

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

	LTA <sup>(1)</sup>	2011	2012	12Q3	12Q4	13Q1	13Q2	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	
<b>1. Output</b>														
Economic Sentiment	<i>indicator</i>	100.7	101.8	90.4	87.4	86.8	90.1	89.8	88.6	89.5	91.3	92.5	95.2	--
Industrial confidence	<i>balance</i>	-6.1	0.3	-11.7	-14.9	-15.4	-12.2	-12.6	-13.7	-13.0	-11.2	-10.6	-7.9	--
Services confidence	<i>balance</i>	9.0	5.3	-6.9	-10.6	-11.1	-7.8	-10.0	-11.1	-9.3	-9.6	-7.8	-5.3	--
Industrial production	<i>% ch. on prev. period</i>				0.1	-1.9	0.2	1.2	0.4	-0.2	0.7	--	--	--
(excluding construction)	<i>% ch. on prev. year</i>	0.8	3.2	-2.4	-2.2	-3.1	-2.3	-0.5	-0.5	-1.3	0.3	--	--	--
Gross domestic product	<i>% ch. on prev. period</i>				-0.1	-0.5	-0.2	0.3						
	<i>% ch. on prev. year</i>	1.6	1.7	-0.6	-0.7	-1.0	-1.0	-0.5						
Labour productivity	<i>% ch. on prev. period</i>				0.0	-0.2	0.3	--						
	<i>% ch. on prev. year</i>	0.4	1.0	0.0	-0.1	-0.2	0.0	--						
<b>2. Private consumption</b>														
Consumer confidence	<i>balance</i>	-12.5	-14.5	-22.3	-23.8	-26.2	-23.7	-20.9	-22.2	-21.8	-18.8	-17.4	-15.6	--
Retail confidence	<i>balance</i>	-8.7	-5.4	-15.2	-16.8	-16.0	-16.2	-16.6	-18.4	-16.7	-14.6	-14.0	-10.7	--
Private consumption	<i>% ch. on prev. period</i>				-0.1	-0.5	-0.2	0.2						
	<i>% ch. on prev. year</i>	1.4	0.4	-1.4	-1.7	-1.5	-1.3	-0.6						
Retail sales	<i>% ch. on prev. period</i>				0.1	-1.5	0.3	0.3	0.0	1.1	-0.7	0.1	--	--
	<i>% ch. on prev. year</i>	1.0	-0.3	-1.7	-1.4	-2.7	-2.0	-0.7	-1.1	0.1	-1.1	-1.3	--	--
<b>3. Investment</b>														
Capacity utilisation	<i>level (%)</i>	81.3	80.7	78.9	78.2	77.2	77.6	77.5	77.5	--	--	78.3	--	--
Production expectations (manuf.)	<i>balance</i>	6.1	9.4	-4.0	-8.1	-7.4	-1.6	-0.9	-1.4	-1.9	0.7	1.5	4.6	--
Gross fixed capital formation	<i>% ch. on prev. period</i>				-0.4	-1.2	-2.2	0.3						
	<i>% ch. on prev. year</i>	1.2	1.7	-3.9	-3.9	-4.5	-5.6	-3.5						
- equipment investment	<i>% ch. on prev. period</i>				-1.3	-1.7	-2.5	--						
	<i>% ch. on prev. year</i>		4.5	-4.6	-5.4	-6.2	-7.2	--						
- construction investment	<i>% ch. on prev. period</i>				-0.6	-1.5	-1.8	--						
	<i>% ch. on prev. year</i>		-0.3	-4.9	-4.5	-5.4	-5.7	--						
Change in stocks	<i>contrib. to GDP (pp.)</i>	0.0	0.4	-0.4	-0.2	-0.2	0.3	-0.1						
<b>4. Labour market</b>														
Employment expectations (manuf.)	<i>balance</i>	-11.2	2.9	-8.6	-11.9	-12.7	-11.1	-12.2	-12.5	-12.1	-11.9	-10.4	-9.7	--
Employment expectations (services)	<i>balance</i>	4.3	5.4	-2.4	-3.9	-5.1	-4.9	-5.6	-6.0	-5.3	-5.5	-5.4	-3.6	--
Employment	<i>% ch. on prev. period</i>				-0.1	-0.3	-0.5	--						
	<i>% ch. on prev. year</i>	0.8	0.7	-0.7	-0.6	-0.8	-1.0	--						
Employment (000)	<i>abs. ch. on prev. period</i>		992	-960	-125	-470	-665	--						
Compensation of employees per head (nominal)	<i>% ch. on prev. period</i>				0.3	0.3	0.9	--						
	<i>% ch. on prev. year</i>	1.9	1.9	1.8	1.9	1.4	1.8	--						
Unemployment expectations	<i>balance</i>	26.8	23.2	38.4	40.7	46.3	42.6	35.9	37.9	36.5	33.3	30.4	30.4	--
Unemployment rate	<i>% of lab. force</i>		10.2	11.4	11.5	11.8	12.0	12.1	12.1	12.1	12.1	12.1	--	--
Unemployment (000)	<i>abs. ch. on prev. period</i>		215	2,032	421	452	346	119	68	56	-35	-15	--	--
<b>5. International transactions</b>														
World trade	<i>% ch. on prev. period</i>				-0.3	0.9	0.8	0.3	1.5	-0.9	-0.5	--	--	--
	<i>% ch. on prev. year</i>		5.9	1.9	1.1	1.5	2.0	1.7	4.3	0.2	0.6	--	--	--
Export order books	<i>balance</i>	-18.6	-5.7	-21.2	-25.2	-27.9	-26.0	-25.6	-26.6	-26.1	-24.0	-23.9	-21.3	--
Trade balance (merchandise)	<i>billion EUR</i>		-16.4	79.6	25.9	26.8	39.1	43.7	15.0	13.8	14.9	--	--	--
Exports of goods and services	<i>% ch. on prev. period</i>				0.6	-0.5	-1.0	1.6						
	<i>% ch. on prev. year</i>	5.1	6.7	2.5	2.8	2.0	0.1	0.7						
Imports of goods and services	<i>% ch. on prev. period</i>				0.2	-0.9	-1.1	1.4						
	<i>% ch. on prev. year</i>	4.8	4.6	-1.1	-1.2	-0.9	-1.9	-0.4						
Current-account balance	<i>billion EUR</i>		12.9	126.4	35.3	43.5	57.2	60.1	23.8	19.5	16.9	--	--	--
Direct investment	<i>billion EUR</i>		-118.7	-64.1	-4.9	-40.4	-23.6	-11.7	-6.9	0.2	-5.1	--	--	--
Portfolio investment	<i>billion EUR</i>		252.5	90.4	-14.8	85.3	10.7	64.0	1.5	39.2	23.2	--	--	--
<b>6. Prices</b>														
Consumer inflation expectations	<i>balance</i>	21.3	25.9	25.0	25.4	25.6	19.9	15.8	15.9	15.5	16.1	15.3	17.0	--
Headline inflation (HICP)	<i>% ch. on prev. year</i>		2.7	2.4	2.5	2.2	1.9	1.4	1.2	1.4	1.6	1.6	1.3	--
Core HICP	<i>% ch. on prev. year</i>		1.7	1.8	1.7	1.6	1.5	1.3	1.1	1.3	1.3	1.3	--	--
Domestic producer prices	<i>% ch. on prev. year</i>		5.8	3.0	2.7	2.4	1.2	0.0	-0.2	-0.2	0.3	0.2	--	--
Import prices	<i>% ch. on prev. year</i>		9.9	5.0	6.1	3.6	-0.7	-1.6	-1.3	-2.0	--	--	--	--
Oil (Brent) in USD	<i>level</i>		110.9	111.7	109.2	110.2	112.7	103.5	103.8	103.2	103.3	107.1	110.0	115.0
	<i>% ch. on prev. period</i>				-0.1	0.9	2.3	-8.2	-5.3	-0.6	0.1	3.7	2.6	4.6
	<i>% ch. on prev. year</i>		38.2	0.7	-2.8	1.0	-4.7	-5.4	-13.9	-7.3	7.2	4.9	-2.1	1.4
Oil (Brent) in EUR	<i>level</i>		79.6	86.9	87.3	85.0	85.4	79.3	79.7	79.6	78.3	81.8	82.6	87.3
	<i>% ch. on prev. period</i>				2.5	-2.7	0.4	-7.1	-5.8	-0.1	-1.7	4.5	0.9	5.7
	<i>% ch. on prev. year</i>		31.4	9.1	9.8	5.0	-5.3	-6.9	-13.0	-8.5	1.9	-1.6	-8.9	-0.9
Non-energy commodity prices (EUR)	<i>% ch. on prev. period</i>				1.8	-4.2	0.5	-5.1	-3.6	-1.1	-3.0	-0.7	-0.6	--
	<i>% ch. on prev. year</i>		12.6	-5.5	-4.5	0.7	-3.5	-7.0	-6.2	-6.7	-8.2	-13.7	-11.5	--
<b>7. Monetary and financial indicators</b>														
Nominal interest rates (3 month)	<i>level</i>		1.39	0.57	0.36	0.20	0.21	0.21	0.21	0.20	0.21	0.22	0.23	0.23
Nominal interest rates (10 year)	<i>level</i>		2.65	1.56	1.41	1.46	1.51	1.36	1.22	1.33	1.54	1.50	1.74	1.95
ECB repo rate	<i>level</i>		1.25	0.88	0.78	0.75	0.75	0.60	0.75	0.55	0.50	0.50	0.50	0.50
Stock market (Eurostoxx)	<i>% ch. on prev. period</i>				7.8	5.9	5.2	0.7	-1.6	5.7	-4.7	1.2	4.4	-1.1
	<i>% ch. on prev. year</i>		-6.1	-7.6	0.8	11.7	8.2	21.0	12.6	26.7	23.3	19.0	15.6	9.6
Money demand (M3)	<i>% ch. on prev. year</i>		1.5	3.0	3.0	3.7	3.0	2.8	3.2	2.9	2.4	2.2	--	--
Loans to households	<i>% ch. on prev. year</i>		1.6	0.5	0.0	0.5	0.4	0.0	0.4	0.2	0.0	0.1	--	--
Loans to non-financial corporations	<i>% ch. on prev. year</i>		1.2	-2.3	-1.5	-2.3	-2.4	-3.2	-3.0	-3.1	-3.2	-3.7	--	--
	<i>level</i>		1.39	1.28	1.25	1.30	1.32	1.31	1.30	1.30	1.32	1.31	1.33	1.32
Bilateral exchange rate EUR/USD	<i>% ch. on prev. period</i>				-2.4	3.7	1.8	-1.1	0.5	-0.3	1.6	-0.8	1.8	-1.0
	<i>% ch. on prev. year</i>		5.0	-7.7	-11.5	-3.8	0.7	1.9	-1.0	1.5	5.3	6.4	7.3	2.5
Nominal effective exchange rate	<i>% ch. on prev. period</i>				-2.4	2.1	2.9	0.1	0.2	0.1	1.0	0.0	0.6	-0.5
	<i>% ch. on prev. year</i>		-0.2	-5.4	-7.4	-4.2	1.2	2.7	1.0	2.5	4.5	6.5	7.2	4.5

