

	LTA <sup>(1)</sup>	2006	2007	07Q4	08Q1	08Q2	08Q3	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	
<b>1. Output</b>														
Economic Sentiment	indicator	100.6	106.3	108.4	104.3	100.5	96.5	88.5	94.8	89.5	88.5	87.5	80.0	74.9
Industrial confidence	balance	-6.1	2.2	4.4	2.0	0.5	-2.9	-9.8	-4.9	-7.8	-9.3	-12.3	-18.2	-24.9
Services confidence	balance	17.8	18.0	19.3	14.9	10.3	8.1	0.6	9.3	1.2	0.6	-0.1	-6.6	-11.6
Industrial production (excluding construction)	% ch. on prev. period				0.0	0.2	-0.7	-0.9	-0.1	-0.2	0.9	-1.7	--	--
	% ch. on prev. year	1.7	4.0	3.4	3.0	2.5	1.1	-1.6	-0.4	-1.1	-0.7	-2.7	--	--
Gross domestic product	% ch. on prev. period				0.4	0.7	-0.2	-0.2						
	% ch. on prev. year	2.1	2.9	2.6	2.1	2.1	1.4	0.7						
Labour productivity	% ch. on prev. period				0.1	0.4	-0.4	--						
	% ch. on prev. year	0.9	1.2	0.9	0.4	0.6	0.2	--						
<b>2. Private consumption</b>														
Consumer confidence	balance	-11.1	-9.1	-4.9	-7.7	-11.9	-14.6	-19.3	-16.7	-19.7	-19.2	-18.9	-23.6	-25.1
Retail confidence	balance	-6.0	0.6	0.6	0.4	-0.6	-3.5	-9.1	-4.3	-8.9	-10.0	-8.3	-13.2	-12.9
Private consumption	% ch. on prev. period				0.2	-0.1	-0.2	--						
	% ch. on prev. year	1.9	1.9	1.6	1.3	1.2	0.3	--						
Retail sales	% ch. on prev. period				-0.8	-0.1	-0.8	0.1	-0.8	0.3	0.2	0.1	--	--
	% ch. on prev. year	1.5	1.5	0.9	-0.3	-0.2	-1.5	-1.4	-3.2	-1.5	-1.5	-1.2	--	--
<b>3. Investment</b>														
Capacity utilisation	level (%)	82.0	83.0	84.2	84.0	83.9	83.8	82.8	--	82.8	--	--	81.6	--
Production expectations (manuf.)	balance	6.5	12.8	13.1	11.4	9.8	6.5	-2.2	4.5	0.7	-3.3	-4.0	-13.2	-22.0
Gross fixed capital formation	% ch. on prev. period				1.1	1.4	-1.0	--						
	% ch. on prev. year	2.9	5.5	4.2	3.2	3.7	2.5	--						
- equipment investment	% ch. on prev. period				1.6	0.3	-0.3	--						
	% ch. on prev. year	4.5	6.9	5.4	5.2	4.6	2.3	--						
- construction investment	% ch. on prev. period				0.7	2.4	-1.6	--						
	% ch. on prev. year	1.8	4.4	3.4	1.7	2.8	2.1	--						
Change in stocks	contrib. to GDP (pp.)	0.0	0.2	0.1	-0.4	0.4	-0.1	--						
<b>4. Labour market</b>														
Employment expectations (manuf.)	balance	-12.3	-5.2	1.9	1.4	-0.5	-3.0	-8.7	-4.3	-6.6	-8.5	-10.9	-15.7	-21.6
Employment expectations (services)	balance	9.6	10.7	13.5	13.8	10.4	8.2	4.0	7.3	3.4	4.4	4.3	0.4	-4.8
Employment	% ch. on prev. period				0.3	0.3	0.2	--						
	% ch. on prev. year	1.3	1.6	1.8	1.7	1.5	1.2	--						
Employment (000)	abs. ch. on prev. period		2 259	2 510	390	446	270	--						
Compensation of employees per head (nominal)	% ch. on prev. period				1.1	0.9	1.0	--						
	% ch. on prev. year	2.0	2.3	2.6	3.0	3.2	3.5	--						
Unemployment rate	% of lab. force		8.2	7.4	7.3	7.2	7.4	7.5	7.4	7.4	7.5	7.5	--	--
Unemployment (000)	abs. ch. on prev. period		-770	-1 150	-129	7	221	240	48	87	101	51	--	--
<b>5. International transactions</b>														
World trade	% ch. on prev. period				0.3	1.7	0.4	1.1	-0.9	2.5	0.0	-1.3	--	--
	% ch. on prev. year	7.4	9.2	7.3	5.7	5.5	4.9	3.6	3.0	4.8	3.1	2.7	--	--
Export order books	balance	-17.8	-1.1	3.5	1.3	-2.0	-6.6	-15.0	-9.1	-12.4	-12.7	-19.8	-25.9	-34.4
Trade balance (merchandise)	billion EUR		-1.1	1.7	0.1	-0.5	-1.7	-5.9	-3.9	-6.4	-5.7	-5.7	--	--
Exports of goods and services	% ch. on prev. period				0.3	1.8	-0.2	--						
	% ch. on prev. year	6.0	8.2	6.0	4.0	5.3	3.7	--						
Imports of goods and services	% ch. on prev. period				-0.4	1.8	-0.5	--						
	% ch. on prev. year	5.9	8.1	5.4	3.9	4.5	3.2	--						
Current account balance	billion EUR		0.5	3.0	-1.2	-2.2	-2.3	-6.3	-5.4	-3.0	-5.3	-10.6	--	--
Direct investment	billion EUR		-13.1	-7.5	8.3	-35.7	-16.4	-13.5	-19.6	-12.3	-9.8	-18.5	--	--
Portfolio investment	billion EUR		24.2	11.5	-24.4	24.6	11.4	10.0	41.0	-8.8	-18.2	57.1	--	--
<b>6. Prices</b>														
Consumer inflation expectations	balance	22.7	21.9	22.5	27.4	27.4	28.7	23.0	30.6	30.0	22.3	16.8	18.9	10.5
Headline inflation (HICP)	% ch. on prev. year		2.2	2.1	2.9	3.4	3.6	3.8	4.0	4.0	3.8	3.6	3.2	--
Core HICP	% ch. on prev. year		1.5	2.0	2.3	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.4	--
Domestic producer prices	% ch. on prev. year		5.1	2.8	4.0	5.4	7.1	8.5	8.0	9.2	8.5	7.9	--	--
Import prices	% ch. on prev. year		7.4	1.4	5.6	10.5	12.5	--	14.8	17.1	17.6	--	--	--
Oil (Brent) in USD	level		66.2	72.5	88.3	96.1	121.9	118.0	132.8	135.7	115.8	101.5	75.4	55.6
	% ch. on prev. year		20.0	9.5	45.5	64.6	77.5	58.9	89.2	79.9	61.9	33.2	-7.8	-39.9
Oil (Brent) in EUR	level		52.7	52.6	60.9	64.1	78.0	78.2	85.3	86.1	77.4	70.7	56.6	43.7
	% ch. on prev. year		18.3	-0.1	29.5	43.9	53.2	44.7	63.1	56.6	47.4	29.2	-1.5	-30.6
Non-energy commodity prices (EUR)	% ch. on prev. period				-3.2	13.3	1.1	-2.2	1.7	-1.2	-2.2	-3.3	-10.7	--
	% ch. on prev. year		25.2	8.0	0.3	10.2	7.2	8.4	9.5	9.4	9.8	6.1	-5.5	--
<b>7. Monetary and financial indicators</b>														
Nominal interest rates (3 month)	level		3.08	4.28	4.72	4.48	4.86	4.98	4.94	4.96	4.97	5.02	5.11	4.28
Nominal interest rates (10 year)	level		3.78	4.23	4.22	3.94	4.27	4.28	4.56	4.50	4.22	4.11	3.90	3.61
ECB repo rate	level		2.76	3.84	4.00	4.00	4.00	4.23	4.00	4.25	4.25	4.25	3.75	3.25
Stock market (Eurostoxx)	% ch. on prev. period				1.4	-13.0	-2.7	-11.5	-7.5	-6.5	1.4	-4.6	-17.7	-6.5
	% ch. on prev. year		18.3	13.8	8.6	-8.2	-16.2	-24.1	-21.1	-25.9	-20.7	-25.5	-40.7	-43.1
Money demand (M3)	% ch. on prev. year		8.5	11.1	12.0	10.9	10.0	8.9	9.6	9.2	8.8	8.7	8.7	--
Loans to households	% ch. on prev. year		9.2	7.2	6.5	5.8	4.8	3.9	4.2	4.0	3.9	3.8	3.3	--
Loans to companies	% ch. on prev. year		11.5	13.4	14.1	14.7	14.3	12.6	13.7	12.9	12.6	12.2	11.9	--
Bilateral exchange rate EUR/USD	level		1.26	1.37	1.45	1.50	1.56	1.51	1.56	1.58	1.50	1.44	1.33	1.27
	% ch. on prev. year		0.9	9.1	12.4	14.3	15.9	9.5	15.9	15.0	9.9	3.4	-6.4	-13.4
Nominal effective exchange rate	% ch. on prev. period				2.7	2.0	2.6	-1.6	0.0	0.3	-2.0	-1.5	-3.8	-0.9
	% ch. on prev. year		0.3	3.9	5.7	6.8	7.9	5.7	7.9	7.6	6.0	3.3	-1.7	-3.9

(1) LTA=Long-Term Average

(2) Data available until date of update



## 1. Output

The **Commission's autumn 2008 forecast** published on 3 November projected euro-area economic growth to drop sharply to 1.2% in 2008 (more than halved from 2.6% in 2007). In 2009 the euro-area economy is expected to grind to a stand-still at 0.1% before recovering somewhat, to 0.9%, in 2010. Euro-area economies are strongly affected by the financial crisis, which is aggravating housing-market correction in several countries at a time when external demand is fading rapidly. While the important measures taken to stabilise financial markets seem to have averted the risk of a financial meltdown, the situation remains precarious and the downside risks to the forecasts are significant. Importantly, some of these downside risks have started to materialise and an even weaker outlook can no longer be excluded.

