EN

EUROPEAN CENTRAL BANK

EUROSYSTEM

MONTHLY BULLETIN
OCTOBER

01 | 2013

02 | 2013

03 | 2013

04 | 2013

05 | 2013

06 | 2013

07 | 2013

08 | 2013

09 | 2013

10 | 2013

11 | 2013

12 | 2013

EUROPEAN CENTRAL BANK MONTHLY BULLETIN 10 | 2013

EUROPEAN CENTRAL BANK

EUROSYSTEM

In 2013 all ECB publications feature a motif taken from the €5 banknote.

MONTHLY BULLETIN
OCTOBER 2013

Address
Kaiserstrasse 29
60311 Frankfurt am Main
Germany

Postal address
Postfach 16 03 19
60066 Frankfurt am Main
Germany

Telephone
+49 69 1344 0

Website
http://www.ecb.europa.eu

Fax
+49 69 1344 6000

This Bulletin was produced under the responsibility of the Executive Board of the ECB. Translations are prepared and published by the national central banks.

The cut-off date for the statistics included in this issue was 1 October 2013.

ISSN 1561-0136 (print)
ISSN 1725-2822 (epub)
ISSN 1725-2822 (online)
EU catalogue number QB-AG-13-010-EN-C (print)
EU catalogue number QB-AG-13-010-EN-E (epub)
EU catalogue number QB-AG-13-010-EN-N (online)

CONTENTS

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

Based on its regular economic and monetary analyses, the Governing Council decided at its meeting on 2 October to keep the key ECB interest rates unchanged. Incoming information and analysis have further underpinned the Governing Council's previous assessment. Underlying price pressures in the euro area are expected to remain subdued over the medium term. In keeping with this picture, monetary and, in particular, credit dynamics remain subdued. Inflation expectations for the euro area continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2% over the medium term. At the same time, real GDP growth in the second quarter was positive, after six quarters of negative output growth, and confidence indicators up to September confirm the expected gradual improvement in economic activity from low levels. The monetary policy stance continues to be geared towards maintaining the degree of monetary accommodation warranted by the outlook for price stability and promoting stable money market conditions. It thereby provides support to a gradual recovery in economic activity. Looking ahead, the monetary policy stance will remain accommodative for as long as necessary, in line with the forward guidance provided in July. The Governing Council confirms that it expects 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 unchanged overall subdued outlook for inflation extending into the medium term, given the broad-based weakness in the economy and subdued monetary dynamics. In the period ahead, the Governing Council will monitor all incoming information on economic and monetary developments and assess any impact on the medium-term outlook for price stability. With regard to money market conditions, the Governing Council will remain particularly attentive to developments which may have implications for the stance of monetary policy and is ready to consider all available instruments.

With regard to the economic analysis, following six quarters of negative output growth, euro area real GDP rose, quarter on quarter, by 0.3% in the second quarter of 2013, also supported by temporary factors related to unusually adverse weather conditions in some euro area countries earlier this year. Developments in industrial production data point to somewhat weaker growth at the beginning of the third quarter, while survey-based confidence indicators up to September have improved further from low levels, overall confirming the Governing Council's previous expectations of a gradual recovery in economic activity. Looking ahead, output is expected 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 external demand for exports. Furthermore, the overall improvements in financial markets seen since last summer 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 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 in the context of renewed geopolitical tensions, weaker than expected global demand and slow or insufficient implementation of structural reforms in euro area countries.

According to Eurostat's flash estimate, and broadly in line with expectations, euro area annual HICP inflation decreased in September 2013 to 1.1%, from 1.3% in August. On the basis of current futures prices for energy, annual inflation rates are expected to remain at such low levels in the coming months. Taking the appropriate medium-term perspective, underlying price pressures are expected to remain subdued, reflecting the broad-based weakness in aggregate demand and the modest pace of the recovery. Medium to long-term inflation expectations continue to be firmly anchored in line with price stability.

The risks to the outlook for price developments are expected to be still broadly balanced over the medium term, with upside risks relating in particular to higher commodity prices as well as stronger than expected increases in administered prices and indirect taxes, and downside risks stemming from weaker than expected economic activity.

Turning to the monetary analysis, data for August indicate that the underlying growth of broad money (M3) and, in particular, credit remained subdued. Annual growth in M3 continued to be broadly stable at 2.3% in August, compared with 2.2% in July. Annual growth in M1 remained strong but decreased to 6.8% in August, from 7.1% in July. 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 0.4% in August, 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 -2.9% in August, compared with -2.8% in July. 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.

Since the summer of 2012 substantial progress has been made in improving the funding situation of banks and, in particular, in strengthening the domestic deposit base in a number of stressed countries. 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. Further decisive steps to establish a banking union will help to accomplish this objective.

To sum up, the economic analysis indicates that price developments should remain in line with price stability over the medium term. A cross-check with the signals from the monetary analysis confirms this picture.

As regards fiscal policies, euro area countries should not unravel their efforts to reduce deficits and put high government debt ratios on a downward path. The draft budgetary plans that countries will now deliver for the first time under the "two-pack" regulations need to provide for sufficiently far-reaching measures to achieve the fiscal targets for 2014. Governments must also decisively strengthen efforts to implement the needed structural reforms in product and labour markets. These reforms are required not only to help countries to regain competitiveness and to rebalance within the euro area, but also to create more flexible and dynamic economies that generate sustainable economic growth and employment.

This issue of the Monthly Bulletin contains two articles. The first article identifies recent changes in the nature of commodity price movements and analyses their potential implications for the assessment of the economic outlook for the euro area. The second article reviews the role of reference interest rates such as the EURIBOR in the euro area and summarises the ECB's views on the current debate on possible options to reform these rates, as well as the initiatives taken in this respect by the official sector, including the Eurosystem.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

Global growth remains subdued overall, albeit diverse across regions. Recent developments seem to confirm the change in the underlying growth dynamics in favour of advanced economies. Indeed, in most major non-euro area advanced economies the outlook for growth has been firming up, although some factors continue to restrain growth in the medium term. By contrast, growth in emerging market economies appears to have lost some momentum, although it is expected to continue contributing significantly to global activity. Global inflationary pressures have remained contained. Inflation in advanced economies was broadly stable in August, while recent developments have been more mixed in emerging markets.

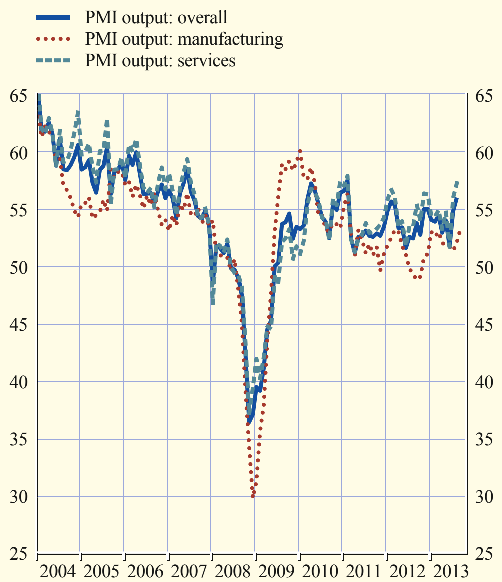
1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

Global growth remains subdued overall, albeit diverse across regions. The latest surveys point towards a more favourable outlook for the global economy in the third quarter and some firming-up of the growth momentum in advanced economies. The global Purchasing Managers' Index (PMI) for all-industry output increased to 55.2 in August, from 54.0 in July, with both services and manufacturing sector components contributing to this expansion. Recent data for global manufacturing output up to September point to an ongoing expansion in this sector. Excluding the euro area, the all-industry output PMI strengthened to 56.0 in August, from 54.8 in July (see Chart 1). Other data releases, particularly of hard data, have been more mixed for both advanced and emerging market economies at the start of the third quarter. Following strong GDP growth in the second quarter, activity in the United States may lose some momentum in the near term, while short-term prospects look more robust in Japan and the United Kingdom. Growth momentum appears to be recovering somewhat in China, although other emerging countries have experienced a slowdown in economic activity following the tightening of global financial conditions in recent months.

Forward-looking global indicators generally seem to confirm the ongoing modest recovery. The new orders component of the global all-industry PMI excluding the euro area increased in August. By contrast, global manufacturing new export orders (excluding the euro area) stood very close to 50 in September, suggesting that global trade dynamics remain weak. The OECD's composite leading indicators, designed to anticipate turning points in economic activity relative to trend, also pointed to an improvement in overall growth prospects in the OECD area in July, but signalled diverging growth patterns across major economies (see Chart 2). The composite leading indicators anticipate improvements in growth in most major OECD countries, including the United States, the United Kingdom and Japan. By contrast, in large emerging economies, they point to a stabilisation (in the case of China and Russia) or a slowdown in momentum (in Brazil and India). Overall, these developments seem to be confirm a change in the underlying dynamics in favour of advanced economies.

Chart 1 Global PMI (excluding the euro area)

(seasonally adjusted monthly data)

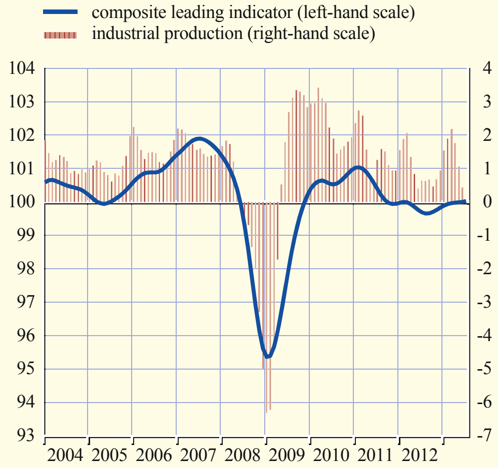


Source: Markit.

The global outlook continues to be surrounded by considerable uncertainty and the balance of risks for world activity remains tilted to the downside. Recent developments in global money and financial market conditions and related uncertainties may have the potential to negatively affect economic conditions. At the same time, there is a risk that renewed geopolitical tensions could lead to higher commodity prices, and that global demand turns out to be weaker than expected.

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.

1.2 GLOBAL PRICE DEVELOPMENTS

Overall, global inflation remains contained. In the OECD area, consumer price inflation was 1.7% year on year in August 2013, compared with 2.0% in July 2013 (see Table 1). This decline was driven by markedly lower energy price inflation. Excluding food and energy, the OECD annual inflation rate remained broadly stable at 1.6% in August. The decline in annual headline inflation was observed in the majority of OECD countries, with the exception of Japan, where it increased, while developments in large emerging economies were more mixed, with declines in China and Brazil and increases in India and, to some extent, Russia. In a number of countries, however, inflation remained above the targets announced by the respective monetary authorities.

Turning to energy price developments, after having reached a peak of USD 116 per barrel at the end of August, Brent crude oil prices declined by 7%. On 1 October, oil prices stood at USD 108 per barrel, which is 4% lower than one year ago.

Table 1 Price developments in selected economies

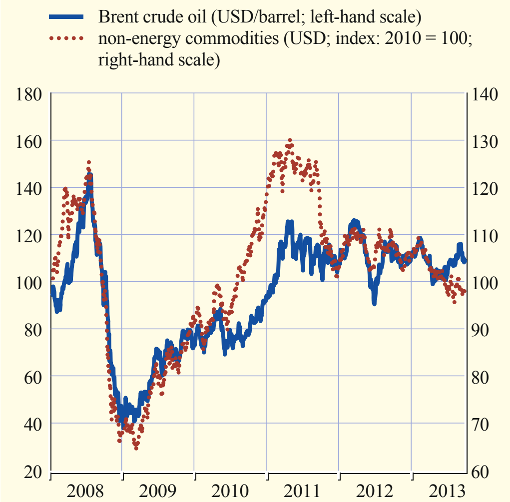
(annual percentage changes)

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

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

The recent decline in oil prices was due to receding geopolitical tensions, a recovery in global oil supply from the unexpected disruptions in August and a seasonal slowdown in oil demand growth. Diplomatic efforts to avert a military strike on Syria have put downward pressure on prices. At the same time, a gradual recovery in North Sea supply from maintenance-related disruptions, as well as strong growth in supply from North America, helped to ease the generally tight supply/demand balance in the third quarter of 2013. Recovery in supply from Libya, Nigeria and Iraq is also expected to further ease supply-side pressures on prices, although geopolitical tensions may persist in these countries and in the neighbouring region. On the demand side, the seasonal decline in refinery demand from its peak in July is likely to continue and could even accelerate in the fourth quarter of 2013. This would further dampen the pressures on prices towards the end of the year. Looking ahead, market participants expect lower oil prices over the medium term, with December 2014 futures prices trading at 100 USD per barrel.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

Amid some volatility, prices of non-energy commodities were, on aggregate, broadly stable in the course of September (see Chart 3). While prices of most food commodities, such as cereals and soybeans, declined, owing to favourable supply prospects, developments in metal prices were mixed. In aggregate terms, the price index for non-energy commodities (denominated in US dollars) was about 10% lower at the end of September 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 third and final estimate by the Bureau of Economic Analysis, real GDP increased at an annualised quarterly rate of 2.5%, up from 1.1% in the first quarter. Real GDP growth was the same as reported in the second estimate, as the impact of downward revisions to the contribution from inventories and net trade was fully offset by upward revisions to personal spending, private investment and government expenditure. Real GDP growth in the second quarter was sustained by gains in personal consumption expenditure, although these gains were slower compared with the first quarter, and by strong private fixed investment, both non-residential and residential. 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 two consecutive quarters of substantial declines. The contribution of net exports to GDP growth was slightly negative, reflecting buoyant export and import growth.

Recent data releases suggest that growth could have slowed somewhat in the third quarter, owing particularly to the loss of some momentum in private consumption and exports. Real private consumption growth was sluggish in July and August, amid subdued income growth and higher mortgage rates. Furthermore, consumer confidence declined in September, suggesting that consumption started on a weak footing in the second half of 2013. Job creation has also lost some of its gains over the last few months, with the increase of 169,000 jobs in August relative to July being considerably below the previous six-month average of 200,000 jobs a month. In addition, there have been significant downward revisions to the data in the previous two months. At the same time, the unemployment rate fell further to 7.3%. However, this was due exclusively to a decline in the labour force participation rate. The widening in the external trade deficit in July, with a contraction in exports, suggests that the strong momentum in exports recorded in the second quarter of the year might not have been maintained in the third quarter, given the continuing subdued external environment. The housing market recovery appears to be fairly robust, with home sales in July and house prices in August continuing to be on an upward trend. Nevertheless, while hard data suggest that the economy might have slowed in the third quarter, business survey data in August and September have remained very strong. Increasing political uncertainty might weigh on the recovery in the short term, particularly if the partial government shutdown since 1 October were to last for a longer period.

Annual CPI inflation declined by 0.5 percentage point to 1.5% in August, as the strong positive base effect of energy prices in the previous month petered out, leaving energy prices practically unchanged in year-on-year terms (+4.7% in July). Food price inflation remained stable at 1.4%, whereas core inflation increased slightly to 1.8%, from 1.7% in July, on account of an acceleration in shelter and medical services prices. Looking ahead, both headline and core inflation should remain contained, as there are few indications so far that inflationary pressures are building up. Moreover, considerable spare capacity in the economy is expected to keep underlying price pressures low.

On 18 September 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 also 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. Consequently, the FOMC announced that it would continue to purchase additional agency mortgage-backed securities at a rate of USD 40 billion per month and longer-term Treasury securities at a rate of USD 45 billion per month.

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2011	2012	2012 Q4	2013 Q1	2013 Q2	2012 Q4	2013 Q1	2013 Q2
United States	1.8	2.8	2.0	1.3	1.6	0.0	0.3	0.6
Japan	-0.6	2.0	0.3	0.1	1.3	0.3	1.0	0.9
United Kingdom	1.1	0.1	-0.2	0.2	1.3	-0.3	0.4	0.7
China	9.3	7.7	7.9	7.7	7.5	1.9	1.6	1.7

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

JAPAN

The Japanese economy continued to expand at a robust pace. According to the final release of the national accounts, quarter-on-quarter GDP growth in the second quarter of 2013 was revised upwards to 0.9%, from 0.6%, owing to both private and public stronger investment. Both sentiment and hard indicators suggest a continued robust growth momentum. On the domestic side, industrial production in August contracted by just 0.7% on a monthly basis, following a 3.4% expansion the previous month. Meanwhile, real exports and imports of goods increased in August by 6.4% and 1.3% month on month, respectively. Recent consumer and business confidence indicators were also positive, with the overall PMI diffusion index for manufacturing increasing to 52.5 in September, from 52.2 in the previous month.

Consumer price inflation has maintained its gradual 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 0.9% in August, from 0.7% in the previous month, largely owing to higher energy prices. Accordingly, annual core consumer price inflation (excluding food, beverages and energy) also picked up, but to a lesser extent, from -0.1% to 0% in August.

At its latest monetary policy meeting on 5 September 2013, the Bank of Japan decided to keep its target for the monetary base unchanged.

UNITED KINGDOM

In the United Kingdom, real GDP increased by 0.7% quarter on quarter in the second quarter of 2013, and the strength of the main survey indicators in August and September suggests that robust growth will continue in the short term. In the medium term, however, the pace of growth is likely to moderate. The need for private and public sector balance sheet adjustment, as well as weak household real income dynamics, will continue to constrain domestic demand for some time, while prospects for export growth remain relatively modest. The labour market situation has continued to improve gradually, with the unemployment rate falling by 0.1 percentage point to 7.7% in the three months to July and employment growth remaining steady. Buoyed by recent policy measures, both activity and price indicators have picked up further in the housing market, but credit growth dynamics have remained weak.

Annual CPI inflation has been relatively high in recent months. In August 2013 the headline inflation rate declined by 0.1 percentage point to 2.7%, owing mainly to lower inflation in transport services. Looking ahead, it is expected that inflationary pressures will be contained 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 4 September 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, recent data releases for survey indicators and hard data point to a moderate recovery in the growth momentum in the near term. Growth in industrial production, fixed asset investment, retail sales and exports accelerated in August, although import growth weakened somewhat. In September, both the Markit and official manufacturing PMIs, which were already above the neutral threshold of 50 in August, improved slightly. The growth rates of money supply and loans remained high. Total financing to the economy accelerated to 20.2% in August, driven by a sharp increase in non-bank credit. Inflationary pressures remained moderate, with annual consumer price inflation decelerating slightly to 2.6% in August from 2.7% in July. House prices continued to rise in August, with price increases reported in 69 out of 70 surveyed cities. In the medium term, the necessary economic rebalancing in the financial and real sectors might shift the Chinese economy onto a somewhat lower growth trajectory.

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.

1.4 EXCHANGE RATES

Overall, the exchange rate of the euro has, over the past month, appreciated against the currencies of its main trading partners. On 1 October 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 0.7% above its level at the beginning of the month and 5.3% 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, 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 appreciated against most major currencies, including the US dollar (by 2.6%) and the Japanese yen (by 1.2%), but depreciated against the pound sterling (by 1.6%). During this period the euro also strengthened against the currencies of most major emerging economies in Asia, as well as against the currencies of some large commodity-exporting countries.

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 1 October 2013 with respect to	
		2 September 2013	1 October 2012
EER-21		0.7	5.3
Chinese renminbi	18.6	2.7	2.5
US dollar	16.8	2.6	5.3
Pound sterling	14.8	-1.6	4.5
Japanese yen	7.1	1.2	32.0
Swiss franc	6.4	-0.5	1.3
Polish zloty	6.1	-0.6	3.0
Czech koruna	5.0	-0.1	2.3
Swedish krona	4.7	-1.0	1.9
Korean won	3.9	0.5	1.5
Hungarian forint	3.2	-1.3	3.8
Danish krone	2.6	0.0	0.0
Romanian leu	2.0	0.6	-1.6
Croatian kuna	0.6	0.5	2.6

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.

With regard to the currencies of other EU Member States, the exchange rate of the euro increased slightly vis-à-vis the Croatian kuna and the Romanian leu, while it depreciated against the Czech koruna, the Hungarian forint, the Polish zloty and the Swedish krona. The currencies participating in ERM II remained broadly stable against the euro, trading at, or close to, their respective central rates.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

Annual M3 growth increased marginally in August 2013, after having declined in the three previous months. This notwithstanding, underlying monetary dynamics remain subdued. On the component side, M1 annual growth decreased but, owing to the low opportunity costs of holding liquid instruments, still remained the main contributor to M3 growth. On the counterpart side, annual growth in broad money was mostly supported by continued net capital inflows into the euro area and reductions in longer-term financial liabilities. By contrast, MFI lending to the euro area non-financial private sector remained weak, mainly reflecting low levels of demand, although supply constraints also continued to restrict credit in a number of countries.

THE BROAD MONETARY AGGREGATE M3

The annual growth rate of M3 increased marginally to 2.3% in August 2013, up from 2.2% in July, after having declined for three consecutive months (see Chart 5). August data saw another positive flow for the broad monetary aggregate, although not as strong as in the previous month. Developments in August, as in July, were mainly driven by marked inflows for overnight deposits.

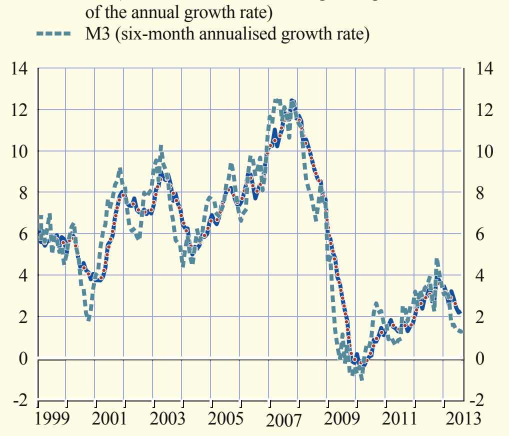
On the component side, M1 remained the main contributor to annual M3 growth. The contribution from other short-term deposits (M2 minus M1) was almost zero, while that from marketable instruments (M3 minus M2) remained strongly negative. With regard to M1, these developments continue to reflect the low opportunity costs of holding the most liquid instruments. For M3 minus M1, they continue, in part, to signal an ongoing search for yield by the money-holding sector, with shifts of funds from higher yielding instruments in M3 towards less liquid, riskier assets outside M3.

On the counterpart side, money creation was again supported by an increase in the MFIs' net external asset position, resulting from the ongoing net capital inflows into the euro area. Moreover, outflows from longer-term financial liabilities, in particular net redemptions of MFI longer-term debt securities, were also supportive of M3 growth. By contrast, significant net redemptions of loans to the private sector continued to dampen money creation.

The volume of euro area MFIs' main assets contracted further in August, continuing the deleveraging observed since spring 2012. The month-on-month decline in August was driven mainly by reductions in the holdings of debt securities issued by MFIs and external assets and, to a lesser extent, by net redemptions in loans to the private sector and inter-MFI loans. By contrast, MFI holdings of government debt securities increased. Euro area MFIs' reliance on Eurosystem liquidity provision decreased in August, thereby continuing the downward trend observed since August 2012. Increases in the deposits included in M3 in a number of stressed countries remain consistent with a further reduction in financial fragmentation.

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

MAIN COMPONENTS OF M3

As regards the components of M3, the annual growth rate of M1 decreased to 6.8% in August 2013, down from 7.1% in July. As in July, this development masks a strong monthly inflow for overnight deposits, which was mostly driven by the household sector and, to a lesser extent, by the non-financial corporation sector. Overall, the ongoing strong dynamics of overnight deposits remain mainly driven by the money-holding sector's continued preference for liquid instruments, against the backdrop of relatively low opportunity costs of holding narrow money.

The annual growth rate of short-term deposits other than overnight deposits (M2 minus M1) increased to 0.4% in August, up from 0.2% in July, despite registering a strong monthly outflow. This mainly reflected an increase in the annual growth of short-term time deposits (i.e. deposits with an agreed maturity of up to two years) to -4.5% in August, up from -5.4% in July. By contrast, the annual growth of short-term savings deposits (i.e. deposits redeemable at notice of up to three months) continued to moderate, standing at 4.8% in August, down from 5.3% in July.

The annual growth rate of marketable instruments (M3 minus M2) was less negative than in the previous month, standing at -16.3% in August after -17.7% in July. This reflected less negative annual growth rates of money market fund shares/units and short-term debt securities (i.e. debt securities with maturities of up to two years). However, the annual growth rates of these instruments remained strongly negative. By contrast, annual growth in repurchase agreements again became more negative.

Generally, the low remuneration of short-term deposits other than overnight deposits and marketable instruments and a reduction in investor risk aversion have led the money-holding sector to shift funds from low-yielding monetary assets towards riskier assets outside M3 in search of higher returns. This has been visible in the household sector's increased investment in equity and bond funds in the first months of the year and more recently.

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 in August, to 3.9% from 4.1% in July. The decrease was mainly driven by a slight moderation in the annual growth of M3 deposits held by households, despite another strong monthly inflow for overnight deposits for this sector, and outflows from M3 deposits held by non-monetary financial intermediaries other than insurance corporations and pension funds (OFIs). The annual growth of M3 deposits held by non-financial corporations also declined marginally, despite a significant monthly inflow. At the country level, the annual growth rates of M3 deposits remained heterogeneous in August, but improvements could be seen especially in Spain and in Italy, contributing to a further reduction in financial fragmentation.

MAIN COUNTERPARTS OF M3

The annual growth rate of MFI credit to euro area residents remained negative at -0.5% in August, unchanged from July (see Table 4). The monthly flow in August was only slightly negative, after sizeable outflows in July and June. The annual growth of credit to the general government moderated marginally to 2.1% in August, from 2.2% in July, while that of credit to the private sector was unchanged at -1.2%.

Euro area MFIs increased their holdings of government debt securities in August, but this development was partly offset by a decline in loans granted to the general government. The purchases of government bonds were relatively broadly-based across countries and were concentrated on the

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 Q3	2012 Q4	2013 Q1	2013 Q2	2013 July	2013 Aug.
M1	**54.1**	**4.6**	**6.2**	**6.8**	**8.1**	**7.1**	**6.8**
Currency in circulation	9.0	5.3	3.0	1.7	2.7	2.4	2.7
Overnight deposits	45.1	4.5	6.9	7.9	9.3	8.1	7.6
M2-M1 (=other short-term deposits)	39.0	1.3	1.6	1.3	0.2	0.2	0.4
Deposits with an agreed maturity of up to two years	17.4	-0.9	-1.8	-3.7	-5.8	-5.4	-4.5
Deposits redeemable at notice of up to three months	21.6	3.5	4.8	6.0	5.8	5.3	4.8
M2	**93.1**	**3.2**	**4.2**	**4.3**	**4.6**	**4.1**	**4.0**
M3-M2 (=marketable instruments)	6.9	1.9	-2.3	-8.5	-15.0	-17.7	-16.3
M3	**100.0**	**3.0**	**3.6**	**3.2**	**2.9**	**2.2**	**2.3**
Credit to euro area residents		**0.9**	**0.5**	**0.0**	**-0.1**	**-0.5**	**-0.5**
Credit to general government		9.2	8.3	4.2	3.3	2.2	2.1
Loans to general government		1.5	1.9	-0.8	-2.6	-5.7	-6.2
Credit to the private sector		-1.0	-1.3	-1.0	-1.0	-1.2	-1.2
Loans to the private sector		-0.6	-0.8	-0.8	-1.1	-1.9	-2.0
Loans to the private sector adjusted for sales and securitisation[2]		-0.1	-0.4	-0.4	-0.6	-1.4	-1.5
Longer-term financial liabilities (excluding capital and reserves)		**-4.3**	**-5.1**	**-5.1**	**-4.6**	**-4.0**	**-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.

government bonds issued by other Member States, whereby the search for yield was the most likely motivation in many cases. At the same time, MFIs in a number of countries reduced their holdings of domestic government bonds, often reflecting subdued issuance activity.

Credit to the private sector registered a further monthly outflow in August, on account of continued net redemptions in loans to the private sector. By contrast, MFIs again slightly increased their holdings of private sector debt securities. This development most probably still reflects genuine purchases of private sector securities, as MFIs reduced their holdings of securities issued by financial vehicle corporations related to securitisation activities, and may in part signal a shift from loans to large corporations towards holdings of such corporations' debt securities.

The annual growth rate of loans to the private sector originated by MFIs (i.e. adjusted for sales and securitisation) declined marginally to -1.5% in August, down from -1.4% in July. Private sector loan growth thus remained at its lowest year-on-year level since the start of the third stage of EMU in 1999. Loans to the private sector registered further monthly net redemptions in August. The negative monthly flow was, however, substantially smaller than those observed in the previous three months. The decline in monthly net redemptions was mostly explained by markedly lower negative flows in loans to OFIs and, to a lesser extent, by somewhat smaller redemptions in loans to non-financial corporations.

The annual growth rate of loans to non-financial corporations adjusted for sales and securitisation further declined marginally in August, to -2.9% down from -2.8% in July (see Table 5). This decline reflected continued significant monthly net redemptions of €11 billion in August. The three-month flow stood at -€41 billion in August, which is slightly less negative than the three-month flow up to July and June (-€49 billion in both months). The net redemptions in August were relatively broadly

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 Q3	2012 Q4	2013 Q1	2013 Q2	2013 July	2013 Aug.
Non-financial corporations	**41.5**	**-0.8**	**-1.9**	**-2.5**	**-3.0**	**-3.7**	**-3.8**
Adjusted for sales and securitisation 2)	*-*	*-0.5*	*-1.4*	*-1.4*	*-2.0*	*-2.8*	*-2.9*
Up to one year	24.6	-0.4	-1.3	0.6	-0.8	-3.7	-4.4
Over one and up to five years	17.5	-3.8	-5.2	-5.9	-6.4	-5.8	-5.3
Over five years	57.9	0.0	-1.0	-2.7	-2.9	-3.0	-3.2
Households 3)	**49.2**	**0.2**	**0.4**	**0.5**	**0.2**	**0.1**	**0.1**
Adjusted for sales and securitisation 2)	*-*	*1.0*	*0.8*	*0.4*	*0.3*	*0.4*	*0.4*
Consumer credit 4)	11.2	-2.4	-2.9	-3.2	-3.4	-2.6	-2.6
Lending for house purchase 4)	73.3	0.7	1.1	1.4	1.1	0.7	0.7
Other lending	15.5	-0.5	-0.6	-1.0	-0.9	-0.9	-0.7
Insurance corporations and pension funds	**0.9**	**-9.1**	**-4.2**	**6.1**	**12.2**	**14.4**	**12.1**
Other non-monetary financial intermediaries	**8.4**	**-2.8**	**-1.4**	**-0.1**	**-0.2**	**-5.7**	**-6.1**

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.

based across the large euro area countries and were primarily concentrated in short-term loans. The annual growth of loans to households adjusted for sales and securitisation remained unchanged in August at 0.4%, broadly the level observed since the turn of the year. The August flow was moderately positive on account of other lending and lending for house purchase.

Overall, the general profile of loan developments appears to be in line with the patterns observed during previous major slowdowns and recessions (see also Box 1). The ongoing weakness in loans to the private sector continues to reflect net redemptions in loans to non-financial corporations and subdued inflows for loans to households. Loans are dampened by (i) a very low demand for external financing (in the context of subdued fixed investment activity, working capital needs and housing market prospects in some countries); (ii) potential balance sheet adjustment by non-financial corporations and households; and (iii) the non-financial corporations' substitution, in some countries, of MFI borrowing with market-based financing and retained earnings. At the same time, in stressed countries, fragmentation and capital shortages continued to weigh on loan supply.

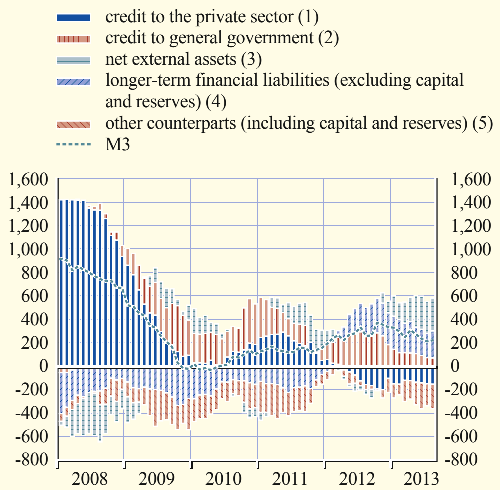
The annual growth rate of longer-term financial liabilities (excluding capital and reserves) declined to -4.4% in August, down from -4.0% in July, thus supporting M3 growth. The monthly flow also remained negative, reflecting further net redemptions in longer-term MFI debt securities. The decline in the money-holding sector's holdings of MFI debt securities reflects funding and regulatory considerations. First, the ongoing deleveraging supports the reduction in market-based funding. Second, changes in liquidity regulation are encouraging banks to replace debt funding with deposit funding. The monthly inflow for longer-term deposits remained modestly negative in August, concealing that households have continued to place funds in longer-term deposits in some countries in recent months. Capital and reserves increased again in August.

The net external asset position of euro area MFIs increased further by €23 billion in August, after having increased by €7 billion in July. The continued capital inflows into the euro area that have been observed since July 2012 are the main factor supporting positive M3 growth, thereby counteracting the negative contribution from the net redemptions in loans to the private sector. In the 12 months up to August, the net external asset position of euro area MFIs improved by €281 billion, compared with an improvement of €269 billion in the 12 months up to July (see Chart 6).

Overall, the latest monetary data support the view that the underlying dynamics of money and particularly credit growth remain subdued. The data also confirm that financial fragmentation in the euro area has continued to recede, while still remaining substantial. More specifically, a number of countries under stress reported further positive monthly flows into their M3 deposits in August and continued to reduce their recourse to Eurosystem funding.

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.

Box 1

STYLISED FACTS OF MONEY AND CREDIT OVER THE BUSINESS CYCLE

Over the past three decades, the growth rates of MFI loans to the private sector and the narrow monetary aggregate M1 have displayed relatively robust relationships with the business cycle. In annual growth rate terms, real M1 tends to lead real GDP fluctuations, while MFI loans to non-financial corporations tend to lag the business cycle and MFI loans to households tend to lead slightly, or follow a coincident pattern relative to, developments in real GDP.[1] These relationships to the business cycle tend to be stronger with reference to turning points than to the amplitude of growth. This box revisits the dynamic relationship between these monetary variables and the business cycle in the light of the pick-up in real GDP growth in the second quarter of 2013. It finds that the stylised facts remain valid and explains which forces are currently behind developments in loans and M1. At the same time, some uncertainty characterises these stylised facts, and various factors might lead to deviations from historical regularities.

Stylised facts for real M1 growth

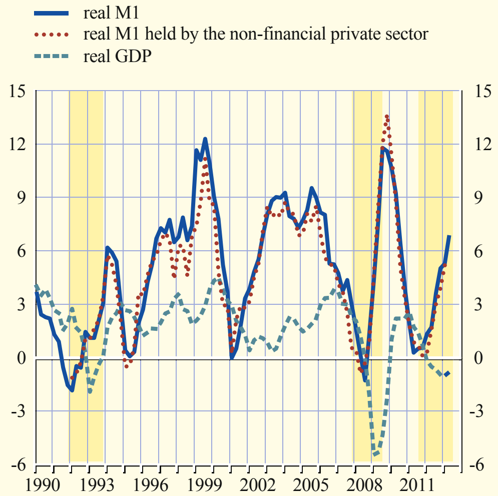
Annual M1 growth deflated by the GDP deflator has exhibited strong fluctuations in recent years (see Chart A). Notably, after the decline from 11.8% in the third quarter of 2009 to 0.3% in

1 See also the box entitled "Loans to the non-financial private sector over the business cycle in the euro area", *Monthly Bulletin*, ECB, October 2009, and the box entitled "The informational content of real M1 growth for real GDP growth in the euro area", *Monthly Bulletin*, ECB, October 2008.

the second quarter of 2011 it started a rebound towards the turn of the year 2011/12, climbing steadily thereafter. It stood at 6.9% in the second quarter of 2013. These developments are broadly in line with the observation that, on average, peaks and troughs in the annual growth rate of real M1 lead corresponding turning points in the annual growth of real GDP by three to four quarters. This relationship is explained mainly by M1 held by the non-financial private sector (see the table). As regards the most recent turning point, using this measure alone corrects for the rise in M1 holdings of large investment funds and other financial intermediaries between autumn 2011 and early 2012 that was driven by liquidity buffer considerations during periods of stress. If such factors are eliminated, the trough in the annual growth rate of real M1 held by the non-financial private sector occurs approximately one year ahead of the turn in the real economy, i.e. in line with historical regularities. In general, this reflects the fact

Chart A Real M1 growth and real GDP growth

(annual percentage changes)



Sources: ECB, Eurostat, ECB estimates and Centre for Economic Policy Research (CEPR).
Notes: The latest observation is for the second quarter of 2013. Shaded areas delimit recessions according to the chronology of the CEPR Business Cycle Dating Committee for the euro area. Real series have been derived by deflating nominal series with the GDP deflator.

Stylised facts of narrow money and loans to the private sector in the euro area, 1990-2013

Variable	Average annual growth rate	Standard deviation relative to real GDP	Correlation with real GDP		Lead/lag (+/-) of turning point relative to real GDP (quarters)
			Maximum correlation (percentages)	Lead/lag (+/-) (quarters)	
Real GDP	1.6	1.9			
Real M1	4.8	1.9	64	+4	+4
Real M1 held by the non-financial private sector [1]	4.6	1.8	68	+4	+4
Real M1 held by households [1]	4.5	1.9	57	+4	+4
Real M1 held by non-financial corporations [1]	5.1	2.2	71	+3	+3
Real M1 held by financial institutions [1]	9.8	5.2	52	+3	+3
Real private sector loans	4.4	1.7	61	-2	-1
Real non-financial corporation loans	4.0	2.3	70	-3	-3
Real non-financial corporation loans with a maturity of up to one year	1.9	3.5	83	-3	-2
Real non-financial corporation loans with a maturity of over one year	4.7	2.2	51	-3	-3
Real household loans	4.6	1.4	62	0	+2
Real house purchase loans	5.4	1.7	74	+1	+2
Real consumer credit loans	2.6	1.9	56	0	+4
Real other household loans	1.3	1.4	38	0	-1
Real financial institution loans	6.0	6.1	29	-8	-5

Sources: ECB, Eurostat, ECB estimates and ECB calculations.
1) Data are for the period from the first quarter of 1992 to the second quarter of 2013.
Notes: All series other than those covered by footnote 1 are for the period between the first quarter of 1990 and the second quarter of 2013. Real series have been derived by deflating nominal series with the GDP deflator. The last column shows the average lead (+) or lag (-) of the peaks and troughs of the monetary and loan series relative to real GDP, identified via the Bry-Boschan algorithm applied to the annual growth rates.

that changes in money can lead to changes in private sector portfolios and in yields on financial and real assets, which in turn affect real spending decisions owing to the imperfect substitutability of different assets.

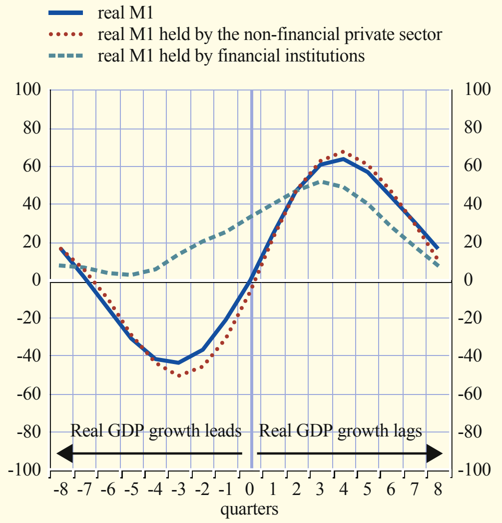
The close link between the turning points in real M1 growth and real GDP growth is also reflected in the dynamic correlation between the two variables (see Chart B). In addition, Chart B confirms that the leading indicator property of M1 is mainly due to the non-financial private sector, with both households and non-financial corporations contributing (see also the table).

Stylised facts for real private sector loans

Marked cyclical fluctuations also characterise the annual growth rate of real loans to the private sector, although with differences across the main components. Indeed, the annual growth rate of real household loans, which tends to move broadly in line with the business cycle, stabilised in the second quarter of 2013, after falling between the first quarter of 2011 and the first quarter of 2013 (see Chart C). The strong relationship between household loan growth and the business cycle is largely due to loans for house purchase, which are the main component of household loans. Loans for house purchase exhibit a strong correlation with real GDP growth and lead the cycle slightly, by one quarter on average (see Chart D). By contrast, the annual growth rate of loans to non-financial corporations deflated by the GDP deflator, which tends to lag the business cycle by about one year, declined continuously between the last quarter of 2011 and the second quarter of 2013. The strong relationship between real GDP and real loans to non-financial corporations is due mainly to the short-term loan component, i.e. loans with a maturity of up to one year, although the longer-term component is also correlated with the cycle and displays a similar lag (see also the table).

Chart B Correlation between real growth in M1 and sectoral components, and real GDP growth for different leads/lags

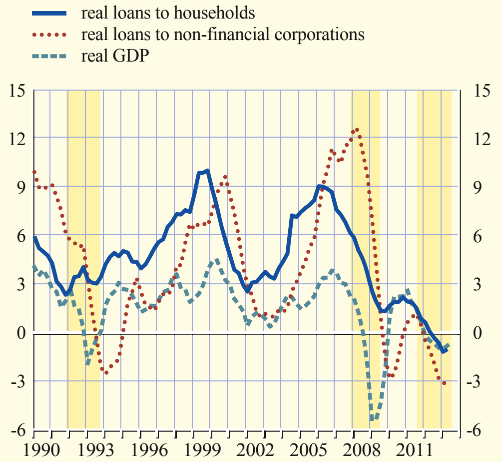
(correlation between annual percentage changes; percentages)



Sources: ECB, Eurostat, ECB estimates and ECB calculations.
Notes: Data are for the period between the first quarter of 1990 (except for the sectoral M1 components, which start in the first quarter of 1992) and the second quarter of 2013. Real series have been derived by deflating nominal series with the GDP deflator.

Chart C Real household loan growth, real non-financial corporation loan growth and real GDP growth

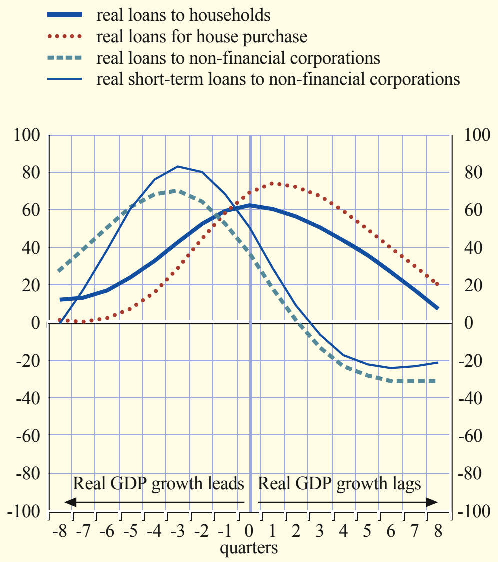
(annual percentage changes)



Sources: ECB, Eurostat and Centre for Economic Policy Research (CEPR).
Notes: The latest observation is for the second quarter of 2013. Shaded areas delimit recessions according to the chronology of the CEPR Business Cycle Dating Committee for the euro area. Real series have been derived by deflating nominal series with the GDP deflator.

Chart D Correlation between real growth in household loans, real growth in non-financial corporation loans, sub-components of the two series, and real GDP growth for different leads/lags

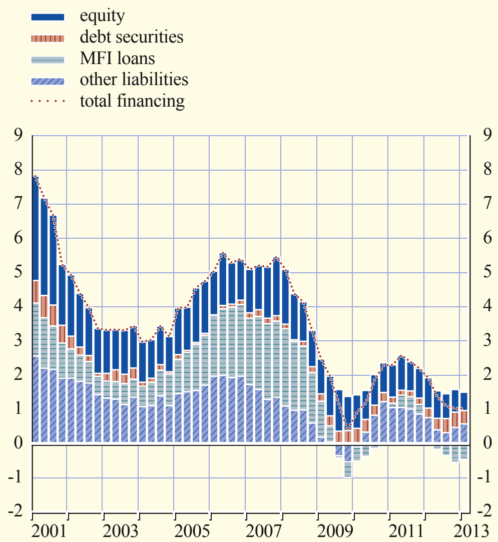
(correlation between annual percentage changes; percentages)



Sources: ECB, Eurostat and ECB calculations.
Notes: Data are for the period between the first quarter of 1990 and the second quarter of 2013. Real series have been derived by deflating nominal series with the GDP deflator.

Chart E Total financing of non-financial corporations and contributions

(annual percentage changes; contributions in percentage points)



Sources: ECB and Eurostat.
Note: Data are taken from the euro area accounts.

The lagging pattern of loans to non-financial corporations over the business cycle may have several explanations. For example, during recoveries firms can first finance investment expenditure using their internal funds – as cash flows improve during a recovery – and only later turn to external financing. In addition, especially larger firms may prefer to finance themselves by issuing corporate bonds when capital market conditions are favourable, rather than through increased bank borrowing, in part to limit their exposure to the banking sector. Such behaviour has recently been observed in some euro area countries, although the quantitative impact of this substitution on aggregate euro area loan demand has been modest (see Chart E). Moreover, on the supply side, during a recovery banks may prefer to increase their lending to households before they increase lending to firms, as household loans, notably those for house purchase, are better collateralised.

If historical regularities hold, and assuming that the annual growth rate of real GDP reached a trough in either the fourth quarter of 2012 or the first quarter of 2013, then the second quarter of 2013 may represent the start of a recovery in household loan growth, while non-financial corporation loan growth may continue to fall in the second half of the year and start to recover only in early 2014.

Conclusion

The cyclical pattern of money and credit indicators provides useful insights for the assessment of the growth outlook for the euro area economy. Indeed, the leading indicator properties of real narrow money growth for turning points in real GDP growth are robust, which also holds true for the most recent recovery. Moreover, when assessing whether the banking sector is supporting the recovery, rather than delaying it, the lag of growth in loans to non-financial corporations relative to real GDP growth has to be borne in mind. In this respect, it is useful to consider developments in all sources of finance for firms, including internal sources and recourse to the capital market, to assess possible substitution effects.

At the same time, these relationships are not perfectly stable and specific factors can imply deviations from historical regularities. At present, four main special factors may affect these relationships at the euro area level. First, the high indebtedness of various sectors in some countries implies a longer and more extensive deleveraging process than usual. Second, regarding external sources of funding for non-financial corporations, the higher than usual substitution of corporate bond issuance for bank loans may imply a structural shift towards other sources of finance. Third, regarding internal sources of funding, euro area firms have accumulated higher than usual cash holdings, potentially indicating a change in their attitude to financing. Fourth, changes in regulatory requirements for banks may reinforce the move away from bank loans and towards other sources of corporate finance, at least for larger companies. In addition, the still significant level of financial and economic fragmentation in the euro area continues to weigh on loan supply in stressed countries.

2.2 SECURITIES ISSUANCE

In July 2013 debt securities issuance by euro area residents contracted in annual terms, at a slightly higher pace than in the previous month. However, year-on-year growth of debt securities issued by non-financial corporations, although declining further, remained at historically high levels. The annual growth rate of issuance of quoted shares decreased marginally in July, but remained high in the case of MFIs.

DEBT SECURITIES

In July 2013 the annual growth rate of debt securities issued by euro area residents remained negative at -0.8%, decreasing further from -0.1% in the previous month (see Table 6). Developments

Table 6 Securities issued by euro area residents

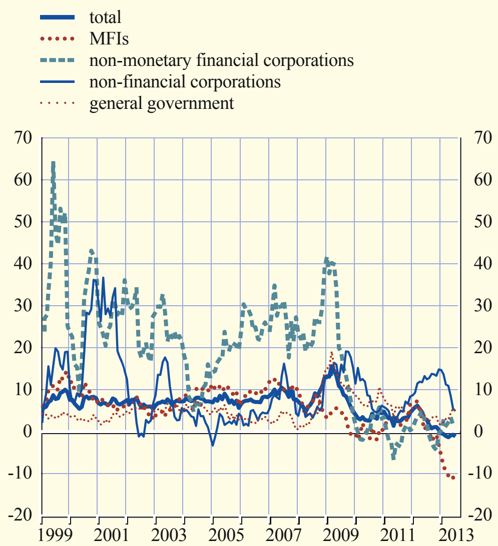
Issuing sector	Amount outstanding (EUR billions) 2013 July	Annual growth rates[1] 2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 June	2013 July
Debt securities	**16,577**	**3.7**	**2.9**	**0.8**	**-0.1**	**-0.1**	**-0.8**
MFIs	5,091	3.5	1.2	-3.3	-6.3	-7.2	-8.7
Non-monetary financial corporations	3,249	0.9	0.4	0.7	-0.4	0.7	1.2
Non-financial corporations	1,041	11.0	12.9	13.4	11.5	10.0	9.6
General government	7,196	4.3	4.1	2.6	3.6	3.7	3.2
of which:							
Central government	6,527	3.5	3.6	2.6	4.0	4.4	4.1
Other general government	669	12.8	9.1	2.4	-0.6	-2.6	-4.7
Quoted shares	**4,888**	**1.0**	**1.0**	**0.8**	**0.6**	**1.2**	**1.1**
MFIs	452	5.6	5.2	3.0	2.5	7.6	7.9
Non-monetary financial corporations	405	2.9	2.6	2.6	2.6	2.6	1.9
Non-financial corporations	4,031	0.3	0.4	0.5	0.2	0.4	0.3

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

across sectors were mixed. The annual growth rate of debt securities issued decreased from 10.0% in June to 9.6% in July in the case of non-financial corporations (NFCs), and from -7.2% to -8.7% in that of MFIs. Moreover, the annual growth rate of debt securities issued by the general government decreased to 3.2%, from 3.7% in June. By contrast, debt securities issuance by non-monetary financial corporations gained momentum, with the growth rate standing at 1.2% in July, 0.5 percentage point higher than in June.

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

(six-month annualised growth rates; seasonally adjusted)



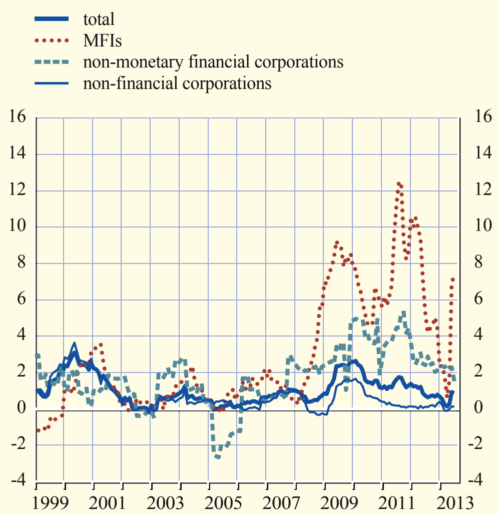
Source: ECB.

The faster annual pace of decline in overall debt securities issuance in July was attributable to a more pronounced contraction in issuance of short-term debt securities (-10.1%, from -9.4% in June) and to a lower annual growth rate of long-term debt securities issuance (0.2%, after 0.8% in June). 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 3.2% in July (from 3.6% in June). 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, and decreased by a further 0.7 percentage point to -8.6% in July.

Looking at short-term trends, the annualised six-month growth rate of debt securities issuance in July stood at -1.2%, 0.4 percentage point lower than that in June (see Chart 7). Over the same period, the corresponding rate increased from 1.7% to 2.3% in the case of non-monetary financial corporations, and decreased from 5.6% to 4.8% in that of the general government. At the same time, the annualised six-month growth rate of debt securities issued declined from 5.5% to 4.9% in the case of NFCs, and from -10.9% to -11.6% in the case of MFIs.

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.

QUOTED SHARES

In July 2013 the annual growth rate of quoted shares issued by euro area residents decreased slightly to 1.1%, from 1.2% in the previous month (see Chart 8). The annual rate of growth in equity issuance by NFCs fell by 0.1 percentage point, to 0.3%, and that of non-monetary financial institutions declined by 0.8 percentage point, to 1.9%. Conversely, the annual rate of growth in equity issuance rose by 0.3 percentage point, to 7.9% for MFIs, accompanying the need to consolidate their capital base further, notably in some countries under stress.

2.3 MONEY MARKET INTEREST RATES

While overnight money market interest rates remained broadly stable in September, the money market yield curve flattened. In the ninth maintenance period of the year, which began on 11 September, the EONIA remained at low levels, reflecting the low key ECB interest rates, as well as the amount of excess liquidity in the overnight money market, which remained high, despite the continued early repayment of funds borrowed in the three-year longer-term refinancing operations (LTROs).

Unsecured money market interest rates remained broadly stable in September 2013. On 1 October 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. 1 basis point lower for the six-month and twelve-month maturities while unchanged for the shorter maturities. Consequently, the spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – decreased by 1 basis point to stand at 41 basis points on 1 October (see Chart 9).

The three-month EONIA swap rate stood at 0.10% on 1 October, the same level as observed on 4 September. Thus, the spread between the three-month EURIBOR and the three-month EONIA swap rate was also unchanged.

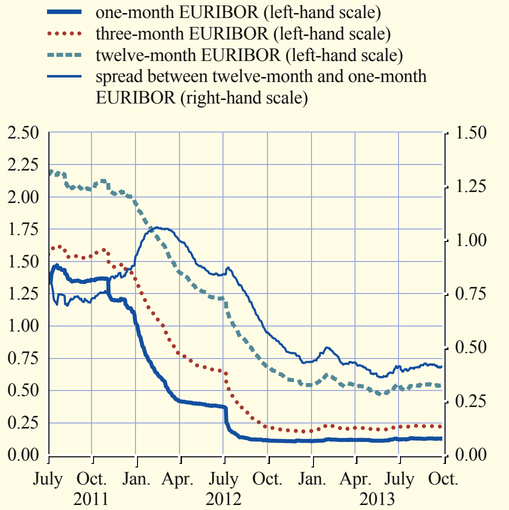
The interest rates implied by the prices of three-month EURIBOR futures maturing in December 2013 and March, June and September 2014 decreased by 3, 6, 10 and 14 basis points respectively in comparison with the levels seen on 4 September, standing at 0.26%, 0.31%, 0.37% and 0.42% on 1 October.

Between 4 September and the end of the eighth maintenance period of 2013 on 10 September, the EONIA continued to stand at levels around 0.07% amid high levels of excess liquidity. Since the start of the ninth maintenance period the EONIA has been trading at levels between 0.07% and 0.08% (see Chart 10). At the end of the month on 30 September the EONIA spiked at 0.18%.

Between 4 September and 1 October the Eurosystem conducted several refinancing operations. In the main refinancing operations of the ninth maintenance period, conducted on 10, 17, 24 September and 1 October, the Eurosystem allotted €97.2 billion, €96.2 billion, €97.0 billion and €94.5 billion respectively. The Eurosystem also conducted two LTROs in

Chart 9 Money market interest rates

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



Sources: ECB and Thomson Reuters.

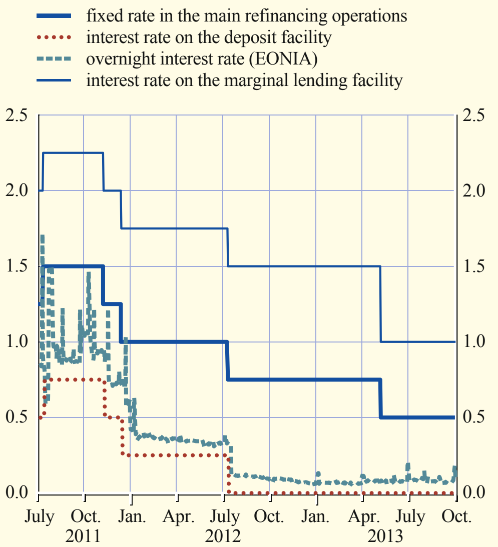
September, both as fixed rate tender procedures with full allotment, namely a special-term refinancing operation with a maturity of one maintenance period on 10 September (in which €3.4 billion was allotted) and a three-month LTRO on 25 September (in which €8.6 billion was allotted).

The Eurosystem also conducted four one-week liquidity-absorbing operations on 10, 17, 24 September and 1 October 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.

Counterparties opted to repay, on a weekly basis, additional funds that were borrowed in the three-year LTROs allotted on 21 December 2011 and 29 February 2012 before maturity. As of 1 October, a total of €342.1 billion had been repaid since 30 January 2013. Out of the total repayments, €221.3 billion related to the LTRO allotted on 21 December 2011, and the remaining €120.8 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 65% has been repaid so far.

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

Excess liquidity remained stable in the eighth maintenance period of 2013, averaging €248.8 billion, which compares to €247.8 billion on average in the seventh maintenance period. Intra-maintenance period fluctuations of excess liquidity were mostly driven by autonomous factors, in particular higher absorption by government deposits. While average daily recourse to the deposit facility decreased to €79.2 billion, down from €82.6 billion in the previous maintenance period, average current account holdings in excess of reserve requirements increased from €165.1 billion to €169.6 billion. During the ninth maintenance period of the year, excess liquidity declined to stand at €221 billion on 1 October, owing mostly to an increase in the liquidity absorbed by government deposits and some further LTRO repayments. Box 2 briefly presents the risk control framework and the latest review.

