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EUROPEAN CENTRAL BANK

EUROSYSTEM

MONTHLY BULLETIN
MAY

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ABBREVIATIONS

COUNTRIES

BE	Belgium	LU	Luxembourg
BG	Bulgaria	HU	Hungary
CZ	Czech Republic	MT	Malta
DK	Denmark	NL	Netherlands
DE	Germany	AT	Austria
EE	Estonia	PL	Poland
IE	Ireland	PT	Portugal
GR	Greece	RO	Romania
ES	Spain	SI	Slovenia
FR	France	SK	Slovakia
IT	Italy	FI	Finland
CY	Cyprus	SE	Sweden
LV	Latvia	UK	United Kingdom
LT	Lithuania	JP	Japan
		US	United States

OTHERS

BIS	Bank for International Settlements
b.o.p.	balance of payments
BPM5	IMF Balance of Payments Manual (5th edition)
CD	certificate of deposit
c.i.f.	cost, insurance and freight at the importer's border
CPI	Consumer Price Index
ECB	European Central Bank
EER	effective exchange rate
EMI	European Monetary Institute
EMU	Economic and Monetary Union
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
EUR	euro
f.o.b.	free on board at the exporter's border
GDP	gross domestic product
HICP	Harmonised Index of Consumer Prices
HWWI	Hamburg Institute of International Economics
ILO	International Labour Organization
IMF	International Monetary Fund
MFI	monetary financial institution
NACE	statistical classification of economic activities in the European Union
NCB	national central bank
OECD	Organisation for Economic Co-operation and Development
PPI	Producer Price Index
SITC Rev. 4	Standard International Trade Classification (revision 4)
ULCM	unit labour costs in manufacturing
ULCT	unit labour costs in the total economy

In accordance with EU practice, the EU countries are listed in this Bulletin using the alphabetical order of the country names in the national languages.

EDITORIAL

Based on its regular economic and monetary analyses, the Governing Council decided at its meeting on 5 May 2011 to keep the key ECB interest rates unchanged following the 25-basis point increase on 7 April 2011. The information that has become available since then confirms the assessment that an adjustment of the very accommodative monetary policy stance was warranted. The Governing Council continues to see upward pressure on overall inflation, mainly owing to energy and commodity prices. While the monetary analysis indicates that the underlying pace of monetary expansion is still moderate, monetary liquidity remains ample and may facilitate the accommodation of price pressures. Furthermore, recent economic data confirm the positive underlying momentum of economic activity in the euro area, with uncertainty continuing to be elevated. All in all, it is essential that recent price developments do not give rise to broad-based inflationary pressures. Inflation expectations in the euro area must remain firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2% over the medium term. Such anchoring is a prerequisite for monetary policy to make an ongoing contribution towards supporting economic growth and job creation in the euro area. With interest rates across the entire maturity spectrum remaining low and the monetary policy stance still accommodative, the Governing Council will continue to monitor very closely all developments with respect to upside risks to price stability. Maintaining price stability over the medium term is the guiding principle, which the Governing Council applies when assessing new information, forming judgements and deciding on any further adjustment of the accommodative stance of monetary policy.

As stated on previous occasions, the provision of liquidity and the allotment modes for refinancing operations will also be adjusted when appropriate, taking into account the fact that all the non-standard measures taken during the period of acute financial market tensions are, by construction, temporary in nature.

With regard to the economic analysis, following the 0.3% quarter-on-quarter increase in euro area real GDP in the fourth quarter of 2010, recent statistical releases and survey-based indicators point towards a continued positive underlying momentum of economic activity in the euro area during the first quarter of 2011 and at the beginning of the second quarter. Looking ahead, euro area exports should be supported by the ongoing expansion in the world economy. At the same time, taking into account the high level of business confidence in the euro area, private sector domestic demand should contribute increasingly to economic growth, benefiting from the accommodative monetary policy stance and the measures adopted to improve the functioning of the financial system. However, activity is expected to continue to be dampened somewhat by the process of balance sheet adjustment in various sectors.

In the Governing Council's assessment, the risks to this economic outlook remain broadly balanced in an environment of elevated uncertainty. On the one hand, global trade may continue to grow more rapidly than expected, thereby supporting euro area exports. Moreover, strong business confidence could provide more support to domestic economic activity in the euro area than currently expected. On the other hand, downside risks relate to the ongoing tensions in some segments of the financial markets that may potentially spill over to the euro area real economy. Downside risks also relate to further increases in energy prices, particularly in view of ongoing geopolitical tensions in North Africa and the Middle East, and to protectionist pressures and the possibility of a disorderly correction of global imbalances. Finally, there are still potential risks stemming from the economic impact on the euro area and elsewhere of the natural and nuclear disasters in Japan.

With regard to price developments, euro area annual HICP inflation was 2.8% in April according to Eurostat's flash estimate, after 2.7% in March. The increase in inflation rates during the first four months of 2011 largely reflects higher commodity prices. Looking ahead, inflation rates are likely to stay clearly above 2% over the coming months. Upward pressure on inflation, mainly from energy and commodity prices, is also discernible in the earlier stages of the production process. It is of paramount importance that the rise in HICP inflation does not translate into second-round effects in price and wage-setting behaviour and lead to broad-based inflationary pressures. Inflation expectations must remain firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2% over the medium term.

Risks to the medium-term outlook for price developments remain on the upside. They relate, in particular, to higher than assumed increases in energy prices, not least on account of the ongoing political tensions in North Africa and the Middle East. More generally, strong economic growth in emerging markets, supported by ample liquidity at the global level, may further fuel commodity price rises. Moreover, increases in indirect taxes and administered prices may be greater than currently assumed, owing to the need for fiscal consolidation in the coming years. Finally, risks also relate to stronger than expected domestic price pressures in the context of the ongoing recovery in activity.

Turning to the monetary analysis, the annual growth rate of M3 increased to 2.3% in March 2011, from 2.1% in February. Looking through the recent volatility in broad money growth caused by special factors, M3 growth has continued to edge up over recent months. The annual growth rate of loans to the private sector remained broadly unchanged at 2.5% in March, after 2.6% in February. Overall, the underlying pace of monetary expansion is gradually picking up, but it remains moderate. At the same time, monetary liquidity accumulated prior to the period of financial market tensions remains ample and may facilitate the accommodation of price pressures in the euro area.

Looking at M3 components, the annual growth rate of M1 remained broadly unchanged in March, while that of other short-term deposits increased. The development partly reflects the gradual increase in the remuneration of these deposits over recent months. At the same time, the steep yield curve implies a dampening impact on overall M3 growth, as it reduces the attractiveness of monetary assets compared with more highly remunerated longer-term instruments outside M3.

On the counterpart side, there has been a further slight strengthening in the growth of loans to non-financial corporations, which rose to 0.8% in March, after 0.6% in February. The growth of loans to households was 3.4% in March, compared with 3.0% in February. Looking through short-term volatility, the latest data confirm a continued gradual strengthening in the annual growth of lending to the non-financial private sector.

The overall size of bank balance sheets has remained broadly unchanged over the past few months, notwithstanding some volatility. It is important that banks continue to expand the provision of credit to the private sector in an environment of increasing demand. To address this challenge, where necessary, it is essential for banks to retain earnings, to turn to the market to strengthen further their capital bases or to take full advantage of government support measures for recapitalisation. In particular, banks that currently have limited access to market financing urgently need to increase their capital and their efficiency.

To sum up, based on its regular economic and monetary analyses, the Governing Council decided to keep the key ECB interest rates unchanged following the 25-basis point increase on 7 April 2011. The information that has become available since then confirms the assessment that an adjustment of the very accommodative monetary policy stance was warranted. The Governing Council continues to see upward pressure on overall inflation, mainly owing to energy and commodity prices. A cross-check with the signals coming from the monetary analysis indicates that, while the underlying pace of monetary expansion is still moderate, monetary liquidity remains ample and may facilitate the accommodation of price pressures. Furthermore, recent economic data confirm the positive underlying momentum of economic activity in the euro area, with uncertainty continuing to be elevated. All in all, it is essential that recent price developments do not give rise to broad-based inflationary pressures. Inflation expectations in the euro area must remain firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2% over the medium term. Such anchoring is a prerequisite for monetary policy to make an ongoing contribution towards supporting economic growth and job creation in the euro area. With interest rates across the entire maturity spectrum remaining low and the monetary policy stance still accommodative, the Governing Council will continue to monitor very closely all developments with respect to upside risks to price stability. Maintaining price stability over the medium term is the guiding principle, which the Governing Council applies when assessing new information, forming judgements and deciding on any further adjustment of the accommodative stance of monetary policy.

Turning to fiscal policies, current information points to uneven developments in countries' adherence to the agreed fiscal consolidation plans. There is a risk that, in some countries, fiscal balances may fall behind the targets agreed by the ECOFIN Council for the necessary and timely correction of excessive deficits. It is essential that all governments meet the fiscal balance targets for 2011 that they have announced. Where necessary, additional corrective measures must be implemented swiftly to ensure progress in achieving fiscal sustainability. The implementation of credible policies is crucial in view of ongoing financial market pressures.

At the same time, it is of the utmost importance that substantial and far-reaching structural reforms be implemented urgently in the euro area in order to strengthen its growth potential, competitiveness and flexibility. In particular, countries which have high fiscal and external deficits or which are suffering from a loss of competitiveness should embark on comprehensive economic reforms. In the case of product markets, policies that enhance competition and innovation should, in particular, be further pursued to speed up restructuring and to bring about improvements in productivity. Regarding the labour market, the priority must be to enhance wage flexibility and incentives to work, and to remove labour market rigidities.

The Governing Council, in line with the ECB's opinion of 17 February 2011 on the six legislative proposals on economic governance, urges the ECOFIN Council, the European Parliament and the European Commission to agree, in the context of their "trialogue", on more stringent requirements, more automaticity in the procedures and a clearer focus on the most vulnerable countries with losses in competitiveness.

Finally, the Governing Council welcomes the economic and financial adjustment programme which was agreed by the Portuguese government following the successful conclusion of the negotiations with the European Commission, in liaison with the ECB and the International Monetary Fund. The programme contains the necessary elements to bring about a sustainable stabilisation of the Portuguese economy. It addresses in a decisive manner the economic and financial causes underlying current market concerns and will thereby contribute to restoring confidence and safeguarding financial stability in the euro area. The Governing Council welcomes the commitment of the Portuguese public authorities to take all the necessary measures to achieve the objectives of the programme. It considers very important the broad political support for the adjustment programme, which enhances the overall credibility of the programme.

This issue of the Monthly Bulletin contains two articles. The first describes the patterns of euro area and US macroeconomic cycles and provides some reflections on the recovery. The second reviews and assesses the rationale and current arrangements for the external representation of the EU and EMU.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

Global economic activity is continuing to expand at a robust pace, notwithstanding the recent decline in survey indicators, which suggests some moderation in the growth momentum. Differences with respect to the cyclical position across regions also persist, with buoyant growth and overheating pressures in emerging economies and restrained growth in advanced economies. Global inflationary pressures have increased further, mainly on account of rising commodity prices. Price pressures are clearly more pronounced in emerging economies, as abundant liquidity amid low interest rates and capacity constraints add to domestic wage and commodity price pressures.

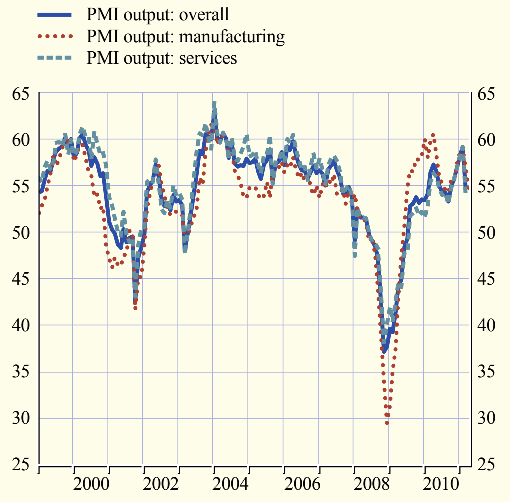
1.1 DEVELOPMENTS IN THE WORLD ECONOMY

Global economic activity is continuing to expand at a robust pace, notwithstanding the decline in the latest survey indicators, which suggests some moderation in the growth momentum. In April the global manufacturing Purchasing Managers' Index (PMI) for output continued to weaken to 54.7, following its rather sharp decline to 56.8 in March from 59.1 in the previous month. However, the April level is still above its average value since January 1999, suggesting that the overall pace of global activity remains strong. The decline in the global PMI was largely affected by the sharp drop in the PMI for Japan in the aftermath of the Great East Japan Earthquake, as well as by a moderation in the US PMI from its seven-year peak in February. However, the medium-term global repercussions of the events in Japan should remain rather limited provided major disruptions in global supply chains remain contained (see Box 1).

