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## Macroeconomic Imbalance Procedure Scoreboard

# A broad set of indicators for early detection of macroeconomic imbalances

**Eurostat, the statistical office of the European Union**, publishes today the indicators of the Macroeconomic Imbalance Procedure (MIP) Scoreboard. The MIP is part of the Six-Pack regulation on economic governance adopted by the European Parliament and Council in November 2011.

The MIP Scoreboard provides the statistical support to the annual Alert Mechanism Report released by the European Commission at the start of the European Semester 2019. The Alert Mechanism Report identifies those Member States for which in-depth analyses are required on the basis of an economic reading of the scoreboard indicators. The MIP Scoreboard consists of fourteen indicators relevant for the early detection of existing or emerging macroeconomic imbalances at Member State level. The full data series are available on the regularly updated MIP dedicated section of the Eurostat website.

The data from National Accounts and Balance of Payments/International Investment Position used for the compilation of the MIP Scoreboard indicators are based on the European System of National and Regional Accounts in the European Union (ESA 2010) and the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

MIP-relevant statistical data originate from statistical domains with long track records and of recognised quality. Eurostat collects the data for MIP Scoreboard indicators from Member States. Other data sources are the Commission's Directorate General for Economic and Financial Affairs and the International Monetary Fund.

The cut-off date for the data, that is the date on which the data were extracted from the Eurostat database, was the 24<sup>th</sup> October 2018.

For more information:

[Regulation \(EU\) 1176/2011 on the prevention and correction of macroeconomic imbalances](#)

[The Alert Mechanism Report](#)

Eurostat website section dedicated to [Macroeconomic Imbalance Procedure](#)

Eurostat website section dedicated to [ESA 2010](#)

[Balance of Payments and International Investment Position Manual \(BPM6\)](#)