(1) LTA=Long-Term Average

(2) Data available until the date of update



## 1. Output

According to Eurostat's second estimate released on September 4, in 2013-Q2 **GDP** in the euro area increased by 0.3% quarter-on-quarter (q-o-q) and fell by 0.5% year-on-year (y-o-y). As regards GDP components, private consumption rose by 0.2%, government consumption was up by 0.4%, gross fixed capital formation increased by 0.3%, exports and imports rose by 1.6% and 1.4% respectively.

According to the **Commission's spring 2013 forecast**, released on 3 May, euro-area real GDP is expected to contract by 0.4% in 2013, and to increase by 1.2% in 2014 on the back of rebuilding confidence, a more favourable external environment, and improved real disposable income growth. Concerning euro-area Member States, growth differences are set to remain pronounced.

In August 2013, the **Commission's Economic Sentiment Indicator** increased sharply by 2.7 points (to 95.2 points.), which marked the fourth consecutive improvement. It resulted from pronounced improvements in confidence among consumers and managers in industry, services and retail trade. Only in the construction sector confidence weakened. Industry confidence increased significantly (+2.7) fuelled by managers' much more positive assessment of the current level of overall order books and production expectations. Their assessment of the stocks of finished products improved, too. Services confidence increased as well (+2.5), resulting from a sharp rise in managers' assessment of the past business situation and sizeable improvements concerning past demand and demand expectations.

In June 2013, **industrial production** grew by 0.7% month-on-month (m-o-m) following a decline by 0.2% in May. In June, production of durable consumer goods (4.9% m-o-m), capital goods (2.5% m-o-m) and intermediate goods (0.5%) increased, whereas production of non-durable consumer goods and energy production decreased by 0.6% and 1.5%, respectively. As compared to June 2012, industrial production was 0.3% higher reflecting a substantial increase in the production of capital goods (3.3%), whereas all other types of goods recorded declines of 1% or more.

## 2. Private consumption

In 2013-Q2, **private consumption** slightly increased by 0.2% q-o-q (-0.2% in 2013Q1), after six consecutive quarters of decreases. With respect to the same period of the previous year, private consumption was down by 0.6% (from -1.3% in 2013-Q1).

In August 2013, **consumer confidence** increased markedly (1.8 pp.) for the ninth consecutive month. Consumers' opinions on the future financial situation of their households and on their savings over the next twelve months also brightened, while their unemployment expectations remained unchanged.

In July 2013, the volume of **retail trade** rose by 0.1% m-o-m after falling by 0.7% in June, while the annual rate of change declined further (to -1.3%). In August, confidence in the retail sector rose substantially (3.3 pp.). Managers were particularly more confident about the future business situation. Also their assessments of the present business situation and their volume of stocks improved markedly.

## 3. Investment

**Gross fixed capital formation** has increased by 0.3% (q-o-q) in 2013Q2, after declining for eight consecutive quarters. Compared to the same quarter of the previous year, investment was 3.5% lower. The rate of **capacity utilisation** rose in the third quarter of 2013 (data collected in July) to 78.3%, but remains below its long-term average of 81.4%.

## 4. Labour market

In July 2013, the seasonally-adjusted **unemployment rate** was 12.1%, unchanged since April and 0.6 pp. higher than one year ago. Eurostat estimates that 19.231 million men and women were unemployed in July, which is slightly less than in June (-15,000) but markedly more than in July 2012 (1.08 million).

The aggregate number conceals sharp differences across Member States with the lowest rates recorded in Austria (4.8%) and Germany (5.3%), and the highest rates in Greece (27.6% in May) and Spain (26.3%).

In July, the youth unemployment rate was 24.0% (23.3% in July 2012).

In 2013-Q1, seasonally-adjusted **employment** decreased by 0.5% q-o-q (-0.3% in 2012-Q4). According to the Commission's survey results, **employment expectations** in August were revised upwards in industry, services and retail trade, while decreasing in construction. Consumers' unemployment expectations remained unchanged in August, after decreasing for five consecutive months.

## 5. International transactions

In June 2013, the **world trade volume** (goods) decreased by 0.5% m-o-m, following -0.9% in May. World trade had expanded by 0.3% q-o-q in 2013-Q2 (0.8% in 2013-Q1). In August 2013, the positive overall



developments were also reflected in an improving assessment of the current level of **export order books in manufacturing** to -21.3 pp. (from -23.9 pp. in July), although remaining below its long-term average (-18.6).

In June 2013, the seasonally adjusted **trade balance** was in surplus, for the twentieth consecutive month, at €14.9 bn. The seasonally adjusted **current-account balance** also recorded a surplus, for the eighteenth month in a row (€6.9 bn.). Surpluses were recorded for goods, services and income (€1.8 bn, €8.7 bn and €6.4 bn respectively), whereas a deficit was registered for current transfers (€0.1 bn). The **financial account** recorded net inflows of €18 bn, by way of net inflows for portfolio investment (€23 bn), which were partly offset by net outflows in direct investment (€5 bn).

## 6. Prices

In August 2013, the **HICP inflation rate** in the euro area is expected to have decreased to 1.3%, from 1.6% in July, according to Eurostat's flash estimate. Looking at the main components of headline inflation, food, alcohol & tobacco is expected to have the highest annual rate in August (3.3%, from 3.5%), followed by services (1.5%, from 1.4%), non-energy industrial goods (0.3%, from 0.4%) and energy (-0.4%, from 1.6%). **Core inflation** (all items excl. energy and unprocessed food) remained unchanged to 1.3% in July, for the third month in a row.

The **Commission's spring 2013 forecast** projects HICP inflation rates of 1.6% in 2013 and 1.5% in 2014. In May 2013, **consumer price expectations** slightly declined, falling further below their long-term average. In July 2013, **industrial producer prices** rose by 0.3% (m-o-m), up from 0.0% in June.

In May-July, Brent oil prices traded in the range of USD 100-109 per barrel. In August, the range was USD 106-116 per barrel. On 9 September, Brent crude traded at 116.0 USD/bbl. (corresponding to 87.5 EUR/bbl.). In August, oil price developments were driven by increased geopolitical uncertainty, news about the strength of the economic rebound in advanced and emerging economies, weaker OPEC supply, and expectations of stronger refinery oil demand.

## 7. Monetary and financial indicators

**Money market interest rates** were broadly stable in early 2013. Throughout August, the 3-month Euribor stood at 0.23% (0.22 in July and 0.21% in June). At its meeting on 5 September, the ECB Governing Council decided that the **policy interest rates** on the main refinancing operations and the interest rates on the

marginal lending facility and the deposit facility would remain unchanged at 0.50%, 1.00% and 0.00% respectively, after lowering the first two of these during the meeting on 2 May.

Benchmark **sovereign bond yields** picked up further over the last few weeks in response to uncertainty over monetary policy and positive economic signals. In late August, the higher-yielding segment of the euro-area bond market experienced volatility and most sovereign bond spreads widened. In the euro area, on 9 September the benchmark yield of ten-year sovereign bonds stood at 1.95%, which is slightly higher than in the previous months.

