

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

	LTA <sup>(1)</sup>	2012	2013	13Q1	13Q2	13Q3	13Q4	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	
<b>1. Output</b>														
Economic Sentiment	indicator	100.5	90.4	93.4	90.1	89.8	94.9	98.7	95.3	96.9	97.7	98.4	100.0	--
Industrial confidence	balance	-6.3	-11.7	-9.3	-12.2	-12.6	-8.3	-4.1	-7.8	-6.6	-5.0	-3.9	-3.4	--
Services confidence	balance	8.4	-6.9	-6.2	-7.8	-10.0	-5.4	-1.5	-5.2	-3.2	-3.7	-0.9	0.2	--
Industrial production	% ch. on prev. period				0.4	0.7	0.0	--	1.0	-0.2	-0.8	1.8	--	--
(excluding construction)	% ch. on prev. year	0.8	-2.5	-0.4	-2.3	-1.0	-1.1	--	-1.4	0.2	0.5	3.0	--	--
Gross domestic product	% ch. on prev. period				-0.2	0.3	0.1	--						
	% ch. on prev. year	1.6	-0.7	-0.4	-1.2	-0.6	-0.3	--						
Labour productivity	% ch. on prev. period				0.2	0.4	0.1	--						
	% ch. on prev. year	0.3	0.0	0.4	-0.1	0.5	0.5	--						
<b>2. Private consumption</b>														
Consumer confidence	balance	-12.7	-22.3	-18.8	-23.7	-20.9	-16.0	-14.5	-15.6	-14.9	-14.5	-15.4	-13.6	--
Retail confidence	balance	-8.9	-15.2	-12.6	-16.2	-16.6	-10.5	-6.9	-10.6	-6.9	-7.8	-7.8	-5.1	--
Private consumption	% ch. on prev. period				-0.1	0.1	0.1	--						
	% ch. on prev. year	1.4	-1.4	-0.7	-1.2	-0.6	-0.4	--						
Retail sales	% ch. on prev. period				0.2	0.2	0.4	--	0.5	-0.6	-0.4	1.4	--	--
	% ch. on prev. year	0.8	-1.7	-2.6	-2.0	-0.8	-0.3	--	-0.2	0.0	-0.3	1.6	--	--
<b>3. Investment</b>														
Capacity utilisation	level (%)	81.3	78.9	78.0	77.6	77.5	78.3	78.4	--	--	78.4	--	--	--
Production expectations (manuf.)	balance	6.0	-4.0	2.8	-1.6	-0.9	4.4	9.2	4.6	7.0	9.4	9.7	8.4	--
Gross fixed capital formation	% ch. on prev. period				-2.0	0.3	0.5	--						
	% ch. on prev. year	1.2	-4.1	-3.4	-5.5	-3.5	-2.4	--						
- equipment investment	% ch. on prev. period				-2.0	1.3	0.2	--						
	% ch. on prev. year		-4.6	--	-5.9	-2.5	-1.4	--						
- construction investment	% ch. on prev. period				-2.2	-0.3	0.7	--						
	% ch. on prev. year		-4.2	--	-5.9	-4.5	-3.2	--						
Change in stocks	contrib. to GDP (pp.)	0.0	-0.4	--	0.1	-0.2	0.4	--						
<b>4. Labour market</b>														
Employment expectations (manuf.)	balance	-11.1	-8.6	-9.7	-11.1	-12.2	-9.4	-6.1	-9.7	-8.2	-7.3	-6.3	-4.7	--
Employment expectations (services)	balance	4.0	-2.4	-4.1	-4.9	-5.6	-4.1	-1.9	-3.7	-3.1	-3.2	-1.4	-1.2	--
Employment	% ch. on prev. period				-0.4	0.0	0.0	--						
	% ch. on prev. year	0.9	-0.7	-0.9	-1.0	-1.1	-0.8	--						
Employment (000)	abs. ch. on prev. period		-963	-1,196	-652	-72	-6	--						
Compensation of employees per head (nominal)	% ch. on prev. period				0.8	0.3	0.3	--						
	% ch. on prev. year	2.0	1.9	1.5	1.6	1.6	1.6	--						
Unemployment expectations	balance	27.1	38.4	34.6	42.6	35.9	29.8	30.0	30.4	28.6	29.3	31.4	29.2	--
Unemployment rate	% of lab. force		11.4	12.1	12.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	--	--
Unemployment (000)	abs. ch. on prev. period		2,029	1,133	332	80	66	-14	47	49	-64	4	--	--
<b>5. International transactions</b>														
World trade	% ch. on prev. period				0.9	0.3	1.1	--	-0.6	0.8	1.6	0.2	--	--
	% ch. on prev. year		1.9	--	1.9	1.7	3.1	--	2.8	3.2	4.0	3.8	--	--
Export order books	balance	-18.7	-21.2	-22.2	-26.0	-25.6	-21.5	-15.6	-21.3	-19.3	-18.2	-14.3	-14.3	--
Trade balance (merchandise)	billion EUR		86.7	142.9	36.4	39.9	36.3	30.3	12.5	12.8	14.3	16.0	--	--
Exports of goods and services	% ch. on prev. period				-0.9	2.1	0.3	--						
	% ch. on prev. year	5.0	2.5	1.3	0.1	1.3	0.9	--						
Imports of goods and services	% ch. on prev. period				-1.1	1.5	1.2	--						
	% ch. on prev. year	4.7	-1.0	-0.2	-1.9	-0.3	0.6	--						
Current-account balance	billion EUR		128.6	200.2	50.4	61.5	42.7	45.7	15.4	14.3	22.2	23.5	--	--
Direct investment	billion EUR		-3.6	-121.6	-24.0	-55.6	-27.8	-14.3	-1.0	-34.7	-1.7	-12.6	--	--
Portfolio investment	billion EUR		72.3	143.1	16.5	67.1	3.9	55.6	17.2	18.5	2.1	53.5	--	--
<b>6. Prices</b>														
Consumer inflation expectations	balance	21.2	25.0	16.7	19.9	15.8	15.7	15.2	17.0	14.9	16.7	14.0	14.9	--
Headline inflation (HICP)	% ch. on prev. year		2.4	1.4	1.9	1.4	1.3	0.8	1.3	1.1	0.7	0.9	0.9	--
Core HICP	% ch. on prev. year		1.8	1.3	1.5	1.3	1.3	1.0	1.3	1.2	1.0	1.1	0.9	--
Domestic producer prices	% ch. on prev. year		2.8	-0.1	1.2	-0.1	-0.6	-1.1	-0.9	-0.9	-1.3	-1.2	--	--
Import prices	% ch. on prev. year		5.2	-2.3	-1.0	-2.1	-3.7	-3.0	-4.6	-4.1	-3.5	--	--	--
Oil (Brent) in USD	level		111.7	108.7	112.7	103.5	109.5	109.3	110.0	111.7	109.4	107.9	110.7	107.5
	% ch. on prev. period				2.3	-8.2	5.9	-0.2	2.6	1.6	-2.1	-1.4	2.6	-2.9
	% ch. on prev. year		0.7	-2.7	-4.7	-5.4	0.3	-0.8	-2.1	-1.5	-2.2	-1.4	1.3	-4.0
Oil (Brent) in EUR	level		79.6	86.9	87.3	85.0	85.4	79.3	79.7	79.6	78.3	81.8	82.6	79.0
	% ch. on prev. period				2.5	-2.7	0.4	-7.1	-5.8	-0.1	-1.7	4.5	0.9	-4.3
	% ch. on prev. year		31.4	9.1	9.8	5.0	-5.3	-6.9	-13.0	-8.5	1.9	-1.6	-8.9	-10.3
Non-energy commodity prices (EUR)	% ch. on prev. period				0.5	-5.1	-3.9	-2.3	-0.6	-1.2	-1.6	0.5	-0.1	--
	% ch. on prev. year		-5.5	-8.3	-3.5	-7.0	-12.2	-10.4	-11.5	-11.4	-11.3	-9.8	-10.2	--
<b>7. Monetary and financial indicators</b>														
Nominal interest rates (3 month)	level		0.57	0.22	0.21	0.21	0.22	0.24	0.23	0.22	0.23	0.22	0.27	0.29
Nominal interest rates (10 year)	level		1.56	1.59	1.51	1.36	1.70	1.79	1.74	1.90	1.80	1.72	1.85	1.84
ECB repo rate	level		0.88	0.55	0.75	0.60	0.50	0.37	0.50	0.50	0.50	0.35	0.25	0.25
Stock market (Eurostoxx)	% ch. on prev. period				5.2	0.7	3.2	8.5	4.4	2.2	4.3	2.2	-1.5	3.6
	% ch. on prev. year		-7.6	15.8	8.2	21.0	15.9	18.6	15.6	13.2	19.4	21.6	14.7	14.9
Money demand (M3)	% ch. on prev. year		3.0	2.4	3.0	2.8	2.2	1.5	2.3	2.0	1.4	1.5	--	--
Loans to households	% ch. on prev. year		0.5	0.1	0.4	0.0	0.1	0.1	0.1	0.1	0.2	0.1	--	--
Loans to non-financial corporations	% ch. on prev. year		-2.3	-3.9	-2.4	-3.3	-3.6	-3.9	-3.8	-3.6	-3.8	-3.9	--	--
	level		1.28	1.33	1.32	1.31	1.32	1.36	1.33	1.33	1.36	1.35	1.37	1.36
Bilateral exchange rate EUR/USD	% ch. on prev. period				1.8	-1.1	1.4	2.8	1.8	0.3	2.2	-1.0	1.6	-0.7
	% ch. on prev. year		-7.7	3.4	0.7	1.9	5.9	5.0	7.3	3.8	5.1	5.2	4.5	2.4
Nominal effective exchange rate	% ch. on prev. period				2.9	0.1	1.0	1.2	0.7	-0.2	0.9	-0.2	1.2	-2.2
	% ch. on prev. year		-5.4	3.9	1.2	2.7	6.3	5.4	7.4	4.9	5.2	5.6	5.3	1.2

(1) LTA=Long-Term Average

(2) Data available until the date of update

## 1. Output

Real **GDP** in the euro area continued growing in the third quarter of 2013. According to Eurostat's final estimate released on 10 January, it increased by 0.1% quarter-on-quarter (q-o-q) as private consumption rose by 0.1%, government consumption was up by 0.2%, gross fixed capital formation increased by 0.5%, whereas exports and imports rose by 0.3% and 1.2% respectively. As compared to 2012-Q3, real GDP was 0.3% lower.