Box 2

REVIEW OF THE RISK CONTROL FRAMEWORK

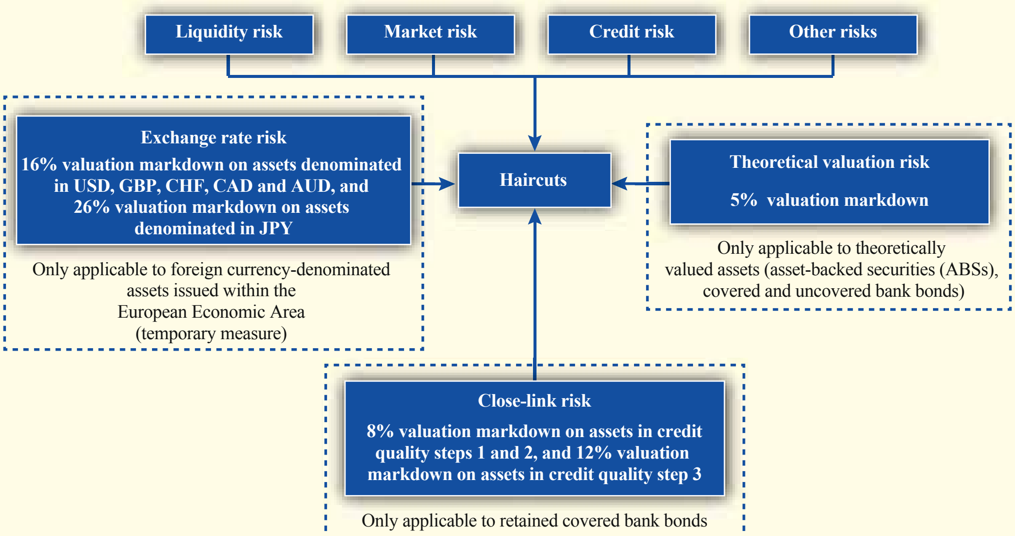
To maintain an adequate risk protection of the Eurosystem, the ECB regularly adjusts the eligibility rules and haircuts applied when accepting collateral in the Eurosystem's monetary policy operations. While eligibility rules guarantee that the Eurosystem requirement of high credit standards for all eligible assets is met, an adequate valuation and the application of a haircut protect the Eurosystem from other sources of risk that could materialise during the liquidation of the pool of collateral after the default of a counterparty. The haircut provides the central bank with a buffer to protect it against losses if the counterparty fails to pay back the loan.

In general, the calibration of haircuts is based on the principles of protection, consistency, simplicity and transparency. In particular, it aims to ensure the equivalence of risk across different types of assets, i.e. that the loss in the value of collateral that the Eurosystem might expect to incur – albeit with low probability – in an adverse scenario is the same for the different asset types. For example, the risk connected with the liquidation of a triple-B-rated covered bond is very different from that associated with the sale of a triple-A-rated government bond – all other factors being equal, the relative secondary market liquidity of the two asset classes differs, as do the risk of a default of the issuer and the volatility of market prices, etc. Accordingly, the haircuts applicable to such covered bonds are higher than those applicable to government bonds in order to align the residual risks inherent in the collateral upon liquidation.

Risk components for determining haircuts

Haircuts need to cover various sources of risk to collateral that could materialise between the default of a counterparty and the sale of the collateral: such risks emanate from market liquidity conditions, price volatility and even from the possibility of a default on the part of the issuer of the asset. The Eurosystem also takes into account further risks such as exchange rate risk, valuation uncertainty and retention risk, as shown in stylised form in the chart. Following a thorough analysis of these risks on the basis of a broad set of data covering a long time span, which prevents changes to the framework from being pro-cyclical, the Eurosystem regularly revises the schedule of haircuts applicable to collateral accepted in its monetary policy operations. The latest review led to, in particular, changes in the haircut schedule that were announced

Risk components that contribute to haircuts



Source: ECB.

on 18 July 2013 and to changes in the treatment of the retained covered bonds and asset-backed securities (ABSs).[1]

Changes for retained covered bonds

Covered bonds that are pledged as collateral by the issuer, also referred to as "retained" covered bonds, entail additional risk in the case of the default of the counterparty. In fact, the implicit guarantee of the issuer is lost and only the underlying cover pool guarantees for the value of the asset. Accordingly, following the latest review of the risk control framework, the Eurosystem announced the introduction of a valuation markdown of 8% for retained covered bonds in credit quality steps 1 and 2, and one of 12% for retained covered bonds in credit quality step 3.

Changes for asset-backed securities

In order to increase the transparency of the ABSs accepted as collateral for monetary policy operations, the Eurosystem recently introduced the reporting of information at a loan-by-loan level as an eligibility requirement for ABSs involving any one of six types of underlying assets (loans to small and medium-sized enterprises (SMEs), residential mortgage-backed securities (RMBSs), car loans, leasing receivables, consumer finance and commercial mortgage-backed securities (CMBSs)). Moreover, a number of further requirements were introduced, such as the mandatory notification of planned modifications to an ABS, as well as additional close-link and servicing provisions for ABSs accepted within the scope of the temporary measures. Given that these adjustments have diminished the risks stemming from these securities, the Eurosystem relaxed the eligibility criteria for ABSs, also with a view to bringing them into line with the eligibility criteria of other types of assets. In particular, it replaced the requirement of two triple-A ratings for ABSs subject to loan-level reporting requirements with a requirement of at least two single-A ratings, reflecting their improved transparency and standardisation. Furthermore, the haircuts applicable to these ABSs were reduced.

Overall, the changes announced on 18 July serve to strengthen the risk control framework and enhance the protection of the Eurosystem, while also improving the framework's overall consistency and expanding the list of collateral accepted within the scope of the Eurosystem's permanent collateral framework.

1 See the press release of 18 July 2013 (available on the ECB's website at: www.ecb.europa.eu).

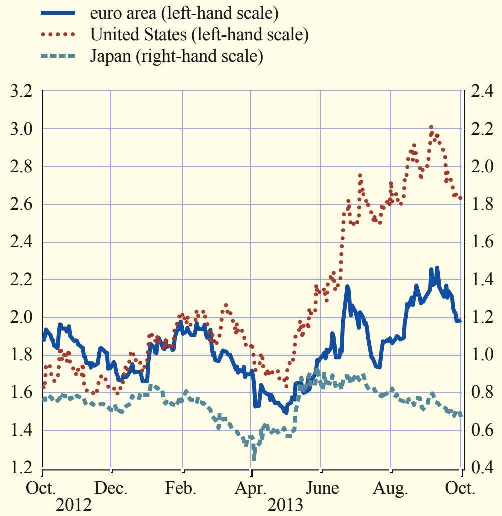
2.4 BOND MARKETS

In September 2013 bond market developments were influenced mainly by developments in the United States, in particular by the Federal Reserve System's decision of 18 September to leave the volume of its bond purchases unchanged. US long-term government bond yields first rose early in the month, and then declined sharply. In the euro area, AAA-rated long-term government bond yields showed similar but somewhat less pronounced changes. Uncertainty about future bond market developments ended the review period lower in both the United States and the euro area. Intra-euro area sovereign bond yield spreads narrowed for most countries. Financial indicators of long-term inflation expectations remained fully consistent with price stability.

Between the end of August and 1 October, AAA-rated long-term euro area government bond yields declined by around 10 basis points to stand at around 2.0% (see Chart 11). In the United States, long-term government bond yields declined by more than 10 basis points over the same period, standing at around 2.7% on 1 October. In Japan, ten-year government bond yields declined by around 5 basis points and stood at around 0.7% at the end of the review period.

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.

In early September, AAA-rated long-term euro area government bond yields increased slightly, reflecting positive data releases in the United States (see below) and receding geopolitical uncertainties about the Syrian crisis. Later in the month, while euro area data releases were mixed, euro area bond yields declined significantly on account of negative data from the United States, which increased market expectations regarding a continuation in the central bank's accommodative monetary policy. These expectations were confirmed by the Federal Reserve System's decision of 18 September not to start the tapering-off its asset purchases. This decision triggered a further decline in bond yields, not only in the United States, but also in the euro area.

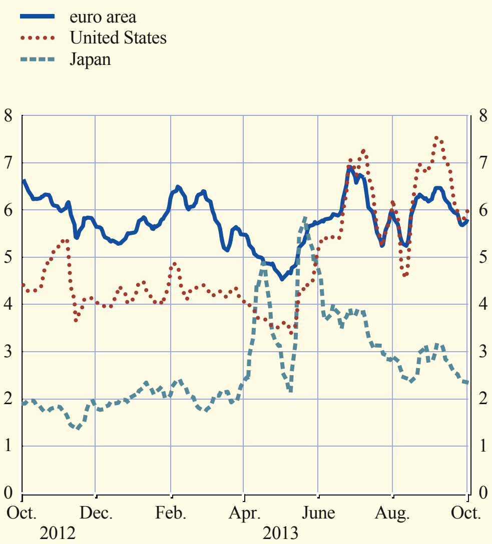
In the United States, developments in long-term bond yields reflected the same factors as those cited for the euro area. However, since most of the factors affected the US economy and financial markets more directly, the movements in long-term US bond yields were more marked than those in the euro area. While US bond yields increased in early September, they declined even more sharply thereafter, notably in response to negative labour market data and the decision of the Federal Reserve System to leave the volume of its bond purchases unchanged. Later in the month, market attention focused on the uncertainty regarding the US federal budget and, all in all, long-term US bond yields ended the review period below their end-August levels.

Investor uncertainty about near-term bond market developments, as measured by the implied volatility extracted from options on bond prices, fluctuated widely in the first half of the review period, primarily reflecting the aforementioned geopolitical tensions and changing market expectations ahead of the meeting of the Federal Open Market Committee (FOMC) on 18 September (see Chart 12). After the FOMC meeting, however, implied-volatility declined both in the euro area and in the United States, to stand at 5.9% and 6.1% respectively at the end of the period under consideration.

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 the stressed segments of the euro area government bond market, which continued to benefit

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.

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.

most from the improved economic outlook. However, domestic uncertainties also influenced bond market developments in some euro area Member States in September.

The aforementioned developments in nominal yields on long-term euro area government bonds can also be interpreted in terms of market expectations of real yields and inflation. Developments in real yields, as measured by the yields on inflation-linked government bonds,[1] mimicked those in nominal bonds, as described earlier. Real ten-year yields declined by around 5 basis points to stand below 0.4%, while the real yields on five-year bonds fell by a similar order of magnitude to around -0.4% (see Chart 13). As a result, real long-term forward interest rates in the euro area (five-year forward rates five years ahead) also declined to around 1.1%.

Financial market indicators of long-term inflation expectations in the euro area remained broadly unchanged in September. The five-year and ten-year break-even inflation rates implied by inflation-linked bonds decreased slightly to stand at around 1.3% and 1.8% respectively, as a result of the fact that nominal yields declined slightly more sharply than real yields. The five-year forward break-even inflation rates five years ahead remained broadly unchanged at around 2.3% at the end of the period under review (see Chart 14). The long-term inflation swap rate likewise remained broadly

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" in *Monthly Bulletin,* ECB, December 2011.

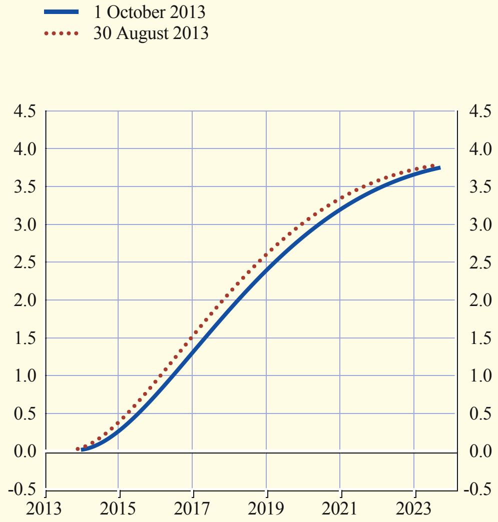
Chart 14 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

(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.

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.

unchanged at 2.2% over the review period. These developments suggest that inflation expectations remained broadly unchanged in the period under review. Overall, with due consideration of the inflation risk premium, market-based indicators suggest that inflation expectations remain fully consistent with price stability.[2]

Long-term euro area government bond yields can also be broken down into expectations of future short-term interest rates, e.g. overnight interest rates, and risk premia (see Chart 15). In this regard, the term structure of implied forward overnight interest rates in the euro area shifted downwards, thereby contributing to the declines observed in government bond yields.

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) remained broadly unchanged, while corporate bond spreads for most rating classes remained below the levels recorded at the beginning of the year.

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" in *Monthly Bulletin*, ECB, October 2012.

2.5 INTEREST RATES ON LOANS AND DEPOSITS

In August 2013, MFI lending rates on most loans to households and non-financial corporations declined somewhat. MFI lending rates on loans to households for house purchase edged down in the case of short maturities, while they increased slightly in that of long maturities. Lending rates for both small and large loans to non-financial corporations decreased across all maturities. The spreads between the rates on small and large loans to non-financial corporations remained broadly stable at elevated levels in August.

In August 2013, MFI interest rates on short-term deposits declined, both for non-financial corporations and for households. Short-term lending rates on loans to households for house purchase edged down by 4 basis points, to 2.8% in August, while those on consumer credit remained basically unchanged at the July level of 5.6%. With respect to non-financial corporations, short-term interest rates on large loans (defined as loans of more than €1 million) decreased by 13 basis points to 2.1% and those on small loans (i.e. loans of up to €1 million) declined by 14 basis points to 3.7% (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 remained broadly unchanged at 162 basis points in August. The magnitude of the spread nonetheless illustrates that financing conditions remain persistently tighter for small and medium-sized enterprises than for large firms.

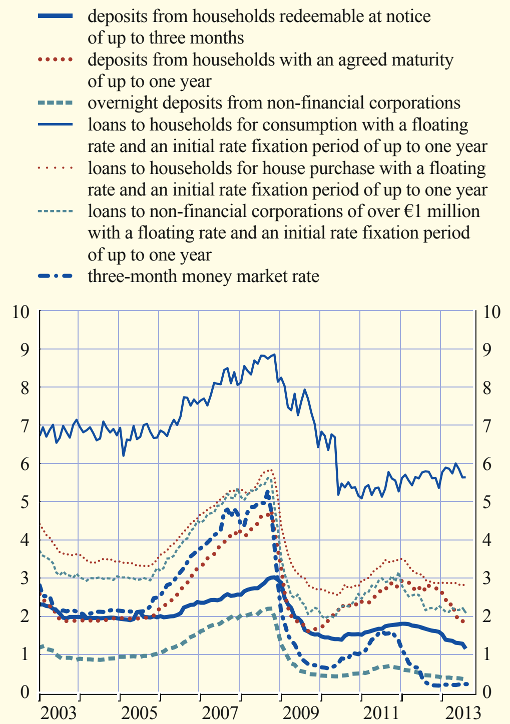
Overall, given that the three-month EURIBOR remained broadly unchanged in August, the spread between short-term MFI interest rates on loans to households and the three-month money market rate declined to 257 basis points, while the corresponding spread for short-term interest rates on large loans to non-financial corporations narrowed to 187 basis points (see Chart 17).

Taking a longer-term perspective, short-term MFI interest rates on loans to households for house purchase and those on loans to non-financial corporations have both declined by about 70 basis points since the beginning of 2012. The declines reflect mainly the gradual pass-through of the reductions of key ECB interest rates since November 2011, and the effects of the non-standard measures implemented or announced by the ECB over that period.

Turning to longer maturities, MFI interest rates on long-term deposits from households declined marginally, namely by 2 basis points

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

(percentages per annum; rates on new business)

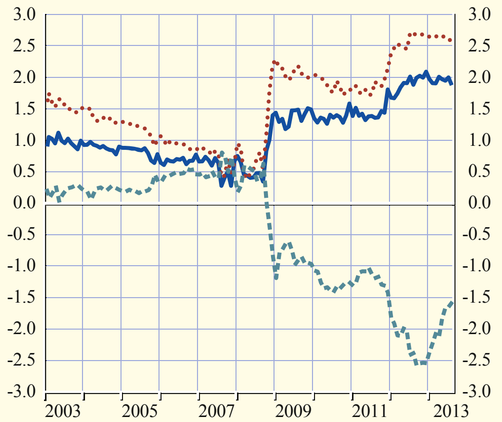


Source: ECB.
Note: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

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

(percentage points; rates on new business)

- loans to non-financial corporations of over €1 million with a floating rate and an initial rate fixation period of up to one year
- loans to households for house purchase with a floating rate and an initial rate fixation period of up to one year
- deposits from households with an agreed maturity of up to one year

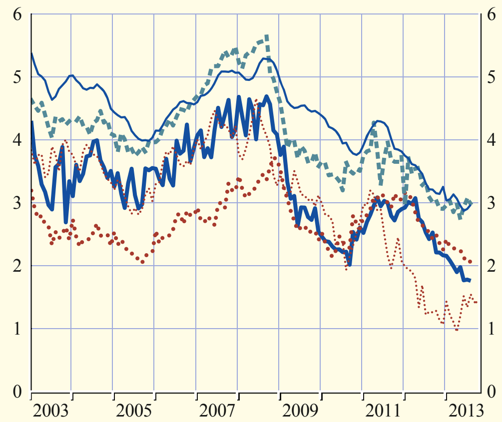


Source: ECB.
Notes: For the loans, the spreads are calculated as the lending rate minus the three-month money market rate. For the deposits, the spread is calculated as the three-month money market rate minus the deposit rate. Data as of June 2010 may not be fully comparable with those prior to that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

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

(percentages per annum; rates on new business)

- deposits from non-financial corporations with an agreed maturity of over two years
- deposits from households with an agreed maturity of over two years
- loans to non-financial corporations of over €1 million with an initial rate fixation period of over five years
- loans to households for house purchase with an initial rate fixation period of over five and up to ten years
- seven-year government bond yield



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).

to 2.1% in August. Instead, rates on long-term deposits of non-financial corporations remained unchanged at 1.8%. In the case of loans, interest rates on long-term loans to households for house purchase increased by 7 basis points to 3.0%, while those on large loans to non-financial corporations decreased by 8 basis points to 3.0% (see Chart 18). Long-term rates on small loans to non-financial corporations declined by 4 basis points to 3.2% in August. Hence, the spread between long-term rates on small loans and those on large loans widened slightly from 21 basis points in July to 25 basis points in August, standing 10 basis points below the average recorded over the period since 2003. As the yields on AAA-rated seven-year government bonds rose by about 20 basis points, to 1.5%, in August, the spread between long-term lending rates and the yields on such bonds narrowed 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 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. To a large extent, these fluctuations mirrored the movements in yields on AAA-rated government bonds. The recent narrowing of the spreads reflects primarily the decline in long-term lending rates stemming from the pass-through of past cuts in key ECB interest rates, from the lasting positive effects of the ECB's non-standard measures and from the Governing Council's decision on forward guidance on key ECB interest rates.

2.6 EQUITY MARKETS

Between the end of August and 1 October 2013, stock prices in the euro area increased by more than 7%. In the United States, stock prices rose somewhat less, by around 4%. Despite rather mixed data releases in September, stock market developments in both areas were supported by the decline of geopolitical tensions in the Middle East and by the decision of the Federal Reserve System to continue with the current pace of asset purchases. Stock market uncertainty, as measured by implied volatility, decreased further over the period under review.

Positive market sentiment continued to support stock prices in major markets in September. Between the end of August and 1 October 2013, stock prices in the euro area, as measured by the broad-based Dow Jones EURO STOXX index, increased by more than 7%. Over the same period, stock prices in the United States, as measured by the Standard & Poor's 500 index, rose by around 4% (see Chart 19), while stock prices in Japan, as measured by the Nikkei 225 index, increased by 8%.

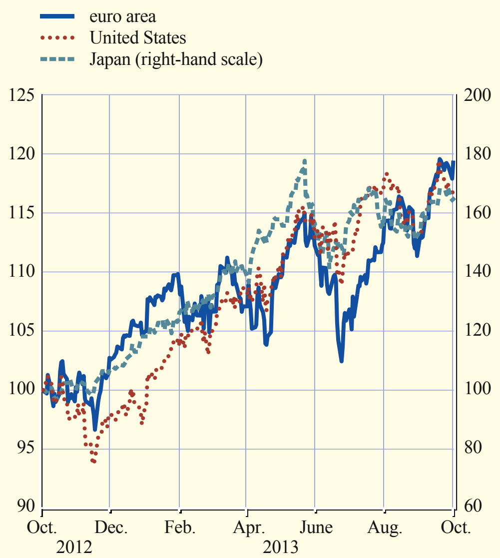
Amid somewhat mixed data releases, stock prices in both economic areas were supported by the prospects of a diplomatic solution to the conflict in Syria, as well as by reduced expectations of a near-term withdrawal of monetary policy accommodation in the United States. The Federal Reserve System's announcement that it would continue with the current pace of asset purchases confirmed those expectations on 18 September.

In the euro area, the improvement in stock prices was broadly spread across all sectors. With gains of almost 8%, financial stock prices outperformed the overall index, with the banking sector possibly benefitting from the support that the European Parliament expressed with regard to the single supervisory mechanism in early September. Non-financial stock prices rose by more than 6%. The best-performing sectors were utilities and telecommunications.

In the United States, the negative effects of weak September labour market data were compensated for by reduced expectations regarding the extent to which the Federal Reserve might taper-off its asset purchases in the near future. This led to an increase in major US indices in the early part of the period under review. In the wake of the decision of the Federal Open Market Committee (FOMC) on 18 September, major indices increased further. The gains in both financial and non-financial stock prices were very similar over the review period as a whole.

Chart 19 Stock price indices

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



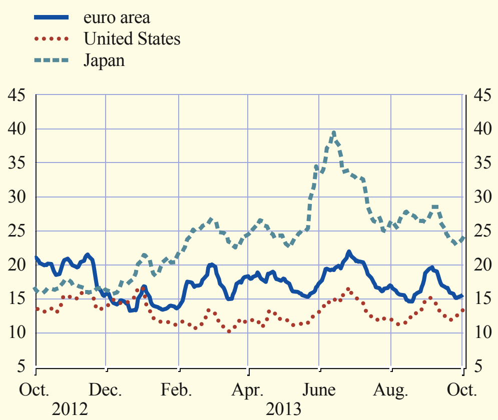
Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

In Japan, stock prices rose by 8%, with financials increasing somewhat more. Market optimism about the prospects for economic growth after the upward revision of the growth figures for the second quarter of the year and the improvement in industrial confidence, as well as the policy measures taken to counter deflation, continued to support stock markets.

Stock market uncertainty in the euro area, as measured by implied volatility, decreased further from around 20% to 16% at the end of the period under review (see Chart 20). In the United States, it decreased from around 15% to less than 14%. In both areas, stock market uncertainty was back to the levels prevailing in early May this year, before the Federal Reserve System announced its intention to consider a reduction of the pace of its asset purchases. Implied volatility in Japan declined as well, but remained somewhat elevated in comparison with previous years.

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.

3 PRICES AND COSTS

According to Eurostat's flash estimate, and broadly in line with expectations, euro area annual HICP inflation decreased in September 2013 to 1.1%, from 1.3% in August. On the basis of current futures prices for energy, annual inflation rates are expected to remain at these low levels in the coming months. Taking the appropriate medium-term perspective, underlying price pressures are expected to remain subdued, reflecting the broad-based weakness in aggregate demand and the modest pace of the recovery. Medium to long-term inflation expectations continue to be firmly anchored in line with price stability. The risks to the outlook for price developments are expected to be still broadly balanced over the medium term.

3.1 CONSUMER PRICES

According to Eurostat's flash estimate, headline HICP inflation was 1.1% in September 2013, down from 1.3% in August. The decline in the inflation rate reflects decreases in the annual rates of change in almost all components. Services price inflation increased in September.

Euro area annual HICP inflation declined considerably in 2013, owing primarily to a marked decrease in energy price inflation from the elevated levels seen in 2012 and 2011. Underlying inflationary pressures, as measured by various HICP exclusion-based measures, have also eased during 2013, in an environment of weak economic activity. At the same time, increases in indirect taxes and administered prices have been keeping inflation rates elevated in some euro area countries.

Looking at the main components of the HICP in more detail, Eurostat's flash estimate points to a 0.9% drop in energy price inflation in September. In August the annual rate of change of the energy component fell to -0.3%, from 1.6% in July, as a strong downward base effect masked a month-on-month increase of 0.5%. The decline in the annual rate of change of the energy component was driven by a fall in the annual rate of change in car fuel prices, which was only partially offset by a rise in the annual rate of change in electricity prices.

According to Eurostat's flash estimate, total food inflation, which refers to inflation in both processed and unprocessed food prices, decreased to 2.6% in September. No official information

Table 7 Price developments

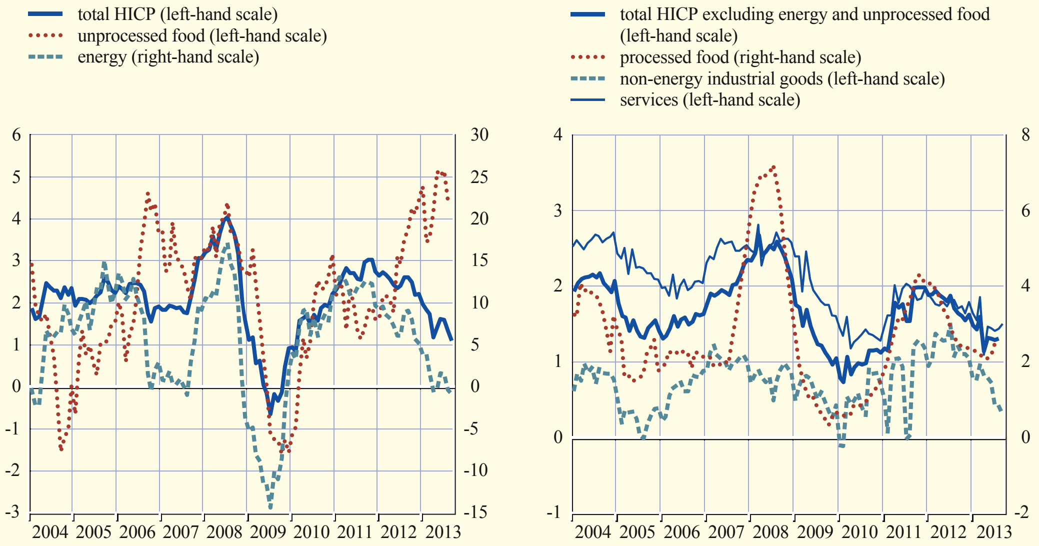
(annual percentage changes, unless otherwise indicated)

	2011	2012	2013 Apr.	2013 May	2013 June	2013 July	2013 Aug.	2013 Sep.
HICP and its components [1]								
Overall index	2.7	2.5	1.2	1.4	1.6	1.6	1.3	*1.1*
Energy	11.9	7.6	-0.4	-0.2	1.6	1.6	-0.3	*-0.9*
Food	2.7	3.1	2.9	3.2	3.2	3.5	3.2	*2.6*
Unprocessed food	1.8	3.0	4.2	5.1	5.0	5.1	4.4	.
Processed food	3.3	3.1	2.1	2.1	2.1	2.5	2.5	.
Non-energy industrial goods	0.8	1.2	0.8	0.8	0.7	0.4	0.4	*0.3*
Services	1.8	1.8	1.1	1.5	1.4	1.4	1.4	*1.5*
Other price indicators								
Industrial producer prices	5.8	3.0	-0.2	-0.2	0.3	0.2	.	.
Oil prices (EUR per barrel)	79.7	86.6	79.3	79.2	78.3	81.9	82.6	83.0
Non-energy commodity prices	12.2	0.5	-3.5	-4.8	-7.4	-12.2	-12.8	.

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

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

is available with regard to the breakdown of the food components for this month. Unprocessed food price inflation eased from 5.1% in July – the highest rate in more than a decade – to 4.4% in August. This decline was largely determined by a downward base effect, while the monthly rate of change in seasonally adjusted terms was flat. The recent spike in this component was attributable to high fruit and vegetables prices following poor weather conditions. The August data show a marked easing in the annual rate of change for vegetable prices, whereas fruit price inflation remained at historically high levels. Conversely, processed food inflation remained unchanged at 2.5% in August, as tobacco price increases were offset by broad-based declines in the annual rates of change of other sub-components.

HICP inflation excluding food and energy stood at 1.0% in September, down from 1.1% in August, according to Eurostat's flash estimate. Excluding these two volatile components, HICP inflation consists of two main components, namely non-energy industrial goods and services, which have developed differently over recent months. According to Eurostat's flash estimate, non-energy industrial goods price inflation decreased to 0.3% in September, down from 0.4% in August. The low level of non-energy industrial goods inflation over the summer months was partially driven by higher than usual discounts for clothing and footwear during the summer sales. In addition, non-energy industrial goods price inflation was kept low by a broad weakening in durable goods inflation over recent months, as well as a sizeable downward base effect for pharmaceutical products in Spain in July. Services price inflation was estimated at 1.5% in September, up from 1.4% in August as well as in June and July. The unchanged inflation rate from June to August masked increases in the annual rate of change of travel related services, which were counterbalanced by declines in the annual rate of change in a broad set of other detailed components, notably communication services.

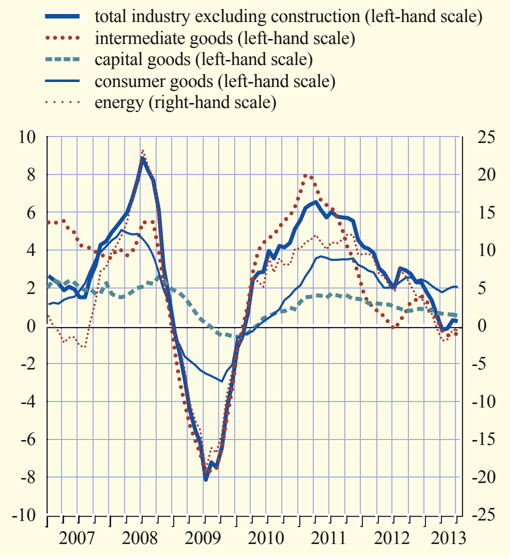
3.2 INDUSTRIAL PRODUCER PRICES

No new data have become available on industrial producer prices at the euro area level since the September issue of the Monthly Bulletin was published. Available country data suggest that the annual rate of change in euro area producer prices (excluding construction) will most likely decrease and become negative again in August 2013, following positive annual inflation rates in June and July. This decrease is attributable to a downward base effect in the energy component. In July, industrial producer price inflation (excluding construction) was 0.2% year on year, marginally down from June (Table 7 and Chart 23). This decrease reflected marginal declines in all sub-components. Excluding construction and energy, the annual rate of change in industrial producer prices remained unchanged at 0.6% compared with the previous month.

The latest information derived from both the PMI and the European Commission surveys indicates further contained pipeline pressures for HICP non-energy industrial goods prices and moderate pressures for HICP processed food prices. With regard to the PMI (see Chart 23), the input price index for the manufacturing sector increased from 49.9 in August to 51.0 in September and the output price index rose from 49.6 to 50.3. Both indices increased to just above the 50 mark, signalling rising prices, but they nonetheless remain below their long-term average level. Forward-looking European Commission survey data on selling price expectations for total industry remained unchanged in September reflecting stable selling price expectations in the capital and consumer goods industries, while selling price expectations in the intermediate goods industries increased.

Chart 22 Breakdown of industrial producer prices

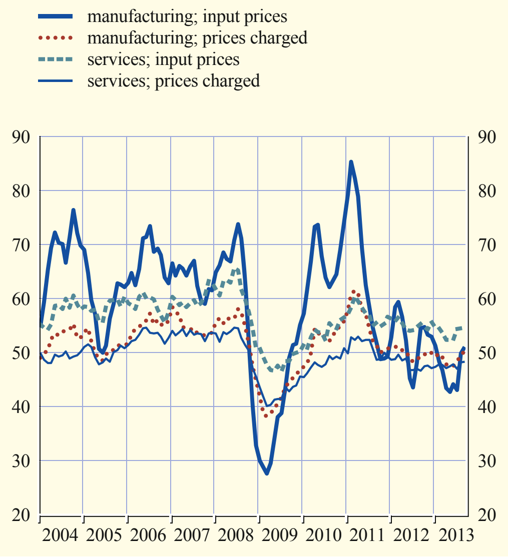
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 23 Producer input and output price surveys

(diffusion indices; monthly data)



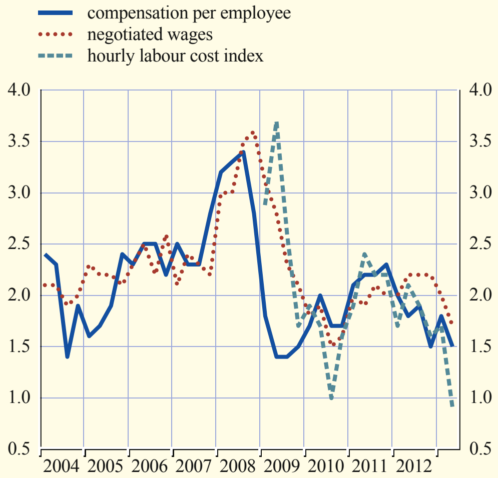
Source: Markit.
Note: An index value above 50 indicates an increase in prices, whereas a value below 50 indicates a decrease.

3.3 LABOUR COST INDICATORS

As evidenced by latest data releases, domestic cost pressure stemming from labour cost indicators moderated in the first half of 2013 (see Table 8 and Chart 24).

Chart 24 Selected labour cost indicators

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.

Wage growth slowed down at the aggregate euro area level in the second quarter of 2013. This development was more pronounced in the public sector than in the private sector. At the same time, labour cost indicators exhibited significant divergences at the country level. While nominal wages and unit labour costs are growing very little or are even declining in some euro area countries, wage growth remains relatively robust in others. As total hours worked rebounded strongly in the second quarter of 2013, hourly labour productivity as well as wage growth measured per hour dropped considerably. By contrast, annual growth in labour productivity per person employed increased to 0.5% year on year in the second quarter of 2013, after remaining constant in the previous quarter.

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 1.8% 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 of 2013 to 1.0% in the second quarter.

Euro area negotiated wages grew at 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 a continued moderation of this wage indicator in line with weak labour market developments. The annual rate of change in hourly labour costs slowed down considerably by 0.8 percentage point, 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

Table 8 Labour cost indicators

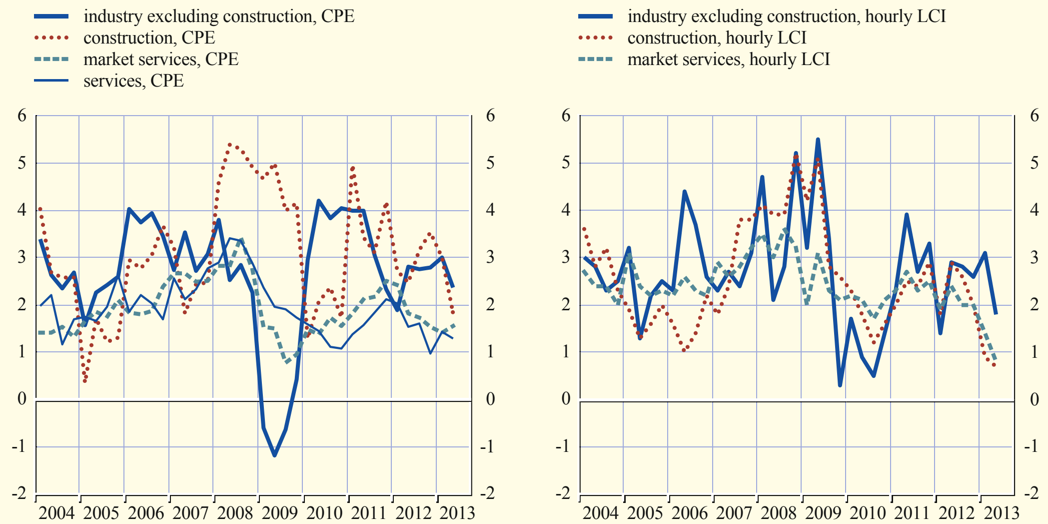
(annual percentage changes, unless otherwise indicated)

	2011	2012	2012 Q2	2012 Q3	2012 Q4	2012 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	1.8	1.9	1.5	1.8	1.5
Memo items:							
Labour productivity	1.3	0.0	0.3	-0.1	-0.2	0.0	0.5
Unit labour costs	0.8	1.7	1.6	2.0	1.7	1.9	1.0

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.

government sector, as well as in the business economy sector. Within the business economy sector, 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.

3.4 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. Taking the appropriate medium-term perspective, underlying price pressures are expected to remain subdued, reflecting the broad-based weakness in aggregate demand and the modest pace of the recovery. Medium to long-term inflation expectations continue to be firmly anchored in line with price stability. Box 3 examines the anchoring of long-term inflation expectations in the euro area and assesses the link between long-term inflation expectations and developments in actual inflation and in short-term inflation expectations. The analysis shows that, historically, agents are responsive to the ECB's track record of inflation performance, when forming and revising their long-term inflation expectations and look through short-term movements in past and expected inflation.

The risks to the outlook for price developments are expected to be still broadly balanced over the medium term, with upside risks relating, in particular, to higher commodity prices as well as stronger than expected increases in administered prices and indirect taxes, and downside risks stemming from weaker than expected economic activity.

Box 3

THE ANCHORING OF LONG-TERM INFLATION EXPECTATIONS IN THE EURO AREA

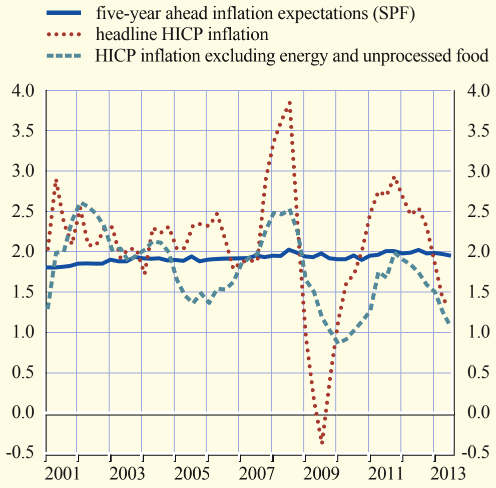
Long-term inflation expectations in the euro area have remained quite stable over recent years. The average five-year ahead expectation in the Survey of Professional Forecasters (SPF) has remained between around 1.9% and 2.0%, moving only at the second decimal. At the same time, headline HICP inflation has been subject to fairly large fluctuations (see Chart A). A weak nexus between long-term inflation expectations and actual inflation can be seen as one indication of anchored expectations. Against this background, this box assesses the link between long-term inflation expectations and developments in actual inflation and in short-term inflation expectations.

The link with actual inflation developments

Data available for the period of Monetary Union point to a relatively weak link between long-term inflation expectations surveyed in a particular quarter and the latest actual inflation rate known at the time of the survey. More specifically, a linear fit between long-term inflation expectations and actual HICP inflation produces a relatively flat slope (demonstrating a weak link between the two variables), and reflects a low statistical fit for the estimated relationship (see Chart B). Both the link and fit increase with the length of the moving averages of past inflation used in explaining long-term inflation expectations (similar results are obtained when using underlying, rather than headline inflation). For instance, the slope increases significantly when a 20-quarter moving average is used and is highest when using the cumulative average inflation rate, which measures the cumulative average of annual inflation rates calculated for each quarter in the period from the first quarter of 1999 to the third quarter of 2013. The cumulative average inflation rate can be

Chart A Long-term inflation expectations and HICP inflation

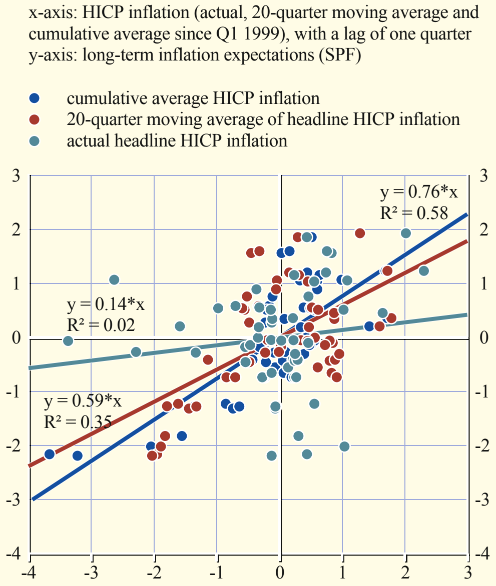
(annual percentage changes; Q1 2001 to Q3 2013)



Sources: Eurostat, ECB and SPF.
Note: For HICP inflation, the value for the third quarter of 2013 includes the flash estimate for September 2013.

Chart B Link between long-term inflation expectations and HICP inflation measures

(percentages; Q1 2001 to Q3 2013)



Source: ECB calculations.
Note: The variables have been standardised by subtracting their mean and dividing by their standard deviation.

seen as a proxy for the track record – and the resulting credibility – of the ECB's monetary policy in terms of the inflation outcome.

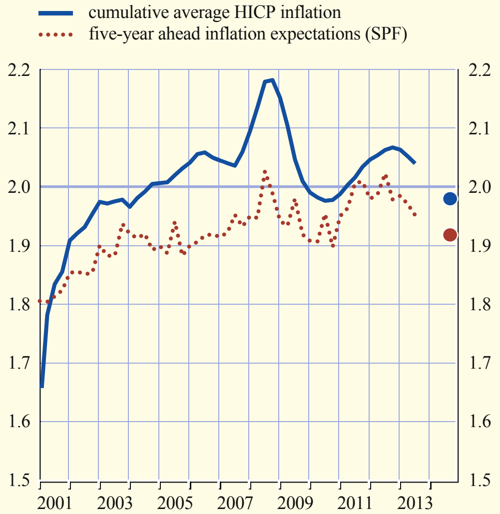
The relationship between long-term inflation expectations and the cumulative average inflation rate over time is shown in Chart C. The September 2013 ECB staff macroeconomic projections for the euro area expect an HICP inflation rate of 1.5% in 2013 and 1.3% in 2014, implying a further slight moderation in cumulative average inflation to below 2% at the end of 2014. On the basis of the historical relationship between this average and longer-term inflation expectations, the latter are likely to decline somewhat further over the projection horizon, while remaining in the range between 1.9% and 2.0%.

The link with short-term inflation expectations

The absence of a link between long-term inflation expectations and short-term actual

Chart C Long-term inflation expectations and the cumulative average of headline HICP inflation

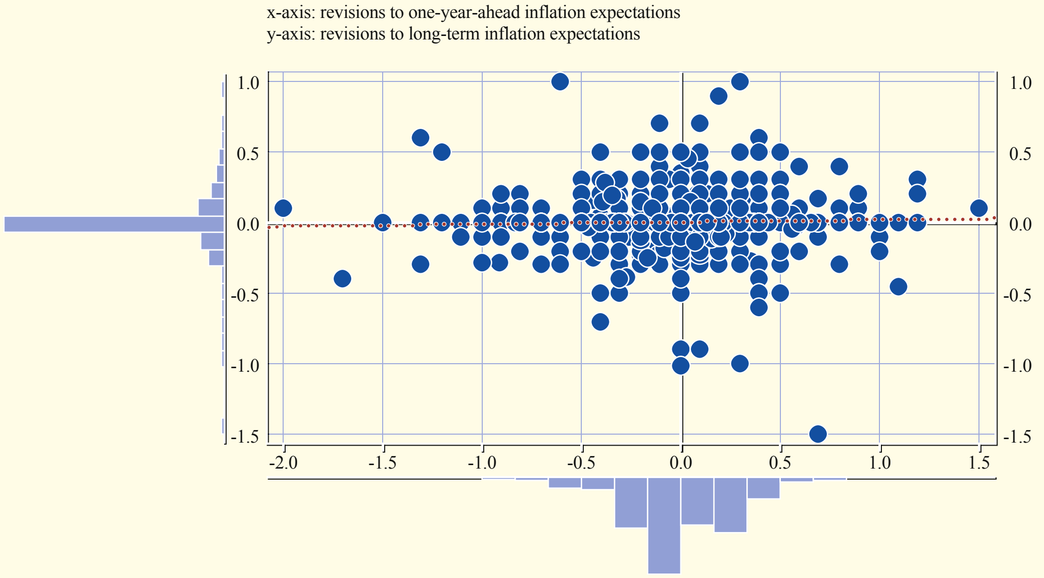
(annual percentage changes; Q1 2001 to Q3 2013; forecast for 2014)



Sources: SPF and ECB calculations.
Notes: The blue dot represents the cumulative inflation value for 2014 based on the September 2013 ECB staff macroeconomic projection. The red dot represents a regression-based forecast for five-year ahead expectations. For HICP inflation, the value for the third quarter of 2013 includes the flash estimate for September 2013.

Chart D Changes in one-year ahead and five-year ahead inflation expectations (SPF)

(percentage points; Q1 2001 to Q3 2013)



Sources: ECB and SPF.
Notes: Each data point represents the change in the short-term (x-axis) and long-term (y-axis) inflation expectations of a particular panellist from one survey round to the next. The bars next to the x-axis and y-axis comprise histograms of revisions to one-year ahead and five-year ahead inflation expectations respectively.

inflation developments suggests that agents look through transitory influences on inflation, such as those stemming from commodity price shocks, when forming their long-term inflation expectations. This assertion can be confirmed by considering the link between short-term and long-term inflation expectations: if long-term expectations are well anchored, then five-year ahead inflation expectations should not be correlated with revisions to one-year ahead inflation expectations.

The link between short-term and long-term expectations is assessed on the basis of the individual responses of panellists in the SPF. Each data point in Chart D represents the change in expectations of a particular panellist from one round to the next.[1] The line fitted to the data points is almost horizontal, implying that participants do not revise, on average, their long-term inflation expectations when they reassess their shorter-term projections.[2] This is also reflected in the very different shape of the distribution of revisions to short-term expectations from that of the distribution of revisions to longer-term expectations.

Overall, the analysis presented in this box for the euro area supports the notion that in forming and revising their long-term inflation expectations, agents look through short-term movements in past and expected inflation, but take into account the track record of inflation performance.

1 The sample spans the period from the first quarter of 2001 to the third quarter of 2013 and, for consistency, includes only those participants that provided the one-year ahead and five-year ahead expectations in consecutive survey rounds.
2 The slope of the linear fit in Chart D is 0.02. The average absolute correlation across SPF participants between revisions to one-year ahead inflation forecasts and revisions to long-term inflation forecasts is somewhat higher but still relatively small, standing at 0.33. It captures the extent to which long-term inflation expectations move in response to changes in shorter-term inflation expectations, irrespective of whether these changes are upwards or downwards.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Following six quarters of negative output growth, euro area real GDP rose, quarter on quarter, by 0.3% in the second quarter of 2013, also supported by temporary factors related to unusually adverse weather conditions in some euro area countries earlier this year. Developments in industrial production data point to somewhat weaker growth at the beginning of the third quarter, while survey-based confidence indicators up to September have improved further from low levels, overall confirming previous expectations of a gradual recovery in economic activity. Looking ahead, output is expected 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 external demand for exports. Furthermore, the overall improvements in financial markets seen since last summer 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 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

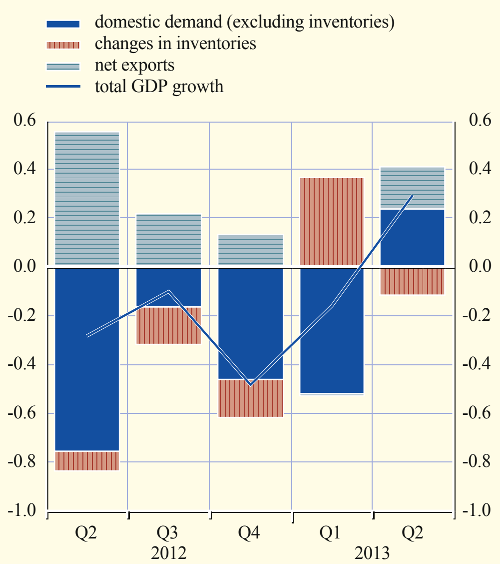
Real GDP rose by 0.3% in the second quarter of 2013, after having contracted by 0.2% in the first quarter (see Chart 26). Both domestic demand and net trade contributed to growth in the second quarter. At the same time, changes in inventories made a small negative contribution to growth. The increase in GDP in the second quarter is partly attributable to temporary factors related to weather conditions in the first half of the year. In the second quarter of 2013 output still stood slightly less than 3% below its pre-recession peak in the first quarter of 2008. Box 4 looks at various measures of macroeconomic uncertainty and concludes that uncertainty in the euro area has declined recently.

Private consumption rose by 0.2%, quarter on quarter, in the second quarter of 2013, following six consecutive quarters of falling consumer spending. This most likely reflects rising consumption of retail goods and passenger cars. By contrast, consumption of services is likely to have declined compared with the first quarter.

With regard to the short-term outlook, available information tends, on balance, to suggest broadly stable developments in private consumption. In July the volume of retail sales rose by 0.1%, month on month, to stand at the same level as the average reading recorded for the second quarter of 2013, when they increased by 0.3% quarter on quarter. New car registrations in the euro area stood in July and August on average 0.3% below their average level in the second quarter, when they rose, quarter on quarter, by 2.9%.

Chart 26 Real GDP growth and contributions

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



Sources: Eurostat and ECB calculations.

Box 4

HOW HAS MACROECONOMIC UNCERTAINTY IN THE EURO AREA EVOLVED RECENTLY?

High macroeconomic uncertainty – through its likely adverse effect on the spending decisions of both consumers and firms – is considered to be one of the main factors contributing to the protracted weakness of euro area activity in recent years.[1] Quantifying uncertainty is challenging, as it is not an observable variable but relates to subjective perceptions. It can only be gauged indirectly, and this can be done using various sources.

This box describes recent developments in macroeconomic uncertainty by examining a number of measures of uncertainty compiled from a set of diverse sources, namely: (1) measures of economic agents' perceived uncertainty about the future economic situation based on surveys, (2) measures of uncertainty or of risk aversion based on financial market indicators and (3) measures of economic policy uncertainty.

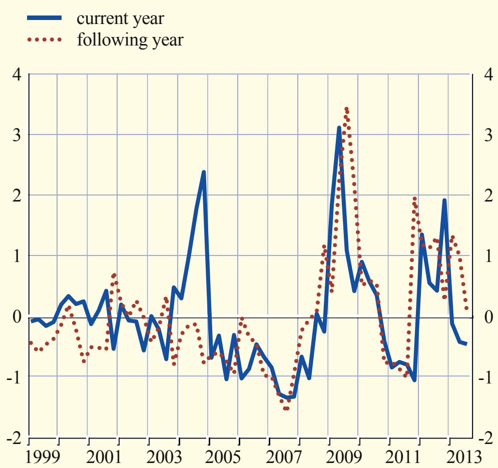
Starting with the measures of uncertainty related to future economic outcomes, the following three sets of indicators are considered:

- The degree of disagreement about the projections for activity among professional forecasters measured as the standard deviation of the projections from Consensus Economics for annual real GDP growth in the current calendar year and the following calendar year. Forecast disagreement is a popular measure of uncertainty and is available on a monthly basis. It should, however, be interpreted with some caution.[2] The range of disagreement among forecasters has tended to be higher in periods of recession or weak growth, notably during the 2008-09 recession (see Chart A). More recently, the dispersion of views on the economic prospects for the euro area has narrowed and appears to be broadly in line with pre-crisis levels.

- "Aggregate uncertainty" from the ECB's Survey of Professional Forecasters (SPF). The SPF provides another dimension for measuring forecast uncertainty, as respondents give both a point estimate and a probability distribution around it, which highlights the individual uncertainty of a given forecaster. To obtain a broad measure of uncertainty, it is possible to calculate "aggregate uncertainty", which

Chart A Dispersion of projections for real GDP growth in the euro area

(standard deviations from the mean; quarterly data)



Sources: Consensus Economics and ECB staff calculations.

1 For a discussion of the macroeconomic impact of uncertainty, see, for example, Haddow, A., Hare, C., Hooley, J. and Shakir, T., "Macroeconomic uncertainty: what is it, how can we measure it and why does it matter?", *Quarterly Bulletin*, Vol. 53, No 2, Bank of England, 2013 Q2.

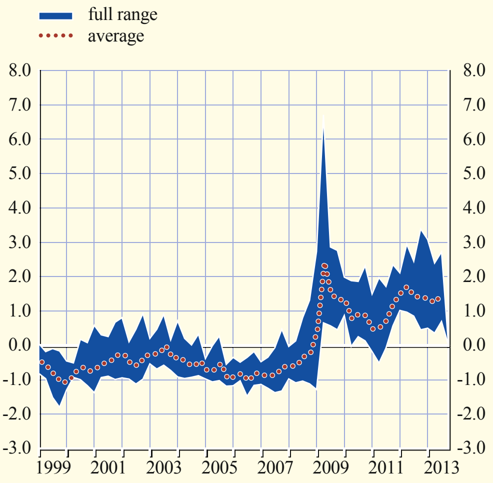
2 For a discussion of uncertainty over a longer time span using primarily data on disagreement among forecasters, see the box entitled "Uncertainty and the economic prospects for the euro area" in the August 2009 issue of the Monthly Bulletin.

combines both disagreement among forecasters (see the first set of indicators) and individual uncertainty.[3] In this box, forecasters' uncertainty is measured by the average variance of the aggregate probability distribution surrounding the projections for GDP, HICP and unemployment over four time horizons (current year, one year ahead, two years ahead and long term). Given that the SPF is only available quarterly, the measure can only be calculated at this frequency. Chart B shows the average uncertainty over all variables and horizons, with the shaded areas denoting the full range of individual measures. According to these measures, uncertainty has increased significantly since late 2008 and remains high.

- An indicator capturing the uncertainty of private households and enterprises based on the European Commission's Business and Consumer Surveys.[4] This survey entails some forward-looking questions and respondents can choose between various answers.[5] The heterogeneity of responses, which reflects the dispersion of expectations, is used as a measure of uncertainty. The advantages of this indicator are its monthly availability for all euro area countries and the fact that it aims to measure uncertainty directly at the level of agents who make consumption and investment decisions. Chart C shows that uncertainty among households increased markedly in late 2007 and early 2008. After declining in 2009,

Chart B Aggregate uncertainty of professional forecasters[1)]

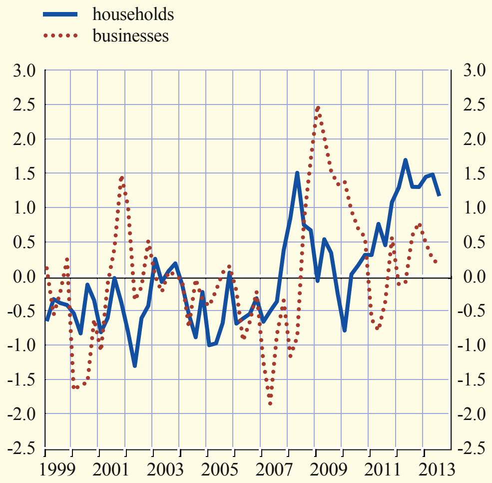
(standard deviations from the mean; quarterly data)



Sources: The ECB's Survey of Professional Forecasters (SPF) and ECB staff calculations.
1) Measured as average variance of the aggregate probability distribution surrounding the projections for GDP, HICP and unemployment over four time horizons (current year, one year ahead, two years ahead, long term).

Chart C Dispersion of expectations of households and businesses in the euro area

(standard deviations from the mean; quarterly data)



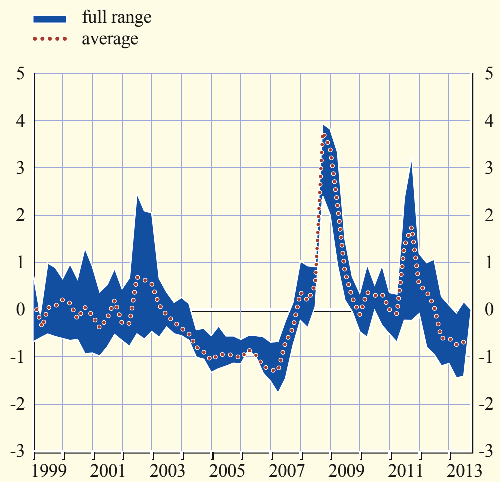
Sources: European Commission Business and Consumer Surveys and ECB staff calculations.

3 For a discussion of this measure of uncertainty, see the box entitled "Measuring perceptions of macroeconomic uncertainty" in the January 2010 issue of the Monthly Bulletin.
4 See Balta, N., Valdés Fernández, I. and Ruscher, E., "Assessing the impact of uncertainty on consumption and investment", Section I, *Quarterly Report on the Euro Area*, Vol. 12, No 2, European Commission, 2013.
5 For industrial firms: "How do you expect your production to develop over the next three months?", with three possible answers ("increases", "remains unchanged", "decreases"); for consumers: "How do you expect the financial position of your household to change over the next 12 months?" and "How do you expect the general economic situation in this country to develop over the next 12 months?", with six possible answers ("gets a lot better"/"… worse", "gets a little better"/"… worse", "stays the same", "don't know").

it rose again in 2010-11 and remained high until mid-2013. Businesses' uncertainty about future production increased even more strongly during the 2008-09 recession, but it has recently returned to a level close to its historical average.

Chart D Financial market uncertainty in the euro area

(standard deviations from the mean; quarterly data)



Sources: ECB financial market database and ECB staff calculations.

Financial market uncertainty or risk aversion measures can be derived from two types of financial market indicators.[6] First, various spreads of asset returns, compared with risk-free assets, could be used; second, measures of implied volatility can also be derived. For example, the option-implied volatility of the exchange rate may provide an indication of companies' uncertainty about future export receipts or the costs of imports. This box uses a set of financial market indicators (implied bond and stock market volatility, implied euro/US dollar volatility and CDS spreads over government bond yields) and a number of systemic stress indicators (exchange rate volatility, equity market volatility, bond market volatility, money market volatility, financial intermediation and a composite systemic stress indicator). In order to mitigate problems related to specific measures, Chart D shows both an average of these measures and their full range. Financial market uncertainty rose sharply during the 2008-09 recession, and again in 2011, but has receded significantly since mid-2012.

