loans. They also reported an increase in interest rates (19%, up from 17% in the previous survey), while, with respect to non-price terms and conditions, they signalled a marginal tightening on balance, with a reduction in the size (-1%, down from 3%) and maturity (-1%, down from 0%) of loans. In addition, SMEs reported a more moderate increase in collateral requirements on balance (31%, from 35%).

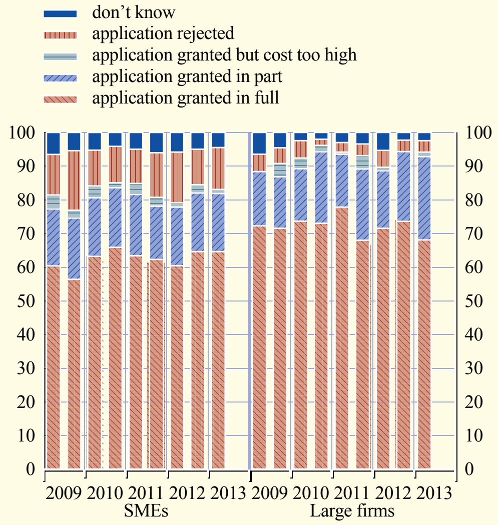
As in the case of euro area SMEs, the availability of bank loans to large firms deteriorated less than in the previous survey period (-2%, up from -8%). In addition, the degree of deterioration remained somewhat smaller than for euro area SMEs, indicating that large firms generally have easier access to finance than SMEs.

Significant financing obstacles for euro area SMEs, with an unchanged share of successful loan applications and a marginal increase in the rejection rate

When looking at the actual outcome of bank loan applications by SMEs between April and September 2013, the situation shows few signs of improvement at the euro area level. Of the euro area SMEs, 65% reported that they had received the full amount of their loan application (unchanged from the previous survey period; see Chart D). By contrast, 12% reported that their bank loan application had been rejected (up from 11%) and 8% that they had received only part of the requested amount (down from 10%). For bank overdrafts, euro area SMEs also reported an unchanged rejection rate (10%). In order to calculate an encompassing measure of financing obstacles, the following percentages are summed: SMEs reporting loan applications which were rejected, those reporting loan applications for which only a limited amount was granted, those reporting loan applications which were not used because the borrowing costs were too high and those that did not apply for a loan for fear of rejection (i.e. discouraged borrowers). The result shows that a share of 12% of all the euro area SMEs surveyed (unchanged from the previous survey round) reported that their desired loan applications were not successful in the period from April to September 2013.[4]

Chart D Outcome of loan applications by euro area firms

(over the preceding six months; percentage of firms that applied for bank loans)



Sources: ECB and European Commission survey on the access to finance of SMEs.

For large firms, the rate of success when applying for a bank loan was higher than for SMEs, but declined to 68% (from 74%). The rejection rate remained unchanged at 3%. An encompassing measure of financing obstacles points to a percentage of 8% of large firms (up from 7%), indicating that large firms generally had better access to finance than SMEs.

4 A new version of the encompassing indicator of financing obstacles was introduced in this survey round based on all SMEs, irrespective of whether or not they applied for a bank loan. See footnote 9 of the report on the survey in the "Statistics" section of the ECB's website (see "Monetary and financial statistics"/"Surveys"/"Access to finance of SMEs").

Box 5

INTEGRATED EURO AREA ACCOUNTS FOR THE SECOND QUARTER OF 2013[1]

The integrated euro area accounts, released on 29 October 2013 and covering data up to the second quarter of 2013, offer comprehensive information on the income, spending, financing and portfolio decisions of institutional sectors in the euro area. The euro area external balance improved again, as a result of a further increase in the trade surplus. Household income continued to grow very slowly in nominal terms and declined significantly again in real terms (by 1.1% year on year). This caused households to reduce their saving flows, nudging their saving ratio back down to record lows, while housing investment fell further. Non-financial corporations (NFCs) remained in a net lending position (as opposed to their more usual net borrowing position), with fixed investment remaining close to historical lows as a share of value added and still

1 Detailed data can be found on the ECB's website (available at http://sdw.ecb.europa.eu/browse.do?node=2019181).

declining in year-on-year terms (albeit at a reduced pace). NFC business margins remained at very low levels, below their post-Lehman trough. The reduction of government deficits resumed. From a balance sheet perspective, household net wealth declined slightly, while the strong NFC deleveraging trend was interrupted in the second quarter owing to losses on equity held. Financial corporations' capital ratios remained stable at high levels. The international investment position (i.i.p.), which captures the net external balance sheet position of the euro area, improved further, while non-residents continued to shift from deposits into debt securities.

Euro area income and net lending/net borrowing

In the second quarter of 2013 the nominal growth rate of euro area disposable income recovered to 0.7% year on year, from 0.1% in the first quarter. This reflected the improvement in year-on-year real GDP growth from the first to the second quarter (which contributed 0.6 percentage point). There was also a reversal of the adverse working day effects that affected the first quarter (contributing around 0.7 percentage point). These effects were offset by a deterioration in net property income and transfers with the rest of the world (-0.7 percentage point). The rebound in euro area nominal income primarily reflected an increase in government income (see Chart A).

With euro area consumption growing at broadly the same rate as income, overall euro area gross saving growth came to a standstill. The household saving ratio fell back to its historical low and NFCs' retained earnings declined. By contrast, the government sector resumed the reduction in dissaving. The pace of decline in euro area fixed capital formation more than halved, standing at 3.2% year on year in the second quarter, reflecting a fall in all sectors: investment of NFCs contracted by 2.7%, while that of households and government fell by 2.8% and 1.6%

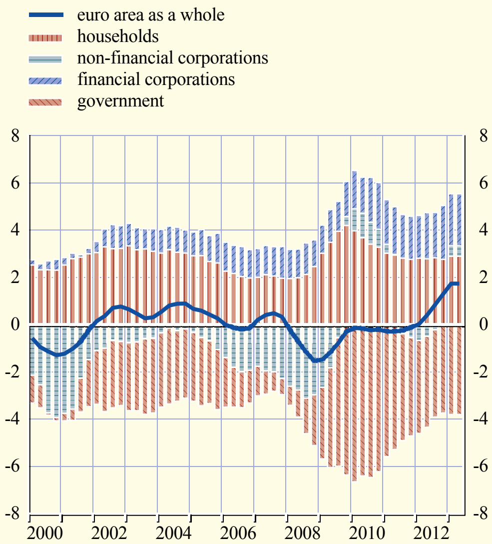
Chart A Gross disposable income in the euro area and contributions by sector

(annual percentage changes; percentage point contributions)

Sources: Eurostat and ECB.

Chart B Net lending/net borrowing of the euro area

(percentages of GDP; four-quarter moving sums)



Sources: Eurostat and ECB.

respectively. A slight destocking was observed in the second quarter, with the result that the pace of decline in gross capital formation was very close to that of fixed capital formation.

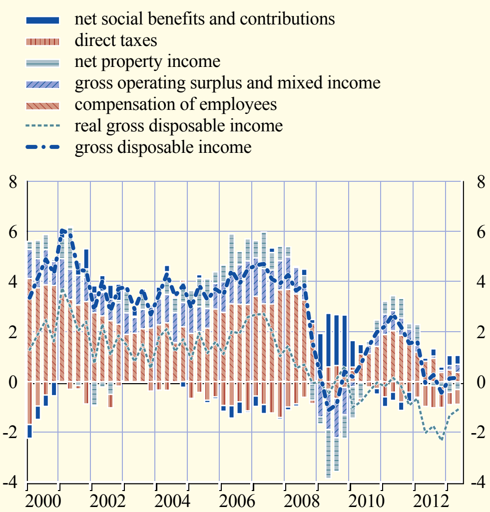
With capital formation still declining and savings stabilising, euro area "net lending" improved further, to stand at 2% of GDP on a four-quarter-sum basis. This is also reflected in the increase in the current account surplus. From a sectoral viewpoint, this improvement notably mirrored a reduction in government deficits and an increase in the net lending of financial corporations, while the net lending of NFCs and households remained broadly stable on a four-quarter-sum basis (see Chart A). On the financing side, cross-border flows remained subdued, with non-residents continuing to shift from deposits into debt securities. The i.i.p. improved further, standing at -18.7% of GDP in the second quarter.

Behaviour of institutional sectors

In the second quarter of 2013 *household* nominal income growth remained subdued (standing at 0.2% year on year). On the one hand, the fiscal drag (household net transfers vis-à-vis government) subtracted 0.2 percentage point from annual income growth, while net property income earned accounted for a further 0.3 percentage point reduction. On the other hand, compensation of employees continued to grow at a slow pace (0.5%), while gross operating surplus and mixed income accelerated somewhat (see Chart C). Amid lower inflation, real income fell less markedly in the second quarter, declining at a rate of 1.1% year on year (as compared with a low of 2.3% in the fourth quarter of 2012). As consumption grew at a somewhat faster rate (0.5% in nominal terms), households' savings contracted, pushing the saving ratio back to its record low of 12.8% on a seasonally adjusted basis (see Chart D). The pace of contraction in housing investment halved but still remained significant. Household net lending thus remained

Chart C Households' nominal gross disposable income

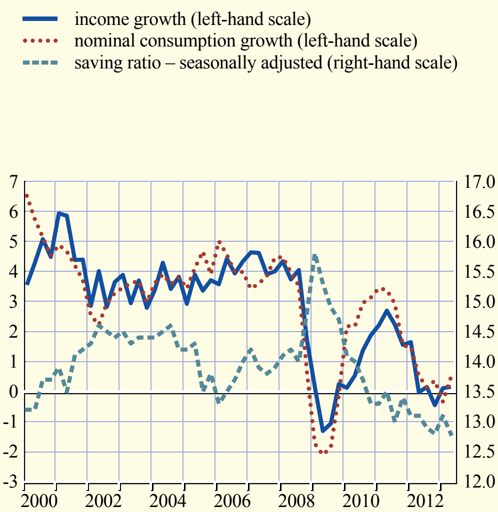
(annual percentage changes; percentage point contributions)



Sources: Eurostat and ECB.

Chart D Households' income, consumption and saving ratio

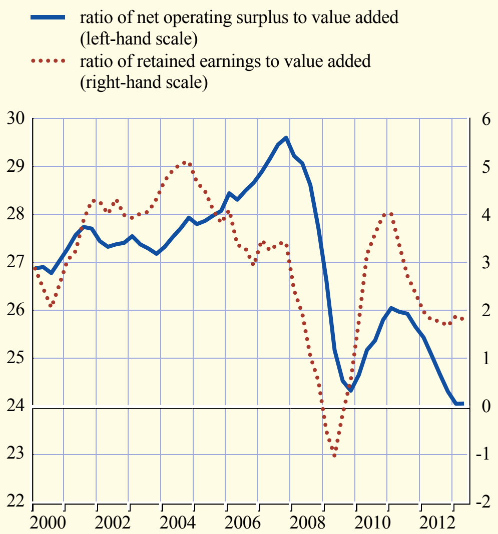
(annual percentage changes; percentage of gross disposable income, seasonally adjusted)



Sources: Eurostat and ECB.

Chart E Non-financial corporations' margins

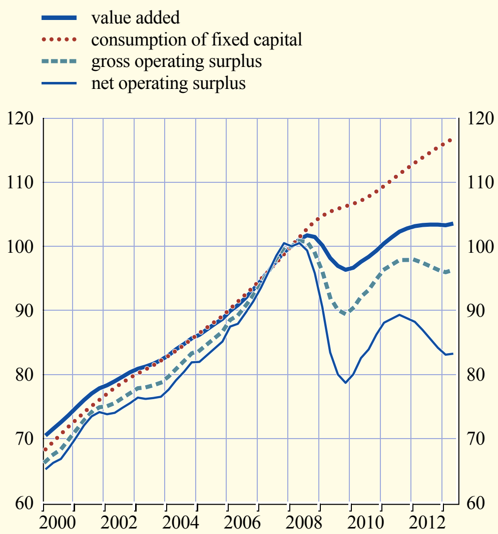
(percentages, four-quarter moving averages)



Sources: Eurostat and ECB.

Chart F Non-financial corporations' value added, operating surplus and consumption of fixed capital

(index: Q1 2008=100)



Sources: Eurostat and ECB.

broadly stable. Growth in both household financing and financial investment stabilised at very low levels. On the financing side, borrowing from banks came to a halt. On the assets side, households continued to shift their portfolios into bank deposits, insurance technical reserves and mutual funds, and away from debt securities. Household net wealth fell somewhat year on year, as holding losses on housing again exceeded net saving and year-on-year gains on equity held (see Chart G). As a consequence, households' leverage ratio continued to edge up.

The gross operating surplus of *NFCs* picked up in the second quarter of 2013 after having declined in the first quarter, as value added recovered (growing at a rate of 1% year on year) and outpaced the stable slow growth in wages. Business margins, as measured by the ratio of net operating surplus to value added, remained at the low point reached in the first quarter, which was even lower than the post-Lehman trough (four-quarter average; see Chart E). When measuring firms' profitability using national accounts, the focus should be on the net operating surplus rather than the gross operating surplus since consumption of fixed capital (i.e. amortisation of capital equipment and buildings spread over several years) should be excluded. Given that consumption of fixed capital represents a fixed cost of business, it tends to move exogenously and steadily throughout the business cycle. As a result, a net profit measure tends to be more sensitive to the business cycle than a measure of gross profits and is thus likely to be more depressed during periods of low activity (see Chart F).[2] At the same time, a number of factors continued to keep NFC net savings (i.e. retained earnings) at relatively elevated levels, notwithstanding a decline in the second quarter: net interest paid by NFCs remained low (and continued to fall), as did net dividends paid out (although they increased). The overall pace of decline in fixed capital expenditure moderated to -2.7% year on year, from -8.3% in the first quarter, while investment remained close to its historical low as a share of value added. The unusual net lending position

2 See, for instance, the box entitled "The role of profits in shaping domestic price pressures in the euro area", *Monthly Bulletin*, ECB, March 2013.

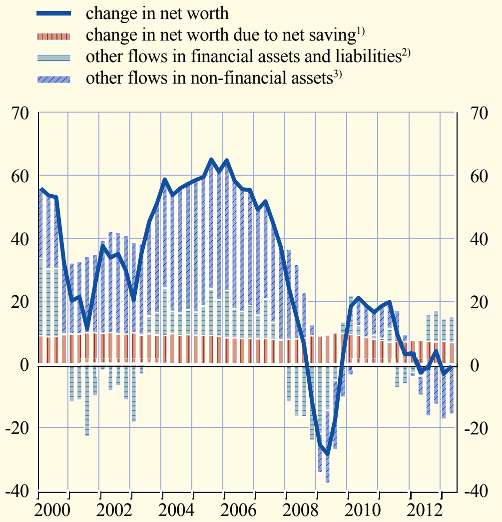
of NFCs declined somewhat in the second quarter (though still increasing year on year). On the financing side, in order to compensate for bank lending (which contracted by €150 billion over four quarters), NFCs continued to tap the bond market (€92 billion in net terms) and the stock market (€21 billion), as well as to actively borrow from other financial corporations (€99 billion). Intra-sector lending, comprising loans granted by other NFCs and the bulk of trade credits (which are important for SMEs facing bank financing constraints), came to a halt. NFCs reduced the pace at which they increased their already ample liquidity buffers (which stood at €2.7 trillion). The ongoing deleveraging process of NFCs was temporarily interrupted in the second quarter owing to the lower valuation of equity held.

The reduction of the *government* deficit resumed (with net borrowing standing at 3.7% of GDP on a four-quarter-sum basis), despite significant capital expenditure related to bank recapitalisation (0.7% of GDP on a four-quarter-sum basis), owing mainly to the reversal of the abrupt deceleration in tax revenue observed in the first quarter. Current expenditure grew by 1.7% year on year in nominal terms in the second quarter. Fixed investment expenditure fell again, but at a slower pace. Debt issuance continued to fund large deficits as well as significant increases in financial assets, with the latter notably reflecting sizeable intergovernmental lending and some frontloading of debt issuance. Debt securities issued were bought by financial corporations, particularly banks, and to some extent by non-residents.

The year-on-year fall in the disposable income of *financial corporations* moderated. Net dividends earned stabilised, while value added and net interest earned, taken together, continued

Chart G Change in the net worth of households

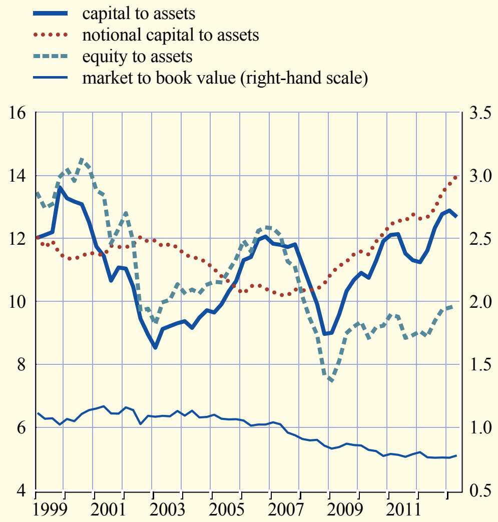
(four-quarter moving sums; percentages of gross disposable income)



Sources: Eurostat and ECB.
Notes: Data on non-financial assets are estimates by the ECB.
1) This item comprises net saving, net capital transfers received and the discrepancy between the non-financial and the financial accounts.
2) Mainly holding gains and losses on shares and other equity.
3) Mainly holding gains and losses on real estate (including land).

Chart H Capital ratios of financial institutions excluding mutual funds

(percentage of total assets; ratio)



Source: ECB.
Notes: In this chart, "equity" comprises "shares and other equity" other than "mutual fund shares". "Capital" is defined as the difference between financial assets and liabilities other than equity. Assets and liabilities are valued at market value. The ratio of "notional capital to assets" is calculated on the basis of transactions in capital and assets, i.e. excluding holding gains/losses on (changes in prices of) assets and liabilities.

to contract, and higher taxes were paid. Financial corporations' net assets at market value (an aggregate measure of "capital" using national accounts data) remained broadly stable, despite sizeable net retained earnings (€47 billion in the second quarter), significant capital transfers received from government (€14 billion), and equity raised on the market (€38 billion). Financial corporations' net assets at market value suffered from holding losses on their asset portfolios, notably in debt securities. On the positive side, however, the "notional" value of this capital ratio (which eliminates the impact of holding gains and losses) continued to increase rapidly (see Chart H). The discount of the stock market value of financial corporations to their net assets at market value (shown as the "market to book value" in Chart H) remained very large, reflecting continued market distrust. Additions to financial corporations' balance sheets remained subdued on a consolidated basis.

Balance sheet dynamics

All in all, the net wealth of households fell slightly, year on year, in the second quarter, by the equivalent of 0.5% of income. The positive influence of net saving (7.0% of income) and of holding gains on their financial portfolios (8.3% of income, cumulated over one year) was more than offset by significant holding losses on non-financial assets (i.e. housing, amounting to 15.7% of income) (see Chart G).

Financial corporations posted significant holding losses on their portfolio of assets in the second quarter. This was mostly due to a decline in the value of debt securities, as market yields increased, and to a lesser extent of equity held (quoted shares, unquoted shares and mutual funds). These holding losses offset sizeable capital increases, with the result that the capital ratio as measured by net assets at market value remained stable (see Chart H).

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation decreased in October 2013 to 0.7%, from 1.1% in September. This decline was stronger than expected and reflected, in particular, lower food price inflation, a larger fall in energy prices and some weakening in services price inflation. On the basis of current futures prices for energy, annual inflation rates are expected to remain at low levels in the coming months. Underlying price pressures in the euro area are expected to remain subdued over the medium term. At the same time, inflation expectations in the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%. Such a constellation suggests that the euro area may experience a prolonged period of low inflation, to be followed by a gradual upward movement towards inflation rates below, but close to, 2% later on. Taking into account the latest interest rate decision, the risks to the outlook for price developments are broadly balanced over the medium term.

3.1 CONSUMER PRICES

According to Eurostat's flash estimate, headline HICP inflation was 0.7% in October 2013, down from 1.1% in September. This decline was stronger than expected, and reflected, in particular, lower food price inflation, a larger fall in energy prices and some weakening in services price inflation. The largest contribution to the overall decline was made by the food component.

Euro area annual HICP inflation has fallen considerably in the course of 2013, owing primarily to a marked drop in energy price inflation from the elevated levels seen in 2012 and 2011. In recent months, however, the faster than expected decline in food price inflation from the high levels recorded earlier in the year has also played a role in reducing overall inflation to such a low level. In addition, various HICP exclusion-based measures have also followed a downward trend in 2013, in an environment of weak economic activity.

Looking at the main components of the HICP in more detail, Eurostat's flash estimate for October 2013 suggests that the annual rate of change in energy prices fell to -1.7%, having stood at -0.9% in the previous month. This stronger than expected decline is attributable to a fall in oil prices,

Table 7 Price developments

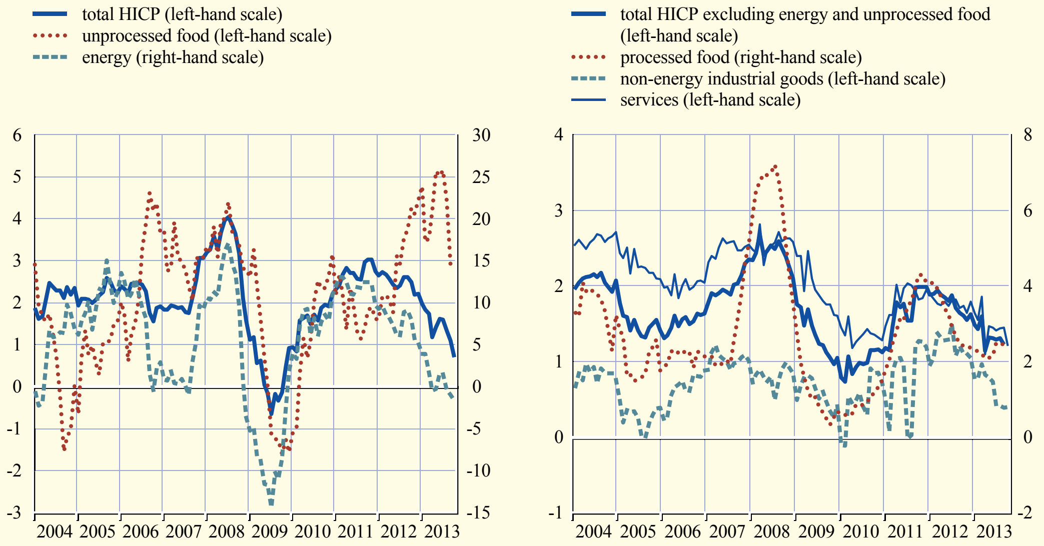
(annual percentage changes, unless otherwise indicated)

	2011	2012	2013 May	2013 June	2013 July	2013 Aug.	2013 Sep.	2013 Oct.
HICP and its components [1]								
Overall index	2.7	2.5	1.4	1.6	1.6	1.3	1.1	*0.7*
Energy	11.9	7.6	-0.2	1.6	1.6	-0.3	-0.9	*-1.7*
Food	2.7	3.1	3.2	3.2	3.5	3.2	2.6	*1.9*
Unprocessed food	1.8	3.0	5.1	5.0	5.1	4.4	2.9	.
Processed food	3.3	3.1	2.1	2.1	2.5	2.5	2.4	.
Non-energy industrial goods	0.8	1.2	0.8	0.7	0.4	0.4	0.4	*0.4*
Services	1.8	1.8	1.5	1.4	1.4	1.4	1.4	*1.2*
Other price indicators								
Industrial producer prices	5.7	2.8	-0.3	0.2	0.0	-0.8	-0.9	.
Oil prices (EUR per barrel)	79.7	86.6	79.2	78.3	81.9	82.6	83.0	80.0
Non-energy commodity prices	12.2	0.5	-4.8	-7.4	-12.2	-12.9	-12.9	-12.2

Sources: Eurostat, ECB and ECB calculations based on Thomson Reuters data.
1) HICP inflation and its components (excluding unprocessed food and processed food) in October 2013 refer to Eurostat's flash estimates.

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

related, in particular, to the appreciation of the euro and the stronger than expected squeeze on refining margins. In September, the last month for which a detailed breakdown is available, a strong downward base effect offset a month-on-month increase of 0.5%. The resulting decline in the annual rate of change in the energy component reflected, in particular, lower annual rates of increase in the prices of electricity, and of fuels and lubricants for personal transport equipment.

Eurostat's flash estimate for the total food component, which refers to inflation in the processed and unprocessed components taken together, decreased significantly, to 1.9%, in October, from 2.6% in September, pointing to a rapid decline in food prices from the high levels seen earlier in the year. This component thus made the largest contribution to the overall drop in inflation in October. No official information is available with regard to the breakdown of the food component for that month. Unprocessed food price inflation fell from 4.4% in August to 2.9% in September, reflecting a small downward base effect and a negative month-on-month change in seasonally adjusted terms. The data for September show declines in the annual rates of change in all sub-components, in particular fruit and vegetables, which fell to 5.9% and 2.9% respectively, down from 11.3% and 4.7% in August. By contrast, processed food price inflation declined only marginally in September, to 2.4%, reflecting minor changes in the annual rate of change in several sub-components and no change in that of tobacco prices.

HICP inflation excluding food and energy stood at 0.8% in October, down from 1.0% in September, according to Eurostat's flash estimate. Excluding these two volatile items leaves the non-energy industrial goods and services components, both of which have recorded lower than expected annual rates of change in recent months. In addition to the weak demand conditions, the limited initial impact of an increase in value added tax (VAT) in Italy on 1 October 2013 contributed to keeping non-energy industrial goods and services price inflation lower than expected. According to Eurostat's flash estimate, non-energy industrial goods price inflation remained unchanged, at 0.4%, in October. In September, the last month for which a detailed breakdown is available, the larger than usual discounts on clothing and footwear during the summer sales period, which had contributed to the low level of non-energy industrial goods inflation since July, came to an end. Nevertheless, prices of non-energy industrial goods remained at a low level, owing to the impact of a VAT increase and the rise in pharmaceutical prices in Spain in September 2012 dropping out of the annual comparison, as well as a general decline in durable goods inflation (mainly related to a fall in the annual rate of change in car prices).

Services price inflation was estimated at 1.2% in October 2013, having stood at 1.4% since June. This decline may be attributable to base effects related to increases in tuition fees in October 2012 dropping out of the annual comparison, as well as to the waning impact of tax increases in some euro area countries. All in all, very weak developments in prices for communication, travel and other services kept the annual rate of change in the services component at a low level in September.

3.2 INDUSTRIAL PRODUCER PRICES

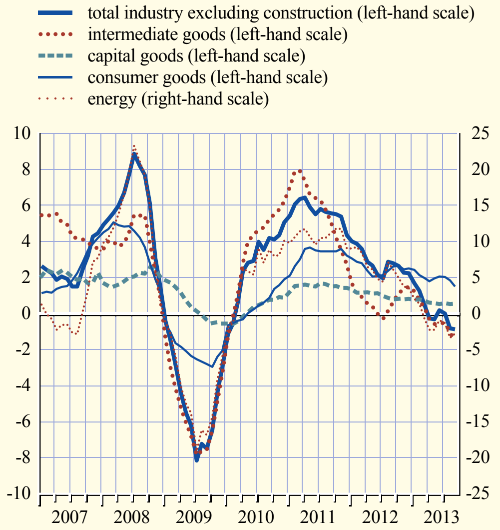
The annual rate of change in industrial producer prices (excluding construction) stood at -0.9% in September 2013, down from -0.8% in August. Excluding construction and energy, it became slightly negative (-0.1%) in September (see Table 7 and Chart 22). Pipeline pressures from non-energy industrial goods on consumer prices remain subdued at the later stages of the price chain. The annual rate of change in the non-food consumer goods component of the PPI increased marginally, to 0.3%, in September, while the Retail Purchasing Managers' Index (PMI) of input prices for non-food stores increased to 59.0 in October, from 55.6 in September. The PMI component of the PPI of profit margins in non-food stores rose somewhat last month, but nevertheless remained slightly below its long-term average. At the earlier stages of the price chain, pressures continued to ease, as the annual rates of change in the intermediate goods component of the PPI, in import prices for intermediate goods, in commodity prices and in crude oil prices in euro all remained negative.

Pipeline pressures on consumer food prices have moderated at the later stages of the price chain and continue to diminish at the earlier stages. In September the annual rate of change in the food component of the PPI declined again, to 2.1%, having stood above 3% from May to July. In addition, the October PMI survey shows that input prices for food stores are rising and that profit margins are declining to levels close to their long-term averages. Earlier in the price chain, the annual rate of increase in EU farm gate prices dropped to 1.5% in August, from rates above 11% in the second quarter of the year. Moreover, the surge in international food commodity prices in euro terms continued to ebb in October, as the annual rate of change stood at -21.4%, up from -23.8% in September.

The latest data from both the PMI and European Commission surveys indicate that pipeline pressures on consumer prices for non-energy industrial goods remain subdued and that those on consumer prices for food are moderating. With regard to the PMI (see Chart 23), the input price index for the manufacturing sector increased from 51.0 in September to 53.0 in October, while the output price index remained broadly unchanged at 50.5. Both indices are above the threshold value of 50, signalling that prices are rising, but remain below their long-term average. Forward-looking European Commission survey data on selling price expectations for total industry increased slightly in October, reflecting increases in selling price expectations in the intermediate and capital goods industries that were partly counterbalanced by decreases in selling price expectations in consumer goods industries.

Chart 22 Breakdown of industrial producer prices

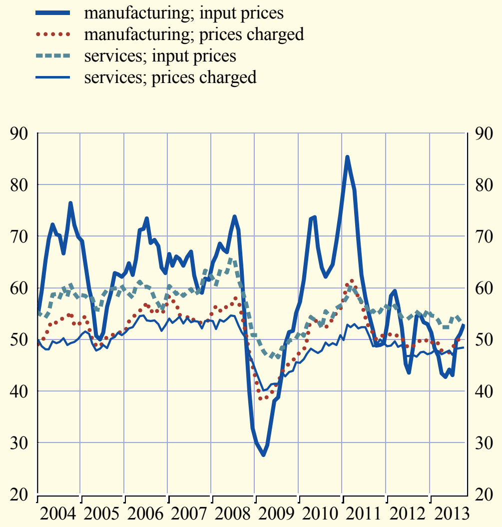
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 23 Producer input and output price surveys

(diffusion indices; monthly data)



Source: Markit.
Note: An index value above 50 indicates an increase in prices, whereas a value below 50 indicates a decrease.

3.3 LABOUR COST INDICATORS

As evidenced by the latest releases of labour cost indicators, domestic pressures on prices stemming from labour costs eased in the first half of 2013 (see Table 8 and Chart 24).

At the aggregate euro area level, wage growth slowed in the second quarter of 2013, to a greater extent in the public sector than in the private sector. At the country level, however, labour cost indicators followed very different patterns. While nominal wages and unit labour costs grew only slightly or even declined in some euro area countries, wage growth remained relatively robust in others. Total hours worked rebounded strongly in the second quarter of 2013, while hourly labour productivity and wage growth per hour dropped considerably. By contrast, annual labour productivity growth per person employed grew by 0.4% year on year in the second quarter 2013, after dropping by 0.2% in the previous quarter.

Table 8 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2011	2012	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2
Negotiated wages	2.0	2.1	2.2	2.2	2.2	2.0	1.7
Hourly labour cost index	2.2	1.8	2.1	1.9	1.6	1.7	0.9
Compensation per employee	2.1	1.7	2.0	2.0	1.5	1.7	1.5
Memo items:							
Labour productivity	1.3	0.0	0.2	-0.1	-0.3	-0.2	0.4
Unit labour costs	0.8	1.7	1.8	2.2	1.8	1.9	1.1

Sources: Eurostat, national data and ECB calculations.

At the aggregate euro area level, the annual rate of growth in compensation per employee decreased to 1.5% in the second quarter of 2013, from 1.7% in the previous quarter. As compensation per employee grew at a slower pace than productivity, unit labour costs declined from 1.9% in the first quarter to 1.1% in the second quarter.

Euro area negotiated wages grew by 1.7%, year on year, in the second quarter of 2013, down from 2.0% in the previous quarter. Preliminary data on negotiated wages for the third quarter of 2013 suggest that this wage indicator has continued to fall in line with weak labour market developments.

In the second quarter of 2013 the annual rate of change in hourly labour costs slowed considerably, by 0.8 percentage point, to 0.9%, owing to the marked increase in hours worked. This deceleration in hourly wage growth was observed in the non-business economy, which is dominated by changes in the government sector, as well as in the business economy. Within the business economy, annual hourly labour cost growth fell strongly in the industrial sector, somewhat less in the services sector, and only marginally in the construction sector. Overall, wages and salaries grew at a much faster rate than the non-wage component of euro area hourly labour costs, exhibiting a similar pattern to that observed in the previous quarter.

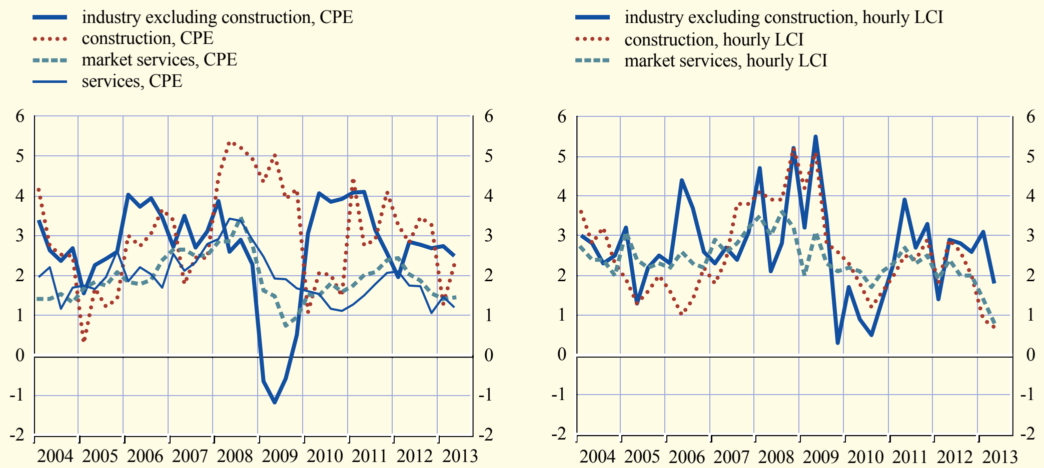
Chart 24 Selected labour cost indicators

(annual percentage changes; quarterly data)

Sources: Eurostat, national data and ECB calculations.

Chart 25 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.
Note: CPE stands for compensation per employee and LCI stands for labour cost index.

3.4 EURO AREA RESIDENTIAL PROPERTY PRICES

According to the ECB's residential property price indicator, euro area house prices decreased by 2.4%, year on year, in the second quarter of 2013, which is less than in the first quarter (-2.8%). This points to tentative signs of a bottoming-out in the annual growth rate of house prices (see Box 6 for more details).

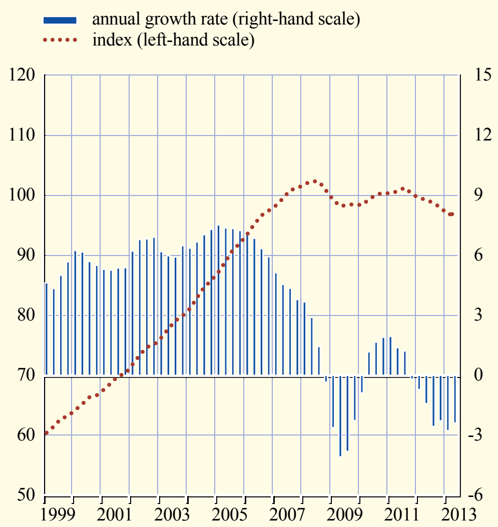
Box 6

RECENT HOUSE PRICE DEVELOPMENTS IN THE EURO AREA

According to the ECB's residential property price indicator, euro area house prices decreased by 2.4% year on year in the second quarter of 2013, and thus by less than in the first quarter (-2.8%).[1] The index level points to tentative signs of a bottoming-out of house prices, following declines since autumn 2011 (see the chart).

Nominal residential property prices in the euro area

(index: 2007 = 100; annual percentage changes)



Sources: National data and ECB calculations.

Developments in the euro area residential property price indicator remained characterised by significant heterogeneity across countries (see the table). The dispersion in annual growth rates in the second quarter of 2013 covered a range from -12% in Spain to +12% in Estonia. The group of countries in which house prices continued to decline sharply in annual terms included – in addition to Spain – Greece, Italy, Cyprus and the Netherlands. In Slovenia, Portugal, France and Ireland, the annual declines were less pronounced and, in the case of Ireland, the latest data provide tentative signs of a stabilisation of prices. In contrast to developments in these countries, strong annual increases were recorded in the second quarter of 2013 for Estonia, Luxembourg and Austria, while in Belgium, Germany, Finland and Slovakia, price increases were moderate.

By the second quarter of 2013, the euro area residential property price indicator was around 5% lower than it was at its peak in mid-2008. This modest unwinding should be viewed in the context of developments in affordability, demographics, housing rents and housing supply.

1 According to Eurostat's House Price Index released in October 2013, house prices in the euro area decreased by 2.4% in the first quarter of 2013 and by 2.2% in the second quarter, compared with the same quarters one year earlier. However, gaps in recent data for Germany, Greece, Cyprus and Austria indicate where further improvements to these indices are needed to comply with the high statistical standards of representativeness, comparability and timeliness. Until such standards are met, the ECB will continue to publish its own euro area residential property price indicator, referring also to some non-harmonised indicators.

Residential property prices (nominal) in the euro area

(year-on-year changes, as a percentage)

	Weight (%)	Average over 1999-2011	2012	2012 H1	2012 H2	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2
Belgium	3.8	6.5	2.5	3.3	1.7	3.8	2.7	2.0	1.5	1.7	2.4
Germany	26.7	-	3.0	3.0	3.1	2.5	3.5	2.7	3.4	3.4	3.3
Estonia	0.2	-	8.0	10.2	5.9	13.8	6.8	6.5	5.3	7.8	12.0
Ireland	1.8	3.1	-12.8	-16.3	-9.0	-17.2	-15.4	-11.7	-6.1	-3.0	-0.4
Greece	2.6	5.1	-11.7	-10.7	-12.8	-10.5	-10.8	-12.6	-13.0	-11.3	-11.6
Spain	11.7	6.5	-13.7	-13.5	-14.0	-12.6	-14.4	-15.2	-12.8	-14.3	-12.0
France	21.3	7.4	-0.5	0.8	-1.8	1.9	-0.3	-1.6	-2.1	-2.0	-1.7
Italy	17.0	4.4	-2.8	-1.1	-4.5	-0.2	-2.1	-3.8	-5.2	-6.0	-5.9
Cyprus	0.2	-	-5.4	-5.4	-5.3	-4.9	-5.9	-5.8	-4.8	-5.3	-5.9
Luxembourg	0.4	-	4.2	4.3	4.1	4.6	4.1	4.4	3.8	4.2	5.1
Malta	0.1	5.2	0.5	2.7	-1.7	5.5	0.1	-1.2	-2.2	-0.6	1.1
Netherlands	6.4	4.1	-6.3	-4.8	-7.9	-4.1	-5.4	-8.4	-7.4	-8.3	-8.5
Austria	3.1	2.2	12.4	13.1	11.7	10.7	15.6	11.9	11.5	4.8	5.0
Portugal	1.9	2.2	-2.2	-1.6	-2.7	-1.5	-1.8	-2.6	-2.7	-3.8	-3.7
Slovenia	0.4	-	-6.9	-6.4	-7.4	-7.1	-5.7	-6.0	-8.8	-4.3	-4.6
Slovakia	0.7	-	-1.1	-2.3	0.1	-2.3	-2.3	-0.6	0.9	0.4	0.2
Finland	1.9	4.7	1.6	1.0	2.2	1.1	0.9	1.7	2.8	2.0	2.1
Euro area	100	4.1	-1.7	-1.1	-2.4	-0.7	-1.4	-2.6	-2.3	-2.8	-2.4

Sources: National data and ECB calculations.
Notes: Existing dwellings (houses and flats), whole country: BE, FR, NL, SK and FI. All dwellings (new and existing houses and flats) whole country: DE, IE, ES, IT, CY, MT, AT, PT and SI. All flats, whole country: EE, GR and LU.

A range of commonly used valuation approaches[2] suggests that the level of residential property market prices in the euro area, as a whole, are now broadly in line with fundamentals. However, misalignments at the country or regional level may still exist.

2 See the box entitled "Tools for detecting a possible misalignment of residential property prices from fundamentals", *Financial Stability Review*, ECB, Frankfurt am Main, June 2011.

3.5 THE OUTLOOK FOR INFLATION

On the basis of current futures prices for energy, annual inflation rates are expected to remain at low levels in the coming months. Underlying price pressures in the euro area are expected to remain subdued over the medium term. At the same time, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%. Such a constellation suggests that the euro area may experience a prolonged period of low inflation, to be followed by a gradual upward movement towards inflation rates below, but close to, 2% later on.

The latest ECB Survey of Professional Forecasters shows that, compared with the previous survey round, forecasters have revised their inflation expectations downwards by 0.1 percentage point for 2013 and 0.2 percentage point for 2014, while the outlook for 2015 remains unchanged (see Box 7). Inflation expectations for 2013, 2014 and 2015 stand at 1.4%, 1.5% and 1.6% respectively. Compared with the September 2013 ECB staff macroeconomic projections, SPF inflation expectations are below for 2013, but slightly above for 2014. Longer-term inflation expectations (for 2018) were revised slightly downwards to 1.9%.

Taking into account the latest interest rate decision, the risks to the outlook for price developments are broadly balanced over the medium term. Upside risks relate in particular to higher commodity prices as well as stronger than expected increases in administered prices and indirect taxes, and downside risks stem from weaker than expected economic activity.

Box 7

RESULTS OF THE ECB SURVEY OF PROFESSIONAL FORECASTERS FOR THE FOURTH QUARTER OF 2013

This box reports the results of the ECB Survey of Professional Forecasters (SPF) for the fourth quarter of 2013. The survey was conducted between 16 and 22 October 2013, and 54 responses were received.[1] Compared with the previous survey round, the results imply somewhat lower inflation expectations for 2013 and 2015, and no change in inflation expectations for 2014. Real GDP growth expectations were revised upwards for 2013 and 2014 and remained unchanged for 2015. Unemployment expectations were revised downwards for all forecast horizons. With regard to longer-term inflation expectations, the average point forecast decreased slightly to 1.9%.

Somewhat lower inflation expectations for 2013 and 2015 but no change for 2014

The SPF inflation expectations for 2013, 2014 and 2015 stand at 1.4%, 1.5% and 1.6% respectively (see the table). Compared with the previous survey round, this implies a downward revision of 0.1 percentage point for 2013 and 0.2 percentage point for 2015, and no change

Results of the SPF, ECB staff macroeconomic projections, Consensus Economics and the Euro Zone Barometer

(annual percentage changes, unless otherwise indicated)

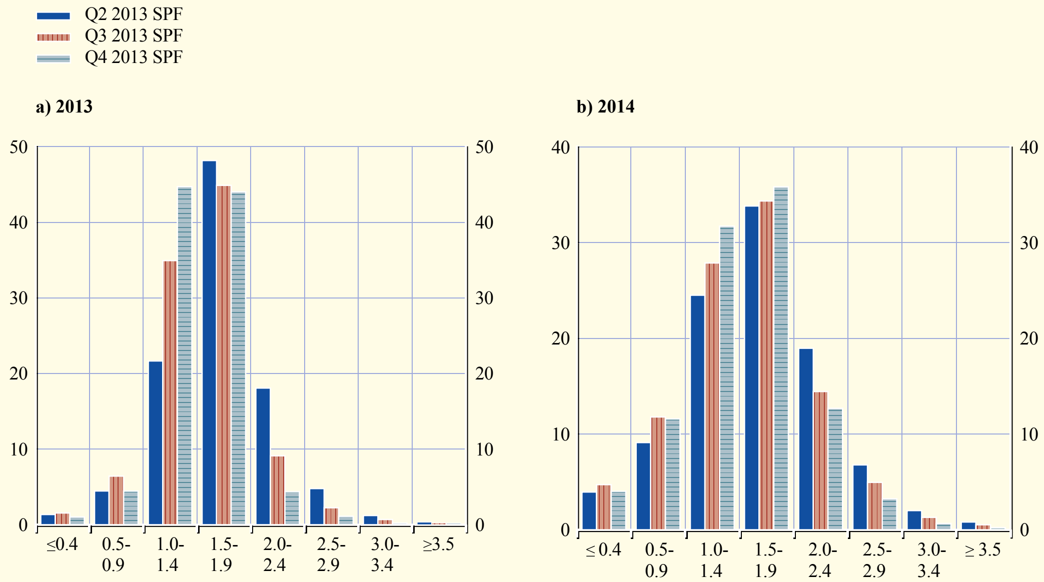
	Survey horizon			
HICP inflation	**2013**	**2014**	**2015**	**Longer-term 1)**
SPF Q4 2013	1.4	1.5	1.6	1.9
Previous SPF Q3 2013	*1.5*	*1.5*	*1.8*	*2.0*
ECB staff macroeconomic projections (September 2013)	1.5	1.3	-	-
Consensus Economics (October 2013) 2)	1.5	1.4	1.6	1.9
Euro Zone Barometer (October 2013)	1.5	1.5	1.6	2.0
Real GDP growth	**2013**	**2014**	**2015**	**Longer-term 1)**
SPF Q4 2013	-0.4	1.0	1.5	1.7
Previous SPF Q3 2013	*-0.6*	*0.9*	*1.5*	*1.7*
ECB staff macroeconomic projections (September 2013)	-0.4	1.0	-	-
Consensus Economics (October 2013) 2)	-0.3	0.9	1.3	1.5
Euro Zone Barometer (October 2013)	-0.4	1.0	1.5	1.6
Unemployment rate 3)	**2013**	**2014**	**2015**	**Longer-term 1)**
SPF Q4 2013	12.1	12.1	11.6	9.5
Previous SPF Q3 2013	*12.3*	*12.4*	*11.8*	*9.7*
Consensus Economics (October 2013) 2)	12.1	12.2	-	-
Euro Zone Barometer (October 2013)	12.1	12.1	11.9	11.1

1) Longer-term expectations refer to 2018 in the SPF Q4 2013 and Consensus Economics forecasts, but to 2017 in the Euro Zone Barometer forecasts.
2) Expectations for 2015 and the longer term were last published by Consensus Economics in October 2013.
3) As a percentage of the labour force.

1 The survey collects information on expectations for euro area inflation, real GDP growth and unemployment from experts affiliated with financial or non-financial institutions that are based in the EU. Data are available on the ECB's website at www.ecb.europa.eu/stats/prices/indic/forecast/html/index.en.html

Chart A Aggregate probability distribution of average annual inflation expectations for 2013 and 2014 in the latest SPF rounds

(probability in percentages)



Source: ECB.
Note: The aggregate probability distribution corresponds to the average of individual probability distributions provided by SPF forecasters.

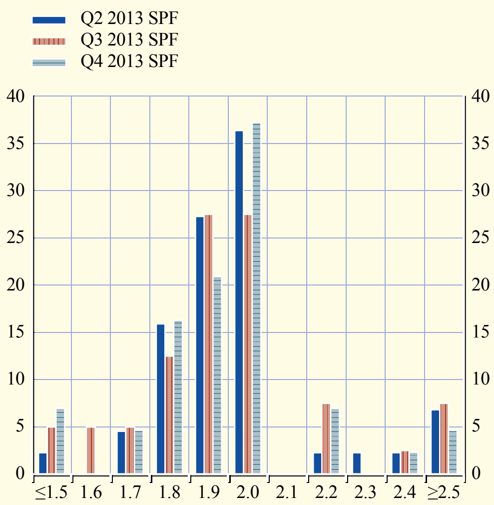
for 2014. Respondents attribute the downward revisions mainly to the modest economic recovery that is under way and ample excess capacity, low wage increases owing to high unemployment levels, more favourable trends in commodity prices, the appreciation of the euro and the dilution of effects resulting from higher administrative prices and high indirect taxes in some countries.

Compared with the September 2013 ECB staff macroeconomic projections, SPF inflation expectations are below for 2013 and slightly above for 2014. For 2013, they are also below the corresponding forecasts published in the October 2013 issues of Consensus Economics and the Euro Zone Barometer, but for 2014 and 2015 they are broadly in line therewith. Turning to the aggregate probability distributions, for 2013, a probability of 44% is assigned to an inflation rate of between 1.5% and 1.9%, and of 45% to the interval between 1.0% and 1.4%. For 2014, the two highest probabilities are 36%, which is allocated to the interval between 1.5% and 1.9%, and 32%, which is assigned to the interval between 1.0% and 1.4% (see Chart A).

Respondents are equally split between those who regard risks to the baseline outlook for inflation to be broadly balanced and those who consider it to be tilted to the downside. The main downside risks mentioned were the deterioration in euro area economic activity and labour markets, further declines in commodity prices and renewed financial tensions. Some respondents, however, also mentioned unexpected increases in commodity prices, as well as in indirect taxes and administered prices, as upside risks. Furthermore, a couple of respondents mentioned a stronger than expected rebound in the economy as another potential upward risk.

Chart B Cross-sectional distribution of longer-term inflation point forecasts

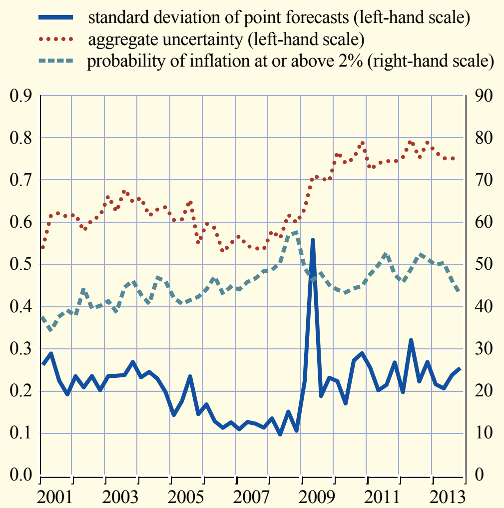
(percentage of respondents)



Source: ECB.

Chart C Disagreement and uncertainty about longer-term inflation expectations

(percentage points; percentages)



Source: ECB.
Note: Aggregate uncertainty is defined as the standard deviation of the aggregate probability distribution (assuming discrete probability density function with probability mass concentrated in the middle of the interval).

Longer-term inflation expectations revised slightly downwards to 1.9%

The average point forecast for longer-term inflation expectations (for 2018) stands at 1.9%, after 2.0% in previous survey rounds. Rounded to two decimal places, expectations stand on average at 1.93%, two basis points lower than in the previous survey round. The median of the point forecasts has returned to 2.0%, having stood at a one-off 1.9% in the previous survey round. This reflects an increase in the percentage share of respondents providing a point forecast of 2.0%, from 28% to 37% (see Chart B). The SPF longer-term inflation expectations are in line with the inflation expectations for 2018 published in the latest issue of Consensus Economics, but are somewhat lower than those for 2017 (2.0%) published in the Euro Zone Barometer.

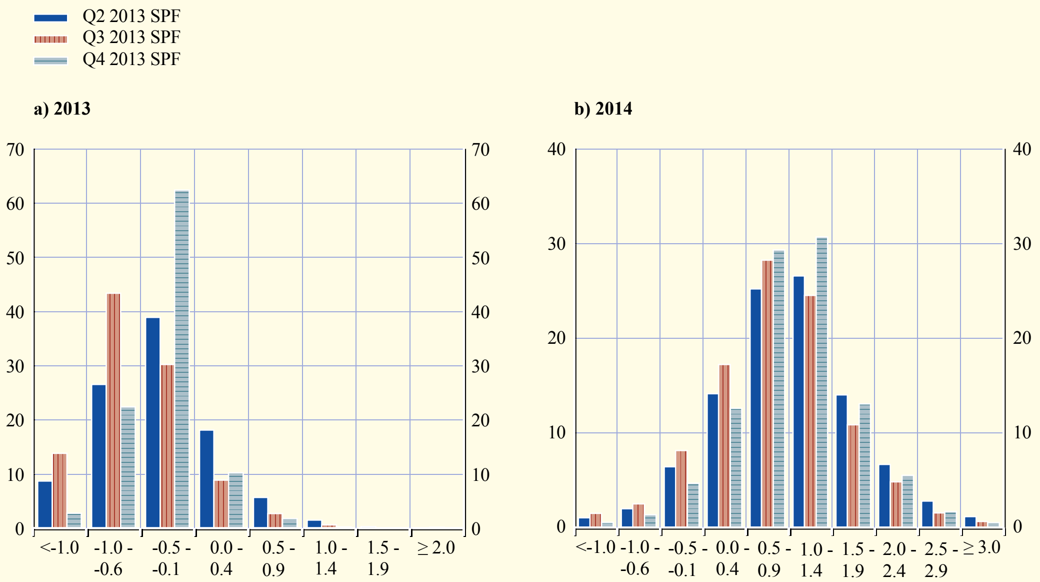
Compared with the previous survey round, the aggregate probability distribution has shifted slightly towards lower outcomes, with the probability of longer-term inflation being at or above 2.0% declining from 46% to 43%. By contrast, the probability of inflation being between 1% and 1.9% increased to 47%, up from 44% in the previous survey round. The probability of negative inflation rates remained unchanged at 0.9%.

Disagreement about longer-term inflation expectations, as measured by the standard deviation of the point forecasts, increased slightly to 0.3 percentage point, up from 0.2 percentage point in the previous survey round. However, it is still within the range observed since 2010. Aggregate uncertainty surrounding longer-term inflation expectations, as measured by the standard deviation of the aggregate probability distribution, remains at the elevated level observed in previous survey rounds (see Chart C).[2]

2 For more information on uncertainty measures, see the box entitled "Measuring perceptions of macroeconomic uncertainty", *Monthly Bulletin*, ECB, Frankfurt am Main, January 2010.

Chart D Aggregate probability distribution of GDP growth expectations for 2013 and 2014 in the latest SPF rounds

(probability in percentages)



Source: ECB.
Note:The aggregate probability distribution corresponds to the average of individual probability distributions provided by SPF forecasters.

GDP growth expectations revised upwards for 2013 and 2014

The average point forecast for GDP growth has been revised upwards by 0.2 percentage point, to -0.4%, for 2013 and by 0.1 percentage point, to 1.0%, for 2014, while for 2015 it has remained unchanged at 1.5% (see the table). Expectations for 2013 and 2014 are identical to the September 2013 ECB staff macroeconomic projections, as well as the latest forecasts of the Euro Zone Barometer. Compared with those of Consensus Economics, they are lower for 2013, but slightly higher for 2014 and 2015. Respondents cite the carry-over effects from the surprise pick-up in GDP growth in the second quarter of 2013 as the main factor behind the upward revisions for 2013. The levels of economic sentiment indicators in the third quarter suggest that that euro area GDP growth will remain moderate. Most respondents indicate that fragmentation in business financing conditions is still a major factor preventing growth from picking up at a stronger pace.

The aggregate probability distributions for real GDP growth in 2013, 2014 and 2015 have shifted towards higher outcomes. The largest shift was for 2013, with respondents now assigning the highest probability, 62%, to the interval between -0.5% and -0.1%, compared with only 30% in the previous survey round, when respondents assigned the highest probability, 43%, to a growth rate of between -1.0% and -0.6%. For 2014 and 2015, the upward shifts are moderate. Overall, respondents consider the balance of risks to GDP growth to still be tilted to the downside, owing mainly to the risks of a possible intensification of the sovereign debt crisis in stressed countries, less demand from major emerging economies and persistently tight credit conditions. The main upside risks relate to a stronger than expected improvement in confidence and a materialisation of the benefits of structural reforms earlier than assumed in the baseline.

Longer-term growth expectations (for 2018) remained stable at 1.7%. The aggregate probability distribution around this average point forecast has marginally shifted towards lower outcomes compared with the previous survey round.

Unemployment rate expectations revised downwards for 2013, 2014 and 2015

The average point forecasts for the unemployment rate currently stand at 12.1% for 2013 and 2014, and 11.6% for 2015, with the pattern following, with some lag, that of the expected moderate recovery in economic activity. Compared with the previous survey round, these figures imply downward revisions of 0.2 percentage point and 0.3 percentage point respectively (see the table).

Respondents attribute the downward revisions mainly to recent positive unemployment data, but also mention that the economic recovery is not strong enough to reduce unemployment substantially over the next one to two years. The SPF forecasts for 2013 and 2014 are in line with the latest corresponding forecasts of the Euro Zone Barometer and Consensus Economics, and for 2015 are 0.3 percentage point below those published by the Euro Zone Barometer.

The balance of risks to the short and medium-term unemployment expectations remain tilted to the upside and closely related to the downside risks to economic growth and the potential lack of progress being made on structural reforms. Several respondents also mentioned the risk that the recent high cyclical unemployment may turn into structural unemployment. Downside risks to the unemployment expectations relate primarily to the medium term and are associated mainly with stronger than envisaged competitiveness in the stressed countries. Longer-term unemployment rate expectations (for 2018) decreased slightly by 0.2 percentage point to 9.5%.

Other variables and conditioning assumptions

According to other information provided by respondents, the assumptions for the ECB's main refinancing rate remained broadly unchanged for all forecast horizons (0.5% for the fourth quarter of 2013 and 2014, and 0.7% for 2015). Expectations for the USD/EUR exchange rate have been revised slightly upwards. It is expected to stand at 1.33 in the fourth quarter of 2013, but then to return to the path of the previous survey round, to stand at 1.30 in 2014 and at an unchanged rate of 1.29 in 2015. Oil price assumptions were revised upwards by around 2% over the entire forecast horizon, with oil prices now expected to stand at USD 109.4 per barrel in the fourth quarter of 2013, USD 110.0 per barrel in 2014 and USD 111.5 per barrel in 2015. Compared with the previous survey round, annual growth in compensation per employee remains at 1.7% for 2013, but has been revised slightly upwards by 0.1 percentage point for 2014, to 1.7%. It remains unchanged at 2.0% for 2015 and 2.3% for the five-year ahead horizon.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Real GDP in the euro area rose by 0.3%, quarter on quarter, in the second quarter of 2013, following six quarters of falling output. Developments in survey-based confidence indicators up to October are consistent with continued, albeit modest, growth in the second half of the year. Looking ahead, output is expected to continue to recover at a slow pace, in particular owing to a gradual improvement in domestic demand supported by the accommodative monetary policy stance. Euro area economic activity should, in addition, benefit from a gradual strengthening of demand for exports. Furthermore, the overall improvements in financial markets seen since last year appear to be gradually working their way through to the real economy, as should the progress made in fiscal consolidation. In addition, real incomes have benefited recently from generally lower energy price inflation. This being said, unemployment in the euro area remains high, and the necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity. The risks surrounding the economic outlook for the euro area continue to be on the downside.

4.1 REAL GDP AND DEMAND COMPONENTS

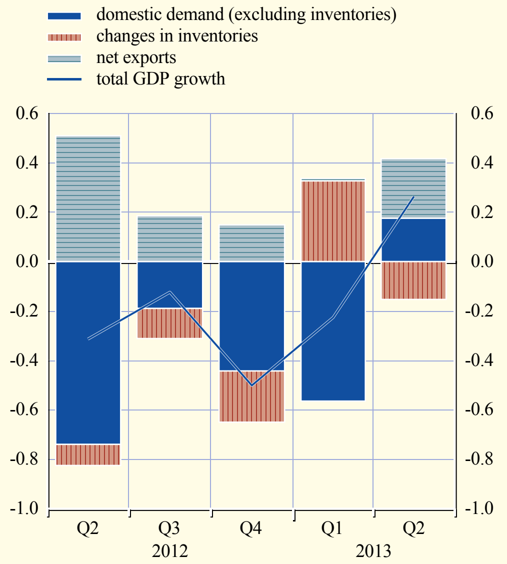
Eurostat's third estimate of national accounts confirmed that real GDP in the euro area rose by 0.3%, quarter on quarter, in the second quarter of 2013, following a contraction of 0.2% in the previous quarter (see Chart 26). Domestic demand and net exports contributed positively to growth, while changes in inventories contributed negatively.

Following six quarters of negative growth, private consumption increased by 0.1%, quarter on quarter, in the second quarter of 2013. This outcome was, in all likelihood, the result of positive contributions to consumer spending growth from purchases of retail goods and passenger cars, which were, to a large extent, offset by a decline in the consumption of services.

As regards the third quarter of 2013, information on private consumption points, on balance, towards broadly stable developments in household spending. The volume of retail sales in the third quarter stood, on average, 0.6% above that of the second quarter, when sales rose by 0.3%, quarter on quarter. At the same time, new passenger car registrations declined by 0.4%, quarter on quarter, in the third quarter, following an increase of 3.0% in the previous quarter. Retail sector survey data improved further in the third quarter before falling back slightly between September and October (see Chart 27). In October, the Purchasing Managers' Index (PMI) for retail trade stood somewhat below the theoretical expansion/contraction threshold of 50, suggesting a moderate fall in retail sales at the beginning of the fourth quarter. Euro area consumer confidence improved further between September and October, thus having increased for 11 consecutive months. The index is, nonetheless, still somewhat below its long-term average, signalling continued

Chart 26 Real GDP growth and contributions

(quarter-on-quarter growth rate and quarterly percentage point contributions; seasonally adjusted)



Sources: Eurostat and ECB calculations.

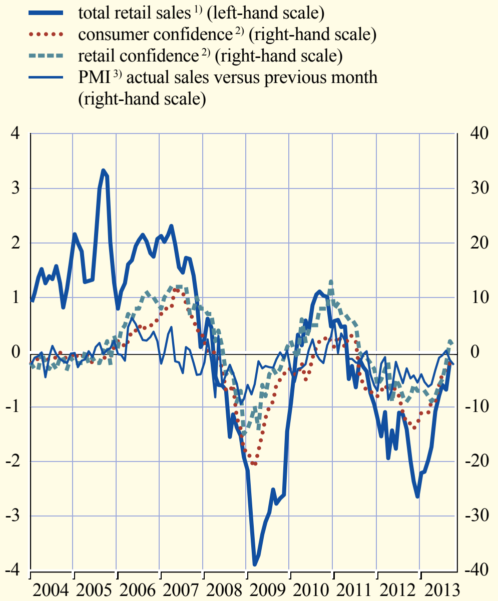
softness in consumer spending. Finally, the indicator for major purchases continues to exhibit dampened levels well below its long-term average, thus pointing towards persistently sluggish consumption of consumer durables.

Gross fixed capital formation rose by 0.2%, quarter on quarter, in the second quarter of 2013, following eight consecutive quarters of declines. Compared with the first quarter, non-construction investment displayed an increase, while construction investment was stable.

Industrial production of capital goods (an indicator of future non-construction investment) increased by 2.4%, month on month, in August, following a decline of 1.8% in July. As a result, the average level of capital goods production in July and August stood 0.1% above that of the second quarter, when it rose by 1.6%, quarter on quarter. Survey results for the non-construction industrial sector in the third quarter and October, from both the PMI and the European Commission, point to continued slight growth. At the same time, the European Commission surveys indicate that capacity utilisation increased slightly further in the three-month period up to October 2013.

Chart 27 Retail sales, confidence and PMI in the retail trade and household sectors

(monthly data)



Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
1) Annual percentage changes; three-month moving averages; working day-adjusted; including fuel.
2) Percentage balances; seasonally and mean-adjusted.
3) Purchasing Managers' Index; deviations from an index value of 50.

As regards construction, hard data are indicative of positive growth in the third quarter of 2013, while survey results suggest more muted dynamics. Production in construction increased by 0.5%, month on month, in August, and thus stood more than 2% above the level seen in the second quarter when production rose by 1.7%, quarter on quarter. As regards survey results, the PMI for construction in the euro area improved in the third quarter. However, this indicator still remains at a level below the growth threshold of 50, thereby indicating a decline in activity. The European Commission indicator on construction confidence was unchanged at a low level between the second and third quarters of 2013, before improving somewhat in October. At the same time, financing constraints, low employment expectations and ongoing housing market adjustments in a number of euro area countries still weigh on construction investment.

Following two consecutive quarterly declines, euro area trade recovered in the second quarter of 2013, with both exports and imports increasing compared with the first quarter. The contribution of net trade to GDP growth strengthened as exports recovered significantly (see Box 8). The latest data for August show a pick-up in both exports and imports of goods compared to July. According to short-term indicators, prices of traded goods are declining, which imply that the actual traded volume is higher than that suggested by the value data. At the same time, survey indicators available up to the beginning of the fourth quarter also point to an improvement in trade dynamics. In October, the PMI new export orders index remained above the expansion threshold of 50 and at the highest level seen since the second quarter of 2011. In addition, the European Commission survey indicator for export order books was also above the level seen in the second quarter average.

Box 8

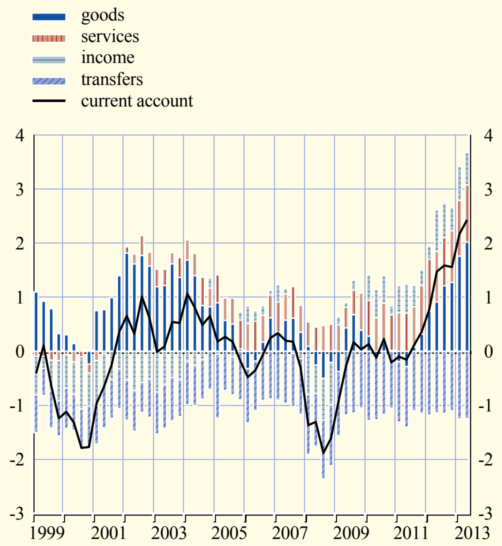
WHAT HAS DRIVEN THE RECENT EURO AREA CURRENT ACCOUNT IMPROVEMENT?

Since the start of the financial crisis, the euro area current account has reversed from a deficit of 1.9% of GDP in the third quarter of 2008 to a surplus of 2.4% in the second quarter of 2013 – the highest since the introduction of the single currency. This box identifies the main phases and driving factors behind this development, emphasising the role of the balances on goods and income as the major sources of the current account adjustment. While there is substantial heterogeneity at the country level, both stressed[1] and other euro area countries registered significant current account improvements.

The improvement in the euro area's current account since 2008 has proceeded in three broad phases: (i) a shift from a deficit to balance between the third quarter of 2008 and the third quarter of 2009; (ii) a roughly balanced current account from the fourth quarter of 2009 until the first quarter of 2011; and (iii) a growing surplus up to the second quarter of 2013 (see Chart A). During the initial phase, the balances on goods and income both turned from a deficit into a surplus, contributing 1.2 percentage points and 1 percentage point, respectively, to the overall

Chart A Euro area current account and its components

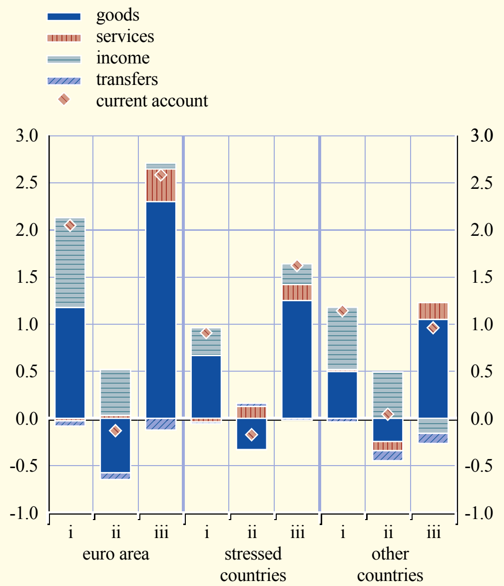
(four-quarter moving averages, percentages of GDP)



Source: ECB.
Note: Data refer to the period from the first quarter of 1999 to the second quarter of 2013.

Chart B Contributions of stressed and other countries to changes in the euro area current account balance

(percentages of GDP)



Source: ECB.
Notes: "Stressed countries" refers to Ireland, Greece, Spain, Italy and Portugal; "other countries" refers to the rest of the euro area. "i" refers to the period from the third quarter of 2008 to the third quarter of 2009, "ii" to the period from the fourth quarter of 2009 to the first quarter of 2011 and "iii" to the period from the second quarter of 2011 to the second quarter of 2013.

1 For the purpose of this box, the group of "stressed countries" comprises Ireland, Greece, Spain, Italy and Portugal. These countries were under stress during the period under review (third quarter of 2008 to second quarter of 2013) and experienced extra-euro area current account reversals of at least 3% of domestic GDP over that period.

improvement in the current account of 2.1% of euro area GDP over that period (see Chart B). During the second period, the current account remained balanced, with further improvement in the income balance outweighed by the deterioration in the balance on goods. In the third period, the current account balance improved markedly (2.6% of euro area GDP). The balance on goods was the fastest improving component during this phase, contributing 2.3 percentage points to the current account change. Both the income balance and the balance on services continued to improve mildly, contributing 0.1 and 0.4 percentage point, respectively. Changes in the balance on transfers were, in contrast, negligible in all phases.

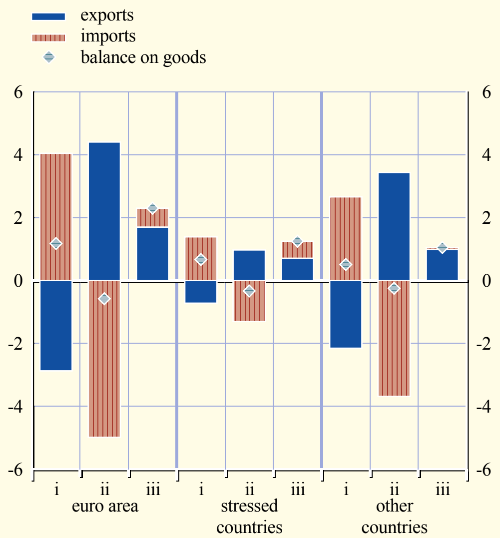
Stressed countries (Ireland, Greece, Spain, Italy and Portugal) were large contributors to the euro area current account improvement during the first and third phases. From the third quarter of 2008 to the third quarter of 2009, amid the global financial crisis, Ireland and Spain and – to a lesser extent – Greece, Italy and Portugal experienced current account reversals vis-à-vis their non-euro area trading partners.[2] During this phase, the stressed countries' goods balances jointly contributed 0.7 percentage point to the euro area current account improvement of 2.1% of GDP, with a further 0.3 percentage point improvement stemming from their income balances (see Chart B). Between the fourth quarter of 2009 and the first quarter of 2011, the joint surplus in their income balances disappeared. As tensions on sovereign debt markets in Greece, Ireland and Portugal intensified towards the end of this period, country-specific risk premia increased. This likely put upward pressure on external financing costs and hence reversed the surplus in stressed countries' income balances. On the other hand, GDP growth rebounded somewhat in all stressed countries except Greece over that period. This stabilised domestic demand and imports, such that the previous surplus in goods trade turned into a small deficit.

The strong current account improvement from the second quarter of 2011 onwards stemmed predominantly from the goods balance, both in stressed countries and in the remaining euro area countries, particularly in Germany.[3]

Pronounced import compression was the primary channel for goods balance corrections between the third quarter of 2008 and the third quarter of 2009 (see Chart C). This experience was shared by both stressed and other euro area countries. It is likely to reflect both income and substitution effects following a decline in domestic demand. Between the fourth quarter of 2009 and the first quarter of 2011, import

Chart C Contributions of exports and imports to changes in the euro area balance on goods

(percentages of GDP)



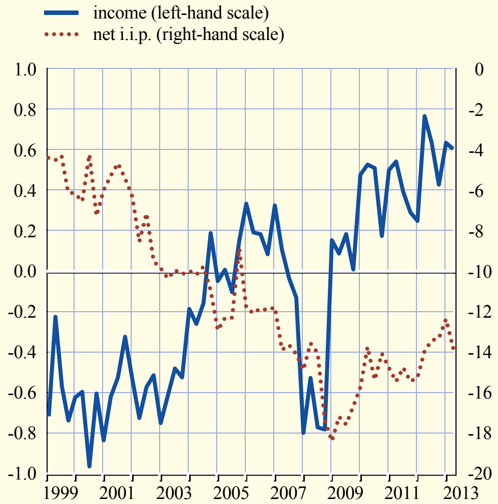
Source: ECB.
Notes: "Stressed countries" refers to Ireland, Greece, Spain, Italy and Portugal; "other countries" refers to the rest of the euro area. "i" refers to the period from the third quarter of 2008 to the third quarter of 2009, "ii" to the period from the fourth quarter of 2009 to the first quarter of 2011 and "iii" to the period from the second quarter of 2011 to the second quarter of 2013.

2 An external current account reversal is defined here as an improvement in the extra-euro area current account of more than 1% of domestic GDP between the third quarter of 2008 and the third quarter of 2009.
3 For an analysis of country-level current account developments vis-à-vis the rest of the world see the box entitled "Progress in the current account adjustment in the euro area in 2012", *Monthly Bulletin*, ECB, July 2013.

growth and export growth nearly cancelled each other out in both country groups. The significant improvement in the goods balance between the second quarter of 2011 and the second quarter of 2013 can be attributed to further export growth in both stressed and other countries, as well as renewed import compression in some of the stressed countries. The general shift from import compression (in the first period under review) to export growth (in the third period) as the main adjustment channel for the goods balance follows a typical pattern observed during current account reversals: imports tend to decline quickly on the back of weak domestic demand, while export growth lags behind as structural reforms and improvements in competitiveness that foster foreign demand take time to materialise.

Chart D Evolution of the net i.i.p. and income balance

(percentages of GDP)



Source: ECB.
Note: Data refer to the period from the first quarter of 1999 to the second quarter of 2013.

Having been a major source of adjustment in the euro area current account from the third quarter of 2008 to the third quarter of 2009, the income balance subsequently continued to improve – although at a slower pace. These improvements reflect mainly two factors: (i) exceptionally compressed yields on external liabilities of the euro area due to weak economic activity and improving public funding conditions; and (ii) a stock effect, i.e. a decline in the net external debt of the euro area since the first quarter of 2009. In line with the improving current account balance, the downward trend in the euro area net international investment position (i.i.p.) has reversed (see Chart D), which implies lower debt servicing costs and hence less downward pressure on the euro area's income balance in the future.

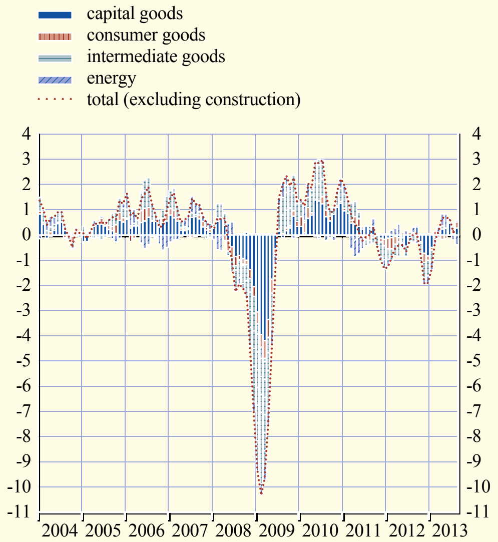
4.2 SECTORAL OUTPUT

Real value added increased by 0.2%, quarter on quarter, in the second quarter of 2013. This rise reflected positive developments in industry excluding construction as well as services. At the same time, value added in construction continued to contract.