According to the **Commission's autumn 2013 forecast**, released on 5 November, euro-area real GDP is expected to contract by 0.4% in 2013 (y-o-y), and to increase by 1.1% and 1.7% in 2014 and 2015 respectively, on the back of strengthening domestic demand, benefitting from rebuilding confidence and real disposable income growth, as well as a more favourable external environment. Real GDP growth differences across Member States are set to remain pronounced.

In December, the **Commission's Economic Sentiment Indicator** increased further by 1.6 points (to 100.0 points), which marked the eighth consecutive improvement. Sentiment in the euro area is back to its long-term average for the first time since July 2011. The latest increase resulted from rising confidence among consumers, as well as managers in services, retail trade, construction and, to a lesser extent, industry. Industry confidence moderately increased (0.5 points), driven by more positive assessments of the current level of overall order books and the stocks of finished products, which were somewhat counter-balanced by deteriorating production expectations. Services confidence registered a marked increase (1.1 points), resulting from significantly improved assessments of the past business situation and past demand, which contrasted with slightly deteriorating demand expectations. The **Flash PMI Composite Output Index** stood in January at 53.2 (up from 52.1), signalling expansion of economic activity for the seventh consecutive month, with the growth rate accelerating to the fastest since June 2011.

In November 2013, **industrial production** increased by 1.8% month-on-month (m-o-m) following a decrease of 0.8% in October. In November, production of capital goods, durable consumer goods, energy, non-durable consumer goods and intermediate goods increased respectively by 3.0%, 2.2%, 1.8%, 1.4% and 1.0%.

## 2. Private consumption

In 2013-Q3, **private consumption** slightly increased by 0.1% q-o-q (unchanged from 2013-Q2). With respect to the same period of the previous year, private consumption was down by 0.4% (-0.6% in 2013-Q2).

In November, **consumer confidence** increased by 1.8 points, thanks to more optimistic views of households on the future general economic situation,

their unemployment expectations and, to a lesser extent, their savings over the next 12 months.

In November 2013, the volume of **retail trade** increased by 1.4% m-o-m (-0.4% in October). As compared to November 2012, retail trade volumes increased by 1.6%. In December, confidence in the retail sector increased substantially (2.7 points), driven by managers' surging optimism about the future business situation and, to a lesser extent, improving appraisals of the present business situation and the volume of stocks.

## 3. Investment

In 2013Q3, **gross fixed capital formation** increased by 0.5% q-o-q (0.3% in 2013-Q2). Compared to the same quarter of the previous year, investment was 2.4% lower. The rate of **capacity utilisation** slightly rose in the fourth quarter of 2013 (data collected in October) to 78.4%, but remained below its long-term average of 81.3% and as such do not indicate much price pressure.

## 4. Labour market

In November, the seasonally-adjusted **unemployment rate** was 12.1%, stable since April, but 0.3 pp. higher than one year ago. Eurostat estimates that 19.241 million persons were unemployed in November, slightly less than in the preceding months, but more than in October 2012 (0.5 million). Significant differences persist across Member States with the lowest rates recorded in Austria (4.8%) and Germany (5.2%), and the highest in Greece (27.4% in September) and Spain (26.7%). In November, **youth unemployment** was 24.2% of the labour force of the same age (people aged 15-24), unchanged from October and markedly higher than one year ago (23.9%).

In 2013-Q3, seasonally-adjusted **employment** remained stable, for the second consecutive quarter (-0.4% in 2013-Q1). According to the Commission's survey results, **employment expectations** in December were revised upwards in industry, retail trade and construction, while remaining broadly unchanged in services. Consumer unemployment fears decreased in December (2.2 points), following two consecutive months of increase.

## 5. International transactions

In November 2013, the **world trade volume** (goods) increased 0.2% m-o-m, following an increase of 1.6% in October. World trade expanded by 1.1% q-o-q in 2013-Q3 (0.3% in 2013-Q2). In December 2013, the overall developments were also reflected in a stable assessment of the current level of **export order books in manufacturing** at -14.3 pp. (unchanged from November), above its long-term average.

In November 2013, the seasonally adjusted **trade balance** was in surplus, for the twenty-fifth consecutive month, at €16.0 bn. The seasonally adjusted

**current-account balance** also recorded a surplus, for the twenty-eighth month in a row (€23.5 bn.). Surpluses were recorded for goods, services and income (€8.6 bn, €9.5 bn and €5.0 bn respectively), whereas a deficit was registered for current transfers (€9.5 bn). The **financial account** recorded net inflows of €41 bn by way of net inflows for portfolio investment (€54 bn), which were partly offset by net outflows for direct investment (€13 bn).

## 6. Prices

In December 2013, the **HICP inflation rate** was 0.8%, down from 0.9% in November. Among the main components of headline inflation, food, alcohol & tobacco had the highest annual rate (1.8%, up from 1.6%), followed by services (1.0%, from 1.4%), non-energy industrial goods (0.3%, from 0.2%) and energy (0.0%, up from -1.1%). **Core inflation** (all items excl. energy and unprocessed food) decreased to 0.9% in December (from 1.1%). The highest month-on-month increases were registered for energy and services (0.6%).

The **Commission's autumn 2013 forecast** projects HICP inflation of 1.5% in 2014, and 1.4% in 2015. In December 2013, **consumer price expectations** increased, although remaining below their long-term average. In November 2013, **industrial producer prices** fell at an annual rate of 0.1%. Prices in intermediate goods decreased by 0.2%, whereas prices in the energy sector, non-durable consumer goods and durable consumer goods remained stable. Compared with November 2012, industrial producer prices decreased by 1.2%.

In recent weeks, Brent oil traded around USD 110/barrel and thus close to the **oil price** levels in the first half of the year, but markedly below the peak of USD 116 per barrel at the end of August. Downward pressure on prices resulted from a further increase in US shale production, which more than offset the fall in global biofuels. On 21 January, Brent crude traded at USD 106.41 USD/bbl. (corresponding to 78.48 EUR/bbl.).

## 7. Monetary and financial indicators

**Money market interest rates** increased in December with the 3-month EURIBOR standing at 0.27%. This reflected higher precautionary liquidity buffers towards the end of the year and was slightly reversed in January. At its meeting on 9 January, the ECB Governing Council kept **policy interest rates** on the main refinancing operations, on the marginal lending facility and the deposit facility unchanged at the levels resulting from the rate cut in November (at 0.25%, 0.75% and 0.00% respectively).

**Benchmark sovereign bond yields** had moved up in the euro area and the US in recent weeks, driven by strong

data and the Federal Open Market Committee (FOMC) decision about gradual tapering. But while yields in higher-rated euro-area countries increased, yields declined in most other Member States. On 21 January, the benchmark yield of ten-year sovereign bonds stood at 1.74%.

According to the ECB Bank Lending Survey for the third quarter of 2013, net tightening of credit standards to non-financial corporations edged down marginally and remained below historical averages. The net tightening of credit standards applied to housing loans decreased somewhat further below the historical average, whereas for loans for consumer credit banks reported a marginal net tightening after a slight net easing had been reported in the second quarter of 2013.

As to **bank lending**, the annual rate of change of M3 increased slightly to 1.5% in November 2013 (1.4% in October) reflecting inflows to the most liquid components. The annual growth rate of loans to the private sector was broadly unchanged (-1.8%, down from -1.7% in October, adjusted for loan sales and securitisation). Loans to non-financial corporations contracted by 3.1% in November (-3.0% in October). The growth rate of loans to households stood at 0.3% in November, broadly unchanged since early 2013.

Following the reaffirmation of the highly accommodative stance of monetary policy in the US at the December meeting of the FOMC, 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 21 January, the US 3-month Libor rate stood at 0.24%.