Developments in economic policy uncertainty might be illustrated by a recently developed indicator.[7] This measure of uncertainty is an index based on the following underlying components: the newspaper coverage of policy-related economic uncertainty (i.e. the frequency of references to economic and policy uncertainty in ten leading European newspapers) and the disagreement among forecasters as regards the outlook for inflation and budget balances (i.e. a measure of the dispersion of forecasts for each of these two variables in the Consensus Economics survey). These components are aggregated using weights of 50% for the former and 25% for each of the dispersion measures. Data are available for the European Union as a whole, as well as for the five largest EU economies. In this box, a proxy for the euro area is constructed by aggregating the results for Germany, France, Italy and Spain, using GDP weights. Economic policy uncertainty rose significantly during the 2008-09 recession and has moderated somewhat since mid-2011, although it remains above its average pre-crisis level (see Chart E).

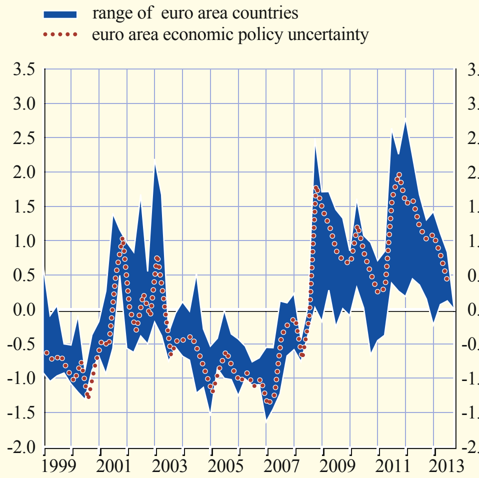
The various measures of uncertainty show a significant negative correlation with key macroeconomic variables, such as quarterly growth rates of real GDP, total investment, private consumption and, in particular, total employment. None of the above measures is a perfect proxy for uncertainty and each has disadvantages, as they concern only specific types of economic agents, specific aspects of the economy or specific sources of uncertainty. For this reason,

6 See, for example, Popescu, A. and Smets, F., "Uncertainty, risk-taking and the business cycle in Germany", CESifo Economic Studies, Vol. 56, 4/2010.

7 Baker, S., Bloom, N. and Davis, S., "Measuring economic policy uncertainty", Chicago Booth Research Paper No 13-02, 2013.

Chart E Economic policy uncertainty in the euro area

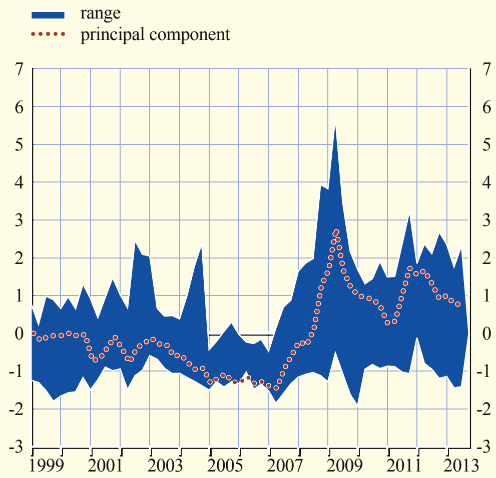
(standard deviations from the mean; quarterly data)



Sources: Baker, Bloom and Davis (2013) and ECB staff calculations.

Chart F Summary measures of economic, financial market and economic policy uncertainty

(standard deviations from the mean; quarterly data)



Sources: Consensus Economics, European Commission, ECB financial market database, Baker, Bloom and Davis (2013) and ECB staff calculations.
Note: The principal component and the ranges are all based on the full set of individual measures.

it is useful to look at a set of different measures of uncertainty in order to achieve a more representative picture. Furthermore, different sources of uncertainty are not easy to disentangle. For example, forecasts of professional forecasters obviously incorporate expectations of future economic policies, and different beliefs about these policies or their impact can result in disagreement or individual uncertainty. In the same way, financial market-based measures of uncertainty may also be affected by policy uncertainty.

The set of measures described in this box is likely to give a useful indication of the overall degree of uncertainty in the euro area economy. Moreover, while there is some variation among the different measures of uncertainty, they do tend to move together, pointing to the existence of an uncertainty component common to all measures. For this reason, the individual sets of series, as well as the overall set of series, can also be combined using principal component analysis. This is a common statistical technique, which extracts from a set of variables a subset of variables, called principal components, explaining most of the variation of the original dataset.

Chart F shows the range of all considered measures of uncertainty, together with the first principal component that is used as a single summary indicator of uncertainty. Following the outbreak of the financial crisis in 2008, all uncertainty measures showed very similar developments: they rose sharply, with most of them peaking at more than two standard deviations above their respective means in the last quarter of 2008 or in the first quarter of 2009. After falling back somewhat in the course of 2009 and 2010, all indices then rose again in the second half of 2011, against the background of the intensification of the euro area debt crisis.

More recently, the various sets of uncertainty measures have fallen, even though there was a widening of the range around the summary indicator. While financial market uncertainty has declined significantly and has been below its long-term average since the fourth quarter of 2012, economic policy uncertainty still remains somewhat higher than its pre-crisis average level. Finally, most measures capturing economic agents' perceived uncertainty about the future economic situation have fallen somewhat, albeit remaining at elevated levels.

Overall, the latest developments in the various uncertainty measures suggest that uncertainty in the euro area has declined, which should support economic activity over time. However, it appears that uncertainty in financial markets fell earlier and more significantly than uncertainty about the economic outlook or policy.

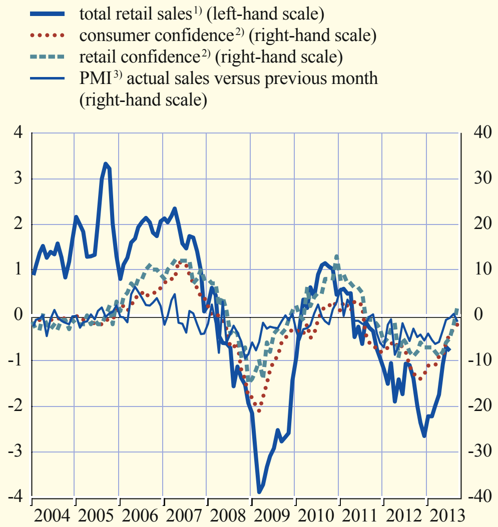
Survey data on the retail sector for the third quarter of 2013 suggest that consumption of retail goods remained broadly unchanged (see Chart 27). The Purchasing Managers' Index (PMI) for the retail sector rose from 46.7 in the second quarter to 49.5 in the third quarter. By remaining close to 50, it points to stable sales between the second and third quarters. Moreover, although the European Commission's indicator on confidence in the retail sector rose strongly in the third quarter, it still remains somewhat below its long-term average. Although consumer confidence improved further between the second and third quarters, it is still slightly below its long-term average and thus consistent with ongoing soft dynamics in consumer spending. The indicator on expected major purchases declined somewhat in the third quarter, suggesting that consumers continue to be cautious in deciding whether or not to purchase durable goods.

Gross fixed capital formation rebounded in the second quarter of 2013, rising by 0.3% quarter on quarter, following eight consecutive quarters of decline. With regard to the components of investment in the second quarter, both non-construction and, albeit to a lesser extent, construction investment – each accounting for around half of total investment – displayed positive growth rates on a quarterly basis.

Incoming data on fixed investment provide somewhat mixed signals. Industrial production of capital goods – an indicator of future non-construction investment – declined in July 2013, by 2.6% month on month. In the same month capital goods production stood around 2% below its average level in the second quarter of 2013, when it rose by 1.4% on a quarterly basis. While this represents a slow start to the third quarter, strong monthly volatility of production data, particularly in the summer months, calls for a cautious assessment. More timely survey results, which already cover the three months of the third quarter of 2013, paint a somewhat more optimistic picture.

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.

The European Commission's industrial confidence indicator rose between the second and third quarters of 2013, while the manufacturing PMI showed an improvement, reaching an average quarterly reading above the no-growth threshold of 50 for the first time since the second quarter of 2011.

In July 2013 construction production rose further, by 0.3% month on month, following an increase of 0.9% in the previous month. As a result, in July, production in construction stood 1.2% above the average level for the second quarter. However, the construction confidence indicator, published by the European Commission, was still well below its historical average in the third quarter, while the PMI for construction in the euro area stood below 50 in July and August, pointing to continued muted developments in the construction sector.

Euro area trade returned to positive growth in the second quarter of 2013 following two consecutive quarterly declines. Data on euro area trade for the third quarter provide mixed signals. The value of exports and imports of goods declined on a monthly basis in July and the levels stand below the averages for the second quarter. According to short-term indicators, prices in July were broadly stable, indicating that in volume terms trade was subdued. However, more recent survey data show a better picture. The PMI new export orders index for the third quarter was consistently above the expansion threshold of 50 and stood at the highest level since the second quarter of 2011. In addition, the European Commission survey indicator for export order books was also better than it was in the second quarter. Together these indicators suggest that euro area trade will improve gradually towards the end of the year, in line with a moderate expansion of global economic activity.

4.2 SECTORAL OUTPUT

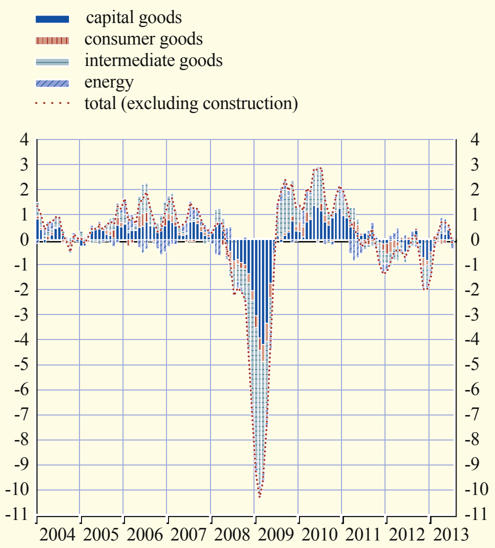
In the second quarter of 2013 real value added increased by 0.3% quarter on quarter, owing to developments in industry excluding construction and services. Value added in construction contracted further in the second quarter.

With regard to developments in the third quarter of 2013, production in the industrial sector (excluding construction) declined by 1.5%, month on month, in July. As a result, production stood in July more than 1% below its average level in the second quarter. This is a depressed start to the third quarter and a worsening compared with the quarterly increase of 0.6% in the second quarter of the year (see Chart 28). Meanwhile, the ECB indicator on euro area industrial new orders (excluding heavy transport equipment) declined by 0.8%, month on month, in July, following a smaller increase in June. The level of orders therefore stood some 0.5% below its level in the second quarter, when it rose by 0.7% on a quarterly basis. Survey data, which are available up to September, point towards a continued small expansion of industrial sector output in the third quarter (see Chart 29). For example, the PMI manufacturing output index rose between the second and third quarters of 2013, reaching a level above the expansion/contraction threshold of 50.

Production in construction rose by 0.3% in July, increasing to 1.2% above the level reached in the second quarter of the year. However, further weak results from more timely surveys point to a feeble underlying growth momentum, consistent with ongoing weakness in the construction sector.

Chart 28 Industrial production growth and contributions

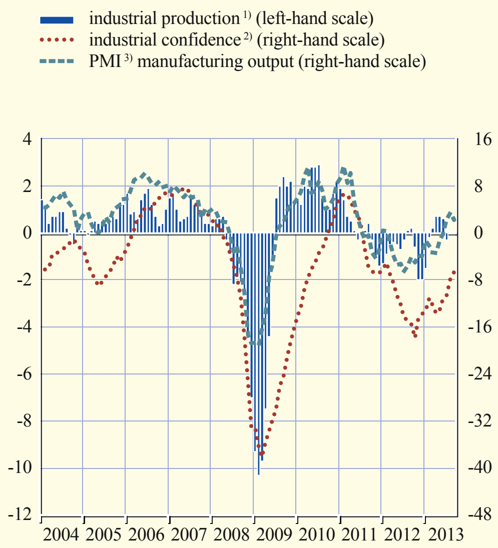
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



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.

The PMI index of activity in business services increased between the second and third quarters of 2013, reaching a level slightly above 50, indicating a small increase in output in the services sector in the third quarter. Other business surveys, such as those of the European Commission, paint a similar picture.

4.3 LABOUR MARKET

Employment declined again in the second quarter of 2013, while more recent data suggest that the unemployment rate has broadly stabilised at a high level. Survey data have improved, but point nonetheless to further job losses in the third quarter of 2013.

In the second quarter of 2013 the level of employment fell for the eighth consecutive quarter, by 0.1% quarter on quarter (see Table 9). At the sectoral level, the latest decline reflects employment cuts in the industrial sector, while employment remained unchanged in the services sector. By contrast, hours worked rebounded, rising by 0.6% quarter on quarter in the second quarter. Although survey results have recently improved, they still point to continued weak labour market developments in the third quarter of 2013 (see Chart 30).

Productivity per person employed rose by 0.5% in annual terms in the second quarter of 2013, which is higher than in the previous quarter of last year (see Chart 31). The latest increase was concentrated in services and construction, while productivity remained broadly stable in the

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

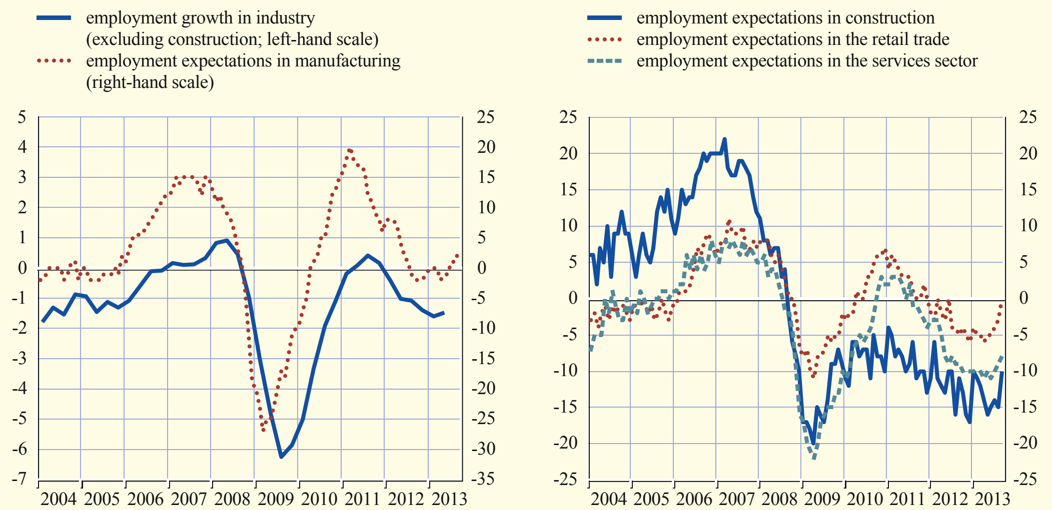
Sources: Eurostat and ECB calculations.
1) Also includes household services, the arts and activities of extraterritorial organisations.

industrial sector excluding construction. Reflecting the sharp increase in hours worked in the second quarter, the annual growth rate of hourly labour productivity declined by 0.9 percentage point to 0.3% between the first and second quarters. Looking ahead, the PMI productivity index points to positive, albeit moderate, productivity growth in the third quarter of 2013.

The unemployment rate, which declined in July for the first time since February 2011, remained unchanged at 12.0% in August. However, the number of unemployed declined in August, month on

Chart 30 Employment growth and employment expectations

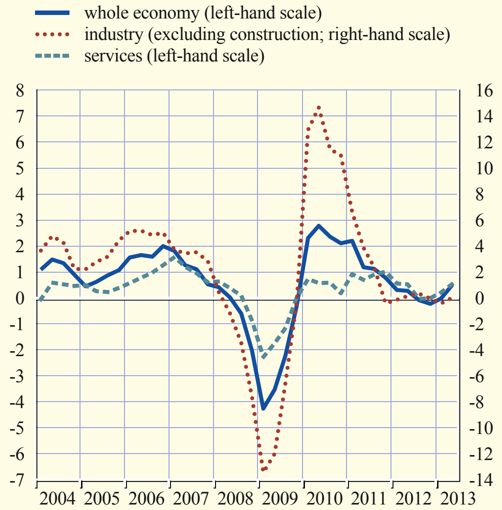
(annual percentage changes; percentage balances; seasonally adjusted)



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

Chart 31 Labour productivity per person employed

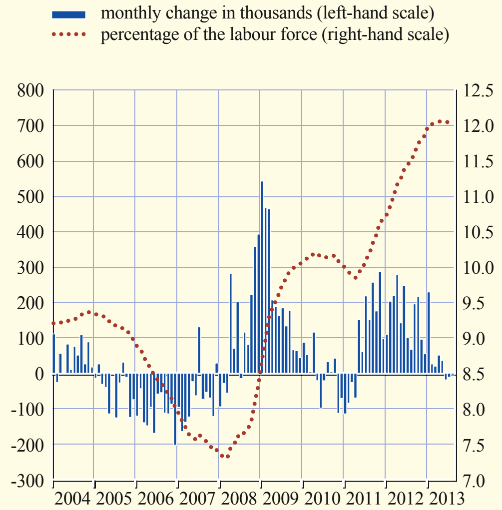
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

month, for the third month in a row. The latest reading for the unemployment rate is 4.7 percentage points higher than in March 2008, when unemployment was at a cyclical low before the onset of the financial crisis (see Chart 32).

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Developments in industrial production data point to somewhat weaker growth at the beginning of the third quarter, while survey-based confidence indicators up to September have improved further from low levels, overall confirming previous expectations of a gradual recovery in economic activity. Looking ahead, output is expected 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 external demand for exports. Furthermore, the overall improvements in financial markets seen since last summer 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 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 in the context of renewed geopolitical tensions, weaker than expected global demand and slow or insufficient implementation of structural reforms in euro area countries.

ARTICLES

COMMODITY PRICES AND THEIR ROLE IN ASSESSING EURO AREA GROWTH AND INFLATION

Over the past decade commodity prices have witnessed stronger upward trends, greater co-movement and higher volatility. It is likely that these features have mainly reflected the increased alignment of developments in commodity markets with those in global economic activity (in particular in the case of emerging economies). The changed nature of commodity price developments has potential implications for the assessment of the euro area's economic outlook. In particular, assumptions made with respect to this outlook for the future development of commodity prices may be surrounded by more uncertainty than previously. Overall, it is always necessary to conduct a careful analysis of the underlying factors driving commodity prices in order to assess the implications for medium-term price stability and to determine the appropriate monetary policy response to changes in commodity prices.

1 INTRODUCTION

Developments in international commodity prices play an important role in the assessment of both the outlook for euro area inflation and the risks to price stability in the medium term. This assessment entails the need to identify the nature of commodity price movements, the channels through which they affect the economy and their relative importance. The purpose of this article is to identify recent changes in the nature of commodity price movements and their potential implications for assessing the outlook for economic growth and inflation in the euro area if these changes were to become permanent.

To this end, the article is structured as follows. Section 2 reviews the pattern of commodity price movements and discusses factors that may explain any changes in this pattern. There is some evidence of a stronger trend increase in commodity prices since the early 2000s coupled with higher volatility and stronger co-movement across individual commodity prices. Changes in global demand for commodities, in particular the increasing role of emerging economies as importers of commodities, may account for these changes. Section 3 describes what the changed nature of commodity price movements implies for the assessment of the economic outlook for the euro area. These implications range from arriving at adequate assumptions for future commodity prices in the context of macroeconomic projections to the consideration of a wider set of channels through which commodity price developments may influence domestic activity and inflation. Changes in the nature of commodity price developments and their impact on the economy may also have implications for the conduct of monetary policy. Section 4 concludes.

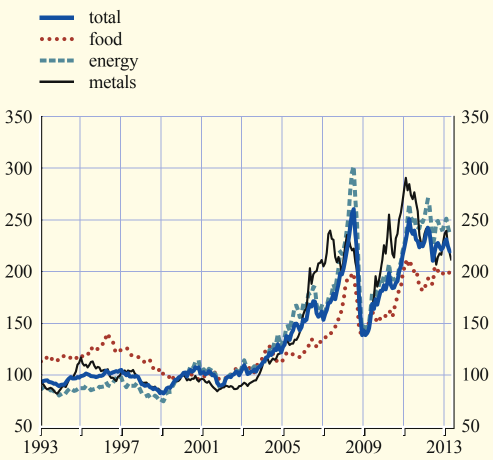
2 COMMODITY PRICES IN THE 2000S: WHAT HAS CHANGED?

After a period of relatively stable developments until the early 2000s, there was a broad-based increase in international commodity prices (see Chart 1). Taking 2003 as a dividing line between these two periods, the aggregate commodity price index – comprising energy, food and metals – increased by, on average, 0.6% in annual terms in the ten years up to 2003, while it has increased by, on average, 10% per annum in the ten years since then.[1] The change in commodity price dynamics is visible across all categories of commodities, although it has been somewhat more pronounced for energy and metals than for food. The same pattern prevails when looking at commodity prices relative to global output price or consumer price developments. Obviously, changes in real or

1 The year 2003 is often chosen in the literature as the point after which oil prices started to follow an upward path, driven by unexpected strong growth in oil demand (see, for example, Kilian, L. and Hicks, B., "Did Unexpectedly Strong Economic Growth Cause the Oil Price Shock of 2003-2008?", *Journal of Forecasting*, Vol. 32, Issue No 5, August 2013, pp. 385-394).

Chart 1 Evolution of commodity price indices

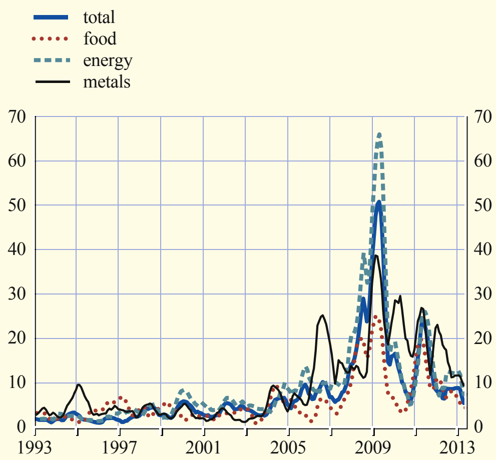
(index: 2000 = 100; monthly data)



Source: IMF.
Note: The last observation is that for May 2013.

Chart 2 Volatility of commodity prices

(rolling 12-months standard deviations)



Source: IMF.
Notes: For each point in time, the rolling standard deviation is calculated using monthly data over the past year. The last observation is that for May 2013. The pattern of volatility is similar when the standard deviation is calculated over smaller or larger rolling windows.

relative commodity price trends over the period since 2003 cannot be taken as firm indications of truly secular trends. After recovering from the lows reached following the 2008 financial crisis, commodity prices broadly stabilised again amid some volatility since mid-2010.

Commodity prices have also become more volatile over the past decade (see Chart 2). Approximating volatility by rolling standard deviations, there was an upward shift in average volatility in the period after 2003. Again, this is a feature that is visible across all categories of commodities, and it prevails when looking beyond the particularly high volatility recorded in 2008. Overall, the fact that both changes in medium-term trends and more short-run volatility were discerned in the data marks a difference compared with historical commodity price behaviour.

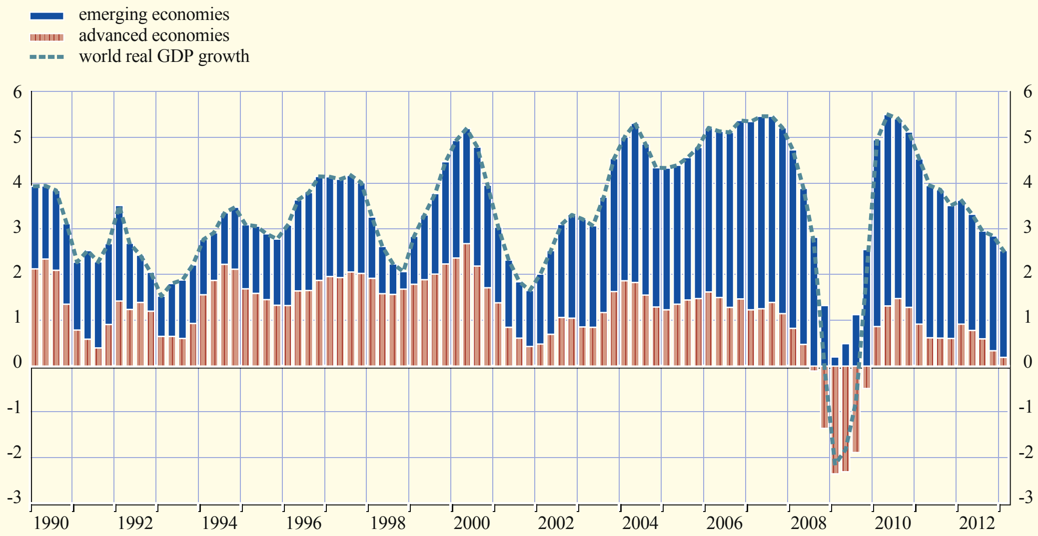
Explaining such changes in trends and volatility is arduous as – by nature – international commodity prices are driven by a large range of supply and demand-related factors in the global economy. At the same time, some of these factors may have a greater bearing on trends than on volatilities, or vice versa. Similarly, some factors may be more relevant for price movements of specific commodities, while others tend to influence prices of all commodities alike. Such distinctions can help in identifying relevant factors.

With regard to the common trend across prices of different commodities in the 2000s, this is likely to reflect demand factors that stem from broad macroeconomic conditions in the world economy. In particular, as the demand for commodities tends to be closely related to global production and income developments, the strong economic growth in emerging economies such as China and India gave rise to more persistent upward pressures on commodity prices.[2] Industrialisation tends to go

2 On the relevance of demand from emerging economies in explaining the development of oil prices between 2003 and 2008, see, for example, Kilian, L. and Hicks, B., loc. cit.

Chart 3 World real GDP growth, and contributions from advanced and emerging economies

(annual growth rates and percentage point contributions; quarterly data)



Source: ECB.
Notes: Data are weighted by purchasing power parity. The last observation is that for the first quarter of 2013.

hand in hand with a higher commodity intensity in production, and improvements in income levels tend to coincide with commodity-impacting changes in consumption patterns, such as preferences related to transportation, housing or diet.

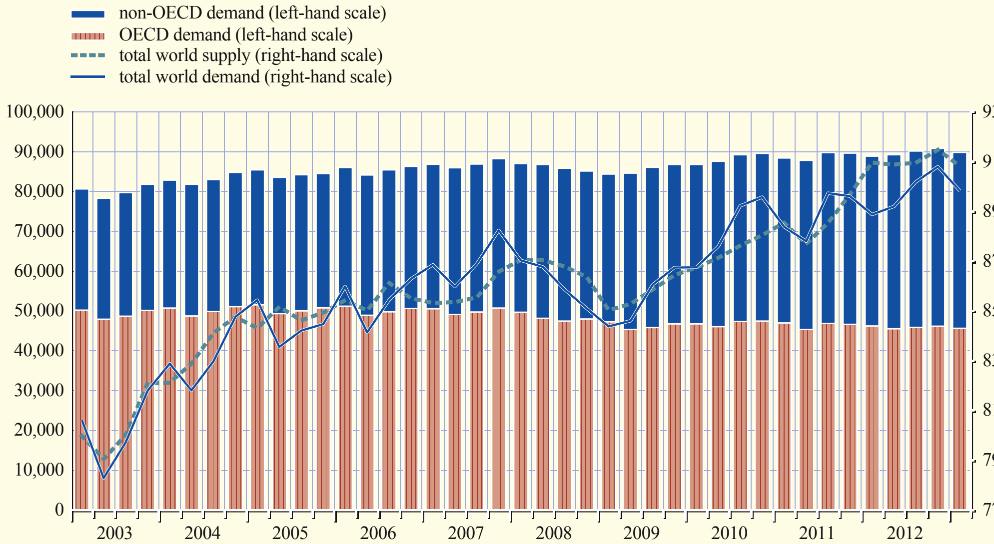
In the ten years up to 2003 emerging economies accounted for, on average, around half of global real GDP growth, while their share in the period since then has risen to four-fifths (see Chart 3). The relationship with commodity consumption can be exemplified by the case of oil. In 2003 non-OECD countries accounted for somewhat less than 40% of total oil consumption, while ten years later, this figure already stood at almost 50% (see Chart 4). In addition, energy intensity is higher in emerging markets than in the euro area. For example, total primary energy use per unit of GDP was 12% in the euro area in 2010, compared with 14% in Brazil, 18% in India and 26% in China.

In combination with a somewhat lagging supply, the significant increases in emerging economies' demand for commodities caused the prices of energy, food and metals to increase in parallel between 2003 and 2008. In the case of oil, these sharp and unexpectedly strong increases in demand reduced the spare capacity of OPEC countries as the supply of oil accommodated that higher demand. A decline in global growth and the subsequent drop in commodity demand after the financial crisis also explain why commodity prices plunged in 2008. Given the relatively swift recovery in demand for commodities from emerging economies, commodity prices recovered relatively quickly from early 2009.

In addition to the aforementioned demand factors, supply-side factors also had an impact on the trend in commodity prices. In the case of energy commodities such as oil or gas, these supply-side

Chart 4 Development of oil supply and demand over the period from 2003 to 2013

(thousand barrels per day; quarterly averages)



Source: International Energy Agency.
Note: The last observation is that for the first quarter of 2013.

factors relate mainly to technological advances, for example "fracking",[3] that allow a greater degree of substitution between energy sources and effectively provide a backstop to scarcity-related trends in prices of individual energy commodities.

As regards the higher volatility of commodity prices in the period since 2003, one explanation is the impact of the global recession, but other factors could also be at play. For instance, many supply-side factors have a commodity-specific nature and tend to account for volatility and one-off movements in prices, rather than for medium-term trend developments. Where energy commodities are concerned, such supply-side factors can be changes in, and disruptions to, production as a result of, for example, political instability in energy-exporting countries or decisions by OPEC countries with regard to the management of spare capacity. In the case of food commodities, supply-side factors are frequently related to abrupt changes in weather conditions and their possible consequences in the form of droughts or floods. Finally, in the case of metal commodities, supplies depend on, among other factors, technological progress and events such as strikes in the relevant mining sector. Examples of such supply-side factors can be found throughout the 2000s, but there is no clear evidence that their impact on the respective commodity prices was any different from that in earlier periods.

Yet another factor that might increase the volatility of commodity prices relates to changes in the price elasticity of commodity supply or demand, although its importance in explaining commodity price volatility in general is still unclear. In the case of oil, however, there is empirical evidence that variations in the price elasticities of oil demand and supply create periods of elevated oil price

3 Fracking or hydraulic fracturing is a technique for oil and gas extraction whereby a mixture of water, sand and chemicals is pumped into shale or tight formations at ultra-high pressure, creating small fractures that free up oil and gas. This technique has led to a boom in the production of shale gas and oil, primarily in the United States. This shale gas and oil production revolution, in contrast to many other supply-side developments, has mainly had an impact on the medium-term trend development of oil prices.

volatility. This, in turn, can reflect the structure of production, possible recourse to alternative sources or spare capacity, the management of commodity stocks and inventories and, more generally, the impact of macroeconomic uncertainty.[4]

Finally, increases in the very short-term volatility of commodity prices may be related to what is known as "financialisation". This refers to the increased use of commodities as financial assets and to the active management of these assets in futures markets, which might affect, for example, oil price fluctuations at very short horizons.[5] Investment in commodities has increased over the 2000s. The empirical verdict is still out on the relevance of financialisation in explaining commodity price volatility and on the direction in which it works. However, there seems to be some evidence that financialisation has caused a stronger correlation between the short-term movements in prices of different types of commodities.[6]

Overall, over the past ten years commodity prices have exhibited some changes in behaviour. In particular, strong demand for commodities from emerging market economies appears to have resulted in the prices of different types of commodity moving in a more synchronised fashion – both with regard to higher shorter-term volatility and the overall rate of increase.[7] If shocks to commodity prices tend to occur more simultaneously, the consequences for inflation and economic growth in commodity-importing countries such as the euro area may be amplified.

3 THE CHANGED NATURE OF COMMODITY PRICE MOVEMENTS: WHAT IMPLICATIONS DOES THIS HAVE FOR THE ASSESSMENT OF THE EURO AREA'S ECONOMIC OUTLOOK?

Movements in commodity prices play an important role in the assessment of the economic outlook for the euro area. This relates, first, to the technical assumptions on future commodity price developments, as they are typically used as so-called exogenous variables in forecasts and projections. Second, it relates to the direct and indirect effects that movements in commodity prices have in the underlying analytical frameworks and, third, to the conduct of monetary policy. Changes in the nature of commodity price movements, as witnessed over the past ten years, may have implications for the reliability of the assumptions, the analytical frameworks used for gauging future developments and the conduct of monetary policy.

4 See Van Robays I., "Macroeconomic uncertainty and the impact of oil shocks", *Working Paper Series*, No 1479, ECB, Frankfurt am Main, October 2012 for an empirical analysis where declines in the price elasticity of oil supply and demand caused by greater macroeconomic uncertainty, as measured by volatility in GDP growth, leads to higher oil price volatility. Everything else being equal, a lower price elasticity in the supply of commodities implies a more marked effect on prices in the event of a commodity demand shock. These two factors, i.e. larger shocks and a changed price elasticity of supply and demand, might explain volatility in commodity prices over the economic growth cycle.

5 See, for example, "Report of the G20 Study Group on Commodities", November 2011.

6 For an overview, see Kilian, L., Fattouh, B. and Mahadeva, L., "The Role of Speculation in Oil Markets: What Have We Learned So Far?", *The Energy Journal*, Vol. 34, No 3, July 2013, pp. 7-33. Stronger commodity price co-movement can, for example, be explained by the increased popularity of commodity index funds, which simultaneously track movements in prices of different types of commodity. In this respect, it has been shown that prices of non-energy commodities, in particular those included in commodity index funds, have become increasingly correlated with oil prices since the early 2000s (see Tang, K. and Xiong, W., "Index Investment and the Financialization of Commodities", *Financial Analysts Journal*, Vol. 68, No 6, November/December 2012, pp.54-74).

7 This stronger general co-movement can be captured in markedly higher pair-wise correlations of commodity prices. In the period from 1992 to 2003 the correlation was negative (-0.37) between energy and food, marginally positive (0.08) between energy and metal and somewhat more positive (0.56) between food and metal. By contrast, in the period from 2003 to 2013 the correlations between the different pairs of commodity prices were all between 0.85 and 0.93. A caveat to these calculations is that the second period includes the recession of 2008 and 2009, when there was a strong demand-driven decline in all commodity prices which dominates the rest of the sample.

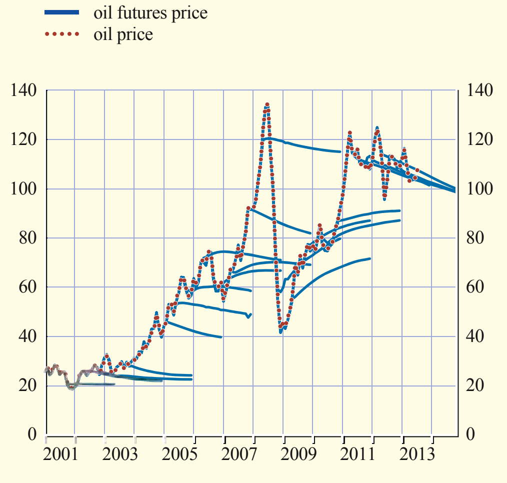
3.1 IMPLICATIONS FOR THE TECHNICAL ASSUMPTIONS MADE IN PROJECTIONS

The Eurosystem staff projections assume that commodity prices evolve in line with the prices set in futures markets. In the case of oil, the *h*-period forecast of the price of oil is derived from the price of the oil futures contract at maturity *h,* based on the assumption that the futures price is equal to the expected spot price of oil. However, the futures prices of risky assets such as oil can deviate from the expected spot price as a result of a risk premium component. Moreover, unlike classic financial assets, storable commodities carry additional costs, such as storage costs, and benefits, such as holding physical inventories for consumption, normally referred to as the convenience yield. Typically, the risk premium and the convenience yield components are larger than the cost component, which causes oil futures prices to be lower than current oil prices and to follow a slightly downward sloping path (see Chart 5).[8]

As long as movements in oil prices tend to be very short-lived and fluctuate around some recent, relatively stable level, the assumption based on futures prices tends to imply relatively small errors. By contrast, when oil price developments are characterised by (piecewise) trends and volatility that includes swings that, despite extending over several quarters, are unexpected, the assumption based on the futures prices observed in recent history can quickly become outdated.[9] In this respect, the

Chart 5 Futures prices for Brent crude oil

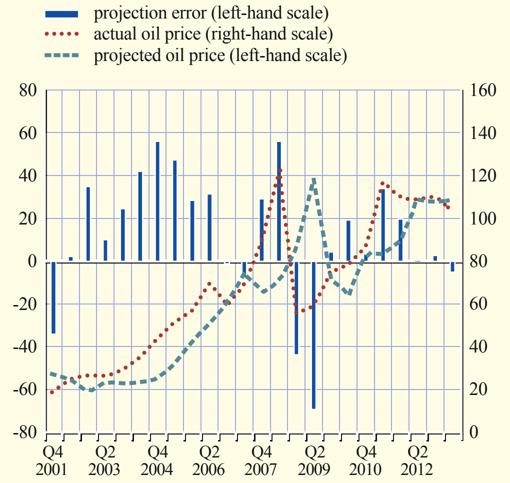
(US dollars per barrel)



Source: ECB staff calculations.
Note: The futures curves reflect the assumptions in the biannual Eurosystem staff projections made at the time.

Chart 6 Forecasting error in the one-year-ahead assumptions for oil prices in Eurosystem staff projections and actual oil price developments

(percentages; US dollars per barrel)



Source: ECB calculations.
Notes: The forecasting error is the percentage deviation of the actual oil price from the one-year-ahead projection made for the second and fourth quarter of each calendar year. A positive error thus denotes an underestimation of the actual oil price. See also the article "An assessment of Eurosystem staff macroeconomic projections", *Monthly Bulletin*, ECB, May 2013.

8 This situation, whereby the futures contract of oil is traded at a lower price than the spot contract in the oil market, is referred to as "backwardation". If the reverse occurs, when spot prices are higher than futures prices because of, for example, high storage costs, the oil market is in "contango".

9 Alquist and Kilian show that the inaccuracy of the futures-based prediction is driven by the variability of the spread between the futures and the spot price, see Alquist, R. and Kilian, L., "What do we learn from the price of crude oil futures", *Journal of Applied Econometrics*, Vol. 25(4), February 2010, pp. 539-573.

pronounced movements in oil prices in response to the global growth cycle in the period between 2007 and 2011 were not anticipated by oil futures. These errors in projecting oil prices (see Chart 6) contributed significantly to the overall error in projections of HICP inflation. Overall, since 1999 oil price assumptions implied a marked downward bias, resulting in a downside bias also in inflation projection errors by Eurosystem staff.[10]

Futures prices are also used by Eurosystem staff as assumptions for the projection of both food commodity prices and prices of non-energy hard commodities such as metals. In the case of the latter, however, this assumption only applies to the first part of the projection horizon, while prices of non-energy hard commodities further out are assumed to evolve in line with global economic activity. This switch reflects the lack of depth in the futures markets for these commodities at longer horizons and the risk that prices are determined by only a few contracts and trades. At the same time, given the stronger co-movement that commodity prices in general have had with global economic activity and, in particular, with the contribution from emerging economies, a stronger link of assumptions regarding future commodity prices with those relating to global economic activity might reflect the changed nature of commodity price movements also in the case of oil and food. Where energy commodities are concerned, the substitution of different types of energy can also lead to relative price changes. For example, fracking technologies can increase the demand for gas relative to that for oil, thereby putting downward pressure on oil prices. While such factors could be reflected by making commodity prices endogenous to the system and thereby including demand-side factors, it is not straightforward to find a model that significantly improves the out-of-sample forecast performance compared to futures prices.

In the case of food commodity prices, developments in international prices are used by Eurosystem staff to derive predictions of so-called EU farm-gate prices, which are in turn used as the assumptions for food commodity prices that are relevant in the context of the EU's Common Agricultural Policy. EU farm-gate prices tend to move closely in line with international commodity prices when prices are above the intervention level determined in the context of this policy (see Box 1). The general upward trend in commodity prices since 2003 has led to levels of international food commodity prices that are well above the intervention levels, and has thus strengthened the impact of global food commodity-related assumptions on the economic outlook for the euro area.

10 For more details, see the article "An assessment of Eurosystem staff macroeconomic projections", *Monthly Bulletin*, ECB, Frankfurt am Main, May 2013.

Box 1

FOOD COMMODITIES AND THE COMMON AGRICULTURAL POLICY

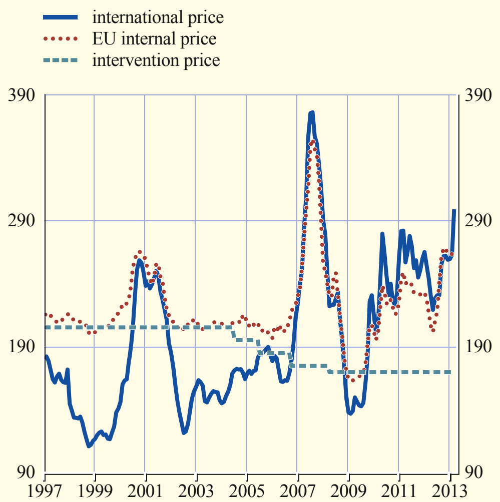
In 2007-08 global food commodity prices rose sharply. Consumer prices of food in Europe were visibly affected. The magnitude of this effect came as a surprise. In the past, consumer prices of food within Europe had generally moved modestly in response to movements in international food commodity prices. The Common Agricultural Policy (CAP) had largely shielded them from world market developments. This box looks at the design of the CAP, and at the effects that changes to it can have on the pass-through of international food commodity prices.

Designed around 1960 to secure food supplies and the income of farmers, the CAP relies, among other measures, on "intervention prices". If the price of a product falls below the intervention price, the product is bought into publicly-funded inventories at the intervention price. This system therefore has the potential to ensure relatively high prices within the European Union when compared with market-determined prices, but it can also depress world market prices if excess supplies are exported, possibly with the help of subsidies.

European farm-gate prices, which follow the intervention prices, were generally higher than international food commodity prices and also more stable than the latter until 2007 (see the example of skimmed milk powder in the chart). They have been found to better explain developments in consumer prices of food both in the euro area and in individual euro area countries than international commodity quotations.[1]

Developments in international and EU internal market prices of skimmed milk powder

(euro per 100kg)



Sources: Understanding Dairy Markets, European Commission and ECB calculations.
Notes: The latest observation is for May 2013. International price refers to Oceania 1.25% butterfat skim milk powder (average of mid-point of price ranges reported bi-weekly). EU internal price refers to the monthly average of milk powder prices (from 2003 to 2012 in intervention quality) in the EU 27.

Over time, adaptions to the CAP measures meant that world market prices had greater influence. Among other things, intervention prices were reduced, while world prices rose. This caused European farm-gate prices to be somewhat lower than in the past, although they remained higher than world market prices. Thus, when world market prices started to increase sharply at the end of 2006, intervention prices provided no effective limit and European farm-gate prices moved more or less in parallel with international commodity prices.[2] A similar picture has been observed since the end of 2009. As can be expected when markets become more open, prices along the European food supply chain have also become less stable.[3] At the same time, publicly-funded inventories have been reduced.

In the light of the changed situation, some supply-restricting measures under the CAP were suspended. Moreover, it was announced that others would be phased out over the longer term. Intervention prices are still in place, but they stand at rather low levels. Thus, even though there are still some differences, European farm-gate prices have been more closely synchronised with international commodity quotations since the end of 2006, with European consumer prices of food consequently also moving more in line with international food commodity prices since then.

1 See Annex D in "Processed food: inflation and price levels", *Economic Review – Special Edition*, National Bank of Belgium, April 2008, pp. 53-72, and Jiménez-Rodríguez, R., Ferrucci, G. and Onorante L., "Food price pass-through in the euro area: the role of asymmetries and non-linearities", *Working Paper Series*, No 1168, ECB, Frankfurt am Main, April 2010.

2 For a discussion of the causes of the increase in world food prices, see the box entitled "What accounts for the global surge in food prices", *Monthly Bulletin*, ECB, Frankfurt am Main, June 2008.

3 In its evaluation of CAP measures in the dairy sector, the European Commission came to the conclusion that there was greater volatility in EU milk producer prices after the reduction of intervention prices than previously (see "Evaluation of CAP measures applied to the dairy sector, final report", European Commission – Directorate-General for Agriculture and Rural Development, November 2011). In the study undertaken by the National Bank of Belgium (see footnote 1), it was also found that the frequency of adjustments to Belgian consumer prices of certain food products had increased significantly since mid-2007.

3.2 IMPLICATIONS FOR THE ANALYTICAL FRAMEWORKS

When assessing the impact of shocks to commodity prices on the economic outlook, it should be borne in mind that macroeconomic models tend to imply a clear-cut and differential reaction of output growth and inflation to changes in international commodity prices: an upward shock leads to higher inflation and lower output. For instance, Eurosystem macroeconomic models imply that a permanent increase of 10% in oil prices (denominated in US dollars) has a cumulative upward impact of about ½ percentage point on euro area HICP inflation over a three-year horizon (with the oil price level also playing a role), and a cumulative downward impact of around ¼ percentage point on euro area real GDP growth.[11]

It should be noted that such a countermovement of inflation and economic growth is not always observed in practice. The actual movement of the various variables will depend, inter alia, on the extent to which the commodity price movements intrinsically come together with movements in global growth. If oil prices are driven by stronger global growth, their movement may be associated with increases in euro area growth, even if the rise in oil prices, all other things being equal, has a dampening effect on euro area growth.

Commodity price shocks can influence euro area economic growth and inflation via a number of different channels. These channels are often intertwined, as the impact on economic activity, for instance, tends to materialise predominantly through real incomes and thus through the impact of commodity prices on inflation (see Chart 7).

Direct effects on inflation occur, for instance, when commodity prices have an immediate bearing on consumer prices. This is most obvious in the case of energy commodities, where changes in oil and gas prices are transmitted more or less directly to consumer prices for fuel or heating. However, it also holds true for some food commodity prices, such as meat prices, that may directly affect consumer prices for unprocessed food. Indirect effects occur when commodity prices have an impact on consumer prices essentially via the production and distribution chain. Examples are the influence of energy commodity prices on consumer prices for transportation services via fuel prices or on consumer prices for non-energy industrial goods via producer prices for energy-intensive products such as chemicals. Similar considerations hold for the impact that food commodity prices have on consumer prices for processed food. So-called second-round effects capture the reactions of wage and price-setters to the direct and indirect effects of a commodity price shock, for instance, if they attempt to keep their real wages and profits unchanged. Such dynamics could cause higher inflation expectations and could thus transform temporary commodity price shocks into more persistent inflationary pressures.

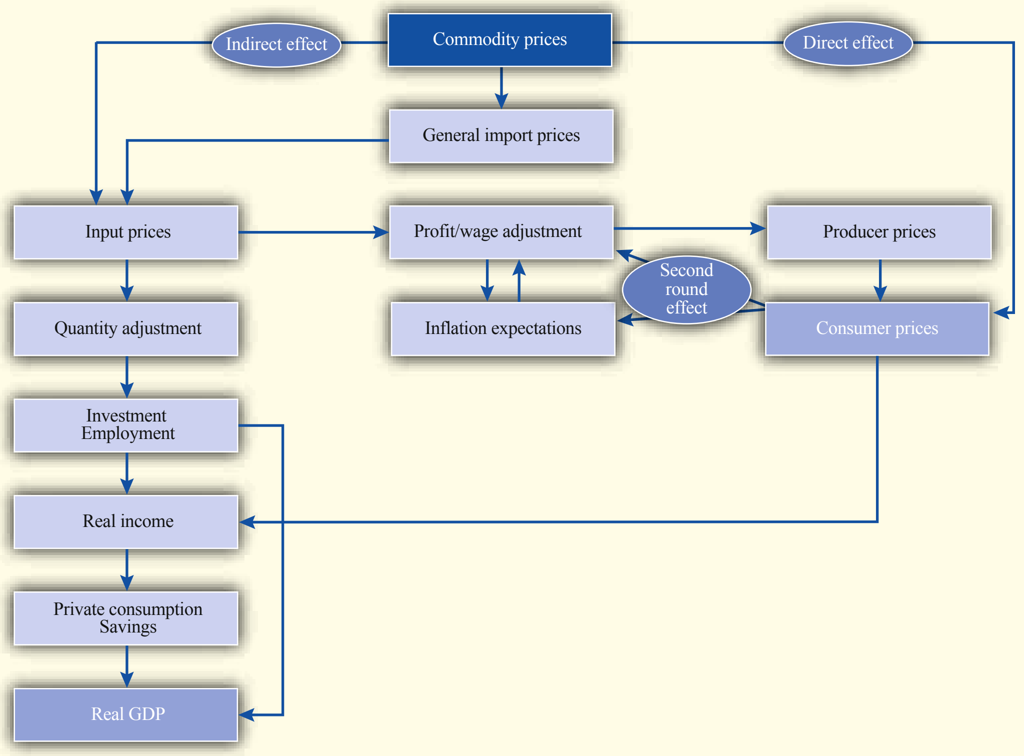
The changed nature of commodity price movements in terms of stronger growth trends, greater co-movement and higher volatility could alter these channels in several ways.

First, if commodity prices are subject to a trend, they will become a systematic component of inflation. As energy prices have risen relative to other prices over the past decade, the share of energy in the overall HICP is now higher than it was, for example, in the early 2000s (11.0% in 2013 compared with 8.4% in 2000). With a relatively low price elasticity of most commodity consumption, this results in an increasing importance of commodity prices for overall HICP inflation and, consequently, in an increasing relevance for monetary policy.

11 See "Energy markets and the euro area economy", *Occasional Paper Series*, No 113, ECB, Frankfurt am Main, June 2010.

Chart 7 Transmission channels for commodity price movements

(stylised representation assuming a net commodity-importing economy)



Source: ECB.

Second, upward trends in, and the co-movement of, commodity prices may give rise to stronger second-round effects in terms of inflation expectations and knock-on effects for wage/price dynamics. For example, energy and food are frequently and out-of-pocket purchased items, the prices of which may at times have a stronger bearing on inflation perceptions and expectations.

Third, if the level of commodity prices ultimately moves up over time, the impact for the same percentage change in the price will possibly vary. In the case of energy prices, such level-dependent impacts are associated not only with the fact that the share of energy in the HICP tends to rise with the oil price, but also with the presence of fixed excise taxes in consumer energy prices that imply a larger direct impact of oil price changes on consumer prices at higher price levels (see Box 2).

Fourth, a trend and greater co-movement of commodity prices will amplify the price shocks for industries with broad-based commodity inputs and make it more difficult for them to absorb the overall cost pressures in their profit margins. For instance, industries engaged in energy-intensive manufacturing of metal products will be more strongly affected by a joint and possibly more persistent upward movement in prices of energy and metal commodities. Depending on the interlinkages between these industries and the rest of the economy, indirect effects and their spillovers will be more likely to occur.

Finally, a higher volatility of commodity prices may increase the need for hedging instruments or inventories in importing countries, and could thus add an additional layer to commodity and material-related input costs.

Box 2

OIL PRICE EFFECTS AND TAXES

The most immediate and strongest impact of oil commodity prices on euro area inflation comes through their direct effects on energy prices. This box assesses the role that indirect taxes play in this impact. Given differences in their nature and structure, as well as in the degree of data availability, consumer prices are considered separately for oil products such as transport fuel – both petrol and diesel – and heating fuel.[1]

Consumer prices of fuel are generally subject to two forms of indirect taxes: (i) ad valorem-type taxes (generally value added tax – VAT), which is levied as a percentage (e.g. 20%); and (ii) excise or other taxes that are generally levied as a fixed amount per unit consumed (e.g. 50 cent per litre). Everything else being equal, higher excise-type taxes tend to reduce elasticity, i.e. the percentage response of consumer prices to a given percentage change in commodity prices.

Table A presents a stylised decomposition of consumer prices of liquid fuel, namely petrol, diesel and heating fuel, comparing the figures for 2012 with those recorded in 1999.[2] In 1999 indirect taxes accounted for most of the final consumer price (for around 70% in the case of transport fuel

1 For a detailed discussion of consumer prices of energy in the euro area, see Task Force of the Monetary Policy Committee of the European System of Central Banks, "Energy markets and the euro area macroeconomy", *Occasional Paper Series*, No 113, ECB, Frankfurt am Main, June 2010.
2 For a more detailed discussion, see the box entitled "Recent developments in consumer prices for oil products", *Monthly Bulletin*, ECB, Frankfurt am Main, October 2012.

Table A Decomposition of average euro area consumer prices of liquid fuel

(annual averages; cent per litre unless otherwise indicated)

	Transport fuel – petrol				Transport fuel – diesel				Heating fuel – gasoil			
	1999		2012		1999		2012		1999		2012	
	cent/l	%	cent/l	%	cent/l	%	cent/l	%	cent/l	%	cent/l	%
(1) Crude oil	**10.7**	**12**	**55.0**	**33**	**10.7**	**16**	**55.0**	**37**	**10.7**	**35**	**55.0**	**55**
(2) Pre-tax consumer price incl. margins	**23.6**	**27**	**73.3**	**45**	**21.5**	**33**	**77.6**	**53**	**17.6**	**58**	**73.1**	**73**
(3) Taxes	**63.5**	**73**	**91.0**	**55**	**43.5**	**67**	**69.5**	**47**	**12.8**	**42**	**26.7**	**27**
of which:												
Excise duties	50.0	57	63.4	39	33.4	51	45.1	31	8.2	27	10.2	10
VAT rate (%)	18.2		20.2		18.3		19.9		18.2		19.7	
VAT	13.4	15	27.6	17	10.1	15	24.4	17	4.7	15	16.4	16
(4) Final consumer price	**87.1**	**100**	**164.3**	**100**	**65.0**	**100**	**147.1**	**100**	**30.5**	**100**	**99.8**	**100**

Sources: Bloomberg, Thomson Reuters, the European Commission's weekly oil bulletin and ECB staff calculations.

and for 40% in that of heating fuel). Since then, although excise taxes per litre have increased in nominal terms (from 50.0 cent to 63.4 cent for petrol, from 33.4 cent to 45.1 cent for diesel and from 8.2 cent to 10.2 cent for heating fuel), they have remained more or less unchanged in real terms (i.e. deflated by overall HICP). As VAT is levied as a percentage, the amount of VAT levied can vary on account of a change in either the rate of VAT levied or the price. Thus, the amount of VAT levied would have increased substantially, even without a change in VAT rates, as a result of the increase in oil prices. However, over and beyond this, between 1999 and 2012 there was also an increase of 2 percentage points in the average rate of VAT applied to prices of petrol and diesel and an increase of 1 percentage point in that applied to heating fuel prices. Overall, taxes have risen for all types of fuel, but their share in the final selling price has declined.

Table B Estimated elasticity of euro area consumer liquid fuel prices with respect to crude oil prices

(percentages)

	HICP Weight (2013)	1999	2012
Petrol	} 5.0	14	40
Diesel		19	45
Heating fuel	0.9	41	66

Source: ECB calculations.

In terms of their share in final consumer prices, indirect taxes still accounted for a substantial proportion of liquid fuel prices in 2012 (for, on average, approximately 50% of transport fuel prices across the euro area). Although there have been some increases in energy taxes, particularly in more recent years – reflecting fiscal pressures – they are not the main cause of the sharp increase in consumer prices of energy observed since 1999. For transport fuels, excise taxes have remained broadly unchanged in real terms since then, and owing to the marked increases in oil prices and the more modest increases in distribution costs and margins, their share in final consumer prices has declined substantially. Consequently, reflecting the fact that the elasticity of consumer prices with respect to energy commodity prices is mainly a function of the amount of non-ad valorem-type indirect taxes such as excise taxes and the response of margins, Table B illustrates that the estimated elasticity of consumers' liquid fuel prices with respect to crude oil prices rose significantly between 1999 and 2012.[3] This increase in the elasticity is due primarily to the increase in the level of oil prices.

3 A somewhat similar phenomenon has occurred in the case of consumer prices of gas and electricity, whereby the increase in the prices of commodity inputs as a percentage of the final consumer price has caused their elasticities to increase as well. For a more detailed discussion of consumer prices of gas and electricity, see the box entitled "Non-oil energy price developments", *Monthly Bulletin*, ECB, September 2008.

The impact of commodity price movements on economic activity, as measured by real GDP, materialises mainly via real income effects.[12] If the cost increases implied by higher commodity prices are buffered by profits and/or wages, entrepreneurial and/or household incomes will decline and typically have negative repercussions on investment and consumption. If the cost increases lead to higher output prices and if these dampen demand, producers will adjust the quantity of output, and the associated investment and employment levels. This, in turn, will again have effects on real incomes and real GDP.

12 A prominent real income effect for the economy as a whole is captured in the negative terms-of-trade effects implied by commodity price movements. However, this effect may be mitigated if the higher revenues in countries that export commodities are used for imports from countries that import commodities, an example of which would be what is known as "oil bill recycling" (see Box 3 of the article entitled "Oil prices – their determinants and impact on euro area inflation and the macroeconomy", *Monthly Bulletin*, ECB, August 2010).

The transmission channel to economic activity can be modified in several ways owing to the changed nature of commodity prices.

