

DG ECFIN - Directorate A - Policy strategy and coordination

| | LTA ⁽¹⁾ | 2009 | 2010 | 10Q1 | 10Q2 | 10Q3 | 10Q4 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | Jan-11 | |
|--|--------------------------|-------|--------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|------|
| 1. Output | | | | | | | | | | | | | | |
| Economic Sentiment | indicator | 100.7 | 80.8 | 100.8 | 96.6 | 99.3 | 102.2 | 105.0 | 102.3 | 103.2 | 103.8 | 105.1 | 106.2 | -- |
| Industrial confidence | balance | -6.9 | -28.4 | -5.0 | -12.2 | -6.4 | -2.9 | 1.6 | -2.9 | -1.7 | 0.0 | 0.7 | 4.0 | -- |
| Services confidence | balance | 14.0 | -15.6 | 5.3 | 0.4 | 4.3 | 7.1 | 9.4 | 7.1 | 7.8 | 8.1 | 10.3 | 9.8 | -- |
| Industrial production | % ch. on prev. period | | | | 2.3 | 2.4 | 1.1 | -- | 1.2 | -0.7 | 0.7 | 1.2 | -- | -- |
| (excluding construction) | % ch. on prev. year | 0.6 | -14.9 | -- | 4.7 | 9.0 | 7.0 | -- | 8.5 | 5.6 | 7.1 | 7.4 | -- | -- |
| Gross domestic product | % ch. on prev. period | | | | 0.4 | 1.0 | 0.3 | -- | | | | | | |
| | % ch. on prev. year | 1.7 | -4.1 | -- | 0.8 | 2.0 | 1.9 | -- | | | | | | |
| Labour productivity | % ch. on prev. period | | | | 0.3 | 0.9 | 0.4 | -- | | | | | | |
| | % ch. on prev. year | 0.7 | -2.2 | -- | 2.0 | 2.5 | 2.1 | -- | | | | | | |
| 2. Private consumption | | | | | | | | | | | | | | |
| Consumer confidence | balance | -12.0 | -24.7 | -14.0 | -16.8 | -16.7 | -12.1 | -10.4 | -11.4 | -11.0 | -10.9 | -9.4 | -10.9 | -- |
| Retail confidence | balance | -6.6 | -15.5 | -3.3 | -6.6 | -4.3 | -2.8 | 0.7 | -3.3 | -0.9 | -1.1 | -1.5 | 4.6 | -- |
| Private consumption | % ch. on prev. period | | | | 0.3 | 0.2 | 0.1 | -- | | | | | | |
| | % ch. on prev. year | 1.7 | -1.1 | -- | 0.4 | 0.6 | 1.0 | -- | | | | | | |
| Retail sales | % ch. on prev. period | | | | 0.5 | 0.0 | 0.5 | -- | -0.1 | -0.1 | 0.0 | -0.8 | -- | -- |
| | % ch. on prev. year | 1.1 | -2.4 | -- | 0.6 | 0.6 | 1.6 | -- | 1.6 | 1.7 | 1.2 | 0.1 | -- | -- |
| 3. Investment | | | | | | | | | | | | | | |
| Capacity utilisation | level (%) | 81.3 | 71.4 | 75.7 | 72.3 | 75.5 | 77.2 | 77.6 | -- | -- | 77.6 | -- | -- | -- |
| Production expectations (manuf.) | balance | 5.6 | -14.9 | 10.6 | 7.1 | 9.4 | 10.4 | 15.5 | 10.0 | 11.7 | 14.0 | 14.5 | 18.1 | -- |
| Gross fixed capital formation | % ch. on prev. period | | | | -0.4 | 2.0 | -0.3 | -- | | | | | | |
| | % ch. on prev. year | 1.8 | -11.4 | -- | -5.0 | -0.8 | 0.2 | -- | | | | | | |
| - equipment investment | % ch. on prev. period | | | | 1.4 | 3.5 | 0.4 | -- | | | | | | |
| | % ch. on prev. year | | -17.8 | -- | -1.5 | 5.2 | 5.3 | -- | | | | | | |
| - construction investment | % ch. on prev. period | 2.9 | | | -1.6 | 1.7 | -0.8 | -- | | | | | | |
| | % ch. on prev. year | 0.7 | -7.8 | -- | -7.0 | -3.6 | -2.5 | -- | | | | | | |
| Change in stocks | contrib. to GDP (pp.) | 0.0 | -1.0 | -- | 0.7 | 0.5 | 0.1 | -- | | | | | | |
| 4. Labour market | | | | | | | | | | | | | | |
| Employment expectations (manuf.) | balance | -12.6 | -31.2 | -8.0 | -18.3 | -10.6 | -5.1 | 1.9 | -6.4 | -3.2 | -0.1 | 1.4 | 4.3 | -- |
| Employment expectations (services) | balance | 7.0 | -12.5 | 1.3 | -4.0 | 0.5 | 2.1 | 6.6 | 0.3 | 4.7 | 6.1 | 7.1 | 6.7 | -- |
| Employment | % ch. on prev. period | | | | 0.0 | 0.1 | 0.0 | -- | | | | | | |
| | % ch. on prev. year | 1.0 | -1.8 | -- | -1.2 | -0.5 | -0.2 | -- | | | | | | |
| Employment (000) | abs. ch. on prev. period | | -2 736 | -- | 32 | 111 | -47 | -- | | | | | | |
| Compensation of employees per head (nominal) | % ch. on prev. period | | | | 0.2 | 0.7 | 0.3 | -- | | | | | | |
| | % ch. on prev. year | 2.2 | 1.5 | -- | 1.5 | 1.9 | 1.5 | -- | | | | | | |
| Unemployment rate | % of lab. force | | 9.5 | -- | 9.9 | 10.0 | 10.0 | -- | 10.0 | 10.0 | 10.1 | 10.1 | -- | -- |
| Unemployment (000) | abs. ch. on prev. period | | 2 999 | -- | 81 | 141 | 41 | -- | -7 | 58 | 96 | -39 | -- | -- |
| 5. International transactions | | | | | | | | | | | | | | |
| World trade | % ch. on prev. period | | | | 6.1 | 5.7 | 3.6 | -- | 1.0 | -1.0 | 1.5 | -- | -- | -- |
| | % ch. on prev. year | 5.6 | 2.2 | -- | 0.1 | 17.1 | 20.9 | -- | 20.9 | 16.5 | 19.7 | -- | -- | -- |
| Export order books | balance | -19.3 | -58.0 | -24.7 | -41.3 | -28.7 | -18.4 | -10.3 | -18.0 | -15.8 | -13.1 | -10.8 | -7.1 | -- |
| Trade balance (merchandise) | billion EUR | | 22.1 | -- | 3.8 | -4.4 | 0.2 | -- | -1.7 | 2.0 | 3.6 | -- | -- | -- |
| Exports of goods and services | % ch. on prev. period | | | | 2.6 | 4.4 | 1.9 | -- | | | | | | |
| | % ch. on prev. year | 4.6 | -13.2 | -- | 5.7 | 11.7 | 11.3 | -- | | | | | | |
| Imports of goods and services | % ch. on prev. period | | | | 4.2 | 4.3 | 1.5 | -- | | | | | | |
| | % ch. on prev. year | 4.7 | -11.9 | -- | 4.8 | 12.4 | 11.7 | -- | | | | | | |
| Current account balance | billion EUR | | -51.4 | -- | -1.9 | -9.8 | -21.4 | -- | -6.9 | -9.7 | -9.8 | -- | -- | -- |
| Direct investment | billion EUR | | -74.5 | -- | -40.3 | -37.6 | -21.2 | -- | -11.1 | -9.6 | -10.3 | -- | -- | -- |
| Portfolio investment | billion EUR | | 264.8 | -- | 16.6 | 101.7 | 10.3 | -- | 11.5 | 15.7 | 14.0 | -- | -- | -- |
| 6. Prices | | | | | | | | | | | | | | |
| Consumer inflation expectations | balance | 21.1 | -6.7 | 8.4 | 0.7 | 10.2 | 10.8 | 11.8 | 10.9 | 10.3 | 9.6 | 10.7 | 15.0 | -- |
| Headline inflation (HICP) | % ch. on prev. year | | 0.3 | -- | 1.1 | 1.5 | 1.7 | -- | 1.6 | 1.8 | 1.9 | 1.9 | 2.2 | -- |
| Core HICP | % ch. on prev. year | | 1.3 | -- | 0.9 | 0.8 | 1.0 | -- | 1.0 | 1.0 | 1.1 | 1.1 | -- | -- |
| Domestic producer prices | % ch. on prev. year | | -5.1 | -- | -0.1 | 3.0 | 4.0 | -- | 3.6 | 4.3 | 4.4 | 4.5 | -- | -- |
| Import prices | % ch. on prev. year | | -8.8 | -- | 4.6 | 11.6 | 12.4 | -- | 11.4 | 12.1 | -- | -- | -- | -- |
| Oil (Brent) in USD | level | | 62.5 | 80.3 | 77.2 | 79.7 | 76.8 | 87.2 | 77.2 | 77.9 | 83.5 | 86.0 | 91.8 | 94.8 |
| | % ch. on prev. year | | -36.7 | 28.5 | 69.5 | 34.2 | 11.5 | 15.9 | 6.0 | 13.8 | 14.0 | 11.1 | 21.9 | 22.6 |
| Oil (Brent) in EUR | level | | 44.5 | 60.6 | 55.9 | 62.6 | 59.4 | 64.3 | 59.9 | 59.5 | 60.1 | 63.1 | 69.4 | 72.4 |
| | % ch. on prev. year | | -32.8 | 36.2 | 60.0 | 44.2 | 23.3 | 26.2 | 17.2 | 26.6 | 21.6 | 21.6 | 34.4 | 33.6 |
| Non-energy commodity prices (EUR) | % ch. on prev. period | | | | 10.3 | 19.2 | 6.7 | 3.5 | 3.1 | 1.9 | -3.5 | 3.9 | 6.6 | -- |
| | % ch. on prev. year | | -17.3 | 41.3 | 27.4 | 43.6 | 47.4 | 45.3 | 43.8 | 50.8 | 43.5 | 45.9 | 46.4 | -- |
| 7. Monetary and financial indicators | | | | | | | | | | | | | | |
| Nominal interest rates (3 month) | level | | 1.22 | 0.81 | 0.66 | 0.69 | 0.87 | 1.02 | 0.90 | 0.88 | 1.00 | 1.04 | 1.02 | 1.00 |
| Nominal interest rates (10 year) | level | | 3.27 | 2.78 | 3.20 | 2.84 | 2.45 | 2.64 | 2.37 | 2.34 | 2.37 | 2.56 | 2.96 | 2.93 |
| ECB repo rate | level | | 1.28 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Stock market (Eurostoxx) | % ch. on prev. period | | | | -0.8 | -4.0 | -0.7 | 3.7 | 1.6 | 2.0 | 1.9 | -0.3 | 0.6 | 0.0 |
| | % ch. on prev. year | | -24.0 | 10.1 | 31.8 | 14.9 | 2.1 | -1.9 | 0.4 | -2.2 | -1.7 | -1.2 | -2.8 | -3.4 |
| Money demand (M3) | % ch. on prev. year | | 3.0 | -- | -0.2 | 0.0 | 0.8 | -- | 1.2 | 1.1 | 0.9 | 1.9 | -- | -- |
| Loans to households | % ch. on prev. year | | 1.3 | -- | 2.2 | 2.8 | 2.8 | -- | 2.9 | 2.8 | 2.9 | 2.7 | -- | -- |
| Loans to non-financial corporations | % ch. on prev. year | | -2.2 | -- | -2.4 | -1.7 | -0.6 | -- | -1.2 | -0.6 | -0.5 | -0.1 | -- | -- |
| Bilateral exchange rate EUR/USD | level | | 1.39 | 1.33 | 1.38 | 1.27 | 1.29 | 1.36 | 1.29 | 1.31 | 1.39 | 1.37 | 1.32 | 1.31 |
| | % ch. on prev. year | | -5.2 | -5.0 | 6.1 | -6.8 | -9.7 | -8.1 | -9.6 | -10.3 | -6.2 | -8.4 | -9.5 | -8.2 |
| Nominal effective exchange rate | % ch. on prev. period | | 1.1 | -6.4 | -4.4 | -5.1 | -0.8 | 2.0 | -0.4 | 0.4 | 3.5 | -1.2 | -2.0 | -- |
| | % ch. on prev. year | | 8.8 | 1.9 | -1.1 | -7.1 | -8.7 | -8.2 | -8.6 | -9.3 | -7.2 | -8.1 | -9.2 | -- |