Differences with respect to the cyclical position and the strength of the growth momentum across regions also persist. Emerging economies are recording buoyant growth and operating at close to full capacity. Many of these countries are increasingly being confronted with overheating pressures, notwithstanding their efforts to restrain growth by engaging in more restrictive monetary and fiscal policies. This contrasts with the situation in many advanced economies, where the need for further

Chart 1 Global PMI output

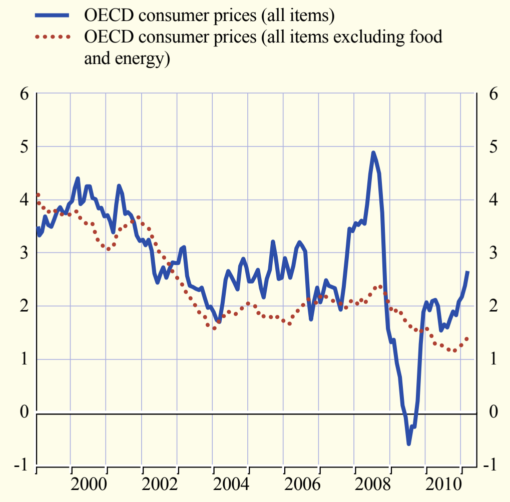
(diffusion index; seasonally adjusted; monthly data)



Source: Markit.

Chart 2 International price developments

(monthly data; annual percentage changes)



Source: OECD.

private sector balance sheet repair combined with persistently weak labour market conditions continues to restrain the recovery. In the OECD area, unemployment has been declining only gradually in recent months and stood at 8.2% in February 2011. This was the fourth consecutive monthly decrease, following a period of stability at around 8.5% throughout most of 2010.

Global inflationary pressures have increased further (in the short run), mainly on account of rising commodity prices feeding through the supply chain. In April the PMI for global manufacturing input prices declined somewhat compared with the figures recorded in previous months, but remained high at 72.4, signalling a further marked increase in average input prices. This is in line with rising consumer price inflation in the OECD area, which reached 2.7% in the year to March. Recent increases were mainly driven by surging commodity prices. Excluding food and energy, inflation in the OECD area in March increased by 0.1 percentage point compared with the previous month to 1.4%. Price pressures are clearly more pronounced in emerging economies, as abundant liquidity amid low interest rates and capacity constraints add to domestic wage and global commodity price pressures.

Box 1

GLOBAL ECONOMIC REPERCUSSIONS OF THE EARTHQUAKE IN JAPAN

The Great East Japan Earthquake and the ensuing tsunami constitute an immense human tragedy with more than 25,000 people either missing or dead and many more residing in emergency shelters. The physical destruction is also extensive, as houses, plants and infrastructure have been damaged. A recent estimate by the Japanese government places the total amount of damages at between JPY 16 trillion and JPY 25 trillion, corresponding to 3.3% and 5.2% of GDP in 2010 respectively. This is well above that of the Kobe earthquake in 1995, where the economic costs amounted to about 2% of GDP.

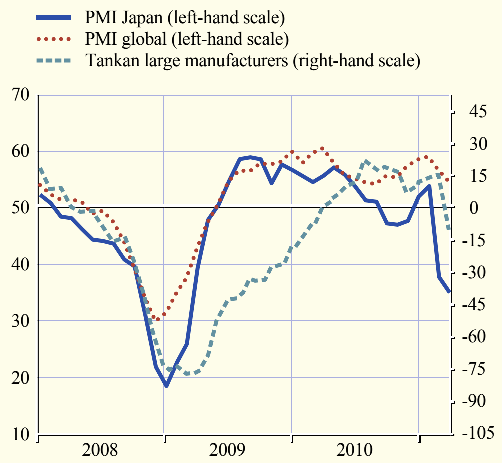
Past experience suggests that the economic disruption in the aftermath of a natural disaster is commonly short-lived and followed by a rather quick reconstruction-fuelled rebound. In the case of the Kobe earthquake, for instance, the ensuing decline in economic activity was fully recovered within a few months, as damaged plants and equipment had to be restored and manufacturing capacities were transferred to other regions. Consistent with this pattern, most market observers currently expect a strong short-term contraction in economic activity in Japan. Accordingly, projections for Japanese economic growth have been revised downwards for 2011, but the outlook has been revised upwards for 2012. For instance, the IMF, in its April 2011 World Economic Outlook (WEO), revised the growth projections for Japan downwards to 1.4% in 2011 (from 1.6% in the January WEO update) and upwards to 2.1% in 2012 (from 1.8%). The OECD expects a sharper economic slowdown in 2011, projecting real GDP growth to slow to 0.8% in 2011 (compared with 1.7% in the OECD Economic Outlook released in November 2010), before picking up to 2.3% in 2012 (compared with 1.3%).

The negative impact on activity of the recent earthquake is significantly greater than in 1995 and further compounded by the nuclear crisis and power shortages. Production at several plants has been suspended or curtailed because of physical damage, supply-chain disruptions within Japan and, temporarily, rolling electricity outages in view of power supply shortages. The associated pronounced decline in economic activity has been reflected in the manufacturing output PMI, which has fallen well below the expansion/contraction threshold of 50 since the earthquake (see Chart A). In April 2011 it stood at 35.0, following its sharp drop to 37.7 in March from 53.0 in February. The deterioration in business sentiment has been further confirmed by the Reuters Tankan survey. Correspondingly, in March Japan's industrial production plummeted by 15.3% compared with the previous month. Consumer confidence has also been dented, partly in view of the prevailing uncertainty associated with the prospective resolution of the situation at the Fukushima nuclear plant.

The international repercussions of the events in Japan through trade linkages are likely to be relatively contained. Although Japan is an important global player, its economy is rather closed, accounting for around 4.5% of global imports. Emerging Asia – given its regional proximity – is most exposed to developments in Japan. On average, about 8% of these countries' exports go to Japan. Japan's trade linkages with the Middle East and North Africa as well as Australia are even stronger, but a large proportion of this trade is in commodities. The exposure of the United States to Japan is much lower at just over 5% of its exports, and it is even lower for the euro area, as only about 2.5% of extra-euro area exports are sent to Japan (see Chart B). On the import side, the euro area depends heavily on Japanese products for specific chemicals, car parts, photographic components and machinery. With regard to the global financial repercussions of the events in Japan, these have also been rather contained, as the Japanese economy is also relatively closed from a financial perspective, compared with other advanced economies. For instance, foreign investment in Japan amounts to only about 60% of GDP in Japan, compared with 140% of GDP in the United States and 175% of GDP in the euro area.

Chart A Manufacturing output PMI and Reuters Tankan

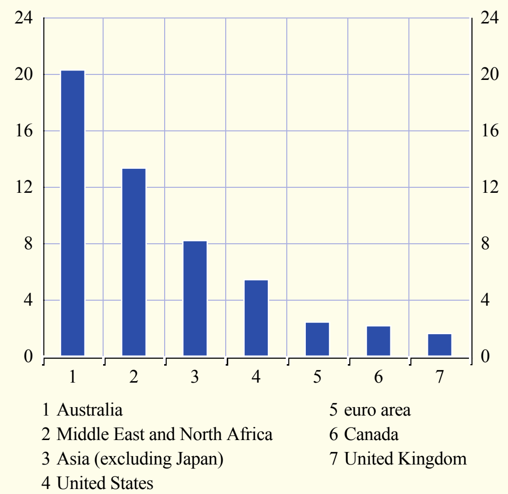
(diffusion index; seasonally adjusted; monthly data)



Sources: Markit, Reuters.
Note: Last observation refers to April 2011.

Chart B Global trade exposure to Japan (measured by Japan's share in the respective country's total exports)

(percentage of GDP; average 2005-09)



Sources: UN (Comtrade), IMF (WEO) and ECB staff.
Note: The geographical aggregates are GDP-weighted. The euro area aggregate refers to extra-euro area trade.

These direct trade effects could, however, be amplified by possible disruptions in global supply chains. Amid the rapid progress in globalisation in past decades, vertical specialisation has led to complex global production networks, which means that missing individual components could disrupt entire production processes in major industries. In fact, in certain product categories, a large proportion of global production by a number of the world's leading firms is located in the area affected by the earthquake and the scale of the damage requires, in some cases, rather prolonged production shutdowns. Anecdotal evidence suggests that this mainly affects the production of crucial components for the global automotive and electronics industries.

In the short term most global manufacturers can draw on their inventories to defer and mitigate the effects of such supply-chain bottlenecks. Even in a world of just-in-time production, firms normally hold sufficient inventories to cover a few weeks or even months. While sourcing the missing products from an alternative supplier or relocating production to another unaffected plant can take several months – as quality testing and logistics need to be ensured – such alternative sources of supply should eventually become operational, suggesting that possible supply-chain impediments should be only temporary. Moreover, key transport infrastructure has been restored, and there are reports that several factories affected by the earthquake in Japan have already resumed or are preparing to resume production.

The Japanese situation could also have spillover effects on global commodity prices as Japan is a major importer. In the near term the disruptions in the industrial sector and damage to refineries as a result of the earthquake may lower demand for commodities. In the medium run, however, the economic reconstruction in Japan is likely to increase demand for energy and base metals, potentially putting some upside pressure on the prices of these commodities. Such pressures may be compounded if Japan (and other countries) rethink their nuclear strategy, which could trigger a more broad-based change in the structure of energy demand in the medium term.

All in all, it remains extremely difficult to assess the repercussions of the earthquake in Japan. In the short term the economic outlook for Japan has deteriorated sharply and supply-chain challenges – both domestically and globally – are a concern for some companies. Looking further ahead, however, potential supply-chain bottlenecks should be resolved over time and the reconstruction-based recovery is likely to support economic activity in Japan. Nevertheless, the recent events may have wider long-term implications as global energy strategies, inventory policies and supply-chain connections may be reconsidered.

UNITED STATES

In the United States, the economy is continuing its recovery, and real GDP further expanded in the first quarter of 2011, albeit at a slower pace than in the fourth quarter of 2010. According to the advance estimate by the Bureau of Economic Analysis, real GDP increased by 1.8% in annualised terms in the first quarter of 2011, decreasing from 3.1% in the last quarter of 2010. The slowdown compared with the previous quarter largely reflected softer growth in personal consumption expenditure, a decline in structures investment and a sharper decrease in government spending. Moreover, an upturn in imports and a deceleration in export growth led to a negative net trade contribution in the first quarter of 2011. Real GDP growth, however, was supported by a significant positive contribution from inventory accumulation. The slowdown in real GDP growth is expected to be transitory, and the recovery is expected to proceed, albeit at a less robust pace compared with other recovery episodes (see the article entitled "Patterns of euro area and US macroeconomic cycles – what has been different this time?" in this issue of the Monthly Bulletin).

As regards price developments, annual CPI inflation picked up from 2.2% in February to 2.7% in March. The increase stemmed from a continued marked annual rise in energy prices (15.5%) and, to a lesser extent, in food prices (2.9%). Excluding food and energy, annual inflation increased to 1.2% in March from 1.1% in February, suggesting that the pass-through of costs is gaining strength as the economic recovery continues.

On 27 April 2011 the US Federal Open Market Committee (FOMC) decided to maintain its target range for the federal funds rate at between 0.0% and 0.25%. As mentioned in the inaugural post-FOMC meeting press conference, the FOMC continues to anticipate that economic conditions, including low rates of resource utilisation, subdued inflation trends and stable inflation expectations, are likely to warrant exceptionally low levels for the federal funds rate for an extended period.

JAPAN

Short-term indicators show a substantial deceleration in the Japanese economy in the immediate aftermath of the Great East Japan Earthquake. Industrial production declined by 15.3% month on month in March, and hence much more than after the Kobe earthquake (-2.6% month on month in January 1995). Moreover, business and consumer sentiment have been deteriorating. The Reuters Tankan survey showed that corporate confidence fell by a record amount in April and is expected to worsen further. At the same time, some progress has been made in rebuilding infrastructure and restoring production. Global repercussions remain difficult to assess, with supply-chain challenges being a concern for some companies. Annual CPI inflation was zero in March for a fourth consecutive month, reflecting weak demand. Annual CPI inflation excluding fresh food stood at -0.1%, whereas annual CPI inflation excluding fresh food and energy stood at -0.7%.