The July 2013 ECB Bank Lending Survey showed that, the pace of credit tightening to non-financial corporations stood unchanged in 2013-Q2. The net percentage of banks reporting tightening of lending standards declined for mortgages and consumer credit. In July 2013, **monetary developments** remained subdued with M3 slightly decreasing at an annual rate of 2.2% (from 2.4% in June). The annual growth rate of loans to the private sector was -1.4%, down from -1.0% in the previous month (adjusted for loan sales and securitisation). Loans to non-financial corporations contracted at -2.8% in July (from -2.3% in June). The growth rate of loans to households stood at 0.3% in July, unchanged from June.

In the US, at its July meeting the FOMC confirmed the highly accommodative stance of monetary policy for the near term. The federal funds rate remains between 0 to ¼% with thresholds related to the unemployment rate remaining above 6½%, inflation projections not exceeding the 2% target by more than 0.5 pp., and longer-term inflation expectations continuing to be well anchored. On 9 September, the US 3-month Libor rate stood at 0.26%.

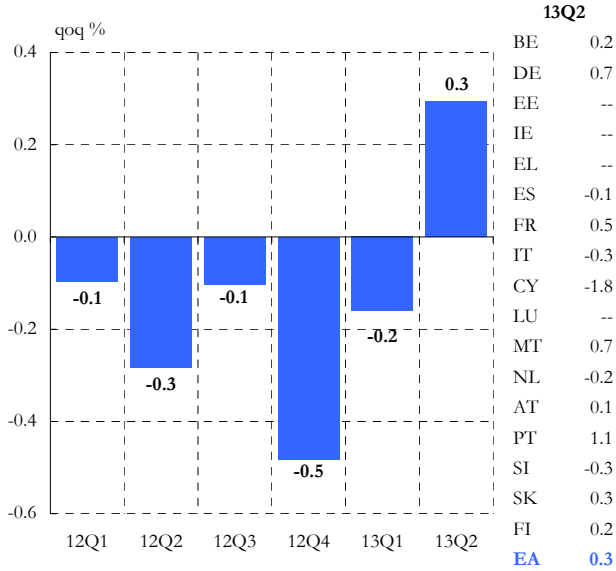
Since July 2013, the EUR/USD **exchange rate** has moved in a relatively narrow band between 1.28 and 1.34 USD, which is below this year's high of 1.3644 (February 1). Vis-à-vis the yen, the euro has been slowly appreciating since this year's low of 113.61 on 1 January. On 10 September, the euro foreign exchange reference rates stood at 1.3240 USD and 132.80 JPY.

European **stock markets** rose sharply in July and August 2013 reflecting, inter alia, data supporting the scenario of a gradual recovery in Europe. Following these few weeks of stock market gains, investor moods suddenly worsened. Over the last two weeks, stock market valuations decreased amid a general retrenchment in risk-taking.