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## MIP Scoreboard 2017

Year 2017	External imbalances and competitiveness					Internal imbalances						Employment indicators <sup>(2)</sup>		
	Current account balance - % of GDP (3 year average)	Net international investment position (% of GDP)	Real effective exchange rate - 42 trading partners <sup>(1)</sup> (3 year % change)	Export market share - % of world exports (5 year % change)	Nominal unit labour cost index (2010=100) (3 year % change)	House price index (2015=100), deflated (1 year % change)	Private sector credit flow, consolidated (% of GDP)	Private sector debt, consolidated (% of GDP)	General government gross debt (% of GDP)	Unemployment rate <sup>(2)</sup> (3 year average)	Total financial sector liabilities, non-consolidated (1 year % change)	Activity rate - % of total population aged 15-64 (3 year change in pp)	Long-term unemployment rate - % of active population aged 15-74 (3 year change in pp)	Youth unemployment rate - % of active population aged 15-24 (3 year change in pp)
Threshold	-4/6%	-35%	±5% (EA) ±11% (Non-EA)	-6%	9% (EA) 12% (Non-EA)	6%	14%	133%	60%	10%	16.5%	-0.2 pp	0.5 pp	2 pp
Belgium	-0.3	52.6	0.9	3.9	1.1	1.5p	-1.5	187.0	103.4	7.8b	0.7	0.3b	-0.8b	-3.9b
Bulgaria	3.1	-42.8	-3.3	19.4	13.6p	6.2	6.2	100.1	25.6	7.7	1.1	2.3	-3.5	-10.9
Czechia	1.0	-26.5	5.4	8.2	5.9	9.1p	4.1	67.4	34.7	4.0	22.9	2.4	-1.7	-8.0
Denmark	8.1	56.3	-2.1	0.5	3.0	3.2	-1.4	204.0	36.1	6.0	4.1	0.7b	-0.4b	-1.6
Germany	8.4	54.0	-2.5	6.5	5.1	2.9	4.9	100.1	63.9	4.2	4.0	0.5	-0.6	-0.9
Estonia	2.3	-31.4	2.9	2.6	12.4	1.8	3.6	106.4	8.7	6.3	9.7	3.6	-1.4	-2.9
Ireland	2.9	-149.3	-6.2	64.4	-17.2	9.5p	-7.5	243.6	68.4	8.4	4.3	0.9	-3.6	-9.0
Greece	-0.8	-142.5	-2.8	-10.0	-1.0p	-2.2e	-0.8p	116.4p	176.1	23.3	-12.9	0.9	-3.9	-8.8
Spain	1.8	-83.8	-2.5	9.8	0.0p	4.5	0.2p	138.8p	98.1	19.6	4.0	-0.3	-5.2	-14.6
France	-0.6	-20.1	-2.9	2.7	1.3p	1.8	7.0p	148.2p	98.5	10.0	4.3	0.5	-0.3	-1.9
Croatia	3.6	-62.4	0.0	20.0	-4.3d	2.8	1.2	98.4	77.5	13.5	3.9	0.3	-5.5	-17.7
Italy	2.3	-5.3	-3.1	2.0	1.1	-2.0p	2.1	110.5	131.2	11.6	4.3	1.5	-1.2	-8.0
Cyprus	-5.0	-121.5	-6.6	6.9	-2.7p	1.3p	8.7p	316.3p	96.1	13.0	-2.3	-0.4	-3.2	-11.3
Latvia	0.6	-56.3	1.7	7.8	14.7	5.5	0.3	83.5	40.0	9.4	6.1	2.4	-1.3	-2.6
Lithuania	-0.7	-35.9	2.3	9.7	16.0	5.4	3.7	56.1	39.4	8.0	14.0	2.2	-2.1	-6.0
Luxembourg	5.0	47.0	-0.9	25.2	7.1	4.1	-15.5	322.9	23.0	6.1	-1.7	-0.6	0.5	-6.9
Hungary	4.0	-52.9	0.1	11.3	6.7	3.3	0.9	71.4	73.3	5.4	-8.0	4.2	-2.0	-9.7
Malta	8.4	62.6	-2.3	11.2	1.7	4.1p	2.9	120.2	50.9	5.2	4.7	4.4	-1.1	-1.2
Netherlands	8.3	59.7	-1.6	1.2	-0.2p	6.0	3.0p	252.1p	57.0	5.9	2.0p	0.7	-1.0	-3.8
Austria	2.1	3.7	0.3	2.3	3.7	3.5	4.3	122.5	78.3	5.7	1.8	1.0	0.3	-0.5
Poland	-0.3	-61.2	-3.4	28.4	4.5p	1.7	2.7	76.4	50.6	6.2	6.3	1.7	-2.3	-9.1
Portugal	0.4	-104.9	-0.7	14.6	3.5p	7.9	1.3p	162.2p	124.8	10.9	1.8	1.5	-3.9	-10.9
Romania	-2.2	-47.7	-5.5	37.0	11.9p	4.0	1.7p	50.8p	35.1	5.9	8.1	1.6	-0.8	-5.7
Slovenia	5.7	-32.3	-2.0	18.6	3.4	6.2	0.8	75.6	74.1	7.9	5.1	3.3	-2.2	-9.0
Slovakia	-2.0	-65.6	-1.9	6.7	6.9	4.4	5.9	96.1	50.9	9.8	17.9	1.8	-4.2	-10.8
Finland	-0.7	2.4	-2.6	-4.3	-2.5	0.5	8.2	146.4	61.3	8.9	-3.8	1.3	0.2	-0.4
Sweden	4.0	1.8	-5.4	-4.3	3.7	4.6	13.1	194.4	40.8	7.0	6.8	1.0	-0.2	-5.1
UK	-4.6	-8.6	-10.7	-1.0	5.4	2.4	8.4	169.0	87.4	4.8	-1.6	0.9	-1.1	-4.9

Figures highlighted are the ones at or beyond the threshold; b break due to improved data sources; d use of national concept instead of domestic concept for underlying employment data; e estimate: for Greece, the source of the House Price Index is the National Central Bank; p provisional.

(1) Real Effective Exchange Rate is deflated by the consumer price indices relative to a panel of 42 countries. (2) Belgium: revision in the Labour Force Survey (LFS) methodology; Ireland: introduction of LFS in substitution of the Quarterly National Household Survey as data source; Denmark: LFS data collection improvement, introduction of computer-assisted web interviewing.

Source: Eurostat, European Commission and Directorate General for Economic and Financial Affairs (Real effective exchange rate); International Monetary Fund (Export market share denominator: world exports of goods and services in volume).

## Annex: Brief definition of the indicators

### Current account balance

The current account provides information about the transactions of a country with the rest of the world. It covers all transactions (other than those in financial items) in goods, services, primary income and secondary income, which occur between resident and non-resident units. The MIP scoreboard indicator is the three-year backward moving average of the current account balance expressed as percentage of GDP.