With regard to developments in the third quarter of 2013, growth in industrial production (excluding construction) increased by 1.0% in August, following a decline of the same magnitude in the previous month. As a result, average industrial production in July and August stood 0.1% below that of the second quarter, when it increased by 0.7%, quarter on quarter (see Chart 28). The ECB indicator for euro area industrial new orders (excluding heavy transport equipment), which is less influenced by large scale orders than the indicator for total new orders, increased by 1.9%, month on month, in August, following a decline of 0.3% in July. The three-month-on-three-month growth rate of this indicator was positive for the fifth month in a row and suggests further slight increases in industrial production. Looking ahead, more timely survey data also point to moderate improvements. For example, the manufacturing output PMI, which suggests positive growth in the third quarter for the first time since the second quarter of 2011, rose somewhat further between

Chart 28 Industrial production growth and contributions

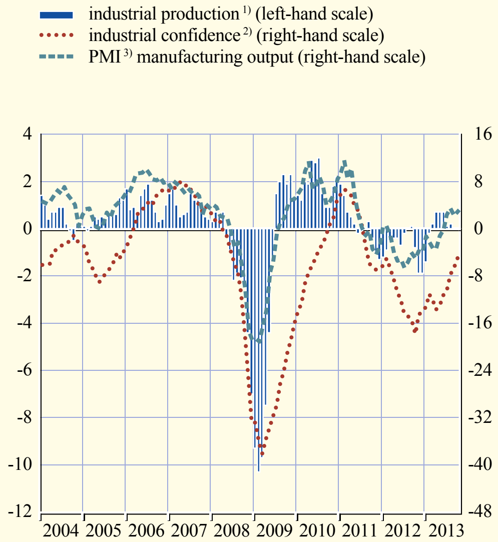
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



Sources: Eurostat and ECB calculations.
Note: Data shown are calculated as three-month moving averages against the corresponding average three months earlier.

Chart 29 Industrial production, industrial confidence and PMI manufacturing output

(monthly data; seasonally adjusted)



Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
Notes: Survey data refer to manufacturing.
1) Three-month-on-three-month percentage changes.
2) Percentage balances.
3) Purchasing Managers' Index; deviations from an index value of 50.

September and October, thus in line with a moderate rise in output at the beginning of the fourth quarter as well (see Chart 29). Moreover, European Commission survey data indicate that demand improved further in the three-month period up to October 2013, albeit from relatively low levels.

Similar to that for the manufacturing sector, the PMI services business activity index also entered growth territory in the third quarter of 2013 for the first time since the third quarter of 2011. Although the index declined somewhat between September and October, it still remains slightly above the average for the third quarter. Other business surveys, such as those of the European Commission, also improved in the third quarter, before deteriorating slightly in October, and are, therefore, broadly in line with developments in the PMI.

4.3 LABOUR MARKET

Euro area labour markets have continued to be weak. The unemployment rate remains high and significant differences persist across countries. Although survey results have started to improve, they are still consistent with further job losses in the period ahead (see Chart 30).

Headcount employment in the euro area declined by 0.1%, quarter on quarter, in the second quarter of 2013, its eighth consecutive quarter of decline (see Table 9). During this period, employment experienced a cumulative decline of 1.7%. At the sectoral level, the latest data show a further sharp contraction in employment in construction and a less pronounced reduction in employment in

Table 9 Employment growth

(percentage changes compared with the previous period; seasonally adjusted)

	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2011	2012	2012 Q4	2013 Q1	2013 Q2	2011	2012	2012 Q4	2013 Q1	2013 Q2
Whole economy	0.3	-0.7	-0.3	-0.4	-0.1	0.3	-1.5	-0.7	-0.9	0.6
of which:										
Agriculture and fishing	-1.9	-1.9	-0.8	-1.6	1.5	-3.1	-2.9	-0.7	-0.4	0.7
Industry	-1.1	-2.1	-0.9	-0.8	-0.6	-0.8	-3.4	-1.1	-1.5	0.9
Excluding construction	0.1	-1.0	-0.6	-0.5	-0.3	0.8	-2.1	-0.8	-1.1	1.3
Construction	-3.8	-4.7	-1.6	-1.7	-1.2	-3.9	-6.1	-1.9	-2.4	0.0
Services	0.8	-0.2	-0.1	-0.3	0.0	0.8	-0.8	-0.6	-0.7	0.6
Trade and transport	0.7	-0.8	-0.4	-0.3	-0.1	0.5	-1.7	-1.1	-0.7	0.6
Information and communication	1.3	1.2	0.7	-0.2	0.2	1.4	0.5	-0.1	-0.2	0.8
Finance and insurance	-0.4	-0.4	-0.1	-0.2	-0.3	-0.3	-0.9	-0.7	-0.5	0.3
Real estate activities	0.5	-0.3	-0.6	-0.7	0.4	1.2	-1.1	-1.5	-0.9	1.2
Professional services	2.5	0.7	-0.3	-0.6	0.3	2.8	0.3	-0.7	-0.9	0.7
Public administration	0.3	-0.3	0.1	-0.1	0.0	0.5	-0.6	0.2	-0.6	0.5
Other services[1]	0.1	0.7	-0.2	0.0	-0.1	0.1	-0.1	-0.8	-0.5	0.1

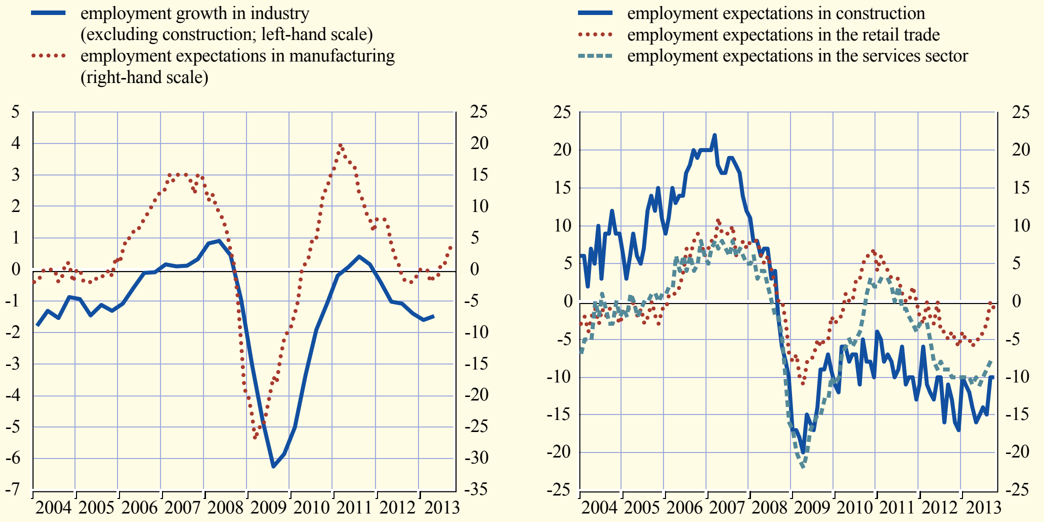
Sources: Eurostat and ECB calculations.
1) Also includes household services, the arts and activities in extraterritorial organisations.

industry excluding construction. Meanwhile, employment in services shifted sideways between the first and second quarters of 2013. By contrast, total hours worked rose by 0.6%, quarter on quarter, in the second quarter, reflecting developments in industry excluding construction and services.

Labour productivity per person employed increased by 0.4% in annual terms in the second quarter of 2013, following three quarters of negative growth (see Chart 31). However, the annual growth

Chart 30 Employment growth and employment expectations

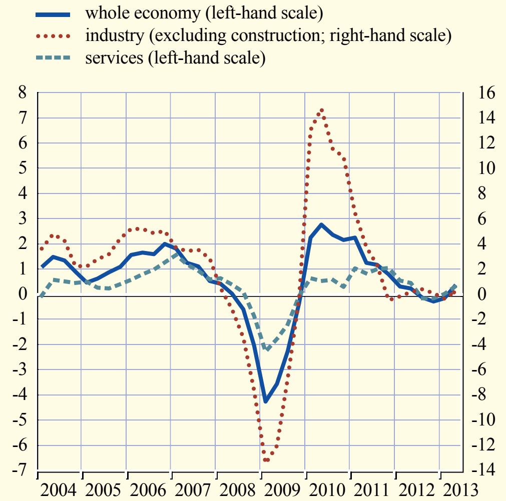
(annual percentage changes; percentage balances; seasonally adjusted)



Sources: Eurostat and European Commission Business and Consumer Surveys.
Note: Percentage balances are mean-adjusted.

Chart 31 Labour productivity per person employed

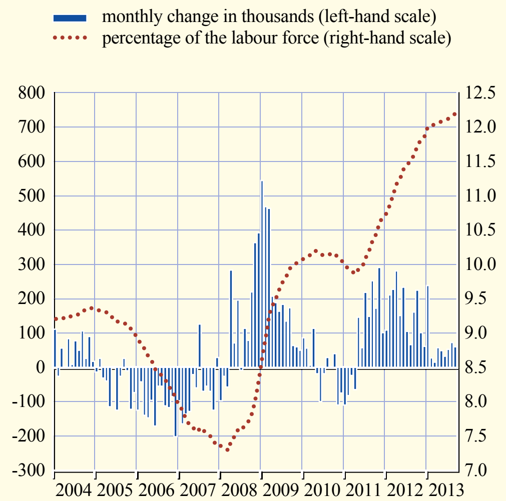
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

rate of hourly labour productivity slowed down, from 1.0% to 0.2% between the first and second quarters. As regards the third quarter of 2013, the latest readings of the PMI productivity index, which encompasses the manufacturing and services sectors, signal positive, albeit moderate, growth.

The unemployment rate, which has been on the rise since the first half of 2011, stood at 12.2% in September, unchanged compared with August, which is the highest level seen since the start of the series in 1995 (see Chart 32). Survey results have improved but are, nonetheless, consistent with further job losses in both industry and services in the third quarter of 2013 as well as the beginning of the fourth quarter. Compared with the previous survey round, the unemployment rates expected for 2013, 2014 and 2015 have been revised downwards in the latest Survey of Professional Forecasters (see Box 7 in Section 3). Looking back at developments since the start of the crisis, the rise in the unemployment rate is not only driven by weak labour market conditions, but also by an increase in labour market participation (see Box 9).

Box 9

RECENT DEVELOPMENTS IN LABOUR MARKET PARTICIPATION IN THE EURO AREA

Since 2008 there has been a marked disparity between the euro area and the United States in terms of the effect that developments in labour market participation have had on unemployment rates.[1] In fact, the fall in the United States' labour market participation rate by 2.6 percentage points has dampened the official unemployment rates. By contrast, the euro area participation

1 See the box entitled "Recent developments in labour force participation in the euro area and the United States", *Monthly Bulletin*, ECB, June 2012.

rate increased by 1 percentage point during the same period, thus having an adverse impact on unemployment rates. Against the background of very different labour market responses over the crisis period, this box explores whether the developments in euro area participation are consistent across Member States.

Factors affecting participation

In comparing developments in participation across euro area countries, both trends and cyclical developments need to be taken into account. Indeed, trends may reflect factors such as the demographic changes of an ageing population with an increasing life expectancy, which, coupled with past pension reforms, have led to an increase in the participation of older workers. In addition, increased female education levels in tandem with changing social norms have led to an increase in female participation.

By contrast, cyclical developments such as an economic slowdown and the associated rise in unemployment may discourage potential workers from seeking work, while an economic upturn may send a positive signal encouraging them to actively look for a job. However, the deep and protracted income adjustments in some euro area countries may have increased the necessity to look for jobs in order to sustain overall family incomes (i.e. an income effect), an influence that would counterbalance the discouraging effect of a depressed economic situation.

Similarly, the sectoral rebalancing triggered by the crisis in a number of countries may have implications for overall participation if, for instance, lower prospects and greater discouragement for workers in previously oversized construction sectors are not offset by better prospects and job market participation in other sectors.

Participation developments in euro area countries

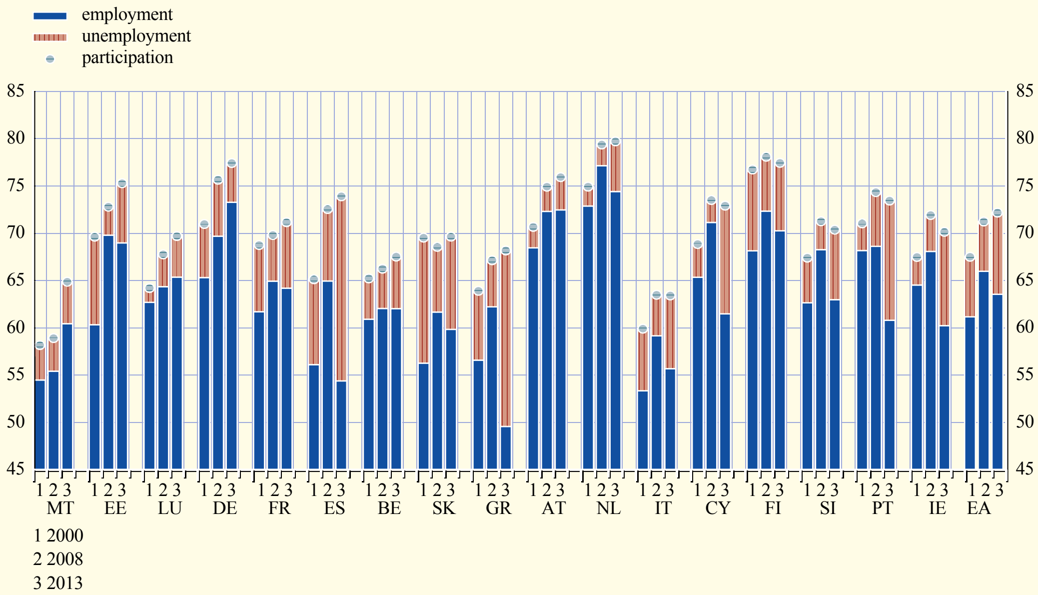
Comparing the latest participation rates with those in 2000 suggests that there has been a steady increase in participation across euro area countries (see Chart A). The increase in participation has also continued over the crisis period since 2008 for most countries, with the most notable exceptions being Ireland and Portugal. Moreover, this continued rise has been observed both in countries that have had relatively low participation rates compared with the euro area average, such as Greece, Belgium and Malta, and in countries with relatively high rates, such as Germany and the Netherlands. These commonalities in participation developments despite very diverse situations across countries suggest that developments are mostly driven by structural factors. The discussion below looks at breakdowns of participation developments since 2008 – with countries listed in the charts in order of the magnitude of participation changes – by gender, age and skills, in order to gauge current developments.

Developments by gender, age and skills

A common trend across all euro area countries is the increased participation of older workers and women. In fact, female participation not only grew twice as fast as total participation during the period 2000-08, it accounted for almost the total increase in participation in the euro area labour market. This also holds true for the period 2008-13, during which only female participation made a positive contribution across the euro area (see Chart B), while male participation made a positive contribution – and to a lesser extent – only in a few countries. Even so, in the euro

Chart A Employment and participation rates

(percentages of the total working-age population (15-64))



Source: Labour Force Survey (Eurostat).
Notes: As the data are not seasonally adjusted, the chart compares developments in the second quarter of the respective year. For France, the figures for 2000 refer to the first quarter as data for the second quarter are not available. Countries are ranked according to the magnitude of participation changes for the total working-age population in the period from the second quarter of 2008 to the second quarter of 2013.

area, female participation is still significantly lower – at 66% – than male participation – at 78%, with Finland having the smallest discrepancy (4 percentage points). In this respect, female participation will probably continue to increase for some time.

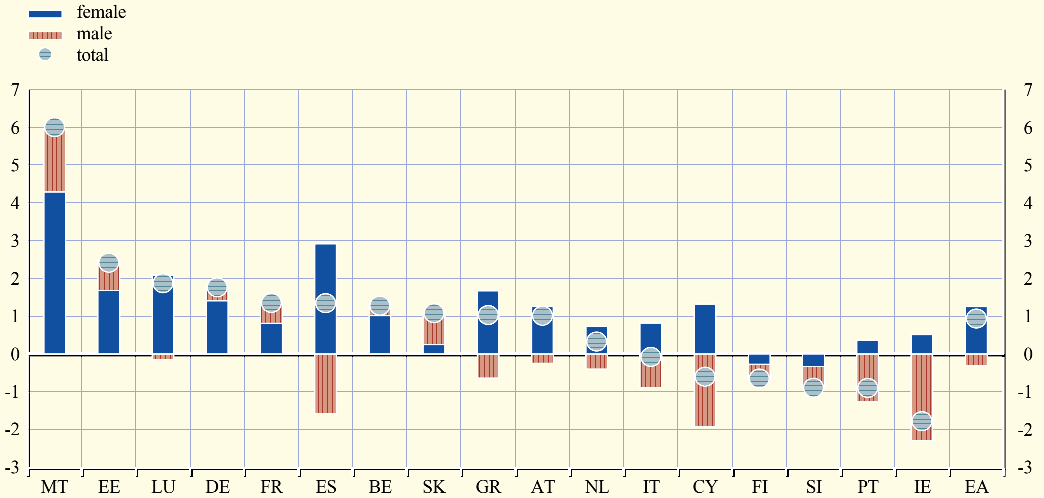
Likewise, the participation of older workers increased in all countries during the period 2008-13 (see Chart C). This is likely to be an effect of past reforms related to early retirement schemes and pension reforms aimed at increasing the employment rate of older workers, which may have limited the opportunities to withdraw from the labour force as observed in previous crises.[2] Only in Cyprus was there almost no change in the participation of older workers.

On balance, while there may be income effects related to higher participation of the older and female sections of the population during the crisis (i.e. they enter or stay in the labour market owing to potential pension losses or with the intention of replacing lost family income), these effects cannot be clearly distinguished from trend developments. These two groups are also the ones less affected in terms of falling employment, suggesting that relative employment probabilities are important to participation decisions.[3] Female employment has been significantly less affected even in severely hit countries such as Spain, Greece and Ireland. Some labour market specifics such as lower female participation in sectors most hit by the crisis – construction and manufacturing –

2 See OECD Economic Outlook, Volume 2011, Issue 1.
3 In the euro area, female employment decreased by 0.1 percentage point, while male employment decreased by 2.3 percentage points over the period 2008-13. In the hardest hit country, Greece, the decrease in female employment accounted for 4.4 percentage points of a total 12.6 percentage point decrease. Older workers made a positive contribution to employment developments in the euro area, adding 1.7 percentage points, while in Greece older workers contributed only 0.8 percentage point to the total decrease in employment.

Chart B Contribution to participation developments during the crisis by gender

(Q2 2008 – Q2 2013; percentage points)

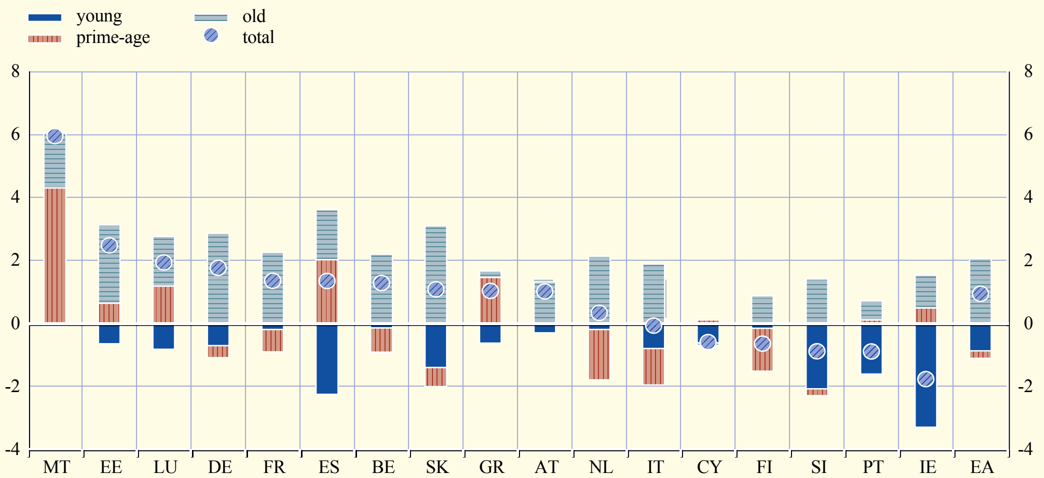


Source: Labour Force Survey (Eurostat).
Notes: Non-seasonally adjusted data. The working-age population covers those aged 15-64. Countries are ranked according to the magnitude of participation changes for the total working-age population in the period from the second quarter of 2008 to the second quarter of 2013.

may explain these developments. As regards employment for older workers during the crisis, it may be that older workers possess firm-specific skills that are not easily replaceable. However, older workers may also have higher employment protection.

Chart C Contribution to participation developments during the crisis by age

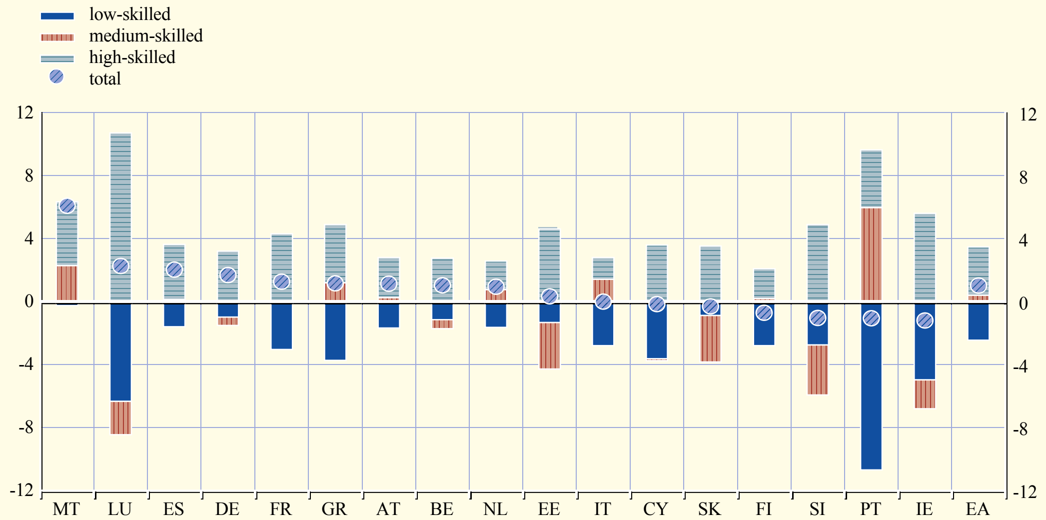
(Q2 2008 – Q2 2013; percentage points)



Source: Labour Force Survey (Eurostat).
Notes: Non-seasonally adjusted data. The working-age population covers those aged 15-64. "Young" individuals are those aged 15-24; "prime-age" individuals are those aged 25-54; and "old" individuals are those aged 55-64. Countries are ranked according to the magnitude of participation changes for the total working-age population in the period from the second quarter of 2008 to the second quarter of 2013.

Chart D Contribution to participation developments during the crisis by skills

(Q2 2008 – Q2 2013; percentage points)



Source: Labour Force Survey (Eurostat).
Notes: Non-seasonally adjusted data. The working-age population covers those aged 20-64. “Low-skilled” workers refers to those with less than an upper secondary education; “medium-skilled” refers to those with less than a full tertiary education; and “high-skilled” refers to those with a tertiary education or higher. Countries are ranked according to the magnitude of participation changes in the working-age population in the period from the second quarter of 2008 to the second quarter of 2013.

A breakdown of the data by age shows that withdrawals from the labour market observed so far have been largely concentrated among the young (see Chart C). In Ireland, Spain, Portugal, Slovenia and Slovakia, youth participation has decreased significantly and seems to be largely driven by strongly decreasing youth employment, pointing to a discouraged worker effect. Decreases in youth participation can, however, imply prolonged education. This is mostly evident in Spain, but also in Slovakia, where there have been significant increases in the share of young people in education.

Low-skilled individuals are generally less attached to the labour market than high-skilled ones. Indeed, in the euro area, the difference between these two groups in terms of participation and employment rates is consistently more than 20 percentage points. During the crisis period this difference has become more accentuated, with the low-skilled forming the bulk of the negative contribution to participation developments in all countries (see Chart D), with the exception of Estonia and Slovakia. The positive contributions to changes in participation are largely attributable to the high-skilled. Again, one reason for this stark difference can be found in employment developments during the crisis. The low-skilled have been hit harder, with a decrease in the employment rate of 6 percentage points in the euro area, compared with a decrease of 2 percentage points for high-skilled workers.

Concluding remarks

Labour market participation developments in recent years have followed similar patterns across euro area countries. While there may be some income effects at play, especially in adjustment countries, most of the net increase in participation is likely to reflect a continuation of underlying trends. However, the decline in participation among the young and low-skilled may be cyclical.

For the former group, prolonged education is only a short-term solution and their participation can be expected to increase as the euro area economy recovers. For the latter group, their participation is even more growth dependent and can thus only be expected to rise visibly again once the economy is well into a solid expansion.

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Developments in survey-based confidence indicators up to October are consistent with continued, albeit modest, growth in the second half of the year. Looking ahead, output is expected to continue to recover at a slow pace, in particular owing to a gradual improvement in domestic demand supported by the accommodative monetary policy stance. Euro area economic activity should, in addition, benefit from a gradual strengthening of demand for exports. Furthermore, the overall improvements in financial markets seen since last year appear to be gradually working their way through to the real economy, as should the progress made in fiscal consolidation. In addition, real incomes have benefited recently from generally lower energy price inflation. This being said, unemployment in the euro area remains high, and the necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity.

The risks surrounding the economic outlook for the euro area continue to be on the downside. Developments in global money and financial market conditions and related uncertainties may have the potential to negatively affect economic conditions. Other downside risks include higher commodity prices, weaker than expected domestic demand and export growth, and slow or insufficient implementation of structural reforms in euro area countries.

ARTICLE

POTENTIAL OUTPUT, ECONOMIC SLACK AND THE LINK TO NOMINAL DEVELOPMENTS SINCE THE START OF THE CRISIS

Potential output estimates are highly uncertain, but according to most estimates from international institutions, potential growth in the euro area has fallen since the onset of the financial crisis in 2008 largely due to smaller contributions from capital and labour. The most recent estimates suggest that potential growth may be stabilising in the euro area and that it is already picking up in the United States.

In the United States, the greater flexibility of labour markets and the economy more generally is supporting potential growth. As regards the euro area, although it is too early to see the effects of the structural reforms implemented since the start of the crisis, further are needed to support potential growth, especially in view of the negative impact population ageing is expected to have on potential growth in the near future.

The link between activity and inflation has become more tenuous in recent years, whether judged by means of gaps derived from potential output or by means of alternative measures of economic slack. The structural rigidities remaining in the euro area are among the factors behind this phenomenon, although the firm anchoring of inflationary expectations may also explain the behaviour of prices and wages during the crisis.

1 INTRODUCTION

Potential output is an important variable, as it measures the level and rate of activity that may be achieved in the economy in the medium to long term. This is in contrast to actual output, which simply measures the current level and rate of activity and can be above or below potential for some time, although not in the long run.

Potential output growth is subject to fluctuations over the business cycle because some of its components are affected by cyclical developments. These fluctuations, however, tend to be much less pronounced than the fluctuations in actual output growth. This was the case also during the recent financial crisis, although to what extent is uncertain, perhaps more so than in previous downturns owing to the severity of the slowdown in activity and the size of the imbalances that had accumulated prior to it.

In the longer term, potential output growth in the euro area is likely to remain below the growth rates recorded before the crisis on account of demographic factors. It is unclear, though, to what extent the crisis-related decline in potential output will be temporary or more long-lasting. This will depend, among other things, on the effects of the structural reforms undertaken in recent years in supporting higher rates of productivity growth and flexibility in the medium and long term.

This article therefore discusses output developments during the crisis, examining the factors behind the developments and what may be done to support future potential output developments. The article also examines the link between alternative measures of slack and the nominal side, and investigates the extent to which the measures of slack help in explaining the relatively muted reaction of prices and wages since the onset of the crisis.

Section 2 reviews the concept of potential output and the estimates for euro area and US potential output since the onset of the crisis in 2008, including the contributions from capital, labour and total factor productivity (TFP). It includes an analysis of developments in TFP growth in the euro area and compares them with those in the United States. Section 3 discusses measures of slack, including the gap derived from potential and actual output – the output gap – and examines the link between those measures of slack and nominal developments since the onset of the crisis. Section 4 concludes.

2 EURO AREA POTENTIAL OUTPUT DEVELOPMENTS SINCE THE START OF THE CRISIS

2.1 THE CONCEPT OF POTENTIAL OUTPUT

The concept of potential output is not precisely defined.[1] In broad terms, potential output may be taken as an indication of the level or rate of activity that could be achieved in the economy in the medium to long term. Indeed, it is often thought of as the level or rate of activity that can be sustained by means of the available factors of production without creating pressure on prices and the rate of inflation.

Although this broad definition may be widely accepted, the experience during the crisis, particularly the large build-up of (ex post unsustainable) imbalances in a stable inflationary environment, has led to suggestions that associating potential output with non-inflationary output may be too restrictive and that it may be necessary to incorporate information about the financial cycle to make measures of potential output and the corresponding output gaps more telling.[2]

In an accounting sense, potential output is determined by the trend components of the factors of production – capital and labour – and TFP, where the latter captures the overall efficiency of the use of the factors of production.

The trend component of TFP is driven by technological change, as well as by the economic framework conditions, and is a key element supporting potential output in the long run. Trend capital is the existing capital stock augmented with capital accumulation, which is the net effect of additions to the capital stock, i.e. capital formation (or investment), and deductions from it due to depreciation and scrapping. Trend labour also depends on endowments and their evolution, i.e. population dynamics (demographics), including migration, and how such dynamics translate into labour supply through the share of population of working age and the rates of labour participation and structural unemployment.

How the trend components and potential output evolve over time is determined both by the structural features of the economy and by the institutional and economic framework conditions in which the economy operates. Key aspects of the latter are the legal and regulatory environment and the design of the tax system, as well as structural features such as financial, labour and product market regulation.

It is important to note that changes to both the framework conditions and the structural features of the economy tend to occur only gradually. The impact of such changes on potential output therefore

1 For an earlier discussion of the concept of potential output, see the article entitled "Potential output growth and output gaps: concept, uses and estimates", *Monthly Bulletin*, ECB, October 2000. See also the article entitled "Trends in Potential Output", *Monthly Bulletin*, ECB, January 2011.

2 See Borio, C., Disyatat, P. and Juselius, M., "Rethinking potential output: Embedding information about the financial cycle", *BIS Working Paper*, No 404, 2013. The authors argue that incorporating information on real interest rates and real credit and residential property price growth, for example, as a way to take into account explicitly the financial cycle (e.g. in the pre-crisis upswing, ample finance at favourable conditions), would imply potential output developments that are more muted pre-crisis and display less of a fall during the crisis, explicitly reflecting the unsustainable nature of the pre-crisis financial cycle.

tends to take some time to unfold. This implies that the developments in potential output seen since the onset of the financial crisis can, to a large extent, be attributed to the imbalances that had accumulated prior to the crisis. Moreover, it means that potential output in the post-crisis period is also going to depend on the policy response to the crisis.

Potential output in the post-crisis period may be lifted by structural reforms raising the quantity and quality of capital and labour, or raising productivity across sectors, as well as the restructuring of the economy by shifting resources towards more productive sectors. In the absence of such reforms and restructuring, potential output growth may be held back for some time to come.

Although inflation is ultimately a monetary phenomenon, the concept of potential output also provides an indicator for assessing pressures on prices and inflation, via the output gap – generally defined as the percentage deviation of the level of actual activity from the level of potential output. The output gap is a measure of the over or underutilisation of resources in the economy (i.e. overheating or slack), and an indicator of the state of the business cycle, that contains information for likely developments on the nominal side.

While the output gap is a particularly useful measure of slack, it is also particularly uncertain, as potential output – and hence the output gap – can only be estimated and not measured. Alternative measures of slack, such as capacity utilisation, are therefore also useful for judging the degree of slack in an economy and may indicate pressures on inflation.

2.2 THE EVOLUTION OF FACTORS OF PRODUCTION AND TOTAL FACTOR PRODUCTIVITY SINCE THE BEGINNING OF THE CRISIS

According to recent estimates by the European Commission, which give a broadly similar picture to estimates from other institutions, euro area potential output growth declined to 0.9% on average in the period 2008-12, compared with 2.2% on average in 2000-07 – a drop of 1.3 percentage points. Chart 1 shows that, for the same periods, euro area actual output growth dropped to -0.2% from 2.2%, a fall of 2.4 percentage points and much greater than that for the estimates of potential growth. This is broadly comparable with the case of the United States (see Chart 2), where for the same periods the fall amounted to 1.4 percentage points in the average estimates of potential output growth (from 2.5% to 1.1%) and to 2.0 percentage points in average actual output growth (from 2.6% to 0.6%).

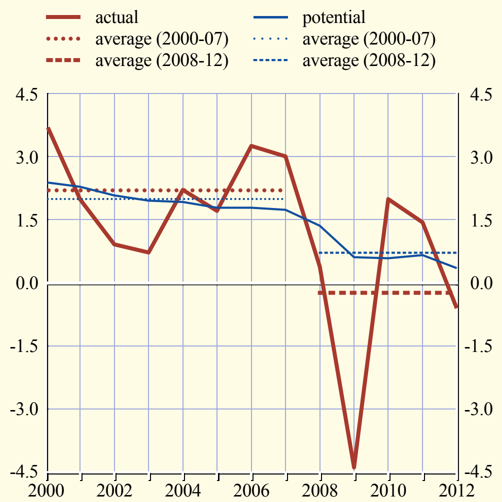
As can be seen from Chart 3, the slowdown in the estimates of euro area potential output growth was mainly due to the estimated non-TFP contributions (labour, notably persons, and capital). The estimated TFP contribution, by contrast, dropped only marginally during the crisis, having already declined in the pre-crisis period, consistent with the experience in previous financial crises.[3] Chart 3 also shows that the estimated contribution from labour (persons) fell noticeably at the onset of the crisis in 2008, recovering subsequently, while the estimated contribution from labour (hours per person) was negative throughout the entire period. As a result, the estimate of the overall contribution from labour turned negative in 2008. The estimated contribution from capital remained positive during the crisis, although it shows a sizeable decline in 2009 with little recovery since.

Chart 4 shows that in the United States the TFP contribution also slowed only marginally during the crisis, having started to decline long before it. However, while estimated potential output growth

3 See *World Economic Outlook*, IMF, October 2009.

Chart 1 Potential and actual output – euro area

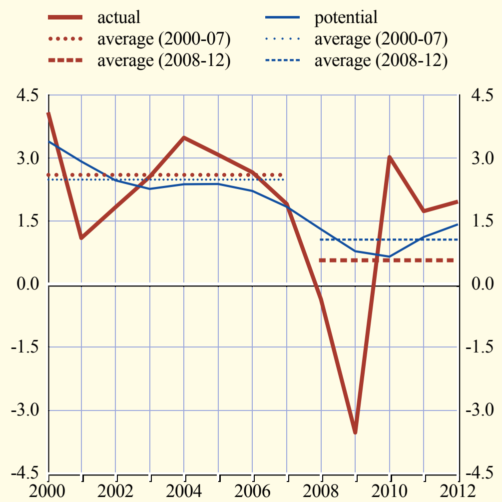
(percentages per annum)



Sources: European Commission (CIRCABC) and ECB calculations.

Chart 2 Potential and actual output – United States

(percentages per annum)

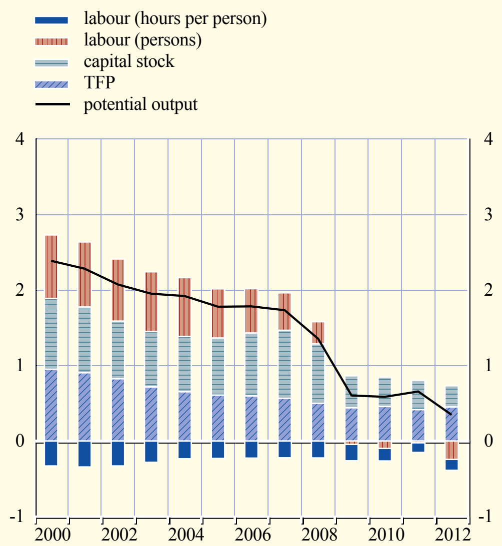


Sources: European Commission (CIRCABC) and ECB calculations.

in the euro area remained weak in 2011-12 (possibly driven by the sovereign debt crisis and its consequences, such as a deterioration in confidence and an increase in uncertainty), it has started to recover in the United States (possibly due to the more flexible nature of the US economy). This is discussed in more detail in Box 1.

Chart 3 Potential output and its components – euro area

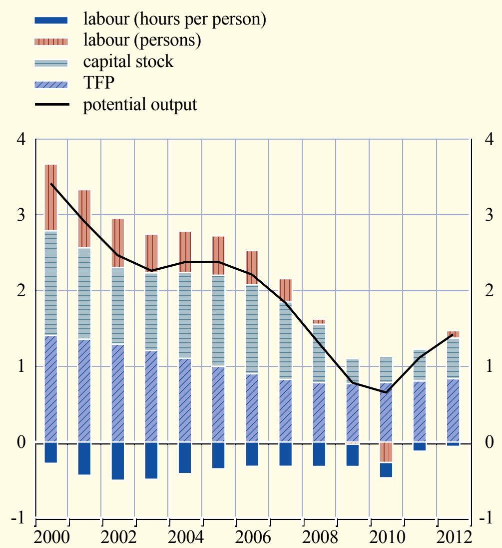
(annual percentage changes; contributions in percentage points)



Source: European Commission (CIRCABC).

Chart 4 Potential output and its components – United States

(annual percentage changes; contributions in percentage points)



Source: European Commission (CIRCABC).

Box 1

EURO AREA PRODUCTIVITY GROWTH: A COMPARISON WITH THE UNITED STATES

This box compares the recent productivity performance in the euro area with that in the United States on the basis of the latest observations from the European Commission's AMECO database. In contrast to the TFP estimates reported elsewhere in this article (where productivity contributions to potential output are estimated on the basis of assumptions of fully-utilised inputs at optimal capital-labour ratios), the numbers reported in this box are derived from observed ("revealed") changes in output and input usage.[1] This focus on actual productivity developments thus provides a useful cross-check, in that a strong divergence between actual and potential estimates may be an indication of uncertainty surrounding estimates of trend TFP growth.

Chart A illustrates aggregate ("headline") labour productivity developments for the euro area and the United States from 2000. The chart shows that euro area labour productivity growth (per person employed) was already lacklustre compared with that in the United States before the onset of the crisis and that it virtually stagnated (averaging 0.1% per year) after 2008. By contrast, while US productivity growth also slowed considerably between the two periods, it nevertheless averaged around 1.0% per year after 2008.

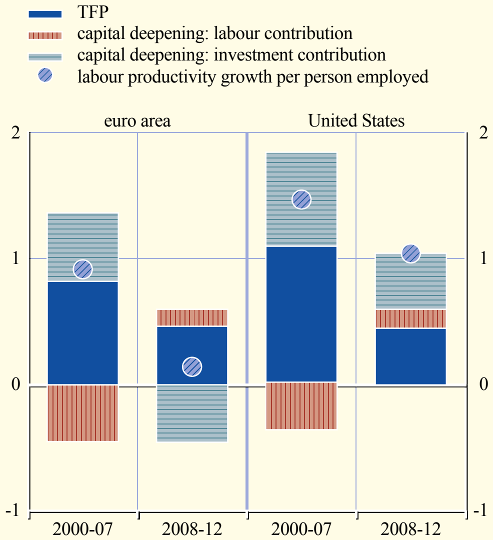
From a growth-accounting perspective, labour productivity growth can be broken down into growth attributable to changes in "capital deepening" (i.e. an increase in the capital-labour ratio, combined with changes in capital and labour utilisation) and that attributable to growth in "total factor productivity" (TFP). Capital deepening can be further subdivided to isolate the respective contributions of changes in the rate of investment and changes in employment levels to changes in capital labour ratios. Having accounted for changes in the factor inputs, TFP is then interpreted as representing the underlying growth in economic efficiency not attributable to changes in the factors of labour or capital, i.e. those elements of technological change, resource allocation, managerial "know-how", economies of scale and scope, etc., which underlie the long-run trend of aggregate productivity growth.

Chart A shows that, despite virtually halving on both sides of the Atlantic since the onset of the crisis, capital deepening remained positive, as strong declines in rates of net investment were slightly offset by strong job-shedding in both economies, while TFP dynamics followed very different paths. In marked contrast to the mostly positive TFP growth observed in the United States after the onset of the crisis, euro area TFP was negative. As a result, favourable developments from factor inputs were more than offset by revealed TFP developments, leaving headline euro area productivity growth broadly stagnant. The more downbeat picture of TFP developments from this perspective (relative to the contribution of trend TFP examined in the main text) can be largely attributed to differences between trend and observed TFP developments over the course of the crisis and also underlines the large uncertainty surrounding trend TFP estimates at this juncture.

1 This box also reports productivity developments per person employed (rather than per hour worked, as used elsewhere in this article). The data reported in the AMECO database refer to estimates, harmonised on the basis of the standard European (ESA) methodology, which typically report aggregate productivity dynamics in terms of "whole economy" developments. Data for the United States may therefore differ from US "headline" estimates, which often refer instead to the "non-farm economy" or the "non-farm business sector" (i.e. excluding the public sector).

Chart A Labour productivity growth breakdown – euro area and United States

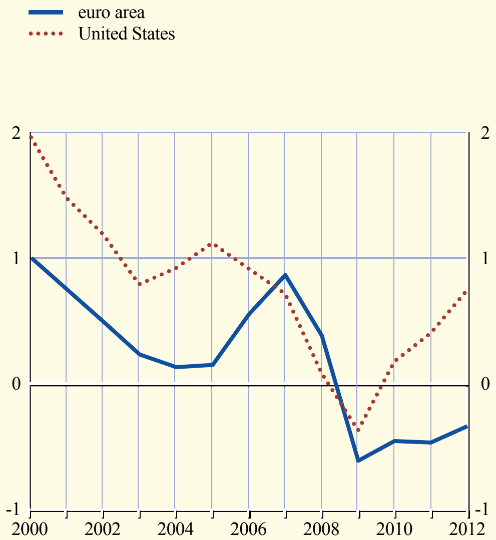
(average annual percentage changes; contributions in percentage points)



Sources: European Commission (AMECO) and ECB calculations.
Notes: The sum of the shaded portions of the bars denotes the contribution to aggregate labour productivity growth of changes in capital deepening, broken down into the contributions arising from changes in capital spending (net investment in capital per person employed multiplied by the capital share in total factor costs) and changes in labour composition (growth in labour multiplied by labour share in total factor costs). The solid portion of the bars represents the estimated contribution from growth in total factor productivity.

Chart B Observed TFP growth 2000-12 – euro area and United States

(percentage changes; annual data)



Sources: European Commission (AMECO) and ECB calculations.

Focusing on TFP dynamics since the height of the crisis, Chart B suggests signs of a re-emergence of the TFP gap seen in advance of the crisis between the euro area and the United States. Although both economies suffered sharp TFP contractions at the depth of the global recession, since then US TFP appears to have rebounded significantly, while euro area TFP growth remains subdued.[2]

Policy implications of the recent slowdown in euro area TFP growth

Several possible factors are likely to explain the continued weakness of euro area TFP performance. Low levels of capacity utilisation, resulting from weak or contracting economic activity, have tended to persist rather longer – and to a greater extent – in many euro area economies than in the United States and have undoubtedly affected the efficiency of capital and labour usage, thus depressing TFP growth. As economic growth returns, measured TFP growth is thus likely to rebound somewhat in the euro area (and to perhaps slow somewhat in the United States, reflecting higher current levels of capacity utilisation).

While both economies are likely to have experienced considerable destruction of firm and sector-specific human capital in permanently downsized sectors and enterprises, typically stronger labour

2 While TFP estimates vary considerably (according to the model and data source used), estimates of US rates of TFP growth continue to outstrip those typically observed in the euro area.

and product market regulation in many euro area countries is likely to have slowed both firm-level adjustments and broader sectoral reallocations to a greater extent than in the United States, effectively delaying the rebound in TFP and weakening potential rates of TFP growth. Ongoing financial market frictions – constraining working capital, affecting firms' investment decisions and ultimately limiting innovative activity (by curtailing R&D, reducing investment in innovative technologies or limiting funds available to new – and potentially innovative – firms) – are also likely, against the backdrop of sovereign debt concerns in some economies, to have been stronger in the euro area than in the United States, leading to a postponement of investment and restructuring.

Since the crisis, actual TFP growth for the euro area has remained weak, possibly an indication that there are downside risks to current estimates of trend TFP growth in the medium term. Efforts to support a rebound in euro area TFP growth will require measures to enhance the knowledge-based economy and foster innovation, so as to strengthen competitiveness. These objectives would be supported by further wide-reaching structural reforms – to product, labour and financial markets – in order to encourage investment and innovation, accelerate sectoral and firm-level restructuring and enable adequate incentives for human capital investment.

2.3 THE FACTORS DRIVING CONTRIBUTIONS TO POTENTIAL OUTPUT DURING THE CRISIS: STRUCTURAL AND CYCLICAL

This section explores some of the explanatory factors behind the evolution of the different components of potential output, distinguishing between those that are structural and those that are cyclical. Examples of structural factors are reforms to labour and product markets, changes in tax and pension systems, population developments, inter alia migration, and regulatory changes impacting on financial markets. These factors tend to affect the trend components of labour and TFP, as well as capital formation, and may therefore have a permanent effect on potential output levels and their growth rates.

Looking at the impact of structural reforms, both model-based and empirical evidence suggests that product and labour market reforms, as well as fiscal consolidation, may benefit potential output in the medium to long term. For example, as regards product markets, the deregulation of services, if it reduces mark-ups and increases competition, leads to higher investment, longer hours worked and greater growth of TFP in the longer run. Higher TFP growth is achieved through improved incentives for innovation and the adoption of technology (especially in countries that rely on adopting technology rather than being technological leaders), eliminating industrial inefficiencies and promoting more efficient firms under competitive pressure.[4] Reforms lowering entry costs appear to be particularly desirable, as they lead to lower unemployment.

The evidence suggests that labour market reforms – such as less stringent employment protection legislation – lead to higher employment and investment. The reform of unemployment benefit and retirement systems, as well as activation policies, have been shown empirically to increase steady-state employment levels, albeit in a slow and gradual way. Labour market reforms are also beneficial for TFP growth, although some dimensions of labour market flexibility (a large share of temporary contracts) may have a negative impact on firms' propensity to undertake long-term, human-capital intensive R&D projects. Fiscal consolidation, while decreasing hours worked in the

4 See Gomes, S., Jacquinot, P., Mohr, M. and Pisani, M., "Structural reforms and macroeconomic performance in the euro area countries: a model-based assessment", *Working Paper Series*, No 1323, ECB, Frankfurt am Main, April 2011.

short run, especially in the case of expenditure-based consolidation, benefits potential output in the long run through longer hours worked and investment.

In the euro area, progress with the implementation of structural reforms has been achieved (including prior to the crisis) in relation to labour markets and pensions, raising participation rates of the elderly and female workers, thereby supporting the trend labour contribution. While this effect is likely to be permanent, it is difficult to observe it in the aggregate participation rates for the euro area, which are also influenced by cyclical factors, implying lower participation rates for other groups of workers. However, rigidities still remain in labour markets and further reforms – including changes to tax systems, e.g. by lowering taxes on labour – are necessary to remove them.

In addition to the structural factors, potential output has also been affected by cyclical factors during the recent financial crisis. For example, investment rates have contracted substantially. One reason is that, during the crisis, a large amount of underutilised capacity emerged due to the prevailing lower output levels (accelerator effect) and adjustments took place in sectors that experienced excessive growth prior to the crisis (e.g. construction). As additions to the capital stock, in the form of newer technology generations, tend to have a higher technology content than the existing capital, it also means that the technology intensity of the total capital stock has increased at a lower rate than prior to the crisis.

The crisis has also lowered investment rates through its impact on financing conditions (terms and availability of credit, a financial accelerator effect) and uncertainty (heightened during the crisis, making it more difficult to assess investment projects). Moreover, the high indebtedness of non-financial corporations and the remaining need for balance sheet adjustment may restrict credit demand, resulting in lower investment rates and accumulation of capital for a considerable period.

While investment rates would be expected to recover as the euro area emerges from the crisis, the crisis has led to a permanent shift in the structure of the capital stock towards sectors and firms with different technology intensity. For instance, the decline in the share of construction, which has low TFP content, may lead to an increase in aggregate TFP growth (see below).

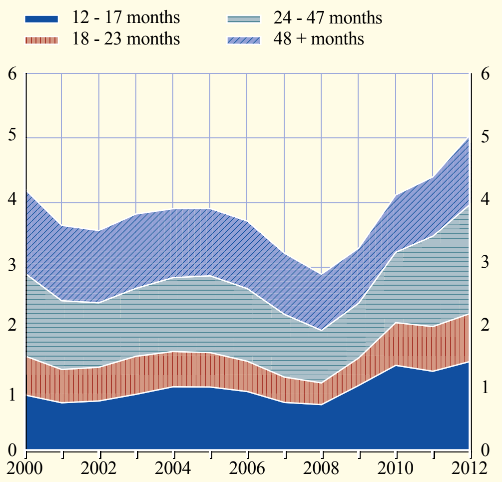
Other cyclical effects may be observed on labour input. One major factor in this respect is the migration triggered by the crisis. Immigration from the new EU Member States to some of the euro area countries increased, as did intra-euro area migration, but in parallel, immigration from outside the EU to some euro area countries fell significantly. Overall, net immigration to the euro area decreased during the crisis.

As regards participation rates, the cyclical effects are twofold. There has been a "discouraged worker" effect, as evidenced by the increasing number of those who are available to work but no longer searching for a job.[5] That effect in the euro area appears to have affected younger workers disproportionately, resulting in large increases in youth unemployment and non-participation. However, to some extent, this has been offset by an "added worker" effect, as efforts are made by previously inactive members to preserve household incomes. Overall, however, euro area participation rates have actually continued to rise throughout the crisis, but as a result of the above-mentioned structural factors, notably pension reforms and the better integration of female workers.

5 See the box entitled "Three indicators to complement the standard definition of employment and unemployment", *Monthly Bulletin*, ECB, June 2013.

Chart 5 Euro area long-term unemployment rate – duration of unemployment

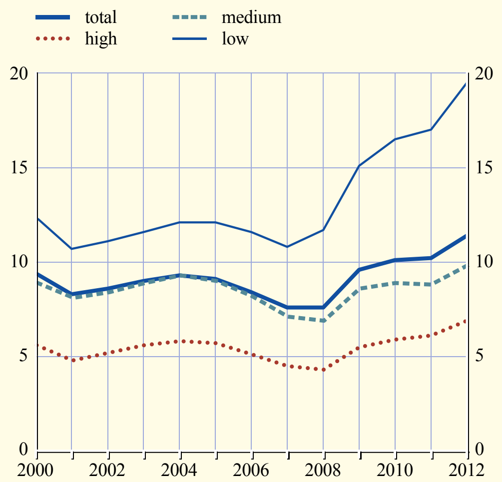
(percentage of labour force; annual data)



Source: Eurostat.

Chart 6 Euro area unemployment rate – skill level of unemployment

(percentage of labour force of corresponding skill level; annual data)



Source: Eurostat.

The crisis has also led to a rise in structural unemployment levels, through increases in long-term unemployment, and has increased the mismatch of labour.[6] Chart 5 shows that long-term unemployment in the euro area has been rising. The longer the unemployed are out of work, the more their skills and human capital are eroded, the less favourably they will be viewed by potential employers and the more discouraged they may become to search for a new job, thereby reducing the downward pressure on wages exerted by higher unemployment. Skill mismatch has also increased in the euro area. As shown in Chart 6, the unemployment rate among low-skilled workers has increased far more than among higher-skilled workers, indicating a strong fall in demand for the less skilled and consistent with a rise in skill mismatch.

The increase in long-term unemployment and mismatches may be partly explained by the fact that, following the restructuring of many euro area economies as a result of the crisis – in particular, a sharp decline in employment in the construction sector – it may be difficult for workers who have been laid off in a shrinking sector to find jobs in other, expanding sectors. Consequently, structural unemployment may remain high until the labour market accommodates the new structure of the economy.

Economic policy has a key role in preventing crisis-triggered increases in unemployment from becoming permanent, for example by reducing labour market rigidities, by making wages more flexible and by reducing excessive employment protection, as well as by promoting active labour market programmes and more effectively tailoring the education system to the evolving human capital needs of the economy.

6 See Bonthuis, B., Jarvis, V. and Vanhala, J., "What's going on behind the euro area Beveridge curve(s)?", *Working Paper Series*, No 1586, ECB, Frankfurt am Main, September 2013.

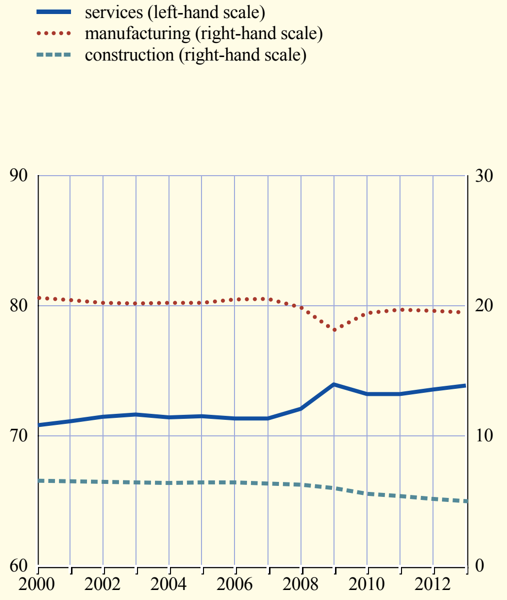
In terms of TFP, there is an impact from the changes in economic structure brought about by the crisis, particularly the shift towards sectors with different productivity.[7] As shown in Chart 7, the share of construction and manufacturing in value added in the euro area has decreased since 2008, while the share of services has increased, to some extent as a response also to a possible pre-crisis misallocation across sectors.

Available research suggests that differences in TFP growth across sectors might be substantial, with the highest TFP growth typically found in manufacturing, particularly of communication and transportation equipment, followed by TFP growth in services, with the lowest TFP growth in construction. Available sectoral data for the euro area tend to be in line with this finding.

Overall, the decline in the share of construction in value added since 2008 suggests that aggregate TFP growth in the euro area is likely to increase following the crisis. The small decline in the share of manufacturing may have had a negative impact on TFP, but the impact of the higher share of services is difficult to estimate, given the heterogeneity across service sectors with respect to TFP intensity. Hence, the change in TFP in services and in the total economy depends on the shares of the sub-sectors. Looking at the development of these shares (see Chart 8), it can be concluded that, since 2009, a reallocation within the services sector has taken place marginally towards higher TFP sectors, most notably a higher share of information and telecommunication and financial intermediation services.

Chart 7 Share of main sectors in total value added

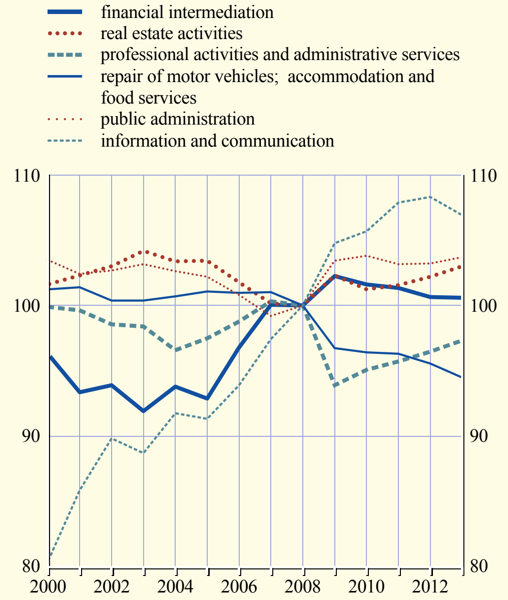
(percentage of total value added; annual data)



Source: Eurostat.

Chart 8 Value added individual service sectors relative to total service sector value added

(2008=100; annual data)



Source: Eurostat.

7 Although the focus here is on TFP, sectoral shifts during the crisis may also affect the capital contribution to potential output if different sectors have significantly different investment rates.

In summary, temporarily lower investment rates, population growth and higher structural unemployment seem to be the key factors (through the contributions from capital and labour components) behind the fall in euro area potential output growth observed since the start of the financial crisis in 2008. While these factors are likely to be temporary, they may become permanent unless structural reforms are implemented to prevent them from becoming entrenched and affecting potential output growth in the medium to long term as well. In parallel, trends due to population ageing imply lower potential growth over the longer term, even if the effects of this may be partly offset by those of higher net immigration and changes in the participation rates due to pension reforms.

3 THE LINK BETWEEN SLACK AND NOMINAL DEVELOPMENTS

3.1 ALTERNATIVE MEASURES OF SLACK IN THE ECONOMY

Assessing potential output is important to policy-makers because appropriately judging and assessing the degree of utilisation of resources in the economy (such as capital and labour) provides an indication as to whether developments in the real economy are consistent with the maintenance of price stability.

In principle, the overutilisation of capacities implies the risks of an overheating economy and upward pressure on inflation (i.e. costs tend to rise when firms use capital and labour very intensively in production). By contrast, a high degree of slack means that there is excess supply due to weak demand and therefore most likely downward pressure on inflation.

This section illustrates the relationship, since the onset of the crisis in 2008, between measures of economic slack (gap measures derived from potential, such as the output gap, as well as alternative measures, such as unemployment and capacity utilisation) and nominal developments (i.e. wage and price inflation).

In the empirical analysis below, a number of indicators of economic slack are examined, notably the output gap, the unemployment gap, capacity utilisation and survey-based measures of the extent to which labour and insufficient demand are limiting production. However, different indicators do not necessarily provide a uniform view of the economic situation. Furthermore, estimates of potential output and the output gap are often subject to revision, a circumstance which may change (also ex post) the view of the amount of slack in the economy.[8]

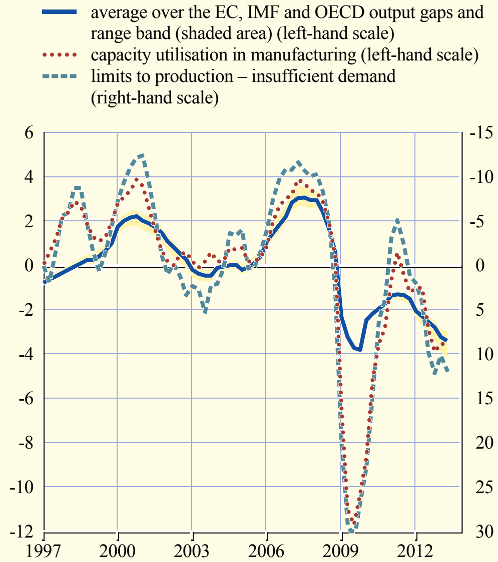
Charts 9 and 10 show how some common measures of slack in the euro area have evolved since 1997. While the output gap (see Chart 9) can be regarded as an indicator of the degree of usage of the overall economy's production capacities, reflecting short-term variations in demand, the unemployment gap (see Chart 10) measures the amount of slack in the labour market. As potential output and structural unemployment are unobserved, the output gap and unemployment gap are similarly unobserved and have to be estimated. On the other hand, survey indicators that are observable can also be used to gain insight into the degree of slack in the economy and can be compared with the output gap and unemployment gap as a consistency check.[9] One feature of

8 See, for example, the box entitled "Recent evidence on the uncertainty surrounding real-time estimates of the euro area output gap", *Monthly Bulletin*, ECB, November 2011.

9 See, for example, the box entitled "A cross-check of output gap estimates for the euro area with other cyclical indicators", *Monthly Bulletin*, ECB, June 2011.

Chart 9 Measures of economic slack in the euro area economy

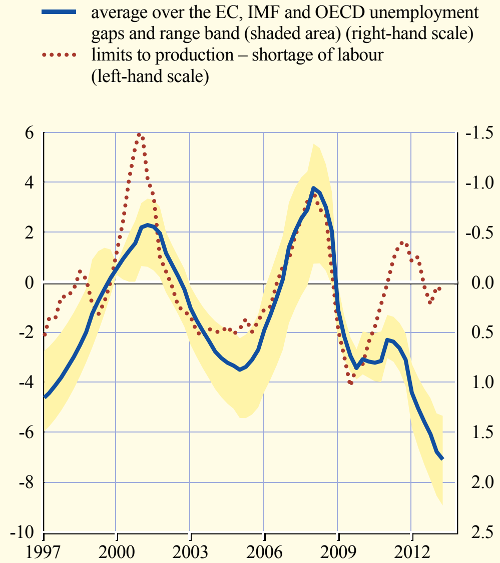
(as a percentage of GDP; percentage point deviation from sample average)



Sources: European Commission, IMF, OECD and ECB calculations.
Notes: The survey-based series have been demeaned with the average over the sample shown (first quarter 1997 to second quarter 2013). The output gap estimates (underlying the range and the dotted line) have been interpolated to obtain quarterly values.

Chart 10 Measures of economic slack in the euro area labour market

(percentage point deviation from NAIRU; percentage point deviation from sample average)



Sources: European Commission, IMF, OECD and ECB calculations.
Notes: see Chart 9.

survey indicators is that they are normally not revised, while the degree of uncertainty and revisions surrounding real-time estimates of output and unemployment gaps is typically high. There are some caveats, however: survey data normally only cover a fraction of the economy; the numerical value belonging to equilibrium, where potential and actual output are equal, is not known; and there is some uncertainty related to the reliability of survey responses.

Although there are significant co-movements between the various measures of slack, the picture is not entirely clear. For example, the exact timing of the peaks and troughs often differs across series. While the gaps (output and unemployment) have been indicating uninterrupted excess supply – slack in the economy – since 2009, the surveys show a slightly different picture. The EC survey on factors limiting production suggests little or no spare capacity in 2011, while for the EC survey on the shortage of labour the most recent data suggest a return to its long-term average level. This is in contrast to the unemployment gap which, at the end of the sample, indicates the highest degree of slack since 1997. These divergences (and the range of estimates across the various institutions) underpin the high degree of uncertainty economic policy-makers face when judging the extent of slack in the economy.

3.2 SLACK AND NOMINAL DEVELOPMENTS

Economic theory suggests an inverse relationship between the degree of slack and inflation developments. This relationship is often described in terms of the Phillips curve. Although economic slack is widely held to be an important determinant of inflation dynamics, this link is by no means clear, and judging the relative usefulness of different measures of slack for predicting wage and price inflation is not straightforward, as illustrated in Box 2.

In the euro area, historical experience suggests that a relatively large movement is required in the degree of slack to affect inflation in a significant way. Such a weak relationship can be explained by a number of factors. First, the greater credibility of monetary policy associated with lower and well-anchored inflation expectations may be reflected in a flattening of the estimated Phillips curve relationship over the years. Second, the response of wages and prices to slack in the euro area economy may have been affected by downward nominal wage and price rigidities, preventing a more marked response of prices and wages to the deterioration in economic conditions.[10]

The most recent developments, characterised by a marked increase in the degree of slack and a rather stable aggregate wage and price inflation, may, however, also be associated with changes in the composition of employment, as workers with low wages – such as young workers, immigrants and part-time and construction workers – have been those hardest hit in terms of labour shedding and lay-offs. The resulting higher share in employment of higher-skilled/higher-paid workers has had an upward impact on the evolution of aggregate wages.[11] Moreover, increases in indirect taxes and administered prices due to ongoing fiscal consolidation in several euro area countries, as well as higher profit margins in sheltered sectors, have put upward pressure on euro area inflation. The presence of strong inertia in wages and prices due, for example, to structural features affecting wage and price dynamics (such as wage indexation schemes in some countries) or costly, or imperfect, information gathering may also play a significant role in explaining the limited nominal adjustments following the crisis.

On the basis of a technical analysis of the link between economic slack – as measured by the unemployment gap – and wage and price inflation developments in a Phillips-curve framework, the coefficient for the unemployment gap seems to have declined since the start of the crisis to a very low level (see Chart 11).[12] Moreover, there is still a relatively high degree of inflation persistence (measured by the autoregressive coefficient) in the euro area, while nominal wages (partly due to their downward rigidity, in combination with low nominal wage growth during the crisis) have become more persistent, although not as persistent as inflation (see Chart 12). Thus, the rigidities of the euro area economies seem to remain high. Although the high persistence of inflation may also reflect well-anchored price expectations due, for example, to a greater credibility of monetary policy, rigid wage and price behaviour is an important factor in explaining the muted nominal developments which impede competitiveness. In this respect, in order to support a faster rebalancing and restructuring of some euro area countries, the implementation of structural reforms is essential and should focus on measures to remove rigidities and to enhance flexibility.

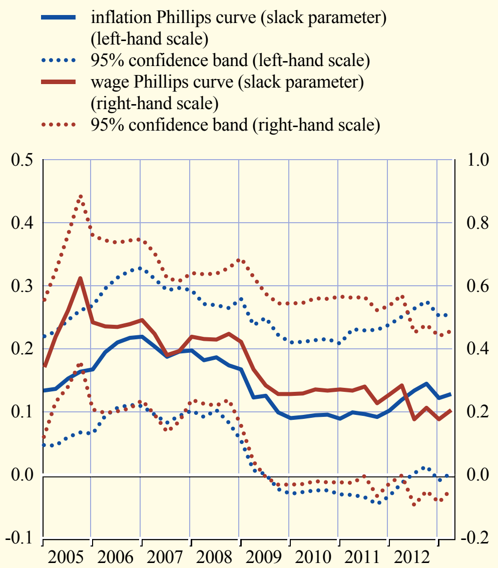
10 For more details, see Section 2.4 of "Euro area labour markets and the crisis", *Occasional Paper Series,* No 138, ECB, Frankfurt am Main, October 2012.

11 For more details on the composition effects and its role in explaining the limited wage adjustment in the aftermath of the crisis, see Box 6 in "Euro area labour markets and the crisis", *Occasional Paper Series,* No 138, ECB, Frankfurt am Main, October 2012.

12 Rolling regression estimates from a simple linear Phillips-curve specification, linking nominal development to the unemployment gap, are used to illustrate the extent to which the historical relationship has changed. For a similar analysis, see the article entitled "The development of prices and costs during the 2008-09 recession", *Monthly Bulletin*, ECB, April 2012.

Chart 11 Rolling estimates of the slack parameter from wage and price Phillips curves

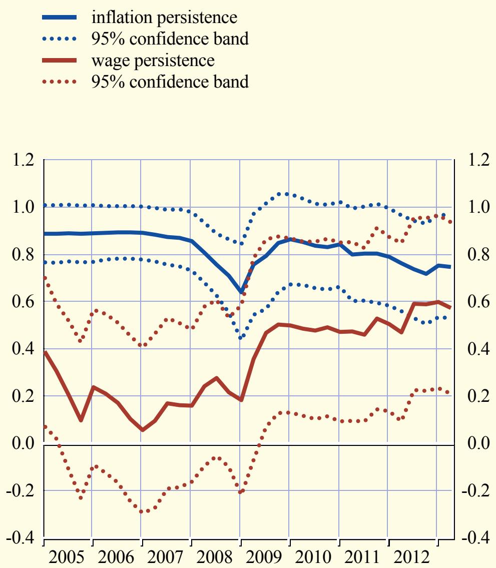
(Q1 2005 - Q2 2013)



Source: ECB calculations.
Notes: The slack parameter is the estimated coefficient on the slack measure in a simplified Phillips curve relationship, estimated from rolling regressions, using a 32-quarter window. The unemployment gap by the European Commission is utilised as the slack measure in the regressions. The estimations are based on quarterly data covering the period from the first quarter of 1997 to the second quarter of 2013. Inflation refers to the HICP excluding food and energy.

Chart 12 Rolling estimates of the persistence parameter from wage and price Phillips curves

(Q1 2005 - Q2 2013)



Source: ECB calculations.
Notes: The persistence parameter is the coefficient on a lagged inflation term in a simplified Phillips curve relationship. For further details, see the notes to Chart 11.

Box 2

EVALUATING DIFFERENT MEASURES OF SLACK AS PREDICTORS FOR MOVEMENTS IN WAGES AND PRICES

The traditional Phillips curve is the most widely used empirical framework for assessing the link between economic activity and nominal developments. According to the Phillips curve, economic slack in the economy should be a determinant of future wage and price inflation. As is well known, judging the extent of slack is complicated, and a variety of different indicators of slack is frequently used.

This box assesses the usefulness, during the crisis, of different measures of slack for predicting wage and price inflation and whether some measures perform better than others at the current juncture. It does so by means of forecasts from bivariate (autoregressive distributed) models based on simple linear Phillips-curve specifications. These specifications rely on information from the slack indicator, as well as past developments of wage and price inflation.[1] To assess the

1 The models use the annual growth rate of compensation per employee and HICP inflation excluding food and energy as the dependent variables, and the regressors include lagged values of the corresponding dependent variable and the economic slack information.

Evaluation of different measures of slack as predictors for wage and price inflation

Measures of slack	Wage inflation (compensation per employee growth)				Price inflation (growth of HICP excluding food and energy)			
	Q1 2008 - Q2 2013							
	t+1	t+2	t+3	t+4	t+1	t+2	t+3	t+4
Output gap	0.91	0.87	0.82	0.80	0.98	0.98	1.00	1.02
Factor limiting production, demand	0.94	0.95	0.95	0.94	0.92	0.92	0.95	0.99
Capacity utilisation, manufacturing	0.99	1.04	1.07	1.10	1.03	1.11	1.20	1.30
Unemployment gap	1.00	0.88	0.80	0.79	1.02	1.04	1.03	1.03
Factor limiting production, labour	0.96	0.91	0.88	0.86	0.97	0.97	0.99	1.01

Source: ECB calculations.
Notes: Table entries are relative root mean square errors that signal the performance of each bivariate model relative to the performance of a simple autoregressive time-series model over different horizons. A value below 1 means that the model with the corresponding indicator outperforms the autoregressive model used as a benchmark, and vice versa. The output gap and the unemployment gap are estimates published by the European Commission. The estimation sample extends from the first quarter of 1997 to the second quarter of 2013.

performance of each slack indicator these forecasts are compared with an autoregressive forecast (i.e. a model excluding the indicator) for one to four quarters ahead, in a pseudo real-time out-of-sample forecast exercise, i.e. using, from the most recent vintage of data, the data points that would have been available when making the forecast.

The results from this evaluation seem to suggest that, of the various measures of economic slack assessed, few offer notable improvements (compared with the forecasts excluding the indicator) over the short term due largely to the sluggish nature of wage and price adjustment to cyclical dynamics (see table). Generally, slack measures tend to be better at predicting wage inflation than price inflation for the crisis period, particularly at longer time horizons. For predictions of compensation per employee, gap measures (output and unemployment gaps) seem to produce more accurate forecasts than survey indicators (particularly in the case of capacity utilisation). However, these results have to be interpreted with caution. For example, gap measures are typically estimated on the basis of how well they explain wage and price inflation (a Phillips-curve equation as part of the identification), which could affect the results on account of endogeneity problems. In addition, as for all empirical work, data revisions and/or a different model specification may lead to different results.

4 CONCLUDING REMARKS

This article has reviewed developments in potential output and its contributions, the factors accounting for those developments, and the link to nominal developments since the onset of the financial crisis in 2008.

It indicates that the negative impact on potential output has been concentrated on the capital and labour components, accounted for by lower investment rates, demographics and higher structural unemployment. While these factors are likely to be temporary, they may become permanent unless structural reforms are implemented to prevent them from becoming entrenched and affecting potential output growth also in the medium to long term. The outlook for euro area potential growth therefore crucially hinges on further substantial progress being made in terms of structural reforms designed to achieve higher rates of potential output growth in the medium and longer term. In order to boost significantly the rate of sustainable growth in the euro area, the positive impact of such reforms also has to considerably outweigh the negative impact of population ageing on future potential growth.

The article also indicates that the link between the degree of slack and inflation has become more tenuous in recent years, whether assessed by means of output or unemployment gaps or by alternative measures of economic slack. This may partly be due to a better anchoring of inflationary expectations. However, the structural rigidities remaining in the euro area appear to play a role. Those structural rigidities may be an indication that the effects of past structural reforms in the euro area have yet to be felt. Structural reforms across the euro area countries have not been far-reaching and ambitious enough to support potential output growth and more reform efforts need to be undertaken to boost potential output growth in the medium and longer term.

EURO AREA STATISTICS

CONTENTS[1]

1 For further information, please contact us at: statistics@ecb.europa.eu. See the ECB's Statistical Data Warehouse in the "Statistics" section of the ECB's website (http://sdw.ecb.europa.eu) for longer runs and more detailed data.

Conventions used in the tables

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

EURO AREA OVERVIEW

Summary of economic indicators for the euro area
(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates [1]

	M1 [2]	M2 [2]	M3 [2), 3)]	M3 [2), 3)] 3-month moving average (centred)	MFI loans to euro area residents excluding MFIs and general government [2]	Securities other than shares issued in euro by non-MFI corporations [2]	3-month interest rate (EURIBOR; % per annum; period averages)	10-year spot rate (% per annum; end of period) [4]
	1	2	3	4	5	6	7	8
2011	2.1	2.3	1.5	-	2.2	0.6	1.39	2.65
2012	4.0	3.1	2.9	-	-0.2	1.2	0.58	1.72
2012 Q4	6.2	4.2	3.6	-	-0.8	0.8	0.20	1.72
2013 Q1	6.8	4.3	3.2	-	-0.8	1.5	0.21	1.76
Q2	8.1	4.6	2.9	-	-1.1	0.2	0.21	2.14
Q3	7.0	4.1	2.2	-	-1.9	.	0.22	2.05
2013 May	8.3	4.7	2.9	2.8	-1.2	0.2	0.20	1.84
June	7.6	4.3	2.4	2.5	-1.6	0.9	0.21	2.14
July	7.1	4.1	2.2	2.3	-1.9	2.2	0.22	1.95
Aug.	6.8	4.0	2.3	2.2	-2.0	2.8	0.23	2.17
Sep.	6.6	3.8	2.1	.	-1.9	.	0.22	2.05
Oct.	.	.	.	.	.	.	0.23	1.95

2. Prices, output, demand and labour markets [5]

	HICP [1]	Industrial producer prices	Hourly labour costs	Real GDP (s.a.)	Industrial production excluding construction	Capacity utilisation in manufacturing (%)	Employment (s.a.)	Unemployment (% of labour force; s.a.)
	1	2	3	4	5	6	7	8
2011	2.7	5.7	2.2	1.6	3.2	80.6	0.3	10.1
2012	2.5	2.8	1.8	-0.7	-2.4	78.6	-0.7	11.4
2013 Q1	1.9	1.2	1.7	-1.2	-2.3	77.5	-1.0	12.0
Q2	1.4	-0.1	0.9	-0.6	-1.1	77.9	-1.0	12.1
Q3	1.3	-0.6	.	.	.	78.4	.	12.2
2013 May	1.4	-0.3	-	-	-2.0	-	-	12.1
June	1.6	0.2	-	-	-0.3	-	-	12.1
July	1.6	0.0	-	-	-1.9	78.3	-	12.1
Aug.	1.3	-0.8	-	-	-2.1	-	-	12.2
Sep.	1.1	-0.9	-	-	.	-	-	12.2
Oct.	0.7	.	-	-	.	78.4	-	.

