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Macroeconomic Imbalances Procedure Scoreboard

Eurostat publishes latest indicators for early detection of macroeconomic imbalances

Eurostat, the statistical office of the European Union, publishes today the indicators of the Macroeconomic Imbalances Procedure (MIP) Scoreboard. The MIP is part of the Six-Pack regulation on economic governance adopted by the European Parliament and Council in November 2011.

The MIP Scoreboard provides the statistical support to the annual Alert Mechanism Report released by the European Commission at the start of the European Semester 2016. The Alert Mechanism Report identifies those Member States for which in-depth analyses are required on the basis of an economic reading of the scoreboard indicators. The MIP Scoreboard consists of fourteen indicators relevant for the early detection of existing or emerging macroeconomic imbalances at Member State level. The full data series are available on a regularly updated dedicated section of the Eurostat website.

In 2015 three labour market indicators have been added to the MIP Scoreboard: activity rate, long-term unemployment rate and youth unemployment rate.

The data from National Accounts and Balance of Payments/International Investment Position used for the compilation of the MIP Scoreboard indicators are based on the new statistical standards: the European system of national and regional accounts in the European Union (ESA 2010) and the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). The Balance of Payments/International Investment Position data are also affected by the revised treatment of euro banknotes introduced in 2014 and 2015.

MIP relevant statistical data originate from statistical domains with long track records and of recognised quality. Eurostat is the main compiler of data for the MIP Scoreboard indicators. Other data sources are the Commission's Directorate General for Economic and Financial Affairs and the International Monetary Fund.

For more information

Regulation (EU) 1176/2011 on the prevention and correction of macroeconomic imbalances.

The Alert Mechanism Report.

Eurostat website section dedicated to Macroeconomic Imbalances Procedure.

Eurostat website section dedicated to ESA 2010.

International Investment Position Manual BPM6 (see Appendix 1: Conversion Matrix from the BPM5 to the BPM6).