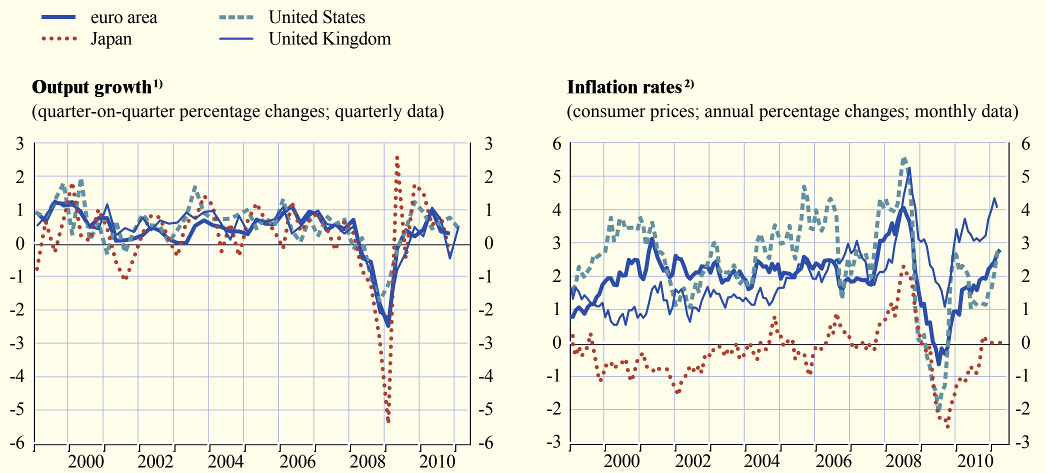
On 28 April 2011 the Bank of Japan decided to leave its target for the uncollateralised overnight rate unchanged at between 0.0% and 0.1%. Also, in addition to the emergency measures announced in March, on 7 April 2011 the Bank of Japan decided to introduce a funds-supplying operation that provides financial institutions in disaster areas with longer-term funds and to broaden the range of eligible collateral for money market operations with a view to securing sufficient financing capacity for financial institutions in the disaster area.

UNITED KINGDOM

In the United Kingdom, economic activity recovered in the first quarter of 2011. According to preliminary estimates, real GDP increased by 0.5% quarter on quarter in the first quarter of 2011 after declining by 0.5% in the fourth quarter of 2010 and increasing by 0.7% in the quarter prior to that (see Chart 3). The expansion of output over the first quarter was driven by the services and manufacturing sectors, while construction output continued to decline. House prices have continued on a downward path in recent months against the background of subdued demand in the housing market. Looking ahead, inventory adjustments, monetary stimulus, external demand and the recent depreciation of the pound sterling should support economic activity. However, growth in domestic demand is expected to remain constrained by tight credit conditions, household balance sheet adjustment and substantial fiscal tightening.

Annual CPI inflation has remained elevated in recent months, decreasing to 4.0% in March 2011, from 4.4% in February, mainly reflecting the lagged effects of the depreciation of the pound sterling, higher commodity prices and the increase in the rate of VAT in January 2011. Looking ahead, these factors are likely to continue to exert upward pressure on annual CPI inflation. In recent months the Bank of England's Monetary Policy Committee has maintained the official Bank Rate paid on commercial bank reserves at 0.5%.

Chart 3 Main developments in major industrialised economies



Sources: National data, BIS, Eurostat and ECB calculations.
1) Eurostat data are used for the euro area and the United Kingdom; national data are used for the United States and Japan. GDP figures have been seasonally adjusted.
2) HICP for the euro area and the United Kingdom; CPI for the United States and Japan.

CHINA

In China, real GDP increased by 9.7% year on year in the first quarter of 2011, down from 9.8% in the previous quarter, signalling the economy's resilience despite continued policy tightening. Investment and consumption were the main sources of GDP growth in the first quarter of 2011. Conversely, the contribution of net exports to growth turned negative, mainly owing to robust domestic demand.

In March annual CPI inflation increased to 5.4%, from 4.9% in February, mainly driven by food prices. High commodity prices and ongoing abundant domestic liquidity are also expected to keep inflationary pressures high, at least during the first half of 2011. Property market data on prices and construction volumes show some signs of a slowdown in response to the tightening measures. Amid sustained inflationary pressures and a further acceleration in new lending and M2 growth, the People's Bank of China continued to tighten its monetary policy stance in April. The one-year reference deposit and lending rates were raised by 25 basis points. The reserve requirement ratio was also increased by 50 basis points to neutralise the steady increase in domestic liquidity resulting from strong capital flows. The stock of official foreign reserves went above the USD 3 trillion threshold at the end of the first quarter.

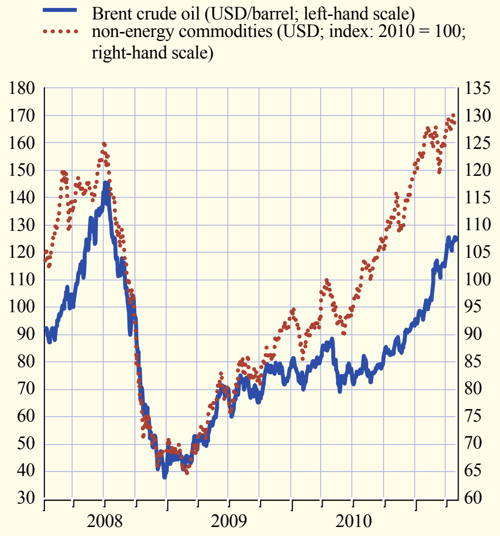
1.2 COMMODITY MARKETS

Oil prices continued to increase in April. Brent crude oil prices stood at USD 123.8 per barrel on 4 May 2011, which is 32.8% higher than at the beginning of the year (see Chart 4). Looking ahead, market participants expect slightly lower oil prices in the medium term, with futures contracts for December 2012 trading at around USD 114.2 per barrel.

Demand has been growing robustly in the last few months, both in emerging and developed economies. Coupled with the supply-side disruptions generated by the upheaval in Libya, this has led to a substantial drawdown on inventories. Some signs of a slowdown in the pace of demand growth, possibly as a consequence of high prices, are now starting to materialise. However, any further supply disruptions are likely to put additional upward pressure on prices.

The prices of non-energy commodities increased slightly in April. Food prices remained stable in response to mixed news about the status of planting in the United States. Metal prices instead posted some gains, driven in particular by nickel and aluminium. In aggregate terms, the price index for non-energy commodities (denominated in US dollars) was 6.2% higher at the end of April than at the beginning of the year.

Chart 4 Main developments in commodity prices



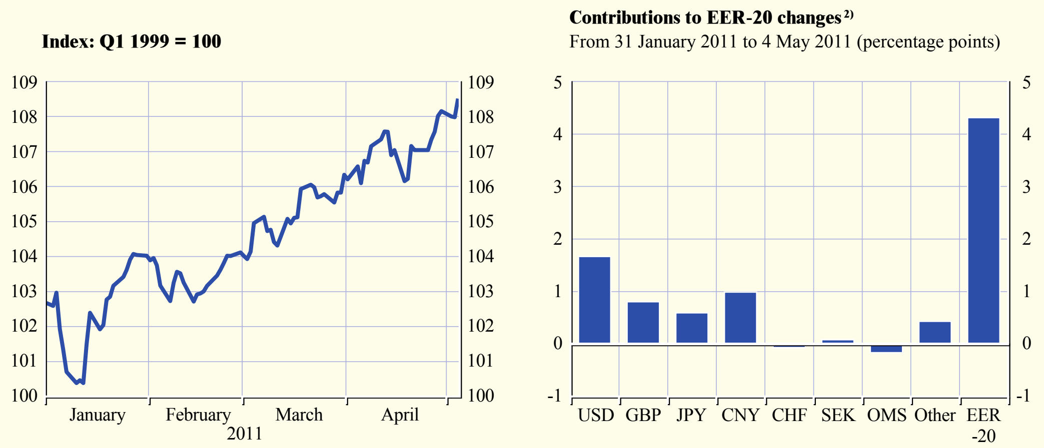
Sources: Bloomberg and HWWI.

1.3 EXCHANGE RATES

In April and early May the nominal effective exchange rate of the euro, as measured against the currencies of 20 of the euro area's most important trading partners, continued the appreciation that started in January 2011. As a result, on 4 May 2011 the nominal effective exchange rate of the euro was 4.3% higher than at the end of January 2011 and 3.7% above its average level for 2010 (see Chart 5).

Chart 5 Euro effective exchange rate (EER-20) and its decomposition[1)]

(daily data)



Source: ECB.
1) An upward movement of the index represents an appreciation of the euro against the currencies of 20 of the most important trading partners of the euro area (including all non-euro area EU Member States).
2) Contributions to EER-20 changes are displayed individually for the currencies of the six main trading partners of the euro area. The category "Other Member States" (OMS) refers to the aggregate contribution of the currencies of the non-euro area EU Member States (except the pound sterling and the Swedish krona). The category "Other" refers to the aggregate contribution of the currencies of the remaining six trading partners of the euro area in the EER-20 index. Changes are calculated using the corresponding overall trade weights in the EER-20 index.

Table 1 Euro exchange rate developments [1]

(daily data; units of national currency per euro; percentage changes)

	Weight in EER-20	Level on 4 May 2011	Appreciation (+)/Depreciation(-) of the euro as at 4 May 2011 since: 31 January 2011	since: 1 January 2010	compared with: average for 2010
US dollar	19.4	1.49	8.7	3.4	12.3
Pound sterling	17.8	0.900	4.5	1.0	4.9
Chinese renminbi	13.6	9.66	7.0	-1.6	7.7
Japanese yen	8.3	120.6	7.2	-9.7	3.8
Swiss franc	6.4	1.28	-0.5	-13.8	-7.1
Polish zloty	4.9	3.94	0.0	-4.1	-1.5
Swedish krona	4.9	9.01	1.6	-11.6	-5.5
Czech koruna	4.1	24.21	-0.1	-7.9	-4.3
Korean won	3.9	1,596.48	4.1	-4.0	4.2
Hungarian forint	3.1	264.68	-3.3	-1.9	-3.9
NEER [2]		108.5	4.3	-3.0	3.7

Source: ECB.
1) Bilateral exchange rates in descending order based on the corresponding currencies' trade weights in the EER-20 index.
2) Euro nominal effective exchange rate against the currencies of 20 of the most important trading partners of the euro area (EER-20).

In bilateral terms, in the past three months the euro appreciated against most major currencies. Between 31 January 2011 and 4 May 2011, it strengthened against the Japanese yen (by 7.2%), the US dollar (by 8.7%) and the pound sterling (by 4.5%). The single currency also appreciated significantly vis-à-vis the major Asian currencies as well as the Canadian dollar (see Table 1). The appreciation of the euro against the US dollar, combined with the corresponding strengthening against the currencies tied to the US dollar, accounted for about 65% of the overall appreciation in effective terms (see Chart 5). Foreign exchange markets experienced a bout of high volatility following the Japanese earthquake in March, but volatility reverted to values closer to, or below, historical averages in early April. Volatility, as measured on the basis of foreign exchange option prices, increased again in the course of April and early May.

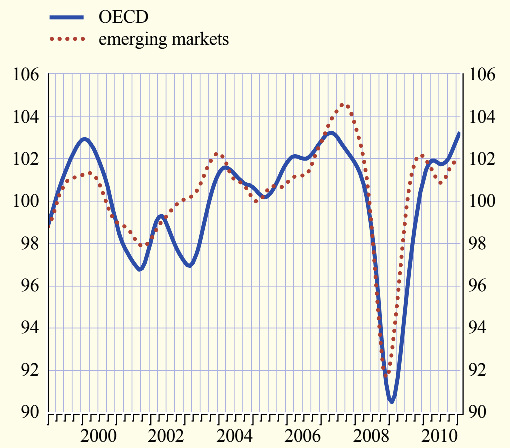
Between 31 January 2011 and 4 May 2011, the currencies participating in ERM II remained broadly stable against the euro, trading at, or close to, their respective central rates. The Latvian lats, after having remained for many months on the weak side of the unilaterally set fluctuation band of +/-1%, also moved closer to the central rate in January and early February. Since mid-February, however, it has progressively moved back towards the weak side of the band.

1.4 OUTLOOK FOR THE EXTERNAL ENVIRONMENT

Looking ahead, notwithstanding the latest moderation in the growth momentum, the global economic prospects are expected to remain favourable, and the recovery is becoming increasingly self-sustained. This is in line with the latest OECD composite leading indicator for February 2011, which continues to point to expansion in most OECD countries. The positive outlook for global economic activity is also supported by a continued sustained reading in the global PMI component for new orders. The tragic events in Japan and tensions in the Middle East and North Africa have added to the uncertainty surrounding the global outlook, but they are

Chart 6 OECD composite leading indicators

(monthly data; amplitude-adjusted)



Source: OECD.
Note: The emerging market indicator is a weighted average of the composite leading indicators for Brazil, Russia and China.

unlikely to derail the global recovery process. As regards Japan, it is widely expected that the disruption of economic activity will be rather short-lived and followed by a relatively quick, reconstruction-fuelled rebound.

