

**DG ECFIN - Directorate A - Policy strategy and co-ordination**

	LTA <sup>(1)</sup>	2010	2011	11Q1	11Q2	11Q3	11Q4	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	
<b>1. Output</b>														
Economic Sentiment	indicator	100.7	100.5	101.0	106.9	105.2	98.4	93.6	94.4	93.5	92.8	93.4	94.4	--
Industrial confidence	balance	-5.9	-4.7	0.1	6.1	4.0	-2.8	-7.0	-6.6	-7.3	-7.2	-7.0	-5.8	--
Services confidence	balance	9.7	4.5	5.4	10.1	9.5	3.5	-1.6	-0.2	-2.0	-2.6	-0.7	-0.9	--
Industrial production	% ch. on prev. period				0.8	0.3	0.8	-1.9	0.2	-0.4	-1.2	--	--	--
(excluding construction)	% ch. on prev. year	1.1	7.4	3.6	6.6	4.1	4.0	-0.2	1.1	0.1	-2.0	--	--	--
Gross domestic product	% ch. on prev. period				0.8	0.1	0.1	-0.3						
	% ch. on prev. year	1.5	1.9	1.4	2.4	1.6	1.3	0.7						
Labour productivity	% ch. on prev. period				0.7	0.0	0.3	--						
	% ch. on prev. year	0.8	2.3	-	2.1	1.1	1.1	--						
<b>2. Private consumption</b>														
Consumer confidence	balance	-12.1	-14.2	-14.6	-11.0	-10.7	-15.9	-20.6	-20.1	-20.5	-21.3	-20.7	-20.3	--
Retail confidence	balance	-8.5	-4.1	-5.5	-0.9	-2.4	-7.5	-11.1	-9.9	-11.2	-12.2	-15.5	-14.3	--
Private consumption	% ch. on prev. period				0.1	-0.4	0.3	-0.4						
	% ch. on prev. year	1.4	0.9	0.2	0.9	0.3	0.3	-0.6						
Retail sales	% ch. on prev. period				-0.1	-0.5	0.3	-0.8	-0.1	-0.3	-0.5	0.3	--	--
	% ch. on prev. year	1.2	0.9	-0.5	0.1	-0.5	-0.6	-1.1	-0.7	-1.4	-1.3	0.0	--	--
<b>3. Investment</b>														
Capacity utilisation	level (%)	81.5	75.8	80.4	80.0	81.3	80.5	79.6	79.6	--	--	80.0	--	--
Production expectations (manuf.)	balance	6.5	11.4	9.4	18.7	13.1	5.2	0.6	0.2	-0.5	2.0	1.9	2.9	--
Gross fixed capital formation	% ch. on prev. period				1.7	-0.1	-0.3	-0.7						
	% ch. on prev. year	1.5	-0.5	1.4	3.5	1.5	1.0	0.6						
- equipment investment	% ch. on prev. period				1.6	1.1	1.1	--						
	% ch. on prev. year		4.3		7.6	6.5	5.6							
- construction investment	% ch. on prev. period				2.0	-0.7	-0.9	--						
	% ch. on prev. year		-4.4		1.0	-1.2	-1.2	--						
Change in stocks	contrib. to GDP (pp.)	0.0	0.4	--	0.1	0.1	-0.2	-0.2						
<b>4. Labour market</b>														
Employment expectations (manuf.)	balance	-11.3	-7.7	2.7	6.5	6.2	1.6	-3.7	-2.6	-3.1	-5.3	-3.4	-3.6	--
Employment expectations (services)	balance	4.7	1.5	6.3	8.2	7.5	6.2	3.2	3.6	4.1	2.0	3.4	2.4	--
Employment	% ch. on prev. period				0.1	0.2	-0.1	--						
	% ch. on prev. year	0.9	-0.5	-	0.3	0.5	0.2	--						
Employment (000)	abs. ch. on prev. period		-764	-	95	340	-175	--						
Unemployment rate	% of lab. force		10.1	10.2	10.0	10.0	10.2	10.5	10.4	10.5	10.6	10.7	--	--
Unemployment (000)	abs. ch. on prev. period		874	104	-140	40	361	515	165	207	96	185	--	--
<b>5. International transactions</b>														
World trade	% ch. on prev. period				2.1	-0.9	1.4	0.3	-0.9	0.8	1.4	--	--	--
	% ch. on prev. year		14.9	5.6	9.6	5.1	5.1	2.9	3.3	2.8	2.5	--	--	--
Export order books	balance	-18.4	-24.7	-6.5	-1.2	-1.5	-8.8	-14.4	-13.0	-15.9	-14.4	-13.9	-14.3	--
Trade balance (merchandise)	billion EUR		-14.7	-7.7	-8.9	-7.0	-3.1	14.1	0.5	6.1	7.5	--	--	--
Exports of goods and services	% ch. on prev. period				1.3	1.2	1.4	-0.4						
	% ch. on prev. year	5.1	11.3	6.1	9.9	6.3	5.5	3.6						
Imports of goods and services	% ch. on prev. period				0.7	0.4	0.7	-1.2						
	% ch. on prev. year	4.9	9.6	3.9	8.1	4.2	3.3	0.6						
Current-account balance	billion EUR		-45.7	-30.6	-10.2	-13.3	-1.7	-5.5	-6.6	-0.9	2.0	--	--	--
Direct investment	billion EUR		-49.9	-69.8	-9.9	-29.0	-16.5	-14.4	-7.6	-8.0	1.3	--	--	--
Portfolio investment	billion EUR		148.0	293.4	128.5	150.2	37.7	-23.0	-26.4	1.5	2.0	--	--	--
<b>6. Prices</b>														
Consumer inflation expectations	balance	21.3	8.1	25.8	25.4	27.2	25.2	25.6	23.6	24.1	29.2	26.8	26.4	--
Headline inflation (HICP)	% ch. on prev. year		1.6	2.7	2.5	2.8	2.7	2.9	3.0	3.0	2.7	2.6	2.7	--
Core HICP	% ch. on prev. year		1.0	1.7	1.3	1.8	1.7	2.0	2.0	2.0	2.0	1.9	--	--
Domestic producer prices	% ch. on prev. year		2.9	5.9	6.5	6.3	5.9	5.1	5.5	5.4	4.3	3.7	--	--
Import prices	% ch. on prev. year		10.8	--	15.4	10.2	7.4	--	8.2	9.1	--	--	--	--
Oil (Brent) in USD	level		80.3	110.9	105.2	117.0	112.3	109.1	108.5	110.6	108.1	111.5	118.4	123.6
	% ch. on prev. year		28.5	38.2	36.2	46.9	46.3	25.1	29.9	28.6	17.8	15.4	14.3	8.0
Oil (Brent) in EUR	level		60.6	79.6	76.7	81.3	79.5	81.0	79.1	81.6	82.2	86.4	89.4	93.7
	% ch. on prev. year		36.2	31.4	37.3	29.8	34.0	25.9	31.6	29.4	18.5	19.6	17.9	14.7
Non-energy commodity prices (EUR)	% ch. on prev. period				9.2	-3.4	-1.7	-9.1	-7.7	-2.8	0.9	5.0	-0.1	--
	% ch. on prev. year		37.2	12.6	36.2	15.8	8.8	-5.7	0.0	-5.9	-10.8	-10.1	-11.3	--
<b>7. Monetary and financial indicators</b>														
Nominal interest rates (3 month)	level		0.81	1.39	1.10	1.42	1.56	1.50	1.58	1.48	1.43	1.23	1.05	0.94
Nominal interest rates (10 year)	level		2.78	2.65	3.17	3.14	2.50	1.99	2.04	1.94	2.01	1.86	1.90	1.81
ECB repo rate	level		1.00	1.25	1.00	1.22	1.47	1.31	1.50	1.32	1.11	1.00	1.00	1.00
Stock market (Eurostoxx)	% ch. on prev. period				4.1	-2.3	-16.9	-4.4	8.8	-3.1	2.0	4.3	5.3	-0.1
	% ch. on prev. year		10.1	-6.0	2.9	4.7	-12.3	-19.2	-17.9	-20.3	-19.2	-17.9	-16.8	-13.3
Money demand (M3)	% ch. on prev. year		0.6	2.2	2.0	2.1	2.6	2.0	2.6	2.0	1.5	2.5	--	--
Loans to households	% ch. on prev. year		3.0	1.6	3.4	3.3	2.9	1.6	2.2	2.1	1.6	1.3	--	--
Loans to non-financial corporations	% ch. on prev. year		-0.1	1.1	0.9	1.4	1.6	1.1	1.8	1.6	1.1	0.7	--	--
	level		1.33	1.39	1.37	1.44	1.41	1.35	1.37	1.36	1.32	1.29	1.32	1.32
Bilateral exchange rate EUR/USD	% ch. on prev. period				0.7	5.2	-1.8	-4.6	-0.5	-1.1	-2.8	-2.1	2.5	0.0
	% ch. on prev. year		-5.0	5.0	-1.1	13.2	9.4	-0.7	-1.4	-0.8	-0.3	-3.4	-3.1	-5.7
Nominal effective exchange rate	% ch. on prev. period				-0.7	2.4	-1.6	-1.4	0.2	-0.4	-1.7	-1.8	0.7	--
	% ch. on prev. year		-6.4	-0.2	-4.5	3.0	2.1	-1.2	-1.9	-1.1	-0.9	-2.4	-2.7	--