During recent months, sentiment in the manufacturing sector has steadily deteriorated and in November evidenced a record monthly drop of -7. The **industrial confidence indicator** dropped to -25, its lowest level since September 1993 and clearly below its long-term average of -7. All components of the indicator deteriorated in November, especially so managers' production expectations and their order books assessment (both down by -9).

In September 2008, **industrial production** fell by 1.6% month-on-month (mom); following growth of 0.8% in August. Compared with September 2007, industrial production decreased by -2.4%. Looking at the break-down, production of all product categories decreased (mom). As to the country perspective, all the biggest economies recorded decrease, while the most pronounced mom declines were observed in Germany (-3.7%), Italy (-2.1%), Spain (-1.9%) and France (-0.5%).

According to Eurostat's flash estimate, **GDP** in 08Q3 contracted again by 0.2% quarter-on-quarter (qoq), thus implying that the euro area is in a technical recession. In Q3, GDP contracted in several of the largest economies (Germany -0.5%, Italy -0.5% and Spain -0.2%) with the exception of France (+0.1%). Compared to the same quarter of the previous year, GDP growth in 08Q3 came in at 0.7%. As usual, GDP components are not provided in the flash estimate and are expected on 4 December only.

## 2. Private consumption

In 08Q2, **private consumption** contracted by 0.2% (qoq), after a negative reading in 08Q1. Household spending decreased in some of the biggest economies,

-0.7% qoq in Germany (third quarterly decrease in a row), Italy (-0.3%), France and UK (both at -0.1%).

In November, **consumer confidence** dropped slightly from -24 in previous month to current -25, its lowest value in close to 15 years and well below its long-term average of -12. In particular, the consumers' perception of their unemployment situation over the next 12 months deteriorated by a significant degree in November (by -10). However, the expectations of consumers about their savings as well as their financial and general economic situation were broadly unchanged or even slightly positive.

In September, the **volume of retail trade** remained broadly unchanged mom and declined by 1.6% yoy. In November, confidence in the **retail sector** remained unchanged at -13, below its long-term average of -5.

## 3. Investment

**Gross fixed capital formation**, which was the main engine of domestic demand until recently, declined by 1.0% qoq in the second quarter of 2008. Among the Member States, investment dropped by 3.1% (qoq) in Finland and by 2.8% in the UK. Contractions between 1.5% and 2% were observed in Germany, Spain and France.

According to DG ECFIN's quarterly survey, **capacity utilisation** decreased further between October and December (currently at 81.6%), dropping just below its long-term average of 82.0.

## 4. Labour market

In September 2008, the **unemployment** rate stood at 7.5%, unchanged compared to August. It was 7.3% in September 2007. Divergent trends are seen across the region. While German and Dutch labour markets are (with even some improvements) holding up well, a further worsening was observed in Spain, which had the highest unemployment in the euro area (September 11.9%).

According to the Eurostat's estimate, the number of persons employed in the **euro area** rose by 0.2% (283 000 persons) in 08Q2 compared with the previous quarter, a slightly lower increase than 0.3% recorded in 08Q1. Compared with second quarter of 2007, the increase in employment was 1.2% in 08Q2, implying a continued gradual deceleration.

In November 2008, **employment expectations** have worsened in both manufacturing and services sectors. **Consumers' unemployment expectations** worsened also significantly.



The level of recorded **labour shortages in manufacturing** decreased in 08Q4, with 5.7% of firms (6.8% in 08Q3) reporting that unfilled job openings were constraining production.

## 5. International transactions

The assessment of **export order books** recorded a sharp decline in November (from -26 to -34) to a level last seen in February 1994. The indicator is currently well below its long-term average of -18. The seasonally adjusted **euro-area trade balance** with the rest of the world recorded a fifth consecutive deficit in September (of -5.7bn Euro). In 08Q2, both **exports and imports of goods and services in volume terms** were down, exports by 0.2% qoq and imports by 0.5%, after a robust growth of 1.8% in Q1.

In September 2008 the working-day and seasonally adjusted **current account** of the euro area recorded a deficit of EUR 10.6 billion. This reflected deficits in current transfers and goods, which were only partly offset by a surplus in services; the income account was close to balance. In the **financial account**, combined direct and portfolio investment showed net inflows of EUR 39 billion in September 2008, reflecting the fact that net inflows in portfolio investment (EUR 57 billion) exceeded net outflows in direct investment (EUR 19 billion).

## 6. Prices

**HICP inflation** in October stood at 3.2%, down from 3.6% in September and confirming the flash estimate. Despite the recent considerable easing of headline inflation, the decline in **core inflation** is less evident. In October, core inflation remained at a level of 2.4%.

**Oil prices** have continued to tumble in the course of November. While crude oil traded at about 65USD/bl. at the beginning of the month, it traded at just below 50 USD/bl. before the month-end, a level last seen in May 2005 and significantly below the record-high of mid-July 2008 (146 USD/bl. on 4 July). The monthly decline of about 25% goes on account of several factors, such as slowing global demand and the renewed concerns about spill-over effects of the financial crisis into the real global economy.

In September 2008, **industrial producer prices** declined by 0.2% mom. This was the second consecutive decline. Compared to September 2007, producer prices rose by 7.9%.

## 7. Monetary and financial indicators

In November, the ECB lowered its policy rate by 50bps to 3.25%. Following rate-moves and several liquidity injections, the European money markets have eased. The 3-month interbank rates (Euribor) fell from 4.73% to 3.9% in the course of the month and the Libor-OIS spread, a benchmark measure of availability of cash among financial institutions, started to ease somewhat remaining however at still elevated levels as compared to the pre-crisis situation. FED lowered its target interest rate from 1.5% to 1.0% on 29 October 2008. The 3-month interest rate was at 2.2% on 25 November, easing from 2.86% at the beginning of the month.

The **bond yields** in both the euro area and the US have been on a downward trend since mid-June due to weaker economic data and volatile and declining stock markets leading to stronger demand for safer assets. Recent policy rate cuts reinforced this flight to liquidity and on 26 November, the ten-year interest rate was 3.11% in the US (compared with 4.27%, the most recent high, on June 16) and 3.37% in the euro area (4.61% on June 18).

According to the ECB, the annual rate of **growth of M3** remained stable at 8.6% in October 2008. The 3-month moving average declined to 8.7%, from 8.9% in the previous month. The annual rate of growth of **loans to the private sector** decreased to 7.8 in October, after 8.5% in September. The annual growth rate of **loans to non-financial corporations** decreased to 11.9% in October, after 12.1% in September. The growth rate of **loans to households** stood at 3.3% in October, down from 3.8% in September.

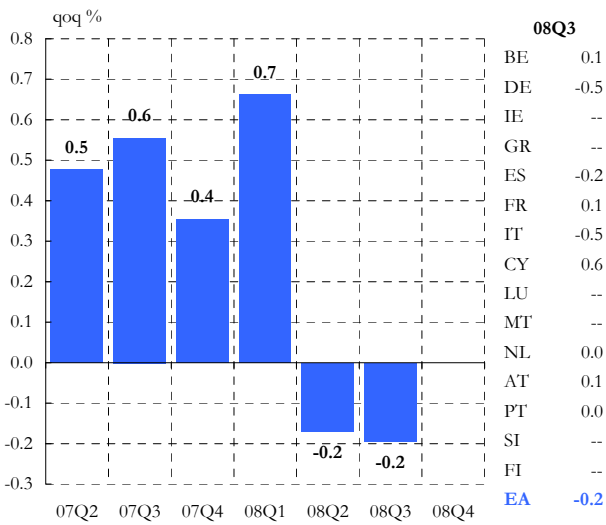
After several months of a fairly clear depreciating trend, the development of the bilateral EUR/USD **exchange-rate** in November was less clear-cut and points to a high degree of uncertainty on both sides of Atlantic. The depreciation of the euro in recent months was related to macroeconomic data releases suggesting a significant worsening of economic conditions in the euro area. In November, the markets were extremely uncertain and speculation about policy reactions was high, leading to volatility of movements. On November 26, euro was trading at 1.29 against dollar and 124.48 against yen.

In November, **stock price indices**, such as Dow Jones, Eurostoxx and Nikkei, all declined by about 8-10% amid the concerns that economic recession will reduce profit growth. In US and Europe, the indices fell to levels not seen since the beginning of 2003. Uncertainty is still very high and stock markets remain very sensitive to any news from corporate and public sectors.