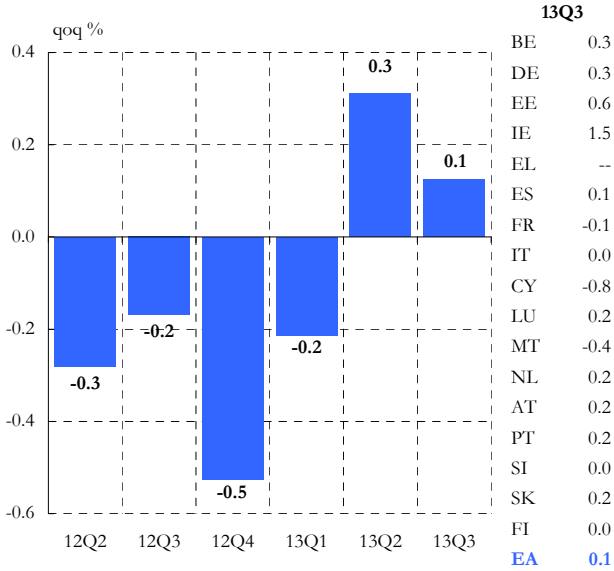
Since mid-2013, the **EUR/USD exchange rate** fluctuated between 1.28 and 1.39 USD, with the highest level of the reference rate observed on October 24 at 1.3805. The relative strength of the euro has been on the back of several themes including the easing of the crisis in Europe, monetary policies, an improved European outlook, increased risks outside Europe, and flows back into the euro. The euro has been slowly appreciating with respect to the yen, since this year's low of 113.61 on 1 January. On 21 January, the euro foreign exchange reference rates stood at 1.3526 USD and 141.58 JPY.

European **stock markets** have followed a volatile path upwards. After a sell-off in June following the market expectations about the Federal Reserve gradually pulling back from QE3 in autumn, markets have performed strongly, supported by reassuring macro-economic data, strong corporate earnings data, and expectations of monetary policy remaining accommodative.