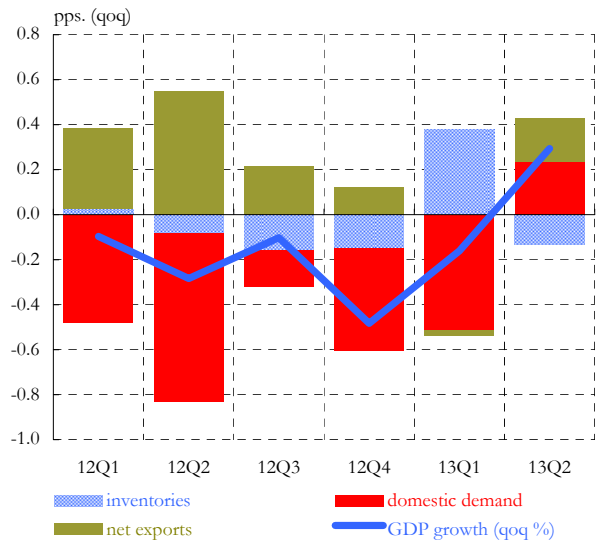


1. OUTPUT

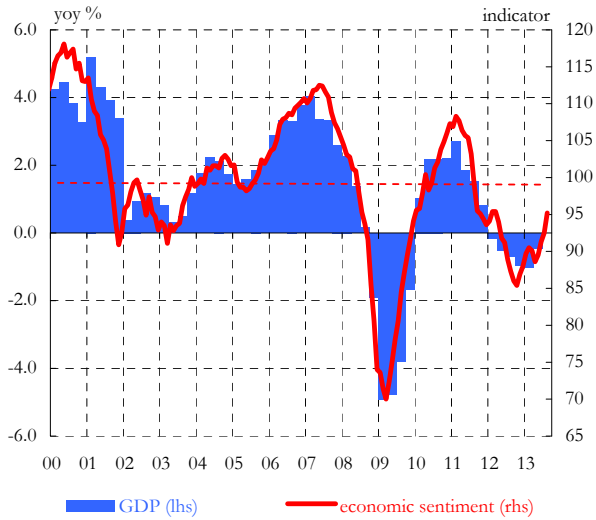
GDP



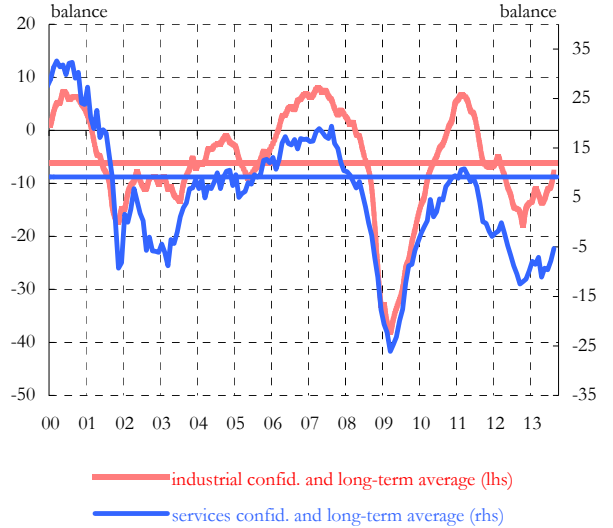
Contributions to GDP growth



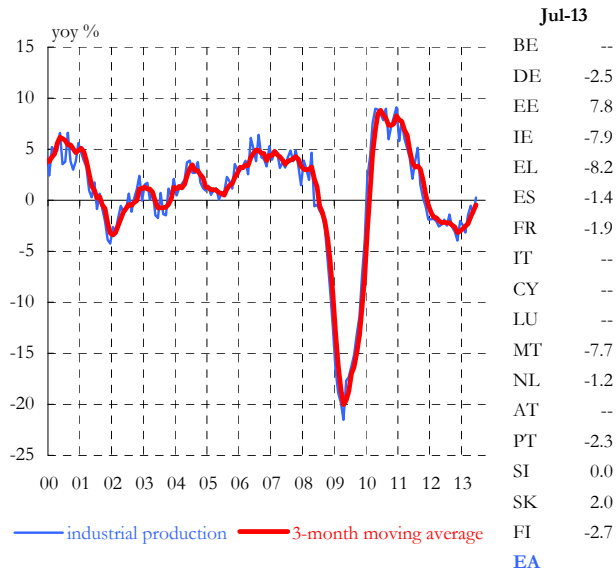
GDP and Economic Sentiment Indicator



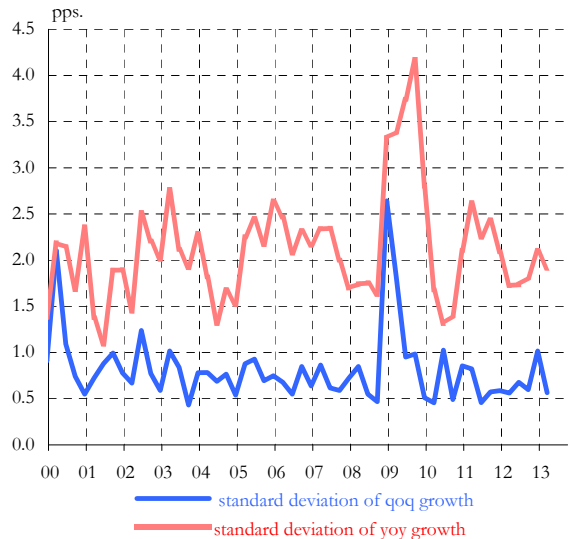
Industrial and services confidence



Industrial production



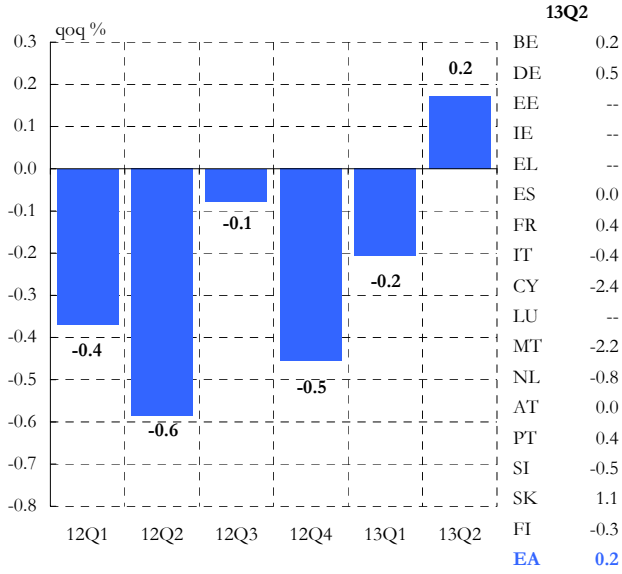
GDP growth divergence, euro area



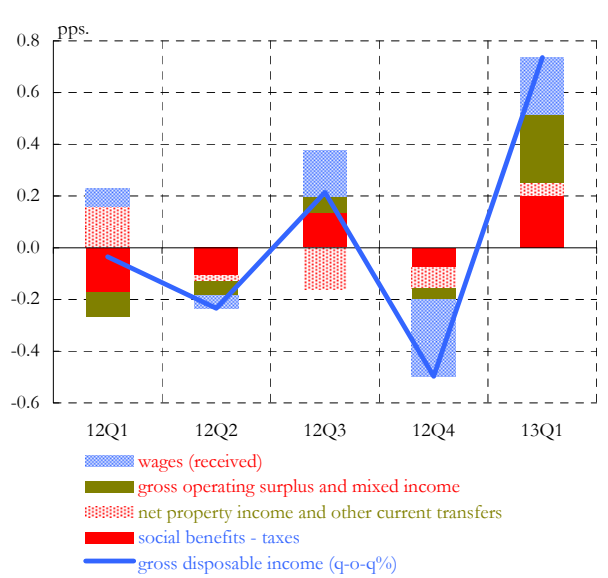


2. PRIVATE CONSUMPTION

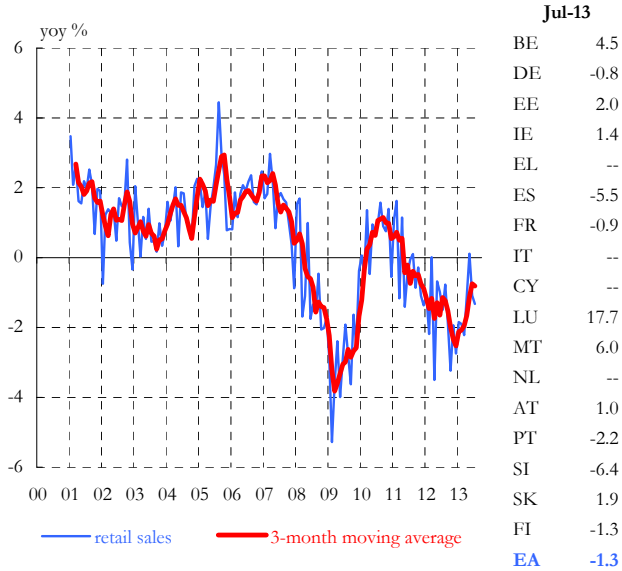
Private consumption



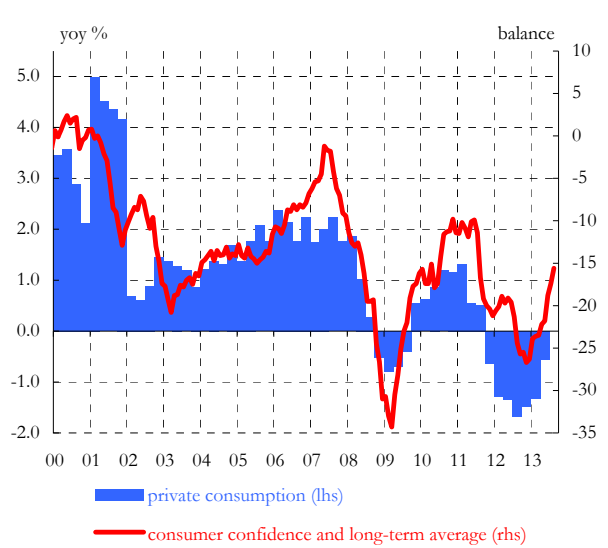
Household adjusted gross disposable income



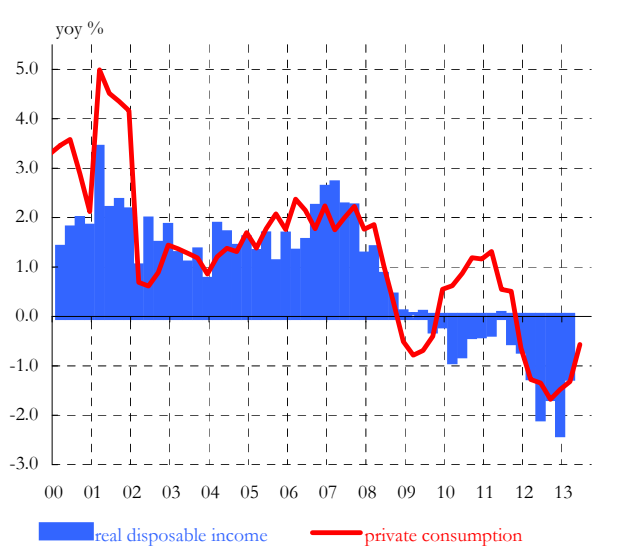
Retail sales



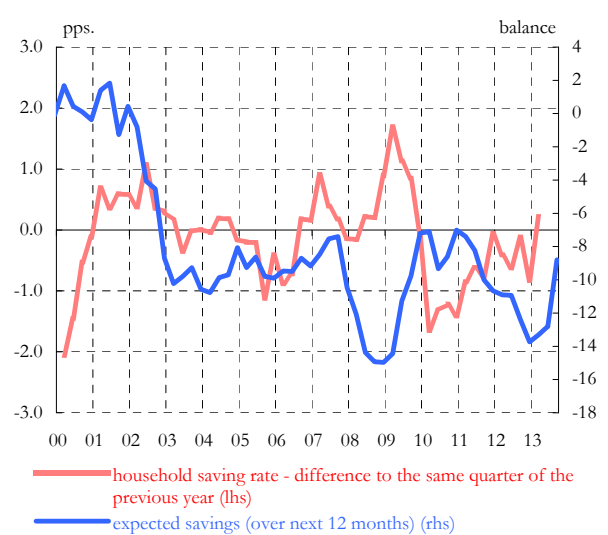
Consumer confidence and private consumption



Households: real disposable income and consumption



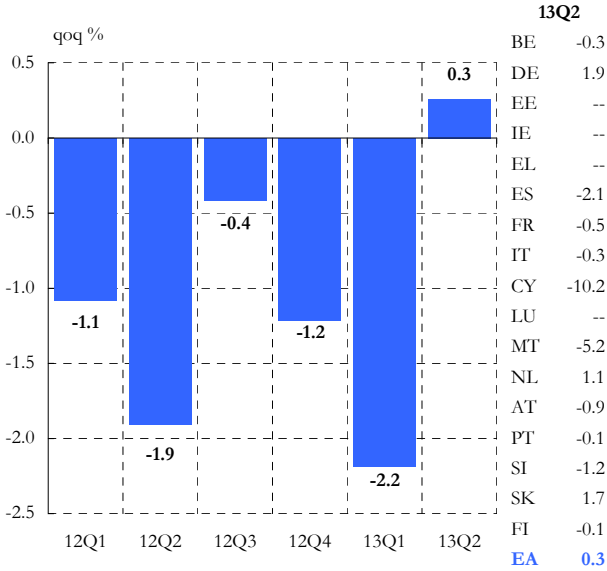
Households: actual saving rate and expected savings



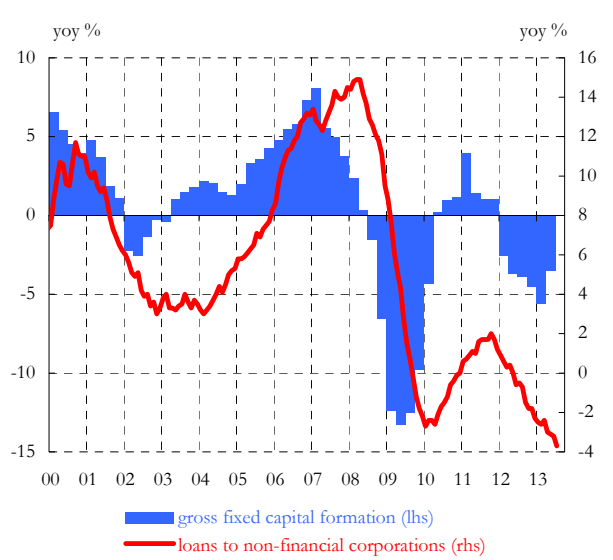


3. INVESTMENT

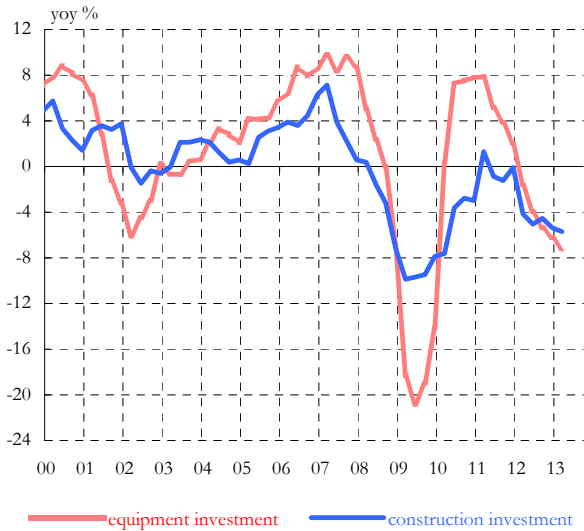
Gross fixed capital formation



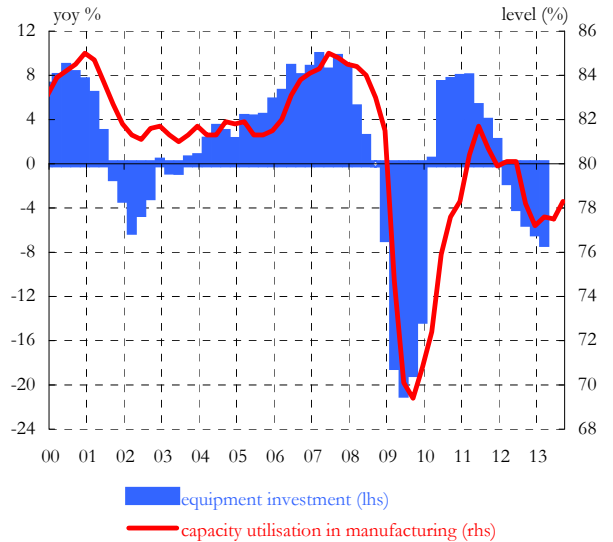
Gross fixed capital formation and corporate loans