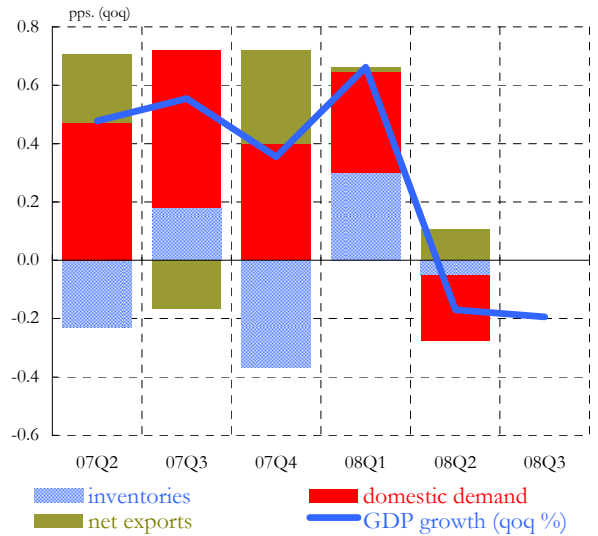


1. OUTPUT

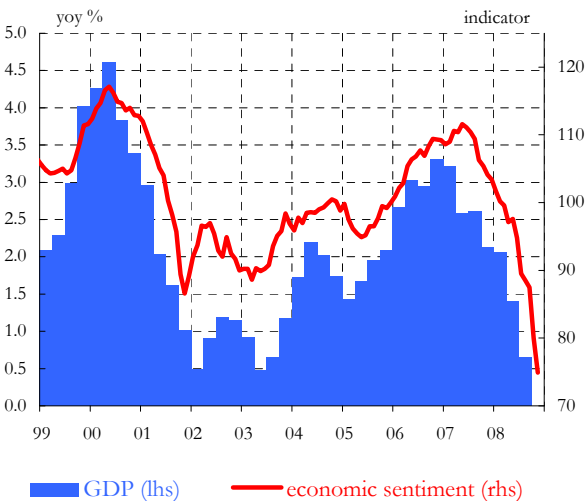
GDP



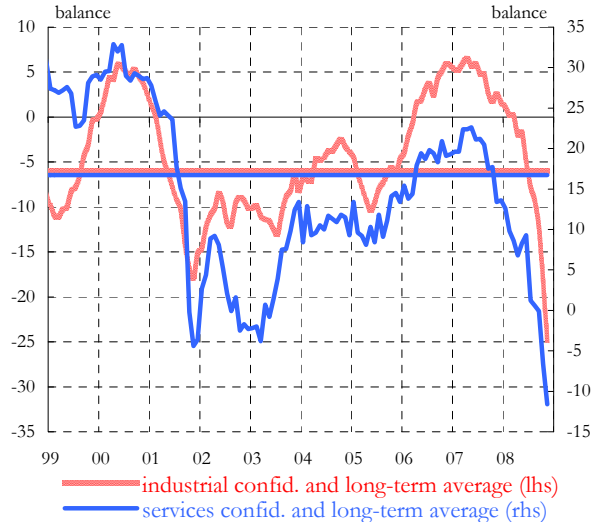
Contributions to GDP growth



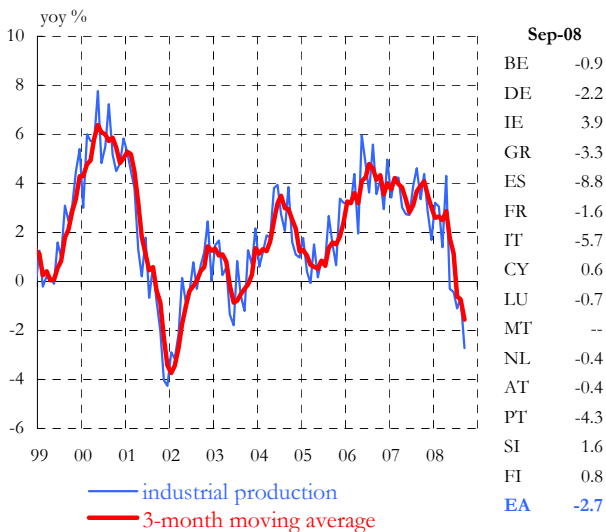
GDP and Economic Sentiment Indicator



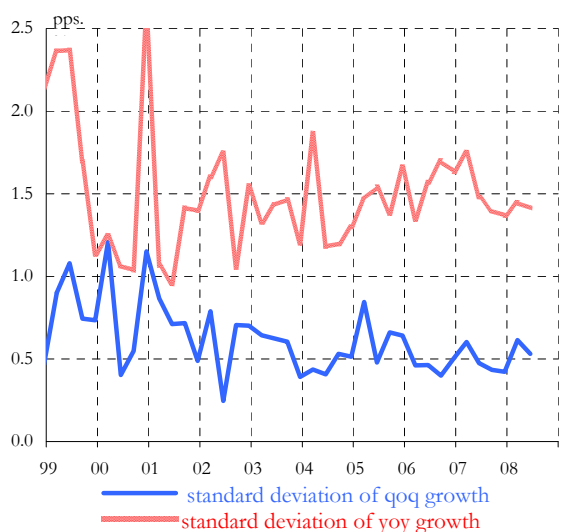
Industrial and services confidence



Industrial production



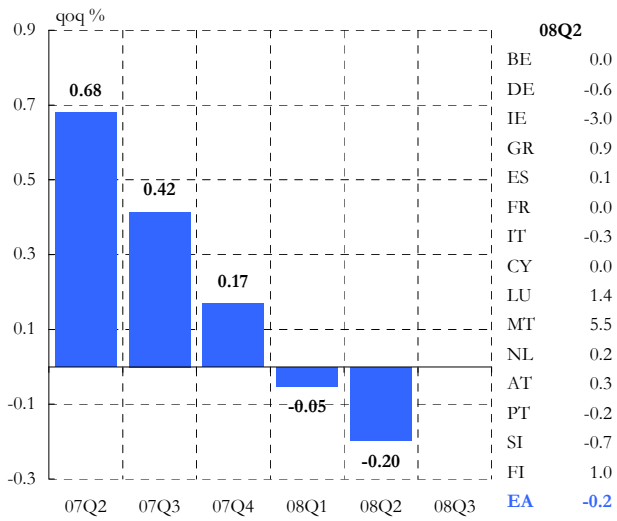
GDP growth divergence, euro area



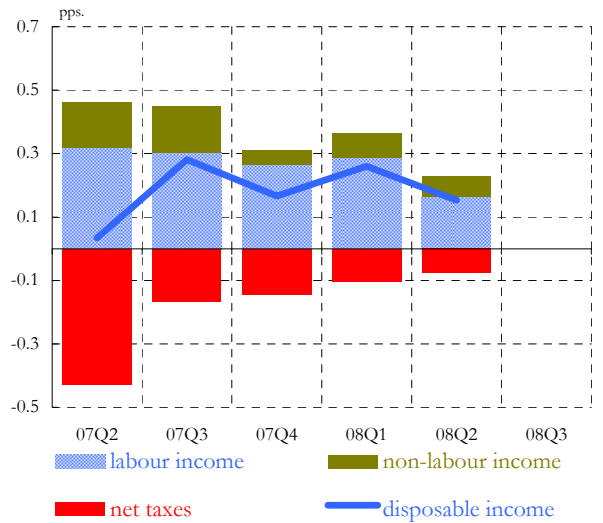


2. PRIVATE CONSUMPTION

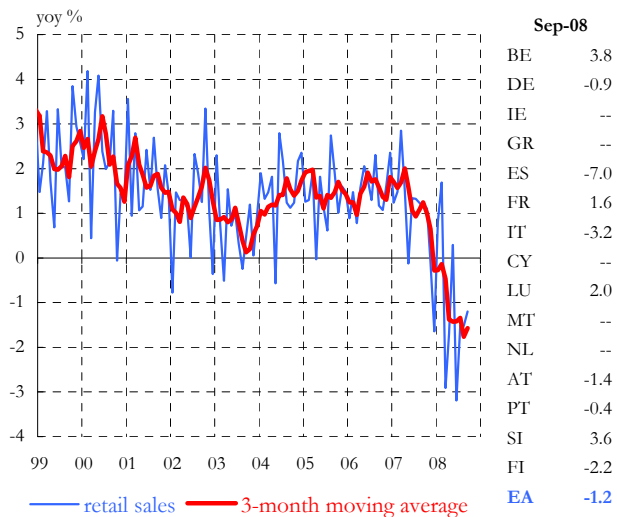
Private consumption



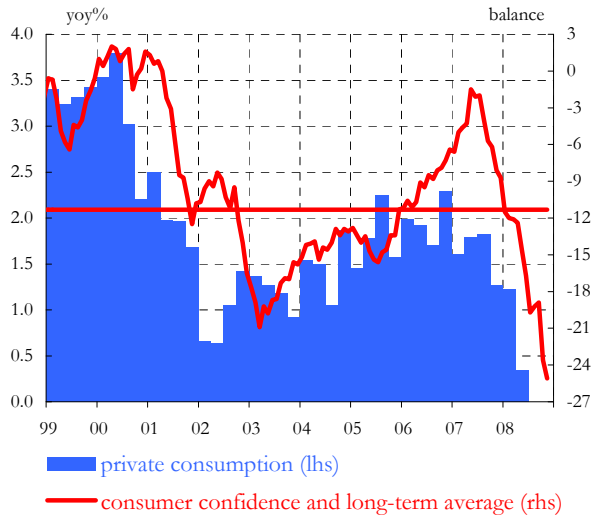
Gross disposable income and its components



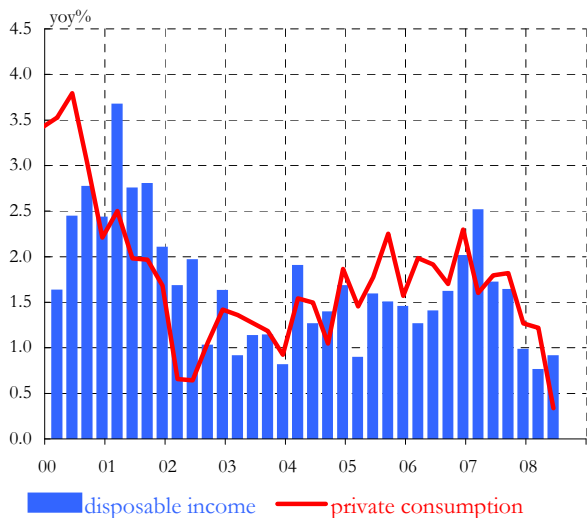
Retail sales



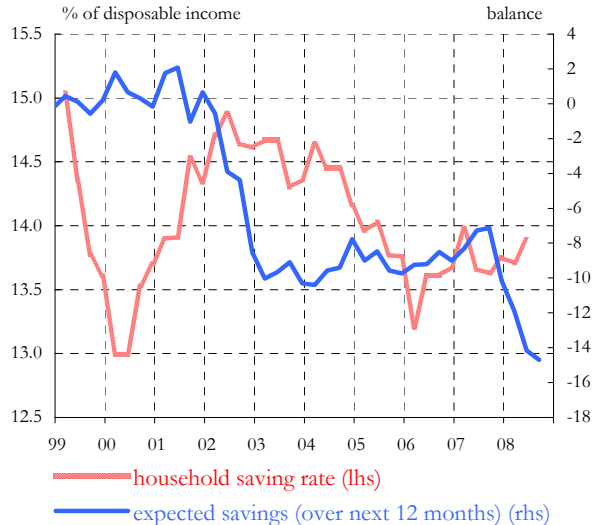
Consumer confidence and private consumption