First, investment in machinery may have been made in view of the marginal productivity of such investment, which may, in turn, depend on the level of energy commodity prices. If commodity prices are subject to a trend, a higher level may render energy-intensive investment unprofitable and lead to faster depreciation and scrapping, complementing income and demand-related effects on investment. In this respect, the ultimate impact of such depreciation on actual and potential output depends on the possibilities for countering high commodity prices either by reducing the intensity of energy use, by substituting one energy commodity for another or by replacing more energy-intensive investment with less energy-intensive investment.

Second, the increased co-movement of commodity prices may limit the possibilities available for replacing a given source of commodities with another. For instance, the prices of perceived backstop technologies such as biofuel or shale gas may move in the same way as established energy commodities (although possibly at a different level) and then imply responses in real income and activity to commodity price movements, also over longer horizons where substitution possibilities would normally loosen the link.

Third, the higher volatility of commodity prices may have a direct impact on firms' and households' perceptions of uncertainty regarding the general economic environment and, everything else being equal, result in a higher degree of apprehension in their decisions on investment and consumption.

Overall, given the stronger upward trend in commodity prices, it is likely that longer-term factors become more relevant for the impact on inflation and economic growth. In the case of inflation, this is due to the risk of a stronger link between commodity price developments and medium-term inflation expectations. In the case of economic growth, it is due to the possibility of reducing commodity intensity or resorting to alternative commodity inputs (see Box 3). The latter should become easier at higher prices, as the deployment of alternative sources would then be more profitable.

Box 3

ENERGY INTENSITY IN EURO AREA OUTPUT

Permanent increases in the relative price of commodities provide an incentive to reduce the intensity of use of such commodities in production and consumption. This box reviews developments in this intensity over past decades, using energy as an example.

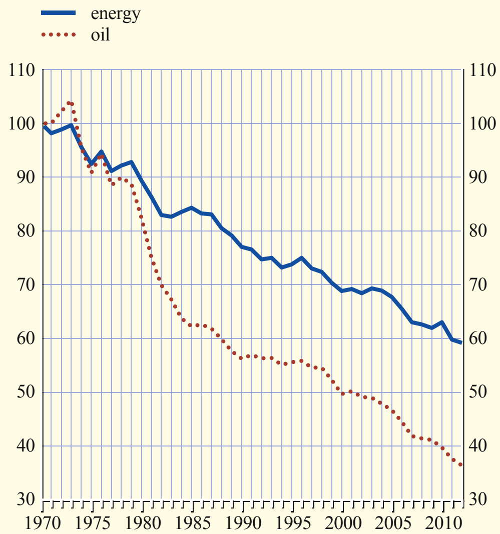
The absolute use of oil products has decreased by 9% since 1970, while that of total energy products has increased by almost 50%. At the same time, the share of units of oil used in total output has declined by around 60%, while that of energy units has fallen by 40% (see chart).

However, this secular decline in the intensity of oil use took place at different speeds across the period under consideration. After the oil price shocks of the 1970s, the intensity declined rapidly in the course of the 1980s, but levelled off during the period of relative oil price stability in the 1990s. The 2000s saw a renewed decline in intensity as oil prices embarked on a strong upward trend from 2003. The decoupling of the intensity of use of oil products from that of total energy products in the 1980s points to substitution processes in energy commodity use. While the decoupling stalled during the 1990s, there are signs that it may have resumed again in the 2000s in response to the increase in oil prices.

Overall, the data suggest that the impact of high and upward trending oil prices on economic growth in the euro area over longer horizons may partly be contained by adjusting the intensity of use of oil commodities. However, where commodity prices follow similar trends, the incentive to substitute one type of energy commodity for another depends on the relative level of the price per unit of the different energy commodities.

Energy intensity in the euro area

(index: 1970 = 100)



Sources: ECB, IEA and ECB calculations.
Note: Energy intensity is measued as total oil/energy supply in tons of oil equivalent divided by GDP. Total primary energy supply is defined as production plus imports minus exports adjusted for stock changes.

3.3 IMPLICATIONS FOR MONETARY POLICY

Commodity price shocks have the typical features of supply shocks, whereby output and inflation move in the opposite direction. Supply shocks thus represent a far greater challenge for monetary policy than demand shocks, which are characterised by inflation and output moving in the same direction. This implies that, while a prompt monetary policy response to demand shocks can stabilise inflation and, at the same time, reduce economic fluctuations, the policy response to supply shocks may require a more gradual response in order to avoid unnecessary volatility in real activity. However, such a gradual response is only warranted as long as inflation expectations remain well anchored.

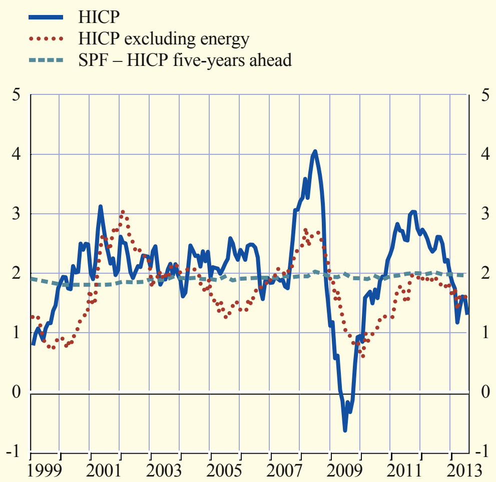
There are several classification systems that can be helpful when thinking about the appropriate policy response to commodity price shocks. One is based on the likely features of the shock itself, i.e. whether it will be short-lived or will last for a prolonged period of time, or even contain a trend component. Assessing this requires detailed knowledge of the structural features of commodity markets and of the likely evolution of related global supply and demand conditions.

Short-lived shocks or other one-off changes in the level of commodity prices may not necessarily call for a policy response, as medium and long-term inflation expectations may be more likely to remain well-anchored, especially in the case of strong central bank credibility with respect to ensuring price stability. However, the presence of a trend component in shocks to commodity prices may require a different monetary policy response. Such longer-lasting supply shocks may have a systematic impact on inflation and could affect inflation expectations, meaning that monetary policy should respond to them.

The contribution of the energy component – which captures the unavoidable direct impact of oil price movements – to euro area HICP inflation explains roughly one-quarter of average HICP inflation recorded over the period since 2003, even though the weight of energy in that measure of inflation is only one-tenth. The implicit relative price increase curtailed the scope for price increases in the domestic economy, calling for a monetary policy stance that appropriately counterbalances the permanent effect on inflation over the medium term.

Chart 8 Actual inflation and inflation expectations

(annual percentage changes)



Sources: ECB and Eurostat.

The ECB's monetary policy strategy incorporates some features that specifically help to address the challenge raised by commodity price shocks. The first feature is the quantitative definition of price stability, which provides an anchor for inflation expectations. The ECB defines price stability in terms of headline inflation, which takes movements in commodity prices into account, and hence has to explain its policy response in terms of this indicator. The second feature is its medium-term orientation, whereby the duration of the period over which price stability should be maintained is not predefined, but rather reflects the nature and persistence of the shocks that hit the euro area. In addition, the risk assessment of the outlook for price developments conducted by the Governing Council at its monetary policy meetings explicitly takes into consideration the uncertainty involved in deriving assumptions for future commodity price developments.

With its medium-term orientation, the ECB's monetary policy strategy looks through fluctuations in the HICP inflation rate caused by short-term changes in commodity prices. Medium-term inflation expectations in the euro area since 1999 have remained well anchored, notwithstanding sizeable fluctuations in HICP inflation rates (see Chart 8), reflecting the high degree of credibility of the ECB with respect to the achievement of its primary objective. This stability in inflation expectations in turn prevented short-term gyrations in commodity prices from becoming entrenched through second-round effects in wage and price setting.

Finally, other policy areas can support the conduct of a monetary policy that is geared to maintaining price stability in the presence of commodity price shocks. Fiscal policies need to avoid having a budgetary policy stance that is too accommodative, as this could have a destabilising effect, delaying structural adjustment and prolonging inflationary pressures. Structural policy also has to play its part. Structural reforms, particularly those related to the flexibility of the labour and product markets, would facilitate the economy's adjustment in the event of commodity price shocks.

4 CONCLUSIONS

Over the past decade commodity prices have increased sharply and have become more volatile. At the same time, commodity markets have increasingly been influenced by global demand conditions, resulting in stronger correlations across commodity prices. This implies that shocks to commodity prices now occur in a more synchronised fashion. These changes, if they persist, may have implications for inflation and growth in commodity-importing countries such as the euro area. They also require a careful analysis in order to determine the appropriate monetary policy response.

This article reviewed the implications of the changed nature of commodity price movements for the assessment of the economic outlook in the euro area. Conventional assumptions for commodity prices that are based on futures prices may become outdated more quickly when commodity prices are subject to unexpected trends and high volatility. The marked changes in commodity prices observed over the past decade have shown that futures prices have generally under-predicted actual prices and have thereby contributed significantly to the overall error in HICP inflation projections.

The ECB's economic analysis has to take into account uncertainties in the outlook implied by the specific nature of commodity price shocks. The quantitative definition of price stability, which provides an anchor for inflation expectations, and the medium-term orientation of monetary policy, whereby the length of the period covered reflects the nature and persistence of the shocks that hit the euro area, are features in the ECB's monetary policy strategy that specifically help to address the challenges raised by the changing nature of commodity price shocks. In addition, the risk analysis to the staff projections conducted by the Governing Council has regularly pointed to risks to commodity prices as being relevant for the setting of monetary policy. Overall, benefiting from these features of its strategy, despite the upward trend in commodity prices in recent years, the ECB's Governing Council has successfully maintained inflation rates on average close to 2% in the period since 1999.

REFERENCE INTEREST RATES: ROLE, CHALLENGES AND OUTLOOK

Reference interest rates are frequently used interest rates that link payments in financial contracts to standard money market interest rates. They serve as benchmarks for determining payments on wholesale and retail loans, on floating rate notes and on derivatives contracts aimed at managing interest rate risk. They are also entrenched in the global financial system via their usage in the valuation of financial instruments and as a basis for performance measurement. This article reviews the role traditionally played by reference rates, with a particular focus on the role that EURIBOR plays in the monetary policy transmission mechanism in the euro area. Based on the recent evidence of manipulation of reference interest rates and declining activity in the underlying market, the article summarises the ECB's views on the current debate on the possible options to reform these reference rates, as well as the initiatives taken by the ECB to establish commonly agreed principles that will strengthen the existing governance framework and to develop a next generation of reference rates that are better anchored to observable transactions and more representative of the underlying market conditions. It also presents some preliminary results of the transaction data collection exercise that was carried out by EURIBOR-EBF and supported by the ECB in order to assess the scope for a transaction-based reference rate that could act as a credible substitute for EURIBOR. The article concludes that, while the reforms already implemented or to be introduced represent significant progress in terms of strengthening the governance framework, restoring credibility and reducing the risks of manipulation, further steps need to be taken to explore alternative reference rates that are more transaction-based and that could be a potential substitute for the current reference rates. The article also concludes that reference interest rates reflecting banks' unsecured funding costs will continue to play an important role, although they will probably need to be complemented by alternative reference rates so that users can choose reference rates that better match their needs.

1 INTRODUCTION

Reference interest rates (in particular TIBOR[1], LIBOR[2] and EURIBOR[3] are interest rates that link payments in a financial contract to standard money market interest rates. Given the growing importance of these reference interest rates within the financial community over time, the transmission of monetary policy is significantly influenced by the link between key reference interest rates and the central banks' key policy interest rate. Since the 1990s reference interest rates based on unsecured interbank lending and borrowing have become dominant, as they facilitate the management of banks' funding risks owing to the role that banks play in credit channeling. This has made reference rates an essential tool in the transmission of monetary policy decisions along the yield curve, thereby affecting the investment decisions of many economic agents.

The allegations that have emerged since 2012 relating to the manipulation of key reference rates such as TIBOR, LIBOR and EURIBOR have triggered a widespread debate on the appropriateness of the process used to set reference interest rates. Yet this debate is supplemented by a more fundamental question on the continuous representativeness of the interest rates used at present, given the ongoing decline in the underlying market volumes and higher concentration. The ECB believes that there is significant scope to reform these reference rates further. Taking into account

1 TIBOR stands for "Tokyo interbank offered rate". Since 1995 it has been administered by the Japanese Bankers' Association. For further information, see http://www.zenginkyo.or.jp/en/tibor/the_jba_tibor/index.html
2 LIBOR stands for "London interbank offered rate". It has thus far been administered by the British Bankers' Association, but its administration will be transferred to NYSE Euronext Rates Administration Limited by early 2014. For further information, see http://www.bbalibor.com/news
3 EURIBOR stands for "euro interbank offered rate". Since 1999 it has been administered by EURIBOR-EBF. For further information, see www.euribor-ebf.eu

the importance of these reference rates in the implementation and transmission of monetary policy, any reform should distinguish between short-term, governance-enhancing measures aimed at immediately increasing market confidence in these rates and more medium to long-term measures aimed at making reference rates more transaction-based and more representative.

The aim of this article is thus threefold. First, to recall the purpose and role of reference interest rates such as EURIBOR in the euro area and their importance from a monetary policy perspective (see Section 2). Second, to explain the background behind the current debate on the appropriateness and representativeness of the reference interest rates (see Section 3). Third, to present the various initiatives taken by the official sector, including the Eurosystem, to enhance the integrity of current reference interest rates and to encourage the adoption of more transaction-based ones (see Section 4). In conclusion, the article draws some conclusions on what has been achieved thus far and the tasks that lie ahead (see Section 5).

2 TRADITIONAL ROLE OF REFERENCE RATES

To understand the importance and social value of reference interest rates such as TIBOR, LIBOR and EURIBOR, it is first essential to recapitulate the evolution of banks' funding over time, which in the 1990s gradually moved from a bank-based financial system towards a market-based financial system. Reference interest rates, such as LIBOR or EURIBOR's predecessors in the euro's legacy currencies, were initially created in the late 1980s in the context of syndicated loans as a more transparent and cost-efficient way for banks to pass on their funding costs to their customers by adding a spread to a reference rate representative of their marginal funding costs. The standardisation of the pass-through rate in financial contracts also led to the emergence of derivatives, initially in the form of forward rate agreements (FRAs) and then swaps. These derivatives allowed banks to offer fixed rate loans while hedging their variable funding costs.

2.1 ROLE, NATURE AND CALCULATION OF REFERENCE RATES

Reference interest rates are snapshot assessments of certain market rates. Traditionally their role has been to determine the pay-offs of standardised financial contracts by applying a formula to the value of one or more underlying asset or price.

Based on the ESMA-EBA Principles for Benchmark-Setting Processes in the EU,[4] several different roles in the rate-setting process can be identified. First, there is the so-called reference rate administrator, which is the legal entity that sponsors the creation and operation of the reference rate. It is also responsible for the calculation of the reference interest rate, as well as the methodologies and governance of the rate-setting process. Second, there are the contributors, i.e. the legal entities which contribute to the reference data used in the reference rate calculation process. Third, there is the calculation agent, which is the legal entity that calculates the reference rate based on the data submitted by the contributors. This entity may coincide with the administrator or be a third party to which the administrator has assigned this role. Finally, there is the publisher, which is the legal entity that makes the reference rate values available via publicly accessible media.

Based on the data used to calculate the reference interest rates, a distinction can be made between transaction-based reference rates, which are based on the rates applied to actual transactions, and

4 For further information, see www.esma.europa.eu/system/files/2013-659_esma-eba_principles_for_benchmark-setting_processes_in_the_eu.pdf

quote-based reference interest rates, which are based on estimates of the rates at which transactions can be executed. Depending on the data submitted, unsecured market reference rates can be further differentiated between reference rates for lending and borrowing.

For example, in the specific case of the euro area and EURIBOR, EURIBOR-EBF[5] is the benchmark administrator, while Thomson Reuters is the calculation agent and publisher that uses data submitted by a panel of contributing banks. EURIBOR is a quote-based reference rate and is calculated as a trimmed mean after the elimination of the top and bottom 15% of the contributions. Contributions are based on the following definition: "EURIBOR® is the rate at which Euro interbank term deposits are offered by one prime bank to another prime bank within the EMU zone, and is published at 11:00 a.m. (CET) for spot value (T+2)."[6] It does not necessarily refer to the interbank lending rates of the contributing bank, but rather to those at which euro interbank term deposits are offered by one prime bank to another prime bank within the euro area.[7]

TIBOR, administered by the Japanese Bankers Association, is based on quotes the panel of contributing banks provide on the basis of what "they deem to be prevailing market rates, assuming transactions between prime banks".There are two types of TIBOR rate, namely the Japanese Yen TIBOR and the Euroyen TIBOR, depending on whether the quotes provided refer to the Japanese unsecured call market or the Japanese offshore market.

In contrast with EURIBOR and TIBOR, LIBOR, which has so far been administered by the British Bankers' Association (BBA)[8] and is calculated and published by Thomson Reuters, is based on the answers provided by a panel of banks to the question: "At what rate could you borrow funds, were you to do so by asking for and then accepting inter-bank offers in a reasonable market size just prior to 11 a.m.?". Therefore, submissions are based on the lowest perceived rate at which a bank on a certain currency panel could access the interbank money market and obtain sizeable funding for a given maturity. LIBOR refers to the estimated borrowing costs charged to contributing banks and may therefore have a stronger signalling effect on the creditworthiness of these banks. Such signalling effects may have increased the incentives to manipulate individual submissions during the financial crisis.

The euro overnight index average (EONIA) is a transaction-based interest rate used for the euro area overnight segment of the money market. It is calculated by the ECB, with EURIBOR-EBF as the benchmark administrator and Thomson Reuters as the publisher, as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro reported by a panel of contributing banks. The ECB's role as the calculating agent of EONIA stems from the high level of confidentiality required for the handling of the submissions of individual bank transaction data, as well as the need to ensure that the data are treated with the utmost confidentiality by an impartial third party. The transaction-based nature of the submission minimises the extent of the subjectivity implicit in quote-based systems, reduces the risk of manipulation – although it does not eliminate it – and facilitates the ex post validation process.

5 EURIBOR-EBF is an international non-profit-making association that was founded in 1999 with the launch of the euro. Its members are the national banking associations of those EU Member States that have adopted the euro.
6 See http://www.euribor-ebf.eu/euribor-org/about-euribor.html
7 The concept of a prime bank has recently been clarified in the Code of Conduct as "a credit institution of high creditworthiness for short-term liabilities, which lends at competitive market related interest rates and is recognised as active in euro-denominated money market instruments while having access to the Eurosystem's (open) market operations." The concept of an interbank deposits has also been clarified in the Code of Conduct as "a cash deposit between two credit institutions, maturing by one year from inception."
8 On 9 July 2013 the board of the BBA voted unanimously to approve the transfer of the administration of LIBOR to NYSE Euronext Rates Administration Limited. The BBA will hand over the administration of LIBOR to that entity following approval by the United Kingdom's Financial Control Authority. The transition to the new administrator is expected to be completed in early 2014.

2.2 RELEVANCE OF REFERENCE RATES FOR EURO AREA MARKETS

Through hedging activities (via swap and FRA contracts), there is a close link between cash (spot and term) deposit interest rates and the derivatives segments of the money market. Transactions in the cash and derivatives segments of the money market (in the euro area and other jurisdictions) are conducted mainly over the counter (OTC), which makes it difficult to trace the rates and volumes of the transactions made. This, in turn, increases the importance of having a reliable benchmark reference on a term that is representative of the funding conditions for financial contracts (retail loans, wholesale banking activities, syndicated loans) as well as OTC financial derivatives (FRAs, short and long-term swaps, swaptions) and exchange-traded financial derivatives (futures contracts and options on those futures contracts).[9]

In the case of the euro area, EONIA is the usual reference interest rate for euro overnight indexed swaps (OISs). EURIBOR serves as a pricing benchmark for variable rate loans and mortgages, and is the reference rate for most interest rate swaps (IRSs) and other OTC-traded derivatives, such as FRAs, and exchange-traded short-term interest rate futures contracts. The creation and trading of these instruments has developed rapidly on account of their potential for leveraging and hedging interest rate risk.[10]

According to the latest data available from the BIS, at the end of 2012 the notional amount[11] outstanding of single-currency OTC interest rate derivatives (FRAs, swaps and options) was USD 489.7 trillion.[12] Of this total, the largest shares by currency were the notional amounts referenced to euro interest rates (equivalent to USD 187.4 trillion, of which USD 137.6 trillion were IRSs, USD 25.6 trillion FRAs and USD 24.2 trillion interest rate options), which were greater than the amounts referenced to US dollar rates (USD 148.7 trillion). There is broad consensus in the market that the main reference rate underlying euro interest rates is EURIBOR, although there is no mention of this in the BIS data. With regard to exchange-traded interest rate derivatives, data published by Euronext show that the total notional amount of the three-month EURIBOR futures contracts traded on the LIFFE exchange in London in 2012 amounted to €178.7 trillion and that of EURIBOR options on futures was €70.7 trillion. These contracts are primarily, although not exclusively, used by banks to hedge a significant part of their balance sheet against interest rate risk while performing their maturity transformation function.

However, the traditional role of reference interest rates based on the unsecured interbank market is currently being challenged by the developments that have occurred since the onset of the financial crisis. First, the relationship between market reference rates and the individual cost of funding has been significantly weakened, as the latter reflects more frequently country-specific or bank-specific factors. Second, in terms of banks' funding, there has been a gradual, albeit significant, shift from the unsecured to the secured segment. In this regard, declining volumes and the higher concentration have called into question the representativeness of reference interest rates.[13] These developments may undermine the benefits of using reference rates or lead banks to charge higher spreads on

9 For a full description of the LIBOR-type fixings, see Gyntelberg, J. and Wooldridge, P.D., "Interbank rate fixings during the recent turmoil", *Quarterly Review*, BIS, March 2008.

10 Options now exist on both IRSs and futures contracts, which are the starting point of the price formation mechanism of market-implied volatilities for euro interest rates.

11 The notional value is the nominal amount of the asset, reference rate or index underlying a derivative financial instrument. It is different from the market value that results from the netting of the respective obligations of the buyer and of the seller of the contract, which represents the replacement cost of a given contract transacted at a given price at any point in time.

12 BIS data covering the G10 countries since the end of June 1998, as well as Australia and Spain from December 2011.

13 See also the discussion in Brousseau, V., Chailloux, A. and Durré, A., "Fixing the Fixings: What Road to a More Representative Money Market Benchmark?", *IMF Working Paper*, No. 13/131, May 2013.

market reference rates to compensate for adverse changes in their own refinancing costs and hedge their basis risk.

The volatility of banks' credit risk premia has also highlighted the credit risk component embedded in these rates, making them less appropriate as a proxy for risk-free rates, as they used to be perceived. In turn, the growing awareness of the credit risk component embedded in traditional unsecured market reference interest rates has pushed up demand for reference interest rates, such as OISs, to be as risk-free as possible and not to reflect the term, liquidity and credit risk premia embedded in traditional unsecured market reference interest rates. In particular, such OIS rates have increasingly been seen as more appropriate for evaluating centrally cleared standardised OTC derivatives and OTC derivative positions based on comprehensive collateralisation arrangements.

2.3 IMPORTANCE OF REFERENCE INTEREST RATES FROM THE MONETARY POLICY PERSPECTIVE

From the ECB's perspective, EURIBOR and EONIA are of crucial importance for the efficient functioning of both the euro area and the international financial system. Their role has evolved over time, together with their standardisation and the increased liquidity and availability of financial instruments referring to them. Monetary policy decisions and market expectations of the future path of policy rates are directly reflected in the interest rates that serve as a reference for highly liquid and standardised derivative products, such as FRAs, futures and IRSs. In turn, these form the basis for the pricing of various, usually less liquid, marketable debt instruments, thus influencing financing and credit conditions.

Given the crucial role of EONIA and EURIBOR in the formation of both euro money market interest rates and market expectations regarding the future values of short-term interest rates, they also play an essential role in the interest rate channel, which transmits the monetary policy stance along the yield curve. Over time, they have therefore gained a social function and are now a public good. Both interest rates help to ensure a homogeneous pricing benchmark for the entire money market yield curve across the euro area.

Today, the existing reference interest rates for the unsecured market are still used as a standard in the financial industry, despite the decreasing turnover in the underlying market. As reported in the table, almost 60% of total loans to non-financial corporations in the euro area were floating rate loans at the end of March 2012; their interest rates were hence referenced mostly to EURIBOR. At the same time, the proportion of floating rate loans in total loans to households was lower, at 40%, although it had been rising over time. It is also interesting to note that these average figures for the euro area conceal significant differences between countries.

Share of floating rate loans in total loans for the euro area

(data as of March 2012; percentages)

	EA	AT	BE	DE	EE	ES	FI	FR	GR
Non-financial corporations	56	72	54	37	78	65	82	38	69
Households	40	63	19	11	89	89	93	16	52
	IE	**IT**	**LU**	**MT**	**NL**	**PT**	**SI**	**SK**	**CY**
Non-financial corporations	61	77	69	82	60	76	82	75	52
Households	59	72	74	94	21	94	76	26	32

Source: MFI balance sheet item statistics.
Notes: Floating rate loans include short-term (less than one year) and long-term floating rate loans. All floating rate loans are pooled together with no distinction of reference rates, such that the breakdown of these loans by reference rate is not known.

Therefore, the social value of the pricing of reference interest rates appears even higher, since it affects not only the relationships between financial investors at the very short end of the yield curve, but also the relationships between banks and economic agents.

3 RECENT DEBATE ON REFERENCE INTEREST RATES

The evidence and allegations of manipulation of reference rates, as well as the structural market changes that have occurred or have been gathering pace since the start of the financial crisis, have highlighted the need to change current rules and practices with regard to the determination of reference rates and move towards a more regulated approach, given that they are widely recognised as a public good.

Given the role of reference interest rates in the monetary policy transmission mechanism, as described in Section 2.3, it is also appropriate for the public sector to define which role it should play in (i) the development of commonly agreed principles to strengthen governance frameworks that enhance the reliability and integrity of reference interest rates; and (ii) the development of reference interest rates that are more representative of market conditions and which better match market participants' individual needs.

3.1 GOVERNANCE ISSUES SURROUNDING THE RATE-SETTING PROCESS

A comprehensive review of all governance issues surrounding the rate-setting process has been undertaken in various jurisdictions and in several fora. The UK Treasury's Wheatley Review of LIBOR, the ESMA-EBA's Principles for Benchmark-Setting Processes in the EU, the IOSCO's Principles for Financial Benchmarks, the European Commission's forthcoming proposals for the regulation of benchmarks, as well its current proposals for a regulation on market abuse and for a directive on criminal sanctions for market abuse,[14] are all examples of initiatives to address, inter alia, the need to ensure that reference interest rates are adequately governed, administered and regulated in order to appropriately guard against market abuse or systematic errors.

The principles embedded in these initiatives define a sound framework for the submission process at the level of contributors, and, with regard to governance, minimise conflicts of interest within rate administrator bodies, by retaining the expertise but reducing the influence of the banking community through the involvement of other stakeholders. These principles also recommend minimum standards for calculation agents, publishers and users, as well as a stricter sanctioning regime. The timely, consistent and effective implementation of these principles should significantly limit the opportunity for abuse and improve rate-setting practices. In this respect, EURIBOR-EBF took steps to review the EURIBOR governance process and implement the recommendations set out in the joint ESMA-EBA review. These include (i) enlarging the composition of the EURIBOR Steering Committee to include non-bank stakeholders; (ii) consulting stakeholders on the number of EURIBOR tenors, with a view to preserving only those with the highest utilisation and the highest underlying transaction volume; and (iii) reviewing the key terms in the EURIBOR definition to enhance clarity. While further work needs to be undertaken in order to implement the ESMA-EBA's recommendations, these governance-enhancing actions are a major step in the right direction.

14 See "Amended proposal for a Regulation of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) (submitted in accordance with Article 293(2) TFEU) (COM(2012) 421 final)"; and "Amended proposal for a Directive of the European Parliament and of the Council on criminal sanctions for insider dealing and market manipulation (submitted in accordance with Article 293(2) TFEU) (COM(2012) 420 final)".

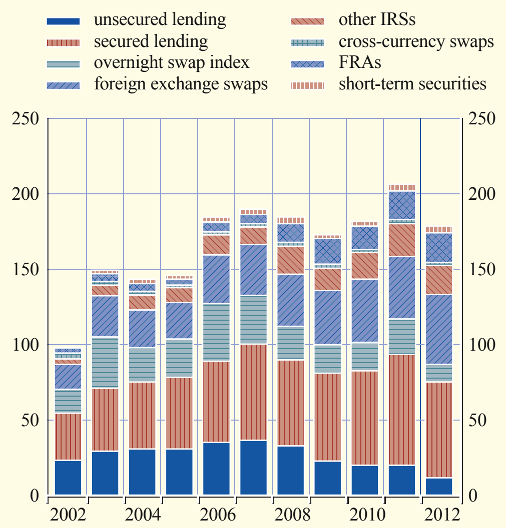
3.2 REPRESENTATIVENESS OF REFERENCE INTEREST RATES

However, in addition to the reform of the governance framework for the rate-setting process, there is the broader question as to whether the dominance of reference interest rates based on unsecured interbank markets reflecting a common bank credit risk is still appropriate today.

In this regard, it is interesting to note that the shift from unsecured to secured interbank borrowing and lending started even before the onset of the financial crisis and accelerated thereafter (see the chart).

Aggregated average daily turnover of the euro money market

(index: aggregated average daily turnover volume in 2002 = 100)



Source: Euro money market study, ECB, December 2012.

Unsecured interbank markets have shrunk considerably, particularly for longer maturities. Therefore, the remaining market turnover is currently concentrated only within the shortest maturities, as confirmed by the results of the data collection exercise undertaken by the ECB (see the box). Changes to the liquidity regulations, such as the introduction of the Liquidity Coverage Ratio (LCR) and the Capital Requirements Directive (CRD IV), which are aimed at reducing and better managing liquidity and counterparty credit risks, provide further incentives to shift from unsecured to secured interbank markets and to limit unsecured interbank activity to shorter maturities. Moreover, the dispersion of bank credit risk has increased sharply, implying that the true refinancing costs of banks deviate from – and are likely to be much more volatile than – the lending rates between prime banks referenced to EURIBOR, which used to be seen as a proxy for a risk-free rate.

The contraction in volumes of unsecured interbank markets, as well as the other structural changes described in Section 2.2, call into question the continuous representativeness of the current reference interest rates for the segmented and heterogeneous borrowing conditions in the unsecured interbank market. The challenge is to identify the necessary design changes to such unsecured market reference rates in order to preserve and enhance their representativeness. In fact, in spite of these developments, reference interest rates reflecting banks' unsecured funding costs and incorporating a generic bank credit risk premium are very likely to remain necessary for some users as a benchmark of the "true" costs at which banks can obtain wholesale market liquidity and not – as in the secured market – exchange cash for another asset. Another challenge is how to facilitate greater diversity in the use of reference interest rates that better match users' needs. This would require a greater availability of reference rates that do not incorporate a bank credit risk premium, but which instead are more similar to risk-free rates or reflect a sovereign risk premium.[15]

15 An example of a reference rate that reflects a sovereign risk premium is the TEC 10 index ("*Taux de l'échéance constant à 10 ans*") in France. The index value represents the yield to maturity of a fictitious OAT ("*obligation assimilable du Trésor*", namely French public bond) with a constant maturity of precisely ten years. It is based on primary dealers' quotes at 10 a.m. on the secondary market for two OAT benchmark issues that are closest to ten-year maturity. The four highest prices and the four lowest prices are eliminated, and the average of the remaining prices is converted into an equivalent yield to maturity for each OAT. The TEC 10 daily reference value is then calculated by linear interpolation of the equivalent average yield of the two OATs.

3.3 ROLE OF PUBLIC AUTHORITIES AND CENTRAL BANKS

Given the importance of reference interest rates in the economy and their role as a public good, the Economic Consultative Committee of the BIS established a working group[16] to study issues relating to the use and production of reference interest rates from the perspective of central banks, and encouraged public authorities and central banks to support the reliability, integrity, robustness and representativeness of reference rates. In particular, it recommended that central banks become involved in the reform of reference interest rates by (i) ensuring an appropriate governance framework to uphold the reliability and integrity of reference rates; and (ii) facilitating market choices in a changing financial system.

4 CONTRIBUTION OF THE ECB TO THE DEBATE

The ECB believes that the systemic relevance of reference rates justifies actively involving central banks in the reform process. To uphold the reliability, integrity and representativeness of key euro area reference interest rates, the ECB has actively participated in the consultations on reference interest rates launched by the European Commission, the ESMA-EBA and the IOSCO.[17] These initiatives complement each other: the ESMA-EBA and Commission's initiatives are broader in scope, although limited to the EU, while the IOSCO's principles are narrower and focused on financial market benchmarks, and apply at the international level. Notwithstanding this role of central banks, the ECB believes that choosing reference rates that better reflect end-user needs is ultimately the responsibility of the users themselves.

The ECB's initiatives can be summarised as follows: (i) participation in public consultations of regulators; (ii) public reminders to banks to act responsibly and assume collective responsibility to safeguard the functioning of key reference rates, thus preventing potential disruption to the functioning of financial markets while the regulatory framework is being refined; and (iii) acting as a catalyst for private market initiatives to assess the options for reforming the current reference rates, in particular EURIBOR.

The views of the ECB on the governance issues and options for reforming current reference interest rates in order to preserve and enhance their representativeness are described in the next two subsections.

4.1 OPTIONS FOR REGULATION AND GOVERNANCE REFORM

In its reply to the European Commission's public consultation, the ECB recommended adequately defining the principles and procedures for the four key processes surrounding the computation of EURIBOR: (i) rate submission at the level of the panel bank to ensure that rates are accurate and conflicts of interest are prevented; (ii) rate calculation with a better definition of the responsibilities of the calculation agent and the legal responsibilities of all parties involved in case of suspect/unusual quotes; (iii) benchmark administration to ensure the independence of the administrator from the banking community and a greater diversity of its members with more clearly defined

16 See http://www.bis.org/publ/othp19.htm

17 See *European Commission's public consultation on the regulation of indices – Eurosystem's response*, ECB, Frankfurt am Main, 14 November 2012; *Eurosystem's response to IOSCO's consultation report on financial benchmarks*, ECB, Frankfurt am Main, 11 February 2013; and *Eurosystem's response to the EBA and ESMA's public consultation on the principles for benchmark-setting processes in the EU*, ECB, Frankfurt am Main, 11 February 2013.

responsibilities; and (iv) ex post validation by independent entities to validate the quality of the contributions and of the rate submission process.

On 8 February 2013 the ECB also welcomed the European Commission's intention to regulate systemically important reference interest rates and to include in its forthcoming legislative proposal the power to compel mandatory submissions for systemically important reference interest rates, in order to ensure an appropriate level of bank participation.[18] In particular, the ECB believes that it is crucial that banks remain in, or join, the EURIBOR and EONIA panels to prevent potential disruptions to the functioning of the financial markets, as well as to ensure an appropriate level of rate representativeness while the regulatory framework is being refined. In the same vein, the ECB welcomed on 31 May 2013 EURIBOR-EBF's decision to introduce separate EONIA and EURIBOR panels with a view to encouraging banks to join or rejoin the respective panels according to their level of activity and knowledge of market segments.[19]

While supporting these initiatives and expressing the hope that they are adopted and enter into force quickly, the ECB, in its responses to the IOSCO's and the ESMA-EBA's consultations, also laid down certain criteria that the regulatory process and the governance reforms should meet.

Regulatory requirements and supervisory practices should be commensurate with the identified risks to avoid placing unnecessary or excessive burdens on rate contributors. An appropriate balance should be found between a sound production process with adequate controls and safeguards on the one hand and cost efficiency on the other.

Practices across national jurisdictions should be harmonised. The ECB considers that LIBOR, EURIBOR and other systemically important reference interest rates should be regulated, given their role as a public good. However, in order to be both efficient and effective, regulation and supervision needs to be based on principles introduced in a consistent manner at the international level. Non-harmonised regulation, different interpretations of the same laws and principles and unaligned actions by national supervisors could lead to an uneven playing field, decreasing incentives for voluntary participation and potentially encouraging regulatory arbitrage.

Methodological changes should be appropriate and timely. The ECB welcomes the resolve to strengthen the methodology for the production of reference rates through a more precise definition of their constituent elements and through more representative and transparent data compilation procedures. However, the choice of appropriate and detailed changes to the methodologies should be left to private reference rate administrators and the timeline of any changes should be based on a realistic time frame, also considering the current state of financial markets and the lack of obvious alternatives to the current reference rates.

4.2 OPTIONS TO ENHANCE THE REPRESENTATIVENESS OF REFERENCE INTEREST RATES

The ECB believes that a shift towards a more transaction-based approach to calculating the current reference interest rates would increase their representativeness, while also enhancing their credibility and integrity. The merits of and the best method for shifting towards a more transaction and market-based reference interest rate for an unsecured money market need careful consideration.

18 See *ECB welcomes the European Commission's intention to regulate systemically important reference rates*, ECB, Frankfurt am Main, 8 February 2013.

19 See *ECB welcomes the introduction of separate EONIA and EURIBOR panels and encourages banks' participation*, ECB, Frankfurt am Main, 31 May 2013.

Acting as a catalyst for private market initiatives, the ECB conducted a data collection exercise on behalf of EURIBOR-EBF (see the box) in order to be able to better assess the feasibility of such a shift and its modalities. The exercise confirmed that the significant structural and conjunctural contraction in unsecured, interbank money market volumes is limiting unsecured turnover to shorter maturities. While the turnover for these shorter maturities is limited and raises challenges in terms of establishing a purely transaction-based reference rate, further measures could be taken to increase the underlying turnover. These include a widening of the corridor around standard tenors to capture non-standard transactions and the inclusion of further bank liabilities that play an important role in banks' overall wholesale funding costs. Such measures are currently being investigated with the help of a further data collection exercise also being conducted by the ECB on behalf of EURIBOR-EBF.

Furthermore, while there are significant differences between transaction-based rates and the quote-based EURIBOR, the data collection exercise, although not aimed at assessing the accuracy of EURIBOR, showed that past EURIBOR fixings were broadly in line with the results that could be derived from transaction-based rate calculations.

Box

MAIN FINDINGS OF THE DATA COLLECTION EXERCISE AND THE DESIGN OF A NEW REFERENCE RATE

In February 2013, the ECB, in cooperation with EURIBOR-EBF, initiated a data collection exercise aimed at assessing the feasibility of a transaction-based euro money market reference rate and its modalities. As an impartial player in the money markets, the ECB offered to collect, on behalf of EURIBOR-EBF, daily transaction data from participating banks and to undertake an analysis that would form the basis of further assessment by EURIBOR-EBF and participating banks. During the second quarter of 2013, the ECB collected data from 59 European banks representing current and previous EURIBOR panel members. The scope of the data collection was set deliberately wide to capture banks' unsecured borrowing and lending volumes beyond interbank transactions. On the borrowing side, the data collected included funding through interbank deposits, deposits from other financial but not credit institutions, deposits from the official sector and deposits from the issuance of short-term securities. On the lending side, data on interbank lending and investment via the purchase of short-term securities issued by other banks and non-financial corporations were collected. The reference period was from 3 January 2012 to 28 February 2013, which was considered long enough to be able to draw significant conclusions while remaining cost-efficient. Among the participating banks, 50 are based in the euro area while the remaining nine are based in other EU and EFTA countries. In terms of credit quality, three-quarters of the banks are of medium and high credit quality (of a P-1 and P-2 investment grade respectively, when using Moody's short-term rating equivalents). The purpose of this box is thus to recap the main findings of this data collection exercise conducted by the ECB on behalf of EURIBOR-EBF.

The analysis was conducted taking into account the following five characteristics that the new reference rate would need to have in order to meet the principles laid down by the International Organization of Securities Commissions (IOSCO) and the Bank for International Settlements (BIS). Each of these characteristics was further qualified to assess conformity with the above-mentioned principles:

(a) Robustness and resiliency: there should be an adequate daily volume and number of contributors. If not, there should be a suitable and credible fall-back mechanism.

(b) Representativeness: the new rate needs to be representative of the market it intends to measure – the wholesale senior unsecured bank credit market. The level and correlation of the rate in relation to other relevant market rates, as well as the representativeness of the test panel of the targeted market, are useful indicators.

(c) Usability: in order to be adopted by the market, a reference rate needs to be available on a daily basis, have a simple computation mechanism, a relatively low volatility and predictable behaviour in relation to the underlying credit.

(d) Reliability: the new reference rate should allow minimum scope for manipulation, both through its governance and computational mechanism.

(e) Transparency: the determination of the rate needs to be sufficiently transparent in order to be credible and meet governance standards.

Therefore, a sufficient transaction volume is considered a fundamental attribute of a robust reference rate. In this respect, several observations can be drawn from the ECB's data collection as reported in Table A, which displays the average daily volume data at various maturities (or tenors) and for both borrowing and lending transactions with different counterparty sectors. First, the daily volumes for each type of transaction considered individually are small. The volumes in the interbank market confirm the results of the ECB's annual euro money market survey, namely that interbank activity is concentrated within short tenors, with few volumes beyond one week. The other most active tenors are one and three-month tenors, although volumes are low on both the borrowing and lending sides, with average daily turnover below €300 million. Second, interbank borrowing generally has the highest daily turnover among the wholesale funding transaction types considered. Third, funding via the issuance of short-term fixed rate securities plays an important role in unsecured bank term funding: beyond two months, the average daily issuance of short-term securities exceeds the daily turnover in the other borrowing types. Finally, even by aggregating all borrowing or lending transactions, the average daily turnover remains low: if all borrowing transaction types are aggregated, volumes over the period

Table A Average daily volumes, January 2012 to February 2013

(EUR millions)

	one-week	one-month	two-month	three-month	six-month	nine-month	one-year
Deposits from credit institutions	1,317	299	41	184	58	16	55
Deposits from other financials	1,153	217	50	117	33	25	25
Deposits from official sector	802	259	69	246	26	13	11
Short-term securities	314	217	148	545	119	41	81
All borrowing	**3,527**	**939**	**230**	**1,083**	**210**	**37**	**142**
Lending to banks (Deposits)	929	202	111	167	33	28	31
Lending to banks (Short-term paper)	30	108	46	69	24	84	106
Lending to non-financials (Short-term paper)	60	138	29	67	28	8	11
All lending	**972**	**396**	**120**	**248**	**50**	**27**	**46**

Note: Daily averages are calculated for the days with turnover activity and non-zero contributions.

are around €3 billion for one-week transactions, €1 billion for one and three-month transactions and less than €250 million for longer tenors; aggregated volumes on the lending side are even lower.

The evidence reported in both Table A and Chart A highlights the difficulty of building a transaction-based reference rate that is a direct substitute for EURIBOR based on unsecured interbank lending volumes alone and for all tenors. Chart A (a) illustrates that, while for one-week maturities there is market activity every day, for the one and three-month tenors there are no transactions on 2% and 13% of business days respectively (see Charts A (c) and (e)). While there are important methodological differences between EURIBOR and the aggregate rate computed on the basis of the lending data collected in this exercise, Chart A also shows that EURIBOR rates broadly followed the evolution of average interbank lending rates (see Charts A (a), (c) and (e)). This exercise also suggests that counterparty credit standing plays an important role in the aggregate interbank lending levels. Indeed, while the levels of average interbank lending rates with a maturity of less than three months are above those of EURIBOR, for longer tenors they are below EURIBOR, as borrowers are likely to be of a higher credit quality.

Charts A (b), (d) and (f) show, in perspective, the volume and rate developments of the three most active borrowing tenors and the relationship with EURIBOR during the period under

Table B Summary of the results of robustness tests for all borrowing transactions

	Dimensions	Tenors	January 2012 to February 2013	July 2012 to February 2013
Robustness/resiliency (All borrowings)	Volume suffiency (daily average)	one-week	€ 3.5 billion	€ 2.9 billion
		one-month and three-month	€ 09-1.1 billion	€ 0.6-0.8 billion
	Volume distribution (% of days in which daily volume < a threshold)	one-week	1% of days daily volume < € 1 billion 1% of days daily volume < € 0.25 billion	1% of days daily volume < € 1 billion 1% of days daily volume < € 0.25 billion
		one-month and three-month	~25%-30% of days daily volume < 0.50 billion 10% of days daily volume < € 0.25 billion	~40%-50% of days daily volume < 0.5 billion ~10%-15% of days daily volume < € 0.25 billion
	Volume concentration (% of days in which one or two contributors account for 80% or more of the daily volume)	one-week	<1%	1%
		one-month and three-month	~15%-20%	~20%-30%
	Contributor sufficiency (daily average)	one-week	27	24
		one-month and three-month	16-17	14
	Contributor distribution (% of days in which number of contributors < a threshold)	one-week	Number of contributors equal or above 15 every day	Number of contributors equal or above 15 every day
		one-month and three-month	3%-5% of days <10 contributors ~15%-20% of days <15 contributors	5%-8% of days <10 contributors ~30%-35% of days <15 contributors

review. The test results show that the aggregated borrowing rates are lower than EURIBOR for all tenors. While there are differences between aggregated borrowing levels and EURIBOR, Charts A (b), (d) and (f) show that aggregated borrowing levels mostly track EURIBOR rates. They also show that some divergences occur in a fast-changing rate environment, for example at the beginning of 2012, when, for the one-week tenor, borrowing rates adjusted downwards more quickly than EURIBOR rates.

Chart B shows the computational results of the data collection exercise when aggregating the daily turnover of various transactions on the borrowing side for various maturities. Several observations can also be made. First, the percentage of zero transaction volumes mostly occurred at longer maturities (or tenors), as reported in Chart B (a). Second, Charts B (b) and (c) – illustrating the average rate (computed as a median) spread to EURIBOR – shows that the average rates for the most active tenors were relatively close to each other and the spread to EURIBOR was limited for most of the borrowing transaction types. Chart B (d) shows that, in general, there is potential to aggregate borrowing data across different transaction types without causing significant additional rate volatility. Such volatility could arise as a result of daily changes in the sectoral composition if borrowing levels across different transaction types are significantly different and, as is the case in the current transaction analysis, if some transaction types are more represented than others in the daily rate computation.

Table B summarises the robustness characteristics of aggregated borrowing for the three most active tenors. Several results can be highlighted. First, the daily turnover decreased by about 30% following the ECB's deposit rate cut to zero in July 2012 (the second period of the test), since banks attracted fewer deposits at the lower interest rate levels. For the one-week tenor, these interest rate levels were close to zero or even negative in the case of higher rated banks. Second, the daily volumes are frequently low for tenors beyond one week, dropping below €0.5 billion for a significant number of days. This volume distribution deteriorates significantly in the second period. Third, while in more than four out of five days the number of contributors for the three tenors is higher than 15, in many cases a small number of contributors accounts for most of the volume: for the one and three-month tenors, one or two contributors account for at least 80% of the daily volume approximately 15%-20% of the time. The volume concentration increases significantly in the second period.

The definition of the reference rate and the composition of the bank panel are key determinants of rate characteristics, such as the level of the rate itself and its volatility. The differentiation of credit profiles among panel banks results in different composite borrowing rates when different rate computational methodologies are used. Charts B (c) and (d) show that, for all borrowing, computing the rate as a median of individual contributions – as opposed to using other data aggregation methodologies, such as the volume-weighted average (VWAR), the weighted trimmed mean or the trimmed mean – results in lower rate levels and volatility of rate spread relative to EURIBOR. This is explained by the fact that the median measures the borrowing rate for the typical bank in the sample, which is predominantly higher rated. The test panel heterogeneity has a greater impact for lower volume tenors (Chart B (d)), where daily rates are at times more significantly impacted by contributions which are not necessarily representative of the borrowing rates of most panel banks. Looking ahead, the trade-offs between the representativeness of the rate according to its definition, usability and reliability could be further considered in the reference rate design, together with measures that could increase the volume while also addressing panel heterogeneity.

Chart A Level of interest rates and daily turnover from the data collection exercise, January 2012 to February 2013

(percentages; EUR millions)

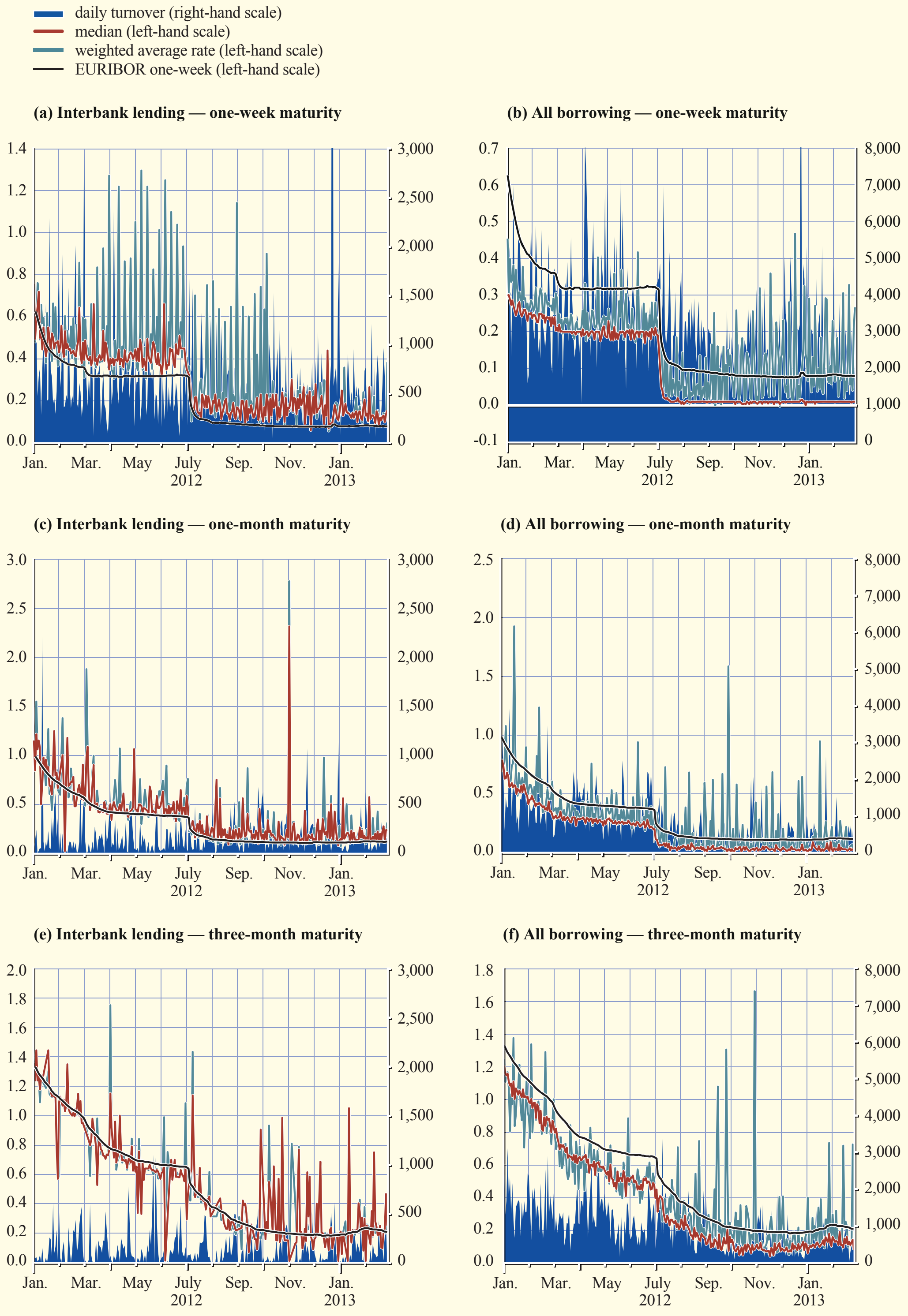
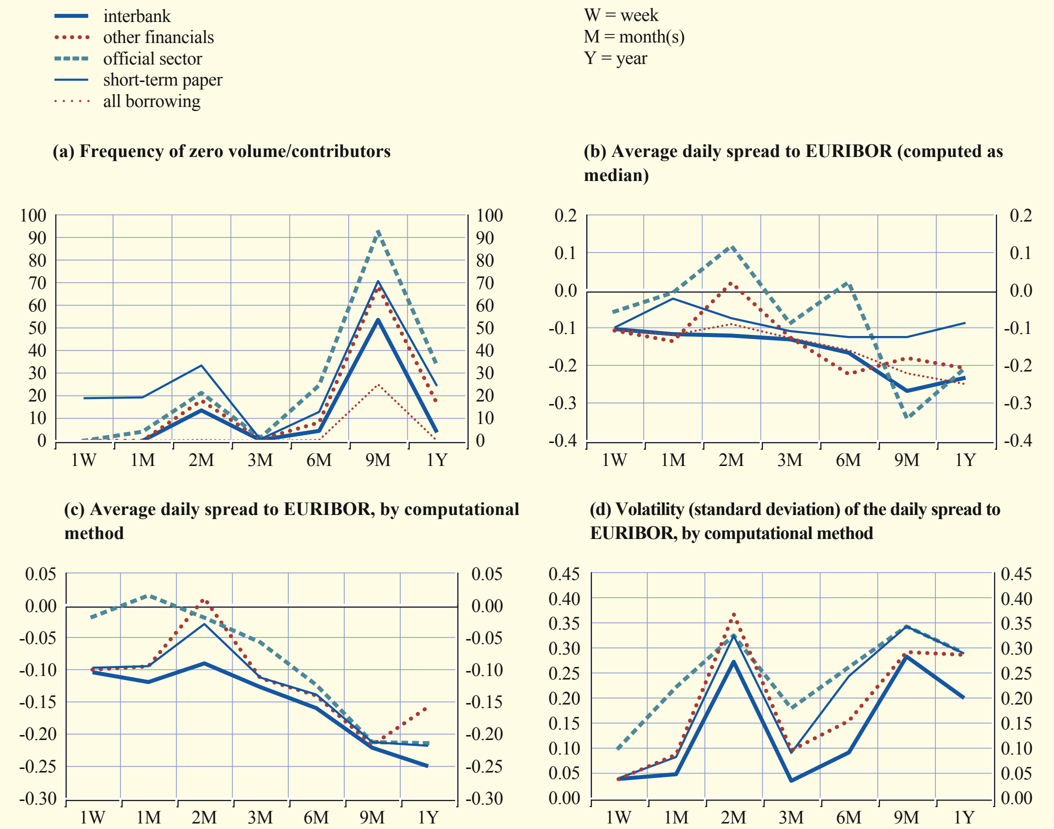


Chart B Main findings of the data collection exercise, January 2012 to February 2013

(percentages)



Source: ECB.

The ECB also considers it desirable that market participants can choose from a range of reliable and representative reference rates that reflect different needs and purposes. In the view of the ECB, reference rates representing the OIS derivatives market, sovereign risk or the secured money market segment, for example, could prove to be valid alternatives, coexist with EURIBOR and fulfil some of the purposes for which EURIBOR is currently used by some users. However, it is unlikely that these alternative reference rates would fully eliminate the need for reference rates that reflect banks' unsecured cost of funding for all users. As long as unsecured funding (also in terms of the issuance of short-term securities) still forms a significant part of a bank's funding, there is likely to be a need among some users for reference rates that allow banks to pass on their marginal borrowing costs.

5 CONCLUSIONS

The allegations and evidence of the manipulation of key reference interest rates have called into question the adequacy of their current governance framework and methodology on which they are based. In order to re-establish their credibility – while preserving their benchmark role in the economy – the aim of the policy response that the ECB has strongly supported has been to immediately restore the credibility of systemically important reference rates by addressing significant deficiencies in their governance framework.

In the ECB's view, such governance reforms are necessary short-term measures that need to be complemented by further initiatives aimed at enhancing the reliability, representativeness and resilience of reference rates in the medium term. The ECB, along with other central banks, is of the view that reference interest rates reflecting banks' unsecured funding costs will continue to play an important role. Reference rates would continue to allow banks to pass on their wholesale unsecured funding costs to customers and better manage their liquidity and asset and liability positions. Therefore, the ECB strongly supports market initiatives aimed at identifying more transaction-based reference rates that could viably complement or substitute for EURIBOR. The solutions are not obvious and thus require careful assessment to take into account the structural changes taking place in the money markets, as well as longer lead times. The collection of transaction data by EURIBOR-EBF supported by the ECB is a valuable opportunity to assess the extent to which a transaction-based rate could be calculated and, if so, what form it could take. The ECB also supports facilitating market choices in a changing financial system so that users can choose reference rates that better match their needs. Notwithstanding the role of public authorities in the reference rate regulation process, and the interest that regulators and central banks have in upholding the credibility, reliability and representativeness of reference rates, the choice of reference rates that better reflect end-user needs is ultimately the responsibility of the users themselves.

The design of the new reference rate needs to take into account the sound principles for reference rates put forward by the IOSCO and the ESMA-EBA. Reference rates need to be designed in a manner that it is representative of the market they intend to measure. The design should also ensure that the scope for manipulation is minimised or that any attempt at manipulation can be reliably detected. Finally, the success of a new reference rate depends on the extent to which it is embraced by users. Therefore, the ECB strongly encourages market participants to be actively involved in the rate design process, in order to ensure that the resulting rate meets market needs.

Under these circumstances, it could be appropriate, from a policy perspective, to consider encouraging the adoption of a more representative reference interest rate, reflecting active and liquid transactions in the interbank market, which remains resilient in times of stress.

Systemically important reference interest rates such as EURIBOR and EONIA are of particular importance in terms of credit provision to the euro area economy and for the implementation of the single monetary policy. Therefore, it is crucial that their continuity is assured at all times, while more long-term reform solutions aimed at making reference rates such as EURIBOR more transaction-based are being assessed. This means, for EURIBOR and EONIA, that banks contributing to these rates remain in their respective panels and, preferably, that more banks join them, including those banks that recently left them. Furthermore, the public and private sectors should work together to review the appropriateness of the current contingency arrangements and enhance them to prepare for circumstances in which the provision of systemically important reference rates is destabilised.