3. External statistics
(EUR billions, unless otherwise indicated)

	Balance of payments (net transactions)			Reserve assets (end-of-period positions)	Net international investment position (as a % of GDP)	Gross external debt (as a % of GDP)	Effective exchange rate of the euro: EER-21 [6] (index: 1999 Q1 = 100)		USD/EUR exchange rate
	Current and capital accounts	Goods	Combined direct and portfolio investment				Nominal	Real (CPI)	
	1	2	3	4	5	6	7	8	9
2011	19.2	2.3	145.3	667.1	-15.4	126.6	103.4	100.6	1.3920
2012	131.2	94.9	68.8	689.4	-13.3	127.5	97.9	95.5	1.2848
2012 Q4	68.2	35.0	45.4	689.4	-13.3	127.5	97.9	95.5	1.2967
2013 Q1	26.4	30.7	-7.5	687.8	-12.4	129.1	100.8	98.2	1.3206
Q2	58.1	52.1	18.4	564.3	-13.8	126.7	100.9	98.2	1.3062
Q3	.	.	.	586.8	.	.	101.9	99.2	1.3242
2013 May	12.4	17.2	22.8	621.4	-	-	100.6	98.0	1.2982
June	30.1	18.5	7.9	564.3	-	-	101.6	98.8	1.3189
July	28.4	19.7	-44.4	588.7	-	-	101.5	98.8	1.3080
Aug.	13.4	8.3	12.3	613.0	-	-	102.2	99.5	1.3310
Sep.	.	.	.	586.8	-	-	102.0	99.1	1.3348
Oct.	.	.	.	.	-	-	102.9	99.9	1.3635

Sources: ECB, European Commission (Eurostat and Economic and Financial Affairs DG) and Thomson Reuters.
Note: For more information on the data, see the relevant tables later in this section.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.
3) M3 and its components exclude holdings by non-euro area residents of money market fund shares/units and debt securities with a maturity of up to two years.
4) Based on AAA-rated euro area central government bond yield curves. For further information, see Section 4.7.
5) Data refer to the Euro 17, unless otherwise indicated.
6) For a definition of the trading partner groups and other information, please refer to the General Notes.

1 MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	4 October 2013	11 October 2013	18 October 2013	25 October 2013	1 November 2013
Gold and gold receivables	343,919	343,919	343,919	343,919	343,919
Claims on non-euro area residents in foreign currency	245,370	245,653	244,673	245,402	244,795
Claims on euro area residents in foreign currency	21,474	20,883	21,154	21,324	22,175
Claims on non-euro area residents in euro	23,572	22,760	21,545	21,747	21,467
Lending to euro area credit institutions in euro	761,567	753,023	749,730	743,902	740,153
Main refinancing operations	94,466	93,366	91,234	90,605	89,319
Longer-term refinancing operations	666,999	659,342	658,495	653,296	650,810
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	101	314	0	0	24
Credits related to margin calls	1	0	1	1	1
Other claims on euro area credit institutions in euro	74,121	76,035	73,466	77,255	80,406
Securities of euro area residents in euro	599,900	599,711	599,583	594,986	593,354
Securities held for monetary policy purposes	246,994	246,574	246,574	245,745	241,614
Other securities	352,907	353,137	353,009	349,240	351,740
General government debt in euro	28,328	28,328	28,328	28,328	28,328
Other assets	252,329	250,110	245,565	241,882	239,794
Total assets	2,350,580	2,340,421	2,327,962	2,318,744	2,314,393

2. Liabilities

	4 October 2013	11 October 2013	18 October 2013	25 October 2013	1 November 2013
Banknotes in circulation	921,733	920,120	918,636	917,873	924,528
Liabilities to euro area credit institutions in euro	508,222	508,620	502,789	469,662	467,102
Current accounts (covering the minimum reserve system)	265,366	268,047	269,105	230,156	226,935
Deposit facility	55,336	52,553	45,667	51,336	52,127
Fixed-term deposits	187,500	188,000	188,000	188,000	188,000
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	20	20	18	170	39
Other liabilities to euro area credit institutions in euro	6,045	5,927	5,465	5,496	5,692
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	103,774	94,146	101,543	119,013	110,342
Liabilities to non-euro area residents in euro	129,158	131,122	124,151	126,661	123,510
Liabilities to euro area residents in foreign currency	2,117	2,365	1,787	1,725	1,241
Liabilities to non-euro area residents in foreign currency	4,021	3,321	3,430	4,560	4,999
Counterpart of special drawing rights allocated by the IMF	53,565	53,565	53,565	53,565	53,565
Other liabilities	226,992	226,281	221,643	225,235	228,460
Revaluation accounts	304,534	304,534	304,534	304,534	304,534
Capital and reserves	90,419	90,420	90,419	90,420	90,420
Total liabilities	2,350,580	2,340,421	2,327,962	2,318,744	2,314,393

Source: ECB.

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

With effect from: [1]	Deposit facility		Main refinancing operations			Marginal lending facility	
			Fixed rate tenders	Variable rate tenders			
			Fixed rate	Minimum bid rate			
	Level	Change	Level	Level	Change	Level	Change
	1	2	3	4	5	6	7
1999 1 Jan.	2.00	-	3.00	-	-	4.50	-
4 [2]	2.75	0.75	3.00	-	...	3.25	-1.25
22	2.00	-0.75	3.00	-	...	4.50	1.25
9 Apr.	1.50	-0.50	2.50	-	-0.50	3.50	-1.00
5 Nov.	2.00	0.50	3.00	-	0.50	4.00	0.50
2000 4 Feb.	2.25	0.25	3.25	-	0.25	4.25	0.25
17 Mar.	2.50	0.25	3.50	-	0.25	4.50	0.25
28 Apr.	2.75	0.25	3.75	-	0.25	4.75	0.25
9 June	3.25	0.50	4.25	-	0.50	5.25	0.50
28 [3]	3.25	...	-	4.25	...	5.25	...
1 Sep.	3.50	0.25	-	4.50	0.25	5.50	0.25
6 Oct.	3.75	0.25	-	4.75	0.25	5.75	0.25
2001 11 May	3.50	-0.25	-	4.50	-0.25	5.50	-0.25
31 Aug.	3.25	-0.25	-	4.25	-0.25	5.25	-0.25
18 Sep.	2.75	-0.50	-	3.75	-0.50	4.75	-0.50
9 Nov.	2.25	-0.50	-	3.25	-0.50	4.25	-0.50
2002 6 Dec.	1.75	-0.50	-	2.75	-0.50	3.75	-0.50
2003 7 Mar.	1.50	-0.25	-	2.50	-0.25	3.50	-0.25
6 June	1.00	-0.50	-	2.00	-0.50	3.00	-0.50
2005 6 Dec.	1.25	0.25	-	2.25	0.25	3.25	0.25
2006 8 Mar.	1.50	0.25	-	2.50	0.25	3.50	0.25
15 June	1.75	0.25	-	2.75	0.25	3.75	0.25
9 Aug.	2.00	0.25	-	3.00	0.25	4.00	0.25
11 Oct.	2.25	0.25	-	3.25	0.25	4.25	0.25
13 Dec.	2.50	0.25	-	3.50	0.25	4.50	0.25
2007 14 Mar.	2.75	0.25	-	3.75	0.25	4.75	0.25
13 June	3.00	0.25	-	4.00	0.25	5.00	0.25
2008 9 July	3.25	0.25	-	4.25	0.25	5.25	0.25
8 Oct.	2.75	-0.50	-	-	-	4.75	-0.50
9 [4]	3.25	0.50	-	-	-	4.25	-0.50
15 [5]	3.25	...	3.75	-	-0.50	4.25	...
12 Nov.	2.75	-0.50	3.25	-	-0.50	3.75	-0.50
10 Dec.	2.00	-0.75	2.50	-	-0.75	3.00	-0.75
2009 21 Jan.	1.00	-1.00	2.00	-	-0.50	3.00	...
11 Mar.	0.50	-0.50	1.50	-	-0.50	2.50	-0.50
8 Apr.	0.25	-0.25	1.25	-	-0.25	2.25	-0.25
13 May	0.25	...	1.00	-	-0.25	1.75	-0.50
2011 13 Apr.	0.50	0.25	1.25	-	0.25	2.00	0.25
13 July	0.75	0.25	1.50	-	0.25	2.25	0.25
9 Nov.	0.50	-0.25	1.25	-	-0.25	2.00	-0.25
14 Dec.	0.25	-0.25	1.00	-	-0.25	1.75	-0.25
2012 11 July	0.00	-0.25	0.75	-	-0.25	1.50	-0.25
2013 8 May	0.00	...	0.50	-	-0.25	1.00	-0.50
13 Nov.	0.00	...	0.25	-	-0.25	0.75	-0.25

Source: ECB.

1) From 1 January 1999 to 9 March 2004, the date refers to the deposit and marginal lending facilities. For main refinancing operations, 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. From 10 March 2004 onwards, the date refers both to the deposit and marginal lending facilities and to the main refinancing operations (with changes effective from the first main refinancing operation following the Governing Council decision), unless otherwise indicated.
2) On 22 December 1998 the ECB announced that, as an exceptional measure between 4 and 21 January 1999, a narrow corridor of 50 basis points would be applied between the interest rates for the marginal lending facility and the deposit facility, aimed at facilitating the transition to the new monetary 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.
4) As of 9 October 2008 the ECB reduced the standing facilities corridor from 200 basis points to 100 basis points around the interest rate on the main refinancing operations. The standing facilities corridor was restored to 200 basis points as of 21 January 2009.
5) On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October, the weekly main refinancing operations would be carried out through a fixed rate tender procedure with full allotment at the interest rate on the main refinancing operations. This change overrode the previous decision (made on the same day) to cut by 50 basis points the minimum bid rate on the main refinancing operations conducted as variable rate tenders.

1.3 Eurosystem monetary policy operations allotted through tender procedures [1), 2)]

(EUR millions; interest rates in percentages per annum)

1. Main and longer-term refinancing operations [3)]

Date of settlement	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8
Main refinancing operations								
2013 31 July	109,163	78	109,163	0.50	-	-	-	7
7 Aug.	99,413	73	99,413	0.50	-	-	-	7
14	97,561	71	97,561	0.50	-	-	-	7
21	97,729	64	97,729	0.50	-	-	-	7
28	97,126	63	97,126	0.50	-	-	-	7
4 Sep.	95,621	66	95,621	0.50	-	-	-	7
11	97,170	70	97,170	0.50	-	-	-	7
18	96,249	79	96,249	0.50	-	-	-	7
25	97,027	74	97,027	0.50	-	-	-	7
2 Oct.	94,466	73	94,466	0.50	-	-	-	7
9	93,366	68	93,366	0.50	-	-	-	7
16	91,234	70	91,234	0.50	-	-	-	7
23	90,605	67	90,605	0.50	-	-	-	7
30	89,319	66	89,319	0.50	-	-	-	7
6 Nov.	89,524	64	89,524	0.50	-	-	-	7
Longer-term refinancing operations [5)]								
2013 8 May	5,230	17	5,230	0.50	-	-	-	35
30	5,830	36	5,830	0.50	-	-	-	91
12 June	3,591	20	3,591	0.50	-	-	-	28
27	9,477	50	9,477	0.50	-	-	-	91
10 July	3,536	21	3,536	0.50	-	-	-	28
1 Aug.	2,683	43	2,683	0.50	-	-	-	91
7	3,910	24	3,910	0.50	-	-	-	35
29 [6)]	6,823	38	6,823	.	-	-	-	91
11 Sep.	3,430	23	3,430	0.50	-	-	-	28
26 [6)]	8,607	51	8,607	.	-	-	-	84
9 Oct.	3,447	21	3,447	0.50	-	-	-	35
31 [6)]	1,930	43	1,930	.	-	-	-	91

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Maximum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8	9	10
2013 31 July	Collection of fixed-term deposits	229,883	112	195,500	-	-	0.50	0.20	0.13	7
7 Aug.	Collection of fixed-term deposits	269,313	123	192,500	-	-	0.50	0.13	0.11	7
14	Collection of fixed-term deposits	259,301	126	192,500	-	-	0.50	0.12	0.10	7
21	Collection of fixed-term deposits	283,979	123	192,500	-	-	0.50	0.11	0.10	7
28	Collection of fixed-term deposits	287,539	123	190,500	-	-	0.50	0.13	0.11	7
4 Sep.	Collection of fixed-term deposits	314,840	133	190,500	-	-	0.50	0.10	0.09	7
11	Collection of fixed-term deposits	297,762	128	190,500	-	-	0.50	0.09	0.08	7
18	Collection of fixed-term deposits	272,916	122	190,500	-	-	0.50	0.09	0.08	7
25	Collection of fixed-term deposits	248,472	116	190,500	-	-	0.50	0.19	0.11	7
2 Oct.	Collection of fixed-term deposits	265,066	117	187,500	-	-	0.50	0.09	0.08	7
9	Collection of fixed-term deposits	251,347	117	188,000	-	-	0.50	0.09	0.08	7
16	Collection of fixed-term deposits	219,440	117	188,000	-	-	0.50	0.15	0.09	7
23	Collection of fixed-term deposits	240,212	132	188,000	-	-	0.50	0.12	0.09	7
30	Collection of fixed-term deposits	215,802	119	188,000	-	-	0.50	0.18	0.12	7
6 Nov.	Collection of fixed-term deposits	257,518	131	184,000	-	-	0.50	0.13	0.10	7

Source: ECB.

1) The amounts shown may differ slightly from those in Section 1.1 owing to operations that have been allotted but not settled.
2) With effect from April 2002, split tender operations (i.e. operations with a one-week maturity conducted as standard tender procedures in parallel with a main refinancing operation) are classified as main refinancing operations.
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 tender procedures. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids. On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October 2008, the weekly main refinancing operations would be carried out through a fixed rate tender procedure with full allotment at the interest rate on the main refinancing operations. On 4 March 2010 the ECB decided to return to variable rate tender procedures in the regular three-month longer-term refinancing operations, starting with the operation to be allotted on 28 April 2010 and settled on 29 April 2010.
4) In liquidity-providing (absorbing) operations, the marginal rate refers to the lowest (highest) rate at which bids were accepted.
5) For the operations settled on 22 December 2011 and 1 March 2012, after one year counterparties have the option to repay any part of the liquidity that they have been allotted in these operations, on any day that coincides with the settlement day of a main refinancing operation.
6) In this longer-term refinancing operation, the rate at which all bids are satisfied is indexed to the average minimum bid rate in the main refinancing operations over the life of the operation. The interest rates displayed for these indexed longer-term refinancing operations have been rounded to two decimal places. For the precise calculation method, please refer to the Technical Notes.

1.4 Minimum reserve and liquidity statistics

(EUR billions; period averages of daily positions, unless otherwise indicated; interest rates as percentages per annum)

1. Reserve base of credit institutions subject to reserve requirements

Reserve base as at (end of period):	Total	Liabilities to which a positive reserve coefficient is applied [1]		Liabilities to which a 0% reserve coefficient is applied		
		Overnight deposits and deposits with an agreed maturity or notice period of up to 2 years	Debt securities issued with a maturity of up to 2 years	Deposits with an agreed maturity or notice period of over 2 years	Repos	Debt securities issued with a maturity of over 2 years
	1	2	3	4	5	6
2009	18,318.2	9,808.5	760.4	2,475.7	1,170.1	4,103.5
2010	18,948.1	9,962.6	644.3	2,683.3	1,335.4	4,322.5
2011	18,970.0	9,790.9	687.7	2,781.2	1,303.5	4,406.8
2012	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2013 Apr.	18,676.1	9,928.0	626.5	2,574.1	1,437.0	4,110.5
May	18,639.0	9,884.9	610.0	2,571.8	1,496.7	4,075.6
June	18,577.4	9,948.3	593.5	2,531.5	1,426.0	4,078.1
July	18,343.3	9,826.4	596.3	2,515.3	1,422.1	3,983.3
Aug.	18,252.7	9,835.6	587.7	2,494.7	1,353.8	3,981.0

2. Reserve maintenance

Maintenance period ending on:	Required reserves	Credit institutions' current accounts	Excess reserves	Deficiencies	Interest rate on minimum reserves
	1	2	3	4	5
2009	210.2	211.4	1.2	0.0	1.00
2010	211.8	212.5	0.7	0.5	1.00
2011	207.7	212.2	4.5	0.0	1.25
2012	106.4	509.9	403.5	0.0	0.75
2013 11 June	105.3	300.3	195.0	0.0	0.50
9 July	105.1	286.5	181.4	0.0	0.50
6 Aug.	104.5	269.6	165.1	0.0	0.50
10 Sep.	104.9	274.5	169.6	0.0	0.50
8 Oct.	103.8	268.4	164.7	0.0	0.50
12 Nov.	103.8	.	.	.	.

3. Liquidity

Maintenance period ending on:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts	Base money
		Monetary policy operations of the Eurosystem										
	Eurosystem's net assets in gold and foreign currency	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations [2]	Deposit facility	Other liquidity-absorbing operations [3]	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net)		
	1	2	3	4	5	6	7	8	9	10	11	12
2009	407.6	55.8	593.4	0.7	24.6	65.7	9.9	775.2	150.1	-130.2	211.4	1,052.3
2010	511.1	179.5	336.3	1.9	130.4	44.7	70.8	815.9	94.4	-79.1	212.5	1,073.1
2011	622.1	238.0	389.0	4.4	260.3	253.7	200.5	869.4	63.8	-85.9	212.2	1,335.3
2012	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2013 7 May	657.3	113.0	749.9	0.9	265.7	114.5	204.3	897.1	82.5	166.2	322.2	1,333.8
11 June	656.0	104.7	728.4	0.5	259.9	90.5	199.4	904.1	83.1	172.3	300.3	1,294.9
9 July	615.9	108.8	708.0	1.3	256.4	92.1	195.0	909.3	92.5	115.1	286.5	1,287.9
6 Aug.	532.3	104.5	698.6	0.2	255.0	82.6	195.5	917.6	97.1	28.2	269.6	1,269.8
10 Sep.	531.8	97.5	692.3	0.4	251.1	79.2	191.7	920.4	72.6	34.7	274.5	1,274.2
8 Oct.	538.2	96.2	674.6	0.2	248.2	58.9	189.8	918.3	80.1	41.9	268.4	1,245.6

Source: ECB.

1) A coefficient of 1% is applied as of the maintenance period beginning on 18 January 2012. A coefficient of 2% is applied to all previous maintenance periods.
2) Includes liquidity provided under the Eurosystem's covered bond purchase programmes and the Eurosystem's Securities Markets Programme.
3) Includes liquidity absorbed as a result of the Eurosystem's foreign exchange swap operations.
For more information, please see: http://www.ecb.europa.eu/mopo/liq/html/index.en.html

2 MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

2.1 Aggregated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Loans to euro area residents				Holdings of securities other than shares issued by euro area residents				Money market fund shares/ units [2]	Holdings of shares/ other equity issued by euro area residents	External assets	Fixed assets	Remaining assets [3]
		Total	General government	Other euro area residents	MFIs	Total	General government	Other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Eurosystem													
2011	4,700.4	2,780.5	18.0	1.0	2,761.5	717.2	556.9	10.1	150.2	-	20.3	779.2	8.1	395.0
2012	5,287.6	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.8
2013 Q2	4,399.4	2,572.6	15.1	1.2	2,556.3	741.7	588.8	25.3	127.5	-	23.6	665.0	8.3	388.4
Q3 (p)	4,303.2	2,455.0	15.1	1.2	2,438.7	727.9	576.7	26.5	124.7	-	24.6	690.7	8.3	396.8
2013 June	4,399.4	2,572.6	15.1	1.2	2,556.3	741.7	588.8	25.3	127.5	-	23.6	665.0	8.3	388.4
July	4,364.2	2,508.6	15.0	1.2	2,492.4	737.8	586.7	25.9	125.2	-	23.9	693.9	8.3	391.6
Aug.	4,353.7	2,485.8	15.0	1.2	2,469.5	730.1	579.4	25.9	124.8	-	24.0	711.3	8.3	394.2
Sep. (p)	4,303.2	2,455.0	15.1	1.2	2,438.7	727.9	576.7	26.5	124.7	-	24.6	690.7	8.3	396.8
	MFIs excluding the Eurosystem													
2011	33,533.5	18,476.5	1,159.6	11,163.1	6,153.8	4,765.1	1,395.9	1,517.3	1,852.0	50.2	1,212.0	4,253.5	232.3	4,543.9
2012	32,697.6	17,992.9	1,153.4	11,042.6	5,796.9	4,901.6	1,627.0	1,423.3	1,851.3	66.8	1,227.8	4,044.0	214.6	4,249.9
2013 Q2	32,008.7	17,529.6	1,101.8	10,978.7	5,449.1	4,960.9	1,785.2	1,407.2	1,768.5	50.9	1,246.3	4,001.7	209.5	4,009.8
Q3 (p)	31,389.9	17,311.3	1,090.5	10,777.2	5,443.7	4,842.2	1,744.8	1,393.8	1,703.6	58.7	1,234.2	3,891.5	210.5	3,841.5
2013 June	32,008.7	17,529.6	1,101.8	10,978.7	5,449.1	4,960.9	1,785.2	1,407.2	1,768.5	50.9	1,246.3	4,001.7	209.5	4,009.8
July	31,695.6	17,418.4	1,105.3	10,897.6	5,415.5	4,915.8	1,752.9	1,405.8	1,757.0	52.1	1,249.4	3,942.2	210.1	3,907.6
Aug.	31,537.6	17,385.3	1,090.3	10,769.8	5,525.2	4,893.0	1,755.2	1,401.7	1,736.0	57.9	1,223.8	3,949.7	210.2	3,817.9
Sep. (p)	31,389.9	17,311.3	1,090.5	10,777.2	5,443.7	4,842.2	1,744.8	1,393.8	1,703.6	58.7	1,234.2	3,891.5	210.5	3,841.5

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents				Money market fund shares/ units [4]	Debt securities issued [5]	Capital and reserves	External liabilities	Remaining liabilities [3]
			Total	Central government	Other general government/ other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11
	Eurosystem										
2011	4,700.4	913.6	2,609.0	63.8	12.1	2,533.1	-	0.0	481.3	284.3	412.2
2012	5,287.6	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.4
2013 Q2	4,399.4	936.8	2,350.7	107.9	45.7	2,197.1	-	0.0	421.4	241.3	449.3
Q3 (p)	4,303.2	944.6	2,225.0	82.0	49.2	2,093.8	-	0.0	444.8	225.4	463.5
2013 June	4,399.4	936.8	2,350.7	107.9	45.7	2,197.1	-	0.0	421.4	241.3	449.3
July	4,364.2	944.3	2,281.6	114.7	50.6	2,116.3	-	0.0	449.5	232.9	455.8
Aug.	4,353.7	945.3	2,250.3	81.3	46.3	2,122.7	-	0.0	469.1	229.4	459.5
Sep. (p)	4,303.2	944.6	2,225.0	82.0	49.2	2,093.8	-	0.0	444.8	225.4	463.5
	MFIs excluding the Eurosystem										
2011	33,533.5	-	17,312.0	195.5	10,752.1	6,364.4	570.6	5,008.2	2,229.1	3,805.2	4,608.3
2012	32,697.6	-	17,201.9	170.8	10,869.2	6,161.9	534.7	4,849.2	2,343.9	3,490.9	4,277.0
2013 Q2	32,008.7	-	17,074.6	236.7	11,085.2	5,752.8	486.8	4,590.9	2,392.6	3,407.1	4,056.7
Q3 (p)	31,389.9	-	16,855.3	190.8	10,919.1	5,745.4	477.1	4,469.9	2,392.0	3,277.9	3,917.7
2013 June	32,008.7	-	17,074.6	236.7	11,085.2	5,752.8	486.8	4,590.9	2,392.6	3,407.1	4,056.7
July	31,695.6	-	16,948.5	203.8	11,006.2	5,738.6	487.1	4,537.7	2,406.1	3,362.4	3,953.8
Aug.	31,537.6	-	16,949.6	181.5	10,950.0	5,818.1	502.2	4,506.4	2,389.2	3,339.4	3,850.7
Sep. (p)	31,389.9	-	16,855.3	190.8	10,919.1	5,745.4	477.1	4,469.9	2,392.0	3,277.9	3,917.7

Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Amounts issued by euro area residents. Amounts issued by non-euro area residents are included in external assets.
3) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
4) Amounts held by euro area residents.
5) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.2 Consolidated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Assets

	Total	Loans to euro area residents: Total	Loans: General government	Loans: Other euro area residents	Holdings of securities other than shares issued by euro area residents: Total	Securities: General government	Securities: Other euro area residents	Holdings of shares/ other equity issued by other euro area residents	External assets	Fixed assets	Remaining assets [2]
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2011	26,718.7	12,341.7	1,177.6	11,164.1	3,480.2	1,952.8	1,527.4	741.0	5,032.7	240.4	4,882.7
2012	26,247.0	12,213.9	1,170.3	11,043.6	3,629.1	2,195.3	1,433.7	767.0	4,843.9	222.9	4,570.3
2013 Q2	25,927.6	12,096.8	1,116.9	10,979.9	3,806.6	2,374.0	1,432.5	792.5	4,666.7	217.7	4,347.3
Q3 (p)	25,407.4	11,883.9	1,105.6	10,778.4	3,741.8	2,321.5	1,420.3	793.0	4,582.1	218.8	4,187.8
2013 June	25,927.6	12,096.8	1,116.9	10,979.9	3,806.6	2,374.0	1,432.5	792.5	4,666.7	217.7	4,347.3
July	25,678.3	12,019.1	1,120.3	10,898.8	3,771.3	2,339.6	1,431.7	785.6	4,636.1	218.4	4,247.8
Aug.	25,460.5	11,876.2	1,105.3	10,770.9	3,762.3	2,334.6	1,427.7	781.5	4,661.0	218.5	4,161.0
Sep. (p)	25,407.4	11,883.9	1,105.6	10,778.4	3,741.8	2,321.5	1,420.3	793.0	4,582.1	218.8	4,187.8
	Transactions										
2011	993.2	60.3	-55.6	115.9	127.7	151.8	-24.1	-29.9	-37.2	7.8	864.3
2012	85.4	-37.2	-4.7	-32.5	113.0	183.5	-70.5	38.6	-153.6	-14.1	138.6
2013 Q2	-443.2	-67.6	-23.6	-44.0	79.8	79.6	0.2	9.1	0.9	-0.3	-464.5
Q3 (p)	-424.9	-98.9	-12.5	-86.4	-70.6	-58.0	-12.5	-7.9	-80.5	1.2	-168.3
2013 June	-340.0	-11.2	-8.0	-3.2	23.4	36.4	-13.0	-12.1	-57.8	0.7	-282.3
July	-253.5	-71.3	2.3	-73.7	-40.2	-39.8	-0.4	-12.0	-30.0	0.7	-100.7
Aug.	-160.0	-45.5	-15.0	-30.5	-7.6	-4.1	-3.5	-2.6	-16.2	0.1	-88.3
Sep. (p)	-11.3	17.9	0.2	17.7	-22.8	-14.2	-8.7	6.7	-34.3	0.4	20.8

2. Liabilities

	Total	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Money market fund shares/ units [3]	Debt securities issued [4]	Capital and reserves	External liabilities	Remaining liabilities [2]	Excess of inter-MFI liabilities over inter-MFI assets
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	26,718.7	857.5	259.3	10,764.3	520.4	3,006.1	2,219.1	4,089.5	5,020.5	-17.9
2012	26,247.0	876.8	252.1	10,933.7	467.9	2,853.6	2,395.9	3,789.6	4,729.4	-52.0
2013 Q2	25,927.6	885.9	344.6	11,130.9	435.9	2,694.9	2,336.6	3,648.4	4,506.0	-55.5
Q3 (p)	25,407.4	894.0	272.8	10,968.2	418.4	2,641.6	2,371.0	3,503.3	4,381.2	-43.2
2013 June	25,927.6	885.9	344.6	11,130.9	435.9	2,694.9	2,336.6	3,648.4	4,506.0	-55.5
July	25,678.3	892.8	318.5	11,056.8	435.0	2,655.4	2,368.0	3,595.3	4,409.7	-53.0
Aug.	25,460.5	894.2	262.8	10,996.3	444.4	2,645.6	2,392.1	3,568.9	4,310.2	-54.0
Sep. (p)	25,407.4	894.0	272.8	10,968.2	418.4	2,641.6	2,371.0	3,503.3	4,381.2	-43.2
	Transactions									
2011	993.2	49.1	-0.8	168.1	-29.0	49.9	141.4	-199.9	860.6	-46.1
2012	85.4	19.5	-5.1	187.0	-18.2	-124.5	155.4	-254.1	147.7	-22.4
2013 Q2	-443.2	18.4	42.3	85.5	-23.5	-67.9	50.1	-105.7	-438.4	-4.0
Q3 (p)	-424.9	8.1	-71.8	-67.3	-17.5	-41.4	3.5	-124.4	-131.3	17.2
2013 June	-340.0	6.3	30.3	39.7	-19.6	-26.7	38.6	-92.6	-306.8	-9.2
July	-253.5	6.9	-26.1	-70.1	-0.8	-33.3	-2.5	-26.6	-103.7	2.7
Aug.	-160.0	1.4	-55.7	21.0	9.3	-11.7	7.7	-49.2	-97.5	14.8
Sep. (p)	-11.3	-0.2	10.0	-18.2	-25.9	3.6	-1.6	-48.6	69.9	-0.3

Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
3) Amounts held by euro area residents.
4) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.3 Monetary statistics 1)

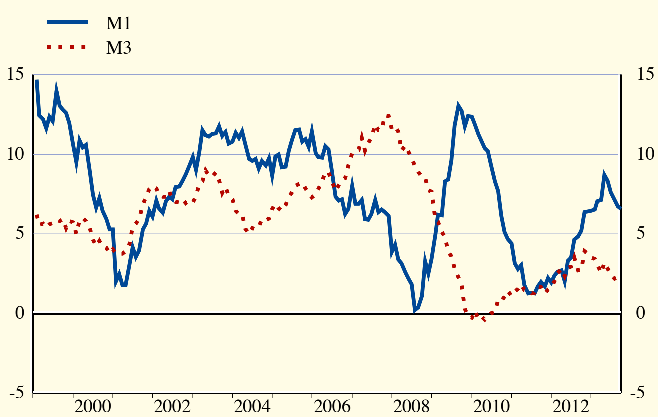
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

1. Monetary aggregates 2) and counterparts

	M3					**M3 3-month moving average (centred)**	**Longer-term financial liabilities**	**Credit to general government**	**Credit to other euro area residents 3)**			**Net external assets 4)**
	M2			M3-M2						Loans	Loans adjusted for sales and securitisation 5)	
	M1	M2-M1										
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2011	4,806.8	3,802.6	8,609.3	894.1	9,503.5	-	7,678.9	3,165.2	13,283.4	11,016.6	-	927.3
2012	5,109.3	3,884.9	8,994.3	792.5	9,786.8	-	7,569.2	3,406.1	13,055.8	10,856.5	-	1,037.0
2013 Q2	5,264.7	3,873.2	9,137.9	681.2	9,819.1	-	7,389.5	3,455.3	12,934.3	10,702.8	-	1,007.3
Q3 (p)	5,345.7	3,851.6	9,197.4	655.1	9,852.5	-	7,355.5	3,435.2	12,862.7	10,626.5	-	1,074.3
2013 June	5,264.7	3,873.2	9,137.9	681.2	9,819.1	-	7,389.5	3,455.3	12,934.3	10,702.8	-	1,007.3
July	5,301.8	3,870.7	9,172.5	681.6	9,854.1	-	7,377.6	3,449.0	12,880.9	10,652.0	-	1,040.6
Aug.	5,339.6	3,849.2	9,188.8	678.8	9,867.6	-	7,387.9	3,454.1	12,867.3	10,639.6	-	1,082.0
Sep. (p)	5,345.7	3,851.6	9,197.4	655.1	9,852.5	-	7,355.5	3,435.2	12,862.7	10,626.5	-	1,074.3
	Transactions											
2011	91.7	70.3	162.0	-7.5	154.5	-	211.6	95.8	48.9	103.7	130.3	162.3
2012	309.7	78.7	388.4	-55.3	333.1	-	-117.0	184.5	-102.4	-70.2	-16.2	99.1
2013 Q2	67.0	-10.7	56.3	-37.2	19.0	-	-31.5	25.5	-91.4	-107.4	-99.6	82.6
Q3 (p)	81.6	-20.7	60.9	-17.0	43.9	-	-50.7	-26.8	-60.5	-56.5	-50.5	50.5
2013 June	-2.5	9.1	6.6	-20.6	-14.0	-	-5.2	4.9	-36.4	-44.7	-43.0	2.9
July	38.7	-1.1	37.6	-0.7	36.9	-	-37.3	-12.7	-50.7	-43.4	-35.5	7.4
Aug.	36.8	-23.1	13.7	-2.0	11.6	-	-7.4	6.0	-9.4	-10.3	-7.8	23.1
Sep. (p)	6.1	3.5	9.6	-14.2	-4.6	-	-6.0	-20.1	-0.4	-2.8	-7.2	20.0
	Growth rates											
2011	1.9	1.9	1.9	-0.9	1.7	1.7	2.9	3.2	0.4	0.9	1.2	162.3
2012	6.4	2.1	4.5	-6.5	3.5	3.6	-1.5	5.8	-0.8	-0.6	-0.1	99.1
2013 Q2	7.6	0.1	4.3	-17.3	2.4	2.5	-1.0	2.7	-1.1	-1.6	-1.0	281.7
Q3 (p)	6.6	0.2	3.8	-16.6	2.1	2.2	-1.4	0.7	-1.1	-1.9	-1.4	302.0
2013 June	7.6	0.1	4.3	-17.3	2.4	2.5	-1.0	2.7	-1.1	-1.6	-1.0	281.7
July	7.1	0.2	4.1	-17.7	2.2	2.3	-1.0	2.2	-1.2	-1.9	-1.4	268.9
Aug.	6.8	0.4	4.0	-16.3	2.3	2.2	-1.2	2.1	-1.2	-2.0	-1.5	280.7
Sep. (p)	6.6	0.2	3.8	-16.6	2.1	.	-1.4	0.7	-1.1	-1.9	-1.4	302.0

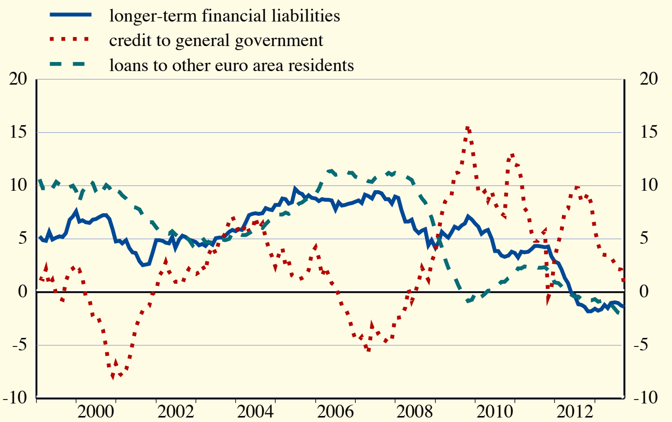
C1 Monetary aggregates 1)

(annual growth rates; seasonally adjusted)



C2 Counterparts 1)

(annual growth rates; seasonally adjusted)



Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Monetary liabilities of MFIs and central government (post office, treasury, etc.) vis-à-vis non-MFI euro area residents excluding central government. For definitions of M1, M2 and M3, see glossary.
3) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.
4) Values in the section “growth rates” are sums of the transactions during the 12 months ending in the period indicated.
5) Adjustment for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.3 Monetary statistics [1]

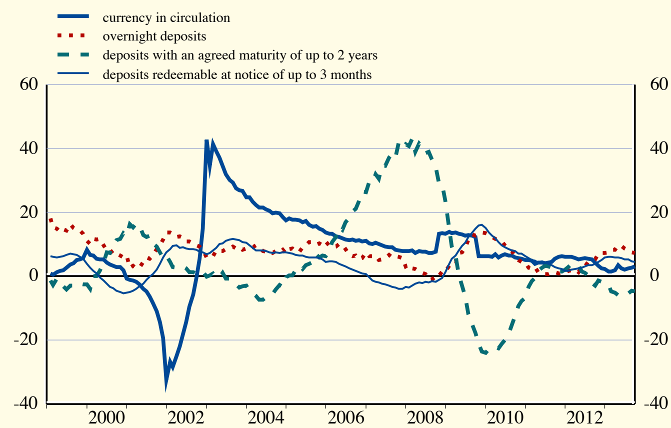
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

2. Components of monetary aggregates and longer-term financial liabilities

	Currency in circulation	Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits redeemable at notice of up to 3 months	Repos [2]	Money market fund shares/units	Debt securities with a maturity of up to 2 years	Debt securities with a maturity of over 2 years	Deposits redeemable at notice of over 3 months	Deposits with an agreed maturity of over 2 years	Capital and reserves
	1	2	3	4	5	6	7	8	9	10	11
						Outstanding amounts					
2011	844.2	3,962.6	1,841.6	1,961.0	147.4	536.8	209.9	2,815.7	115.3	2,543.5	2,204.4
2012	864.0	4,245.3	1,805.4	2,079.5	124.8	482.2	185.5	2,688.3	106.0	2,394.5	2,380.4
2013 Q2	879.3	4,385.4	1,750.4	2,122.8	116.9	438.0	126.3	2,561.9	96.6	2,402.1	2,328.9
Q3 (p)	893.4	4,452.3	1,718.7	2,132.9	101.8	420.9	132.4	2,502.4	93.8	2,389.4	2,369.9
2013 June	879.3	4,385.4	1,750.4	2,122.8	116.9	438.0	126.3	2,561.9	96.6	2,402.1	2,328.9
July	884.3	4,417.5	1,740.9	2,129.8	121.3	435.6	124.7	2,519.6	95.6	2,399.9	2,362.5
Aug.	890.7	4,448.9	1,721.7	2,127.6	114.8	435.4	128.6	2,507.9	95.6	2,394.7	2,389.6
Sep. (p)	893.4	4,452.3	1,718.7	2,132.9	101.8	420.9	132.4	2,502.4	93.8	2,389.4	2,369.9
						Transactions					
2011	49.2	42.5	36.9	33.4	-16.7	-29.7	38.9	18.0	-2.5	55.9	140.2
2012	20.0	289.7	-35.8	114.5	-17.0	-20.0	-18.3	-105.3	-10.2	-156.1	154.6
2013 Q2	10.1	56.8	-32.3	21.6	-5.0	-20.4	-11.9	-56.9	-4.2	-6.5	36.2
Q3 (p)	14.1	67.4	-32.0	11.3	-7.3	-17.1	7.4	-48.6	-2.8	-9.4	10.2
2013 June	-0.3	-2.2	5.1	4.0	-5.4	-8.1	-7.1	-18.4	-1.0	-3.4	17.6
July	5.0	33.7	-8.7	7.6	4.5	-2.4	-2.9	-34.8	-1.0	-1.4	-0.2
Aug.	6.4	30.4	-21.2	-1.9	-6.6	-0.3	4.9	-14.5	0.0	-3.5	10.7
Sep. (p)	2.7	3.4	-2.1	5.6	-5.2	-14.4	5.4	0.6	-1.9	-4.4	-0.3
						Growth rates					
2011	6.2	1.1	2.1	1.7	-9.7	-5.1	29.0	0.7	-2.1	2.3	6.9
2012	2.4	7.3	-1.9	5.8	-11.6	-4.0	-9.5	-3.7	-8.8	-6.1	6.9
2013 Q2	2.1	8.8	-5.6	5.4	-9.3	-11.3	-36.7	-4.8	-14.8	-3.2	6.5
Q3 (p)	3.2	7.3	-4.8	4.5	-11.8	-11.8	-31.3	-6.5	-14.9	-1.6	5.3
2013 June	2.1	8.8	-5.6	5.4	-9.3	-11.3	-36.7	-4.8	-14.8	-3.2	6.5
July	2.4	8.1	-5.4	5.3	-6.5	-11.1	-40.1	-6.0	-14.9	-1.2	5.7
Aug.	2.7	7.6	-4.5	4.8	-9.7	-10.1	-35.3	-6.5	-14.1	-1.6	5.9
Sep. (p)	3.2	7.3	-4.8	4.5	-11.8	-11.8	-31.3	-6.5	-14.9	-1.6	5.3

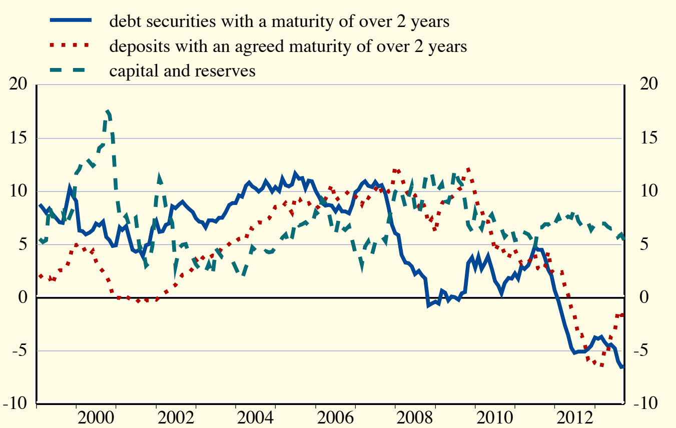
C3 Components of monetary aggregates [1]

(annual growth rates; seasonally adjusted)



C4 Components of longer-term financial liabilities [1]

(annual growth rates; seasonally adjusted)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Excludes repurchase agreements with central counterpaties as of June 2010; transactions and growth rates are adjusted for this effect.

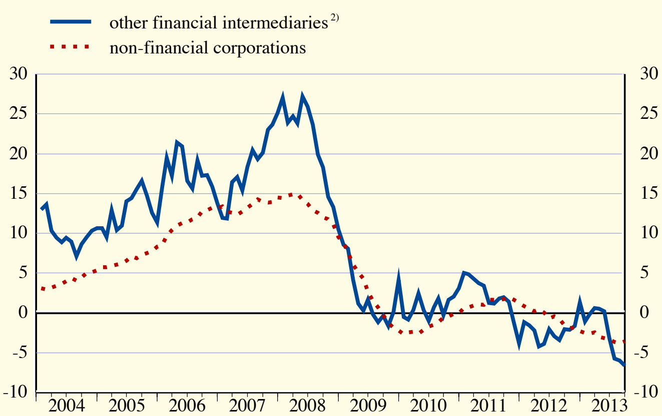
2.3 Monetary statistics [1]

(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

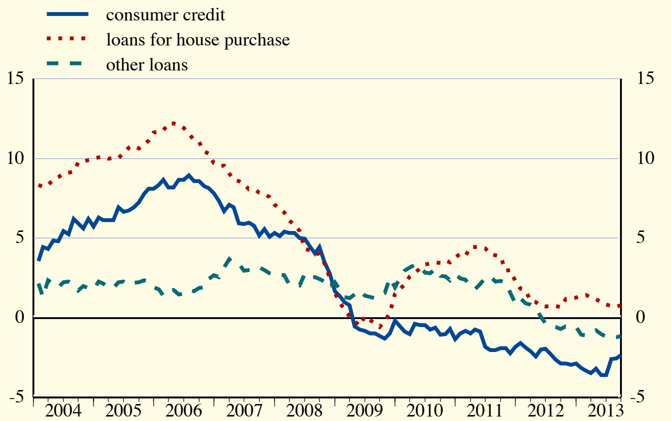
3. Loans as counterpart to M3

	Insurance corporations and pension funds	Other financial inter-mediaries [2]	Non-financial corporations					Households [3]				
	Total	Total	Total	Loans adjusted for sales and securitisation [4]	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Loans adjusted for sales and securitisation [4]	Consumer credit	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8	9	10	11	12
Outstanding amounts												
2011	91.0	969.6	4,723.7	-	1,147.7	860.7	2,715.2	5,232.3	-	626.2	3,777.2	828.9
2012	88.9	981.6	4,543.4	-	1,132.6	795.9	2,614.9	5,242.6	-	602.0	3,824.1	816.5
2013 Q2	93.4	929.3	4,445.5	-	1,109.2	770.0	2,566.3	5,234.6	-	586.5	3,840.0	808.1
Q3 (p)	95.5	895.6	4,399.3	-	1,084.5	763.1	2,551.7	5,236.0	-	581.8	3,846.9	807.3
2013 June	93.4	929.3	4,445.5	-	1,109.2	770.0	2,566.3	5,234.6	-	586.5	3,840.0	808.1
July	95.7	901.6	4,427.3	-	1,094.4	772.3	2,560.6	5,227.3	-	588.2	3,832.9	806.2
Aug.	97.2	898.5	4,414.7	-	1,084.1	772.2	2,558.4	5,229.3	-	586.2	3,837.4	805.6
Sep. (p)	95.5	895.6	4,399.3	-	1,084.5	763.1	2,551.7	5,236.0	-	581.8	3,846.9	807.3
Transactions												
2011	1.3	-37.1	58.0	63.9	24.0	-22.9	56.8	81.6	102.3	-11.6	85.7	7.4
2012	-2.0	13.2	-107.0	-61.4	6.9	-51.3	-62.6	25.6	34.3	-17.8	48.2	-4.9
2013 Q2	1.0	-47.3	-49.8	-50.2	-24.4	-5.6	-19.7	-11.3	-2.9	-5.4	-1.4	-4.5
Q3 (p)	2.4	-31.3	-31.4	-34.1	-15.9	-7.8	-7.6	3.7	11.3	-0.3	5.2	-1.1
2013 June	0.4	-26.5	-13.9	-13.2	-2.5	-3.0	-8.5	-4.7	-3.6	-3.8	1.4	-2.3
July	2.4	-26.0	-13.6	-15.6	-10.6	0.6	-3.7	-6.2	3.4	2.3	-7.0	-1.5
Aug.	1.7	-3.5	-12.0	-11.6	-10.1	-0.3	-1.6	3.5	4.9	-1.8	4.6	0.7
Sep. (p)	-1.7	-1.7	-5.8	-6.9	4.8	-8.2	-2.4	6.4	3.0	-0.8	7.6	-0.4
Growth rates												
2011	1.5	-3.8	1.2	1.4	2.1	-2.6	2.1	1.6	2.0	-1.8	2.3	0.9
2012	-2.2	1.3	-2.3	-1.3	0.6	-6.0	-2.3	0.5	0.7	-2.9	1.3	-0.6
2013 Q2	11.3	-3.2	-3.3	-2.3	-1.8	-6.2	-3.0	0.0	0.3	-3.6	0.8	-1.2
Q3 (p)	10.2	-6.6	-3.5	-2.7	-2.9	-5.7	-3.1	0.1	0.3	-2.4	0.8	-1.1
2013 June	11.3	-3.2	-3.3	-2.3	-1.8	-6.2	-3.0	0.0	0.3	-3.6	0.8	-1.2
July	14.4	-5.7	-3.7	-2.8	-3.7	-5.8	-3.0	0.0	0.3	-2.6	0.7	-1.3
Aug.	13.0	-6.0	-3.8	-2.9	-4.4	-5.3	-3.1	0.0	0.3	-2.5	0.7	-1.2
Sep. (p)	10.2	-6.6	-3.5	-2.7	-2.9	-5.7	-3.1	0.1	0.3	-2.4	0.8	-1.1

C5 Loans to other financial intermediaries and non-financial corporations [1]
(annual growth rates; seasonally adjusted)



C6 Loans to households [1]
(annual growth rates; seasonally adjusted)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.
3) Including non-profit institutions serving households.
4) Adjusted for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.4 MFI loans: breakdown [1), 2)]

(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

1. Loans to financial intermediaries and non-financial corporations

	Insurance corporations and pension funds				Other financial intermediaries					Non-financial corporations			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Reverse repos to central counterparties	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2012	81.6	64.2	4.5	12.9	1,169.6	196.2	599.6	229.5	340.5	4,538.9	1,124.1	794.7	2,620.0
2013 Q2	94.7	78.7	3.8	12.2	1,188.2	252.7	628.3	218.7	341.2	4,454.4	1,118.7	770.9	2,564.8
Q3 (p)	98.6	82.2	3.6	12.8	1,043.5	137.7	498.8	215.9	328.8	4,396.8	1,081.4	764.3	2,551.1
2013 July	97.2	81.3	3.6	12.3	1,131.2	223.0	578.1	216.6	336.5	4,437.6	1,100.4	773.3	2,563.9
Aug.	100.1	84.1	3.6	12.5	1,037.2	140.1	489.8	215.1	332.3	4,404.8	1,073.9	771.5	2,559.4
Sep. (p)	98.6	82.2	3.6	12.8	1,043.5	137.7	498.8	215.9	328.8	4,396.8	1,081.4	764.3	2,551.1
	Transactions												
2012	-1.7	0.6	-1.8	-0.5	51.9	38.7	21.1	13.1	17.7	-107.9	6.2	-51.4	-62.7
2013 Q2	3.3	3.3	-0.1	0.1	-16.0	17.8	-1.1	-2.9	-12.0	-39.2	-15.9	-5.0	-18.2
Q3 (p)	4.3	3.9	-0.2	0.6	-47.0	-19.6	-37.6	3.0	-12.4	-42.8	-28.5	-7.6	-6.7
2013 July	2.6	2.6	-0.1	0.1	-55.3	-29.7	-49.6	0.9	-6.7	-12.2	-14.1	0.7	1.2
Aug.	3.2	3.1	0.0	0.2	0.9	12.5	3.7	1.5	-4.4	-32.2	-26.2	-2.0	-3.9
Sep. (p)	-1.5	-1.9	0.0	0.4	7.5	-2.4	8.3	0.5	-1.4	1.6	11.8	-6.3	-4.0
	Growth rates												
2012	-2.0	0.9	-28.6	-3.5	4.6	24.7	3.6	6.1	5.5	-2.3	0.5	-6.0	-2.3
2013 Q2	11.0	16.7	-29.6	-2.2	3.9	42.7	8.8	-0.7	-1.5	-3.3	-1.8	-6.2	-3.0
Q3 (p)	10.3	15.0	-36.5	4.7	-4.4	4.4	-5.1	-0.4	-5.5	-3.5	-3.0	-5.6	-3.1
2013 July	14.3	20.3	-27.0	-1.4	-3.4	6.4	-4.9	0.3	-3.2	-3.7	-3.7	-5.8	-3.0
Aug.	13.4	19.2	-31.3	-0.1	-1.8	18.1	-0.2	0.0	-5.5	-3.8	-4.4	-5.3	-3.1
Sep. (p)	10.3	15.0	-36.5	4.7	-4.4	4.4	-5.1	-0.4	-5.5	-3.5	-3.0	-5.6	-3.1

2. Loans to households [3)]

	Total	Consumer credit				Loans for house purchase				Other loans				
		Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Sole proprietors	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2012	5,252.5	604.3	136.4	175.2	292.7	3,830.9	14.4	56.6	3,760.0	817.3	419.4	139.8	80.7	596.9
2013 Q2	5,241.5	589.6	131.0	171.3	287.3	3,838.5	13.7	55.7	3,769.2	813.4	414.0	144.7	78.5	590.2
Q3 (p)	5,238.2	582.9	130.4	170.4	282.2	3,848.3	12.6	55.9	3,779.9	807.0	413.6	139.1	77.7	590.1
2013 July	5,231.6	589.6	130.1	171.8	287.7	3,836.6	12.7	56.1	3,767.8	805.4	411.7	137.8	78.6	589.0
Aug.	5,227.6	586.2	128.9	170.8	286.4	3,837.1	12.6	56.0	3,768.5	804.3	410.7	136.7	78.5	589.2
Sep. (p)	5,238.2	582.9	130.4	170.4	282.2	3,848.3	12.6	55.9	3,779.9	807.0	413.6	139.1	77.7	590.1
	Transactions													
2012	25.0	-17.8	-3.2	-6.2	-8.4	47.8	0.2	0.2	47.4	-4.9	-5.7	-0.4	-6.9	2.3
2013 Q2	5.6	-0.1	1.5	-1.0	-0.6	2.3	0.2	-0.3	2.4	3.4	-2.1	3.7	0.1	-0.3
Q3 (p)	-0.9	-2.3	-0.1	-1.1	-1.2	8.2	-1.1	0.1	9.2	-6.8	-1.2	-5.3	-0.7	-0.8
2013 July	-8.7	0.6	-0.7	0.3	1.0	-1.7	-0.9	0.4	-1.2	-7.6	-2.3	-7.0	0.1	-0.8
Aug.	-2.4	-3.2	-1.1	-0.9	-1.1	0.5	-0.1	-0.1	0.7	0.3	-1.0	-0.9	-0.1	1.2
Sep. (p)	10.2	0.3	1.8	-0.5	-1.1	9.4	0.0	-0.2	9.7	0.6	2.2	2.6	-0.8	-1.3
	Growth rates													
2012	0.5	-2.8	-2.2	-3.4	-2.8	1.3	1.3	0.3	1.3	-0.6	-1.4	-0.3	-7.8	0.4
2013 Q2	0.0	-3.6	-2.3	-5.0	-3.3	0.8	-0.1	-2.1	0.9	-1.2	-1.6	-1.1	-7.2	-0.3
Q3 (p)	0.1	-2.4	-0.8	-4.0	-2.1	0.8	-10.2	-2.4	0.9	-1.1	-1.1	-0.6	-5.5	-0.7
2013 July	0.0	-2.6	-2.3	-4.2	-1.8	0.7	-7.7	-2.1	0.8	-1.3	-1.8	-2.6	-5.6	-0.4
Aug.	0.0	-2.5	-1.9	-4.2	-1.8	0.7	-8.8	-2.3	0.8	-1.2	-1.9	-2.2	-5.3	-0.4
Sep. (p)	0.1	-2.4	-0.8	-4.0	-2.1	0.8	-10.2	-2.4	0.9	-1.1	-1.1	-0.6	-5.5	-0.7

Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.

2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

3) Including non-profit institutions serving households.

2.4 MFI loans: breakdown [1), 2)]

(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

3. Loans to government and non-euro area residents

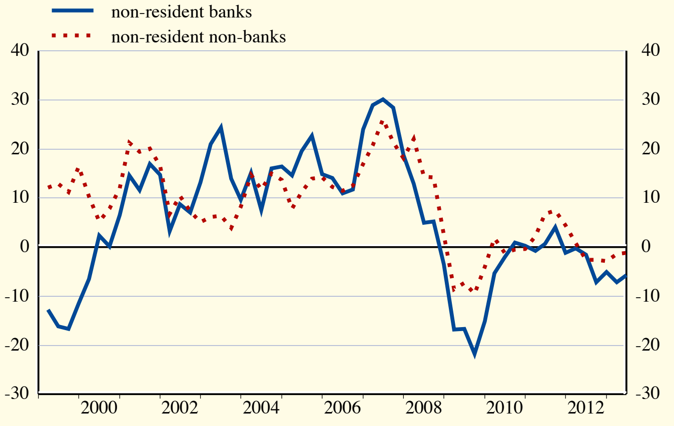
	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	1,159.6	348.9	221.7	567.4	21.7	3,021.6	2,022.7	998.9	62.4	936.4
2012	1,153.4	341.8	221.6	565.9	24.1	2,866.5	1,905.2	961.3	60.7	900.6
2012 Q3	1,163.0	341.4	231.5	564.0	26.2	3,006.3	1,988.5	1,017.8	59.7	958.1
Q4	1,153.4	341.8	221.6	565.9	24.1	2,866.5	1,905.2	961.3	60.7	900.6
2013 Q1	1,124.3	312.4	217.0	568.8	26.0	2,890.1	1,888.6	1,001.5	60.0	941.5
Q2 (p)	1,101.8	290.3	218.1	565.1	28.0	2,877.0	1,894.1	981.8	58.0	923.8
	Transactions									
2011	-54.9	-45.9	-0.3	14.6	-23.3	15.6	-26.2	41.6	12.9	28.7
2012	-3.6	-4.1	-4.9	2.9	2.4	-130.7	-102.4	-28.4	-1.0	-27.3
2012 Q3	-7.9	1.8	-9.5	-1.3	1.1	-54.9	-59.9	5.0	2.3	2.7
Q4	-9.5	0.6	-9.9	1.9	-2.1	-103.7	-57.5	-46.2	1.9	-48.1
2013 Q1	-29.5	-29.5	-4.5	2.5	1.9	11.6	-26.2	37.8	-1.0	38.9
Q2 (p)	-22.1	-21.8	1.1	-3.7	2.0	18.8	26.5	-8.9	-1.3	-7.6
	Growth rates									
2011	-4.5	-11.6	-0.2	2.7	-51.6	0.6	-1.1	4.4	26.7	3.2
2012	-0.3	-1.2	-2.2	0.5	11.2	-4.2	-5.0	-2.9	-1.8	-2.9
2012 Q3	1.7	0.0	2.7	2.1	6.9	-5.6	-7.1	-2.6	-7.0	-2.3
Q4	-0.3	-1.2	-2.2	0.5	11.2	-4.2	-5.0	-2.9	-1.8	-2.9
2013 Q1	-1.1	-2.4	-3.5	0.2	8.3	-5.2	-7.2	-1.4	0.1	-1.5
Q2 (p)	-5.9	-14.4	-9.5	-0.1	11.5	-4.2	-5.7	-1.2	3.1	-1.4

C7 Loans to government [2)]

(annual growth rates; not seasonally adjusted)

C8 Loans to non-euro area residents [2)]

(annual growth rates; not seasonally adjusted)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.

2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

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

2.5 Deposits held with MFIs: breakdown [1), 2)]

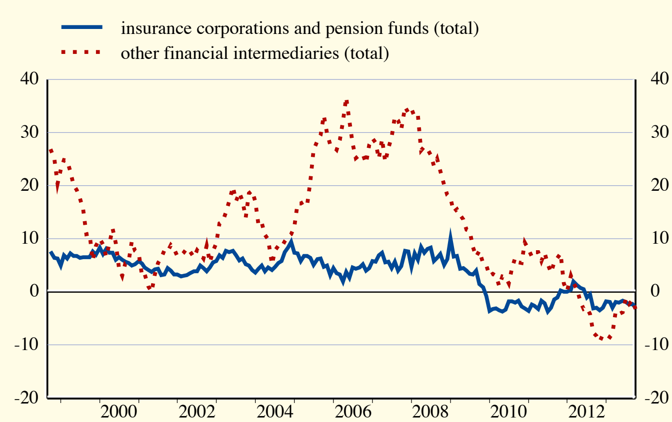
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

1. Deposits by financial intermediaries

	Insurance corporations and pension funds							Other financial intermediaries							
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		With central counter-parties
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
								Outstanding amounts							
2011	703.8	91.9	79.9	512.4	4.0	0.2	15.5	2,221.0	390.0	284.9	1,190.7	14.7	0.5	340.2	260.0
2012	691.9	107.0	81.4	484.4	6.4	0.2	12.5	2,015.8	410.4	236.6	1,020.7	13.6	0.3	334.4	256.7
2013 Q2	678.8	104.2	78.0	479.4	7.9	0.3	9.0	2,123.7	455.6	230.7	994.0	16.9	0.2	426.3	343.4
Q3 (p)	671.7	106.3	77.0	470.6	8.2	0.1	9.5	1,949.3	443.4	235.2	967.0	17.2	0.3	286.1	211.2
2013 June	678.8	104.2	78.0	479.4	7.9	0.3	9.0	2,123.7	455.6	230.7	994.0	16.9	0.2	426.3	343.4
July	683.4	108.9	80.4	475.0	8.3	0.3	10.5	2,049.6	435.4	232.5	986.8	17.5	0.2	377.2	287.5
Aug.	675.4	103.8	81.1	472.9	8.4	0.4	8.8	1,965.4	435.7	235.1	978.0	16.8	0.3	299.5	215.1
Sep. (p)	671.7	106.3	77.0	470.6	8.2	0.1	9.5	1,949.3	443.4	235.2	967.0	17.2	0.3	286.1	211.2
								Transactions							
2011	0.0	11.5	4.2	-14.2	1.1	-0.1	-2.6	2.4	28.8	-29.1	5.7	-2.6	0.1	-0.4	5.5
2012	-12.1	15.6	2.6	-27.6	2.0	0.0	-4.7	-177.1	23.5	-49.5	-166.0	-2.0	-0.3	17.2	13.3
2013 Q2	-18.5	-9.8	-5.4	-0.7	0.0	0.0	-2.5	15.6	14.8	-6.9	-21.3	1.8	0.0	27.2	29.4
Q3 (p)	-7.1	2.3	-1.3	-9.2	0.9	-0.2	0.5	-81.8	-11.4	4.7	-25.7	0.2	0.1	-49.7	-49.7
2013 June	-17.6	-8.2	-4.9	-1.6	-0.3	0.0	-2.6	38.5	12.0	-1.1	-3.0	1.5	0.0	29.0	33.2
July	4.8	4.7	2.4	-4.3	0.3	0.0	1.6	-72.3	-19.4	1.9	-6.4	0.6	0.0	-49.0	-55.9
Aug.	-8.5	-5.2	0.3	-2.6	0.5	0.1	-1.7	-2.5	0.0	2.4	-9.1	-0.6	0.1	4.7	10.0
Sep. (p)	-3.3	2.7	-4.1	-2.4	0.0	-0.2	0.7	-6.9	8.0	0.4	-10.2	0.2	0.0	-5.3	-3.8
								Growth rates							
2011	0.0	14.1	5.6	-2.7	43.3	-	-13.1	0.2	8.1	-9.3	0.4	-10.0	-	-0.2	2.1
2012	-1.7	17.0	3.4	-5.4	50.8	-	-32.1	-8.0	6.0	-17.4	-14.0	-14.0	-	4.3	4.2
2013 Q2	-1.9	6.6	-0.2	-4.2	27.9	-	-8.2	-1.2	12.1	-8.9	-9.0	12.4	-	11.5	16.3
Q3 (p)	-2.9	5.5	-2.2	-5.1	31.7	-	-13.6	-3.2	2.6	-1.1	-6.5	27.1	-	-3.5	-1.8
2013 June	-1.9	6.6	-0.2	-4.2	27.9	-	-8.2	-1.2	12.1	-8.9	-9.0	12.4	-	11.5	16.3
July	-2.4	3.8	-0.3	-4.6	27.3	-	5.1	-2.2	4.8	-5.5	-4.7	28.6	-	-2.0	-2.5
Aug.	-2.3	5.1	3.6	-4.9	32.2	-	-15.7	-1.5	5.2	-1.7	-5.9	24.6	-	2.4	5.1
Sep. (p)	-2.9	5.5	-2.2	-5.1	31.7	-	-13.6	-3.2	2.6	-1.1	-6.5	27.1	-	-3.5	-1.8

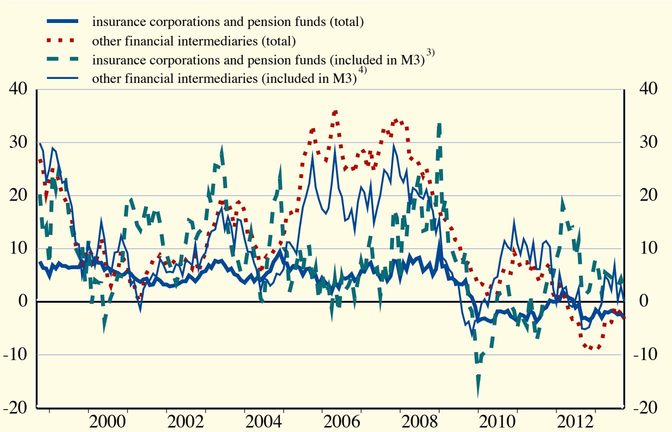
C9 Total deposits by sector [2)]

(annual growth rates)



C10 Total deposits and deposits included in M3 by sector [2)]

(annual growth rates)



Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Covers deposits in columns 2, 3, 5 and 7.
4) Covers deposits in columns 9, 10, 12 and 14.

2.5 Deposits held with MFIs: breakdown [1), 2)]

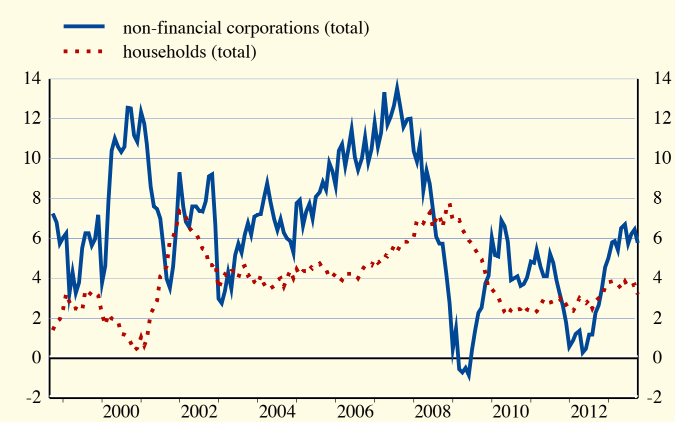
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

2. Deposits by non-financial corporations and households

	Non-financial corporations							Households [3)]						
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2011	1,686.9	1,054.3	444.3	97.7	72.3	2.0	16.3	5,894.0	2,255.7	948.1	723.7	1,837.1	106.7	22.7
2012	1,764.1	1,150.8	408.3	106.8	85.4	2.0	10.9	6,119.1	2,346.4	979.1	747.8	1,937.3	98.0	10.4
2013 Q2	1,762.4	1,151.9	389.7	116.2	92.4	1.7	10.6	6,209.8	2,446.4	928.9	770.3	1,970.0	88.2	6.1
Q3 (p)	1,789.5	1,174.2	391.9	116.8	95.0	1.8	9.7	6,204.2	2,460.2	903.3	784.3	1,965.2	85.0	6.4
2013 June	1,762.4	1,151.9	389.7	116.2	92.4	1.7	10.6	6,209.8	2,446.4	928.9	770.3	1,970.0	88.2	6.1
July	1,763.9	1,148.5	392.6	117.3	93.3	1.9	10.3	6,211.2	2,450.4	920.9	774.9	1,971.0	87.1	6.9
Aug.	1,787.5	1,166.0	395.8	117.2	94.7	1.8	12.1	6,221.1	2,463.4	914.8	778.1	1,971.3	86.8	6.6
Sep. (p)	1,789.5	1,174.2	391.9	116.8	95.0	1.8	9.7	6,204.2	2,460.2	903.3	784.3	1,965.2	85.0	6.4
	Transactions													
2011	9.5	10.0	-4.6	8.8	-5.0	0.4	-0.2	139.0	7.4	42.4	55.3	43.6	-2.6	-7.0
2012	84.2	101.6	-35.5	12.9	9.5	0.0	-4.3	224.8	90.4	33.7	21.8	100.7	-9.6	-12.3
2013 Q2	15.8	29.7	-19.9	5.7	0.8	0.0	-0.5	45.9	69.8	-35.6	12.2	6.6	-4.9	-2.2
Q3 (p)	27.7	21.6	2.1	1.6	3.2	0.1	-0.8	-4.4	14.1	-25.7	14.7	-4.6	-3.2	0.3
2013 June	1.4	6.0	-3.5	1.7	-0.2	0.0	-2.6	22.7	36.5	-13.5	2.3	-0.7	-1.2	-0.7
July	2.9	-2.9	3.2	1.1	1.4	0.2	-0.2	2.0	4.3	-7.7	4.5	1.2	-1.1	0.8
Aug.	23.4	17.1	2.4	1.0	1.4	-0.1	1.8	9.8	12.7	-6.6	4.0	0.3	-0.3	-0.3
Sep. (p)	1.4	7.4	-3.6	-0.5	0.4	0.0	-2.3	-16.2	-2.9	-11.4	6.3	-6.1	-1.8	-0.3
	Growth rates													
2011	0.6	1.0	-1.0	10.0	-6.5	28.9	-3.4	2.4	0.3	4.7	8.3	2.4	-2.4	-23.6
2012	5.0	9.6	-8.0	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.5	-8.9	-54.2
2013 Q2	5.7	8.9	-5.1	15.1	10.8	-4.2	-12.8	3.6	7.0	-3.8	3.1	4.9	-15.4	-57.7
Q3 (p)	5.8	7.7	-2.1	12.9	11.0	2.6	-12.0	3.2	7.2	-6.4	5.0	3.9	-15.8	-49.8
2013 June	5.7	8.9	-5.1	15.1	10.8	-4.2	-12.8	3.6	7.0	-3.8	3.1	4.9	-15.4	-57.7
July	6.2	8.9	-3.3	12.8	13.1	22.3	-13.3	3.6	7.6	-4.6	3.6	4.6	-15.9	-50.8
Aug.	6.4	8.4	-2.1	13.4	13.2	10.7	4.7	3.7	8.0	-5.0	3.9	4.2	-15.2	-49.9
Sep. (p)	5.8	7.7	-2.1	12.9	11.0	2.6	-12.0	3.2	7.2	-6.4	5.0	3.9	-15.8	-49.8

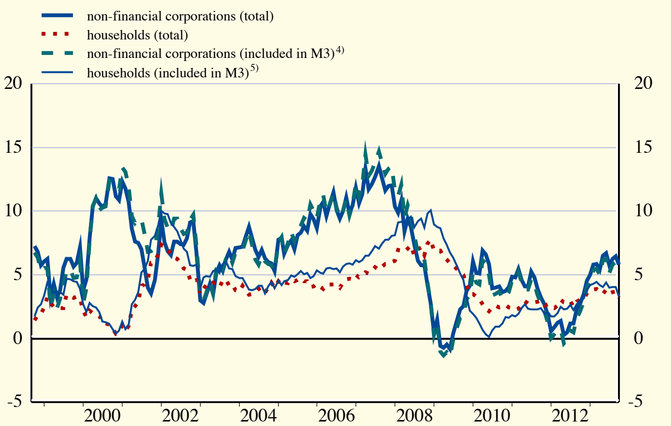
C11 Total deposits by sector [2)]

(annual growth rates)



C12 Total deposits and deposits included in M3 by sector [2)]

(annual growth rates)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Including non-profit institutions serving households.
4) Covers deposits in columns 2, 3, 5 and 7.
5) Covers deposits in columns 9, 10, 12 and 14.

2.5 Deposits held with MFIs: breakdown [1), 2)]

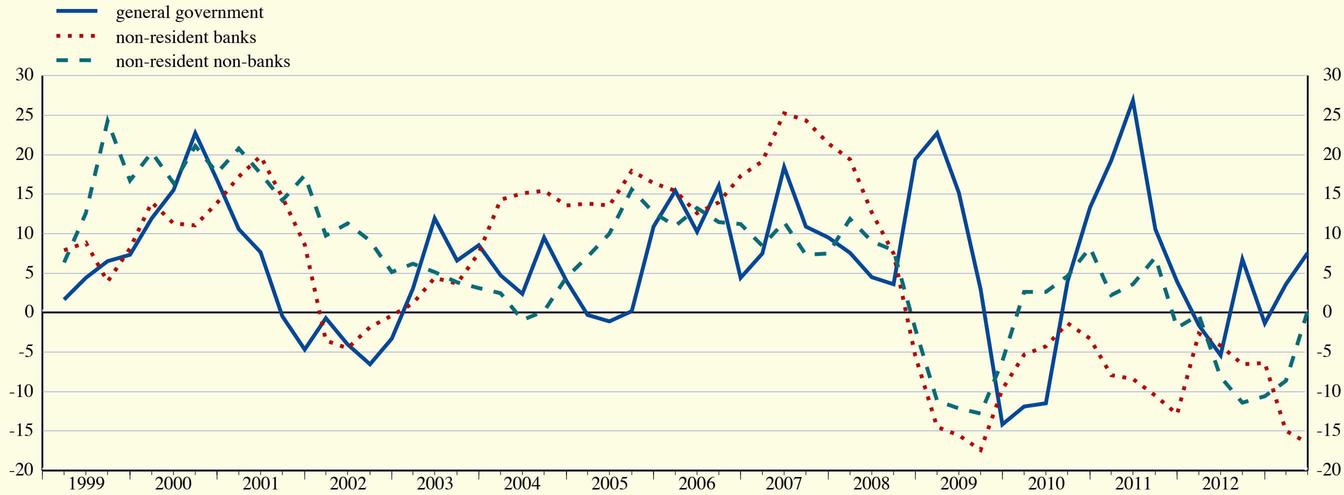
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Deposits by government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	442.0	195.5	48.6	112.6	85.4	3,153.6	2,175.0	978.6	44.3	934.3
2012	449.1	170.8	62.8	111.7	103.8	2,891.8	2,013.9	877.9	38.7	839.2
2012 Q3	510.1	202.6	93.1	111.3	103.1	3,131.0	2,176.6	954.4	42.5	912.0
Q4	449.1	170.8	62.8	111.7	103.8	2,891.8	2,013.9	877.9	38.7	839.2
2013 Q1	500.5	208.9	67.2	111.8	112.5	2,901.5	1,987.1	914.4	36.5	877.9
Q2 (p)	547.1	236.7	70.9	115.2	124.5	2,803.4	1,870.6	932.8	34.4	898.5
	Transactions									
2011	17.1	3.3	0.6	2.3	10.8	-334.9	-314.6	-20.3	-2.1	-18.2
2012	-7.9	-22.6	-0.3	-0.4	15.5	-242.6	-138.5	-104.1	-5.1	-98.9
2012 Q3	2.8	11.8	-5.5	-0.9	-2.7	-93.1	-101.2	8.0	1.1	6.9
Q4	-61.5	-32.3	-30.2	0.4	0.6	-209.3	-141.7	-67.6	-3.4	-64.3
2013 Q1	50.3	38.2	4.1	0.1	7.9	-2.2	-32.8	30.6	-2.0	32.6
Q2 (p)	46.8	27.7	3.8	3.3	11.9	-69.1	-99.4	30.3	-1.7	32.0
	Growth rates									
2011	3.9	1.3	1.3	2.1	14.6	-9.8	-12.8	-1.9	-4.4	-1.8
2012	-1.4	-11.7	10.3	-0.4	18.2	-7.6	-6.4	-10.6	-11.9	-10.5
2012 Q3	6.7	-2.9	45.5	1.1	14.0	-7.9	-6.5	-11.4	-16.4	-11.2
Q4	-1.4	-11.7	10.3	-0.4	18.2	-7.6	-6.4	-10.6	-11.9	-10.5
2013 Q1	3.6	9.7	-12.3	-1.5	12.8	-13.0	-15.0	-8.7	-33.1	-7.2
Q2 (p)	7.5	23.7	-28.2	2.6	16.7	-11.6	-16.5	0.2	-14.6	0.8

C13 Deposits by government and non-euro area residents [2)]

(annual growth rates)



Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) The term “banks” is used in this table to indicate institutions similar to MFIs which are resident outside the euro area.

