

The Macroeconomic Imbalance Procedure (MIP) introduced

Statistics Explained

*Data extracted in October 2018
Planned article update: December 2019*

This article provides information on the Macroeconomic Imbalance Procedure (MIP) and the indicators and statistical data used in this context. The Macroeconomic Imbalance Procedure (MIP) is part of the European Semester which enables the European Union member countries to coordinate their economic policies throughout the year, addressing economic challenges. The MIP is a surveillance framework that aims to identify potential macroeconomic risks early on, prevent the emergence of harmful macroeconomic imbalances and correct the imbalances that are already in place.

Background

The [Regulation \(EU\) No 1176/2011](#) defines a **macroeconomic imbalance** as:

any trend giving rise to macroeconomic developments which are adversely affecting, or have the potential to adversely affect, the proper functioning of the economy of a [Member State](#) or of the Economic and Monetary Union, or of the [Union](#) as a whole .

While **excessive imbalances** are defined as:

severe imbalances that jeopardise or risk jeopardising the proper functioning of the Economic and Monetary Union .

The MIP covers a number of sequential steps, having the [Alert Mechanism Report \(AMR\)](#) and its [Statistical Annex \(SA\)](#) as a starting point, with the AMR being an initial screening device providing an economic reading of the MIP Scoreboard.

Macroeconomic Imbalance Procedure (MIP) Scoreboard 2017

Year 2017	External imbalances and competitiveness							Internal imbalances				Employment indicators ¹⁾		
	Current account balance - % of GDP (3 year average)	Net international investment position (% of GDP)	Real effective exchange rate - 42 trading partners, IBCP (5 year % change)	Export market share - % of world exports (5 year % change)	Export market labour cost index (2015=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 debt (% of GDP)	Unemployment rate (3 year average)	Total financial sector liabilities, net 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 15-24 (3 year change in pp)	Youth unemployment rate - % of active population aged 15-24 (3 year change in pp)
Thresholds	-6%	-3%	±5% (EA) ±11% (Non-EA)	-6%	5% (EA) 12% (Non-EA)	6%	14%	133%	60%	10%	16.5%	-0.2 pp	0.5 pp	2 pp
Belgium	-0.3	52.6	3.9	3.9	1.1	1.5p	-1.5	197.0	103.4	7.8p	0.7	0.3p	-0.8p	-3.9p
Bulgaria	3.1	-42.8	-3.3	19.4	13.6p	6.2	8.2	100.1	25.6	7.7	1.1	2.3	-3.5	-10.9
Croatia	1.0	29.5	5.4	8.2	5.9	9.1p	4.1	67.4	24.7	4.0	22.9	2.4	-1.7	-9.0
Denmark	8.1	56.3	-2.1	0.5	3.0	3.2	-1.4	284.0	35.1	6.0	4.1	0.7b	-0.4b	-1.5
Germany	8.4	54.0	-2.5	0.5	5.1	2.9	4.9	106.1	85.9	4.2	4.0	0.5	-0.6	-0.9
Estonia	2.3	-31.4	2.9	2.6	12.4	1.9	3.8	105.4	6.7	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	-8.0
Greece	-0.8	-142.5	-2.9	-19.0	-1.0p	-2.2p	-0.9p	115.4p	175.1	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	-14.5
France	-0.6	-20.1	-2.9	2.7	1.3p	1.9	7.0p	148.2p	96.5	10.0	4.3	0.5	-0.3	-1.9
Cyprus	3.6	-52.4	0.0	20.0	-4.2p	2.8	1.2	81.4	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
Lithuania	-0.8	-124.5	-6.6	6.9	-2.7p	1.9p	8.7p	316.3p	96.1	15.0	-2.3	-0.4b	-3.2	-11.3
Latvia	0.6	-56.3	1.7	7.9	14.7	5.5	0.3	83.5	49.0	9.4	5.1	2.4	-1.3	-2.5
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	129.2	59.9	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	-41.2	-3.4	28.4	4.5p	1.7	2.7	75.4	59.6	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	1.9p	59.9p	35.1	5.9	6.1	1.6	0.8	-5.7
Slovenia	5.7	-32.3	-2.0	18.6	3.4	6.2	0.8	75.6	74.3	7.9	5.1	3.3	-2.2	-8.0
Slovakia	-2.0	-96.8	-1.9	8.7	6.9	4.4	5.9	95.1	59.9	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	4.5	13.1	194.4	40.8	7.0	6.8	1.0	-0.2	-5.1
United Kingdom	-8.6	-6.6	-10.7	-1.0	5.4	2.4	8.4	169.0	87.4	4.8	-1.6	0.9	1.1	-4.8

