

DG ECFIN - Directorate A - Policy strategy, co-ordination and communication

	LTA <sup>(1)</sup>	2009	2010	10Q4	11Q1	11Q2	11Q3	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	
<b>1. Output</b>														
Economic Sentiment	<i>indicator</i>	100.7	80.7	100.9	105.7	107.4	105.7	98.8	105.4	103.0	98.4	95.0	94.8	--
Industrial confidence	<i>balance</i>	-6.1	-28.7	-4.5	2.7	6.5	4.3	-2.6	3.5	0.9	-2.7	-5.9	-6.6	--
Services confidence	<i>balance</i>	10.0	-15.5	5.0	9.0	10.6	9.9	3.9	10.1	7.9	3.7	0.0	0.2	--
Industrial production	<i>% ch. on prev. period</i>				1.8	1.1	0.6	--	-0.7	1.2	1.5	--	--	--
(excluding construction)	<i>% ch. on prev. year</i>	1.0	-14.8	7.5	8.1	6.5	4.2	--	2.8	4.4	5.6	--	--	--
Gross domestic product	<i>% ch. on prev. period</i>				0.3	0.8	0.2	--						
	<i>% ch. on prev. year</i>	1.7	-4.2	1.8	1.9	2.4	1.6	--						
Labour productivity	<i>% ch. on prev. period</i>				0.2	0.7	-0.1	--						
	<i>% ch. on prev. year</i>	0.8	-2.4	-	1.7	2.1	1.2	--						
<b>2. Private consumption</b>														
Consumer confidence	<i>balance</i>	-12.0	-24.8	-14.0	-10.4	-10.6	-10.4	-15.6	-9.7	-11.2	-16.5	-19.1	-19.9	--
Retail confidence	<i>balance</i>	-8.7	-15.5	-4.0	0.8	-0.7	-2.3	-7.4	-2.6	-3.6	-8.7	-9.8	-9.8	--
Private consumption	<i>% ch. on prev. period</i>				0.3	0.2	-0.2	--						
	<i>% ch. on prev. year</i>	1.5	-1.2	0.9	1.2	0.9	0.5	--						
Retail sales	<i>% ch. on prev. period</i>				-0.3	-0.1	-0.3	--	0.6	0.2	0.0	--	--	--
	<i>% ch. on prev. year</i>	1.3	-2.5	0.8	0.6	0.1	-0.5	--	-0.8	-0.3	-0.1	--	--	--
<b>3. Investment</b>														
Capacity utilisation	<i>level (%)</i>	81.6	71.2	75.9	78.1	80.2	81.6	80.8	--	80.8	--	--	79.7	--
Production expectations (manuf.)	<i>balance</i>	6.4	-14.8	11.6	16.8	19.0	13.4	5.3	12.0	9.8	5.9	0.3	-0.1	--
Gross fixed capital formation	<i>% ch. on prev. period</i>				-0.2	1.8	0.1	--						
	<i>% ch. on prev. year</i>	1.6	-12.0	-0.8	1.2	3.8	1.7	--						
- equipment investment	<i>% ch. on prev. period</i>				1.6	1.8	1.6	--						
	<i>% ch. on prev. year</i>		-17.7	3.9	6.8	7.6	6.0	--						
- construction investment	<i>% ch. on prev. period</i>	2.9			-1.5	2.0	-0.5	--						
	<i>% ch. on prev. year</i>	0.3	-8.8	-4.3	-2.8	1.3	-0.7	--						
Change in stocks	<i>contrib. to GDP (pp.)</i>	0.0	-1.1	0.8	0.1	0.1	0.1	--						
<b>4. Labour market</b>														
Employment expectations (manuf.)	<i>balance</i>	-12.0	-30.8	-7.6	2.3	6.8	6.6	1.9	6.2	4.9	1.3	-0.4	-2.4	--
Employment expectations (services)	<i>balance</i>	4.6	-10.9	1.7	7.6	8.5	7.8	6.5	7.0	8.8	6.3	4.5	4.0	--
Employment	<i>% ch. on prev. period</i>				0.1	0.1	0.3	--						
	<i>% ch. on prev. year</i>	0.9	-1.9	-	0.2	0.3	0.4	--						
Employment (000)	<i>abs. ch. on prev. period</i>		-2 774	-	170	121	448	--						
Compensation of employees per head (nominal)	<i>% ch. on prev. period</i>				0.7	0.9	0.7	--						
	<i>% ch. on prev. year</i>	2.0	1.4	-	1.6	2.3	2.5	--						
Unemployment rate	<i>% of lab. force</i>		9.6	10.1	10.1	10.0	10.0	10.1	10.0	10.1	10.1	10.2	--	--
Unemployment (000)	<i>abs. ch. on prev. period</i>		3 075	873	-61	-156	65	322	66	157	30	188	--	--
<b>5. International transactions</b>														
World trade	<i>% ch. on prev. period</i>				2.1	2.7	-0.5	--	-2.0	1.0	1.3	--	--	--
	<i>% ch. on prev. year</i>		-12.7	15.3	11.6	9.7	5.9	--	3.5	5.4	5.9	--	--	--
Export order books	<i>balance</i>	-18.7	-58.2	-24.7	-9.6	-0.9	-1.0	-8.4	-2.4	-4.4	-9.2	-11.7	-13.0	--
Trade balance (merchandise)	<i>billion EUR</i>		14.6	-17.0	-3.0	-7.9	-6.9	--	-2.9	-3.7	-1.0	--	--	--
Exports of goods and services	<i>% ch. on prev. period</i>				1.2	1.4	0.7	--						
	<i>% ch. on prev. year</i>	5.1	-12.8	10.1	10.6	8.8	5.3	--						
Imports of goods and services	<i>% ch. on prev. period</i>				1.1	1.6	0.2	--						
	<i>% ch. on prev. year</i>	5.1	-11.7	9.3	10.7	8.3	4.5	--						
Current account balance	<i>billion EUR</i>		-27.5	-43.2	-17.6	-10.2	-13.1	--	-3.2	-6.8	-5.0	--	--	--
Direct investment	<i>billion EUR</i>		-109.4	-46.6	59.2	-9.9	-28.5	--	7.8	0.6	-0.3	--	--	--
Portfolio investment	<i>billion EUR</i>		270.7	135.2	33.6	128.5	155.6	--	93.7	-21.1	36.0	--	--	--
<b>6. Prices</b>														
Consumer inflation expectations	<i>balance</i>	21.1	-6.7	8.4	11.9	25.8	27.6	25.6	24.6	25.4	26.0	25.3	24.0	--
Headline inflation (HICP)	<i>% ch. on prev. year</i>		0.3	1.6	2.0	2.5	2.8	2.7	2.7	2.5	2.5	3.0	3.0	--
Core HICP	<i>% ch. on prev. year</i>		1.3	1.0	1.1	1.3	1.8	1.7	1.8	1.5	1.5	2.0	--	--
Domestic producer prices	<i>% ch. on prev. year</i>		-5.1	2.9	4.8	6.5	6.3	5.5	5.9	6.1	5.8	--	--	--
Import prices	<i>% ch. on prev. year</i>		-9.2	10.8	14.1	15.3	10.1	--	8.8	6.5	9.6	--	--	--
Oil (Brent) in USD	<i>level</i>		62.5	80.3	87.2	105.2	117.0	112.3	113.9	116.3	110.1	110.9	108.5	108.6
	<i>% ch. on prev. year</i>		-36.7	28.5	15.9	36.2	46.9	46.3	50.5	54.6	42.6	42.4	29.9	26.3
Oil (Brent) in EUR	<i>level</i>		44.5	60.6	64.3	76.7	81.3	79.5	79.1	81.4	76.8	80.6	79.1	79.2
	<i>% ch. on prev. year</i>		-32.8	36.2	26.2	37.3	29.8	34.0	27.7	38.5	28.3	35.5	31.6	25.5
Non-energy commodity prices (EUR)	<i>% ch. on prev. period</i>				4.9	9.2	-3.4	-1.7	-1.4	0.7	-1.7	1.0	-7.7	--
	<i>% ch. on prev. year</i>		-18.9	37.2	38.3	36.2	15.8	8.8	13.1	13.1	7.2	6.2	0.0	--
<b>7. Monetary and financial indicators</b>														
Nominal interest rates (3 month)	<i>level</i>		1.22	0.81	1.02	1.10	1.42	1.56	1.49	1.60	1.55	1.54	1.58	1.58
Nominal interest rates (10 year)	<i>level</i>		3.27	2.78	2.64	3.17	3.14	2.30	2.98	2.79	2.26	1.87	2.04	1.82
ECB repo rate	<i>level</i>		1.28	1.00	1.00	1.00	1.22	1.47	1.25	1.40	1.50	1.50	1.50	1.42
Stock market (Eurostoxx)	<i>% ch. on prev. period</i>				3.7	4.1	-2.3	-16.9	-4.1	-0.8	-16.3	-7.5	8.8	-1.6
	<i>% ch. on prev. year</i>		-24.0	10.1	-1.9	2.9	4.7	-12.3	4.7	2.8	-15.3	-23.2	-17.9	-19.0
Money demand (M3)	<i>% ch. on prev. year</i>		3.0	0.6	1.6	2.0	2.0	2.6	1.9	2.1	2.7	3.1	--	--
Loans to households	<i>% ch. on prev. year</i>		1.3	3.0	3.0	3.4	3.2	2.9	3.2	3.0	2.9	2.9	--	--
Loans to non-financial corporations	<i>% ch. on prev. year</i>		-2.2	-0.1	-0.1	0.9	1.5	1.6	1.5	1.5	1.5	1.6	--	--
Bilateral exchange rate EUR/USD	<i>level</i>		1.39	1.33	1.36	1.37	1.44	1.41	1.44	1.43	1.43	1.38	1.37	1.37
	<i>% ch. on prev. year</i>		-5.2	-5.0	-8.1	-1.1	13.2	9.4	17.9	11.7	11.2	5.4	-1.4	0.4
Nominal effective exchange rate	<i>% ch. on prev. period</i>				2.0	-0.6	2.5	-1.6	0.1	-0.9	-0.2	-1.1	0.2	--
	<i>% ch. on prev. year</i>		1.2	-6.4	-8.2	-4.6	3.2	2.3	5.5	2.7	2.8	1.3	-1.9	--

