

# KEY INDICATORS FOR THE EURO AREA



European Commission, DG ECFIN

## Key indicators for the euro area

this update: 22 February 2007

next update: 22 March 2007

|   |           | 2003   | 2004   | 2005   | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>1 Output</b>                                 |           |        |        |        |        |        |        |        |        |        |
| Industrial confidence <sup>1.1</sup>            | Balance   | -11    | -5     | -8     | 2      | 4      | 5      | 6      | 6      | 5      |
| Industrial production <sup>1.2</sup>            | mom % ch. | 0.5    | 2.0    | 1.3    | 1.6    | -0.9   | 0.0    | 0.3    | 1.0    |        |
|   |           | 2003   | 2004   | 2005   | 05Q3   | 05Q4   | 06Q1   | 06Q2   | 06Q3   | 06Q4   |
| Gross domestic product <sup>1.3</sup>           | qoq % ch. |        |        |        | 0.6    | 0.4    | 0.8    | 1.0    | 0.5    | 0.9    |
| <b>2 Private consumption</b>                    |           |        |        |        |        |        |        |        |        |        |
| Consumer confidence <sup>2.1</sup>              | Balance   | -18    | -14    | -14    | -9     | -8     | -8     | -7     | -6     | -7     |
| Retail sales <sup>2.2</sup>                     | mom % ch. | 0.1    | 0.2    | 1.0    | 0.6    | -0.8   | 0.1    | 0.5    | 0.3    |        |
|   |           | 2003   | 2004   | 2005   | 05Q3   | 05Q4   | 06Q1   | 06Q2   | 06Q3   | 06Q4   |
| Private consumption <sup>2.3</sup>              | qoq % ch. | 1.3    | 1.4    | 1.4    | 0.7    | 0.1    | 0.7    | 0.3    | 0.7    |        |
| <b>3 Investment</b>                             |           |        |        |        |        |        |        |        |        |        |
| Capacity utilization <sup>3.1</sup>             | %         | 80.7   | 81.6   | 81.3   | 80.9   | 81.1   | 82.0   | 82.5   | 83.6   | 83.9   |
| Gross fixed capital formation <sup>3.2</sup>    | qoq % ch. | 1.0    | 2.1    | 2.7    | 1.2    | 0.5    | 1.2    | 2.3    | 0.6    |        |
| Change in stocks <sup>3.3</sup>                 | % of GDP  | 0.0    | -0.1   |        | 0.2    | 0.4    | 0.0    | 0.3    | 0.2    |        |
| <b>4 Labour market</b>                          |           |        |        |        |        |        |        |        |        |        |
| Unemployment <sup>4.1</sup>                     | %         | 8.4    | 8.9    | 8.5    | 7.8    | 7.8    | 7.7    | 7.6    | 7.5    |        |
|   |           | 2003   | 2004   | 2005   | 05Q3   | 05Q4   | 06Q1   | 06Q2   | 06Q3   | 06Q4   |
| Employment <sup>4.2</sup>                       | yoy % ch. | 0.4    | 0.6    | 0.7    | 0.7    | 0.8    | 1.0    | 1.4    | 1.5    |        |
| Shortage of labour <sup>4.3</sup>               | %         | 2.5    | 2.4    |        | 2.1    | 2.8    | 2.7    | 3.1    | 4.4    | 5.1    |
| Wages <sup>4.4</sup>                            | yoy % ch. | 2.5    | 2.2    |        | 2.2    | 2.1    | 2.5    | 2.6    | 2.2    |        |
| <b>5 International transactions</b>             |           |        |        |        |        |        |        |        |        |        |
| Export order books <sup>5.1</sup>               | Balance   | -24    | -13    | -16    | 1      | 2      | 2      | 3      | 4      | 2      |
| World trade <sup>5.2</sup>                      | Index     | 132    | 146    | 157    | 175    | 177    | 178    | 179    |        |        |
| Exports of goods <sup>5.3</sup>                 | Bn. EUR   | 1056.0 | 1142.1 | 1232.5 | 116.2  | 120.7  | 119.6  | 121.6  |        |        |
| Imports of goods <sup>5.4</sup>                 | Bn. EUR   | 970.4  | 1069.1 | 1207.3 | 119.5  | 117.9  | 117.2  | 117.1  |        |        |
| Trade balance <sup>5.5</sup>                    | Bn. EUR   | 85.6   | 73.0   | 25.2   | -3.3   | 2.8    | 2.4    | 4.5    |        |        |
|   |           | 2003   | 2004   | 2005   | 05Q3   | 05Q4   | 06Q1   | 06Q2   | 06Q3   | 06Q4   |
| Exports of goods and services <sup>5.6</sup>    | qoq % ch. | 1.1    | 6.8    | 4.2    | 2.6    | 0.9    | 3.5    | 1.1    | 1.8    |        |
| Imports of goods and services <sup>5.7</sup>    | qoq % ch. | 3.1    | 6.7    | 5.2    | 2.4    | 1.8    | 2.5    | 1.1    | 2.4    |        |
|   |           | 2003   | 2004   | 2005   | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 |
| Current account balance <sup>5.8</sup>          | Bn. EUR   | 18.1   | 42.4   | 38.8   | -8.3   | 2.3    | 1.8    | -2.0   |        |        |
| Direct investment (net) <sup>5.9</sup>          | Bn. EUR   | -18.4  | -39.7  | -41.8  | -7.6   | -21.2  | -15.3  | -11.6  |        |        |
| Portfolio investment (net) <sup>5.10</sup>      | Bn. EUR   | -9.4   | 39.0   | 32.3   | -15.0  | 36.6   | 22.5   | 45.1   |        |        |
| <b>6 Prices</b>                                 |           |        |        |        |        |        |        |        |        |        |
| HICP <sup>6.1</sup>                             | yoy % ch. | 2.1    | 2.2    | 2.2    | 2.3    | 1.7    | 1.6    | 1.9    | 1.9    | 1.9    |
| Core HICP <sup>6.2</sup>                        | yoy % ch. | 2.0    | 2.1    | 1.5    | 1.5    | 1.5    | 1.6    | 1.6    | 1.6    |        |
| Producer prices <sup>6.3</sup>                  | yoy % ch. | 1.6    | 2.3    | 4.1    | 5.7    | 4.6    | 4.0    | 4.3    | 4.1    |        |
| Import prices <sup>6.4</sup>                    | Index     | 102.5  | 97.2   | 104.8  | 116.1  | 113.7  |        |        |        |        |
| <b>7 Monetary and financial indicators</b>      |           |        |        |        |        |        |        |        |        |        |
| Interest rate (3 months) <sup>7.1</sup>         | % p.a.    | 2.3    | 2.1    | 2.2    | 3.2    | 3.3    | 3.5    | 3.6    | 3.7    | 3.8    |
| Bond yield (10 years) <sup>7.2</sup>            | % p.a.    | 4.1    | 4.1    | 3.4    | 3.9    | 3.8    | 3.8    | 3.7    | 3.8    | 4.0    |
| ECB repo rate <sup>7.3</sup>                    | % p.a.    | 3.25   | 2.75   |        | 3.00   | 3.25   | 3.25   | 3.50   | 3.50   | 3.50   |
| Stock markets <sup>7.4</sup>                    | Index     | 2420   | 2805   | 3207   | 107    | 109    | 113    | 115    | 116    | 118    |
| M3 <sup>7.5</sup>                               | yoy % ch. | 7.8    | 5.9    | 7.4    | 8.2    | 8.4    | 8.8    | 9.2    | 9.7    |        |
| Credit to private sector (loans) <sup>7.6</sup> | yoy % ch. | 5.0    | 6.0    | 8.1    | 11.3   | 11.5   | 11.2   | 11.2   | 10.7   |        |
| Exchange rate USD/EUR <sup>7.7</sup>            | Value     | 1.13   | 1.24   | 1.24   | 1.28   | 1.27   | 1.26   | 1.29   | 1.32   | 1.30   |
| Nominal effective exchange rate <sup>7.8</sup>  | Index     | 106.4  | 109.8  | 109.7  | 112.5  | 112.4  | 112.0  | 112.6  | 114.1  |        |



## Comments

### 1. Output

In January, the Commission's **industrial confidence** decreased by 1 point. Looking at the components of the indicator, managers' assessments of order books and of stocks of finished products deteriorated, while their production expectations improved slightly. The indicator still remains above its long-term average and close to its peak recorded in 2000.

**Industrial production** in the euro area increased by 1.0% in December 2006 compared to the previous month. Production increased in all sectors, with the highest rates in intermediate goods (2%) and energy (1.7%). On an annual basis, industrial production increased by 4.0% vis-à-vis the same period in 2005.

Eurostat's flash estimate of **gross domestic product** for the fourth quarter of 2006 shows an increase of 0.9% over the previous quarter. This figure is 0.3 pp higher than expected in the Commission's autumn forecast. In comparison with the same quarter of the previous year, GDP grew by 3.3%.

The **Commission's interim forecast** released on 16 February indicates that after having picked up to 2.7% in 2006, economic growth in 2007 is set to moderate to 2.4%. Compared to the autumn forecast, GDP growth has been revised upwards by 0.3 percentage points. HICP inflation is forecast to decline to 1.8%, down from 2.2% in the autumn forecast.

### 2. Private consumption

The **consumer confidence** indicator declined by 1 point in January. The components of the indicator remained broadly unchanged. While consumers did not expect major changes in their own financial situation and their own savings over the next 12 months, they became more pessimistic with regard to the general economic situation. At the same time, their unemployment expectations improved slightly. The indicator has been on an upward trend since mid-2005 and above its long-term average since the beginning of 2006.

In December 2006, the volume of **retail sales** increased by 0.3%, compared to the previous

month. Vis-à-vis the same period in 2005, retail sales rose by 2.1%.

**Private consumption** increased by 0.7% in the third quarter of 2006 (q-o-q), after a growth rate of 0.3% in the previous quarter. On an annual basis, household final consumption expenditure rose by 1.8%, unchanged from the previous quarter.

### 3. Investment

**Gross fixed capital formation** rose by 0.6% in the third quarter of 2006 (q-o-q), after a growth rate of 2.3% registered in the previous quarter. On an annual basis, investment increased by 4.6%. The change in **stocks** as a percentage of GDP amounted to 0.2% in the third quarter of 2006. According to the quarterly manufacturing survey, **capacity utilisation** in the manufacturing sector increased to 84.4% in the first quarter of 2007. This is 2.6 pp above its long-term average.