Figures highlighted are the ones at or beyond the threshold. Flags: b: Break in series; d: Definition differs; e: Estimated; p: Provisional.
 1) For the employment indicators, see page 2 of the AMR 2016. 2) House price index = source NCB for EU. 3) For Nominal unit labour cost (NULC), employment data use national concept instead of domestic concept. 4) Unemployment rate, Activity rate, Long-term unemployment rate and Youth unemployment rate. 5) Revision in the survey methodology. 6) Introduction of the new Labour Force Survey in association to the Quarterly National Household Survey as data source. 7) Data collection improvement. Introduction of computer-assisted web interviewing.

Source: European Commission, Eurostat and Directorate General for Economic and Financial Affairs (for Real Effective Exchange Rate), and International Monetary Fund data, WEO (for world volume exports of goods and services)



Table 1: MIP Scoreboard 2017 Source: Eurostat, Statistical Annex of 2019 Alert Mechanism Report

The Macroeconomic Imbalance Procedure (MIP) in the context of the European semester

In 2010, the European Union set up a yearly cycle of economic policy coordination called the **European Semester**, to ensure that EU Member States coordinate their efforts to maximise the impact on growth, and discuss their budgetary and economic plans as well as structural reforms with their EU partners at specific times throughout the year.

The cycle starts every year in autumn with the publication of the Commission's **Annual Growth Survey** (setting out general economic priorities) and the Alert Mechanism Report (AMR) under the MIP surveillance. The MIP is supported by the analysis of a set of headline and auxiliary indicators, the scrutiny of which could trigger further analysis at country level. **Eurostat** is in charge of producing the Statistical Annex to the AMR, a document covering the MIP indicators used in the economic reading.

On the basis of the AMR, the Commission decides for which countries it will prepare country-specific **In-depth reviews (IDR)** that encompass a thorough analysis of sources of imbalances in the Member State under review, taking into account country-specific economic conditions. The IDRs can consider a wide set of available data – starting with the MIP Scoreboard – and other relevant information, and also include the euro area dimension of macroeconomic imbalances.

Since 2015, the IDRs are published as part of the respective **Country Reports**: on their basis the Commission concludes whether imbalances, or potentially excessive imbalances, exist and puts forward the appropriate **policy recommendations**.

After the publication of the Country reports, Member States present their National Reform Programmes and Stability or Convergence Programmes: they contain reforms and measures envisaged to make progress towards a smart, sustainable, and inclusive growth, as well as the countries' plans for sound public finances. The Council completes the European Semester in summer by agreeing on a set of country-specific recommendations, highlighting areas where European Union Member States need to take further actions to boost growth, job creation, training and education opportunities, research and innovation.

The MIP indicators

The Commission annual report marking the starting point of the MIP yearly cycle is the Alert Mechanism Report (AMR), an initial screening device providing an economic reading of the MIP Scoreboard. Each report is accompanied by a Statistical Annex, presenting the **MIP Scoreboard** and auxiliary indicators for a 10 year period for each Member State.

The MIP indicators cover external and internal imbalances, competitiveness positions, and labour market trends. They are calculated from several statistical areas, following specific quality assurance frameworks, including national accounts, balance of payments statistics, price statistics, excessive deficit procedure ([EDP](#)) statistics, and labour market statistics.

The MIP Scoreboard is a tool to support the early identification and monitoring of imbalances, and it comprises a limited number of relevant and high quality macroeconomic, financial, and social indicators. Each Scoreboard indicator has indicative thresholds serving as alert levels; however not all imbalances necessarily require policy intervention because they might be justified by an economy’s dynamic adjustment, so that Scoreboard indicators should not be interpreted mechanically. Moreover, their economic reading is complemented by the analysis of a wider set of auxiliary indicators which do not have associated thresholds.