Households: disposable income and consumption



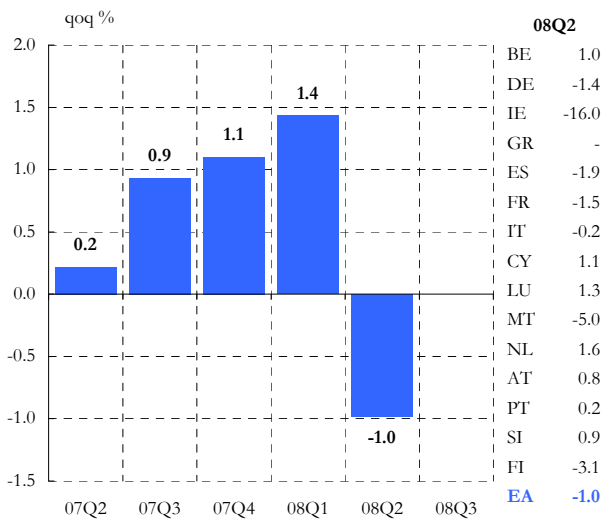
Households: actual saving rate and expected savings



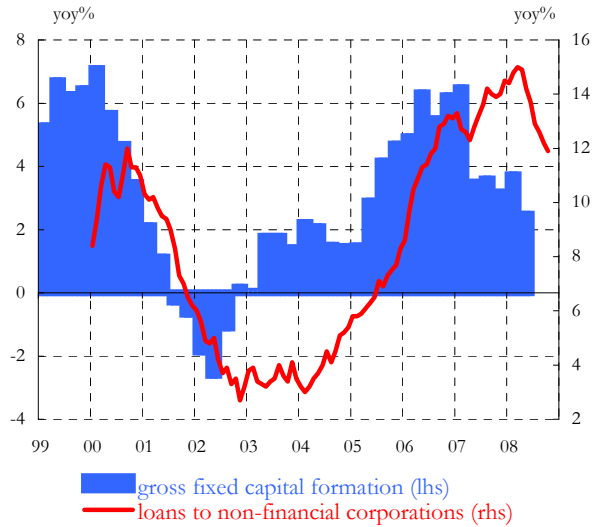


3. INVESTMENT

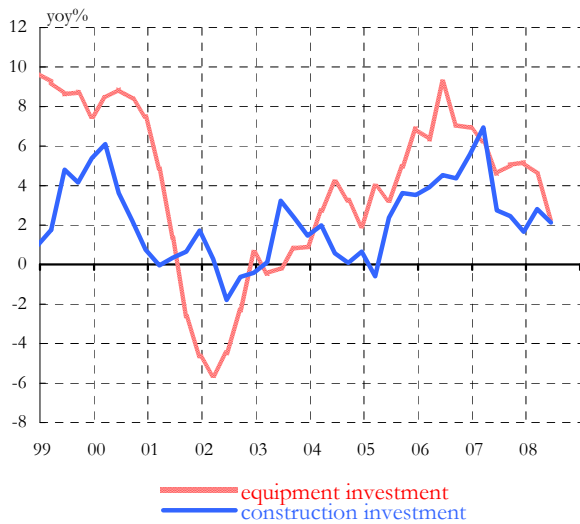
Gross fixed capital formation



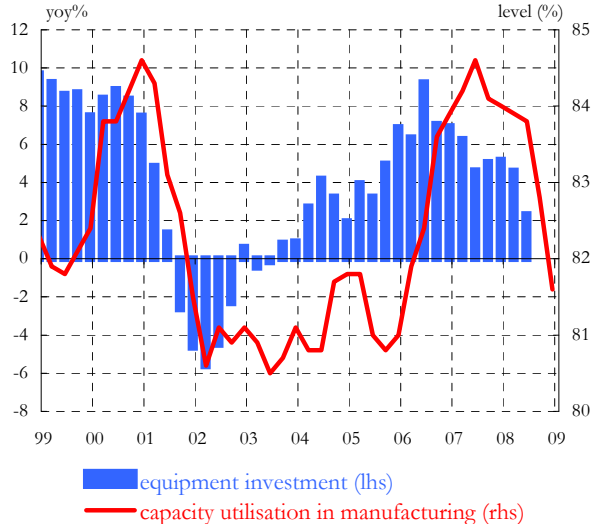
Gross fixed capital formation and corporate loans



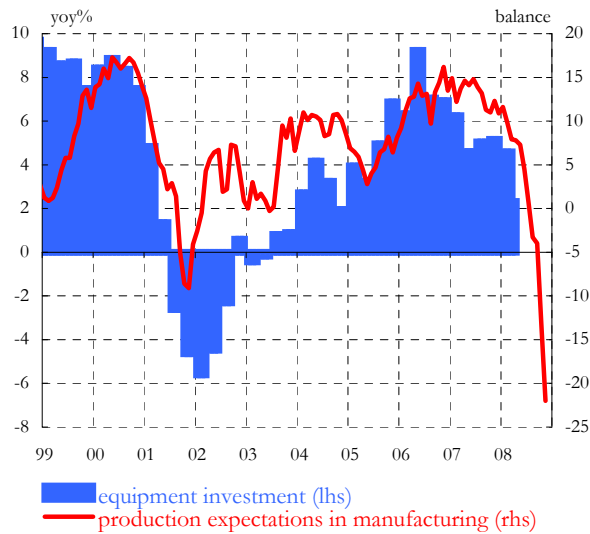
Equipment and construction investment



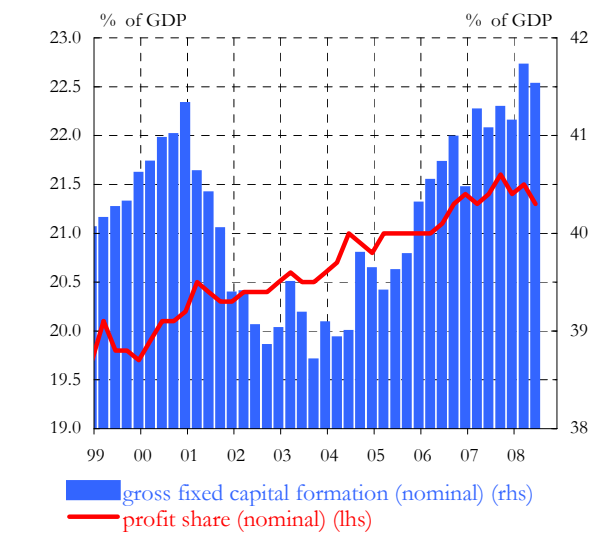
Equipment investment and capacity utilisation