(1) LTA=Long-Term Average

(2) Data available until the date of update

## 1. Output

According to Eurostat's second estimates, euro-area **GDP** in 2011-Q4 declined by 0.3% compared to the previous quarter (quarter-on-quarter, q-o-q), when it was growing by 0.1%. Compared with the same quarter of the previous year, euro-area GDP growth was still positive, at 0.7% in 2011-Q4, however down compared to 1.3% in 2011-Q3 and to 1.6% in 2011-Q2. Among the big euro-area economies, only France was growing in the last quarter of 2011 (by 0.2%); while GDP in Italy, Spain and Germany was declining q-o-q (-0.7%, -0.3%, and -0.2% respectively).

According to the **Commission's interim February 2012 forecast**, released on 23 February 2012, the euro-area economy will go through a mild recession with GDP declining in 2012 by -0.3 y-o-y (year-on-year). Modest growth is predicted to return in the second half of the year. Concerning the Member States, growth divergences remain pronounced. Among euro-area countries, economic growth will be highest in Slovakia and Estonia (both 1.2%) and lowest in Portugal (-3.3%) and Greece (-4.4%). The Commission will release its spring forecast on 11 May 2012.

**Confidence in industry** improved in February and after 3 months moved back above its long-term average, where it had been since May 2010. Managers were more positive about their companies' production expectations, order books and stocks of finished products.

In December 2011, seasonally adjusted **industrial production** (excl. construction) fell by 1.1% month-on-month (m-o-m), after zero growth in November. On a monthly basis, industrial production fell in eight euro-area Member States (among others DE and FR) and rose in six (including IT and ES). On an annual basis, industrial production fell by 2%, the first negative reading since December 2009. The euro-area **industrial new orders index** rose by 1.9% m-o-m in December, after a fall of 1.1% in November. Compared with 2010, the average index for 2011 increased by 8.3% in the euro area.

## 2. Private consumption

**Private consumption** contracted by 0.4% q-o-q in 2011-Q4, after a rise of 0.3% in 2011-Q3. In annual comparison, private consumption was declining by -0.6% q-o-q in 2011-Q4, continuing on a downward trajectory from still positive growth of 0.9% in 2011-Q1 and 0.3% in both subsequent quarters. In 2011-Q1 private consumption subtracted 0.2 pp. from GDP growth.

**Consumer confidence** improved slightly by 0.4 point in February, but remained below its long-term average for the seventh consecutive month. The improvement goes mainly on account of consumers' more optimistic assessment of their general economic situation, their savings and their financial situation, while their unemployment fears rose to the levels last seen in May 2010.

In January 2012, **retail trade** volumes grew by 0.3% m-o-m, after falling in the previous 4 months. **Sentiment in the retail sector** improved (by 1.2 points) in February, after a fall of 3.3 points in January, but in both months it was lower than at any time since June 2009.

## 3. Investment

After having grown by 1.7% q-o-q and being the main driver of growth in 2011-Q1, **gross fixed capital formation** was been decreasing; by -0.1% in 2011-Q2, -0.3% in 2011-Q3 and -0.7% in 2011-Q4. On an annual basis, investment also continued losing pace, growing by 0.6% in 2011-Q4, down from 3.5% in 2011-Q1, 1.5% in 2011-Q2 and 1.0% in 2011-Q3.

Although **capacity utilisation** increased slightly (from 79.6% in 2011-Q4 to 79.9% in 2012-Q1), it remains still below its long-term average (81.4).

## 4. Labour market

The **unemployment rate** in the euro area was 10.7% in January, after 10.6% in December 2011. This is the highest rate since 1997 and 0.7 ppt. higher than in January 2011. This aggregate number conceals sharp differences across Member States, with Austria being the country with the lowest rate (4.0%) and Spain with the highest rate (23.3%). While the difference between the Member States with the lowest and the highest unemployment rate was 16.1 ppt. in January 2011, it was continuously increasing during 2011 and a year after is at 19.3 ppt.

In the third quarter of 2011, seasonally-adjusted **employment** decreased by 0.1% q-o-q in the euro area, after small increases of 0.1% in 2011-Q1 and 0.2% in 2011-Q2. Compared with the same quarter of the previous year, employment grew by 0.2%. After an improvement in January, **employment expectations** in both sectors, manufacturing and services, fall back to more pessimistic levels compared to previous several months. In manufacturing, the sentiment fell slightly from -3.4 to -3.6 points and in services more profoundly from 3.4 to 2.4 points. For the second consecutive quarter, the level of **labour shortages** has been falling, from 6.5% in 2011-Q3 and 6.4% in 2011-Q4 to current 5.7% in 2012-Q1.

## 5. International transactions

After two positive months, managers in manufacturing became again more pessimistic about their **export order books**. The index decreased slightly from -13.9 in January to -14.3 in February, but remained above its long-term average. **Extra-euro area trade** (seasonally adjusted) posted its fourth consecutive surplus (7.5 bn euro) in December. **Net trade** in 2011-Q4 made the only positive contribution to GDP growth (of 0.3 pp), while the contraction of imports (-1.2%) was bigger than that of exports (-0.4%).

In December 2011, the seasonally adjusted **current account balance** of the euro area recorded a surplus of 2.0 bn euro. For 2011 as a whole, the seasonally adjusted deficit for the euro area current account amounted to 30.6 bn euro (around 0.3% of GDP). The **financial account** recorded inflows of 3 bn euro in December 2011, reflecting net inflows for both direct and portfolio investment.

## 6. Prices

The **HICP inflation rate** in January 2012 declined to 2.6%, down from 2.7% in December. The flash HICP estimate for February indicates a rate of 2.7%. A year ago, inflation was at 2.4%. **Core inflation** in January fell to 1.9%, after being for several months at 2.0%. **The Commission's interim 2012 forecast** projects an inflation rate of about 2.1% for 2012. **Industrial producer prices** rose by 0.7% m-o-m in January, after a 0.2% fall in December.

Since the beginning of the year, **oil prices** were relatively high and on an upward trend, with Brent oil trading above 110 USD/bl. for most of January, above 115 USD/bl. in most of February and above 120 USD/bl. in the first days of March 2012. This is markedly above the price range of 104-110 USD observed in December and the 8-month low of 100 USD in October 2011. The recent rise of oil prices goes primarily on concerns over the supply side related to geopolitical tensions and the embargo the EU has imposed on Iranian oil exports, which generate uncertainty about future developments. On 7 March 2012, the price of Brent crude oil was 122.6 USD (93.5 EUR) per barrel.

## 7. Monetary and financial indicators

European **money market** conditions continue to ease; helped by the positive effects of fresh loans provided to the banking sector by the ECB in the context of the first and second 3-year LTRO. The euro-area 3-month Euribor went down from about 1.4% ahead of the December meeting to 0.91% on 7 March and thus

below the ECB's main policy rate. Moreover, the Euribor-OIS spread, another barometer of banks' willingness to lend (the smaller the spread the higher the indication of bank's confidence), decreased recently to below 60 bps. On its March meeting, the ECB Governing Council kept the ECB interest rate unchanged.

Amid volatility, benchmark **sovereign-bond yields** have been declining recently. The ongoing uncertainties in the euro-area sovereign segment reinforced by the approaching deadline for the Greek's debt swap at the end of this week spurred the demand for safer assets and dragged the benchmark rate somewhat lower from its above 2% value in mid-February. The German 10-year bund declined to 1.77% on 7 March. The US Treasury yield also receded slightly to 1.94% on 6 March. However, several European sovereign yields remain high, with especially Greece reaching its all time high levels (38.2%) as approaching the Greek debt swap result. But also sovereign bond yields of Portugal (14.1%) and Ireland (7.7%) are higher, while those of Italy (5%) and Spain (4.1%) receded somewhat.