The AMR identifies the Member States for which further analysis (in the form of in-depth reviews) is deemed necessary in order to decide whether an imbalance in need of policy action exists. Imbalances that require close monitoring and, possibly, policy interventions relate to developments that could imply threats to macroeconomic stability.

Data sources

The MIP scoreboard and auxiliary indicators are mainly compiled by Eurostat, from the data transmitted by Member States, following European legislation, although some data are produced by the Commission’s Directorate General for Economic and Financial Affairs (DG ECFIN), the European Central bank (ECB) for two auxiliary indicators on banking data, and one denominator is produced by the [International Monetary Fund \(IMF\)](#) . The composition of the indicators set is subject to review and it may evolve over time in order to reflect new developments or needs.

MIP indicators in the 2019 Statistical Annex (SA)

MIP Scoreboard indicators (2019 AMR)

Indicator	Unit	Thresholds	Data source
Current account balance (% of GDP)	3 year average	4%/+6%	Eurostat
Net international investment position	% of GDP	-35%	Eurostat
Real effective exchange rate (42 trading partners, HICP deflator)	3 year % change	±5% (EA)	DG ECFIN
Export market share (% of world exports)	5 year % change	±11% (non-EA)	Eurostat, IMF
Nominal unit labour cost index (2010=100)	3 year % change	-6%	Eurostat
House price index (2015=100), deflated	3 year % change	9% (EA)	Eurostat
Private sector credit flow, consolidated	1 year % change	12% (non-EA)	Eurostat
Private sector debt, consolidated	% of GDP	6%	Eurostat
General government gross debt	% of GDP	14%	Eurostat
Unemployment rate	% of GDP	133%	Eurostat
Total financial sector liabilities, non-consolidated	% of GDP	60%	Eurostat
Activity rate (% of total population aged 15-64)	3 year average	10%	Eurostat
Long-term unemployment rate (% of active population aged 15-74)	1 year % change	16.50%	Eurostat
Youth unemployment rate (% of active population aged 15-24)	3 year change in p.p.	-0.2 pp	Eurostat
	3 year change in p.p.	0.5 pp	Eurostat
	3 year change in p.p.	2.0 pp	Eurostat

Source : European Commission, Eurostat and Directorate General for Economic and Financial Affairs (for Real Effective Exchange Rate), and International Monetary Fund data, WEO (for world volume exports of goods and services)

eurostat 

Table 2: MIP Scoreboard indicators (2019 AMR) Source: Eurostat MIP dedicated web section

The 2017 MIP Scoreboard, as presented in the 2019 AMR, consists of fourteen Scoreboard indicators (also sometimes referred to as headline indicators) with indicative thresholds: they cover external imbalances and competitiveness, internal imbalances, and labour market issues. Detailed information about the rationale behind the choice of these specific indicators can be found in the MIP dedicated section of [Eurostat’s website](#) .

Supplementing the MIP Scoreboard indicators, a list of 28 auxiliary indicators provides additional information on aspects linked to the general macroeconomic situation. The auxiliary indicators (see Table 3) enhance the information base for understanding potential imbalances, as well as the adjustment capacity of a Member State’s economy.

MIP Auxiliary indicators (2019 AMR)