(1) LTA=Long-Term Average

(2) Data available until date of update



## 1. Output

Eurostat's estimate for the second quarter of 2011, released on September 6, confirmed euro-area **GDP growth** in 2011-Q2 at 0.2% quarter-on-quarter (q-o-q), down from 0.8% growth in 2011-Q1. In year-on-year terms (y-o-y), GDP eased to 1.6%, from 2.4% in 2011-Q1. Economic growth in the second quarter of 2011 was driven by net exports, contributing 0.2 pp. to GDP growth, while domestic demand (excluding inventories) acted as a drag on growth (with -0.1 pp.). Inventories contributed with slightly positive 0.1 pp. As for the largest economies, only Italy grew stronger in 2011-Q2 than in 2011-Q1, by 0.3% compared to 0.1 q-o-q%. The growth of other big euro-area economies was shrinking in 2011-Q2, Spain's GDP grew by 0.2%, Germany's and the Netherlands' by negligible 0.1 q-o-q%, France' was nil.

According to **Commission's interim September 2011 forecast** (an update covering about 83% of the euro area), a pronounced deceleration of the euro-area activity is expected in the second half of the year, although the forecast for GDP growth for 2011 as a whole remains unchanged at 1.6%.

**Confidence in industry** has worsened by 0.7 points to -6.6 in October, it's for the first time since May 2010 lower than the long-term average of -6.5. The drop goes mostly on account of a decrease in production expectations and managers' appraisal of the level of order books. In addition, an increasing number of managers assessed their stocks as being too large.

In August 2011, **industrial production** grew by 1.2% month-on-month (m-o-m) and 5.3% y-o-y%. Moreover, also the less volatile 3-month on 3-month growth perspective shows rising growth compared to the previous two month. The **euro-area industrial new orders index** grew by 1.9% m-o-m in August, after a drop of 1.6% in July.

## 2. Private consumption

**Private consumption** contracted by 0.2% q-o-q in 2011-Q2, after 0.1% growth in 2011-Q1. In annual comparison, consumption was still positive at 0.5% y-o-y, although easing from 1.1% in 2010-Q4 and 0.9% in 2011-Q1. In 2011-Q2 households' consumption even subtracted 0.1 pp. to GDP growth, while government consumption was nil.

**Consumer confidence** decreased slightly, from -19.1 in September to -19.9 in October, reflecting increased pessimism about the consumers' future general economic situation and their financial situation. On

the other hand, consumers' expected possibility of savings over the next months increased somewhat.

In August 2011, the index of **retail trade** volumes fell by 0.3% m-o-m, after an increase of 0.2% in July. **Sentiment in the retail sector** remained broadly unchanged in October, at -9.8 points, when managers' more negative assessment of the present and the expected business situation was broadly offset by reduction of stocks.

## 3. Investment

**Gross fixed capital formation**, which had been the main driver of growth in 2011-Q1, grew by a meager 0.2% q-o-q in 2011-Q2, down from 1.8% in the first quarter. The deceleration was broad-based across countries but it was particularly strong in Germany (0.3% q-o-q after 4.5% in 2011Q1) and in the Netherlands (-1.8% q-o-q after +7.7%). On an annual basis, it also lost some pace, growing by 1.7%, down from 3.7 growth in 2011-Q1. While **capacity utilisation** had been increasing since it's historic low of 69,2% in 2009-Q3 for almost two years, in the last two quarters the trend reversed and rates fell from 81,6% in 2011-Q2 to current 79,7% in 2011-Q4.

## 4. Labour market

The **unemployment rate** in the euro area was 10.2% in September, slightly up from 10.1% recorded for the two previous months. However, this aggregate number conceals sharp differences across Member States, with the gap between the countries with the lowest rate (Austria 3.9%) and the highest rate (Spain 22.6%) increasing so far during 2011.

In the second quarter of 2011, **employment** grew by 0.3% q-o-q in the euro area, after 0.1% increases in the previous two quarters. These figures are seasonally adjusted. Compared with the same quarter of the previous year, employment grew by 0.4%.

Since its March historic high (at 8.7), the index of managers' **employment expectations in the manufacturing sector** has been gradually losing its strength, reaching -2.4 in October. Managers' employment expectations worsened as well in the **services sector** (from 4.5 to 4.0), being below the long-term average for three consecutive months. In the same tone, consumers expressed higher unemployment fears. The level of **labour shortages** has been gradually increasing from the historical lows in the second half of 2009, although in the last three months only on the second decimal, now standing at 6.1% in 2011-Q4.



## 5. International transactions

Managers in manufacturing were more pessimistic about their **export order books** than a month ago, the index level declined from -11.7 in September to -13 in October (it was about 0 in April). **Extra-euro area trade** (seasonally adjusted) posted another deficit of 1.0 bn euro in August, after a deficit of 3.7 bn euro in July. GDP in 2011-Q2 was driven by net trade, contributing 0.2 pp. to GDP growth. However, **export and import growth** are slowing, with exports growing by 1.0% q-o-q in 2011-Q2 (4.2% a year ago) and imports by 0.5% (3.8% a year ago). |

In August 2011, the seasonally adjusted **current account balance** recorded a deficit of 5.0 bn euro. The 12-month cumulated seasonally adjusted current account balance recorded a deficit of 54.9 bn euro in August 2011 (around 0.6% of GDP). The **financial account** recorded net inflows of 36 bn euro, essentially as a result of net inflows for portfolio investment.

## 6. Prices

The **HICP inflation rate** in September was 3.0%, up from 2.5% in August and 1.9% in September 2010. The Eurostat's flash estimate for October is also at 3.0%. **Core inflation** in September 2011 was at 2.0%, also up from 1.5% in August. **The Commission's interim September 2011 forecast** projects an inflation rate of about 2½% for 2011, revised down slightly from 2.6% projected in the spring forecast. **Industrial producer prices** fell by 0.1% m-o-m in August, after increasing by 0.5% in July and being stable in June.

After an upward trend of **oil prices** at the beginning of the year with the peak in April, strong volatility in May and generally dropping prices thereafter, oil prices followed a rather declining trend since summer. More recently, uncertainties about economic growth, mainly in the US and Europe, weighted on oil prices in October, which were ranging between 100.7 and 114.5 USD/bl. (currently at 111.4 USD/bl. on 2 November). The commodities markets continue to observe very closely the economic outlook.

## 7. Monetary and financial indicators

On November 3, the ECB has announced a cut of the main refinancing rate to 1.25% (by 0.25 pp.). This cut follows two interest rate increases this year, (both by 0.25 pp.) in April and July. The euro-area **interbank money-market** remained marked by persistent strains and counterparty concerns. The 3-month Euribor went slightly up in October to current (November 3) 1.58%

(from 1.56% at the beginning of October), still at elevated levels (last seen in March 2009) reached on the back of the summer market tensions. The Euribor-OIS spread, a barometer of banks' willingness to lend (the smaller the spread the higher the indication of bank's confidence) remained at about the same 72-74 bps. during October.

After falling sharply in summer and reaching historic lows (German bund at 1.67% and US Treasuries at 1.72%), benchmark **sovereign-bond yields** in Europe and the US picked up substantially in October. This goes on account of improved risk appetite, which reduced demand for safe havens. The 10-year German bund yield increased to 2.06% (31 October) leading to a steeper yield curve. The US Treasury yields increased most, also led by the long-end of the curve, traded at 2.12% on 31 October. In the first days of November, however, increased volatility was observed in the markets again. Although the euro-area peripheral spreads narrowed marginally in the last days of October, markets remain still cautious.

As to euro-area **bank lending**, the annual rate of change of M3 continued its upward trajectory, growing by 2.6% in the last 3 months up to September. The annual growth rate of loans to non-financial corporations stood at 1.6% in September, up from 1.5% in the previous month. The annual growth of loans to households as well as the annual growth of lending for house purchases (the most important component of household loans) remained constant in September, at 2.9% and 3.9% respectively.