As to the **bank lending**, the annual rate of change of M3 decreased to 2.0% in the last 3 months up to January, from 2.1% in the period from October to December 2011. On the counterpart side, the annual growth rate of credit extended to general government increased to 4.8% in January (from 3.5% in December), while the annual growth credit to private sector increased to 0.7% (0.4% in December). Among the components of credit to the private sector, the annual growth rate of loans (adjusted for sales and securitisation) to non-financial corporations decreased to 0.8% in January, from 1.2% in the previous month. The annual growth of loans to households (also adjusted for sales and securitisation) increased to 2.1% in January from 1.9% in December.

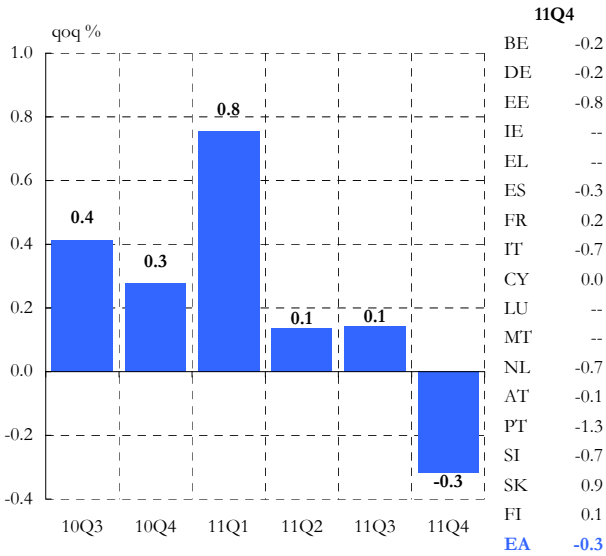
Since November 2011, despite some fluctuations, the euro **exchange rate** has been depreciating, amid weak economic data and persistent tensions in sovereign-bond markets. However, since its recent low against the Yen (at 97.3 JPY) and the USD (at 1.27 USD) in mid-January, the euro has been strengthening somewhat. On 15 February, the euro stood at 1.31 USD and 102.4 JPY.

So far, in 2012 all the main global **stock market indices**, US Dow Jones, European Eurostoxx index and Japanese Nikkei, were gaining some ground. While Eurostoxx was leading the gains in January with 4.3% gain on December, Nikkei took the lead over in February and beginning March, gaining 7.3% and 4.7% so far respectively.