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MIP Scoreboard 2015

Year 2014	External imbalances and competitiveness					Internal imbalances						New employment indicators		
	Current account balance - % of GDP (3 year average)	Net international investment position (% of GDP)	Real effective exchange rate - 42 trading partners, HICP deflator (3 year % change)	Export market share - % of world exports (5 year % change)	Nominal unit labour cost index (2010=100) (3 year % change)	House price index (2010=100), deflated (1 year % change)	Private sector credit flow, consolidated (% of GDP)	Private sector debt, consolidated (% of GDP)	General government gross debt (% of GDP)	Unemployment rate (3 year average)	Total financial sector liabilities, non-consolidated (1 year % change)	Activity rate - % of total population aged 15-64 (3 year change in p.p.)	Long-term unemployment rate - % of active population aged 15-74 (3 year change in p.p.)	Youth unemployment rate - % of active population aged 15-24 (3 year change in p.p.)
Threshold	-4/6%	-35%	±5% (EA) ±11% (Non-EA)	-6%	9% (EA) 12% (Non-EA)	6%	14%	133%	60%	10%	16.5%	-0.2 pp	0.5 pp	2.0 pp
Belgium	-0.1	57.2	-0.5	-10.7	5.6	-1.1 ^p	1.0	181.4	106.7	8.2	4.9	1.0	0.8	4.5
Bulgaria	0.9	-73.4	-2.6	6.7	12.5 ^p	1.5 ^p	-0.3	124.3	27.0	12.2	7.2	3.1	0.6	-1.2
Czech Rep.	-0.5	-35.6	-10.0	-5.0	3.8	1.8	1.8	72.7	42.7	6.7	4.4	3.0	0.0	-2.2
Denmark	6.9	47.0	-1.2	-17.3	5.1	3.1	1.7	222.8	45.1	7.0	6.6	-1.2	-0.1	-1.6
Germany	6.9	42.3	-0.3	-8.3	7.6	1.5 ^p	1.1	100.4	74.9	5.2	4.2	0.4	-0.6	-0.8
Estonia	-0.5	-43.6	4.7	24.5	13.0	12.8	6.4	116.1	10.4	8.7	12.2	0.5	-3.8	-7.4
Ireland	1.8	-106.7	-3.5	-6.1	-2.2	11.1	13.7	263.3	107.5	13.0	16.0	0.6	-2.0	-5.2
Greece	-2.6	-124.1	-5.6	-17.5	-11.6 ^p	-4.9 ^{e**}	-2.7	130.5	178.6	26.2	-7.6	0.1	10.7	7.7
Spain	0.7	-94.1	-1.0	-11.5	-4.1 ^p	0.1	-7.1	165.8	99.3	25.1	-1.9	0.3	4.0	7.0
France	-1.0	-19.5	-1.2	-13.1	4.8	-1.6	3.3	143.2	95.6	10.1	5.4	1.3	0.6	1.5
Croatia	0.5	-88.6	-0.9	-18.0	-5.9	-2.0 ^p	0.3	120.6	85.1	16.9	0.9	2.0	1.7	8.8
Italy	0.8	-27.9	0.2	-14.0	3.6	-4.6 ^p	-0.9	119.3	132.3	11.8	-0.7	1.8	3.5	13.5
Cyprus	-4.9	-139.8	-1.4	-26.7	-7.7 ^p	0.3 ^p	-8.5	348.3	108.2	14.6	0.7	0.8	6.1	13.6
Latvia	-2.5	-60.9	0.4	9.9	12.9	5.1	-11.9	96.4	40.6	12.6	10.4	1.8	-4.1	-11.4
Lithuania	1.3	-46.4	1.4	35.3	8.3	6.3	-1.2	52.5	40.7	12.0	16.3	2.3	-3.2	-13.3
—	5.8	36.0	0.5	11.2	7.6	3.7	0.5	342.2	23.0	5.7	21.5	2.9	0.3	5.9
Hungary	2.7	-73.8	-7.0	-14.9	6.7	3.1	-0.5	91.3	76.2	9.6	8.5	4.6	-1.5	-5.6
Malta	2.6	39.5	0.0	-18.2	7.0	2.6	7.8	146.4	68.3	6.2	5.8	4.5	-0.4	-1.5
Netherlands	10.9	60.8	0.8	-11.0	5.4 ^p	-0.5	-1.6 ^p	228.9 ^p	68.2	6.8	8.2 ^p	0.9	1.3	2.7
Austria	1.8	2.2	1.9	-15.7	7.8	1.4	0.2	127.1	84.2	5.3	-1.5	0.8	0.3	1.4
Poland	-2.3	-68.3	-1.3	4.8	2.5 ^p	1.1	4.7	77.9	50.4	9.8	0.6	2.2	0.2	-1.9
Portugal	0.0	-113.3	-1.8	-4.7	-2.3 ^e	3.6	-8.7	189.6	130.2	15.4	-6.1	-0.4	2.2	4.5
Romania	-2.1	-57.2	-1.1	21.5	2.3 ^p	-3.6 ^p	-2.4	62.2	39.9	6.9	1.1	1.6	-0.1	0.1
Slovenia	5.1	-43.7	1.2	-11.8	-0.2	-6.6	-4.6	100.1	80.8	9.6	-0.4	0.6	1.7	4.5
Slovakia	1.0	-69.4	1.3	3.2	2.2	1.5	3.9	76.2	53.5	13.8	7.0	1.6	0.0	-4.0
Finland	-1.5	-0.7	2.7	-24.0	8.0	-1.9	0.4	150.0	59.3	8.2	8.7	0.5	0.2	0.4
Sweden	6.5	-6.5	-3.7	-9.8	7.1	8.6	6.5	194.4	44.9	8.0	13.4	1.6	0.0	0.1
UK	-4.3	-25.3	10.2	-8.7	1.9	8.3	3.4	157.7	88.2	7.2	4.4	1.2	-0.5	-4.4

e estimated
p provisional
* The international investment position of Luxembourg has been revised downwards following the revised treatment of euro banknotes in national balance of payments/International investment position statistics.
** Source: National Bank of Greece.

Source: European Commission, Eurostat and Directorate General for Economic and Financial Affairs (for real effective exchange rate); International Monetary Fund (for the calculation of export market share).

Annex: Brief definition of the indicators

Current account balance

The current account provides information about the transactions of a country with the rest of the world. It covers all transactions (other than those in financial items) in goods, services, primary income and secondary income, which occur between resident and non-resident units. The MIP scoreboard indicator is the three-year backward moving average of the current account balance expressed as percentage of GDP.