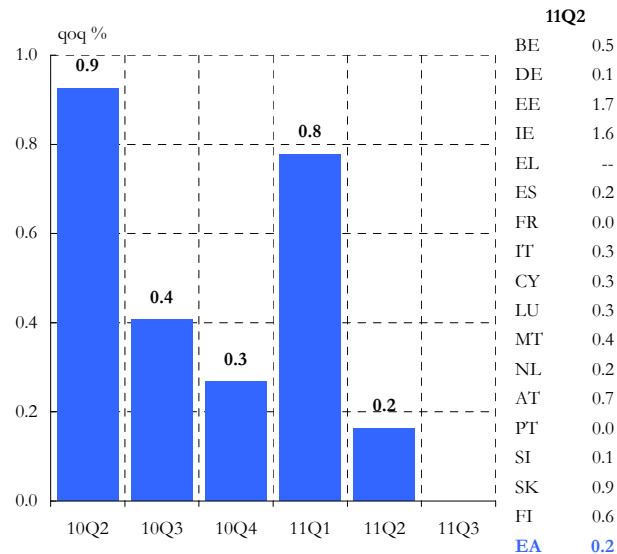
In October 2011, albeit some fluctuations (between 1.31 and 1.42 USD/EUR) the euro **exchange rate** has been rather appreciating, amid expectations of the two European Summits this month to find a solution to the debt sovereign crisis. On 2 November, the euro traded against the US dollar at 1.38 USD/EUR and against the Japanese yen at 107.3 JPY/EUR.

After falling in the course of August and September, **stock market** indices in the largest economies have rebounded in October. The European stocks picked up especially strong in October (Eurostoxx 50 by almost 9%). Banking sector recorder the strongest gains especially on the back of the recapitalisation plan relief and PSI agreement. US Dow Jones and Japanese Nikkei rebounded as well in October, although by smaller amounts, by 3.1% and 0.5% respectively. In the first days of November, the Eurostoxx 50 fell compared to October, by 1.6% (3 November).