Indicator	Unit	Data source
Real GDP	1 year % change	Eurostat
Gross fixed capital formation	% of GDP	Eurostat
Gross domestic expenditure on R&D	% of GDP	Eurostat
Current plus capital account (Net lending-borrowing)	% of GDP	Eurostat
Net international investment position excluding non-defaultable instruments	% of GDP	Eurostat
Foreign direct investment in the reporting economy – net inward flows	% of GDP	Eurostat
Foreign direct investment in the reporting economy - stocks	% of GDP	Eurostat
Net trade balance of energy products	% of GDP	Eurostat
Real effective exchange rates – euro area trading partners	3 year % change	DG ECFIN
Export performance against advanced economies	5 year % change	Eurostat/OECD
Terms of trade	5 year % change	Eurostat
Export market share - in volume	1 year % change	Eurostat/IMF
Labour productivity	1 year % change	Eurostat
Gross non-performing loans of domestic and foreign entities	% of gross loans	ECB
Unit labour cost performance relative to euro area	10 year % change	DG ECFIN
House price index (2015=100) - nominal	3 year % change	Eurostat
Residential construction	% of GDP	Eurostat
Household debt, consolidated (incl. NPISH)	% of GDP	Eurostat
Consolidated banking leverage, domestic and foreign entities	total assets/total equity	ECB
Employment rate	1 year % change	Eurostat
Activity rate	% of total population aged 15-64	Eurostat
Long term unemployment rate	% of active population aged 15-74	Eurostat
Youth unemployment rate	% of total population aged 15-24	Eurostat
Young people neither in employment nor in education and training	% of total population aged 15-24	Eurostat
People at risk of poverty or social exclusion	% of total population	Eurostat
People at risk of poverty after social transfers	% of total population	Eurostat
Severely materially deprived people	% of total population	Eurostat
People living in households with very low work intensity	% of total population aged 0-59	Eurostat

Source: European Commission, Eurostat and Directorate General for Economic and Financial Affairs (for Real Effective Exchange Rate), the European Central Bank (Consolidated banking data), and International Monetary Fund data, WEO (for world volume exports of goods and services)

eurostat 

Table 3: MIP Auxiliary indicators (2019 AMR) Source: Eurostat MIP dedicated web section

Finally, to better understand and use the Statistical Annex and the Annual Mechanism Report, it is important to know the timeline of its content: both are published at the same time in November, in order to help set the priorities of the following year, by using indicators calculated on the most updated annual data. Therefore the AMR for year T, is published in year T – 1, with data based on year T – 2 (e.g. the 2019 AMR is published in November 2018 based on 2017 data).

Statistical improvements in the 2019 Statistical Annex

Since 2014, MIP indicators stemming from the National Accounts (NA) and Balance of Payments (BoP) and International Investment Position (IIP) domains are computed following the ESA 2010 and BPM6 statistical standards (the European System of Accounts 2010 and the Balance of Payments and International Investment Position Manual, sixth edition) that guarantee a high level of comparability across the European Union Member States. The successful implementation of these standards improved the quality of the MIP underlying data.

In the field of **Balance of Payments and International Investments Position (BoP/IIP)**, following joint efforts by Member States and Eurostat in back-calculating data according to BPM6, data coverage for the ten years timespan needed for this year's Statistical Annex (2008-2017) is complete. Progress has also been registered concerning the asymmetries in trade in goods and services: to address this problem in mirror trade data, Eurostat organised several workshops in the course of 2016 and 2017 with Member States. During these workshops, experts from Member States had the opportunity to exchange experiences, discuss bilaterally and decide on specific actions to resolve their corresponding trade asymmetries. Due to the full alignment with integrated levels in national accounts, the current account and IIP of the Netherlands has been revised backwards. Ireland improved the consistency of treatment of research and development in its National Accounts and Balance of Payments Statistics. Further, estimates of trade in financial services were improved, and the involvement of Multinational enterprises in cross-border transactions related to intellectual property and royalties/licences were accounted for.

In the domain of **Financial Accounts**, regarding Total financial sector liabilities, work is ongoing to ensure a comprehensive and timely coverage of 'Other financial institutions' (OFIs). Other areas of ongoing or planned statistical work which are important for the quality of MIP indicators concern the recording of other equity, of loans between non-financial corporations, and of derivatives. For Luxembourg there have been further improvements in sources and methods in financial accounts, leading to significant revisions particularly for 2014-2015 in the indicators on Total financial sector liabilities, Private sector debt, and Private sector credit flow. For the Netherlands there were significant revisions in these three MIP indicators due to the 2018 national

accounts benchmark revision.