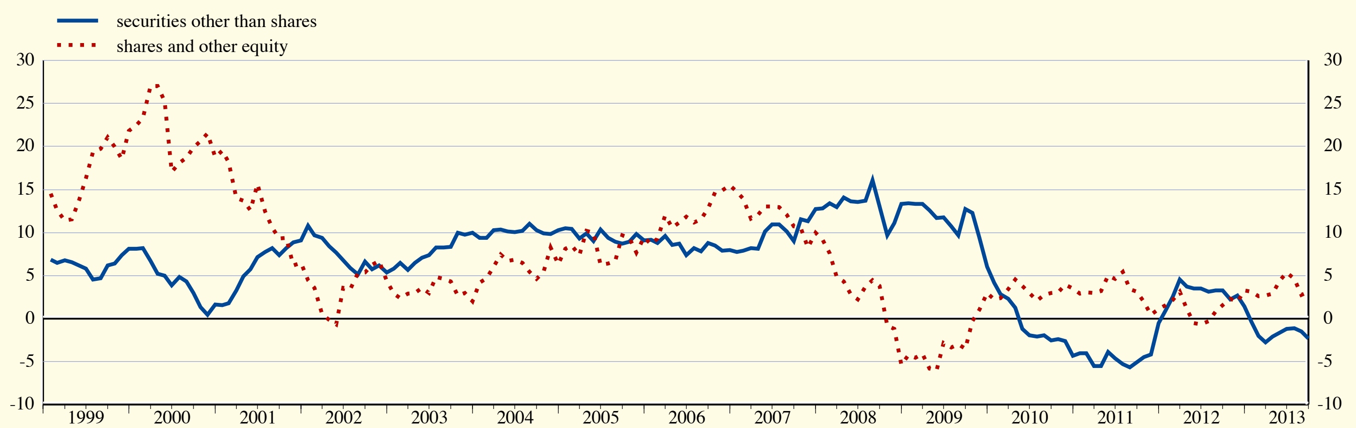
2.6 MFI holdings of securities: breakdown [1), 2)]

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

	Securities other than shares								Shares and other equity			
	Total	MFIs		General government		Other euro area residents		Non-euro area residents	Total	MFIs	Non-MFIs	Non-euro area residents
		Euro	Non-euro	Euro	Non-euro	Euro	Non-euro					
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2011	5,697.6	1,764.2	87.8	1,373.0	22.9	1,489.0	28.3	932.5	1,507.4	484.0	728.0	295.4
2012	5,774.4	1,748.4	102.9	1,594.2	32.8	1,399.6	23.6	872.8	1,528.5	475.7	752.1	300.7
2013 Q2	5,774.2	1,650.3	118.2	1,755.9	29.3	1,380.5	26.7	813.4	1,554.7	468.9	777.4	308.4
Q3 (p)	5,648.9	1,601.1	102.4	1,715.0	29.8	1,365.0	28.8	806.7	1,554.2	457.3	776.9	320.0
2013 June	5,774.2	1,650.3	118.2	1,755.9	29.3	1,380.5	26.7	813.4	1,554.7	468.9	777.4	308.4
July	5,719.6	1,639.6	117.4	1,724.3	28.7	1,378.4	27.5	803.9	1,560.5	479.2	770.2	311.1
Aug.	5,697.7	1,625.3	110.8	1,723.8	31.4	1,374.3	27.4	804.7	1,533.8	457.7	766.1	310.0
Sep. (p)	5,648.9	1,601.1	102.4	1,715.0	29.8	1,365.0	28.8	806.7	1,554.2	457.3	776.9	320.0
	Transactions											
2011	-29.2	45.1	7.8	-2.6	5.5	-24.8	-0.1	-60.1	17.0	60.2	-31.5	-11.7
2012	82.5	-17.8	15.9	191.7	10.5	-67.5	-3.9	-46.2	49.9	6.6	38.0	5.3
2013 Q2	7.5	-48.6	-4.0	83.3	-1.7	-0.7	0.0	-21.0	19.7	9.9	9.2	0.6
Q3 (p)	-125.8	-50.5	-15.1	-45.5	0.9	-15.9	2.3	-2.0	-11.6	-13.1	-8.2	9.7
2013 June	-23.7	-23.7	-0.2	31.2	-1.1	-11.7	-1.3	-17.0	-18.4	-2.3	-12.0	-4.0
July	-51.8	-11.4	1.2	-36.0	-0.2	-2.1	1.1	-4.4	-0.6	9.4	-12.0	2.0
Aug.	-25.3	-14.4	-7.7	0.2	2.5	-3.2	-0.3	-2.4	-25.6	-22.2	-2.7	-0.8
Sep. (p)	-48.7	-24.7	-8.5	-9.7	-1.4	-10.7	1.5	4.8	14.5	-0.4	6.5	8.4
	Growth rates											
2011	-0.5	2.7	7.7	-0.2	33.7	-1.6	-0.8	-6.2	1.1	13.8	-4.1	-3.8
2012	1.5	-1.0	18.1	14.1	47.7	-4.6	-14.2	-4.9	3.3	1.3	5.2	1.8
2013 Q2	-1.2	-7.6	21.0	10.4	-8.8	-3.5	7.7	-7.4	5.4	-1.3	8.1	9.7
Q3 (p)	-2.3	-11.1	-1.5	6.5	-2.1	0.9	15.3	-6.1	3.1	-4.5	4.6	12.3
2013 June	-1.2	-7.6	21.0	10.4	-8.8	-3.5	7.7	-7.4	5.4	-1.3	8.1	9.7
July	-1.1	-9.4	22.1	9.4	-13.3	-0.4	14.2	-6.3	4.6	0.3	5.7	9.3
Aug.	-1.5	-10.8	7.2	9.5	2.5	0.5	13.0	-6.5	2.8	-4.2	5.3	7.9
Sep. (p)	-2.3	-11.1	-1.5	6.5	-2.1	0.9	15.3	-6.1	3.1	-4.5	4.6	12.3

C14 MFI holdings of securities [2)]

(annual growth rates)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.

2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

2.7 Currency breakdown of selected MFI balance sheet items [1), 2)]

(percentages of total; outstanding amounts in EUR billions; end of period)

1. Loans, holdings of securities other than shares, and deposits

	MFIs [3)]							Non-MFIs						
	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies					All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total							Total				
				USD	JPY	CHF	GBP				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2011	6,153.8	-	-	-	-	-	-	12,322.7	96.2	3.8	1.9	0.3	1.1	0.4
2012	5,796.9	-	-	-	-	-	-	12,196.0	96.4	3.6	1.7	0.2	0.9	0.5
2013 Q1	5,611.6	-	-	-	-	-	-	12,167.3	96.4	3.6	1.8	0.2	0.9	0.5
Q2 (p)	5,449.1	-	-	-	-	-	-	12,080.5	96.5	3.5	1.8	0.2	0.9	0.4
To non-euro area residents														
2011	2,022.7	44.5	55.5	35.6	2.5	2.7	9.3	998.9	38.2	61.8	41.2	2.6	3.3	7.8
2012	1,905.2	47.3	52.7	31.9	1.9	3.5	10.1	961.3	40.1	59.9	38.2	2.0	2.9	9.9
2013 Q1	1,888.6	45.8	54.2	33.1	2.2	3.1	9.7	1,001.5	39.4	60.6	39.4	2.6	2.6	8.9
Q2 (p)	1,894.1	44.2	55.8	35.8	2.1	2.8	9.4	981.8	39.6	60.4	39.3	2.6	2.6	9.1
Holdings of securities other than shares														
Issued by euro area residents														
2011	1,852.0	95.3	4.7	2.5	0.1	0.3	1.5	2,913.1	98.2	1.8	1.0	0.2	0.1	0.4
2012	1,851.3	94.4	5.6	2.7	0.1	0.4	2.0	3,050.2	98.1	1.9	1.2	0.1	0.1	0.4
2013 Q1	1,824.9	93.4	6.6	3.1	0.1	0.3	2.7	3,112.9	98.1	1.9	1.1	0.1	0.1	0.5
Q2 (p)	1,768.5	93.3	6.7	2.9	0.1	0.3	2.9	3,192.4	98.2	1.8	1.0	0.1	0.1	0.5
Issued by non-euro area residents														
2011	457.0	56.4	43.6	21.1	0.3	0.3	16.0	475.5	32.2	67.8	39.4	5.8	0.7	13.7
2012	434.0	54.9	45.1	19.8	0.3	0.3	19.1	438.8	34.1	65.9	39.1	5.4	0.9	11.8
2013 Q1	419.0	55.4	44.6	22.2	0.2	0.3	15.9	428.6	32.8	67.2	41.8	4.6	1.0	10.6
Q2 (p)	406.2	55.2	44.8	21.0	0.2	0.2	16.9	407.3	34.7	65.3	40.5	4.8	0.9	10.4
Deposits														
By euro area residents														
2011	6,364.4	92.1	7.9	5.1	0.2	1.2	0.7	10,947.6	97.0	3.0	2.0	0.1	0.1	0.4
2012	6,161.9	93.8	6.2	3.9	0.2	1.0	0.6	11,040.0	97.0	3.0	2.0	0.1	0.1	0.4
2013 Q1	5,893.3	93.3	6.7	4.2	0.2	1.1	0.6	11,225.7	96.9	3.1	2.1	0.1	0.1	0.4
Q2 (p)	5,752.8	93.1	6.9	4.4	0.2	1.0	0.6	11,321.9	96.9	3.1	2.1	0.1	0.1	0.4
By non-euro area residents														
2011	2,175.0	59.2	40.8	25.6	2.1	1.8	7.2	978.6	56.1	43.9	30.0	2.0	1.5	5.1
2012	2,013.9	58.3	41.7	27.7	1.6	1.0	7.3	877.9	52.3	47.7	31.4	1.9	1.2	6.3
2013 Q1	1,987.1	56.3	43.7	29.5	1.9	1.0	6.7	914.4	51.4	48.6	32.7	1.9	1.0	5.7
Q2 (p)	1,870.6	56.4	43.6	29.2	1.3	0.9	7.1	932.8	50.2	49.8	33.3	2.5	1.0	6.4

2. Debt securities issued by euro area MFIs

	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total				
				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7
2011	5,236.8	82.0	18.0	9.4	1.7	2.0	2.6
2012	5,068.3	81.8	18.2	9.6	1.6	1.9	2.5
2013 Q1	4,969.7	81.0	19.0	10.6	1.4	1.8	2.5
Q2 (p)	4,825.5	81.0	19.0	10.9	1.2	1.8	2.6

Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) For non-euro area residents, the term "MFIs" refers to institutions similar to euro area MFIs.
4) Including items expressed in the national denominations of the euro.

2.8 Aggregated balance sheet of euro area investment funds [1]

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Assets

	Total	Deposits and loan claims	Securities other than shares	Shares and other equity (excl. investment fund/ money market fund shares)	Investment fund/ money market fund shares	Non-financial assets	Other assets (incl. financial derivatives)
	1	2	3	4	5	6	7
	Outstanding amounts						
2013 Feb.	7,464.9	511.2	3,006.4	2,084.4	996.1	248.3	618.4
Mar.	7,607.0	503.7	3,069.6	2,142.1	1,026.1	247.9	617.7
Apr.	7,759.1	519.8	3,133.9	2,160.1	1,039.8	248.6	656.9
May	7,816.5	519.7	3,128.7	2,190.5	1,046.4	248.1	683.1
June	7,586.4	523.4	3,044.1	2,094.3	1,017.1	248.4	659.2
July	7,710.4	529.0	3,064.3	2,160.9	1,041.8	249.1	665.3
Aug. (p)	7,674.7	526.7	3,053.1	2,132.4	1,039.6	249.2	673.7
	Transactions						
2012 Q4	42.7	-23.4	82.9	21.6	29.2	2.9	-70.4
2013 Q1	227.3	25.4	82.1	34.2	32.3	0.4	52.9
Q2	150.8	32.2	52.2	16.1	2.0	1.2	47.1

2. Liabilities

	Total	Loans and deposits received	Investment fund shares issued				Other liabilities (incl. financial derivatives)
			Total	Held by euro area residents		Held by non-euro area residents	
					Investment funds		
	1	2	3	4	5	6	7
	Outstanding amounts						
2013 Feb.	7,464.9	157.4	6,743.4	4,915.2	785.5	1,828.2	564.1
Mar.	7,607.0	158.1	6,890.1	5,000.8	814.2	1,889.3	558.8
Apr.	7,759.1	166.1	6,999.5	5,079.2	826.5	1,920.3	593.5
May	7,816.5	169.0	7,027.8	5,089.2	828.9	1,938.6	619.8
June	7,586.4	164.3	6,811.8	4,985.3	792.6	1,826.5	610.3
July	7,710.4	165.1	6,943.5	5,095.0	818.0	1,848.5	601.8
Aug. (p)	7,674.7	170.4	6,885.7	5,075.8	815.4	1,809.9	618.6
	Transactions						
2012 Q4	42.7	-5.8	124.9	64.4	32.9	60.6	-76.4
2013 Q1	227.3	9.4	159.7	95.6	31.1	64.1	58.2
Q2	150.8	8.5	91.7	88.7	-7.9	3.0	50.6

3. Investment fund shares issued broken down by investment policy and type of fund

	Total	Funds by investment policy						Funds by type		Memo item: Money market funds
		Bond funds	Equity funds	Mixed funds	Real estate funds	Hedge funds	Other funds	Open-end funds	Closed-end funds	
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2013 Jan.	6,625.3	2,371.2	1,750.3	1,620.2	322.8	140.0	420.8	6,539.8	85.6	898.6
Feb.	6,743.4	2,406.9	1,792.0	1,645.6	325.5	143.7	429.7	6,657.8	85.6	903.0
Mar.	6,890.1	2,447.1	1,840.7	1,685.4	327.6	150.3	438.9	6,804.0	86.1	912.1
Apr.	6,999.5	2,504.0	1,853.8	1,716.0	330.0	151.6	444.1	6,913.2	86.4	901.5
May	7,027.8	2,496.8	1,873.6	1,721.7	331.0	153.9	450.7	6,939.4	88.4	894.7
June	6,811.8	2,413.3	1,780.8	1,683.0	330.8	153.5	450.5	6,724.3	87.5	855.9
July	6,943.5	2,432.2	1,845.0	1,722.1	332.6	151.8	459.9	6,855.8	87.7	850.7
Aug. (p)	6,885.7	2,406.8	1,817.6	1,715.4	331.5	154.0	460.4	6,797.8	87.8	869.0
	Transactions									
2013 Feb.	46.2	13.9	10.7	15.8	0.9	-0.1	5.1	46.2	0.0	-1.0
Mar.	53.1	18.6	6.6	19.8	0.7	2.8	4.5	52.5	0.6	1.3
Apr.	66.7	39.1	5.9	17.6	0.9	-0.7	3.9	66.6	0.1	-0.9
May	43.1	24.2	6.1	6.3	1.6	0.9	3.9	43.0	0.0	-6.0
June	-18.1	-25.1	-11.4	10.3	2.3	1.1	4.8	-18.7	0.6	-37.0
July	57.9	21.5	16.0	17.1	1.7	-0.2	1.9	57.6	0.3	0.6
Aug. (p)	0.8	-5.4	-0.7	5.3	0.3	1.3	-0.1	0.7	0.0	14.1

Source: ECB.

1) Other than money market funds (which are shown as a memo item in column 10 in Table 3 of this section). For further details, see the General Notes.

2.9 Securities held by investment funds 1) broken down by issuer of securities

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Securities other than shares

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q3	2,857.7	1,568.9	414.5	713.9	232.7	6.0	201.8	1,288.7	323.8	493.8	18.3
Q4	2,968.2	1,623.6	416.1	747.1	241.6	7.7	211.0	1,344.6	332.2	510.2	16.2
2013 Q1	3,069.6	1,632.9	407.4	752.7	245.2	8.2	219.3	1,436.6	332.6	563.4	16.0
Q2 (p)	3,044.1	1,649.3	404.6	771.0	246.8	8.4	218.5	1,394.7	323.9	551.5	15.2
	Transactions										
2012 Q4	82.9	30.4	-3.1	22.1	3.5	1.2	6.6	52.5	7.8	16.5	-1.3
2013 Q1	82.1	18.9	-9.9	7.9	7.5	0.5	12.9	63.2	-1.0	32.8	-0.4
Q2 (p)	52.2	26.2	-0.5	22.4	3.8	0.1	0.5	25.9	2.4	12.3	0.1

2. Shares and other equity (other than investment fund and money market fund shares)

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q3	1,920.3	685.5	52.8	-	45.1	24.1	563.4	1,234.8	172.0	412.5	72.1
Q4	1,986.0	721.7	60.8	-	50.9	27.6	582.3	1,264.3	175.6	407.8	78.1
2013 Q1	2,142.1	738.8	56.4	-	49.9	27.0	605.6	1,403.2	187.7	479.0	95.0
Q2 (p)	2,094.3	738.5	58.9	-	51.2	28.2	600.2	1,355.7	182.1	481.3	109.7
	Transactions										
2012 Q4	21.6	1.0	2.0	-	4.0	0.5	-5.6	20.6	0.7	6.4	4.5
2013 Q1	34.2	-4.4	-0.5	-	-1.7	-1.2	-0.9	38.5	3.7	16.8	5.8
Q2 (p)	16.1	-0.5	1.3	-	-1.5	0.2	-0.4	16.6	1.1	5.9	13.8

3. Investment fund/money market fund shares

	Total	Euro area						Rest of the world			
		Total	MFIs 2)	General government	Other financial intermediaries 2)	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q3	926.2	792.5	75.1	-	717.4	-	-	133.7	27.4	41.3	0.6
Q4	962.8	829.6	72.1	-	757.5	-	-	133.2	28.9	41.3	0.6
2013 Q1	1,026.1	888.7	74.5	-	814.2	-	-	137.5	32.5	43.5	0.6
Q2 (p)	1,017.1	879.7	87.1	-	792.6	-	-	137.4	31.1	45.3	0.6
	Transactions										
2012 Q4	29.2	29.5	-3.4	-	32.9	-	-	-0.3	1.2	0.6	0.0
2013 Q1	32.3	33.2	2.0	-	31.1	-	-	-0.8	2.1	0.9	0.0
Q2 (p)	2.0	4.1	11.9	-	-7.9	-	-	-2.1	-0.8	-0.1	0.0

Source: ECB.
1) Other than money market funds. For further details, see the General Notes.
2) Investment fund shares (other than money market fund shares) are issued by other financial intermediaries. Money market fund shares are issued by MFIs.

2.10 Aggregated balance sheet of euro area financial vehicle corporations

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Assets

	Total	Deposits and loan claims	Securitised loans: Total	Securitised loans: Originated in euro area: MFIs	Securitised loans: Originated in euro area: MFIs: Remaining on the MFI balance sheet [1]	Securitised loans: Originated in euro area: Other financial intermediaries, insurance corporations and pension funds	Securitised loans: Originated in euro area: Non-financial corporations	Securitised loans: Originated in euro area: General government	Securitised loans: Originated outside euro area	Securities other than shares	Other securitised assets	Shares and other equity	Other assets
	1	2	3	4	5	6	7	8	9	10	11	12	13
						Outstanding amounts							
2012 Q2	2,161.8	307.7	1,459.7	1,150.9	513.2	154.1	22.9	4.4	127.4	209.3	85.2	33.4	66.4
Q3	2,084.5	303.4	1,399.8	1,087.6	476.1	158.7	23.9	4.4	125.3	195.7	86.3	31.4	68.0
Q4	2,051.3	285.5	1,380.7	1,065.6	469.8	163.4	24.9	4.0	122.8	199.6	88.4	30.4	66.6
2013 Q1	2,020.6	293.5	1,349.6	1,037.0	462.7	163.3	24.8	4.0	120.4	195.1	87.0	30.5	64.9
Q2	1,986.2	277.3	1,332.6	1,032.1	456.5	158.0	23.2	3.6	115.8	195.2	89.7	28.5	62.8
						Transactions							
2012 Q2	-81.4	-14.8	-49.4	-50.4	-	4.0	-0.7	-0.4	-1.9	-2.0	-1.3	-5.3	-8.5
Q3	-81.1	-3.8	-61.3	-64.2	-	4.5	0.5	0.0	-2.0	-14.9	1.3	-2.0	-0.4
Q4	-36.8	-17.6	-17.7	-21.1	-	4.7	1.2	-0.4	-2.0	2.7	2.4	-0.8	-5.8
2013 Q1	-29.9	8.1	-30.7	-28.0	-	-0.2	0.2	0.0	-2.7	-2.1	-1.2	0.1	-4.0
Q2	-34.0	-16.1	-16.2	-4.8	-	-5.2	-1.5	-0.4	-4.4	0.9	2.7	-2.0	-3.3

2. Liabilities

	Total	Loans and deposits received	Debt securities issued: Total	Debt securities issued: Up to 2 years	Debt securities issued: Over 2 years	Capital and reserves	Other liabilities
	1	2	3	4	5	6	7
			Outstanding amounts				
2012 Q2	2,161.8	151.0	1,754.3	54.3	1,700.1	28.9	227.5
Q3	2,084.5	145.2	1,685.4	52.2	1,633.2	27.5	226.5
Q4	2,051.3	139.5	1,661.7	53.1	1,608.7	27.5	222.5
2013 Q1	2,020.6	140.2	1,625.6	55.4	1,570.2	27.1	227.8
Q2	1,986.2	128.0	1,608.8	54.2	1,554.6	23.7	225.6
			Transactions				
2012 Q2	-81.4	-5.3	-71.2	-4.6	-66.6	-5.8	1.0
Q3	-81.1	-5.6	-71.0	-2.4	-68.6	-1.3	-3.2
Q4	-36.8	-5.4	-23.6	0.0	-23.6	-0.1	-7.6
2013 Q1	-29.9	1.7	-34.1	2.3	-36.4	-0.9	3.5
Q2	-34.0	-11.7	-15.9	-1.1	-14.8	-3.2	-3.1

3. Holdings of securitised loans originated by euro area MFIs and securities other than shares

	Securitised loans originated by euro area MFIs: Total	Euro area borrowing sector [2]: Households	Euro area borrowing sector [2]: Non-financial corporations	Euro area borrowing sector [2]: Other financial intermediaries	Euro area borrowing sector [2]: Insurance corporations and pension funds	Euro area borrowing sector [2]: General government	Non-euro area borrowing sector	Securities other than shares: Total	Euro area residents: Total	Euro area residents: MFIs	Euro area residents: Non-MFIs	Euro area residents: Non-MFIs: Financial vehicle corporations	Non-euro area residents
	1	2	3	4	5	6	7	8	9	10	11	12	13
						Outstanding amounts							
2012 Q2	1,150.9	833.0	245.8	18.7	0.2	6.3	33.3	209.3	116.2	42.9	73.3	29.1	93.1
Q3	1,087.6	787.5	233.1	17.1	0.2	5.5	31.6	195.7	109.9	38.9	71.0	27.8	85.8
Q4	1,065.6	770.2	230.0	17.5	0.2	5.4	31.3	199.6	114.5	39.4	75.0	29.6	85.2
2013 Q1	1,037.0	750.9	226.6	14.9	0.2	5.4	28.9	195.1	110.9	36.9	74.1	30.0	84.2
Q2	1,032.1	762.1	221.4	15.0	0.2	5.1	28.3	195.2	113.1	38.8	74.2	29.9	82.2
						Transactions							
2012 Q2	-50.4	-48.5	-0.5	0.5	0.0	-0.1	0.3	-2.0	0.7	1.0	-0.2	-1.4	-2.8
Q3	-64.2	-47.0	-12.6	-1.0	0.0	-0.8	-1.8	-14.9	-6.9	-4.3	-2.6	-1.1	-8.0
Q4	-21.1	-17.8	-2.3	0.4	0.0	-0.1	0.3	2.7	5.3	1.0	4.3	1.8	-2.6
2013 Q1	-28.0	-19.1	-3.6	-2.3	0.0	0.0	-1.9	-2.1	-2.5	-2.5	0.0	-0.6	0.4
Q2	-4.8	10.9	-5.1	0.2	0.0	-0.3	-0.4	0.9	2.3	2.1	0.2	-0.1	-1.4

Source: ECB.

1) Loans (to non-MFIs) securitised using euro area financial vehicle corporations which remain on the balance sheet of the relevant MFI, i.e. which have not been derecognised. Whether or not loans are derecognised from the balance sheet of the MFI depends on the relevant accounting rules. For further information, see the General Notes.

2) Excludes securitisations of inter-MFI loans.

2.11 Aggregated balance sheet of euro area insurance corporations and pension funds

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Currency and deposits	Loans	Securities other than shares	Shares and other equity	Investment fund shares	Money market fund shares	Prepayments of insurance premiums and reserves for outstanding claims	Other accounts receivable/ payable and financial derivatives	Non-financial assets
	1	2	3	4	5	6	7	8	9	10
2010 Q3	7,062.3	780.2	447.8	2,736.0	792.7	1,555.8	86.3	253.1	263.8	146.5
Q4	7,036.3	768.3	453.3	2,674.7	825.9	1,612.1	76.9	253.8	222.2	149.1
2011 Q1	7,139.8	769.6	456.4	2,735.9	843.8	1,621.7	76.6	261.7	223.5	150.4
Q2	7,155.4	772.7	463.9	2,747.2	842.6	1,623.9	79.8	254.1	222.2	148.9
Q3	7,154.4	789.7	462.9	2,772.6	788.2	1,581.1	87.6	255.4	268.7	148.4
Q4	7,164.5	782.5	472.6	2,731.4	793.8	1,616.0	91.3	253.4	273.6	150.0
2012 Q1	7,452.4	794.5	469.8	2,877.0	807.2	1,710.4	102.3	258.0	283.1	150.0
Q2	7,481.9	783.7	469.5	2,890.5	802.5	1,712.9	106.4	261.3	304.4	150.8
Q3	7,696.4	783.6	478.8	3,007.4	821.9	1,787.1	108.5	263.1	295.0	151.0
Q4	7,781.9	787.0	477.9	3,053.6	819.2	1,825.7	109.7	261.9	293.8	153.3
2013 Q1	7,917.5	792.7	479.8	3,091.4	836.0	1,901.1	114.3	264.8	283.1	154.1
Q2 (p)	7,858.8	769.0	482.4	3,078.1	837.4	1,890.6	101.1	264.0	281.0	155.3

2. Holdings of securities other than shares

	Total	Issued by euro area residents						Issued by non-euro area residents
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations	
	1	2	3	4	5	6	7	8
2010 Q3	2,736.0	2,309.6	601.8	1,280.4	255.3	18.6	153.6	426.4
Q4	2,674.7	2,250.9	599.4	1,243.5	234.3	17.6	156.1	423.8
2011 Q1	2,735.9	2,318.7	625.2	1,286.3	236.2	17.2	153.7	417.1
Q2	2,747.2	2,330.0	630.6	1,289.7	235.4	16.8	157.5	417.2
Q3	2,772.6	2,353.0	637.0	1,312.4	227.7	16.9	159.0	419.5
Q4	2,731.4	2,307.7	635.5	1,267.4	224.0	16.5	164.3	423.8
2012 Q1	2,877.0	2,427.3	670.4	1,325.1	236.0	17.1	178.7	449.6
Q2	2,890.5	2,423.5	675.7	1,309.5	238.4	17.0	183.0	467.0
Q3	3,007.4	2,515.1	707.8	1,348.8	246.0	17.4	195.1	492.3
Q4	3,053.6	2,549.6	693.3	1,387.0	251.7	18.1	199.5	503.9
2013 Q1	3,091.4	2,596.6	727.9	1,388.5	255.0	17.5	207.7	494.8
Q2 (p)	3,078.1	2,588.5	699.6	1,406.9	257.0	17.9	207.1	489.6

3. Liabilities and net worth

	Liabilities									Net worth
	Total	Loans received	Securities other than shares	Shares and other equity	Insurance technical reserves				Other accounts receivable/ payable and financial derivatives	
					Total	Net equity of households in life insurance reserves	Net equity of households in pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims		
	1	2	3	4	5	6	7	8	9	10
2010 Q3	6,877.4	276.1	39.2	441.4	5,941.9	3,223.4	1,908.5	809.9	178.9	185.0
Q4	6,871.7	250.3	40.3	451.7	5,960.8	3,260.7	1,889.6	810.4	168.6	164.6
2011 Q1	6,920.7	263.1	39.9	466.1	5,976.3	3,287.7	1,859.9	829.1	175.3	219.1
Q2	6,944.2	262.9	42.4	454.8	6,007.9	3,309.9	1,872.0	826.4	176.2	211.2
Q3	7,052.1	270.0	41.6	410.1	6,140.7	3,293.1	2,023.9	824.2	189.5	102.4
Q4	7,071.5	263.8	41.3	408.8	6,169.8	3,305.8	2,047.1	817.3	187.8	93.0
2012 Q1	7,229.8	272.2	44.4	439.1	6,283.3	3,343.3	2,103.0	836.9	190.8	222.6
Q2	7,300.8	281.3	43.3	421.2	6,350.1	3,345.4	2,169.4	835.2	205.0	181.1
Q3	7,374.7	292.8	44.9	452.8	6,388.7	3,391.9	2,163.4	833.4	195.5	321.8
Q4	7,474.0	267.1	48.8	482.7	6,455.2	3,427.2	2,201.8	826.2	220.1	307.9
2013 Q1	7,560.1	276.4	48.9	494.2	6,526.7	3,463.9	2,215.8	847.0	213.9	357.4
Q2 (p)	7,599.2	276.2	45.1	502.3	6,551.1	3,468.2	2,237.5	845.4	224.5	259.7

Source: ECB.

3 EURO AREA ACCOUNTS

3.1 Integrated economic and financial accounts by institutional sector
(EUR billions)

Uses 2013 Q2	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						643
Trade balance [1]						-73
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,186	117	761	58	251	
Other taxes less subsidies on production	40	9	24	4	4	
Consumption of fixed capital	382	101	217	11	51	
Net operating surplus and mixed income [1]	540	278	227	34	0	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						7
Taxes less subsidies on production						
Property income	892	31	462	324	76	126
Interest	328	29	53	170	76	45
Other property income	564	2	408	154	0	81
Net national income [1]	2,011	1,717	-5	60	240	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	313	243	56	13	0	5
Social contributions	447	447				1
Social benefits other than social transfers in kind	476	1	17	36	421	1
Other current transfers	197	68	26	49	53	11
Net non-life insurance premiums	46	34	10	1	1	2
Non-life insurance claims	47			47		1
Other	103	34	16	1	52	8
Net disposable income [1]	1,987	1,519	-72	61	479	
Use of income account						
Net disposable income						
Final consumption expenditure	1,883	1,367			516	
Individual consumption expenditure	1,690	1,367			322	
Collective consumption expenditure	194				194	
Adjustment for the change in the net equity of households in pension fund reserves	15	0	1	14	0	0
Net saving/current external account [1]	104	167	-73	47	-36	-51
Capital account						
Net saving/current external account						
Gross capital formation	435	138	240	9	48	
Gross fixed capital formation	440	139	244	8	48	
Changes in inventories and acquisitions less disposals of valuables	-5	-1	-4	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	1	0	1	0
Capital transfers	49	9	1	5	33	5
Capital taxes	9	6	0	3		0
Other capital transfers	40	3	1	3	33	5
Net lending (+)/net borrowing (-) (from capital account) [1]	54	130	-82	60	-55	-54
Statistical discrepancy	0	-35	35	0	0	0

Sources: ECB and Eurostat.
1) For details of the calculation of the balancing items, see the Technical Notes.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)
(EUR billions)

Resources 2013 Q2	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						570
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,148	505	1,230	107	306	
Taxes less subsidies on products	243					
Gross domestic product (market prices)[2]	2,391					
Compensation of employees						
Other taxes less subsidies on production						
Consumption of fixed capital						
Net operating surplus and mixed income						
Allocation of primary income account						
Net operating surplus and mixed income	540	278	227	34	0	
Compensation of employees	1,190	1,190				3
Taxes less subsidies on production	282				282	1
Property income	892	280	229	350	34	126
Interest	322	52	34	227	9	52
Other property income	571	228	195	123	25	74
Net national income						
Secondary distribution of income account						
Net national income	2,011	1,717	-5	60	240	
Current taxes on income, wealth, etc.	317				317	1
Social contributions	446	1	18	50	376	2
Social benefits other than social transfers in kind	474	474				3
Other current transfers	170	87	14	48	21	37
Net non-life insurance premiums	47			47		1
Non-life insurance claims	46	36	9	1	0	2
Other	78	52	6	0	20	33
Net disposable income						
Use of income account						
Net disposable income	1,987	1,519	-72	61	479	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	15	15				0
Net saving/current external account						
Capital account						
Net saving/current external account	104	167	-73	47	-36	-51
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	382	101	217	11	51	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	51	8	16	15	12	3
Capital taxes	9				9	0
Other capital transfers	43	8	16	15	4	3
Net lending (+)/net borrowing (-) (from capital account)						
Statistical discrepancy						

Sources: ECB and Eurostat.
2) Gross domestic product is equal to the gross value added of all domestic sectors plus net taxes (i.e. taxes less subsidies) on products.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)
(EUR billions)

Assets 2013 Q2	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, financial assets								
Total financial assets		19,906	17,579	34,093	17,536	7,585	4,418	18,434
Monetary gold and special drawing rights (SDRs)				485				
Currency and deposits		7,082	2,034	10,398	2,403	813	771	3,315
Short-term debt securities		41	67	558	416	67	37	660
Long-term debt securities		1,226	245	6,645	3,037	3,029	436	4,229
Loans		84	3,077	13,225	4,280	489	828	2,476
of which: Long-term		63	1,884	10,273	3,076	363	730	.
Shares and other equity		4,615	8,326	1,885	7,001	2,786	1,543	6,897
Quoted shares		786	1,137	390	2,317	412	207	.
Unquoted shares and other equity		2,411	6,812	1,199	3,522	434	1,155	.
Mutual fund shares		1,418	377	295	1,162	1,940	180	.
Insurance technical reserves		6,338	184	3	0	244	4	259
Other accounts receivable and financial derivatives		521	3,647	895	398	157	799	599
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		95	-37	-414	190	25	117	-25
Monetary gold and SDRs				0				0
Currency and deposits		60	4	-284	-1	-16	80	-92
Short-term debt securities		-5	-6	-49	23	-11	-5	3
Long-term debt securities		-15	-5	69	34	35	6	6
Loans		0	-10	-77	73	-2	57	43
of which: Long-term		1	-2	-47	41	1	44	.
Shares and other equity		25	-19	-6	35	11	-5	44
Quoted shares		9	11	0	12	-4	15	.
Unquoted shares and other equity		-1	-15	14	27	3	-21	.
Mutual fund shares		16	-15	-20	-5	13	1	.
Insurance technical reserves		31	-1	0	0	1	0	2
Other accounts receivable and financial derivatives		0	1	-66	27	7	-17	-31
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		-93	-158	-293	-221	-74	-27	-159
Monetary gold and SDRs				-118				
Currency and deposits		-2	-2	-48	19	0	0	-31
Short-term debt securities		0	0	-2	2	0	0	-9
Long-term debt securities		0	0	-84	-60	-35	-3	-41
Loans		0	-7	-31	-39	0	0	-19
of which: Long-term		0	-3	-29	-37	0	0	.
Shares and other equity		-58	-132	-16	-129	-37	-24	-72
Quoted shares		-20	-22	-11	-77	0	6	.
Unquoted shares and other equity		-24	-107	-3	-45	-3	-28	.
Mutual fund shares		-14	-3	-2	-7	-33	-2	.
Insurance technical reserves		-34	-1	0	0	-2	0	0
Other accounts receivable and financial derivatives		0	-17	5	-13	0	0	12
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		19,908	17,385	33,387	17,505	7,536	4,508	18,250
Monetary gold and SDRs				367				
Currency and deposits		7,140	2,036	10,066	2,421	797	851	3,192
Short-term debt securities		35	60	507	441	56	32	655
Long-term debt securities		1,211	240	6,630	3,011	3,029	439	4,194
Loans		84	3,060	13,117	4,315	486	886	2,500
of which: Long-term		63	1,880	10,196	3,081	364	773	.
Shares and other equity		4,582	8,175	1,862	6,906	2,761	1,514	6,868
Quoted shares		776	1,126	378	2,251	408	228	.
Unquoted shares and other equity		2,386	6,690	1,210	3,504	433	1,106	.
Mutual fund shares		1,420	359	273	1,150	1,919	179	.
Insurance technical reserves		6,336	183	3	0	243	4	261
Other accounts receivable and financial derivatives		521	3,631	834	412	164	782	580
Net financial worth								

Source: ECB.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)

(EUR billions)

Liabilities 2013 Q2	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, liabilities								
Total liabilities		6,854	27,169	32,916	17,117	7,574	10,722	16,716
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			33	23,837	33	0	271	2,643
Short-term debt securities			92	632	147	3	691	281
Long-term debt securities			979	4,591	3,088	53	6,863	3,273
Loans		6,160	8,388		4,000	303	2,247	3,361
of which: Long-term		5,816	6,122		2,275	110	1,959	.
Shares and other equity		8	13,785	2,621	9,661	489	4	6,484
Quoted shares			3,891	379	247	136	0	.
Unquoted shares and other equity		8	9,894	1,330	2,673	352	4	.
Mutual fund shares				912	6,741			.
Insurance technical reserves		36	350	64	1	6,580	1	
Other accounts payable and financial derivatives		650	3,542	1,171	187	146	646	674
Net financial worth [1]	-1,233	13,053	-9,589	1,177	419	11	-6,304	
Financial account, transactions in liabilities								
Total transactions in liabilities		0	10	-459	178	24	172	29
Monetary gold and SDRs								
Currency and deposits			0	-246	0	0	6	-11
Short-term debt securities			-1	-26	-3	0	-15	-7
Long-term debt securities			14	-98	47	-2	151	16
Loans		3	-18		54	-1	33	15
of which: Long-term		-2	1		35	-1	41	.
Shares and other equity		0	34	-37	67	0	0	20
Quoted shares			15	38	0	0	0	.
Unquoted shares and other equity		0	19	-31	-20	0	0	.
Mutual fund shares				-44	87			.
Insurance technical reserves		0	1	2	0	32	0	
Other accounts payable and financial derivatives		-3	-20	-55	13	-4	-4	-5
Changes in net financial worth due to transactions [1]	54	96	-47	46	12	1	-55	-54
Other changes account, liabilities								
Total other changes in liabilities		-9	-224	-186	-172	-10	-36	-270
Monetary gold and SDRs								
Currency and deposits			0	-62	2	0	0	-3
Short-term debt securities			0	-4	-2	0	0	-3
Long-term debt securities			-17	-50	-8	-1	-43	-103
Loans		-6	-23		-17	0	-1	-48
of which: Long-term		-7	-17		-16	0	-1	.
Shares and other equity		0	-159	-74	-128	7	0	-115
Quoted shares			-52	-9	13	4	0	.
Unquoted shares and other equity		0	-107	-52	22	3	0	.
Mutual fund shares				-12	-164			.
Insurance technical reserves		0	0	0	0	-37	0	
Other accounts payable and financial derivatives		-4	-24	4	-19	20	8	2
Other changes in net financial worth [1]	-229	-84	66	-107	-49	-64	9	111
Closing balance sheet, liabilities								
Total liabilities		6,844	26,955	32,270	17,122	7,587	10,858	16,474
Monetary gold and SDRs								
Currency and deposits			33	23,529	35	0	276	2,629
Short-term debt securities			92	602	142	2	676	272
Long-term debt securities			976	4,443	3,127	50	6,971	3,187
Loans		6,157	8,347		4,036	302	2,280	3,327
of which: Long-term		5,807	6,105		2,294	109	1,999	.
Shares and other equity		8	13,659	2,510	9,600	497	4	6,389
Quoted shares			3,854	408	261	140	0	.
Unquoted shares and other equity		8	9,806	1,247	2,675	355	4	.
Mutual fund shares				856	6,665			.
Insurance technical reserves		36	351	66	1	6,575	1	
Other accounts payable and financial derivatives		643	3,497	1,120	182	162	649	671
Net financial worth [1]	-1,408	13,064	-9,570	1,116	383	-51	-6,350	

Source: ECB.

3.2 Euro area non-financial accounts

(EUR billions; four-quarter cumulated flows)

Uses	2009	2010	2011	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,448	4,509	4,621	4,651	4,665	4,671	4,677	4,683
Other taxes less subsidies on production	85	81	95	111	116	124	124	125
Consumption of fixed capital	1,387	1,417	1,458	1,478	1,487	1,496	1,504	1,512
Net operating surplus and mixed income [1]	2,098	2,198	2,257	2,232	2,211	2,190	2,177	2,183
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	2,970	2,813	3,015	2,990	2,951	2,878	2,824	2,778
Interest	1,594	1,382	1,540	1,536	1,505	1,454	1,402	1,358
Other property income	1,375	1,430	1,475	1,454	1,445	1,424	1,423	1,420
Net national income [1]	7,540	7,759	7,978	8,008	8,015	8,030	8,027	8,039
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,029	1,057	1,115	1,141	1,154	1,172	1,177	1,194
Social contributions	1,677	1,703	1,751	1,770	1,776	1,787	1,794	1,801
Social benefits other than social transfers in kind	1,769	1,814	1,840	1,861	1,873	1,883	1,895	1,906
Other current transfers	770	773	779	787	789	787	790	794
Net non-life insurance premiums	179	179	181	183	184	184	183	184
Non-life insurance claims	181	181	183	186	186	186	186	186
Other	410	413	415	418	418	418	421	425
Net disposable income [1]	7,432	7,649	7,870	7,897	7,904	7,920	7,914	7,923
Use of income account								
Net disposable income								
Final consumption expenditure	7,152	7,315	7,476	7,511	7,516	7,520	7,520	7,534
Individual consumption expenditure	6,383	6,542	6,700	6,734	6,740	6,746	6,744	6,756
Collective consumption expenditure	769	773	776	776	777	774	776	778
Adjustment for the change in the net equity of households in pension fund reserves	61	56	58	60	58	58	57	58
Net saving [1]	280	334	394	386	387	401	394	389
Capital account								
Net saving								
Gross capital formation	1,702	1,778	1,871	1,824	1,794	1,776	1,743	1,727
Gross fixed capital formation	1,752	1,760	1,816	1,799	1,784	1,768	1,738	1,724
Changes in inventories and acquisitions less disposals of valuables	-50	18	55	24	10	9	4	3
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	0	10	10	9	3	1
Capital transfers	183	221	174	176	182	193	200	210
Capital taxes	34	25	31	29	29	26	26	29
Other capital transfers	149	196	142	147	153	168	174	181
Net lending (+)/net borrowing (-) (from capital account) [1]	-27	-19	-12	38	79	122	164	186

Sources: ECB and Eurostat.
1) For details of the calculation of the balancing items, see the Technical Notes.

3.2 Euro area non-financial accounts (cont'd)

(EUR billions; four-quarter cumulated flows)

Resources	2009	2010	2011	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2
Generation of income account								
Gross value added (basic prices)	8,018	8,206	8,431	8,471	8,478	8,481	8,482	8,503
Taxes less subsidies on products	894	942	973	974	974	977	972	977
Gross domestic product (market prices)[2]	8,913	9,148	9,405	9,445	9,452	9,458	9,454	9,480
Compensation of employees								
Other taxes less subsidies on production								
Consumption of fixed capital								
Net operating surplus and mixed income								
Allocation of primary income account								
Net operating surplus and mixed income	2,098	2,198	2,257	2,232	2,211	2,190	2,177	2,183
Compensation of employees	4,458	4,520	4,633	4,664	4,678	4,684	4,691	4,697
Taxes less subsidies on production	996	1,037	1,079	1,094	1,100	1,112	1,108	1,113
Property income	2,957	2,816	3,024	3,009	2,977	2,921	2,875	2,823
Interest	1,554	1,333	1,486	1,489	1,465	1,422	1,373	1,329
Other property income	1,403	1,483	1,538	1,520	1,512	1,499	1,502	1,494
Net national income								
Secondary distribution of income account								
Net national income	7,540	7,759	7,978	8,008	8,015	8,030	8,027	8,039
Current taxes on income, wealth, etc.	1,034	1,060	1,121	1,146	1,160	1,178	1,182	1,200
Social contributions	1,675	1,703	1,752	1,769	1,775	1,784	1,792	1,798
Social benefits other than social transfers in kind	1,762	1,807	1,834	1,855	1,867	1,877	1,889	1,900
Other current transfers	665	665	672	677	680	681	681	681
Net non-life insurance premiums	181	181	183	186	186	186	186	186
Non-life insurance claims	177	175	176	178	179	178	178	179
Other	308	309	313	313	315	316	317	317
Net disposable income								
Use of income account								
Net disposable income	7,432	7,649	7,870	7,897	7,904	7,920	7,914	7,923
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	61	56	58	60	58	58	57	58
Net saving								
Capital account								
Net saving	280	334	394	386	387	401	394	389
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,387	1,417	1,458	1,478	1,487	1,496	1,504	1,512
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	192	230	180	184	191	205	212	222
Capital taxes	34	25	31	29	29	26	26	29
Other capital transfers	158	205	149	155	162	179	185	193
Net lending (+)/net borrowing (-) (from capital account)								

Sources: ECB and Eurostat.

2) Gross domestic product is equal to the gross value added of all domestic sectors plus net taxes (i.e. taxes less subsidies) on products.

3.3 Households

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2009	2010	2011	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2
Income, saving and changes in net worth								
Compensation of employees (+)	4,458	4,520	4,633	4,664	4,678	4,684	4,691	4,697
Gross operating surplus and mixed income (+)	1,439	1,448	1,490	1,494	1,495	1,496	1,499	1,504
Interest receivable (+)	233	201	227	230	228	222	216	212
Interest payable (-)	148	124	146	143	138	131	125	120
Other property income receivable (+)	729	721	749	754	748	744	737	732
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	843	850	884	907	920	934	941	951
Net social contributions (-)	1,672	1,698	1,746	1,765	1,772	1,782	1,789	1,796
Net social benefits (+)	1,757	1,802	1,829	1,850	1,862	1,872	1,883	1,895
Net current transfers receivable (+)	72	71	71	70	69	71	73	74
= Gross disposable income	6,016	6,081	6,212	6,235	6,239	6,232	6,234	6,237
Final consumption expenditure (-)	5,157	5,291	5,440	5,467	5,469	5,474	5,469	5,476
Changes in net worth in pension funds (+)	60	56	58	59	57	57	57	57
= Gross saving	920	845	830	827	828	815	822	818
Consumption of fixed capital (-)	379	386	393	397	399	401	402	403
Net capital transfers receivable (+)	9	13	2	2	0	1	0	0
Other changes in net worth (+)	-364	536	-235	-576	-469	-147	-603	-446
= Changes in net worth	185	1,008	204	-144	-40	269	-184	-32
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	555	558	572	566	561	555	548	543
Consumption of fixed capital (-)	379	386	393	397	399	401	402	403
Main items of financial investment (+)								
Short-term assets	2	40	124	161	172	191	172	166
Currency and deposits	121	118	117	164	175	224	225	215
Money market fund shares	-45	-59	-23	-19	-28	-31	-39	-30
Debt securities [1]	-75	-19	29	17	25	-2	-15	-18
Long-term assets	478	420	236	225	189	142	143	133
Deposits	82	59	55	45	30	13	7	4
Debt securities	-1	2	71	12	-2	-91	-125	-119
Shares and other equity	167	112	-5	65	54	92	114	96
Quoted and unquoted shares and other equity	119	104	44	95	62	55	42	18
Mutual fund shares	48	8	-50	-30	-8	37	72	78
Life insurance and pension fund reserves	230	248	115	103	107	129	147	152
Main items of financing (-)								
Loans	106	114	88	40	19	14	1	-12
of which: From euro area MFIs	64	146	81	13	1	25	21	0
Other changes in assets (+)								
Non-financial assets	-628	442	134	-389	-1,024	-791	-1,089	-984
Financial assets	197	140	-410	-235	504	592	420	481
Shares and other equity	83	49	-323	-281	315	353	295	349
Life insurance and pension fund reserves	191	120	15	91	181	179	159	120
Remaining net flows (+)	67	-93	29	-34	-22	-6	26	21
= Changes in net worth	185	1,008	204	-144	-40	269	-184	-32
Balance sheet								
Non-financial assets (+)	29,686	30,300	30,612	30,436	30,153	29,975	29,514	29,591
Financial assets (+)								
Short-term assets	5,766	5,808	5,946	6,023	6,032	6,117	6,132	6,173
Currency and deposits	5,474	5,596	5,727	5,821	5,837	5,948	5,979	6,029
Money market fund shares	242	184	166	148	136	121	112	109
Debt securities [1]	50	28	53	54	58	49	41	35
Long-term assets	11,576	12,114	11,937	12,189	12,437	12,690	12,852	12,811
Deposits	985	1,043	1,082	1,104	1,100	1,097	1,102	1,111
Debt securities	1,390	1,342	1,329	1,323	1,318	1,300	1,226	1,211
Shares and other equity	4,080	4,240	3,906	4,018	4,180	4,365	4,503	4,473
Quoted and unquoted shares and other equity	2,954	3,036	2,813	2,868	2,979	3,118	3,197	3,162
Mutual fund shares	1,126	1,204	1,093	1,150	1,200	1,247	1,306	1,311
Life insurance and pension fund reserves	5,121	5,489	5,619	5,745	5,840	5,927	6,021	6,017
Remaining net assets (+)	277	264	254	232	257	225	228	237
Liabilities (-)								
Loans	5,961	6,136	6,195	6,193	6,183	6,185	6,160	6,157
of which: From euro area MFIs	4,998	5,242	5,281	5,294	5,283	5,290	5,279	5,280
= Net worth	41,343	42,350	42,554	42,686	42,696	42,823	42,567	42,655

Sources: ECB and Eurostat.

1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

3.4 Non-financial corporations

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2009	2010	2011	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2
Income and saving								
Gross value added (basic prices) (+)	4,518	4,657	4,820	4,845	4,848	4,848	4,843	4,856
Compensation of employees (-)	2,787	2,831	2,929	2,957	2,968	2,976	2,979	2,983
Other taxes less subsidies on production (-)	40	32	41	46	48	50	50	52
= Gross operating surplus (+)	1,690	1,794	1,850	1,842	1,832	1,821	1,814	1,821
Consumption of fixed capital (-)	782	798	825	838	844	849	855	860
= Net operating surplus (+)	909	996	1,025	1,004	988	972	960	961
Property income receivable (+)	534	559	569	568	572	562	560	548
Interest receivable	171	158	165	161	157	150	144	138
Other property income receivable	362	400	404	407	416	412	417	410
Interest and rents payable (-)	297	258	287	286	280	270	259	250
= Net entrepreneurial income (+)	1,146	1,296	1,307	1,286	1,281	1,264	1,261	1,260
Distributed income (-)	932	930	981	979	973	956	948	944
Taxes on income and wealth payable (-)	151	169	192	196	196	201	198	203
Social contributions receivable (+)	71	69	73	74	74	74	74	74
Social benefits payable (-)	68	69	70	70	70	70	70	70
Other net transfers (-)	48	45	48	48	49	49	48	49
= Net saving	17	152	90	67	67	62	71	68
Investment, financing and saving								
Net acquisition of non-financial assets (+)	65	147	209	179	152	132	99	85
Gross fixed capital formation (+)	898	927	981	980	973	966	946	939
Consumption of fixed capital (-)	782	798	825	838	844	849	855	860
Net acquisition of other non-financial assets (+)	-52	19	53	36	23	16	7	6
Main items of financial investment (+)								
Short-term assets	95	35	-27	2	27	61	48	44
Currency and deposits	88	67	7	16	39	77	85	89
Money market fund shares	39	-32	-46	-29	-17	-9	-8	-17
Debt securities [1]	-31	0	12	15	6	-6	-29	-28
Long-term assets	146	422	481	363	297	183	168	69
Deposits	0	20	69	55	13	9	-20	-15
Debt securities	22	8	-23	-14	-11	-4	-2	-7
Shares and other equity	100	247	287	198	179	112	155	106
Other (mainly intercompany loans)	24	147	148	124	117	66	34	-16
Remaining net assets (+)	64	16	-22	-32	6	42	65	111
Main items of financing (-)								
Debt	25	172	261	169	178	117	90	34
of which: Loans from euro area MFIs	-109	-18	85	-41	-87	-134	-122	-150
of which: Debt securities	90	66	49	93	109	119	105	92
Shares and other equity	243	230	224	211	170	170	143	133
Quoted shares	59	31	27	15	16	26	11	21
Unquoted shares and other equity	184	199	197	196	154	143	132	112
Net capital transfers receivable (-)	82	64	67	64	65	65	70	69
= Net saving	17	152	90	67	67	62	71	68
Financial balance sheet								
Financial assets								
Short-term assets	1,932	1,957	1,932	1,919	1,931	1,989	1,955	1,946
Currency and deposits	1,632	1,695	1,706	1,697	1,717	1,780	1,764	1,774
Money market fund shares	213	182	134	131	128	128	125	111
Debt securities [1]	86	81	92	90	86	81	67	60
Long-term assets	10,274	10,759	10,763	11,069	11,385	11,523	11,793	11,626
Deposits	185	196	235	282	278	284	270	261
Debt securities	226	242	229	233	248	244	245	240
Shares and other equity	7,140	7,451	7,253	7,451	7,732	7,905	8,201	8,064
Other (mainly intercompany loans)	2,723	2,869	3,046	3,103	3,126	3,090	3,077	3,060
Remaining net assets	371	242	301	238	262	258	322	349
Liabilities								
Debt	9,291	9,592	9,744	9,862	9,908	9,843	9,809	9,766
of which: Loans from euro area MFIs	4,729	4,702	4,717	4,689	4,631	4,503	4,477	4,439
of which: Debt securities	814	882	886	971	1,028	1,051	1,071	1,068
Shares and other equity	12,460	13,007	12,313	12,482	12,951	13,372	13,785	13,659
Quoted shares	3,503	3,799	3,281	3,331	3,550	3,747	3,891	3,854
Unquoted shares and other equity	8,957	9,208	9,032	9,151	9,401	9,625	9,894	9,806

Sources: ECB and Eurostat.

1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

3.5 Insurance corporations and pension funds

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2009	2010	2011	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	-42	-6	54	72	51	43	19	-19
Currency and deposits	-33	-9	14	15	3	16	12	8
Money market fund shares	5	-8	16	44	36	32	10	-12
Debt securities [1]	-14	11	24	13	12	-5	-2	-14
Long-term assets	293	287	134	93	111	184	176	212
Deposits	15	-4	9	-6	-16	-17	-19	-16
Debt securities	104	183	44	42	79	137	95	113
Loans	8	32	12	3	15	8	13	12
Quoted shares	-50	-1	-12	-14	-17	-5	2	-2
Unquoted shares and other equity	-15	11	13	11	1	-1	-1	-1
Mutual fund shares	230	68	67	57	49	63	86	106
Remaining net assets (+)	18	8	-36	-7	-5	-41	-22	-24
Main items of financing (-)								
Debt securities	5	1	3	1	3	7	6	4
Loans	-4	7	11	7	9	-15	0	-7
Shares and other equity	5	7	4	4	3	1	2	2
Insurance technical reserves	246	280	115	112	125	149	167	171
Net equity of households in life insurance and pension fund reserves	240	261	110	104	116	136	155	160
Prepayments of insurance premiums and reserves for outstanding claims	6	19	5	9	8	13	12	11
= Changes in net financial worth due to transactions	16	-4	18	34	17	45	-2	0
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	200	117	-105	-10	218	197	148	134
Other net assets	34	0	22	117	160	231	128	81
Other changes in liabilities (-)								
Shares and other equity	13	-1	-47	-38	39	70	52	79
Insurance technical reserves	169	136	16	99	190	188	163	122
Net equity of households in life insurance and pension fund reserves	197	125	19	94	187	186	161	120
Prepayments of insurance premiums and reserves for outstanding claims	-28	11	-3	5	2	2	2	1
= Other changes in net financial worth	52	-19	-52	45	149	170	61	14
Financial balance sheet								
Financial assets (+)								
Short-term assets	331	329	371	388	400	406	411	364
Currency and deposits	195	190	193	195	200	209	219	201
Money market fund shares	95	88	102	124	123	125	126	107
Debt securities [1]	41	51	76	70	77	72	67	56
Long-term assets	5,651	6,041	6,045	6,324	6,543	6,637	6,772	6,765
Deposits	613	607	611	608	604	594	594	596
Debt securities	2,467	2,638	2,660	2,827	2,939	2,998	3,029	3,029
Loans	434	467	479	477	487	488	489	486
Quoted shares	397	421	375	373	388	403	412	408
Unquoted shares and other equity	414	417	422	439	440	432	434	433
Mutual fund shares	1,327	1,492	1,498	1,601	1,684	1,723	1,815	1,813
Remaining net assets (+)	227	250	271	277	273	260	255	245
Liabilities (-)								
Debt securities	42	43	46	48	50	55	56	52
Loans	284	296	304	309	319	288	303	302
Shares and other equity	441	447	404	416	446	475	489	497
Insurance technical reserves	5,582	5,998	6,130	6,282	6,380	6,466	6,580	6,575
Net equity of households in life insurance and pension fund reserves	4,798	5,184	5,314	5,446	5,546	5,636	5,732	5,726
Prepayments of insurance premiums and reserves for outstanding claims	784	814	816	836	834	830	847	848
= Net financial wealth	-140	-164	-197	-66	21	19	11	-51

Source: ECB.

1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

FINANCIAL MARKETS

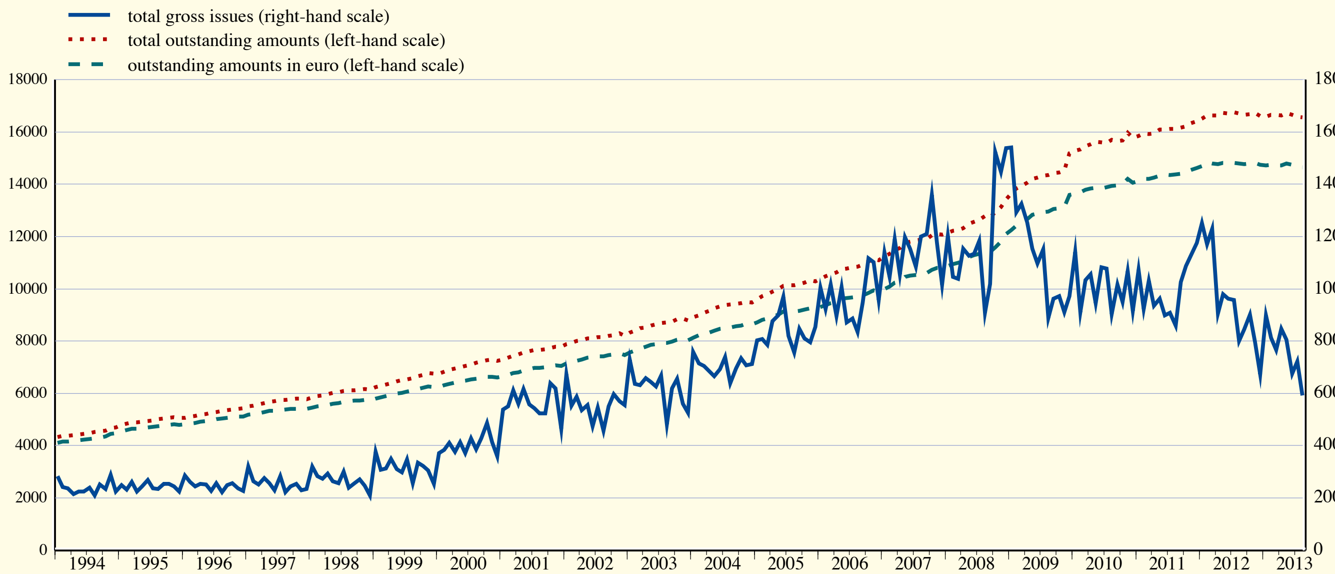
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(EUR billions and period growth rates; seasonally adjusted; transactions during the month and end-of-period outstanding amounts; nominal values)

	Total in euro [1)]			By euro area residents								
				In euro			In all currencies					
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Seasonally adjusted [2)]	
											Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
Total												
2012 Aug.	17,096.6	752.9	-20.2	14,800.6	708.9	-12.6	16,703.3	801.0	-35.8	3.6	-2.0	1.5
Sep.	17,079.6	810.0	-7.7	14,779.8	758.1	-11.7	16,655.0	844.6	-23.8	3.4	23.4	0.8
Oct.	17,076.8	818.0	-1.2	14,787.1	778.9	8.8	16,675.1	902.0	28.9	3.2	13.5	1.1
Nov.	17,108.5	720.9	28.3	14,818.4	681.3	28.1	16,722.8	796.2	47.8	2.9	-16.5	1.1
Dec.	17,027.2	631.6	-115.5	14,734.1	591.9	-118.5	16,607.4	673.5	-135.2	1.7	-32.7	0.4
2013 Jan.	17,018.0	816.4	-8.7	14,730.3	768.3	-3.3	16,583.1	898.2	5.5	1.2	-17.4	-0.4
Feb.	17,028.2	706.3	-4.4	14,749.9	666.0	4.7	16,656.4	812.0	40.5	0.5	-19.2	-0.6
Mar.	16,958.5	683.8	-67.3	14,726.4	634.8	-21.0	16,653.5	767.0	-18.0	-0.1	-14.4	-1.0
Apr.	16,953.3	756.8	-5.4	14,715.3	708.2	-11.2	16,634.3	846.4	-3.9	-0.1	-9.8	-1.3
May	17,024.7	712.1	72.5	14,792.9	666.9	78.7	16,727.8	805.9	97.8	0.1	18.5	-0.9
June	16,966.2	601.2	-58.0	14,745.1	558.7	-47.3	16,664.4	675.1	-57.7	-0.1	-19.3	-0.7
July	.	.	.	14,678.2	588.2	-65.3	16,579.1	722.8	-72.6	-0.8	-49.9	-1.1
Aug.	.	.	.	14,650.0	479.7	-25.9	16,561.5	591.7	-18.5	-0.7	17.0	-0.7
Long-term												
2012 Aug.	15,631.6	147.0	-10.2	13,430.7	126.8	-8.5	15,092.6	142.1	-21.1	3.9	20.5	2.2
Sep.	15,646.9	256.1	23.4	13,446.7	224.7	24.0	15,094.6	251.5	23.4	4.1	66.1	1.9
Oct.	15,673.7	237.3	27.1	13,469.9	212.5	23.5	15,126.3	249.8	38.7	3.8	28.8	2.4
Nov.	15,728.1	219.9	53.7	13,516.7	195.1	46.1	15,183.5	223.3	59.8	3.6	2.7	2.5
Dec.	15,687.3	197.3	-62.8	13,473.8	173.3	-64.8	15,116.4	193.0	-76.2	2.7	-20.1	1.8
2013 Jan.	15,682.7	257.1	-4.2	13,470.4	226.9	-3.1	15,082.4	259.7	-7.1	2.2	1.8	1.3
Feb.	15,685.8	229.8	-6.6	13,479.2	204.4	-1.1	15,133.8	244.4	25.3	1.4	-31.1	0.6
Mar.	15,628.9	246.6	-54.2	13,477.3	216.4	0.9	15,148.8	249.9	2.7	0.9	8.3	-0.1
Apr.	15,627.3	247.4	-1.8	13,464.8	216.9	-12.6	15,135.3	248.8	0.2	0.9	-6.6	-0.6
May	15,697.1	255.4	71.0	13,541.1	224.4	77.6	15,222.4	261.9	91.5	1.1	23.6	-0.3
June	15,680.4	207.7	-16.2	13,538.1	181.2	-2.3	15,204.2	200.3	-13.3	0.8	-6.2	-0.1
July	.	.	.	13,459.1	172.8	-77.7	15,106.3	194.8	-86.8	0.2	-47.4	-0.8
Aug.	.	.	.	13,447.1	97.4	-9.7	15,102.2	112.4	-6.7	0.3	36.2	0.1

C15 Total outstanding amounts and gross issues of securities other than shares issued by euro area residents

(EUR billions)



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

1) Total euro-denominated securities other than shares issued by euro area residents and non-euro area residents.

2) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

4.2 Securities other than shares issued by euro area residents, by sector of the issuer and instrument type
(EUR billions ; transactions during the month and end-of-period outstanding amounts; nominal values)

1. Outstanding amounts and gross issues

	Outstanding amounts						Gross issues [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2011	16,422	5,525	3,173	882	6,217	625	1,001	609	99	62	191	39
2012	16,607	5,427	3,226	1,001	6,268	684	956	587	82	67	187	32
2012 Q3	16,655	5,559	3,116	981	6,299	699	868	538	64	64	177	26
Q4	16,607	5,427	3,226	1,001	6,268	684	791	463	74	64	164	25
2013 Q1	16,653	5,286	3,223	1,030	6,425	690	826	439	81	61	212	32
Q2	16,664	5,145	3,245	1,037	6,559	678	776	408	65	67	202	34
2013 May	16,728	5,204	3,265	1,042	6,532	685	806	404	76	62	230	33
June	16,664	5,145	3,245	1,037	6,559	678	675	350	56	69	175	25
July	16,579	5,092	3,248	1,043	6,527	669	723	392	59	67	178	27
Aug.	16,561	5,066	3,235	1,053	6,532	675	592	343	39	45	144	20
	Short-term											
2011	1,595	702	103	79	634	77	748	511	48	53	107	29
2012	1,491	601	137	81	608	64	702	489	37	52	104	21
2012 Q3	1,560	667	103	89	625	77	646	455	26	48	100	17
Q4	1,491	601	137	81	608	64	569	392	27	46	88	16
2013 Q1	1,505	582	140	90	624	68	574	361	31	47	112	23
Q2	1,460	558	135	88	624	54	539	337	26	51	102	23
2013 May	1,505	575	146	98	625	61	544	329	25	50	113	27
June	1,460	558	135	88	624	54	475	285	25	52	95	18
July	1,473	563	136	91	633	50	528	331	23	48	106	20
Aug.	1,459	553	135	90	629	52	479	301	25	35	104	15
	Long-term [2]											
2011	14,827	4,823	3,070	803	5,583	548	253	98	51	9	84	10
2012	15,116	4,826	3,089	920	5,660	621	254	99	45	16	83	12
2012 Q3	15,095	4,892	3,013	893	5,675	622	222	82	38	16	77	8
Q4	15,116	4,826	3,089	920	5,660	621	222	71	47	18	77	9
2013 Q1	15,149	4,704	3,083	940	5,801	621	251	78	50	14	100	9
Q2	15,204	4,587	3,110	949	5,934	624	237	71	39	16	101	10
2013 May	15,222	4,629	3,119	943	5,906	624	262	76	51	12	118	6
June	15,204	4,587	3,110	949	5,934	624	200	65	32	17	80	7
July	15,106	4,529	3,112	952	5,893	619	195	61	36	19	72	7
Aug.	15,102	4,513	3,100	963	5,903	623	112	42	14	10	40	6
	of which: Long-term fixed rate											
2011	9,988	2,764	1,115	706	4,994	408	150	54	12	8	70	7
2012	10,547	2,838	1,292	822	5,151	444	165	54	18	15	71	7
2012 Q3	10,473	2,860	1,242	795	5,134	442	139	37	14	15	68	4
Q4	10,547	2,838	1,292	822	5,151	444	142	36	21	17	64	6
2013 Q1	10,680	2,790	1,344	840	5,257	450	165	41	25	12	80	7
Q2	10,790	2,739	1,389	847	5,360	455	155	34	21	13	79	8
2013 May	10,773	2,755	1,382	842	5,338	455	169	37	27	10	91	5
June	10,790	2,739	1,389	847	5,360	455	139	32	19	14	68	5
July	10,728	2,703	1,400	849	5,325	451	132	29	17	16	65	5
Aug.	10,746	2,700	1,403	858	5,332	453	77	23	7	8	36	3
	of which: Long-term variable rate											
2011	4,341	1,789	1,806	94	513	139	85	37	32	1	11	3
2012	4,143	1,734	1,702	95	437	175	77	38	24	1	8	5
2012 Q3	4,177	1,767	1,671	93	467	179	72	40	23	1	4	4
Q4	4,143	1,734	1,702	95	437	175	70	30	25	1	10	4
2013 Q1	4,022	1,661	1,642	97	453	170	69	30	22	1	13	3
Q2	3,978	1,609	1,620	98	483	169	69	31	16	2	17	2
2013 May	4,015	1,632	1,635	98	483	168	79	33	21	2	22	1
June	3,978	1,609	1,620	98	483	169	48	28	10	3	6	2
July	3,945	1,597	1,610	100	471	168	52	28	16	4	3	2
Aug.	3,930	1,594	1,594	101	471	169	27	15	5	2	1	3

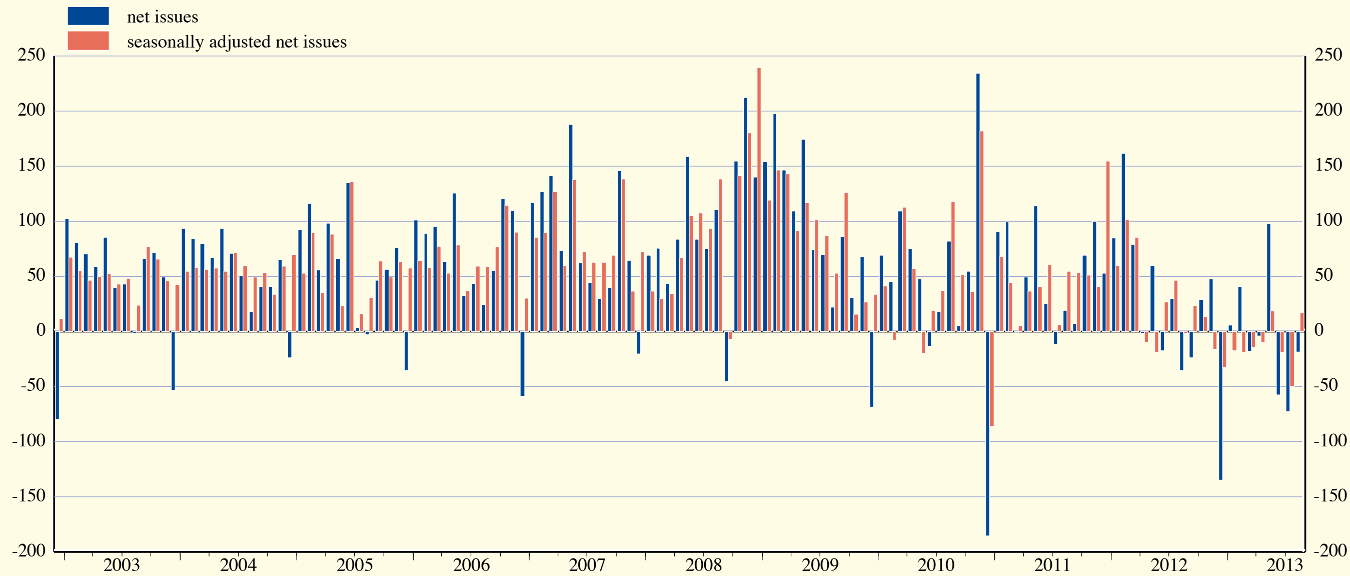
Source: ECB.
1) Monthly data on gross issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.
2) The residual difference between total long-term debt securities and fixed and variable rate long-term debt securities consists of zero coupon bonds and revaluation effects.