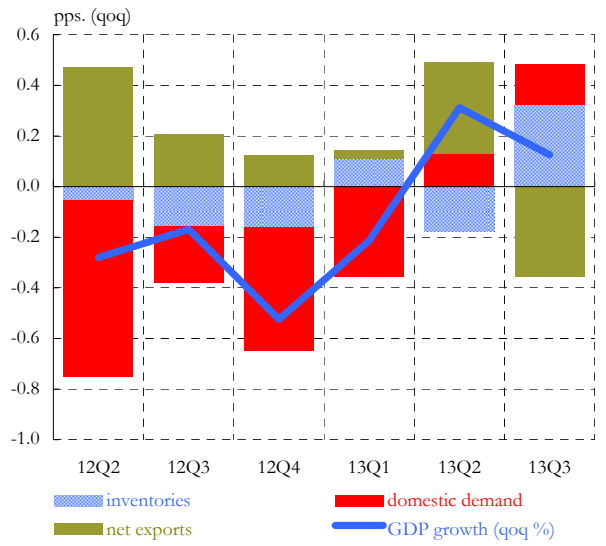


1. OUTPUT

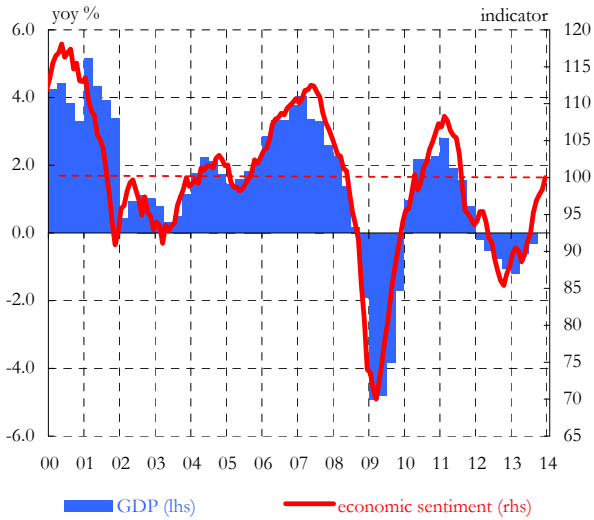
GDP



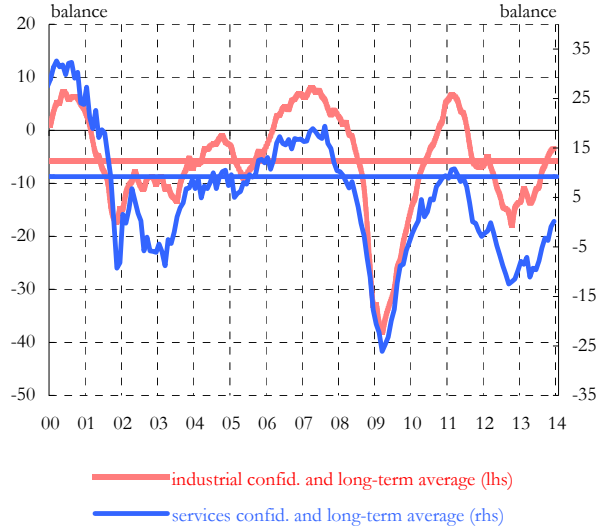
Contributions to GDP growth



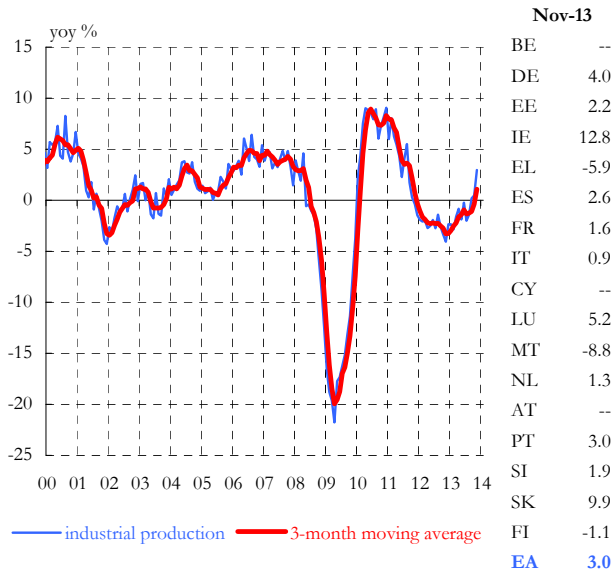
GDP and Economic Sentiment Indicator



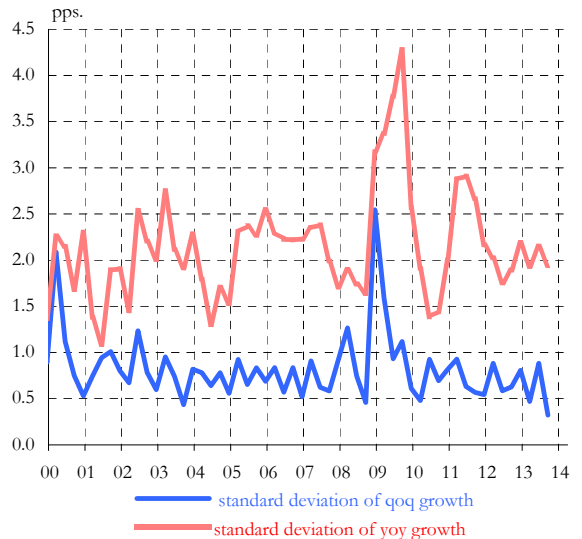
Industrial and services confidence



Industrial production



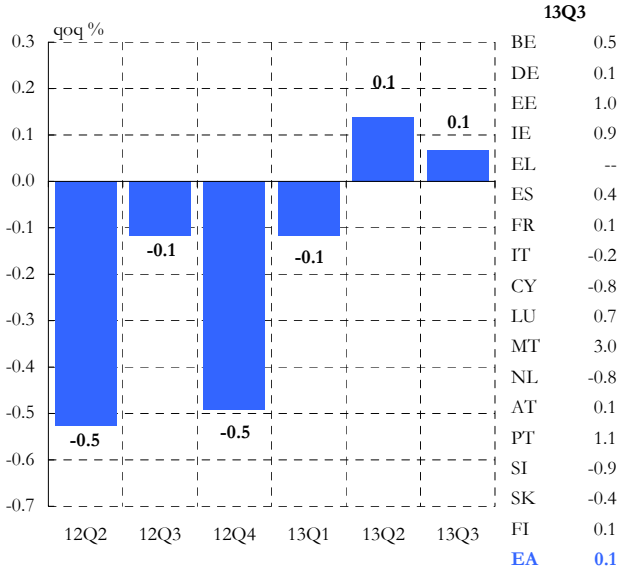
GDP growth divergence, euro area



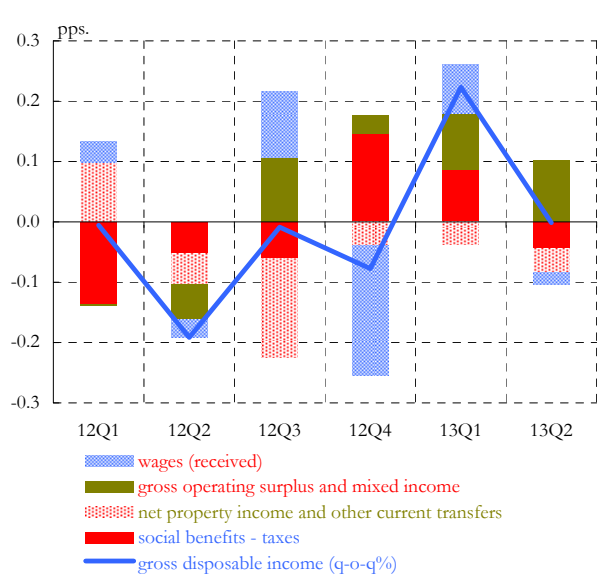


2. PRIVATE CONSUMPTION

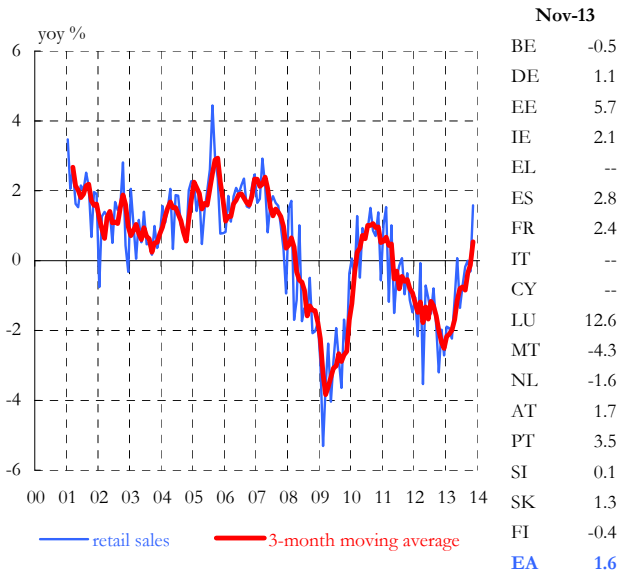
Private consumption



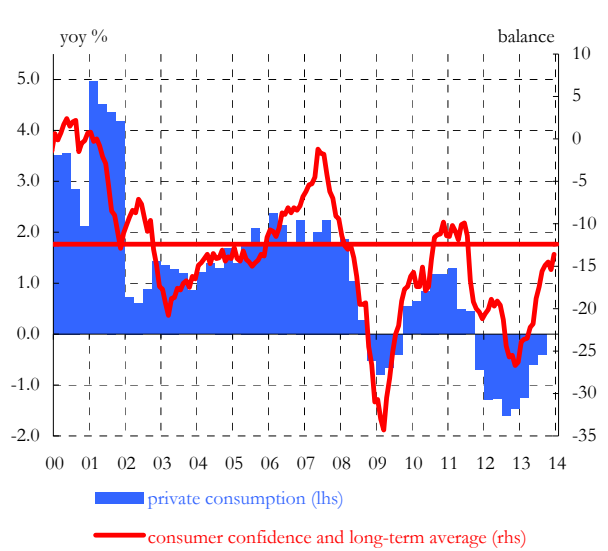
Household adjusted gross disposable income



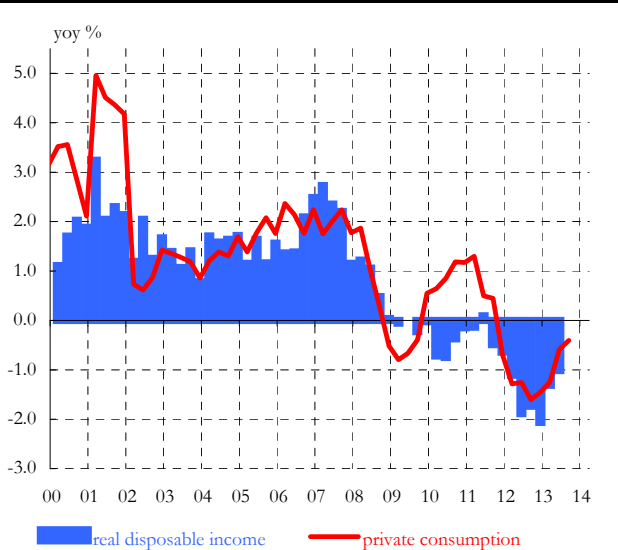
Retail sales



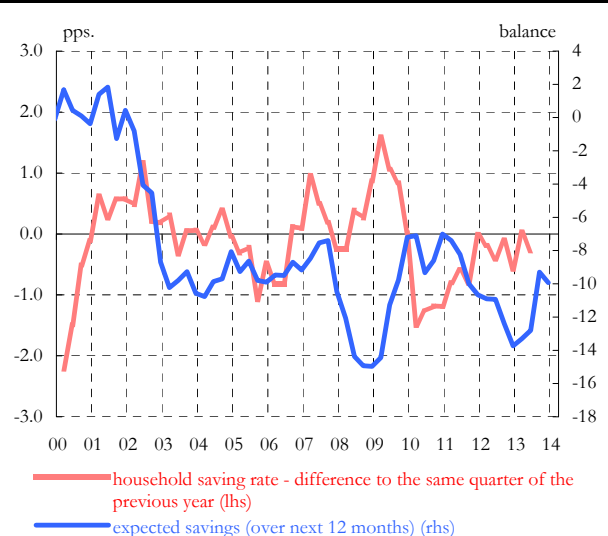
Consumer confidence and private consumption



Households: real disposable income and consumption



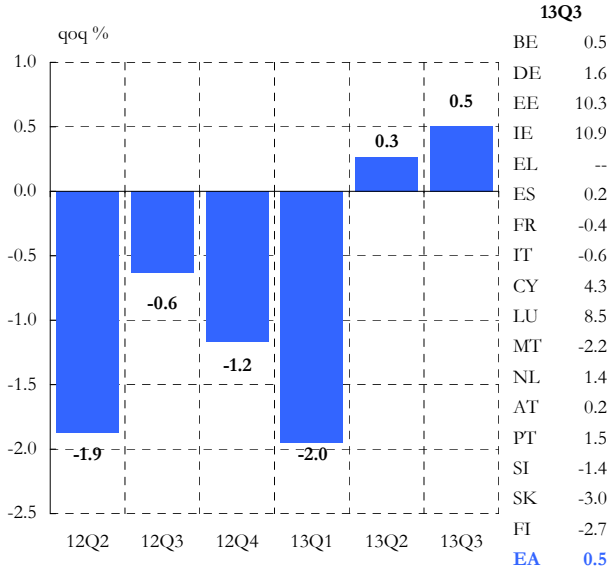
Households: actual saving rate and expected savings



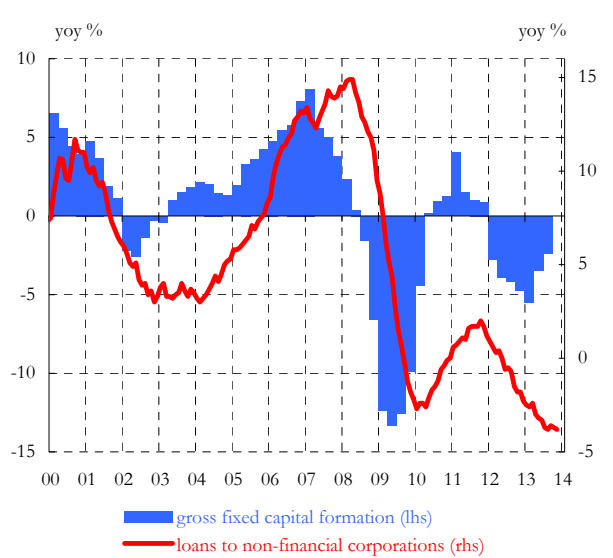


3. INVESTMENT

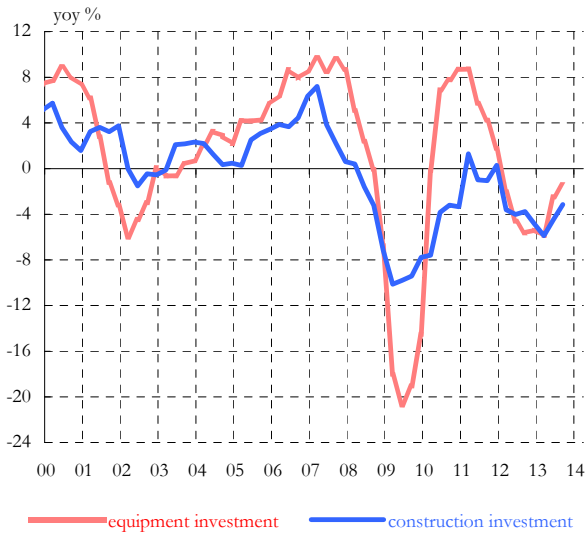
Gross fixed capital formation



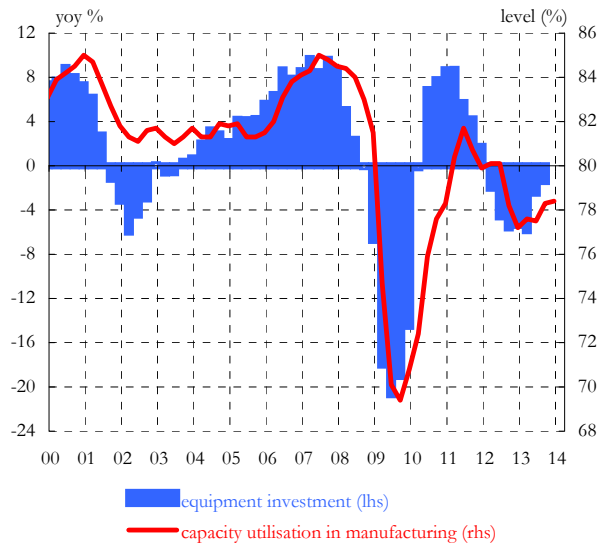
Gross fixed capital formation and corporate loans