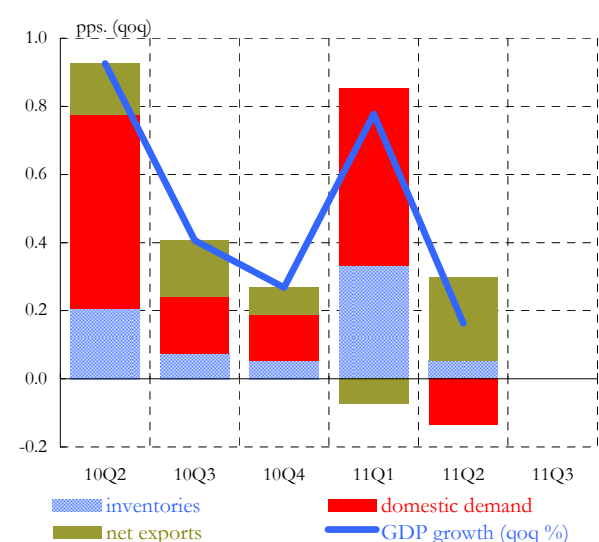


1. OUTPUT

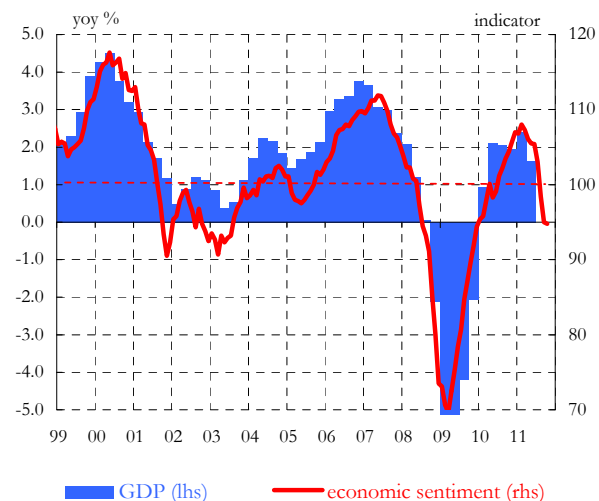
GDP



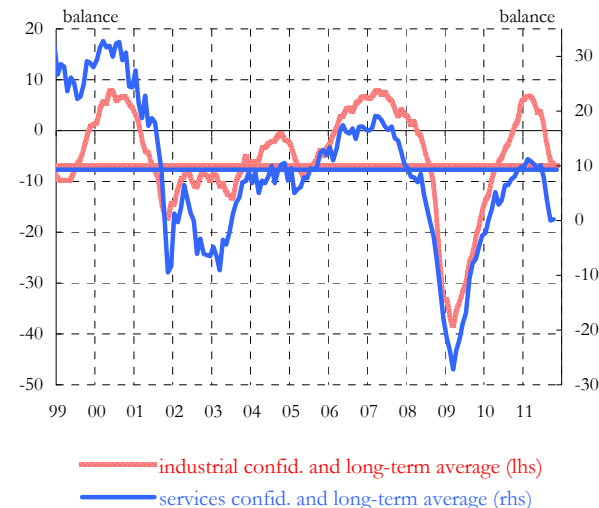
Contributions to GDP growth



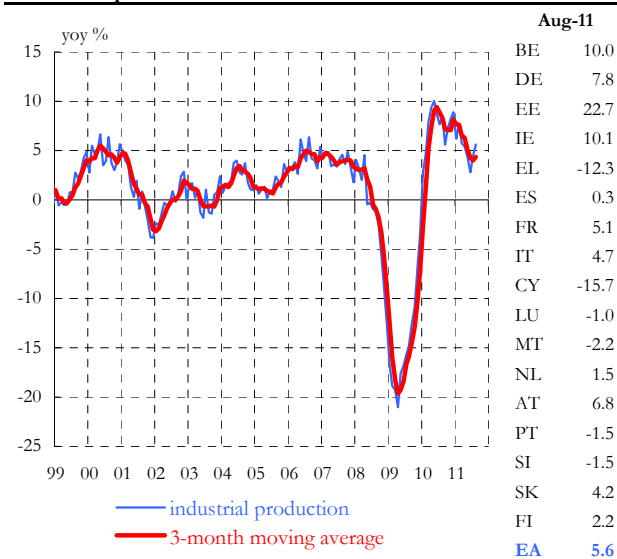
GDP and Economic Sentiment Indicator



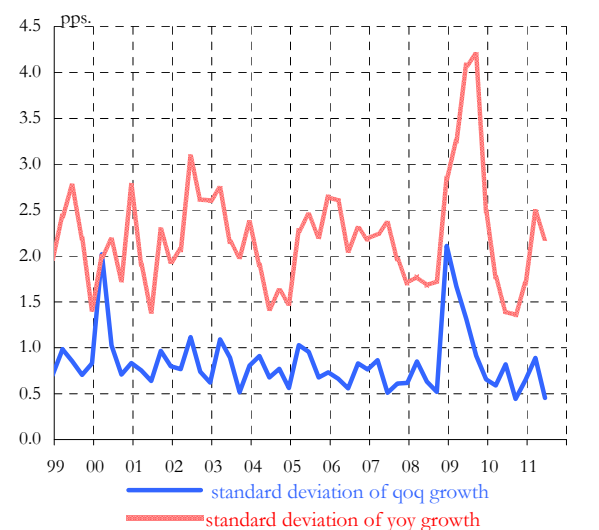
Industrial and services confidence



Industrial production



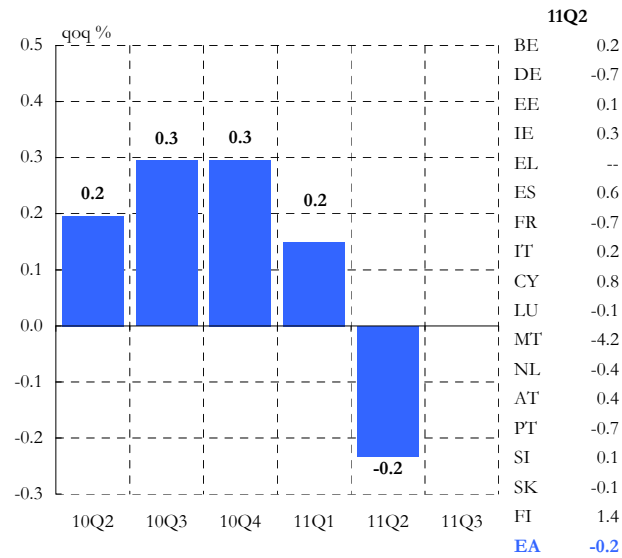
GDP growth divergence, euro area



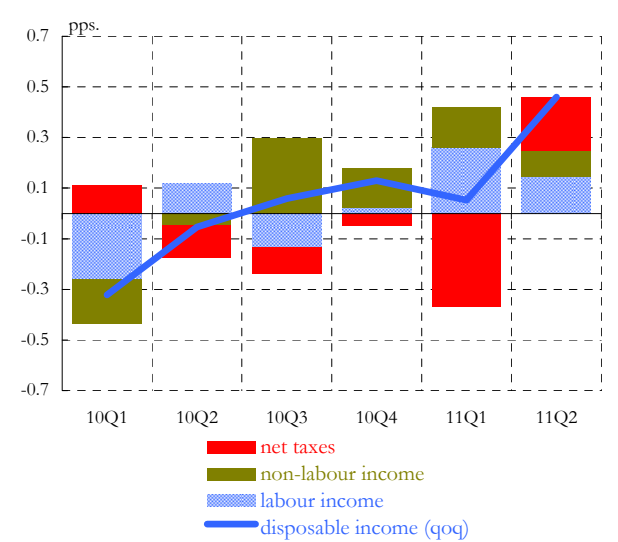


2. PRIVATE CONSUMPTION

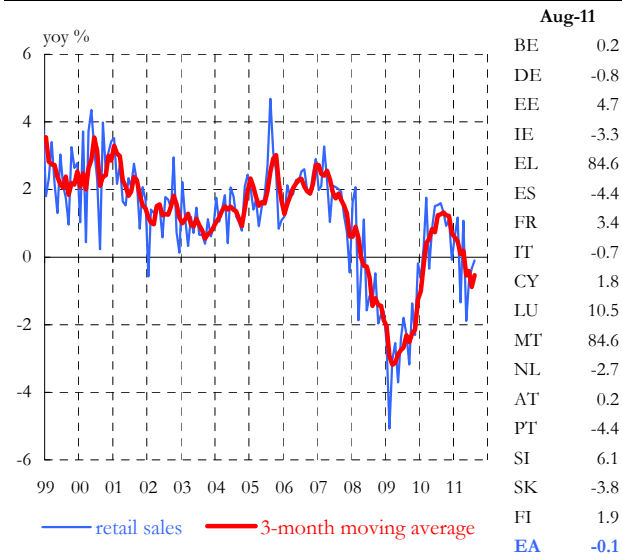
Private consumption



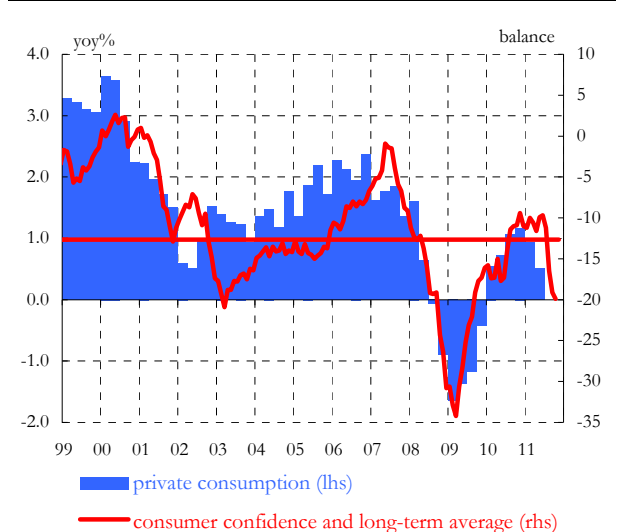
Gross disposable income and its components



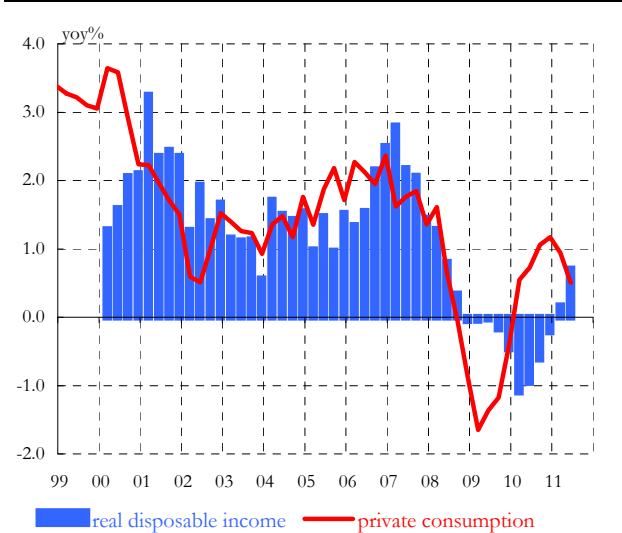
Retail sales



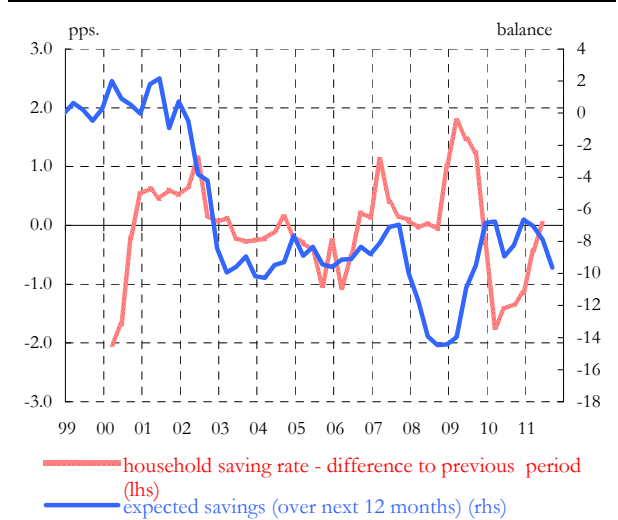
Consumer confidence and private consumption



Households: real disposable income and consumption



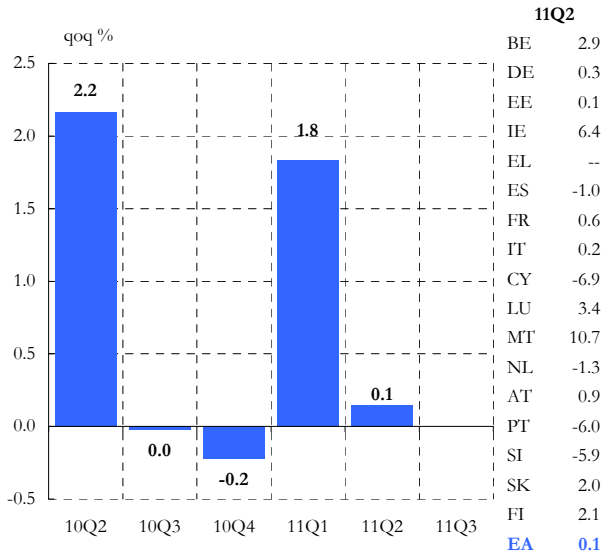
Households: actual saving rate and expected savings



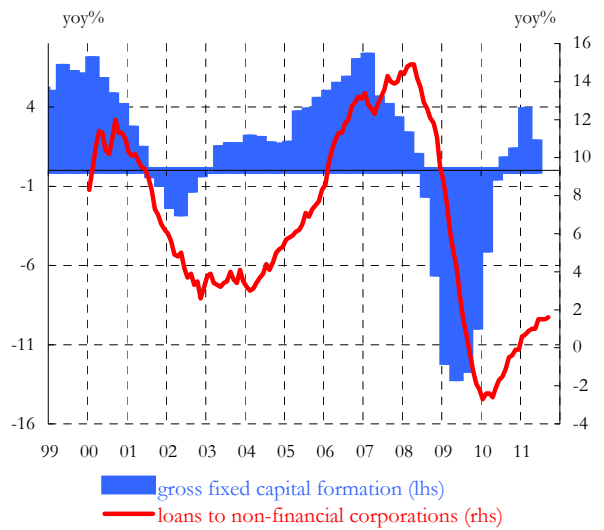


3. INVESTMENT

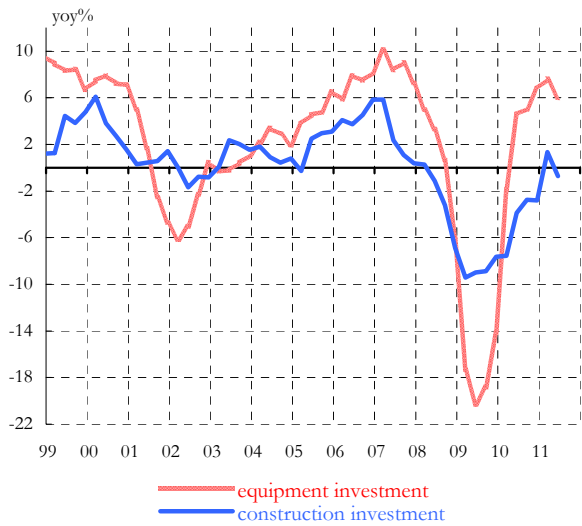
Gross fixed capital formation



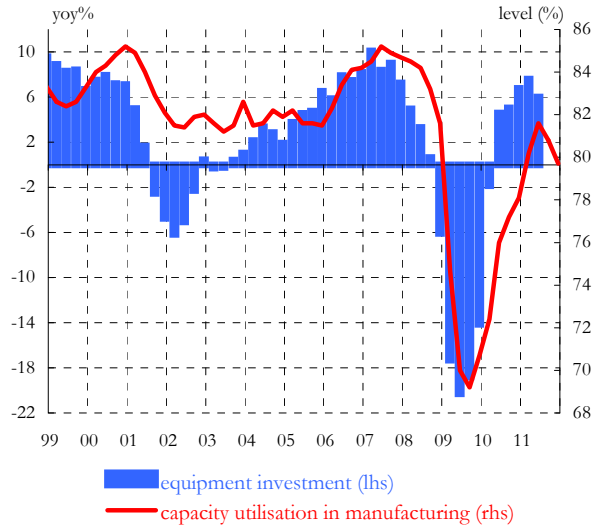
Gross fixed capital formation and corporate loans