### 4. Labour market

In December 2006, the **unemployment** rate stood at 7.5%, compared to 7.6% in November. It was 8.5% one year ago.

Total **employment** in the euro area rose by 1.5% (y-o-y) in the third quarter of 2006; it had increased by 1.4% in the previous quarter. On a quarterly basis, the seasonally-adjusted number of persons employed rose by 0.4%, unchanged from the second quarter. Employment expectations have improved by 1 point in December.

The level of recorded **labour shortages** increased by 0.7 pp in the fourth quarter of 2006: 5.1% of firms reported that unfilled job openings were constraining production.

### 5. International transactions

The assessment of **export order books** in manufacturing has deteriorated by 2 points in January. The estimate of the **trade balance** for the euro area revealed a 4.5 bn euro surplus in November 2006, compared to a revised surplus of 2.4 bn euro in the previous month. The improvement in the trade balance was the result of an increase in **exports of goods** (+2.0 bn euro) and a slight decrease in **imports of goods** (-0.1 bn euro). In the third quarter of 2006, **exports of goods and services** (in volume terms) were up by 1.8% and **imports** by 2.4% (q-o-q). Compared to



one year earlier, exports and imports rose by 7.5% and 7.8%, respectively.

The working-day and seasonally-adjusted **current account** of the euro area recorded a deficit of 2 bn euro in November (corresponding to a surplus of 1.7 bn euro in non seasonally-adjusted terms). This reflected deficits in current transfers (9.0 bn euro) and income (2.5 bn euro), that were partly offset by surpluses in goods (7.0 bn euro) and services (2.4 bn euro). In the **financial account**, combined direct and portfolio investment recorded net inflows of 34 bn euro in November 2006, reflecting net inflows in **portfolio investment** (45 bn euro) and net outflows in **direct investment** (12 bn euro).

## 6. Prices

According to a flash estimate from Eurostat, euro area annual **HICP** is expected to be 1.9% in January 2007, unchanged compared to December. A year earlier the rate was 2.4%. The main components with the highest annual rates in December 2006 were housing (3.6%), education (3.5%) and alcohol and tobacco (3.1%), while the lowest annual rates were observed for communications (-2.3%), recreation and culture (0.0%) and clothing (0.9%). Concerning the detailed sub-indices, gas (+0.13 percentage points) had the largest upward impact on the headline rate, followed by restaurants and cafés, electricity and vegetables (+0.07 each), while telecommunications (-0.13) and fuels for transport (-0.10) had the biggest downward impacts. The **core inflation** rate (HICP excluding energy and unprocessed food) was 1.6% in December, unchanged November.

On the back of the hostilities in Lebanon, **oil prices** reached record high levels in August of last year, with a barrel of Brent crude oil costing almost 80 USD. After the abatement of geopolitical tensions in the Middle East, prices dropped substantially, to reach the lowest level of the year (55 USD) early October. Oil prices rose again during the month of November and early December. They have dropped considerably since then partly reflecting mild winter weather conditions in the Northern hemisphere, but also increases in OPEC's spare capacity. Prices stood at 57.6 USD on 21 February.

The euro area industrial **producer price** index remained unchanged in December 2006 compared to November 2006. Prices in total industry excluding the energy sector increased by 0.1%, capital goods, non-durable and durable goods

gained 0.1% and intermediate goods remained stable. Prices in the energy sector fell by 0.2%.

## 7. Monetary and financial indicators

On 7 December 2006, the ECB Governing Council decided to raise policy interest rates by 25 basis points, raising the minimum bid rate on the main refinancing operations of the Eurosystem to 3,50%. This move followed increases in policy interest rates of 25 basis points in December 2005, March 2006, June 2006, August 2006 and October 2006. In 2006, euro area money markets have been strongly affected by market expectations of future changes in ECB policy interest rates. On 21 February 2007, the **three-month money market rate** stood at 3.84%. **Government bond yields** reached new record lows in September 2005, on renewed concerns about the economic outlook. Since then, bond markets have experienced a strong downward price correction as market sentiment has changed in the wake of upbeat survey indicators and expectations about ECB interest rate hikes. At the turn of 2007 euro-area government bond yields increased again as financial markets have anticipated a milder slowdown in the US housing market; it stood at 4.06% on 21 February.

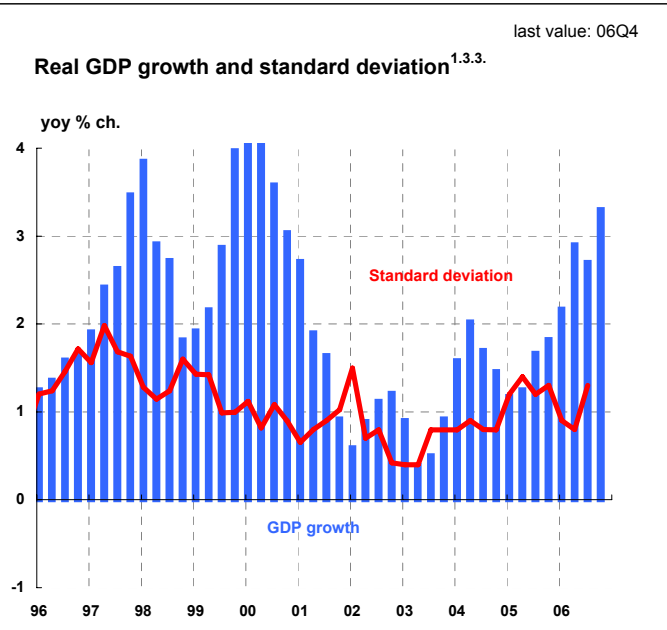
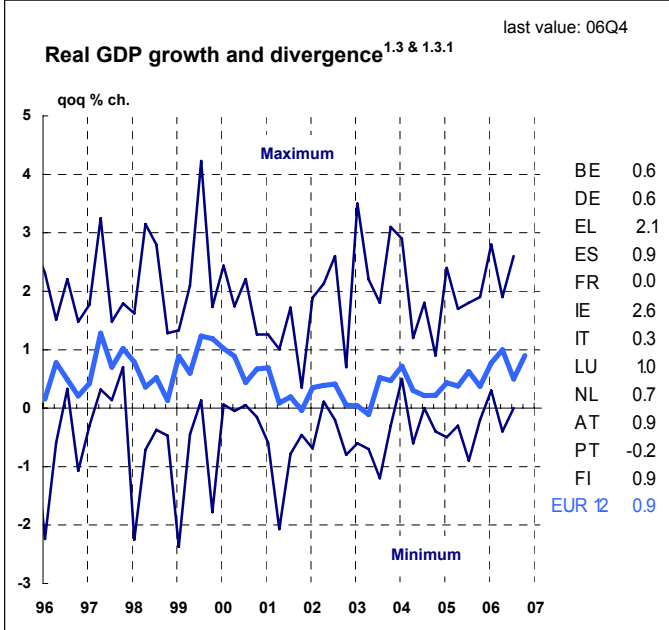
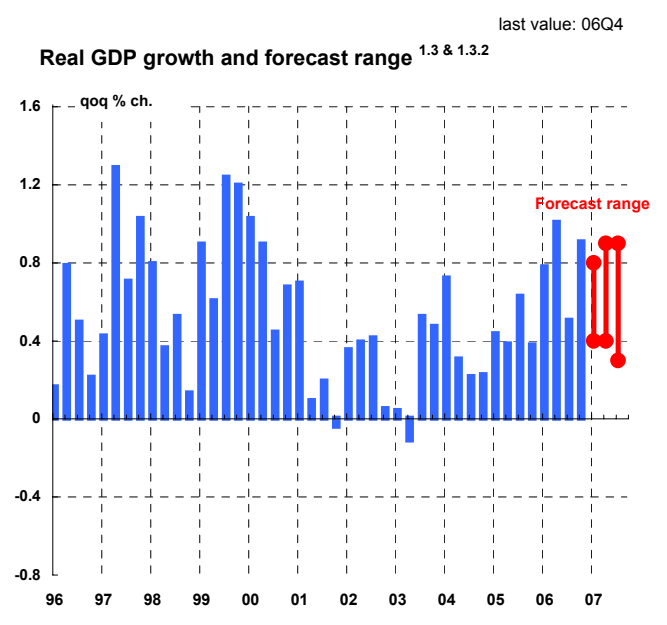
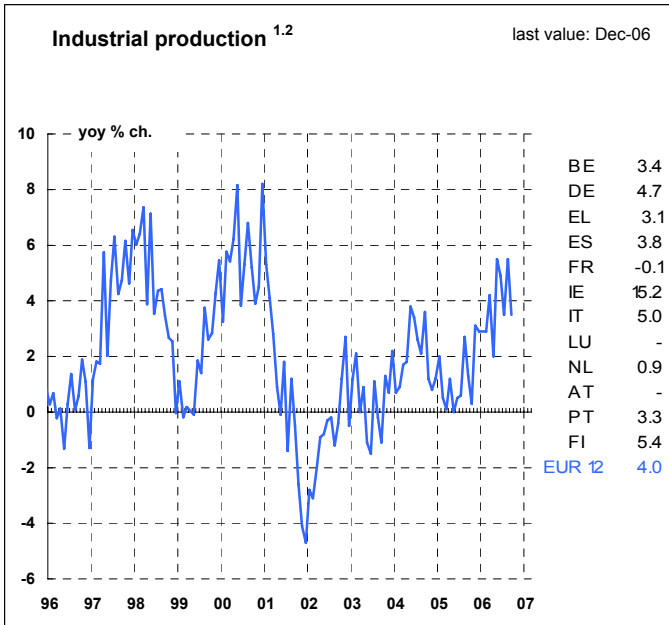
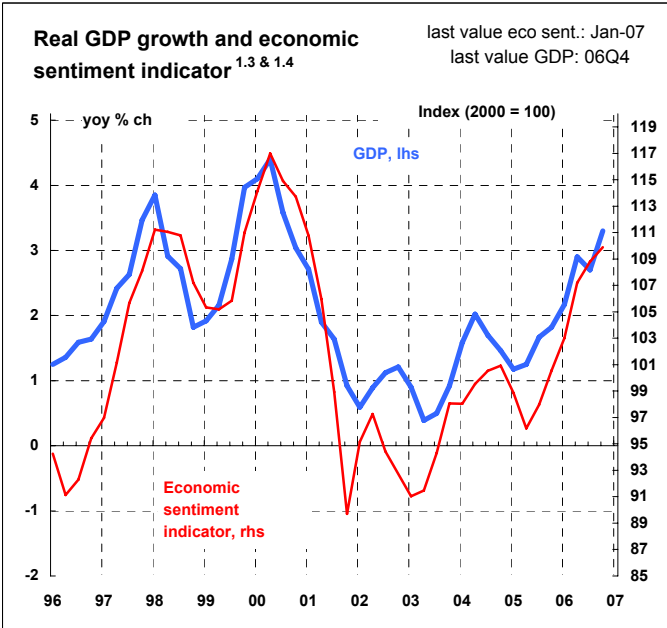
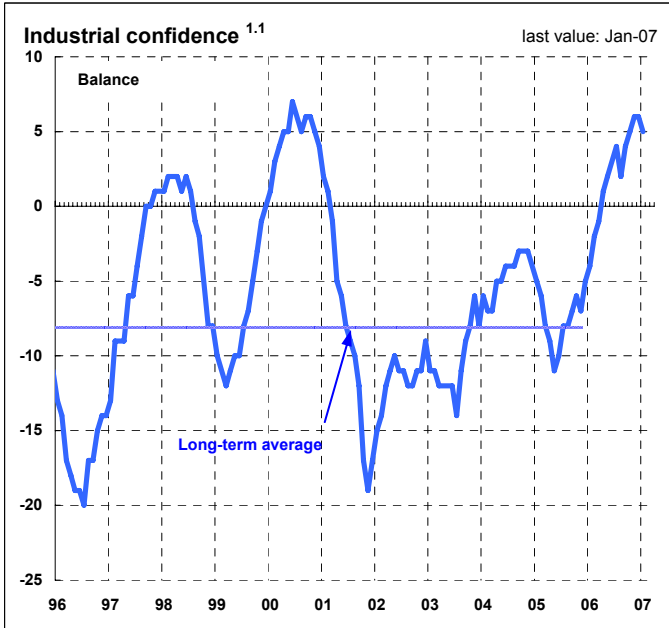
The annual rate of growth of **M3** increased to 9.7% in December, from 9.3% in the previous month. The three-month moving average of the annual growth rate of M3 over the period October 2006 - December 2006 rose to 9.2%, from 8.8% in the period September 2006 - November 2006. Regarding the main components of M3, the annual rate of growth of M1 increased, the annual rate of growth of short-term deposits other than overnight deposits remained unchanged and the annual rate of growth of marketable instruments decreased. The annual rate of **credit growth (loans)** to the private sector stood at 10.7% in December, down from 11.2% in the previous month. Lending for house purchase decreased to 9.5% in December, from 10.2% in November.