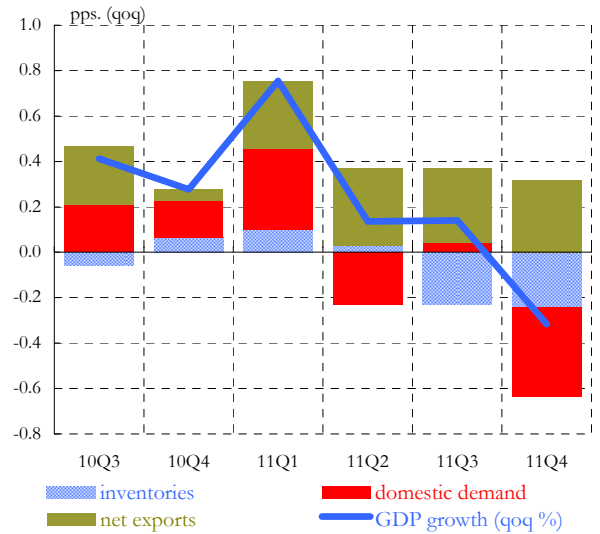


1. OUTPUT

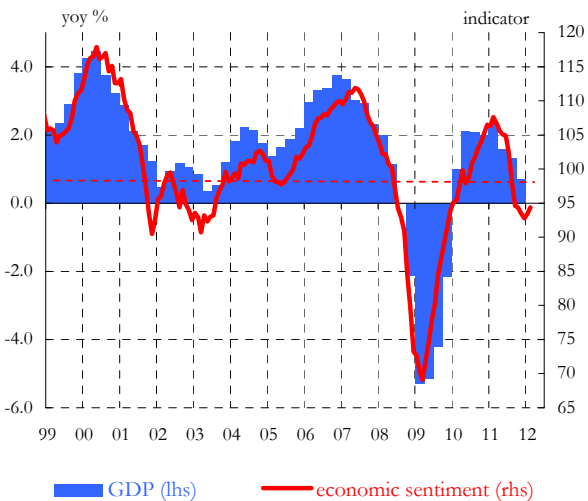
GDP



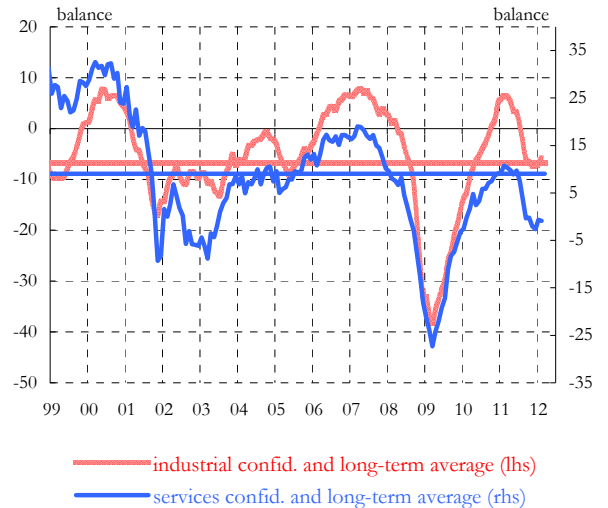
Contributions to GDP growth



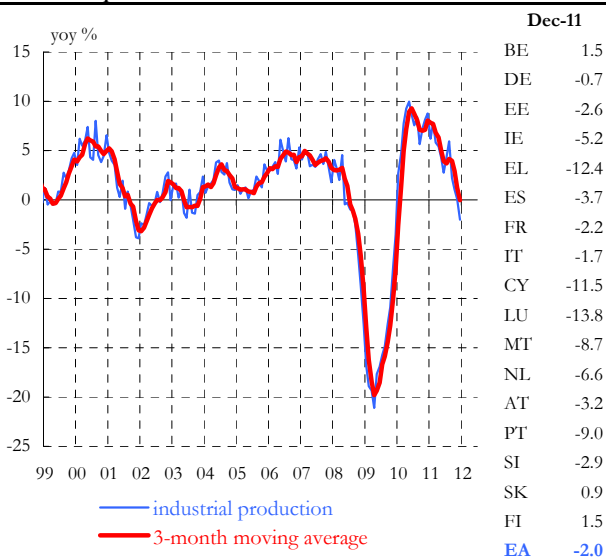
GDP and Economic Sentiment Indicator



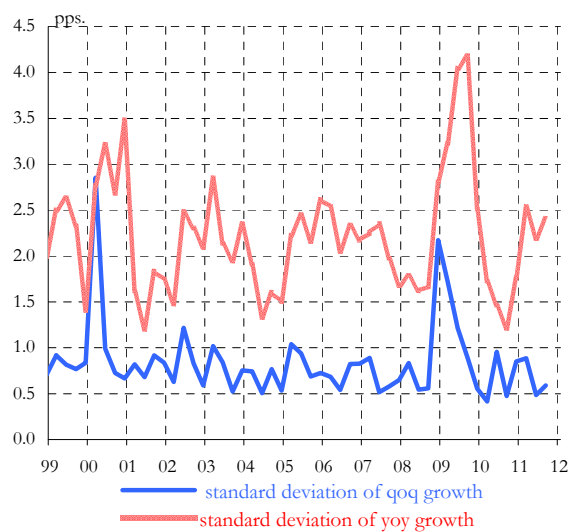
Industrial and services confidence



Industrial production



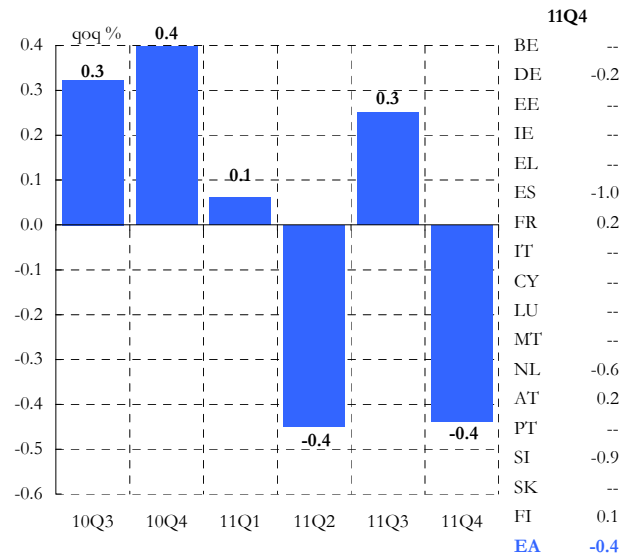
GDP growth divergence, euro area



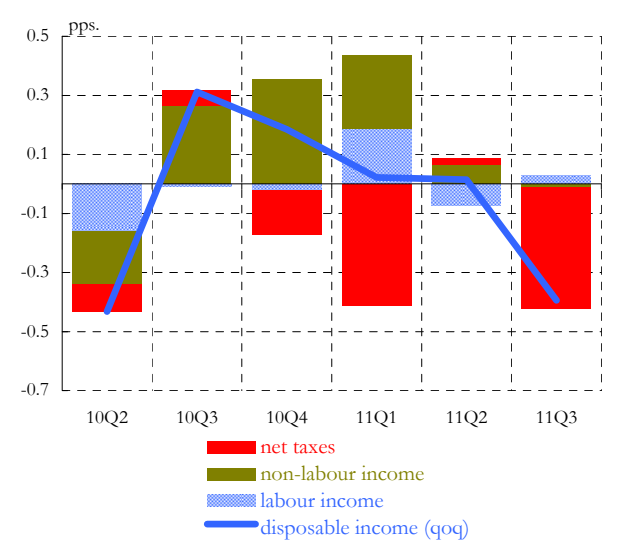


2. PRIVATE CONSUMPTION

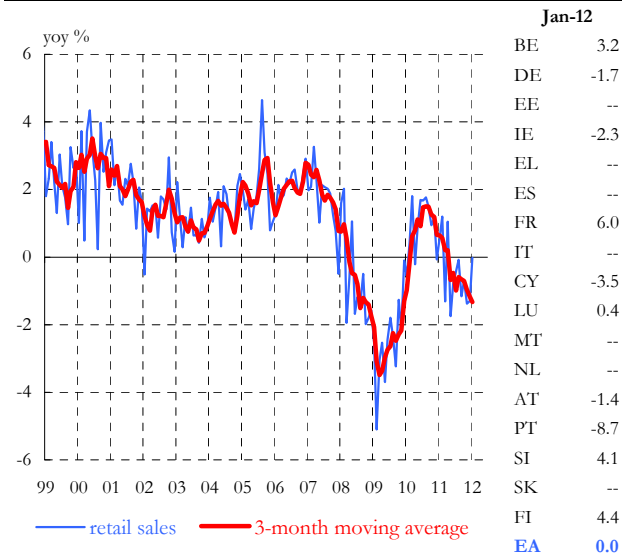
Private consumption



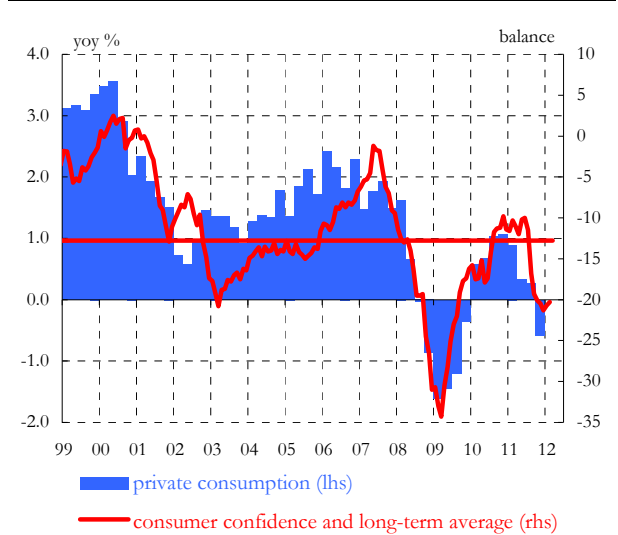
Gross disposable income and its components



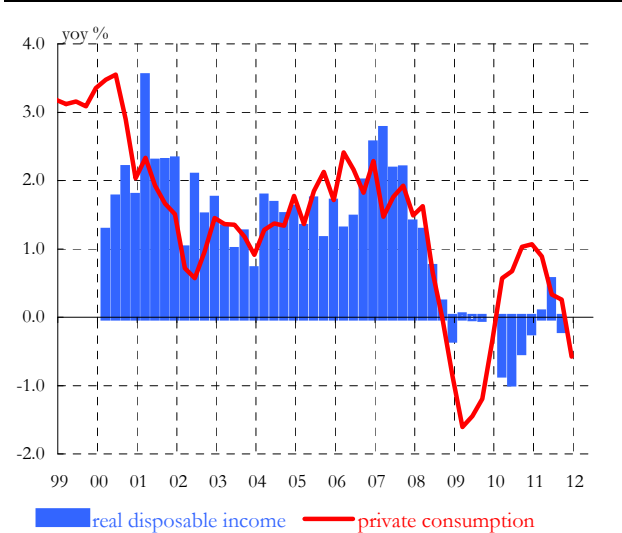
Retail sales



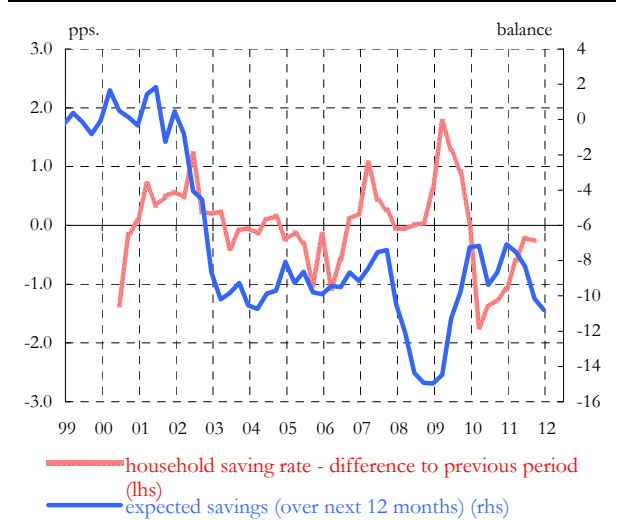
Consumer confidence and private consumption



Households: real disposable income and consumption



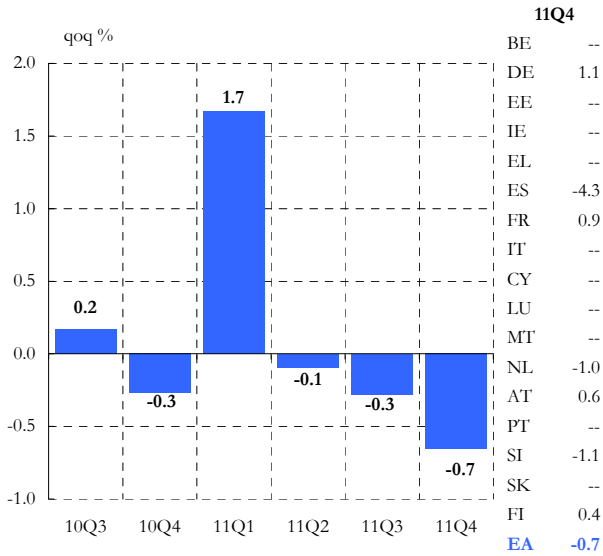
Households: actual saving rate and expected savings



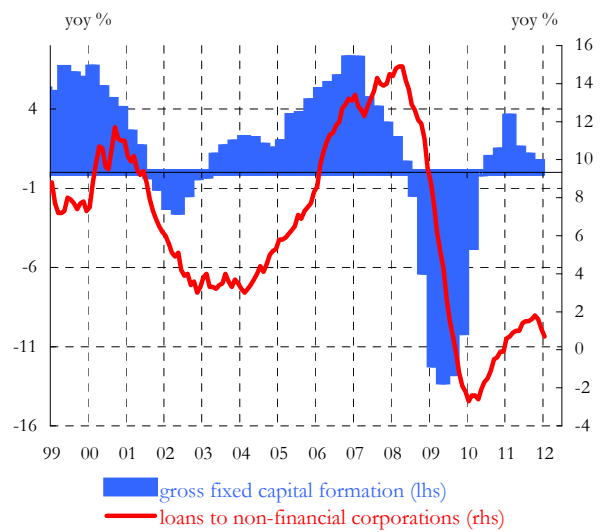


3. INVESTMENT

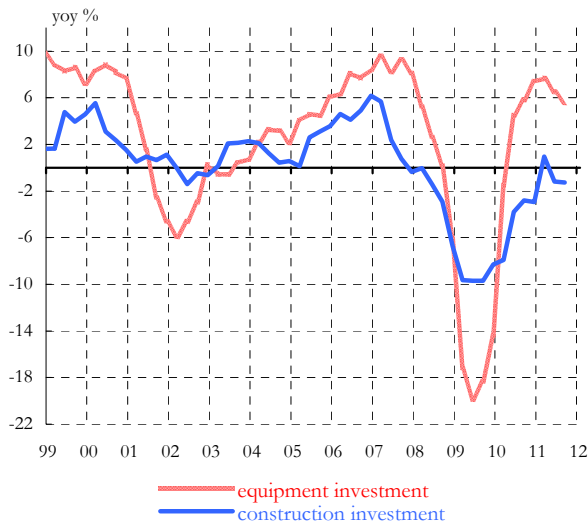
Gross fixed capital formation



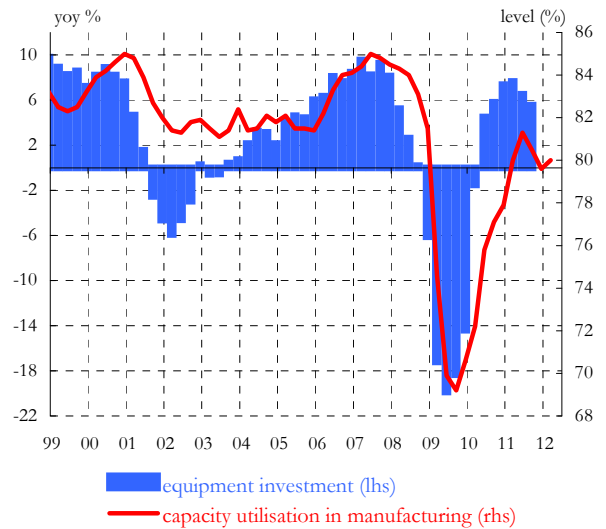
Gross fixed capital formation and corporate loans