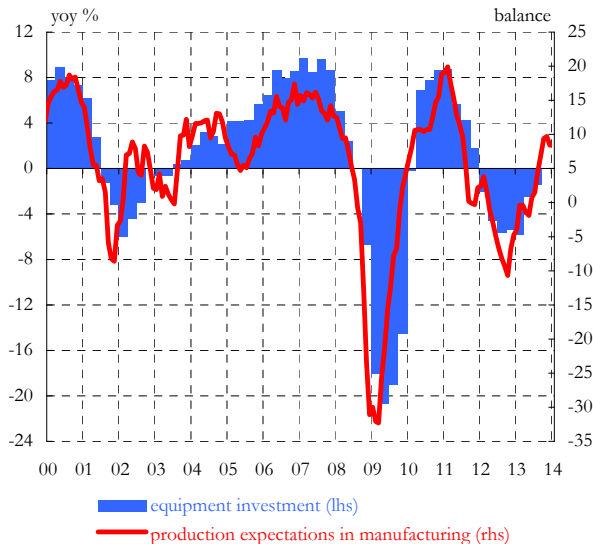
Equipment and construction investment



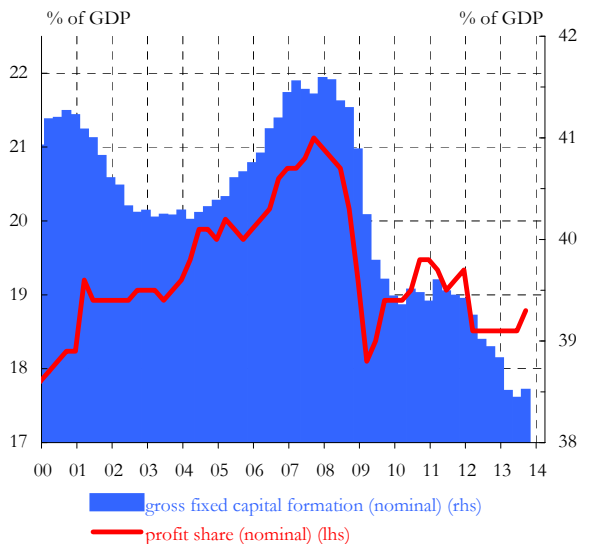
Equipment investment and capacity utilisation



Equipment investment and production expectations



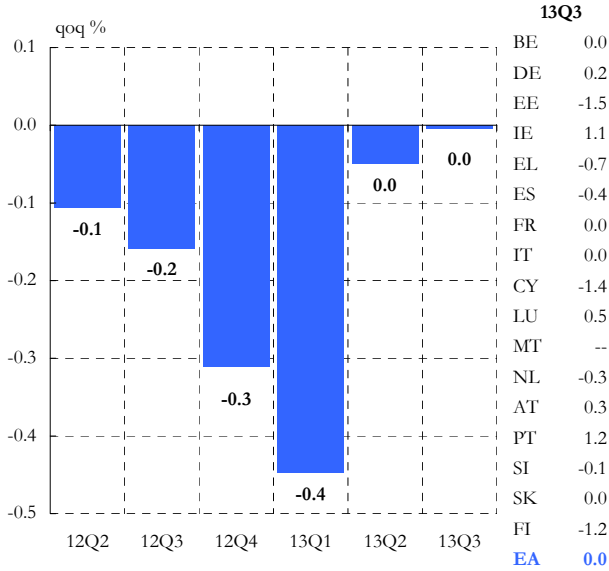
Gross fixed capital formation and profit share



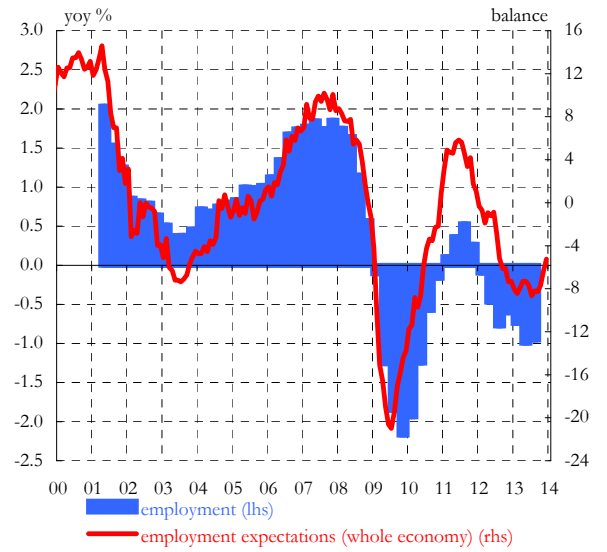


4. LABOUR MARKET

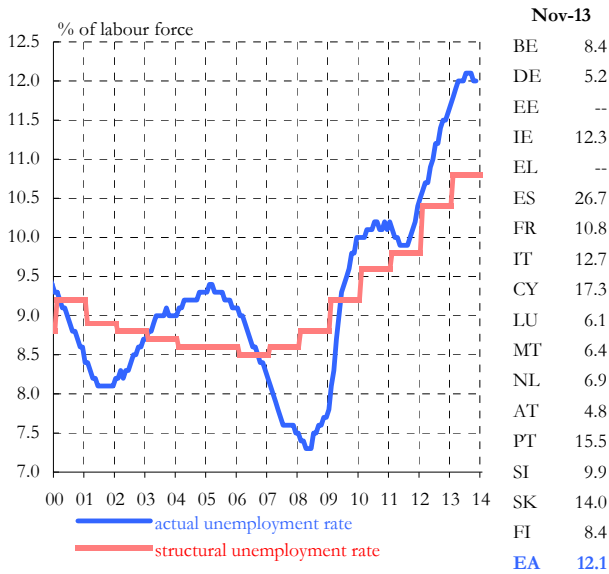
Employment



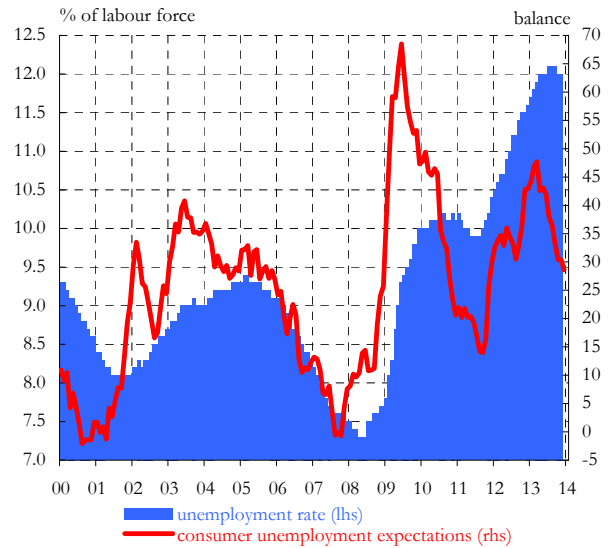
Employment and employment expectations



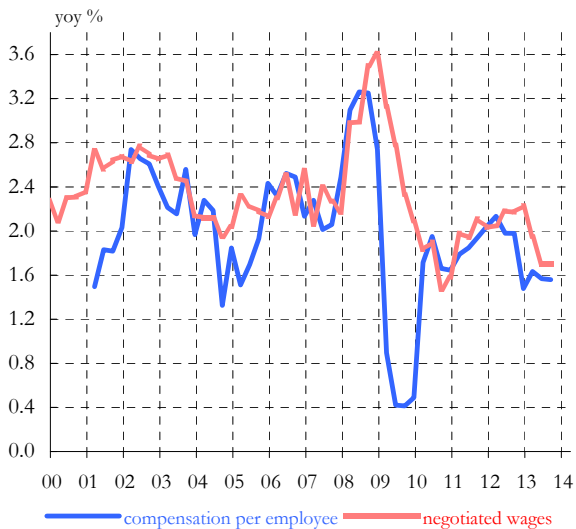
Actual and structural unemployment rate



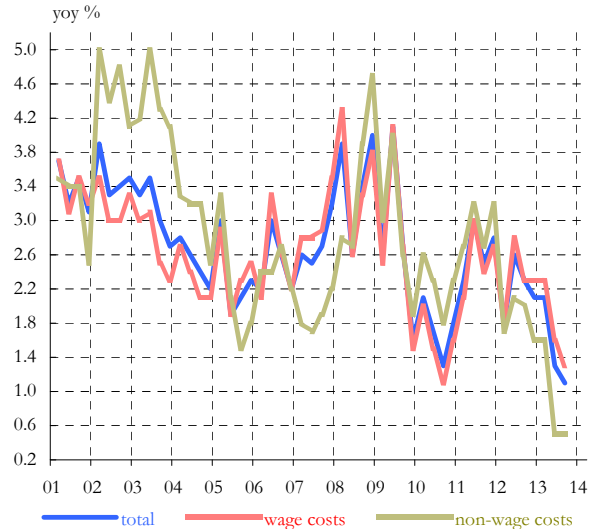
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