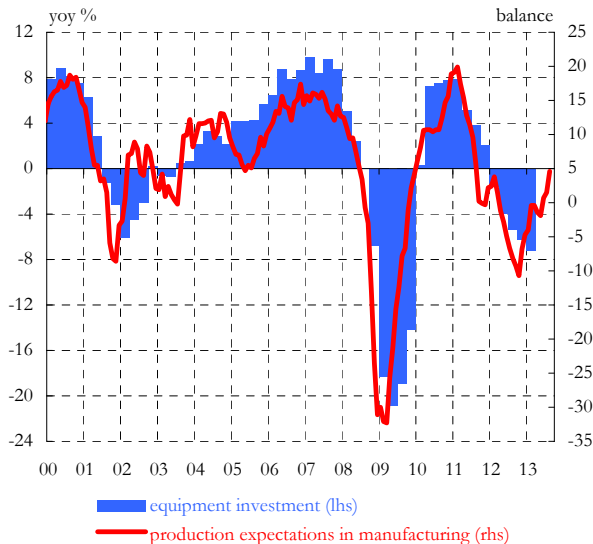
Equipment and construction investment



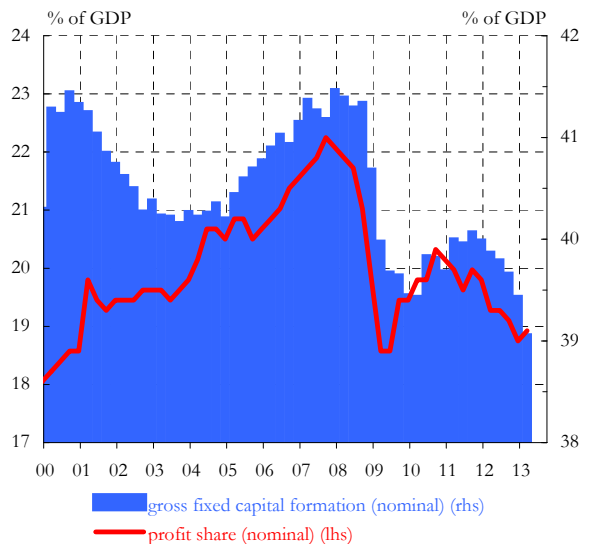
Equipment investment and capacity utilisation



Equipment investment and production expectations



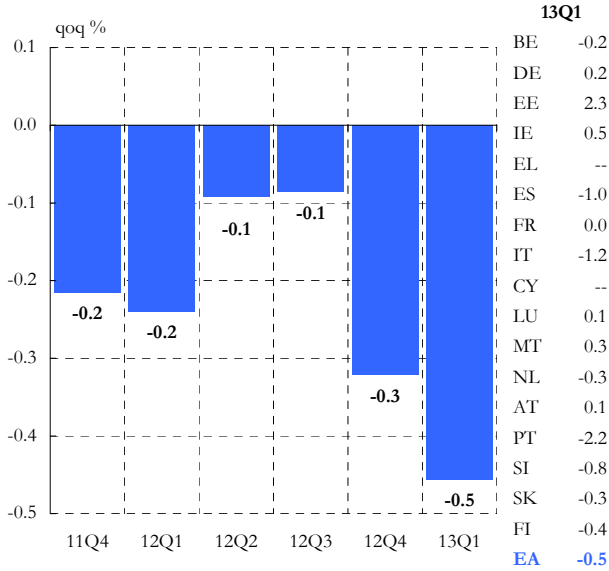
Gross fixed capital formation and profit share



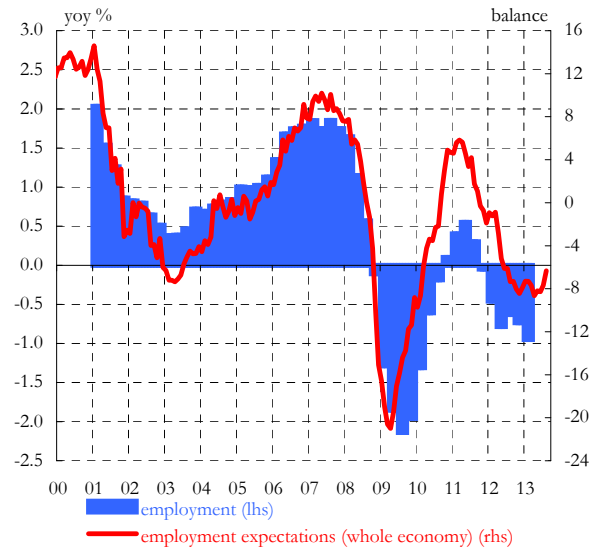


4. LABOUR MARKET

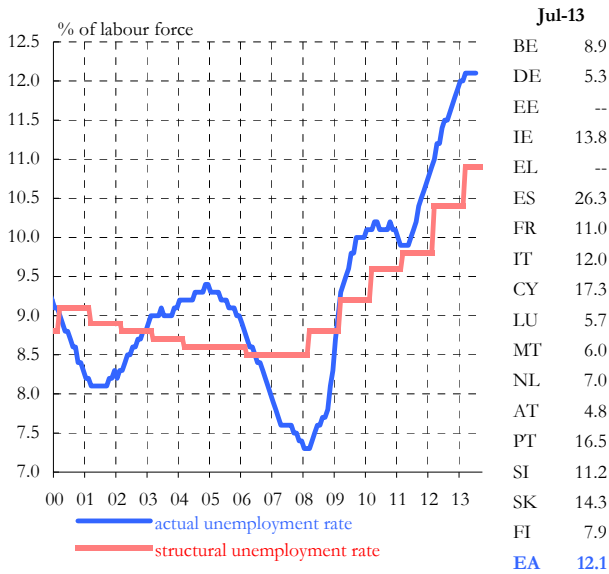
Employment



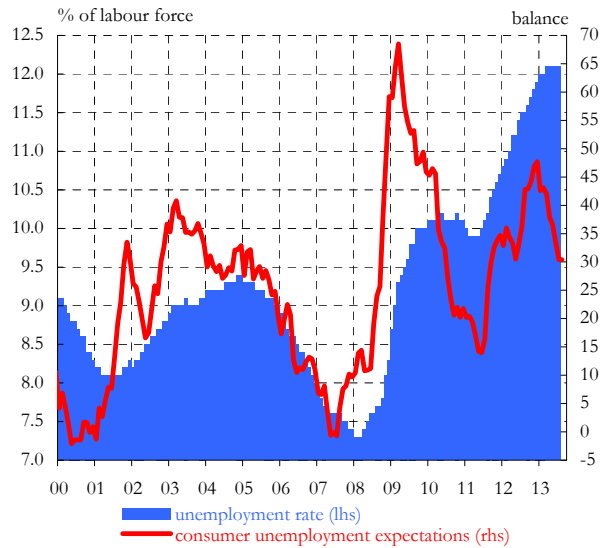
Employment and employment expectations



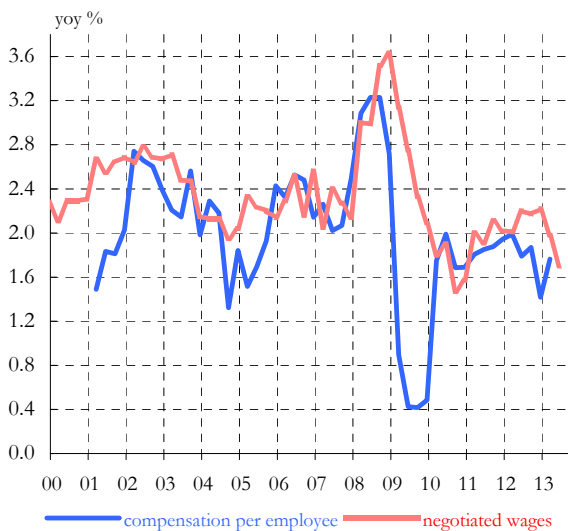
Actual and structural unemployment rate



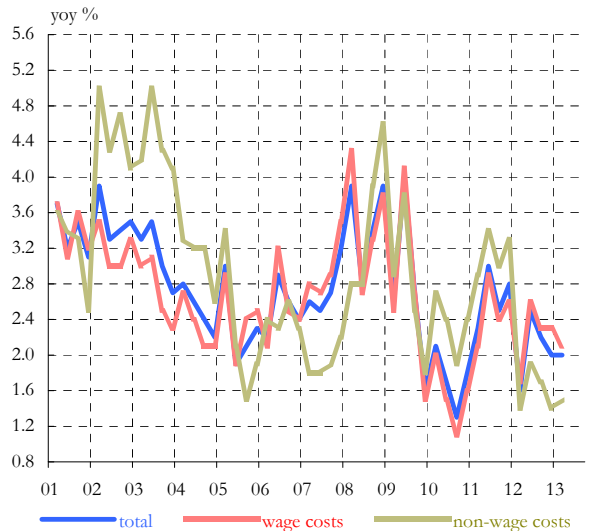
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