Foreign exchange markets in 2006 have returned to the trends of 2002-2004, with the dollar weakening broadly and the **euro** strengthening. On 21 February the euro stood at 1.31 USD/EUR, about 10% higher than one year ago. Against the yen, the euro has also strengthened, to around 159 on 21 February.

On 21 February, the **EuroSTOXX50** index was around 17% higher than at the beginning of 2006.



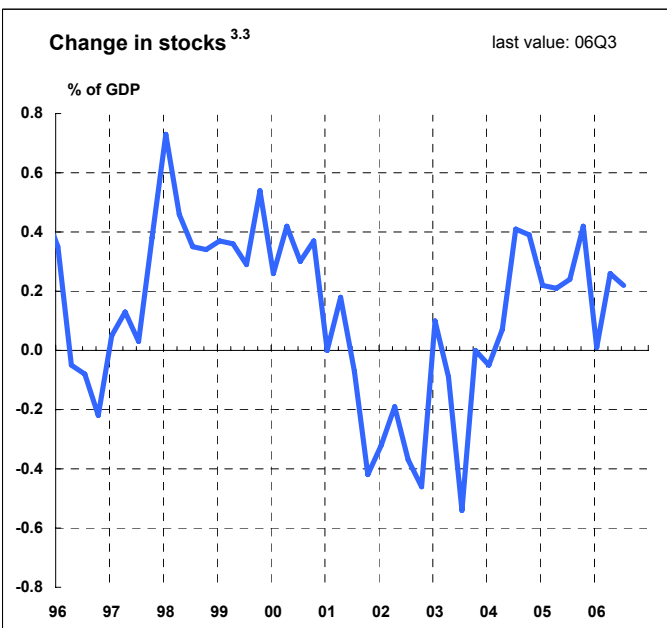
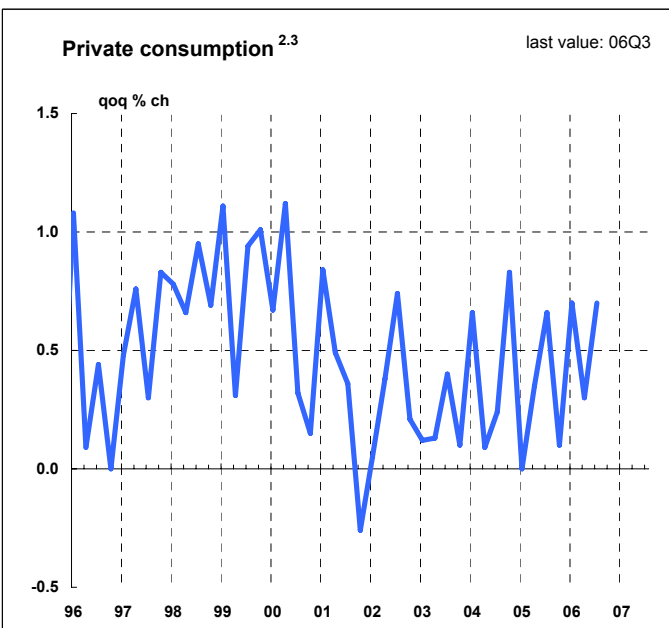
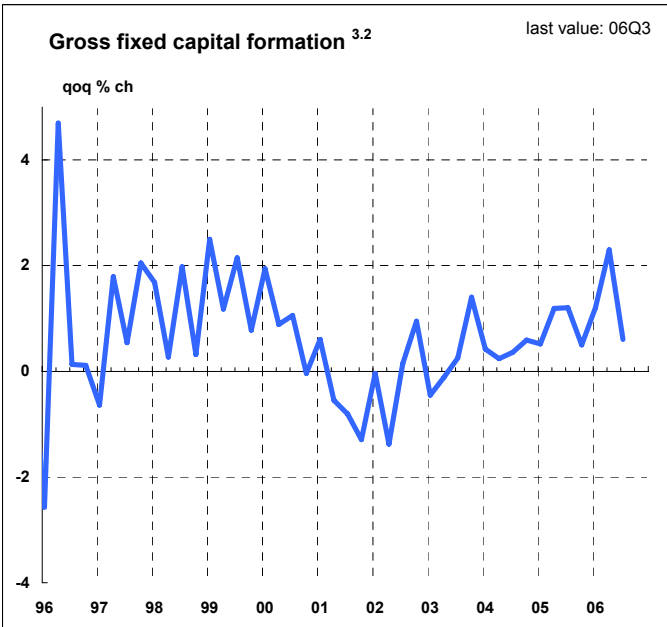
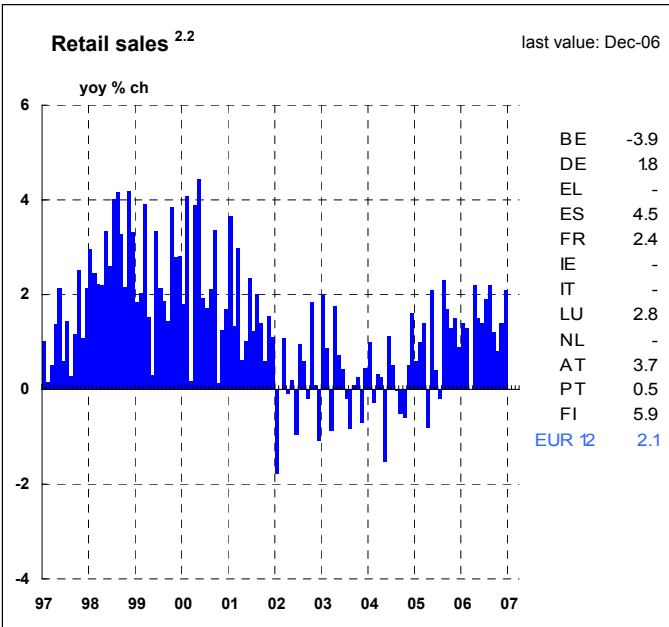
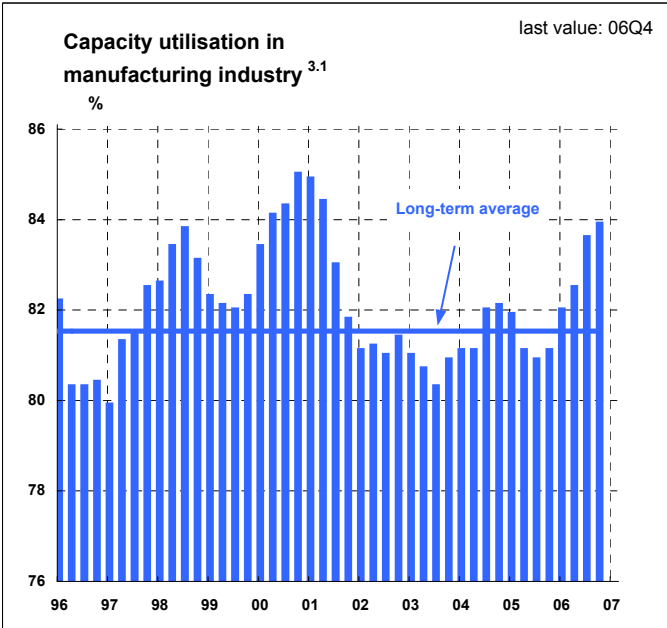
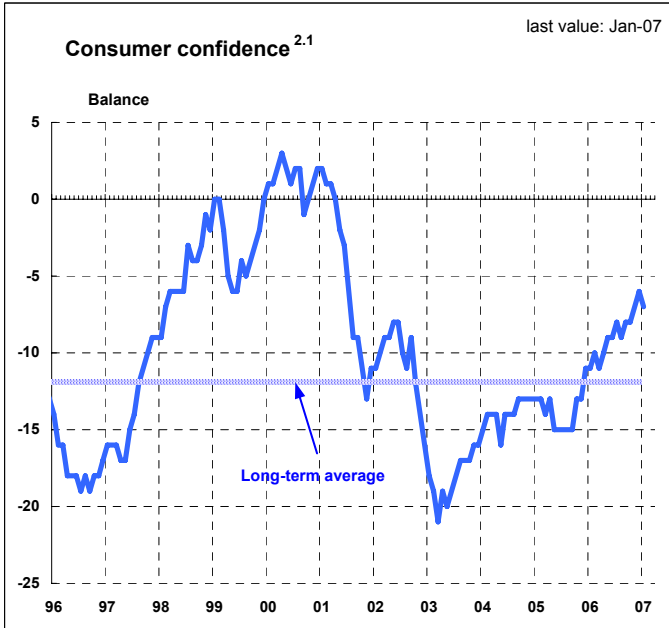
1. OUTPUT