(1) LTA=Long-Term Average

(2) Data available until date of update



1. Output

According to Eurostat's second estimates released on 7 January, **GDP growth** slowed down to 0.3% quarter-on-quarter (q-o-q) in 2010-Q3, which is 0.1 pp. lower than the first estimates available in early December and the Commission's autumn forecast (released on 29 November). Domestic demand (excluding inventories) increased by 0.1% q-o-q, while export and import growth more than halved compared to the second quarter, giving a positive contribution of 0.2 pp. to GDP. As for the largest economies, GDP increased by 0.7% (q-o-q) in Germany, 0.3% in France and Italy, while it was flat in Spain and the Netherlands. In Greece, GDP continued to fall (-1.3%).

According to the **Commission's autumn forecast**, the economic recovery currently underway in the euro area is set to continue. GDP is projected to have grown by 1.7% in 2010 (a sizeable upward revision from the 0.9% spring forecast), to ease to 1.5% in 2011, before picking up to 1.8% in 2012. However, the recovery is expected to remain uneven across Member States.

In December, **industry sentiment** improved sharply by 3.3 points. The gain in industry was broad-based, reflecting improvements across all the components of the confidence indicator and strong positive developments in all the largest Member States. Industrial confidence has improved markedly since the March 2009 record low. Its level in December was above the long-term average for the 9th consecutive month. *Note that since May 2010 business surveys data are classified in accordance with an updated version of the Nomenclature of Economic Activities (NACE rev. 2) causing a potential break in series at this date.*

In November, **industrial production** increased by 1.2% month-on-month (m-o-m). On an annual basis, industrial production in the euro area grew by 7.4%.

In October 2010, the euro-area **industrial new orders index** grew by 1.4%, following a decrease of 4.2% in September.

2. Private consumption

Private consumption rose by 0.1% q-o-q in 2010-Q3. In line with the softening in GDP growth, household spending growth weakened marginally compared to the 0.2% growth recorded in 2010-Q2. On a year-on-year basis, private consumption increased by 1.0%.

After six consecutive months of improvement, the **consumer confidence** indicator declined in December by 1.6 points. The drop in confidence mirrored in particular a significant worsening of consumers'

assessment of the general economic situation and a rise in unemployment fears.

After remaining flat in October, **retail sales** volumes decreased by 0.8% m-o-m in November. However, they were up by 0.5% (q-o-q) in 2010-Q3, compared to the almost flat (0.1%) growth in 2010-Q2. **Retail confidence** in December increased strongly (by 6.1 points to 4.6), and remains well above its long-term average (of -7.0).

3. Investment

Having risen by 2.0% q-o-q in 2010-Q2, **gross fixed capital formation** fell by 0.3% in 2010-Q3. On an annual basis, however, it turned positive (increasing by 0.2%).

Having reached a historic low in 2009-Q3 (69.6%), the rate of **capacity utilisation** in manufacturing has since improved, to stand at 77.6% in 2010-Q4. However, this is still below its long-term average (81.1%).

4. Labour market

After holding steady for 6 months at 10.0%, the **unemployment rate** increased slightly to 10.1% in October and November. However, this aggregate number conceals sharp differences across Member States, with the unemployment rate ranging from 4.4% in the Netherlands to 20.6% in Spain. Such cross-country divergences in labour-market performance follow from, inter alia, the sectoral composition of output, capacity utilisation and firm profitability at the outset of the crisis, the characteristics of labour-market institutions and the policy response.

Employment in 2010-Q3 was stable, following a 0.1% increase (q-o-q) in the previous quarter. Compared to a year earlier, employment was down by 0.2%. In December, managers' **employment expectations** improved in industry and decreased slightly in the services sector. Consumers' unemployment fears increased slightly in December, though they remain close to the lowest level reported since the recovery started and below the long-term averages. The level of **labour shortages** has been gradually increasing from the historical lows of the second half of 2009; in 2010-Q4, 3.2% of firms reported that unfilled job openings were constraining production (2.4% in 2010-Q3 and 1.8% in 2010-Q2).

5. International transactions

In December, the assessment of **export order books** improved further (by 3.7 points), exceeding its long-term average for the 5th month in a row. In October, the seasonally-adjusted **euro-area trade balance** with the rest of the world showed a surplus of 3.6 bn. euro. In 2010-Q3, **export and import growth (goods and**



services) slowed to 1.9% and 1.7% q-o-q respectively (from 4.4% and 4.3% in 2010-Q2), in line with the expected softening of global growth.

In October 2010, the euro-area **current account** recorded a deficit of 9.8 billion euro. This reflected deficits in current transfers, income and goods, which were only partly offset by the surplus in services. The **financial account** recorded net inflows of 4 billion euro, as net inflows in portfolio investment were only partly offset by outflows in direct investment.

6. Prices

The flash estimate for the **HICP inflation rate** in December was 2.2%, up from 1.9% in November. **Core inflation** in November was at 1.1%, unchanged from the previous month. **The Commission's autumn forecast** projects an inflation rate of 1.5% for 2010, and about 1¾% for both 2011 and 2012.

Industrial producer prices rose by 0.3% (m-o-m) in November 2010, after rising by 0.4% in October.

Amid much volatility, **oil prices** continued to rise slightly in recent weeks, due to declining supplies from the North Sea and growing demand in Asia. In its December meeting, OPEC maintained its two-year running cap on crude production. On 13 January, the price of Brent crude oil was 95.0 USD per barrel.