Finally, the greater clarity that the ESMA-EBA's principles and the forthcoming draft regulation of the European Commission have introduced into the rate-setting process should make it easier for banks to continue contributing to the rate-setting process by reducing risks and uncertainty while options for more structural changes in the reference rate definition are further assessed. Transition issues will need to be examined in detail, but this will be better dealt with once a consensus has been reached on the design of more stable reference rates.

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	.	.	.	-	.	.	0.22	2.05
2013 Apr.	8.7	4.9	3.2	2.9	-0.9	-0.1	0.21	1.55
May	8.3	4.7	2.9	2.8	-1.2	0.1	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	2.1	0.22	1.95
Aug.	6.8	4.0	2.3	.	-2.0	.	0.23	2.17
Sep.	.	.	.	.	.	.	0.22	2.05

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	5.8	2.2	1.5	3.2	80.6	0.3	10.1
2012	2.5	3.0	1.8	-0.6	-2.4	78.6	-0.7	11.4
2013 Q1	1.9	1.2	1.7	-1.0	-2.3	77.5	-1.0	12.0
Q2	1.4	0.0	0.9	-0.5	-1.1	77.9	-1.0	12.1
Q3	1.3	.	.	.	.	.	.	.
2013 Apr.	1.2	-0.2	-	-	-0.9	77.5	-	12.1
May	1.4	-0.2	-	-	-1.9	-	-	12.1
June	1.6	0.3	-	-	-0.4	-	-	12.1
July	1.6	0.2	-	-	-2.1	78.3	-	12.0
Aug.	1.3	.	-	-	.	-	-	12.0
Sep.	1.1	.	-	-	.	-	-	.

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	26.0	6.8	133.9	667.1	-13.9	121.3	103.4	100.6	1.3920
2012	137.5	98.9	26.3	689.4	-13.1	126.0	97.9	95.1	1.2848
2012 Q4	72.5	36.2	44.9	689.4	-13.1	126.0	97.9	95.2	1.2967
2013 Q1	34.2	32.5	-13.0	687.8	-12.4	127.3	100.8	98.0	1.3206
Q2	58.1	52.7	53.6	564.3	.	.	100.9	98.4	1.3062
Q3	.	.	.	.	.	.	101.9	99.4	1.3242
2013 Apr.	17.9	16.3	-5.3	640.0	-	-	100.5	98.0	1.3026
May	11.6	17.3	39.5	621.4	-	-	100.6	98.2	1.2982
June	28.5	19.1	19.5	564.3	-	-	101.6	99.0	1.3189
July	28.8	20.5	-43.4	588.7	-	-	101.5	99.0	1.3080
Aug.	.	.	.	613.0	-	-	102.2	99.7	1.3310
Sep.	.	.	.	.	-	-	102.0	99.5	1.3348

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.

5

I MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	30 August 2013	6 September 2013	13 September 2013	20 September 2013	27 September 2013
Gold and gold receivables	319,969	319,969	319,969	319,969	319,969
Claims on non-euro area residents in foreign currency	249,648	251,420	251,016	250,695	249,991
Claims on euro area residents in foreign currency	23,960	23,151	23,735	22,654	22,701
Claims on non-euro area residents in euro	22,304	22,273	22,308	23,136	23,256
Lending to euro area credit institutions in euro	790,549	786,512	779,495	775,417	767,304
Main refinancing operations	97,126	95,621	97,170	96,249	97,027
Longer-term refinancing operations	693,292	688,642	682,257	678,922	670,156
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	131	2,249	67	246	120
Credits related to margin calls	0	0	0	0	0
Other claims on euro area credit institutions in euro	79,674	75,181	77,097	76,116	81,277
Securities of euro area residents in euro	603,118	604,244	604,275	604,043	600,114
Securities held for monetary policy purposes	250,139	250,139	250,087	249,768	246,703
Other securities	352,979	354,104	354,188	354,275	353,410
General government debt in euro	28,356	28,361	28,361	28,361	28,361
Other assets	243,062	245,564	243,870	246,198	245,072
Total assets	2,360,639	2,356,675	2,350,127	2,346,591	2,338,044

2. Liabilities

	30 August 2013	6 September 2013	13 September 2013	20 September 2013	27 September 2013
Banknotes in circulation	919,379	920,395	919,259	916,731	917,734
Liabilities to euro area credit institutions in euro	533,479	539,639	537,798	515,072	502,175
Current accounts (covering the minimum reserve system)	272,260	269,181	275,819	274,478	258,760
Deposit facility	70,569	79,934	71,425	50,060	52,870
Fixed-term deposits	190,500	190,500	190,500	190,500	190,500
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	149	24	53	34	45
Other liabilities to euro area credit institutions in euro	5,565	6,303	6,292	6,053	6,187
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	108,765	94,559	94,492	112,793	119,620
Liabilities to non-euro area residents in euro	135,006	136,406	131,977	134,766	134,871
Liabilities to euro area residents in foreign currency	1,840	1,662	2,999	2,578	2,502
Liabilities to non-euro area residents in foreign currency	5,762	6,554	5,521	4,437	3,801
Counterpart of special drawing rights allocated by the IMF	54,240	54,240	54,240	54,240	54,240
Other liabilities	221,504	221,819	222,451	224,822	221,815
Revaluation accounts	284,680	284,680	284,680	284,680	284,680
Capital and reserves	90,419	90,419	90,419	90,420	90,419
Total liabilities	2,360,639	2,356,675	2,350,127	2,346,591	2,338,044

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

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	Variable rate tender procedures			Running for (...) days
				Fixed rate	Minimum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8
	Main refinancing operations							
2013 19 June	102,040	73	102,040	0.50	-	-	-	7
26	117,310	99	117,310	0.50	-	-	-	7
3 July	107,696	78	107,696	0.50	-	-	-	7
10	102,064	70	102,064	0.50	-	-	-	7
17	104,427	73	104,427	0.50	-	-	-	7
24	102,302	76	102,302	0.50	-	-	-	7
31	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
	Longer-term refinancing operations [5)]							
2013 10 Apr.	5,159	17	5,159	0.75	-	-	-	28
25	2,977	40	2,977	0.53	-	-	-	98
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. [6)]	2,683	43	2,683	.	-	-	-	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

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures	Variable rate tender procedures				Running for (...) days
					Fixed rate	Minimum bid rate	Maximum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8	9	10
2013 19 June	Collection of fixed-term deposits	251,866	102	195,000	-	-	0.50	0.08	0.07	7
26	Collection of fixed-term deposits	215,280	83	195,000	-	-	0.50	0.45	0.18	7
3 July	Collection of fixed-term deposits	239,734	91	195,000	-	-	0.50	0.13	0.09	7
10	Collection of fixed-term deposits	250,588	105	195,500	-	-	0.50	0.13	0.09	7
17	Collection of fixed-term deposits	239,283	102	195,500	-	-	0.50	0.12	0.10	7
24	Collection of fixed-term deposits	231,318	106	195,500	-	-	0.50	0.14	0.11	7
31	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

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 Mar.	18,689.6	9,951.8	626.1	2,580.0	1,382.3	4,149.5
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	18,343.4	9,826.4	596.3	2,515.3	1,422.1	3,983.3

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 7 May	104.9	322.2	217.3	0.0	0.75
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	.	.	.	.

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 9 Apr.	656.8	123.7	782.9	0.5	269.1	133.8	205.5	889.2	89.7	168.7	346.0	1,369.1
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

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 Q1	4,675.5	2,727.4	16.9	1.2	2,709.4	747.5	590.6	24.6	132.4	-	23.9	791.7	8.2	376.7
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
2013 May	4,489.5	2,612.9	15.9	1.2	2,595.8	741.4	587.1	25.5	128.7	-	24.3	723.2	8.2	379.5
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. (p)	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
							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 Q1	32,760.3	17,778.9	1,124.3	11,043.0	5,611.6	4,937.7	1,704.1	1,408.8	1,824.9	64.0	1,234.1	4,051.5	210.1	4,484.0
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
2013 May	32,476.9	17,584.0	1,109.4	10,990.0	5,484.6	4,982.9	1,766.5	1,421.2	1,795.2	59.2	1,269.1	4,074.1	208.9	4,298.7
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. (p)	31,543.9	17,385.0	1,090.3	10,771.2	5,523.6	4,893.1	1,754.8	1,402.6	1,735.8	57.9	1,223.6	3,949.5	210.2	3,824.6

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 Q1	4,675.5	921.9	2,500.3	93.4	38.0	2,368.9	-	0.0	539.6	268.2	445.5
Q2	4,399.4	936.8	2,350.7	107.9	45.7	2,197.1	-	0.0	421.4	241.3	449.3
2013 May	4,489.5	931.0	2,378.0	97.4	57.7	2,222.8	-	0.0	483.9	251.8	444.9
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. (p)	4,353.7	945.3	2,250.3	81.3	46.3	2,122.7	-	0.0	469.1	229.4	459.5
					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 Q1	32,760.3	-	17,118.9	208.9	11,016.7	5,893.3	523.6	4,733.2	2,348.0	3,526.5	4,510.0
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
2013 May	32,476.9	-	17,059.9	216.8	11,036.2	5,806.8	514.8	4,645.9	2,377.0	3,499.4	4,380.0
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. (p)	31,543.9	-	16,949.5	181.5	10,952.5	5,815.5	502.2	4,506.3	2,388.9	3,339.8	3,857.3

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			Holdings of securities other than shares issued by euro area residents			Holdings of shares/ other equity issued by other euro area residents	External assets	Fixed assets	Remaining assets [2]
		Total	General government	Other euro area residents	Total	General government	Other euro area residents				
	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 Q1	26,566.0	12,185.3	1,141.2	11,044.2	3,728.0	2,294.7	1,433.3	784.7	4,843.3	218.2	4,806.4
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
2013 May	26,368.4	12,116.6	1,125.4	10,991.2	3,800.3	2,353.5	1,446.8	810.2	4,797.3	217.1	4,626.9
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. (p)	25,468.8	11,877.7	1,105.3	10,772.4	3,762.7	2,334.2	1,428.5	781.4	4,660.8	218.5	4,167.6
	Transactions										
2011	993.1	60.3	-55.6	115.9	127.7	151.8	-24.1	-29.9	-37.2	7.8	864.3
2012	85.5	-37.2	-4.7	-32.5	113.0	183.6	-70.5	38.6	-153.6	-14.0	138.6
2013 Q1	-72.7	-8.7	-29.6	20.9	99.9	100.1	-0.2	18.4	8.3	-3.5	-187.2
Q2	-443.2	-68.3	-23.6	-44.7	79.8	79.6	0.2	9.1	0.9	-0.3	-464.5
2013 May	-305.2	-41.9	-25.6	-16.3	58.3	52.0	6.3	-5.8	0.0	-1.0	-314.8
June	-340.0	-11.9	-8.0	-3.9	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. (p)	-156.5	-47.8	-15.0	-32.8	-8.2	-4.7	-3.5	-3.0	-16.0	0.1	-81.6

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 Q1	26,566.0	867.5	302.3	11,054.8	459.6	2,775.9	2,414.4	3,794.7	4,955.5	-58.8
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
2013 May	26,368.4	879.6	314.3	11,093.9	455.6	2,721.9	2,377.7	3,751.2	4,824.9	-50.7
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. (p)	25,468.8	894.2	262.8	10,998.8	444.3	2,645.8	2,391.8	3,569.2	4,316.8	-55.0
	Transactions									
2011	993.1	49.1	-0.8	168.1	-29.0	49.9	141.4	-200.0	860.6	-46.1
2012	85.5	19.5	-5.1	187.0	-18.2	-124.5	155.4	-254.1	147.8	-22.4
2013 Q1	-72.7	-9.3	50.2	115.5	7.6	-65.7	24.6	-25.7	-172.7	2.8
Q2	-443.2	18.4	42.3	85.5	-23.5	-67.9	50.1	-105.6	-438.5	-4.0
2013 May	-305.2	4.9	62.6	19.8	-3.4	-26.8	11.5	-77.8	-288.0	-7.9
June	-340.0	6.3	30.3	39.7	-19.6	-26.7	38.6	-92.6	-306.9	-9.2
July	-253.5	6.9	-26.1	-70.1	-0.8	-33.3	-2.5	-26.6	-103.7	2.7
Aug. (p)	-156.5	1.4	-55.7	18.5	9.2	-11.9	7.0	-49.0	-91.1	15.1

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]

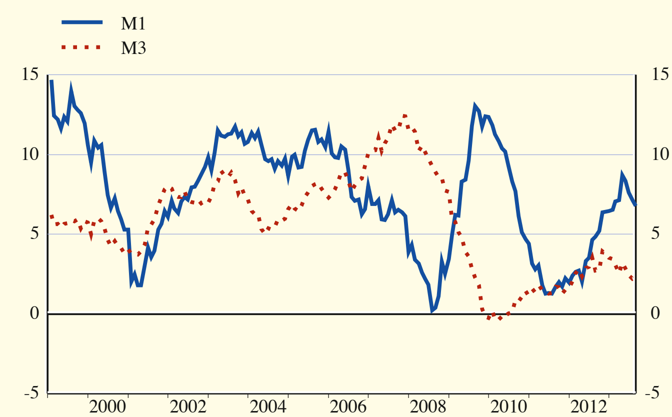
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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 Q1	5,203.7	3,885.8	9,089.5	718.7	9,808.2	-	7,563.5	3,430.6	13,048.5	10,830.5	-	1,061.5
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
2013 May	5,268.3	3,862.8	9,131.1	702.0	9,833.0	-	7,477.4	3,466.6	12,985.7	10,755.6	-	1,067.0
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. (p)	5,339.7	3,849.2	9,188.9	678.7	9,867.6	-	7,388.1	3,453.7	12,867.7	10,639.3	-	1,081.5
	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	99.0
2013 Q1	91.1	0.5	91.6	-45.0	46.5	-	-1.9	24.8	13.7	-5.8	0.0	64.3
Q2	67.0	-10.7	56.3	-37.2	19.0	-	-31.5	25.5	-92.0	-108.1	-100.2	82.5
2013 May	40.1	-15.4	24.7	-9.1	15.6	-	-0.9	23.9	-18.0	-33.7	-27.7	67.5
June	-2.5	9.1	6.6	-20.6	-14.0	-	-5.2	4.9	-37.1	-45.4	-43.7	2.8
July	38.7	-1.1	37.6	-0.7	36.9	-	-37.3	-12.7	-50.7	-43.4	-35.5	7.4
Aug. (p)	36.9	-23.1	13.7	-2.1	11.6	-	-8.0	5.4	-10.1	-10.6	-7.9	23.1
	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	99.0
2013 Q1	7.1	0.5	4.2	-13.9	2.6	3.0	-1.2	3.5	-0.9	-0.7	-0.3	180.5
Q2	7.6	0.1	4.3	-17.3	2.4	2.5	-1.0	2.7	-1.1	-1.6	-1.0	281.6
2013 May	8.3	0.0	4.7	-15.6	2.9	2.8	-1.0	3.3	-1.0	-1.2	-0.7	268.7
June	7.6	0.1	4.3	-17.3	2.4	2.5	-1.0	2.7	-1.1	-1.6	-1.0	281.6
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. (p)	6.8	0.4	4.0	-16.3	2.3	.	-1.2	2.1	-1.2	-2.0	-1.5	280.6

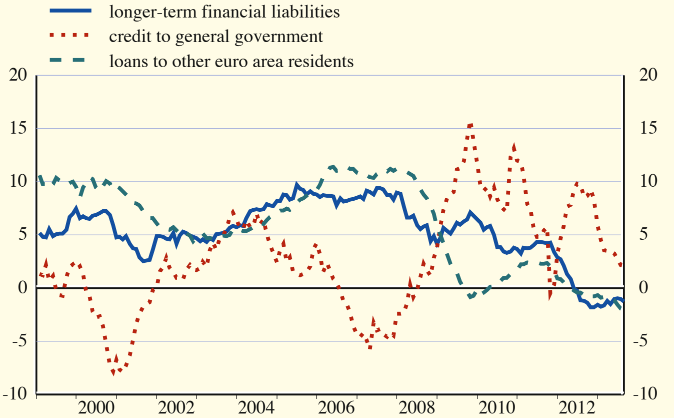
C1 Monetary aggregates [1]

(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]

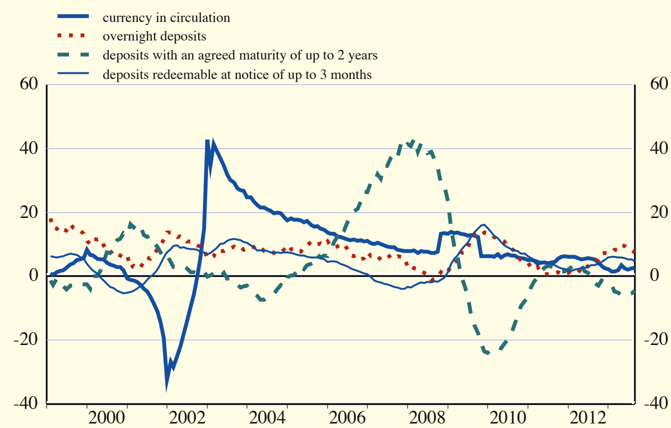
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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 Q1	869.1	4,334.6	1,784.3	2,101.5	122.1	458.7	138.0	2,632.2	100.8	2,409.8	2,420.7
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
2013 May	879.6	4,388.7	1,744.0	2,118.8	122.3	446.2	133.5	2,580.6	97.6	2,408.5	2,390.8
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. (p)	890.7	4,449.0	1,721.6	2,127.6	115.0	435.3	128.4	2,508.3	95.6	2,394.8	2,389.4
	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 Q1	5.1	86.0	-21.5	22.0	-2.9	-7.6	-34.5	-56.7	-5.2	13.6	46.3
Q2	10.1	56.8	-32.3	21.6	-5.0	-20.4	-11.9	-56.9	-4.2	-6.5	36.2
2013 May	-0.4	40.5	-23.4	8.0	0.6	-5.4	-4.3	-18.3	-1.9	10.7	8.5
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. (p)	6.4	30.5	-21.2	-1.9	-6.4	-0.4	4.7	-14.5	0.0	-3.4	10.0
	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 Q1	1.9	8.2	-5.2	5.9	-7.9	-6.7	-33.9	-4.2	-11.7	-4.9	7.0
Q2	2.1	8.8	-5.6	5.4	-9.3	-11.3	-36.7	-4.8	-14.8	-3.2	6.5
2013 May	2.6	9.6	-6.2	5.8	-6.0	-11.3	-32.3	-4.4	-14.4	-3.6	6.5
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. (p)	2.7	7.6	-4.5	4.8	-9.5	-10.1	-35.4	-6.5	-14.1	-1.6	5.9

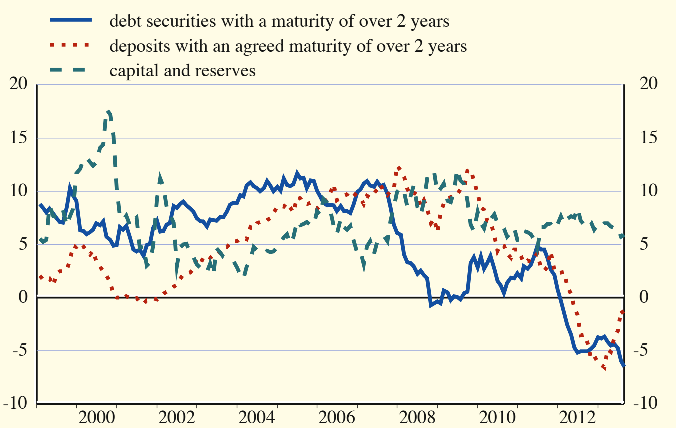
C3 Components of monetary aggregates [1]

(annual growth rates; seasonally adjusted)



C4 Components of longer-term financial liabilities [1]

(annual growth rates; seasonally adjusted)



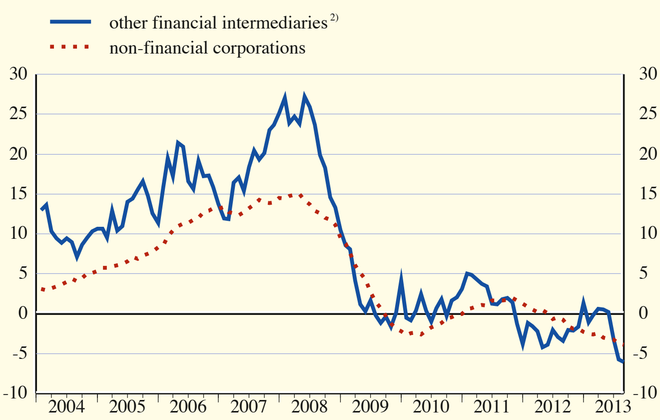
Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Excludes repurchase agreements with central counterpaties as of June 2010; transactions and growth rates are adjusted for this effect.

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

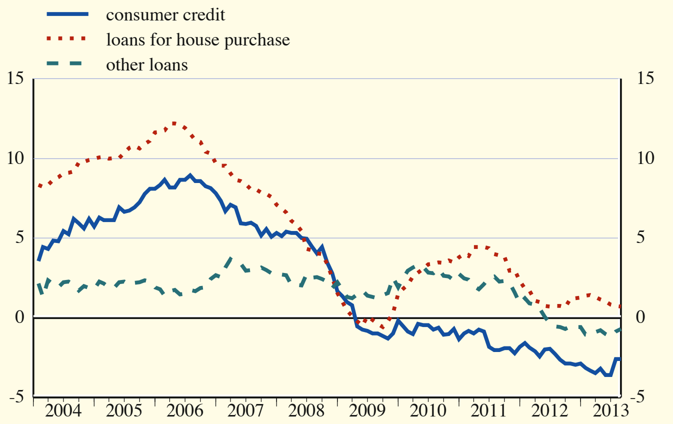
3. Loans as counterpart to M3

	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 Q1	92.5	978.5	4,508.9	-	1,134.9	778.5	2,595.6	5,250.5	-	593.2	3,843.1	814.2
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
2013 May	93.0	955.8	4,465.9	-	1,113.1	774.3	2,578.6	5,240.8	-	591.2	3,838.2	811.5
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	4,424.0	-	1,094.4	772.3	2,557.3	5,230.6	-	588.2	3,832.9	809.5
Aug. (p)	96.8	897.6	4,411.5	-	1,084.6	772.1	2,554.9	5,233.4	-	586.1	3,837.4	809.9
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 Q1	3.6	-3.4	-15.7	-6.2	6.7	-13.7	-8.8	9.8	4.3	-6.7	17.2	-0.7
Q2	1.0	-49.5	-48.3	-48.7	-24.4	-5.6	-18.2	-11.3	-2.9	-5.4	-1.4	-4.5
2013 May	-2.4	-5.7	-17.8	-18.3	-13.5	2.1	-6.4	-7.8	-1.2	-1.8	-3.4	-2.7
June	0.4	-28.7	-12.4	-11.7	-2.5	-3.0	-7.0	-4.7	-3.6	-3.8	1.4	-2.3
July	2.4	-26.0	-16.9	-18.8	-10.6	0.6	-6.9	-2.9	6.7	2.3	-7.0	1.8
Aug. (p)	1.0	-4.4	-11.6	-10.9	-9.6	-0.2	-1.8	4.4	5.8	-1.9	4.5	1.7
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 Q1	6.1	0.6	-2.4	-1.3	1.6	-6.3	-2.9	0.4	0.3	-3.5	1.3	-0.9
Q2	11.3	-3.2	-3.3	-2.3	-1.8	-6.2	-2.9	0.0	0.3	-3.6	0.8	-1.2
2013 May	12.0	0.3	-3.2	-2.2	-1.5	-6.3	-2.9	0.2	0.3	-3.6	1.0	-1.0
June	11.3	-3.2	-3.3	-2.3	-1.8	-6.2	-2.9	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	0.1	0.4	-2.6	0.7	-0.9
Aug. (p)	12.1	-6.1	-3.8	-2.9	-4.4	-5.3	-3.2	0.1	0.4	-2.6	0.7	-0.7

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 Q1	91.4	75.4	3.9	12.2	1,203.9	234.9	630.6	219.6	353.7	4,507.2	1,135.9	778.8	2,592.5
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
2013 June	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
July	97.2	81.3	3.6	12.3	1,131.2	223.0	578.1	216.6	336.5	4,434.3	1,100.4	773.3	2,560.6
Aug. (p)	99.7	83.6	3.6	12.5	1,038.0	141.8	490.8	214.9	332.3	4,401.7	1,074.4	771.4	2,555.9
	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 Q1	9.9	11.2	-0.6	-0.7	33.9	38.6	30.9	-4.8	7.9	-12.9	16.2	-12.2	-16.9
Q2	3.3	3.3	-0.1	0.1	-16.0	17.8	-1.1	-2.9	-12.0	-37.6	-15.9	-5.0	-16.7
2013 June	-0.1	-0.1	-0.1	0.1	-9.9	14.5	-1.2	-2.9	-5.7	-5.3	3.1	-3.8	-4.7
July	2.6	2.6	-0.1	0.1	-55.3	-29.7	-49.6	0.9	-6.7	-15.5	-14.1	0.7	-2.1
Aug. (p)	2.5	2.3	0.0	0.2	-2.0	10.5	1.1	1.3	-4.4	-31.7	-25.7	-1.9	-4.1
	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 Q1	6.1	11.7	-27.7	-8.8	4.6	25.7	6.6	0.3	4.1	-2.4	1.7	-6.3	-2.9
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	-2.9
2013 June	11.0	16.7	-29.6	-2.2	3.9	42.7	8.8	-0.7	-1.5	-3.3	-1.8	-6.2	-2.9
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	-3.1
Aug. (p)	12.6	18.1	-31.3	-0.1	-2.0	17.1	-0.7	-0.1	-5.5	-3.8	-4.4	-5.3	-3.2

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 Q1	5,240.5	590.9	130.0	172.2	288.7	3,837.9	13.5	56.0	3,768.4	811.6	415.2	139.2	78.6	593.8
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
2013 June	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
July	5,234.9	589.6	130.1	171.8	287.7	3,836.6	12.7	56.1	3,767.8	808.7	413.3	141.1	78.6	589.0
Aug. (p)	5,231.8	586.1	128.8	170.8	286.5	3,837.1	12.6	56.0	3,768.5	808.6	412.3	140.0	78.7	590.0
	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 Q1	-10.0	-11.3	-5.0	-3.5	-2.7	5.5	-0.6	-0.9	6.9	-4.2	-4.1	-0.8	-1.9	-1.6
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
2013 June	11.4	0.2	1.8	-1.4	-0.3	6.8	0.1	-0.2	6.9	4.5	-0.5	6.6	0.1	-2.2
July	-5.5	0.6	-0.7	0.3	1.0	-1.7	-0.9	0.4	-1.2	-4.3	-0.7	-3.7	0.1	-0.8
Aug. (p)	-1.6	-3.2	-1.3	-0.9	-1.0	0.4	-0.1	-0.1	0.6	1.3	-1.0	-0.9	0.2	2.0
	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 Q1	0.4	-3.5	-2.7	-4.2	-3.4	1.3	0.0	-1.4	1.4	-0.9	-1.8	-0.7	-8.3	0.1
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
2013 June	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
July	0.1	-2.6	-2.3	-4.2	-1.8	0.7	-7.7	-2.1	0.8	-0.9	-1.4	-0.3	-5.6	-0.4
Aug. (p)	0.1	-2.6	-2.0	-4.2	-1.8	0.7	-8.8	-2.3	0.8	-0.7	-1.5	0.2	-5.0	-0.2

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.

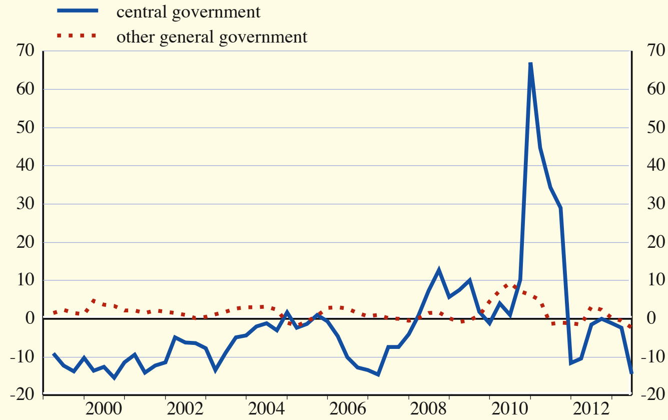
2.4 MFI loans: breakdown [1), 2)]

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

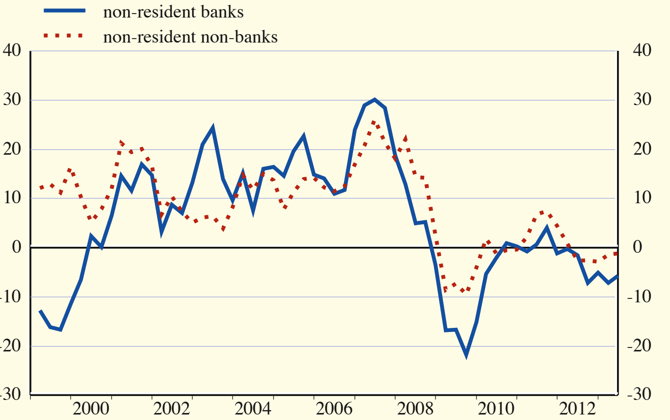
3. Loans to government and non-euro area residents

	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	-0.4	14.6	-23.3	15.6	-26.2	41.6	13.0	28.7
2012	-3.6	-4.1	-4.9	2.9	2.7	-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	-1.9	-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	12.3	-4.2	-5.0	-2.9	-1.8	-2.9
2012 Q3	1.7	0.0	2.8	2.1	6.9	-5.6	-7.1	-2.6	-7.0	-2.3
Q4	-0.3	-1.2	-2.2	0.5	12.3	-4.2	-5.0	-2.9	-1.8	-2.9
2013 Q1	-1.1	-2.4	-3.5	0.2	9.5	-5.2	-7.2	-1.4	0.1	-1.5
Q2 (p)	-5.9	-14.4	-9.5	-0.1	12.7	-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]

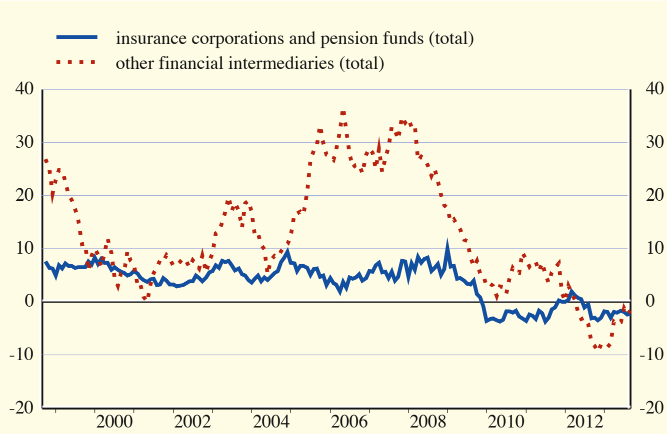
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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 Q1	697.4	114.2	83.3	480.3	7.9	0.3	11.5	2,110.8	442.4	237.8	1,016.0	15.0	0.2	399.3	314.1
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
2013 May	696.3	112.4	82.6	481.3	8.3	0.3	11.6	2,086.6	444.0	231.8	997.8	15.4	0.2	397.3	310.2
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. (p)	675.4	103.8	81.1	472.9	8.4	0.4	8.8	1,967.6	435.8	235.1	977.9	16.8	0.3	301.6	217.2
	Transactions														
2011	0.0	11.5	4.2	-14.2	1.1	-0.1	-2.6	2.4	28.8	-29.2	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 Q1	6.9	8.1	1.9	-4.3	1.5	0.1	-0.4	90.1	29.1	0.8	-5.3	1.5	-0.1	64.1	57.3
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
2013 May	-6.3	-6.6	-0.5	2.6	0.1	0.0	-2.0	0.8	-3.2	0.3	-7.6	-0.4	0.0	11.8	10.4
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. (p)	-8.5	-5.2	0.3	-2.6	0.5	0.1	-1.7	-5.4	0.1	2.4	-9.2	-0.6	0.1	1.8	7.1
	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 Q1	-1.9	17.6	-2.4	-4.9	65.3	-	-40.0	-3.7	5.1	-11.4	-11.4	-9.6	-	17.2	20.3
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
2013 May	-1.6	9.8	-1.8	-4.2	43.8	-	-13.9	-3.9	8.0	-12.7	-9.7	-0.9	-	6.4	7.4
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. (p)	-2.3	5.1	3.6	-4.9	32.2	-	-15.5	-1.6	5.3	-1.7	-5.9	24.6	-	1.6	4.1

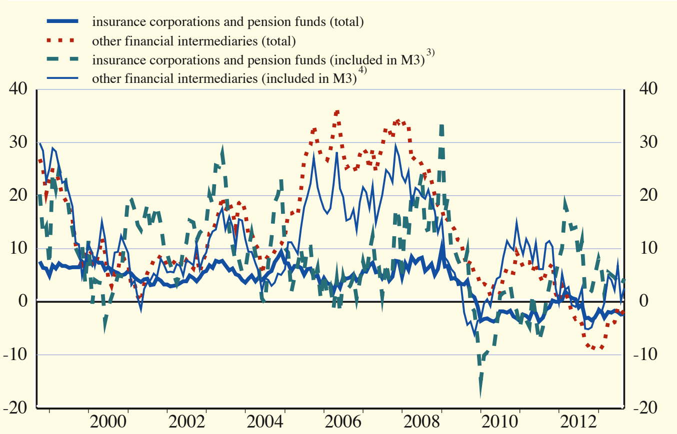
C9 Total deposits by sector [2]

(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.

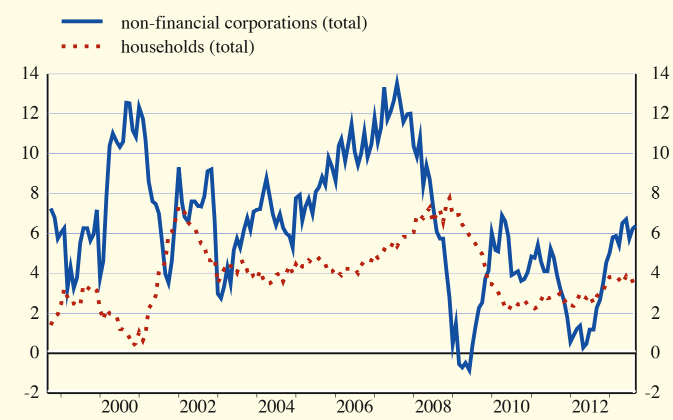
2.5 Deposits held with MFIs: breakdown [1), 2)]

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

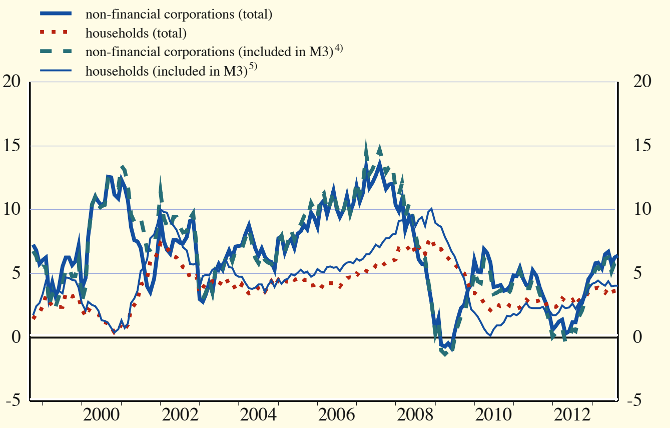
2. Deposits by non-financial corporations and households

	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 Q1	1,750.7	1,125.5	409.7	110.8	91.8	1.7	11.2	6,166.2	2,377.3	966.0	758.1	1,963.5	93.1	8.3
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
2013 May	1,761.5	1,146.4	392.0	115.6	92.6	1.6	13.2	6,188.0	2,410.0	942.5	768.7	1,970.7	89.4	6.7
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. (p)	1,786.6	1,164.6	395.8	117.5	94.7	1.8	12.3	6,222.3	2,464.7	914.8	778.1	1,971.3	86.8	6.6
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 Q1	-13.8	-25.9	1.6	4.2	6.4	-0.3	0.2	46.6	30.7	-12.5	9.5	26.0	-4.9	-2.1
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
2013 May	10.5	17.5	-12.2	2.7	0.4	0.1	2.0	11.6	14.5	-9.4	6.1	2.8	-2.1	-0.2
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. (p)	22.5	15.7	2.4	1.2	1.4	-0.1	2.0	11.1	14.0	-6.6	4.0	0.3	-0.3	-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 Q1	5.4	9.7	-7.5	12.9	16.4	-22.8	-11.8	3.7	6.9	-2.6	2.4	5.2	-11.7	-58.3
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
2013 May	6.7	10.8	-6.0	14.5	12.8	-5.5	-3.6	3.9	7.5	-3.2	2.9	5.2	-15.0	-58.3
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. (p)	6.4	8.3	-2.1	13.6	13.2	10.7	6.5	3.7	8.1	-5.0	3.9	4.2	-15.2	-49.9

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)]

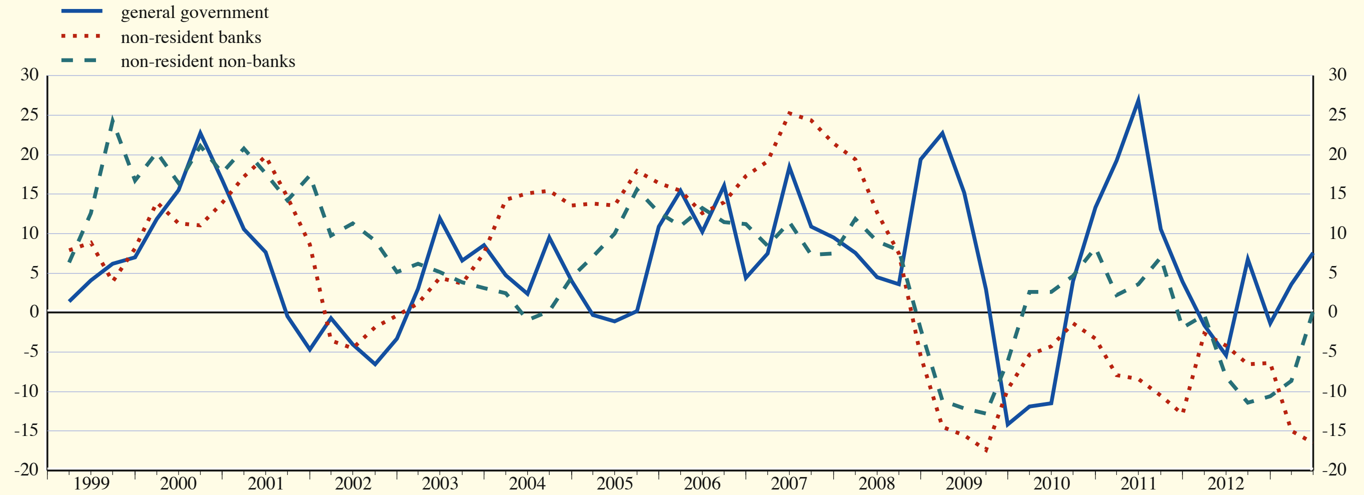
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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	15.6	-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	18.3	-7.6	-6.4	-10.6	-11.9	-10.5
2012 Q3	6.7	-2.9	45.5	1.1	14.1	-7.9	-6.5	-11.4	-16.4	-11.2
Q4	-1.4	-11.7	10.3	-0.4	18.3	-7.6	-6.4	-10.6	-11.9	-10.5
2013 Q1	3.6	9.7	-12.3	-1.5	13.0	-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.

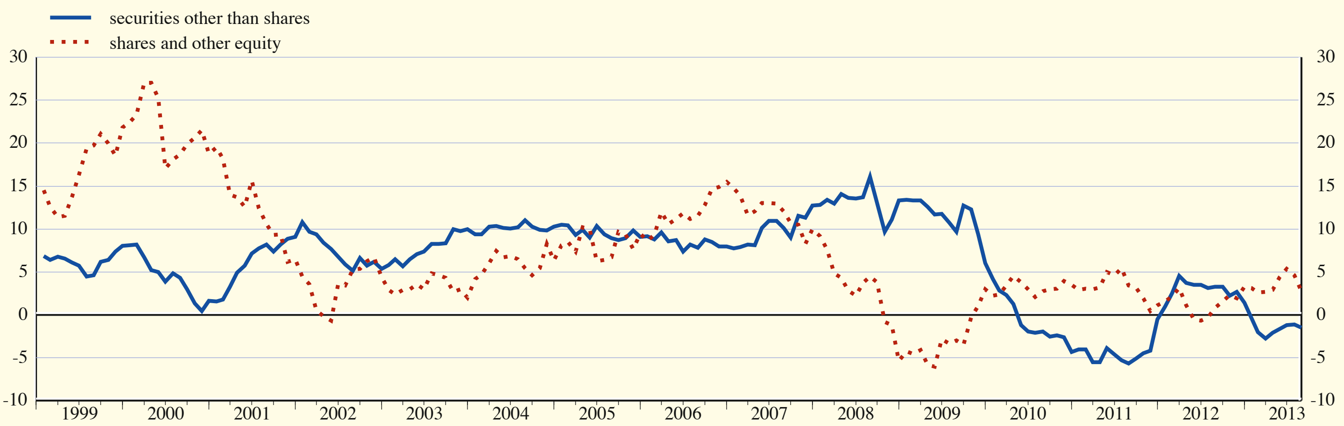
2.6 MFI holdings of securities: breakdown [1], [2]

(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 Q1	5,785.3	1,704.0	120.8	1,672.4	31.7	1,381.7	27.1	847.6	1,544.0	464.8	769.3	309.9
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
2013 May	5,818.2	1,679.9	115.2	1,735.9	30.5	1,393.1	28.2	835.3	1,583.4	474.7	794.4	314.3
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. (p)	5,697.6	1,624.9	110.9	1,723.4	31.4	1,375.2	27.4	804.5	1,533.5	457.6	766.0	309.9
	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 Q1	9.1	-59.2	17.8	78.8	-1.4	-17.6	3.4	-12.7	21.6	-9.9	18.0	13.6
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
2013 May	41.4	-19.2	-1.0	52.2	-0.2	6.5	-0.4	3.5	13.6	15.3	-5.7	4.1
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. (p)	-25.7	-14.4	-7.6	-0.4	2.5	-3.1	-0.3	-2.3	-25.8	-22.0	-3.1	-0.8
	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 Q1	-2.8	-7.5	20.9	8.7	-4.3	-6.2	4.8	-9.3	2.6	-3.3	5.0	6.5
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
2013 May	-1.6	-7.1	18.3	9.7	-6.1	-5.1	17.4	-6.9	4.4	-1.2	6.4	8.8
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. (p)	-1.5	-10.8	7.3	9.5	2.5	0.5	12.9	-6.5	2.8	-4.1	5.3	7.9

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	USD	JPY	CHF	GBP			Total	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	28.9	1.3	0.9	7.4	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 Jan.	7,290.6	494.1	2,952.8	2,035.9	975.4	247.8	584.7
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 (p)	7,710.4	529.0	3,064.3	2,160.9	1,041.8	249.1	665.3
	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	150.9	32.3	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 Jan.	7,290.6	153.0	6,625.3	4,849.7	770.5	1,775.7	512.3
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	4,985.4	792.6	1,826.5	610.3
July (p)	7,710.4	165.1	6,943.5	5,095.0	818.0	1,848.5	601.8
	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	150.9	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									
2012 Dec.	6,560.8	2,378.2	1,705.1	1,597.7	320.4	141.2	418.2	6,477.2	83.5	914.7
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	6,724.4	87.5	855.9
July (p)	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
	Transactions									
2013 Jan.	60.4	22.5	25.5	13.3	1.9	-1.2	-1.7	59.5	0.9	-2.9
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	-18.0	-25.0	-11.4	10.3	2.3	1.1	4.8	-18.7	0.6	-37.0
July (p)	57.9	21.4	16.0	17.1	1.7	-0.2	1.9	57.6	0.3	0.6

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	404.7	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							Securities other than shares	Other securitised assets	Shares and other equity	Other assets
			Total	Originated in euro area					Originated outside euro area				
				MFIs		Other financial intermediaries, insurance corporations and pension funds	Non-financial corporations	General government					
					Remaining on the MFI balance sheet [1]								
	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			Capital and reserves	Other liabilities
			Total	Up to 2 years	Over 2 years		
	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							Securities other than shares					
	Total	Euro area borrowing sector [2]					Non-euro area borrowing sector	Total	Euro area residents				Non-euro area residents
		Households	Non-financial corporations	Other financial intermediaries	Insurance corporations and pension funds	General government			Total	MFIs	Non-MFIs		
												Financial vehicle corporations	
	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 Q1	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						608
Trade balance [1]						-47
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,116	110	707	57	242	
Other taxes less subsidies on production	21	8	5	5	4	
Consumption of fixed capital	377	100	215	11	51	
Net operating surplus and mixed income [1]	558	274	254	31	0	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						7
Taxes less subsidies on production						
Property income	627	32	249	281	65	114
Interest	336	30	58	183	65	48
Other property income	291	2	191	98	0	67
Net national income [1]	1,960	1,596	109	33	222	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	258	219	31	8	0	1
Social contributions	437	437				1
Social benefits other than social transfers in kind	469	1	18	37	413	1
Other current transfers	205	70	24	49	62	10
Net non-life insurance premiums	46	35	10	1	1	2
Non-life insurance claims	47			47		1
Other	113	35	14	1	62	8
Net disposable income [1]	1,919	1,423	67	40	388	
Use of income account						
Net disposable income						
Final consumption expenditure	1,852	1,358			495	
Individual consumption expenditure	1,669	1,358			312	
Collective consumption expenditure	183				183	
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]	67	81	67	25	-107	-26
Capital account						
Net saving/current external account						
Gross capital formation	418	129	234	13	42	
Gross fixed capital formation	402	125	222	13	42	
Changes in inventories and acquisitions less disposals of valuables	16	4	12	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	2	-1	7	0	-3	-2
Capital transfers	35	8	0	2	25	4
Capital taxes	6	6	0	0		0
Other capital transfers	28	2	-1	2	25	4
Net lending (+)/net borrowing (-) (from capital account) [1]	25	55	56	28	-114	-25
Statistical discrepancy	0	36	-36	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 Q1	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						561
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,073	491	1,182	104	297	
Taxes less subsidies on products	243					
Gross domestic product (market prices)[2)]	2,317					
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	558	274	254	31	0	
Compensation of employees	1,121	1,121				2
Taxes less subsidies on production	264				264	1
Property income	645	234	103	284	24	97
Interest	330	54	33	234	8	54
Other property income	315	179	70	50	15	43
Net national income						
Secondary distribution of income account						
Net national income	1,960	1,596	109	33	222	
Current taxes on income, wealth, etc.	259				259	1
Social contributions	436	1	18	52	365	2
Social benefits other than social transfers in kind	467	467				3
Other current transfers	166	86	13	48	18	50
Net non-life insurance premiums	47			47		1
Non-life insurance claims	45	35	8	1	0	3
Other	74	51	5	0	18	46
Net disposable income						
Use of income account						
Net disposable income	1,919	1,423	67	40	388	
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	67	81	67	25	-107	-26
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	377	100	215	11	51	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	36	10	14	7	5	3
Capital taxes	6				6	0
Other capital transfers	29	10	14	7	-1	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 Q1	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		19,731	17,215	34,676	16,737	7,417	4,279	18,136
Monetary gold and special drawing rights (SDRs)				490				
Currency and deposits		7,041	2,157	11,240	2,234	805	748	3,335
Short-term debt securities		47	81	553	388	68	37	612
Long-term debt securities		1,282	257	6,488	2,891	2,984	432	4,143
Loans		83	2,966	13,213	4,061	492	818	2,409
of which: Long-term		63	1,878	10,306	2,807	364	720	.
Shares and other equity		4,519	7,973	1,844	6,841	2,683	1,513	6,814
Quoted shares		777	1,101	367	2,157	408	210	.
Unquoted shares and other equity		2,344	6,488	1,176	3,578	410	1,131	.
Mutual fund shares		1,399	384	300	1,106	1,865	173	.
Insurance technical reserves		6,210	175	3	0	235	4	276
Other accounts receivable and financial derivatives		549	3,606	845	321	151	726	547
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		91	63	-717	370	123	80	189
Monetary gold and SDRs				0				0
Currency and deposits		39	-30	-847	114	9	31	-34
Short-term debt securities		-2	-14	5	29	-3	0	42
Long-term debt securities		-53	-2	28	84	47	-12	29
Loans		1	-11	28	29	5	16	25
of which: Long-term		0	-13	-31	16	2	18	.
Shares and other equity		22	92	19	74	44	10	89
Quoted shares		-5	8	26	34	-4	-1	.
Unquoted shares and other equity		0	79	-4	12	2	9	.
Mutual fund shares		27	5	-4	28	46	3	.
Insurance technical reserves		63	5	0	0	12	0	-3
Other accounts receivable and financial derivatives		21	24	50	40	9	34	40
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		100	275	-1	110	44	6	150
Monetary gold and SDRs				-4				
Currency and deposits		-5	7	9	2	-2	2	14
Short-term debt securities		-5	0	12	-4	1	0	-9
Long-term debt securities		-28	2	-29	-3	0	0	29
Loans		0	13	-17	-39	0	-7	-9
of which: Long-term		0	10	-4	-39	-1	-9	.
Shares and other equity		101	222	26	151	56	13	113
Quoted shares		21	47	4	113	9	-2	.
Unquoted shares and other equity		60	172	24	18	4	9	.
Mutual fund shares		20	3	-1	20	44	5	.
Insurance technical reserves		42	0	0	0	-8	0	3
Other accounts receivable and financial derivatives		-5	30	3	2	-2	-1	9
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		19,922	17,553	33,958	17,217	7,585	4,365	18,474
Monetary gold and SDRs				485				
Currency and deposits		7,076	2,134	10,401	2,350	811	781	3,315
Short-term debt securities		40	66	570	413	66	37	646
Long-term debt securities		1,200	258	6,487	2,973	3,032	420	4,201
Loans		84	2,967	13,224	4,051	496	827	2,425
of which: Long-term		63	1,874	10,271	2,784	365	728	.
Shares and other equity		4,642	8,286	1,888	7,067	2,783	1,536	7,015
Quoted shares		793	1,155	397	2,305	413	207	.
Unquoted shares and other equity		2,403	6,739	1,197	3,608	416	1,149	.
Mutual fund shares		1,446	392	295	1,154	1,955	180	.
Insurance technical reserves		6,316	181	3	0	238	4	276
Other accounts receivable and financial derivatives		565	3,660	898	364	158	759	596
Net financial worth								

Source: ECB.

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

(EUR billions)

Liabilities 2013 Q1	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		6,827	26,674	33,629	16,416	7,387	10,529	16,239
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			32	24,513	37	0	281	2,697
Short-term debt securities			83	634	101	3	670	295
Long-term debt securities			964	4,677	2,857	52	6,723	3,205
Loans		6,186	8,334		3,784	282	2,273	3,184
of which: Long-term		5,834	6,104		2,108	109	1,972	.
Shares and other equity		8	13,292	2,620	9,594	466	4	6,202
Quoted shares			3,747	403	234	133	0	.
Unquoted shares and other equity		8	9,545	1,304	3,015	332	4	.
Mutual fund shares				913	6,345			.
Insurance technical reserves		36	349	65	1	6,452	1	
Other accounts payable and financial derivatives		597	3,621	1,120	41	131	579	656
Net financial worth [1]	-1,407	12,904	-9,459	1,047	321	30	-6,250	
Financial account, transactions in liabilities								
Total transactions in liabilities		0	43	-732	366	113	193	214
Monetary gold and SDRs								
Currency and deposits			2	-694	-3	0	-10	-12
Short-term debt securities			9	-3	26	0	21	3
Long-term debt securities			14	-101	4	1	173	32
Loans		-21	-14		80	15	-22	55
of which: Long-term		-15	-21		15	1	-8	.
Shares and other equity		0	40	4	186	1	0	119
Quoted shares			-13	0	0	0	0	.
Unquoted shares and other equity		0	53	6	22	1	0	.
Mutual fund shares				-3	164			.
Insurance technical reserves		0	1	0	0	77	0	
Other accounts payable and financial derivatives		22	-9	63	74	20	32	17
Changes in net financial worth due to transactions [1]	25	91	20	15	3	10	-114	-25
Other changes account, liabilities								
Total other changes in liabilities		-7	376	-48	181	50	-39	176
Monetary gold and SDRs								
Currency and deposits			0	18	0	0	0	8
Short-term debt securities			0	1	0	0	0	-6
Long-term debt securities			-2	-19	1	0	-38	27
Loans		-3	-13		-18	-1	0	-24
of which: Long-term		-1	-8		-12	0	0	.
Shares and other equity		0	385	-38	166	13	0	157
Quoted shares			156	-23	7	3	0	.
Unquoted shares and other equity		0	228	-15	-7	10	0	.
Mutual fund shares				0	166			.
Insurance technical reserves		0	0	0	0	37	0	
Other accounts payable and financial derivatives		-4	7	-11	32	0	-2	14
Other changes in net financial worth [1]	22	107	-102	47	-71	-5	45	-26
Closing balance sheet, liabilities								
Total liabilities		6,820	27,093	32,849	16,963	7,550	10,684	16,629
Monetary gold and SDRs								
Currency and deposits			33	23,837	33	0	271	2,694
Short-term debt securities			93	632	128	3	691	292
Long-term debt securities			975	4,557	2,863	53	6,858	3,264
Loans		6,161	8,306		3,846	296	2,251	3,215
of which: Long-term		5,817	6,076		2,111	110	1,963	.
Shares and other equity		8	13,717	2,586	9,946	480	4	6,477
Quoted shares			3,891	381	241	136	0	.
Unquoted shares and other equity		8	9,827	1,295	3,030	343	4	.
Mutual fund shares				911	6,675			.
Insurance technical reserves		36	349	64	1	6,566	1	
Other accounts payable and financial derivatives		615	3,619	1,172	148	151	609	686
Net financial worth [1]	-1,360	13,102	-9,541	1,109	253	35	-6,319	

Source: ECB.