The risks to global activity remain broadly balanced in an environment of elevated uncertainty. On the one hand, global trade may continue to grow more rapidly than expected. On the other hand, downside risks relate to the ongoing tensions in some segments of the financial markets, further increases in energy prices, in particular in view of ongoing geopolitical tensions, protectionist pressures and the possibility of a disorderly correction of global imbalances. Finally, there are potential risks stemming from the economic impact of the recent natural and nuclear disaster in Japan.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

The annual growth rate of M3 increased in March 2011, while that of MFI loans to the private sector remained broadly unchanged. Annual growth in both loans to households and loans to non-financial corporations remained slow. Overall, looking beyond short-term developments, the latest monetary data continue to point to a gradual recovery in euro area money and loan growth. The assessment that the underlying pace of monetary expansion is currently moderate still holds. However, monetary liquidity remains ample and may facilitate the accommodation of price pressures. Finally, MFIs' main assets decreased in March, following significant increases in the previous two months.

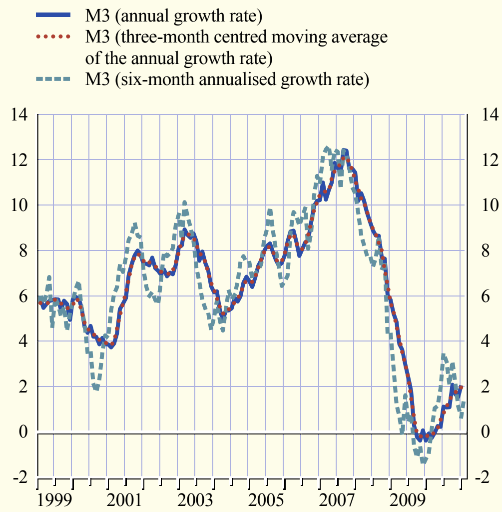
THE BROAD MONETARY AGGREGATE M3

The annual growth rate of M3 increased further to stand at 2.3% in March, up from 2.1% in February (see Chart 7). This increase resulted from a strong monthly inflow for M3 in the month under review, despite the negative impact of transactions with central counterparties (CCPs). The monthly inflow was, to a large extent, driven by a significant monthly inflow for overnight deposits and debt securities with a maturity of up to two years. Looking beyond the short-term volatility characterising monthly flows, the latest data point to a continued gradual recovery in annual M3 growth. At the same time, annual growth in broad money remains weak by historical standards.

To a large extent, developments in M3 and its main components over the past few months continue to reflect the interest rate constellation. Since November 2010 the steepness of the yield curve has gradually increased, implying that the monetary assets included in M3 have lost some of their attractiveness relative to more highly remunerated longer-term assets outside M3. At the same time, the gradual increase observed since the second half of 2009 in the positive spread between the interest rates paid on short-term time deposits and those paid on overnight deposits has led to a steady narrowing of the gap between the annual growth rate of M1 and the annual growth rate of short-term deposits other than overnight deposits (i.e. M2 minus M1).

Chart 7 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

On the counterpart side, the annual growth rate of loans to the private sector decreased slightly in March, concealing two distinct developments. On the one hand, there were increases in the annual growth rates of loans to non-financial corporations and households, while on the other hand, the annual growth rate of loans to non-monetary financial intermediaries other than insurance corporations and pension funds (OFIs) decreased, mainly owing to a monthly outflow for loans to CCPs. Although adjusting for the derecognition of loans implies that the decline in the growth of loans to the private sector was more marked in March, the broader picture of gradually recovering loan growth in the first quarter of 2011 remains.

The main assets held by euro area MFIs declined in March, mainly reflecting a reduction in inter-MFI lending and holdings of government securities. Looking at the whole of the first quarter, however, MFIs' main assets increased further, suggesting that the monthly decline in March should not be overemphasised.

MAIN COMPONENTS OF M3

The annual growth rates of M1 and marketable instruments remained broadly unchanged in March, while that of other short-term deposits continued to strengthen. This development partly reflects the gradual increase in the remuneration of other short-term deposits over recent months.

The annual growth rate of M1 increased marginally to stand at 3.0% in March, up from 2.9% in February. Although this increase was only marginal, overnight deposits registered strong dynamics. In particular, after a significant outflow in January and a very weak inflow in February, overnight deposits saw a strong inflow in March which was broadly based across sectors (on a seasonally unadjusted basis). Given the volatility of these flows, monthly developments should not be overemphasised.

The annual growth rate of short-term deposits other than overnight deposits increased significantly to stand at 2.2% in March, up from 1.8% in the previous month. This increase conceals the fact that the monthly inflow for these deposits changed only marginally and remained weak in March, as in February. This small but positive monthly flow probably reflects the gradual nature of the increase in the rate of interest on these deposits. The current and expected future interest rate constellations suggest that these positive flows are likely to continue in the short term, at the expense of overnight deposits.

At the same time, divergent developments were observed in the two sub-components: the annual growth rate of short-term savings deposits (i.e. deposits redeemable at notice of up to three months) continued to decline somewhat, while remaining significantly positive, and that of short-term time deposits (i.e. deposits with an agreed maturity of up to two years) strengthened further, while remaining modestly negative, reflecting the increasing remuneration of short-term time deposits relative to short-term savings deposits over the past few months.

The annual growth rate of marketable instruments (i.e. M3 minus M2) remained broadly unchanged at -0.2% in March, although the monthly inflow declined significantly compared with February. This was largely due to a strong outflow for repurchase agreements, mostly related to secured interbank lending activity conducted via CCPs, after an even stronger inflow in the previous month. This was only partially offset by an increase in net sales of short-term MFI debt securities to the money-holding sector, while developments in money market fund shares/units remained muted in March.

The annual growth rate of M3 deposits – which comprise short-term deposits and repurchase agreements and represent the broadest monetary aggregate for which a timely sectoral breakdown is available – remained broadly unchanged in March. This reflected a slight increase in the annual growth rate of M3 deposits held by households, which was broadly offset by a slight decrease in the annual growth rate of M3 deposits held by non-financial corporations. In terms of monthly flows, M3 deposits recorded a significant outflow in March, driven by a large outflow for repurchase agreements with CCPs, as indicated above. This was only partially offset by inflows for M3 deposits held by households and non-financial corporations.

MAIN COUNTERPARTS OF M3

As regards the counterparts of M3, the annual growth rate of MFI credit to euro area residents declined to 3.2% in March, down from 3.8% in February (see Table 2). This reflected weaker growth in credit to general government, while growth in credit to the private sector remained broadly unchanged.

Within credit to general government, both the annual growth rate of loans granted by MFIs and that of securities (other than shares) purchased by MFIs decreased in March. Both growth rates remained at a high level, reflecting the impact of the financing of asset transfers to "bad bank" schemes, which will remain visible in these growth rates until September 2011.

The annual growth rate of credit to the euro area private sector remained broadly unchanged at 2.2% in March, having stood at 2.3% in the previous month, despite the unwinding of the strong inflow observed in February for loans to OFIs as a result of interbank repo transactions conducted via CCPs. Furthermore, developments in credit to the private sector were affected in March by a large transaction reflecting the unwinding of a previous securitisation operation, which resulted in: (i) a significant reduction in holdings of securities issued by OFIs; and (ii) the re-recognition of the loans on the relevant MFI's balance sheet in loans for house purchase.

Table 2 Summary table of monetary variables

(quarterly figures are averages; adjusted for seasonal and calendar effects)

	Outstanding amount as a percentage of M3 [1]	Annual growth rates					
		2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Feb.	2011 Mar.
M1	**49.1**	**10.3**	**7.8**	**4.9**	**3.2**	**2.9**	**3.0**
Currency in circulation	8.4	6.4	6.5	5.6	4.9	5.1	3.7
Overnight deposits	40.7	11.2	8.1	4.8	2.9	2.4	2.8
M2 - M1 (= other short-term deposits)	38.9	-8.0	-5.1	-1.1	1.3	1.8	2.2
Deposits with an agreed maturity of up to two years	18.9	-21.4	-16.2	-8.8	-2.8	-1.6	-0.3
Deposits redeemable at notice of up to three months	20.0	10.3	8.4	7.3	5.4	5.2	4.8
M2	**88.1**	**1.5**	**1.7**	**2.2**	**2.4**	**2.4**	**2.6**
M3 - M2 (= marketable instruments)	11.9	-9.7	-6.5	-3.0	-1.8	-0.3	-0.2
M3	**100.0**	**-0.1**	**0.7**	**1.5**	**1.9**	**2.1**	**2.3**
Credit to euro area residents		**1.8**	**2.0**	**3.3**	**3.6**	**3.8**	**3.2**
Credit to general government		9.0	7.5	11.5	10.6	10.5	7.7
Loans to general government		6.7	6.5	15.4	17.8	17.8	14.2
Credit to the private sector		0.2	0.8	1.5	2.1	2.3	2.2
Loans to the private sector		0.2	0.9	1.7	2.4	2.6	2.5
Loans to the private sector adjusted for sales and securitisation		0.1	1.0	1.9	2.8	3.0	2.8
Longer-term financial liabilities (excluding capital and reserves)		**4.4**	**2.6**	**2.7**	**2.8**	**3.0**	**2.9**

Source: ECB.
1) As at the end of the last month available. Figures may not add up due to rounding.

Table 3 MFI loans to the private sector

(quarterly figures are averages; adjusted for seasonal and calendar effects)

	Outstanding amount as a percentage of the total[1)]	Annual growth rates					
		2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Feb.	2011 Mar.
Non-financial corporations	**42.3**	**-2.2**	**-1.3**	**-0.4**	**0.5**	**0.6**	**0.8**
Up to one year	24.4	-10.8	-8.3	-5.0	-1.5	-1.0	-0.4
Over one and up to five years	19.0	-4.6	-3.4	-2.1	-2.0	-1.8	-1.8
Over five years	56.6	3.1	2.9	2.5	2.2	2.2	2.3
Households[2)]	**46.9**	**2.6**	**2.8**	**2.8**	**3.1**	**3.0**	**3.4**
Consumer credit[3)]	12.1	-0.5	-0.5	-0.7	-0.8	-0.7	-0.9
Lending for house purchase[3)]	72.1	3.0	3.4	3.5	3.9	3.8	4.4
Other lending	15.8	3.2	2.9	2.5	2.6	2.6	2.1
Insurance corporations and pension funds	**0.8**	**-9.1**	**-1.1**	**7.6**	**7.5**	**8.6**	**5.6**
Other non-monetary financial intermediaries	**10.0**	**0.8**	**2.4**	**4.6**	**7.0**	**8.7**	**5.7**

Source: ECB.
Notes: MFI sector including the Eurosystem; sectoral classification based on the ESA 95.
For further details, see the relevant technical notes.
1) As at the end of the last month available. Sector loans as a percentage of total MFI loans to the private sector; maturity breakdown and breakdown by purpose as a percentage of MFI loans to the respective sector. Figures may not add up due to rounding.
2) As defined in the ESA 95.
3) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.

The annual growth rate of loans to non-financial corporations continued to strengthen, standing at 0.8% in March, up from 0.6% in February. The monthly flow was marginally positive as a result of net lending at maturities of over five years. At the same time, cross-country heterogeneity in loan developments remained significant, in line with the uneven recovery in economic activity and the differences currently observed in the external financing needs of individual industrial sectors in the various countries of the euro area.

The annual growth rate of loans to households increased to 3.4% in March, up from 3.0% in the previous month. This increase mainly resulted from the unwinding of a previous securitisation transaction, for which the collateral consisted of loans for house purchase, which contributed €20 billion to the inflow in March. After adjusting for this development, the flow of loans to households is still markedly positive, while the annual growth rate remains unchanged compared with February. The outflow for consumer credit stagnated during the month and increased in annual terms. This weakness is likely to be related to a lack of willingness to embark upon purchases of "big-ticket" items as a result of continued muted growth in disposable income and high levels of household indebtedness. Overall, therefore, the March data tend to confirm the earlier signs that the recovery in loans to households has levelled off in recent months.

For details of developments in both demand for loans on the part of euro area firms and households and the credit standards of banks, see the box entitled "The results of the April 2011 bank lending survey for the euro area". A broader analysis of savings, investment and financing broken down by institutional sector is presented in the box entitled "Integrated euro area accounts for the fourth quarter of 2010" in Section 2.6.