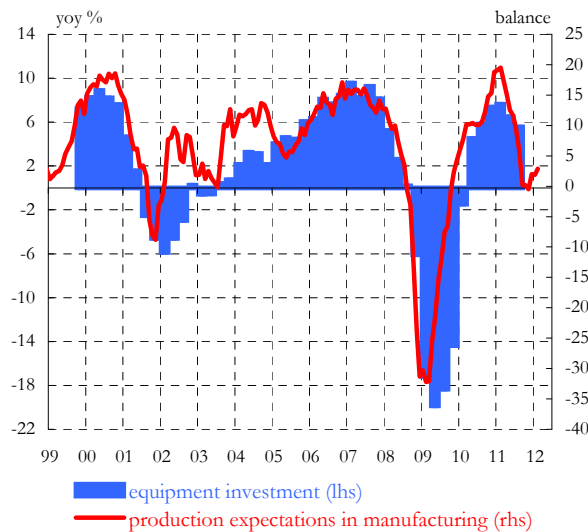
Equipment and construction investment



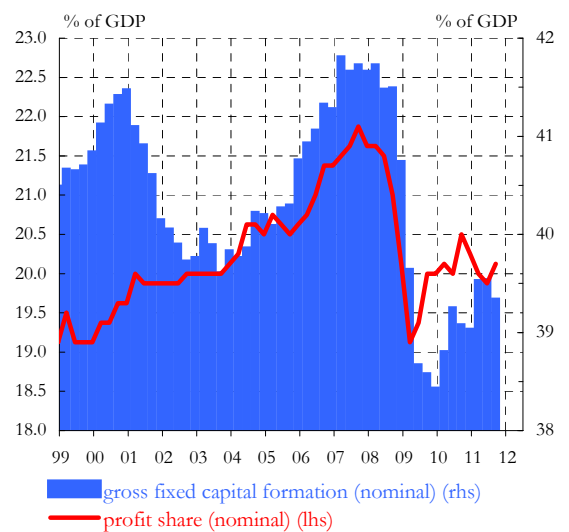
Equipment investment and capacity utilisation



Equipment investment and production expectations



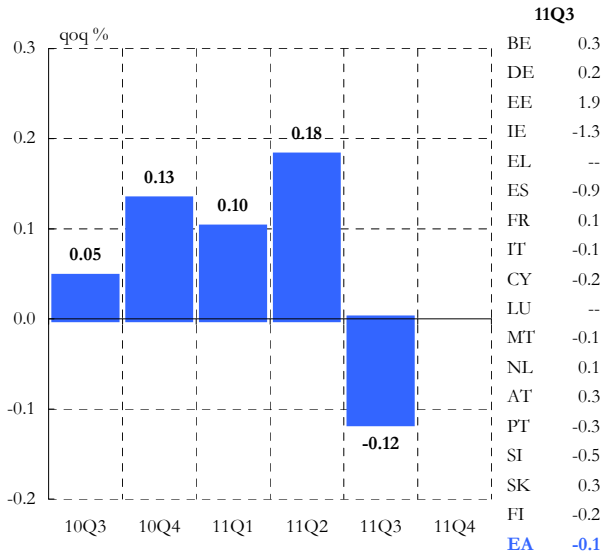
Gross fixed capital formation and profit share



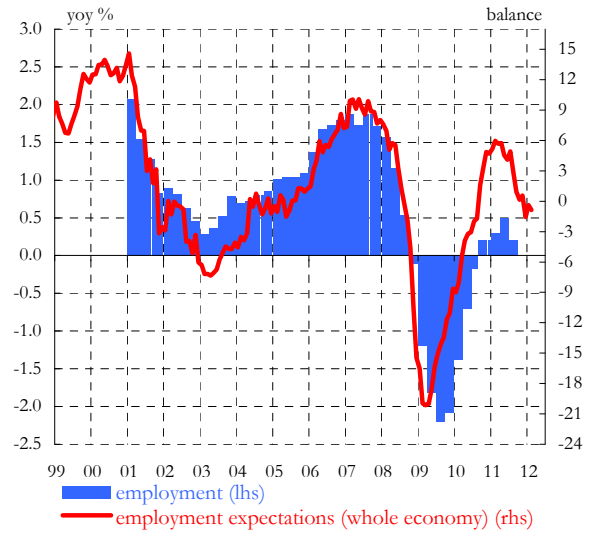


4. LABOUR MARKET

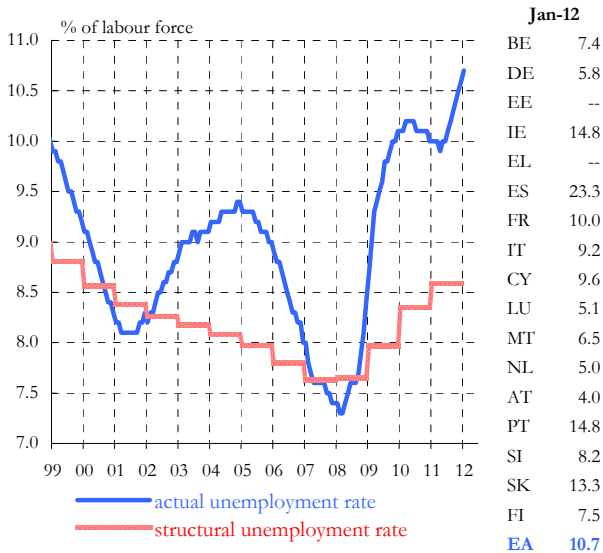
Employment



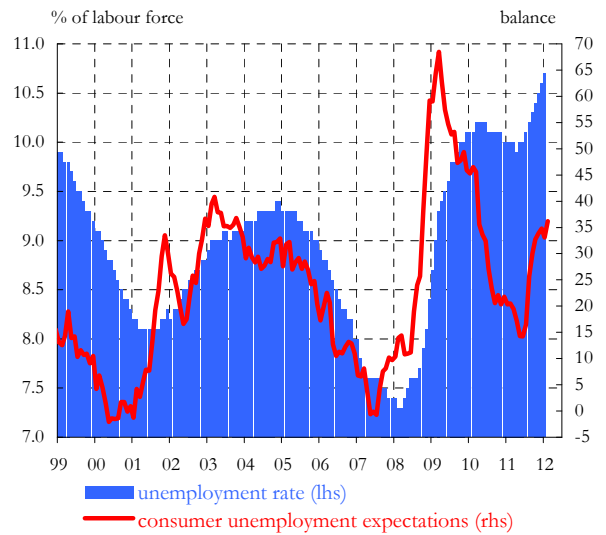
Employment and employment expectations



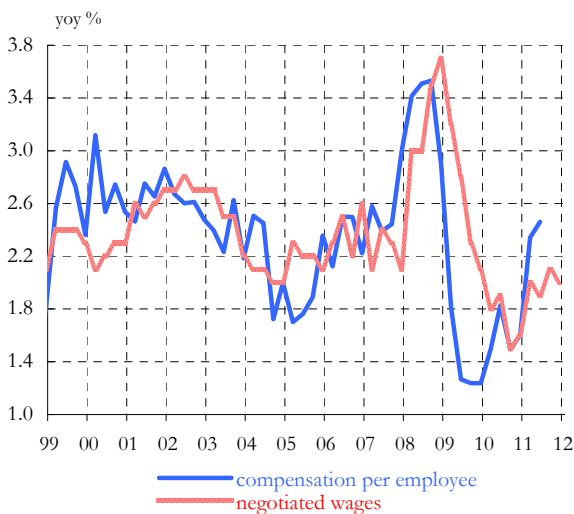
Actual and structural unemployment rate



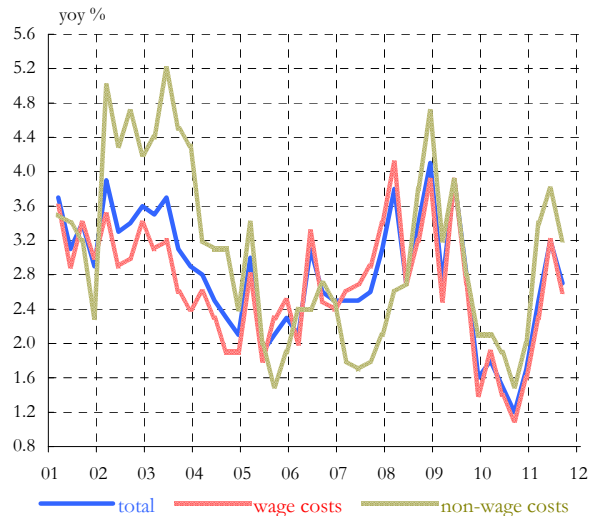
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