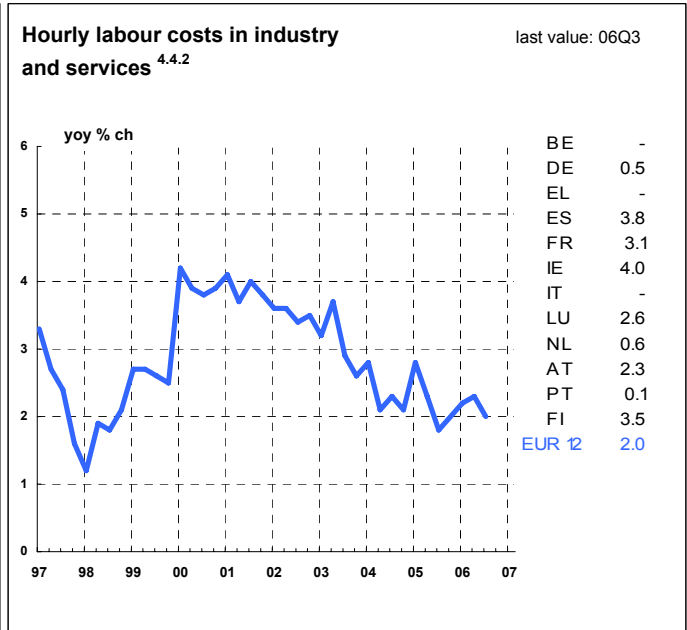
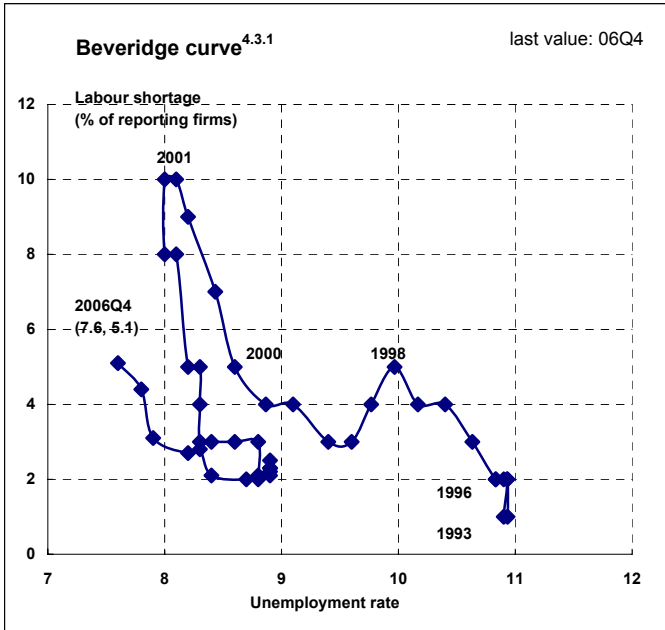
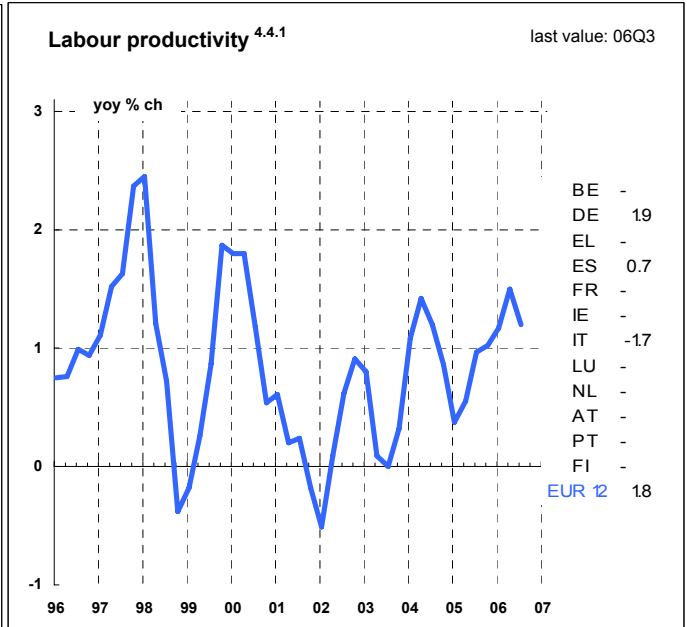
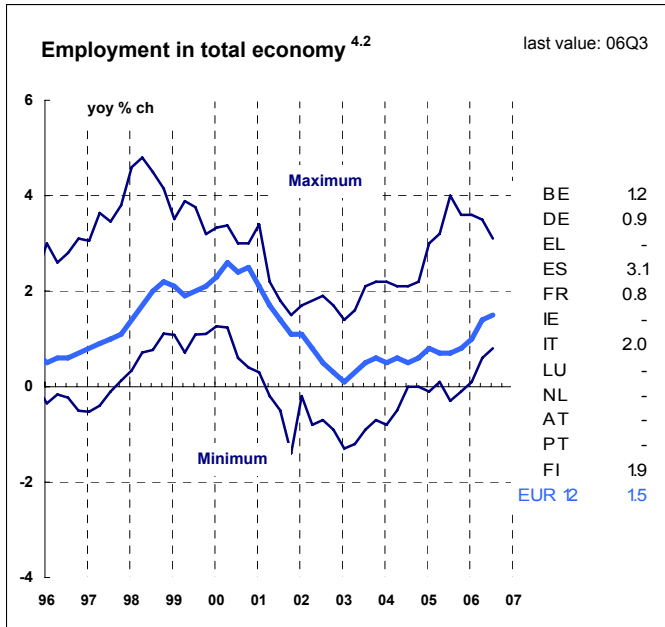
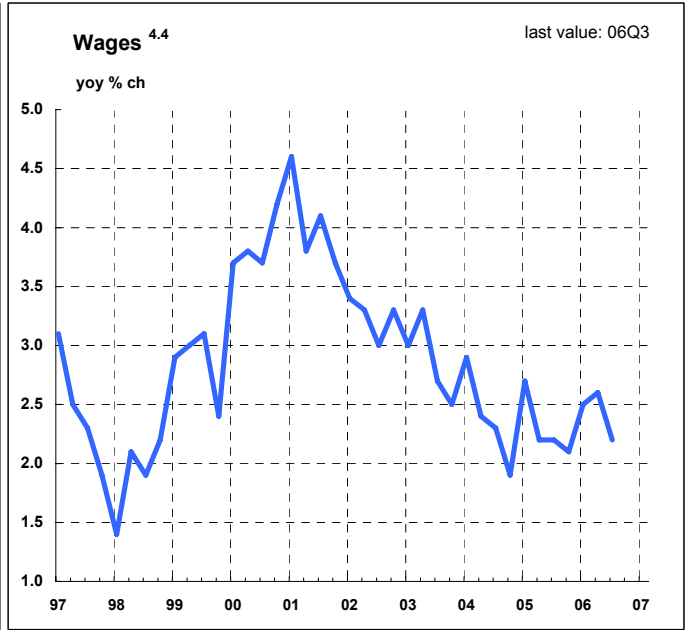
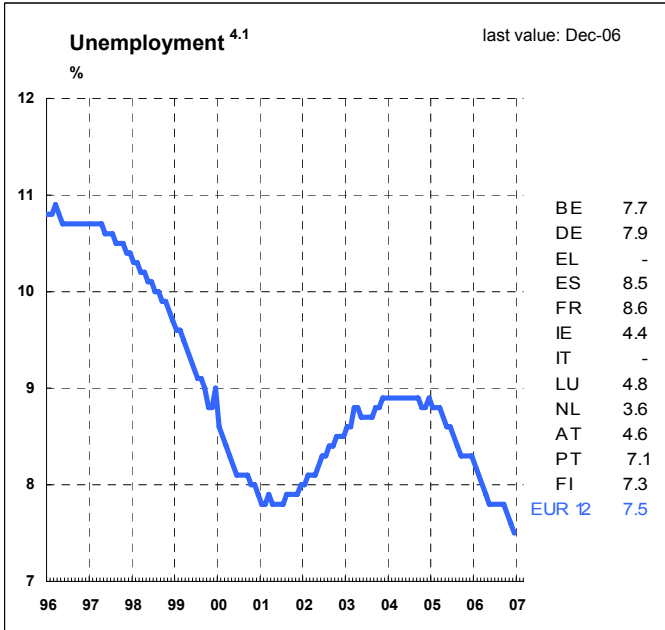
2. PRIVATE CONSUMPTION