4.2 Securities other than shares issued by euro area residents, by sector of the issuer and instrument type
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

2. Net issues

	Non-seasonally adjusted [1]						Seasonally adjusted [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2011	51.2	22.3	-3.6	3.8	23.2	5.6	-	-	-	-	-	-
2012	23.1	-6.5	3.0	10.4	13.1	3.1	-	-	-	-	-	-
2012 Q3	-10.0	-4.8	-21.1	10.9	4.3	0.8	22.7	-3.1	-7.8	11.4	20.4	1.8
Q4	-19.5	-39.5	26.3	8.0	-9.5	-4.9	-11.9	-27.6	6.1	11.1	4.7	-6.2
2013 Q1	9.4	-47.1	-6.1	9.2	51.9	1.5	-17.0	-61.8	1.5	6.8	35.9	0.7
Q2	12.1	-41.7	8.2	3.5	45.4	-3.3	-3.5	-40.6	7.4	2.3	30.4	-3.0
2013 May	97.8	-37.3	18.7	-0.5	122.3	-5.5	18.5	-50.8	9.3	-4.1	69.5	-5.5
June	-57.7	-54.1	-20.5	-3.8	27.2	-6.5	-19.3	-32.6	1.1	2.9	16.5	-7.2
July	-72.6	-48.0	6.2	8.5	-31.3	-8.1	-49.9	-56.5	8.0	5.5	0.2	-7.2
Aug.	-18.5	-26.2	-11.8	8.8	5.4	5.2	17.0	-30.9	6.6	14.4	18.3	8.6
	Long-term											
2011	47.0	11.6	-2.3	2.8	31.0	3.9	-	-	-	-	-	-
2012	32.9	2.1	1.1	10.2	15.3	4.2	-	-	-	-	-	-
2012 Q3	0.7	-2.0	-16.8	13.5	3.4	2.7	40.7	2.0	-6.0	14.0	25.7	5.0
Q4	7.5	-17.1	18.8	10.5	-4.1	-0.7	3.8	-6.7	0.8	11.3	-1.5	-0.1
2013 Q1	7.0	-40.1	-5.7	6.2	46.7	0.0	-7.0	-47.8	1.4	5.9	34.9	-1.5
Q2	26.1	-34.0	9.6	4.1	45.1	1.4	3.6	-40.0	9.7	3.1	31.0	-0.2
2013 May	91.5	-30.3	17.8	-5.4	109.5	-0.2	23.6	-43.2	9.8	-4.6	61.9	-0.3
June	-13.3	-37.9	-10.0	6.1	28.2	0.3	-6.2	-37.7	8.8	5.8	19.6	-2.7
July	-86.8	-54.0	5.9	5.9	-40.4	-4.2	-47.4	-57.6	4.1	6.2	0.2	-0.3
Aug.	-6.7	-18.3	-11.2	9.4	9.8	3.6	36.2	-15.2	7.5	14.5	24.0	5.4

C16 Net issues of securities other than shares: seasonally adjusted and non-seasonally adjusted
(EUR billions; transactions during the month; nominal values)

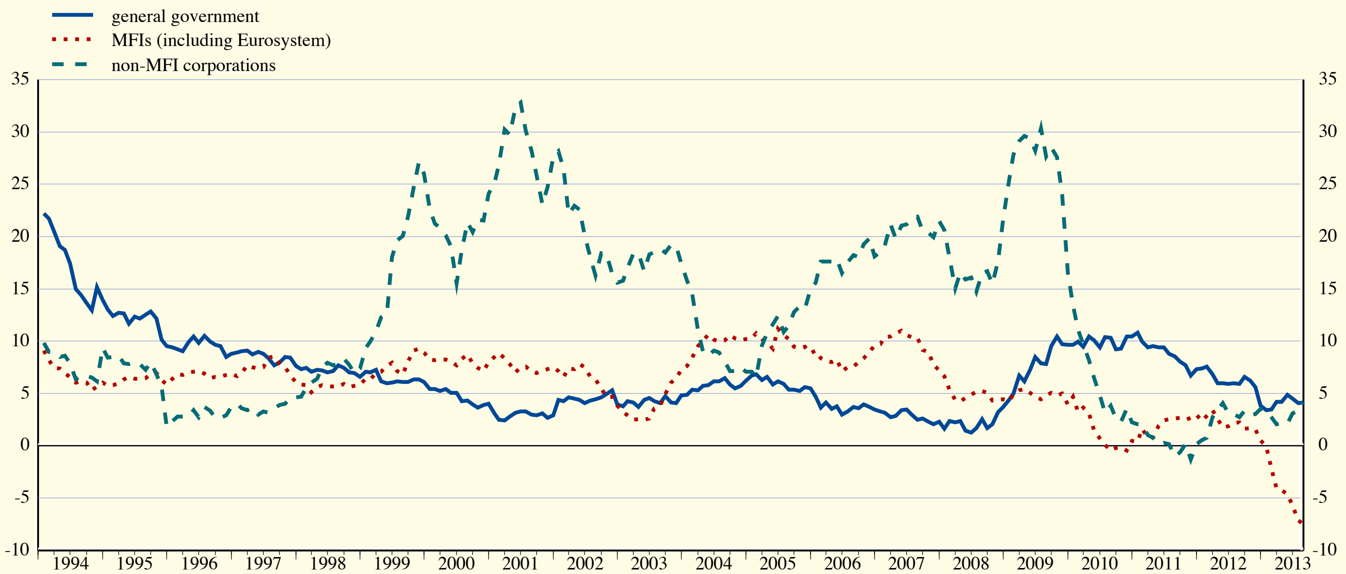


Source: ECB.
1) Monthly data on net issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

4.3 Growth rates of securities other than shares issued by euro area residents [1)]
(percentage changes)

	Annual growth rates (non-seasonally adjusted)						6-month seasonally adjusted growth rates					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2012 Aug.	3.6	3.6	0.6	11.0	3.3	12.4	1.5	0.1	-1.0	12.8	1.9	7.5
Sep.	3.4	2.4	0.5	12.6	3.9	10.9	0.8	-2.3	-2.7	13.8	3.3	3.2
Oct.	3.2	2.0	0.0	12.8	3.8	10.8	1.1	-1.3	-3.7	13.6	3.7	3.4
Nov.	2.9	1.1	0.2	12.5	3.9	8.0	1.1	-0.7	-4.3	13.3	3.7	2.0
Dec.	1.7	-1.4	1.2	14.1	2.5	6.1	0.4	-3.3	-0.3	14.8	2.4	-3.8
2013 Jan.	1.2	-2.1	1.0	13.5	2.2	4.6	-0.4	-5.7	0.2	14.7	2.4	-4.0
Feb.	0.5	-4.2	0.9	13.2	2.6	0.3	-0.6	-8.3	2.8	13.7	3.3	-6.1
Mar.	-0.1	-5.9	-0.6	12.6	3.6	-0.8	-1.0	-9.4	1.5	11.3	3.9	-4.7
Apr.	-0.1	-6.0	-0.7	12.3	3.5	0.4	-1.3	-10.5	2.3	10.9	3.5	-2.7
May	0.1	-6.3	-0.5	10.8	4.5	-0.4	-0.9	-11.4	3.4	8.5	5.3	-2.9
June	-0.1	-7.2	0.7	10.0	4.4	-2.6	-0.7	-10.9	1.7	5.5	6.4	-2.1
July	-0.8	-8.7	1.2	9.9	4.1	-4.7	-1.1	-11.6	2.3	5.5	5.9	-5.6
Aug.	-0.7	-9.2	2.2	10.2	4.2	-3.6	-0.7	-10.1	1.6	7.0	5.1	-1.4
	Long-term											
2012 Aug.	3.9	2.2	0.7	10.8	5.4	11.4	2.2	0.4	-1.0	12.1	3.4	8.1
Sep.	4.1	1.6	0.6	13.7	6.0	11.8	1.9	-1.5	-2.2	13.9	5.1	7.6
Oct.	3.8	1.7	0.0	14.1	5.7	10.7	2.4	-0.1	-3.1	16.7	5.4	6.8
Nov.	3.6	1.6	0.1	14.1	5.2	9.5	2.5	1.0	-4.0	17.8	4.6	7.0
Dec.	2.7	0.5	0.5	15.2	3.3	9.2	1.8	-0.6	-1.0	18.6	2.6	4.9
2013 Jan.	2.2	-0.1	0.3	14.8	2.9	8.6	1.3	-2.0	-0.4	18.0	2.5	3.8
Feb.	1.4	-2.2	-0.3	14.0	3.3	4.5	0.6	-4.7	0.5	15.8	3.2	1.0
Mar.	0.9	-4.1	-0.9	13.0	4.3	2.9	-0.1	-6.6	0.4	11.9	3.6	-1.6
Apr.	0.9	-4.2	-1.0	13.9	4.3	3.2	-0.6	-8.2	1.1	11.0	3.3	-0.1
May	1.1	-4.6	-0.8	12.7	5.1	2.9	-0.3	-9.9	2.5	7.8	5.5	-1.0
June	0.8	-5.7	0.6	12.1	4.8	1.6	-0.1	-10.6	2.2	5.9	7.1	-1.7
July	0.2	-7.1	1.0	11.6	4.5	0.3	-0.8	-11.9	2.5	5.6	6.5	-3.1
Aug.	0.3	-7.5	1.9	11.9	4.5	0.7	0.1	-10.2	3.5	8.3	5.8	0.3

C17 Annual growth rates of long-term debt securities, by sector of the issuer, in all currencies combined
(annual percentage changes)



Source: ECB.
1) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

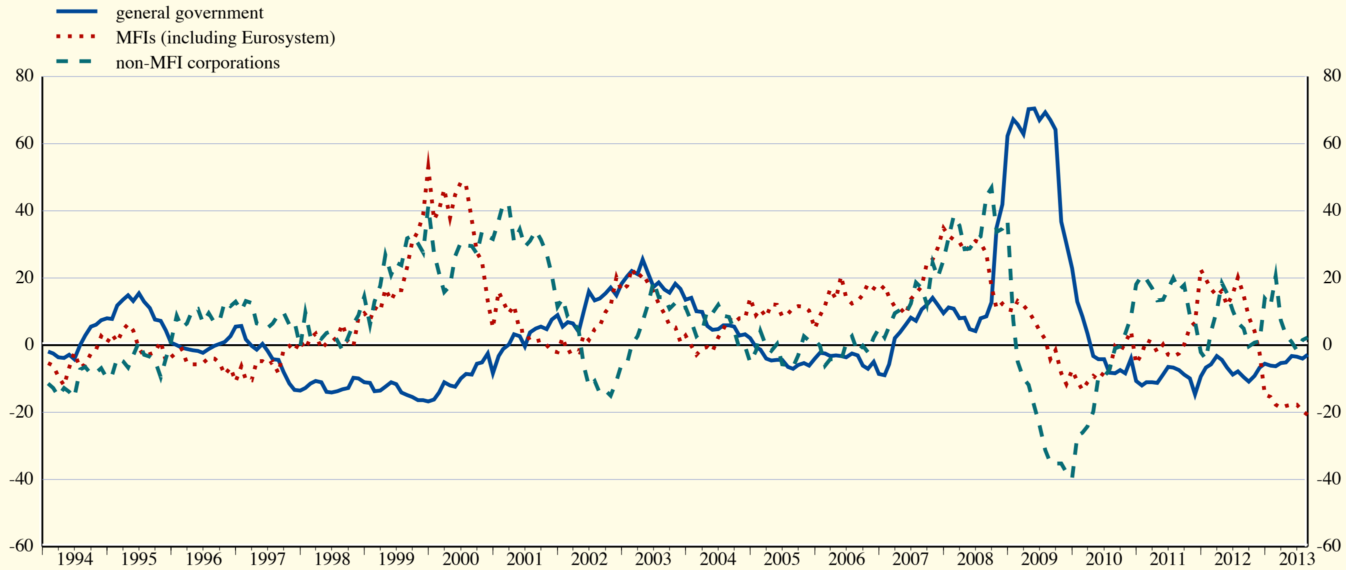
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(percentage changes)

	Long-term fixed rate						Long-term variable rate					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	13	14	15	16	17	18	19	20	21	22	23	24
	In all currencies combined											
2011	6.4	4.8	3.5	6.4	7.8	7.7	-0.9	-1.4	-6.1	-2.0	22.3	16.1
2012	5.4	4.4	2.3	10.5	5.9	7.3	-0.8	-0.2	-4.9	-0.8	6.6	23.3
2012 Q3	5.1	4.0	1.2	11.3	5.5	6.9	-0.1	-0.2	-3.6	0.4	6.6	25.5
Q4	5.7	3.5	3.9	15.5	5.9	6.8	-3.3	-0.7	-8.1	-1.1	-2.4	20.3
2013 Q1	4.5	0.8	6.5	15.7	4.3	6.0	-6.8	-4.1	-10.6	-1.2	-7.6	7.8
Q2	3.8	-3.0	7.8	14.5	5.1	4.5	-7.7	-6.7	-11.3	1.4	-1.8	-0.8
2013 Mar.	3.8	-2.6	7.6	14.5	5.0	4.1	-7.8	-6.3	-11.2	-0.8	-5.0	0.7
Apr.	3.9	-2.6	8.1	15.4	4.9	4.6	-7.6	-6.3	-11.0	0.7	-3.9	0.5
May	3.8	-3.1	7.3	14.3	5.2	5.0	-7.5	-6.3	-12.0	1.5	1.3	-1.6
June	3.6	-3.7	8.3	13.2	5.1	3.9	-7.9	-8.4	-10.5	4.6	-0.6	-3.5
July	3.2	-4.9	8.4	12.8	5.0	3.5	-8.5	-9.6	-9.5	4.9	-4.2	-6.7
Aug.	3.0	-5.1	8.8	12.6	4.6	3.3	-8.0	-9.9	-8.7	6.9	-2.2	-5.0
	In euro											
2011	6.5	4.0	3.6	6.7	8.1	7.3	-0.4	0.1	-6.7	-3.0	22.2	15.3
2012	5.7	5.0	2.0	10.8	6.0	7.2	-0.5	2.1	-6.6	-1.9	6.3	22.9
2012 Q3	5.3	4.9	0.7	11.4	5.6	6.4	0.2	2.6	-5.9	-0.1	6.3	25.5
Q4	5.9	3.9	3.3	16.4	6.0	6.3	-3.3	1.4	-10.1	-1.7	-2.9	20.5
2013 Q1	4.3	0.6	4.8	17.6	4.4	5.3	-7.0	-2.8	-12.3	-1.2	-8.4	7.9
Q2	3.6	-3.7	5.4	16.4	5.0	4.4	-7.9	-5.9	-12.6	2.9	-2.4	-1.4
2013 Mar.	3.6	-3.3	5.3	16.6	5.0	3.6	-7.9	-5.1	-12.5	0.3	-5.7	0.4
Apr.	3.7	-3.1	5.9	17.4	4.8	4.6	-7.8	-5.2	-12.5	2.7	-4.6	-0.3
May	3.6	-3.9	4.9	15.9	5.2	4.9	-7.7	-5.7	-13.2	3.0	0.8	-1.9
June	3.3	-4.7	5.3	15.0	5.1	3.9	-8.3	-8.2	-11.7	5.4	-1.0	-4.1
July	3.0	-5.9	5.9	14.6	5.1	4.1	-8.7	-9.7	-10.0	6.4	-4.5	-7.2
Aug.	2.7	-6.1	6.4	14.0	4.7	3.9	-8.4	-10.2	-9.4	8.3	-2.7	-5.4

C18 Annual growth rates of short-term debt securities, by sector of the issuer, in all currencies combined

(annual percentage changes)



Source: ECB.

1) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.

4.4 Quoted shares issued by euro area residents [1]

(EUR billions, unless otherwise indicated; market values)

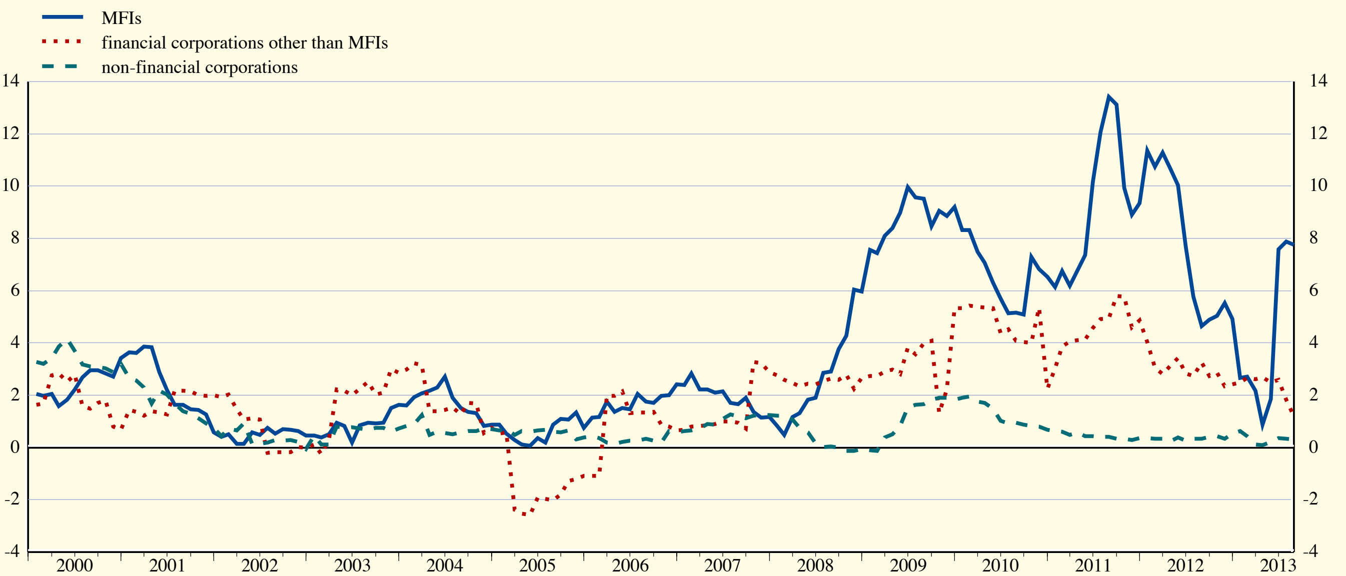
1. Outstanding amounts and annual growth rates

(outstanding amounts as at end of period)

	Total			MFIs		Financial corporations other than MFIs		Non-financial corporations	
	Total	Index: Dec. 2008 = 100	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)
	1	2	3	4	5	6	7	8	9
2011 Aug.	3,958.8	105.9	2.1	382.9	13.4	282.1	4.9	3,293.9	0.4
Sep.	3,725.1	105.9	2.0	350.5	13.1	264.5	5.8	3,110.1	0.3
Oct.	4,017.6	105.9	1.7	360.5	9.9	288.1	5.8	3,369.0	0.3
Nov.	3,866.8	106.0	1.5	329.8	8.9	271.6	4.6	3,265.3	0.3
Dec.	3,878.6	106.1	1.6	339.3	9.3	270.8	4.9	3,268.5	0.4
2012 Jan.	4,091.7	106.3	1.7	375.5	11.4	298.1	4.0	3,418.2	0.4
Feb.	4,257.8	106.3	1.5	394.7	10.7	311.3	3.1	3,551.9	0.3
Mar.	4,241.7	106.4	1.5	373.1	11.3	311.1	2.8	3,557.5	0.3
Apr.	4,068.8	106.5	1.4	327.3	10.7	292.0	3.1	3,449.5	0.2
May	3,763.1	106.5	1.5	280.9	10.0	265.1	3.4	3,217.1	0.4
June	3,925.8	106.6	1.1	317.6	7.7	284.7	2.8	3,323.5	0.3
July	4,051.9	106.8	1.0	309.9	5.8	291.8	2.7	3,450.3	0.3
Aug.	4,176.6	106.8	0.9	349.7	4.6	309.1	3.2	3,517.8	0.3
Sep.	4,233.0	106.9	0.9	365.0	4.9	323.6	2.7	3,544.5	0.4
Oct.	4,309.8	107.0	1.0	383.6	5.0	333.4	2.9	3,592.8	0.4
Nov.	4,397.8	106.9	0.9	395.7	5.5	342.0	2.3	3,660.1	0.3
Dec.	4,501.9	107.2	1.0	402.4	4.9	357.0	2.4	3,742.5	0.5
2013 Jan.	4,656.9	107.3	0.9	441.6	2.7	370.3	2.5	3,845.0	0.6
Feb.	4,641.9	107.1	0.8	416.1	2.7	364.2	2.7	3,861.6	0.4
Mar.	4,644.1	106.9	0.5	380.4	2.2	368.7	2.6	3,895.0	0.1
Apr.	4,746.9	106.8	0.3	410.8	0.9	394.6	2.7	3,941.5	0.1
May	4,867.7	107.1	0.5	443.0	1.9	407.6	2.5	4,017.0	0.2
June	4,667.8	107.9	1.2	418.8	7.6	394.2	2.6	3,854.8	0.4
July	4,906.8	108.0	1.1	451.6	7.9	417.9	1.8	4,037.3	0.3
Aug.	4,891.0	107.9	1.1	461.9	7.8	415.3	1.2	4,013.8	0.3

C19 Annual growth rates for quoted shares issued by euro area residents

(annual percentage changes)



Source: ECB.

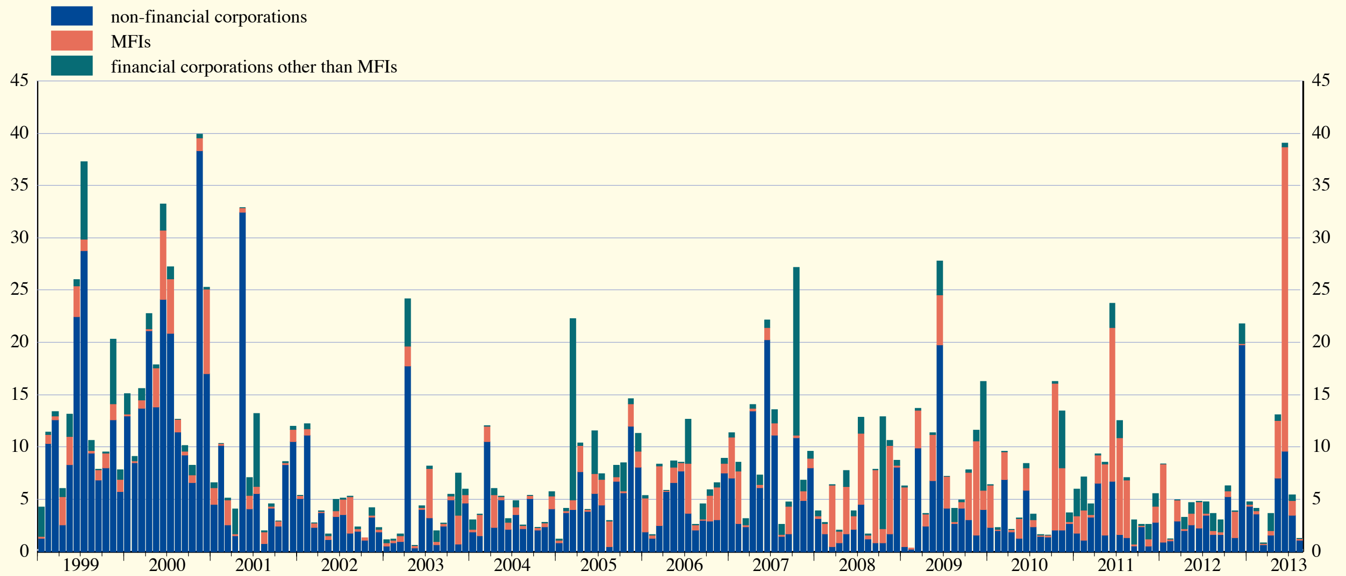
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

4.4 Quoted shares issued by euro area residents
(EUR billions; market values)

2. Transactions during the month

	Total			MFIs			Financial corporations other than MFIs			Non-financial corporations		
	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues
	1	2	3	4	5	6	7	8	9	10	11	12
2011 Aug.	7.1	1.0	6.1	5.5	0.0	5.5	0.3	0.2	0.1	1.3	0.8	0.5
Sep.	2.9	2.9	0.0	0.0	0.9	-0.9	2.3	0.0	2.3	0.5	2.0	-1.4
Oct.	2.4	0.4	2.0	0.0	0.0	0.0	0.1	0.0	0.1	2.3	0.4	1.9
Nov.	2.6	1.5	1.1	0.7	0.0	0.7	1.4	0.0	1.4	0.6	1.5	-1.0
Dec.	5.5	1.1	4.4	1.5	0.0	1.5	1.2	0.0	1.2	2.8	1.1	1.7
2012 Jan.	8.4	0.4	7.9	7.5	0.0	7.5	0.0	0.1	-0.1	0.9	0.3	0.6
Feb.	1.1	1.4	-0.3	0.0	0.0	0.0	0.0	0.2	-0.2	1.0	1.2	-0.1
Mar.	4.9	0.7	4.3	2.0	0.0	2.0	0.0	0.1	-0.1	2.9	0.6	2.3
Apr.	3.1	0.3	2.8	0.0	0.0	0.0	1.1	0.0	1.1	2.0	0.3	1.7
May	4.7	1.8	2.9	1.1	0.0	1.1	1.0	0.1	1.0	2.5	1.7	0.8
June	4.8	1.2	3.6	2.6	0.0	2.6	0.0	0.1	-0.1	2.2	1.1	1.1
July	4.7	0.3	4.4	0.2	0.0	0.2	1.1	0.0	1.1	3.5	0.3	3.2
Aug.	3.7	1.8	1.8	0.4	0.0	0.4	1.6	0.1	1.5	1.6	1.7	-0.1
Sep.	2.9	0.5	2.3	0.1	0.0	0.1	1.2	0.1	1.0	1.7	0.4	1.3
Oct.	6.3	1.8	4.5	0.5	0.0	0.5	0.5	0.1	0.4	5.3	1.7	3.6
Nov.	3.9	5.9	-2.0	2.5	0.0	2.5	0.1	0.1	0.0	1.3	5.8	-4.5
Dec.	21.6	11.4	10.2	0.0	0.5	-0.5	1.8	0.0	1.8	19.7	10.8	8.9
2013 Jan.	4.6	0.3	4.3	0.0	0.0	0.0	0.2	0.1	0.1	4.3	0.2	4.1
Feb.	4.2	11.4	-7.2	0.3	0.0	0.3	0.3	0.0	0.3	3.6	11.4	-7.8
Mar.	0.7	10.6	-9.9	0.0	0.1	-0.1	0.0	0.3	-0.3	0.6	10.1	-9.4
Apr.	3.6	5.9	-2.3	0.4	5.2	-4.8	1.7	0.0	1.6	1.6	0.7	0.9
May	13.1	1.8	11.3	5.5	0.0	5.5	0.6	0.0	0.5	7.0	1.8	5.2
June	39.0	1.7	37.3	29.2	0.0	29.1	0.3	0.1	0.3	9.6	1.7	7.9
July	5.4	3.2	2.2	1.4	0.0	1.4	0.6	1.9	-1.4	3.5	1.2	2.2
Aug.	1.1	2.3	-1.2	0.0	0.0	0.0	0.0	0.5	-0.5	1.1	1.8	-0.7

C20 Gross issues of quoted shares by sector of the issuer
(EUR billions; transactions during the month; market values)



Source: ECB.

4.5 MFI interest rates on euro-denominated deposits from and loans to euro area residents [1]

(percentages per annum; outstanding amounts as at end of period, new business as period average, unless otherwise indicated)

1. Interest rates on deposits (new business)

	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight	With an agreed maturity of:			Redeemable at notice of: [2]		Overnight	With an agreed maturity of:			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9	10	11
2012 Oct.	0.41	2.74	2.56	2.50	1.62	1.73	0.45	1.05	2.18	2.21	1.50
Nov.	0.40	2.73	2.46	2.35	1.61	1.65	0.43	1.03	2.03	2.21	1.12
Dec.	0.39	2.73	2.59	2.25	1.59	1.59	0.42	1.08	1.92	2.16	1.53
2013 Jan.	0.37	2.61	2.37	2.42	1.53	1.53	0.39	1.09	2.00	2.16	1.17
Feb.	0.36	2.44	2.23	2.29	1.39	1.47	0.40	1.05	1.99	2.08	0.63
Mar.	0.36	2.29	2.17	2.28	1.37	1.43	0.40	0.93	1.85	1.99	1.00
Apr.	0.34	2.33	2.10	2.25	1.36	1.36	0.38	0.96	1.70	1.90	0.68
May	0.33	2.04	2.06	2.25	1.31	1.30	0.38	0.83	1.86	1.98	0.48
June	0.32	1.88	1.88	2.12	1.30	1.27	0.38	0.83	1.65	1.77	0.72
July	0.31	1.88	1.90	2.08	1.28	1.23	0.36	0.82	1.63	1.78	0.88
Aug.	0.30	1.81	1.87	2.05	1.15	1.22	0.37	0.70	1.57	1.85	0.51
Sep.	0.30	1.71	1.86	2.06	1.15	1.17	0.35	0.81	1.67	1.87	0.56

2. Interest rates on loans to households (new business)

	Revolving loans and overdrafts	Extended credit card debt [3]	Consumer credit				Lending for house purchase					Lending to sole proprietors and unincorporated partnerships		
			By initial rate fixation			APRC [4]	By initial rate fixation				APRC [4]	By initial rate fixation		
			Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2012 Oct.	8.04	16.97	5.62	6.13	7.67	7.15	2.88	3.24	3.15	3.49	3.42	3.24	4.25	3.33
Nov.	7.96	16.95	5.62	6.09	7.67	7.13	2.87	3.18	3.14	3.40	3.35	3.33	4.23	3.23
Dec.	7.94	16.93	5.36	6.05	7.55	6.94	2.87	3.25	3.25	3.45	3.41	3.15	4.12	3.01
2013 Jan.	7.97	17.06	5.77	6.11	7.88	7.27	2.87	3.17	3.03	3.35	3.34	3.19	4.06	3.08
Feb.	7.97	17.04	5.89	6.03	7.83	7.25	2.88	3.17	3.05	3.35	3.35	3.16	4.07	3.21
Mar.	7.95	17.06	5.86	5.98	7.75	7.15	2.86	3.19	3.13	3.34	3.38	3.16	4.16	3.17
Apr.	7.93	17.08	5.74	5.92	7.75	7.06	2.87	3.13	3.06	3.34	3.38	3.26	3.97	3.11
May	7.91	17.08	6.00	6.09	7.71	7.20	2.87	3.09	2.95	3.22	3.32	3.32	4.11	3.14
June	7.84	17.04	5.85	6.02	7.56	7.07	2.82	2.99	2.87	3.16	3.25	3.10	4.08	3.01
July	7.75	16.96	5.63	6.12	7.63	7.13	2.84	2.97	2.90	3.17	3.28	3.19	3.75	3.18
Aug.	7.74	17.01	5.62	6.15	7.64	7.15	2.80	3.01	2.97	3.18	3.31	3.00	4.06	3.15
Sep.	7.78	16.99	5.79	6.14	7.62	7.23	2.82	3.05	3.05	3.24	3.34	3.04	4.01	3.16

3. Interest rates on loans to non-financial corporations (new business)

	Revolving loans and overdrafts	Other loans of up to EUR 0.25 million by initial rate fixation						Other loans of over EUR 1 million by initial rate fixation					
		Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years	Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
2012 Oct.	4.21	4.74	4.89	4.29	4.31	3.79	3.94	2.12	2.91	3.30	3.01	2.93	3.20
Nov.	4.17	4.65	4.82	4.16	4.31	3.79	3.78	2.11	2.68	3.76	3.26	2.90	2.91
Dec.	4.19	4.62	4.55	4.24	4.24	3.68	3.51	2.17	2.79	2.84	3.32	2.79	3.01
2013 Jan.	4.21	4.68	4.70	4.03	4.16	3.62	3.68	2.09	2.88	3.32	4.29	2.92	3.02
Feb.	4.20	4.70	4.69	4.05	4.25	3.70	3.66	2.02	2.85	3.13	4.42	2.93	3.14
Mar.	4.17	4.56	4.71	4.11	4.25	3.75	3.61	2.00	2.91	3.07	4.06	2.85	2.85
Apr.	4.16	4.78	4.73	4.16	4.07	3.62	3.58	2.14	2.77	3.21	4.16	3.00	2.94
May	4.11	4.76	4.76	4.12	4.12	3.61	3.48	2.10	2.71	3.21	3.52	2.68	2.79
June	4.11	4.54	4.60	4.40	4.34	3.56	3.41	2.05	2.60	3.01	2.96	2.71	3.12
July	4.09	4.65	4.82	4.34	4.09	3.48	3.45	2.13	2.72	2.72	2.82	2.98	3.17
Aug.	4.09	4.50	4.81	4.41	4.06	3.41	3.39	2.03	2.56	2.82	3.00	2.88	3.10
Sep.	4.12	4.53	4.67	4.40	4.19	3.41	3.42	2.08	2.54	2.86	2.78	2.89	3.24

Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) For this instrument category, households and non-financial corporations are merged and allocated to the household sector, since the outstanding amounts of non-financial corporations are negligible compared with those of the household sector when all participating Member States are combined.
3) This instrument category excludes convenience credit card debt, i.e. credit granted at an interest rate of 0% during the billing cycle.
4) The annual percentage rate of charge (APRC) covers the total cost of a loan. The total cost comprises both an interest rate component and a component incorporating other (related) charges, such as the cost of inquiries, administration, preparation of documents and guarantees.

4.5 MFI interest rates on euro-denominated deposits from and loans to euro area residents [1)], *

(percentages per annum; outstanding amounts as at end of period, new business as period average, unless otherwise indicated)

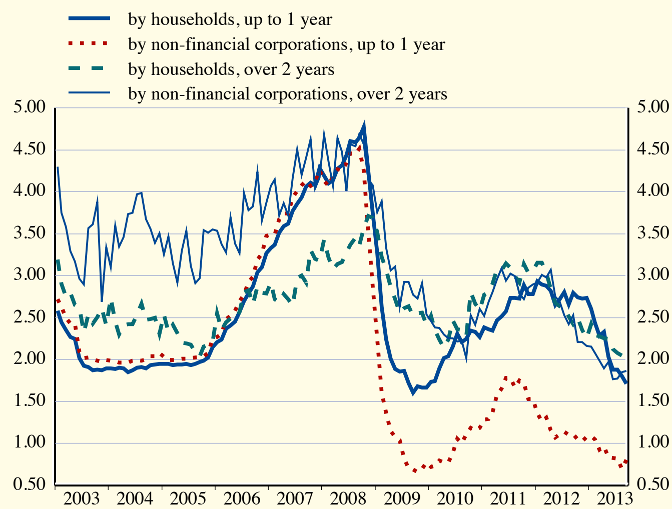
4. Interest rates on deposits (outstanding amounts)

	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight [2)]	With an agreed maturity of:		Redeemable at notice of: [2),3)]		Overnight [2)]	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2012 Oct.	0.41	2.67	2.74	1.62	1.73	0.45	1.78	2.95	2.55
Nov.	0.40	2.66	2.75	1.61	1.65	0.43	1.79	2.96	2.54
Dec.	0.39	2.64	2.73	1.59	1.59	0.42	1.80	2.91	2.65
2013 Jan.	0.37	2.58	2.71	1.53	1.53	0.39	1.75	2.88	2.32
Feb.	0.36	2.58	2.75	1.39	1.47	0.40	1.72	2.93	1.99
Mar.	0.36	2.53	2.70	1.37	1.43	0.40	1.65	2.89	2.18
Apr.	0.34	2.47	2.70	1.36	1.36	0.38	1.60	2.83	1.99
May	0.33	2.41	2.67	1.31	1.30	0.38	1.57	2.79	1.62
June	0.32	2.36	2.67	1.30	1.27	0.38	1.51	2.80	1.72
July	0.31	2.28	2.64	1.28	1.23	0.36	1.46	2.77	1.66
Aug.	0.30	2.22	2.63	1.15	1.22	0.37	1.44	2.82	1.50
Sep.	0.30	2.16	2.64	1.15	1.17	0.35	1.41	2.84	1.66

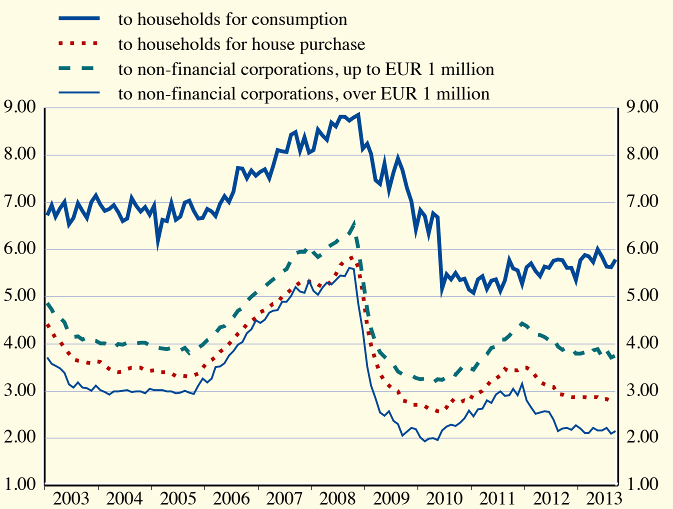
5. Interest rates on loans (outstanding amounts)

	Loans to households						Loans to non-financial corporations		
	Lending for house purchase with a maturity of:			Consumer credit and other loans with a maturity of:			With a maturity of:		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9
2012 Oct.	3.64	3.45	3.61	7.75	6.25	4.97	3.76	3.29	3.26
Nov.	3.53	3.42	3.60	7.59	6.23	4.95	3.72	3.30	3.25
Dec.	3.49	3.39	3.56	7.75	6.18	4.92	3.71	3.28	3.22
2013 Jan.	3.46	3.36	3.52	7.76	6.21	4.89	3.73	3.26	3.17
Feb.	3.45	3.35	3.51	7.77	6.24	4.91	3.72	3.26	3.19
Mar.	3.50	3.36	3.49	7.79	6.21	4.89	3.68	3.25	3.16
Apr.	3.49	3.33	3.49	7.74	6.19	4.88	3.67	3.25	3.15
May	3.47	3.30	3.46	7.65	6.14	4.86	3.65	3.24	3.13
June	3.50	3.29	3.43	7.62	6.18	4.87	3.62	3.24	3.14
July	3.51	3.24	3.40	7.59	6.18	4.84	3.62	3.26	3.14
Aug.	3.51	3.22	3.37	7.58	6.16	4.82	3.63	3.26	3.12
Sep.	3.55	3.22	3.37	7.64	6.16	4.83	3.66	3.24	3.13

C21 New deposits with an agreed maturity
(percentages per annum excluding charges; period averages)



C22 New loans with a floating rate and up to 1 year's initial rate fixation
(percentages per annum excluding charges; period averages)

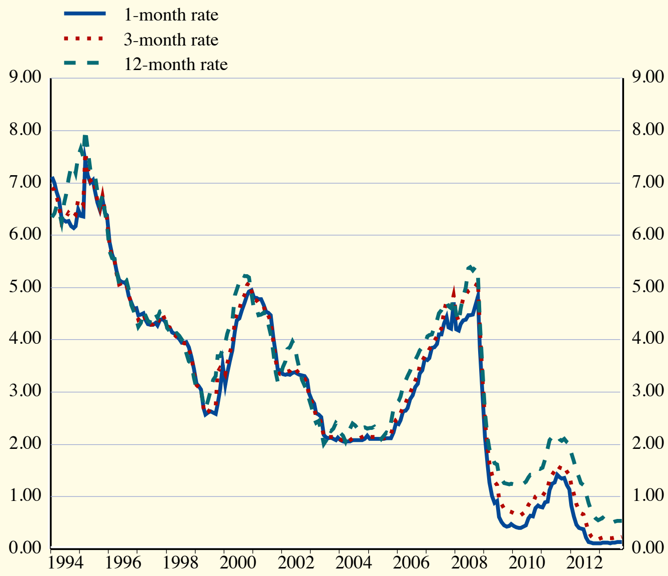


Source: ECB.
* For the source of the data in the table and the related footnotes, please see page S42.

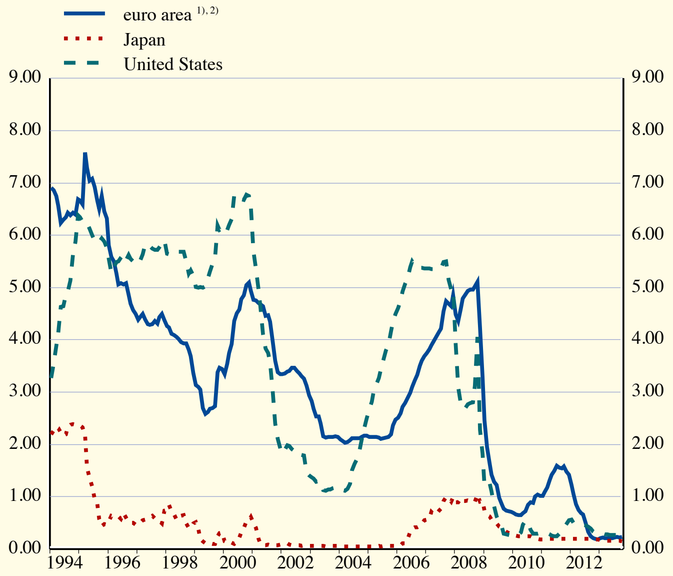
4.6 Money market interest rates
(percentages per annum; period averages)

	Euro area [1), 2)]					United States	Japan
	Overnight deposits (EONIA)	1-month deposits (EURIBOR)	3-month deposits (EURIBOR)	6-month deposits (EURIBOR)	12-month deposits (EURIBOR)	3-month deposits (LIBOR)	3-month deposits (LIBOR)
	1	2	3	4	5	6	7
2010	0.44	0.57	0.81	1.08	1.35	0.34	0.23
2011	0.87	1.18	1.39	1.64	2.01	0.34	0.19
2012	0.23	0.33	0.58	0.83	1.11	0.43	0.19
2012 Q3	0.13	0.16	0.36	0.63	0.90	0.43	0.19
Q4	0.08	0.11	0.20	0.37	0.60	0.32	0.19
2013 Q1	0.07	0.12	0.21	0.34	0.57	0.29	0.16
Q2	0.08	0.12	0.21	0.31	0.51	0.28	0.16
Q3	0.09	0.13	0.22	0.34	0.54	0.26	0.15
2012 Oct.	0.09	0.11	0.21	0.41	0.65	0.33	0.19
Nov.	0.08	0.11	0.19	0.36	0.59	0.31	0.19
Dec.	0.07	0.11	0.19	0.32	0.55	0.31	0.18
2013 Jan.	0.07	0.11	0.20	0.34	0.58	0.30	0.17
Feb.	0.07	0.12	0.22	0.36	0.59	0.29	0.16
Mar.	0.07	0.12	0.21	0.33	0.54	0.28	0.16
Apr.	0.08	0.12	0.21	0.32	0.53	0.28	0.16
May	0.08	0.11	0.20	0.30	0.48	0.27	0.16
June	0.09	0.12	0.21	0.32	0.51	0.27	0.15
July	0.09	0.13	0.22	0.34	0.53	0.27	0.16
Aug.	0.08	0.13	0.23	0.34	0.54	0.26	0.15
Sep.	0.08	0.13	0.22	0.34	0.54	0.25	0.15
Oct.	0.09	0.13	0.23	0.34	0.54	0.24	0.15

C23 Euro area money market rates [1), 2)]
(monthly averages; percentages per annum)



C24 3-month money market rates
(monthly averages; percentages per annum)



Source: ECB.
1) Before January 1999 synthetic euro area rates were calculated on the basis of national rates weighted by GDP. For further information, see the General Notes.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

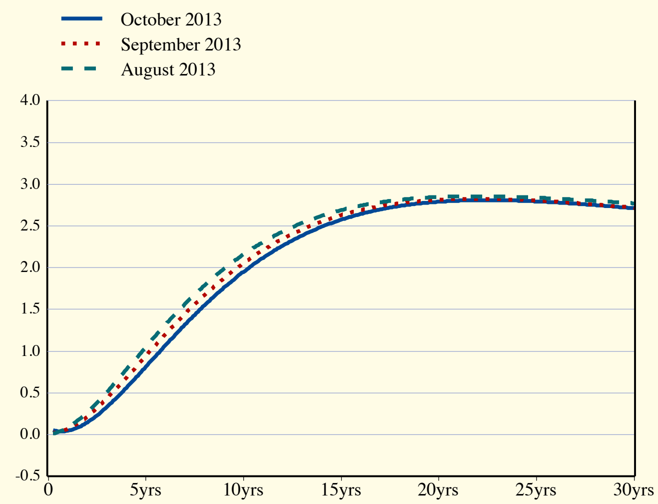
4.7 Euro area yield curves [1]

(AAA-rated euro area central government bonds; end of period; rates in percentages per annum; spreads in percentage points)

	Spot rates								Instantaneous forward rates			
	3 months	1 year	2 years	5 years	7 years	10 years	10 years - 3 months (spread)	10 years - 2 years (spread)	1 year	2 years	5 years	10 years
	1	2	3	4	5	6	7	8	9	10	11	12
2010	0.49	0.60	0.93	2.15	2.78	3.36	2.87	2.43	0.85	1.70	3.99	4.69
2011	0.00	0.09	0.41	1.56	2.13	2.65	2.65	2.24	0.32	1.15	3.24	3.84
2012	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2012 Q3	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
Q4	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Q1	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
Q2	0.03	0.11	0.30	1.05	1.54	2.14	2.11	1.84	0.27	0.73	2.35	3.78
Q3	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
2012 Oct.	0.01	-0.01	0.09	0.78	1.31	1.95	1.94	1.86	0.02	0.39	2.13	3.72
Nov.	0.04	-0.02	0.04	0.65	1.15	1.80	1.76	1.76	-0.03	0.27	1.91	3.60
Dec.	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Jan.	0.07	0.15	0.32	0.99	1.45	2.02	1.95	1.71	0.28	0.70	2.18	3.62
Feb.	0.03	0.01	0.10	0.74	1.24	1.88	1.86	1.78	0.05	0.38	1.99	3.72
Mar.	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
Apr.	0.03	-0.01	0.04	0.54	0.96	1.55	1.52	1.51	-0.01	0.23	1.58	3.28
May	0.02	0.03	0.13	0.75	1.22	1.84	1.82	1.71	0.08	0.41	1.95	3.62
June	0.03	0.11	0.30	1.05	1.54	2.14	2.11	1.84	0.27	0.73	2.35	3.78
July	0.01	0.04	0.18	0.88	1.36	1.95	1.95	1.77	0.14	0.54	2.14	3.59
Aug.	0.02	0.09	0.27	1.06	1.58	2.17	2.16	1.90	0.23	0.71	2.43	3.78
Sep.	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
Oct.	0.05	0.05	0.15	0.82	1.32	1.95	1.90	1.80	0.09	0.45	2.10	3.74

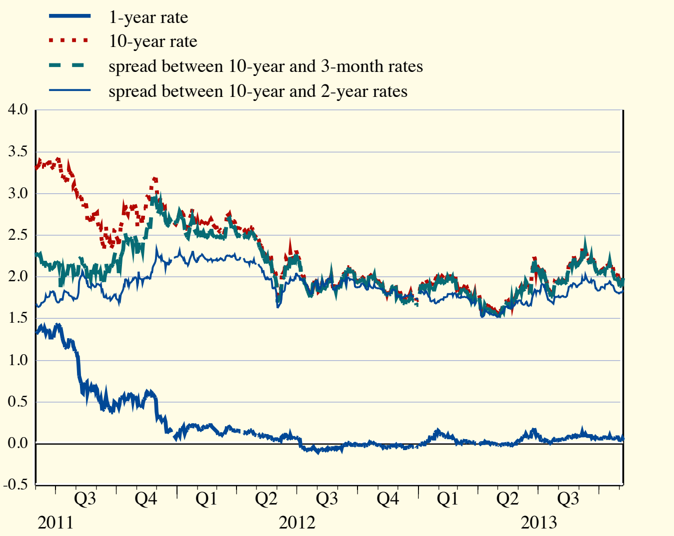
C25 Euro area spot yield curves [2]

(percentages per annum; end of period)



C26 Euro area spot rates and spreads [2]

(daily data; rates in percentages per annum; spreads in percentage points)



Sources: ECB calculations based on underlying data provided by EuroMTS and ratings provided by Fitch Ratings.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Data cover AAA-rated euro area central government bonds.

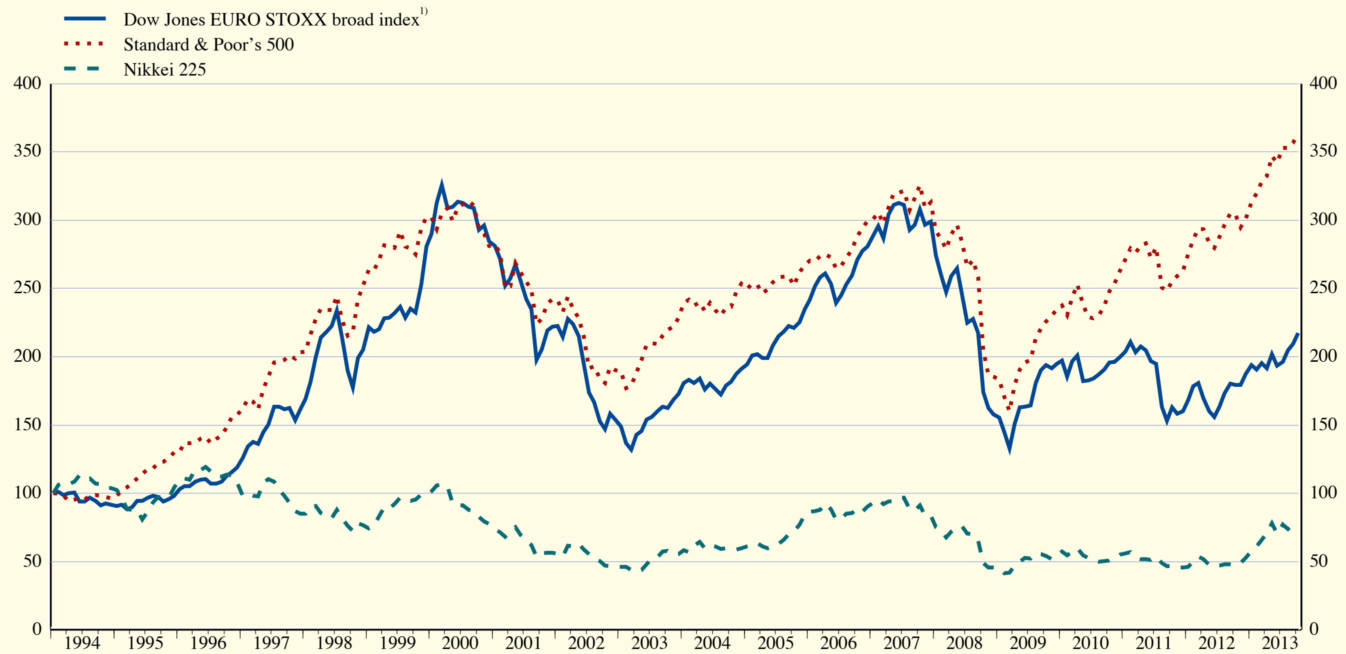
4.8 Stock market indices

(index levels in points; period averages)

	Dow Jones EURO STOXX indices[1]												United States	Japan
	Benchmark		Main industry indices											
	Broad index	50	Basic materials	Consumer services	Consumer goods	Oil and gas	Financials	Industrials	Technology	Utilities	Telecoms	Health care	Standard & Poor's 500	Nikkei 225
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	265.5	2,779.3	463.1	166.2	323.4	307.2	182.8	337.6	224.1	344.9	389.6	408.4	1,140.0	10,006.5
2011	256.0	2,611.0	493.4	158.1	351.2	311.6	152.6	349.4	222.5	301.7	358.4	432.7	1,267.6	9,425.4
2012	239.7	2,411.9	503.7	151.9	385.7	307.2	122.1	330.2	219.2	235.9	268.5	523.3	1,379.4	9,102.6
2012 Q3	238.7	2,400.9	505.9	152.7	392.3	307.8	117.2	327.7	215.9	234.0	265.6	548.5	1,400.9	8,886.4
Q4	252.0	2,543.3	536.8	163.6	407.4	310.5	133.0	347.7	231.6	232.0	245.4	570.7	1,418.1	9,208.6
2013 Q1	268.2	2,676.6	568.7	181.2	443.1	309.8	144.1	378.1	257.2	222.9	241.3	600.1	1,514.0	11,457.6
Q2	271.8	2,696.1	574.6	188.6	458.8	303.7	141.5	383.0	259.3	226.1	239.3	653.6	1,609.5	13,629.3
Q3	282.1	2,782.3	581.1	197.7	477.6	312.1	150.4	406.2	277.3	224.0	245.3	631.3	1,674.9	14,127.7
2012 Oct.	248.7	2,503.5	528.4	159.1	398.3	311.7	130.2	340.2	219.9	241.9	255.9	567.6	1,437.8	8,827.4
Nov.	248.7	2,514.0	526.1	162.8	403.8	308.0	131.2	343.7	230.6	226.9	239.0	563.3	1,394.5	9,059.9
Dec.	259.7	2,625.6	559.5	170.0	422.7	312.0	138.5	361.5	246.8	225.8	240.2	583.1	1,422.3	9,814.4
2013 Jan.	269.1	2,715.3	568.4	176.4	434.1	319.7	148.6	373.9	255.3	228.5	251.7	588.6	1,480.4	10,750.9
Feb.	264.7	2,630.4	561.0	180.7	439.1	301.4	143.2	372.7	256.0	218.5	231.1	586.7	1,512.3	11,336.4
Mar.	270.8	2,680.2	576.6	187.2	457.1	307.4	140.1	388.2	260.6	221.0	240.2	626.1	1,550.8	12,244.0
Apr.	265.9	2,636.3	560.9	187.0	449.8	299.6	136.0	374.1	250.5	225.2	238.6	650.8	1,570.7	13,224.1
May	280.2	2,785.8	590.1	192.5	472.0	315.0	147.5	392.7	267.1	232.0	248.7	668.7	1,639.8	14,532.4
June	268.3	2,655.8	571.1	185.9	453.0	294.9	140.4	381.3	259.5	220.4	229.2	639.2	1,618.8	13,106.6
July	272.4	2,686.5	569.6	193.1	465.9	298.7	142.0	389.5	268.1	215.1	231.5	642.5	1,668.7	14,317.5
Aug.	284.2	2,803.8	581.8	198.2	482.8	314.9	153.2	407.0	276.1	223.8	245.6	636.8	1,670.1	13,726.7
Sep.	290.6	2,864.6	592.8	202.3	485.0	323.9	156.8	423.6	288.6	234.1	260.0	613.1	1,687.2	14,372.1
Oct.	301.4	2,988.9	602.2	210.0	487.3	329.2	168.4	436.3	293.4	249.6	290.6	616.5	1,720.0	14,329.0

C27 Dow Jones EURO STOXX broad index, Standard & Poor's 500 and Nikkei 225

(January 1994 = 100; monthly averages)



Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

5

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

1. Harmonised Index of Consumer Prices [1)]

	Total					Total (s.a.; percentage change vis-à-vis previous period)						Memo item: Administered prices [2)]	
	Index: 2005 = 100	Total		Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy (n.s.a.)	Services	Total HICP excluding administered prices	Administered prices
			Total excl. unprocessed food and energy										
% of total in 2012	100.0	100.0	81.7	57.7	42.3	100.0	12.0	7.3	27.4	11.0	42.3	87.7	12.3
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009	108.1	0.3	1.3	-0.9	2.0	-	-	-	-	-	-	0.1	1.7
2010	109.8	1.6	1.0	1.8	1.4	-	-	-	-	-	-	1.6	1.7
2011	112.8	2.7	1.7	3.3	1.8	-	-	-	-	-	-	2.6	3.6
2012	115.6	2.5	1.8	3.0	1.8	-	-	-	-	-	-	2.3	3.8
2012 Q3	115.7	2.5	1.7	3.1	1.8	0.5	0.3	1.1	0.1	1.2	0.5	2.3	4.0
Q4	116.7	2.3	1.6	2.7	1.7	0.4	0.7	1.7	0.3	-0.1	0.3	2.0	4.1
2013 Q1	116.4	1.9	1.5	2.0	1.7	0.4	0.6	0.5	0.1	1.0	0.4	1.7	3.1
Q2	117.5	1.4	1.3	1.5	1.3	0.1	0.5	1.4	0.1	-1.8	0.2	1.3	2.2
Q3	117.3	1.3	1.3	1.3	1.4	0.5	0.7	0.5	0.0	1.0	0.6	1.3	1.7
2013 May	117.5	1.4	1.3	1.4	1.5	0.2	0.2	0.8	0.0	-1.2	0.5	1.3	2.2
June	117.6	1.6	1.3	1.7	1.4	0.2	0.2	0.8	0.0	0.1	0.2	1.5	2.1
July	117.0	1.6	1.3	1.7	1.4	0.2	0.4	-0.1	-0.1	0.8	0.2	1.6	1.7
Aug.	117.1	1.3	1.3	1.2	1.4	0.2	0.2	0.1	0.0	0.5	0.2	1.3	1.9
Sep.	117.7	1.1	1.2	0.9	1.4	0.0	0.1	-0.9	0.0	0.5	0.0	1.0	1.6
Oct. [3)]	117.6	0.7	.	.	1.2	.	.	.	.	-1.2	.	.	.

	Goods						Services					
	Food (incl. alcoholic beverages and tobacco)			Industrial goods			Housing		Transport	Communication	Recreation and personal	Miscellaneous
	Total	Processed food	Unprocessed food	Total	Non-energy industrial goods	Energy		Rents				
% of total in 2012	19.4	12.0	7.3	38.3	27.4	11.0	10.3	6.0	7.2	3.1	14.7	7.1
	14	15	16	17	18	19	20	21	22	23	24	25
2009	0.7	1.1	0.2	-1.7	0.6	-8.1	2.0	1.8	2.9	-1.0	2.1	2.1
2010	1.1	0.9	1.3	2.2	0.5	7.4	1.8	1.5	2.3	-0.8	1.0	1.5
2011	2.7	3.3	1.8	3.7	0.8	11.9	1.8	1.4	2.9	-1.3	2.0	2.1
2012	3.1	3.1	3.0	3.0	1.2	7.6	1.8	1.5	2.9	-3.2	2.2	2.0
2012 Q3	3.0	2.7	3.4	3.2	1.3	8.0	1.9	1.5	3.0	-3.1	2.2	1.9
Q4	3.1	2.4	4.3	2.5	1.1	6.3	1.8	1.5	3.1	-3.8	2.1	1.9
2013 Q1	2.9	2.3	3.9	1.5	0.8	3.2	1.8	1.5	3.1	-4.6	2.8	0.7
Q2	3.1	2.1	4.8	0.6	0.8	0.3	1.6	1.3	2.5	-4.5	2.0	0.9
Q3	3.1	2.5	4.2	0.3	0.4	0.1	1.8	1.7	2.3	-4.0	2.2	0.8
2013 May	3.2	2.1	5.1	0.5	0.8	-0.2	1.6	1.4	2.8	-4.2	2.2	1.0
June	3.2	2.1	5.0	1.0	0.7	1.6	1.6	1.3	2.4	-4.6	2.4	0.9
July	3.5	2.5	5.1	0.8	0.4	1.6	1.8	1.7	2.3	-4.0	2.1	0.8
Aug.	3.2	2.5	4.4	0.2	0.4	-0.3	1.8	1.8	2.3	-4.3	2.2	0.8
Sep.	2.6	2.4	2.9	0.0	0.4	-0.9	1.7	1.5	2.4	-3.6	2.2	0.9
Oct. [3)]	1.9	.	.	.	0.4	-1.7	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

2) These experimental statistics can only provide an approximate measure of price administration, since changes in administered prices cannot be fully isolated from other influences. Please refer to Eurostat's website (http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction) for a note explaining the methodology used in the compilation of this indicator.

3) Estimate based on provisional national releases, which usually cover around 95% of the euro area, as well as on early information on energy prices.

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

2. Industry, construction and residential property prices

	Industrial producer prices excluding construction										Construct-ion [1]	Residential property prices [2]
	Total (index: 2010 = 100)	Total		Industry excluding construction and energy						Energy		
			Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods					
							Total	Durable	Non-durable			
% of total in 2010	100.0	100.0	75.4	68.1	27.5	18.7	21.9	2.2	19.7	31.9		
	1	2	3	4	5	6	7	8	9	10	11	12
2009	97.4	-4.8	-5.1	-2.8	-5.4	0.4	-2.1	1.2	-2.5	-10.9	0.3	-3.2
2010	100.0	2.7	3.3	1.7	3.6	0.3	0.4	0.7	0.4	5.5	2.0	1.0
2011	105.7	5.7	5.3	3.8	5.9	1.5	3.3	1.9	3.4	10.7	3.3	1.1
2012	108.6	2.8	2.0	1.4	0.8	1.0	2.5	1.6	2.6	6.1	1.6	-1.7
2012 Q3	109.0	2.5	1.8	1.1	0.2	0.9	2.4	1.5	2.5	5.9	1.4	-2.6
Q4	109.2	2.4	1.9	1.6	1.3	0.8	2.5	1.2	2.7	4.1	1.3	-2.3
2013 Q1	109.3	1.2	0.8	1.2	0.8	0.8	2.2	0.8	2.4	0.9	0.8	-2.8
Q2	108.2	-0.1	-0.1	0.5	-0.5	0.6	1.9	0.8	2.1	-1.8	0.4	-2.4
Q3	108.4	-0.6	-0.3	0.3	-1.0	0.6	1.8	0.7	1.9	-2.5	.	.
2013 Apr.	108.5	-0.3	-0.4	0.6	-0.3	0.6	1.8	0.8	1.9	-2.3	-	-
May	108.1	-0.3	-0.2	0.5	-0.6	0.6	1.9	0.8	2.1	-2.2	-	-
June	108.2	0.2	0.4	0.6	-0.5	0.5	2.0	0.8	2.2	-0.9	-	-
July	108.3	0.0	0.3	0.6	-0.5	0.6	2.0	0.7	2.2	-1.3	-	-
Aug.	108.3	-0.8	-0.4	0.3	-1.0	0.5	1.8	0.6	2.0	-3.3	-	-
Sep.	108.5	-0.9	-0.7	-0.1	-1.5	0.6	1.5	0.8	1.6	-2.7	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices [3] (EUR per barrel)	Non-energy commodity prices						GDP deflators							
		Import-weighted [4]			Use-weighted [5]			Total (s.a.; index: 2005 = 100)	Total	Domestic demand				Exports [6]	Imports [6]
		Total	Food	Non-food	Total	Food	Non-food			Total	Private consump-tion	Government consump-tion	Gross fixed capital formation		
% of total		100.0	35.0	65.0	100.0	45.0	55.0								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2009	44.6	-18.5	-8.9	-23.1	-18.0	-11.4	-22.8	107.2	1.0	-0.1	-0.4	2.0	-0.3	-3.4	-6.3
2010	60.7	44.6	21.4	57.9	42.1	27.1	54.5	108.1	0.8	1.5	1.6	0.8	0.8	3.0	5.0
2011	79.7	12.2	22.4	7.7	12.8	20.7	7.5	109.4	1.2	2.0	2.4	0.8	1.5	3.6	5.8
2012	86.6	0.5	1.1	0.3	2.6	6.4	-0.3	110.8	1.3	1.6	2.1	1.1	1.1	1.6	2.3
2012 Q3	87.3	5.3	10.4	2.7	7.8	16.0	1.6	111.0	1.3	1.6	2.0	1.4	1.0	1.7	2.3
Q4	84.4	4.4	6.0	3.7	7.0	10.2	4.5	111.4	1.4	1.5	1.8	0.6	0.9	1.4	1.6
2013 Q1	85.0	-3.0	-2.4	-3.3	-1.6	0.0	-2.8	112.0	1.6	1.3	1.4	1.8	0.6	0.3	-0.4
Q2	79.0	-5.2	-4.1	-5.8	-4.3	-2.1	-6.2	112.5	1.7	1.2	1.4	1.0	0.5	0.0	-1.2
Q3	82.5	-12.7	-18.7	-9.4	-12.0	-14.4	-10.0	.	.	.	.	.	.	.	.
2013 May	79.2	-4.8	-3.3	-5.5	-4.0	-1.5	-6.0	-	-	-	-	-	-	-	-
June	78.3	-7.4	-5.8	-8.2	-6.9	-4.8	-8.6	-	-	-	-	-	-	-	-
July	81.9	-12.2	-16.7	-9.8	-11.8	-13.4	-10.3	-	-	-	-	-	-	-	-
Aug.	82.6	-12.9	-20.6	-8.7	-12.2	-15.9	-8.9	-	-	-	-	-	-	-	-
Sep.	83.0	-12.9	-18.8	-9.7	-12.1	-13.7	-10.7	-	-	-	-	-	-	-	-
Oct.	80.0	-12.2	-17.4	-9.6	-10.9	-12.0	-9.9	-	-	-	-	-	-	-	-

Sources: Eurostat, ECB calculations based on Eurostat data (columns 8-15 in Table 3 in Section 5.1), ECB calculations based on Thomson Reuters data (column 1 in Table 3 in Section 5.1) and ECB calculations (column 12 in Table 2 in Section 5.1 and columns 2-7 in Table 3 in Section 5.1).

1) Input prices for residential buildings.
2) Experimental data based on non-harmonised national sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
3) Brent Blend (for one-month forward delivery).
4) Refers to prices expressed in euro. Weighted according to the structure of euro area imports in the period 2004-06.
5) Refers to prices expressed in euro. Weighted according to euro area domestic demand (domestic production plus imports minus exports) in the period 2004-06. Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for details).
6) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5.1 HICP, other prices and costs
(annual percentage changes)

4. Unit labour costs, compensation per labour input and labour productivity
(quarterly data seasonally adjusted; annual data unadjusted)

	Total (index: 2005 = 100)	Total	By economic activity									
			Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12
						Unit labour costs [1]						
2011	110.5	0.8	0.1	0.6	1.3	0.7	0.3	-0.4	0.9	3.1	0.2	1.5
2012	112.4	1.7	4.2	2.5	2.7	1.7	3.4	1.3	0.6	2.5	0.7	2.1
2012 Q3	112.8	2.2	5.6	2.4	2.2	2.2	3.4	0.8	0.8	3.1	1.3	2.6
Q4	113.3	1.8	5.7	2.6	3.7	2.2	5.3	-0.5	-0.8	2.5	-0.1	2.7
2013 Q1	113.9	1.9	2.2	3.1	1.0	2.4	3.6	-0.6	-1.3	2.0	0.9	2.0
Q2	113.8	1.1	1.9	2.3	0.6	1.7	3.2	0.6	-1.3	1.3	0.1	1.7
						Compensation per employee						
2011	114.3	2.1	2.5	3.4	3.5	1.6	2.9	1.5	2.5	3.0	1.1	1.7
2012	116.2	1.7	1.2	2.5	3.2	1.7	2.5	1.0	1.5	2.5	1.1	1.5
2012 Q3	116.7	2.0	0.8	2.8	3.5	1.9	2.5	0.7	1.2	2.5	1.5	1.2
Q4	116.9	1.5	1.1	2.7	3.3	1.4	2.2	1.2	1.0	2.0	0.3	1.2
2013 Q1	117.9	1.7	2.3	2.7	1.3	1.2	1.3	1.7	0.9	2.1	1.5	1.1
Q2	118.1	1.5	1.8	2.5	2.3	1.2	1.0	1.1	2.0	2.3	0.8	1.3
						Labour productivity per person employed [2]						
2011	103.4	1.3	2.4	2.8	2.2	0.9	2.6	1.9	1.6	-0.1	0.8	0.2
2012	103.3	0.0	-2.9	0.0	0.5	0.0	-0.9	-0.3	1.0	0.0	0.4	-0.6
2012 Q3	103.4	-0.1	-4.5	0.4	1.2	-0.3	-0.9	-0.2	0.3	-0.6	0.2	-1.4
Q4	103.2	-0.3	-4.3	0.1	-0.4	-0.8	-3.0	1.7	1.8	-0.4	0.4	-1.5
2013 Q1	103.4	-0.2	0.1	-0.3	0.3	-1.2	-2.2	2.3	2.3	0.0	0.6	-0.8
Q2	103.8	0.4	-0.1	0.2	1.7	-0.5	-2.1	0.6	3.3	1.0	0.7	-0.4
						Compensation per hour worked						
2011	116.0	2.0	2.0	2.6	4.1	1.8	2.7	1.2	1.8	2.6	0.9	1.7
2012	119.0	2.6	3.3	3.6	5.0	2.5	3.2	1.5	1.8	2.7	1.4	2.5
2012 Q3	119.4	2.8	2.3	4.1	5.4	2.6	3.0	1.2	1.3	2.6	1.9	2.0
Q4	119.9	2.2	3.2	3.7	4.7	2.3	2.7	1.9	1.5	2.5	0.2	2.2
2013 Q1	121.4	2.9	3.6	4.5	3.9	2.5	1.9	2.8	2.4	2.7	2.1	2.3
Q2	120.9	1.4	2.0	1.3	1.7	1.4	0.7	1.5	2.5	2.3	0.5	2.0
						Hourly labour productivity [2]						
2011	105.5	1.3	3.6	2.2	2.4	1.2	2.4	1.8	0.9	-0.3	0.7	0.3
2012	106.3	0.8	-1.8	1.1	2.0	0.8	-0.1	0.2	1.8	0.4	0.7	0.2
2012 Q3	106.3	0.6	-3.9	1.7	2.8	0.2	-0.6	0.3	0.8	-0.5	0.6	-0.7
Q4	106.5	0.6	-3.6	1.2	0.9	0.2	-2.1	2.5	2.9	0.2	0.5	-0.5
2013 Q1	107.2	1.0	0.0	1.4	2.9	-0.3	-1.5	3.5	3.8	0.9	1.2	0.7
Q2	106.8	0.2	-0.7	-0.7	0.9	-0.6	-2.4	0.6	3.7	0.9	0.3	0.3

5. Labour cost indices [3]

	Total (index: 2008 = 100)	Total	By component		For selected economic activities			Memo item: Indicator of negotiated wages [4]
			Wages and salaries	Employers' social contributions	Mining, manufacturing and energy	Construction	Services	
% of total in 2008	100.0	100.0	75.2	24.8	32.4	9.0	58.6	
	1	2	3	4	5	6	7	8
2011	106.6	2.2	2.0	2.9	3.1	2.5	2.5	2.0
2012	108.6	1.8	1.9	1.6	2.4	2.3	2.1	2.1
2012 Q3	106.0	1.9	2.1	1.7	2.8	2.6	2.0	2.2
Q4	114.9	1.6	1.6	1.4	2.6	2.0	2.0	2.2
2013 Q1	102.4	1.7	1.8	1.4	3.1	0.9	1.4	2.0
Q2	113.7	0.9	1.1	0.1	1.8	0.7	0.8	1.7

Sources: Eurostat, ECB calculations based on Eurostat data (Table 4 in Section 5.1) and ECB calculations (column 8 in Table 5 in Section 5.1).
1) Compensation (at current prices) per employee divided by labour productivity per person employed.
2) Total GDP and value added by economic activity (volumes) per labour input (persons employed and hours worked).
3) Hourly labour cost indices for the whole economy, excluding agriculture, forestry and fishing. Owing to differences in coverage, the estimates for the components may not be consistent with the total.
4) Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).

1. GDP and expenditure components

	GDP								
	Total	Domestic demand					External balance [1]		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories [2]	Total	Exports [1]	Imports [1]
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions)								
2009	8,921.5	8,804.3	5,135.4	1,988.5	1,731.1	-50.8	117.2	3,288.8	3,171.6
2010	9,167.6	9,046.5	5,271.3	2,016.4	1,737.8	20.9	121.1	3,784.3	3,663.2
2011	9,424.0	9,294.2	5,414.6	2,029.6	1,792.2	57.7	129.9	4,175.1	4,045.3
2012	9,483.8	9,235.7	5,449.2	2,040.5	1,739.5	6.4	248.1	4,348.2	4,100.1
2012 Q2	2,369.8	2,309.2	1,359.6	510.9	434.8	3.9	60.6	1,085.8	1,025.2
Q3	2,374.2	2,306.5	1,361.3	510.9	433.9	0.5	67.6	1,097.6	1,030.0
Q4	2,371.6	2,299.5	1,362.5	510.3	429.4	-2.7	72.1	1,092.1	1,020.1
2013 Q1	2,379.5	2,302.1	1,364.9	515.4	419.8	2.0	77.3	1,081.7	1,004.4
Q2	2,395.5	2,308.7	1,368.9	517.5	420.4	2.0	86.7	1,099.8	1,013.1
	percentage of GDP								
2012	100.0	97.4	57.5	21.5	18.3	0.1	2.6	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2012 Q2	-0.3	-0.8	-0.6	-0.3	-2.0	-	-	0.9	-0.2
Q3	-0.1	-0.3	-0.1	-0.2	-0.4	-	-	0.7	0.3
Q4	-0.5	-0.7	-0.4	0.1	-1.2	-	-	-0.5	-0.9
2013 Q1	-0.2	-0.2	-0.3	0.0	-2.3	-	-	-0.9	-1.0
Q2	0.3	0.0	0.1	0.4	0.2	-	-	2.1	1.6
	annual percentage changes								
2009	-4.4	-3.7	-1.0	2.6	-12.8	-	-	-12.4	-10.9
2010	2.0	1.2	1.0	0.6	-0.4	-	-	11.6	10.0
2011	1.6	0.7	0.3	-0.1	1.6	-	-	6.5	4.5
2012	-0.7	-2.2	-1.4	-0.5	-4.0	-	-	2.5	-1.0
2012 Q2	-0.5	-2.4	-1.3	-0.6	-3.9	-	-	3.4	-0.8
Q3	-0.7	-2.5	-1.6	-0.6	-4.1	-	-	2.8	-1.1
Q4	-1.0	-2.3	-1.4	-0.7	-4.7	-	-	1.9	-0.8
2013 Q1	-1.2	-2.1	-1.3	-0.4	-5.8	-	-	0.2	-1.8
Q2	-0.6	-1.2	-0.7	0.3	-3.8	-	-	1.3	0.0
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2012 Q2	-0.3	-0.8	-0.3	-0.1	-0.4	-0.1	0.5	-	-
Q3	-0.1	-0.3	-0.1	0.0	-0.1	-0.1	0.2	-	-
Q4	-0.5	-0.6	-0.2	0.0	-0.2	-0.2	0.1	-	-
2013 Q1	-0.2	-0.2	-0.1	0.0	-0.4	0.3	0.0	-	-
Q2	0.3	0.0	0.1	0.1	0.0	-0.2	0.2	-	-
	contributions to annual percentage changes in GDP; percentage points								
2009	-4.4	-3.7	-0.5	0.5	-2.7	-1.0	-0.7	-	-
2010	2.0	1.2	0.6	0.1	-0.1	0.6	0.7	-	-
2011	1.6	0.7	0.2	0.0	0.3	0.3	0.9	-	-
2012	-0.7	-2.2	-0.8	-0.1	-0.8	-0.5	1.5	-	-
2012 Q2	-0.5	-2.4	-0.7	-0.1	-0.7	-0.7	1.8	-	-
Q3	-0.7	-2.4	-0.9	-0.1	-0.8	-0.6	1.7	-	-
Q4	-1.0	-2.2	-0.8	-0.1	-0.9	-0.4	1.2	-	-
2013 Q1	-1.2	-2.0	-0.8	-0.1	-1.1	-0.1	0.9	-	-
Q2	-0.6	-1.2	-0.4	0.1	-0.7	-0.2	0.6	-	-

Sources: Eurostat and ECB calculations.

1) Exports and imports cover goods and services and include cross-border intra-euro area trade. They are not fully consistent with: Section 3.1; Table 1 of Section 7.1; Table 3 of Section 7.2; or Tables 1 or 3 of Section 7.5.
2) Including acquisitions less disposals of valuables.