3.2 Euro area non-financial accounts

(EUR billions; four-quarter cumulated flows)

Uses	2009	2010	2011	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,448	4,508	4,621	4,638	4,650	4,663	4,668	4,677
Other taxes less subsidies on production	85	83	95	103	110	115	124	124
Consumption of fixed capital	1,387	1,419	1,467	1,477	1,485	1,493	1,500	1,505
Net operating surplus and mixed income [1]	2,099	2,203	2,250	2,246	2,232	2,214	2,193	2,180
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	2,964	2,819	3,019	3,033	3,019	2,989	2,926	2,877
Interest	1,596	1,386	1,556	1,570	1,555	1,524	1,473	1,426
Other property income	1,369	1,433	1,463	1,462	1,465	1,465	1,453	1,451
Net national income [1]	7,540	7,761	7,968	7,993	7,998	8,003	8,026	8,032
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,028	1,055	1,111	1,123	1,139	1,154	1,175	1,180
Social contributions	1,677	1,704	1,753	1,762	1,772	1,778	1,787	1,795
Social benefits other than social transfers in kind	1,768	1,813	1,840	1,850	1,861	1,873	1,884	1,896
Other current transfers	773	777	787	790	792	793	789	790
Net non-life insurance premiums	180	181	185	186	186	187	186	185
Non-life insurance claims	182	182	186	187	188	189	189	188
Other	410	413	416	417	418	418	415	417
Net disposable income [1]	7,432	7,650	7,859	7,882	7,884	7,889	7,916	7,919
Use of income account								
Net disposable income								
Final consumption expenditure	7,151	7,317	7,477	7,506	7,517	7,524	7,528	7,530
Individual consumption expenditure	6,382	6,542	6,700	6,728	6,738	6,744	6,750	6,751
Collective consumption expenditure	769	774	777	778	779	780	778	779
Adjustment for the change in the net equity of households in pension fund reserves	61	56	59	60	60	58	58	58
Net saving [1]	281	333	382	376	367	365	388	389
Capital account								
Net saving								
Gross capital formation	1,705	1,785	1,870	1,852	1,820	1,789	1,768	1,737
Gross fixed capital formation	1,752	1,762	1,825	1,822	1,808	1,791	1,771	1,742
Changes in inventories and acquisitions less disposals of valuables	-48	22	44	30	12	-2	-3	-6
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	0	0	1	1	0	3
Capital transfers	184	222	176	171	177	184	197	205
Capital taxes	34	25	31	30	29	29	26	26
Other capital transfers	150	197	145	141	148	155	171	179
Net lending (+)/net borrowing (-) (from capital account) [1]	-28	-23	-10	10	42	81	131	167

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 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1
Generation of income account								
Gross value added (basic prices)	8,019	8,212	8,433	8,463	8,477	8,485	8,485	8,486
Taxes less subsidies on products	894	943	974	976	974	973	978	976
Gross domestic product (market prices)[2]	8,914	9,154	9,407	9,439	9,450	9,458	9,463	9,462
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	2,099	2,203	2,250	2,246	2,232	2,214	2,193	2,180
Compensation of employees	4,459	4,520	4,634	4,651	4,663	4,677	4,682	4,691
Taxes less subsidies on production	997	1,038	1,080	1,089	1,093	1,098	1,112	1,112
Property income	2,950	2,819	3,023	3,040	3,029	3,004	2,965	2,926
Interest	1,551	1,337	1,504	1,521	1,513	1,490	1,447	1,404
Other property income	1,399	1,482	1,519	1,519	1,516	1,514	1,518	1,522
Net national income								
Secondary distribution of income account								
Net national income	7,540	7,761	7,968	7,993	7,998	8,003	8,026	8,032
Current taxes on income, wealth, etc.	1,033	1,059	1,117	1,129	1,144	1,158	1,179	1,184
Social contributions	1,675	1,702	1,752	1,761	1,770	1,775	1,784	1,793
Social benefits other than social transfers in kind	1,762	1,807	1,834	1,844	1,855	1,867	1,878	1,890
Other current transfers	668	669	678	680	682	685	684	682
Net non-life insurance premiums	182	182	186	187	188	189	189	188
Non-life insurance claims	178	178	180	181	182	182	181	180
Other	308	309	312	312	312	313	314	314
Net disposable income								
Use of income account								
Net disposable income	7,432	7,650	7,859	7,882	7,884	7,889	7,916	7,919
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	59	60	60	59	58	58
Net saving								
Capital account								
Net saving	281	333	382	376	367	365	388	389
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,387	1,419	1,467	1,477	1,485	1,493	1,500	1,505
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	193	232	187	181	189	197	210	217
Capital taxes	34	25	31	30	29	29	26	26
Other capital transfers	159	207	155	151	160	168	184	191
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 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1
Income, saving and changes in net worth								
Compensation of employees (+)	4,459	4,520	4,634	4,651	4,663	4,677	4,682	4,691
Gross operating surplus and mixed income (+)	1,441	1,440	1,477	1,482	1,481	1,481	1,478	1,482
Interest receivable (+)	233	201	229	232	231	228	223	219
Interest payable (-)	146	124	146	146	142	137	130	125
Other property income receivable (+)	726	724	747	758	754	750	747	741
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	842	848	881	891	906	920	935	943
Net social contributions (-)	1,672	1,699	1,749	1,757	1,767	1,773	1,782	1,790
Net social benefits (+)	1,757	1,801	1,829	1,839	1,850	1,862	1,873	1,885
Net current transfers receivable (+)	72	71	70	69	70	68	70	70
= Gross disposable income	6,016	6,076	6,201	6,226	6,223	6,225	6,215	6,221
Final consumption expenditure (-)	5,156	5,293	5,439	5,463	5,471	5,474	5,479	5,476
Changes in net worth in pension funds (+)	60	55	58	60	60	58	58	57
= Gross saving	921	839	820	823	813	809	793	802
Consumption of fixed capital (-)	379	386	396	397	399	400	401	401
Net capital transfers receivable (+)	10	13	9	7	7	5	5	3
Other changes in net worth (+)	-126	805	-54	-88	-520	-397	-233	-609
= Changes in net worth	426	1,271	380	345	-99	17	164	-204
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	554	555	576	573	567	561	555	548
Consumption of fixed capital (-)	379	386	396	397	399	400	401	401
Main items of financial investment (+)								
Short-term assets	6	38	124	156	167	170	189	165
Currency and deposits	121	118	118	155	164	175	224	226
Money market fund shares	-40	-60	-21	-15	-13	-28	-33	-49
Debt securities [1]	-75	-20	28	16	15	23	-3	-11
Long-term assets	471	410	210	220	189	175	131	133
Deposits	81	58	55	53	45	29	12	9
Debt securities	0	-7	53	39	-7	-13	-94	-133
Shares and other equity	160	110	-11	29	53	58	92	114
Quoted and unquoted shares and other equity	118	101	38	67	88	59	55	35
Mutual fund shares	42	9	-50	-38	-35	-1	37	79
Life insurance and pension fund reserves	230	249	113	99	97	101	122	143
Main items of financing (-)								
Loans	107	114	86	69	40	19	15	3
of which: From euro area MFIs	65	147	81	34	13	1	25	21
Other changes in assets (+)								
Non-financial assets	-410	707	306	13	-344	-967	-884	-1,090
Financial assets	250	138	-415	-169	-223	514	595	412
Shares and other equity	82	45	-347	-267	-286	324	368	314
Life insurance and pension fund reserves	186	124	12	97	96	180	173	150
Remaining net flows (+)	40	-77	60	17	-17	-17	-4	32
= Changes in net worth	426	1,271	380	345	-99	17	164	-204
Balance sheet								
Non-financial assets (+)	25,291	26,167	26,654	26,472	26,404	26,117	25,923	25,528
Financial assets (+)								
Short-term assets	5,771	5,813	5,951	5,978	6,029	6,031	6,116	6,132
Currency and deposits	5,474	5,596	5,727	5,755	5,821	5,838	5,948	5,980
Money market fund shares	247	189	172	166	155	136	120	113
Debt securities [1]	51	28	52	57	54	57	47	40
Long-term assets	11,596	12,121	11,924	12,272	12,187	12,436	12,684	12,832
Deposits	972	1,029	1,079	1,089	1,101	1,096	1,093	1,096
Debt securities	1,376	1,318	1,309	1,371	1,309	1,289	1,282	1,200
Shares and other equity	4,131	4,284	3,920	4,098	4,034	4,222	4,399	4,530
Quoted and unquoted shares and other equity	2,988	3,062	2,811	2,923	2,868	2,988	3,121	3,196
Mutual fund shares	1,143	1,222	1,110	1,175	1,166	1,234	1,278	1,333
Life insurance and pension fund reserves	5,117	5,490	5,615	5,713	5,742	5,830	5,911	6,007
Remaining net assets (+)	294	297	330	294	306	330	290	298
Liabilities (-)								
Loans	5,939	6,115	6,195	6,180	6,193	6,183	6,186	6,161
of which: From euro area MFIs	4,976	5,220	5,281	5,269	5,294	5,283	5,291	5,279
= Net worth	37,012	38,283	38,663	38,835	38,733	38,731	38,827	38,630

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 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1
Income and saving								
Gross value added (basic prices) (+)	4,519	4,669	4,829	4,848	4,857	4,863	4,867	4,863
Compensation of employees (-)	2,787	2,827	2,923	2,938	2,950	2,962	2,970	2,975
Other taxes less subsidies on production (-)	40	34	42	44	47	48	51	51
= Gross operating surplus (+)	1,691	1,808	1,863	1,866	1,860	1,854	1,846	1,837
Consumption of fixed capital (-)	782	800	830	837	842	847	852	856
= Net operating surplus (+)	910	1,008	1,033	1,029	1,018	1,006	994	981
Property income receivable (+)	528	560	576	574	573	570	563	562
Interest receivable	168	160	169	169	166	159	151	145
Other property income receivable	360	400	407	405	408	411	412	417
Interest and rents payable (-)	299	259	295	298	292	285	273	263
= Net entrepreneurial income (+)	1,139	1,309	1,314	1,306	1,299	1,292	1,284	1,280
Distributed income (-)	927	933	980	984	995	994	975	968
Taxes on income and wealth payable (-)	151	168	188	190	192	193	199	196
Social contributions receivable (+)	71	69	73	73	73	73	73	73
Social benefits payable (-)	68	69	69	69	70	70	70	70
Other net transfers (-)	47	45	49	49	48	49	48	48
= Net saving	16	163	101	86	67	59	65	71
Investment, financing and saving								
Net acquisition of non-financial assets (+)	70	155	202	185	162	136	113	91
Gross fixed capital formation (+)	901	933	989	991	988	980	969	950
Consumption of fixed capital (-)	782	800	830	837	842	847	852	856
Net acquisition of other non-financial assets (+)	-50	22	43	31	16	3	-3	-3
Main items of financial investment (+)								
Short-term assets	95	34	-28	4	7	32	68	50
Currency and deposits	88	68	6	16	16	39	77	85
Money market fund shares	38	-32	-46	-29	-24	-12	-2	-5
Debt securities [1]	-31	-1	12	16	14	5	-7	-30
Long-term assets	130	415	480	445	357	288	197	180
Deposits	0	20	87	80	52	1	15	-16
Debt securities	24	4	-5	-16	0	-4	-8	-8
Shares and other equity	96	236	265	258	161	144	96	146
Other (mainly intercompany loans)	11	156	133	124	144	148	94	58
Remaining net assets (+)	61	2	-22	-36	-12	40	65	66
Main items of financing (-)								
Debt	15	160	236	213	165	183	137	100
of which: Loans from euro area MFIs	-108	-17	73	-2	-43	-89	-143	-123
of which: Debt securities	90	66	49	73	90	105	115	103
Shares and other equity	240	217	226	232	213	181	168	139
Quoted shares	59	31	27	19	15	16	27	11
Unquoted shares and other equity	181	185	199	213	198	166	142	128
Net capital transfers receivable (-)	82	66	69	67	68	69	68	71
= Net saving	16	163	101	86	67	59	65	71
Financial balance sheet								
Financial assets								
Short-term assets	1,932	1,957	1,931	1,919	1,923	1,933	1,994	1,962
Currency and deposits	1,632	1,695	1,706	1,681	1,697	1,717	1,782	1,766
Money market fund shares	213	182	134	140	134	130	132	130
Debt securities [1]	87	80	91	98	91	86	81	66
Long-term assets	10,239	10,703	10,679	11,079	10,979	11,311	11,440	11,750
Deposits	239	249	319	369	367	365	376	369
Debt securities	228	240	249	253	259	262	257	258
Shares and other equity	7,145	7,462	7,221	7,556	7,381	7,683	7,841	8,157
Other (mainly intercompany loans)	2,628	2,753	2,890	2,901	2,972	3,001	2,966	2,967
Remaining net assets	312	147	165	228	171	226	192	255
Liabilities								
Debt	9,213	9,482	9,632	9,670	9,745	9,792	9,729	9,724
of which: Loans from euro area MFIs	4,708	4,682	4,718	4,684	4,689	4,630	4,496	4,476
of which: Debt securities	815	883	886	943	969	1,025	1,047	1,068
Shares and other equity	12,425	12,977	12,299	12,830	12,442	12,892	13,292	13,717
Quoted shares	3,502	3,799	3,281	3,569	3,331	3,550	3,747	3,891
Unquoted shares and other equity	8,922	9,179	9,018	9,261	9,111	9,342	9,545	9,827

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 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4	2012 Q2-2013 Q1
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	-47	-6	52	79	67	52	44	25
Currency and deposits	-33	-9	14	29	15	3	16	12
Money market fund shares	0	-8	14	39	39	39	34	15
Debt securities [1]	-14	11	24	12	13	10	-6	-1
Long-term assets	297	287	140	105	100	109	191	192
Deposits	14	-4	9	-4	-5	-15	-16	-18
Debt securities	105	183	47	31	41	75	129	104
Loans	8	32	11	8	3	16	13	19
Quoted shares	-50	-2	-11	-14	-11	-14	-3	1
Unquoted shares and other equity	-14	11	14	10	13	4	2	4
Mutual fund shares	234	68	70	74	60	44	65	82
Remaining net assets (+)	18	9	-43	-51	-10	-5	-41	-25
Main items of financing (-)								
Debt securities	5	1	3	5	1	3	7	6
Loans	-4	7	11	3	7	9	-12	4
Shares and other equity	5	7	3	2	4	3	1	1
Insurance technical reserves	246	281	115	104	109	124	152	178
Net equity of households in life insurance and pension fund reserves	240	262	110	102	100	112	130	151
Prepayments of insurance premiums and reserves for outstanding claims	6	19	5	2	9	12	22	27
= Changes in net financial worth due to transactions	16	-4	18	20	36	18	46	2
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	199	117	-105	4	-11	216	171	124
Other net assets	38	-1	25	146	113	153	225	128
Other changes in liabilities (-)								
Shares and other equity	13	-1	-46	-30	-36	40	66	48
Insurance technical reserves	165	141	13	101	102	187	178	147
Net equity of households in life insurance and pension fund reserves	192	130	12	98	103	190	183	153
Prepayments of insurance premiums and reserves for outstanding claims	-28	11	1	3	0	-3	-5	-5
= Other changes in net financial worth	60	-24	-48	79	36	141	153	57
Financial balance sheet								
Financial assets (+)								
Short-term assets	324	323	363	385	376	394	399	405
Currency and deposits	195	190	193	208	195	200	209	219
Money market fund shares	90	84	96	110	113	121	121	120
Debt securities [1]	39	49	74	66	68	74	68	66
Long-term assets	5,669	6,059	6,065	6,349	6,347	6,556	6,633	6,783
Deposits	613	607	612	611	609	605	595	592
Debt securities	2,467	2,637	2,658	2,812	2,821	2,930	2,984	3,032
Loans	434	467	478	478	477	488	492	496
Quoted shares	399	423	377	387	375	393	408	413
Unquoted shares and other equity	413	417	420	434	438	440	410	416
Mutual fund shares	1,342	1,508	1,519	1,626	1,627	1,699	1,744	1,834
Remaining net assets (+)	222	245	266	257	269	266	254	245
Liabilities (-)								
Debt securities	42	43	46	49	48	50	55	56
Loans	275	286	295	293	299	309	282	296
Shares and other equity	437	442	400	431	413	442	466	480
Insurance technical reserves	5,574	5,995	6,122	6,241	6,274	6,369	6,452	6,566
Net equity of households in life insurance and pension fund reserves	4,795	5,186	5,308	5,413	5,446	5,539	5,621	5,717
Prepayments of insurance premiums and reserves for outstanding claims	778	808	814	828	828	829	831	850
= Net financial wealth	-112	-139	-169	-24	-42	46	30	35

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

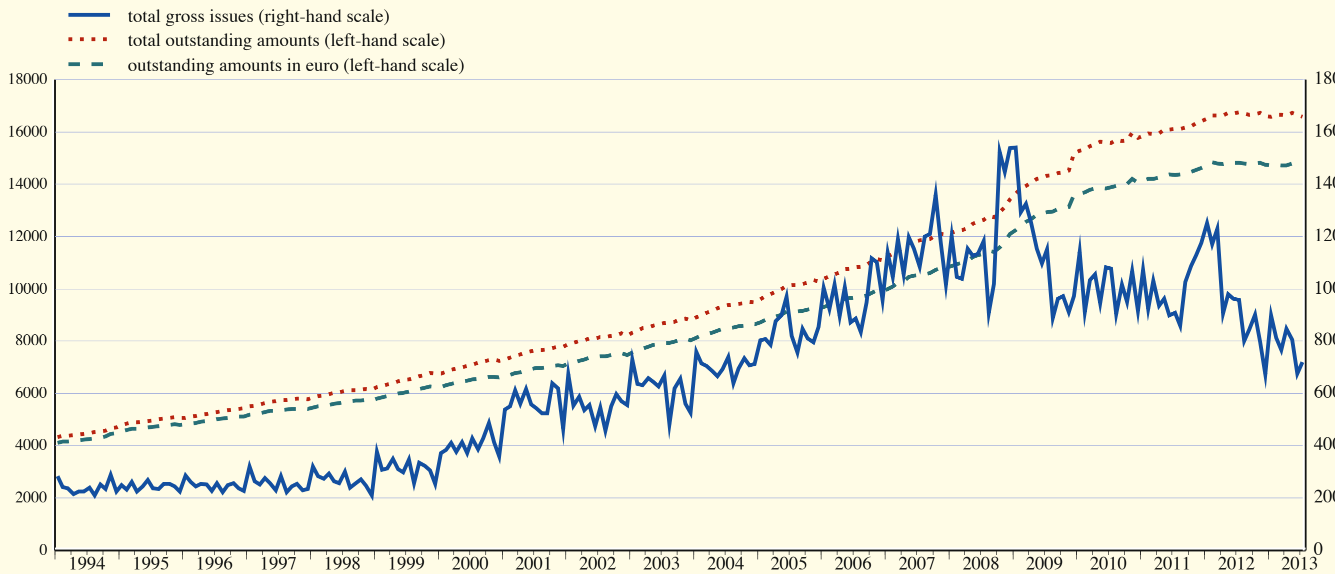
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(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					
											Seasonally adjusted [2]	
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2012 July	17,115.1	891.3	-4.3	14,811.7	834.1	-8.0	16,757.1	958.4	29.3	4.0	46.5	2.8
Aug.	17,097.2	752.8	-20.1	14,801.3	708.8	-12.6	16,704.0	800.9	-35.8	3.6	-2.0	1.5
Sep.	17,080.2	809.9	-7.9	14,780.4	758.0	-11.8	16,655.5	844.5	-24.0	3.5	23.3	0.8
Oct.	17,077.2	817.9	-1.4	14,787.4	778.8	8.6	16,675.5	901.9	28.7	3.2	13.3	1.1
Nov.	17,108.7	720.9	28.2	14,818.6	681.2	27.9	16,723.0	796.1	47.6	2.9	-16.6	1.1
Dec.	17,027.4	631.6	-115.4	14,734.3	591.8	-118.5	16,607.7	673.4	-135.2	1.7	-32.6	0.4
2013 Jan.	17,018.1	816.5	-8.8	14,730.4	768.3	-3.4	16,583.2	898.2	5.4	1.2	-17.5	-0.4
Feb.	17,028.3	706.3	-4.4	14,750.0	666.0	4.7	16,656.5	812.0	40.5	0.5	-19.2	-0.6
Mar.	16,957.8	683.4	-68.0	14,725.7	634.3	-21.8	16,652.8	766.5	-18.8	-0.1	-15.2	-1.1
Apr.	16,953.2	756.7	-4.9	14,715.2	708.2	-10.7	16,634.1	846.3	-3.4	-0.1	-9.2	-1.3
May	17,024.3	711.7	72.3	14,792.5	666.5	78.5	16,727.5	805.4	97.5	0.1	18.3	-0.9
June	16,966.4	600.9	-57.5	14,745.3	558.4	-46.7	16,664.9	674.8	-56.9	-0.1	-18.5	-0.7
July	.	.	.	14,676.0	585.1	-68.1	16,577.0	719.7	-75.4	-0.8	-52.8	-1.2
	Long-term											
2012 July	15,640.0	264.9	-20.2	13,437.5	233.1	-28.3	15,129.3	271.7	0.0	3.9	35.6	3.1
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.	15,687.5	197.3	-62.6	13,474.0	173.3	-64.6	15,116.6	193.0	-76.0	2.7	-19.9	1.8
2013 Jan.	15,682.9	257.1	-4.2	13,470.5	226.9	-3.1	15,082.6	259.7	-7.1	2.2	1.8	1.3
Feb.	15,686.0	229.8	-6.6	13,479.3	204.4	-1.1	15,134.0	244.4	25.3	1.4	-31.1	0.6
Mar.	15,628.8	246.6	-54.4	13,477.2	216.4	0.7	15,148.7	249.9	2.5	0.9	8.0	-0.1
Apr.	15,627.6	247.4	-1.5	13,465.0	216.9	-12.3	15,135.5	248.8	0.5	0.9	-6.3	-0.6
May	15,697.4	255.4	71.0	13,541.3	224.4	77.6	15,222.7	261.9	91.5	1.1	23.6	-0.3
June	15,681.2	207.7	-15.6	13,538.9	181.2	-1.8	15,205.2	200.2	-12.5	0.8	-5.4	-0.1
July	.	.	.	13,457.4	169.9	-80.6	15,104.8	192.0	-89.6	0.2	-50.2	-0.8

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	16,608	5,427	3,226	1,001	6,268	684	956	587	82	67	187	32
2012 Q3	16,655	5,559	3,117	981	6,299	699	868	538	64	64	177	26
Q4	16,608	5,427	3,226	1,001	6,268	684	790	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	16,665	5,145	3,245	1,037	6,559	678	776	408	65	67	202	34
2013 Apr.	16,634	5,244	3,247	1,043	6,410	691	846	470	63	69	202	43
May	16,727	5,204	3,265	1,042	6,532	685	805	404	75	62	230	33
June	16,665	5,145	3,245	1,037	6,559	678	675	350	56	69	175	25
July	16,577	5,091	3,249	1,041	6,527	669	720	392	58	65	178	27
						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	1,561	667	104	89	625	77	646	455	25	48	100	17
Q4	1,491	601	137	81	608	64	568	392	27	46	88	16
2013 Q1	1,504	582	139	90	624	68	574	361	31	47	112	23
Q2	1,460	558	135	88	624	54	539	337	25	51	102	23
2013 Apr.	1,499	581	145	93	613	66	598	398	27	51	97	25
May	1,505	575	145	98	625	61	543	329	25	50	113	27
June	1,460	558	135	88	624	54	475	285	25	52	95	18
July	1,472	563	135	91	633	50	528	331	23	48	106	20
						Long-term [2]						
2011	14,827	4,823	3,070	803	5,583	548	253	98	51	9	84	10
2012	15,117	4,826	3,090	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	15,117	4,826	3,090	920	5,660	621	222	71	47	18	77	9
2013 Q1	15,149	4,704	3,084	939	5,801	621	251	78	50	14	100	9
Q2	15,205	4,587	3,111	949	5,934	624	237	71	39	16	101	10
2013 Apr.	15,136	4,663	3,102	949	5,797	624	249	72	36	18	105	18
May	15,223	4,629	3,119	943	5,906	624	262	76	51	12	118	6
June	15,205	4,587	3,111	949	5,934	624	200	65	32	17	80	7
July	15,105	4,529	3,113	950	5,893	619	192	61	36	16	72	7
						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	839	5,257	450	165	41	25	12	80	7
Q2	10,791	2,739	1,389	847	5,360	455	155	34	21	13	79	8
2013 Apr.	10,697	2,778	1,364	848	5,254	453	157	33	16	16	78	14
May	10,773	2,755	1,382	842	5,338	455	169	37	27	10	91	5
June	10,791	2,739	1,389	847	5,360	455	139	32	19	14	68	5
July	10,729	2,703	1,400	849	5,325	451	132	29	17	16	65	5
						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 Apr.	4,007	1,641	1,637	97	461	171	78	33	15	2	24	4
May	4,016	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	3,943	1,597	1,610	97	471	167	49	28	16	1	3	2

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

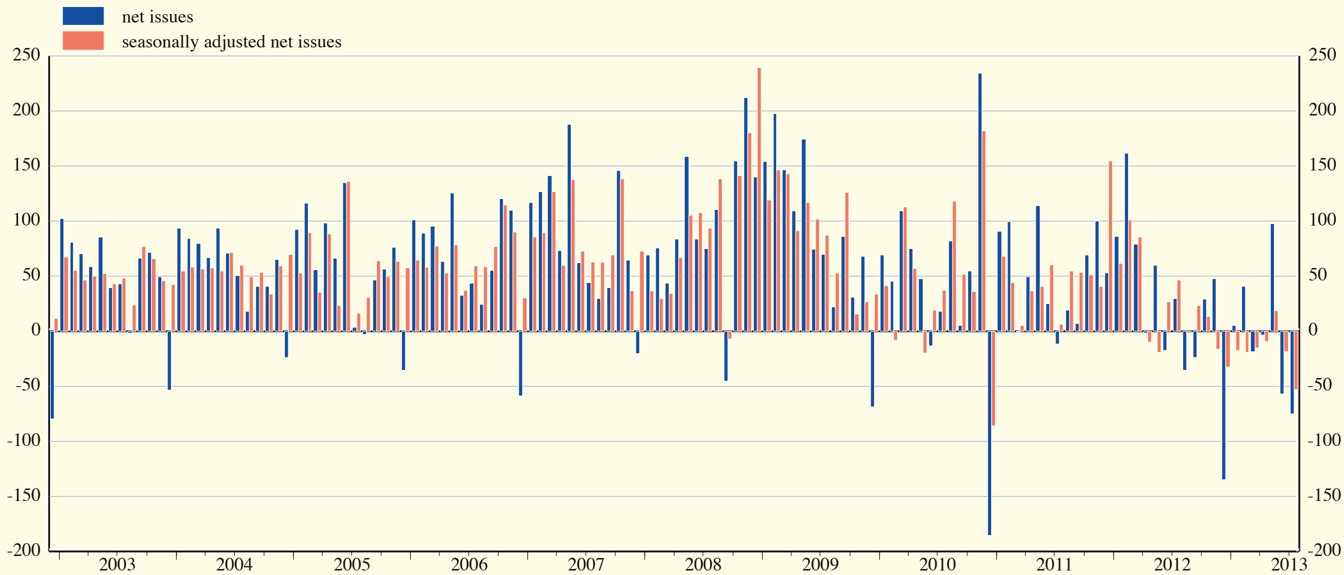
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

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	3.1	10.4	13.1	3.1	-	-	-	-	-	-
2012 Q3	-10.1	-4.8	-21.2	10.9	4.3	0.8	22.6	-3.1	-7.9	11.4	20.4	1.8
Q4	-19.6	-39.5	26.2	8.1	-9.5	-4.9	-12.0	-27.6	6.0	11.1	4.7	-6.2
2013 Q1	9.0	-47.1	-6.3	9.1	51.9	1.5	-17.3	-61.8	1.3	6.7	35.9	0.7
Q2	12.4	-41.7	8.5	3.6	45.4	-3.3	-3.1	-40.6	7.7	2.4	30.4	-3.0
2013 Apr.	-3.4	-33.6	26.5	14.9	-13.3	2.2	-9.2	-38.4	12.1	8.4	5.1	3.5
May	97.5	-37.3	18.5	-0.5	122.3	-5.5	18.3	-50.8	9.1	-4.1	69.5	-5.5
June	-56.9	-54.2	-19.6	-3.8	27.2	-6.5	-18.5	-32.7	2.0	2.9	16.5	-7.2
July	-75.4	-48.0	6.2	5.7	-31.3	-8.1	-52.8	-56.5	8.0	2.7	0.2	-7.2
						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	18.9	10.5	-4.1	-0.7	3.9	-6.7	0.9	11.3	-1.5	-0.1
2013 Q1	6.9	-40.1	-5.7	6.1	46.7	0.0	-7.1	-47.8	1.5	5.8	34.9	-1.5
Q2	26.5	-34.0	9.9	4.2	45.1	1.4	4.0	-40.1	10.0	3.2	31.0	-0.2
2013 Apr.	0.5	-33.8	20.9	12.0	-2.6	3.9	-6.3	-39.2	10.5	8.4	11.6	2.4
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	-12.5	-38.0	-9.1	6.1	28.2	0.3	-5.4	-37.8	9.7	5.8	19.6	-2.7
July	-89.6	-54.0	5.9	3.0	-40.4	-4.2	-50.2	-57.6	4.1	3.4	0.2	-0.3

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.

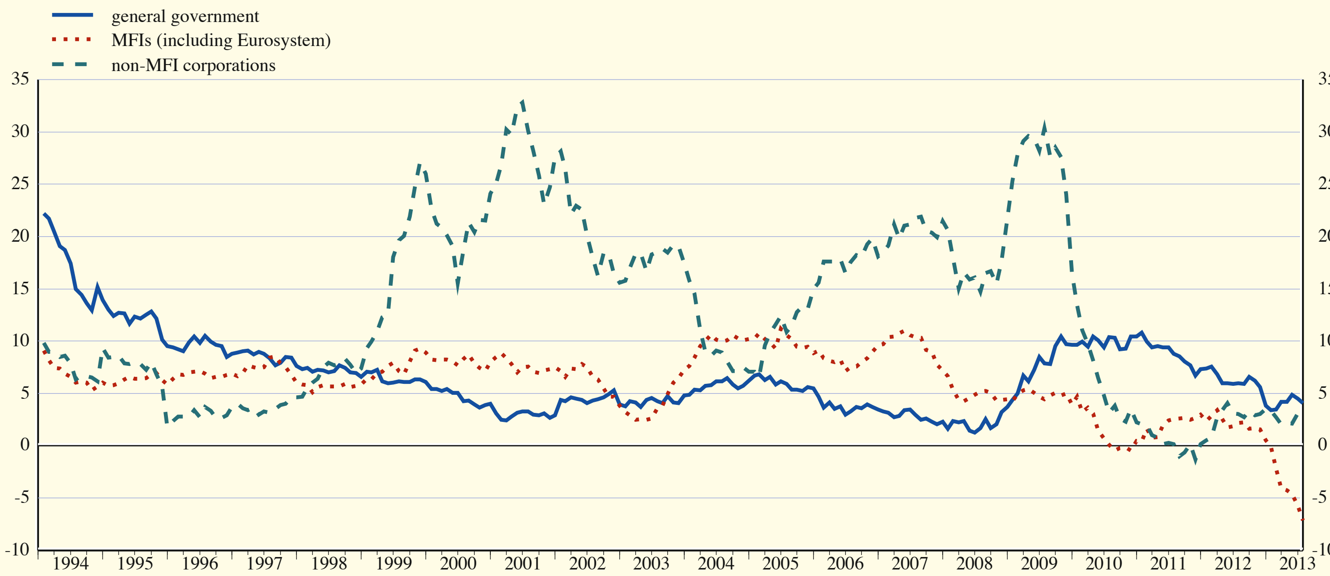
4.3 Growth rates of securities other than shares issued by euro area residents [1)]

(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 July	4.0	4.1	1.2	10.5	3.4	14.7	2.8	1.7	1.7	12.4	1.9	14.3
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.	3.5	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	-3.8	13.6	3.7	3.4
Nov.	2.9	1.1	0.2	12.5	3.9	8.0	1.1	-0.7	-4.4	13.3	3.7	2.0
Dec.	1.7	-1.4	1.2	14.1	2.5	6.1	0.4	-3.3	-0.4	14.8	2.4	-3.8
2013 Jan.	1.2	-2.1	0.9	13.5	2.2	4.6	-0.4	-5.7	0.2	14.7	2.4	-4.0
Feb.	0.5	-4.2	0.8	13.2	2.6	0.3	-0.6	-8.3	2.7	13.7	3.3	-6.1
Mar.	-0.1	-5.9	-0.7	12.6	3.6	-0.8	-1.1	-9.4	1.4	11.2	3.9	-4.7
Apr.	-0.1	-6.0	-0.7	12.3	3.5	0.4	-1.3	-10.5	2.2	10.9	3.5	-2.7
May	0.1	-6.3	-0.5	10.8	4.5	-0.4	-0.9	-11.4	3.3	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	9.6	4.1	-4.7	-1.2	-11.6	2.3	4.9	5.9	-5.6
Long-term												
2012 July	3.9	2.2	1.2	9.8	5.4	12.1	3.1	1.8	1.0	11.9	3.2	13.8
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	18.7	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	12.9	4.3	2.9	-0.1	-6.6	0.5	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	11.3	4.5	0.3	-0.8	-11.9	2.5	5.0	6.5	-3.1

C17 Annual growth rates of long-term debt securities, by sector of the issuer, in all currencies combined

(annual percentage changes)



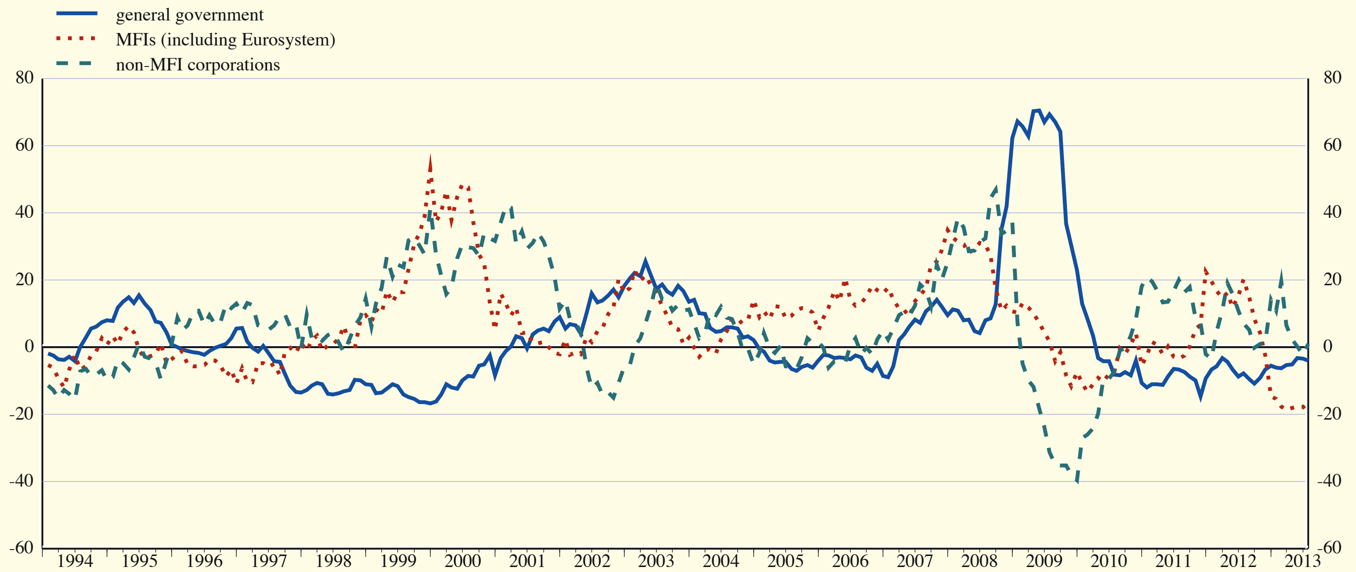
Source: ECB.

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	-7.6	-6.7	-11.3	1.4	-1.8	-0.8
2013 Feb.	4.1	-0.1	7.0	15.3	4.0	5.1	-7.5	-4.8	-11.9	-1.0	-5.7	3.9
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	-10.4	4.6	-0.6	-3.5
July	3.2	-4.9	8.4	12.8	5.0	3.5	-8.6	-9.6	-9.5	1.9	-4.2	-6.7
	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	-12.2	-1.2	-8.4	7.9
Q2	3.6	-3.7	5.4	16.4	5.0	4.4	-7.8	-5.9	-12.6	2.9	-2.4	-1.4
2013 Feb.	3.8	-0.6	5.0	17.3	4.1	4.7	-8.0	-3.7	-14.1	-1.1	-6.4	4.2
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	-12.4	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	5.5	-1.0	-4.1
July	3.0	-5.9	5.9	14.6	5.1	4.1	-8.8	-9.7	-10.0	2.9	-4.5	-7.2

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)

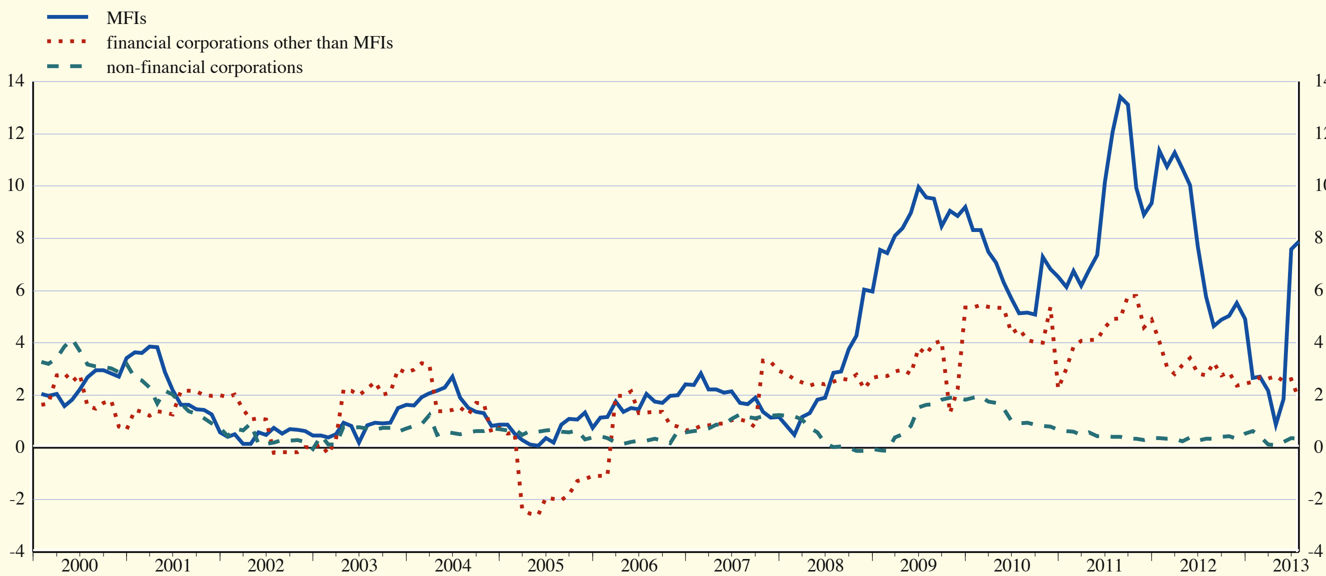
1. Outstanding amounts and annual growth rates

(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 July	4,485.9	105.7	1.9	458.6	12.1	325.5	4.9	3,701.7	0.4
Aug.	3,958.3	105.9	2.1	382.9	13.4	281.6	4.9	3,293.9	0.4
Sep.	3,724.7	105.9	2.0	350.5	13.1	264.1	5.8	3,110.1	0.3
Oct.	4,017.0	105.9	1.7	360.5	9.9	287.6	5.8	3,369.0	0.3
Nov.	3,866.3	106.0	1.5	329.8	8.9	271.2	4.6	3,265.3	0.3
Dec.	3,878.2	106.1	1.6	339.3	9.3	270.4	4.9	3,268.5	0.4
2012 Jan.	4,091.3	106.3	1.7	375.5	11.4	297.7	4.0	3,418.2	0.4
Feb.	4,257.4	106.3	1.5	394.7	10.7	310.9	3.1	3,551.9	0.3
Mar.	4,241.3	106.4	1.5	373.1	11.3	310.7	2.8	3,557.5	0.3
Apr.	4,068.4	106.5	1.4	327.3	10.7	291.6	3.1	3,449.5	0.2
May	3,762.9	106.5	1.5	280.9	10.0	259.8	3.4	3,222.1	0.4
June	3,925.6	106.6	1.1	317.6	7.7	279.9	2.8	3,328.0	0.3
July	4,051.7	106.8	1.0	309.9	5.8	287.1	2.8	3,454.7	0.3
Aug.	4,176.4	106.8	0.9	349.7	4.6	304.3	3.3	3,522.5	0.3
Sep.	4,242.3	106.9	0.9	365.0	4.9	319.2	2.8	3,558.1	0.4
Oct.	4,309.6	107.0	1.0	383.6	5.0	329.5	2.9	3,596.5	0.4
Nov.	4,397.5	106.9	0.9	395.7	5.5	337.8	2.4	3,664.0	0.3
Dec.	4,497.8	107.2	1.0	402.4	4.9	352.9	2.4	3,742.5	0.5
2013 Jan.	4,644.2	107.3	0.9	441.6	2.7	365.5	2.5	3,837.1	0.6
Feb.	4,629.2	107.1	0.8	416.1	2.7	359.1	2.7	3,854.0	0.4
Mar.	4,632.1	106.9	0.5	380.4	2.2	363.4	2.6	3,888.3	0.1
Apr.	4,731.5	106.8	0.3	410.8	0.9	383.7	2.7	3,936.9	0.1
May	4,852.6	107.1	0.5	443.0	1.9	396.5	2.5	4,013.1	0.2
June	4,651.5	107.9	1.2	418.8	7.6	382.3	2.6	3,850.4	0.4
July	4,887.7	108.0	1.1	451.6	7.9	405.4	1.9	4,030.8	0.3

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

(annual percentage changes)



Source: ECB.

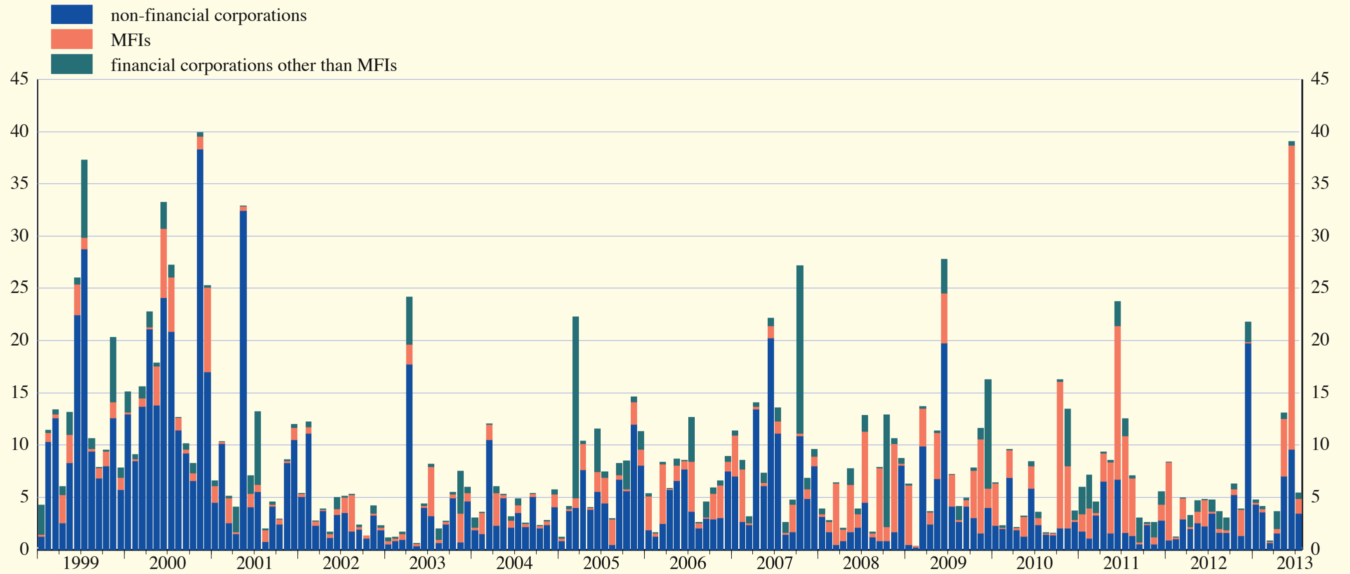
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

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 July	12.5	0.7	11.8	9.3	0.0	9.3	1.6	0.0	1.6	1.6	0.7	0.9
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

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 Sep.	0.42	2.80	2.83	2.43	1.65	1.78	0.46	1.11	2.37	2.53	1.41
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	2.06	1.15	1.22	0.37	0.70	1.57	1.76	0.60

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 Sep.	8.14	16.96	5.78	6.18	7.62	7.25	2.92	3.27	3.21	3.49	3.45	3.23	4.48	3.31
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.	7.73	17.02	5.64	6.15	7.64	7.14	2.80	3.00	2.97	3.18	3.31	3.00	4.06	3.15

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 Sep.	4.18	4.69	4.75	4.26	4.45	3.88	3.93	2.15	2.57	2.93	2.73	2.95	3.06
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

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)

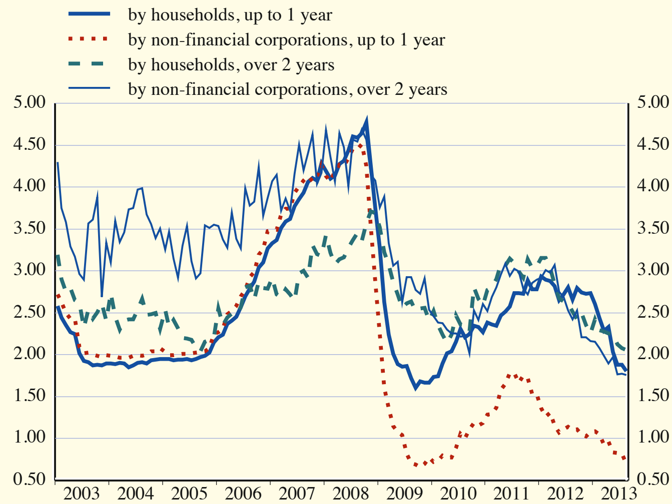
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight [2)]	With an agreed maturity of:		Redeemable at notice of: [2),3)]		Overnight [2)]	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2012 Sep.	0.42	2.69	2.79	1.65	1.78	0.46	1.82	3.02	2.61
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	1.51

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 Sep.	3.71	3.51	3.67	7.80	6.30	5.03	3.78	3.40	3.34
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	7.61	6.18	4.84	3.62	3.26	3.14
Aug.	3.51	3.22	3.37	7.58	6.15	4.82	3.61	3.26	3.12

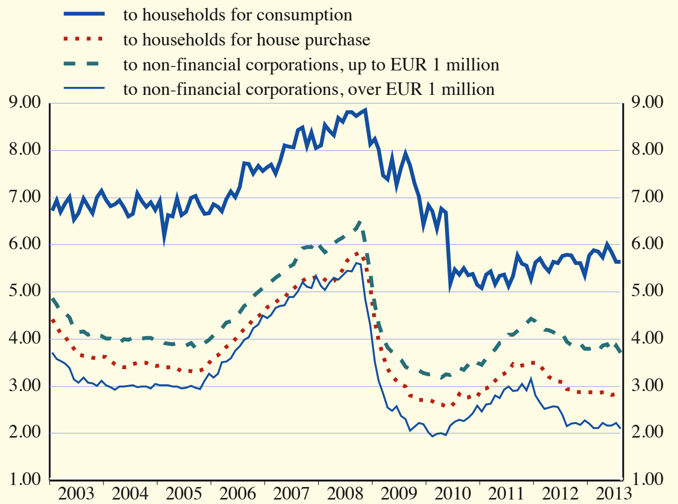
C21 New deposits with an agreed maturity

(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)



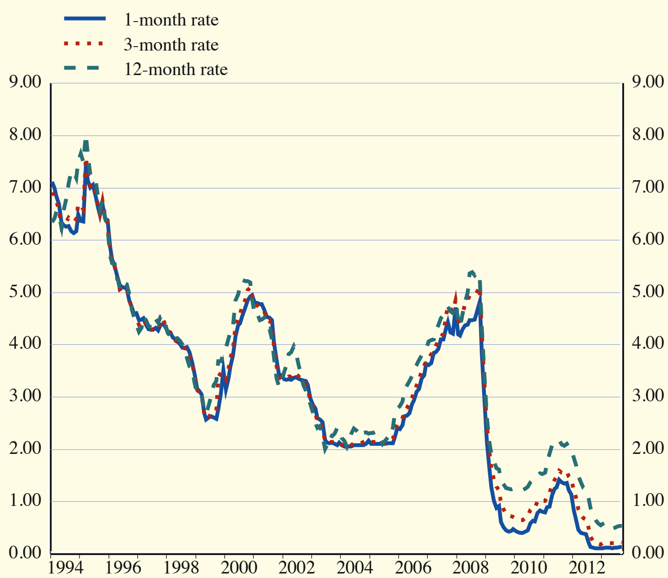
Source: ECB.

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

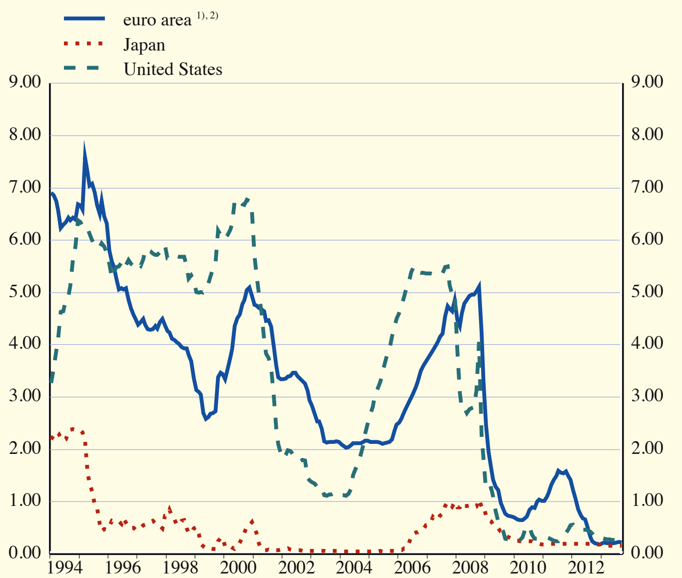
4.6 Money market interest rates
(percentages per annum; period averages)

	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 Sep.	0.10	0.12	0.25	0.48	0.74	0.39	0.19
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

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.

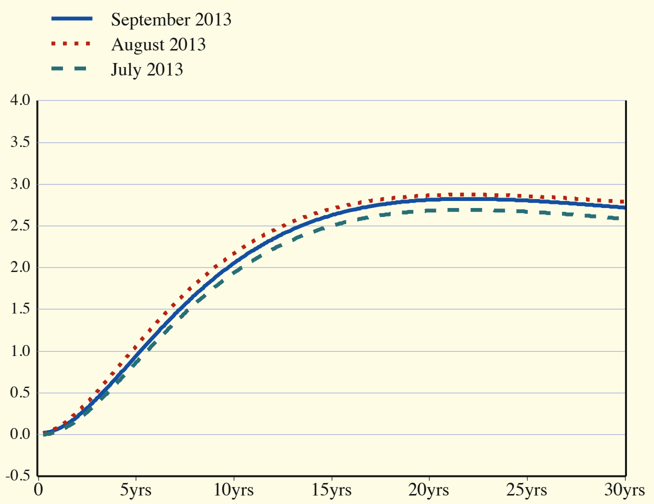
4.7 Euro area yield curves [1]

(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 Sep.	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
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

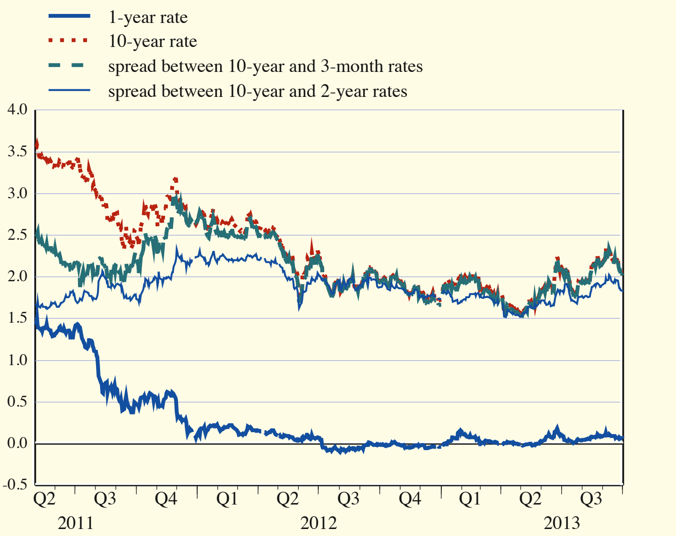
C25 Euro area spot yield curves [2]

(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.

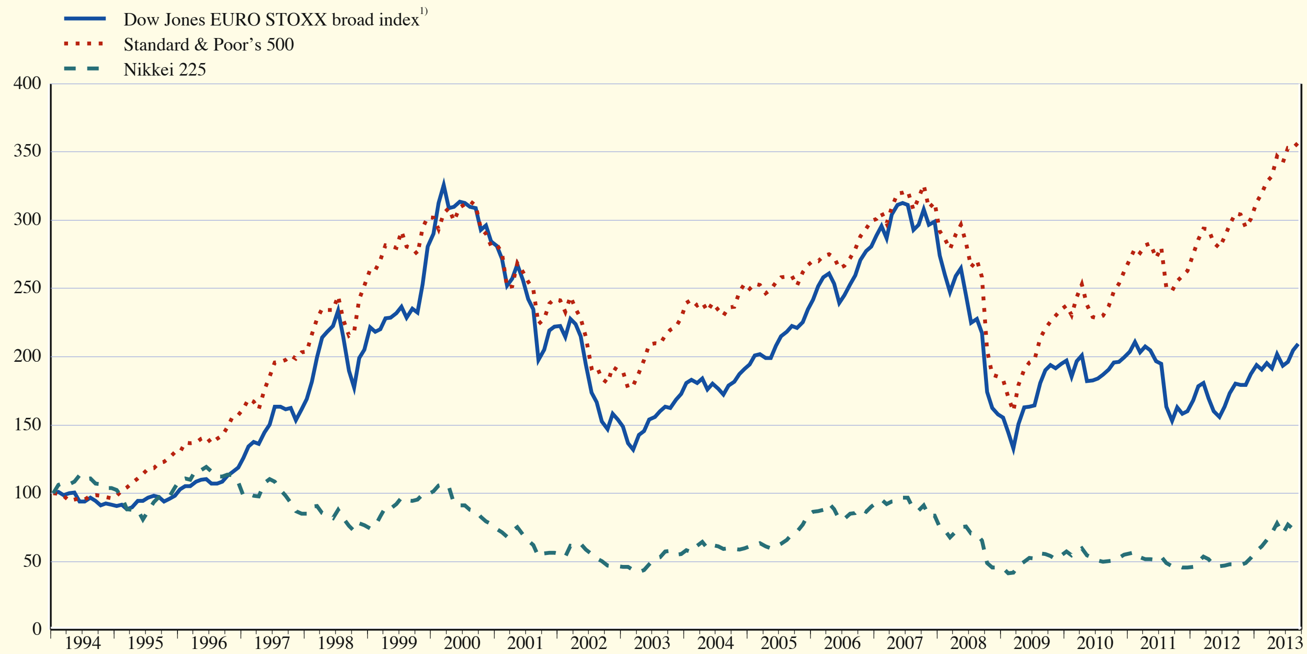
4.8 Stock market indices

(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 Sep.	250.1	2,530.7	531.4	158.2	398.1	321.0	129.5	339.8	223.0	247.2	274.6	559.7	1,443.4	8,948.6
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

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	Total excl. unprocessed food and energy	Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy (n.s.a.)	Services	Total HICP excluding administered prices	Administered prices
% 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	1.6	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	0.6	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	1.5	0.1	-1.8	0.2	1.3	2.2
Q3	117.3	1.3	.	.	1.4	.	.	.	.	1.0	.	.	.
2013 Apr.	117.4	1.2	1.1	1.2	1.1	-0.2	0.1	0.6	0.0	-1.0	-0.5	1.0	2.3
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	0.1	0.2	0.7	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	0.2	-0.1	0.8	0.2	1.6	1.7
Aug.	117.1	1.3	1.3	1.2	1.4	0.1	0.2	0.0	0.0	0.5	0.2	1.3	1.9
Sep. [3]	117.7	1.1	.	.	1.5	.	.	.	.	0.5	.	.	.

	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	.	.	.	0.4	0.1	.	.	.	.	.	.
2013 Apr.	2.9	2.1	4.2	0.5	0.8	-0.4	1.7	1.3	2.4	-4.8	1.5	0.8
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. [3]	2.6	.	.	.	0.3	-0.9	.	.	.	.	.	.