Equipment investment and production expectations



Gross fixed capital formation and profit share

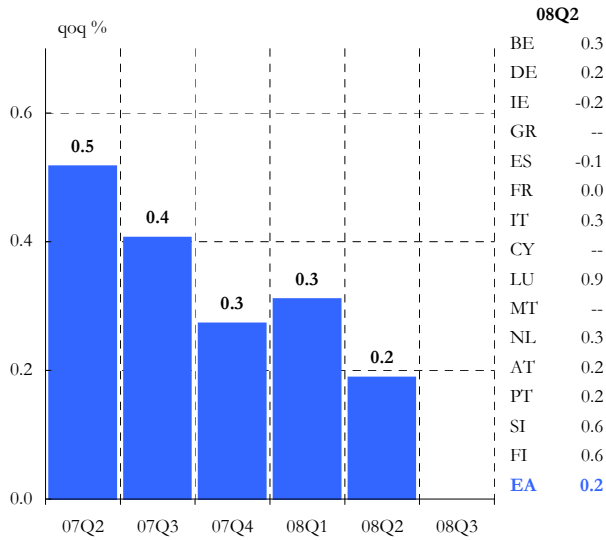




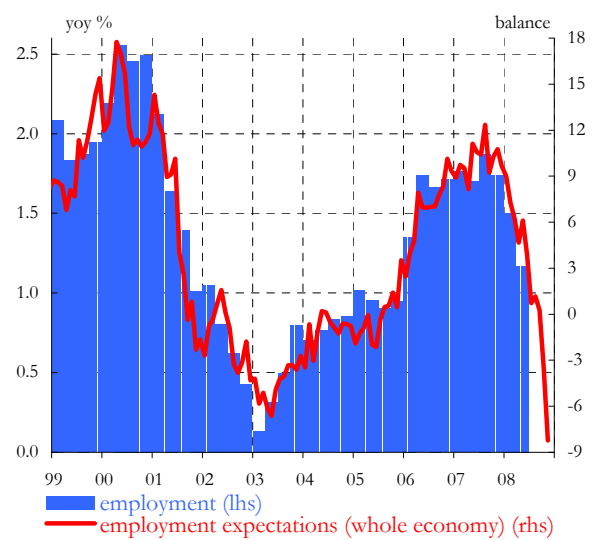


4. LABOUR MARKET

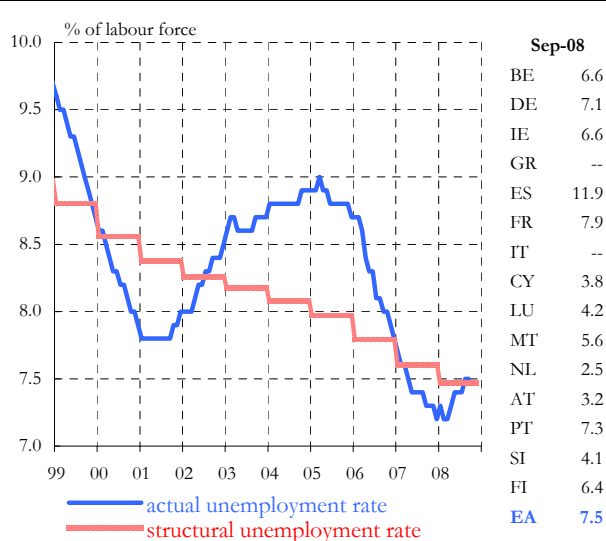
Employment



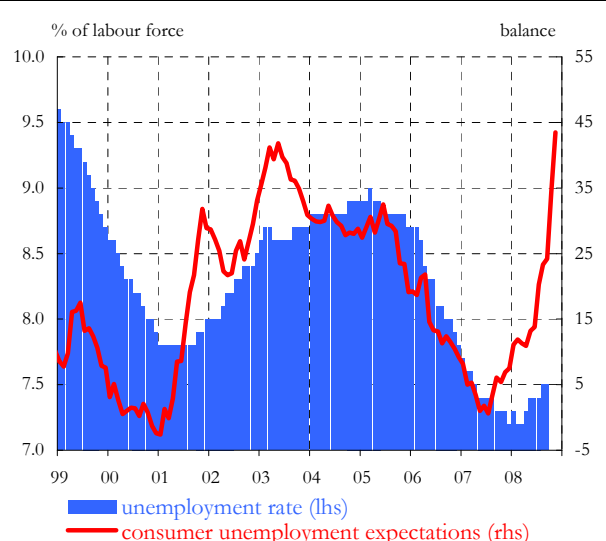
Employment and employment expectations



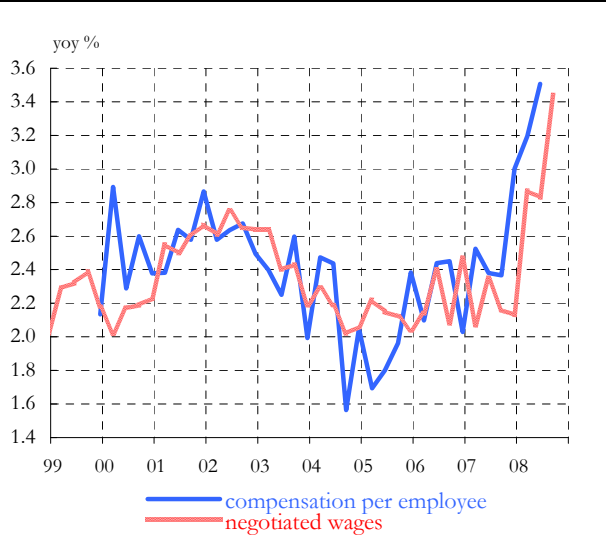
Actual and structural unemployment rate



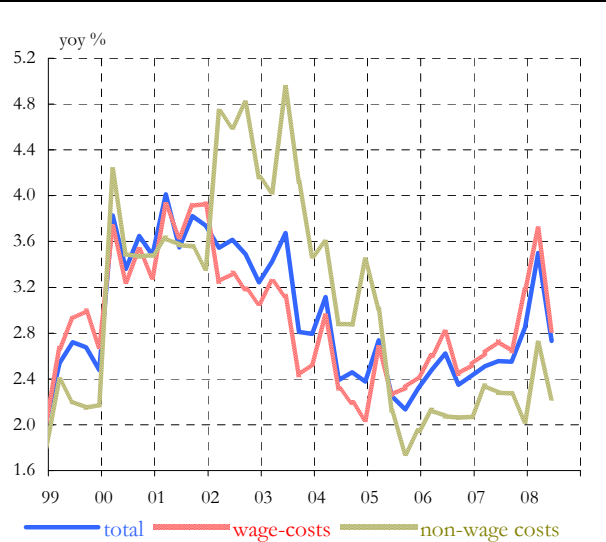
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



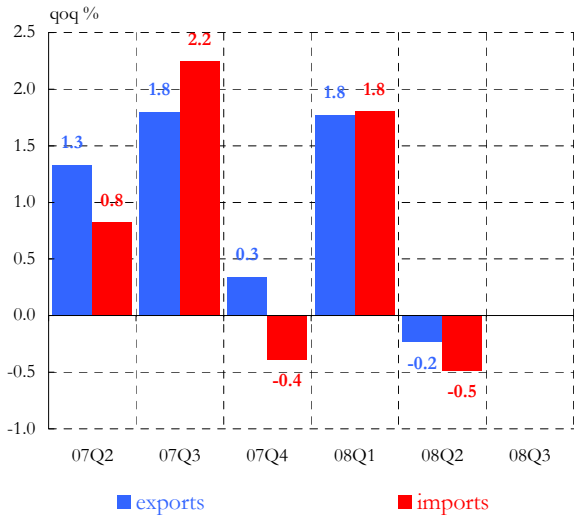
Labour costs in the private business sector (nominal)



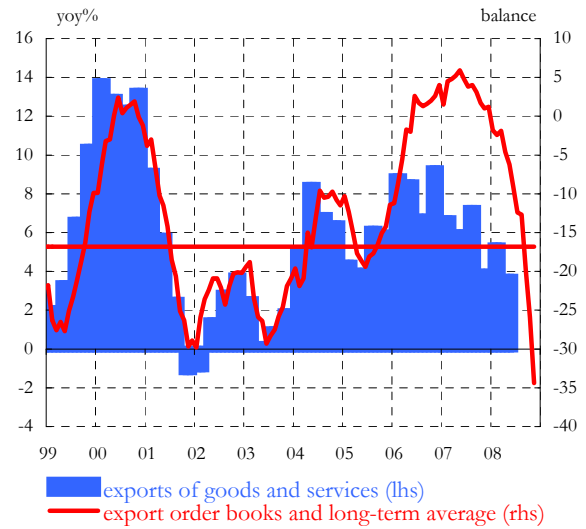


5. INTERNATIONAL TRANSACTIONS

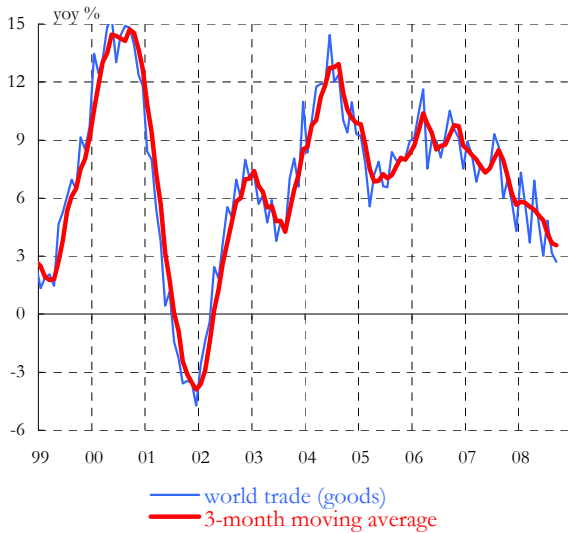
Exports and imports of goods and services