Concerning the **Labour Force Survey** (LFS), from the third quarter of 2017 Ireland substituted the Quarterly National Household Survey (QNHS) by the new LFS as the official source of estimates of employment and unemployment. The new survey introduced several methodological changes, in particular mixed collection modes, a new sample allocation guarantying equal distribution of the sample over all the weeks of the quarter, a non-response adjustment in order to reduce the possible bias of estimates, and the implementation, in the weighting procedure, of the results of the 2016 Census of Population. The latter change had the largest revision impact. To minimise breaks in series, the Irish Central Statistics Office has created a back-casted LFS series from the first quarter of 1998 to the second quarter of 2017 using scaling factors calibrated on the base of a parallel run of the QNHS and LFS at the beginning of 2017. As a consequence, MIP indicators series have been revised as well. Further methodological improvements have been introduced in the following countries: Malta implemented a back data extensions of its new weighting scheme using population estimates, amongst other sources, starting from the first quarter of 2010 onwards; Belgium revised its survey methodology, in particular for the sampling design, rotational scheme of the survey units and weighting procedure; Denmark improved data collection and introduced the Computer-assisted web interviewing (CAWI) technique also in the core survey.

Finally, **General government gross debt** data notified for the years 2014 to 2017 have been released on 22nd October 2018 within the EDP notification. For more information on main revisions between the April 2018 and the October 2018 notifications please see the latest [EDP news release](#) .

MIP indicators through the years

The [initial Scoreboard](#) (published in the first AMR in February 2012) consisted of 10 economic, financial and structural indicators. To assess internal imbalances, the Scoreboard included indicators on General government gross debt, non-consolidated Private sector debt and Private sector credit flow, House price index, and Unemployment. To assess external imbalances, the indicators covered the Current account balance, Net investment position, Real effective exchange rate, Export market share, and Nominal unit labour cost.

In the [2013 SA](#) the MIP Scoreboard was enlarged with an indicator from the financial sector: [Total financial sector liabilities](#) , for a total of 11 Scoreboard indicators, and by a set of 18 auxiliary indicators.

In the [2014 SA](#) the definitions of some Scoreboard indicators were modified. The country basket for the real effective exchange rate increased to 42 countries, by adding Croatia (as a new EU Member State), China, Brazil, Russia, South Korea and Hong Kong, allowing better accounting for the increasing role of some emerging economies when measuring competitiveness. In addition to that, an internationally comparable framework for the house price index was introduced through the adoption of the [Regulation \(EU\) No 93/2013](#) . The Scoreboard indicators on Private sector debt and Private sector credit flow were from now on based on consolidated data, whereas the Private sector debt non-consolidated indicator was kept as an auxiliary indicator.

Between the end of 2013 and 2014, two international methodological standards were updated and improved: that of National Accounts via the introduction of the new [European System of National and Regional Accounts 2010 \(ESA 2010 – September 2014\)](#) , and the [Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual \(BPM6 – November 2013\)](#) . Consequently, the data coming from the National Accounts and Balance of Payments domains underwent changes that impacted ten MIP Scoreboard indicators in the 2015 Statistical Annex (all except the unemployment rate). Such impact was twofold: (1) on the numerator side whenever data coming from National Accounts or Balance of Payments (BoP)/International Investment Position (IIP) were used, and/or (2) on the denominator side whenever expressed in relation to gross domestic product (GDP) or to a National Accounts deflator.

In the 2016 Statistical Annex three labour market indicators, previously published as auxiliary, were added to the set of Scoreboard indicators: Activity rate, long-term unemployment rate and youth unemployment rate. The inclusion of these employment statistics was aimed at strengthening its analysis of macroeconomic imbalances and the social consequences of the crisis: long, drawn-out negative employment and social developments can have a negative impact on potential GDP growth in a variety of ways and risk compounding macroeconomic imbalances. This inclusion did not change the focus of the MIP, which remained aimed at preventing the emergence of harmful macroeconomic imbalances and ensuring their correction. Therefore flashes of these labour market indicators do not imply by themselves an aggravation of the macro-financial risks, and, consequently, are not used to trigger any steps in the MIP.