7. Monetary and financial indicators

The **interbank money-market** conditions in Europe seem to be stabilising. The 3-month Euribor stands now (12 January) at 1.00% in line with the ECB's official Repo rate. It came down since late November 2010 when it topped 1.05% due to higher rates applied to weaker banks in peripheral euro area markets. The 3-month Libor-OIS spreads came down slightly this week in Europe but the level is marginally higher than in late 2010. The US money market rates continue to be flat, with 3-month Libor at around 0.3% since the beginning of September (0.53% in mid-July).

Developments in **benchmark sovereign-bond yields** were mixed recently. In the US, positive economic

news boosted risk appetite and lowered demand for safe assets: the US 10-year sovereign yield increased by 3 bps. to 3.40%. In the EU, the positive economic news was not enough to offset mounting concerns on the peripheral sovereign segment. In this context, the German Bund continued to serve as safe haven: the 10-year German bund yield increased to 3.05% (12 January), the highest level since April. As to euro-area individual countries, European sovereign spreads widened on renewed funding concerns for several peripheral countries, in particular for Portugal and Greece.

The annual rate of change of **M3** increased substantially to 1.9% in November 2010, from 0.9% in October. **Loan growth to the private sector** increased further in November, with 2.0% y-o-y growth, up from 1.5% in October. The annual rate of change of **loans to non-financial corporations** improved to -0.1% in November, up from -0.5% in the previous month. The annual growth of **loans to households** decelerated slightly from 2.9% in October to 2.7% in November, largely on account of improvements in consumer credit.

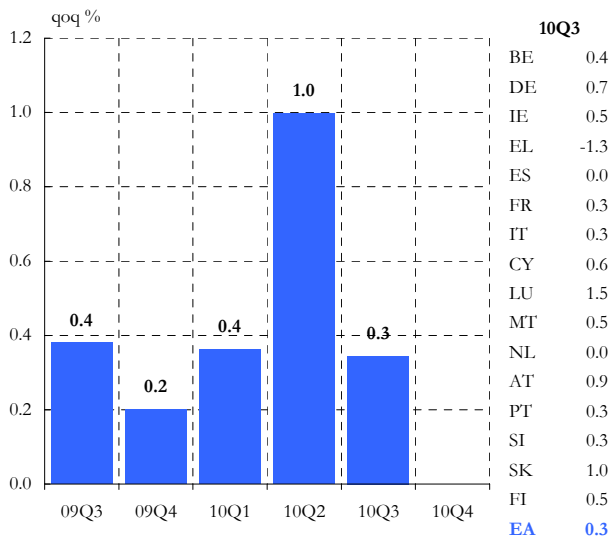
As to **foreign exchange markets**, although subject to fluctuations, the euro has been recovering from its June's 4-year low of 1.194 USD/EUR in recent months. More recently, helped by the Federal Reserve's decision on "quantitative easing" in early November, it had reached 1.42 USD/EUR. However, thereafter, it fell during the whole month of November, sliding below the 1.30 USD/EUR level, the lowest level since the beginning of September. December saw some stabilisation of the USD/EUR exchange rate at around 1.32. On 12 January 2011, USD/EUR rate stood at 1.30 and JPY/EUR rate stood at 109.

Stock markets started the year with promising gains as encouraging economic data bolstered investor confidence for an accelerating pace of economic recovery. The US led market gains with the S&P up 4.3%. Asia was not far behind as Asia/Pacific 600 Index gained 3.2%. European shares however recorded more modest gains suggesting that the private sector continues to be affected by the developments in European sovereign-debt markets.