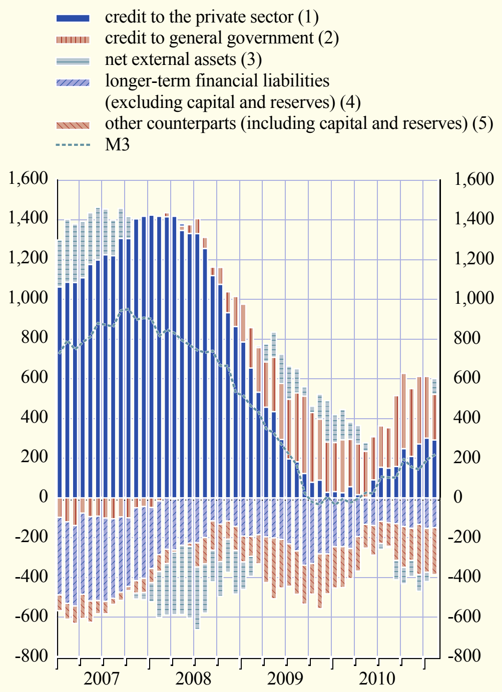
Among the other counterparts of M3, the annual growth rate of MFI longer-term financial liabilities (excluding capital and reserves) remained broadly unchanged at 2.9% in March. This development conceals diverging growth levels across the main instruments. On the one hand, the annual growth rate of longer-term MFI debt securities declined to 2.6% in March, down from 3.0% in February, and thus remains low, despite substantial monthly inflows in the first two months of 2011. On the other hand, the annual growth rate of deposits with an agreed maturity of over two years increased to 3.9%, up from 3.6% in February. In recent months insurance corporations and pension funds have contributed to the dampening of this growth rate, while other sectors have placed additional funds in this instrument.

An annual inflow of €80 billion was recorded in March for MFIs' net external asset position, compared with an outflow of €46 billion in the previous month (see Chart 8). This development reflects a small increase in the annual inflow for MFI loans to non-residents and a significant decline in the annual outflow for MFIs' external liabilities. The decline in external liabilities resulted mostly from a reduction in deposits held with euro area MFIs by non-residents.

Overall, looking beyond short-term developments, the latest monetary data continue to point to a gradual recovery in euro area money and loan growth. The assessment that underlying monetary expansion is currently moderate still holds. However, monetary liquidity remains ample and may facilitate the accommodation of price pressures.

Chart 8 Counterparts of M3

(annual flows; EUR billions; adjusted for seasonal and calendar effects)



Source: ECB.
Notes: M3 is shown for reference only (M3 = 1+2+3-4+5). Longer-term financial liabilities (excluding capital and reserves) are shown with an inverted sign, since they are liabilities of the MFI sector.

Box 2

THE RESULTS OF THE APRIL 2011 BANK LENDING SURVEY FOR THE EURO AREA

This box describes the main results of the April 2011 bank lending survey for the euro area, which was conducted by the Eurosystem between 14 and 31 March 2011.[1] Overall, euro area banks slightly tightened their credit standards on loans to both enterprises and households in the first quarter of 2011. As regards the demand for loans, survey participants reported, on the one hand, a noticeable increase in net demand for corporate loans and, on the other hand, a decline in net demand for both mortgage and consumer credit.

1 The cut-off date of the survey was 31 March 2011. A comprehensive assessment of its results was published on 27 April 2011 on the ECB's website.

Loans and credit lines to enterprises

Credit standards: In the first quarter of 2011 the net percentage[2] of banks reporting a tightening of credit standards on loans and credit lines to enteprises stood at 4%, compared with 0% in the previous quarter (see Chart A). This is broadly in line with what survey participants expected three months before (2%). In terms of maturity, credit standards on short-term loans continued to be loosened (-2%, compared with -3% in the previous survey round), while those on long-term loans were tightened.

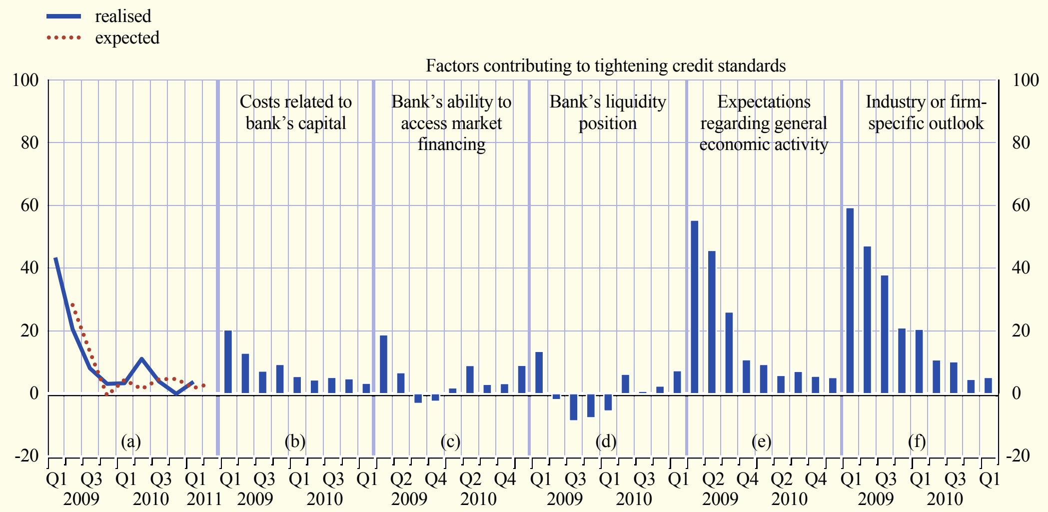
Looking at the factors underlying the overall developments in credit standards, banks' ability to access market financing (9%, after 3% in the last quarter of 2010) and banks' liquidity position (7% after 2%) were reported to have contributed more to a net tightening of credit standards than in the previous quarter. At the same time, the contribution of factors related to the perception of risks (in particular, expectations regarding general economic activity and the industry or firm-specific outlook) remained broadly unchanged, while competitive pressures in loan markets had an ongoing easing impact.

According to survey participants, most non-price terms and conditions were tightened, although marginally less than in the previous round. At the same time, margins on riskier loans were

2 The reported net percentage refers to the difference between the proportion of banks reporting that credit standards have been tightened and the proportion of banks reporting that they have been eased. A positive net percentage indicates that banks have tended to tighten credit standards ("net tightening"), whereas a negative net percentage indicates that banks have tended to ease credit standards ("net easing").

Chart A Changes in credit standards applied to the approval of loans or credit lines to enterprises

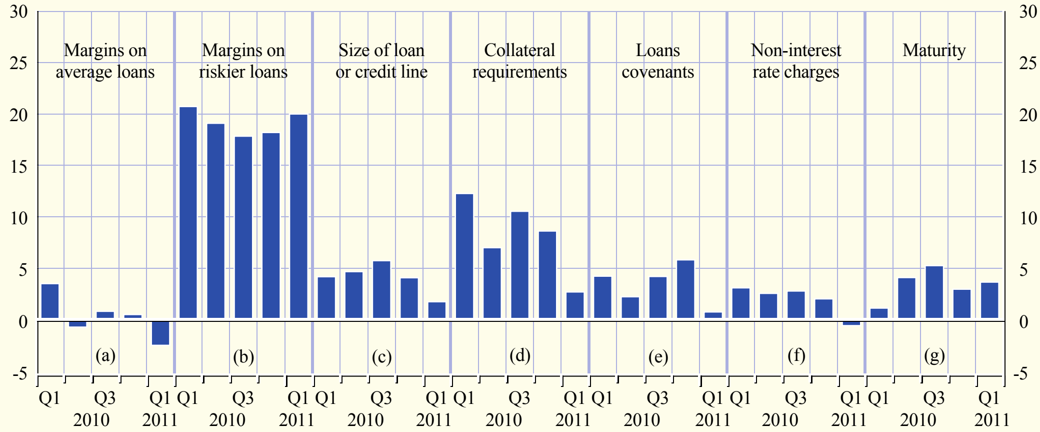
(net percentages)



Notes: In panel (a), the net percentages refer to the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". The net percentages for the questions related to the factors are the difference between the percentage of banks reporting that the given factor contributed to tightening and the percentage reporting that it contributed to easing. "Realised" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

Chart B Changes in terms and conditions for approving loans or credit lines to enterprises

(net percentages of banks reporting tightening terms and conditions)



Note: The net percentages refer to the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably".

raised slightly (by 20% of banks in net terms compared with 18% in the last quarter of 2010), while margins on average loans were actually reduced (see Chart B).

Looking ahead, euro area banks still expect a slight net tightening of credit standards on loans to enterprises in the second quarter of 2011 (3%; see Chart A), which would affect both SMEs and large firms equally and would primarily affect long-term loans.

Loan demand: In the first quarter of 2011 net demand for loans[3] from enterprises increased to 19%, from 10% in the fourth quarter of 2010 (see Chart C). Similar developments were reported with respect to loans to large enterprises (16%, up from 11% in the previous round), while for loans to SMEs, net demand was still positive but slightly lower than what was reported in the January 2011 round (13%, after 19% in the previous three months). As regards maturities, net demand for both short and long-term loans stood at similar levels to what was indicated by survey participants three months ago (14% and 18% respectively).

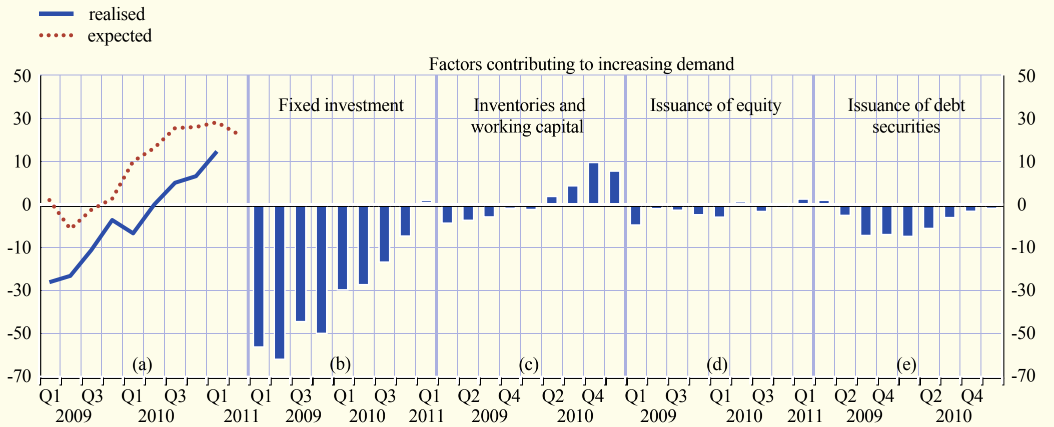
The improvement in overall net demand was mainly driven by a pick-up in needs for inventories and working capital (18%, up from 13% in the last quarter of 2010) and, for the first time in more than two years, positive developments in fixed investment (12%, after 0% in the January 2011 round). At the same time, euro area banks indicated that the influence of alternative sources of financing, either internal or external, became broadly neutral.

Looking ahead, on balance, euro area banks expect net loan demand from enterprises to increase in the second quarter of 2011 (to 26%). This increase is expected to apply to a larger extent to SMEs (24%) than to large firms (18%). Furthermore, banks expect an ongoing alignment of dynamics across maturities, with expected net demand for short and long-term loans converging further (25% and 22% respectively).

3 The net demand for loans is calculated as the difference between the percentage of banks reporting that demand for loans has increased and the percentage reporting that demand for loans has decreased.