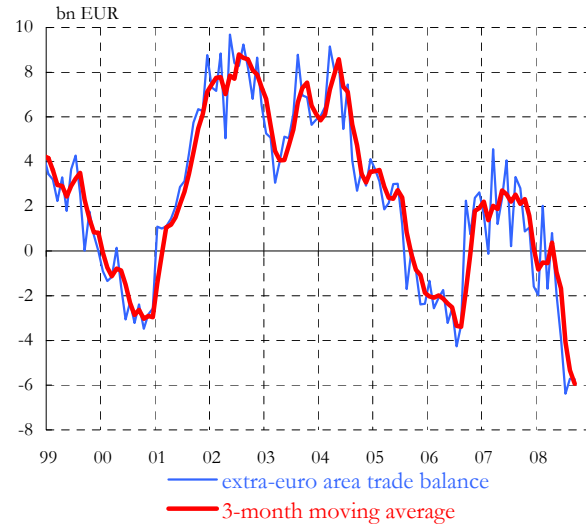
Exports and export order books



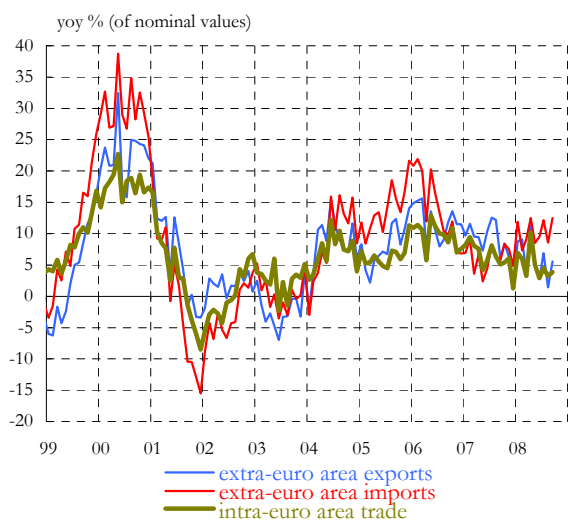
World trade



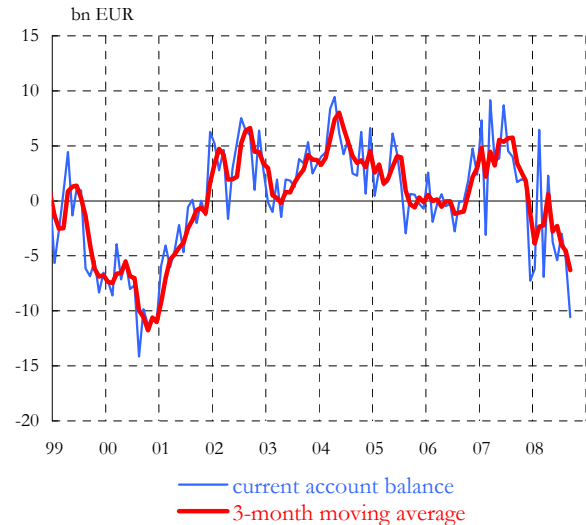
Extra euro-area trade balance



Extra- and intra-euro area trade



Current account balance

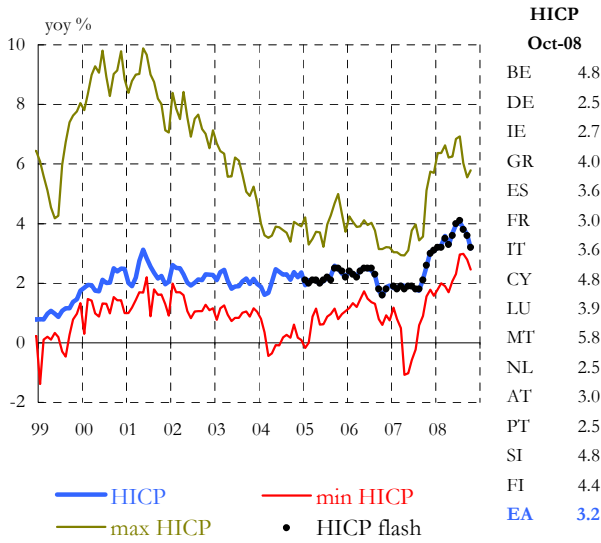




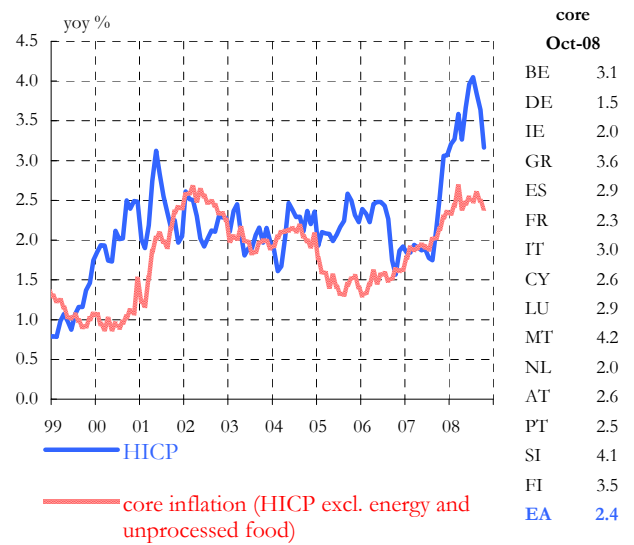


6. PRICES

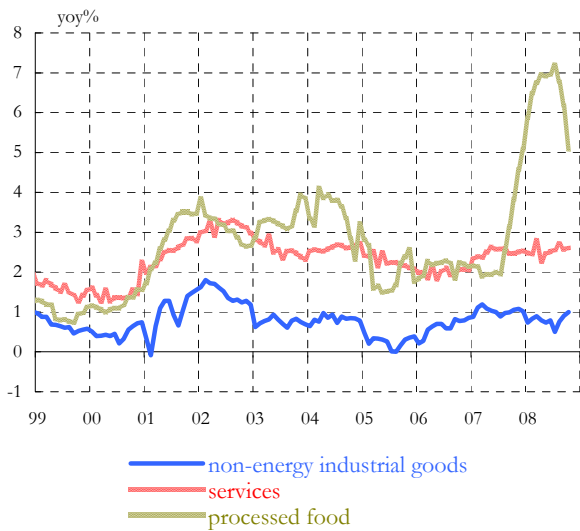
Harmonised index of consumer prices (HICP)



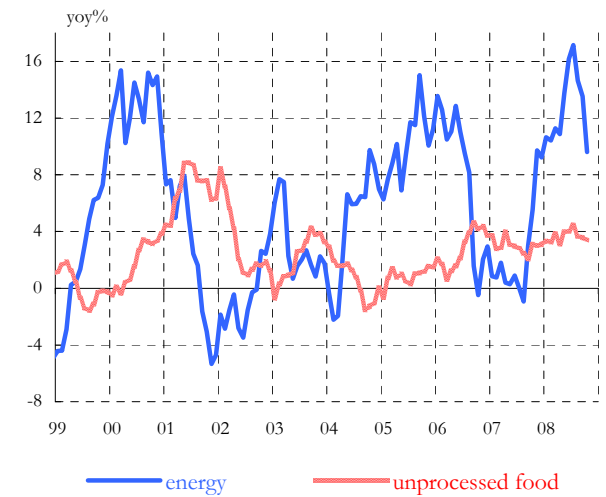
HICP and core inflation



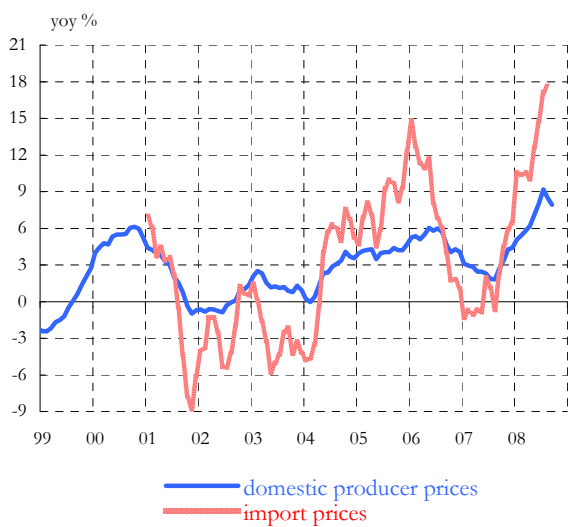
Breakdown of core inflation



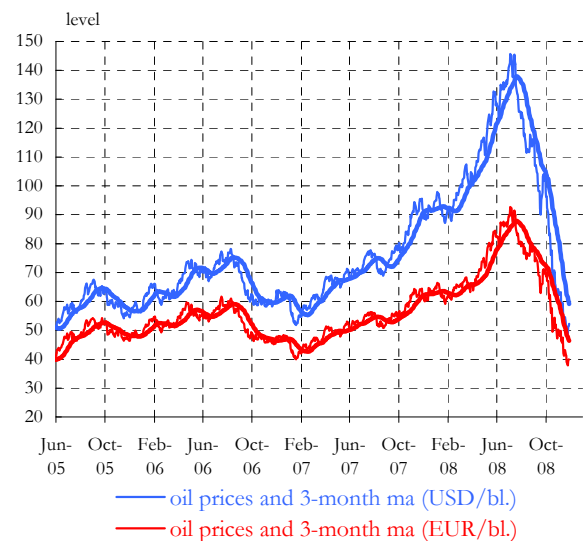
Energy and unprocessed food



Domestic producer prices and import prices



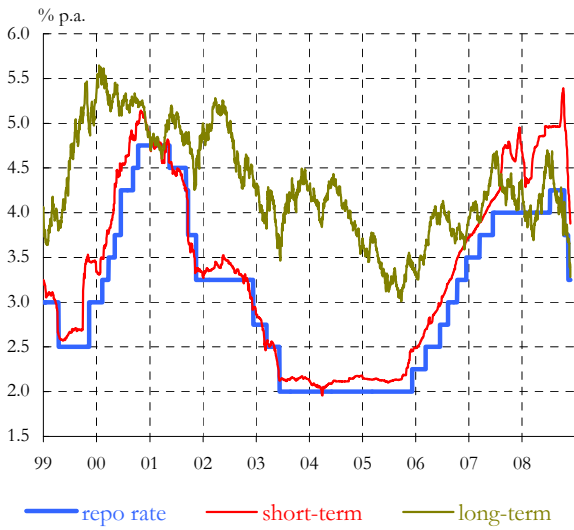
Oil prices



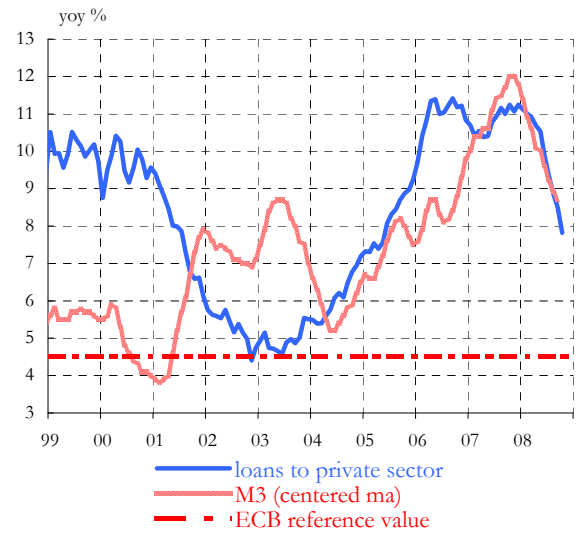


7. MONETARY AND FINANCIAL INDICATORS

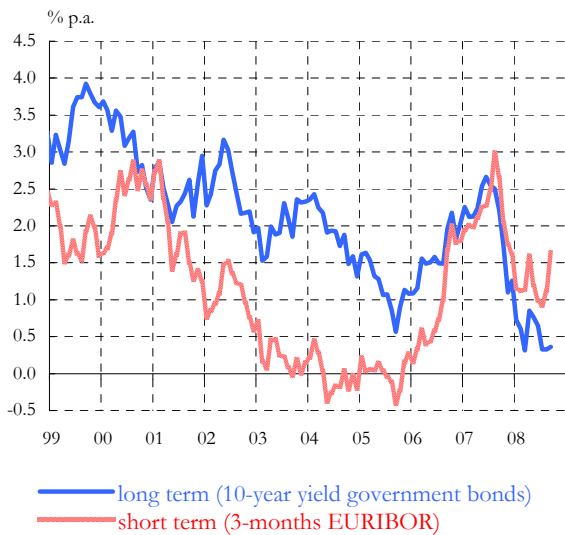
Nominal interest rates



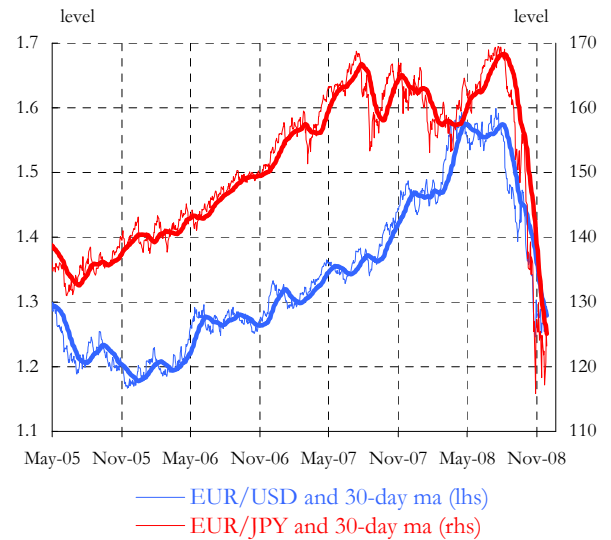
Loans to private sector and money supply