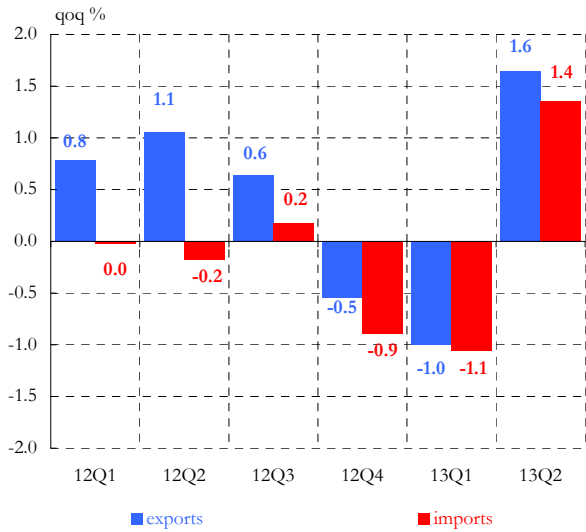
Labour costs in the private business sector (nominal)



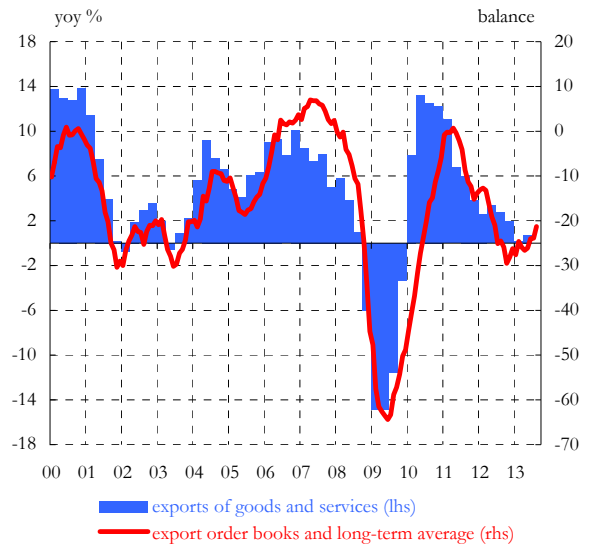


5. INTERNATIONAL TRANSACTIONS

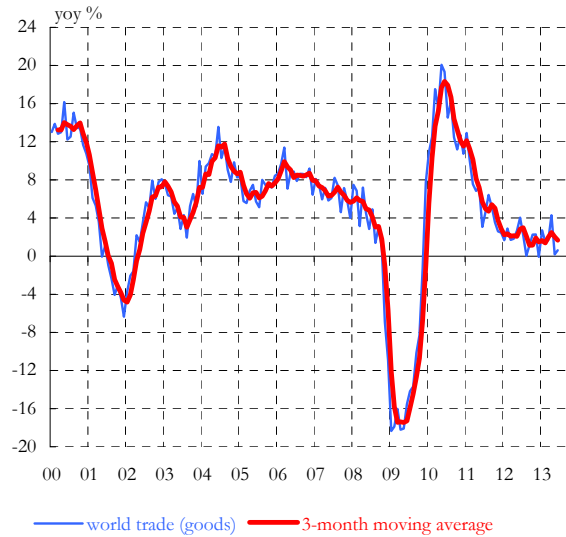
Exports and imports of goods and services