### Net international investment position

The International investment position (IIP) is a statistical statement that shows at a point in time the value and composition of: i) financial assets of residents of an economy that are claims on non-residents and gold bullion held as reserve assets, and ii) liabilities of residents of an economy to non-residents. The difference between an economy's external financial assets and liabilities is the economy's Net IIP (NIIP), which may be positive or negative. The NIIP provides an aggregate view of the net financial position of a country vis-à-vis the rest of the world. The MIP scoreboard indicator is expressed as percentage of GDP.

### Real effective exchange rate

The indicator aims to assess a country's price or cost competitiveness relative to its principal competitors in international markets. It depends on exchange rate movements, but also on the relative cost or price developments in the country and its trading partners. The MIP Real Effective Exchange Rate (REER) is deflated by the consumer price indices relative to a panel of 42 countries (double export weights are used to calculate REERs, reflecting not only competition in the home markets of the various competitors, but also competition in export markets elsewhere). The MIP scoreboard indicator is the percentage change over three years of REER.

### Export market share

The share of world exports (or export market share) captures the value of exports of goods and services of a country compared to the value of total world exports. The MIP headline indicator is expressed as the percentage change over five years. The total world export data are based on International Monetary Fund (IMF) data, while the source of data for individual countries is Eurostat.

### Nominal unit labour cost index

The indicator is defined as the ratio of labour cost (the ratio of compensation of employees to the number of employees) to labour productivity (the ratio of GDP to total employment). Data on employees and employment are presented according to the domestic concept used in national accounts. The MIP scoreboard indicator is the percentage change over three years.

### House price index, deflated

The indicator is the ratio between house price index (HPI) and the national accounts deflator for private final consumption expenditure (households and non-profit institutions serving households (NPISHs)). It measures inflation in the house market relative to inflation in the final consumption expenditure of households and NPISHs. Eurostat's HPI captures price changes of all residential properties purchased by households (flats, detached houses, terraced houses, etc.), both new and existing, independently of their final use and their previous owners. The MIP scoreboard indicator is the one year percentage change of the deflated HPI.

### Private sector credit flow

The private sector credit flow represents the net amount of liabilities in which the sectors non-financial corporations, households and NPISHs have incurred through the year. The instruments taken into account are debt securities and loans. Data are expressed in % of GDP and presented in consolidated terms, i.e. they do not take into account transactions within the same sector.

### Private sector debt

The private sector debt is the stock of liabilities held by the sectors non-financial corporations, households and NPISHs at the end of the year. The instruments taken into account are debt securities and loans. Data are expressed as percentage of GDP and presented in consolidated terms, i.e. they do not take into account transactions within the same sector.

### General government gross debt

Debt means total gross debt at nominal value outstanding at the end of the year and consolidated between, and within the general government. The stock of government debt is equal to the sum of liabilities, at the end of year, of all units classified within the general government in the categories: currency and deposits, debt securities, and loans. The MIP indicator is expressed as percentage of GDP.

### Unemployment rate

The unemployment rate is the number of unemployed persons expressed as a percentage of the labour force (the total number of people employed and unemployed), based on the International Labour Office (ILO) definition. Unemployed persons comprise persons aged 15 to 74 who fulfil all three of the following conditions: they were not employed during the reference week; they were available to start working within the two weeks following the reference week; they have been actively seeking work in the four weeks preceding the reference week or have already found a job to start within the next three months. The MIP Scoreboard indicator is the three-year backward moving average.

### Total financial sector liabilities

The total financial corporations sector liabilities measures the evolution of the sum of all liabilities (which includes currency and deposits, debt securities, loans, equity and investment fund shares, insurance, pensions and standardised guarantees, financial derivatives and employee stock options, and other accounts payable) of the financial corporations sector. Data are expressed as one year percentage change and presented in non-consolidated terms, i.e. they take into account all transactions within the sector.

### Activity rate

The activity rate is the percentage of the economically active population (also called labour force) aged 15 to 64 in the total population of the same age group, based on ILO definitions. The MIP scoreboard indicator is the three-year change in percentage points.

### Long-term unemployment rate

The long-term unemployment rate is the number of persons aged 15 to 74 unemployed for 12 months or longer as a percentage of the labour force based on ILO definitions. The MIP scoreboard indicator is the three-year change in percentage points.

### Youth unemployment rate

The youth unemployment rate is the number of unemployed persons aged 15 to 24 as a percentage of the labour force of the same age group, based on ILO definitions. The MIP scoreboard indicator is the three-year change in percentage points.