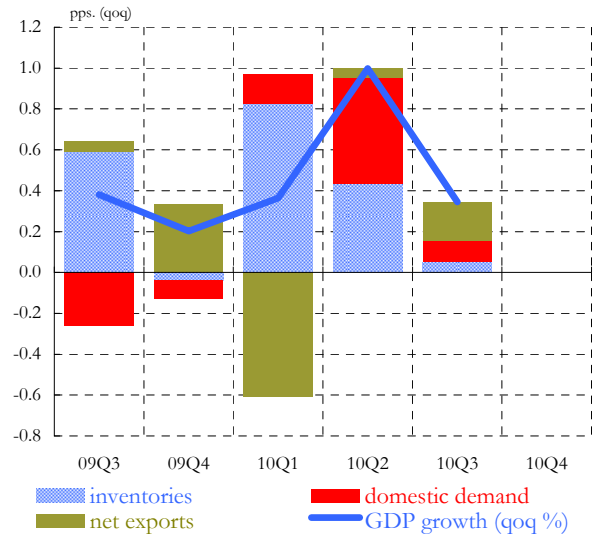


1. OUTPUT

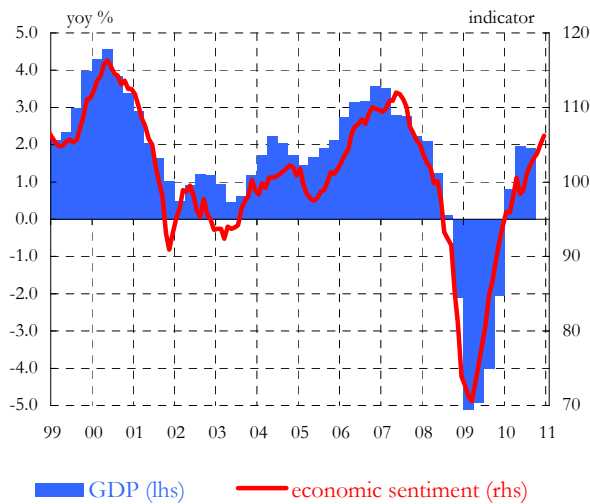
GDP



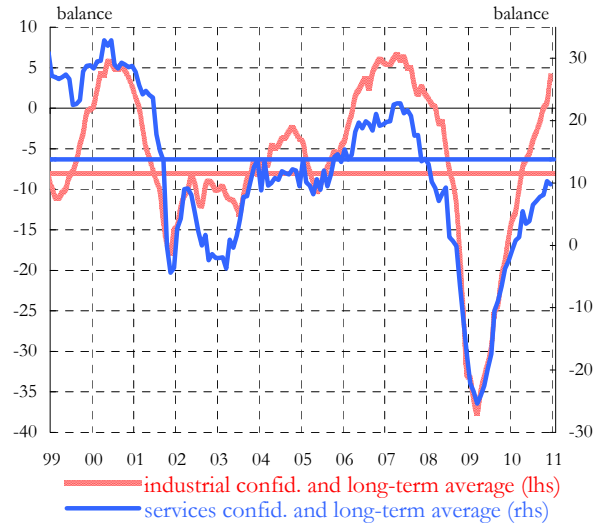
Contributions to GDP growth



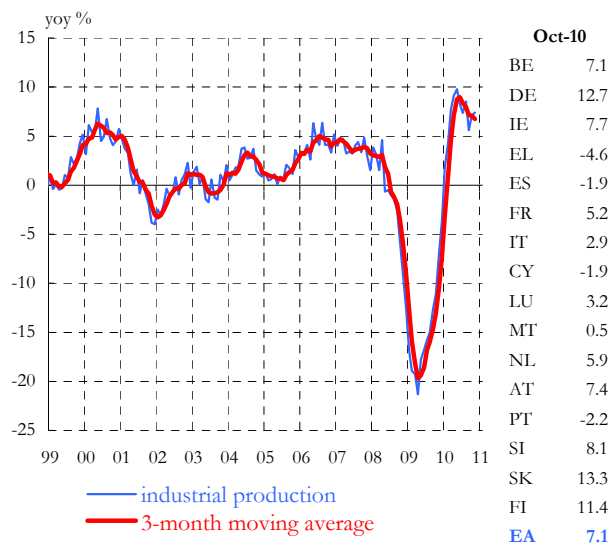
GDP and Economic Sentiment Indicator



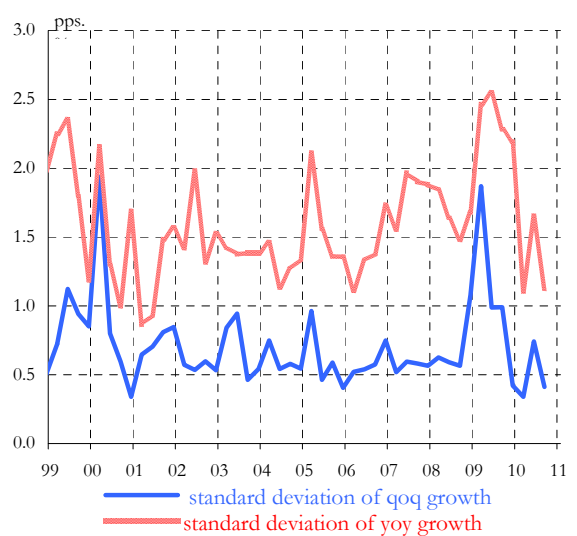
Industrial and services confidence



Industrial production



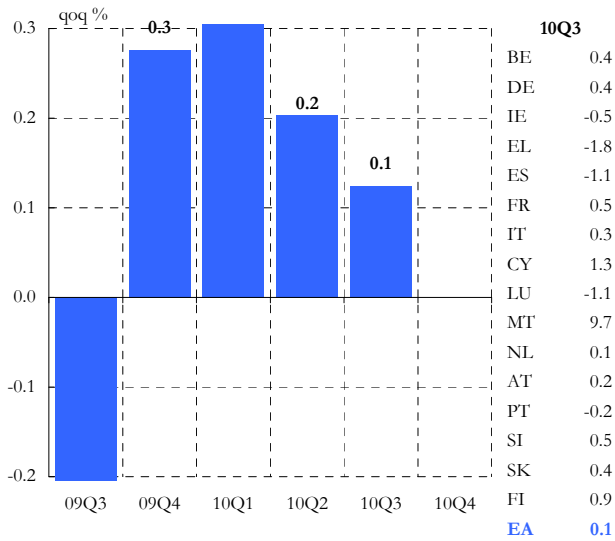
GDP growth divergence, euro area



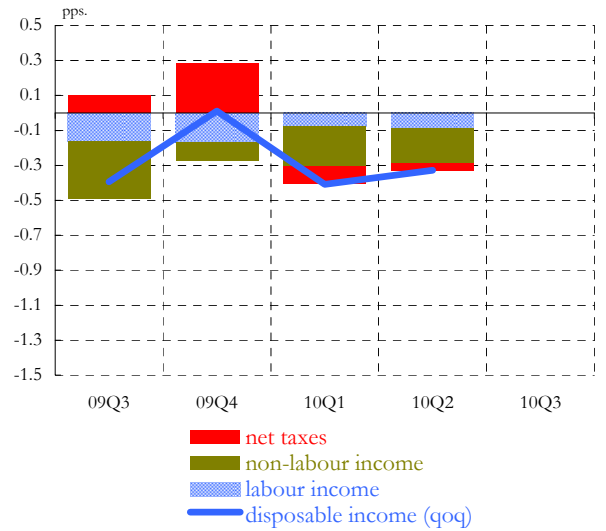


2. PRIVATE CONSUMPTION

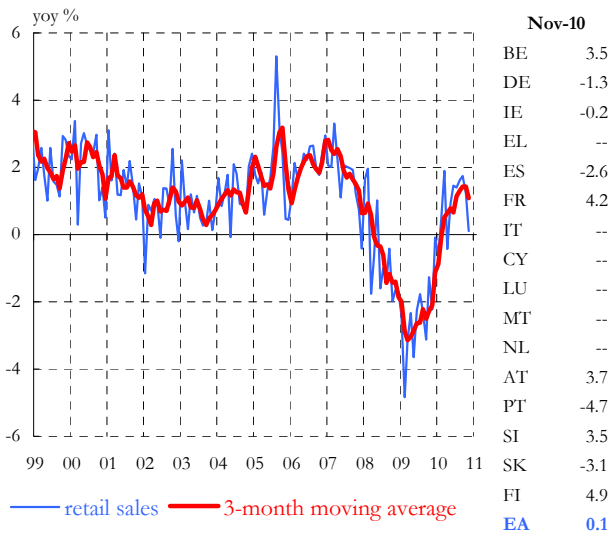
Private consumption



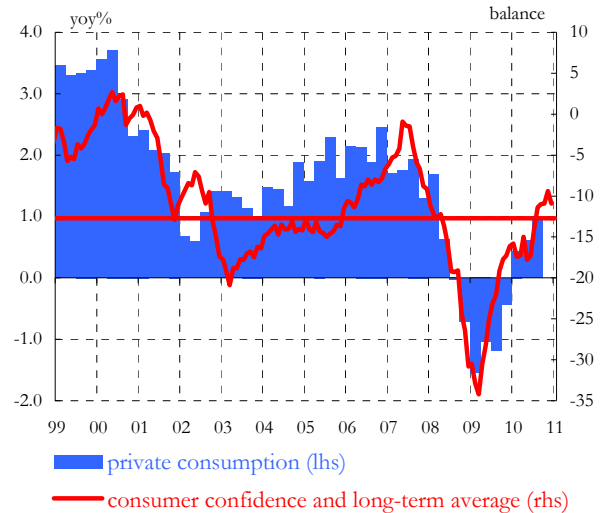
Gross disposable income and its components



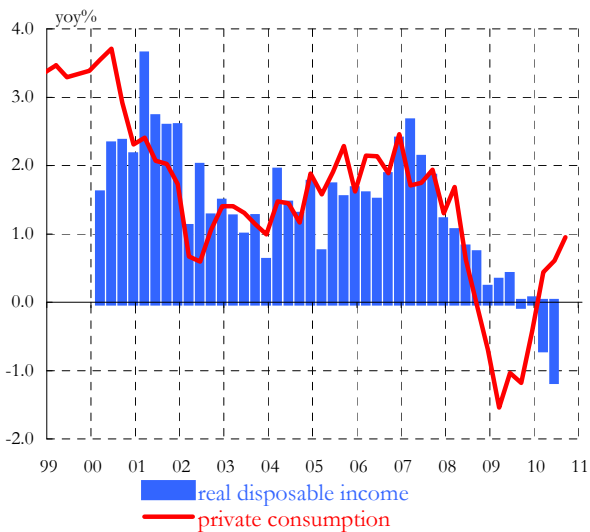
Retail sales



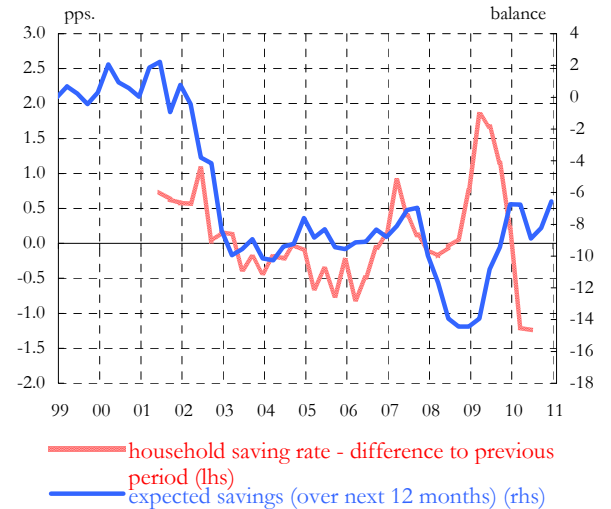
Consumer confidence and private consumption



Households: real disposable income and consumption



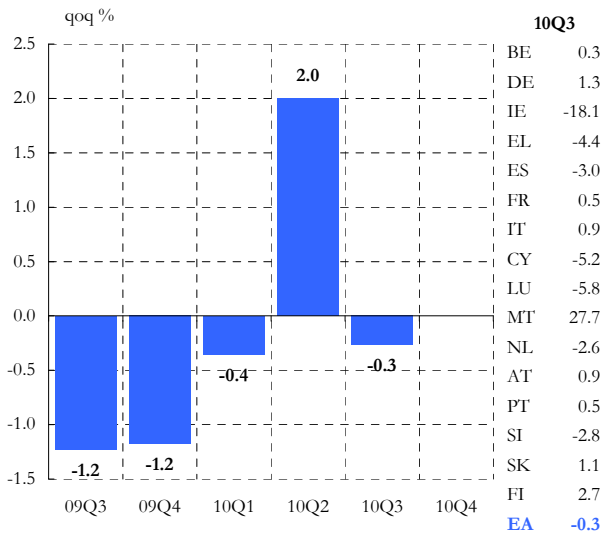
Households: actual saving rate and expected savings