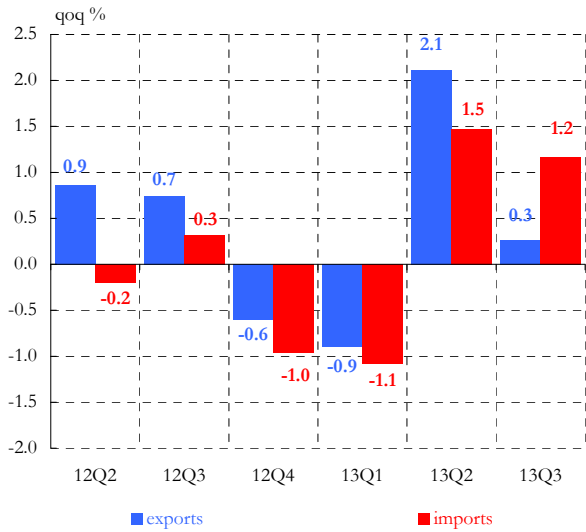
Labour costs in the private business sector (nominal)



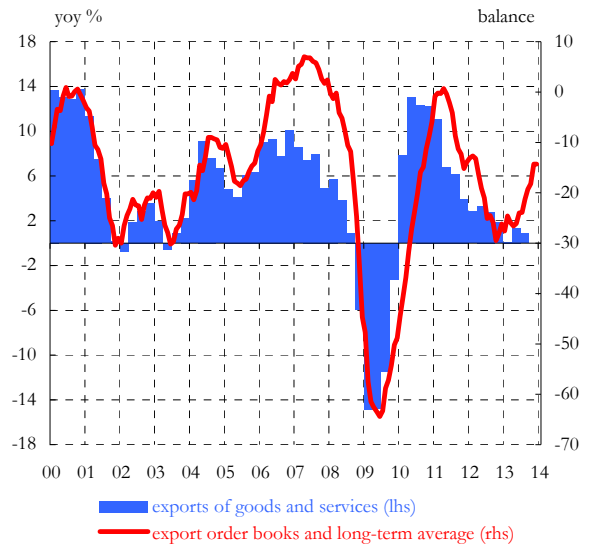


5. INTERNATIONAL TRANSACTIONS

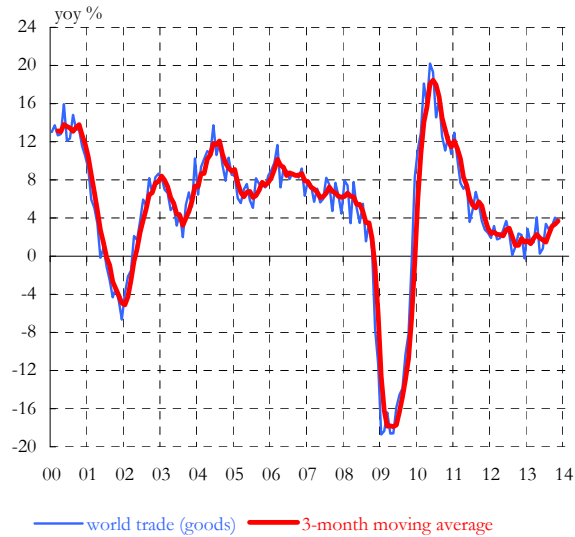
Exports and imports of goods and services