In order to extend the length of time series for the MIP indicators collected under the BPM6 framework,

most countries back calculated the main BoP series according to the new standard. A series of measures were taken to increase the availability of data fulfilling the BPM6 standard for the MIP purposes; in 2016, thanks to the joint efforts of Eurostat and the Member States concerned by remaining gaps, BPM6 data coverage improved considerably. At country level, increased globalisation and in particular the relocation of few big economic operators, led Ireland to revise its 2015 GDP data impacting considerably indicators issued from BoP and national accounts in the 2017 Statistical Annex.

Finally, in the latest 2019 Statistical Annex the composition of the set of auxiliary indicators has changed, mainly to benefit from improved statistics becoming available and to incorporate into the set of the auxiliary indicators variables that provide finer breakdowns and/or complementary information to the Scoreboard indicators.

Net international investment position excluding non-defaultable instruments measured as a percentage of GDP (NENDI) replaced the Net External debt (NED), as this indicator focuses on the NIIP components that may be subject to default or partly be used as collateral. This change has become possible after the adoption of the 6th version of the [Balance of Payment and International Investment Position Manual \(BPM6\)](#) that permits a finer breakdown of net foreign assets and liabilities.

Consolidated banking leverage (CBL), domestic and foreign entities (asset-to-equity multiple) from the Consolidated banking data (CBD) produced by the European Central Bank (ECB), replaced the previous non-consolidated financial sector leverage (FSL) indicator. The leverage indicator based on ECB data has a clearer economic interpretation since it is consistently based on book values, whereas the previous indicator provided the ratio of debt over equity, based on the overall financial sector (including banks, insurers, pension funds, mutual funds, and other financial institutions) on a non-consolidated basis.

Household debt, consolidated (including non-profit institutions serving households (NPISH)) as a percentage of GDP was added; this variable helps to distinguish between the debt of households and that of non-financial corporations (which would correspond to the difference between total private debt, already included among the indicators of the MIP scoreboard, and household debt), and contributes to interpreting and assessing private debt developments.

Finally, following the availability of cross-country-comparable data in the ECB's consolidated banking statistics, the addition of **Gross non-performing loans of domestic and foreign entities** (in percentage of gross loans, GNPL) has become possible. The indicator is consistent with the macro-financial focus of MIP surveillance and provides complementary information to assess private debt developments.

In order to keep the total number of indicators stable, two auxiliary indicators were removed: **ten-year change of Nominal unit labour cost** (NULC), as it overlaps with data on ULC and on ULC relative to euro area already in the scoreboard, and **non-consolidated Private sector debt**, which has been superseded by the consolidated headline indicator.

Outcome of the 2019 AMR

The [2019 AMR](#) was published on 21 November 2018. On the basis of the economic reading of the MIP scoreboard, 13 countries will be covered in an in-depth review: Bulgaria, Croatia, Cyprus, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Romania, Spain, and Sweden.

Greece, in particular, is for the first time subject to the MIP surveillance, having successfully concluded its stability programme. In previous years, other countries were subject to an adjustment programme before entering the MIP: Ireland entered the MIP surveillance in 2014, Portugal and Romania in 2015, and Cyprus in 2016, having been under its economic adjustment programme for a number of years (2013-2016).

AMRs before 2019

The complete list of the AMRs, Statistical Annexes and Eurostat's press releases are published on the [MIP dedicated web section](#). Detailed information on the current situation and previous reports are published on the web section of [DG ECFIN](#). Table 4 shows the publication dates of the different editions of the AMRs.

Alert Mechanism Reports

AMR	PUBLICATION DATE
1 st report	14 February 2012
2 nd report	28 November 2012
3 rd report	13 November 2013
4 th report	28 November 2014
5 th report	26 November 2015
6 th report	16 November 2016
7 th report	22 November 2017
8 th report	21 November 2018

Source: European Commission



Table 4: Alert Mechanism Reports Source: Eurostat MIP dedicated web section

In the [2016 AMR](#), in order to ensure more effective and simpler communication, the macroeconomic imbalances categories have been streamlined from the existing six to four: no imbalance, imbalances, excessive imbalances, and excessive imbalances with corrective action (Table 5).