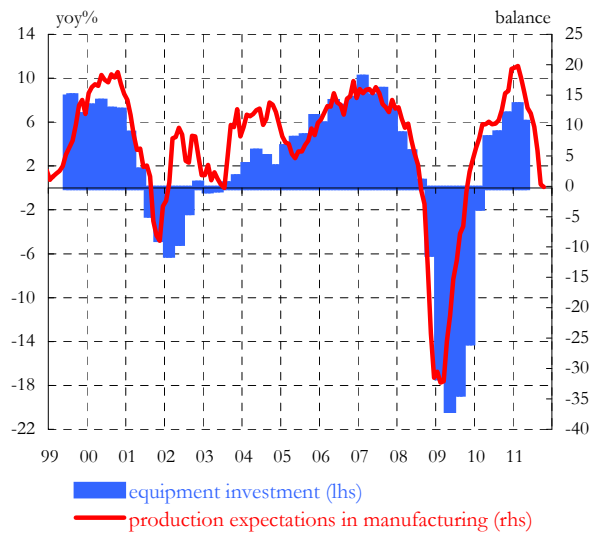
Equipment and construction investment



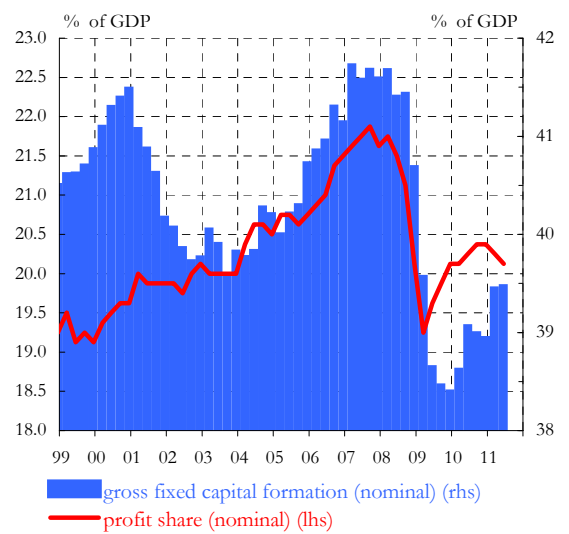
Equipment investment and capacity utilisation



Equipment investment and production expectations



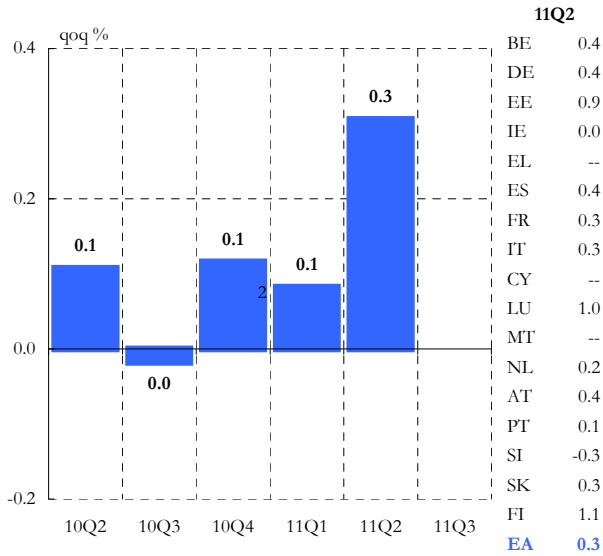
Gross fixed capital formation and profit share



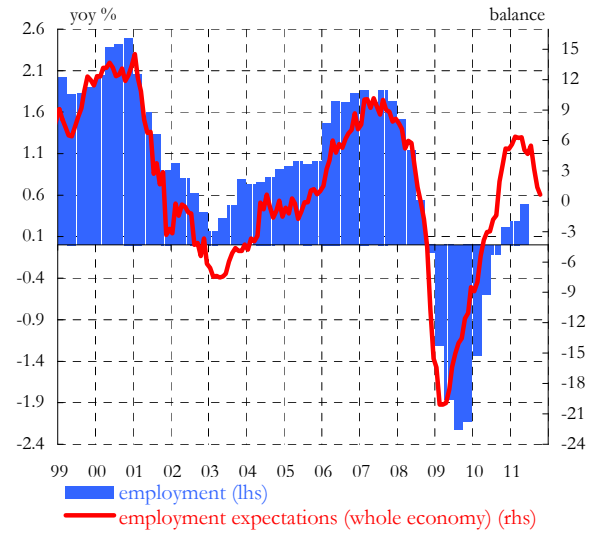


4. LABOUR MARKET

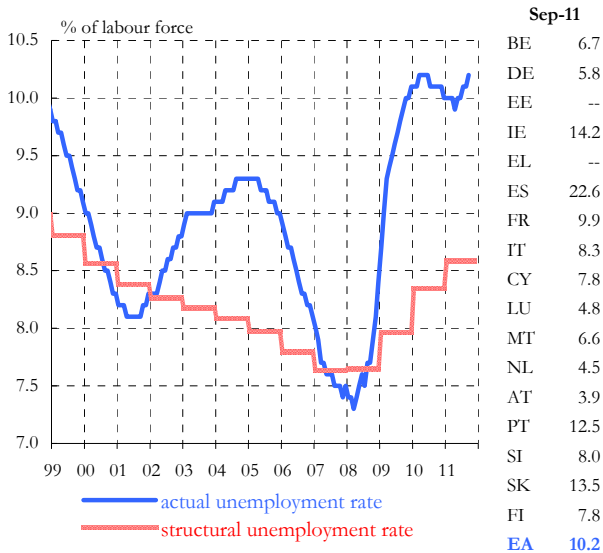
Employment



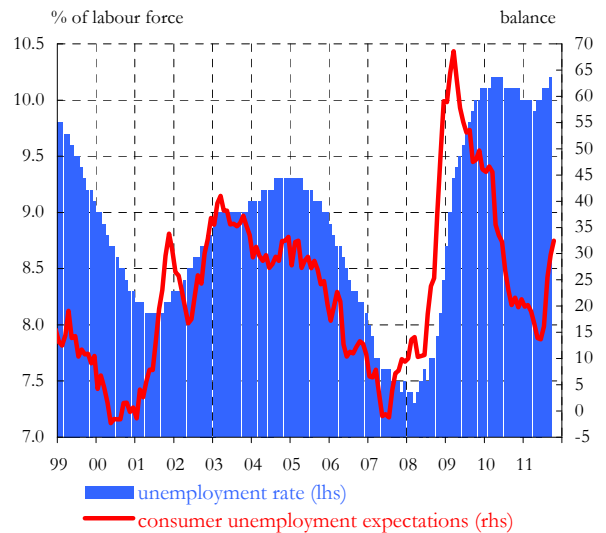
Employment and employment expectations



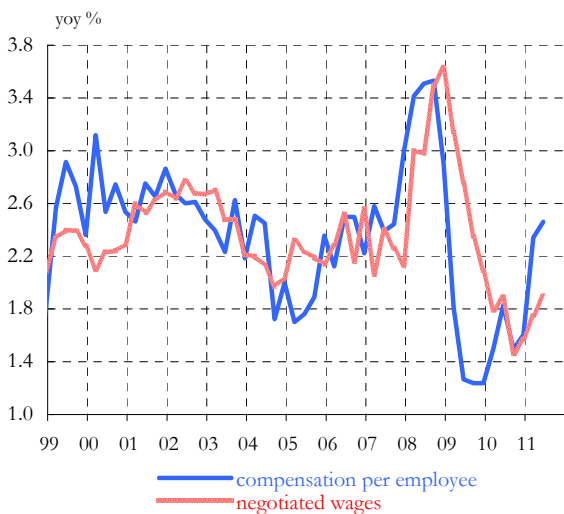
Actual and structural unemployment rate



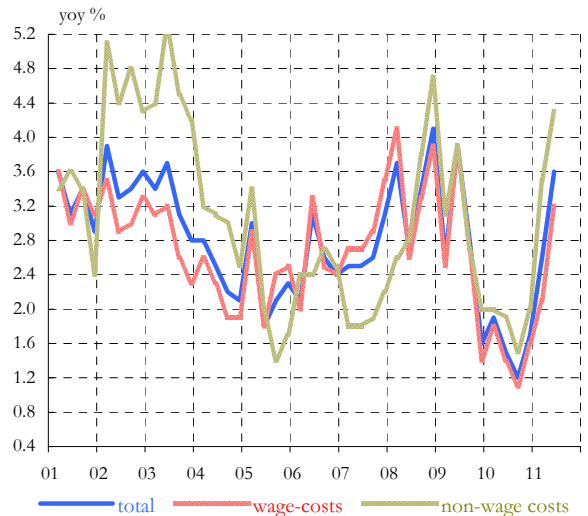
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