Chart C Changes in demand for loans or credit lines to enterprises

(net percentages)



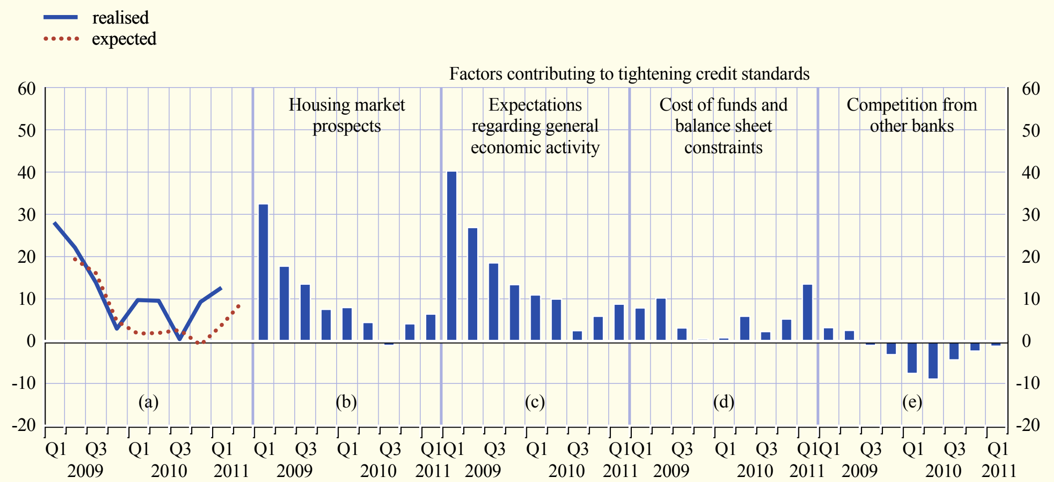
Notes: In panel (a), the net percentages refer to the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The net percentages for the questions related to the factors are the difference between the percentage of banks reporting that the given factor contributed to an increase in demand and the percentage reporting that it contributed to a decline. "Realised" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

Loans to households for house purchase

Credit standards: In the first quarter of 2011 the net percentage of banks reporting a tightening of credit standards for loans to households for house purchase stood at 13%, compared with 9% in the previous quarter (see Chart D). The increase in the net tightening appears to be explained mainly by an increase in banks' cost of funds and balance sheet constraints (14%, after 5% in the fourth quarter of 2010), as well as a slight deterioration in risk perception (in particular

Chart D Changes in credit standards applied to the approval of loans to households for house purchase

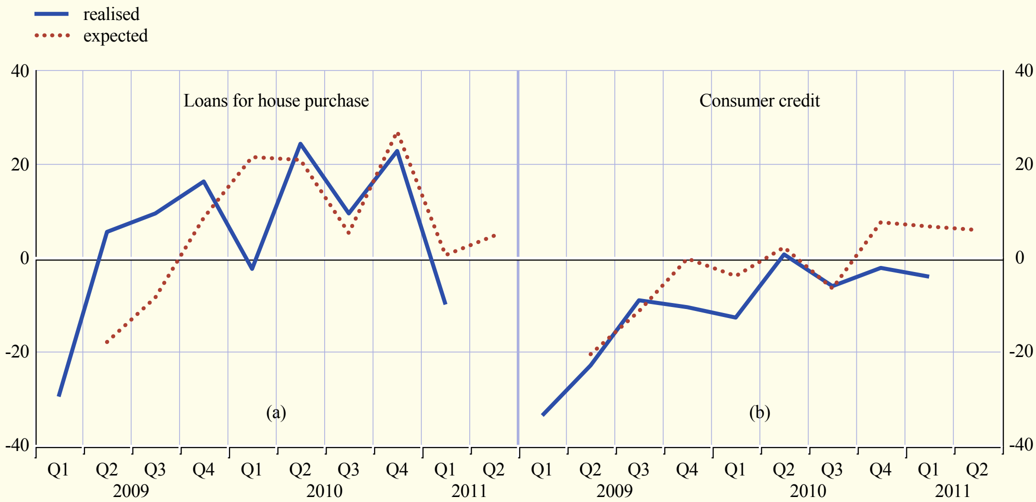
(net percentages)



Note: See notes to Chart A.

Chart E Changes in demand for loans to households for house purchase and consumer credit

(net percentages)



Notes: The net percentages refer to the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". "Realised" values refer to the period in which the survey was conducted. "Expected" values refer to the expected changes over the next three months.

expectations regarding general economic activity, which stood at 9% compared with 6% in the previous survey round).

According to the survey respondents, most price and non-price terms and conditions were tightened overall in the first quarter of 2011. In particular, the net percentage of banks reporting a tightening of margins on riskier loans rose from 10% in the previous survey round to 19% in the first quarter of 2011. In the case of margins on average loans, this percentage turned positive, from -1% in the last quarter of 2010 to 11% in the first quarter of 2011. Euro area banks also reported a net tightening of the loan-to-value ratio (9%, after 1% in the previous survey round) and of maturity (6% after 0%).

Looking ahead, for the second quarter of 2011, banks still expect credit standards on loans to households for house purchase to be tightened in net terms (9%).

Loan demand: Net demand for housing loans contracted considerably in the first quarter of 2011, as the net percentage of banks reporting a decrease in demand for housing loans stood at -10% (after 23% in the previous quarter; see Chart E). This was mainly on account of a deterioration in housing market prospects as well as faltering consumer confidence.

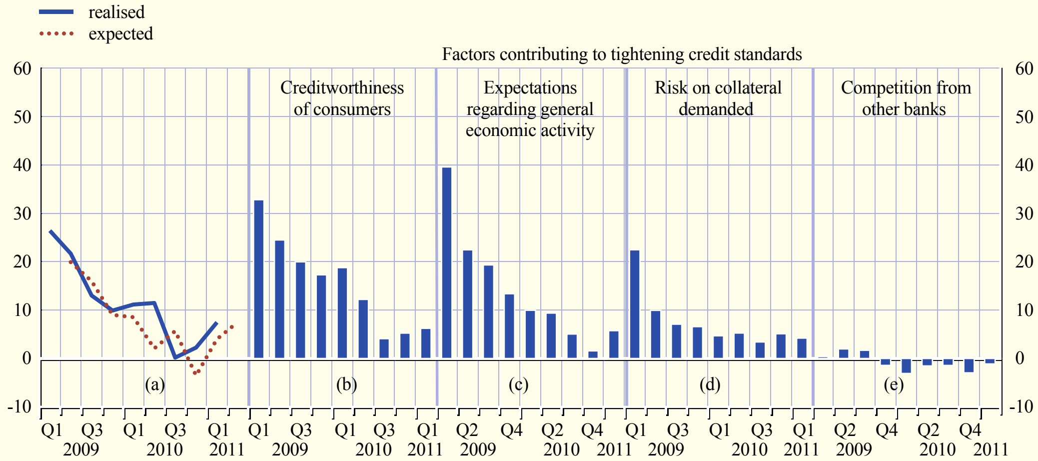
Looking forward, however, banks expect a mild increase in the demand for housing loans in the second quarter of the year (5% in net terms).

Consumer credit and other lending to households

Credit standards: Broadly in line with expectations, the net percentage of banks reporting a tightening of credit standards on consumer credit and other lending to households stood at 7% in

Chart F Changes in credit standards applied to the approval of consumer credit and other lending to households

(net percentages)



Note: See notes to Chart A.

the first quarter of 2011 (up from 2% in the previous quarter; see Chart F). Similarly to corporate and housing loans, banks' increased cost of funds and balance sheet constraints (9%, after 5% in the previous survey round), as well as a deterioration in expectations regarding general economic activity (6% after 2%), were the factors contributing the most to the net tightening of credit standards.

Looking ahead, banks still expect a net tightening of credit standards on consumer credit and other lending to households in the second quarter of 2011 (8%).

Loan demand: Contrary to expectations in the previous survey round, net demand for consumer credit was not positive in the first quarter of 2011, but instead slightly decreased to -4% (from -2% in the last quarter of 2010; see Chart E). It was mainly dampened by developments in consumer confidence.

Looking ahead, banks expect positive net demand for consumer credit and other lending to households in the second quarter of 2011 (6%).

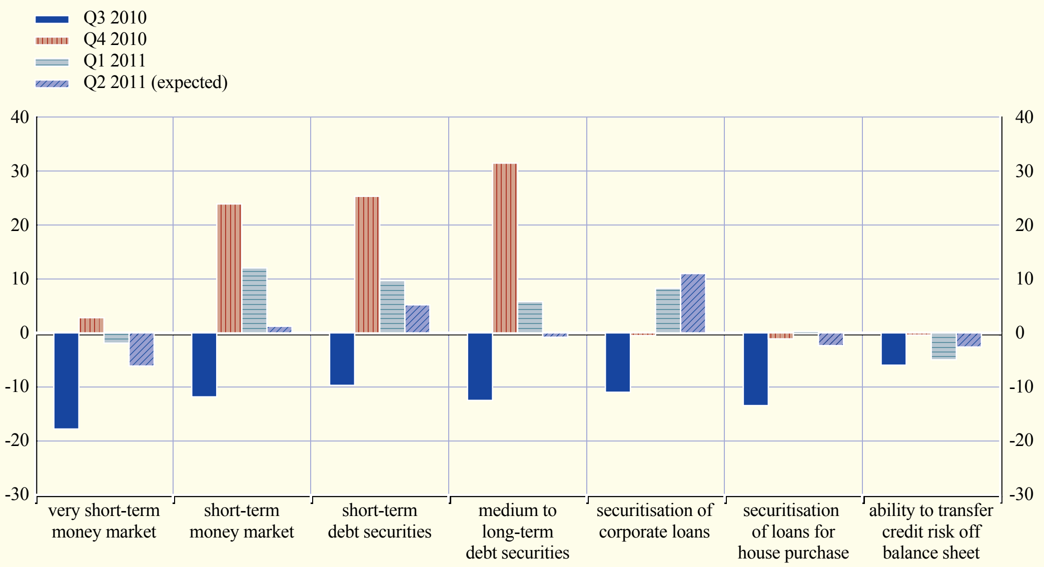
Ad hoc question on the impact of the financial turmoil

As in previous survey rounds, the April 2011 survey also contained an ad hoc question aimed at assessing the extent to which the financial market tensions affected banks' access to the wholesale funding market in the first quarter of 2011, and the extent to which they might still have an effect in the second quarter of 2011.

For the first quarter of 2011 banks generally reported a deterioration in their access to short-term money markets and debt securities markets (although the deterioration was less pronounced than in the previous survey round), as well as in their access to true-sale securitisation of corporate loans (see Chart G). At the same time, they noted broadly unchanged conditions for the securitisation of housing loans and an improved ability to transfer risks off banks' balance

Chart G Change in the access to wholesale funding over the past three months

(net percentages of banks reporting deteriorated market access)



Note: The net percentages are defined as the difference between the sum of the percentages for "deteriorated considerably" and "deteriorated somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably".

sheets. On balance, 12% of euro area banks (excluding banks replying "not applicable") reported deteriorated access to short-term money markets with maturities exceeding one week (contrasting with 24% in the previous survey round), whereas access to very short-term money markets slightly improved for 2% of the surveyed banks (compared with 3% indicating a deterioration in the previous round). Deteriorated access was reported for debt securities markets (by 6-10% of the banks compared with around 30% in the previous quarter) and for true-sale securitisation of corporate loans (by 8% of the banks). In net terms, conditions for the securitisation of loans to households remained broadly unchanged, while the ability to transfer risks off banks' balance sheets improved (according to 5% of the banks surveyed).

Looking ahead, euro area banks expect access to money markets to ease and possibly start to improve overall in the second quarter of 2011. By contrast, access to debt securities markets could still deteriorate, albeit less than in the first quarter. Conditions for the securitisation of corporate loans are also expected to continue to deteriorate in the second quarter.

2.2 SECURITIES ISSUANCE

The annual growth of debt securities issued by euro area residents increased in February 2011, owing to expanding debt issuance on the part of MFIs. By contrast, the annual growth of debt securities issued by non-financial corporations continued along the downward trend recorded over the past year, but remained at a robust level. The moderation of debt issuance by the non-financial corporate sector may partly reflect the ongoing normalisation of demand for bank loans observed over recent months. The annual growth rate of debt securities issued by the general government declined in February. The annual rate of increase in issuance of quoted shares declined slightly and remained at a subdued level.

Table 4 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) 2011 February	Annual growth rates [1] 2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 January	2011 February
Debt securities	**16,030**	**6.5**	**4.7**	**3.5**	**3.6**	**3.7**	**4.1**
MFIs	5,361	1.6	0.6	-0.5	0.0	0.1	1.6
Non-monetary financial corporations	3,282	7.6	3.2	1.2	1.6	1.8	2.3
Non-financial corporations	833	14.7	15.1	10.3	8.3	7.3	5.6
General government	6,555	9.9	8.3	7.6	7.5	7.5	7.0
of which:							
Central government	6,013	9.9	8.1	7.1	6.9	7.1	6.7
Other general government	542	10.5	11.4	15.3	16.2	14.0	11.6
Quoted shares	**4,844**	**2.9**	**2.5**	**1.8**	**1.7**	**1.3**	**1.4**
MFIs	535	8.3	6.6	5.2	6.6	6.2	6.8
Non-monetary financial corporations	376	5.4	5.2	4.3	3.4	1.5	2.3
Non-financial corporations	3,933	1.9	1.5	1.0	0.8	0.6	0.6

Source: ECB.
1) For details, see the technical notes for Sections 4.3 and 4.4 of the "Euro area statistics" section.