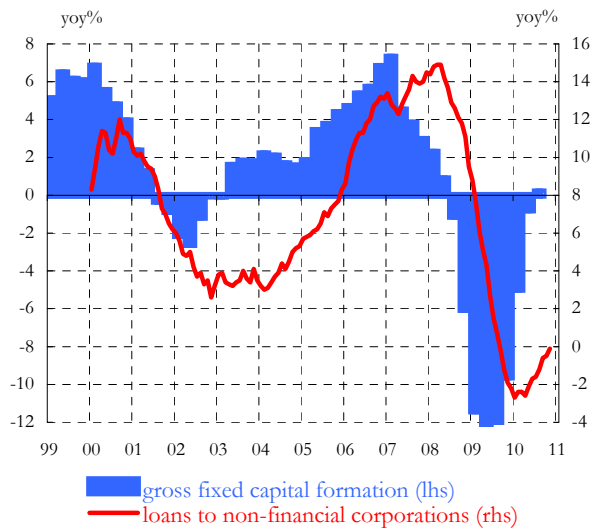


3. INVESTMENT

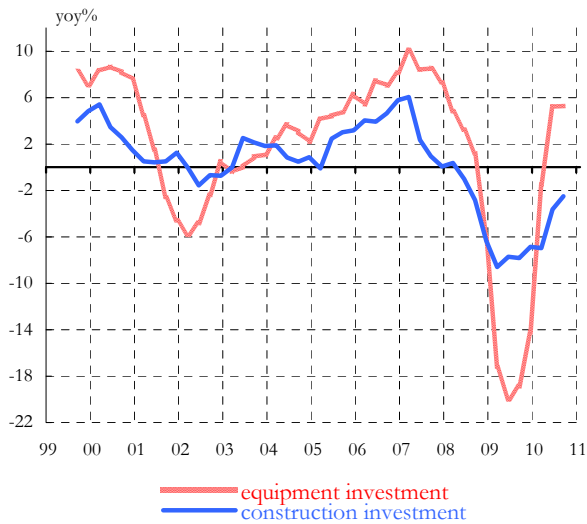
Gross fixed capital formation



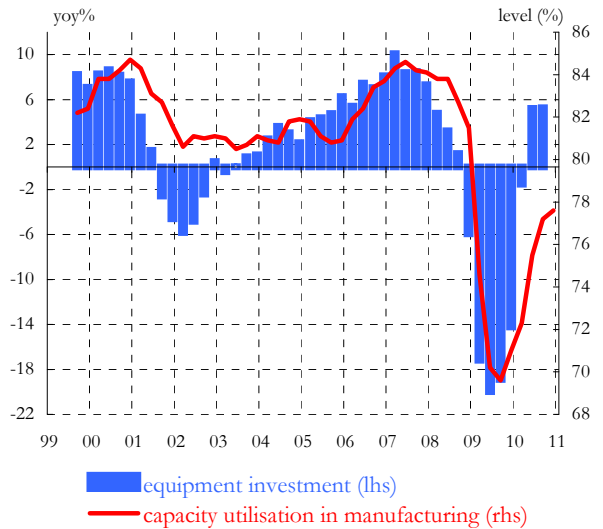
Gross fixed capital formation and corporate loans



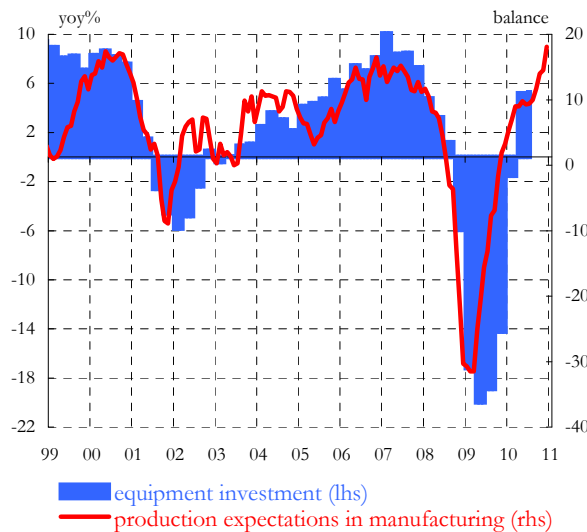
Equipment and construction investment



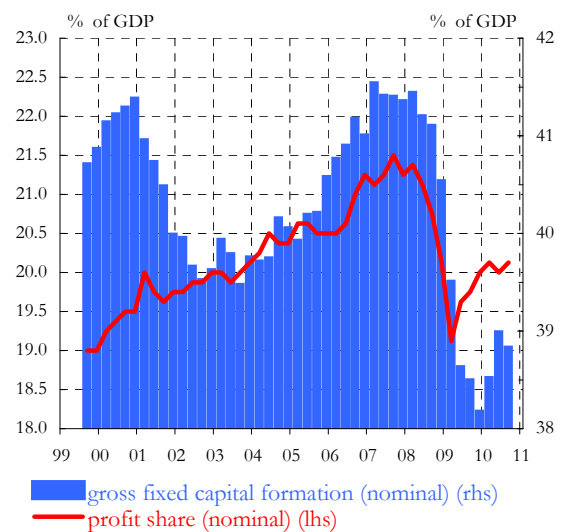
Equipment investment and capacity utilisation



Equipment investment and production expectations



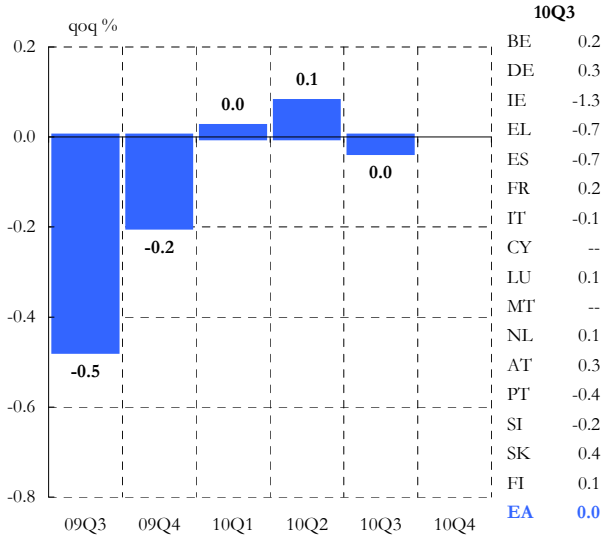
Gross fixed capital formation and profit share



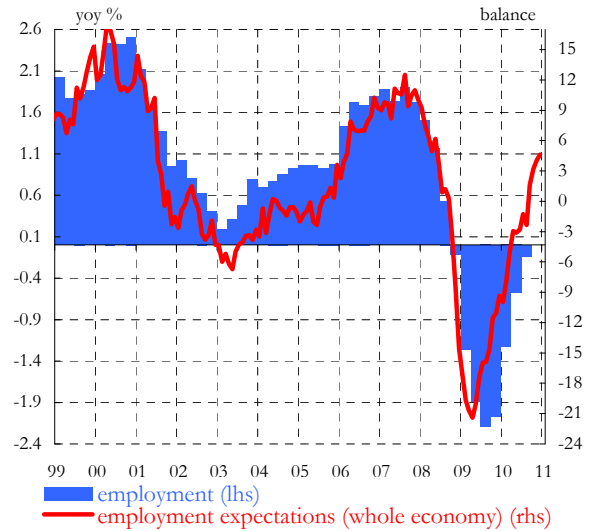


4. LABOUR MARKET

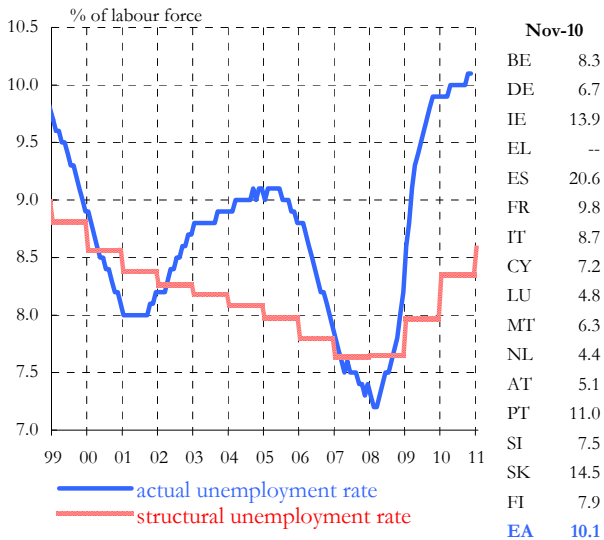
Employment



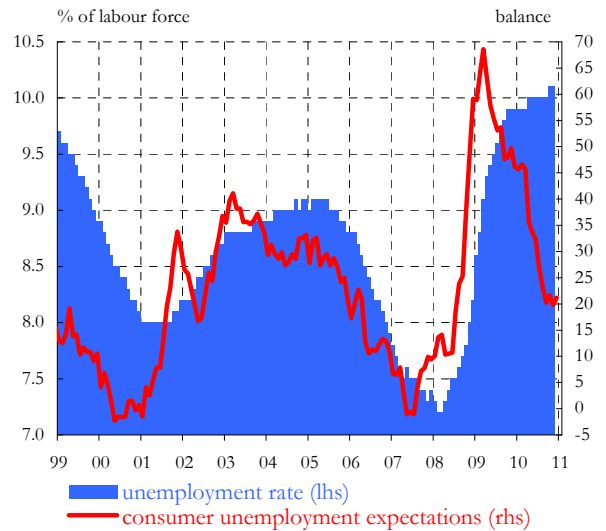
Employment and employment expectations



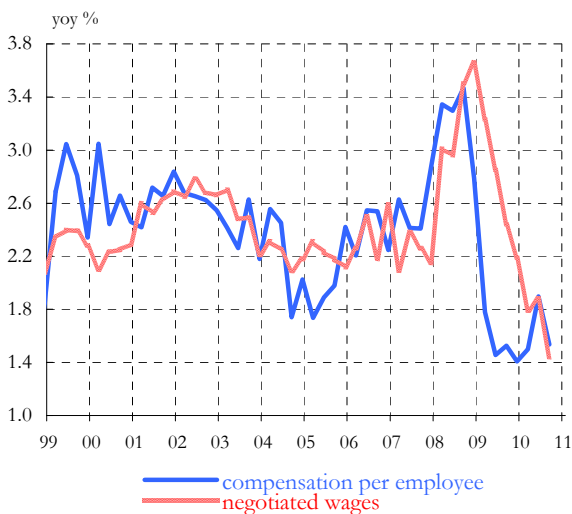
Actual and structural unemployment rate



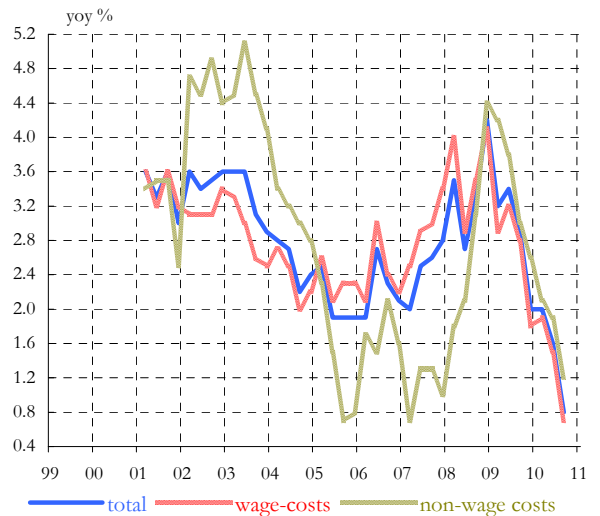
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