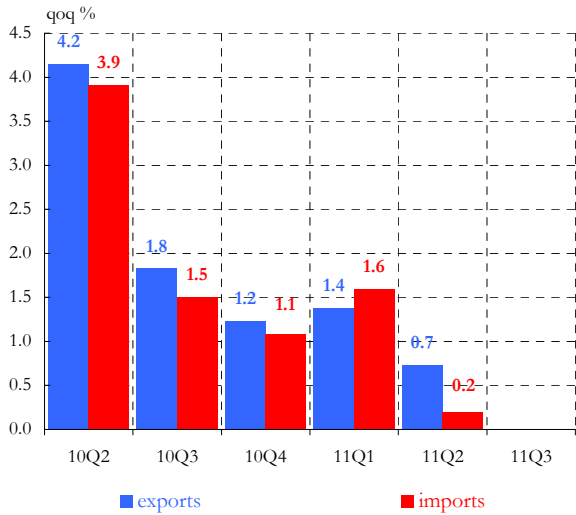
Labour costs in the private business sector (nominal)



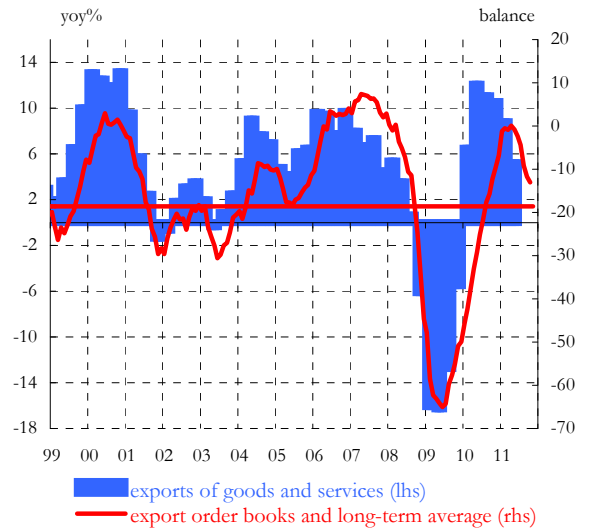


5. INTERNATIONAL TRANSACTIONS

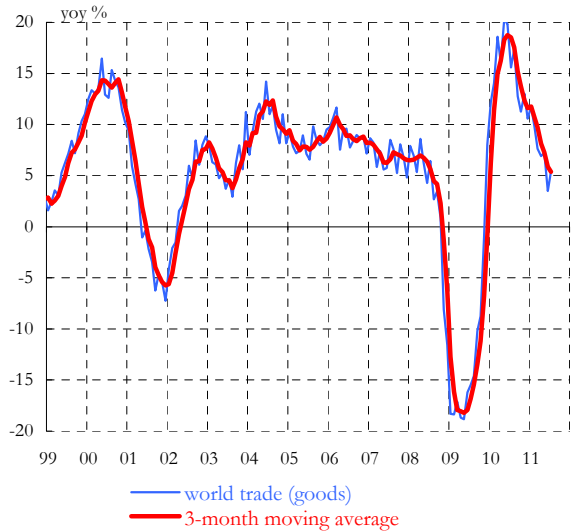
Exports and imports of goods and services



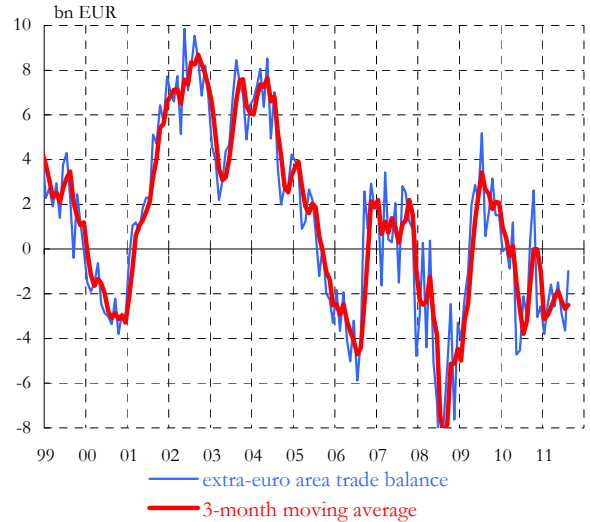
Exports and export order books



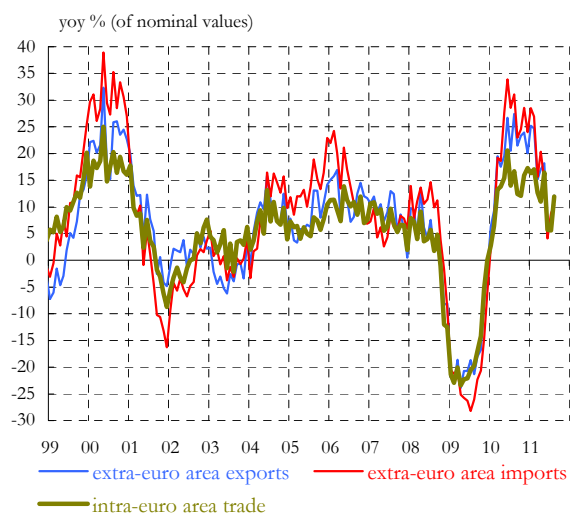
World trade



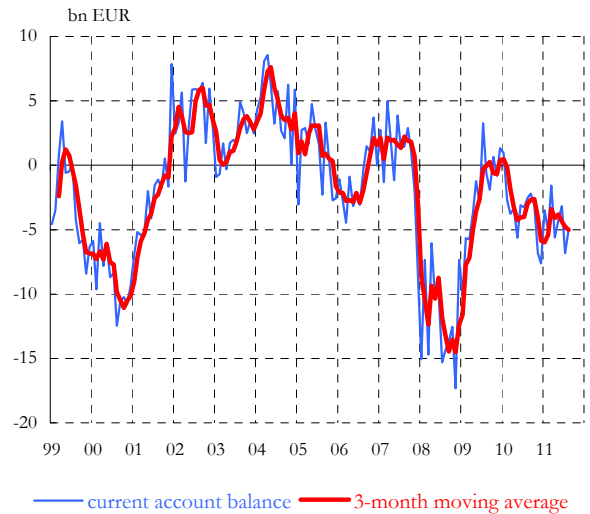
Extra euro-area trade balance



Extra- and intra-euro area trade



Current account balance

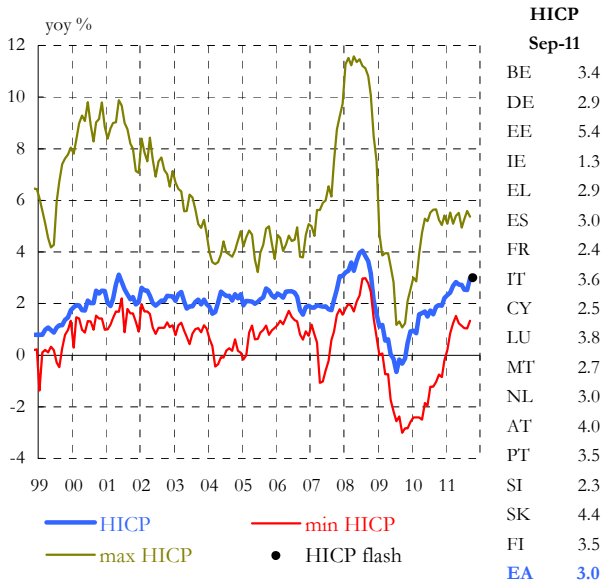




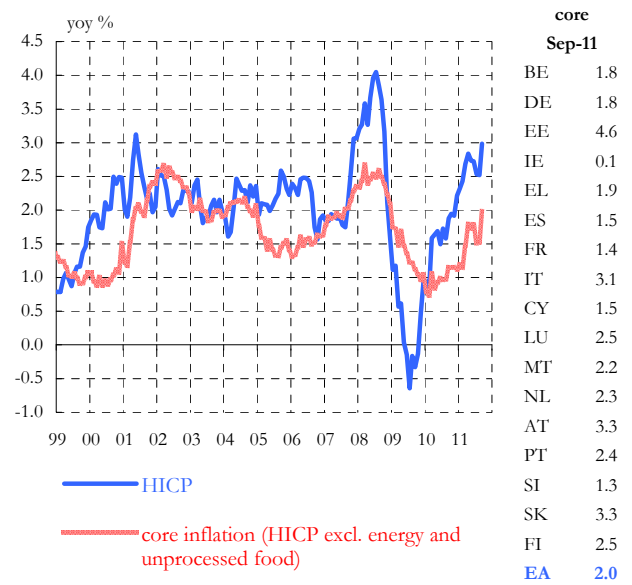


6. PRICES

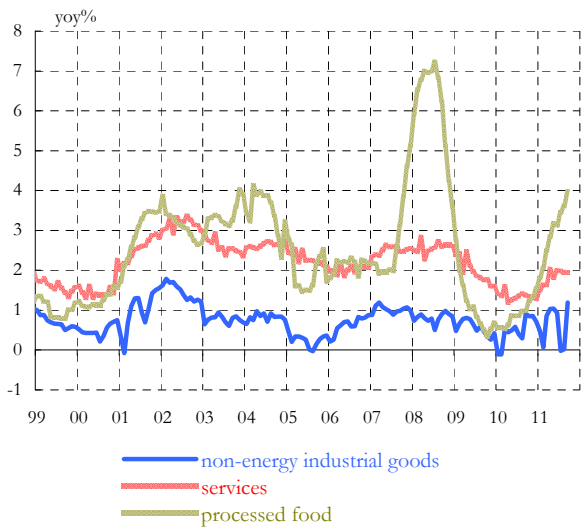
Harmonised index of consumer prices (HICP)