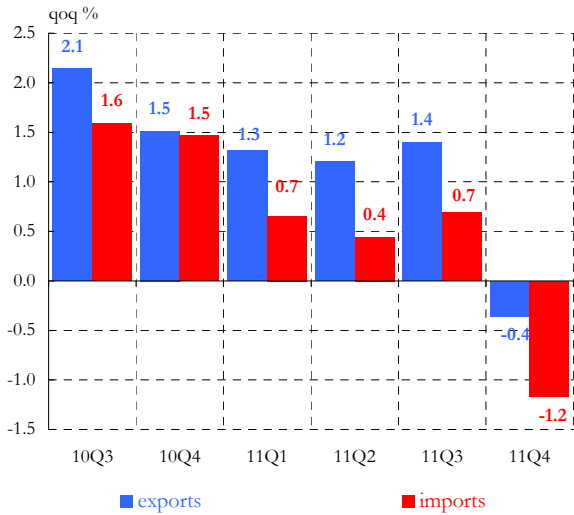
Labour costs in the private business sector (nominal)



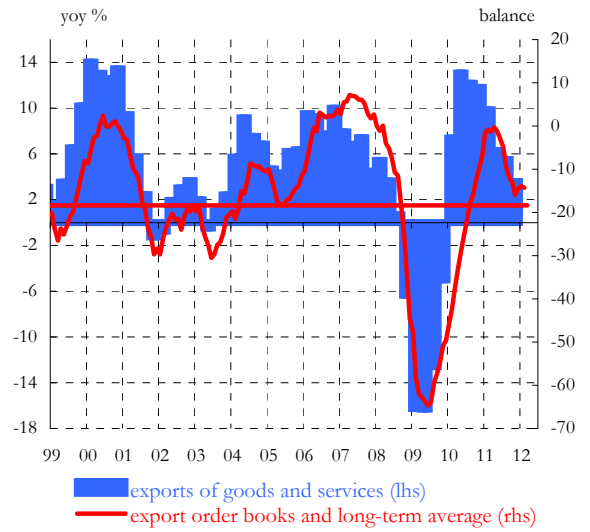


5. INTERNATIONAL TRANSACTIONS

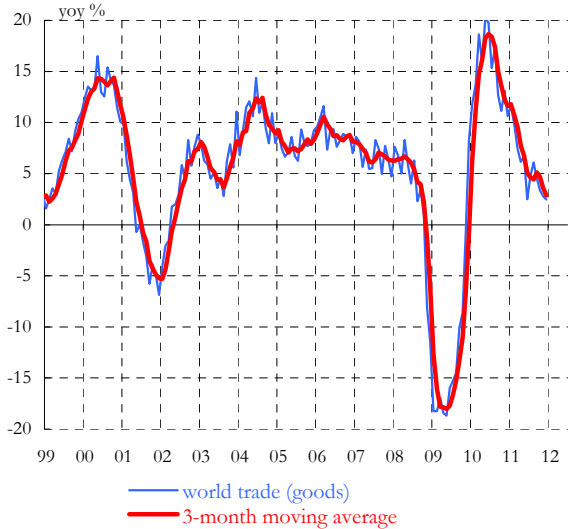
Exports and imports of goods and services