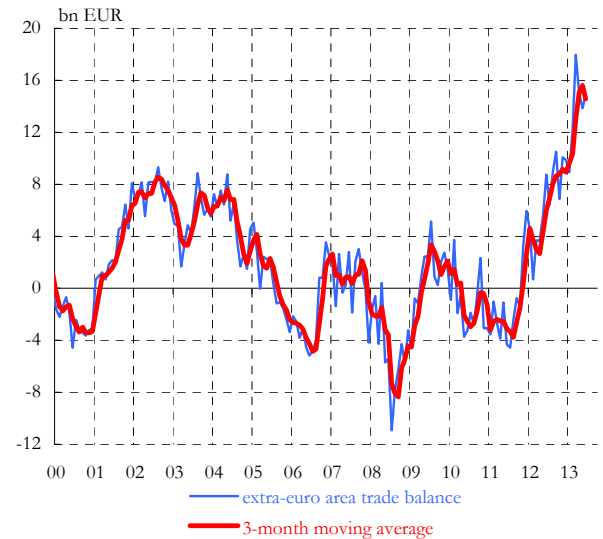
Exports and export order books



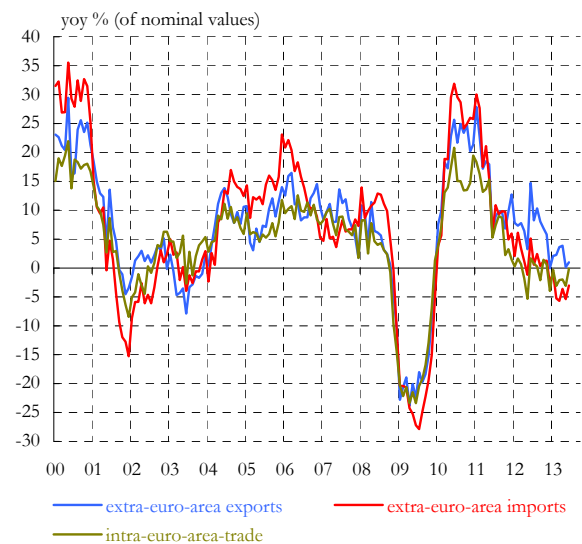
World trade



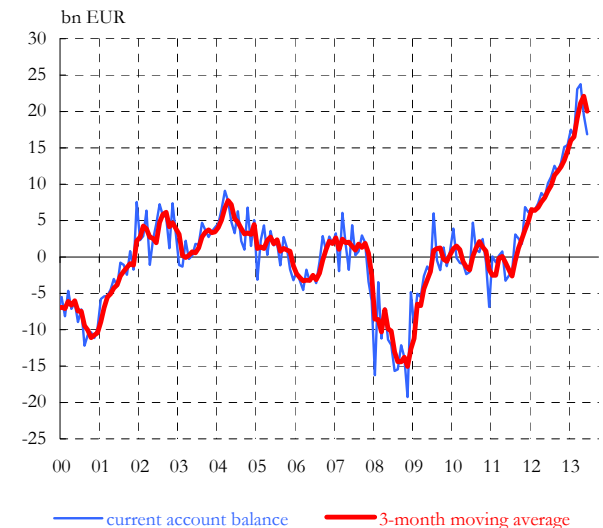
Extra euro-area trade balance



Extra- and intra-euro-area trade



Current-account balance

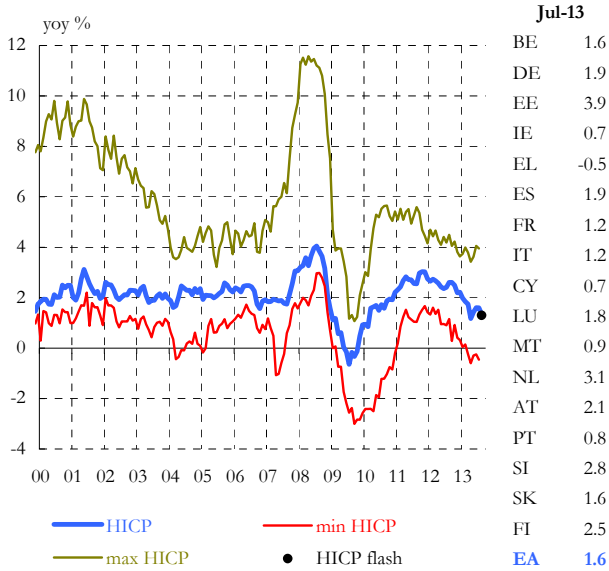




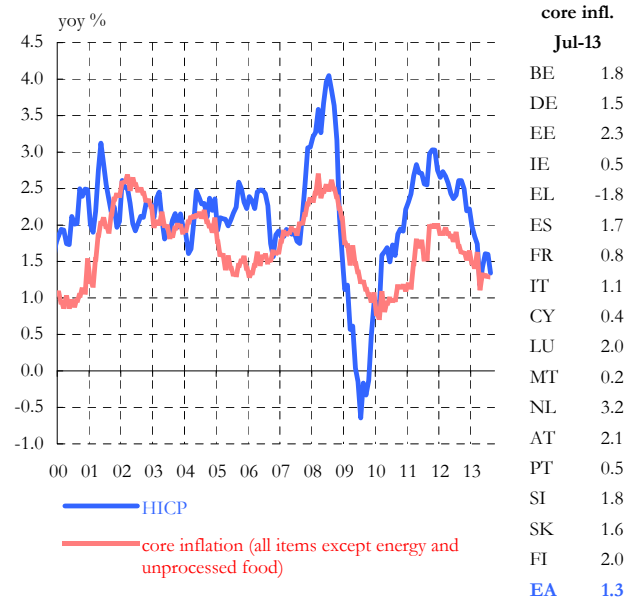


6. PRICES

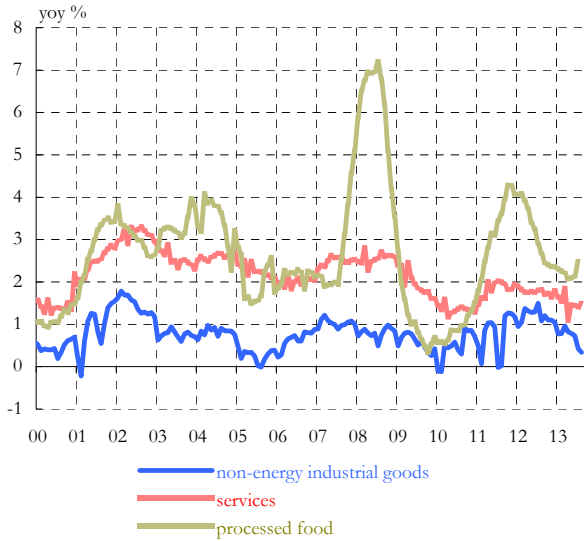
Harmonised index of consumer prices (HICP)



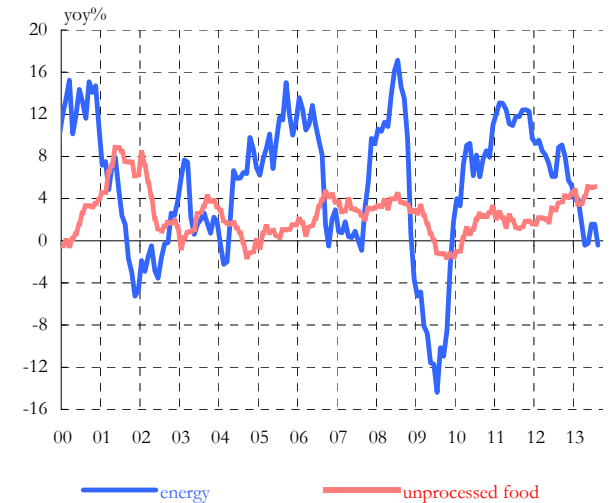
HICP headline and core inflation



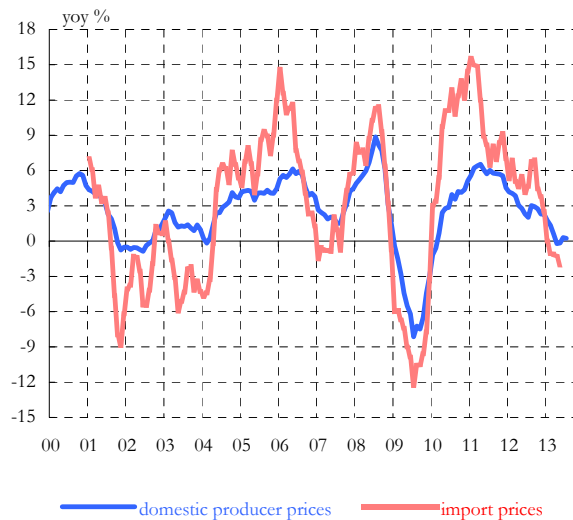
Breakdown of core inflation



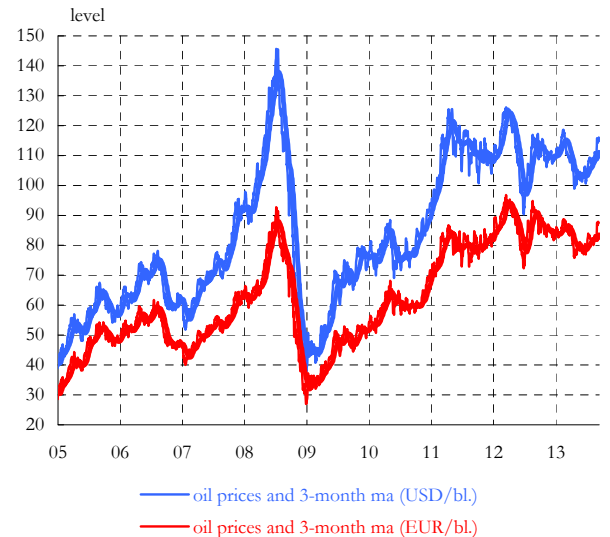
Energy and unprocessed food



Domestic producer prices and import prices



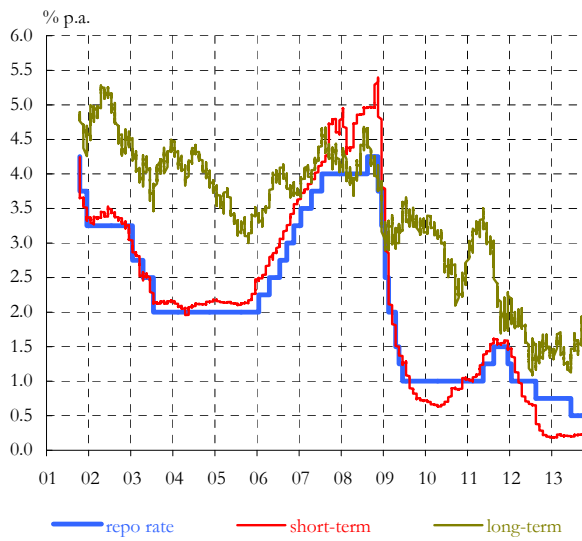
Oil prices



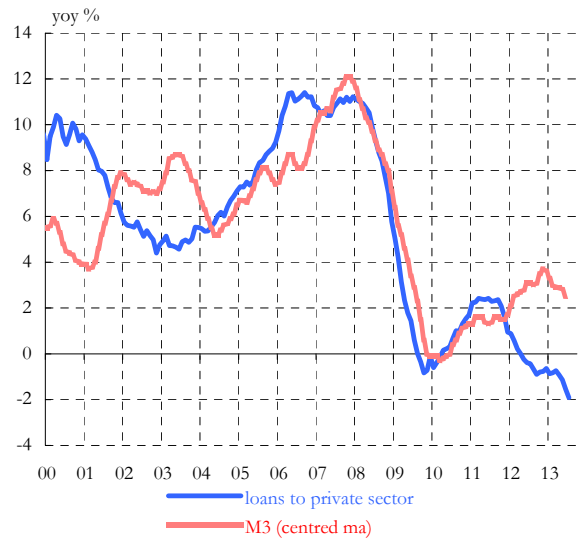


7. MONETARY AND FINANCIAL INDICATORS

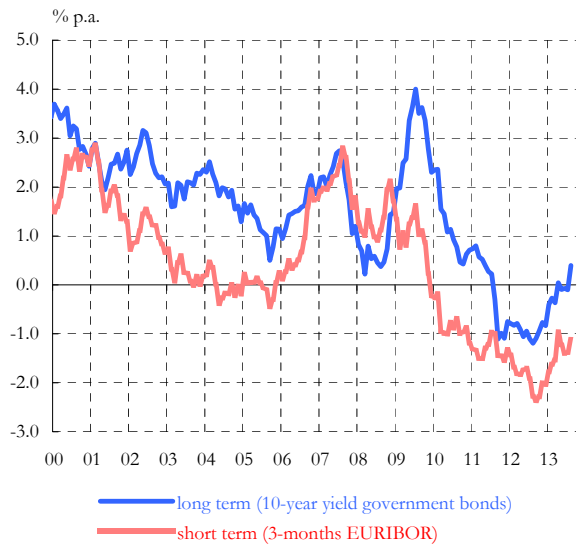
Nominal interest rates



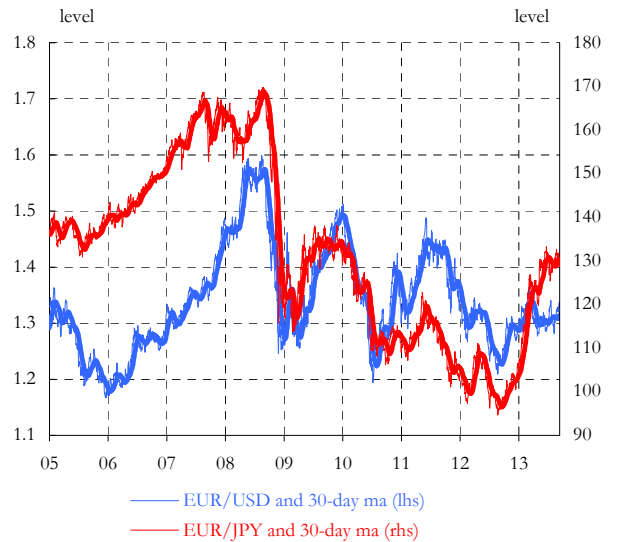
Loans to private sector and money supply