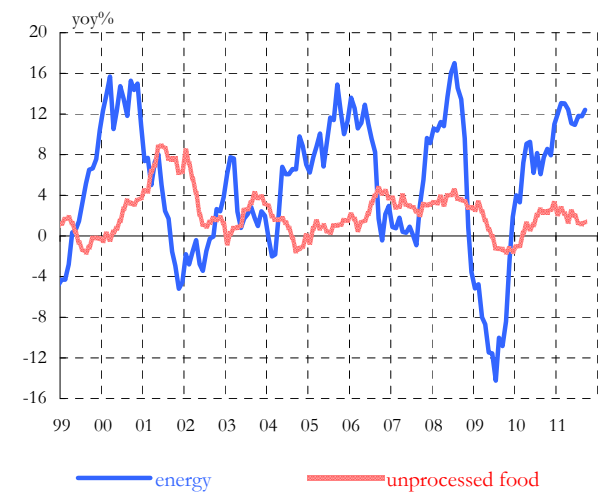
HICP and core inflation



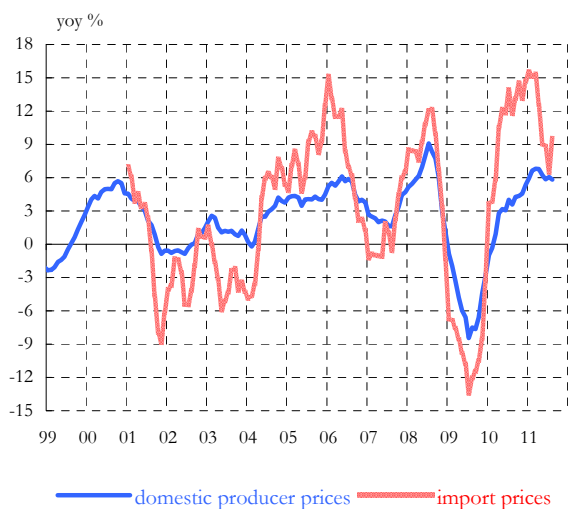
Breakdown of core inflation



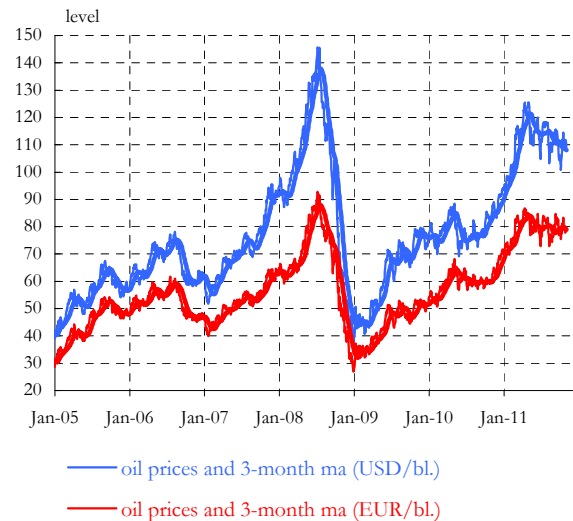
Energy and unprocessed food



Domestic producer prices and import prices



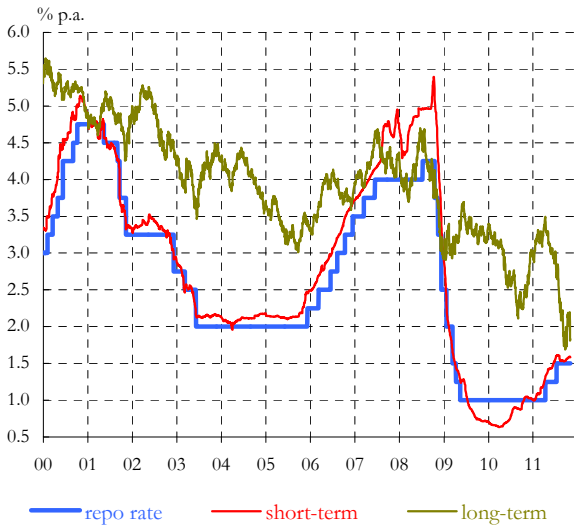
Oil prices



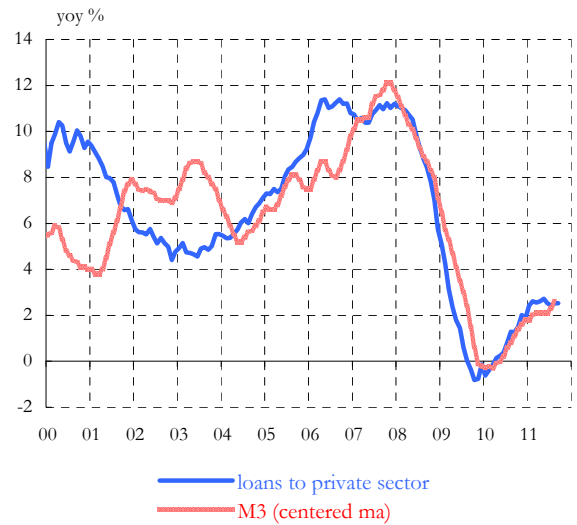


7. MONETARY AND FINANCIAL INDICATORS

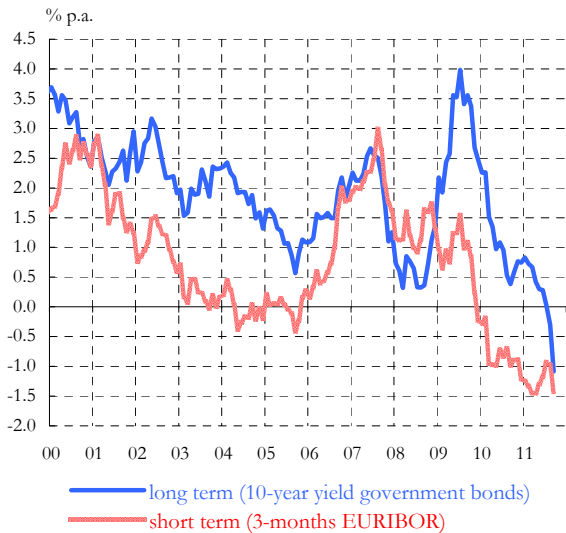
Nominal interest rates



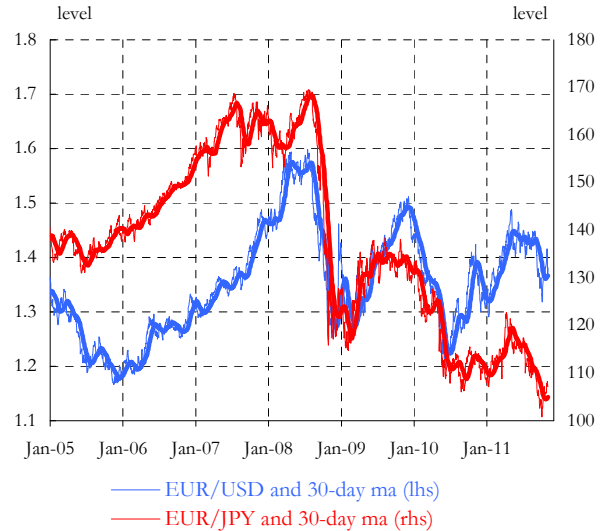
Loans to private sector and money supply