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										Construction[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	-3.4
2010	100.0	2.7	3.3	1.7	3.6	0.3	0.4	0.7	0.4	5.5	2.0	1.2
2011	105.8	5.8	5.4	3.9	5.9	1.5	3.3	1.9	3.4	11.0	3.3	1.3
2012	108.9	3.0	2.1	1.4	0.8	1.0	2.5	1.6	2.6	6.4	1.6	-1.7
2012 Q2	108.7	2.7	1.7	1.2	0.4	1.1	2.1	1.7	2.2	6.2	1.8	-1.2
Q3	109.3	2.7	1.9	1.1	0.3	0.9	2.3	1.5	2.4	6.1	1.4	-2.8
Q4	109.4	2.4	2.0	1.6	1.4	0.8	2.5	1.1	2.6	4.3	1.3	-2.2
2013 Q1	109.7	1.2	0.8	1.2	0.8	0.8	2.1	0.7	2.3	1.2	0.8	-2.9
Q2	108.7	0.0	-0.1	0.6	-0.4	0.6	1.9	0.7	2.1	-1.5	0.4	.
2013 Feb.	109.8	1.3	1.0	1.3	0.8	0.8	2.1	0.6	2.3	1.6	-	-
Mar.	109.6	0.6	0.2	1.0	0.4	0.7	1.9	0.6	2.1	-0.3	-	-
Apr.	108.9	-0.2	-0.5	0.6	-0.3	0.6	1.8	0.7	1.9	-2.0	-	-
May	108.6	-0.2	-0.2	0.5	-0.5	0.6	1.9	0.8	2.1	-1.8	-	-
June	108.6	0.3	0.4	0.6	-0.4	0.6	2.1	0.7	2.3	-0.5	-	-
July	108.9	0.2	0.3	0.6	-0.5	0.5	2.0	0.6	2.2	-0.6	-	-

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	0.9	-0.2	-0.4	2.1	-0.3	-3.4	-6.3
2010	60.7	44.6	21.4	57.9	42.1	27.1	54.5	108.0	0.8	1.5	1.6	0.8	0.8	3.1	5.0
2011	79.7	12.2	22.4	7.7	12.8	20.7	7.5	109.4	1.2	2.1	2.5	0.8	1.7	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	2.4
2012 Q3	87.3	5.3	10.4	2.7	7.8	16.0	1.6	110.9	1.3	1.6	2.0	1.4	0.9	1.6	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	0.8	1.4	1.6
2013 Q1	85.0	-3.0	-2.4	-3.3	-1.6	0.0	-2.8	111.9	1.6	1.3	1.5	1.8	0.5	0.3	-0.4
Q2	79.0	-5.2	-4.1	-5.8	-4.3	-2.1	-6.2	112.5	1.8	1.3	1.5	1.2	0.6	0.2	-0.9
Q3	82.5	-12.7	-18.7	-9.4	-12.0	-14.4	-10.0	.	.	.	.	.	.	.	.
2013 Apr.	79.3	-3.5	-3.1	-3.7	-2.0	0.3	-3.8	-	-	-	-	-	-	-	-
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	-20.5	-8.7	-12.2	-15.9	-8.9	-	-	-	-	-	-	-	-
Sep.	83.0	-12.9	-18.9	-9.7	-12.1	-13.7	-10.7	-	-	-	-	-	-	-	-

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	0.5	1.3	0.8	0.8	0.4	0.8	2.8	0.3	1.3
2012	112.4	1.7	4.2	2.6	2.8	1.6	3.3	1.5	0.4	2.4	0.6	2.1
2012 Q3	112.6	2.0	5.8	2.4	2.1	1.7	3.3	0.9	1.1	2.7	1.2	2.7
Q4	113.2	1.7	6.7	2.8	3.9	2.0	5.2	-0.8	-0.3	2.0	-0.5	3.2
2013 Q1	113.8	1.9	2.1	3.5	2.2	2.2	3.8	-0.9	-1.3	2.0	0.6	1.2
Q2	113.5	1.0	1.4	2.4	-0.6	1.9	2.8	0.1	-2.6	1.6	-0.2	0.8
	Compensation per employee											
2011	114.3	2.1	2.5	3.4	3.5	1.6	2.8	1.5	2.5	3.0	1.1	1.7
2012	116.2	1.7	1.2	2.5	3.1	1.8	2.5	1.2	1.5	2.5	1.0	1.6
2012 Q3	116.5	1.9	1.2	2.7	3.2	1.7	2.6	0.7	1.5	2.2	1.4	1.3
Q4	116.9	1.5	1.8	2.8	3.5	1.4	2.3	1.2	1.6	1.6	0.0	1.7
2013 Q1	117.9	1.8	2.5	3.0	3.0	1.2	1.6	1.8	1.2	1.9	1.4	0.7
Q2	118.0	1.5	1.7	2.4	1.8	1.5	1.1	1.0	0.8	2.3	0.9	1.1
	Labour productivity per person employed [2]											
2011	103.4	1.3	2.5	2.9	2.2	0.9	2.0	1.1	1.7	0.1	0.8	0.4
2012	103.4	0.0	-2.8	-0.1	0.4	0.2	-0.8	-0.4	1.1	0.1	0.4	-0.5
2012 Q3	103.5	-0.1	-4.4	0.3	1.1	0.0	-0.7	-0.2	0.5	-0.6	0.3	-1.3
Q4	103.3	-0.2	-4.6	0.0	-0.3	-0.6	-2.8	2.0	2.0	-0.4	0.5	-1.4
2013 Q1	103.6	0.0	0.4	-0.4	0.7	-1.0	-2.0	2.8	2.5	-0.1	0.9	-0.5
Q2	104.0	0.5	0.3	0.0	2.4	-0.3	-1.7	0.9	3.6	0.7	1.0	0.3
	Compensation per hour worked											
2011	115.9	2.0	2.0	2.6	4.0	1.8	2.6	1.1	1.8	2.6	0.9	1.7
2012	119.0	2.6	3.3	3.6	5.0	2.6	3.2	1.7	1.7	2.7	1.3	2.5
2012 Q3	119.2	2.7	2.7	4.1	5.1	2.4	3.1	1.2	1.7	2.3	1.8	2.1
Q4	119.9	2.2	3.9	3.8	5.0	2.3	2.8	2.0	2.1	2.0	0.0	2.8
2013 Q1	121.4	3.1	3.8	4.7	5.7	2.5	2.3	2.9	2.7	2.6	2.0	2.0
Q2	120.7	1.4	2.0	1.2	1.2	1.7	0.8	1.4	1.3	2.4	0.6	1.8
	Hourly labour productivity [2]											
2011	105.5	1.3	3.7	2.2	2.4	1.1	1.8	0.9	0.9	-0.1	0.6	0.4
2012	106.4	0.8	-1.8	1.0	1.9	1.0	-0.1	0.1	1.9	0.4	0.7	0.3
2012 Q3	106.4	0.7	-3.8	1.7	2.7	0.5	-0.4	0.3	1.0	-0.4	0.7	-0.6
Q4	106.6	0.6	-3.9	1.1	0.9	0.4	-1.9	2.8	3.1	0.2	0.6	-0.4
2013 Q1	107.4	1.2	0.2	1.3	3.3	-0.1	-1.3	4.0	4.0	0.8	1.5	1.1
Q2	107.0	0.3	-0.2	-1.0	1.7	-0.4	-2.0	1.0	4.0	0.7	0.7	0.9

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).

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

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	8,921.8	8,803.9	5,135.3	1,988.2	1,730.6	-50.3	117.8	3,287.1	3,169.2
2010	9,168.4	9,046.0	5,271.4	2,016.2	1,737.5	20.9	122.4	3,786.6	3,664.2
2011	9,423.7	9,293.4	5,418.8	2,029.6	1,795.6	49.4	130.3	4,173.0	4,042.7
2012	9,484.6	9,233.7	5,453.2	2,039.0	1,744.6	-3.0	250.8	4,344.5	4,093.7
2012 Q2	2,369.9	2,308.7	1,360.4	510.3	436.1	1.9	61.2	1,085.2	1,024.1
Q3	2,374.9	2,306.3	1,362.7	510.5	435.2	-2.2	68.7	1,097.2	1,028.6
Q4	2,372.7	2,299.8	1,363.3	510.2	430.8	-4.4	72.9	1,090.9	1,018.0
2013 Q1	2,381.4	2,303.4	1,366.3	514.8	421.5	0.8	78.0	1,079.6	1,001.6
Q2	2,400.6	2,315.6	1,373.1	518.1	423.3	1.1	85.0	1,095.7	1,010.7
	percentage of GDP								
2012	100.0	97.4	57.5	21.5	18.4	0.0	2.6	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2012 Q2	-0.3	-0.9	-0.6	-0.3	-1.9	-	-	1.1	-0.2
Q3	-0.1	-0.3	-0.1	-0.2	-0.4	-	-	0.6	0.2
Q4	-0.5	-0.6	-0.5	0.1	-1.2	-	-	-0.5	-0.9
2013 Q1	-0.2	-0.2	-0.2	0.0	-2.2	-	-	-1.0	-1.1
Q2	0.3	0.1	0.2	0.4	0.3	-	-	1.6	1.4
	annual percentage changes								
2009	-4.4	-3.7	-1.0	2.6	-12.8	-	-	-12.5	-11.0
2010	2.0	1.2	1.0	0.6	-0.4	-	-	11.7	10.1
2011	1.5	0.7	0.3	-0.1	1.6	-	-	6.4	4.3
2012	-0.6	-2.2	-1.4	-0.6	-3.9	-	-	2.5	-1.1
2012 Q2	-0.5	-2.4	-1.3	-0.7	-3.7	-	-	3.4	-0.8
Q3	-0.7	-2.5	-1.7	-0.6	-3.9	-	-	2.8	-1.2
Q4	-1.0	-2.3	-1.5	-0.7	-4.5	-	-	2.0	-0.9
2013 Q1	-1.0	-2.0	-1.3	-0.4	-5.6	-	-	0.1	-1.9
Q2	-0.5	-1.0	-0.6	0.3	-3.5	-	-	0.7	-0.4
	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	0.6	-	-
Q3	-0.1	-0.3	0.0	0.0	-0.1	-0.2	0.2	-	-
Q4	-0.5	-0.6	-0.3	0.0	-0.2	-0.2	0.1	-	-
2013 Q1	-0.2	-0.2	-0.1	0.0	-0.4	0.4	0.0	-	-
Q2	0.3	0.1	0.1	0.1	0.0	-0.1	0.2	-	-
	contributions to annual percentage changes in GDP; percentage points								
2009	-4.4	-3.7	-0.5	0.5	-2.7	-0.9	-0.7	-	-
2010	2.0	1.2	0.6	0.1	-0.1	0.6	0.7	-	-
2011	1.5	0.7	0.2	0.0	0.3	0.2	0.9	-	-
2012	-0.6	-2.2	-0.8	-0.1	-0.7	-0.5	1.6	-	-
2012 Q2	-0.5	-2.4	-0.8	-0.2	-0.7	-0.7	1.8	-	-
Q3	-0.7	-2.4	-1.0	-0.1	-0.7	-0.6	1.8	-	-
Q4	-1.0	-2.2	-0.8	-0.2	-0.9	-0.4	1.3	-	-
2013 Q1	-1.0	-1.9	-0.8	-0.1	-1.0	0.0	0.9	-	-
Q2	-0.5	-1.0	-0.3	0.1	-0.6	-0.1	0.5	-	-

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	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
	Current prices (EUR billions)											
2009	8,028.5	124.0	1,464.5	530.2	1,532.5	370.1	421.4	902.8	806.4	1,581.7	294.8	893.3
2010	8,226.9	136.2	1,578.7	498.4	1,547.9	370.4	438.2	917.7	826.5	1,612.6	300.2	941.5
2011	8,450.9	141.2	1,640.4	500.9	1,589.9	372.0	436.5	964.7	860.1	1,637.1	308.1	972.7
2012	8,507.5	143.8	1,642.1	490.2	1,602.3	367.8	429.7	981.5	878.5	1,657.5	314.1	977.0
2012 Q2	2,125.8	35.3	411.1	123.1	399.7	92.3	108.4	244.3	218.7	415.0	78.0	244.1
Q3	2,130.6	36.0	412.8	122.2	400.9	91.9	106.2	245.8	220.5	415.5	78.8	244.3
Q4	2,129.6	37.0	409.8	120.9	402.3	90.8	106.7	247.9	221.0	413.9	79.2	243.1
2013 Q1	2,140.2	37.1	410.9	120.2	401.9	89.9	109.0	248.9	221.8	420.8	79.7	241.1
Q2	2,154.1	37.2	414.9	120.3	404.3	89.7	110.2	251.0	224.0	422.3	80.2	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	-0.4	-0.2	0.8	0.1	-0.3	0.1	-0.6	-1.1
Q3	-0.1	-1.5	0.0	-1.0	-0.5	0.1	0.1	0.3	0.3	0.0	0.1	-0.2
Q4	-0.4	-0.3	-1.6	-1.6	-0.9	-0.9	1.0	0.5	-0.3	0.5	0.3	-1.0
2013 Q1	-0.1	0.8	-0.2	-1.1	-0.3	-0.5	-0.4	0.0	0.5	0.0	0.2	-0.3
Q2	0.3	-0.4	0.4	-0.3	0.4	0.0	-1.0	0.5	0.5	0.4	0.0	0.7
	annual percentage changes											
2009	-4.4	1.3	-12.9	-8.0	-5.1	2.9	0.4	0.4	-7.9	1.5	-0.6	-4.2
2010	2.0	-3.0	9.5	-5.7	0.7	1.9	0.2	-0.1	2.3	1.3	0.4	1.4
2011	1.7	0.5	3.0	-1.7	1.6	3.3	0.6	2.1	2.7	1.1	0.5	0.1
2012	-0.5	-4.7	-1.1	-4.4	-0.6	0.4	-0.8	0.8	0.8	0.1	0.2	-2.0
2012 Q2	-0.3	-4.2	-0.9	-3.8	-0.2	1.1	-0.8	0.7	0.9	0.0	0.3	-2.1
Q3	-0.6	-6.1	-0.8	-3.9	-0.9	0.4	-0.7	0.7	0.8	-0.2	0.1	-1.9
Q4	-0.8	-6.6	-1.4	-5.3	-1.6	-1.2	1.2	0.9	0.1	0.3	-0.1	-2.2
2013 Q1	-0.8	-2.7	-2.0	-4.9	-2.1	-1.5	1.6	1.0	0.2	0.7	0.0	-2.7
Q2	-0.4	-1.3	-1.5	-4.0	-1.3	-1.3	-0.3	1.4	1.0	0.9	0.6	-0.9
	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	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q2	0.3	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	-4.4	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	1.7	0.0	0.6	-0.1	0.3	0.1	0.0	0.2	0.3	0.2	0.0	-
2012	-0.5	-0.1	-0.2	-0.3	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	-
2012 Q2	-0.3	-0.1	-0.2	-0.2	0.0	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	-0.8	-0.1	-0.3	-0.3	-0.3	-0.1	0.1	0.1	0.0	0.1	0.0	-
2013 Q1	-0.8	0.0	-0.4	-0.3	-0.4	-0.1	0.1	0.1	0.0	0.1	0.0	-
Q2	-0.4	0.0	-0.3	-0.2	-0.3	-0.1	0.0	0.2	0.1	0.2	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	101.2	-2.2	-2.3	-2.5	-4.2	-0.8	-2.2	-5.4	-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	-3.7	-0.9	-4.5	-0.5	0.1	-5.7
Q2	-1.7	100.0	-1.1	-1.0	-1.1	-2.1	-0.2	-0.6	-4.0	0.0	-1.0	-4.1
2013 Mar.	-2.6	100.0	-1.6	-3.1	-3.4	-4.1	-3.6	-2.4	-1.8	-2.6	8.9	-7.6
Apr.	-2.0	100.1	-0.9	-0.8	-0.9	-2.4	0.4	-0.3	-4.6	0.5	-0.7	-6.4
May	-2.1	99.6	-1.9	-2.0	-2.1	-2.6	-2.4	-0.9	-6.1	-0.1	-0.2	-3.7
June	-1.0	100.2	-0.4	-0.1	-0.2	-1.3	1.2	-0.5	-1.6	-0.5	-2.0	-2.7
July	-1.8	98.7	-2.1	-2.1	-2.0	-1.2	-3.3	-1.1	-3.9	-0.7	-2.8	-1.2
	month-on-month percentage changes (s.a.)											
2013 Mar.	0.0	-	0.7	0.1	0.2	0.1	0.3	0.0	1.8	0.0	3.8	-1.6
Apr.	0.4	-	0.1	0.7	0.4	0.0	1.5	0.3	-1.8	0.8	-1.7	1.0
May	-0.5	-	-0.4	-0.5	-0.4	0.6	-1.9	0.3	-2.1	0.6	-0.1	0.8
June	0.5	-	0.6	0.9	1.0	0.3	2.0	0.4	4.3	-0.4	-1.6	0.9
July	-1.0	-	-1.5	-1.5	-1.6	-0.7	-2.6	-1.3	-2.2	-0.9	-1.6	0.3

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	0.3	1.4	2.2	0.2	-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	-0.2	-3.3	838	-1.1
2012	104.6	-3.7	108.7	-0.5	0.5	98.0	-1.7	-1.2	-1.7	-4.2	-2.6	-5.2	743	-11.0
2012 Q3	104.7	-2.9	109.2	-0.7	0.8	98.2	-1.4	-0.8	-1.4	-2.6	-1.9	-4.6	721	-12.7
Q4	103.2	-2.3	107.2	-1.7	-0.8	96.8	-2.7	-2.0	-2.8	-4.7	-4.3	-5.7	709	-14.2
2013 Q1	102.8	-2.3	106.8	-2.7	-1.2	97.1	-2.0	-1.7	-2.2	-3.6	-4.6	-3.6	688	-11.3
Q2	103.6	-1.4	106.6	-1.8	-0.2	97.3	-0.7	-1.7	0.1	2.3	-3.1	-0.9	708	-7.2
2013 Apr.	102.6	-2.6	106.6	-1.9	-0.7	96.8	-1.1	-2.5	0.1	3.3	-3.6	0.3	709	-6.5
May	103.5	-2.0	106.4	-2.7	0.5	97.9	0.1	-0.8	0.6	0.5	-1.9	-0.4	703	-8.0
June	104.6	0.3	106.8	-0.9	-0.4	97.2	-1.1	-1.8	-0.3	3.0	-3.8	-2.5	712	-7.2
July	103.2	-1.6	105.8	-1.7	-0.5	97.4	-1.3	-0.6	-1.6	.	.	-4.9	703	-0.1
Aug.	.	.	.	.	.	.	.	.	.	.	.	.	708	-4.1
	month-on-month percentage changes (s.a.)													
2013 Apr.	-	-1.1	-	-0.6	-0.1	-	0.0	-1.5	1.0	2.5	-0.1	0.6	-	1.3
May	-	0.9	-	-0.2	1.2	-	1.1	1.2	0.8	0.9	1.0	0.3	-	-0.9
June	-	1.0	-	0.4	-0.5	-	-0.7	-0.5	-0.6	1.3	-1.0	0.6	-	1.2
July	-	-1.3	-	-1.0	0.2	-	0.1	1.0	-0.4	.	.	-1.0	-	-1.2
Aug.	-	.	-	.	.	-	.	.	.	.	.	.	-	0.8

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: Industrial confidence indicator: Total [4]	Order books	Stocks of finished products	Production expectations	Capacity utilisation [3] (%)	Consumer confidence indicator: 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
	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	-8.4	-25.0	4.5	4.4	.	-16.0	-8.0	-16.8	29.8	-9.3
2013 Apr.	88.6	-13.7	-33.5	6.3	-1.4	77.5	-22.2	-10.9	-26.4	37.9	-13.7
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	-6.7	-23.3	3.7	7.1	-	-14.9	-7.2	-13.6	28.6	-10.3

	Construction confidence indicator: Total [4]	Order books	Employment expectations	Retail trade confidence indicator: Total [4]	Present business situation	Volume of stocks	Expected business situation	Services confidence indicator: 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	-40.2	-22.9	-10.5	-16.7	8.6	-6.2	-5.4	-8.3	-8.7	0.7
2013 Apr.	-31.1	-38.7	-23.5	-18.4	-26.4	12.1	-16.8	-11.1	-16.0	-14.8	-2.7
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	-37.4	-20.2	-7.0	-11.3	7.1	-2.6	-3.3	-5.6	-7.4	3.0

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

	Total	By employment status: Employees	By employment status: Self-employed	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	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

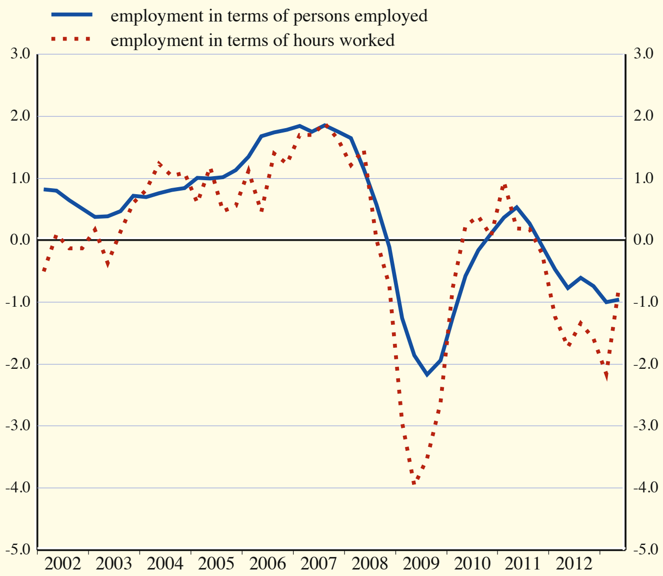
(seasonally adjusted, unless otherwise indicated)

2. Unemployment and job vacancies [1)]

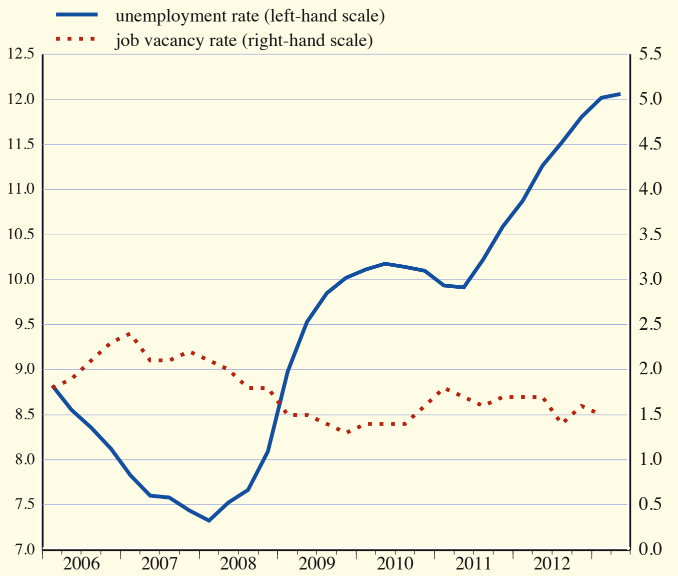
	Unemployment										Job vacancy rate [2)]
	Total		By age [3)]				By gender [4)]				
			Adult		Youth		Male		Female		
	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.5		20.5		54.0		46.0		
	1	2	3	4	5	6	7	8	9	10	11
2009	15.052	9.6	11.767	8.4	3.286	20.3	8.145	9.4	6.907	9.8	1.4
2010	15.930	10.1	12.653	8.9	3.277	20.9	8.602	10.0	7.328	10.3	1.5
2011	16.031	10.2	12.826	9.0	3.206	20.9	8.542	9.9	7.489	10.5	1.7
2012	18.059	11.4	14.578	10.1	3.481	23.1	9.696	11.2	8.363	11.6	1.6
2012 Q2	17.901	11.3	14.453	10.1	3.447	22.9	9.632	11.1	8.268	11.4	1.7
Q3	18.326	11.5	14.802	10.3	3.523	23.4	9.846	11.4	8.480	11.7	1.4
Q4	18.779	11.8	15.194	10.5	3.585	23.9	10.075	11.7	8.704	12.0	1.6
2013 Q1	19.103	12.0	15.527	10.8	3.575	24.0	10.257	11.9	8.845	12.2	1.5
Q2	19.194	12.1	15.679	10.9	3.515	23.8	10.276	11.9	8.918	12.2	.
2013 Mar.	19.125	12.0	15.582	10.8	3.543	23.9	10.259	11.9	8.866	12.2	-
Apr.	19.176	12.1	15.639	10.8	3.538	23.9	10.266	11.9	8.910	12.2	-
May	19.212	12.1	15.705	10.9	3.508	23.7	10.286	11.9	8.926	12.3	-
June	19.194	12.1	15.694	10.9	3.500	23.8	10.277	11.9	8.917	12.2	-
July	19.183	12.0	15.704	10.9	3.479	23.8	10.247	11.9	8.937	12.3	-
Aug.	19.178	12.0	15.722	10.9	3.457	23.7	10.228	11.9	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	40.7
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	44.5	11.5	8.9	2.5	12.9	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.4
2011	45.3	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	1.6	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	43.1
2008	47.3	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	27.2	24.2	1.8	0.4	4.4	2.6	1.8	0.0	48.1
2011	49.5	46.0	10.6	5.5	3.0	26.9	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	46.9

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	13.7
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	-13.9	-15.6	-11.2	-7.5	-5.5	-6.1	-0.8	-3.7	-5.6	-4.1	-10.2	-6.2	-8.0	-2.5
2010	-3.8	-4.1	0.2	-30.8	-10.7	-9.7	-7.1	-4.5	-5.3	-0.9	-3.6	-5.1	-4.5	-9.8	-5.9	-7.7	-2.5
2011	-3.7	-0.8	1.2	-13.4	-9.5	-9.4	-5.3	-3.8	-6.3	-0.2	-2.8	-4.5	-2.5	-4.4	-6.4	-5.1	-0.8
2012	-3.9	0.2	-0.3	-7.6	-10.0	-10.6	-4.8	-3.0	-6.3	-0.8	-3.3	-4.1	-2.5	-6.4	-4.0	-4.3	-1.9

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	60.2	40.5	24.3	10.6	5.6	44.9
2011	87.3	2.4	15.4	7.4	62.1	42.8	24.7	11.3	6.9	44.5
2012	90.7	2.6	17.4	6.8	63.9	46.6	26.5	12.4	7.7	44.0

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	61.9	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	67.9	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	69.3	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	69.2	8.3	5.9	1.9	13.0	72.3	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	6.0	20.8	30.4	36.1	85.6	1.7
2012	90.7	73.6	8.9	6.0	2.3	11.7	78.9	7.0	20.6	32.1	37.9	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	7.2	64.8	129.7	53.9	79.2	116.4	58.5	15.3	66.4	60.8	69.2	83.7	35.0	35.6	43.5
2010	95.5	82.4	6.7	92.1	148.3	61.5	82.4	119.3	61.3	19.2	67.4	63.1	72.0	94.0	38.6	41.0	48.6
2011	97.8	80.4	6.2	106.4	170.3	69.3	85.8	120.8	71.1	18.3	70.3	65.5	72.5	108.3	46.9	43.3	49.0
2012	99.6	81.9	10.1	117.6	156.9	84.2	90.2	127.0	85.8	20.8	72.1	71.2	73.4	123.6	54.1	52.1	53.0

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	3.5	1.6	3.4
2011	4.2	4.0	0.1	0.0	0.0	0.4	0.2	3.5	3.4	1.0	1.0	0.8
2012	4.0	5.4	-1.4	0.0	0.2	2.1	-0.5	2.2	4.1	2.0	1.2	-0.2

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	3.0	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	4.0	-3.7	0.2	1.4	0.3	0.6	-0.1	0.6	-0.1	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 Q1	42.2	41.9	10.4	12.8	14.7	2.2	0.9	0.4	0.3	38.3
Q2	45.8	45.4	13.0	13.0	15.0	2.2	1.4	0.4	0.3	41.2
Q3	43.6	43.2	12.3	12.4	14.8	2.2	0.7	0.5	0.3	39.7
Q4	49.2	48.7	14.8	13.8	15.7	2.5	1.0	0.6	0.3	44.6
2008 Q1	42.4	42.1	10.9	12.3	14.8	2.2	1.1	0.3	0.2	38.2
Q2	45.3	45.0	12.9	12.4	15.1	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.0	12.2	12.0	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.8	48.3	13.9	13.4	16.4	2.6	1.1	0.5	0.3	43.9
2009 Q1	42.5	42.3	10.4	12.0	15.6	2.4	1.1	0.1	0.2	38.2
Q2	45.4	44.8	11.8	12.5	15.7	2.5	1.4	0.6	0.5	40.5
Q3	42.8	42.5	10.9	12.0	15.5	2.5	0.7	0.3	0.3	38.7
Q4	48.7	47.8	13.0	13.6	16.4	2.7	1.0	0.8	0.5	43.5
2010 Q1	42.2	42.0	10.1	12.2	15.5	2.4	0.9	0.2	0.3	38.1
Q2	45.1	44.7	11.9	12.6	15.4	2.6	1.3	0.5	0.3	40.2
Q3	43.0	42.6	10.9	12.5	15.2	2.5	0.7	0.3	0.3	38.9
Q4	48.5	47.8	13.2	13.4	16.4	2.8	1.0	0.7	0.3	43.3
2011 Q1	42.9	42.7	10.6	12.5	15.3	2.5	1.0	0.3	0.3	38.7
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	39.5
Q4	49.2	48.2	13.3	13.4	16.7	2.8	1.0	1.0	0.4	43.8
2012 Q1	43.3	43.2	10.9	12.6	15.4	2.4	1.0	0.2	0.2	39.1
Q2	46.2	45.8	12.6	12.8	15.6	2.5	1.4	0.3	0.3	41.3
Q3	44.7	44.3	11.9	12.6	15.5	2.6	0.8	0.4	0.3	40.4
Q4	50.6	49.9	14.2	13.9	16.9	2.8	1.0	0.7	0.3	45.3
2013 Q1	43.9	43.7	11.2	12.6	15.7	2.5	1.0	0.2	0.3	39.7

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 Q1	44.9	41.4	9.9	4.5	2.9	24.1	20.7	1.1	3.5	2.3	1.2	-2.6	0.3
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	-1.0	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	0.0	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	-0.6	2.7
Q3	45.7	42.1	9.8	5.0	3.0	24.4	21.2	1.2	3.7	2.7	1.0	-2.4	0.6
Q4	51.4	46.7	11.2	6.3	2.9	26.3	22.3	1.4	4.6	2.9	1.7	-2.5	0.4
2009 Q1	49.3	45.5	10.7	5.1	2.8	26.9	22.9	1.3	3.8	2.6	1.2	-6.9	-4.1
Q2	50.7	46.5	11.1	5.5	3.0	26.9	23.3	1.3	4.2	2.8	1.3	-5.3	-2.3
Q3	50.1	46.0	10.6	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	28.4	24.0	1.5	4.9	3.0	1.9	-6.0	-3.2
2010 Q1	50.4	46.5	10.8	5.1	2.7	27.9	23.6	1.4	3.9	2.4	1.5	-8.2	-5.5
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.5	-1.5
Q3	50.4	45.2	10.3	5.4	2.7	26.8	23.1	1.3	5.2	2.6	2.6	-7.4	-4.7
Q4	53.4	48.7	11.4	6.6	2.9	27.7	23.6	1.5	4.7	2.7	2.0	-4.9	-2.0
2011 Q1	48.5	45.4	10.4	5.0	2.9	27.2	23.1	1.3	3.1	2.1	1.0	-5.6	-2.7
Q2	48.5	45.3	10.6	5.3	3.2	26.2	22.8	1.2	3.3	2.3	0.9	-3.3	0.0
Q3	48.0	44.6	10.1	5.2	2.9	26.4	22.9	1.2	3.5	2.3	1.1	-4.4	-1.5
Q4	52.6	48.7	11.2	6.5	3.2	27.7	23.6	1.5	3.9	2.5	1.7	-3.4	-0.2
2012 Q1	48.1	45.5	10.3	4.9	3.0	27.3	23.3	1.2	2.7	1.9	0.8	-4.8	-1.8
Q2	49.1	45.8	10.5	5.3	3.3	26.7	23.2	1.2	3.3	2.1	1.2	-3.0	0.3
Q3	48.5	44.9	10.0	5.3	2.9	26.7	23.4	1.2	3.6	2.2	1.4	-3.9	-1.0
Q4	53.9	48.8	11.0	6.5	3.2	28.1	24.1	1.4	5.0	2.3	2.8	-3.3	-0.1
2013 Q1	48.8	46.1	10.4	4.9	2.8	27.9	23.8	1.2	2.7	1.8	1.1	-4.9	-2.1

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)

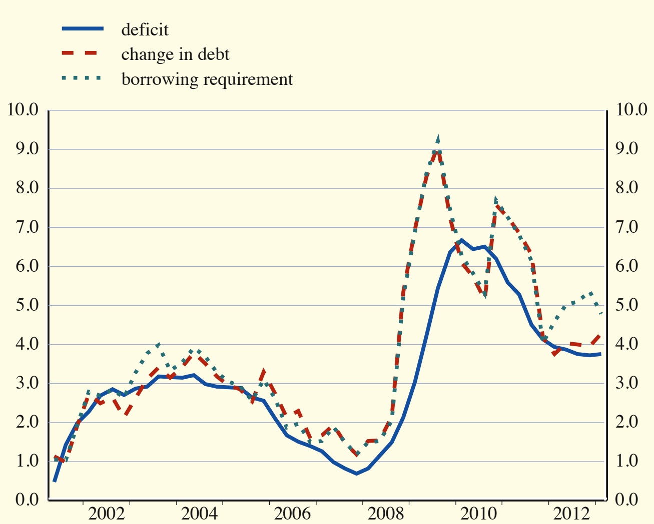
1. Euro area – Maastricht debt by financial instrument

	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2010 Q2	82.9	2.4	13.5	7.8	59.2
Q3	83.0	2.4	13.4	7.9	59.3
Q4	85.4	2.4	15.4	7.3	60.2
2011 Q1	86.3	2.4	15.2	7.4	61.2
Q2	87.2	2.4	15.0	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	62.3
Q2	89.9	2.5	16.7	7.3	63.4
Q3	89.9	2.5	16.5	7.2	63.6
Q4	90.7	2.6	17.4	6.8	63.9
2013 Q1	92.3	2.6	16.9	7.0	65.7

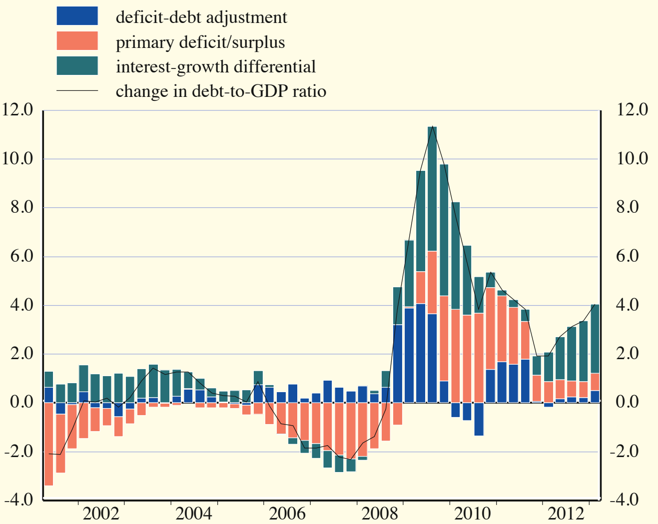
2. Euro area – deficit-debt adjustment

	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 Q2	7.7	-4.5	3.2	3.3	2.0	1.1	-0.2	0.4	-0.1	0.0	7.7
Q3	2.7	-7.4	-4.7	-2.9	-2.3	-0.6	-0.1	0.1	0.0	-1.8	2.8
Q4	11.6	-4.9	6.7	5.6	-0.4	1.6	4.4	0.0	0.0	1.1	11.6
2011 Q1	6.9	-5.6	1.3	0.7	2.1	-0.8	-0.6	-0.1	0.2	0.4	6.7
Q2	6.0	-3.3	2.8	2.6	2.8	0.6	-0.3	-0.5	0.1	0.1	5.9
Q3	0.7	-4.4	-3.6	-3.7	-3.7	-0.4	0.2	0.2	0.5	-0.4	0.3
Q4	3.2	-3.4	-0.2	-0.6	-0.3	-0.2	-0.1	0.1	-0.1	0.5	3.3
2012 Q1	5.1	-4.8	0.3	3.8	4.2	0.0	-0.4	0.0	-3.9	0.4	8.9
Q2	7.1	-3.0	4.1	3.8	1.6	1.1	0.4	0.7	-0.5	0.8	7.6
Q3	0.6	-3.9	-3.3	-1.3	-1.7	0.6	-0.4	0.1	0.0	-2.0	0.6
Q4	3.0	-3.3	-0.2	-0.7	-2.9	0.5	0.1	1.6	-1.3	1.8	4.4
2013 Q1	6.4	-4.9	1.5	1.6	1.7	-0.2	-0.3	0.4	-0.2	0.1	6.6

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

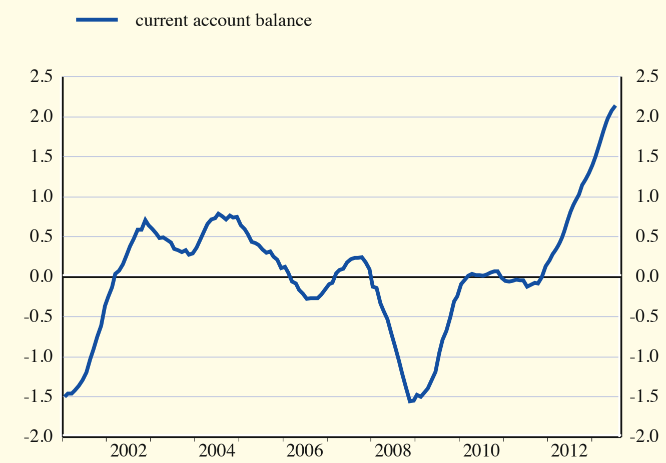
7.1 Summary balance of payments [1]

(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	3.5	17.2	56.5	38.9	-109.2	5.7	9.2	9.1	-88.8	119.5	18.4	-29.5	-10.5	-18.3
2011	14.9	6.8	73.2	42.1	-107.2	11.2	26.0	-42.7	-118.7	252.5	-5.3	-161.0	-10.2	16.6
2012	122.4	98.9	92.2	38.5	-107.2	15.1	137.5	-146.8	-64.1	90.4	17.8	-176.8	-14.1	9.3
2012 Q2	18.3	25.7	26.3	-8.6	-25.1	1.4	19.8	-19.5	-15.2	96.7	-8.0	-84.0	-9.0	-0.3
Q3	40.8	30.3	27.0	13.0	-29.4	4.0	44.9	-41.6	-4.9	-14.8	2.8	-24.6	-0.1	-3.2
Q4	66.1	36.2	22.3	21.6	-14.0	6.4	72.5	-87.8	-40.4	85.3	28.3	-158.0	-3.0	15.3
2013 Q1	32.5	32.5	18.9	22.7	-41.6	1.7	34.2	-37.8	-23.6	10.7	9.3	-34.1	0.0	3.5
Q2	53.7	52.7	27.4	1.1	-27.5	4.4	58.1	-59.2	-11.9	65.5	3.4	-115.0	-1.2	1.1
2012 July	21.8	14.5	9.9	5.2	-7.9	0.7	22.4	-17.5	2.5	4.8	-1.7	-23.6	0.5	-5.0
Aug.	8.8	5.6	7.9	5.9	-10.6	1.6	10.5	-7.7	12.6	-19.1	6.2	-5.9	-1.6	-2.8
Sep.	10.2	10.2	9.1	1.9	-11.0	1.7	11.9	-16.4	-20.0	-0.5	-1.7	4.9	1.0	4.5
Oct.	15.0	10.5	7.0	6.4	-8.8	2.4	17.4	-19.0	-7.7	60.4	10.3	-79.3	-2.6	1.5
Nov.	22.4	14.0	5.7	7.5	-4.8	2.3	24.7	-34.3	11.1	18.3	7.4	-70.0	-1.0	9.6
Dec.	28.6	11.8	9.5	7.6	-0.3	1.7	30.4	-34.5	-43.8	6.6	10.6	-8.7	0.7	4.1
2013 Jan.	-4.2	-2.3	4.7	6.7	-13.2	0.1	-4.0	-3.9	-10.0	24.7	5.0	-18.8	-4.8	7.9
Feb.	11.9	11.9	6.4	9.2	-15.6	1.2	13.1	-9.0	11.0	-18.4	3.0	-7.2	2.6	-4.1
Mar.	24.8	22.9	7.8	6.8	-12.7	0.4	25.2	-24.9	-24.6	4.4	1.2	-8.1	2.2	-0.3
Apr.	16.6	16.3	7.5	2.4	-9.5	1.3	17.9	-18.5	-6.9	1.5	-3.4	-9.7	-0.1	0.6
May	9.3	17.3	8.2	-7.5	-8.7	2.3	11.6	-9.8	0.2	39.2	-7.2	-41.5	-0.6	-1.8
June	27.8	19.1	11.8	6.3	-9.3	0.7	28.5	-30.9	-5.3	24.8	13.9	-63.8	-0.6	2.3
July	26.6	20.5	10.7	4.8	-9.4	2.3	28.8	-27.3	-2.7	-40.8	-0.5	16.4	0.3	-1.6
	12-month cumulated transactions													
2013 July	198.0	157.6	96.4	58.0	-114.0	18.1	216.1	-236.1	-86.1	101.2	44.9	-291.7	-4.5	20.1
	12-month cumulated transactions as a percentage of GDP													
2013 July	2.1	1.7	1.0	0.6	-1.2	0.2	2.3	-2.5	-0.9	1.1	0.5	-3.1	0.0	0.2

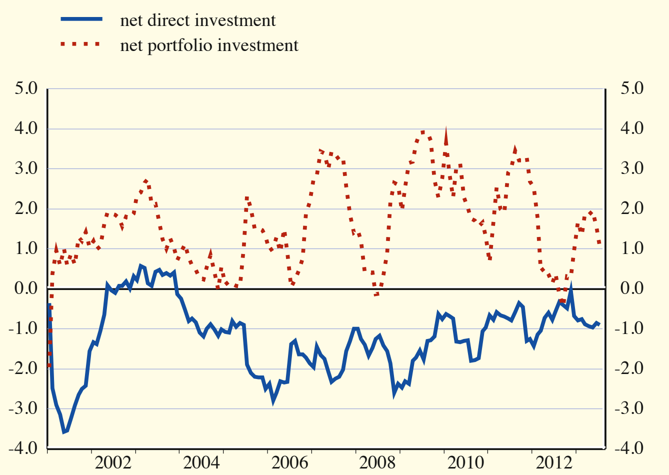
C32 Euro area b.o.p.: current account

(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.

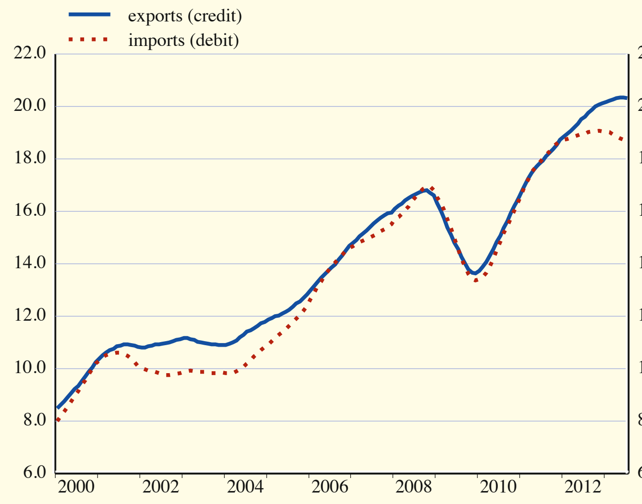
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

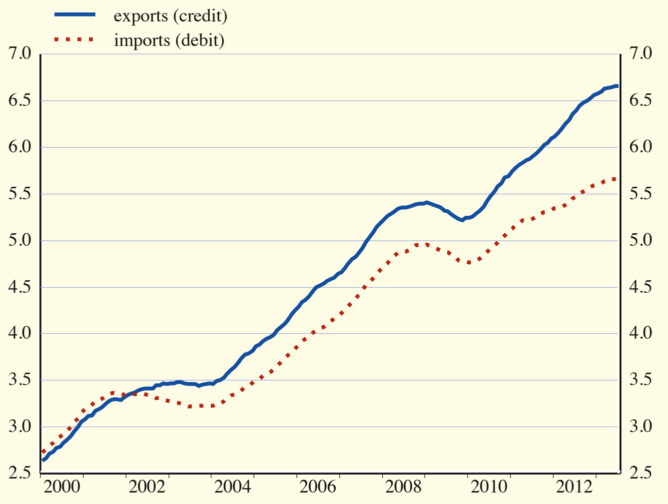
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remittances		Workers' remittances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	2,710.8	2,707.3	3.5	1,576.9	1,559.6	543.9	487.5	502.8	463.9	87.1	6.3	196.3	27.1	20.3	14.7
2011	2,985.1	2,970.2	14.9	1,787.9	1,781.1	581.5	508.4	521.2	479.1	94.5	6.6	201.7	27.8	25.4	14.2
2012	3,150.0	3,027.6	122.4	1,918.3	1,819.4	626.0	533.8	507.6	469.1	98.1	6.8	205.3	26.2	29.0	13.9
2012 Q2	791.5	773.1	18.3	480.5	454.8	156.8	130.4	133.0	141.6	21.2	1.6	46.3	6.6	5.8	4.3
Q3	789.7	748.9	40.8	480.1	449.8	167.2	140.2	125.1	112.2	17.3	1.9	46.7	6.6	7.0	2.9
Q4	812.4	746.3	66.1	489.5	453.3	161.5	139.2	127.9	106.3	33.5	1.7	47.5	6.7	10.8	4.4
2013 Q1	764.3	731.8	32.5	471.0	438.5	145.0	126.1	120.4	97.6	28.0	1.6	69.6	5.9	5.8	4.2
Q2	805.4	751.6	53.7	489.6	436.9	160.0	132.5	134.8	133.6	21.0	.	48.6	.	7.1	2.8
2013 May	266.1	256.8	9.3	162.9	145.6	52.3	44.1	43.9	51.4	7.0	-	15.7	-	3.1	0.8
June	274.1	246.3	27.8	161.3	142.2	56.8	45.0	48.6	42.3	7.5	-	16.8	-	1.7	1.0
July	276.4	249.8	26.6	168.3	147.9	58.0	47.2	42.3	37.5	7.8	-	17.2	-	3.1	0.8
	Seasonally adjusted														
2012 Q4	793.8	751.3	42.6	483.7	451.5	158.6	135.3	126.2	112.5	25.3	-	52.0	-	-	-
2013 Q1	793.5	734.8	58.8	483.5	440.2	158.7	132.9	125.5	108.0	25.7	-	53.7	-	-	-
Q2	800.7	739.0	61.7	486.8	438.2	160.0	135.9	128.7	111.9	25.3	-	53.0	-	-	-
2013 May	265.4	245.4	20.0	163.0	144.7	52.6	46.1	41.6	37.1	8.2	-	17.6	-	-	-
June	267.0	247.3	19.8	160.4	148.1	54.3	45.0	43.5	36.4	8.9	-	17.8	-	-	-
July	258.7	241.8	16.9	154.5	141.0	52.1	43.6	42.8	39.3	9.3	-	17.9	-	-	-
	12-month cumulated transactions														
2013 July	3,181.2	2,977.2	204.0	1,936.4	1,777.3	634.6	538.2	508.0	450.2	102.2	-	211.5	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2013 July	33.4	31.2	2.1	20.3	18.7	6.7	5.6	5.3	4.7	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	477.7	451.5	245.8	48.6	154.7	45.2	23.4	24.3	28.8	84.0	102.1	123.8	77.6	64.7
2011	27.1	13.0	494.1	466.1	248.9	25.6	154.0	53.2	24.7	23.0	35.3	97.6	103.3	127.0	81.9	64.6
2012	28.6	13.2	478.9	455.9	233.4	51.1	153.7	24.1	25.5	24.0	42.4	104.1	98.5	118.8	79.2	55.3
2012 Q1	6.9	2.5	114.7	106.5	55.4	23.1	36.8	17.5	5.7	5.4	8.9	16.8	24.2	32.3	20.6	15.3
Q2	7.2	3.5	125.8	138.1	59.1	-0.4	44.2	8.0	6.3	5.8	15.6	45.4	24.7	28.7	20.1	14.1
Q3	7.1	3.9	118.0	108.2	56.9	15.7	38.7	13.9	6.7	5.5	9.9	21.2	24.9	29.8	19.5	13.0
Q4	7.5	3.3	120.4	103.0	61.9	12.7	34.1	-15.3	6.9	7.3	8.0	20.7	24.7	27.9	18.9	12.9
2013 Q1	7.1	2.4	113.3	95.2	57.3	24.5	32.4	15.5	6.2	5.3	7.5	17.6	24.6	28.2	17.6	11.7

3. Geographical breakdown
(cumulated transactions)

	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									
2012 Q2 to 2013 Q1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	3,157.9	1,001.0	54.6	90.9	481.8	309.3	64.3	62.4	46.8	151.6	39.4	72.2	123.7	251.4	420.3	989.2
Goods	1,921.2	590.8	35.3	57.2	253.3	244.8	0.2	32.9	23.1	117.7	29.4	44.7	90.6	134.7	227.3	630.0
Services	630.4	190.1	12.3	17.4	118.9	34.7	6.8	10.3	10.5	22.1	7.4	15.3	21.4	62.1	95.5	195.8
Income	506.3	155.2	6.1	14.0	98.4	26.7	10.1	18.8	12.3	11.1	2.4	11.3	11.2	45.2	90.3	148.4
Investment income	477.5	147.5	5.3	13.9	96.7	25.9	5.7	18.7	12.2	11.1	2.4	11.3	11.1	30.2	88.7	144.3
Current transfers	100.0	65.0	1.0	2.3	11.2	3.2	47.3	0.4	0.9	0.7	0.2	0.8	0.5	9.4	7.1	15.1
Capital account	29.4	25.4	0.0	0.0	2.4	0.7	22.2	0.1	0.0	0.0	0.0	0.0	0.2	0.9	0.4	2.4
	Debits															
Current account	3,000.1	947.6	48.8	88.8	419.6	279.9	110.3	38.1	31.4	-	34.6	95.2	155.9	210.5	395.3	-
Goods	1,796.5	507.2	29.9	50.4	201.0	225.8	0.0	28.7	13.9	201.9	26.0	46.1	137.8	107.4	149.4	578.2
Services	535.9	154.2	9.0	14.6	91.3	39.0	0.3	5.6	7.1	15.5	6.8	9.7	11.1	48.3	110.4	167.1
Income	457.7	160.2	8.8	21.9	114.9	9.9	4.6	2.4	8.3	-	0.9	38.8	6.2	45.0	128.8	-
Investment income	444.6	153.1	8.7	21.8	113.3	4.6	4.6	2.4	8.1	-	0.7	38.7	6.0	44.5	127.6	-
Current transfers	210.1	126.0	1.1	1.9	12.3	5.3	105.4	1.3	2.0	4.1	1.0	0.6	0.9	9.9	6.6	57.6
Capital account	15.9	4.0	0.1	0.1	3.2	0.5	0.2	0.2	0.1	0.4	0.2	0.0	0.1	0.6	3.5	6.8
	Net															
Current account	157.8	53.5	5.8	2.1	62.2	29.4	-46.0	24.3	15.4	-	4.8	-23.0	-32.2	40.9	25.0	-
Goods	124.7	83.6	5.4	6.8	52.2	19.0	0.2	4.2	9.1	-84.2	3.4	-1.3	-47.2	27.3	77.9	51.8
Services	94.5	35.9	3.3	2.8	27.6	-4.3	6.4	4.7	3.4	6.6	0.6	5.7	10.2	13.8	-14.9	28.7
Income	48.6	-4.9	-2.8	-7.9	-16.5	16.8	5.4	16.3	4.0	-	1.5	-27.5	5.1	0.3	-38.4	-
Investment income	32.9	-5.6	-3.5	-7.9	-16.6	21.3	1.1	16.4	4.1	-	1.7	-27.4	5.1	-14.3	-38.9	-
Current transfers	-110.1	-61.1	-0.1	0.4	-1.2	-2.1	-58.1	-0.9	-1.1	-3.4	-0.7	0.2	-0.3	-0.5	0.5	-42.6
Capital account	13.5	21.4	0.0	0.0	-0.9	0.2	22.0	-0.2	0.0	-0.4	-0.2	0.0	0.1	0.4	-3.1	-4.4

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	15,216.8	16,479.1	-1,262.3	166.0	179.7	-13.8	4,946.7	3,908.6	4,907.3	7,470.9	-32.6	4,807.6	5,099.5	587.8
2011	15,843.0	17,152.6	-1,309.6	168.1	182.0	-13.9	5,564.7	4,392.0	4,762.6	7,628.4	-24.3	4,876.7	5,132.3	663.4
2012 Q3	16,469.2	17,596.5	-1,127.3	173.8	185.7	-11.9	5,645.1	4,254.9	5,187.8	8,122.4	-21.2	4,923.7	5,219.2	733.8
Q4	16,587.8	17,827.3	-1,239.6	174.9	188.0	-13.1	5,830.0	4,421.6	5,266.7	8,316.4	-19.5	4,821.2	5,089.3	689.4
2013 Q1	16,993.9	18,171.3	-1,177.4	179.3	191.7	-12.4	5,919.9	4,457.6	5,523.6	8,558.5	-31.4	4,894.0	5,155.2	687.8
	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	1,477.7	1,253.5	224.2	16.1	13.7	2.4	533.9	376.1	566.4	607.1	-31.2	280.4	270.2	128.2
2011	626.2	673.6	-47.3	6.6	7.1	-0.5	618.0	483.3	-144.7	157.5	8.3	69.1	32.8	75.6
2012	744.7	674.7	70.1	7.9	7.1	0.7	265.4	29.7	504.1	688.0	4.8	-55.5	-43.0	26.0
2012 Q4	118.5	230.8	-112.3	4.9	9.5	-4.6	185.0	166.7	78.8	194.0	1.7	-102.5	-130.0	-44.4
2013 Q1	406.1	344.0	62.1	17.5	14.8	2.7	89.8	36.0	256.9	242.1	-11.9	72.8	65.9	-1.5
	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	657.7	666.8	-9.1	7.2	7.3	-0.1	362.4	273.6	134.2	253.7	-18.4	169.0	139.5	10.5
2011	583.2	540.6	42.7	6.2	5.7	0.5	447.0	328.4	-55.9	196.6	5.3	176.6	15.6	10.2
2012	429.9	283.0	146.8	4.5	3.0	1.5	268.4	204.3	184.1	274.5	-17.8	-19.0	-195.8	14.1
2012 Q4	-3.5	-91.3	87.8	-0.1	-3.8	3.6	70.0	29.6	79.7	165.0	-28.3	-127.9	-285.9	3.0
2013 Q1	227.0	189.2	37.8	9.8	8.1	1.6	65.9	42.3	105.6	116.3	-9.3	64.7	30.6	0.0
Q2	15.1	-44.1	59.2	0.6	-1.8	2.5	15.2	3.3	13.0	78.5	-3.4	-10.9	-125.9	1.2
2013 Mar.	8.2	-16.7	24.9	-	-	-	24.9	0.3	31.3	35.7	-1.2	-44.5	-52.6	-2.2
Apr.	139.4	120.9	18.5	-	-	-	12.9	6.1	41.9	43.4	3.4	81.2	71.4	0.1
May	-10.9	-20.7	9.8	-	-	-	-0.1	0.2	18.0	57.3	7.2	-36.6	-78.2	0.6
June	-113.4	-144.3	30.9	-	-	-	2.3	-3.0	-46.9	-22.1	-13.9	-55.4	-119.1	0.6
July	-1.5	-28.8	27.3	-	-	-	9.1	6.5	25.7	-15.1	0.5	-36.6	-20.2	-0.3
	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	819.9	586.7	233.3	8.9	6.4	2.5	171.5	102.5	432.2	353.5	-12.8	111.4	130.7	117.7
2011	43.0	133.0	-90.0	0.5	1.4	-1.0	170.9	154.9	-88.8	-39.2	3.0	-107.5	17.2	65.4
2012	314.9	391.6	-76.7	3.3	4.1	-0.8	-3.0	-174.6	320.0	413.5	22.6	-36.5	152.8	11.8
	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	537.3	325.5	211.8	5.9	3.5	2.3	165.6	50.1	199.0	115.1	.	159.8	160.3	12.9
2011	221.9	172.3	49.6	2.4	1.8	0.5	64.0	23.0	87.9	60.1	.	62.4	89.1	7.6
2012	-	-	188.7	.	.	2.0	-	-	-	-	.	-	-	16.7
	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	153.8	147.0	3.3	1.7	1.6	47.0	2.1	165.1	151.8	-12.8	.	.	101.5
2011	-442.5	-250.9	-191.6	-4.7	-2.7	-2.0	-95.5	0.0	-409.2	-250.9	3.0	.	.	59.3
2012	-	-	568.0	.	.	6.0	-	-	-	-	22.6	.	.	30.0
	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	-18.2	107.4	-125.6	-0.2	1.2	-1.4	-41.2	50.3	68.1	86.6	.	-48.4	-29.5	3.3
2011	263.6	211.6	52.0	2.8	2.2	0.6	202.4	131.9	232.5	151.5	.	-169.9	-71.9	-1.5
2012	-820.6	-407.8	-412.8	-8.7	-4.3	-4.4	-201.3	-217.9	-391.2	182.3	.	-215.0	-372.2	-13.1
	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	4.3	-	.	.	.	7.9	7.5	3.0	3.6	.	3.7	2.8	2.0
2011	3.9	3.3	-	.	.	.	9.1	8.5	-1.2	2.6	.	3.8	0.4	1.6
2012 Q4	2.7	1.7	-	.	.	.	4.8	4.7	3.8	3.5	.	-0.4	-3.8	2.1
2013 Q1	2.2	1.0	-	.	.	.	4.5	3.8	3.1	4.3	.	-0.8	-6.5	1.8
Q2	1.9	0.4	.	.	.	.	3.6	2.8	4.6	4.7	.	-1.9	-8.0	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

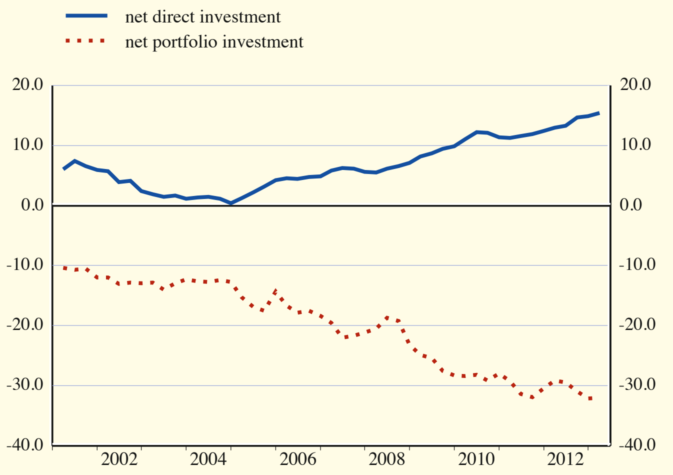
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		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)													
2010	4,946.7	3,825.3	275.3	3,550.0	1,121.4	17.0	1,104.4	3,908.6	2,940.6	90.4	2,850.3	968.0	14.7	953.2
2011	5,564.7	4,230.1	287.6	3,942.5	1,334.6	13.5	1,321.0	4,392.0	3,337.2	92.6	3,244.6	1,054.7	11.2	1,043.5
2012 Q4	5,830.0	4,376.0	289.1	4,086.9	1,454.1	13.5	1,440.6	4,421.6	3,154.5	108.3	3,046.2	1,267.1	11.3	1,255.8
2013 Q1	5,919.9	4,461.4	283.8	4,177.6	1,458.5	14.6	1,443.9	4,457.6	3,203.5	110.8	3,092.7	1,254.1	12.2	1,241.9
	Transactions													
2010	362.4	231.2	21.2	210.0	131.2	1.6	129.6	273.6	294.8	8.8	286.0	-21.2	-7.7	-13.5
2011	447.0	380.7	22.5	358.2	66.3	-3.5	69.8	328.4	332.5	5.1	327.4	-4.1	-0.9	-3.3
2012	268.4	208.0	-1.1	209.1	60.4	0.3	60.1	204.3	201.2	6.6	194.6	3.1	0.6	2.5
2012 Q4	70.0	58.9	-0.2	59.1	11.2	0.2	11.0	29.6	52.7	1.3	51.4	-23.2	-0.6	-22.6
2013 Q1	65.9	58.5	-0.9	59.4	7.4	1.1	6.4	42.3	41.1	3.3	37.8	1.2	0.7	0.5
Q2	15.2	12.0	2.2	9.8	3.2	-0.8	4.0	3.3	4.9	0.9	4.1	-1.7	0.2	-1.9
2013 Mar.	24.9	7.1	-0.8	7.8	17.8	0.1	17.7	0.3	10.6	1.2	9.3	-10.3	-0.6	-9.6
Apr.	12.9	10.5	2.0	8.5	2.4	-0.6	3.1	6.1	2.2	0.5	1.6	3.9	1.4	2.5
May	-0.1	8.6	0.1	8.5	-8.7	-0.9	-7.8	0.2	2.9	-0.1	3.0	-2.7	0.1	-2.8
June	2.3	-7.1	0.2	-7.3	9.4	0.7	8.7	-3.0	-0.1	0.5	-0.6	-2.8	-1.3	-1.5
July	9.1	3.7	-0.2	3.9	5.4	-0.3	5.7	6.5	14.4	0.7	13.7	-8.0	-0.1	-7.8
	Growth rates													
2010	7.9	6.4	8.9	6.2	13.2	10.6	13.3	7.5	11.0	11.1	11.0	-2.5	-37.9	-1.8
2011	9.1	10.1	8.4	10.2	6.0	-21.4	6.4	8.5	11.3	5.7	11.5	-0.6	-7.6	-0.5
2012 Q4	4.8	4.9	-0.4	5.3	4.4	1.4	4.5	4.7	6.3	7.2	6.2	0.5	6.0	0.5
2013 Q1	4.5	4.7	-0.1	5.1	3.9	2.0	3.9	3.8	5.6	8.1	5.5	-0.6	19.1	-0.7
Q2	3.6	3.7	0.9	4.0	3.1	4.3	3.1	2.8	4.4	7.4	4.3	-1.1	19.6	-1.3

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.