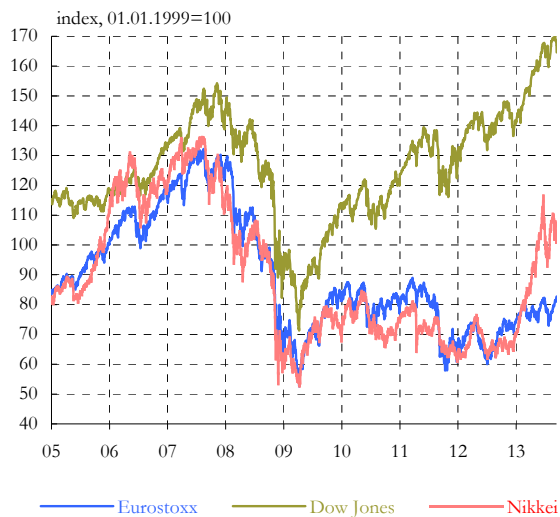
Real interest rates



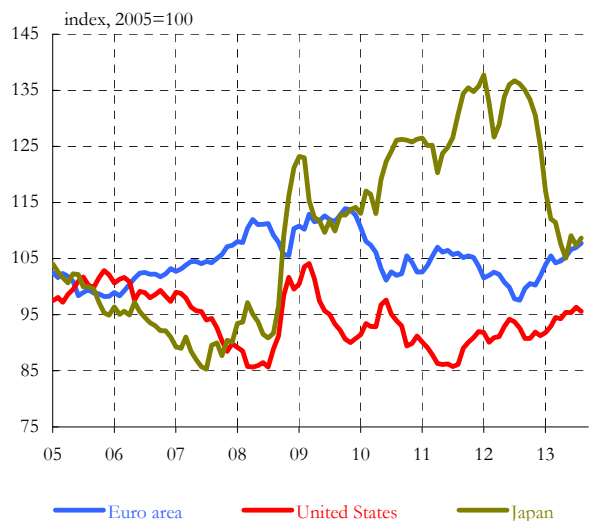
Euro vis-à-vis US dollar and JP yen



Stock market indices



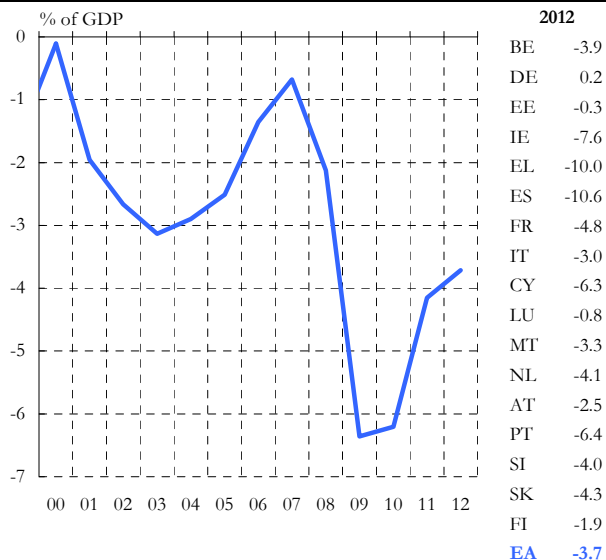
Nominal effective exchange rates



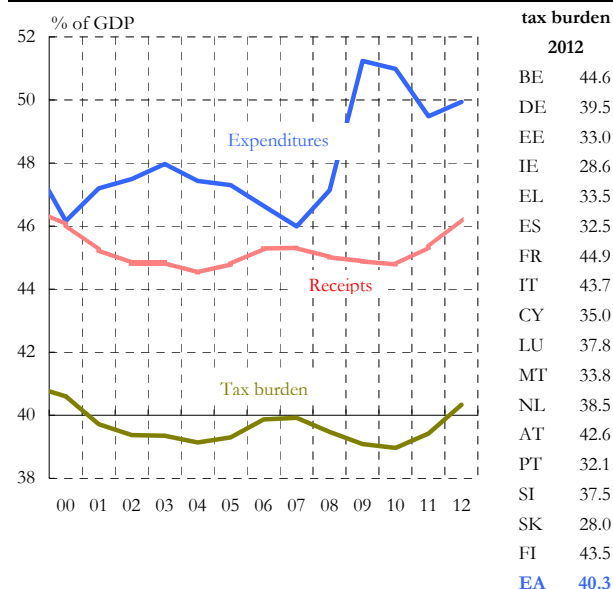


8. PUBLIC FINANCES

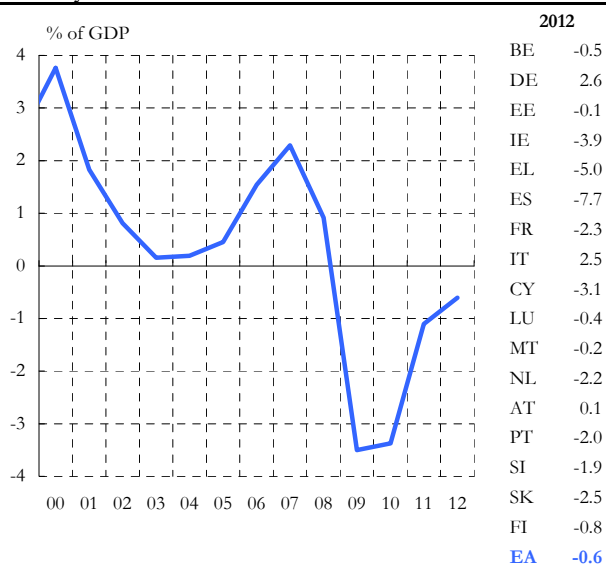
General government balance



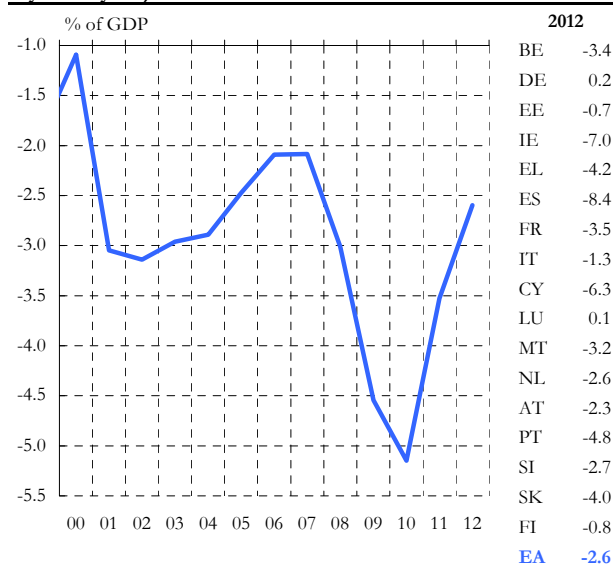
General government expenditure and receipts



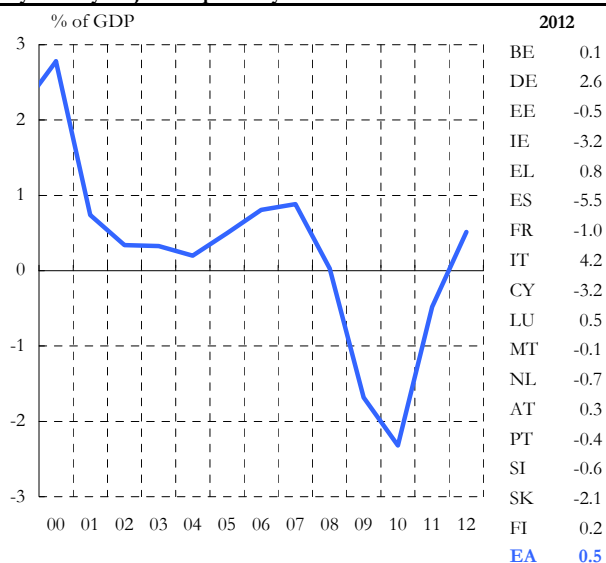
Primary balance



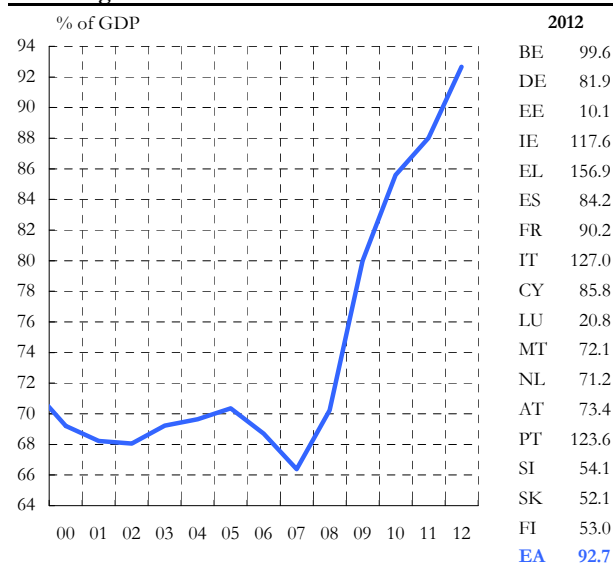
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



\* Figures are from the Commission's spring 2013 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 Industry Production Index (2010=100), NACE Rev.2, 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 2005), 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 2005), 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 2005), EUR. Data are seasonally and working-day adjusted.	Eurostat
Equipment investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year 2005), 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 2005), 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, 2005=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 2005), 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 2005), 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 2010=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 2005=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 2010=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