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

2. Value added by economic activity

	Gross value added (basic prices)											Taxes less subsidies on products
	Total	Agriculture, forestry and fishing	Manufactu-ring, energy and utilities	Construction	Trade, transport, accommoda-tion and food services	Information and commu-nication	Finance and insurance	Real estate	Professional, business and support services	Public admi-nistration, education, health and social work	Arts, enter-tainment and other services	
	1	2	3	4	5	6	7	8	9	10	11	12
	Current prices (EUR billions)											
2009	8,028.1	124.0	1,464.6	530.2	1,532.5	369.9	421.2	902.8	806.2	1,581.8	294.8	893.3
2010	8,226.0	136.2	1,578.7	498.4	1,547.6	370.1	438.2	917.7	826.3	1,612.6	300.2	941.6
2011	8,451.5	141.1	1,639.6	501.2	1,588.9	373.8	439.4	964.0	858.4	1,637.5	307.6	972.5
2012	8,506.5	143.7	1,640.6	490.5	1,600.5	369.3	432.9	980.6	876.2	1,658.9	313.2	977.3
2012 Q2	2,125.7	35.3	410.5	123.2	399.3	92.7	109.1	244.2	218.1	415.5	77.9	244.1
Q3	2,129.9	36.0	412.4	122.3	400.2	92.3	107.1	245.6	219.9	415.8	78.5	244.3
Q4	2,128.4	36.9	409.5	120.9	401.6	91.2	107.4	247.7	220.4	414.0	78.9	243.1
2013 Q1	2,138.0	37.0	410.1	119.8	401.4	90.4	109.6	248.6	221.3	420.5	79.4	241.5
Q2	2,149.0	37.0	413.9	119.4	403.1	90.0	111.0	250.5	223.5	421.2	79.6	246.4
	percentage of value added											
2012	100.0	1.7	19.3	5.8	18.8	4.3	5.1	11.5	10.3	19.5	3.7	-
	Chain-linked volumes (prices for the previous year)											
	quarter-on-quarter percentage changes											
2012 Q2	-0.2	-1.7	-0.2	-1.3	-0.5	-0.2	0.7	0.1	-0.4	0.1	-0.5	-1.1
Q3	-0.1	-1.5	0.0	-1.0	-0.6	0.0	0.0	0.3	0.3	0.0	0.0	-0.2
Q4	-0.4	0.1	-1.5	-1.8	-0.9	-1.0	1.0	0.5	-0.3	0.4	0.3	-1.0
2013 Q1	-0.2	0.2	-0.2	-1.3	-0.4	-0.5	-0.6	-0.1	0.6	-0.1	-0.1	-0.3
Q2	0.2	-0.5	0.5	-0.6	0.4	-0.2	-1.0	0.5	0.6	0.3	-0.2	0.6
	annual percentage changes											
2009	-4.5	1.2	-12.9	-8.0	-5.1	2.8	0.4	0.4	-7.9	1.5	-0.6	-4.2
2010	2.0	-3.0	9.5	-5.7	0.7	1.8	0.2	-0.1	2.3	1.3	0.4	1.4
2011	1.8	0.4	3.0	-1.6	1.7	3.9	1.5	2.1	2.4	1.1	0.3	0.1
2012	-0.5	-4.7	-1.0	-4.3	-0.8	0.3	-0.7	0.6	0.7	0.1	0.1	-1.9
2012 Q2	-0.4	-4.3	-0.8	-3.7	-0.4	1.0	-0.7	0.5	0.8	0.0	0.2	-2.1
Q3	-0.6	-6.2	-0.7	-3.8	-1.2	0.2	-0.7	0.5	0.7	-0.2	0.0	-1.8
Q4	-0.9	-6.3	-1.3	-5.4	-1.8	-1.4	0.9	0.7	0.0	0.2	-0.2	-2.1
2013 Q1	-1.0	-3.0	-1.9	-5.3	-2.3	-1.7	1.1	0.8	0.3	0.4	-0.3	-2.6
Q2	-0.6	-1.8	-1.2	-4.7	-1.5	-1.7	-0.6	1.1	1.3	0.5	0.0	-0.8
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2012 Q2	-0.2	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q3	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q4	-0.4	0.0	-0.3	-0.1	-0.2	0.0	0.1	0.1	0.0	0.1	0.0	-
2013 Q1	-0.2	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	-
Q2	0.2	0.0	0.1	0.0	0.1	0.0	-0.1	0.1	0.1	0.1	0.0	-
	contributions to annual percentage changes in value added; percentage points											
2009	-4.5	0.0	-2.6	-0.5	-1.0	0.1	0.0	0.0	-0.8	0.3	0.0	-
2010	2.0	0.0	1.7	-0.4	0.1	0.1	0.0	0.0	0.2	0.3	0.0	-
2011	1.8	0.0	0.6	-0.1	0.3	0.2	0.1	0.2	0.2	0.2	0.0	-
2012	-0.5	-0.1	-0.2	-0.3	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
2012 Q2	-0.4	-0.1	-0.2	-0.2	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	-
Q3	-0.6	-0.1	-0.1	-0.2	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
Q4	-0.9	-0.1	-0.3	-0.3	-0.3	-0.1	0.0	0.1	0.0	0.0	0.0	-
2013 Q1	-1.0	-0.1	-0.4	-0.3	-0.4	-0.1	0.1	0.1	0.0	0.1	0.0	-
Q2	-0.6	0.0	-0.2	-0.3	-0.3	-0.1	0.0	0.1	0.1	0.1	0.0	-

Sources: Eurostat and ECB calculations.

5.2 Output and demand

(annual percentage changes, unless otherwise indicated)

3. Industrial production

	Total	Industry excluding construction										Construction
		Total (s.a.; index: 2010 = 100)	Total		Industry excluding construction and energy						Energy	
				Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods				
								Total	Durable	Non-durable		
% of total in 2010	100.0	79.4	79.4	68.3	67.7	26.7	23.2	17.8	2.3	15.5	11.7	20.6
	1	2	3	4	5	6	7	8	9	10	11	12
2010	4.0	100.0	7.3	7.7	7.7	10.0	8.9	2.8	2.7	2.9	3.9	-7.8
2011	2.1	103.2	3.2	4.4	4.5	3.8	8.2	0.8	0.6	0.8	-4.7	-2.1
2012	-3.0	100.8	-2.4	-2.6	-2.7	-4.4	-1.1	-2.4	-4.5	-2.1	-0.2	-5.4
2012 Q3	-2.7	101.1	-2.2	-2.3	-2.5	-4.2	-0.8	-2.2	-5.5	-1.8	0.0	-4.7
Q4	-3.3	99.2	-3.1	-3.4	-3.6	-4.9	-3.3	-2.0	-5.1	-1.6	-0.3	-4.4
2013 Q1	-2.9	99.4	-2.3	-2.8	-2.9	-3.6	-3.6	-0.9	-4.5	-0.5	0.2	-5.9
Q2	-1.6	100.0	-1.1	-1.0	-1.1	-2.2	-0.2	-0.7	-4.1	-0.1	-0.9	-3.9
2013 Apr.	-2.0	100.0	-0.9	-0.8	-0.9	-2.5	0.5	-0.3	-4.6	0.5	-0.7	-6.4
May	-2.2	99.7	-2.0	-2.0	-2.1	-2.7	-2.4	-1.0	-6.2	-0.2	-0.3	-3.8
June	-0.8	100.4	-0.3	-0.1	-0.2	-1.3	1.3	-0.7	-1.7	-0.6	-1.8	-2.0
July	-1.9	99.4	-1.9	-2.0	-1.9	-1.7	-3.2	-0.1	-4.3	0.5	-2.2	-2.2
Aug.	-2.6	100.4	-2.1	-2.3	-2.2	-2.8	-1.4	-2.2	-6.1	-1.8	-3.0	-4.7
	month-on-month percentage changes (s.a.)											
2013 Apr.	0.5	-	0.1	0.8	0.5	0.1	1.6	0.4	-1.6	0.8	-1.9	1.3
May	-0.4	-	-0.3	-0.5	-0.3	0.5	-1.8	0.3	-2.1	0.6	0.1	0.7
June	0.8	-	0.7	1.0	1.1	0.4	2.0	0.3	4.3	-0.5	-1.5	1.5
July	-0.6	-	-1.0	-1.0	-1.0	-0.5	-1.8	0.5	-1.8	1.0	-1.0	0.7
Aug.	1.1	-	1.0	1.1	1.7	0.9	2.4	0.6	0.8	0.5	0.4	0.5

4. Industrial new orders and turnover, retail sales and new passenger car registrations

	Indicator on industrial new orders [1]		Industrial turnover		Retail sales (including automotive fuel)								New passenger car registrations	
	Manufacturing		Manufacturing (current prices)		Current prices	Constant prices								
	Total (s.a.; index: 2010 = 100)	Total	Total (s.a.; index: 2010 = 100)	Total	Total	Total (s.a.; index: 2010 = 100)	Total	Food, beverages, tobacco	Non-food			Fuel	Total (s.a.; thousands) [2]	Total
										Textiles, clothing, footwear	Household equipment			
% of total in 2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0	40.1	51.1	9.4	11.9	8.8		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	100.0	17.7	100.0	10.3	2.1	100.0	0.6	0.4	1.3	2.2	0.1	-3.0	843	-8.5
2011	108.6	8.6	109.2	9.1	1.8	99.7	-0.3	-1.0	0.5	1.3	-0.3	-3.3	838	-1.1
2012	104.6	-3.7	108.6	-0.5	0.4	98.0	-1.8	-1.2	-1.7	-4.2	-2.6	-5.2	743	-11.0
2012 Q4	103.1	-2.4	107.2	-1.7	-0.8	96.8	-2.6	-1.9	-2.8	-4.7	-4.3	-5.8	709	-14.2
2013 Q1	102.5	-2.6	106.9	-2.6	-1.2	97.0	-2.0	-1.6	-2.2	-3.6	-4.6	-3.7	688	-11.3
Q2	103.4	-1.6	106.8	-1.9	-0.3	97.3	-0.8	-1.7	0.0	2.2	-3.0	-0.8	708	-7.2
Q3	.	.	.	.	0.1	97.9	-0.2	-0.6	0.1	.	.	0.5	706	-2.0
2013 May	103.4	-2.2	106.5	-2.7	0.5	97.9	0.1	-0.7	0.5	0.5	-1.8	-0.4	703	-8.0
June	104.2	0.0	107.0	-1.0	-0.7	97.2	-1.3	-1.9	-0.5	2.9	-3.7	-2.4	712	-7.2
July	103.6	-1.3	106.6	-1.8	0.3	97.8	-0.5	0.1	-0.7	1.2	-3.9	-1.6	703	-0.1
Aug.	105.2	-0.4	108.6	-3.1	0.0	98.2	-0.2	-0.8	-0.1	3.6	-3.1	-0.3	708	-4.1
Sep.	.	.	.	.	0.1	97.7	0.3	-1.1	1.1	.	.	3.7	705	-2.5
	month-on-month percentage changes (s.a.)													
2013 May	-	0.8	-	-0.2	1.2	-	1.2	1.1	0.8	0.8	1.0	0.3	-	-0.9
June	-	0.8	-	0.5	-0.6	-	-0.8	-0.7	-0.7	1.5	-1.0	0.6	-	1.2
July	-	-0.6	-	-0.4	0.6	-	0.7	1.1	0.4	-0.3	0.1	-0.2	-	-1.2
Aug.	-	1.6	-	1.9	0.4	-	0.5	-0.2	0.4	1.5	0.5	0.1	-	0.7
Sep.	-	.	-	.	-0.6	-	-0.6	-0.6	-0.1	.	.	0.0	-	-0.4

Sources: Eurostat, except columns 1 and 2 in Table 4 (which show ECB experimental statistics based on national data) and columns 13 and 14 in Table 4 (which show ECB calculations based on data from the European Automobile Manufacturers' Association).

1) For further details, see de Bondt, G.J., Dieden, H.C., Muzikarova, S. and Vincze, I., "Introducing the ECB indicator on euro area industrial new orders", *Occasional Paper Series*, No 149, ECB, Frankfurt am Main, June 2013.

2) Annual and quarterly figures are averages of monthly figures in the period concerned.

5.2 Output and demand

(percentage balances, [1] unless otherwise indicated; seasonally adjusted)

5. Business and Consumer Surveys

	Economic sentiment indicator [2] (long-term average = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation [3] (%)	Total [4]	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total [4]	Order books	Stocks of finished products	Production expectations						
	1	2	3	4	5	6	7	8	9	10	11
2009	80.7	-28.7	-56.6	14.8	-14.9	71.0	-24.8	-7.0	-26.1	55.3	-10.7
2010	101.1	-4.5	-24.2	1.0	11.6	77.1	-14.2	-5.3	-12.3	31.2	-8.0
2011	101.8	0.2	-6.4	2.3	9.4	80.6	-14.5	-7.4	-18.1	23.2	-9.1
2012	90.4	-11.7	-24.3	6.8	-4.0	78.6	-22.3	-11.2	-27.6	38.4	-12.0
2012 Q3	87.4	-14.9	-28.6	8.1	-8.1	77.7	-23.8	-11.8	-30.4	40.7	-12.4
Q4	86.8	-15.4	-32.0	6.8	-7.4	77.4	-26.2	-12.9	-31.7	46.3	-13.7
2013 Q1	90.1	-12.2	-29.6	5.4	-1.6	77.5	-23.7	-11.4	-27.3	42.6	-13.3
Q2	89.8	-12.6	-30.9	6.1	-0.9	77.9	-20.9	-10.2	-24.9	35.9	-12.8
Q3	94.9	-8.3	-24.9	4.5	4.4	78.4	-16.0	-8.0	-16.8	29.8	-9.3
2013 May	89.5	-13.0	-30.9	6.2	-1.9	-	-21.8	-10.3	-26.8	36.5	-13.7
June	91.3	-11.2	-28.4	5.9	0.7	-	-18.8	-9.5	-21.5	33.3	-11.0
July	92.5	-10.6	-27.8	5.5	1.5	78.3	-17.4	-8.9	-20.9	30.4	-9.4
Aug.	95.3	-7.8	-23.8	4.4	4.6	-	-15.6	-8.0	-15.8	30.4	-8.2
Sep.	96.9	-6.6	-23.2	3.7	7.0	-	-14.9	-7.2	-13.6	28.6	-10.3
Oct.	97.8	-4.8	-20.9	3.1	9.7	78.4	-14.5	-7.2	-11.7	29.3	-9.6

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator			
	Total [4]	Order books	Employment expectations	Total [4]	Present business situation	Volume of stocks	Expected business situation	Total [4]	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
2009	-33.1	-42.1	-24.1	-15.5	-21.4	9.8	-15.4	-16.1	-21.2	-18.0	-9.3
2010	-28.7	-39.4	-18.2	-4.1	-6.6	7.2	1.6	4.0	1.5	3.1	7.3
2011	-26.2	-33.9	-18.5	-5.4	-5.6	11.1	0.6	5.3	2.2	5.3	8.3
2012	-28.4	-34.9	-22.0	-15.2	-18.9	14.2	-12.6	-6.9	-11.9	-7.8	-1.1
2012 Q3	-29.4	-36.6	-22.2	-16.8	-21.8	14.5	-14.1	-10.6	-15.8	-11.7	-4.2
Q4	-32.7	-40.2	-25.2	-16.0	-21.3	11.4	-15.4	-11.1	-15.4	-13.0	-5.0
2013 Q1	-29.1	-37.0	-21.2	-16.2	-24.4	10.7	-13.6	-7.8	-12.7	-9.0	-1.8
Q2	-31.9	-38.8	-24.9	-16.6	-24.7	11.1	-13.9	-10.0	-14.6	-13.4	-2.0
Q3	-31.5	-40.1	-22.9	-10.5	-16.7	8.6	-6.1	-5.4	-8.2	-8.7	0.8
2013 May	-33.0	-39.8	-26.2	-16.7	-25.9	11.0	-13.2	-9.3	-13.2	-12.9	-1.7
June	-31.5	-38.0	-25.1	-14.6	-21.9	10.2	-11.6	-9.6	-14.7	-12.5	-1.5
July	-32.6	-41.3	-23.8	-14.0	-21.1	10.3	-10.4	-7.8	-11.6	-10.4	-1.3
Aug.	-33.2	-41.9	-24.6	-10.6	-17.8	8.3	-5.6	-5.2	-7.6	-8.4	0.5
Sep.	-28.8	-37.2	-20.3	-6.9	-11.3	7.1	-2.3	-3.2	-5.5	-7.3	3.1
Oct.	-29.6	-39.3	-19.9	-7.8	-11.6	5.4	-6.5	-3.7	-6.6	-7.0	2.5

Source: European Commission (Economic and Financial Affairs DG).

1) Difference between the percentages of respondents giving positive and negative replies.
2) The economic sentiment indicator is composed of the industrial, services, consumer, construction and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20% and the two other indicators a weight of 5% each. Values for the economic sentiment indicator of above (below) 100 indicate above-average (below-average) economic sentiment, calculated for the period since 1990.
3) Data are collected in January, April, July and October each year. The quarterly figures shown are averages of two successive surveys. Annual data are derived from quarterly averages.
4) The confidence indicators are calculated as simple averages of the components shown; the assessments of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

5.3 Labour markets [1)]

(quarterly data seasonally adjusted; annual data unadjusted)

1. Employment

		By employment status		By economic activity									
	Total	Employees	Self-employed	Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12	13
Persons employed													
levels (thousands)													
2012	146,203	124,966	21,238	4,979	22,962	9,484	35,933	4,045	4,060	1,282	18,262	34,378	10,820
percentage of total persons employed													
2012	100.0	85.5	14.5	3.4	15.7	6.5	24.6	2.8	2.8	0.9	12.5	23.5	7.4
annual percentage changes													
2010	-0.5	-0.5	-0.4	-1.0	-2.9	-3.9	-0.5	-1.7	-1.0	0.1	2.0	1.0	0.6
2011	0.3	0.3	-0.2	-1.9	0.1	-3.8	0.7	1.3	-0.4	0.5	2.5	0.3	0.1
2012	-0.7	-0.7	-0.1	-1.9	-1.0	-4.7	-0.8	1.2	-0.4	-0.3	0.7	-0.3	0.7
2012 Q3	-0.6	-0.8	0.5	-1.8	-1.1	-5.0	-0.9	1.1	-0.5	0.2	1.3	-0.4	1.5
Q4	-0.7	-0.9	-0.1	-2.1	-1.4	-5.0	-1.0	1.6	-0.8	-1.1	0.5	-0.2	1.4
2013 Q1	-1.0	-1.0	-1.0	-3.1	-1.6	-5.6	-1.1	0.6	-1.2	-1.5	0.3	-0.2	0.5
Q2	-1.0	-1.0	-0.6	-1.7	-1.5	-6.2	-1.0	0.4	-1.2	-2.1	0.3	-0.1	0.3
quarter-on-quarter percentage changes													
2012 Q3	-0.1	-0.1	-0.2	-0.8	-0.1	-1.9	-0.2	-0.3	-0.7	-1.2	0.8	-0.1	0.6
Q4	-0.3	-0.4	-0.1	-0.8	-0.6	-1.6	-0.4	0.7	-0.1	-0.6	-0.3	0.1	-0.2
2013 Q1	-0.4	-0.5	-0.3	-1.6	-0.5	-1.7	-0.3	-0.2	-0.2	-0.7	-0.6	-0.1	0.0
Q2	-0.1	-0.1	0.0	1.5	-0.3	-1.2	-0.1	0.2	-0.3	0.4	0.3	0.0	-0.1
Hours worked													
levels (millions)													
2012	229,533	184,662	44,871	9,926	36,041	16,501	59,723	6,478	6,391	1,969	28,417	48,898	15,190
percentage of total hours worked													
2012	100.0	80.5	19.5	4.3	15.7	7.2	26.0	2.8	2.8	0.9	12.4	21.3	6.6
annual percentage changes													
2010	0.0	0.1	-0.5	-1.2	-0.4	-4.0	-0.3	-0.9	-0.6	1.2	2.7	0.9	0.3
2011	0.3	0.5	-0.7	-3.1	0.8	-3.9	0.5	1.4	-0.3	1.2	2.8	0.5	0.1
2012	-1.5	-1.5	-1.3	-2.9	-2.1	-6.1	-1.7	0.5	-0.9	-1.1	0.3	-0.6	-0.1
2012 Q3	-1.3	-1.6	-0.3	-2.4	-2.4	-6.5	-1.4	0.8	-1.0	-0.3	1.2	-0.8	0.7
Q4	-1.6	-1.6	-1.6	-2.9	-2.5	-6.2	-2.0	0.7	-1.6	-2.1	-0.1	-0.2	0.4
2013 Q1	-2.2	-2.2	-2.0	-3.0	-3.3	-8.0	-2.0	-0.2	-2.3	-2.9	-0.6	-0.8	-1.1
Q2	-0.7	-0.9	-0.3	-1.1	-0.5	-5.5	-0.9	0.7	-1.2	-2.5	0.3	0.2	-0.3
quarter-on-quarter percentage changes													
2012 Q3	0.2	0.0	0.8	-0.7	0.1	-1.3	0.3	0.2	-0.3	-1.3	1.2	0.1	1.0
Q4	-0.7	-0.6	-1.2	-0.7	-0.8	-1.9	-1.1	-0.1	-0.7	-1.5	-0.7	0.2	-0.8
2013 Q1	-0.9	-0.9	-0.8	-0.4	-1.1	-2.4	-0.7	-0.2	-0.5	-0.9	-0.9	-0.6	-0.5
Q2	0.6	0.6	1.0	0.7	1.3	0.0	0.6	0.8	0.3	1.2	0.7	0.5	0.1
Hours worked per person employed													
levels (thousands)													
2012	1,570	1,478	2,113	1,994	1,570	1,740	1,662	1,602	1,574	1,536	1,556	1,422	1,404
annual percentage changes													
2010	0.5	0.6	0.0	-0.2	2.5	-0.1	0.2	0.8	0.5	1.1	0.7	0.0	-0.3
2011	0.0	0.2	-0.5	-1.2	0.7	-0.2	-0.2	0.2	0.2	0.8	0.2	0.2	0.0
2012	-0.8	-0.8	-1.2	-1.0	-1.1	-1.5	-0.8	-0.8	-0.5	-0.8	-0.3	-0.3	-0.8
2012 Q3	-0.7	-0.8	-0.8	-0.6	-1.3	-1.6	-0.5	-0.3	-0.4	-0.5	-0.1	-0.4	-0.7
Q4	-0.8	-0.7	-1.5	-0.8	-1.1	-1.3	-1.0	-0.9	-0.8	-1.1	-0.6	-0.1	-1.0
2013 Q1	-1.2	-1.2	-1.1	0.1	-1.7	-2.5	-0.9	-0.7	-1.1	-1.4	-0.9	-0.6	-1.6
Q2	0.2	0.2	0.4	0.6	1.0	0.7	0.1	0.3	0.0	-0.4	0.0	0.3	-0.6
quarter-on-quarter percentage changes													
2012 Q3	0.3	0.1	1.1	0.1	0.2	0.5	0.5	0.5	0.4	-0.1	0.4	0.2	0.3
Q4	-0.4	-0.2	-1.2	0.1	-0.2	-0.3	-0.8	-0.8	-0.6	-0.9	-0.4	0.1	-0.6
2013 Q1	-0.4	-0.4	-0.5	1.2	-0.7	-0.7	-0.4	0.0	-0.3	-0.2	-0.3	-0.5	-0.5
Q2	0.7	0.6	1.0	-0.8	1.6	1.2	0.8	0.6	0.5	0.8	0.4	0.5	0.1

Source: ECB calculations based on Eurostat data.

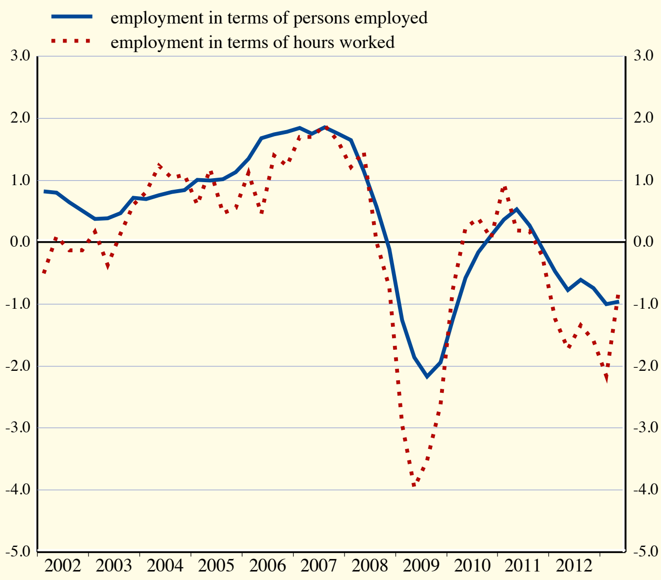
1) Data for employment are based on the ESA 95.

5.3 Labour markets
(seasonally adjusted, unless otherwise indicated)

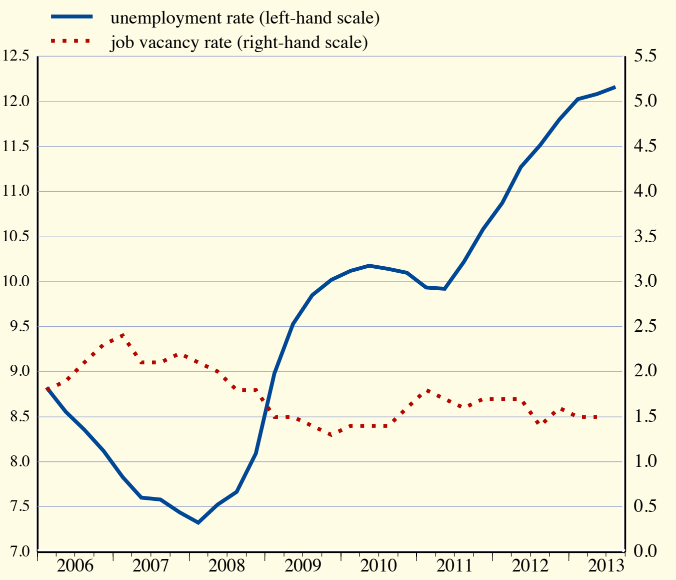
2. Unemployment and job vacancies [1)]

	Unemployment										Job vacancy rate [2)]
	Total		By age [3)]				By gender [4)]				
	Millions	% of labour force	Adult		Youth		Male		Female		
			Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.5		20.5		54.0		46.0		
	1	2	3	4	5	6	7	8	9	10	11
2009	15.052	9.6	11.766	8.4	3.286	20.3	8.144	9.4	6.908	9.8	1.4
2010	15.931	10.1	12.653	8.9	3.278	20.9	8.603	10.0	7.327	10.3	1.5
2011	16.031	10.2	12.826	9.0	3.205	20.9	8.541	9.9	7.490	10.5	1.7
2012	18.057	11.4	14.576	10.1	3.481	23.1	9.693	11.2	8.364	11.6	1.6
2012 Q3	18.322	11.5	14.800	10.3	3.521	23.4	9.837	11.4	8.484	11.7	1.4
Q4	18.764	11.8	15.190	10.5	3.574	23.8	10.054	11.6	8.710	12.0	1.6
2013 Q1	19.102	12.0	15.521	10.8	3.581	24.0	10.258	11.9	8.844	12.2	1.5
Q2	19.223	12.1	15.684	10.9	3.539	23.9	10.319	12.0	8.903	12.2	1.5
Q3	19.383	12.2	15.850	11.0	3.532	24.0	10.462	12.1	8.921	12.2	.
2013 Apr.	19.179	12.1	15.627	10.8	3.552	23.9	10.274	11.9	8.905	12.2	-
May	19.228	12.1	15.697	10.9	3.531	23.8	10.317	12.0	8.911	12.2	-
June	19.261	12.1	15.728	10.9	3.533	23.9	10.367	12.0	8.893	12.2	-
July	19.314	12.1	15.791	10.9	3.523	24.0	10.414	12.0	8.900	12.2	-
Aug.	19.387	12.2	15.861	11.0	3.526	24.0	10.474	12.1	8.913	12.2	-
Sep.	19.447	12.2	15.899	11.0	3.548	24.1	10.497	12.1	8.950	12.3	-

C28 Employment - persons employed and hours worked
(annual percentage changes)



C29 Unemployment and job vacancy [2)] rates



Source: Eurostat.
1) Data for unemployment refer to persons and follow ILO recommendations.
2) Industry, construction and services (excluding households as employers and extra-territorial organisations and bodies); non-seasonally adjusted.
3) Adult: 25 years of age and over; youth: below 25 years of age; rates are expressed as a percentage of the labour force for the relevant age group.
4) Rates are expressed as a percentage of the labour force for the relevant gender.

6 GOVERNMENT FINANCE

6.1 Revenue, expenditure and deficit/surplus [1]

(as a percentage of GDP)

1. Euro area – revenue

	Total	Current revenue										Capital revenue		Memo item: Fiscal burden [2]
			Direct taxes	Households	Corporations	Indirect taxes	Received by EU institutions	Social contributions	Employers	Employees	Sales		Capital taxes	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2004	44.5	44.0	11.5	8.5	2.9	13.2	0.3	15.5	8.1	4.5	2.2	0.5	0.4	40.6
2005	44.8	44.3	11.7	8.6	3.0	13.3	0.3	15.4	8.1	4.5	2.3	0.5	0.3	40.8
2006	45.3	45.0	12.3	8.7	3.4	13.4	0.3	15.3	8.0	4.5	2.3	0.3	0.3	41.3
2007	45.3	45.1	12.7	8.9	3.6	13.3	0.3	15.1	8.0	4.4	2.3	0.3	0.3	41.3
2008	45.1	44.9	12.5	9.1	3.2	12.9	0.3	15.3	8.1	4.5	2.3	0.2	0.3	40.9
2009	44.9	44.6	11.6	9.2	2.3	12.8	0.3	15.8	8.3	4.5	2.5	0.3	0.4	40.6
2010	44.8	44.6	11.6	8.9	2.5	13.0	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.5
2011	45.4	45.0	11.9	9.1	2.7	13.0	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.9
2012	46.2	46.0	12.4	9.6	2.7	13.3	0.3	15.9	8.3	4.7	2.6	0.2	0.3	41.8

2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure				Memo item: Primary expenditure [3]
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments	Subsidies	Paid by EU institutions		Investment	Capital transfers	Paid by EU institutions	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2004	47.4	43.5	10.5	5.0	3.1	24.9	22.1	1.7	0.5	3.9	2.5	1.5	0.1	44.3
2005	47.3	43.4	10.5	5.0	3.0	24.9	22.1	1.7	0.5	3.9	2.5	1.4	0.0	44.3
2006	46.7	42.8	10.3	5.0	2.9	24.6	21.8	1.7	0.5	3.9	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.1	5.0	3.0	24.2	21.4	1.6	0.4	3.8	2.6	1.2	0.0	43.0
2008	47.2	43.3	10.3	5.2	3.0	24.8	21.9	1.6	0.4	3.9	2.6	1.3	0.0	44.2
2009	51.3	47.0	11.1	5.7	2.9	27.4	24.3	1.8	0.4	4.3	2.8	1.4	0.0	48.4
2010	51.0	46.6	10.9	5.7	2.8	27.3	24.2	1.8	0.4	4.4	2.6	1.9	0.0	48.2
2011	49.5	46.0	10.6	5.5	3.0	26.8	23.9	1.7	0.4	3.5	2.3	1.2	0.0	46.5
2012	49.9	46.2	10.5	5.5	3.1	27.1	24.3	1.6	0.4	3.7	2.1	1.6	0.1	46.8

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

	Deficit (-)/surplus (+)					Primary deficit (-)/ surplus (+)	Government consumption [4]							
	Total	Central gov.	State gov.	Local gov.	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Collective consumption	Individual consumption
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2004	-2.9	-2.5	-0.4	-0.3	0.2	0.2	20.4	10.5	5.0	5.1	1.9	2.2	8.1	12.3
2005	-2.5	-2.3	-0.3	-0.2	0.2	0.5	20.5	10.5	5.0	5.2	1.9	2.3	8.0	12.5
2006	-1.4	-1.5	-0.1	-0.2	0.4	1.5	20.3	10.3	5.0	5.3	1.9	2.3	7.9	12.5
2007	-0.7	-1.2	0.0	0.0	0.6	2.3	20.1	10.1	5.0	5.2	1.9	2.3	7.7	12.3
2008	-2.1	-2.3	-0.2	-0.2	0.5	0.9	20.6	10.3	5.2	5.4	1.9	2.3	8.0	12.7
2009	-6.4	-5.2	-0.5	-0.3	-0.4	-3.5	22.4	11.1	5.7	5.9	2.1	2.5	8.6	13.8
2010	-6.2	-5.1	-0.7	-0.3	-0.1	-3.4	22.1	10.9	5.7	5.9	2.1	2.6	8.4	13.6
2011	-4.1	-3.3	-0.7	-0.2	0.0	-1.1	21.6	10.6	5.5	5.8	2.1	2.6	8.2	13.4
2012	-3.7	-3.4	-0.3	0.0	0.0	-0.6	21.6	10.5	5.5	5.9	2.1	2.6	8.2	13.4

4. Euro area countries – deficit (-)/surplus (+) [5]

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2009	-5.6	-3.1	-2.0	-13.7	-15.7	-11.1	-7.5	-5.5	-6.1	-0.7	-3.7	-5.6	-4.1	-10.2	-6.3	-8.0	-2.5
2010	-3.7	-4.2	0.2	-30.6	-10.7	-9.6	-7.1	-4.5	-5.3	-0.8	-3.5	-5.1	-4.5	-9.8	-5.9	-7.7	-2.5
2011	-3.7	-0.8	1.1	-13.1	-9.5	-9.6	-5.3	-3.8	-6.3	0.1	-2.8	-4.3	-2.5	-4.3	-6.3	-5.1	-0.7
2012	-4.0	0.1	-0.2	-8.2	-9.0	-10.6	-4.8	-3.0	-6.4	-0.6	-3.3	-4.1	-2.5	-6.4	-3.8	-4.5	-1.8

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

1) The concepts "revenue", "expenditure" and "deficit/surplus" are based on the ESA 95. Transactions involving the EU budget are included and consolidated. Transactions among Member States' governments are not consolidated.
2) The fiscal burden comprises taxes and social contributions.
3) Comprises total expenditure minus interest expenditure.
4) Corresponds to final consumption expenditure (P.3) of general government in the ESA 95.
5) Includes settlements under swaps and forward rate agreements.

6.2 Debt [1]

(as a percentage of GDP)

1. Euro area – by financial instrument and sector of the holder

	Total	Financial instruments				Holders				
		Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [2]				Other creditors [3]
						Total	MFIs	Other financial corporations	Other sectors	
	1	2	3	4	5	6	7	8	9	10
2003	69.2	2.1	12.5	5.1	49.6	40.2	20.5	11.3	8.4	29.1
2004	69.7	2.2	12.2	4.8	50.5	38.7	19.7	11.2	7.9	30.9
2005	70.5	2.4	12.3	4.5	51.3	37.0	19.0	11.3	6.8	33.5
2006	68.7	2.5	11.9	4.0	50.3	34.9	19.1	9.3	6.5	33.7
2007	66.4	2.2	11.3	3.9	48.9	32.7	17.8	8.6	6.3	33.6
2008	70.2	2.3	11.6	6.5	49.8	33.2	18.4	7.9	6.9	37.0
2009	80.0	2.5	12.7	8.3	56.5	37.4	21.4	9.2	6.8	42.6
2010	85.4	2.4	15.4	7.3	60.3	40.5	24.4	10.6	5.6	44.9
2011	87.3	2.4	15.4	7.4	62.1	42.7	24.5	11.4	6.8	44.6
2012	90.6	2.6	17.3	6.8	64.0	45.6	26.5	12.6	6.5	45.1

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

	Total	Issued by: [4]				Original maturity			Residual maturity			Currencies	
		Central gov.	State gov.	Local gov.	Social security funds	Up to 1 year	Over 1 year		Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currencies	Other currencies
								Variable interest rate					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2003	69.2	56.7	6.5	5.1	1.0	7.9	61.4	5.0	14.9	26.1	28.3	68.4	0.9
2004	69.7	56.7	6.6	5.1	1.3	7.7	62.0	4.7	14.7	26.3	28.6	68.7	1.0
2005	70.5	57.2	6.7	5.2	1.4	7.8	62.8	4.6	14.8	25.8	29.9	69.4	1.1
2006	68.7	55.4	6.5	5.3	1.4	7.3	61.4	4.3	14.3	24.2	30.1	68.0	0.7
2007	66.4	53.5	6.3	5.3	1.4	7.1	59.2	4.2	14.5	23.6	28.2	65.8	0.5
2008	70.2	56.9	6.7	5.3	1.3	10.0	60.2	4.9	17.7	23.5	29.1	69.2	1.0
2009	80.0	64.8	7.7	5.8	1.7	12.0	68.0	5.0	19.5	27.3	33.2	78.8	1.2
2010	85.4	69.3	8.4	5.9	1.9	13.0	72.4	5.1	21.2	29.3	34.9	84.2	1.2
2011	87.3	70.7	8.5	5.9	2.2	12.6	74.7	6.1	20.8	30.4	36.1	85.6	1.7
2012	90.6	73.6	8.8	6.0	2.3	11.7	78.9	7.3	20.0	32.2	38.4	88.7	2.0

3. Euro area countries

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2009	95.7	74.5	7.1	64.4	129.7	54.0	79.2	116.4	58.5	15.5	66.5	60.8	69.2	83.7	35.2	35.6	43.5
2010	95.7	82.5	6.7	91.2	148.3	61.7	82.4	119.3	61.3	19.5	66.8	63.4	72.3	94.0	38.7	41.0	48.7
2011	98.0	80.0	6.1	104.1	170.3	70.5	85.8	120.7	71.5	18.7	69.5	65.7	72.8	108.2	47.1	43.4	49.2
2012	99.8	81.0	9.8	117.4	156.9	86.0	90.2	127.0	86.6	21.7	71.3	71.3	74.0	124.1	54.4	52.4	53.6

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

1) Gross general government debt at nominal value and consolidated between sub-sectors of government. Holdings by non-resident governments are not consolidated. Intergovernmental lending in the context of the financial crisis is consolidated. Data are partially estimated.
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.

6.3 Change in debt [1]
(as a percentage of GDP)

1. Euro area – by source, financial instrument and sector of the holder

	Total	Source of change			Financial instruments				Holders			
		Borrowing requirement [2]	Valuation effects [3]	Other changes in volume [4]	Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [5]	MFIs	Other financial corporations	Other creditors [6]
	1	2	3	4	5	6	7	8	9	10	11	12
2004	3.2	3.3	-0.1	0.0	0.2	0.1	-0.1	2.9	0.2	0.0	0.3	3.0
2005	3.3	3.1	0.2	0.0	0.3	0.5	-0.1	2.6	-0.4	0.0	0.5	3.7
2006	1.6	1.5	0.1	0.0	0.2	0.2	-0.3	1.5	-0.3	1.1	-1.4	1.9
2007	1.2	1.2	0.0	0.0	-0.1	0.0	0.1	1.2	-0.4	-0.4	-0.3	1.6
2008	5.3	5.2	0.1	0.0	0.1	0.5	2.7	2.0	1.3	1.0	-0.5	4.1
2009	7.3	7.5	-0.2	0.0	0.1	0.7	1.6	4.9	3.0	2.3	1.0	4.3
2010	7.6	7.7	-0.1	0.0	0.0	3.0	-0.7	5.2	4.1	3.6	1.6	3.4
2011	4.2	4.0	0.1	0.0	0.0	0.4	0.2	3.5	3.3	0.8	1.1	0.9
2012	3.9	5.3	-1.4	0.0	0.2	2.0	-0.5	2.2	3.1	2.1	1.2	0.7

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+)	Deficit-debt adjustment [7]											
			Total	Transactions in main financial assets held by general government							Valuation effects		Other changes in volume	Other [8]
				Total	Currency and deposits	Loans	Securities [9]	Shares and other equity	Privatisations	Equity injections		Exchange rate effects		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2004	3.2	-2.9	0.3	0.2	0.2	0.0	0.1	0.0	-0.5	0.2	-0.1	0.0	0.0	0.1
2005	3.3	-2.5	0.8	0.6	0.3	0.0	0.1	0.1	-0.3	0.2	0.2	0.0	0.0	0.0
2006	1.6	-1.4	0.2	0.2	0.3	-0.1	0.2	-0.2	-0.4	0.1	0.1	0.0	0.0	-0.1
2007	1.2	-0.7	0.5	0.6	0.2	0.0	0.2	0.1	-0.3	0.2	0.0	0.0	0.0	-0.1
2008	5.3	-2.1	3.2	3.1	0.8	0.7	0.7	0.9	-0.1	0.7	0.1	0.0	0.0	0.0
2009	7.3	-6.4	0.9	1.0	0.3	0.0	0.3	0.4	-0.3	0.5	-0.2	0.0	0.0	0.1
2010	7.6	-6.2	1.4	1.8	0.0	0.5	1.0	0.2	0.0	0.2	-0.1	0.0	0.0	-0.3
2011	4.2	-4.1	0.0	-0.3	0.2	-0.2	-0.2	-0.1	-0.1	0.2	0.1	0.0	0.0	0.2
2012	3.9	-3.7	0.2	1.3	0.2	0.5	0.0	0.6	-0.2	0.3	-1.4	0.0	0.0	0.3

Source: ECB.

1) Data are partially estimated. Annual change in gross nominal consolidated debt is expressed as a percentage of GDP, i.e. [debt(t) - debt(t-1)] ÷ GDP(t). Intergovernmental lending in the context of the financial crisis is consolidated.
2) The borrowing requirement is by definition equal to transactions in 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) Includes, in particular, the impact of the reclassification of units and certain types of debt assumption.
5) Holders resident in the country whose government has issued the debt.
6) Includes residents of euro area countries other than the country whose government has issued the debt.
7) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
8) Mainly composed of transactions in other assets and liabilities (trade credits, other receivables/payables and financial derivatives).
9) Excluding financial derivatives.

6.4 Quarterly revenue, expenditure and deficit/surplus [1)]
(as a percentage of GDP)

1. Euro area – quarterly revenue

	Total	Current revenue						Capital revenue		Memo item: Fiscal burden [2)]
			Direct taxes	Indirect taxes	Social contributions	Sales	Property income		Capital taxes	
	1	2	3	4	5	6	7	8	9	10
2007 Q2	45.8	45.3	13.1	12.9	15.0	2.2	1.4	0.4	0.3	41.2
Q3	43.7	43.2	12.3	12.4	14.8	2.2	0.7	0.5	0.3	39.7
Q4	49.2	48.6	14.7	13.8	15.7	2.5	1.0	0.6	0.3	44.5
2008 Q1	42.4	42.1	10.9	12.3	14.8	2.2	1.1	0.3	0.2	38.3
Q2	45.3	44.9	12.9	12.3	15.1	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.0	12.1	12.1	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.7	48.2	13.9	13.4	16.4	2.6	1.1	0.5	0.3	43.8
2009 Q1	42.5	42.4	10.5	12.0	15.6	2.4	1.1	0.1	0.2	38.3
Q2	45.3	44.8	11.9	12.5	15.7	2.5	1.4	0.6	0.5	40.5
Q3	42.9	42.5	10.9	12.0	15.5	2.5	0.7	0.3	0.3	38.8
Q4	48.6	47.8	12.9	13.6	16.4	2.7	1.0	0.8	0.5	43.5
2010 Q1	42.5	42.3	10.2	12.3	15.5	2.4	0.9	0.2	0.3	38.3
Q2	45.2	44.8	11.9	12.7	15.4	2.6	1.3	0.5	0.3	40.3
Q3	43.1	42.8	10.9	12.5	15.3	2.5	0.7	0.3	0.3	39.0
Q4	48.3	47.6	13.1	13.2	16.4	2.9	1.0	0.7	0.3	43.1
2011 Q1	43.1	42.9	10.7	12.6	15.3	2.5	1.0	0.3	0.3	38.9
Q2	45.3	45.0	12.1	12.7	15.4	2.5	1.5	0.3	0.3	40.4
Q3	43.7	43.4	11.4	12.5	15.3	2.5	0.8	0.3	0.3	39.6
Q4	49.0	48.0	13.4	13.2	16.7	2.8	1.0	1.1	0.4	43.6
2012 Q1	43.7	43.4	11.0	12.8	15.4	2.5	1.0	0.3	0.2	39.4
Q2	46.3	45.9	12.6	12.8	15.6	2.6	1.4	0.3	0.3	41.4
Q3	44.7	44.3	11.9	12.7	15.5	2.6	0.8	0.4	0.3	40.4
Q4	50.2	49.5	14.1	13.6	17.0	2.9	1.0	0.7	0.3	44.9
2013 Q1	44.0	43.8	11.2	12.6	15.7	2.5	1.0	0.2	0.3	39.7
Q2	47.3	46.8	13.2	12.9	15.7	2.6	1.4	0.5	0.4	42.3

2. Euro area – quarterly expenditure and deficit/surplus

	Total	Current expenditure							Capital expenditure			Deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers				Investment	Capital transfers		
							Social benefits	Subsidies					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2007 Q2	45.0	41.6	10.0	4.8	3.2	23.6	20.6	1.1	3.4	2.5	0.9	0.8	4.0
Q3	44.6	41.0	9.6	4.8	2.9	23.8	20.6	1.2	3.6	2.6	0.9	-0.9	1.9
Q4	49.3	44.7	10.8	5.9	2.9	25.1	21.2	1.5	4.5	2.8	1.7	-0.1	2.9
2008 Q1	45.4	41.8	9.9	4.5	3.0	24.4	20.8	1.2	3.6	2.3	1.2	-3.0	0.0
Q2	46.0	42.4	10.2	5.0	3.3	23.9	20.8	1.1	3.6	2.6	1.0	-0.7	2.6
Q3	45.7	42.0	9.8	5.0	3.0	24.4	21.2	1.2	3.7	2.7	1.0	-2.3	0.6
Q4	51.3	46.7	11.2	6.3	2.9	26.3	22.3	1.4	4.6	2.9	1.6	-2.6	0.3
2009 Q1	49.3	45.5	10.7	5.1	2.8	26.9	22.9	1.3	3.8	2.6	1.2	-6.8	-4.0
Q2	50.7	46.5	11.1	5.5	3.0	26.9	23.3	1.3	4.2	2.8	1.3	-5.4	-2.3
Q3	50.0	46.0	10.5	5.5	2.8	27.1	23.5	1.3	4.1	2.9	1.1	-7.2	-4.4
Q4	54.7	49.8	11.8	6.7	2.8	28.5	24.0	1.5	4.9	3.0	1.8	-6.1	-3.3
2010 Q1	50.5	46.5	10.8	5.1	2.7	27.9	23.6	1.4	3.9	2.4	1.6	-8.0	-5.3
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.4	-1.4
Q3	50.5	45.2	10.3	5.4	2.7	26.9	23.2	1.3	5.2	2.6	2.7	-7.4	-4.7
Q4	53.5	48.8	11.5	6.7	2.9	27.8	23.7	1.5	4.7	2.7	2.0	-5.1	-2.2
2011 Q1	48.5	45.4	10.4	4.9	2.9	27.1	23.1	1.3	3.1	2.2	1.0	-5.4	-2.5
Q2	48.6	45.3	10.6	5.3	3.2	26.2	22.8	1.2	3.3	2.3	0.9	-3.2	0.0
Q3	48.0	44.5	10.0	5.2	2.9	26.4	22.9	1.2	3.5	2.3	1.1	-4.3	-1.4
Q4	52.8	48.7	11.2	6.6	3.2	27.7	23.7	1.5	4.0	2.5	1.8	-3.7	-0.5
2012 Q1	48.1	45.4	10.3	4.9	3.0	27.3	23.3	1.2	2.7	1.9	0.8	-4.4	-1.5
Q2	49.1	45.8	10.6	5.3	3.3	26.7	23.2	1.2	3.3	2.1	1.2	-2.9	0.5
Q3	48.4	44.9	10.0	5.3	2.9	26.7	23.3	1.2	3.6	2.2	1.3	-3.7	-0.8
Q4	53.9	48.9	11.0	6.5	3.2	28.1	24.1	1.4	5.1	2.3	2.8	-3.8	-0.6
2013 Q1	48.9	46.2	10.4	4.9	2.8	28.0	23.8	1.2	2.7	1.8	1.1	-4.9	-2.1
Q2	49.6	46.1	10.5	5.3	3.2	27.2	23.6	1.2	3.4	2.0	1.4	-2.3	0.9

Sources: ECB calculations based on Eurostat and national data.
1) The concepts "revenue", "expenditure" and "deficit/surplus" are based on the ESA 95. Transactions between the EU budget and entities outside the government sector are not included. Otherwise, except for different data transmission deadlines, the quarterly data are consistent with the annual data.
2) The fiscal burden comprises taxes and social contributions.

6.5 Quarterly debt and change in debt [1]

(as a percentage of GDP)

1. Euro area − Maastricht debt by financial instrument

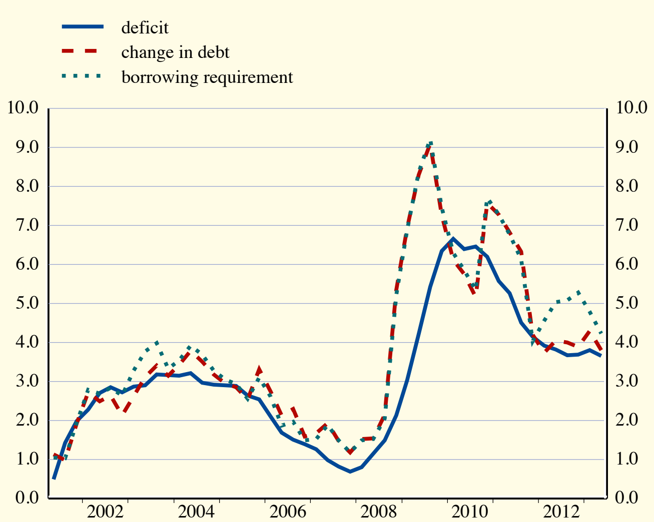
	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2010 Q3	83.0	2.4	13.4	7.9	59.3
Q4	85.4	2.4	15.4	7.3	60.3
2011 Q1	86.3	2.4	15.2	7.4	61.2
Q2	87.2	2.4	14.9	7.5	62.3
Q3	86.8	2.4	15.1	7.8	61.4
Q4	87.3	2.4	15.4	7.4	62.1
2012 Q1	88.2	2.5	15.8	7.6	62.4
Q2	89.9	2.5	16.7	7.3	63.4
Q3	90.0	2.5	16.5	7.2	63.7
Q4	90.6	2.6	17.3	6.8	64.0
2013 Q1	92.3	2.6	16.9	7.1	65.8
Q2	93.4	2.5	16.9	6.9	67.1

2. Euro area − deficit-debt adjustment

	Change in debt	Deficit (-)/ surplus (+)	Deficit-debt adjustment								Memo item: Borrowing requirement
			Total	Transactions in main financial assets held by general government					Valuation effects and other changes in volume	Other	
				Total	Currency and deposits	Loans	Securities	Shares and other equity			
	1	2	3	4	5	6	7	8	9	10	11
2010 Q3	2.8	-7.4	-4.6	-2.9	-2.3	-0.6	0.0	0.1	0.0	-1.7	2.8
Q4	11.6	-5.1	6.5	5.7	-0.4	1.7	4.4	0.0	0.0	0.8	11.6
2011 Q1	6.9	-5.4	1.5	0.7	2.1	-0.8	-0.6	-0.1	0.2	0.6	6.7
Q2	5.9	-3.2	2.7	2.5	2.8	0.5	-0.3	-0.5	0.1	0.0	5.8
Q3	0.9	-4.3	-3.4	-3.7	-3.6	-0.5	0.2	0.2	0.5	-0.2	0.4
Q4	3.2	-3.7	-0.5	-0.6	-0.3	-0.2	-0.1	0.1	-0.2	0.2	3.4
2012 Q1	5.0	-4.4	0.5	3.5	4.2	-0.1	-0.6	0.0	-3.8	0.8	8.7
Q2	7.1	-2.9	4.3	4.0	1.6	1.0	0.6	0.7	-0.5	0.9	7.7
Q3	0.7	-3.7	-3.0	-2.0	-2.1	0.5	-0.6	0.1	0.1	-1.0	0.6
Q4	2.8	-3.8	-1.0	-0.3	-2.7	0.5	0.4	1.5	-1.3	0.7	4.1
2013 Q1	6.6	-4.9	1.8	1.8	1.4	0.1	-0.2	0.5	-0.1	0.0	6.7
Q2	5.2	-2.3	2.9	3.7	3.1	0.8	0.0	-0.2	-0.3	-0.5	5.5

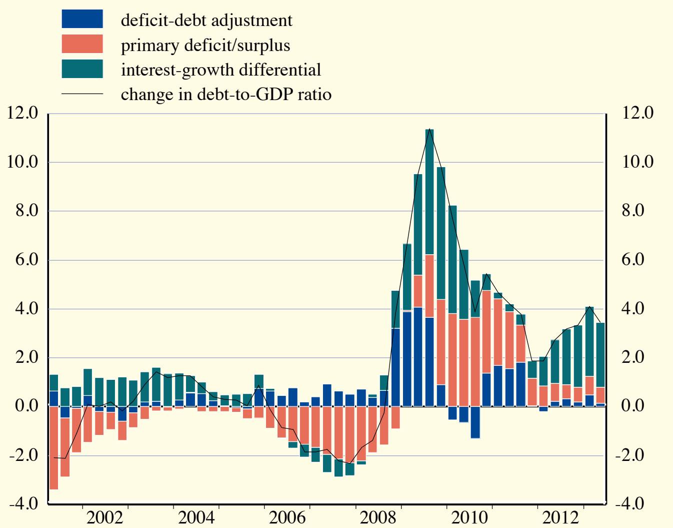
C30 Deficit, borrowing requirement and change in debt

(four-quarter moving sum as a percentage of GDP)



C31 Maastricht debt

(annual change in the debt-to-GDP ratio and underlying factors)



Sources: ECB calculations based on Eurostat and national data.

1) Intergovernmental lending in the context of the financial crisis is consolidated.

EXTERNAL TRANSACTIONS AND POSITIONS

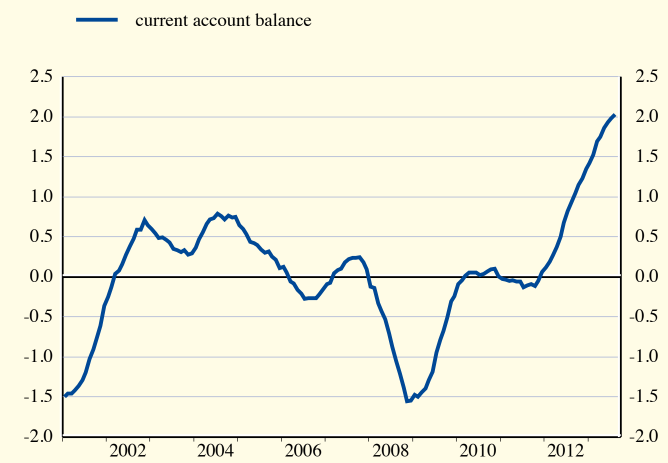
7.1 Summary balance of payments [1]

(EUR billions; net transactions)

	Current account					Capital account	Net lending/ borrowing to/from rest of the world (columns 1+6)	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	14
2010	5.3	15.6	60.4	38.0	-108.7	5.5	10.8	6.0	-79.0	109.2	10.3	-24.0	-10.5	-16.8
2011	8.2	2.3	72.7	39.4	-106.3	11.0	19.2	-44.2	-85.8	231.1	-5.3	-173.9	-10.3	25.0
2012	126.2	94.9	88.7	49.3	-106.8	5.0	131.2	-140.9	-3.6	72.3	3.4	-199.2	-13.9	9.8
2012 Q2	26.2	24.7	25.4	1.0	-24.9	1.2	27.4	-15.6	-24.8	93.4	-12.2	-63.1	-8.9	-11.8
Q3	43.5	29.8	25.5	17.4	-29.3	3.8	47.2	-39.7	30.9	-22.7	-2.9	-45.0	-0.1	-7.5
Q4	61.9	35.0	22.1	18.7	-14.0	6.3	68.2	-100.2	-27.6	72.9	25.4	-168.1	-2.8	32.0
2013 Q1	24.6	30.7	17.5	18.5	-42.1	1.8	26.4	-25.1	-24.0	16.5	8.4	-26.0	0.0	-1.2
Q2	52.8	52.1	28.6	3.8	-31.7	5.3	58.1	-56.3	-48.7	67.1	2.4	-75.9	-1.1	-1.8
2012 Aug.	9.7	5.5	7.6	7.2	-10.6	1.6	11.3	-7.6	22.2	-17.7	5.5	-16.0	-1.6	-3.7
Sep.	12.3	9.9	8.5	4.7	-10.9	1.6	13.9	-19.6	-6.9	0.1	-3.9	-9.9	1.0	5.8
Oct.	13.7	10.5	7.0	5.0	-8.8	2.3	16.0	-27.1	-50.5	59.8	9.8	-43.5	-2.6	11.1
Nov.	20.9	13.4	5.6	6.7	-4.8	2.2	23.1	-34.5	19.2	17.4	6.2	-76.3	-1.0	11.4
Dec.	27.3	11.1	9.6	7.0	-0.4	1.7	29.1	-38.5	3.8	-4.3	9.5	-48.3	0.8	9.5
2013 Jan.	-6.8	-2.7	4.5	4.7	-13.3	0.1	-6.7	4.7	-10.9	26.9	4.6	-11.1	-4.8	2.0
Feb.	9.0	11.2	5.9	7.7	-15.9	1.1	10.1	-11.1	2.2	-13.9	2.7	-4.6	2.6	0.9
Mar.	22.4	22.2	7.1	6.1	-13.0	0.5	22.9	-18.8	-15.3	3.6	1.1	-10.4	2.3	-4.2
Apr.	13.9	16.4	7.9	0.6	-11.1	1.8	15.7	-18.4	-12.2	-0.2	-5.6	-0.5	0.0	2.8
May	9.9	17.2	8.5	-5.8	-10.0	2.5	12.4	-11.9	-15.9	38.7	-7.3	-26.9	-0.6	-0.5
June	29.1	18.5	12.2	9.0	-10.6	1.0	30.1	-26.0	-20.7	28.6	15.3	-48.6	-0.6	-4.1
July	26.1	19.7	11.4	4.5	-9.5	2.3	28.4	-29.6	-2.9	-41.5	-0.7	15.1	0.3	1.2
Aug.	12.0	8.3	7.5	7.6	-11.4	1.4	13.4	-15.5	-7.8	20.1	6.9	-32.8	-2.0	2.2
	12-month cumulated transactions													
2013 Aug.	189.6	155.7	95.7	57.8	-119.5	18.7	208.3	-246.4	-117.9	135.4	38.4	-297.6	-4.7	38.1
	12-month cumulated transactions as a percentage of GDP													
2013 Aug.	2.0	1.6	1.0	0.6	-1.3	0.2	2.2	-2.6	-1.2	1.4	0.4	-3.1	0.0	0.4

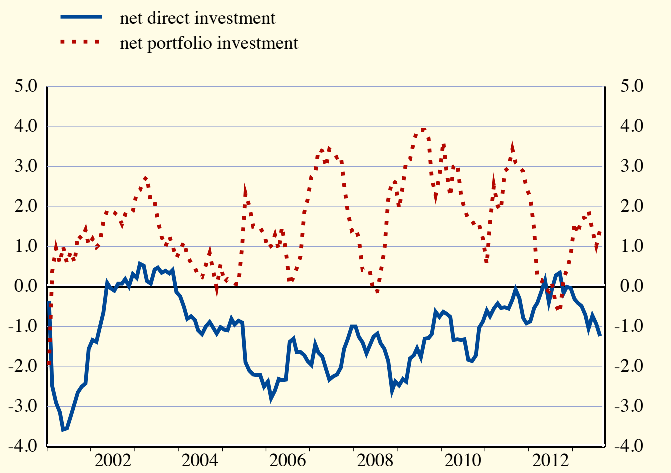
C32 Euro area b.o.p.: current account

(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C33 Euro area b.o.p.: direct and portfolio investment

(12-month cumulated transactions as a percentage of GDP)



Source: ECB.

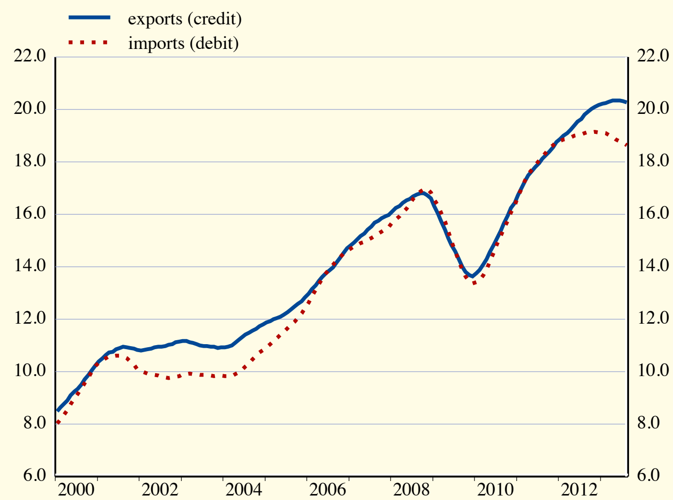
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

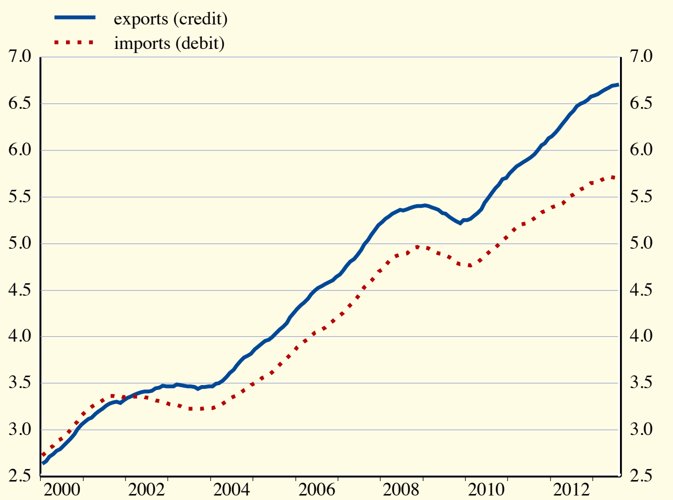
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remit-tances		Workers' remit-tances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	2,706.4	2,701.1	5.3	1,576.1	1,560.5	544.4	484.0	497.8	459.7	88.2	6.3	197.0	26.3	20.2	14.7
2011	3,018.1	3,009.9	8.2	1,789.1	1,786.7	584.3	511.6	549.9	510.5	94.8	6.5	201.1	27.2	25.2	14.2
2012	3,179.0	3,052.7	126.2	1,919.5	1,824.6	626.6	537.9	535.5	486.1	97.3	6.8	204.1	26.0	28.8	23.8
2012 Q2	803.1	776.9	26.2	481.2	456.5	156.8	131.4	144.2	143.2	20.9	1.6	45.8	6.5	5.8	4.5
Q3	796.2	752.7	43.5	480.7	450.9	166.9	141.3	131.4	114.0	17.2	1.9	46.4	6.6	6.9	3.2
Q4	816.5	754.6	61.9	489.5	454.5	161.8	139.7	131.9	113.1	33.3	1.7	47.3	6.7	10.7	4.5
2013 Q1	765.2	740.6	24.6	470.6	439.9	144.9	127.3	122.0	103.5	27.8	1.6	69.9	5.9	5.9	4.2
Q2	808.9	756.1	52.8	489.7	437.6	164.1	135.5	135.2	131.4	19.8	1.9	51.5	6.2	7.6	2.2
2013 June	276.1	247.0	29.1	161.2	142.8	58.1	45.9	49.8	40.8	7.0	-	17.6	-	1.8	0.8
July	276.9	250.7	26.1	168.1	148.4	58.5	47.1	42.5	38.0	7.8	-	17.3	-	3.1	0.8
Aug.	247.2	235.2	12.0	147.5	139.3	54.3	46.8	40.4	32.8	4.9	-	16.3	-	2.1	0.7
	Seasonally adjusted														
2012 Q4	797.8	760.0	37.8	483.6	452.7	159.0	135.8	130.1	119.7	25.1	-	51.8	-	-	-
2013 Q1	793.9	743.5	50.4	483.4	442.6	158.2	134.3	127.0	112.3	25.3	-	54.4	-	-	-
Q2	801.4	743.2	58.2	486.0	437.5	163.2	138.0	127.8	113.4	24.4	-	54.2	-	-	-
2013 June	268.2	247.2	21.0	160.5	146.7	55.2	45.4	44.0	36.8	8.6	-	18.2	-	-	-
July	260.0	244.5	15.5	155.2	144.1	53.0	43.7	42.8	38.5	9.1	-	18.2	-	-	-
Aug.	263.7	246.3	17.4	160.3	145.6	53.0	45.3	42.5	37.6	8.1	-	17.8	-	-	-
	12-month cumulated transactions														
2013 Aug.	3,185.6	2,992.8	192.8	1,931.2	1,775.5	638.8	542.9	515.4	460.8	100.2	-	213.6	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2013 Aug.	33.5	31.4	2.0	20.3	18.6	6.7	5.7	5.4	4.8	1.1	-	2.2	-	-	-

C34 Euro area b.o.p.: goods
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C35 Euro area b.o.p.: services
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



Source: ECB.

7.2 Current and capital accounts

(EUR billions)

2. Income account

(transactions)

	Compensation of employees		Investment income													
	Credit	Debit	Total		Direct investment						Portfolio investment				Other investment	
			Credit	Debit	Equity				Debt		Equity		Debt		Credit	Debit
					Credit		Debit		Credit	Debit	Credit	Debit	Credit	Debit		
						Reinv. earnings		Reinv. earnings								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2010	25.1	12.4	472.7	447.4	247.2	47.2	153.6	46.0	23.4	24.3	28.8	83.8	95.7	120.9	77.6	64.7
2011	27.2	12.8	522.7	497.7	271.9	38.1	171.6	58.4	40.3	35.0	36.2	98.5	97.3	124.3	77.1	68.2
2012	28.8	13.2	506.7	472.9	251.5	49.7	155.4	16.2	44.4	38.2	43.0	104.0	99.2	117.1	68.6	58.2
2012 Q2	7.1	3.5	137.0	139.7	67.6	2.3	41.2	4.0	10.9	9.2	16.1	46.0	24.8	28.5	17.5	14.8
Q3	7.1	3.9	124.3	110.1	61.1	17.4	37.7	12.4	11.3	9.0	10.0	20.4	25.2	29.2	16.7	13.8
Q4	7.5	3.3	124.3	109.8	64.0	6.2	37.5	-15.0	11.5	10.4	8.0	20.3	24.8	27.9	16.1	13.7
2013 Q1	7.1	2.5	114.9	101.0	57.4	24.1	34.3	15.4	9.9	7.9	7.5	17.5	24.6	28.6	15.4	12.6
Q2	7.3	3.3	127.9	128.1	63.1	3.3	34.6	3.0	10.0	7.5	14.5	45.2	25.1	28.3	15.2	12.5

3. Geographical breakdown

(cumulated transactions)

2012 Q3 to 2013 Q2	Total	EU Member States outside the euro area						Brazil	Canada	China	India	Japan	Russia	Switzer-land	United States	Other
		Total	Den-mark	Sweden	United Kingdom	Other EU countries [1]	EU insti-tutions									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	3,186.7	1,002.6	54.7	96.6	476.0	312.8	62.6	64.9	46.1	152.5	39.6	69.3	126.2	251.0	426.1	1,008.5
Goods	1,930.5	596.2	35.4	57.6	257.5	245.6	0.2	33.7	23.8	116.9	29.3	44.1	90.1	133.6	225.9	636.8
Services	637.7	194.1	12.5	19.1	119.8	36.0	6.7	10.8	10.7	22.6	7.7	15.0	21.0	61.0	96.3	198.5
Income	520.5	149.0	5.8	17.7	87.2	28.0	10.1	19.9	10.9	12.3	2.4	9.4	14.5	46.9	97.8	157.5
Investment income	491.4	141.3	5.0	17.6	85.7	27.2	5.8	19.9	10.8	12.2	2.4	9.3	14.4	31.7	96.3	153.0
Current transfers	98.1	63.3	1.0	2.2	11.4	3.2	45.6	0.4	0.8	0.7	0.2	0.8	0.6	9.5	6.0	15.6
Capital account	31.2	27.2	0.0	0.0	1.9	0.6	24.7	0.1	0.0	0.0	0.0	0.1	0.1	0.9	0.4	2.3
	Debits															
Current account	3,003.9	949.0	53.6	92.0	409.3	281.1	113.0	41.6	28.9	-	35.4	93.0	155.5	211.4	395.3	-
Goods	1,782.9	506.8	30.0	51.1	199.5	226.2	0.0	27.6	13.8	197.5	26.6	44.9	137.8	106.5	149.4	572.1
Services	543.9	157.1	9.1	15.2	92.5	40.0	0.3	5.4	7.2	15.5	7.0	9.7	11.2	49.4	110.2	171.0
Income	462.1	156.2	13.3	23.9	104.9	9.5	4.6	7.3	5.8	-	0.9	37.8	5.5	45.8	129.5	-
Investment income	449.0	149.3	13.2	23.8	103.4	4.3	4.6	7.2	5.6	-	0.7	37.6	5.4	45.4	128.5	-
Current transfers	215.1	128.9	1.2	1.8	12.4	5.4	108.1	1.3	2.0	3.6	1.0	0.7	1.0	9.7	6.2	60.7
Capital account	14.0	4.0	0.1	0.1	3.2	0.5	0.2	0.2	0.1	0.4	0.2	0.1	0.1	0.7	1.3	7.1
	Net															
Current account	182.8	53.5	1.1	4.6	66.6	31.7	-50.4	23.3	17.3	-	4.2	-23.8	-29.3	39.6	30.8	-
Goods	147.6	89.4	5.4	6.5	58.0	19.4	0.2	6.1	9.9	-80.5	2.8	-0.8	-47.7	27.1	76.5	64.8
Services	93.8	37.0	3.4	3.8	27.4	-4.0	6.4	5.4	3.4	7.1	0.7	5.3	9.8	11.5	-13.9	27.4
Income	58.4	-7.3	-7.4	-6.2	-17.6	18.5	5.5	12.7	5.1	-	1.5	-28.4	9.0	1.1	-31.7	-
Investment income	42.4	-8.1	-8.1	-6.2	-17.8	22.9	1.2	12.7	5.2	-	1.6	-28.2	9.0	-13.7	-32.2	-
Current transfers	-117.0	-65.6	-0.3	0.4	-1.1	-2.2	-62.5	-0.8	-1.2	-2.9	-0.8	0.1	-0.4	-0.1	-0.2	-45.1
Capital account	17.1	23.2	0.0	0.0	-1.3	0.1	24.5	-0.2	0.0	-0.4	-0.2	0.0	0.1	0.3	-0.9	-4.8

Source: ECB.

1) Excluding Croatia.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions and other changes during period)

1. Summary financial account

	Total [1]			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts (international investment position)													
2009	13,739.1	15,225.6	-1,486.4	154.0	170.7	-16.7	4,412.8	3,532.5	4,340.9	6,863.8	-1.3	4,527.2	4,829.3	459.6
2010	15,183.9	16,474.3	-1,290.4	165.6	179.7	-14.1	4,930.6	3,891.9	4,898.7	7,471.2	-31.1	4,794.5	5,111.2	591.2
2011	15,892.7	17,348.1	-1,455.4	168.6	184.1	-15.4	5,633.2	4,339.5	4,750.9	7,721.5	-29.7	4,871.2	5,287.0	667.1
2012 Q4	16,636.5	17,899.5	-1,262.9	175.4	188.7	-13.3	5,881.3	4,444.6	5,265.0	8,375.5	-17.6	4,818.4	5,079.3	689.4
2013 Q1	17,085.0	18,258.0	-1,173.0	180.3	192.6	-12.4	5,957.5	4,501.4	5,535.1	8,621.7	-28.0	4,932.6	5,134.9	687.8
Q2	16,734.8	18,048.1	-1,313.3	176.1	189.9	-13.8	5,959.8	4,536.8	5,365.8	8,539.8	-25.3	4,870.2	4,971.5	564.3
	Changes to outstanding amounts													
2009	504.2	387.6	116.6	5.7	4.3	1.3	497.0	272.5	513.7	896.9	-0.9	-591.0	-781.8	85.4
2010	1,444.8	1,248.7	196.0	15.8	13.6	2.1	517.7	359.3	557.8	607.4	-29.8	267.3	282.0	131.6
2011	708.8	873.8	-165.0	7.5	9.3	-1.8	702.6	447.6	-147.8	250.3	1.4	76.7	175.8	75.9
2012	743.9	551.4	192.5	7.8	5.8	2.0	248.1	105.1	514.1	654.0	12.2	-52.8	-207.7	22.3
2013 Q1	448.5	358.5	89.9	19.3	15.4	3.9	76.2	56.8	270.1	246.2	-10.5	114.1	55.5	-1.5
Q2	-350.2	-209.9	-140.2	-14.6	-8.8	-5.9	2.3	35.3	-169.3	-81.9	2.8	-62.4	-163.4	-123.5
	Transactions													
2009	-89.4	-74.4	-15.0	-1.0	-0.8	-0.2	352.9	285.9	96.0	342.8	-19.0	-514.7	-703.1	-4.6
2010	646.5	652.6	-6.0	7.1	7.1	-0.1	352.6	273.6	130.9	240.1	-10.3	162.8	138.9	10.5
2011	670.3	626.2	44.2	7.1	6.6	0.5	524.0	438.2	-53.2	177.9	5.3	183.9	10.0	10.3
2012	522.0	381.0	140.9	5.5	4.0	1.5	329.9	326.3	186.4	258.7	-3.4	-4.8	-204.0	13.9
2012 Q4	46.9	-53.3	100.2	1.9	-2.2	4.1	112.8	85.2	81.5	154.5	-25.4	-124.9	-293.0	2.8
2013 Q1	202.4	177.3	25.1	8.7	7.6	1.1	56.7	32.7	104.5	121.0	-8.4	49.6	23.5	0.0
Q2	27.7	-28.6	56.3	1.2	-1.2	2.4	63.1	14.4	21.0	88.1	-2.4	-55.2	-131.1	1.1
2013 Apr.	144.1	125.7	18.4	-	-	-	23.7	11.5	43.6	43.4	5.6	71.3	70.7	0.0
May	-14.0	-25.9	11.9	-	-	-	9.5	-6.4	19.9	58.6	7.3	-51.3	-78.2	0.6
June	-102.3	-128.3	26.0	-	-	-	30.0	9.3	-42.5	-13.9	-15.3	-75.1	-123.7	0.6
July	0.4	-29.2	29.6	-	-	-	9.3	6.4	26.7	-14.8	0.7	-36.0	-20.8	-0.3
Aug.	4.9	-10.6	15.5	-	-	-	22.7	14.9	-6.5	13.6	-6.9	-6.4	-39.2	2.0
	Other changes													
2009	593.6	462.0	131.6	6.7	5.2	1.5	144.1	-13.4	417.6	554.1	18.2	-76.3	-78.7	90.0
2010	798.2	596.2	202.1	8.7	6.5	2.2	165.2	85.8	426.9	367.3	-19.4	104.5	143.1	121.1
2011	38.4	247.6	-209.2	0.4	2.6	-2.2	178.6	9.4	-94.6	72.5	-3.9	-107.2	165.8	65.6
2012	221.9	170.4	51.5	2.3	1.8	0.5	-81.7	-221.2	327.7	395.3	15.6	-48.0	-3.7	8.4
	Other changes due to exchange rate changes													
2009	-49.3	-56.1	6.8	-0.6	-0.6	0.1	-5.3	5.6	-29.8	-34.5	.	-11.6	-27.2	-2.7
2010	477.4	325.0	152.4	5.2	3.5	1.7	143.4	35.0	160.0	128.5	.	160.9	161.5	13.1
2011	214.2	176.7	37.5	2.3	1.9	0.4	70.7	18.4	72.8	67.1	.	63.1	91.3	7.6
2012	-86.6	-91.4	4.8	-0.9	-1.0	0.1	-22.0	-5.6	-41.3	-37.5	.	-16.7	-48.3	-6.6
	Other changes due to price changes													
2009	634.8	492.7	142.1	7.1	5.5	1.6	147.4	29.4	423.5	463.4	18.2	.	.	45.8
2010	300.8	148.4	152.5	3.3	1.6	1.7	33.2	-0.8	185.5	149.2	-19.4	.	.	101.6
2011	-116.3	-249.1	132.8	-1.2	-2.6	1.4	-38.1	7.1	-133.7	-256.2	-3.9	.	.	59.4
2012	266.0	588.2	-322.2	2.8	6.2	-3.4	38.8	-6.4	194.7	594.6	15.6	.	.	16.9
	Other changes due to other adjustments													
2009	8.4	25.5	-17.1	0.1	0.3	-0.2	2.0	-48.3	24.0	124.6	.	-64.4	-50.8	46.9
2010	20.0	122.8	-102.7	0.2	1.3	-1.1	-11.4	51.6	81.4	89.6	.	-56.4	-18.4	6.4
2011	-59.4	320.0	-379.4	-0.6	3.4	-4.0	146.0	-16.0	-33.8	261.5	.	-170.3	74.5	-1.4
2012	42.5	-326.4	368.9	0.4	-3.4	3.9	-98.6	-209.2	174.3	-161.8	.	-31.3	44.6	-1.9
	Growth rates of outstanding amounts													
2008	3.0	3.6	-	.	.	.	9.2	3.7	-0.2	3.9	.	-0.2	3.3	1.0
2009	-0.7	-0.5	-	.	.	.	8.9	8.8	2.4	5.6	.	-10.1	-12.5	-1.3
2010	4.6	4.2	-	.	.	.	7.7	7.5	2.9	3.4	.	3.6	2.8	2.0
2011	4.5	3.8	-	.	.	.	10.7	11.2	-1.2	2.4	.	4.0	0.2	1.6
2012 Q4	3.3	2.2	-	.	.	.	5.9	7.6	3.8	3.3	.	-0.1	-3.8	2.0
2013 Q1	2.5	1.3	-	.	.	.	5.5	6.1	3.3	4.1	.	-1.2	-6.7	1.7
Q2	2.1	0.7	-	.	.	.	4.9	4.9	4.8	4.7	.	-3.1	-8.7	0.6

Source: ECB.