3. INVESTMENT



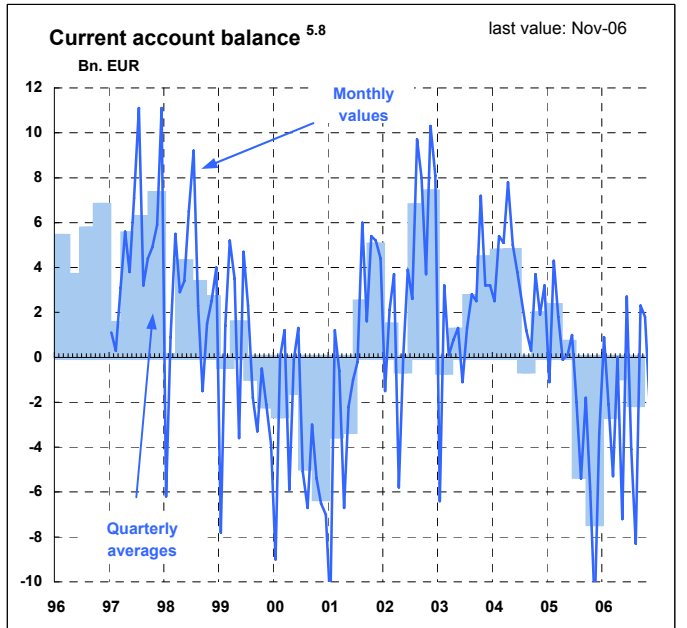
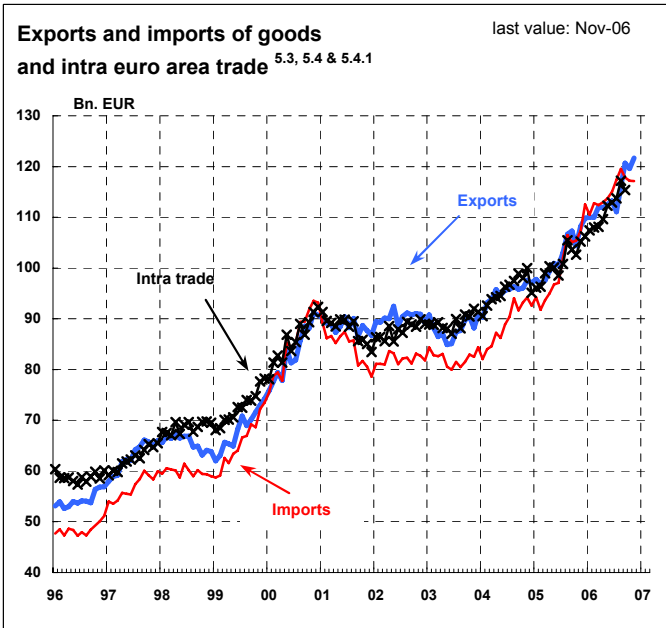
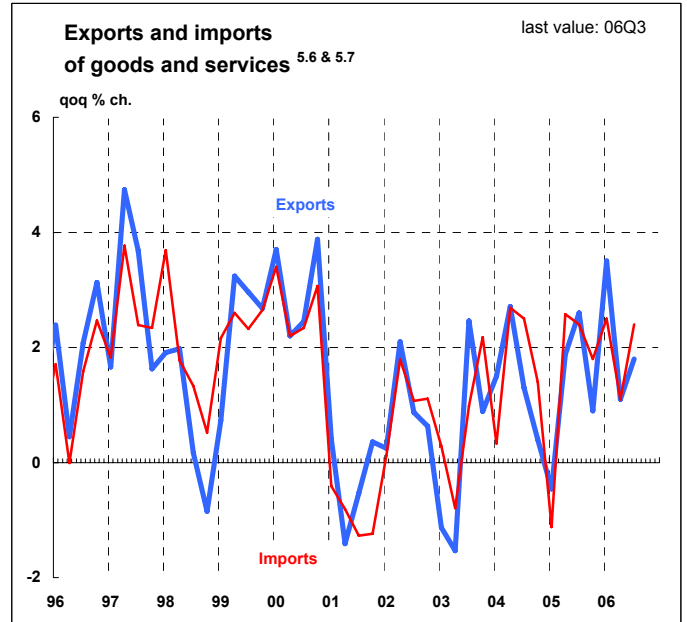
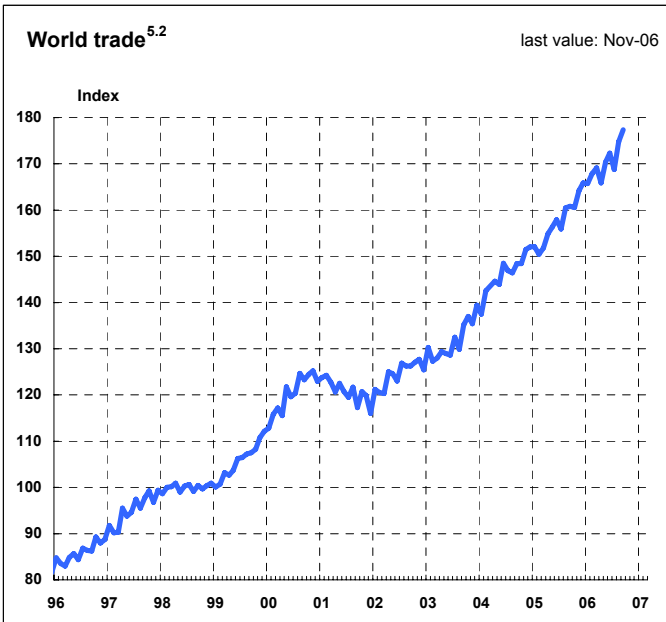
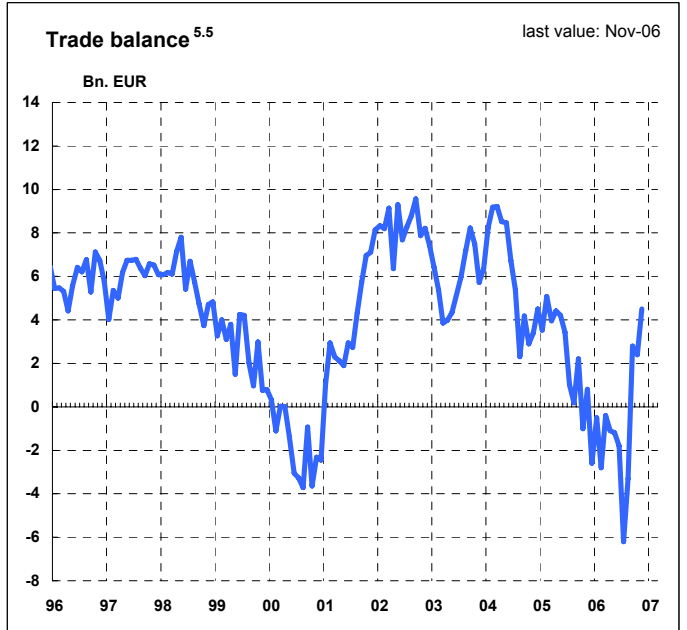
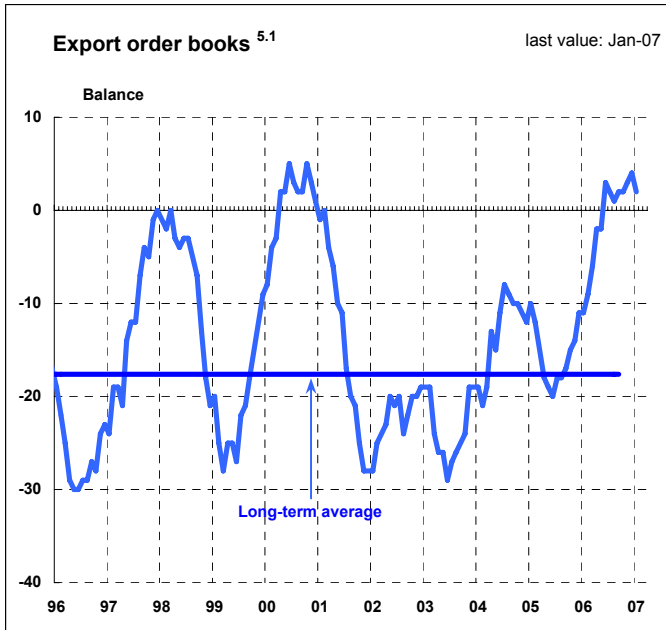