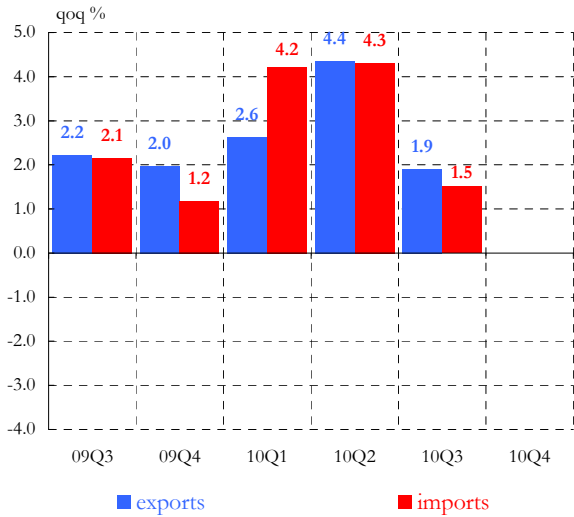
Labour costs in the private business sector (nominal)



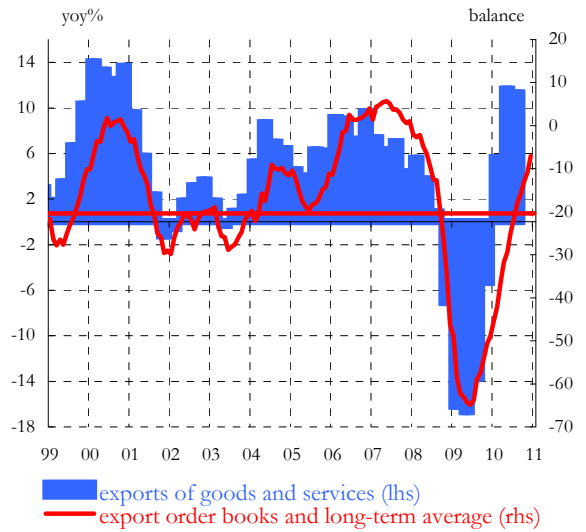


5. INTERNATIONAL TRANSACTIONS

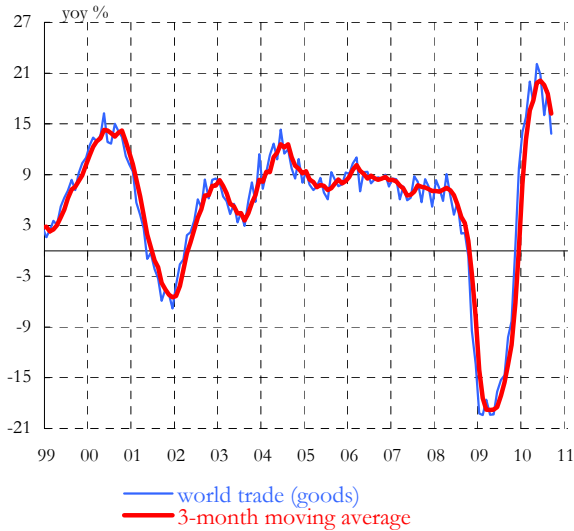
Exports and imports of goods and services