(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)															
2010	4,907.3	1,907.7	81.2	3.6	1,826.5	47.6	2,579.3	807.6	15.6	1,771.7	74.5	420.3	316.3	41.7	104.0	0.2
2011	4,762.6	1,703.4	62.5	3.1	1,640.8	39.6	2,592.9	725.7	16.0	1,867.2	94.2	466.3	300.6	57.5	165.7	0.5
2012 Q4	5,266.7	1,947.5	70.7	2.8	1,876.7	42.4	2,852.4	674.9	15.6	2,177.5	97.8	466.8	288.0	53.8	178.8	1.5
2013 Q1	5,523.6	2,141.8	88.2	3.1	2,053.5	48.3	2,915.8	655.7	16.6	2,260.1	98.3	466.0	279.9	51.1	186.0	0.5
	Transactions															
2010	134.2	77.3	4.1	-0.2	73.2	1.7	103.0	-126.3	-0.8	229.3	51.5	-46.1	-64.9	-11.7	18.8	-1.9
2011	-55.9	-70.8	-15.7	-0.2	-55.1	-7.3	-15.7	-55.1	0.3	39.4	-3.0	30.6	24.3	10.5	6.4	0.2
2012	184.1	58.3	4.9	0.1	53.4	0.0	123.4	-39.5	-0.9	162.8	-8.0	2.5	-18.0	2.3	20.5	0.2
2012 Q4	79.7	59.7	10.1	0.0	49.6	0.9	38.5	7.1	0.5	31.5	-3.5	-18.5	-20.6	5.6	2.1	0.3
2013 Q1	105.6	62.1	13.9	0.1	48.3	3.4	35.0	-15.6	1.1	50.6	0.7	8.5	4.5	0.6	3.9	-0.2
Q2	13.0	8.1	2.3	0.0	5.9	.	-16.4	-19.1	-6.3	2.7	.	21.2	12.7	19.9	8.5	.
2013 Mar.	31.3	27.2	12.4	0.1	14.9	-	6.7	-2.4	0.4	9.1	-	-2.7	0.2	-3.4	-2.8	-
Apr.	41.9	17.3	-0.1	0.0	17.4	-	5.7	-9.8	-6.4	15.5	-	18.8	11.3	15.5	7.6	-
May	18.0	9.2	4.6	0.0	4.6	-	5.6	-1.0	0.1	6.5	-	3.3	3.8	1.1	-0.5	-
June	-46.9	-18.4	-2.2	0.0	-16.2	-	-27.6	-8.3	0.0	-19.3	-	-0.9	-2.4	3.3	1.5	-
July	25.7	10.6	2.2	0.0	8.4	-	14.0	-2.6	0.4	16.6	-	1.1	3.0	0.4	-1.9	-
	Growth rates															
2010	3.0	4.9	5.6	-5.1	4.8	4.8	4.1	-13.6	-4.9	14.7	124.1	-10.3	-17.9	-25.4	22.3	-91.7
2011	-1.2	-4.1	-20.3	-6.0	-3.4	-15.9	-0.6	-7.0	2.2	2.2	-3.1	7.5	8.0	26.6	6.1	120.7
2012 Q4	3.8	3.2	8.0	2.8	3.0	-0.2	4.6	-5.5	-5.5	8.5	-7.8	0.6	-5.5	3.4	12.4	37.9
2013 Q1	3.1	5.2	21.4	5.8	4.6	13.0	3.6	-6.6	4.8	7.2	-6.0	-6.7	-12.0	12.8	3.4	55.1
Q2	4.6	7.1	39.7	5.2	6.0	.	3.3	-5.6	-33.9	6.2	.	2.7	-1.5	63.0	10.5	.

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)											
2010	7,470.9	3,175.5	665.8	2,509.7	3,841.4	1,189.9	2,651.5	1,648.3	454.0	69.5	384.6	347.4
2011	7,628.4	3,042.7	556.9	2,485.7	4,142.3	1,273.5	2,868.7	1,772.1	443.5	87.2	356.2	316.5
2012 Q4	8,316.4	3,499.3	539.4	2,959.8	4,353.0	1,181.4	3,171.6	1,963.4	464.2	90.6	373.6	301.0
2013 Q1	8,558.5	3,648.9	523.6	3,125.3	4,415.9	1,184.9	3,231.0	2,009.6	493.7	94.5	399.2	326.3
	Transactions											
2010	253.7	123.1	-13.1	136.2	175.1	55.8	119.3	186.8	-44.5	15.0	-59.5	-38.9
2011	196.6	78.7	19.5	59.2	165.4	78.5	87.0	89.1	-47.5	2.2	-49.7	-37.5
2012	274.5	154.4	-18.3	172.8	120.4	-52.7	173.2	154.8	-0.3	3.4	-3.8	-25.5
2012 Q4	165.0	95.7	-10.4	106.1	44.0	-5.1	49.1	32.0	25.3	8.1	17.2	-7.3
2013 Q1	116.3	51.9	-7.8	59.7	31.3	-1.1	32.4	45.4	33.2	13.7	19.5	24.5
Q2	78.5	78.1	-15.4	93.5	-6.8	-13.0	6.2	.	7.3	21.0	-13.7	.
2013 Mar.	35.7	15.0	-2.9	17.9	10.7	-12.4	23.1	-	9.9	2.7	7.3	-
Apr.	43.4	11.6	-1.6	13.2	27.9	0.8	27.1	-	3.9	5.0	-1.1	-
May	57.3	51.1	2.0	49.1	2.9	-0.2	3.1	-	3.2	1.6	1.7	-
June	-22.1	15.4	-15.8	31.2	-37.7	-13.6	-24.1	-	0.2	14.4	-14.3	-
July	-15.1	6.5	2.6	3.9	-37.9	-20.4	-17.6	-	16.3	2.4	13.9	-
	Growth rates											
2010	3.6	4.3	-2.0	6.2	4.9	4.9	4.8	12.4	-8.8	18.5	-13.4	-9.8
2011	2.6	2.5	3.1	2.2	4.4	6.9	3.3	5.5	-9.1	5.2	-12.1	-10.9
2012 Q4	3.5	4.8	-3.4	6.5	2.9	-4.2	6.0	8.7	-0.1	3.5	-1.0	-7.7
2013 Q1	4.3	5.0	-6.2	7.3	3.7	-2.6	6.3	9.9	4.9	14.6	2.5	-2.2
Q2	4.7	7.3	-7.0	10.1	2.7	-2.3	4.7	.	4.9	27.7	-0.5	.

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)														
2010	4,807.6	32.9	32.2	0.7	2,972.0	2,932.7	39.4	161.9	7.6	115.4	19.8	1,640.7	213.3	1,279.5	441.6
2011	4,876.7	35.7	35.4	0.3	3,067.6	3,006.6	61.0	162.8	6.7	116.4	30.2	1,610.6	228.4	1,214.6	506.9
2012 Q4	4,821.2	40.1	39.9	0.3	2,923.3	2,853.2	70.1	166.2	5.1	121.4	29.2	1,691.5	263.0	1,227.3	580.9
2013 Q1	4,894.0	33.0	32.7	0.3	2,954.5	2,884.5	70.0	152.4	5.1	107.4	23.5	1,754.1	262.4	1,249.9	606.1
	Transactions														
2010	169.0	-2.9	-2.8	0.0	10.1	1.3	8.9	41.5	-0.3	41.1	4.9	120.3	8.7	87.8	53.6
2011	176.6	-2.7	-2.8	0.1	50.4	20.6	29.9	4.4	-0.2	4.2	10.3	124.4	8.1	91.2	47.7
2012	-19.0	10.7	10.7	0.0	-121.3	-130.5	9.2	4.7	-1.6	6.4	-1.0	86.8	8.9	61.7	28.4
2012 Q4	-127.9	5.8	5.8	0.0	-114.5	-107.2	-7.3	18.4	0.1	17.9	4.2	-37.7	-1.1	-23.3	-24.5
2013 Q1	64.7	-6.9	-6.9	0.0	11.8	12.6	-0.8	-11.0	-0.2	-11.0	-5.1	70.8	0.4	44.0	26.2
Q2	-10.9	-11.2	.	.	20.1	.	.	-4.7	.	.	-0.1	-15.0	.	.	5.6
2013 Mar.	-44.5	-6.6	-	-	-39.3	-	-	-1.3	-	-	-1.7	2.7	-	-	12.4
Apr.	81.2	-3.1	-	-	65.0	-	-	1.4	-	-	1.9	17.9	-	-	22.2
May	-36.6	-5.2	-	-	-1.7	-	-	-3.9	-	-	-1.4	-25.8	-	-	-7.9
June	-55.4	-2.9	-	-	-43.1	-	-	-2.2	-	-	-0.6	-7.1	-	-	-8.6
July	-36.6	3.4	-	-	-34.3	-	-	-4.7	-	-	-2.7	-1.0	-	-	0.2
	Growth rates														
2010	3.7	-12.7	-12.5	-9.9	0.4	0.1	23.6	33.9	-3.1	53.7	32.8	7.8	4.2	7.3	13.0
2011	3.8	-5.4	-5.5	40.4	1.8	0.8	76.6	3.0	-3.2	4.2	51.5	7.8	3.8	7.4	11.1
2012 Q4	-0.4	31.2	31.5	-0.7	-3.9	-4.3	15.6	3.1	-23.5	5.8	-3.3	5.5	4.3	5.2	5.9
2013 Q1	-0.8	5.2	5.2	-1.0	-4.6	-5.1	25.0	3.1	-25.1	5.3	-1.9	5.8	-2.1	6.6	5.0
Q2	-1.9	-25.8	.	.	-3.9	.	.	-4.0	.	.	-20.0	2.4	.	.	2.7

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)														
2010	5,099.5	269.1	266.1	3.0	3,491.0	3,445.0	46.0	148.0	0.0	141.8	6.2	1,191.5	202.7	842.1	146.7
2011	5,132.3	411.3	408.5	2.8	3,208.3	3,140.6	67.6	223.9	0.1	217.1	6.8	1,288.8	224.0	871.7	193.2
2012 Q4	5,089.3	428.9	428.0	0.9	2,958.0	2,875.1	83.0	227.4	0.1	219.8	7.5	1,475.0	230.2	1,013.3	231.5
2013 Q1	5,155.2	398.6	397.8	0.9	2,977.2	2,893.6	83.6	224.3	0.1	217.5	6.8	1,555.0	233.9	1,046.4	274.7
	Transactions														
2010	139.5	9.4	6.8	2.6	-8.7	-14.6	5.9	65.1	0.0	64.6	0.5	73.7	15.9	31.6	26.2
2011	15.6	135.1	135.3	-0.2	-289.1	-327.7	38.7	74.1	0.0	74.1	0.0	95.4	10.4	65.2	19.9
2012	-195.8	19.0	20.9	-1.8	-238.7	-255.9	17.2	4.4	0.0	3.4	1.0	19.5	4.6	3.2	11.7
2012 Q4	-285.9	-0.2	0.2	-0.3	-216.4	-219.1	2.7	-5.6	0.0	-5.9	0.3	-63.8	1.1	-42.6	-22.2
2013 Q1	30.6	-33.2	-33.2	0.0	0.6	1.3	-0.7	-0.4	0.0	-0.1	-0.3	63.6	2.2	25.8	35.6
Q2	-125.9	-21.5	.	.	-93.0	.	.	1.2	.	.	.	-12.6	.	.	.
2013 Mar.	-52.6	-0.7	-	-	-47.6	-	-	-0.3	-	-	-	-4.0	-	-	-
Apr.	71.4	-1.1	-	-	54.6	-	-	-1.7	-	-	-	19.6	-	-	-
May	-78.2	-11.3	-	-	-58.6	-	-	-0.6	-	-	-	-7.6	-	-	-
June	-119.1	-9.1	-	-	-89.0	-	-	3.6	-	-	-	-24.6	-	-	-
July	-20.2	-5.2	-	-	-24.6	-	-	0.9	-	-	-	8.7	-	-	-
	Growth rates														
2010	2.8	3.6	2.6	.	-0.2	-0.3	15.5	78.8	.	83.7	5.8	6.4	8.8	3.7	17.8
2011	0.4	50.4	51.0	.	-8.3	-9.6	89.7	50.5	.	52.6	0.2	8.2	5.1	7.9	13.7
2012 Q4	-3.8	4.8	5.2	.	-7.4	-8.1	25.6	2.0	.	1.6	15.4	1.5	2.1	0.3	6.5
2013 Q1	-6.5	18.3	19.0	.	-12.5	-13.3	31.5	-1.4	.	-1.7	11.0	1.5	-0.2	0.2	8.7
Q2	-8.0	-8.3	.	.	-12.1	.	.	-3.9	.	.	.	0.6	.	.	.

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	667.1	422.1	346.846	54.0	30.2	160.9	5.3	7.8	148.1	0.8	134.1	13.3	-0.4	0.0	97.4	-86.0	55.9
2012 Q3	733.8	476.4	346.827	53.8	34.2	168.9	5.4	8.2	155.2	0.2	136.1	18.9	0.2	0.5	39.9	-39.5	56.2
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
2013 July	588.7	343.3	346.674	50.7	31.4	162.5	7.8	5.0	149.5	0.2	131.9	17.3	0.2	0.9	26.3	-28.6	53.8
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
	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	10.2	0.1	-	-1.6	12.9	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.1	0.0	-	-	-
2012	14.1	0.0	-	-0.3	3.4	10.3	0.8	1.2	8.0	-0.4	-0.7	9.1	0.4	0.7	-	-	-
2012 Q4	3.0	0.0	-	0.3	-1.5	4.2	0.6	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	1.2	.	-	.	.	.	.	.	.	.	.	.	.	.	-	-	-
	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	82.3	-1.2	-30.0	-52.7	6.9	27.4	14.3	-45.2	-	-	-	-	-
2012 Q4	2.1	0.0	-	-0.5	11.1	6.6	15.1	15.2	5.6	-53.5	-0.6	82.8	-	-	-	-	-
2013 Q1	1.8	0.0	-	-0.9	7.5	6.2	-4.1	30.5	5.6	-50.1	-0.4	68.3	-	-	-	-	-
Q2	0.6	.	-	.	.	.	.	.	.	.	.	.	-	-	-	-	-

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	10,919.2	4,696.9	454.0	3,841.4	202.7	201.9	1,522.3	2,143.7	271.0	4,750.4	2,231.8
2011	11,421.3	4,637.9	443.5	4,142.3	224.0	270.4	1,703.3	2,312.6	411.3	4,569.0	2,425.2
2012 Q3	11,939.1	4,661.4	434.6	4,324.5	230.5	327.3	1,960.8	2,453.3	432.0	4,504.5	2,588.4
Q4	11,947.9	4,536.2	464.2	4,353.0	230.2	322.9	2,041.5	2,491.7	428.9	4,229.9	2,755.9
2013 Q1	12,096.5	4,555.3	493.7	4,415.9	233.9	366.0	2,031.7	2,560.2	398.6	4,256.6	2,849.3
	Outstanding amounts as a percentage of GDP										
2009	115.9	50.1	5.9	39.5	2.0	2.1	16.4	22.0	2.8	51.3	23.3
2010	119.2	51.3	5.0	41.9	2.2	2.2	16.6	23.4	3.0	51.9	24.4
2011	121.3	49.2	4.7	44.0	2.4	2.9	18.1	24.6	4.4	48.5	25.7
2012 Q3	126.0	49.2	4.6	45.6	2.4	3.5	20.7	25.9	4.6	47.5	27.3
Q4	126.0	47.8	4.9	45.9	2.4	3.4	21.5	26.3	4.5	44.6	29.1
2013 Q1	127.3	48.0	5.2	46.5	2.5	3.9	21.4	27.0	4.2	44.8	30.0

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
2011	Outstanding amounts (international investment position)														
Direct investment	1,172.7	260.7	-10.6	-13.0	11.4	274.1	-1.3	84.4	73.2	-22.1	125.2	40.0	-146.5	-0.3	758.2
Abroad	5,564.7	1,541.1	28.7	142.2	1,049.2	321.1	0.0	183.8	85.1	74.5	526.0	1,082.9	487.1	0.0	1,584.3
Equity/reinvested earnings	4,230.1	1,128.4	23.9	78.5	776.0	249.9	0.0	146.2	68.4	53.7	394.6	743.1	402.2	0.0	1,293.5
Other capital	1,334.6	412.8	4.7	63.7	273.2	71.1	0.0	37.5	16.6	20.8	131.4	339.8	84.9	0.0	290.7
In the euro area	4,392.0	1,280.4	39.2	155.2	1,037.8	47.0	1.3	99.4	11.9	96.6	400.8	1,042.9	633.5	0.4	826.0
Equity/reinvested earnings	3,337.2	1,052.4	26.1	142.6	855.5	27.0	1.2	83.4	6.3	76.9	236.0	789.1	370.2	0.1	722.7
Other capital	1,054.7	228.0	13.2	12.6	182.2	20.0	0.0	16.0	5.6	19.7	164.8	253.8	263.3	0.3	103.3
Portfolio investment assets	4,762.6	1,536.9	84.5	199.5	1,005.5	99.4	148.0	100.7	52.5	208.0	124.3	1,557.1	384.9	35.2	763.0
Equity	1,703.4	341.8	10.9	41.6	275.9	13.2	0.1	39.1	48.7	90.4	102.0	553.1	215.8	1.4	311.0
Debt instruments	3,059.2	1,195.1	73.6	157.9	729.6	86.2	147.9	61.6	3.9	117.6	22.2	1,004.0	169.1	33.8	452.0
Bonds and notes	2,592.9	1,050.8	68.5	124.8	629.5	83.8	144.2	56.8	2.7	46.3	15.4	828.0	155.1	32.7	405.1
Money market instruments	466.3	144.3	5.1	33.0	100.1	2.4	3.7	4.8	1.2	71.3	6.9	175.9	13.9	1.0	46.9
Other investment	-255.6	-287.7	45.5	-30.0	-154.0	71.4	-220.6	-10.1	-13.5	10.9	-75.1	63.8	82.5	-71.6	45.2
Assets	4,876.7	2,159.9	92.3	91.0	1,777.6	182.7	16.3	26.8	46.1	99.5	257.4	763.5	588.8	36.7	898.0
General government	162.8	63.9	1.5	4.1	44.3	1.3	12.7	1.8	3.2	2.3	1.0	8.5	2.4	30.4	49.3
MFIs	3,103.3	1,497.4	71.9	49.7	1,225.7	147.2	2.9	14.7	20.9	80.2	130.1	473.3	439.6	5.7	441.4
Other sectors	1,610.6	598.7	19.0	37.2	507.7	34.2	0.7	10.2	22.0	17.0	126.3	281.6	146.8	0.6	407.4
Liabilities	5,132.3	2,447.6	46.8	121.0	1,931.6	111.3	236.9	36.8	59.6	88.6	332.5	699.7	506.3	108.3	852.8
General government	223.9	118.2	0.1	0.4	53.5	0.1	64.1	0.1	0.1	0.1	1.2	33.2	1.4	66.6	3.1
MFIs	3,619.5	1,758.6	36.4	84.8	1,436.3	86.2	115.0	24.8	30.8	61.4	256.7	416.0	414.0	38.8	618.3
Other sectors	1,288.8	570.8	10.3	35.8	441.8	25.0	57.8	11.9	28.8	27.0	74.6	250.4	91.0	3.0	231.4
2012 Q2 to 2013 Q1	Cumulated transactions														
Direct investment	84.1	46.1	-7.6	-11.0	50.1	14.6	0.0	-8.1	6.1	-1.6	5.5	-39.3	14.7	0.1	60.8
Abroad	254.4	113.5	1.7	14.5	81.8	15.4	0.0	5.1	7.2	4.3	-2.5	34.9	-4.9	0.0	96.7
Equity/reinvested earnings	200.8	119.4	1.9	16.4	88.2	12.9	0.0	7.9	6.0	1.7	-7.1	29.0	-17.1	0.0	61.0
Other capital	53.5	-5.9	-0.1	-1.9	-6.4	2.6	0.0	-2.8	1.2	2.7	4.7	5.9	12.1	0.0	35.7
In the euro area	170.2	67.4	9.3	25.5	31.8	0.9	0.0	13.2	1.1	6.0	-7.9	74.2	-19.6	0.0	35.9
Equity/reinvested earnings	178.3	35.3	11.0	18.8	3.8	1.8	0.0	16.4	0.9	6.7	7.3	91.1	-0.7	0.0	21.3
Other capital	-8.1	32.1	-1.7	6.7	28.0	-0.9	0.0	-3.2	0.2	-0.7	-15.3	-16.9	-18.9	0.0	14.6
Portfolio investment assets	165.2	-37.5	7.0	7.4	-72.2	7.3	13.0	7.3	3.0	12.4	-6.7	68.5	-14.2	-1.4	133.7
Equity	99.6	30.9	1.4	3.2	25.4	0.9	0.0	3.3	3.0	10.6	3.7	30.9	-11.1	0.0	28.4
Debt instruments	65.5	-68.4	5.6	4.2	-97.6	6.5	13.0	4.0	0.0	1.8	-10.3	37.6	-3.1	-1.4	105.3
Bonds and notes	100.0	-40.1	3.7	3.2	-68.6	7.7	13.9	1.6	0.1	-4.1	-1.6	39.8	-1.9	-1.8	108.0
Money market instruments	-34.5	-28.3	1.8	1.0	-29.0	-1.3	-0.9	2.4	0.0	5.9	-8.8	-2.3	-1.1	0.4	-2.7
Other investment	300.7	251.1	-20.7	9.9	291.5	-22.9	-6.7	4.1	32.6	-20.7	0.0	17.4	-4.4	-17.1	37.8
Assets	-40.2	-17.4	-5.2	10.2	-4.5	-17.3	-0.6	5.0	3.0	-23.3	8.1	-11.5	-34.6	0.5	30.0
General government	4.6	2.8	1.3	0.2	1.2	-0.4	0.6	0.1	-0.1	-1.3	0.4	0.7	0.6	0.1	1.2
MFIs	-140.8	-54.9	-9.0	6.0	-34.0	-16.6	-1.3	0.3	6.2	-18.9	10.5	-28.3	-44.6	0.4	-11.5
Other sectors	96.0	34.7	2.6	4.1	28.3	-0.3	0.1	4.7	-3.2	-3.1	-2.9	16.1	9.4	0.0	40.3
Liabilities	-340.9	-268.4	15.6	0.3	-296.0	5.6	6.1	1.0	-29.6	-2.6	8.1	-28.9	-30.2	17.6	-7.8
General government	-3.1	-20.8	0.1	0.3	-27.1	0.0	5.8	0.3	0.0	0.0	-0.1	-3.6	-0.1	20.0	1.2
MFIs	-365.3	-234.2	12.6	1.9	-250.0	3.6	-2.4	-5.8	-29.5	-4.6	-8.4	-36.7	-36.9	-3.0	-6.1
Other sectors	27.5	-13.4	2.8	-1.9	-19.0	2.0	2.7	6.5	-0.1	2.0	16.6	11.4	6.8	0.6	-2.9

Source: ECB.
1) Excluding Croatia.

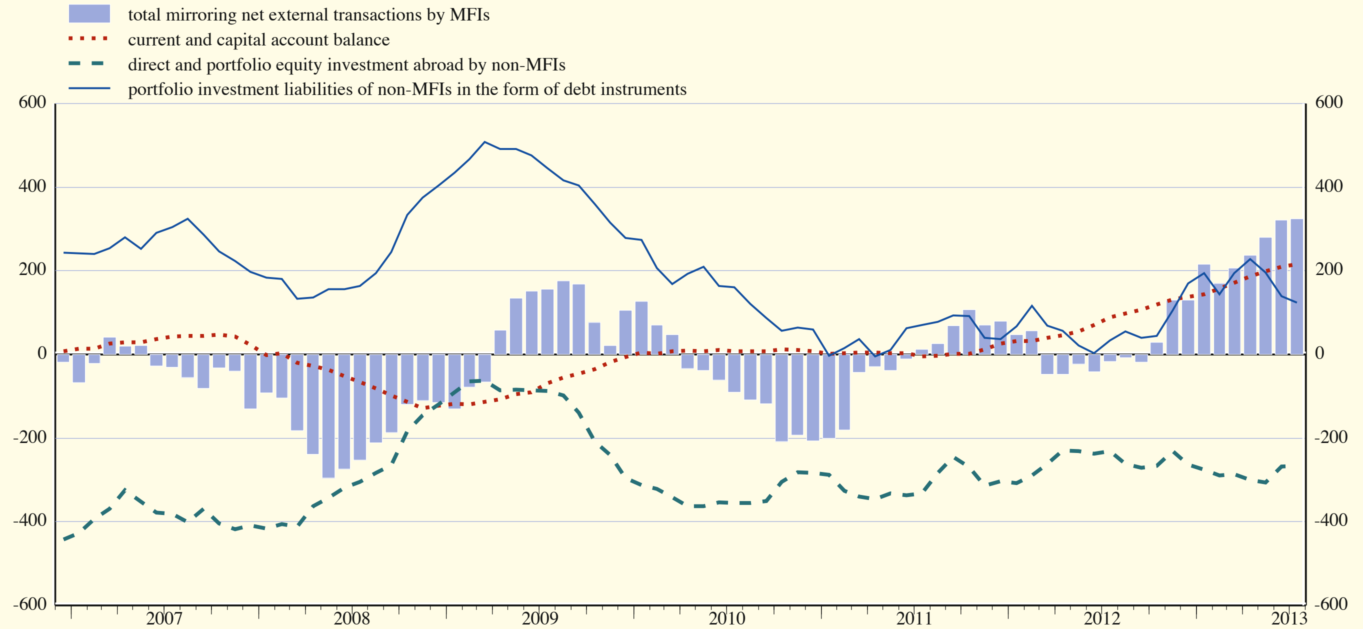
7.4 Monetary presentation of the balance of payments [1)]

(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	-207.0	7.8	-339.3	272.2	-73.0	-248.0	136.2	59.8	-160.9	138.6	18.3	-18.8
2011	80.0	26.0	-428.0	324.1	55.1	-45.8	59.2	37.3	-128.8	169.6	-5.3	16.6
2012	130.3	137.5	-269.2	197.0	-53.4	-183.3	172.8	169.4	-91.5	23.9	17.8	9.3
2012 Q2	13.7	19.8	-67.5	49.2	19.1	-16.7	9.6	47.6	-46.7	7.7	-8.0	-0.3
Q3	48.0	44.9	-50.9	44.0	-6.0	-48.2	26.6	28.5	-13.3	22.8	2.8	-3.2
Q4	113.8	72.5	-70.1	28.8	-49.6	-33.6	106.1	66.2	19.2	-69.4	28.3	15.3
2013 Q1	31.8	34.2	-65.8	38.4	-48.3	-54.5	59.7	51.8	-59.8	63.2	9.3	3.5
Q2	128.2	58.1	-13.8	2.2	-5.9	-11.2	93.5	-7.5	19.7	-11.3	3.4	1.1
2012 July	12.8	22.4	-15.8	20.0	3.5	-19.2	-0.2	10.8	-28.4	26.2	-1.7	-5.0
Aug.	25.5	10.5	-24.4	38.2	-0.2	-15.6	3.2	3.4	10.3	-3.3	6.2	-2.8
Sep.	9.7	11.9	-10.7	-14.1	-9.4	-13.4	23.7	14.2	4.8	-0.1	-1.7	4.5
Oct.	8.8	17.4	-11.7	6.2	-8.7	-12.3	41.6	5.1	-27.1	-13.6	10.3	1.5
Nov.	66.4	24.7	-15.6	23.1	-8.3	-21.2	24.9	37.8	-6.9	-9.1	7.4	9.6
Dec.	38.6	30.4	-42.9	-0.5	-32.6	-0.1	39.6	23.3	53.2	-46.6	10.6	4.1
2013 Jan.	43.1	-4.0	-15.7	4.1	-16.6	-21.0	38.2	17.5	-12.5	40.1	5.0	7.9
Feb.	-33.1	13.1	-24.6	34.6	-16.8	-27.2	3.6	4.0	-46.0	27.4	3.0	-4.1
Mar.	21.7	25.2	-25.6	-0.3	-14.9	-6.3	17.9	30.4	-1.4	-4.3	1.2	-0.3
Apr.	4.9	17.9	-11.6	4.1	-17.4	-23.1	13.2	26.1	-19.3	17.9	-3.4	0.6
May	66.9	11.6	-0.7	0.2	-4.6	-6.0	49.1	4.8	29.8	-8.2	-7.2	-1.8
June	56.4	28.5	-1.4	-2.1	16.2	17.8	31.2	-38.4	9.3	-21.0	13.9	2.3
July	15.5	28.8	-9.7	5.9	-8.4	-14.7	3.9	-3.6	5.7	9.6	-0.5	-1.6
	12-month cumulated transactions											
2013 July	324.5	216.1	-194.4	99.3	-121.7	-143.0	290.0	124.5	0.0	-11.3	44.9	20.1

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	1,748.1	879.2	353.8	474.5	1,426.7	1,761.4	1,127.8	240.2	367.3	1,104.8	324.3
2012	7.4	1.7	1,875.6	928.5	384.9	516.3	1,524.8	1,788.1	1,146.4	244.7	368.7	1,091.6	360.6
2012 Q3	7.5	0.4	474.7	233.2	96.8	132.0	387.2	447.9	285.1	61.4	92.8	273.6	90.3
Q4	5.7	1.0	468.2	231.0	96.4	128.5	379.5	439.1	279.7	58.8	91.7	268.6	89.8
2013 Q1	1.3	-5.1	474.4	234.2	96.1	133.4	383.9	436.0	275.7	59.5	90.6	268.5	86.1
Q2	1.8	-3.1	474.5	228.3	96.7	132.2	385.2	432.4	271.3	58.6	90.4	266.4	83.4
2013 Feb.	-1.2	-6.9	156.0	76.8	31.4	44.0	125.5	145.3	92.1	19.1	30.0	86.5	29.0
Mar.	0.1	-10.0	161.0	79.6	33.1	45.0	131.3	142.9	90.3	19.5	30.1	90.5	27.4
Apr.	9.0	1.7	159.7	77.1	33.1	44.4	127.7	144.6	91.0	19.9	30.1	88.0	28.3
May	-0.1	-5.4	156.4	75.3	31.7	43.4	130.0	142.9	89.5	19.4	30.0	90.4	27.6
June	-2.9	-5.6	158.4	75.9	31.9	44.5	127.5	144.9	90.8	19.4	30.3	88.0	27.5
July	2.7	0.0	155.9	.	.	.	126.6	144.8	.	.	.	88.4	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2011	7.6	3.2	148.6	143.3	153.4	155.5	145.3	126.4	119.5	136.2	144.6	133.5	102.6
2012	3.6	-3.1	153.0	146.1	160.8	161.2	150.2	122.3	116.0	130.0	137.9	127.1	103.6
2012 Q2	4.0	-3.1	153.2	145.5	162.3	161.9	151.0	123.4	116.7	133.0	138.8	129.5	103.3
Q3	3.1	-5.5	154.0	146.3	159.3	163.4	151.3	121.2	114.7	129.5	136.4	125.7	104.9
Q4	2.6	-2.3	151.9	144.8	161.1	160.4	149.0	120.2	114.2	125.2	136.3	124.5	104.4
2013 Q1	0.5	-4.2	155.7	148.7	159.4	167.2	151.7	120.5	114.5	124.3	135.9	125.5	100.8
2012 Dec.	-6.0	-7.2	149.6	141.9	159.0	158.5	146.8	118.0	112.6	122.2	133.7	122.9	101.5
2013 Jan.	3.9	2.1	154.0	147.4	157.2	165.7	150.6	123.0	115.9	132.4	137.4	128.2	105.2
Feb.	-1.2	-5.8	154.8	147.1	156.0	167.3	148.7	120.0	115.0	122.0	135.6	121.7	100.0
Mar.	-0.8	-8.7	158.5	151.7	164.9	168.5	156.0	118.6	112.6	118.7	134.8	126.5	97.3
Apr.	8.5	3.2	156.8	147.4	163.3	167.6	150.5	120.2	115.0	123.2	135.0	122.0	103.9
May	0.1	-3.1	153.0	144.9	156.1	162.2	154.2	119.4	114.0	120.9	133.3	126.7	104.2

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: Manufac-turing	Total (index: 2010 = 100)	Total					Memo item: Manufac-turing
			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	108.2	8.1	4.8	-0.7	3.6	25.5	3.5
2012	106.8	2.6	1.0	1.8	2.2	9.7	2.4	111.4	3.0	0.0	1.5	2.5	7.2	1.8
2012 Q4	106.6	1.6	0.6	1.2	2.0	3.7	1.6	110.5	1.2	0.4	0.5	2.0	2.0	1.3
2013 Q1	106.5	0.0	-0.5	0.4	1.3	-4.3	0.0	110.2	-1.4	-0.9	-0.6	0.9	-3.9	-0.5
Q2	105.8	-0.9	-1.6	0.1	1.1	-8.4	-0.8	108.4	-2.7	-2.1	-1.1	0.4	-5.9	-1.3
2013 Feb.	106.5	0.1	-0.6	0.2	1.2	-2.4	0.0	110.3	-1.3	-1.2	-0.9	0.8	-2.9	-0.6
Mar.	106.5	-0.3	-0.6	0.6	1.4	-8.4	-0.3	110.3	-2.2	-1.0	0.3	1.2	-6.9	-0.3
Apr.	106.1	-0.9	-1.3	0.6	1.4	-11.8	-0.8	109.0	-3.1	-1.5	-0.3	1.1	-8.9	-0.9
May	105.8	-1.0	-1.8	0.2	1.1	-9.3	-0.7	108.3	-2.9	-2.1	-1.2	0.6	-6.6	-1.4
June	105.4	-0.9	-1.8	-0.4	0.7	-3.6	-0.7	107.8	-2.0	-2.8	-1.8	-0.3	-1.9	-1.7
July	105.7	-1.1	-1.7	-0.6	0.6	-5.5	-1.0	108.9	-2.3	-2.8	-2.7	-0.7	-2.1	-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 1)						China	Japan			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
								Exports (f.o.b.)							
2011	1,748.1	32.9	60.5	213.5	241.6	79.9	109.2	56.8	200.6	405.6	115.6	39.4	112.3	84.6	150.8
2012	1,875.6	34.0	59.1	230.3	245.1	90.0	116.4	59.4	224.0	439.4	120.7	44.7	126.2	97.3	154.3
2012 Q1	465.1	8.4	15.0	56.5	61.3	22.1	29.4	14.6	55.7	108.5	31.4	10.6	31.1	23.6	39.0
Q2	467.6	8.6	14.9	57.1	61.3	22.8	29.2	14.5	56.0	109.1	30.4	11.4	31.5	24.5	38.2
Q3	474.7	8.5	14.9	58.3	61.6	22.8	29.1	15.1	58.4	110.4	29.8	11.6	31.2	24.5	40.0
Q4	468.2	8.6	14.4	58.4	60.9	22.4	28.7	15.2	54.0	111.3	29.1	11.2	32.4	24.8	37.1
2013 Q1	474.4	8.6	14.5	58.6	61.9	23.2	28.2	15.6	55.5	111.2	29.6	11.0	34.3	25.0	37.9
Q2	474.5	8.5	14.5	59.2	61.1	22.6	27.5	15.6	54.8	110.0	29.9	10.7	33.2	24.7	42.8
2013 Feb.	156.0	2.8	4.6	18.9	20.4	7.6	8.9	5.1	17.6	35.4	9.3	3.5	11.5	7.8	15.3
Mar.	161.0	2.9	4.7	20.1	20.6	7.6	9.6	5.1	19.7	38.8	10.1	3.8	11.2	8.9	11.8
Apr.	159.7	2.8	4.8	19.0	20.0	7.6	9.2	5.1	18.4	36.7	10.0	3.5	11.0	8.0	17.1
May	156.4	2.9	5.0	20.2	20.5	7.7	9.3	5.3	18.7	37.3	10.0	3.6	11.1	8.6	9.7
June	158.4	2.9	4.7	20.0	20.6	7.3	8.9	5.1	17.7	36.0	9.8	3.6	11.0	8.1	16.0
July	155.9	.	.	.	.	7.5	9.6	4.9	17.7	36.4	10.1	3.6	11.2	8.4	.
								Percentage share of total exports							
2012	100.0	1.8	3.2	12.3	13.1	4.8	6.2	3.2	11.9	23.4	6.4	2.4	6.7	5.2	8.2
								Imports (c.i.f.)							
2011	1,761.4	29.9	53.2	166.9	226.8	138.7	81.6	35.0	140.8	553.5	218.5	52.6	129.1	91.2	114.6
2012	1,788.1	29.0	52.9	168.0	229.9	143.2	81.0	33.9	150.3	538.8	213.6	48.5	157.0	92.8	111.4
2012 Q1	452.2	7.2	13.3	42.6	57.4	37.6	20.1	8.4	37.7	137.9	53.2	12.6	39.7	23.9	26.4
Q2	448.9	7.3	13.1	41.3	57.0	35.0	19.7	8.4	37.7	137.5	55.9	12.5	38.5	23.2	30.3
Q3	447.9	7.3	13.7	42.5	57.8	33.8	21.2	8.4	39.0	132.9	53.4	12.1	39.3	23.2	28.8
Q4	439.1	7.2	12.9	41.7	57.6	36.8	20.0	8.6	35.9	130.5	51.0	11.2	39.6	22.5	25.9
2013 Q1	436.0	7.5	13.3	41.8	58.0	38.7	20.2	8.8	35.5	127.4	51.7	10.7	38.5	21.2	25.1
Q2	432.4	7.2	13.4	40.7	57.3	34.2	20.5	8.7	37.3	126.8	50.7	10.6	36.3	20.2	29.7
2013 Feb.	145.3	2.5	4.3	13.7	18.9	12.8	6.3	2.9	11.7	41.2	16.5	3.5	12.9	6.9	11.2
Mar.	142.9	2.5	4.6	13.9	19.6	12.7	6.8	2.9	11.9	41.9	17.5	3.5	12.2	7.1	6.7
Apr.	144.6	2.4	4.4	13.1	18.9	12.2	6.3	2.9	12.3	42.4	16.4	3.5	12.6	6.6	10.7
May	142.9	2.4	4.5	14.1	19.2	11.5	7.1	2.9	12.6	43.3	17.8	3.6	11.7	6.9	6.7
June	144.9	2.4	4.5	13.5	19.3	10.5	7.1	2.9	12.5	41.1	16.5	3.4	12.0	6.8	12.4
July	144.8	.	.	.	.	11.6	7.0	3.0	12.6	42.5	16.9	3.4	11.9	6.8	.
								Percentage share of total imports							
2012	100.0	1.6	3.0	9.4	12.9	8.0	4.5	1.9	8.4	30.1	11.9	2.7	8.8	5.2	6.2
								Balance							
2011	-13.3	3.0	7.2	46.6	14.7	-58.9	27.5	21.7	59.8	-147.9	-102.9	-13.2	-16.9	-6.5	36.2
2012	87.5	5.0	6.2	62.3	15.2	-53.1	35.5	25.5	73.7	-99.4	-92.9	-3.8	-30.8	4.6	42.9
2012 Q1	12.9	1.1	1.8	13.9	3.9	-15.5	9.3	6.2	18.0	-29.4	-21.9	-2.0	-8.6	-0.3	12.6
Q2	18.6	1.3	1.7	15.8	4.2	-12.2	9.5	6.2	18.3	-28.4	-25.6	-1.2	-7.0	1.3	7.9
Q3	26.8	1.1	1.2	15.9	3.8	-11.0	8.0	6.6	19.3	-22.4	-23.6	-0.6	-8.1	1.3	11.2
Q4	29.2	1.4	1.5	16.7	3.3	-14.4	8.7	6.6	18.1	-19.2	-21.9	0.0	-7.1	2.3	11.2
2013 Q1	38.4	1.2	1.2	16.8	3.9	-15.6	8.0	6.8	20.0	-16.2	-22.1	0.3	-4.3	3.8	12.7
Q2	42.1	1.3	1.1	18.5	3.9	-11.5	7.0	6.8	17.5	-16.8	-20.8	0.1	-3.1	4.5	13.1
2013 Feb.	10.7	0.4	0.3	5.2	1.5	-5.2	2.5	2.2	6.0	-5.8	-7.2	0.0	-1.4	1.0	4.0
Mar.	18.0	0.3	0.1	6.2	1.0	-5.1	2.7	2.2	7.8	-3.1	-7.4	0.3	-1.0	1.8	5.0
Apr.	15.1	0.4	0.4	5.9	1.2	-4.6	3.0	2.2	6.1	-5.7	-6.4	0.0	-1.6	1.5	6.4
May	13.5	0.4	0.5	6.0	1.4	-3.8	2.2	2.4	6.1	-6.0	-7.8	0.0	-0.6	1.7	3.1
June	13.5	0.4	0.3	6.5	1.3	-3.2	1.8	2.2	5.2	-5.1	-6.6	0.2	-1.0	1.3	3.7
July	11.1	.	.	.	.	-4.1	2.6	1.9	5.1	-6.1	-6.7	0.3	-0.7	1.5	.

Source: Eurostat.
1) Excluding Croatia.

EXCHANGE RATES

8.1 Effective exchange rates [1]

(period averages; index: 1999 Q1=100)

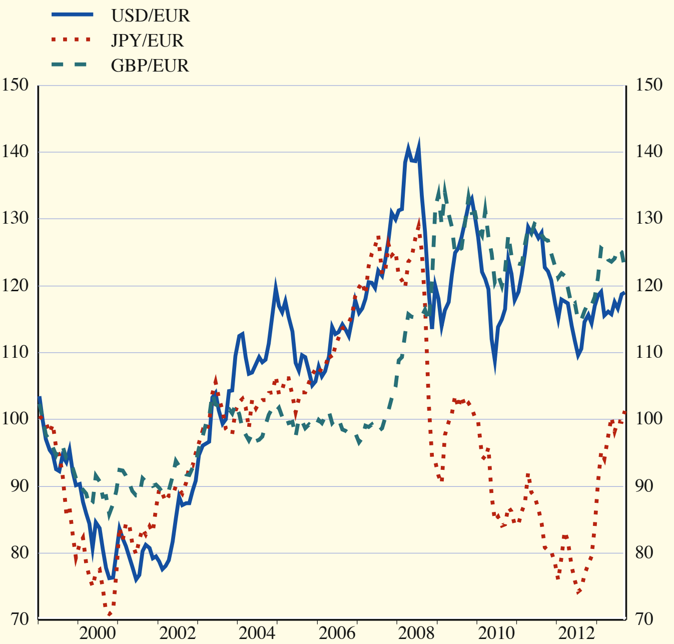
	EER-21						EER-40	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM [2]	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2010	103.6	101.5	98.0	96.5	112.3	97.9	111.5	98.1
2011	103.4	100.6	97.6	95.0	110.7	96.2	112.2	97.6
2012	97.9	95.1	92.1	89.7	105.0	90.5	107.1	92.5
2012 Q3	95.9	93.3	90.5	87.8	103.1	89.1	105.0	90.8
Q4	97.9	95.2	92.7	89.5	103.5	89.3	107.4	92.6
2013 Q1	100.8	98.0	95.3	92.1	106.8	92.5	110.2	94.7
Q2	100.9	98.4	96.3	92.6	106.7	92.0	110.6	95.2
Q3	101.9	99.4	97.4	.	.	.	112.9	97.0
2012 Sep.	97.2	94.4	91.4	-	-	-	106.6	91.9
Oct.	97.8	95.0	92.1	-	-	-	107.3	92.4
Nov.	97.3	94.6	92.1	-	-	-	106.7	92.0
Dec.	98.7	96.0	93.8	-	-	-	108.3	93.3
2013 Jan.	100.4	97.7	95.2	-	-	-	109.9	94.6
Feb.	101.7	98.8	96.0	-	-	-	111.2	95.5
Mar.	100.2	97.6	94.9	-	-	-	109.5	94.2
Apr.	100.5	98.0	95.8	-	-	-	109.8	94.5
May	100.6	98.2	96.1	-	-	-	110.0	94.7
June	101.6	99.0	97.1	-	-	-	112.0	96.3
July	101.5	99.0	97.0	-	-	-	112.0	96.2
Aug.	102.2	99.7	97.7	-	-	-	113.4	97.4
Sep.	102.0	99.5	97.4	-	-	-	113.3	97.3
	Percentage change versus previous month							
2013 Sep.	-0.2	-0.2	-0.3	-	-	-	-0.1	-0.1
	Percentage change versus previous year							
2013 Sep.	4.9	5.4	6.5	-	-	-	6.3	5.8

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 Mar.	1.9558	25.659	7.4553	7.5909	0.7013	3.4528	303.01	4.1565	4.3923	8.3470	0.85996	2.3453
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
	Percentage change versus previous month											
2013 Sep.	0.0	-0.1	0.0	0.8	0.0	0.0	0.1	0.2	0.6	-0.3	-2.0	3.2
	Percentage change versus previous year											
2013 Sep.	0.0	4.2	0.1	2.3	0.9	0.0	5.5	2.5	-0.9	2.2	5.4	16.3

	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 Mar.	1.2537	2.5694	1.3285	8.0599	10.0588	70.5579	12,590.61	4.7769	122.99	4.0309
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
	Percentage change versus previous month									
2013 Sep.	-2.5	-2.6	-0.3	0.3	0.3	1.6	6.4	0.1	1.6	-0.5
	Percentage change versus previous year									
2013 Sep.	16.2	16.4	9.8	0.5	3.8	21.7	22.7	-6.1	31.8	9.6

	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 Mar.	16.2322	1.5657	7.4863	52.813	39.9332	1.6164	11.9169	1,430.31	1.2266	38.264	1.2964
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
	Percentage change versus previous month										
2013 Sep.	1.4	-2.5	0.4	-0.2	-1.0	-0.5	-0.7	-2.6	0.0	0.6	0.3
	Percentage change versus previous year										
2013 Sep.	4.8	4.4	7.8	8.8	7.7	6.5	25.1	0.1	2.1	6.2	3.8

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

9.1 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 Q1	2.1	1.7	0.9	4.2	0.4	2.2	2.7	1.3	4.8	0.6	2.8
Q2	1.1	1.5	0.5	2.3	-0.1	1.4	1.9	0.5	4.4	0.3	2.7
2013 June	1.2	1.6	0.6	2.2	0.2	1.3	2.0	0.2	4.5	0.5	2.9
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
	General government deficit (-)/surplus (+) as a percentage of GDP										
2010	-3.1	-4.8	-2.5	.	-8.1	-7.2	-4.3	-7.9	-6.8	0.3	-10.2
2011	-2.0	-3.3	-1.8	.	-3.6	-5.5	4.3	-5.0	-5.6	0.2	-7.8
2012	-0.8	-4.4	-4.0	.	-1.2	-3.2	-1.9	-3.9	-2.9	-0.5	-6.3
	General government gross debt as a percentage of GDP										
2010	16.2	37.8	42.7	.	44.4	37.9	81.8	54.8	30.5	39.4	79.4
2011	16.3	40.8	46.4	.	41.9	38.5	81.4	56.2	34.7	38.4	85.5
2012	18.5	45.8	45.8	.	40.7	40.7	79.2	55.6	37.8	38.2	90.0
	Long-term government bond yield as a percentage per annum; period average										
2013 Mar.	3.54	1.98	1.59	4.32	3.17	4.15	6.38	3.93	5.86	1.92	1.65
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
	3-month interest rate as a percentage per annum; period average										
2013 Mar.	1.23	0.49	0.27	1.17	0.47	0.47	-	3.48	5.10	1.25	0.51
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
	Real GDP										
2011	1.8	1.8	1.1	0.0	5.5	6.0	1.6	4.5	2.3	2.9	1.1
2012	0.8	-1.2	-0.4	-2.0	5.5	3.7	-1.7	1.9	0.4	1.0	0.1
2012 Q4	0.6	-1.6	-0.4	-2.0	5.6	3.4	-2.5	0.8	0.8	1.8	-0.2
2013 Q1	0.4	-2.4	-0.8	-1.0	5.7	4.1	-0.5	0.7	2.3	1.3	0.2
Q2	0.2	-1.3	0.6	-0.8	4.7	4.2	0.1	1.1	1.4	0.1	1.3
	Current and capital account balance as a percentage of GDP										
2011	1.4	-2.3	5.9	-0.8	0.0	-1.2	2.8	-3.0	-3.9	6.3	-1.1
2012	0.1	-1.1	5.9	0.0	0.5	2.0	3.6	-1.5	-3.0	5.9	-3.5
2012 Q4	-1.6	0.8	6.2	-6.1	2.6	3.6	3.9	-0.9	-1.0	5.6	-3.0
2013 Q1	-4.7	1.6	3.1	-14.3	0.3	-2.5	5.9	-1.6	2.1	6.5	-3.8
Q2	6.0	-0.5	8.2	.	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	183.2	104.1	145.0	77.4	148.0	72.3	77.2	200.0	419.6
2012	94.9	60.5	182.9	101.9	136.4	75.4	128.0	71.1	75.2	190.8	383.7
2012 Q4	94.9	60.5	182.9	101.9	136.4	75.4	128.0	71.1	75.2	190.8	383.7
2013 Q1	93.8	62.1	185.1	102.7	138.8	74.1	132.3	72.7	74.8	194.5	392.1
Q2	92.9	63.1	.	.	137.8	70.2	126.9	74.0	73.5	197.3	.
	Unit labour costs										
2011	2.5	0.5	-0.1	0.7	2.1	0.7	1.8	1.1	0.7	0.2	1.4
2012	-0.5	3.2	1.6	1.2	2.9	1.9	4.8	0.9	6.8	2.9	3.0
2012 Q4	0.3	3.3	1.4	0.9	1.2	0.6	4.2	-0.1	7.1	3.6	2.3
2013 Q1	12.9	1.1	1.7	3.5	1.2	-1.2	2.1	2.8	1.2	2.4	0.4
Q2	13.0	1.1	0.8	1.2	3.5	2.1	.	.	3.4	1.0	2.3
	Standardised unemployment rate as a percentage of labour force (s.a.)										
2011	11.3	6.7	7.6	13.5	16.4	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 Q1	12.9	7.2	7.1	17.0	12.6	12.6	10.9	10.6	7.1	8.1	7.8
Q2	12.9	7.0	6.8	16.9	11.4	11.9	10.4	10.5	7.4	8.0	7.7
2013 June	12.9	6.9	6.7	17.0	11.4	11.9	10.4	10.5	7.5	7.9	7.7
July	13.0	6.9	6.7	16.9	.	12.2	10.2	10.4	7.5	7.8	.
Aug.	13.0	6.9	6.6	16.9	.	12.3	.	10.3	7.5	8.0	.

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

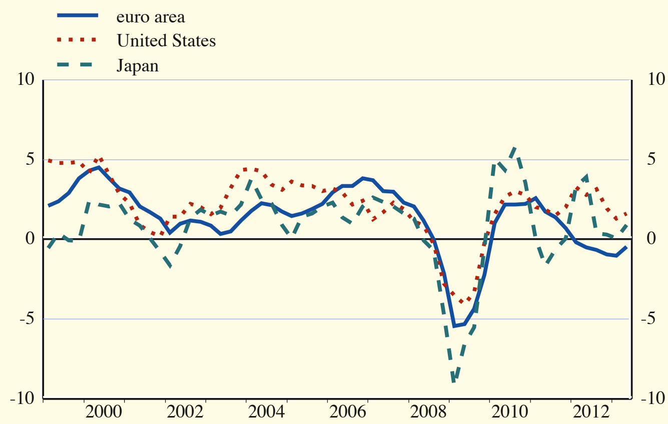
9.2 Economic and financial developments in the United States and Japan

(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	Govern-ment 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	-11.9	73.3
2010	1.6	-1.2	2.5	6.6	9.6	2.5	0.34	3.57	1.3257	-11.4	82.1
2011	3.2	2.0	1.8	3.6	8.9	7.3	0.34	2.10	1.3920	-10.2	86.0
2012	2.1	1.1	2.8	4.2	8.1	8.5	0.43	1.88	1.2848	-8.7	90.0
2012 Q3	1.7	-0.4	3.1	3.9	8.0	7.0	0.43	1.77	1.2502	-8.6	88.7
Q4	1.9	4.3	2.0	3.3	7.8	7.5	0.32	1.88	1.2967	-8.5	90.0
2013 Q1	1.7	1.7	1.3	2.5	7.7	7.1	0.29	2.09	1.3206	.	.
Q2	1.4	1.5	1.6	1.9	7.6	6.9	0.28	2.82	1.3062	.	.
Q3	.	.	.	.	.	.	0.26	2.91	1.3242	.	.
2013 May	1.4	-	-	2.1	7.6	6.9	0.27	2.40	1.2982	-	-
June	1.8	-	-	2.0	7.6	6.8	0.27	2.82	1.3189	-	-
July	2.0	-	-	1.4	7.4	7.0	0.27	2.91	1.3080	-	-
Aug.	1.5	-	-	2.9	7.3	6.8	0.26	3.11	1.3310	-	-
Sep.	.	-	-	.	.	.	0.25	2.91	1.3348	-	-
					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	-0.8	0.4	-3.9	4.3	2.4	0.19	0.78	98.30	.	.
Q4	-0.2	-1.1	0.3	-6.0	4.2	2.3	0.19	0.84	105.12	.	.
2013 Q1	-0.6	-0.5	0.1	-7.8	4.2	2.9	0.16	0.70	121.80	.	.
Q2	-0.3	.	0.9	-3.1	4.0	3.5	0.16	1.02	129.07	.	.
Q3	.	.	.	.	.	.	0.15	0.88	131.02	.	.
2013 May	-0.3	-	-	-1.1	4.1	3.5	0.16	1.05	131.13	-	-
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	-	-	-0.2	.	3.8	0.15	0.93	130.34	-	-
Sep.	.	-	-	.	.	.	0.15	0.88	132.41	-	-

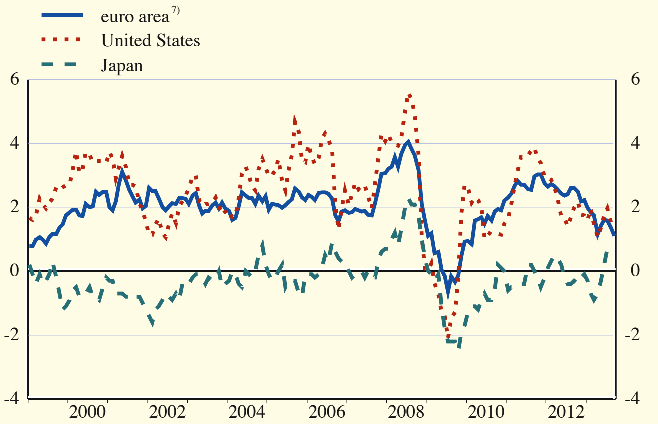
C41 Real gross domestic product

(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:

e) $$F_t^Q = (L_t - L_{t-3}) - C_t^Q - E_t^Q - V_t^Q$$

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:

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

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:

g) $$a_t = \left[\prod_{i=0}^{11}\left(1 + F_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

h) $$a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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:

i) $$a_t^M = \left(I_t / I_{t-1} - 1\right) \times 100$$

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^Q_t 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:

$$j) \quad I_t = I_{t-3} \times \left(1 + \frac{F^Q_t}{L_{t-3}}\right)$$

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:

$$\text{l)} \quad a_t = \left[\prod_{i=0}^{11}\left(1 + N_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

$$\text{m)} \quad a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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) $$a_t = \left[\prod_{i=0}^{5}\left(1 + N^M_{t-i} \big/ L_{t-1-i}\right) - 1\right] \times 100$$

q) $$a_t = \left(I_t \big/ I_{t-6} - 1\right) \times 100$$

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:

r) $$a_t = \left(\prod_{i=t-3}^{t} \left(1 + \frac{F_i}{L_{i-1}} \right) - 1 \right) \times 100$$

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 1 October 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.

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.

Unless otherwise indicated, hard copies can be obtained or subscribed to free of charge, stock permitting, by contacting info@ecb.europa.eu

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.

ISSN 1561-0136