1) Net financial derivatives are included in assets.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period, transactions during period)

2. Direct investment

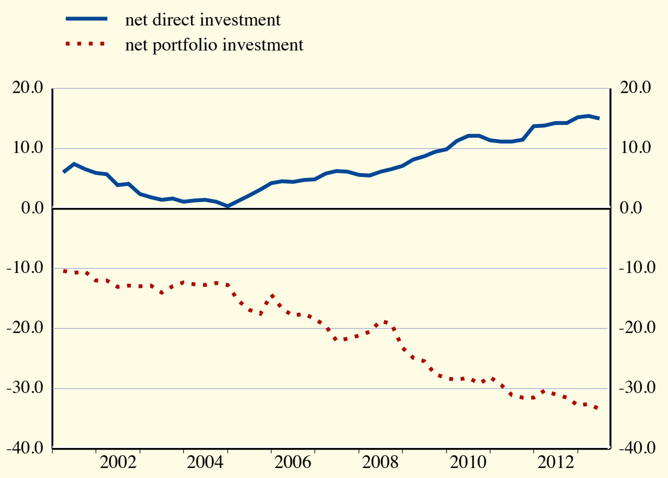
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	Into MFIs	Into non-MFIs	Total	To MFIs	To non-MFIs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Oustanding amounts (international investment position)													
2011	5,633.2	4,229.4	283.2	3,946.2	1,403.7	13.3	1,390.5	4,339.5	3,089.1	99.9	2,989.1	1,250.5	11.3	1,239.2
2012	5,881.3	4,374.3	290.2	4,084.1	1,507.0	12.0	1,495.0	4,444.6	3,124.5	106.6	3,017.8	1,320.2	11.3	1,308.9
2013 Q1	5,957.5	4,424.3	287.0	4,137.3	1,533.2	13.2	1,520.0	4,501.4	3,186.0	109.2	3,076.8	1,315.5	12.3	1,303.2
Q2	5,959.8	4,402.8	280.0	4,122.8	1,557.0	12.3	1,544.7	4,536.8	3,185.7	108.1	3,077.6	1,351.1	12.3	1,338.8
	Transactions													
2010	352.6	233.1	23.5	209.6	119.5	1.1	118.4	273.6	293.4	11.0	282.4	-19.8	-5.8	-14.0
2011	524.0	444.1	25.8	418.3	80.0	-3.2	83.1	438.2	400.6	10.1	390.5	37.6	0.6	37.0
2012	329.9	190.0	-1.7	191.7	139.9	-0.3	140.2	326.3	246.2	8.2	238.0	80.1	0.1	80.1
2012 Q4	112.8	46.5	-0.2	46.7	66.3	0.1	66.2	85.2	109.2	1.2	107.9	-23.9	-0.6	-23.4
2013 Q1	56.7	44.3	-0.9	45.2	12.5	1.1	11.4	32.7	56.9	3.3	53.5	-24.1	0.7	-24.8
Q2	63.1	4.8	2.6	2.2	58.4	-0.8	59.1	14.4	-29.5	1.0	-30.5	43.9	0.2	43.7
2013 Apr.	23.7	5.9	2.1	3.8	17.8	-0.6	18.4	11.5	-2.0	0.6	-2.6	13.5	1.4	12.1
May	9.5	0.6	0.2	0.4	8.8	-0.9	9.7	-6.4	-10.9	-0.2	-10.7	4.5	0.1	4.4
June	30.0	-1.7	0.3	-2.1	31.7	0.7	31.0	9.3	-16.6	0.6	-17.2	25.9	-1.3	27.2
July	9.3	3.5	-0.2	3.8	5.8	-0.3	6.0	6.4	14.3	0.7	13.6	-7.9	-0.2	-7.7
Aug.	22.7	11.6	0.7	10.9	11.1	0.2	10.9	14.9	6.5	0.5	6.0	8.4	0.0	8.4
	Growth rates													
2010	7.7	6.5	9.8	6.2	12.2	6.8	12.3	7.5	11.0	14.0	10.9	-2.4	-27.5	-1.8
2011	10.7	11.6	9.6	11.8	7.4	-19.9	7.8	11.2	13.7	10.7	13.8	3.9	0.9	3.9
2012 Q4	5.9	4.5	-0.6	4.9	10.0	-2.5	10.2	7.6	8.1	8.3	8.1	6.4	0.4	6.5
2013 Q1	5.5	4.2	-0.4	4.6	9.3	3.1	9.4	6.1	7.7	8.6	7.7	2.4	19.0	2.3
Q2	4.9	3.0	0.9	3.2	10.7	5.2	10.7	4.9	6.1	7.7	6.0	2.0	19.7	1.9

C36 Euro area international investment position

(outstanding amounts at end of period; as a percentage of GDP)

C37 Euro area direct and portfolio investment position

(outstanding amounts at end of period; as a percentage of GDP)



Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Portfolio investment assets

	Total	Equity					Debt instruments									
							Bonds and notes					Money market instruments				
		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs	
				Euro-system		General government			Euro-system		General government			Euro-system		General government
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Outstanding amounts (international investment position)															
2011	4,750.9	1,693.8	59.3	2.6	1,634.5	39.4	2,587.2	721.2	16.1	1,866.1	96.0	469.8	302.5	58.8	167.4	0.5
2012	5,265.0	1,947.3	70.2	2.8	1,877.2	42.5	2,852.0	673.5	15.6	2,178.4	97.3	465.7	287.9	53.8	177.8	1.4
2013 Q1	5,535.1	2,145.1	87.7	3.1	2,057.4	48.9	2,915.7	654.8	16.6	2,260.9	98.1	474.3	290.1	51.1	184.2	0.5
Q2	5,365.8	2,066.6	92.7	3.1	1,973.9	47.6	2,828.9	632.0	15.8	2,196.9	94.6	470.4	281.9	61.9	188.5	0.2
	Transactions															
2010	130.9	75.2	-2.4	-0.7	77.6	1.9	100.4	-125.9	-0.6	226.3	51.5	-44.7	-64.0	-10.6	19.4	-1.9
2011	-53.2	-66.0	-10.7	-0.2	-55.4	-7.3	-21.4	-60.7	0.2	39.3	-2.8	34.2	25.9	10.4	8.3	0.2
2012	186.4	57.6	3.0	0.1	54.6	0.2	126.5	-38.8	-0.9	165.3	-8.5	2.3	-18.0	2.3	20.3	0.1
2012 Q4	81.5	60.5	10.0	0.0	50.5	1.1	39.8	7.1	0.5	32.7	-3.5	-18.8	-20.9	5.6	2.1	0.3
2013 Q1	104.5	62.7	13.8	0.1	48.9	3.4	34.4	-17.1	1.1	51.5	0.7	7.4	4.8	0.6	2.6	-0.2
Q2	21.0	12.7	3.8	0.0	8.9	0.8	9.2	-6.7	-0.6	15.9	-1.6	-0.9	-5.8	14.7	4.9	-0.3
2013 Apr.	43.6	19.2	0.4	0.0	18.8	-	17.8	-1.6	-0.5	19.4	-	6.6	1.1	9.7	5.5	-
May	19.9	10.4	5.1	0.0	5.4	-	10.4	1.1	0.0	9.4	-	-0.9	-0.3	1.4	-0.6	-
June	-42.5	-17.0	-1.6	0.0	-15.3	-	-19.0	-6.2	-0.1	-12.8	-	-6.5	-6.6	3.6	0.1	-
July	26.7	11.3	2.3	0.0	9.0	-	14.3	-2.7	0.4	16.9	-	1.1	3.0	0.4	-1.9	-
Aug.	-6.5	-5.7	0.0	0.0	-5.7	-	-3.1	-6.5	0.5	3.4	-	2.3	4.8	-2.6	-2.5	-
	Growth rates															
2010	2.9	4.7	-3.4	-20.2	5.1	5.1	4.0	-13.6	-3.4	14.5	124.0	-10.0	-17.7	-22.8	23.5	-91.7
2011	-1.2	-3.9	-15.2	-7.2	-3.4	-15.9	-0.8	-7.7	1.3	2.2	-2.9	8.3	8.5	25.5	8.0	120.3
2012 Q4	3.8	3.1	5.0	3.0	3.1	0.1	4.8	-5.5	-5.7	8.6	-8.3	0.5	-5.5	3.7	12.3	29.8
2013 Q1	3.3	5.3	20.9	5.9	4.7	14.3	3.8	-6.8	4.8	7.5	-6.2	-6.9	-12.1	13.0	3.3	56.2
Q2	4.8	7.5	47.4	5.2	6.2	15.5	4.3	-3.9	3.3	6.9	-4.5	-2.3	-7.8	50.9	7.8	-67.0

4. Portfolio investment liabilities

	Total	Equity			Debt instruments							
					Bonds and notes				Money market instruments			
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	MFIs	Non-MFIs	
								General government				General government
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts (international investment position)											
2011	7,721.5	3,048.8	558.3	2,490.5	4,228.3	1,254.4	2,973.9	1,748.7	444.4	86.8	357.6	313.1
2012	8,375.5	3,475.4	537.3	2,938.1	4,438.9	1,192.2	3,246.8	1,962.7	461.2	87.9	373.3	298.1
2013 Q1	8,621.7	3,622.4	520.1	3,102.3	4,498.1	1,192.0	3,306.0	2,008.3	501.2	104.3	396.9	321.1
Q2	8,539.8	3,609.9	493.0	3,116.8	4,436.4	1,153.1	3,283.2	2,006.7	493.6	111.8	381.8	306.3
	Transactions											
2010	240.1	125.4	-16.9	142.3	161.1	50.2	110.9	187.5	-46.4	12.3	-58.7	-38.2
2011	177.9	73.8	18.4	55.4	151.7	75.7	76.0	80.6	-47.6	2.0	-49.6	-37.7
2012	258.7	144.1	-18.1	162.2	119.3	-55.5	174.7	160.8	-4.7	5.4	-10.0	-30.3
2012 Q4	154.5	80.8	-10.6	91.4	50.9	-0.8	51.8	33.2	22.7	7.7	15.1	-7.2
2013 Q1	121.0	57.4	-8.2	65.6	27.3	-4.2	31.5	43.9	36.3	18.5	17.8	24.3
Q2	88.1	81.5	-17.0	98.4	7.4	-12.4	19.8	20.3	-0.7	0.4	-1.1	-1.5
2013 Apr.	43.4	16.4	-0.4	16.8	26.4	0.1	26.3	-	0.7	-0.7	1.4	-
May	58.6	47.8	-0.3	48.1	14.3	-0.3	14.6	-	-3.5	-6.8	3.3	-
June	-13.9	17.3	-16.3	33.5	-33.3	-12.2	-21.1	-	2.1	7.9	-5.8	-
July	-14.8	8.4	2.5	5.9	-39.3	-20.6	-18.7	-	16.1	2.4	13.7	-
Aug.	13.6	23.1	8.1	14.9	-13.9	-9.2	-4.6	-	4.4	8.7	-4.3	-
	Growth rates											
2010	3.4	4.4	-2.5	6.5	4.5	4.4	4.5	12.5	-9.2	15.4	-13.2	-9.6
2011	2.4	2.3	2.9	2.0	4.1	6.7	3.0	5.0	-9.2	8.2	-12.2	-11.1
2012 Q4	3.3	4.5	-3.3	6.1	2.8	-4.5	5.8	9.2	-0.9	6.1	-2.6	-9.2
2013 Q1	4.1	4.8	-6.4	7.1	3.5	-2.2	5.8	9.3	4.4	22.0	0.4	-3.6
Q2	4.7	7.5	-7.3	10.4	2.6	-2.0	4.4	7.4	3.1	12.6	0.8	-0.3

Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

5. Other investment assets

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other assets	Total	Loans/ currency and deposits	Other assets		Trade credits	Loans/currency and deposits			Trade credits	Loans/currency and deposits	
											Currency and deposits				Currency and deposits
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2011	4,871.2	35.5	35.2	0.3	3,069.1	3,007.5	61.6	162.7	6.8	116.4	30.2	1,604.0	247.7	1,161.4	491.3
2012	4,818.4	40.1	39.9	0.3	2,923.8	2,853.6	70.2	167.9	5.3	121.4	29.2	1,686.6	253.9	1,236.8	524.7
2013 Q1	4,932.6	33.1	32.8	0.3	2,954.5	2,884.7	69.8	155.0	5.2	108.0	24.2	1,790.0	249.7	1,277.7	558.0
Q2	4,870.2	17.9	17.6	0.3	2,938.7	2,871.6	67.1	150.6	5.1	103.9	23.9	1,763.0	250.7	1,241.6	556.6
	Transactions														
2010	162.8	-2.9	-2.8	0.0	10.1	1.3	8.9	41.5	-0.2	41.1	4.9	114.1	8.6	81.6	50.6
2011	183.9	-2.7	-2.8	0.1	50.5	20.7	29.9	4.4	-0.3	4.2	10.3	131.7	8.5	99.0	38.1
2012	-4.8	5.2	5.2	0.0	-122.4	-130.5	8.1	4.7	-1.5	6.4	-1.0	107.7	8.4	74.5	37.7
2012 Q4	-124.9	5.8	5.8	0.0	-115.1	-107.3	-7.9	18.5	0.1	17.9	4.2	-34.0	-2.5	-19.6	-20.2
2013 Q1	49.6	-6.8	-6.8	0.0	11.9	12.7	-0.8	-10.7	-0.3	-11.0	-5.1	55.1	2.4	40.1	55.8
Q2	-55.2	-10.9	-10.9	0.0	12.3	14.5	-2.2	-4.7	0.0	-4.4	-0.2	-51.8	1.1	-56.1	-24.2
2013 Apr.	71.3	-3.1	-	-	59.3	-	-	1.3	-	-	1.8	13.7	-	-	15.7
May	-51.3	-5.0	-	-	-7.1	-	-	-3.9	-	-	-1.4	-35.3	-	-	-24.4
June	-75.1	-2.8	-	-	-39.9	-	-	-2.2	-	-	-0.7	-30.2	-	-	-15.5
July	-36.0	3.4	-	-	-34.1	-	-	-5.2	-	-	-2.7	-0.1	-	-	0.4
Aug.	-6.4	-2.3	-	-	8.8	-	-	0.5	-	-	0.9	-13.4	-	-	4.2
	Growth rates														
2010	3.6	-12.7	-12.5	-9.8	0.4	0.1	23.6	34.9	-2.5	53.7	32.9	7.4	4.2	6.8	12.2
2011	4.0	-5.4	-5.5	40.4	1.8	0.8	76.8	3.0	-3.3	4.2	51.5	8.3	3.9	8.1	9.0
2012 Q4	-0.1	13.1	13.2	-0.6	-3.9	-4.3	13.7	3.1	-22.2	5.9	-3.3	6.8	3.4	6.5	7.8
2013 Q1	-1.2	-9.1	-9.1	-3.2	-4.6	-5.1	22.6	3.5	-24.3	5.3	-1.7	4.8	-2.4	5.8	9.8
Q2	-3.1	-22.3	-22.5	0.1	-4.2	-4.2	-5.9	-3.7	-25.0	-4.7	-20.3	-0.7	-1.9	-2.9	2.9

6. Other investment liabilities

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other liabilities	Total	Loans/ currency and deposits	Other liabilities	Total	Trade credits	Loans	Other liabilities	Total	Trade credits	Loans	Other liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2011	5,287.0	412.7	409.9	2.8	3,212.3	3,145.5	66.8	224.1	0.1	217.2	6.8	1,438.0	226.3	1,027.2	184.5
2012	5,079.3	428.9	428.0	0.9	2,963.8	2,881.1	82.7	227.5	0.1	219.9	7.4	1,459.2	228.8	994.0	236.4
2013 Q1	5,134.9	398.6	397.8	0.9	2,976.9	2,893.6	83.3	224.3	0.1	218.3	5.9	1,535.0	231.6	1,034.8	268.7
Q2	4,971.5	373.3	371.9	1.4	2,851.2	2,787.9	63.3	222.4	0.1	216.3	5.9	1,524.6	228.6	1,025.8	270.2
	Transactions														
2010	138.9	9.4	6.8	2.6	-8.7	-14.6	5.9	64.9	0.0	64.3	0.5	73.2	16.0	31.1	26.2
2011	10.0	135.1	135.3	-0.2	-289.1	-327.8	38.7	74.1	0.0	74.1	0.0	90.0	10.5	63.5	16.0
2012	-204.0	19.0	20.9	-1.8	-234.6	-251.7	17.2	3.7	0.0	2.7	1.0	7.8	7.4	-14.3	14.7
2012 Q4	-293.0	-0.2	0.2	-0.3	-215.4	-218.1	2.7	-5.8	0.0	-6.1	0.3	-71.6	1.4	-46.1	-26.8
2013 Q1	23.5	-32.2	-32.2	0.0	-0.4	0.2	-0.7	-0.8	0.0	0.4	-1.2	57.0	2.5	31.4	23.1
Q2	-131.1	-21.4	-21.9	0.5	-93.6	-75.8	-17.8	-1.0	0.0	-1.2	0.2	-15.1	-1.5	1.3	-15.0
2013 Apr.	70.7	-1.0	-	-	50.7	-	-	-2.5	-	-	-	23.5	-	-	-
May	-78.2	-11.3	-	-	-62.8	-	-	-1.6	-	-	-	-2.6	-	-	-
June	-123.7	-9.1	-	-	-81.5	-	-	3.0	-	-	-	-36.0	-	-	-
July	-20.8	-5.2	-	-	-24.6	-	-	0.9	-	-	-	8.0	-	-	-
Aug.	-39.2	-2.2	-	-	-26.4	-	-	-0.1	-	-	-	-10.4	-	-	-
	Growth rates														
2010	2.8	3.6	2.6	.	-0.2	-0.3	15.7	78.5	.	83.4	5.8	6.3	8.8	3.6	17.8
2011	0.2	50.4	51.0	.	-8.3	-9.6	90.9	50.4	.	52.7	-0.6	7.6	5.2	7.4	11.0
2012 Q4	-3.8	4.8	5.3	.	-7.3	-8.0	25.8	1.7	.	1.2	16.0	0.5	3.3	-1.5	8.5
2013 Q1	-6.7	18.6	19.3	.	-12.5	-13.3	29.0	-2.0	.	-2.0	-3.0	0.2	1.0	-1.6	7.1
Q2	-8.7	-8.1	-8.0	.	-12.1	-12.0	-15.8	-5.3	.	-5.3	-7.1	-1.9	0.2	-2.4	-1.7

Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

7. Reserve assets [1]

	Reserve assets														Memo items		
	Total	Monetary gold		SDR holdings	Reserve position in the IMF	Foreign exchange								Other claims	Other foreign currency assets	Pre-determined short-term net drains on foreign currency	SDR allo-cations
		In EUR billions	In fine troy ounces (millions)			Total	Currency and deposits		Securities				Financial derivatives				
							With monetary authorities and the BIS	With banks	Total	Equity	Bonds and notes	Money market instruments					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Outstanding amounts (international investment position)																
2009	462.4	266.1	347.180	50.8	10.5	134.9	11.7	8.1	115.2	0.5	92.0	22.7	-0.1	0.0	32.1	-24.2	51.2
2010	591.2	366.2	346.962	54.2	15.8	155.0	7.7	16.0	131.3	0.5	111.2	19.5	0.0	0.0	26.3	-24.4	54.5
2011	667.0	422.1	346.846	54.0	30.2	160.8	5.3	7.8	148.1	0.8	134.1	13.3	-0.4	0.0	97.4	-86.0	55.9
2012 Q4	689.4	437.2	346.693	52.8	31.9	166.8	6.1	8.8	151.3	0.2	130.9	20.2	0.6	0.6	32.8	-35.0	55.0
2013 Q1	687.8	432.7	346.696	52.5	32.4	169.6	5.3	10.0	154.4	0.2	132.6	21.6	-0.1	0.6	31.2	-35.8	55.1
Q2	564.3	315.9	346.672	51.3	31.5	164.7	5.3	7.8	151.6	0.2	133.8	17.6	0.0	0.8	27.3	-31.0	54.2
2013 Aug.	613.0	365.3	346.674	50.9	30.8	165.2	6.5	5.9	152.6	0.2	135.8	16.6	0.1	0.9	23.3	-27.9	53.2
Sep.	586.8	340.5	346.674	50.5	30.5	164.3	5.2	9.2	149.7	0.2	134.0	15.5	0.2	0.9	21.5	-29.4	53.6
	Transactions																
2010	10.5	0.0	-	-0.1	4.9	5.6	-5.4	6.6	4.3	0.0	10.6	-6.3	0.0	0.0	-	-	-
2011	10.3	0.0	-	-1.6	13.0	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.1	0.0	-	-	-
2012	13.9	0.0	-	-0.3	3.4	10.2	0.6	1.2	8.0	-0.4	-0.7	9.1	0.4	0.7	-	-	-
2012 Q4	2.8	0.0	-	0.3	-1.5	4.0	0.5	1.0	2.4	0.0	-0.5	2.9	0.1	0.1	-	-	-
2013 Q1	0.0	0.0	-	-0.5	0.3	0.2	-1.1	0.8	0.9	0.0	-0.8	1.7	-0.5	0.0	-	-	-
Q2	1.1	0.0	-	-0.3	-0.3	1.5	0.1	-1.8	3.5	0.0	6.3	-2.8	-0.2	0.2	-	-	-
	Growth rates																
2009	-1.3	-0.9	-	-2.6	45.5	-4.4	41.1	-21.3	-7.3	1.0	-12.8	25.3	-	-	-	-	-
2010	2.0	0.0	-	-0.1	46.7	3.7	-43.3	75.9	3.6	-5.2	10.3	-24.5	-	-	-	-	-
2011	1.6	0.0	-	-3.0	83.3	-1.3	-30.0	-52.7	6.8	27.4	14.2	-45.3	-	-	-	-	-
2012 Q4	2.0	0.0	-	-0.5	11.0	6.5	12.2	15.2	5.6	-53.5	-0.6	82.5	-	-	-	-	-
2013 Q1	1.7	0.0	-	-0.9	7.4	6.1	-6.6	30.5	5.5	-50.1	-0.3	67.7	-	-	-	-	-
Q2	0.6	0.0	-	-0.9	2.4	1.9	-19.1	-1.6	3.4	-41.8	4.7	-4.5	-	-	-	-	-

8. Gross external debt

	Total	By instrument						By sector (excluding direct investment)			
		Loans, currency and deposits	Money market instruments	Bonds and notes	Trade credits	Other debt liabilities	Direct investment: inter-company lending	General government	Eurosystem	MFIs (excluding Eurosystem)	Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2009	10,341.7	4,469.0	525.7	3,523.2	176.9	184.9	1,462.1	1,966.1	253.4	4,579.8	2,080.3
2010	10,910.7	4,708.7	453.3	3,824.0	202.5	200.0	1,522.2	2,140.9	271.0	4,743.7	2,232.9
2011	11,929.7	4,799.8	444.4	4,228.3	226.4	260.9	1,970.0	2,285.9	412.7	4,553.5	2,707.8
2012 Q4	12,091.6	4,522.9	461.2	4,438.9	229.0	327.5	2,112.2	2,488.3	428.9	4,243.9	2,818.4
2013 Q1	12,254.2	4,544.4	501.2	4,498.1	231.7	358.7	2,119.9	2,553.8	398.6	4,273.2	2,908.6
Q2	12,063.1	4,401.9	493.6	4,436.4	228.7	340.8	2,161.6	2,535.4	373.3	4,116.1	2,876.7
	Outstanding amounts as a percentage of GDP										
2009	116.0	50.1	5.9	39.5	2.0	2.1	16.4	22.0	2.8	51.3	23.3
2010	119.1	51.4	4.9	41.7	2.2	2.2	16.6	23.4	3.0	51.8	24.4
2011	126.6	51.0	4.7	44.9	2.4	2.8	20.9	24.3	4.4	48.3	28.7
2012 Q4	127.5	47.7	4.9	46.8	2.4	3.5	22.3	26.2	4.5	44.7	29.7
2013 Q1	129.1	47.9	5.3	47.4	2.4	3.8	22.3	26.9	4.2	45.0	30.6
Q2	126.7	46.2	5.2	46.6	2.4	3.6	22.7	26.6	3.9	43.2	30.2

Source: ECB.
1) Data refer to the changing composition of the euro area, in line with the approach adopted for the reserve assets of the Eurosystem. For further information, see the General Notes.

7.3 Financial account

(EUR billions; outstanding amounts at end of period; transactions during period)

9. Geographical breakdown

	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries [1]	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2012	Outstanding amounts (international investment position)														
Direct investment	1,436.7	421.2	-16.2	19.6	135.0	284.0	-1.2	103.4	79.0	-22.3	161.0	176.1	-223.4	-0.2	741.7
Abroad	5,881.3	1,689.6	29.4	171.7	1,156.7	331.7	0.1	211.4	99.6	79.2	597.2	1,322.6	585.4	0.1	1,296.3
Equity/reinvested earnings	4,374.3	1,250.6	22.8	103.9	867.4	256.4	0.0	165.3	81.3	57.1	451.3	929.8	486.6	0.1	952.2
Other capital	1,507.0	439.0	6.5	67.8	289.4	75.2	0.1	46.1	18.3	22.1	145.9	392.7	98.8	0.0	344.2
In the euro area	4,444.6	1,268.4	45.6	152.2	1,021.7	47.7	1.3	108.0	20.6	101.5	436.1	1,146.4	808.7	0.3	554.6
Equity/reinvested earnings	3,124.5	1,017.0	36.8	136.2	810.0	32.7	1.3	86.9	7.8	88.1	262.7	856.5	425.6	0.0	379.7
Other capital	1,320.2	251.4	8.7	16.0	211.8	14.9	0.0	21.1	12.7	13.4	173.4	289.9	383.1	0.2	174.9
Portfolio investment assets	5,265.0	1,678.1	99.7	227.9	1,044.3	120.0	186.3	102.1	61.2	215.1	131.4	1,637.4	433.2	33.1	973.4
Equity	1,947.3	391.2	17.2	48.9	310.4	14.4	0.1	39.6	57.2	105.7	117.1	621.1	237.0	0.9	377.6
Debt instruments	3,317.7	1,286.9	82.4	178.9	733.8	105.6	186.1	62.4	4.0	109.5	14.3	1,016.3	196.2	32.2	595.8
Bonds and notes	2,852.0	1,135.7	75.8	148.5	621.7	104.7	185.0	58.1	2.6	36.8	11.2	855.2	184.4	31.6	536.3
Money market instruments	465.7	151.3	6.6	30.4	112.1	0.9	1.2	4.3	1.3	72.7	3.0	161.1	11.8	0.6	59.5
Other investment	-260.9	-240.7	10.7	-26.1	-47.1	45.0	-223.1	1.7	-15.7	5.1	-32.8	54.5	51.3	-77.1	-7.3
Assets	4,818.4	2,188.4	77.4	85.7	1,840.4	165.6	19.3	27.9	48.9	81.9	268.0	676.7	537.3	36.6	952.8
General government	167.9	65.6	1.0	4.6	43.4	1.8	14.9	1.8	3.1	0.9	1.5	11.0	3.3	30.6	50.2
MFIs	2,963.9	1,530.7	58.4	49.8	1,292.0	128.2	2.2	16.4	24.3	65.9	146.8	394.7	392.6	5.2	387.4
Other sectors	1,686.6	592.0	18.0	31.2	505.0	35.6	2.2	9.7	21.5	15.1	119.8	270.9	141.4	0.8	515.2
Liabilities	5,079.3	2,429.0	66.8	111.7	1,887.5	120.6	242.4	26.2	64.6	76.8	300.8	622.1	485.9	113.7	960.0
General government	227.5	107.1	0.3	0.9	26.3	0.2	79.4	0.1	0.0	0.1	1.1	29.6	1.2	83.1	5.1
MFIs	3,392.7	1,644.5	56.3	86.6	1,306.0	92.9	102.7	17.0	38.2	50.7	239.2	338.5	387.9	28.1	648.5
Other sectors	1,459.2	677.4	10.1	24.2	555.1	27.6	60.3	9.1	26.4	26.0	60.6	254.0	96.8	2.5	306.5
2012 Q3 to 2013 Q2	Cumulated transactions														
Direct investment	69.3	60.5	-11.6	-33.5	96.7	8.9	0.0	-12.6	7.5	1.2	11.2	-21.9	-29.3	0.0	52.7
Abroad	284.9	95.3	0.7	2.8	79.3	12.6	0.0	1.3	9.4	1.1	21.3	46.3	-8.3	0.0	118.6
Equity/reinvested earnings	130.3	82.3	0.7	8.2	68.3	5.1	0.0	-4.5	8.9	1.4	-5.1	30.5	-18.7	0.0	35.4
Other capital	154.6	13.1	0.0	-5.4	11.0	7.5	0.0	5.8	0.5	-0.3	26.3	15.7	10.4	0.0	83.2
In the euro area	215.6	34.9	12.2	36.3	-17.4	3.7	0.0	13.9	1.9	-0.1	10.0	68.2	21.1	0.0	65.9
Equity/reinvested earnings	188.1	27.4	12.6	22.9	-10.1	2.0	0.0	11.4	1.3	4.0	9.7	51.3	47.3	0.0	35.8
Other capital	27.5	7.5	-0.4	13.4	-7.3	1.7	0.0	2.5	0.6	-4.2	0.3	16.9	-26.2	0.0	30.0
Portfolio investment assets	247.6	-10.1	5.2	11.2	-45.9	9.4	10.0	6.7	5.8	37.6	0.9	65.7	4.0	-0.8	137.8
Equity	141.4	35.0	0.9	3.4	30.8	-0.1	0.0	2.8	5.0	21.4	2.7	45.9	1.3	0.0	27.3
Debt instruments	106.2	-45.1	4.4	7.8	-76.7	9.4	10.0	3.9	0.7	16.2	-1.8	19.8	2.7	-0.8	110.5
Bonds and notes	117.6	-15.2	1.4	8.3	-45.6	8.2	12.4	2.4	0.4	-8.2	-1.2	26.4	-0.6	-1.3	114.8
Money market instruments	-11.5	-29.9	2.9	-0.5	-31.1	1.2	-2.4	1.5	0.3	24.4	-0.6	-6.6	3.3	0.5	-4.3
Other investment	315.0	179.5	-25.5	1.6	225.7	-17.4	-4.8	11.0	31.5	8.7	64.1	13.9	4.9	-21.4	23.0
Assets	-158.4	-147.6	-20.0	-0.4	-110.4	-15.5	-1.3	7.3	0.1	4.4	-0.6	-5.1	-32.9	0.3	15.7
General government	-6.0	-6.3	1.5	0.2	-7.9	-0.9	0.8	0.2	-0.1	-1.1	0.3	0.0	0.2	0.1	0.5
MFIs	-137.9	-135.0	-22.9	2.3	-95.1	-17.1	-2.3	2.9	1.9	8.4	1.2	-6.0	0.9	0.1	-12.4
Other sectors	-14.4	-6.3	1.4	-2.9	-7.5	2.6	0.2	4.2	-1.7	-2.9	-2.1	0.9	-34.0	0.0	27.6
Liabilities	-473.4	-327.1	5.4	-1.9	-336.1	1.9	3.5	-3.7	-31.4	-4.2	-64.7	-18.9	-37.8	21.7	-7.3
General government	-12.6	-18.5	0.1	0.3	-24.6	0.1	5.7	0.0	0.0	0.0	0.0	-6.3	-0.2	12.8	-0.5
MFIs	-432.3	-269.9	3.6	-1.3	-265.2	-0.7	-6.3	-6.2	-31.5	-4.1	-66.4	-17.7	-36.5	8.3	-8.3
Other sectors	-28.5	-38.7	1.8	-0.9	-46.4	2.5	4.2	2.5	0.1	-0.1	1.7	5.0	-1.1	0.5	1.5

Source: ECB.

1) Excluding Croatia.

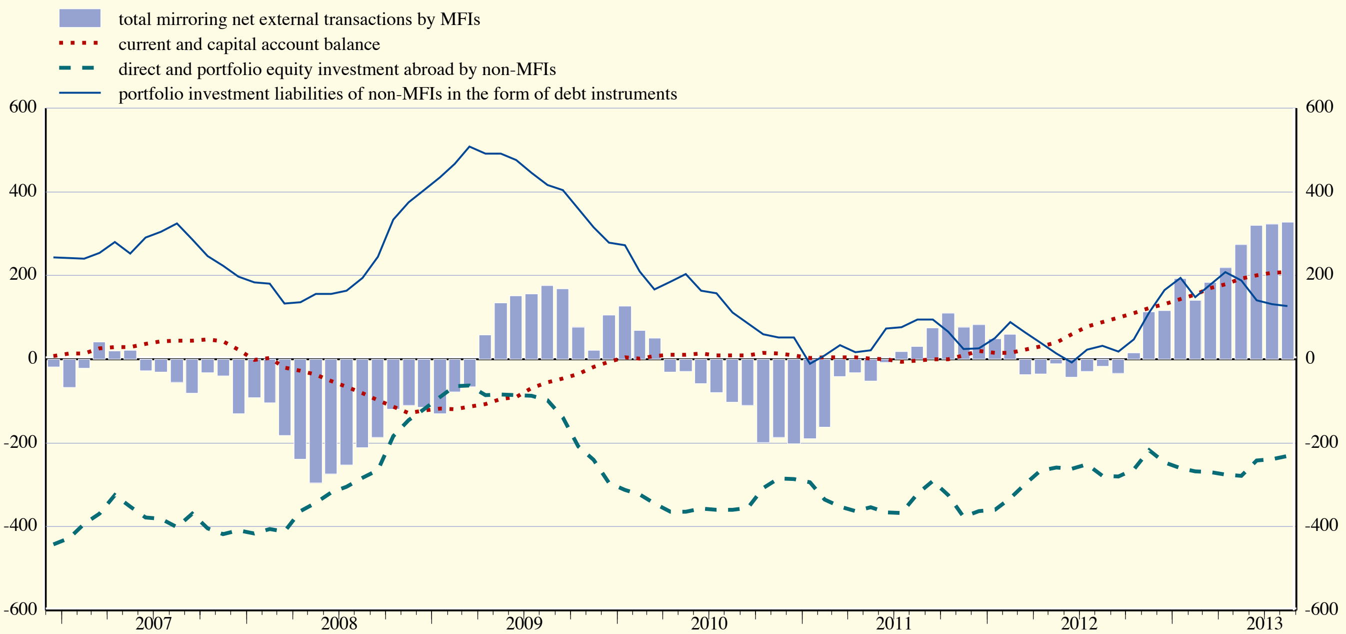
7.4 Monetary presentation of the balance of payments [1]

(EUR billions; transactions)

	B.o.p. items mirroring net transactions by MFIs											
	Total	Current and capital account balance	Transactions by non-MFIs								Financial derivatives	Errors and omissions
			Direct investment		Portfolio investment				Other investment			
			By resident units abroad	By non-resident units in euro area	Assets		Liabilities		Assets	Liabilities		
					Equity	Debt instruments	Equity	Debt instruments				
	1	2	3	4	5	6	7	8	9	10	11	12
2010	-202.5	9.4	-327.7	268.0	-77.4	-245.6	142.4	52.3	-154.8	138.0	10.3	-17.4
2011	82.5	19.2	-501.4	427.5	55.4	-47.6	55.4	26.4	-136.1	164.1	-5.3	25.0
2012	116.3	131.2	-331.9	318.1	-54.6	-185.6	162.2	164.7	-112.4	11.5	3.4	9.8
2012 Q2	3.2	27.4	-92.6	63.8	18.2	-21.4	1.0	55.6	-47.8	23.2	-12.2	-11.8
Q3	43.2	47.2	-50.9	79.1	-5.6	-48.2	37.7	5.2	-7.2	-3.8	-2.9	-7.5
Q4	108.3	68.2	-112.9	84.6	-50.5	-34.8	91.4	66.9	15.5	-77.4	25.4	32.0
2013 Q1	29.3	26.4	-56.6	28.7	-48.9	-54.1	65.6	49.3	-44.5	56.2	8.4	-1.2
Q2	138.4	58.1	-61.3	13.2	-8.9	-20.8	98.4	18.7	56.5	-16.1	2.4	-1.8
2012 Aug.	24.2	11.3	-28.8	52.0	0.0	-15.5	11.6	-4.9	9.6	-12.8	5.5	-3.7
Sep.	6.8	13.9	-0.6	-11.4	-9.1	-13.7	29.2	6.7	-9.1	-1.0	-3.9	5.8
Oct.	9.0	16.0	-61.1	12.8	-8.5	-12.2	39.3	6.8	5.3	-10.3	9.8	11.1
Nov.	64.5	23.1	-28.0	43.7	-7.8	-21.2	21.8	37.9	-15.7	-6.9	6.2	11.4
Dec.	34.9	29.1	-23.8	28.1	-34.2	-1.3	30.3	22.2	25.9	-60.2	9.5	9.5
2013 Jan.	39.1	-6.7	-23.7	11.3	-16.9	-19.5	38.1	14.6	-1.2	36.5	4.6	2.0
Feb.	-32.6	10.1	-14.4	15.5	-17.3	-28.2	10.3	4.2	-27.6	11.1	2.7	0.9
Mar.	22.9	22.9	-18.5	2.0	-14.8	-6.5	17.2	30.6	-15.7	8.6	1.1	-4.2
Apr.	7.0	15.7	-22.2	9.5	-18.8	-24.8	16.8	27.7	-15.0	21.0	-5.6	2.8
May	75.1	12.4	-10.1	-6.3	-5.4	-8.8	48.1	17.9	39.2	-4.1	-7.3	-0.5
June	56.3	30.1	-29.0	9.9	15.3	12.8	33.5	-26.9	32.4	-33.0	15.3	-4.1
July	16.1	28.4	-9.8	5.9	-9.0	-15.0	5.9	-5.0	5.3	8.9	-0.7	1.2
Aug.	28.1	13.4	-21.9	14.5	5.7	-0.9	14.9	-9.0	12.8	-10.5	6.9	2.2
	12-month cumulated transactions											
2013 Aug.	327.0	208.3	-263.0	135.4	-120.7	-139.3	305.4	127.7	36.6	-39.9	38.4	38.1

C38 Main b.o.p. items mirroring developments in MFI net external transactions [1]

(EUR billions; 12-month cumulated transactions)



Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

7.5 Trade in goods

1. Values and volumes by product group 1)

(seasonally adjusted, unless otherwise indicated)

	Total (n.s.a.)		Exports (f.o.b.)					Imports (c.i.f.)					
			Total				Memo item:	Total				Memo items:	
	Exports	Imports		Intermediate	Capital	Consumption	Manufacturing		Intermediate	Capital	Consumption	Manufacturing	Oil
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Values (EUR billions; annual percentage changes for columns 1 and 2)												
2011	13.0	13.3	1,747.9	879.2	353.7	474.5	1,426.7	1,761.4	1,127.8	240.3	367.1	1,104.8	324.4
2012	7.4	1.8	1,875.4	928.5	384.8	516.2	1,524.8	1,789.8	1,147.4	244.8	369.1	1,092.5	360.0
2012 Q3	7.5	0.5	474.5	233.3	96.9	131.9	387.1	448.4	285.6	61.6	92.9	273.6	89.7
Q4	5.7	1.1	468.2	231.1	96.4	128.5	379.5	439.5	279.8	59.0	91.9	268.9	89.8
2013 Q1	1.3	-5.2	475.1	234.2	96.1	133.4	384.0	435.9	275.6	59.5	90.5	268.6	87.1
Q2	1.9	-3.2	474.1	228.4	96.5	132.3	385.4	432.4	271.4	59.0	90.6	266.8	85.8
2013 Mar.	0.2	-10.1	161.6	79.6	33.1	45.0	131.4	142.9	90.3	19.5	30.1	90.6	27.9
Apr.	9.1	1.8	159.5	77.1	33.1	44.4	127.6	144.6	91.0	19.9	30.1	88.1	29.0
May	-0.1	-5.4	156.5	75.3	31.6	43.4	130.1	142.9	89.5	19.4	30.1	90.5	28.5
June	-2.9	-5.7	158.1	76.0	31.8	44.6	127.7	144.9	90.9	19.7	30.4	88.2	28.3
July	2.8	0.2	155.8	75.2	31.4	43.9	127.2	144.8	91.1	19.6	30.4	89.3	29.9
Aug.	-5.4	-7.2	157.4	.	.	.	126.9	145.1	.	.	.	88.4	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2011	7.6	3.2	108.2	107.5	111.1	107.8	108.8	103.0	103.7	103.1	100.7	104.7	98.0
2012	3.6	-3.0	111.8	109.9	116.7	111.8	112.6	99.5	100.7	98.8	96.1	99.8	98.8
2012 Q3	3.1	-5.4	112.4	110.0	115.9	113.2	113.6	98.6	99.6	97.5	94.7	98.5	99.3
Q4	2.6	-2.2	111.3	109.1	116.8	110.6	111.7	98.0	98.9	95.6	95.2	98.0	99.7
2013 Q1	0.5	-4.4	113.6	111.1	116.3	116.2	113.9	98.0	98.4	95.6	94.6	98.6	97.6
Q2	1.8	-1.2	113.2	109.0	115.5	114.5	113.7	98.6	99.6	93.5	94.0	97.6	102.2
2013 Feb.	-1.3	-6.0	111.9	109.2	114.3	115.2	111.9	97.9	98.1	93.1	94.1	95.7	96.9
Mar.	-0.7	-8.9	116.1	113.4	120.0	118.0	117.0	96.3	96.9	92.4	94.4	99.5	94.6
Apr.	8.6	3.3	114.2	110.0	119.0	115.6	113.1	97.9	99.1	93.2	93.2	95.9	101.8
May	0.2	-3.1	112.3	108.0	113.6	112.9	115.3	98.3	99.0	93.2	93.9	99.9	103.3
June	-2.8	-3.7	113.2	109.2	113.9	115.1	112.8	99.7	100.6	94.2	95.0	97.0	101.4
July	4.1	2.7	112.4	108.9	112.5	114.9	113.3	99.7	101.0	93.9	95.0	98.4	106.8

2. Prices 2)

(annual percentage changes, unless otherwise indicated)

	Industrial producer export prices (f.o.b.) 3)							Industrial import prices (c.i.f.)						
	Total (index: 2010 = 100)	Total					Memo item: Manufacturing	Total (index: 2010 = 100)	Total					Memo item: Manufacturing
			Intermediate goods	Capital goods	Consumer goods	Energy				Intermediate goods	Capital goods	Consumer goods	Energy	
% of total	100.0	100.0	30.1	42.0	18.5	9.4	96.4	100.0	100.0	29.0	25.4	23.3	22.4	80.4
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	104.1	4.1	5.6	1.3	1.5	23.0	3.8	107.4	7.3	4.1	-1.4	3.5	25.6	2.9
2012	106.8	2.6	1.0	1.8	2.2	9.7	2.4	110.6	3.0	0.1	1.5	2.6	7.2	1.9
2012 Q4	106.6	1.6	0.6	1.2	2.0	3.7	1.6	109.7	1.2	0.5	0.3	2.1	1.9	1.3
2013 Q1	106.4	-0.1	-0.5	0.4	1.4	-4.4	-0.1	109.3	-1.5	-0.8	-1.1	1.1	-4.0	-0.6
Q2	105.4	-1.3	-1.7	0.1	1.1	-9.5	-0.9	107.6	-2.6	-2.1	-1.5	0.8	-6.0	-1.3
2013 Mar.	106.2	-0.7	-0.7	0.6	1.4	-8.8	-0.5	109.4	-2.1	-1.0	-0.1	1.5	-7.0	-0.3
Apr.	105.7	-1.3	-1.3	0.6	1.4	-12.8	-0.9	108.2	-3.0	-1.5	-0.7	1.4	-9.0	-0.9
May	105.5	-1.3	-1.9	0.2	1.2	-10.2	-0.9	107.6	-2.8	-2.0	-1.6	1.0	-6.7	-1.3
June	105.0	-1.2	-1.9	-0.4	0.8	-5.0	-0.9	107.1	-2.1	-2.8	-2.2	0.0	-2.0	-1.7
July	105.3	-1.5	-1.8	-0.6	0.7	-5.9	-1.2	107.3	-3.1	-3.2	-3.2	-0.4	-3.9	-2.5
Aug.	105.2	-2.4	.	.	0.5	-10.9	-2.0	.	.	.	.	.	.	.

Source: Eurostat.

1) Product groups as classified in the Broad Economic Categories. Unlike the product groups shown in Table 2, intermediate and consumption product groups include agricultural and energy products.

2) Product groups as classified in the Main Industrial Groupings. Unlike the product groups shown in Table 1, intermediate and consumer goods do not include energy products, and agricultural goods are not covered. Manufacturing has a different composition compared with the data shown in columns 7 and 12 of Table 1. Data shown are price indices which follow the pure price change for a basket of products and are not simple ratios of the value and volume data shown in Table 1, which are affected by changes in the composition and quality of traded goods. These indices differ from the GDP deflators for imports and exports (shown in Table 3 in Section 5.1), mainly because those deflators include all goods and services and cover cross-border trade within the euro area.

3) Industrial producer export prices refer to direct transactions between domestic producers and non-domestic customers. Contrary to the data shown for values and volumes in Table 1, exports from wholesalers and re-exports are not covered.

7.5 Trade in goods
(EUR billions, unless otherwise indicated; seasonally adjusted)

3. Geographical breakdown

	Total	EU Member States outside the euro area				Russia	Switzer-land	Turkey	United States	Asia			Africa	Latin America	Other countries
		Denmark	Sweden	United Kingdom	Other EU countries						China	Japan			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Exports (f.o.b.)														
2011	1,747.9	32.9	60.5	213.5	250.5	79.9	109.2	56.8	200.6	405.6	115.6	39.4	112.3	84.6	141.6
2012	1,875.4	34.0	59.1	230.3	252.5	90.1	116.4	59.4	224.0	439.4	120.7	44.7	126.2	97.3	146.6
2012 Q1	465.2	8.4	15.0	56.5	63.3	22.0	29.4	14.6	55.7	108.6	31.4	10.6	31.1	23.6	37.1
Q2	467.4	8.6	14.9	57.1	63.1	22.7	29.2	14.5	56.1	109.1	30.5	11.4	31.4	24.4	36.1
Q3	474.5	8.4	14.8	58.4	63.4	22.9	29.1	15.1	58.2	110.4	29.7	11.5	31.2	24.5	38.0
Q4	468.2	8.6	14.3	58.4	62.7	22.4	28.7	15.2	53.9	111.3	29.1	11.2	32.4	24.8	35.4
2013 Q1	475.1	8.6	14.5	58.6	64.1	23.1	28.2	15.6	55.5	111.2	29.6	11.0	34.3	25.0	36.3
Q2	474.1	8.6	14.6	59.2	63.3	22.5	27.4	15.5	54.9	110.1	30.0	10.7	33.1	24.6	40.2
2013 Mar.	161.6	2.9	4.8	20.1	21.3	7.5	9.6	5.1	19.6	38.8	10.1	3.8	11.2	8.9	11.8
Apr.	159.5	2.8	4.8	19.0	20.7	7.6	9.2	5.1	18.4	36.7	10.1	3.5	11.0	8.0	16.1
May	156.5	2.9	5.0	20.2	21.2	7.7	9.3	5.3	18.8	37.4	10.0	3.6	11.1	8.6	9.0
June	158.1	2.9	4.8	20.0	21.3	7.3	8.9	5.1	17.7	36.0	9.9	3.6	11.0	8.0	15.1
July	155.8	2.9	5.2	19.7	21.3	7.4	9.6	4.9	17.8	36.5	10.2	3.6	11.0	8.4	11.2
Aug.	157.4	.	.	.	.	7.0	9.2	4.9	18.7	37.1	10.8	3.7	10.8	8.2	.
	Percentage share of total exports														
2012	100.0	1.8	3.2	12.3	13.5	4.8	6.2	3.2	11.9	23.4	6.4	2.4	6.7	5.2	7.8
	Imports (c.i.f.)														
2011	1,761.4	29.9	53.2	166.9	231.7	138.7	81.6	35.0	140.8	553.5	218.5	52.6	129.1	91.2	109.8
2012	1,789.8	29.0	52.9	168.0	233.7	143.2	80.9	33.9	150.5	539.5	213.6	49.0	157.0	92.8	108.3
2012 Q1	452.8	7.2	13.3	42.6	58.3	37.7	20.1	8.4	37.9	138.3	53.3	12.9	39.7	23.9	25.4
Q2	449.1	7.3	13.2	41.2	58.0	35.1	19.8	8.4	37.6	137.6	56.0	12.6	38.4	23.1	29.5
Q3	448.4	7.3	13.6	42.5	58.8	33.8	21.1	8.4	39.1	133.1	53.4	12.1	39.3	23.3	28.2
Q4	439.5	7.2	12.9	41.7	58.6	36.7	20.0	8.6	35.8	130.6	50.9	11.4	39.6	22.6	25.2
2013 Q1	435.9	7.5	13.3	41.8	59.1	38.7	20.2	8.8	35.5	127.4	51.7	10.7	38.5	21.2	23.9
Q2	432.4	7.2	13.5	40.6	58.5	34.2	20.5	8.7	37.4	127.2	50.8	10.7	36.3	20.2	28.1
2013 Mar.	142.9	2.6	4.6	13.9	20.0	12.7	6.8	2.9	11.9	41.9	17.6	3.5	12.2	7.1	6.4
Apr.	144.6	2.4	4.5	13.1	19.3	12.2	6.3	2.9	12.3	42.5	16.5	3.6	12.6	6.5	10.2
May	142.9	2.4	4.5	14.1	19.5	11.5	7.1	2.9	12.7	43.4	17.8	3.7	11.7	6.9	6.2
June	144.9	2.4	4.5	13.5	19.7	10.5	7.1	2.9	12.4	41.3	16.5	3.5	12.0	6.8	11.8
July	144.8	2.5	4.7	13.5	19.7	11.7	7.0	3.0	12.5	42.6	16.9	3.4	11.9	6.8	9.0
Aug.	145.1	.	.	.	.	12.4	7.2	2.9	12.2	42.9	17.1	3.6	11.3	6.4	.
	Percentage share of total imports														
2012	100.0	1.6	3.0	9.4	13.1	8.0	4.5	1.9	8.4	30.1	11.9	2.7	8.8	5.2	6.0
	Balance														
2011	-13.6	3.0	7.3	46.6	18.9	-58.9	27.6	21.7	59.8	-147.9	-102.9	-13.2	-16.9	-6.5	31.8
2012	85.6	5.0	6.2	62.3	18.8	-53.2	35.5	25.5	73.5	-100.2	-93.0	-4.3	-30.8	4.5	38.4
2012 Q1	12.4	1.2	1.8	13.9	4.9	-15.6	9.3	6.2	17.8	-29.7	-21.9	-2.3	-8.5	-0.3	11.7
Q2	18.3	1.3	1.7	15.8	5.1	-12.4	9.5	6.1	18.5	-28.4	-25.6	-1.2	-7.0	1.4	6.7
Q3	26.1	1.2	1.3	15.9	4.7	-10.9	8.0	6.6	19.1	-22.7	-23.7	-0.6	-8.1	1.3	9.8
Q4	28.8	1.4	1.4	16.7	4.1	-14.3	8.7	6.6	18.1	-19.3	-21.8	-0.2	-7.1	2.2	10.3
2013 Q1	39.2	1.1	1.2	16.8	5.0	-15.6	8.0	6.8	20.1	-16.2	-22.1	0.4	-4.3	3.8	12.5
Q2	41.7	1.3	1.2	18.5	4.8	-11.7	7.0	6.8	17.6	-17.1	-20.9	0.0	-3.2	4.4	12.0
2013 Mar.	18.7	0.3	0.1	6.3	1.4	-5.2	2.7	2.2	7.8	-3.1	-7.5	0.3	-0.9	1.8	5.4
Apr.	15.0	0.4	0.4	6.0	1.4	-4.6	2.9	2.2	6.2	-5.8	-6.4	-0.1	-1.6	1.5	6.0
May	13.5	0.4	0.5	6.0	1.7	-3.8	2.2	2.4	6.1	-6.1	-7.8	0.0	-0.6	1.7	2.8
June	13.2	0.5	0.3	6.5	1.6	-3.3	1.8	2.2	5.3	-5.3	-6.7	0.1	-1.0	1.2	3.2
July	11.0	0.4	0.4	6.2	1.6	-4.2	2.6	1.9	5.3	-6.2	-6.7	0.2	-0.9	1.5	2.3
Aug.	12.3	.	.	.	.	-5.4	2.0	1.9	6.5	-5.8	-6.3	0.2	-0.5	1.8	.

Source: Eurostat.

EXCHANGE RATES

8

8.1 Effective exchange rates [1]

(period averages; index: 1999 Q1=100)

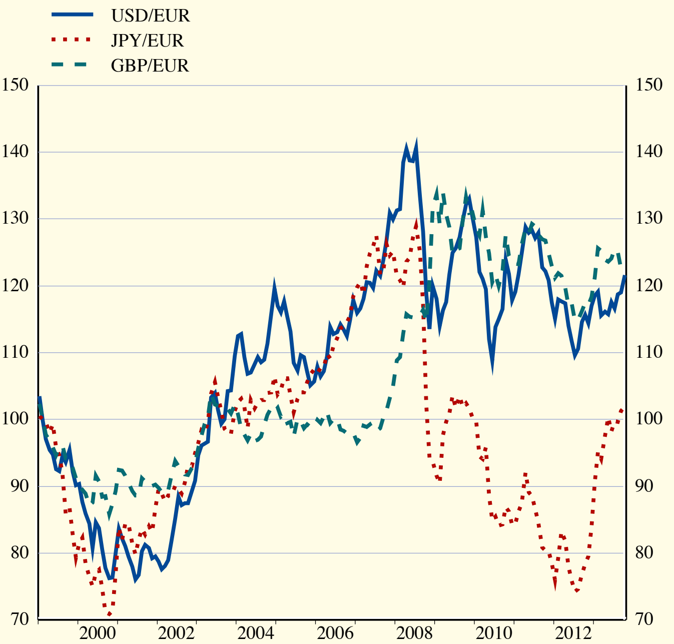
	EER-21						EER-40	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM [2]	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2010	103.6	101.5	98.2	96.5	112.3	97.9	111.5	98.1
2011	103.4	100.6	97.6	95.0	110.7	96.2	112.2	97.6
2012	97.9	95.5	93.2	89.7	105.0	90.5	107.1	92.8
2012 Q3	95.9	93.7	91.7	87.8	103.1	89.1	105.0	91.2
Q4	97.9	95.5	93.6	89.5	103.5	89.3	107.4	92.9
2013 Q1	100.8	98.2	96.1	92.1	106.8	92.5	110.2	94.9
Q2	100.9	98.2	96.0	92.6	106.7	92.0	110.6	95.0
Q3	101.9	99.2	96.9	.	.	.	112.9	96.8
2012 Oct.	97.8	95.5	93.5	-	-	-	107.3	92.9
Nov.	97.3	94.9	93.0	-	-	-	106.7	92.3
Dec.	98.7	96.2	94.4	-	-	-	108.3	93.5
2013 Jan.	100.4	97.9	95.9	-	-	-	109.9	94.8
Feb.	101.7	99.0	96.9	-	-	-	111.2	95.7
Mar.	100.2	97.8	95.4	-	-	-	109.5	94.4
Apr.	100.5	97.8	95.7	-	-	-	109.8	94.3
May	100.6	98.0	95.7	-	-	-	110.0	94.5
June	101.6	98.8	96.5	-	-	-	112.0	96.1
July	101.5	98.8	96.6	-	-	-	112.0	96.1
Aug.	102.2	99.5	97.2	-	-	-	113.4	97.3
Sep.	102.0	99.1	97.0	-	-	-	113.3	97.0
Oct.	102.9	99.9	97.8	-	-	-	114.2	97.6
	Percentage change versus previous month							
2013 Oct.	0.9	0.8	0.8	-	-	-	0.8	0.6
	Percentage change versus previous year							
2013 Oct.	5.2	4.6	4.6	-	-	-	6.4	5.1

C39 Effective exchange rates

(monthly averages; index: 1999 Q1=100)

C40 Bilateral exchange rates

(monthly averages; index: 1999 Q1=100)



Source: ECB.

1) For a definition of the trading partner groups and other information, please refer to the General Notes.

2) ULCM-deflated series are available only for the EER-20 trading partner group.

8.2 Bilateral exchange rates

(period averages; units of national currency per euro)

	Bulgarian lev	Czech koruna	Danish krone	Croatian kuna	Latvian lats	Lithuanian litas	Hungarian forint	Polish zloty	New Romanian leu	Swedish krona	Pound sterling	New Turkish lira
	1	2	3	4	5	6	7	8	9	10	11	12
2010	1.9558	25.284	7.4473	7.2891	0.7087	3.4528	275.48	3.9947	4.2122	9.5373	0.85784	1.9965
2011	1.9558	24.590	7.4506	7.4390	0.7063	3.4528	279.37	4.1206	4.2391	9.0298	0.86788	2.3378
2012	1.9558	25.149	7.4437	7.5217	0.6973	3.4528	289.25	4.1847	4.4593	8.7041	0.81087	2.3135
2013 Q1	1.9558	25.565	7.4589	7.5838	0.6996	3.4528	296.50	4.1558	4.3865	8.4965	0.85111	2.3577
Q2	1.9558	25.831	7.4555	7.5566	0.7009	3.4528	295.53	4.1982	4.3958	8.5652	0.85056	2.4037
Q3	1.9558	25.853	7.4580	7.5459	0.7025	3.4528	297.96	4.2477	4.4410	8.6798	0.85453	2.6092
2013 Apr.	1.9558	25.841	7.4553	7.6076	0.7006	3.4528	298.67	4.1359	4.3780	8.4449	0.85076	2.3406
May	1.9558	25.888	7.4536	7.5684	0.7002	3.4528	292.38	4.1799	4.3360	8.5725	0.84914	2.3739
June	1.9558	25.759	7.4576	7.4901	0.7019	3.4528	295.70	4.2839	4.4803	8.6836	0.85191	2.5028
July	1.9558	25.944	7.4579	7.5061	0.7024	3.4528	294.90	4.2745	4.4244	8.6609	0.86192	2.5274
Aug.	1.9558	25.818	7.4580	7.5372	0.7027	3.4528	299.46	4.2299	4.4371	8.7034	0.85904	2.6125
Sep.	1.9558	25.789	7.4579	7.5985	0.7026	3.4528	299.75	4.2371	4.4633	8.6758	0.84171	2.6952
Oct.	1.9558	25.662	7.4592	7.6193	0.7028	3.4528	294.76	4.1902	4.4444	8.7479	0.84720	2.7095
	Percentage change versus previous month											
2013 Oct.	0.0	-0.5	0.0	0.3	0.0	0.0	-1.7	-1.1	-0.4	0.8	0.7	0.5
	Percentage change versus previous year											
2013 Oct.	0.0	2.9	0.0	1.4	0.9	0.0	4.5	2.0	-2.6	1.5	5.0	15.9

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Indian rupee [1]	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	13	14	15	16	17	18	19	20	21	22
2010	1.4423	2.3314	1.3651	8.9712	10.2994	60.5878	12,041.70	4.9457	116.24	4.2668
2011	1.3484	2.3265	1.3761	8.9960	10.8362	64.8859	12,206.51	4.9775	110.96	4.2558
2012	1.2407	2.5084	1.2842	8.1052	9.9663	68.5973	12,045.73	4.9536	102.49	3.9672
2013 Q1	1.2714	2.6368	1.3313	8.2209	10.2428	71.5390	12,789.08	4.8969	121.80	4.0699
Q2	1.3203	2.6994	1.3368	8.0376	10.1383	73.0046	12,784.60	4.7407	129.07	4.0088
Q3	1.4465	3.0304	1.3760	8.1111	10.2696	82.3565	14,115.14	4.7459	131.02	4.2904
2013 Apr.	1.2539	2.6060	1.3268	8.0564	10.1110	70.7738	12,664.51	4.7164	127.54	3.9686
May	1.3133	2.6414	1.3257	7.9715	10.0766	71.4760	12,673.13	4.7223	131.13	3.9200
June	1.3978	2.8613	1.3596	8.0905	10.2349	77.0284	13,033.31	4.7865	128.40	4.1488
July	1.4279	2.9438	1.3619	8.0234	10.1455	78.1762	13,189.17	4.7153	130.39	4.1746
Aug.	1.4742	3.1170	1.3853	8.1477	10.3223	83.9480	14,168.72	4.7610	130.34	4.3631
Sep.	1.4379	3.0345	1.3817	8.1690	10.3504	85.2678	15,073.16	4.7636	132.41	4.3410
Oct.	1.4328	2.9860	1.4128	8.3226	10.5724	84.0071	15,109.54	4.8232	133.32	4.3283
	Percentage change versus previous month									
2013 Oct.	-0.4	-1.6	2.2	1.9	2.1	-1.5	0.2	1.3	0.7	-0.3
	Percentage change versus previous year									
2013 Oct.	13.8	13.4	10.4	2.3	5.1	22.0	21.3	-3.5	30.1	9.2

	Mexican peso	New Zealand dollar	Norwegian krone	Philippine peso	Russian rouble	Singapore dollar	South African rand	South Korean won	Swiss franc	Thai baht	US dollar
	23	24	25	26	27	28	29	30	31	32	33
2010	16.7373	1.8377	8.0043	59.739	40.2629	1.8055	9.6984	1,531.82	1.3803	42.014	1.3257
2011	17.2877	1.7600	7.7934	60.260	40.8846	1.7489	10.0970	1,541.23	1.2326	42.429	1.3920
2012	16.9029	1.5867	7.4751	54.246	39.9262	1.6055	10.5511	1,447.69	1.2053	39.928	1.2848
2013 Q1	16.7042	1.5823	7.4290	53.769	40.1518	1.6345	11.8264	1,433.09	1.2284	39.361	1.3206
Q2	16.2956	1.5920	7.6114	54.620	41.3464	1.6311	12.3996	1,467.08	1.2315	39.031	1.3062
Q3	17.1005	1.6612	7.9303	57.813	43.4394	1.6795	13.2329	1,469.03	1.2348	41.675	1.3242
2013 Apr.	15.8895	1.5348	7.5444	53.649	40.7995	1.6120	11.8592	1,460.89	1.2199	37.857	1.3026
May	15.9776	1.5774	7.5589	53.693	40.6842	1.6219	12.1798	1,444.56	1.2418	38.667	1.2982
June	17.0716	1.6682	7.7394	56.658	42.6490	1.6613	13.2088	1,498.33	1.2322	40.664	1.3189
July	16.6893	1.6590	7.8837	56.698	42.8590	1.6595	12.9674	1,473.35	1.2366	40.714	1.3080
Aug.	17.1996	1.6829	7.9386	58.471	43.9748	1.6941	13.4190	1,485.93	1.2338	42.072	1.3310
Sep.	17.4471	1.6406	7.9725	58.346	43.5144	1.6860	13.3287	1,446.60	1.2338	42.312	1.3348
Oct.	17.7413	1.6351	8.1208	58.809	43.7440	1.6956	13.5283	1,454.73	1.2316	42.549	1.3635
	Percentage change versus previous month										
2013 Oct.	1.7	-0.3	1.9	0.8	0.5	0.6	1.5	0.6	-0.2	0.6	2.2
	Percentage change versus previous year										
2013 Oct.	6.1	3.4	9.6	9.5	8.4	6.8	20.6	1.3	1.8	6.9	5.1

Source: ECB.

1) For this currency the ECB computes and publishes euro reference exchange rates as from 1 January 2009. Previous data are indicative.

DEVELOPMENTS OUTSIDE THE EURO AREA

9

9.1 Economic and financial developments in other EU Member States

(annual percentage changes, unless otherwise indicated)

	Bulgaria	Czech Republic	Denmark	Croatia	Latvia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10	11
	HICP										
2011	3.4	2.1	2.7	2.2	4.2	4.1	3.9	3.9	5.8	1.4	4.5
2012	2.4	3.5	2.4	3.4	2.3	3.2	5.7	3.7	3.4	0.9	2.8
2013 Q2	1.1	1.5	0.5	2.3	-0.1	1.4	1.9	0.5	4.4	0.3	2.7
Q3	-0.7	1.2	0.2	2.2	0.0	0.5	1.6	0.9	2.4	0.7	2.7
2013 July	0.0	1.4	0.4	2.7	0.5	0.6	1.7	0.9	3.4	0.8	2.8
Aug.	-0.7	1.2	0.1	2.4	-0.1	0.5	1.6	0.9	2.6	0.8	2.7
Sep.	-1.3	1.0	0.2	1.7	-0.4	0.5	1.6	0.9	1.1	0.5	2.7
	General government deficit (-)/surplus (+) as a percentage of GDP										
2010	-3.1	-4.7	-2.5	-6.4	-8.1	-7.2	-4.3	-7.9	-6.8	0.3	-10.1
2011	-2.0	-3.2	-1.8	-7.8	-3.6	-5.5	4.3	-5.0	-5.6	0.2	-7.7
2012	-0.8	-4.4	-4.1	-5.0	-1.3	-3.2	-2.0	-3.9	-3.0	-0.2	-6.1
	General government gross debt as a percentage of GDP										
2010	16.2	38.4	42.7	44.9	44.4	37.8	82.2	54.9	30.5	39.4	78.4
2011	16.3	41.4	46.4	51.6	41.9	38.3	82.1	56.2	34.7	38.6	84.3
2012	18.5	46.2	45.4	55.5	40.6	40.5	79.8	55.6	37.9	38.2	88.7
	Long-term government bond yield as a percentage per annum; period average										
2013 Apr.	3.47	1.82	1.42	4.34	3.15	3.95	5.65	3.50	5.46	1.66	1.46
May	3.36	1.67	1.45	4.38	3.10	3.54	5.08	3.28	5.23	1.79	1.62
June	3.40	2.14	1.72	4.63	3.17	3.54	6.02	3.95	5.43	2.05	1.96
July	3.46	2.23	1.77	4.91	3.25	3.54	5.78	3.97	5.26	2.16	2.09
Aug.	3.51	2.40	1.94	5.04	3.25	3.65	6.31	4.30	5.04	2.34	2.29
Sep.	3.64	2.42	2.10	4.92	3.45	3.80	6.16	4.49	5.27	2.60	2.44
	3-month interest rate as a percentage per annum; period average										
2013 Apr.	1.22	0.47	0.26	1.03	0.44	0.62	4.57	3.29	4.31	1.24	0.51
May	1.21	0.46	0.24	1.14	0.41	0.74	4.71	2.86	3.83	1.20	0.51
June	1.20	0.46	0.26	1.71	0.39	0.73	4.48	2.69	4.20	1.22	0.51
July	1.18	0.46	0.27	2.22	0.33	0.55	4.36	2.70	4.27	1.20	0.51
Aug.	1.09	0.46	0.27	1.91	0.29	0.41	3.92	2.70	3.66	1.20	0.51
Sep.	1.05	0.45	0.27	1.90	0.27	0.40	-	2.69	3.40	1.21	0.52
	Real GDP										
2011	1.8	1.8	1.1	0.0	5.3	6.0	1.6	4.5	2.3	2.9	1.1
2012	0.8	-1.2	-0.4	-2.0	5.0	3.7	-1.7	1.9	0.4	1.0	0.1
2012 Q4	0.6	-1.6	-0.4	-2.0	5.4	3.4	-2.5	0.8	0.8	1.8	-0.2
2013 Q1	0.4	-2.4	-0.8	-1.0	6.7	3.8	-0.5	0.6	2.3	1.3	0.2
Q2	0.2	-1.3	0.6	-0.8	4.6	3.8	0.1	1.0	1.4	0.1	1.3
	Current and capital account balance as a percentage of GDP										
2011	1.4	-2.3	6.3	-0.8	0.0	-1.2	2.8	-3.0	-3.9	6.3	-1.1
2012	0.1	-1.1	6.0	0.2	0.5	2.0	3.6	-1.5	-3.0	5.9	-3.5
2012 Q4	-1.6	0.8	6.0	-5.5	2.6	3.6	3.9	-0.9	-1.0	5.6	-3.0
2013 Q1	-4.7	1.6	3.1	-14.2	0.3	-2.5	5.9	-1.6	2.1	6.5	-3.8
Q2	6.0	-0.5	8.3	-2.2	3.0	9.2	6.1	3.9	3.0	5.0	.
	Gross external debt as a percentage of GDP										
2011	94.3	59.6	183.4	102.9	145.0	77.4	148.0	72.3	77.2	200.0	419.6
2012	94.9	60.5	182.0	101.6	136.4	75.4	128.0	71.1	75.2	190.8	383.7
2012 Q4	94.9	60.5	182.0	101.6	136.4	75.4	128.0	71.1	75.2	190.8	383.7
2013 Q1	93.8	62.1	182.4	101.9	138.8	74.0	132.3	72.7	74.8	194.5	392.1
Q2	92.9	63.1	174.2	104.4	137.8	70.0	126.9	74.0	73.3	197.3	.
	Unit labour costs										
2011	2.5	0.5	-0.1	0.7	2.2	0.7	1.8	1.1	0.7	0.2	1.4
2012	-0.5	3.2	1.6	1.2	3.3	1.9	4.8	0.8	6.8	2.9	3.0
2012 Q4	0.3	3.3	1.4	0.9	1.5	0.6	4.2	-0.1	7.1	3.6	2.3
2013 Q1	12.9	1.1	1.7	3.5	0.2	0.4	2.1	2.9	1.2	2.4	0.4
Q2	13.0	1.1	0.8	1.2	3.7	3.3	.	.	2.5	1.0	2.3
	Standardised unemployment rate as a percentage of labour force (s.a.)										
2011	11.3	6.7	7.5	13.5	16.3	15.4	11.0	9.6	7.4	7.8	8.0
2012	12.3	7.0	7.5	15.9	14.9	13.4	10.9	10.1	7.0	8.0	7.9
2013 Q2	12.9	7.0	6.8	16.9	11.3	11.9	10.4	10.5	7.4	8.0	7.7
Q3	13.1	7.0	7.1	17.0	.	12.1	.	10.4	7.5	7.9	.
2013 July	13.1	6.9	7.0	16.9	.	12.1	10.2	10.4	7.5	7.8	7.6
Aug.	13.1	6.9	7.1	16.9	.	12.3	10.1	10.4	7.5	8.0	.
Sep.	13.1	7.0	7.1	17.2	.	11.9	.	10.4	7.5	8.0	.

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

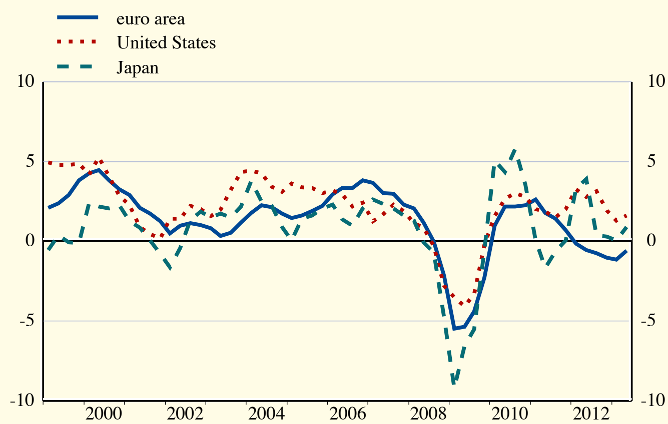
9.2 Economic and financial developments in the United States and Japan

(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs [1]	Real GDP	Industrial production index (manufacturing)	Unemployment rate as a % of labour force [2] (s.a.)	Broad money [3]	3-month interbank deposit rate [4]	10-year zero coupon government bond yield; [4] end of period	Exchange rate [5] as national currency per euro	Government deficit (-)/ surplus (+) as a % of GDP	Government debt [6] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2009	-0.4	-2.0	-2.8	-13.6	9.3	8.0	0.69	4.17	1.3948	-12.8	70.8
2010	1.6	-1.2	2.5	6.6	9.6	2.5	0.34	3.57	1.3257	-12.2	79.2
2011	3.2	2.0	1.8	3.6	8.9	7.3	0.34	2.10	1.3920	-10.7	83.1
2012	2.1	1.1	2.8	4.2	8.1	8.6	0.43	1.88	1.2848	-9.3	86.5
2012 Q3	1.7	-0.4	3.1	3.9	8.0	7.1	0.43	1.77	1.2502	-9.3	85.4
Q4	1.9	4.3	2.0	3.3	7.8	7.6	0.32	1.88	1.2967	-9.0	86.5
2013 Q1	1.7	1.7	1.3	2.5	7.7	7.3	0.29	2.09	1.3206	-7.2	88.0
Q2	1.4	1.5	1.6	2.1	7.6	7.0	0.28	2.82	1.3062	-5.7	87.2
Q3	1.6	.	.	2.3	7.3	6.6	0.26	2.91	1.3242	.	.
2013 June	1.8	-	-	2.2	7.6	6.8	0.27	2.82	1.3189	-	-
July	2.0	-	-	1.5	7.4	6.9	0.27	2.91	1.3080	-	-
Aug.	1.5	-	-	2.7	7.3	6.7	0.26	3.11	1.3310	-	-
Sep.	1.2	-	-	2.7	7.2	6.4	0.25	2.91	1.3348	-	-
Oct.	.	-	-	.	.	.	0.24	2.84	1.3635	-	-
					Japan						
2009	-1.3	0.3	-5.5	-21.9	5.1	2.7	0.47	1.42	130.34	-8.8	180.1
2010	-0.7	-4.8	4.7	15.6	5.1	2.8	0.23	1.18	116.24	-8.3	188.3
2011	-0.3	0.8	-0.6	-2.8	4.6	2.7	0.19	1.00	110.96	-8.9	204.4
2012	0.0	-2.3	2.0	0.6	4.4	2.5	0.19	0.84	102.49	.	.
2012 Q3	-0.4	-0.9	0.4	-3.9	4.3	2.4	0.19	0.78	98.30	.	.
Q4	-0.2	-1.0	0.3	-6.0	4.2	2.3	0.19	0.84	105.12	.	.
2013 Q1	-0.6	-0.3	0.1	-7.8	4.2	2.9	0.16	0.70	121.80	.	.
Q2	-0.3	-0.6	0.9	-3.1	4.0	3.5	0.16	1.02	129.07	.	.
Q3	0.9	.	.	2.3	4.0	3.8	0.15	0.88	131.02	.	.
2013 June	0.2	-	-	-4.7	3.9	3.8	0.15	1.02	128.40	-	-
July	0.7	-	-	1.9	3.8	3.7	0.16	1.01	130.39	-	-
Aug.	0.9	-	-	-0.4	4.1	3.8	0.15	0.93	130.34	-	-
Sep.	1.1	-	-	5.5	4.0	3.8	0.15	0.88	132.41	-	-
Oct.	.	-	-	.	.	.	0.15	0.76	133.32	-	-

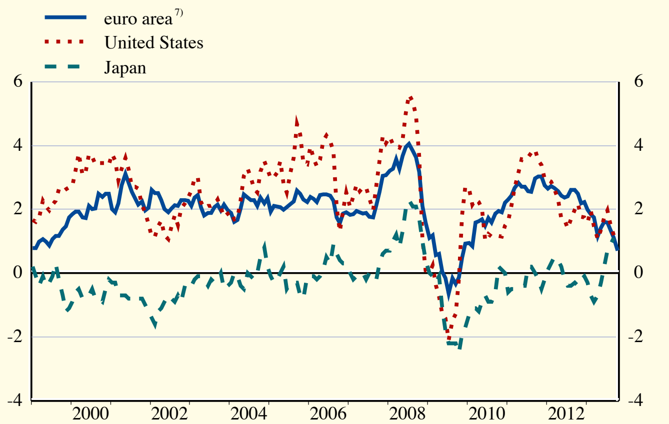
C41 Real gross domestic product

(annual percentage changes; quarterly data)



C42 Consumer price indices

(annual percentage changes; monthly data)



Sources: National data (columns 1, 2 (United States), 3, 4, 5 (United States), 6, 9 and 10); OECD (column 2 (Japan)); Eurostat (column 5 (Japan), euro area chart data); Thomson Reuters (columns 7 and 8); ECB calculations (column 11).