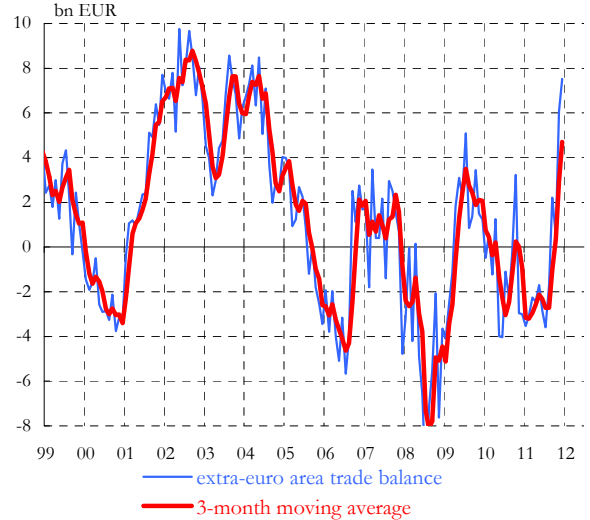
Exports and export order books



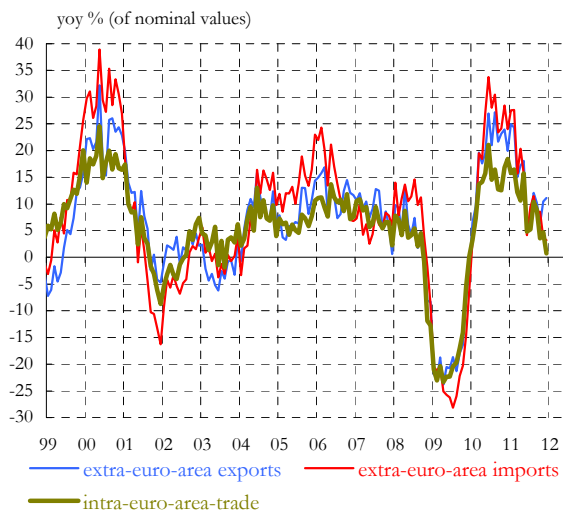
World trade



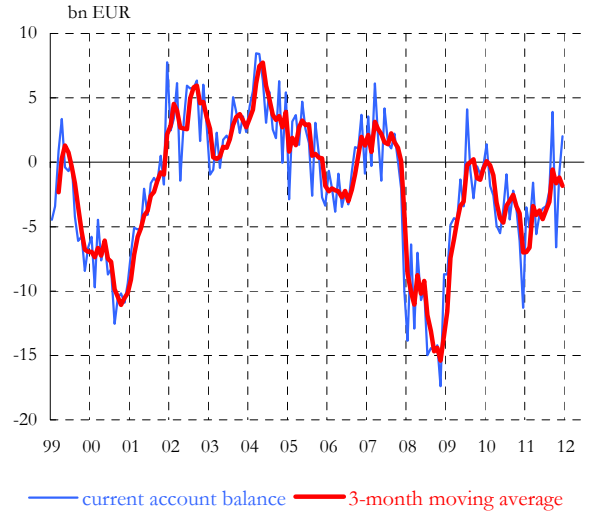
Extra euro-area trade balance



Extra- and intra-euro-area trade



Current-account balance

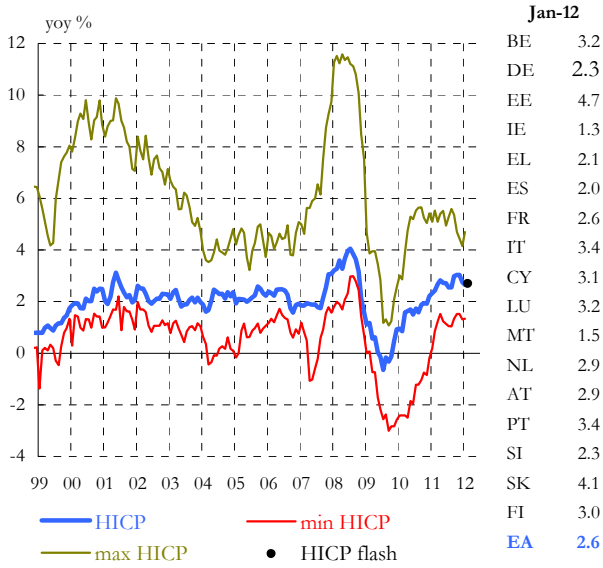




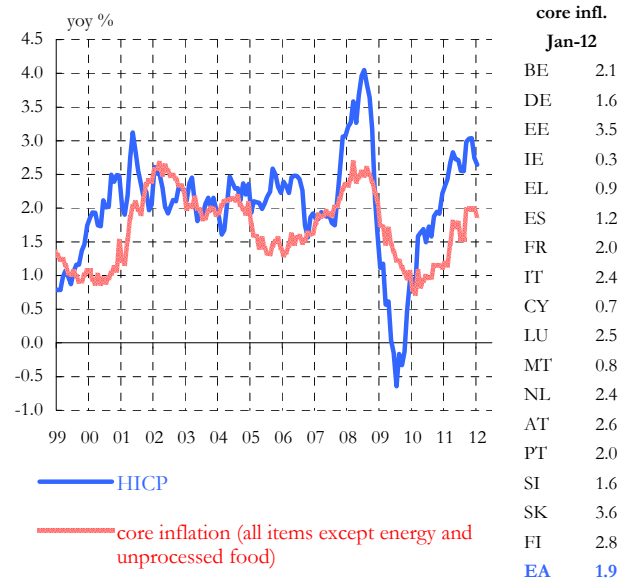


6. PRICES

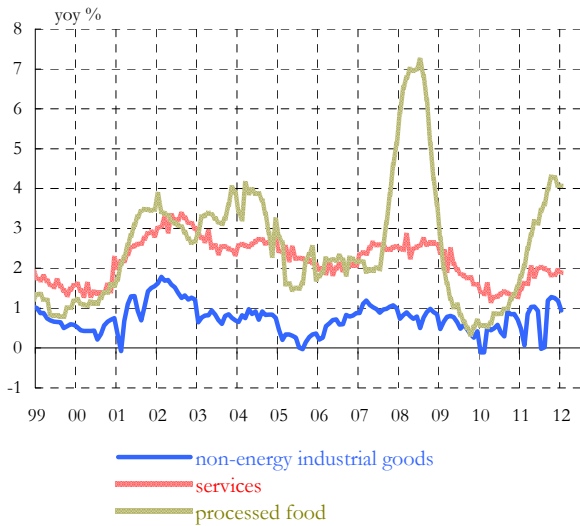
Harmonised index of consumer prices (HICP)



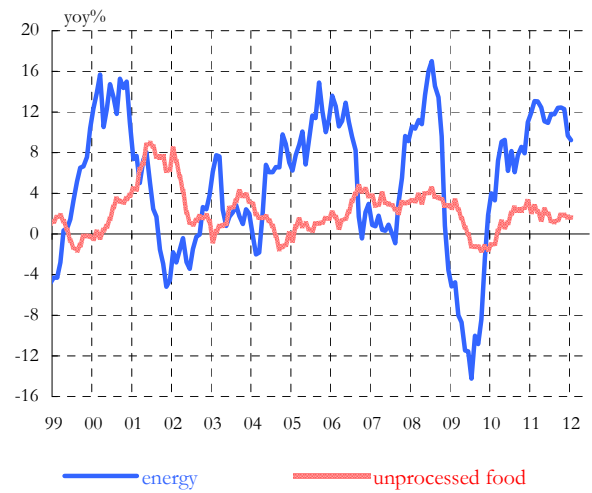
HICP headline and core inflation



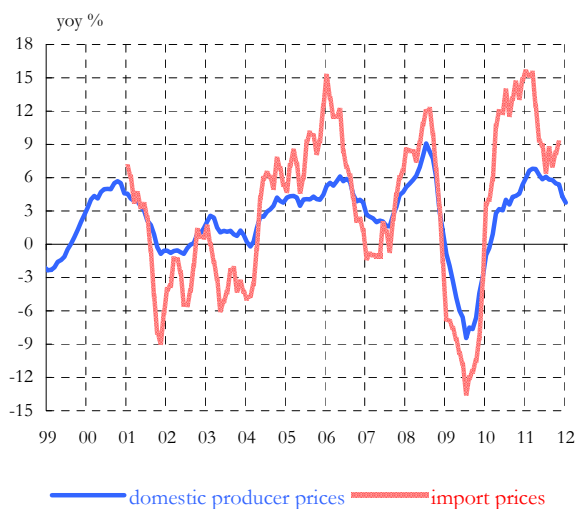
Breakdown of core inflation



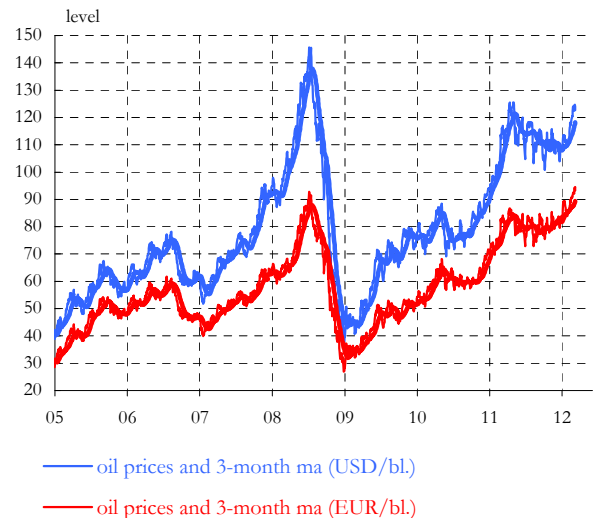
Energy and unprocessed food



Domestic producer prices and import prices



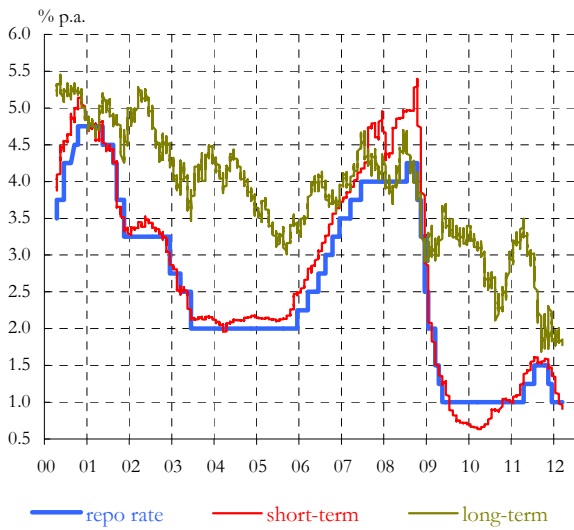
Oil prices



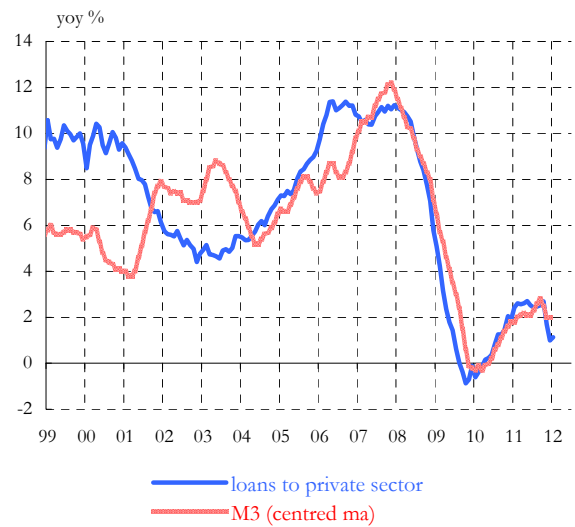


7. MONETARY AND FINANCIAL INDICATORS

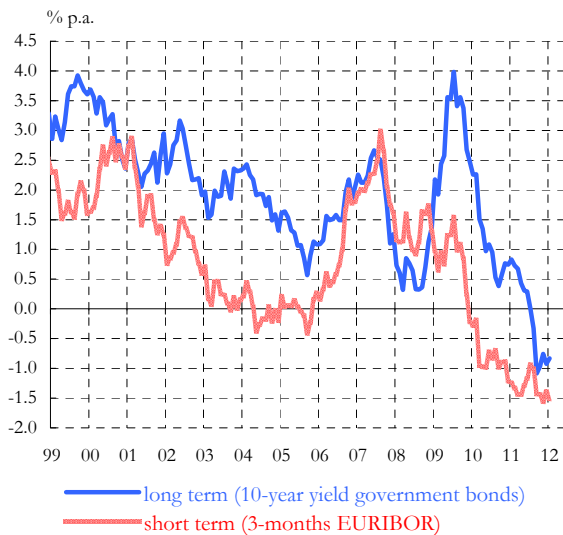
Nominal interest rates



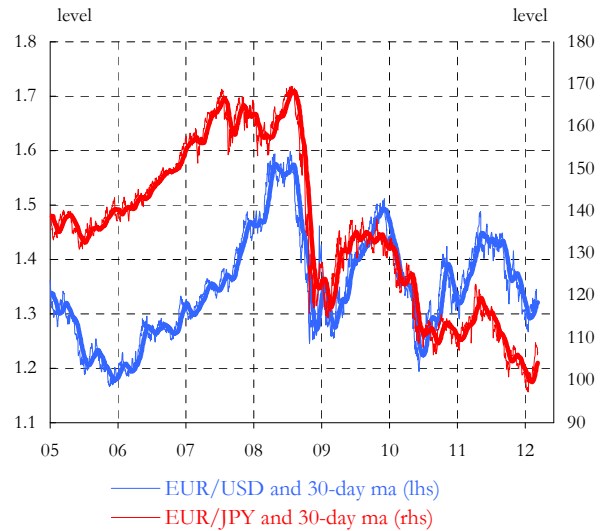
Loans to private sector and money supply