4. LABOUR MARKET



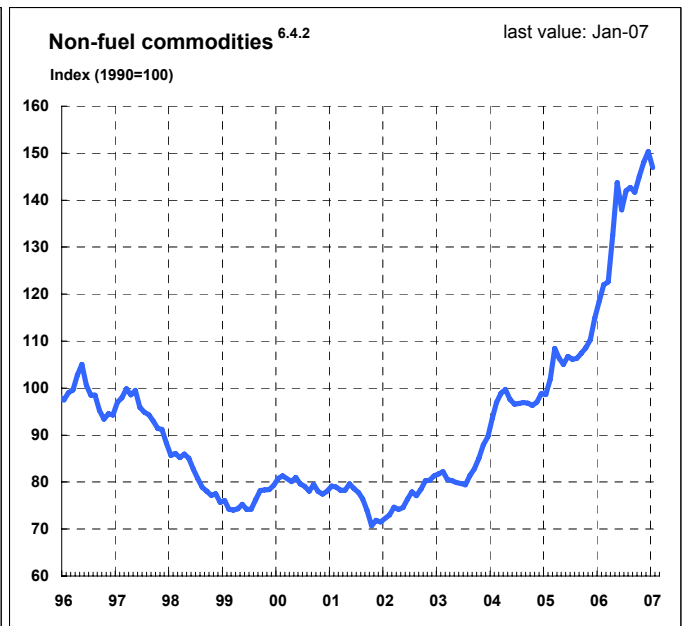
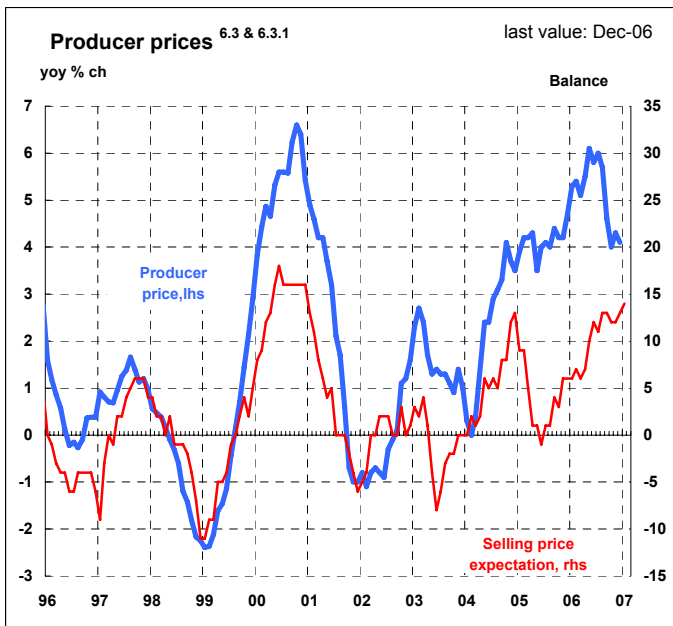
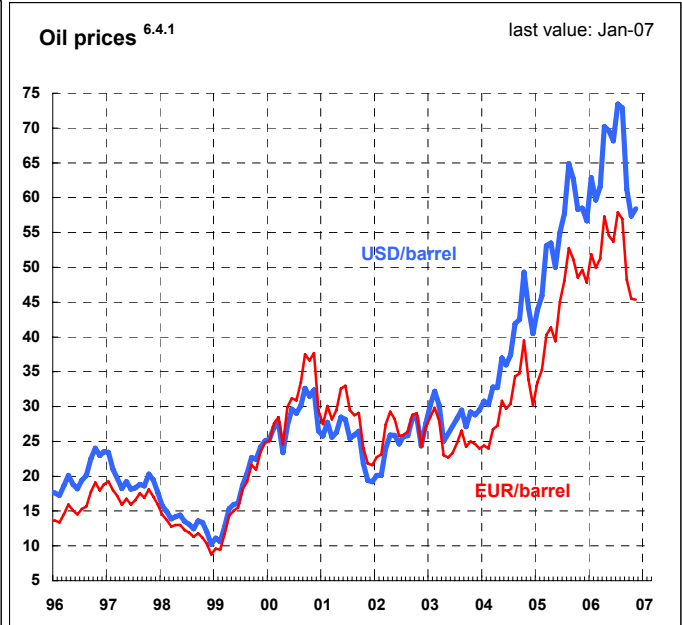
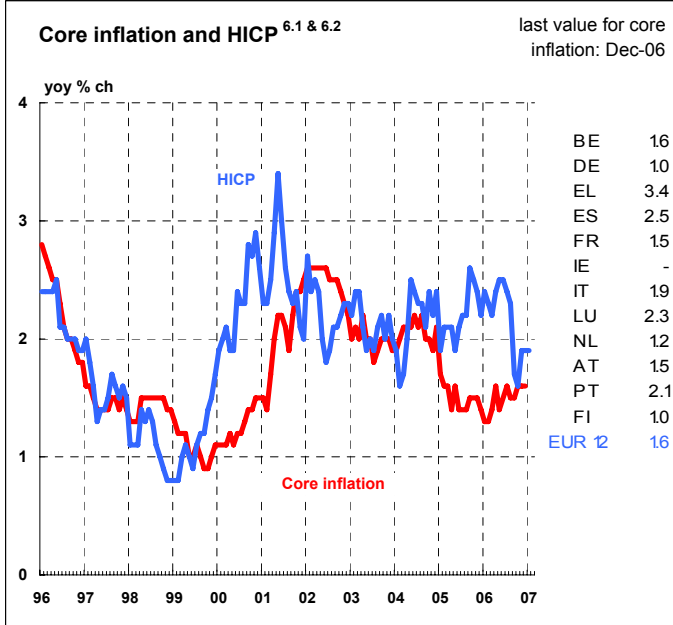
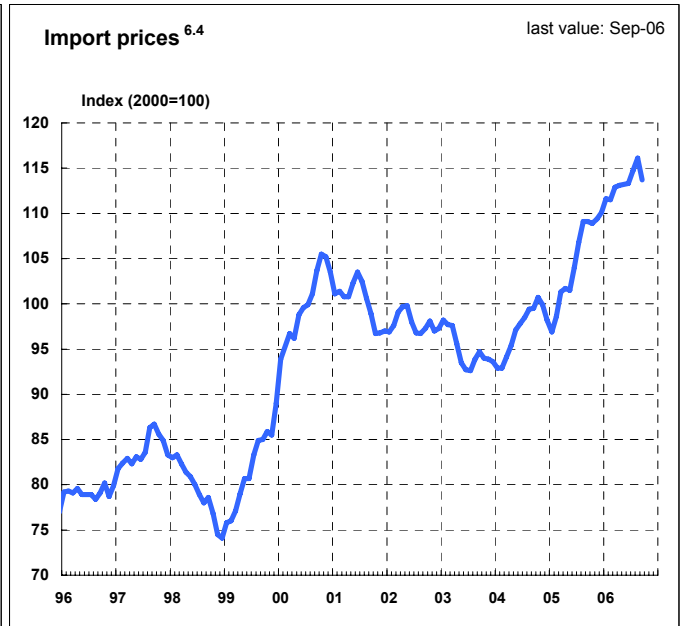
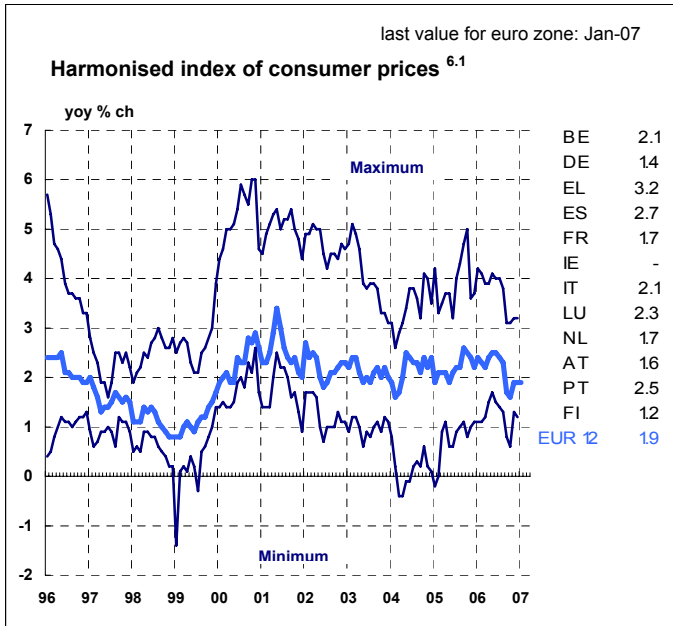


5. INTERNATIONAL TRANSACTIONS





## 6. PRICES

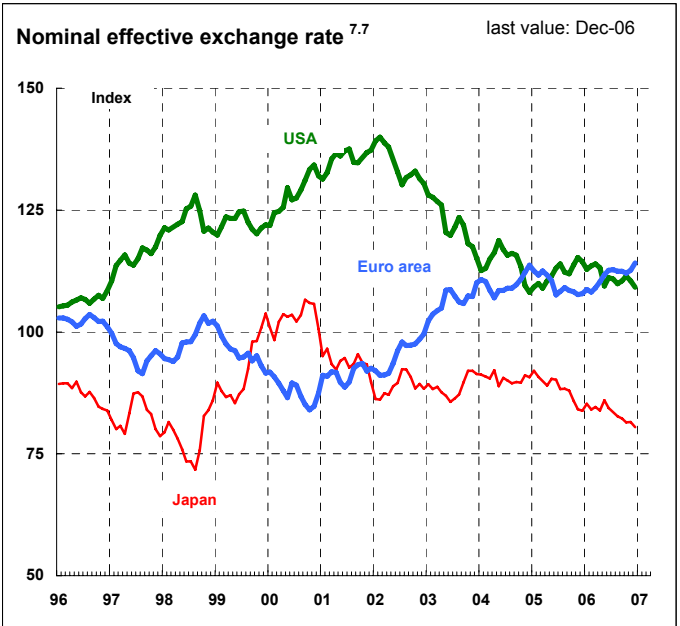
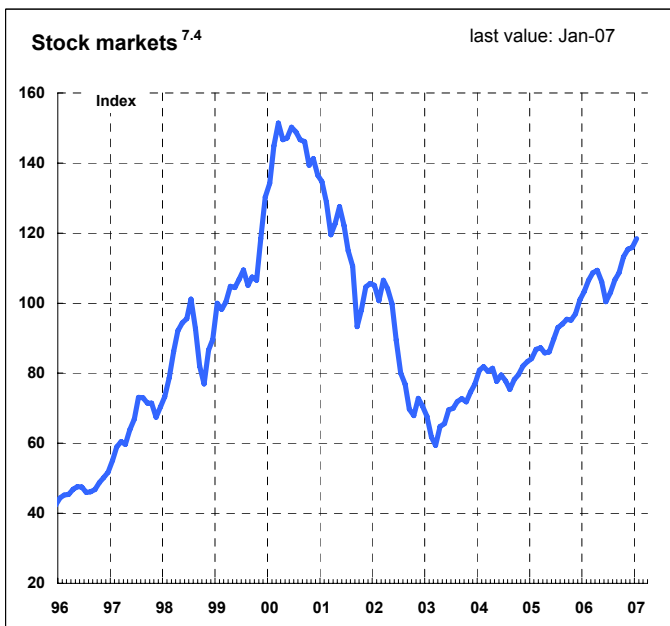
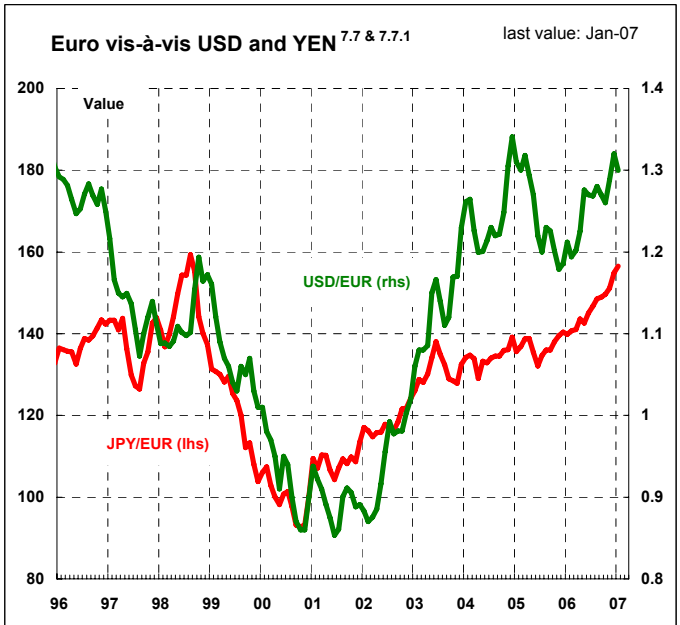
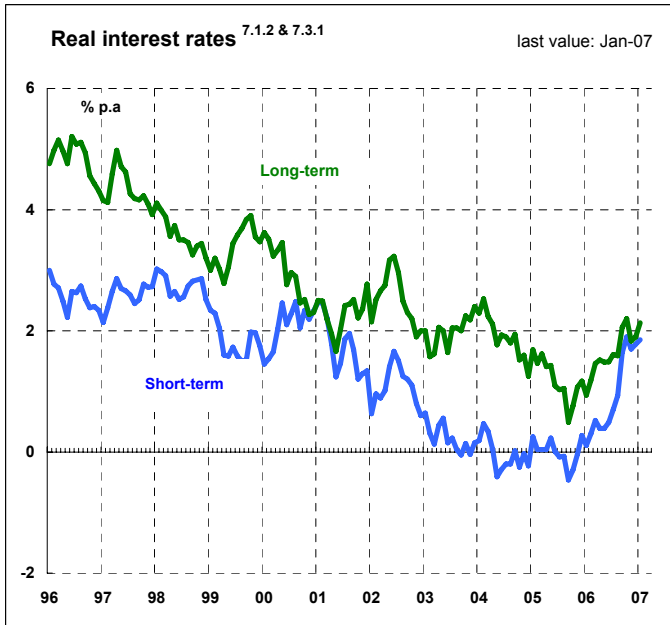
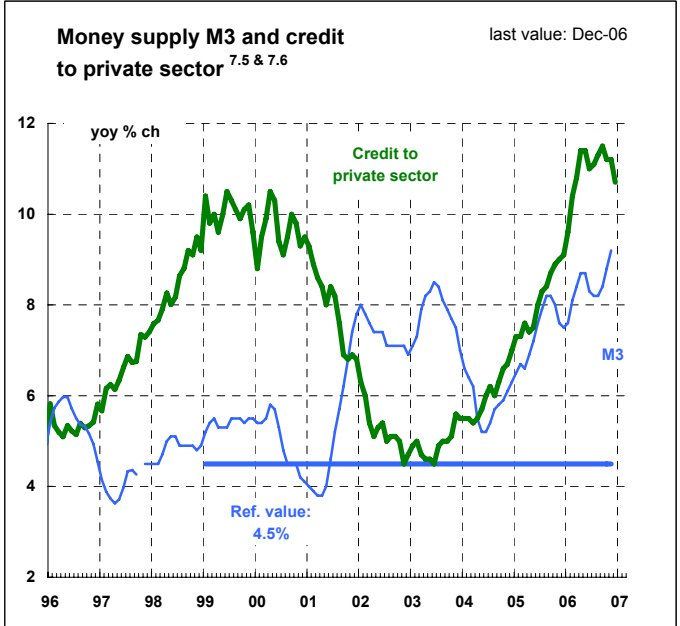
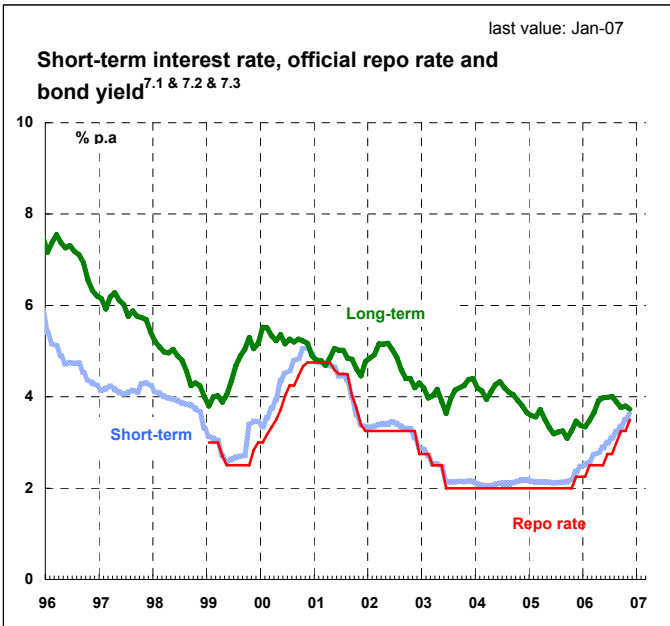