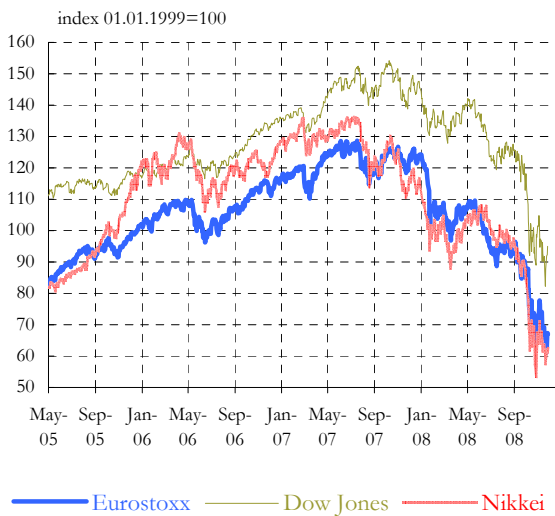
Real interest rates



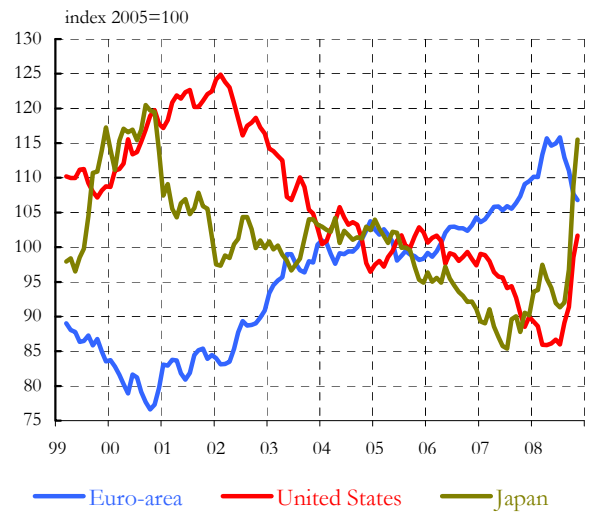
Euro vis-à-vis US dollar and JP yen



Stock market indices



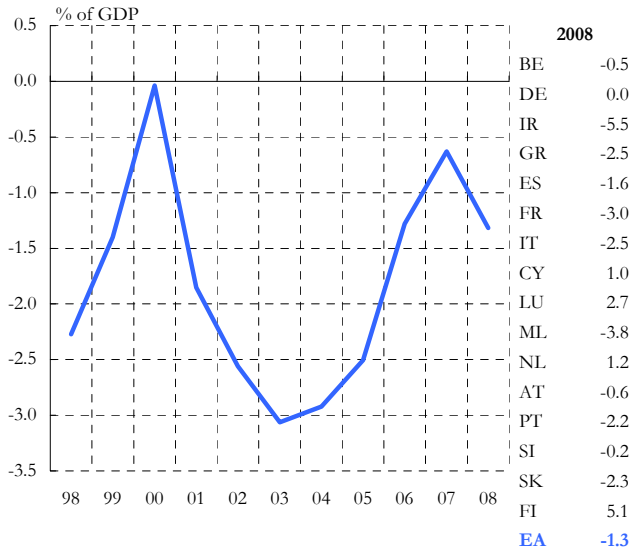
Nominal effective exchange rates



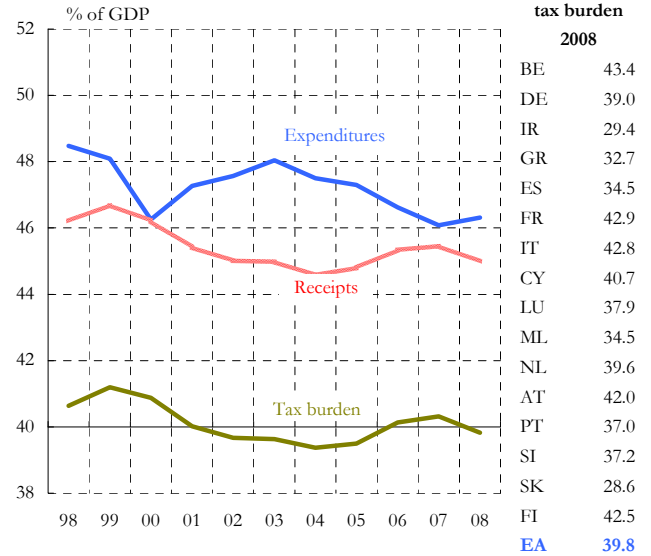


8. PUBLIC FINANCES\*

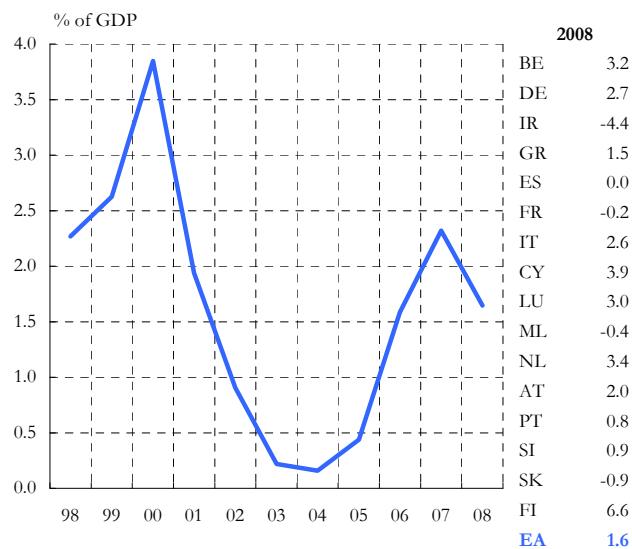
Government general balance



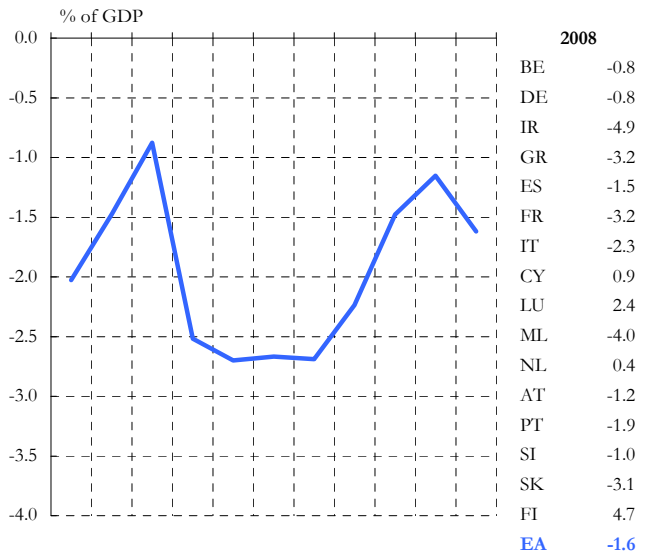
General government expenditures and receipts



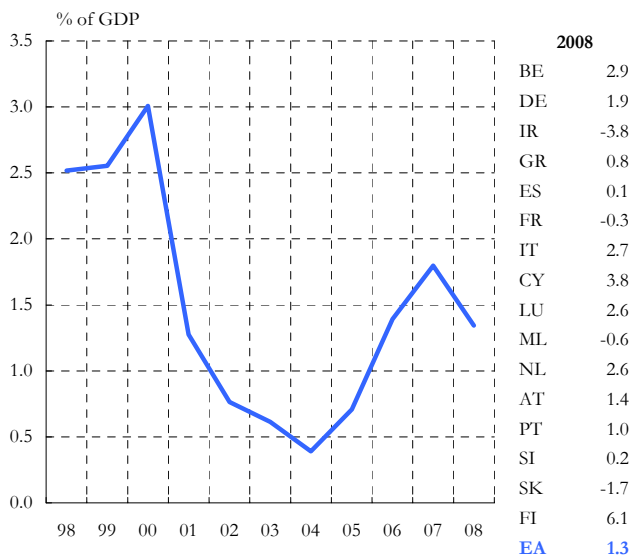
Primary balance



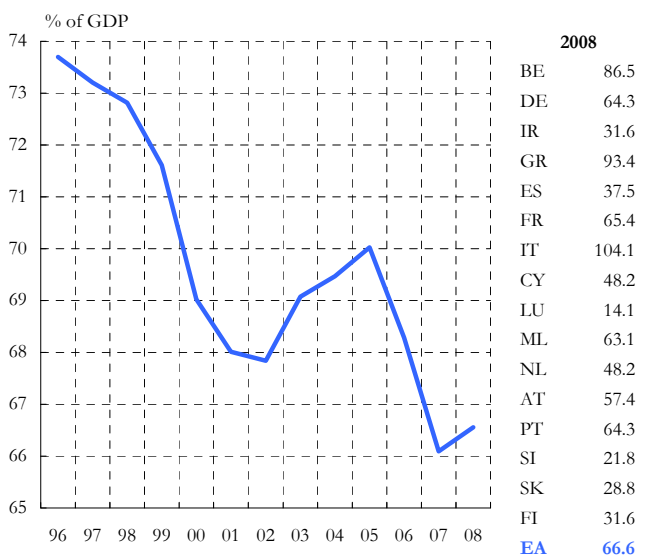
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