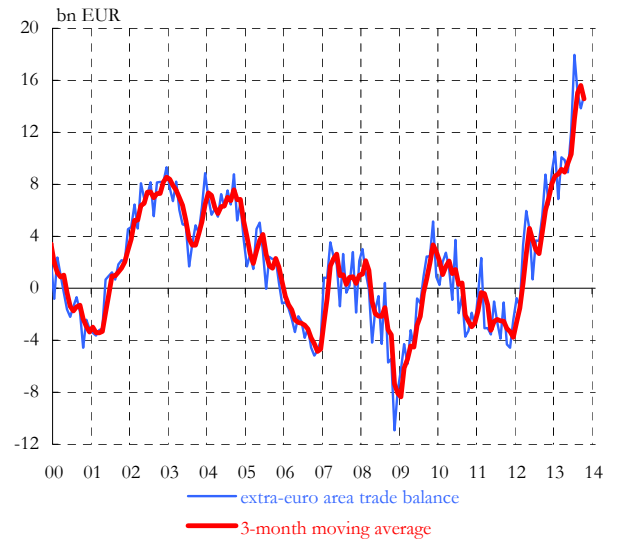
Exports and export order books



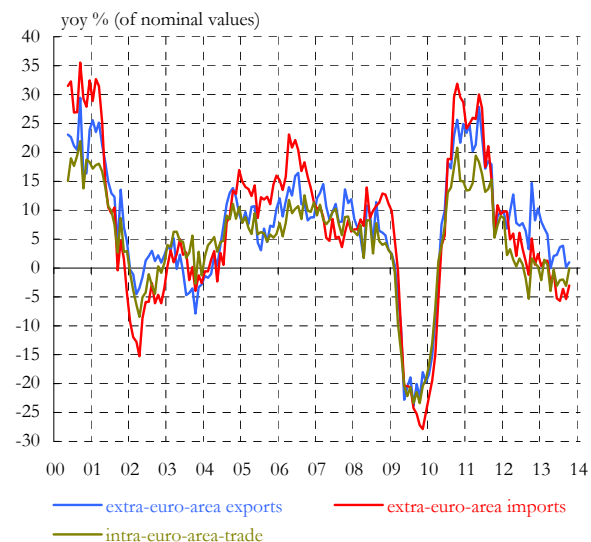
World trade



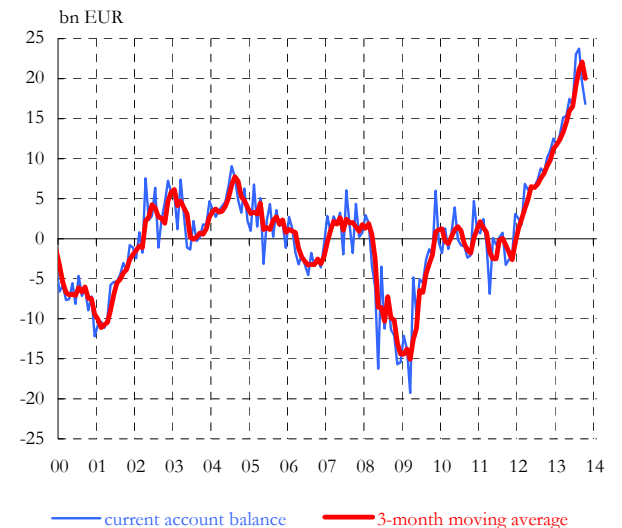
Extra euro-area trade balance



Extra- and intra-euro-area trade



Current-account balance

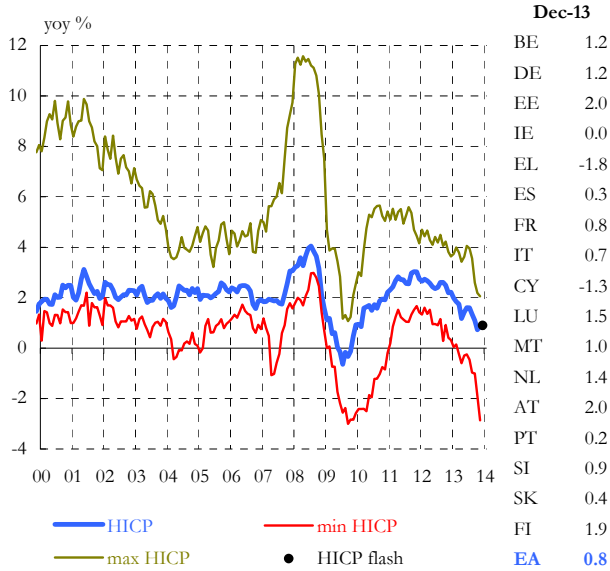




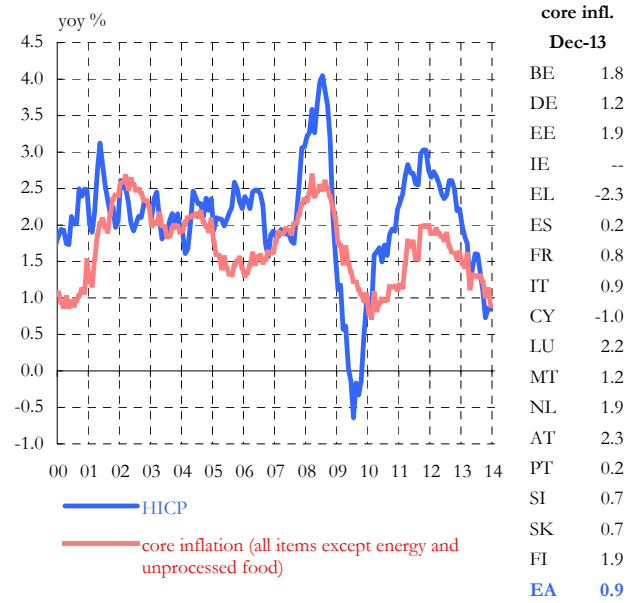


6. PRICES

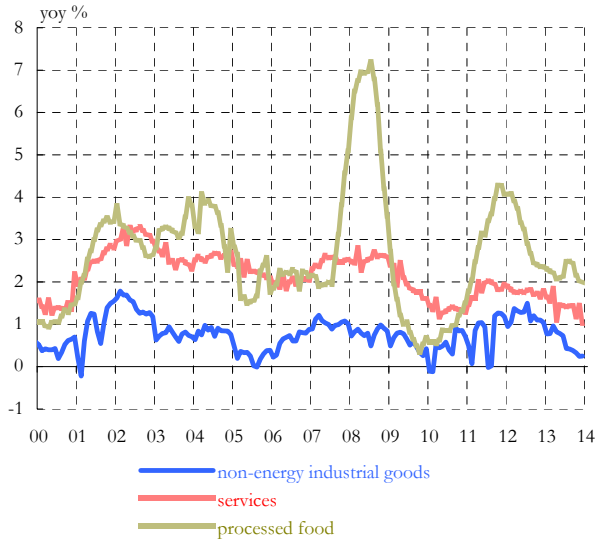
Harmonised index of consumer prices (HICP)



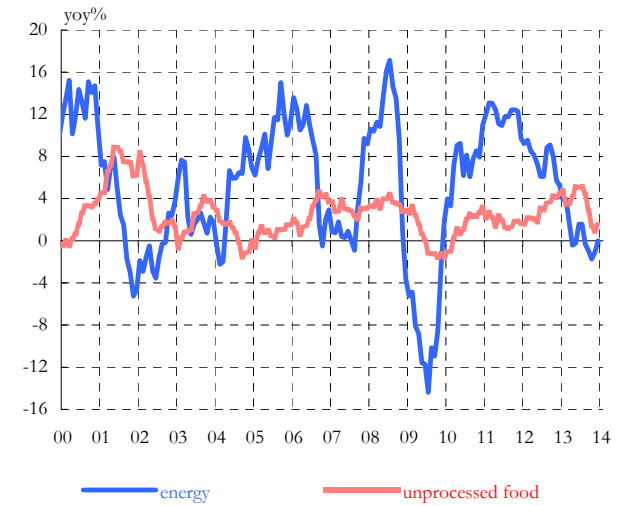
HICP headline and core inflation



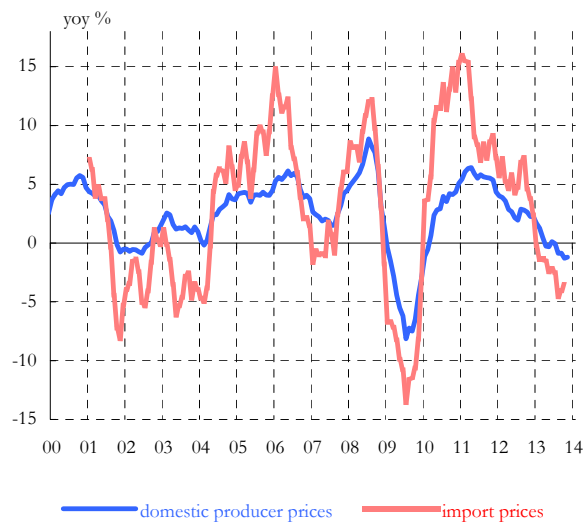
Breakdown of core inflation



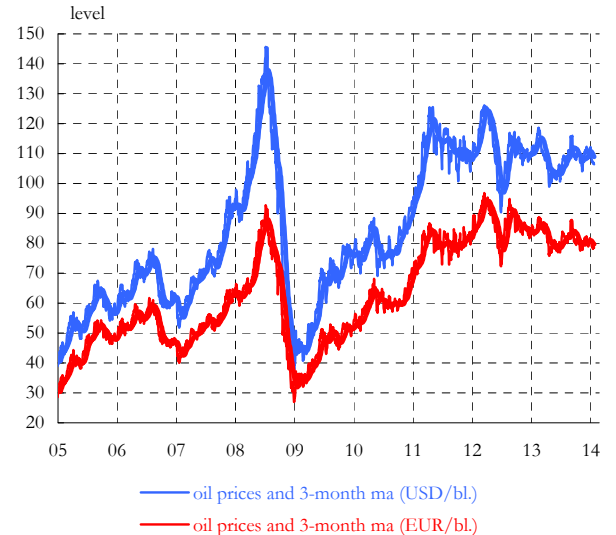
Energy and unprocessed food



Domestic producer prices and import prices



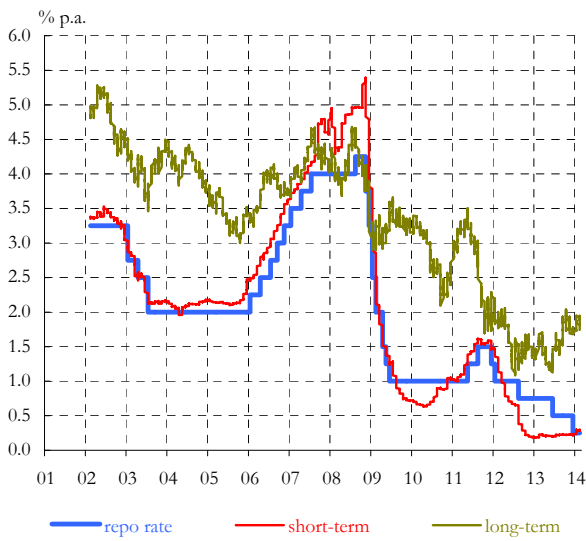
Oil prices



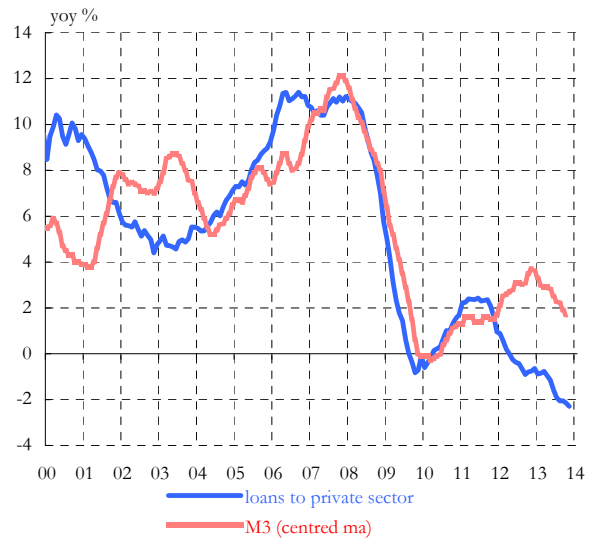


7. MONETARY AND FINANCIAL INDICATORS

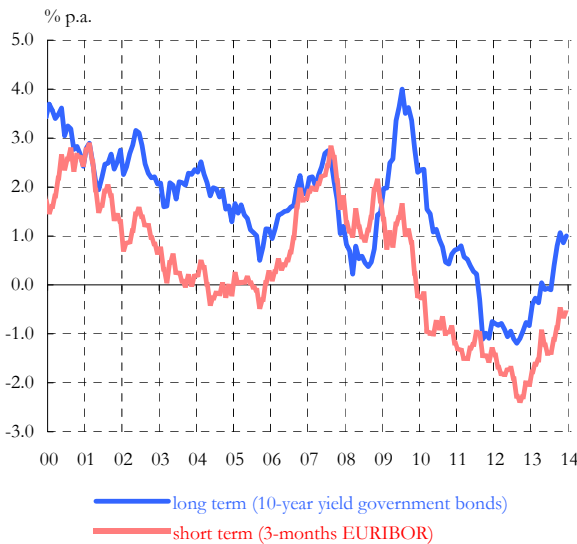
Nominal interest rates



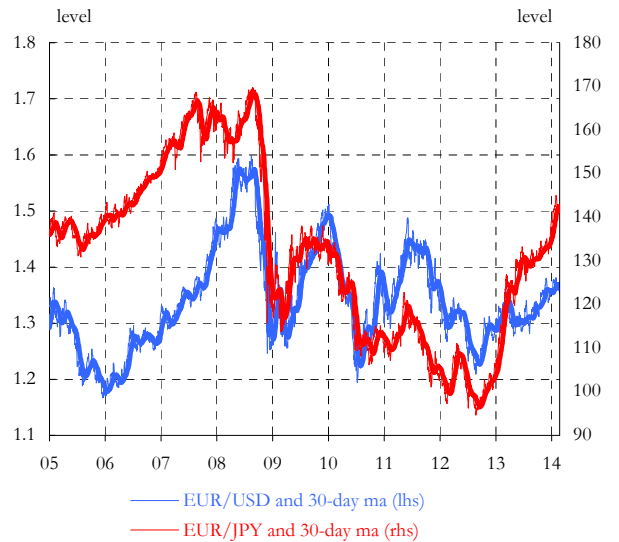
Loans to private sector and money supply