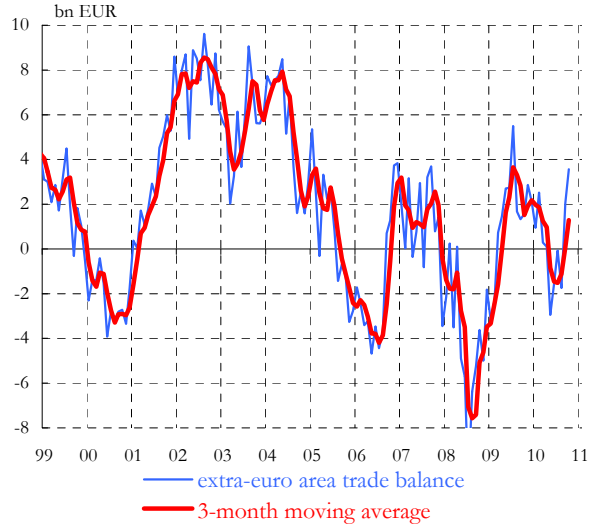
Exports and export order books



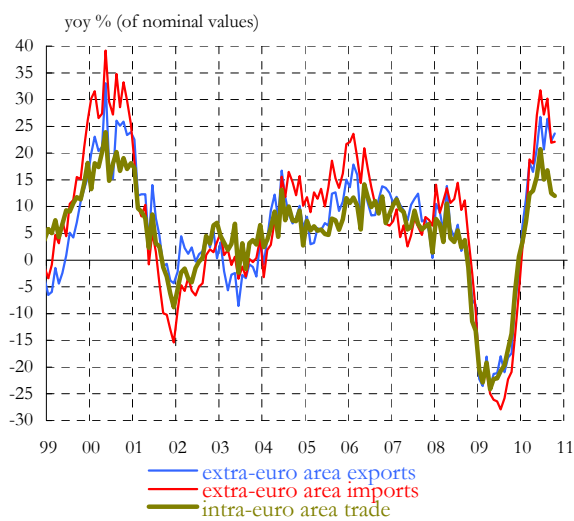
World trade



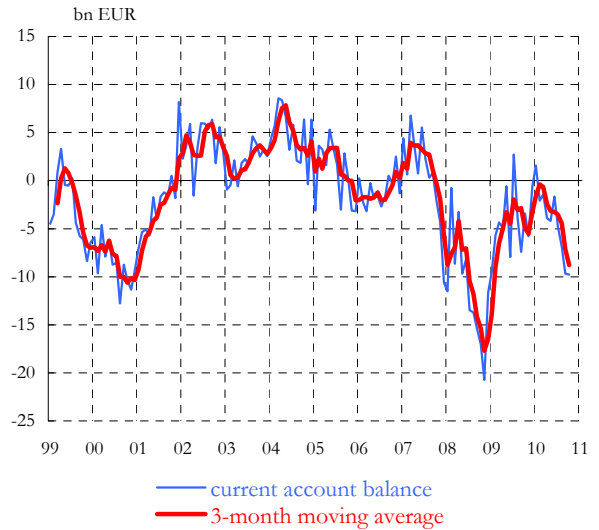
Extra euro-area trade balance



Extra- and intra-euro area trade



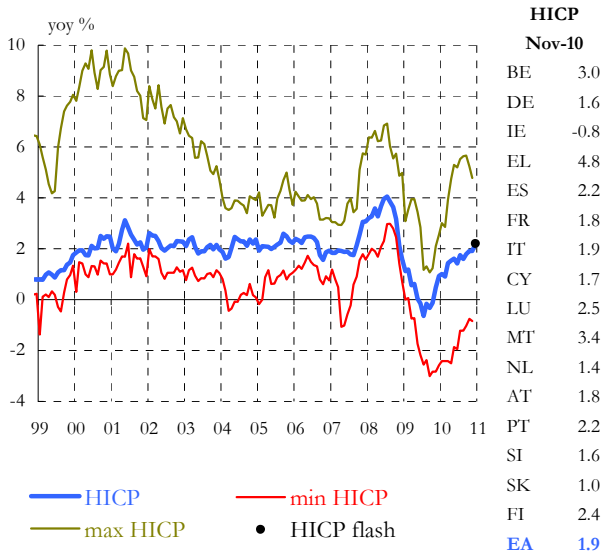
Current account balance



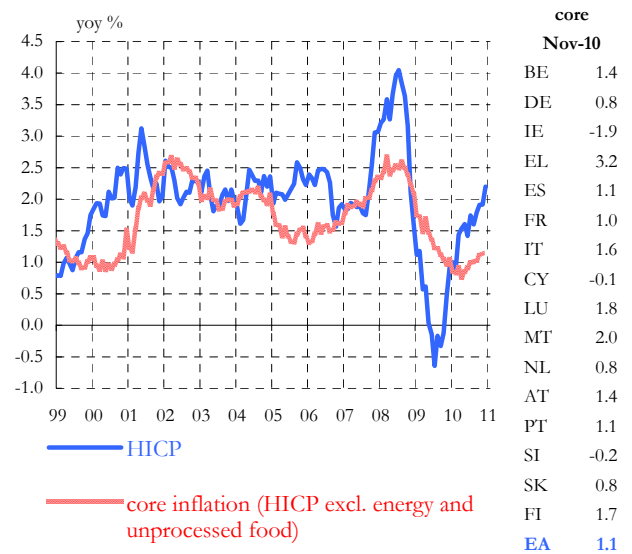


6. PRICES

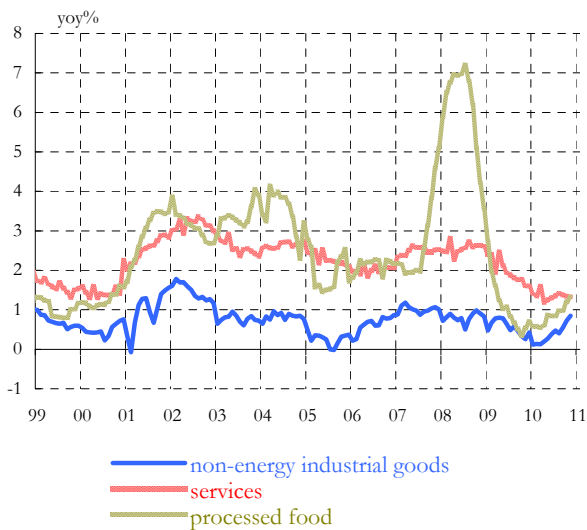
Harmonised index of consumer prices (HICP)



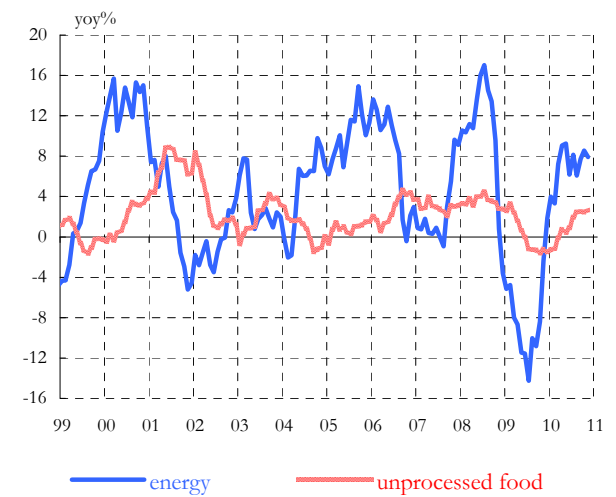
HICP and core inflation



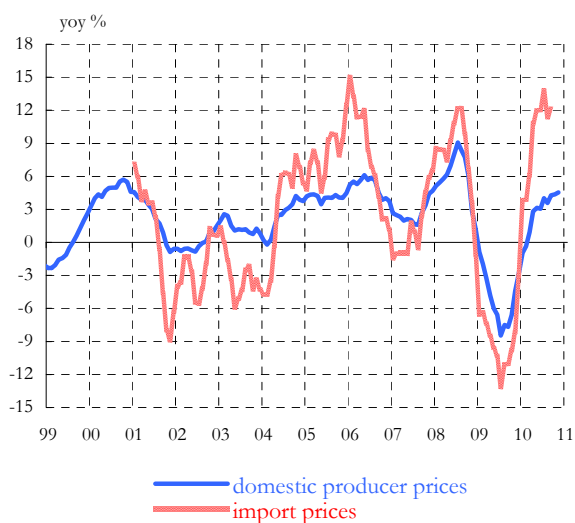
Breakdown of core inflation



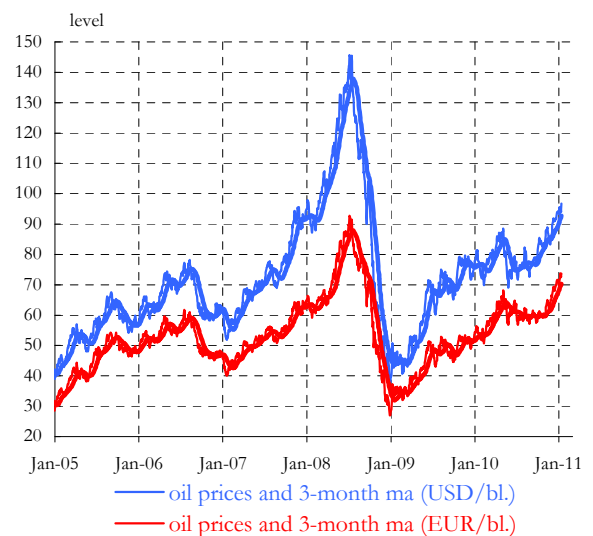
Energy and unprocessed food



Domestic producer prices and import prices



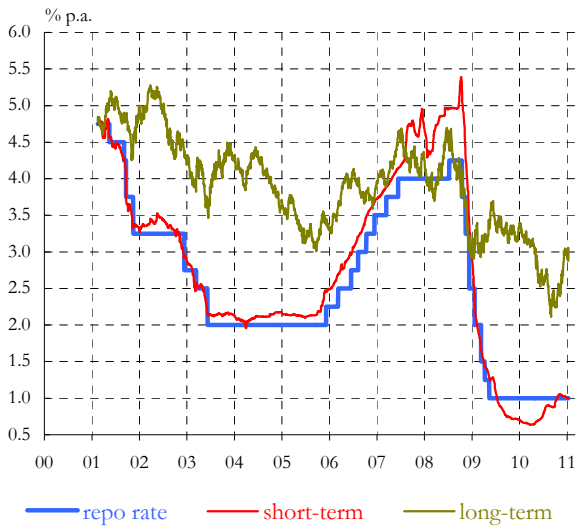
Oil prices



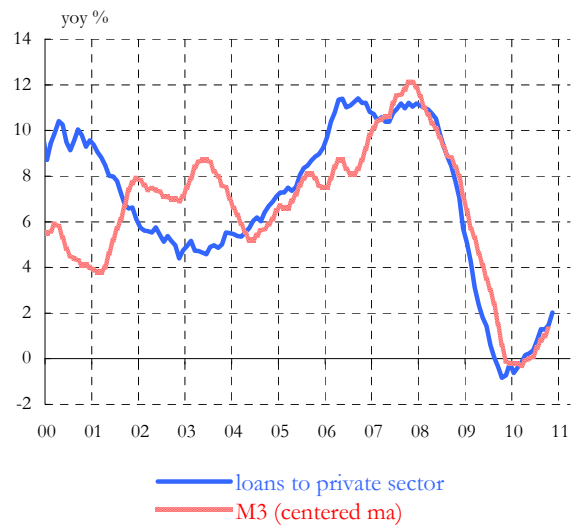


7. MONETARY AND FINANCIAL INDICATORS

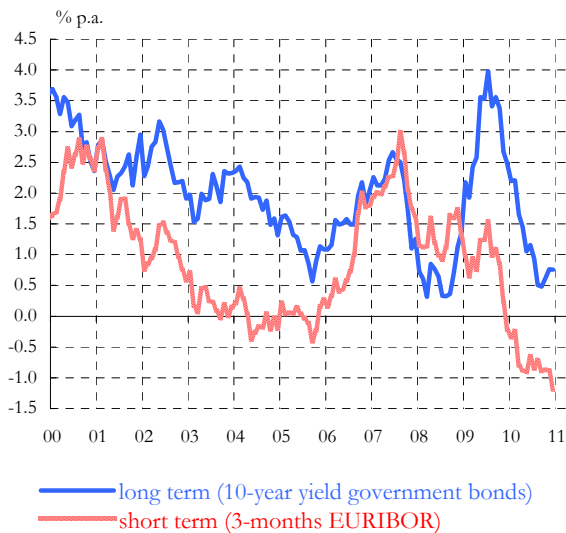
Nominal interest rates



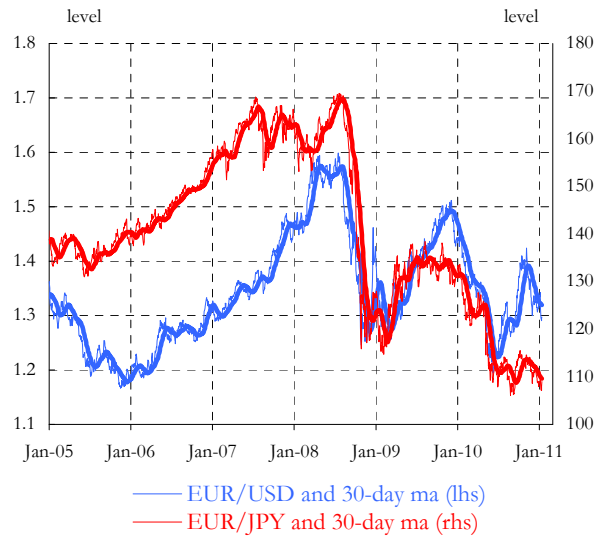
Loans to private sector and money supply