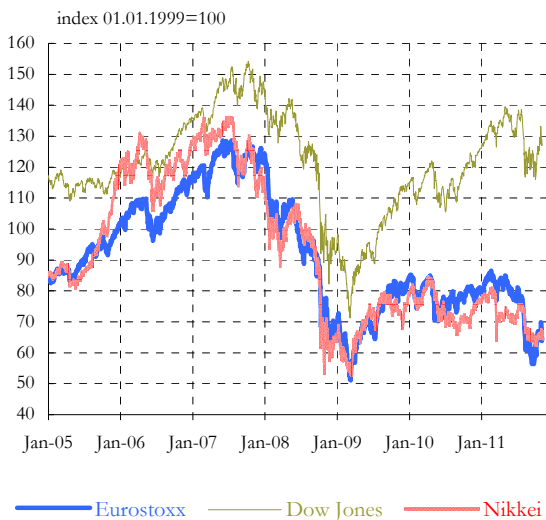
Real interest rates



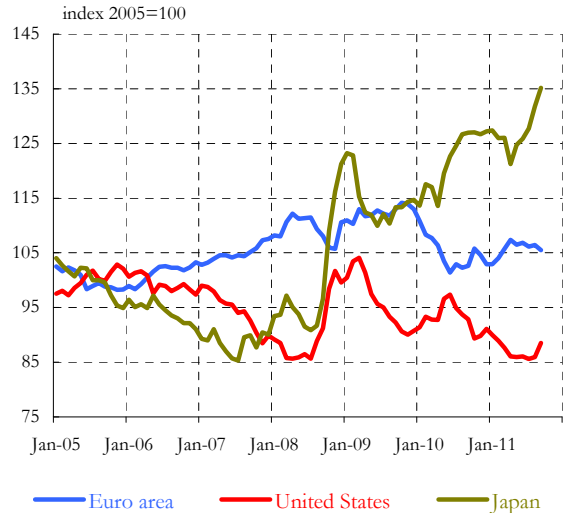
Euro vis-à-vis US dollar and JP yen



Stock market indices



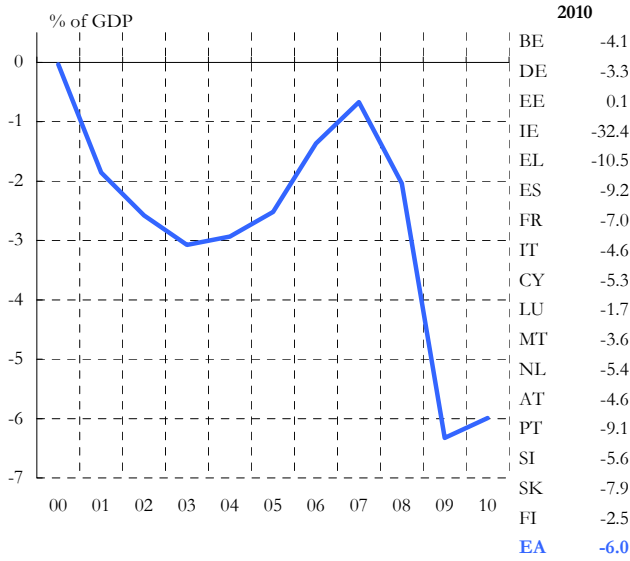
Nominal effective exchange rates



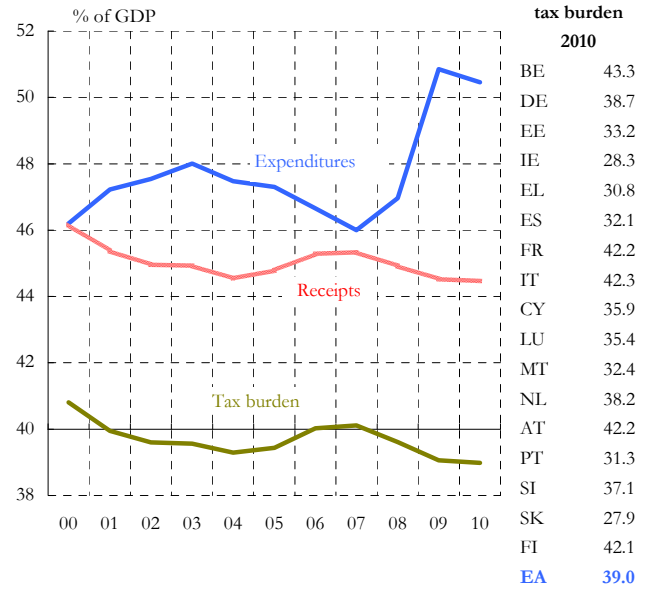


8. PUBLIC FINANCES\*

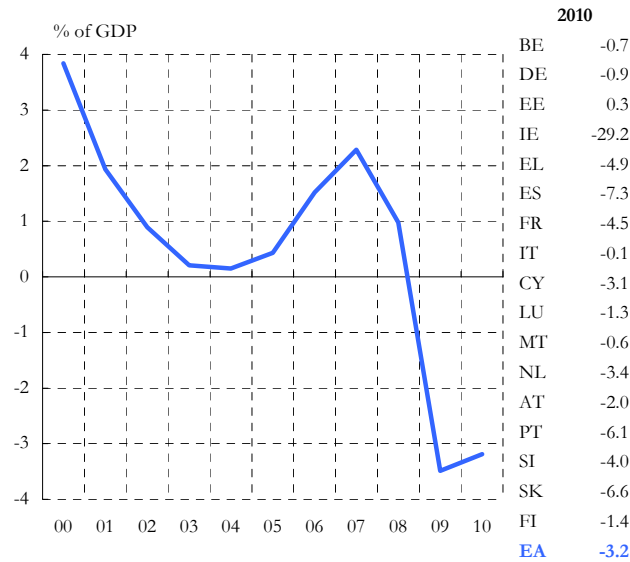
Government general balance



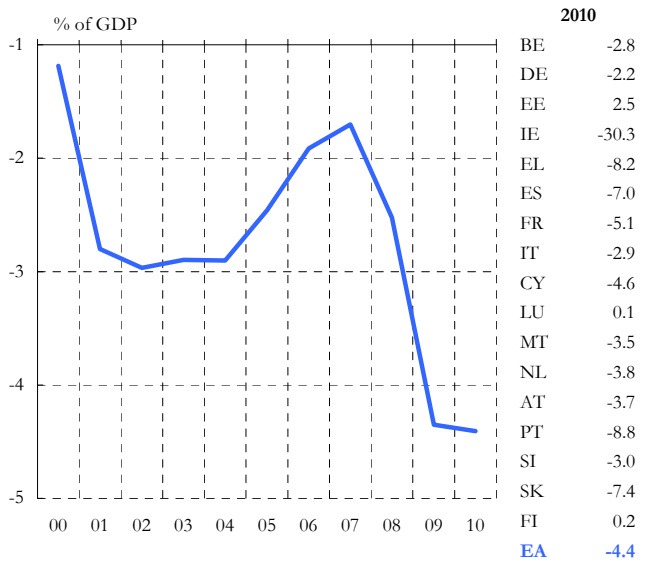
General government expenditures and receipts



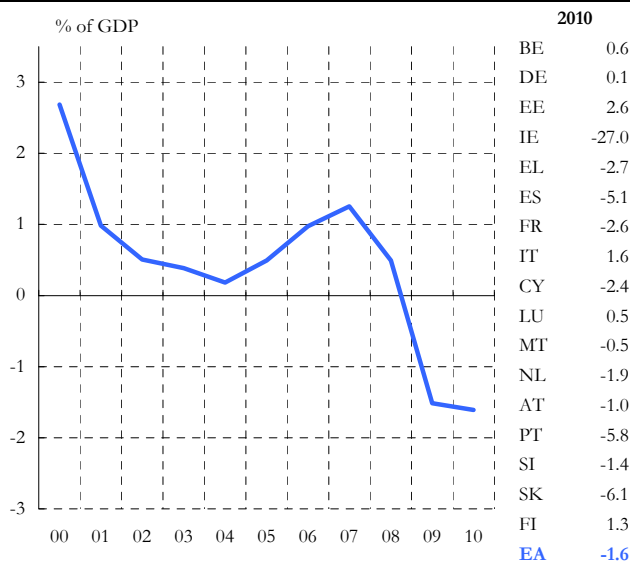
Primary balance



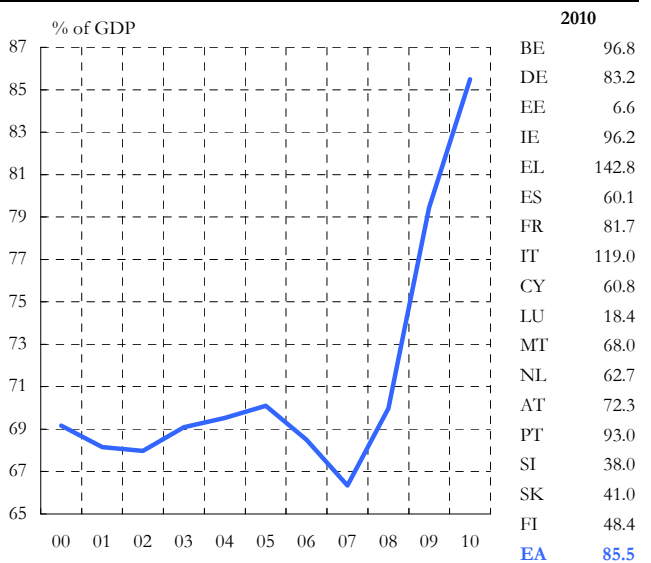
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



\* Figures are from the Commission's spring 2011 forecast

## KEY INDICATORS FOR THE EURO AREA



Euro area	Indicators as from 2011 refer to Belgium (BE), Germany (DE), Estonia (EE), 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).	
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 (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
<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.2 G47) 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 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	Graph – Monthly Nominal Effective Exch. Rates vs. rest of IC36 (index 2005 = 100) Table - ECB Nominal effective exch. rate, euro area-17 countries vis-à-vis the EER-20 group of trading partners against Euro	DG ECFIN/ ECB
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