\* Figures are from the Commission's autumn 2008 forecast

## KEY INDICATORS FOR THE EURO AREA



Euro-area	As from 1.1.2008 the figures refer to Belgium (BE), Germany (DE), Ireland (IE), Greece (GR), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Luxembourg (LU), Malta (MT), the Netherlands (NL), Austria (AT), Portugal (PT), Slovenia (SI), Finland (FI).	
Indicator	Note	Source
<b>1. Output</b>		
Economic Sentiment Indicator	The economic sentiment indicator is the weighted average (of the industrial confidence indicator (40%), the services confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%) and the retail trade confidence indicator (5%)). Data are seasonally adjusted.	DG ECFIN
Industrial confidence indicator	The industrial confidence indicator is the arithmetic average of the balances (%) referring to the questions on production expectations, order books and stocks (the latter with inverted sign) from the survey of manufacturing industry. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Services confidence indicator	The services confidence indicator is the arithmetic average of the balances (%) referring to the questions on business situation and recent and expected evolution of demand from the survey of services. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Industrial production	Monthly Production Index (2000=100), NACE Rev.1 C-D-E, Total industry (excluding construction). Mom % ch. and qoq% ch. are seasonally adjusted, yoy% ch. are working-day adjusted.	Eurostat
Gross domestic product	Gross domestic product at constant market prices (chain-linked volumes, reference year 2000), EUR. Data are seasonally and working-day adjusted.	Eurostat
Labour productivity	Labour productivity defined as the difference between GDP growth and employment growth.	Eurostat
GDP divergence	Standard deviation of GDP growth of the following countries: BE, DE, ES, FR, IT, CY, LU, NL, AT, PT, SI, FI.	Eurostat
<b>2. Private consumption</b>		
Consumer confidence indicator	The consumer confidence indicator is the arithmetic average of the balances (%) referring to the questions on the financial situation of households, general economic situation, unemployment expectations (with inverted sign) and savings; all over next 12 months. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Retail confidence indicator	The retail confidence indicator is the arithmetic average of the balances (%) referring to the questions on the present and the future business situation and the volume of stocks (with inverted sign). The long-term average refers to the period from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Private consumption	Household & NPISH final consumption expenditure at constant market prices (chain-linked volumes, reference year 2000), EUR. Data are seasonally and working-day adjusted.	Eurostat
Retail sales	Retail trade (NACE Rev.1 52) excluding motor vehicles, motorcycles; Deflated turnover, mom % ch. and qoq% ch. are seasonally adjusted, yoy% ch. are working-day adjusted.	Eurostat
<b>3. Investment</b>		
Capacity utilization	In percent of full capacity in the manufacturing sector. Data are seasonally adjusted (collected in January, April, July and October).	DG ECFIN
Production expectations	Production expectations in manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Gross fixed capital formation	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year 2000), EUR. Data are seasonally and working-day adjusted.	Eurostat
Equipment investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year 2000), EUR, metal products, machinery and transport equipment. Data are seasonally and working-day adjusted.	Eurostat
Construction investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year 2000), EUR, construction work and housing. Data are seasonally and working-day adjusted.	Eurostat
Change in stocks	Changes in inventories and acquisitions less disposals of valuables (at prices of previous year).	Eurostat
Profit share	Ratio of nominal gross operating surplus and gross mixed income to nominal GDP	Eurostat

## KEY INDICATORS FOR THE EURO AREA



4. Labour market		
Employment expectations (manufacturing)	Managers' employment expectations over the next three months in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Employment expectations (services)	Managers' employment expectations over the next three months in the services sector. Data are seasonally adjusted.	DG ECFIN
Employment expectations (whole economy)	Weighted average of managers' employment expectations over the next three months in the manufacturing (19%), services (65%), construction (6%) and retail sectors (10%). Weights in brackets according to value-added share on GDP of the respective sector. Data are seasonally adjusted.	DG ECFIN
Employment	Total domestic employment (number of persons). Data are seasonally and working-day adjusted.	Eurostat
Compensation of employees per head	Nominal compensation of employees divided by the number of employees. Data are seasonally and working-day adjusted.	DG ECFIN
Unemployment expectations	Consumers' unemployment expectations over the next twelve months. Data are seasonally adjusted.	DG ECFIN
Unemployment rate	Harmonized unemployment rate (in percent of labour force), ILO definition. Data are seasonally adjusted.	Eurostat
Structural unemployment rate	Non-accelerating inflation rate of unemployment. Data are seasonally adjusted.	OECD
Total labour costs	Nominal wage- and non-wage costs less subsidies in the private business sector. Data are seasonally and working-day adjusted.	Eurostat
Wage costs	Nominal wage and salary costs include direct remunerations, bonuses, and allowances, payments to employees saving schemes, payments for days not worked and remunerations in kind. Data are seasonally and working-day adjusted.	Eurostat
Non-wage costs	Nominal non-wage costs include the employers' social contributions plus employment taxes less subsidies. Data are seasonally and working-day adjusted.	Eurostat
Labour productivity	Ratio between GDP and employment. Data are seasonally and working-day adjusted.	DG ECFIN
5. International transactions		
World trade	Volume, 1998=100, seasonally adjusted	CPB
Export order books	Managers' export order expectations in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Extra-euro area exports	Nominal extra-euro area exports of goods, fob. Data are seasonally adjusted.	Eurostat
Extra-euro area imports	Nominal extra-euro area imports of goods, cif. Data are seasonally adjusted.	Eurostat
Extra-euro area trade balance	Difference between extra-euro area exports and extra-euro area imports. Data are seasonally adjusted.	Eurostat
Intra-euro area trade	Nominal intra-euro area trade in goods, fob. Data are seasonally adjusted.	Eurostat
Current account balance	Transactions in goods and services plus income and current transfers between residents and non-residents of the euro area. Data are seasonally and working-day adjusted.	ECB
Exports of goods and services	Exports of goods and services at constant market prices (chain-linked volumes, reference year 2000), EUR. Data are seasonally and working-day adjusted.	Eurostat
Imports of goods and services	Imports of goods and services at constant market prices (chain-linked volumes, reference year 2000), EUR. Data are seasonally and working-day adjusted.	Eurostat
Direct investment	Nominal transactions/positions in assets abroad by euro-area residents less nominal transactions/positions in euro-area assets by non-residents. To be regarded as a direct investment, ownership in an enterprise must be equivalent to more than 10% of the ordinary shares or voting power.	ECB
Portfolio investment	Nominal transactions/positions in securities (including equities) abroad by euro-area residents less nominal transactions/positions in euro-area securities (including equities) by non-residents. To be regarded as a portfolio investment, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.	ECB

## KEY INDICATORS FOR THE EURO AREA



6. Prices		
HICP	Harmonized index of consumer prices (index 2005=100)	Eurostat
Core HICP	HICP excluding energy and unprocessed food (index 2005=100)	Eurostat
Producer prices	Domestic producer price index, total industry excluding construction (index 2000=100)	Eurostat
Selling price expectation	Managers' selling-price expectations in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Import prices	Unit value index of imports, Current Prices (index 2000=100)	Eurostat
Oil prices	Price of north sea Brent in USD/barrel and EUR/barrel	ICE
Non-energy commodity prices	Market price for non-fuel commodities in EUR terms (index 2000c=100)	HWWI
7. Monetary and financial indicators		
Nominal interest rate (3-month)	3-month EURIBOR interbank rate (360 day)	ECB/Ec owin
Nominal interest rate (10-year)	10-year interest rate on government bonds for euro area (based upon the 10-year German government bond)	ECB/Ec owin
ECB repo rate	Minimum bid rate of main refinancing operations, end of period.	ECB/Ec owin
Money demand (M3)	Monetary aggregate including currency in circulating (banknotes and coins), operational deposits in central bank, money in current accounts, saving accounts, money market deposits, certificates of deposit, all other deposits and repurchase agreements. Data are seasonally adjusted.	ECB
Loans to private sector	Loans by MFI (monetary and financial institutions) to euro area residents (excl government). Data are seasonally adjusted.	ECB
Real long-term interest rates	Nominal interest rate (10-year) deflated by HICP index	DG ECFIN
Real short-term interest rates	Nominal interest rate (3-month) deflated by HICP index	DG ECFIN
Stock markets	Eurostoxx50, Dow Jones and Nikkei indices (1.1.1999=100)	Ecwin
Exchange rates	EUR/USD and EUR/JPY reference rates	ECB
Nominal effective exchange rate	Monthly Nominal Effective Exch. Rates vs rest of IC24 (index 2005 = 100)	DG ECFIN
8. Public finance		
General government balance	Net lending (+) or net borrowing (-) of general government	DG ECFIN
Primary government balance	Net lending (+) or net borrowing (-) of general government minus interest payment	DG ECFIN
Cyclically adjusted balance	Net lending (+) or net borrowing (-) of general government corrected for the influence of the business cycle	DG ECFIN
Cyclically adjusted primary balance	Primary government balance corrected for the influence of the business cycle	DG ECFIN
General government expenditures and receipts	Nominal expenditures and receipts; tax burden includes taxes on production and imports (incl. taxed paid to EU), current taxes on income and wealth (direct taxes) and actual social contributions	DG ECFIN
General government debt	Cumulative sum of net lending (+) or net borrowing (-) positions of general government	DG ECFIN