Real interest rates



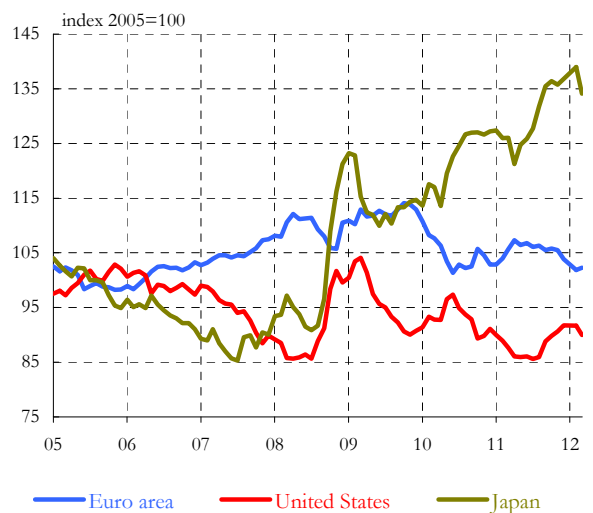
Euro vis-à-vis US dollar and JP yen



Stock market indices



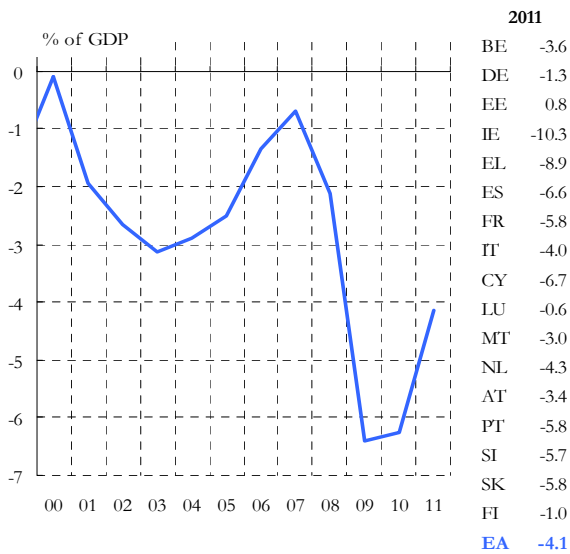
Nominal effective exchange rates



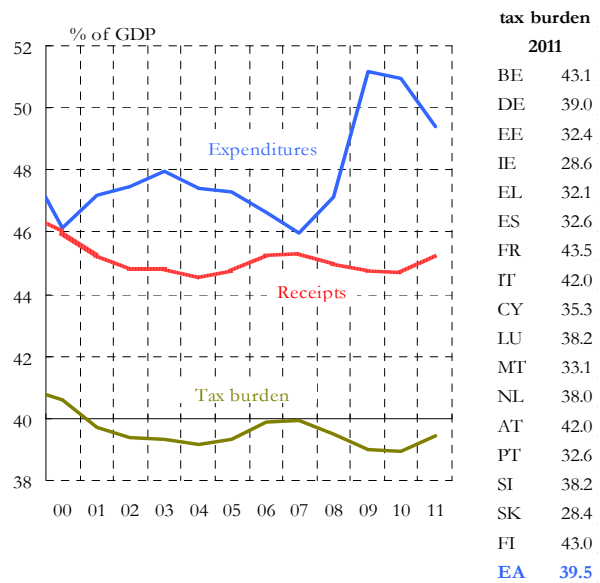


8. Public finances\*

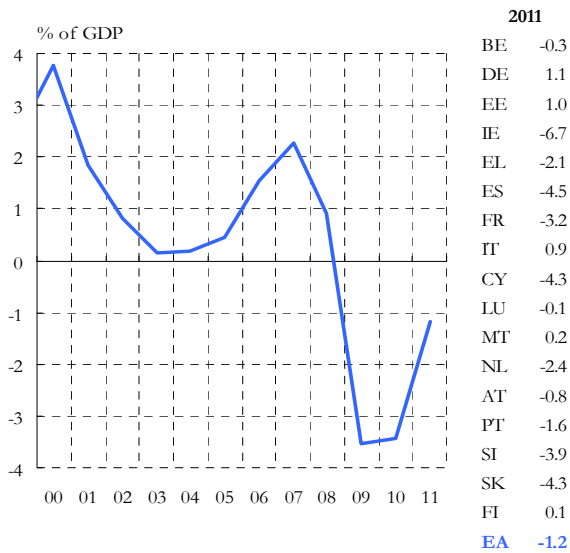
General government balance



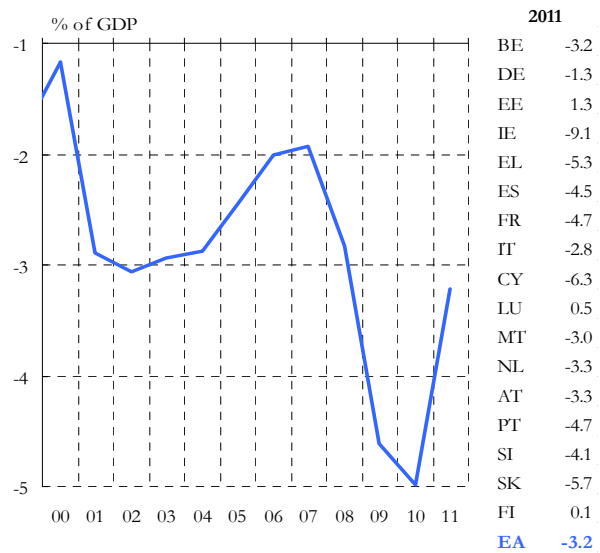
General government expenditure and receipts



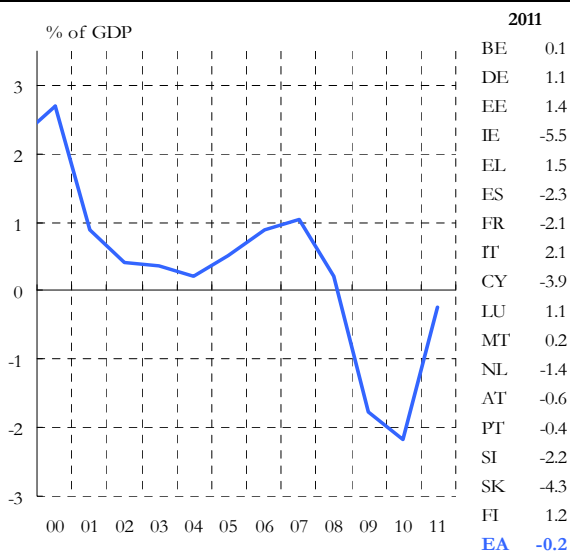
Primary balance



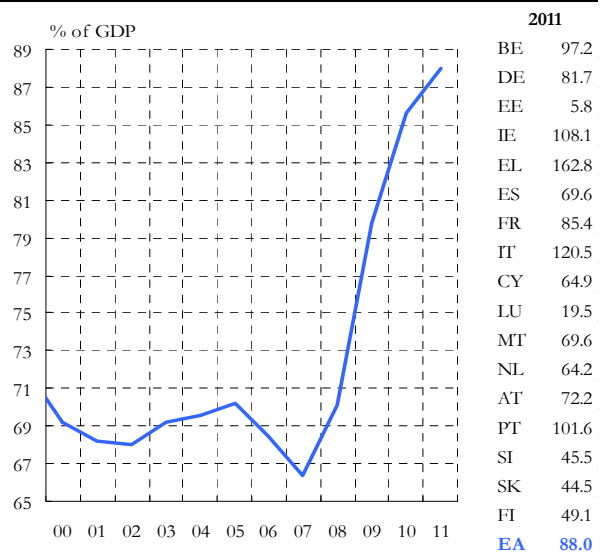
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



\* Figures are from the Commission's autumn 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) and 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	Harmonised 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 days)	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