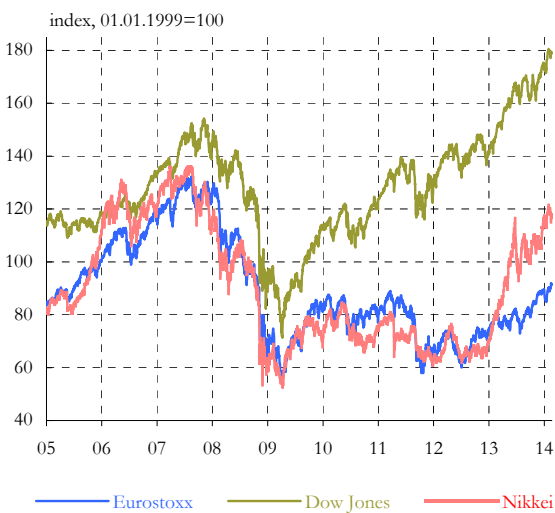
Real interest rates



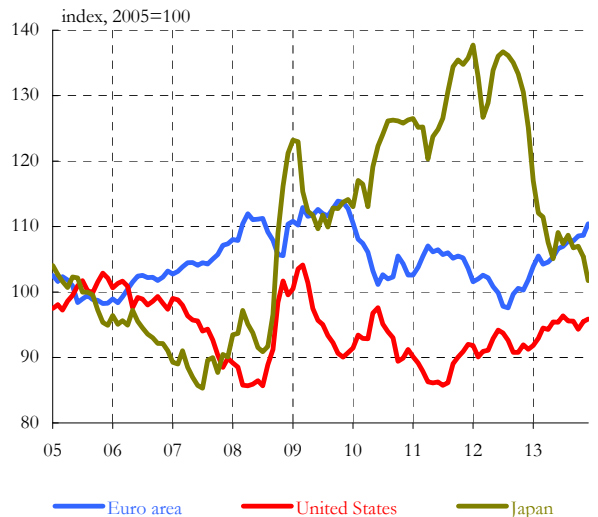
Euro vis-à-vis US dollar and JP yen



Stock market indices



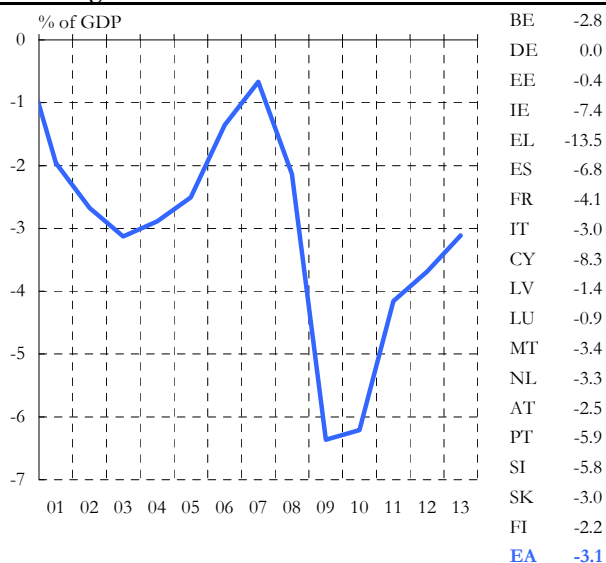
Nominal effective exchange rates



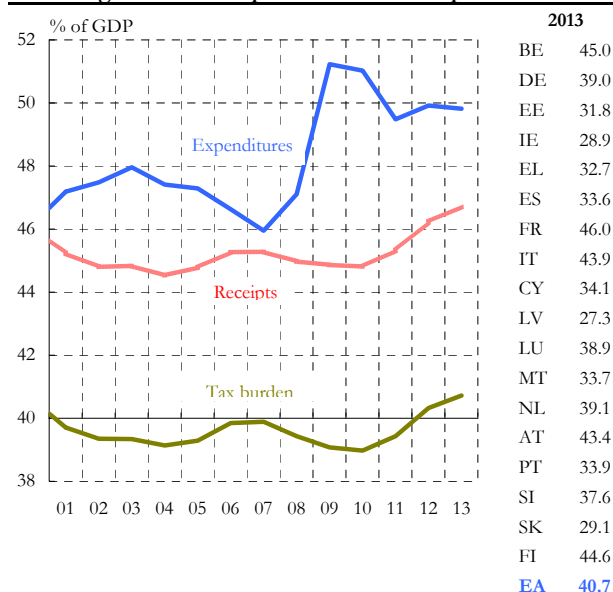


8. PUBLIC FINANCES

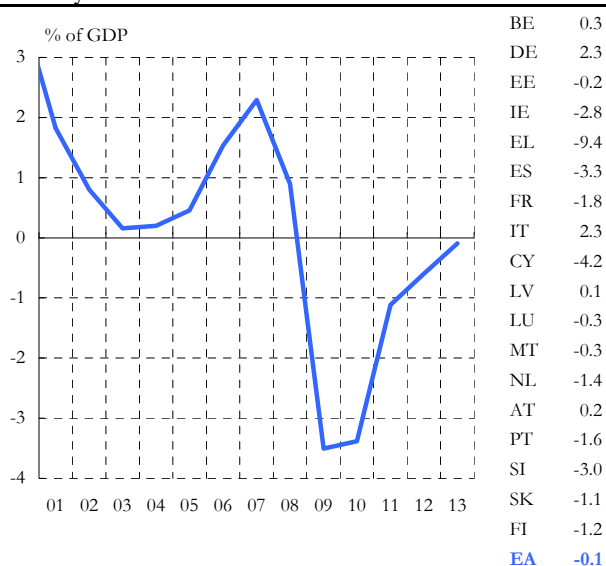
General government balance



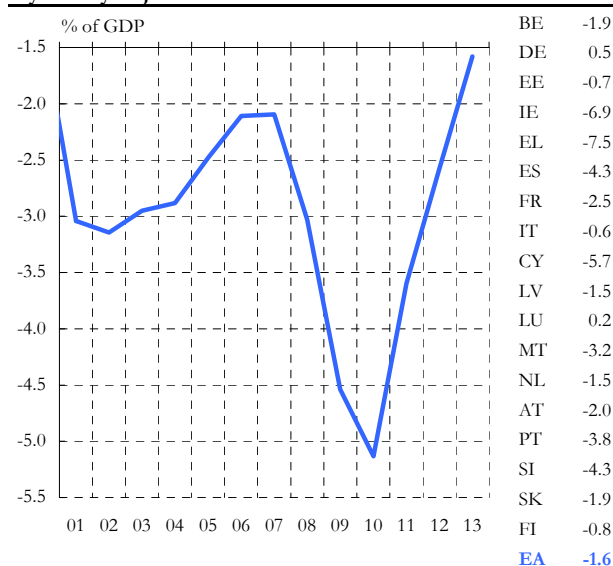
General government expenditure and receipts



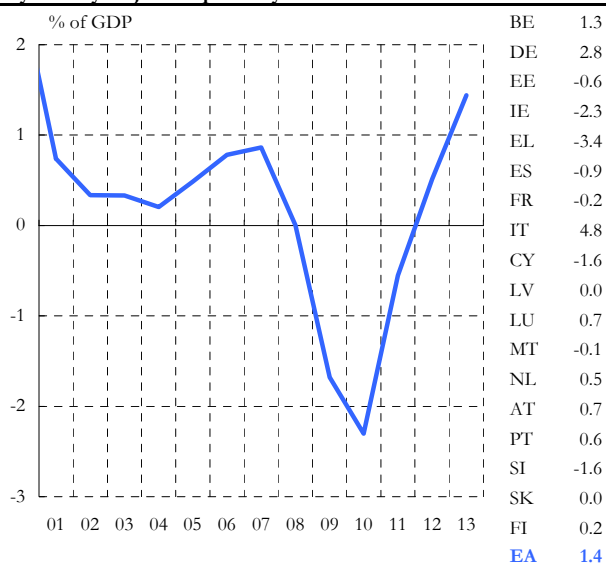
Primary balance



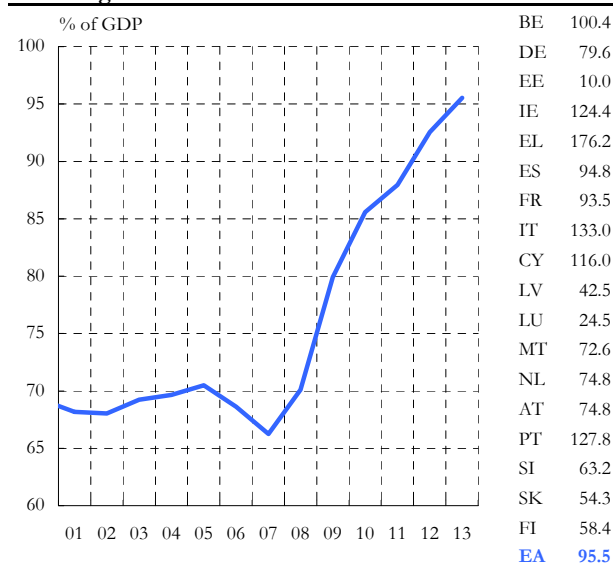
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



\* Figures are from the Commission's autumn 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), Latvia (LV), 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