Categorisation of imbalances in the Macroeconomic Imbalance Procedure (MIP)

PREVIOUS CATEGORIES	STREAMLINED CATEGORIES
No imbalances	No imbalances
Imbalances, which require policy action and monitoring	Imbalances
Imbalances, which require decisive policy action and monitoring	
Imbalances, which require decisive policy action and specific monitoring	Excessive imbalances
Excessive imbalances, which require decisive policy action and specific monitoring	
Excessive imbalances with corrective action	Excessive imbalances with corrective action

Source: European Commission



Table 5: Categorisation of imbalances in the macroeconomic imbalances procedure Source: Commission communication on 2016 Country Reports including In-Depth Reviews - COM(2016) 95 final/2

LEGISLATION:

The rules on economic governance (introduced through the [Six Pack](#) , the [Two Pack](#) ([Regulation \(EU\) No 472/2013](#) and [Regulation \(EU\) No 473/2013](#) of 21 May 2013) and the [Treaty on Stability, Coordination and Governance](#)) are grounded in the [European Semester](#) - the EU's annual cycle of economic policy guidance and surveillance. The fully-fledged mechanism for the prevention and correction of macroeconomic imbalances is made up of two regulations:

- [Regulation \(EU\) No 1176/2011 of 16 November 2011 on the prevention and correction of macroeconomic imbalances](#) - sketching out the excessive imbalances procedure
- [Regulation \(EU\) No 1174/2011 of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area](#) - focusing on the associated enforcement measures.

For more information on the design of and technical explanations about the MIP scoreboard and the thresholds for the different indicators, see the publication: [Scoreboard for the surveillance of macroeconomic imbalances](#) (Directorate-General for Economic and Financial Affairs, European Commission Occasional Paper 92/2012) .

Other articles

- [Balance of payment statistics](#)
- [National accounts - main GDP aggregates and related indicators](#)
- [Housing price statistics - house price index](#)
- [Government finance statistics](#)
- [Unemployment statistics](#)
- [Employment statistics](#)
- [Living conditions in Europe - poverty and social exclusion](#)

Tables

- [MIP indicators set](#)

Database

- [MIP indicators set](#)

Dedicated section

- [Eurostat MIP dedicated web section](#)

Methodology

Methodological information on the indicators is published on the [Eurostat MIP methodology web section](#) and in the respective metadata files:

- [Current account balance and balance of payments](#) (ESMS metadata file — [tipsbp_esms](#))
- [International investment position](#) (ESMS metadata file — [tipsii_esms](#))
- [Net external debt](#) (ESMS metadata file — [tipsed_esms](#))
- [Real effective exchange rate](#) (ESMS metadata file — [tipser10_esms](#))
- [Export market shares](#) (ESMS metadata file — [tipsex_esms](#))
- [Nominal unit labour cost](#) (ESMS metadata file — [tipslm10_esms](#))

- [House price indices](#) (ESMS metadata file — tipsho_esms)
- [Private sector credit flow](#) (ESMS metadata file — tipspc_esms)
- [Private sector debt](#) (ESMS metadata file — tipspd_esms)
- [General government gross debt](#) (ESMS metadata file — tipsgo10_esms)
- [Quarterly government debt](#) (ESMS metadata file — gov_10q_ggdebt_esms)
- [Unemployment rate](#) (ESMS metadata file — tipsun_esms)
- [Total financial sector liabilities](#) (ESMS metadata file — tipsfs_esms)
- [Activity rate](#) (ESMS metadata file — tipslm60_esms)
- [Annual national accounts](#) (ESMS metadata file — nama_10_esms)
- [Quarterly national accounts](#) (ESMS metadata file — namq_10_esms)
- [Statistics on research and development](#) (ESMS metadata file — rd_esms)
- [International trade in goods](#) (ESMS metadata file — ext_go_esms)
- [Poverty and social exclusion](#) (ESMS metadata file — tipspo_esms)

Visualisations

- For visualisation of the up-to-date MIP indicators, please visit the [MIP dedicated Statistics Illustrated pages](#) .

External links

- [DG ECFIN MIP dedicated web section](#)
- DG ECFIN web section: [In-depth reviews and progress reports](#)
- [European Semester](#) dedicated web section