# KEY INDICATORS FOR THE EURO AREA

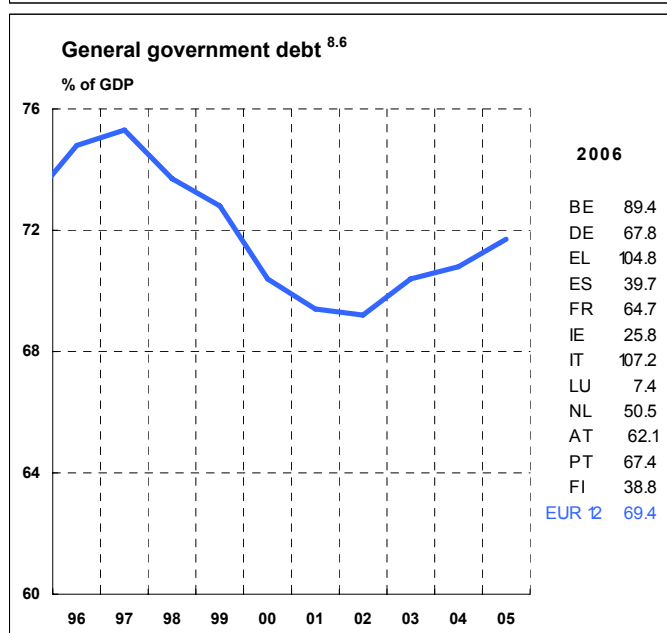
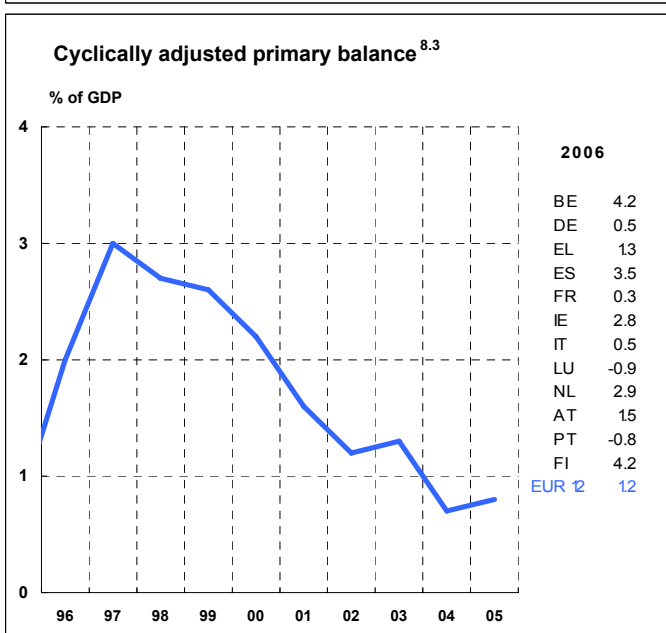
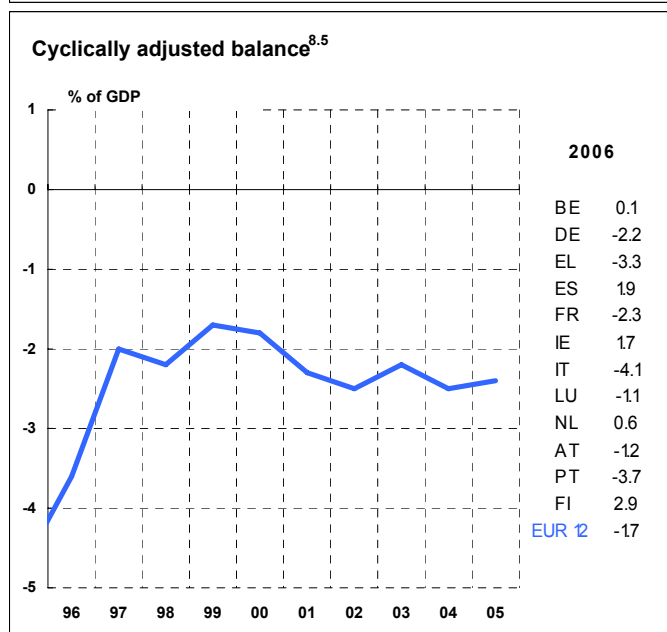
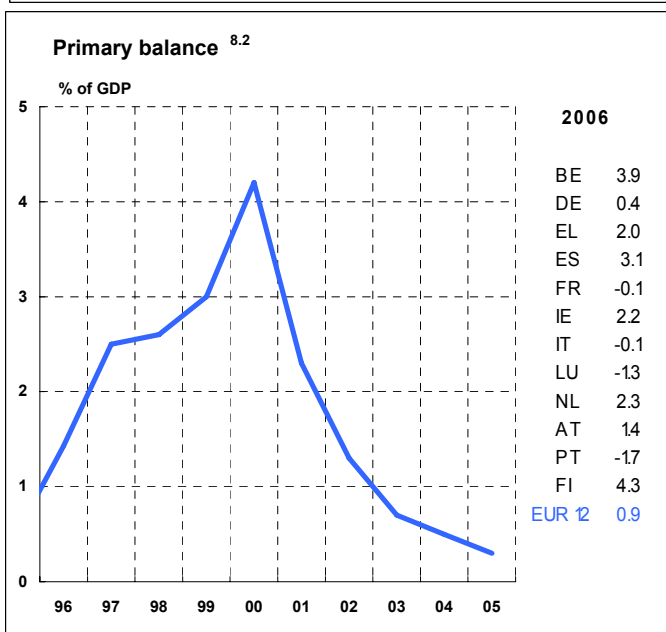
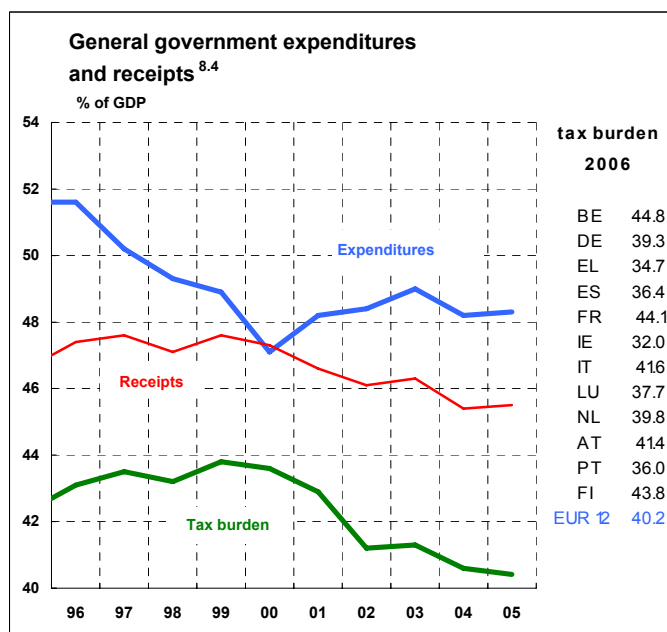
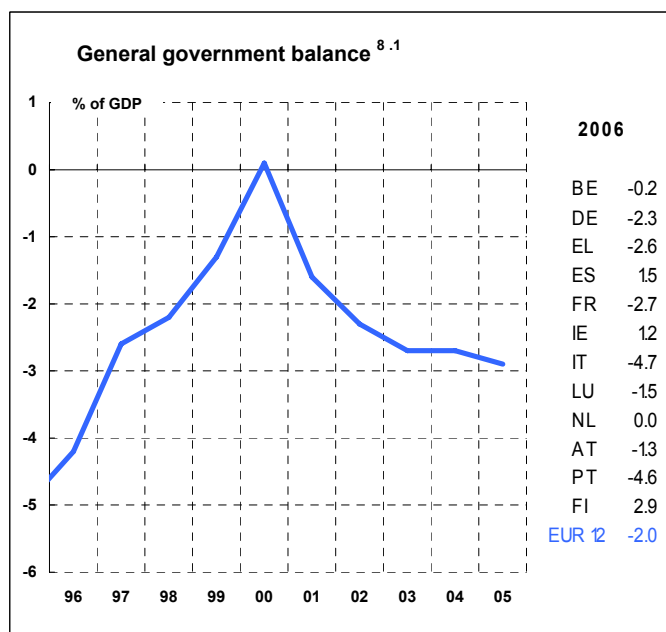