DEBT SECURITIES

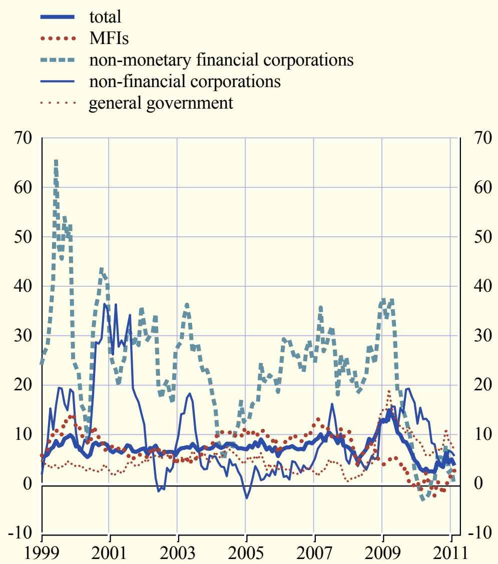
In February 2011 the annualised growth rate of debt securities issued by euro area residents rose to 4.1%, compared with 3.7% in the previous month (see Table 4). While the pace of contraction in short-term debt securities issuance continued to decelerate, reaching -4.4% in February, the annual growth of long-term debt issuance edged up from 4.9% in January 2011 to 5.1% in February. However, the annualised and seasonally adjusted six-month growth rate of debt securities issued, which better captures short-term trends, declined to 3.8% in February, from 5.0% in January (see Chart 9). This was due primarily to a decline in debt issuance by non-financial corporations, down to 5.6% in February from 7.3% in the previous month (see Table 4). Borrowing by the general government also declined to 7.0%, thus remaining high. By contrast, debt issuance by MFIs increased, up from zero to 1.6% in February.

Over recent months, refinancing activity remained concentrated on issuance in the long-term segment, in particular at fixed rates. The annual rate of increase in issuance of fixed rate long-term debt securities remained broadly stable at 6.8% in February. At the same time, issuance of floating rate long-term debt securities rose to around 1.3% in February, thus remaining in positive territory for the fourth successive month.

From a sectoral perspective, the annual growth of debt security issuance by the general government and by non-financial corporations declined in February. The issuance activity

Chart 9 Sectoral breakdown of debt securities issued by euro area residents

(six-month annualised growth rates; seasonally adjusted)



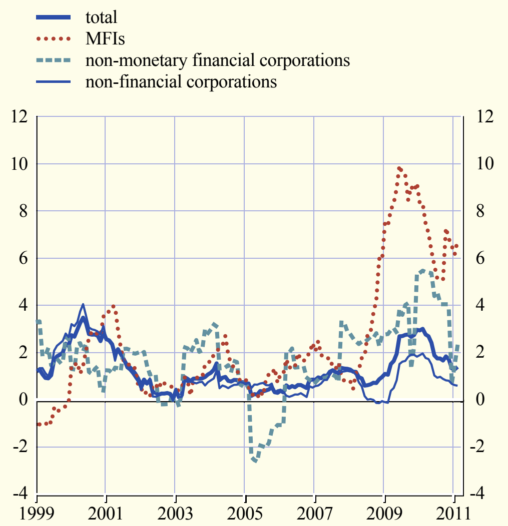
Source: ECB.

of non-financial corporations continued the downward trend recorded over the past year as the annual rate of increase in such issuance declined by around 1.7 percentage points to 5.6% in February. A sharper contraction of short-term debt securities issuance was only partially offset by an increase in issuance of long-term debt securities. The ongoing moderation in debt securities issuance by non-financial corporations may partly reflect the normalisation of demand for bank loans observed in recent months.

Public borrowing remained high. However, the annual growth of debt securities issued by the general government sector declined to 7.0% in February. The downward trend that started in September 2009 seems to have levelled off. The robust debt issuance activity on the part of the general government sector reflects the still high public sector funding needs in the euro area.

Chart 10 Sectoral breakdown of quoted shares issued by euro area residents

(annual growth rates)



Source: ECB.
Note: Growth rates are calculated on the basis of financial transactions.

Turning to the financial sector, the annual growth rate of debt securities issued by MFIs increased from zero to 1.6% in February. Net issuance of short-term debt securities turned positive and stood at 1.4% in February, potentially reflecting a more favourable access to funding for euro area banks. Similarly, net issuance of long-term debt securities rose to 1.7% in February, reaching the highest level recorded since May 2010. Finally, the annual growth rate of debt securities issued by financial corporations other than MFIs rose from 1.8% in January 2011 to 2.3% in February.

QUOTED SHARES

The annual growth rate of quoted shares issued by euro area residents increased slightly to 1.4% in February, mainly on account of equity issuance activity on the part of MFIs and financial corporations other than MFIs (see Chart 10). Indeed, the annual rate of growth in equity issuance by MFIs rose to 6.8% in February 2011, from 6.2% in January 2011. Equity issuance activity by MFIs remained robust, given the ongoing efforts of many euro area banks to strengthen their balance sheets by replenishing their capital bases. At the same time, the annual growth rate of quoted shares issued by financial corporations other than MFIs increased from 1.5% in January to 2.3% in February. The annual growth of quoted shares issued by non-financial corporations remained broadly stable at 0.6%.

2.3 MONEY MARKET INTEREST RATES

Money market interest rates increased further between early April and early May 2011, with interest rates at the twelve-month maturity reaching levels last observed in February 2009. During the fourth maintenance period of 2011, which began on 13 April, the EONIA was relatively stable for the first week, before increasing above the fixed rate in the main refinancing operations ahead of the Easter holiday period. On 21 April the EONIA spiked to stand at 1.43%. It remained relatively volatile thereafter, standing at 1.05% on 4 May.

Unsecured money market interest rates increased between early April and early May 2011, reflecting the 25 basis point increase in the key ECB interest rates, which took effect as of the operations settled on 13 April. On 4 May the one-month, three-month, six-month and twelve-month EURIBOR stood at 1.25%, 1.42%, 1.70% and 2.16% respectively – i.e. 24, 15, 12 and 12 basis points higher than the levels observed on 6 April. The spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – decreased by 11 basis points to stand at 91 basis points on 4 May (see Chart 11).

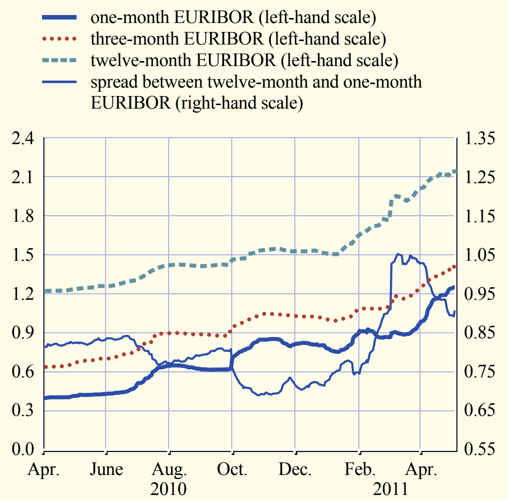
Between 6 April and 4 May the money market rate derived from the three-month EONIA swap index increased slightly more than the corresponding unsecured rate. The three-month EONIA swap rate stood at 1.24% on 4 May, 20 basis points higher than on 6 April. Thus, the spread between the unsecured three-month EURIBOR and the secured three-month EONIA swap rate decreased to 18 basis points on 4 May, 5 basis points lower than on 6 April, indicating some further normalisation in the money markets.

The interest rates implied by the prices of three-month EURIBOR futures maturing in June, September and December 2011 and March 2012 stood at 1.60%, 1.92%, 2.17% and 2.37% respectively on 4 May, representing increases of around 7, 6 and 4 basis points and a decline of around 1 basis point compared with the levels observed on 6 April. These increases imply an upward shift in the forward curve.

From 6 April to the end of the third maintenance period of 2011, the EONIA was relatively stable at around 0.55%. On 13 April the EONIA began the fourth maintenance period of the year at a higher level, standing at 1.14%, reflecting the 25 basis point increase in the key ECB interest rates. The EONIA initially remained stable around this level, before increasing above the fixed rate in the main refinancing operations ahead of the Easter holiday. It spiked to stand at 1.43% on 21 April and remained relatively volatile thereafter, standing at 1.05% on 4 May (see Chart 12).

Chart 11 Money market interest rates

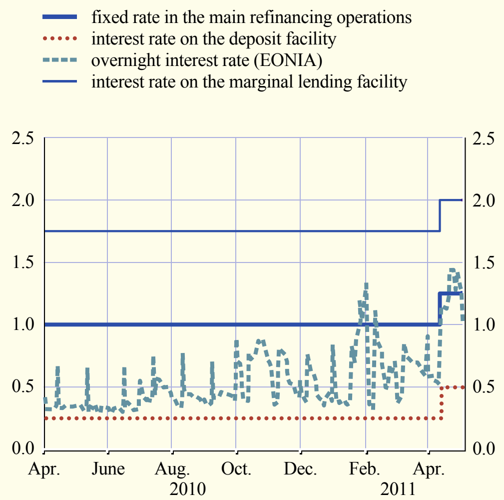
(percentages per annum; spread in percentage points; daily data)



Sources: ECB and Thomson Reuters.

Chart 12 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

The Eurosystem conducted a number of refinancing operations between 6 April and 4 May. On 12 April the Eurosystem conducted a fine-tuning operation in which €78.9 billion was absorbed in order to counter the liquidity surplus at the end of the third maintenance period of 2011. In the main refinancing operations of the fourth maintenance period, which were conducted on 12, 19 and 26 April and 3 May, the Eurosystem allotted €94.1 billion, €97.4 billion, €117.9 billion and €127.5 billion respectively. The Eurosystem also conducted two longer-term refinancing operations in April, both as fixed rate tender procedures with full allotment: a special-term refinancing operation on 12 April with a maturity of one maintenance period (in which €83.7 billion was allotted); and a three-month longer-term refinancing operation on 27 April in which €63.4 billion was allotted. The Eurosystem also conducted four one-week liquidity-absorbing operations on 12, 19 and 26 April and 3 May as variable rate tender procedures with a maximum bid rate of 1.25%. With these operations, the Eurosystem absorbed liquidity provided by purchases made under the Securities Markets Programme. While the first two operations absorbed that liquidity in full, there was underbidding in the last two liquidity-absorbing operations, possibly related to end-of-month effects and/or the rolling over of maturing longer-term refinancing operations. In addition, in the period from 21 April to 3 May overnight rates exceeded the maximum bid rate in the liquidity-absorbing operations, which may have reduced the attractiveness of placing liquidity with the ECB.

The levels of excess liquidity during the fourth maintenance period, which began on 13 April, were relatively low compared with the previous maintenance periods in 2011, with average daily recourse to the deposit facility falling to stand at €18.4 billion on 4 May.

2.4 BOND MARKETS

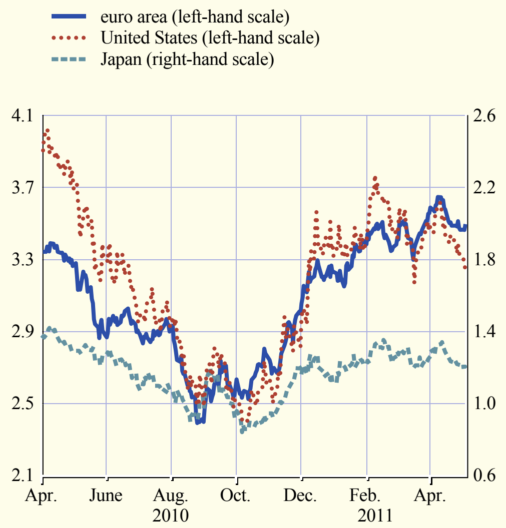
In the course of April and early May, the yield on AAA-rated long-term government bonds declined slightly, overall, in both the euro area and the United States. While the economic momentum remained positive, mixed economic data releases in the United States and the re-intensification of tensions in euro area sovereign debt markets weighed on market sentiment as well. The ongoing tensions in northern Africa and the Middle East continue to exert downward pressure on government debt yields. Implied bond market volatility in the euro area remained unchanged in April, while it declined slightly in the United States. Intra-euro area sovereign bond yield spreads widened further for Greece and Portugal. Data on long-term break-even inflation rates in early April continue to indicate that inflation expectations remain firmly anchored.

In the course of April and early May, AAA-rated long-term euro area government bond yields declined by about 10 basis points to stand at 3.5% on 4 May. In the United States, long-term bond yields declined by some 20 basis points over the same period, standing at 3.3% on 4 May (see Chart 13). Consequently, the nominal interest rate differential between ten-year government bond yields in the United States and those in the euro area declined by 10 basis points in the period under review. Implied bond market volatility in the euro area remained unchanged between the end of March and early May. In the United States, by contrast, implied bond market volatility declined slightly. In Japan, ten-year government bond yields remained broadly unchanged, standing at 1.2% on 4 May.

Developments in AAA-rated long-term euro area government bond yields continue to be driven by the positive economic momentum in the euro area, the United States and the world economy at large, on the one hand, and by the re-intensification of tensions in certain sovereign debt markets,

Chart 13 Long-term government bond yields

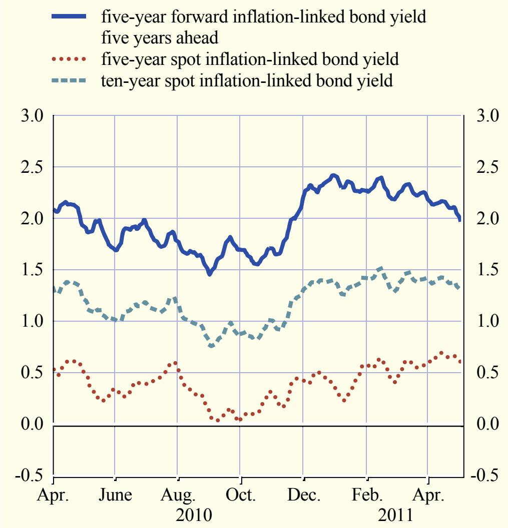
(percentages per annum; daily data)



Sources: Bloomberg and Thomson Reuters.
Note: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity.