Net international investment position

The International investment position (IIP) is a statistical statement that shows at a point in time the value and composition of: i) financial assets of residents of an economy that are claims on non-residents and gold bullion held as reserve assets, and ii) liabilities of residents of an economy to non-residents. The difference between an economy's external financial assets and liabilities is the economy's net IIP, which may be positive or negative. The NIIP provides an aggregate view of the net financial position of a country vis-à-vis the rest of the world. The MIP scoreboard indicator is expressed as percentage of GDP.

Real effective exchange rate

The indicator aims to assess a country's price or cost competitiveness relative to its principal competitors in international markets. This depends on exchange rate movements, but also on the relative cost or price developments in the country and its trading partners. The MIP REER is deflated by the consumer price indices relative to a panel of 42 countries (double export weights are used to calculate REERs, reflecting not only competition in the home markets of the various competitors, but also competition in export markets elsewhere). The MIP scoreboard indicator is the percentage change over three years of REER.

Export market share

The share of world exports (or export market share) captures the value of exports of goods and services of a country compared to the value of total world exports. The MIP headline indicator is expressed as the percentage change over five years. The total world export data are based on International Monetary Fund (IMF) data, while the source of data for individual countries is Eurostat.

Nominal unit labour cost index

The indicator is defined as the ratio of labour cost (the ratio of compensation of employees to the number of employees) to labour productivity (the ratio of GDP to total employment). The data on employees and employment are presented according to the domestic concept used in national accounts. The MIP scoreboard indicator is the percentage change over three years.

House price index, deflated

The indicator is the ratio between HPI and the national accounts deflator for private final consumption expenditure (households and non-profit institutions serving households (NPISHs)). It measures inflation in the house market relative to inflation in the final consumption expenditure of households and NPISHs. Eurostat's HPI captures price changes of all residential properties purchased by households (flats, detached houses, terraced houses, etc.), both new and existing, independently of their final use and their previous owners. The MIP scoreboard indicator is the one year percentage change of the deflated HPI.

Private sector credit flow

The private sector credit flow represents the net amount of liabilities in which the sectors non-financial corporations and households and NPISHs have incurred through the year. The instruments taken into account are debt securities and loans. Data are expressed in % of GDP and presented in consolidated terms, i.e. data do not take into account transactions within the same sector.

Private sector debt

The private sector debt is the stock of liabilities held by the sectors non-financial corporations and households and NPISHs. The instruments taken into account are debt securities and loans. Data are expressed as percentage of GDP and presented in consolidated terms, i.e. do not taking into account transactions within the same sector.

General government gross debt

Debt means total gross debt at nominal value outstanding at the end of the year and consolidated between and within the general government. The stock of government debt is equal to the sum of liabilities, at the end of year, of all units classified within the general government in the categories: currency and deposits, debt securities and loans. The MIP indicator is expressed as percentage of GDP.

Total financial sector liabilities

The total financial corporations sector liabilities measures the evolution of the sum of all liabilities (which includes currency and deposits, debt securities, loans, equity and investment fund shares, insurance, pensions and standardised guarantees, financial derivatives and employee stock options and other accounts payable) of the financial corporations sector. Data are expressed as one year percentage change and presented in non-consolidated terms, i.e. data take into account transactions within the same sector.

Unemployment rate

The unemployment rate is the number of unemployed persons as a percentage of the labour force (the total number of people employed and unemployed), based on International Labour Office (ILO) definition. Unemployed persons comprise persons aged 15 to 74 who fulfil all the three following conditions: are without work during the reference week; are available to start work within the next two weeks and have been actively seeking work in the past four weeks or have already found a job to start within the next three months. The MIP Scoreboard indicator is the three-year backward moving average.

Activity rate

The activity rate is the percentage of the economically active population (also called the labour force) aged 15 to 64 in the total population of the same age, based on ILO definitions. The MIP scoreboard indicator is the three year change in percentage points.

Long-term unemployment rate

The long-term unemployment rate is the number of persons unemployed for 12 months or longer as a percentage of the labour force based on ILO definitions. The MIP scoreboard indicator is the three year change in percentage points.

Youth unemployment rate

The youth unemployment rate is the number of unemployed persons aged 15 to 24 as a percentage of the labour force of the same age based on ILO definitions. The MIP scoreboard indicator is the three year change in percentage points.