## 7. MONETARY AND FINANCIAL INDICATORS





8. PUBLIC FINANCE\*



\* Figures are from the Commission's autumn 2006 forecast

## Key indicators for the euro area - Explanatory notes

The euro area includes 12 countries (BE, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI)

mom % ch., qoq % ch., yoy % ch.: monthly, quarterly and annual percentage change respectively.

| No.      | Indicator                                     | Note  | Source                           |
|----------|---|---|----------------------------------|
| <b>1</b> | <b>Output</b>                                 |   |                                  |
| 1.1      | Industrial confidence indicator               | Industry survey, average of balances to replies on production expectations, order books, and stocks (the latter with inverted sign)                                 | ECFIN                            |
| 1.2      | Industrial production                         | Volume, excluding construction, working day adjusted  | Eurostat                         |
| 1.3      | Gross domestic product                        | Volume (1995), seasonally adjusted  | Eurostat                         |
| 1.3.1    | Gross domestic product & divergence           | From 1992 until 1996 the minimum and maximum is based on BE, DE, ES, FR, IT, NL, PT and FI; from 1996 it includes also AT   | Eurostat                         |
| 1.3.2    | Gross domestic product and forecast range     | Volume (1995), seasonally adjusted; the forecast is based on confidence indicators, real and financial variables (see also ECFIN Economic Papers No 154, June 2001) | ECFIN/<br>Eurostat               |
| 1.3.3    | Gross domestic product and standard deviation | From 1992 until 1996 the standard deviation is based on BE, DE, ES, FR, IT, NL, PT and FI; from 1996 it includes also AT  | ECFIN/<br>Consensus<br>Forecasts |
| 1.4      | Economic sentiment indicator                  | Composite of indicators for industry, construction, retail trade and consumers (1995 = 100)   | ECFIN                            |
| <b>2</b> | <b>Private consumption</b>                    |   |                                  |
| 2.1      | Consumer confidence indicator                 | Consumer survey, average of balances to replies to four questions (financial and economic situation, unemployment, savings over next 12 months)                     | ECFIN                            |
| 2.2      | Retail sales                                  | Volume, excluding motor vehicles, working day adjusted  | Eurostat                         |
| 2.3      | Private consumption                           | Volume (1995 prices), seasonally adjusted   | Eurostat                         |
| <b>3</b> | <b>Investment</b>                             |   |                                  |
| 3.1      | Capacity utilization                          | In percent of full capacity, manufacturing, seasonally adjusted, survey data (collected each January, April, July and October). Last value available for 06Q4: 83.9 | ECFIN                            |
| 3.2      | Gross fixed capital formation                 | Volume (1995 prices), seasonally adjusted   | Eurostat                         |
| 3.3      | Change in stocks                              | In percent of GDP, volume (1995 prices), seasonally adjusted  | Eurostat                         |
| <b>4</b> | <b>Labour market</b>                          |   |                                  |
| 4.1      | Unemployment                                  | In percent of total workforce, ILO definition, seasonally adjusted  | Eurostat                         |
| 4.2      | Employment                                    | Total employment, domestic concept, seasonally and working day adjusted   | Eurostat                         |
| 4.3      | Shortage of labour                            | Percent of firms in the manufacturing sector reporting a shortage of labour (unfilled job openings) as a constraint to production, seasonally adjusted              | ECFIN                            |
| 4.3.1    | Beveridge curve                               | Relationship between the unemployment rate and shortage of labour as defined in 4.3   | ECFIN/<br>Eurostat               |
| 4.4      | Wages   | Wages and salaries. Labour cost index, industry and services (excluding public administration), nominal, working day adjusted                                       | Eurostat                         |
| 4.4.1    | Labour productivity                           | Difference between GDP growth and employment growth   | ECFIN                            |
| 4.4.2    | Hourly labour costs in industry and services  | Labour cost index, industry and services (excluding public administration), hourly, not seasonally adjusted   | Eurostat                         |
| <b>5</b> | <b>International transactions</b>             |   |                                  |
| 5.1      | Export order books                            | Industry survey; balance of positive and negative replies, seasonally adjusted  | ECFIN                            |
| 5.2      | World trade                                   | Volume, 1998=100, seasonally adjusted   | CPB                              |
| 5.3      | Exports of goods                              | Bn. EUR, excluding intra euro area trade, fob, seasonally and working day adjusted  | Eurostat                         |
| 5.4      | Imports of goods                              | Bn. EUR, excluding intra euro area trade, cif, seasonally and working day adjusted  | Eurostat                         |
| 5.4.1    | Intra trade                                   | Bn. EUR, intra euro area trade, seasonally and working day adjusted   | Eurostat                         |
| 5.5      | Trade balance                                 | Bn. EUR, excluding intra euro area trade, fob-cif, seasonally and working day adjusted  |                                  |
| 5.6      | Exports of goods and services                 | Volume (1995 prices), including intra euro area trade, seasonally adjusted  | Eurostat<br>Eurostat             |
| 5.7      | Imports of goods and services                 | Volume (1995 prices), including intra euro area trade, seasonally adjusted  | Eurostat                         |
| 5.8      | Current account balance                       | Bn. EUR, excluding intra euro area transactions; before 1997 partly estimated   | ECB                              |
| 5.9      | Direct investment                             | (net) Bn. EUR, excluding intra euro area transactions   | ECB                              |
| 5.10     | Portfolio investment                          | (net) Bn. EUR, excluding intra euro area transactions   | ECB                              |

| No.      | Indicator                                   | Note  | Source             |
|----------|---|---|--------------------|
| <b>6</b> | <b>Prices</b>                               |   |                    |
| 6.1      | HICP  | Harmonised index of consumer prices, national CPI until 1996  | Eurostat           |
| 6.2      | Core HICP                                   | Harmonised index of consumer prices, excluding energy and unprocessed food  | Eurostat           |
| 6.3      | Producer prices                             | Without construction  | Eurostat           |
| 6.3.1    | Selling price expectation                   | Industry survey; balance of positive and negative replies, seasonally adjusted  | ECFIN              |
| 6.4      | Import prices                               | Import unit values index for goods, 2000=100  | Eurostat           |
| 6.4.1    | Oil prices                                  | Brent light; USD/barrel and EUR/barrel  | Ecwin              |
| 6.4.2    | Non-fuel commodities prices                 | Index of market prices for non-fuel commodities, 1995=100, in USD terms   | IMF                |
| <b>7</b> | <b>Monetary and financial indicators</b>    |   |                    |
| 7.1      | Interest rate                               | Percent p.a., 3-month interbank money market rate, period averages  | Ecwin              |
| 7.1.2    | Real short-term interest rates              | 3-month interbank money market rate (period averages) minus annual percentage change of HICP (CPI before 1996)  | Ecwin/<br>Eurostat |
| 7.2      | ECB repo rate                               | Percent p.a., minimum bid rate of the ECB, end of period  | Ecwin              |
| 7.3      | Bond yield                                  | Percent p.a., 10-year government bond yields (before 1995 long-term bond yield available) lowest level prevailing in the euro area, period averages   | Ecwin              |
| 7.3.1    | Real long-term interest rates               | 10-year government bond yields (lowest level prevailing in the euro area, period averages) minus annual percentage change of HICP (CPI before 1996)   | Ecwin/<br>Eurostat |
| 7.4      | Stock markets                               | DJ Euro STOXX50 index, period averages  | Ecwin              |
| 7.5      | M3  | Seasonally adjusted, three-month moving average (attributed to middle month): from 1997 onwards corrected for holdings by non-residents   | ECB                |
| 7.6      | Credit to private sector (loans)            | MFI loans to euro area residents excluding MFIs and general government, monthly values: month end values, annual values: annual averages  | ECB                |
| 7.7      | Exchange rate USD/EUR                       | Period averages, until December 1998: USD/ECU rates   | ECB                |
| 7.7.1    | Exchange rate JPY/EUR                       | Period averages, until December 1998: JPY/ECU rates   | ECB                |
| 7.8      | Nominal effective exchange rate             | Against 13 other industrialized countries, double export weighted, 1995 = 100, increase (decrease): appreciation (depreciation)   | ECFIN              |
| <b>8</b> | <b>Public finance</b>                       |   |                    |
| 8.1      | General government balance                  | In percent of GDP, net lending (+) or net borrowing (-) general government, ESA 79 up to 1994, ESA 95 as of 1995, 2005 estimates are based on ECFIN spring 2006 forecasts   | ECFIN              |
| 8.2      | Primary balance                             | In percent of GDP; net lending/borrowing minus interest payment; ESA 79 up to 1994, ESA 95 as of 1995; incl. 2000 and 2001 one-off proceeds relative to UMTS licences, 2005 results are based on ECFIN spring 2006 forecasts  | ECFIN              |
| 8.3      | Cyclically adjusted primary balance         | In percent of GDP; primary balance corrected for the influence of the cycle; ESA 79 up to 1994, ESA 95 as of 1995, proceeds from UMTS licences excluded, 2005 results are based on ECFIN spring 2006 forecasts  | ECFIN              |
| 8.4      | General government expenditure and receipts | In percent of GDP, ESA 79 up to 1994, ESA 95 as of 1995; proceeds from UMTS licences booked as expenditure with negative sign; tax burden: taxes on production and imports (incl. taxed paid to EU) + current taxes on income and wealth + actual social contributions + capital taxes; 2005 results are based on ECFIN spring 2006 forecasts | ECFIN              |
| 8.5      | Cyclically adjusted balance                 | In percent of GDP, general government balance corrected for the influence of the cycle; ESA 79 up to 1994, ESA 95 as of 1995, proceeds from UMTS licences excluded, 2005 results are based on ECFIN spring 2006 forecasts   | ECFIN              |
| 8.6      | General government debt                     | In percent of GDP, ESA 79 up to 1994, ESA 95 from 1995 onwards, 2005 results are based on ECFIN spring 2006 forecasts   | ECFIN              |