1) Seasonally adjusted. The data for the United States refer to the private non-agricultural business sector.
2) Japanese data from March to August 2011 include estimates for the three prefectures most affected by the earthquake in that country. Data collection was reinstated as of September 2011.
3) Period averages; M2 for the United States, M2+CDs for Japan.
4) Percentages per annum. For further information on the three-month interbank deposit rate, see Section 4.6.
5) For more information, see Section 8.2.
6) General government debt consists of deposits, securities other than shares and loans outstanding at nominal value and is consolidated within the general government sector (end of period).
7) Data refer to the changing composition of the euro area. For further information, see the General Notes.

LIST OF CHARTS

TECHNICAL NOTES

EURO AREA OVERVIEW

CALCULATION OF GROWTH RATES FOR MONETARY DEVELOPMENTS

The average growth rate for the quarter ending in month t is calculated as:

$$\text{a)}\quad \left(\frac{0.5I_t + \sum_{i=1}^{2} I_{t-i} + 0.5I_{t-3}}{0.5I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5I_{t-15}} - 1 \right) \times 100$$

where I_t is the index of adjusted outstanding amounts as at month t (see also below). Likewise, for the year ending in month t, the average growth rate is calculated as:

$$\text{b)}\quad \left(\frac{0.5I_t + \sum_{i=1}^{11} I_{t-i} + 0.5I_{t-12}}{0.5I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5I_{t-24}} - 1 \right) \times 100$$

SECTION 1.3

CALCULATION OF INTEREST RATES ON INDEXED LONGER-TERM REFINANCING OPERATIONS

The interest rate on an indexed longer-term refinancing operation (LTRO) is equal to the average of the minimum bid rates on the main refinancing operations (MROs) over the life of that LTRO. According to this definition, if an LTRO is outstanding for D number of days and the minimum bid rates prevailing in MROs are $R_{1,\,MRO}$ (over D_1 days), $R_{2,\,MRO}$ (over D_2 days), etc., until $R_{i,\,MRO}$ (over D_i days), where $D_1+D_2+\ldots+D_i=D$, the applicable annualised rate (R_{LTRO}) is calculated as:

$$\text{c)}\quad R_{LTRO} = \frac{D_1 R_{1,MRO} + D_2 R_{2,MRO} + \ldots + D_i R_{i,MRO}}{D}$$

SECTIONS 2.1 TO 2.6

CALCULATION OF TRANSACTIONS

Monthly transactions are calculated from monthly differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

If L_t represents the outstanding amount at the end of month t, C_t^M the reclassification adjustment in month t, E_t^M the exchange rate adjustment and V_t^M the other revaluation adjustments, the transactions F_t^M in month t are defined as:

$$\text{d)}\quad F_t^M = (L_t - L_{t-1}) - C_t^M - E_t^M - V_t^M$$

Similarly, the quarterly transactions F_t^Q for the quarter ending in month t are defined as:

$$\text{e)}\quad F_t^Q = (L_t - L_{t-3}) - C_t^Q - E_t^Q - V_t^Q$$

where L_{t-3} is the amount outstanding at the end of month t-3 (the end of the previous quarter) and, for example, C_t^Q is the reclassification adjustment in the quarter ending in month t.

For those quarterly series for which monthly observations are now available (see below), the quarterly transactions can be derived as the sum of the three monthly transactions in the quarter.

CALCULATION OF GROWTH RATES FOR MONTHLY SERIES

Growth rates can be calculated from transactions or from the index of adjusted outstanding amounts. If F_t^M and L_t are defined as above, the index I_t of adjusted outstanding amounts in month t is defined as:

$$\text{f)}\quad I_t = I_{t-1} \times \left(1 + \frac{F_t^M}{L_{t-1}}\right)$$

The base of the index (for the non-seasonally adjusted series) is currently set as December 2010 = 100. Time series for the index of adjusted outstanding amounts are available on the ECB's website (www.ecb.europa.eu) in the "Monetary and financial statistics" sub-section of the "Statistics" section.

The annual growth rate a_t for month t – i.e. the change in the 12 months ending in month t – can be calculated using either of the following two formulae:

$$\text{g)}\quad a_t = \left[\prod_{i=0}^{11}\left(1 + F_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

$$\text{h)}\quad a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

Unless otherwise indicated, the annual growth rates refer to the end of the indicated period. For example, the annual percentage change for the year 2002 is calculated in h) by dividing the index for December 2002 by the index for December 2001.

Growth rates for intra-annual periods can be derived by adapting formula h). For example, the month-on-month growth rate a_t^M can be calculated as:

$$\text{i)}\quad a_t^M = \left(I_t / I_{t-1} - 1\right) \times 100$$

Finally, the three-month moving average (centred) for the annual growth rate of M3 is obtained as $(a_{t+1} + a_t + a_{t-1})/3$, where a_t is defined as in g) or h) above.

CALCULATION OF GROWTH RATES FOR QUARTERLY SERIES

If F_t^Q and L_{t-3} are defined as above, the index I_t of adjusted outstanding amounts for the quarter ending in month t is defined as:

$$\text{j)}\quad I_t = I_{t-3} \times \left(1 + \frac{F_t^Q}{L_{t-3}}\right)$$

The annual growth rate in the four quarters ending in month t (i.e. a_t) can be calculated using formula h).

SEASONAL ADJUSTMENT OF THE EURO AREA MONETARY STATISTICS[1]

The approach used is based on multiplicative decomposition using X-12-ARIMA.[2] The seasonal adjustment may include a day-of-the-week adjustment, and for some series it is carried out indirectly by means of a linear combination of components. This is the case for M3, which is derived by aggregating the seasonally adjusted series for M1, M2 less M1, and M3 less M2.

The seasonal adjustment procedures are first applied to the index of adjusted outstanding amounts.[3] The resulting estimates of seasonal factors are then applied to the levels and to the adjustments arising from reclassifications and revaluations, in turn yielding seasonally adjusted transactions. Seasonal (and trading day) factors are revised at annual intervals or as required.

SECTIONS 3.1 TO 3.5

EQUALITY OF USES AND RESOURCES

In Section 3.1 the data conform to a basic accounting identity. For non-financial transactions, total uses equal total resources for each transaction category. This accounting identity is also reflected in the financial account – i.e. for each financial instrument category, total transactions in financial assets equal total transactions in liabilities. In the other changes in assets account and the financial balance sheets, total financial assets equal total liabilities for each financial instrument category, with the exception of monetary gold and special drawing rights, which are by definition not a liability of any sector.

1 For details, see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000) and the "Monetary and financial statistics" sub-section of the "Statistics" section of the ECB's website (www.ecb.europa.eu).

2 For details, see Findley, D., Monsell, B., Bell, W., Otto, M. and Chen, B. C. (1998), "New Capabilities and Methods of the X-12-ARIMA Seasonal Adjustment Program", Journal of Business and Economic Statistics, 16, 2, pp.127-152, or"X-12-ARIMA Reference Manual", Time Series Staff, Bureau of the Census, Washington, D.C.
For internal purposes, the model-based approach of TRAMO-SEATS is also used. For details of TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), "Programs TRAMO and SEATS: Instructions for the User", Banco de España, Working Paper No 9628, Madrid.

3 It follows that for the seasonally adjusted series, the level of the index for the base period (i.e. December 2010) generally differs from 100, reflecting the seasonality of that month.

CALCULATION OF BALANCING ITEMS

The balancing items at the end of each account in Sections 3.1, 3.2 and 3.3 are computed as follows.

The trade balance equals euro area imports minus exports vis-à-vis the rest of the world for goods and services.

Net operating surplus and mixed income is defined for resident sectors only and is calculated as gross value added (gross domestic product at market prices for the euro area) minus compensation of employees (uses) minus other taxes less subsidies on production (uses) minus consumption of fixed capital (uses).

Net national income is defined for resident sectors only and is computed as net operating surplus and mixed income plus compensation of employees (resources) plus taxes less subsidies on production (resources) plus net property income (resources minus uses).

Net disposable income is also defined only for resident sectors and equals net national income plus net current taxes on income and wealth (resources minus uses) plus net social contributions (resources minus uses) plus net social benefits other than social transfers in kind (resources minus uses) plus net other current transfers (resources minus uses).

Net saving is defined for resident sectors and is calculated as net disposable income plus the net adjustment for the change in the net equity of households in pension fund reserves (resources minus uses) minus final consumption expenditure (uses). For the rest of the world, the current external account is compiled as the trade balance plus all net income (resources minus uses).

Net lending/net borrowing is computed from the capital account as net saving plus net capital transfers (resources minus uses) minus gross capital formation (uses) minus acquisitions less disposals of non-produced non-financial assets (uses) plus consumption of fixed capital (resources). It can also be calculated in the financial account as total transactions in financial assets minus total transactions in liabilities (also known as changes in net financial worth (wealth) due to transactions). For the household and non-financial corporation sectors, there is a statistical discrepancy between the balancing items computed from the capital account and the financial account.

Changes in net financial worth (wealth) due to transactions are computed as total transactions in financial assets minus total transactions in liabilities, whereas other changes in net financial worth (wealth) are calculated as (total) other changes in financial assets minus (total) other changes in liabilities.

Net financial worth (wealth) is calculated as total financial assets minus total liabilities, whereas changes in net financial worth (wealth) are equal to the sum of changes in net financial worth (wealth) due to transactions (lending/net borrowing from the financial account) and other changes in net financial worth (wealth).

Changes in net worth (wealth) are calculated as changes in net worth (wealth) due to savings and capital transfers plus other changes in net financial worth (wealth) and other changes in non-financial assets.

The net worth (wealth) of households is calculated as the sum of the non-financial assets and net financial worth (wealth) of households.

SECTIONS 4.3 AND 4.4

CALCULATION OF GROWTH RATES FOR DEBT SECURITIES AND QUOTED SHARES

Growth rates are calculated on the basis of financial transactions and therefore exclude reclassifications, revaluations, exchange rate variations and any other changes which do not arise from transactions. They can be calculated from transactions or from the index of notional stocks. If N_t^M represents the transactions (net issues) in month t and L_t the level outstanding at the end of month t, the index I_t of notional stocks in month t is defined as:

$$\text{k)} \quad I_t = I_{t-1} \times \left(1 + \frac{N_t}{L_{t-1}}\right)$$

As a base, the index is set equal to 100 in December 2008. The growth rate a_t for month t, corresponding to the change in the 12 months ending in month t, can be calculated using either of the following two formulae:

$$\text{l)} \quad a_t = \left[\prod_{i=0}^{11}\left(1 + N_{t-i}^M \big/ L_{t-1-i}\right) - 1\right] \times 100$$

$$\text{m)} \quad a_t = \left(I_t \big/ I_{t-12} - 1\right) \times 100$$

The method used to calculate the growth rates for securities other than shares is the same as that used for the monetary aggregates, the only difference being that an “N” is used instead of an “F”. This is to show that the method used to obtain “net issues” for securities issues statistics differs from that used to calculate equivalent “transactions” for the monetary aggregates.

The average growth rate for the quarter ending in month t is calculated as:

$$\text{n)} \quad \left(\frac{0.5I_t + \sum_{i=1}^{2} I_{t-i} + 0.5I_{t-3}}{0.5I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5I_{t-15}} - 1\right) \times 100$$

where I_t is the index of notional stocks as at month t. Likewise, for the year ending in month t, the average growth rate is calculated as:

$$\text{o)} \quad \left(\frac{0.5I_t + \sum_{i=1}^{11} I_{t-i} + 0.5I_{t-12}}{0.5I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5I_{t-24}} - 1\right) \times 100$$

The calculation formula used for Section 4.3 is also used for Section 4.4 and is likewise based on that used for the monetary aggregates. Section 4.4 is based on market values, and the calculations are based on financial transactions, which exclude reclassifications, revaluations and any other changes that do not arise from transactions. Exchange rate variations are not included, as all quoted shares covered are denominated in euro.

SEASONAL ADJUSTMENT OF SECURITIES ISSUES STATISTICS [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA. The seasonal adjustment of total securities issues is carried out indirectly by means of a linear combination of sector and maturity component breakdowns.

The seasonal adjustment procedures are applied to the index of notional stocks. The resulting estimates of seasonal factors are then applied to the outstanding amounts, from which seasonally adjusted net issues are derived. Seasonal factors are revised at annual intervals or as required.

As in formulae l) and m), the growth rate a_t for month t, corresponding to the change in the six months ending in month t, can be calculated using either of the following two formulae:

p) $$a_t = \left[\prod_{i=0}^{5}\left(1 + \frac{N^M_{t-i}}{L_{t-1-i}}\right) - 1\right] \times 100$$

q) $$a_t = \left(\frac{I_t}{I_{t-6}} - 1\right) \times 100$$

TABLE 1 IN SECTION 5.1

SEASONAL ADJUSTMENT OF THE HICP [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA (see footnote 2 on page S81). The seasonal adjustment of the overall 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.

TABLE 2 IN SECTION 7.1

SEASONAL ADJUSTMENT OF THE BALANCE OF PAYMENTS CURRENT ACCOUNT

The approach used is based on multiplicative decomposition, using X-12-ARIMA or TRAMO-SEATS depending on the item. The raw data for goods, services, income and current transfers are

4 For details, see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000) and the "Monetary and financial statistics" sub-section of the "Statistics" section of the ECB's website (www.ecb.europa.eu).

pre-adjusted in order to take into account significant working day effects. The working day adjustment for goods and services takes account of national public holidays. The seasonal adjustment of these items is carried out using these pre-adjusted series. 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 (and trading day) factors are revised at biannual intervals or as required.

SECTION 7.3

CALCULATION OF GROWTH RATES FOR THE QUARTERLY AND ANNUAL SERIES

The annual growth rate for quarter t is calculated on the basis of quarterly transactions (F_t) and positions (L_t) as follows:

$$\text{r)} \quad a_t = \left(\prod_{i=t-3}^{t} \left(1 + \frac{F_i}{L_{i-1}} \right) - 1 \right) \times 100$$

The growth rate for the annual series is equal to the growth rate in the last quarter of the year.

GENERAL NOTES

The "Euro area statistics" section of the Monthly Bulletin focuses on statistics for the euro area as a whole. More detailed and longer runs of data, with further explanatory notes, are available in the "Statistics" section of the ECB's website (www.ecb.europa.eu). This allows user-friendly access to data via the ECB's Statistical Data Warehouse (http://sdw.ecb.europa.eu), which includes search and download facilities. Further services available in the "Data services" sub-section include subscriptions to different datasets and a repository of compressed Comma Separated Value (CSV) files. For further information, please contact us at: statistics@ecb.europa.eu.

In general, the cut-off date for the statistics included in the Monthly Bulletin is the day preceding the Governing Council of the ECB's first meeting of the month. For this issue, the cut-off date was 6 November 2013.

Unless otherwise indicated, all data series relate to the group of 17 countries that are members of the euro area (the Euro 17) for the whole time series. For interest rates, monetary statistics, the HICP and reserve assets (and, for consistency reasons, the components and counterparts of M3 and the components of the HICP), euro area statistical series take into account the changing composition of the euro area.

The composition of the euro area has changed a number of times over the years. When the euro was introduced in 1999, the euro area comprised the following 11 countries (the Euro 11): Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Greece then joined in 2001, forming the Euro 12. Slovenia joined in 2007, forming the Euro 13; Cyprus and Malta joined in 2008, forming the Euro 15; and Slovakia joined in 2009, forming the Euro 16. Estonia joined in 2011, bringing the number of euro area countries to 17. From October 2012, the euro area statistics also include the European Stability Mechanism, an international organisation resident in the euro area for statistical purposes.

EURO AREA SERIES WITH A FIXED COMPOSITION

Aggregated statistical series for fixed compositions of the euro area relate to a given fixed composition for the whole time series, regardless of the composition at the time to which the statistics relate. For example, aggregated series are calculated for the Euro 17 for all years, despite the fact that the euro area has only had this composition since 1 January 2011. Unless otherwise indicated, the ECB's Monthly Bulletin provides statistical series for the current composition.

EURO AREA SERIES WITH A CHANGING COMPOSITION

Aggregated statistical series with a changing composition take into account the composition of the euro area at the time to which the statistics relate. For example, euro area statistical series with a changing composition aggregate the data of the Euro 11 for the period up to the end of 2000, the Euro 12 for the period from 2001 to the end of 2006, and so on. With this approach, each individual statistical series covers all of the various compositions of the euro area.

For the HICP, as well as statistics based on the balance sheet of the MFI sector ("monetary statistics"), rates of change are compiled from chain-linked indices, with the new composition introduced by the linking factor at the point of enlargement. Thus, if a country joins the euro area in January of a given year, the factors contributing to the chain-linked indices relate to the previous composition of the euro area up to and including December of the previous year, and the enlarged composition of the euro area thereafter. For further details on monetary statistics, refer to the "Manual on MFI balance sheet statistics", available in the "Statistics" section of the ECB's website.

Given that the composition of the European currency unit (ECU) does not coincide with the former currencies of the countries that have adopted the single currency, pre-1999 amounts originally expressed in the participating currencies and converted into ECU at current ECU exchange rates are affected by movements in the currencies of EU Member States that have not adopted the euro. To avoid this effect on the monetary statistics, pre-1999 data [1] are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless otherwise indicated, price and cost statistics before 1999 are based on data expressed in national currency terms.

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

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

The group "Other EU Member States" comprises Bulgaria, the Czech Republic, Denmark, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom.

In most cases, the terminology used within the tables follows international standards, such as those contained in the European System of Accounts 1995 and the IMF Balance of Payments Manual. Transactions refer to voluntary exchanges (measured directly or derived), while flows also encompass changes in outstanding amounts owing to price and exchange rate changes, write-offs and other changes.

In the tables, the wording "up to (x) years" means "up to and including (x) years".

OVERVIEW

Developments in key indicators for the euro area are summarised in an overview table.

MONETARY POLICY STATISTICS

Section 1.4 shows statistics on minimum reserve and liquidity factors. Maintenance periods for minimum reserve requirements start every month on the settlement day of the main refinancing operation (MRO) following the Governing Council meeting for which the monthly assessment of the monetary policy stance is scheduled. They end on the day preceding the corresponding settlement day in the following month. Annual/quarterly observations refer to averages for the last reserve maintenance period of the year/quarter.

1 Data on monetary statistics in Sections 2.1 to 2.8 are available for periods prior to January 1999 on the ECB's website (http://www.ecb.europa.eu/stats/services/downloads/html/index.en.html) and in the SDW (http://sdw.ecb.europa.eu/browse.do?node=2018811).

Table 1 in Section 1.4 shows the components of the reserve base of credit institutions subject to reserve requirements. 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. When a credit institution cannot provide evidence of the amount of its issues of debt securities with a maturity of up to two years which are held by the institutions mentioned above, it may deduct a certain percentage of these liabilities from its reserve base. The percentage used to calculate the reserve base was 10% until November 1999 and has been 30% since that date.

Table 2 in Section 1.4 contains average data for completed maintenance periods. First, the reserve requirement of each individual credit institution is calculated by applying the reserve ratios for the corresponding categories of liability to the eligible liabilities, using the balance sheet data from the end of each calendar month. Subsequently, each credit institution deducts from this figure a lump-sum allowance of €100,000. The resulting required reserves are then aggregated at the euro area level (column 1). Current account holdings (column 2) are the aggregate average daily current account holdings of credit institutions, including those that serve to fulfil reserve requirements. Excess reserves (column 3) are the average current account holdings over the maintenance period in excess of the required reserves. Deficiencies (column 4) are defined as the average shortfalls of current account holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled their reserve requirements. The interest rate on minimum reserves (column 5) is equal to the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's MROs (see Section 1.3).

Table 3 in Section 1.4 shows the banking system's liquidity position, which is defined as euro area credit institutions' current account holdings with the Eurosystem in euro. All amounts are derived from the consolidated financial statement of the Eurosystem. Other liquidity-absorbing operations (column 7) exclude the issuance of debt certificates initiated by NCBs in Stage Two of EMU. Net other factors (column 10) represent the netted remaining items in the consolidated financial statement of the Eurosystem. Credit institutions' current accounts (column 11) are equal to the difference between the sum of liquidity-providing factors (columns 1 to 5) and the sum of liquidity-absorbing factors (columns 6 to 10). Base money (column 12) is calculated as the sum of the deposit facility (column 6), banknotes in circulation (column 8) and credit institutions' current account holdings (column 11).

MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

Chapter 2 shows balance sheet statistics for MFIs and other financial corporations. Other financial corporations comprise investment funds (other than money market funds, which are part of the MFI sector), financial vehicle corporations, insurance corporations and pension funds.

Section 2.1 shows the aggregated balance sheet of the MFI sector, i.e. the sum of the harmonised balance sheets of all MFIs resident in the euro area. MFIs comprise central banks, credit institutions as defined under EU law, money market funds and other institutions whose business it is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or make investments in securities. A complete list of MFIs is published on the ECB's website.

Section 2.2 shows the consolidated balance sheet of the MFI sector, which is obtained by netting the aggregated balance sheet positions of MFIs in the euro area. Owing to a small amount of heterogeneity in recording practices, the sum of the inter-MFI positions is not necessarily zero; the balance is shown in column 10 of the liabilities side of Section 2.2. Section 2.3 sets out the euro area monetary aggregates and counterparts. These are derived from the consolidated MFI balance sheet and include positions of non-MFIs resident in the euro area held with MFIs resident in the euro area; they also take account of some monetary assets/liabilities of central government. Statistics on monetary aggregates and counterparts are adjusted for seasonal and trading day effects. The external liabilities item in Sections 2.1 and 2.2 shows the holdings by non-euro area residents of: (i) shares/units issued by money market funds located in the euro area; and (ii) debt securities issued with a maturity of up to two years by MFIs located in the euro area. In Section 2.3, however, these holdings are excluded from the monetary aggregates and contribute to the item "net external assets".

Section 2.4 provides analysis, broken down by sector, type and original maturity, of loans granted by MFIs other than the Eurosystem (i.e. the banking system) resident in the euro area. Section 2.5 provides analysis, broken down by sector and instrument, of deposits held with the euro area banking system. Section 2.6 shows the securities held by the euro area banking system, broken down by type of issuer. Section 2.7 shows a quarterly currency breakdown for selected MFI balance sheet items.

Sections 2.2 to 2.6 also provide growth rates based on those transactions in the form of annual percentage changes.

Since 1 January 1999 statistical information has been collected and compiled on the basis of various ECB regulations concerning the balance sheet of the monetary financial institution sector. Since July 2010 this has been carried out on the basis of Regulation ECB/2008/32[2]. Detailed sector definitions are set out in the third edition of the "Monetary financial institutions and markets statistics sector manual – Guidance for the statistical classification of customers" (ECB, March 2007).

Section 2.8 shows outstanding amounts and transactions on the balance sheet of euro area investment funds (other than money market funds, which are included in the MFI balance sheet statistics). An investment fund is a collective investment undertaking that invests capital raised from the public in financial and/or non-financial assets. A complete list of euro area investment funds is published on the ECB's website. The balance sheet is aggregated, so investment funds' assets include their holdings of shares/units issued by other investment funds. Shares/units issued by investment funds are also broken down by investment policy (i.e. into bond funds, equity funds, mixed funds, real estate funds, hedge funds and other funds) and by type (i.e. into open-end funds and closed-end funds). Section 2.9 provides further details on the main types of asset held by euro area investment funds. This section contains a geographical breakdown of the issuers of securities held by investment funds, as well as breaking issuers down by economic sector where they are resident in the euro area.

Since December 2008 harmonised statistical information has been collected and compiled on the basis of Regulation ECB/2007/8[3] concerning statistics on the assets and liabilities of investment funds. Further information on these investment fund statistics can be found in the "Manual on investment fund statistics" (ECB, May 2009).

2 OJ L 15, 20.01.2009, p. 14.
3 OJ L 211, 11.08.2007, p. 8.

Section 2.10 shows the aggregated balance sheet of financial vehicle corporations (FVCs) resident in the euro area. FVCs are entities which are set up in order to carry out securitisation transactions. Securitisation generally involves the transfer of an asset or pool of assets to an FVC, with such assets reported on the FVC's balance sheet as securitised loans, securities other than shares, or other securitised assets. Alternatively, the credit risk relating to an asset or pool of assets may be transferred to an FVC through credit default swaps, guarantees or other such mechanisms. Collateral held by the FVC against these exposures is typically a deposit held with an MFI or invested in securities other than shares. FVCs typically securitise loans which have been originated by the MFI sector. FVCs must report such loans on their statistical balance sheet, regardless of whether the relevant accounting rules allow the MFI to derecognise the loans. Data on loans which are securitised by FVCs but remain on the balance sheet of the relevant MFI (and thus remain in the MFI statistics) are provided separately. These quarterly data are collected under Regulation ECB/2008/30[4] as of December 2009.

Section 2.11 shows the aggregated balance sheet of insurance corporations and pension funds resident in the euro area. Insurance corporations cover both the insurance and reinsurance sectors, while pension funds include entities which have autonomy in terms of decision-making and keep a complete set of accounts (i.e. autonomous pension funds). This section also contains a geographical and sectoral breakdown of issuing counterparties for securities other than shares held by insurance corporations and pension funds.

EURO AREA ACCOUNTS

Section 3.1 shows quarterly integrated euro area accounts data, which provide comprehensive information on the economic activities of households (including non-profit institutions serving households), non-financial corporations, financial corporations and general government, as well as on the interaction between these sectors and both the euro area and the rest of the world. Non-seasonally adjusted data at current prices are displayed for the last available quarter, following a simplified sequence of accounts in accordance with the methodological framework of the European System of Accounts 1995.

In short, the sequence of accounts (transactions) comprises: (1) the generation of income account, which shows how production activity translates into various categories of income; (2) the allocation of primary income account, which records receipts and expenses relating to various forms of property income (for the economy as a whole; the balancing item of the primary income account is national income); (3) the secondary distribution of income account, which shows how the national income of an institutional sector changes because of current transfers; (4) the use of income account, which shows how disposable income is spent on consumption or saved; (5) the capital account, which shows how savings and net capital transfers are spent in the acquisition of non-financial assets (the balancing item of the capital account is net lending/net borrowing); and (6) the financial account, which records the net acquisitions of financial assets and the net incurrence of liabilities. As each non-financial transaction is mirrored by a financial transaction, the balancing item of the financial account conceptually also equals net lending/net borrowing as calculated from the capital account.

4 OJ L 15, 20.01.2009, p. 1.

In addition, opening and closing financial balance sheets are presented, which provide a picture of the financial wealth of each individual sector at a given point in time. Finally, other changes in financial assets and liabilities (e.g. those resulting from the impact of changes in asset prices) are also shown.

The sectoral coverage of the financial account and the financial balance sheets is more detailed for the financial corporation sector, which is broken down into MFIs, other financial intermediaries (including financial auxiliaries), and insurance corporations and pension funds.

Section 3.2 shows four-quarter cumulated flows (transactions) for the "non-financial accounts" of the euro area (i.e. accounts (1) to (5) above), also following the simplified sequence of accounts.

Section 3.3 shows four-quarter cumulated flows (transactions and other changes) for households' income, expenditure and accumulation accounts, as well as outstanding amounts in the financial and non-financial balance sheet accounts, presenting data in a more analytical manner. Sector-specific transactions and balancing items are arranged in a way that more clearly depicts the financing and investment decisions of households, while respecting the accounting identities presented in Sections 3.1 and 3.2.

Section 3.4 displays four-quarter cumulated flows (transactions) for non-financial corporations' income and accumulation accounts, as well as outstanding amounts for the financial balance sheet accounts, presenting data in a more analytical manner.

Section 3.5 shows four-quarter cumulated financial flows (transactions and other changes) and outstanding amounts for the financial balance sheets of insurance corporations and pension funds.

FINANCIAL MARKETS

The series on financial market statistics for the euro area cover those EU Member States that had adopted the euro at the time to which the statistics relate (i.e. a changing composition), with the exception of statistics on securities issues (Sections 4.1 to 4.4), which relate to the Euro 17 for the whole time series (i.e. a fixed composition).

Statistics on securities other than shares and statistics on quoted shares (Sections 4.1 to 4.4) are produced by the ECB using data from the ESCB and the BIS. Section 4.5 presents MFI interest rates on euro-denominated deposits from and loans to euro area residents. Statistics on money market interest rates, long-term government bond yields and stock market indices (Sections 4.6 to 4.8) are produced by the ECB using data from wire services.

Statistics on securities issues cover: (i) securities other than shares, excluding financial derivatives; and (ii) quoted shares. The former are presented in Sections 4.1, 4.2 and 4.3, while the latter are presented in Section 4.4. Debt securities are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in exceptional cases, two years or less). Securities with (i) a longer maturity, (ii) optional maturity dates, the latest of which is more than one year away, or (iii) indefinite maturity dates are classified as "long-term". Long-term debt securities issued by euro area residents are broken down further into fixed and variable rate issues. Fixed rate issues consist of issues where the coupon rate does not change during the life of the issue. Variable rate issues comprise all issues where the coupon is periodically refixed with reference to an independent interest rate or index. The euro-denominated securities indicated in Sections 4.1, 4.2 and 4.3 also include items expressed in national denominations of the euro.

Section 4.1 shows securities other than shares, broken down by original maturity, residency of the issuer and currency. It presents outstanding amounts, gross issues and net issues of securities other than shares, broken down into: (i) issues denominated in euro and issues in all currencies; (ii) issues by euro area residents and total issues; and (iii) total and long-term maturities. Net issues differ from the changes in outstanding amounts owing to valuation changes, reclassifications and other adjustments. This section also presents seasonally adjusted statistics, including six-month annualised seasonally adjusted growth rates for total and long-term debt securities. Seasonally adjusted data are derived from the index of notional stocks, from which the seasonal effects have been removed. See the Technical Notes for details.

Section 4.2 contains a sectoral breakdown of outstanding amounts, gross issues and net issues for issuers resident in the euro area in line with the ESA 95. The ECB is included in the Eurosystem.

The total outstanding amounts for total and long-term debt securities in column 1 of Table 1 in Section 4.2 correspond to the data on outstanding amounts for total and long-term debt securities issued by euro area residents in column 7 of Section 4.1. The outstanding amounts for total and long-term debt securities issued by MFIs in column 2 of Table 1 in Section 4.2 are broadly comparable with the data on debt securities issued on the liabilities side of the aggregated MFI balance sheet in column 8 of Table 2 in Section 2.1. The total net issues for total debt securities in column 1 of Table 2 in Section 4.2 correspond to the data on total net issues by euro area residents in column 9 of Section 4.1. The residual difference between long-term debt securities and total fixed and variable rate long-term debt securities in Table 1 of Section 4.2 consists of zero coupon bonds and revaluation effects.

Section 4.3 shows seasonally adjusted and non-seasonally adjusted growth rates for debt securities issued by euro area residents (broken down by maturity, type of instrument, sector of the issuer and currency), which are based on financial transactions that occur when an institutional unit incurs or redeems liabilities. The growth rates therefore exclude reclassifications, revaluations, exchange rate variations and any other changes that do not arise from transactions. The seasonally adjusted growth rates have been annualised for presentational purposes. See the Technical Notes for details.

Columns 1, 4, 6 and 8 in Table 1 of Section 4.4 show the outstanding amounts of quoted shares issued by euro area residents broken down by issuing sector. The monthly data for quoted shares issued by non-financial corporations correspond to the quarterly series shown in Section 3.4 (financial balance sheet; quoted shares).

Columns 3, 5, 7 and 9 in Table 1 of Section 4.4 show annual growth rates for quoted shares issued by euro area residents (broken down by the sector of the issuer), which are based on financial transactions that occur when an issuer issues or redeems shares for cash, excluding investments in the issuer's own shares. The calculation of annual growth rates excludes reclassifications, revaluations and any other changes that do not arise from transactions.

Section 4.5 presents statistics on all the interest rates that MFIs resident in the euro area apply to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area. Euro area MFI interest rates are calculated as a weighted average (by corresponding business volume) of the euro area countries' interest rates for each category.

MFI interest rate statistics are broken down by type of business coverage, sector, instrument category and maturity, period of notice or initial period of interest rate fixation. These MFI interest rate statistics replaced the ten transitional statistical series on euro area retail interest rates that had been published in the Monthly Bulletin as of January 1999.

Section 4.6 presents money market interest rates for the euro area, the United States and Japan. For the euro area, a broad spectrum of money market interest rates is covered, ranging from interest rates on overnight deposits to those on twelve-month deposits. Before January 1999, synthetic euro area interest rates were calculated on the basis of national rates weighted by GDP. With the exception of the overnight rate prior to January 1999, monthly, quarterly and yearly values are period averages. Overnight deposits are represented by end-of-period interbank deposit bid rates up to and including December 1998 and period averages for the euro overnight index average (EONIA) thereafter. As of January 1999, euro area interest rates on one, three, six and twelve-month deposits are euro interbank offered rates (EURIBOR); prior to that date, they are London interbank offered rates (LIBOR) where available. For the United States and Japan, interest rates on three-month deposits are represented by LIBOR.

Section 4.7 shows end-of-period rates estimated from nominal spot yield curves based on AAA-rated euro-denominated bonds issued by euro area central governments. The yield curves are estimated using the Svensson model[5]. Spreads between the ten-year rates and the three-month and two-year rates are also released. Additional yield curves (daily releases, including charts and tables) and the corresponding methodological information are available at: http://www.ecb.europa.eu/stats/money/yc/html/index.en.html. Daily data can also be downloaded.

Section 4.8 shows stock market indices for the euro area, the United States and Japan.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

Most of the data described in this section are produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating data for individual countries. As far as possible, the data are harmonised and comparable. Statistics on labour costs indices, GDP and expenditure components, value added by economic activity, industrial production, retail sales passenger car registrations and employment in terms of hours worked are working day-adjusted.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 1 in Section 5.1) is available from 1995 onwards. It is based on national HICPs, which follow the same methodology in all euro area countries. The breakdown into goods and services components is derived from the classification of individual consumption by purpose (Coicop/HICP). The HICP covers monetary expenditure by households on final consumption in the economic territory of the euro area. The table includes seasonally adjusted HICP data, which are compiled by the ECB, and experimental HICP-based indices of administered prices.

Industrial producer prices (Table 2 in Section 5.1), industrial production, industrial turnover and retail sales (Section 5.2) are covered by Council Regulation (EC) No 1165/98 of 19 May 1998

5 Svensson, L.E., "Estimating and Interpreting Forward Interest Rates: Sweden 1992-1994", CEPR Discussion Papers, No 1051. Centre for Economic Policy Research, London, 1994.

concerning short-term statistics[6]. Since January 2009 the revised classification of economic activities (NACE Revision 2), as covered by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90, as well as certain EC Regulations on specific statistical domains[7], has been applied in the production of short-term statistics. The breakdown by end use of product for industrial producer prices and industrial production is the harmonised sub-division of industry excluding construction (NACE Revision 2, sections B to E) into Main Industrial Groupings (MIGs) as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007[8]. Industrial producer prices reflect the ex-factory gate prices of producers. They include indirect taxes except VAT and other deductible taxes. Industrial production reflects the value added of the industries concerned.

The two non-energy commodity price indices shown in Table 3 in Section 5.1 are compiled with the same commodity coverage, but using two different weighting schemes: one based on the respective commodity imports of the euro area (columns 2-4), and the other (columns 5-7) based on estimated euro area domestic demand, or "use", taking into account information on imports, exports and the domestic production of each commodity (ignoring, for the sake of simplicity, inventories, which are assumed to be relatively stable over the observed period). The import-weighted commodity price index is appropriate for analysing external developments, while the use-weighted index is suitable for the specific purpose of analysing international commodity price pressures on euro area inflation. The use-weighted commodity price indices are experimental data. For more details as regards the compilation of the ECB commodity price indices, see Box 1 in the December 2008 issue of the Monthly Bulletin.

The labour cost indices (Table 5 in Section 5.1) measure the changes in labour costs per hour worked in industry (including construction) and market services. Their methodology is laid down in Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index[9] and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003[10]. A breakdown of the labour cost indices for the euro area is available by labour cost component (wages and salaries, and employers' social contributions plus employment-related taxes paid by the employer less subsidies received by the employer) and by economic activity. The ECB calculates the indicator of negotiated wages (memo item in Table 5 of Section 5.1) on the basis of non-harmonised, national-definition data.

Unit labour cost components (Table 4 in Section 5.1), GDP and its components (Tables 1 and 2 in Section 5.2), GDP deflators (Table 3 in Section 5.1) and employment statistics (Table 1 in Section 5.3) are derived from the ESA 95[11] quarterly national accounts. The ESA 95 was amended by Commission Regulation (EU) No 715/2010 of 10 August 2010[12] introducing NACE Revision 2, the updated statistical classification of economic activities. The publication of euro area national accounts data applying this new classification began in December 2011.

Indices for turnover in industry and for the retail trade (Table 4 in Section 5.2) measure the turnover, including all duties and taxes (with the exception of VAT), invoiced during the reference period.

6 OJ L 162, 5.6.1998, p. 1.
7 OJ L 393, 30.12.2006, p. 1.
8 OJ L 155, 15.6.2007, p. 3.
9 OJ L 69, 13.3.2003, p. 1.
10 OJ L 169, 8.7.2003, p. 37.
11 OJ L 310, 30.11.1996, p. 1.
12 OJ L 210, 11.8.2010, p. 1.

Retail trade turnover covers all retail trade (excluding sales of motor vehicles and motorcycles), including automotive fuel. New passenger car registrations cover registrations of both private and commercial passenger cars.

Qualitative business and consumer survey data (Table 5 in Section 5.2) draw on the European Commission Business and Consumer Surveys.

Unemployment rates (Table 4 in Section 5.3) conform to International Labour Organization guidelines. They refer to persons actively seeking work as a share of the labour force, using harmonised criteria and definitions. The labour force estimates underlying the unemployment rate are different from the sum of the employment and unemployment levels published in Section 5.3.

GOVERNMENT FINANCE

Sections 6.1 to 6.5 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The annual euro area aggregates in Sections 6.1 to 6.3 are compiled by the ECB on the basis of harmonised data provided by the NCBs, which are regularly updated. The annual deficit and debt data for the euro area aggregates may therefore differ from those published by the European Commission. The quarterly euro area aggregates in Sections 6.4 and 6.5 are compiled by the ECB on the basis of Eurostat and national data.

Section 6.1 presents annual figures on general government revenue and expenditure on the basis of definitions laid down in Commission Regulation (EC) No 1500/2000 of 10 July 2000 [13] amending the ESA 95. Section 6.2 shows details of general government gross consolidated debt at nominal value in line with the Treaty provisions on the excessive deficit procedure. Sections 6.1 and 6.2 include summary data for the individual euro area countries owing to their importance within the framework of the Stability and Growth Pact. The deficits/surpluses presented for the individual euro area countries correspond to excessive deficit procedure B.9, as defined by Council Regulation (EC) No 479/2009 as regards references to the ESA 95. Section 6.3 presents changes in general government debt. The difference between the change in the government debt and the government deficit – the deficit-debt adjustment – is mainly explained by government transactions in financial assets and by foreign exchange valuation effects. Section 6.4 presents non-seasonally adjusted quarterly figures on general government revenue and expenditure on the basis of definitions laid down in Regulation (EC) No 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government [14]. Section 6.5 presents quarterly figures on gross consolidated government debt, the deficit-debt adjustment and the government borrowing requirement. These figures are compiled using data provided by the Member States under Regulation (EC) No 501/2004 and Regulation (EC) No 222/2004 and data provided by the NCBs.

EXTERNAL TRANSACTIONS AND POSITIONS

The concepts and definitions used in balance of payments and international investment position (i.i.p.) statistics (Sections 7.1 to 7.4) are generally in line with the IMF Balance of Payments

13 OJ L 172, 12.7.2000, p. 3.
14 OJ L 179, 9.7.2002, p. 1.

Manual (fifth edition, October 1993), the ECB Guideline of 16 July 2004 on the statistical reporting requirements of the ECB (ECB/2004/15)[15] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[16]. Additional information regarding the methodologies and sources used in the euro area b.o.p. and i.i.p. statistics can be found in the ECB publication entitled "European Union balance of payments/international investment position statistical methods" (May 2007) and in the reports of the Task Force on Portfolio Investment Collection Systems (June 2002), the Task Force on Portfolio Investment Income (August 2003) and the Task Force on Foreign Direct Investment (March 2004), all of which can be downloaded from the ECB's website. In addition, a report by the ECB/European Commission (Eurostat) Task Force on Quality looking at balance of payments and international investment position statistics (June 2004) is available on the website of the Committee on Monetary, Financial and Balance of Payments Statistics (www.cmfb.org). The annual quality report on the euro area b.o.p./i.i.p., which is based on the Task Force's recommendations and follows the basic principles of the ECB Statistics Quality Framework published in April 2008, is available on the ECB's website.

On 9 December 2011 the ECB Guideline on the statistical requirements of the European Central Bank in the field of external statistics (ECB/2011/23)[17] was adopted by the Governing Council of the ECB. This legal act lays down new reporting requirements in the field of external statistics, which mainly reflect methodological changes introduced in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). The ECB will begin publishing the euro area's b.o.p., i.i.p. and international reserves statistics in accordance with Guideline ECB/2011/23 and the BPM6 in 2014, with backdata. The tables in Sections 7.1 and 7.4 follow the sign convention in the IMF Balance of Payments Manual – i.e. surpluses in the current account and the capital account have a plus sign, while in the financial account a plus sign denotes an increase in liabilities or a decrease in assets. In the tables in Section 7.2, both credit and debit transactions are presented with a plus sign. Furthermore, as of the February 2008 issue of the Monthly Bulletin, the tables in Section 7.3 have been restructured in order to allow the data on the balance of payments, the international investment position and related growth rates to be presented together; in the new tables, transactions in assets and liabilities that correspond to increases in positions are shown with a plus sign.

The euro area b.o.p. is compiled by the ECB. Recent monthly figures should be regarded as provisional. Data are revised when figures for the following month and/or the detailed quarterly b.o.p. are published. Earlier data are revised periodically or as a result of methodological changes in the compilation of the source data.

Table 1 in Section 7.2 also contains seasonally adjusted data for the current account. Where appropriate, the adjustment also covers working day, leap year and/or Easter-related effects. Table 3 in Section 7.2 and Table 9 in Section 7.3 present a breakdown of the euro area b.o.p. and i.i.p. vis-à-vis major partner countries, both individually and as a group, distinguishing between EU Member States outside the euro area and countries or areas outside the European Union. The breakdown also shows transactions and positions vis-à-vis EU institutions and international organisations (which, with the exception of the ECB and the European Stability Mechanism, are considered to be outside the euro area for statistical purposes, regardless of their physical location) as well as offshore centres. The breakdown does not cover transactions or positions in portfolio investment liabilities, financial derivatives or international reserves. In addition, separate data

15 OJ L 354, 30.11.2004, p. 34.
16 OJ L 159, 20.6.2007, p. 48.
17 OJ L 65, 3.3.2012, p. 1.

are not provided for investment income payable to Brazil, mainland China, India or Russia. The geographical breakdown is described in the article entitled "Euro area balance of payments and international investment position vis-à-vis main counterparts" in the February 2005 issue of the Monthly Bulletin.

The data on the euro area b.o.p. financial account and i.i.p. in Section 7.3 are based on transactions and positions vis-à-vis non-residents of the euro area, regarding the euro area as a single economic entity (see also Box 9 in the December 2002 issue of the Monthly Bulletin, Box 5 in the January 2007 issue of the Monthly Bulletin and Box 6 in the January 2008 issue of the Monthly Bulletin). The i.i.p. is valued at current market prices, with the exception of direct investment, where book values are used for unquoted shares, and other investments (e.g. loans and deposits). The quarterly i.i.p. is compiled on the basis of the same methodological framework as the annual i.i.p. As some data sources are not available on a quarterly basis (or are available with a delay), the quarterly i.i.p. is partly estimated on the basis of financial transactions, asset prices and foreign exchange developments.

Table 1 in Section 7.3 summarises the i.i.p. and financial transactions in the euro area b.o.p. The breakdown of the change in the annual i.i.p. is obtained by applying a statistical model to i.i.p. changes other than transactions, using information from the geographical breakdown and currency composition of assets and liabilities, as well as price indices for different financial assets. In this table, columns 5 and 6 refer to direct investment by resident units abroad and direct investment by non-resident units in the euro area.

In Table 5 in Section 7.3, the breakdown into "loans" and "currency and deposits" is based on the sector of the non-resident counterpart – i.e. assets vis-à-vis non-resident banks are classified as deposits, whereas assets vis-à-vis other non-resident sectors are classified as loans. This breakdown follows the distinction made in other statistics, such as the MFI consolidated balance sheet, and conforms to the IMF Balance of Payments Manual.

The outstanding amounts for the Eurosystem's international reserves and related assets and liabilities are shown in Table 7 of Section 7.3. These figures are not fully comparable with those in the Eurosystem's weekly financial statement owing to differences in coverage and valuation. The data in Table 7 are in line with the recommendations for the template on international reserves and foreign currency liquidity. By definition, the assets included in the Eurosystem's international reserves take account of the changing composition of the euro area. Before countries join the euro area, the assets of their national central banks are included in portfolio investment (in the case of securities) or other investment (in the case of other assets). Changes in the gold holdings of the Eurosystem (column 3) are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999, which was updated on 27 September 2009. More information on the statistical treatment of the Eurosystem's international reserves can be found in a publication entitled "Statistical treatment of the Eurosystem's international reserves" (October 2000), which can be downloaded from the ECB's website. The website also contains more comprehensive data in accordance with the template on international reserves and foreign currency liquidity.

The euro area's gross external debt statistics in Table 8 of Section 7.3 represent outstanding actual (rather than contingent) liabilities vis-à-vis non-euro area residents that require the payment of principal and/or interest by the debtor at one or more points in the future. Table 8 shows a breakdown of gross external debt by instrument and institutional sector.

Section 7.4 contains a monetary presentation of the euro area balance of payments, showing the transactions by non-MFIs that mirror the net external transactions by MFIs. Included in the transactions by non-MFIs are b.o.p. transactions for which a sectoral breakdown is not available. These concern the current and capital accounts (column 2) and financial derivatives (column 11). An up-to-date methodological note on the monetary presentation of the euro area balance of payments is available in the "Statistics" section of the ECB's website. See also Box 1 in the June 2003 issue of the Monthly Bulletin.

Section 7.5 shows data on euro area external trade in goods. The source is Eurostat. Value data and volume indices are seasonally and working day-adjusted. The breakdown by product group in columns 4 to 6 and 9 to 11 of Table 1 in Section 7.5 is in line with the classification contained in the Broad Economic Categories and corresponds to the basic classes of goods in the System of National Accounts. Manufactured goods (columns 7 and 12) and oil (column 13) are in line with the SITC Rev. 4 definition. The geographical breakdown (Table 3 in Section 7.5) shows major trading partners both individually and in regional groups. China excludes Hong Kong. On account of differences in definitions, classification, coverage and time of recording, external trade data, in particular for imports, are not fully comparable with the goods item in the b.o.p. statistics (Sections 7.1 and 7.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of imported goods in external trade data.

Industrial import prices and industrial producer export prices (or industrial output prices for the non-domestic market) shown in Table 2 in Section 7.5 were introduced by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98, which is the principal legal basis for short-term statistics. The industrial import price index covers industrial products imported from outside the euro area under sections B to E of the Statistical Classification of Products by Activity in the European Economic Community (CPA) and all institutional import sectors except households, governments and non-profit institutions. It reflects the cost, insurance and freight price excluding import duties and taxes, and refers to actual transactions in euro recorded at the point when ownership of the goods is transferred. The industrial producer export prices cover all industrial products exported directly by euro area producers to the extra-euro area market under sections B to E of NACE Revision 2. Exports from wholesalers and re-exports are not covered. The indices reflect the free on board price expressed in euro and calculated at the euro area frontier, including any indirect taxes except VAT and other deductible taxes. Industrial import prices and industrial producer export prices are available by Main Industrial Grouping as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007. For more details, see Box 11 in the December 2008 issue of the Monthly Bulletin.

EXCHANGE RATES

Section 8.1 shows nominal and real effective exchange rate indices for the euro, which are calculated by the ECB on the basis of weighted averages of the euro's bilateral exchange rates against the currencies of the selected trading partners of the euro area. A positive change denotes an appreciation of the euro. Weights are based on trade in manufactured goods with those trading partners in the periods 1995-1997, 1998-2000, 2001-2003, 2004-2006 and 2007-2009 and are calculated to account for third-market effects. The EER indices are obtained by chain-linking the indicators based on each of these five sets of trade weights at the end of each three-year period. The base period of the resulting EER index is the first quarter of 1999. The EER-21 group of trading partners is composed of the 11 non-euro area EU Member States plus Australia, Canada, China, Hong Kong, Japan, Norway, Singapore, South Korea, Switzerland and the United States. The EER-20 group excludes Croatia. The EER-40 group comprises the EER-21 plus the following countries: Algeria, Argentina, Brazil, Chile, Iceland, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela. Real EERs are calculated using consumer price indices (CPIs), producer price indices (PPIs), gross domestic product deflators and unit labour costs, both for the manufacturing sector (ULCM) and for the total economy (ULCT). ULCM-deflated EERs are available only for the EER-20.

For more detailed information on the calculation of the EERs, see the relevant methodological note and ECB Occasional Paper No 134 ("Revisiting the effective exchange rates of the euro" by Martin Schmitz, Maarten De Clercq, Michael Fidora, Bernadette Lauro and Cristina Pinheiro, June 2012), which can be downloaded from the ECB's website.

The bilateral rates shown in Section 8.2 are monthly averages of those published daily as reference rates for these currencies. The most recent rate for the Icelandic krona is 290.0 per euro and refers to 3 December 2008.

DEVELOPMENTS OUTSIDE THE EURO AREA

Statistics on other EU Member States (Section 9.1) follow the same principles as data relating to the euro area. However, data shown in this table on current and capital accounts and gross external debt follow the respective national concept and do not include special-purpose vehicles. The data for the United States and Japan contained in Section 9.2 are obtained from national sources.

ANNEXES

CHRONOLOGY OF MONETARY POLICY MEASURES OF THE EUROSYSTEM[1]

13 JANUARY AND 3 FEBRUARY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

3 MARCH 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 12 July 2011, notably to continue its fixed rate tender procedures with full allotment.

7 APRIL 2011

The Governing Council of the ECB decides to increase the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operation to be settled on 13 April 2011. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.00% and 0.50% respectively, both with effect from 13 April 2011.

5 MAY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.25%, 2.00% and 0.50% respectively.

9 JUNE 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.25%, 2.00% and 0.50% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 11 October 2011, notably to continue its fixed rate tender procedures with full allotment.

7 JULY 2011

The Governing Council of the ECB decides to increase the interest rate on the main refinancing operations by 25 basis points to 1.50%, starting from the operation to be settled on 13 July 2011. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.25% and 0.75% respectively, both with effect from 13 July 2011.

1 The chronology of monetary policy measures taken by the Eurosystem between 1999 and 2010 can be found in the ECB's Annual Report for the respective years.

4 AUGUST 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.50%, 2.25% and 0.75% respectively. It also decides on several measures to address renewed tensions in some financial markets. In particular, it decides that the Eurosystem will conduct a liquidity-providing supplementary longer-term refinancing operation with a maturity of approximately six months as a fixed rate tender procedure with full allotment. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 17 January 2012, notably to continue its fixed rate tender procedures with full allotment.

8 SEPTEMBER 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.50%, 2.25% and 0.75% respectively.

6 OCTOBER 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.50%, 2.25% and 0.75% respectively. It also decides on the details of its refinancing operations from October 2011 to 10 July 2012, notably to conduct two longer-term refinancing operations – one with a maturity of approximately 12 months in October 2011, and another with a maturity of approximately 13 months in December 2011 – and to continue to apply fixed rate tender procedures with full allotment in all of its refinancing operations. In addition, the Governing Council decides to launch a new covered bond purchase programme in November 2011.

3 NOVEMBER 2011

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operation to be settled on 9 November 2011. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.00% and 0.50% respectively, both with effect from 9 November 2011.

8 DECEMBER 2011

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.00%, starting from the operation to be settled on 14 December 2011. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 1.75% and 0.25% respectively, both with effect from 14 December 2011. It also decides to adopt further non-standard measures, notably: (i) to conduct two longer-term refinancing operations with a maturity of approximately three years; (ii) to increase the availability of collateral; (iii) to reduce the reserve ratio to 1%; and (iv) to discontinue, for the time being, the fine-tuning operations carried out on the last day of each maintenance period.

12 JANUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

9 FEBRUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also approves specific national eligibility criteria and risk control measures for the temporary acceptance in a number of countries of additional credit claims as collateral in Eurosystem credit operations.

8 MARCH, 4 APRIL AND 3 MAY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

6 JUNE 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 15 January 2013, notably to continue its fixed rate tender procedures with full allotment.

5 JULY 2012

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.75%, starting from the operation to be settled on 11 July 2012. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 1.50% and 0.00% respectively, both with effect from 11 July 2012.

2 AUGUST 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

6 SEPTEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the modalities for undertaking Outright Monetary Transactions (OMTs) in secondary markets for sovereign bonds in the euro area.

4 OCTOBER AND 8 NOVEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

6 DECEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 9 July 2013, notably to continue its fixed rate tender procedures with full allotment.

10 JANUARY, 7 FEBRUARY, 7 MARCH AND 4 APRIL 2013

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

2 MAY 2013

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.50%, starting from the operation to be settled on 8 May 2013. In addition, it decides to decrease the interest rate on the marginal lending facility by 50 basis points to 1.00%, with effect from 8 May 2013, and to keep the interest rate on the deposit facility unchanged at 0.00%. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 8 July 2014, notably to continue its fixed rate tender procedures with full allotment.

6 JUNE, 4 JULY, 1 AUGUST, 5 SEPTEMBER AND 2 OCTOBER 2013

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.50%, 1.00% and 0.00% respectively.

7 NOVEMBER 2013

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.25%, starting from the operation to be settled on 13 November 2013. In addition, it decides to decrease the interest rate on the marginal lending facility by 25 basis points to 0.75%, with effect from 13 November 2013, and to keep the interest rate on the deposit facility unchanged at 0.00%. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 7 July 2015, notably to continue its fixed rate tender procedures with full allotment.

PUBLICATIONS PRODUCED BY THE EUROPEAN CENTRAL BANK

The ECB produces a number of publications which provide information about its core activities: monetary policy, statistics, payment and securities settlement systems, financial stability and supervision, international and European cooperation, and legal matters. These include the following:

STATUTORY PUBLICATIONS

- Annual Report
- Convergence Report
- Monthly Bulletin

RESEARCH PAPERS

- Legal Working Paper Series
- Occasional Paper Series
- Research Bulletin
- Working Paper Series

OTHER/TASK-RELATED PUBLICATIONS

- Enhancing monetary analysis
- Financial integration in Europe
- Financial Stability Review
- Statistics Pocket Book
- The European Central Bank: history, role and functions
- The international role of the euro
- The implementation of monetary policy in the euro area (“General Documentation”)
- The monetary policy of the ECB
- The payment system

The ECB also publishes brochures and information materials on a variety of topics, such as the euro banknotes and coins, as well as seminar and conference proceedings.

For a complete list of documents (in PDF format) published by the ECB and the European Monetary Institute, the ECB’s forerunner from 1994 to 1998, please visit the ECB’s website at http://www.ecb.europa.eu/pub/. Language codes indicate the languages in which each publication is available.

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GLOSSARY

This glossary contains selected items that are frequently used in the Monthly Bulletin. A more comprehensive and detailed glossary can be found on the ECB's website (www.ecb.europa.eu/home/glossary/html/index.en.html).

Autonomous liquidity factors: liquidity factors that do not normally stem from the use of monetary policy instruments. Such factors are, for example, banknotes in circulation, government deposits with the central bank and the net foreign assets of the central bank.

Balance of payments (b.o.p.): a statistical statement that summarises, for a specific period of time, the economic transactions of an economy with the rest of the world.

Bank lending survey (BLS): a quarterly survey on lending policies that has been conducted by the Eurosystem since January 2003. It addresses qualitative questions on developments in credit standards, terms and conditions of loans and loan demand for both enterprises and households to a predefined sample group of banks in the euro area.

Borrowing requirement (general government): net incurrence of debt by the general government.

Break-even inflation rate: the spread between the yield on a nominal bond and that on an inflation-linked bond of the same (or as similar as possible) maturity.

Capital account: a b.o.p. account that covers all capital transfers and acquisitions/disposals of non-produced, non-financial assets between residents and non-residents.

Capital accounts: part of the system of national (or euro area) accounts consisting of the change in net worth that is due to net saving, net capital transfers and net acquisitions of non-financial assets.

Central parity (or central rate): the exchange rate of each ERM II member currency vis-à-vis the euro, around which the ERM II fluctuation margins are defined.

Compensation per employee or per hour worked: the total remuneration, in cash or in kind, that is payable by employers to employees, i.e. gross wages and salaries, as well as bonuses, overtime payments and employers' social security contributions, divided by the total number of employees or by the total number of employees' hours worked.

Consolidated balance sheet of the MFI sector: a balance sheet obtained by netting out inter-MFI positions (e.g. inter-MFI loans and deposits) in the aggregated MFI balance sheet. It provides statistical information on the MFI sector's assets and liabilities vis-à-vis residents of the euro area not belonging to this sector (i.e. the general government and other euro area residents) and vis-à-vis non-euro area residents. It is the main statistical source for the calculation of monetary aggregates, and it provides the basis for the regular analysis of the counterparts of M3.

Collateral: assets pledged or transferred in some form as a guarantee for the repayment of loans, as well as assets sold under repurchase agreements. Collateral used in Eurosystem reverse transactions must fulfil certain eligibility criteria.

Current account: a b.o.p. account that covers all transactions in goods and services, income and current transfers between residents and non-residents.

Current transfers account: a technical b.o.p. account in which the value of real resources or financial items is recorded when these are transferred without receiving anything in exchange. Current transfers cover all transfers that are not capital transfers.

Debt (financial accounts): loans taken out by households, as well as the loans, debt securities and pension fund reserves (resulting from employers' direct pension commitments on behalf of their employees) of non-financial corporations, valued at market prices at the end of the period.

Debt (general government): the gross debt (currency and deposits, loans and debt securities) at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government.

Debt security: a promise on the part of the issuer (i.e. the borrower) to make one or more payment(s) to the holder (the lender) on a specified future date or dates. Such securities usually carry a specific rate of interest (the coupon) and/or are sold at a discount to the amount that will be repaid at maturity. Debt securities issued with an original maturity of more than one year are classified as long-term.

Debt-to-GDP ratio (general government): the ratio of general government debt to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit.

Deficit (general government): the general government's net borrowing, i.e. the difference between total government revenue and total government expenditure.

Deficit-debt adjustment (general government): the difference between the general government deficit and the change in general government debt.

Deficit ratio (general government): the ratio of the general government deficit to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit. It is also referred to as the budget deficit ratio or the fiscal deficit ratio.

Deflation: a significant and persistent decline in the prices of a very broad set of consumer goods and services that becomes entrenched in expectations.

Deposit facility: a standing facility of the Eurosystem enabling eligible counterparties to make, on their own initiative, overnight deposits with the NCB in their respective jurisdiction. Deposits are remunerated at a pre-specified rate that normally provides a floor for overnight market interest rates.

Disinflation: a process of decelerating inflation that may lead to negative inflation rates of a temporary nature.

Direct investment: cross-border investment for the purpose of obtaining a lasting interest in an enterprise resident in another economy (assumed, in practice, for ownership of at least 10% of the ordinary shares or voting power). Included are equity capital, reinvested earnings and other capital associated with inter-company operations. The direct investment account records net transactions/positions in assets abroad by euro area residents (as "direct investment abroad") and net transactions/positions in euro area assets by non-residents (as "direct investment in the euro area").

Effective exchange rates (EERs) of the euro (nominal/real): weighted averages of bilateral euro exchange rates against the currencies of the euro area's main trading partners. The EER indices of the euro are calculated against different groups of trading partners: the EER-20 comprises the ten non-euro area EU Member States and ten trading partners outside the EU, and the EER-40 encompasses the EER-20 and 20 additional countries. The weights used reflect the share of each partner country in the euro area's trade in manufactured goods and account for competition in third markets. Real EERs are nominal EERs deflated by a weighted average of foreign, relative to domestic, prices or costs. They are thus measures of price and cost competitiveness.

Enhanced credit support: the non-standard measures taken by the ECB/Eurosystem during the financial crisis with a view to supporting financing conditions and credit flows above and beyond what could be achieved through reductions in key ECB interest rates alone.

EONIA (euro overnight index average): a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.

Equities: securities representing ownership of a stake in a corporation, e.g. shares traded on stock exchanges (quoted shares), unquoted shares and other forms of equity. Equities usually produce income in the form of dividends.

ERM II (exchange rate mechanism II): the exchange rate arrangement that provides the framework for exchange rate policy cooperation between the euro area countries and the EU Member States not participating in Stage Three of EMU.

EURIBOR (euro interbank offered rate): the rate at which what is known as a prime bank is willing to lend funds (denominated in euro) to another prime bank. The EURIBOR is computed daily, based on the rates of a sample of selected banks, for different maturities of up to 12 months.

Euro area: the area formed by those EU Member States in which the euro has been adopted as the single currency in accordance with the Treaty on the Functioning of the European Union.

European Commission surveys: harmonised surveys of business and/or consumer sentiment conducted on behalf of the European Commission in each of the EU Member States. Such questionnaire-based surveys are addressed to managers in the manufacturing, construction, retail and services industries, as well as to consumers. From each monthly survey, composite indicators are calculated that summarise the replies to a number of different questions in a single indicator (confidence indicators).

Eurosystem: the central banking system made up of the ECB and the NCBs of those EU Member States whose currency is the euro.

Eurozone Purchasing Managers' Surveys: surveys of business conditions in manufacturing and in services industries conducted for a number of countries in the euro area and used to compile indices. The Eurozone Manufacturing Purchasing Managers' Index (PMI) is a weighted indicator calculated from indices of output, new orders, employment, suppliers' delivery times and stocks of purchases. The services sector survey asks questions on business activity, expectations of future business activity, the amount of business outstanding, incoming new business, employment, input prices and prices charged. The Eurozone Composite Index is calculated by combining the results from the manufacturing and services sector surveys.

External trade in goods: exports and imports of goods with countries outside the euro area, measured in terms of value and as indices of volume and unit value. External trade statistics are not comparable with the exports and imports recorded in the national accounts, as the latter include both intra-euro area and extra-euro area transactions, and also combine goods and services. Nor are they fully comparable with the goods item in b.o.p. statistics. Besides methodological adjustments, the main difference is that imports in external trade statistics are recorded including insurance and freight services, whereas they are recorded free on board in the goods item in the b.o.p. statistics.

Financial account: a b.o.p. account that covers transactions between residents and non-residents in direct investment, portfolio investment, other investment, financial derivatives and reserve assets.

Financial accounts: part of the system of national (or euro area) accounts showing the financial positions (stocks or balance sheets), financial transactions and other changes of the different institutional sectors of an economy by type of financial asset.

Financial vehicle corporation (FVC): an entity whose principal activity is to carry out securitisation transactions. An FVC typically issues marketable securities that are offered for sale to the general public, or sold in the form of private placements. These securities are backed by a portfolio of assets (typically loans) which are held by the FVC. In some cases, a securitisation transaction may involve a number of FVCs, where one FVC holds the securitised assets and another issues the securities backed by those assets.

Fixed rate tender: a tender procedure in which the interest rate is specified in advance by the central bank and in which participating counterparties bid the amount of money they wish to transact at the fixed interest rate.

Fixed rate full-allotment tender procedure: a tender procedure in which the interest rate is pre-specified by the central bank (fixed rate) and in which counterparties bid the amount of money they want to transact at that rate, knowing in advance that all their bids will be satisfied (full allotment).

General government: a sector defined in the ESA 95 as comprising resident entities that are engaged primarily in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. Included are central, regional and local government authorities as well as social security funds. Excluded are government-owned entities that conduct commercial operations, such as public enterprises.

Gross domestic product (GDP): the value of an economy's total output of goods and services less intermediate consumption, plus net taxes on products and imports. GDP can be broken down by output, expenditure or income components. The main expenditure aggregates that make up GDP are household final consumption, government final consumption, gross fixed capital formation, changes in inventories, and imports and exports of goods and services (including intra-euro area trade).

Gross external debt: the outstanding amount of an economy's actual (i.e. non-contingent) current liabilities that require payment of principal and/or interest to non-residents at some point in the future.

Harmonised Index of Consumer Prices (HICP): a measure of the development of consumer prices that is compiled by Eurostat and harmonised for all EU Member States.

Hourly labour cost index: a measure of labour costs, including gross wages and salaries (in cash and in kind, including bonuses) and other labour costs (employers' social contributions plus employment-related taxes paid by the employer minus subsidies received by the employer), per hour actually worked (including overtime).

Implied volatility: the expected volatility (i.e. standard deviation) in the rates of change of the price of an asset (e.g. a share or a bond). It can be derived from the asset's price, maturity date and exercise price of its options, as well as from a riskless rate of return, using an option pricing model such as the Black-Scholes model.

Income account: a b.o.p. account that covers two types of transactions with non-residents, namely (i) those involving compensation of employees that is paid to non-resident workers (e.g., cross-border, seasonal, and other short-term workers) and (ii) those involving investment income receipts and payments on external financial assets and liabilities, with the latter including receipts and payments on direct investment, portfolio investment and other investment, as well as receipts on reserve assets.

Index of negotiated wages: a measure of the direct outcome of collective bargaining in terms of basic pay (i.e. excluding bonuses) at the euro area level. It refers to the implied average change in monthly wages and salaries.

Industrial producer prices: factory-gate prices (transportation costs are not included) of all products sold by industry, excluding construction, on the domestic markets of the euro area countries, excluding imports.

Industrial production: the gross value added created by industry at constant prices.

Inflation: an increase in the general price level, e.g. in the consumer price index.

Inflation-indexed government bonds: debt securities issued by the general government, the coupon payments and principal of which are linked to a specific consumer price index.

Insurance corporations and pension funds: financial corporations and quasi-corporations that are engaged primarily in financial intermediation as the consequence of the pooling of risks.

International investment position (i.i.p.): the value and composition of an economy's outstanding net financial claims on (or financial liabilities to) the rest of the world.

International reserves: external assets readily available to and controlled by monetary authorities for directly financing or regulating the magnitude of payment imbalances through intervention in exchange markets. The international reserves of the euro area comprise non-euro-denominated claims on non-euro area residents, gold, special drawing rights and the reserve positions in the IMF which are held by the Eurosystem.

Investment funds (except money market funds): financial institutions that pool capital raised from the public and invest it in financial and non-financial assets. See also MFIs.

Job vacancies: a collective term covering newly created jobs, unoccupied jobs or jobs about to become vacant in the near future, for which the employer has recently taken active steps to find a suitable candidate.

Key ECB interest rates: the interest rates, set by the Governing Council, which reflect the monetary policy stance of the ECB. They are the rates at the main refinancing operations, on the marginal lending facility and on the deposit facility.

Labour force: the sum total of persons in employment and the number of unemployed.

Labour productivity: the output that can be produced with a given input of labour. It can be measured in several ways, but is commonly measured as GDP (volume) divided by either total employment or total hours worked.

Liquidity-absorbing operation: an operation through which the Eurosystem absorbs liquidity in order to reduce excess liquidity, or to create a shortage of liquidity. Such operations can be conducted by issuing debt certificates or fixed-term deposits.

Longer-term refinancing operation (LTRO): an open market operation with a maturity of more than one week that is executed by the Eurosystem in the form of a reverse transaction. The regular monthly operations have a maturity of three months. During the financial market turmoil that started in August 2007, supplementary operations with maturities ranging from one maintenance period to 36 months were conducted, the frequency of which varied.

M1: a narrow monetary aggregate that comprises currency in circulation plus overnight deposits held with MFIs and central government (e.g. at the post office or treasury).

M2: an intermediate monetary aggregate that comprises M1 plus deposits redeemable at a period of notice of up to and including three months (i.e. short-term savings deposits) and deposits with an agreed maturity of up to and including two years (i.e. short-term time deposits) held with MFIs and central government.

M3: a broad monetary aggregate that comprises M2 plus marketable instruments, in particular repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs.

Main refinancing operation (MRO): a regular open market operation executed by the Eurosystem in the form of reverse transactions. Such operations are carried out through a weekly standard tender and normally have a maturity of one week.

Marginal lending facility: a standing facility of the Eurosystem enabling eligible counterparties, on their own initiative, to receive overnight credit from the NCB in their jurisdiction at a pre-specified rate in the form of a reverse transaction. The rate on loans extended within the scope of the marginal lending facility normally provides an upper bound for overnight market interest rates.

MFI credit to euro area residents: MFI loans granted to non-MFI euro area residents (including general government and the private sector) and MFI holdings of securities (shares, other equity and debt securities) issued by non-MFI euro area residents.

MFI interest rates: the interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area.

MFI longer-term financial liabilities: deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued by euro area MFIs with an original maturity of more than two years and the capital and reserves of the euro area MFI sector.

MFI net external assets: the external assets of the euro area MFI sector (such as gold, foreign currency banknotes and coins, securities issued by non-euro area residents and loans granted to non-euro area residents) minus the external liabilities of the euro area MFI sector (such as non-euro area residents' deposits and repurchase agreements, as well as their holdings of money market fund shares/units and debt securities issued by MFIs with a maturity of up to and including two years).

MFIs (monetary financial institutions): financial institutions which together form the money-issuing sector of the euro area. These include (i) the Eurosystem, (ii) resident credit institutions (as defined in EU law), (iii) other financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities, as well as electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and (iv) money market funds, i.e. collective investment undertakings that invest in short-term and low-risk instruments.

Minimum bid rate: the lower limit to the interest rates at which counterparties may submit bids in the variable tenders.

Open market operation: a financial market operation executed on the initiative of the central bank. These operations include reverse transactions, outright transactions as well as the issuance of fixed-term deposits or debt certificates or foreign exchange swaps. The open market operations can be liquidity providing or liquidity absorbing.

Other investment: an item in the b.o.p. and the i.i.p. that covers the financial transactions/positions with non-residents in trade credits, deposits and loans, and other accounts receivable and payable.

Portfolio investment: euro area residents' net transactions and/or positions in securities issued by non-residents of the euro area ("assets") and non-residents' net transactions and/or positions in securities issued by euro area residents ("liabilities"). Included are equity securities and debt securities (bonds and notes, and money market instruments). Transactions are recorded at the effective price paid or received, less commissions and expenses. To be regarded as a portfolio asset, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.

Price stability: as defined by the Governing Council, a year-on-year increase in the HICP for the euro area of below 2%. The Governing Council has also made it clear that, in the pursuit of price stability, it aims to maintain inflation rates below, but close to, 2% over the medium term.

Purchasing power parity (PPP): the rate at which one currency is converted into another so as to equalise the purchasing power of the two currencies by eliminating the differences in the price levels prevailing in the countries concerned. In their simplest form, PPPs show the ratio of the prices in national currency of the same good or service in different countries.

Reference value for M3 growth: the annual growth rate of M3 that is deemed to be compatible with price stability over the medium term.

Reserve requirement: the requirement for institutions to hold minimum reserves with the central bank over a maintenance period. Compliance with the requirement is determined on the basis of the average of the daily balances in the reserve accounts over the maintenance period.

Reverse transaction: an operation whereby the NCB buys or sells assets under a repurchase agreement or conducts credit operations against collateral.

Securitisation: a transaction or scheme whereby an asset or a pool of cash flow-producing assets, often consisting of loans (mortgages, consumer loans, etc.), is transferred from an originator (usually a credit institution) to a financial vehicle corporation (FVC). The FVC effectively converts these assets into marketable securities by issuing debt instruments with principal and interest serviced through the cash flows produced by the asset pool.

Survey of Professional Forecasters (SPF): a quarterly survey that has been conducted by the ECB since 1999 to collect macroeconomic forecasts on euro area inflation, real GDP growth and unemployment from a panel of experts affiliated to financial and non-financial organisations based in the EU.

Unit labour costs: a measure of total labour costs per unit of output calculated for the euro area as the ratio of total compensation per employee to labour productivity (defined as GDP (volume) per person employed).

Variable rate tender: a tender procedure where the counterparties bid both the amount of money they wish to transact with the central bank and the interest rate at which they wish to enter into the transaction.

Volatility: the degree of fluctuation in a given variable.

Write-down: a downward adjustment to the value of loans recorded in the balance sheets of MFIs when it is recognised that the loans have become partly unrecoverable.

Write-off: the removal of the value of loans from the balance sheets of MFIs when the loans are considered to be totally unrecoverable.

Yield curve: a graphical representation of the relationship between the interest rate or yield and the residual maturity at a given point in time for sufficiently homogenous debt securities with different maturity dates. The slope of the yield curve can be measured as the difference between the interest rates or yield at two selected maturities.

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