Real interest rates



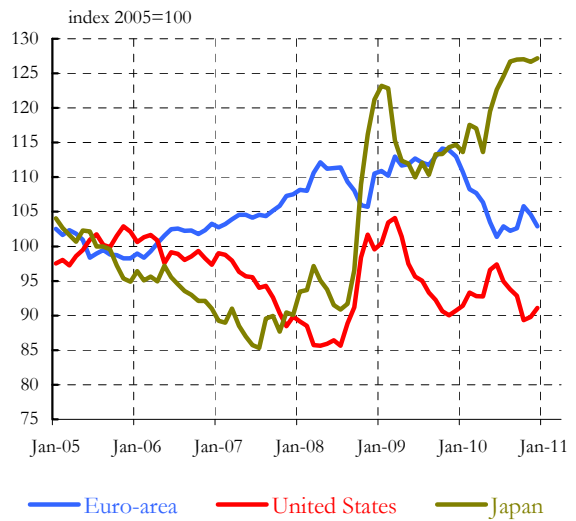
Euro vis-à-vis US dollar and JP yen



Stock market indices



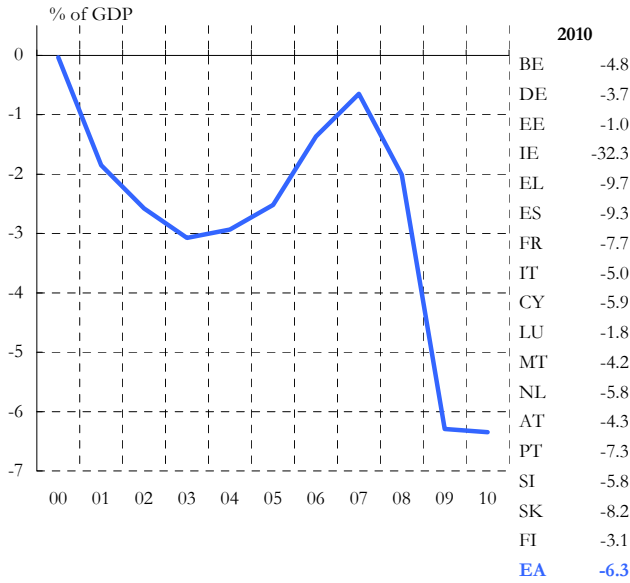
Nominal effective exchange rates



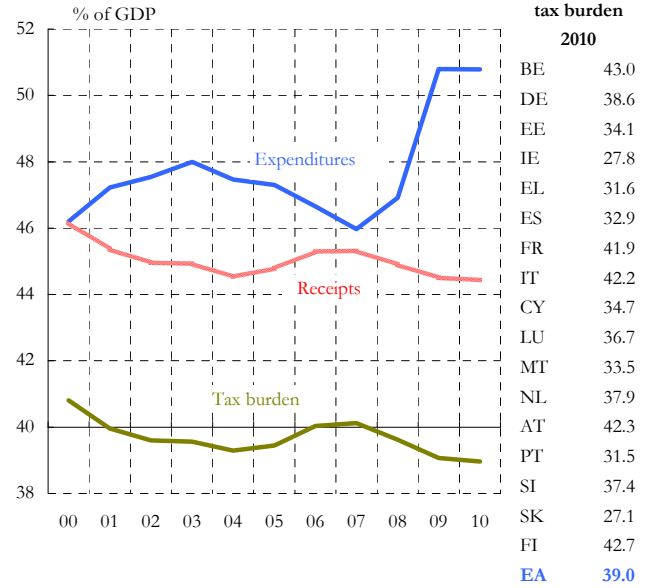


8. PUBLIC FINANCES*

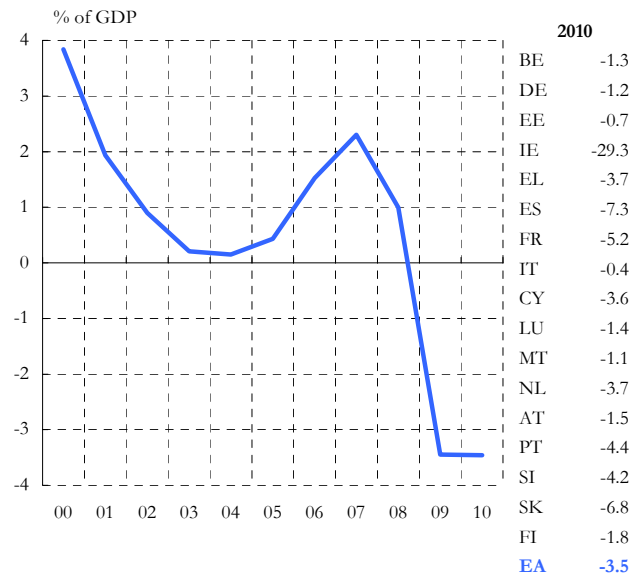
Government general balance



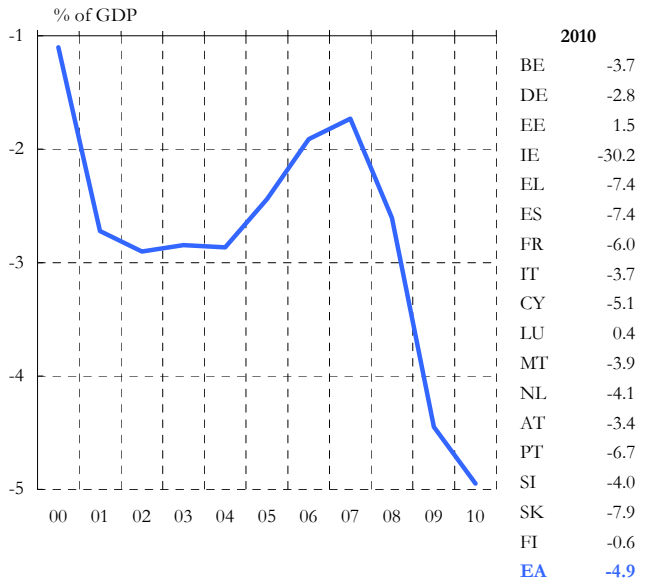
General government expenditures and receipts



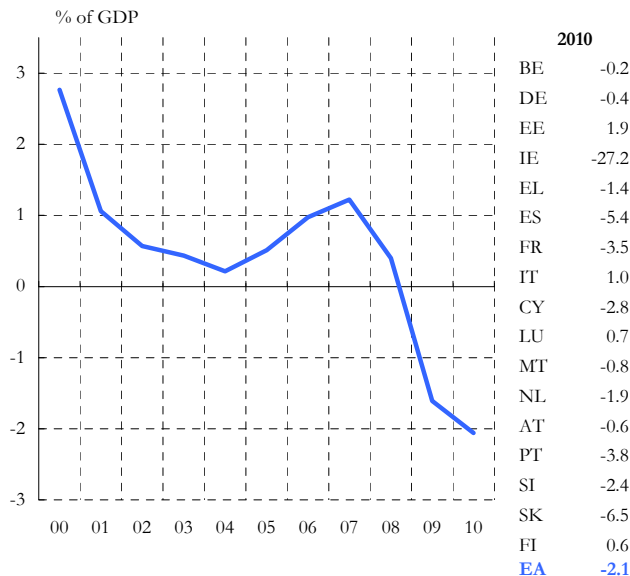
Primary balance



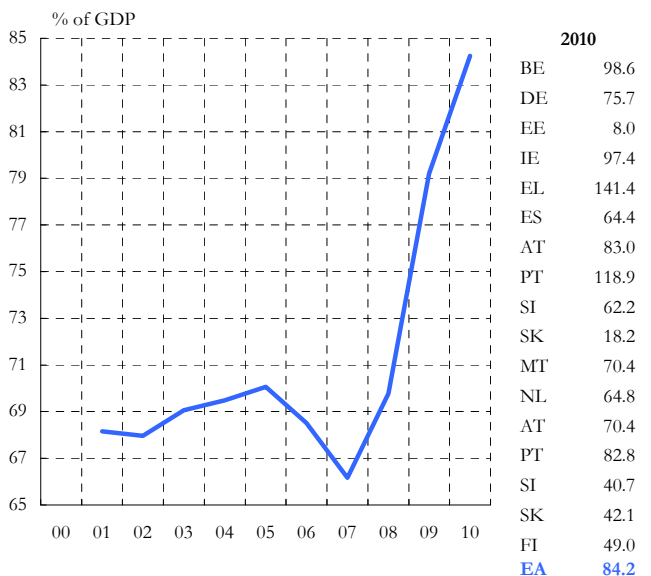
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



* Figures are from the Commission's autumn 2010 forecast

KEY INDICATORS FOR THE EURO AREA



| Euro area | Indicators as from 2009 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), Slovakia (SK), Finland (FI). As from 2011, Estonia (EE) is included in the euro-area aggregate. | |
|---------------------------------|---|-------------|
| Indicator | Note | Source |
| 1. Output | | |
| 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 (2005=100), NACE Rev.2 B-C-D, 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 |
| 2. Private consumption | | |
| 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.2 G47) excluding motor vehicles, motorcycles; Deflated turnover, mom % ch. and qoq% ch. are seasonally adjusted, yoy% ch. are working-day adjusted. | Eurostat |
| 3. Investment | | |
| Capacity utilisation | 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 | Harmonised 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 2005=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 IC36 (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 |