Chart 14 Euro area zero coupon inflation-linked bond yields

(percentages per annum; five-day moving averages of daily data; seasonally adjusted)



Sources: Thomson Reuters and ECB calculations.

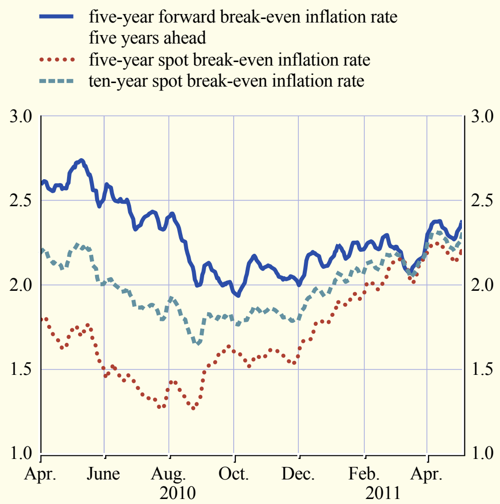
on the other. Other factors such as the political tensions in northern Africa and the Middle East also contributed negatively to market sentiment. In the United States, the economic momentum remains positive. In the course of April, however, the downward revision of the growth projections for 2011 and 2012 by the Federal Reserve, and the release of GDP growth figures for the first quarter of 2011, disappointed market sentiment. The downgrading of the outlook of the US debt by a rating agency did not have any discernible impact on US government bond yields.

Tensions in euro area sovereign debt markets intensified significantly in April. Over the review period, the spread of Greek and Portuguese sovereign debt yields vis-à-vis German sovereign debt yields widened further to reach record levels. This was driven primarily by the fact that market participants appear to regard a restructuring of Greek debt as becoming more likely. Irish sovereign debt yield spreads vis-à-vis Germany, which had narrowed over the first week of April, following the release of the generally positive Irish bank stress tests, were likewise negatively affected by market participants' speculation on Greek debt. In the course of April some market participants also feared the prospect of the crisis spreading to other euro area countries over and beyond Greece, Ireland and Portugal. However, the widening of the spreads of Spanish, Italian and Belgian government debt was contained over the period under review.

Yields on ten-year inflation-linked euro area government bonds declined slightly over the period under review, while the real yields on corresponding five-year bonds remained broadly unchanged (see Chart 14). On 4 May, five and ten-year spot real yields stood at 0.6% and 1.3% respectively. Over the period under review, implied forward break-even inflation rates (five-year forward five years ahead) in the euro area remained broadly unchanged, standing at 2.3% on 4 May (see Chart 15). This and the five-year forward five years ahead inflation swap rate, which also remained unchanged to stand at around 2.4% on that date, indicate that market participants' inflation expectations remain

Chart 15 Euro area zero coupon break-even inflation rates

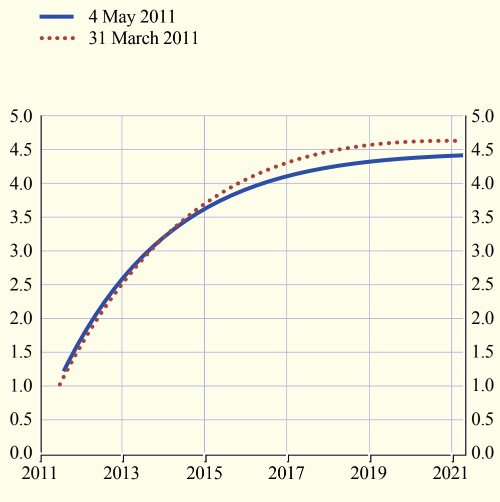
(percentages per annum; five-day moving averages of daily data; seasonally adjusted)



Sources: Thomson Reuters and ECB calculations.

Chart 16 Implied forward euro area overnight interest rates

(percentages per annum; daily data)



Sources: ECB, EuroMTS (underlying data) and Fitch Ratings (ratings).
Notes: The implied forward yield curve, which is derived from the term structure of interest rates observed in the market, reflects market expectations of future levels for short-term interest rates. The method used to calculate these implied forward yield curves is outlined in the "Euro area yield curve" section of the ECB's website. The data used in the estimate are AAA-rated euro area government bond yields.

firmly anchored. Break-even inflation rates have been very volatile over the past two months, possibly reflecting the fact that the nominal yield curve has responded more promptly to recent episodes of flight to safety than the real yield curve. Estimates of implied inflation expectations inferred from break-even inflation rates, however, remained broadly unchanged throughout those episodes.

The general pattern of long-term euro area bond yields can be decomposed into changes in interest rate expectations (and related risk premia) at different horizons (see Chart 16). Compared with the end of March, the term structure of short-term forward rates for maturity horizons longer than three years has shifted downwards by around 15 basis points, possibly reflecting lower risk premia.

Spreads on investment-grade corporate bonds issued by non-financial corporations remained broadly unchanged across credit ratings over the period under review. These spreads appear to be aligned to current prospects of default for non-financial corporations, which are in line with historical averages and well below the high values recorded during the recent financial crisis. Spreads on investment-grade corporate bonds issued by financial corporations declined across all credit rating classes in April. The decline was highest for BBB-rated debt securities. Concerns about the restructuring of the Greek debt, which had had a negative impact on financial stock prices, were not visible in the prices charged for debt issued by financial corporations. In fact, there have been reports of favourable issuance activity by banks. However, corporate bond yields of debt issued by financial corporations continue to trade at a premium in comparison with average pre-crisis conditions.

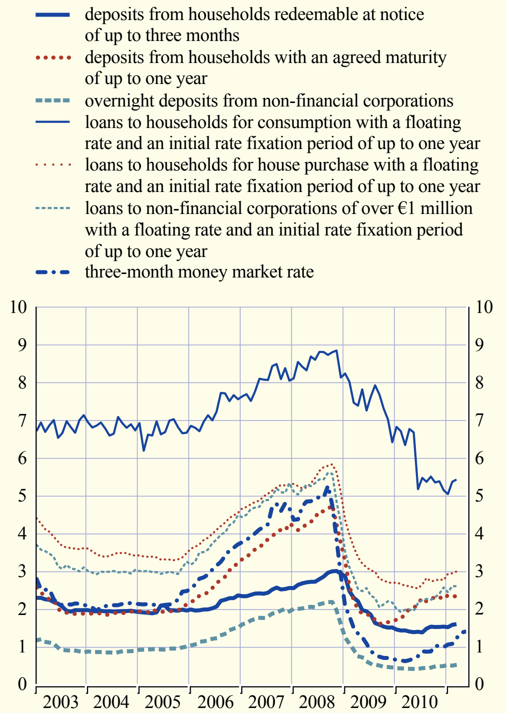
2.5 INTEREST RATES ON LOANS AND DEPOSITS

In March 2011 most MFI lending rates for households and non-financial corporations were broadly stable in the case of short maturities, but increased somewhat for long maturities. By historical standards, MFI lending rates for both households and non-financial corporations are still very low across all maturities.

In March 2011 short-term MFI interest rates on deposits remained almost unchanged for both households and non-financial corporations. Most MFI rates on short-term loans to households for house purchase, as well as MFI interest rates on short-term loans to non-financial corporations, were broadly stable (see Chart 17). More precisely, interest rates on short-term housing loans and on households' overdrafts stood at around 3.0% and 8.8% respectively in March. The normally more volatile rates on consumer credit remained broadly unchanged at 5.4%. As regards non-financial corporations, banks' short-term rates on small loans (i.e. loans of up to €1 million) and on large loans (i.e. loans of more than €1 million) remained more or less stable at 3.7% and 2.6% respectively. Interest rates on overdrafts continued to stand at around 4.0%. With the EURIBOR increasing by 15 basis points in March, the spread between short-term MFI lending rates and the three-month money market rate declined slightly both for loans to households for house purchase and for loans to non-financial corporations (see Chart 18).

Chart 17 Short-term MFI interest rates and a short-term market rate

(percentages per annum; rates on new business)



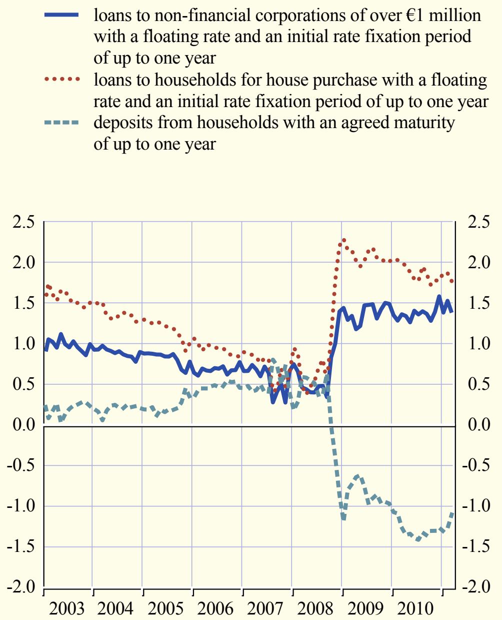
Source: ECB.
Note: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

Taking a longer-term perspective, short-term rates on both loans to households for house purchase and loans to non-financial corporations decreased by around 300 basis points between end-September 2008 (i.e. immediately prior to the beginning of the cycle of monetary policy easing) and end-March 2011. This compares with a decline of 400 basis points in the three-month EURIBOR and indicates a significant pass-through of changes in market rates to bank lending rates over the period.

Turning to longer maturities, MFI interest rates on long-term deposits rose slightly for both households and non-financial corporations in March 2011. Most interest rates on longer-term loans to non-financial corporations remained broadly stable or increased. By contrast, longer-term rates on loans to households for house purchase edged up (see Chart 19). Specifically, the rates on loans to households for house purchase with an initial rate fixation period of over five and up to ten years increased by around 10 basis points to 4.2%, thus nevertheless remaining close to all-time lows. As regards non-financial corporations, the average rates on

Chart 18 Spreads of short-term MFI interest rates vis-à-vis the three-month money market rate

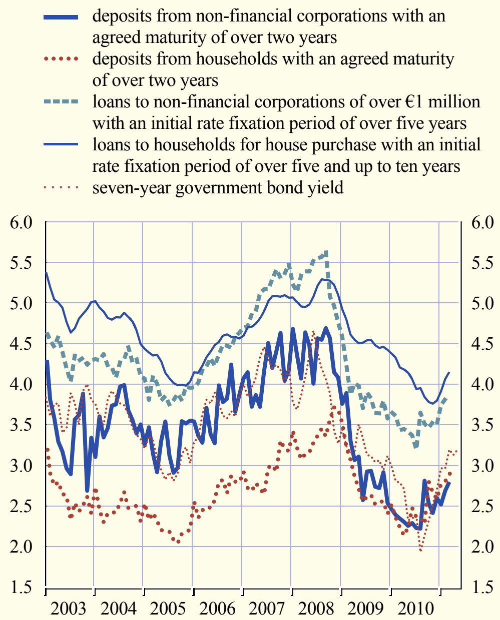
(percentage points; rates on new business)



Source: ECB.
Notes: For the loans, the spreads are calculated as the lending rate minus the three-month money market rate. For the deposits, the spread is calculated as the three-month money market rate minus the deposit rate. Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

Chart 19 Long-term MFI interest rates and a long-term market rate

(percentages per annum; rates on new business)



Source: ECB.
Note: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).

large-sized loans with an initial rate fixation period of over five years remained broadly unchanged at 3.8%. Average interest rates on small-sized loans with an initial rate fixation period of over five years increased somewhat to 4.2%. The average rates on large loans with an initial rate fixation period of over one year and up to five years declined by around 30 basis points to stand at 2.9%, while the average rates on small loans with similar fixation period increased to 4.5%.

Viewed from a longer-term perspective, since September 2008, euro area banks have adjusted their rates on long-term loans to non-financial corporations more or less in line with the decline in AAA-rated long-term government bond yields. Rates on long-term loans to households did not fall as much over this period, reflecting a more incomplete and sluggish pass-through for households. Nevertheless, until the beginning of 2011, interest rates on longer-term loans to households have followed a declining trend, while market interest rates have been rising. As a result, the spread of long-term rates on loans to households vis-à-vis AAA-rated long-term government bond yields has narrowed since August, standing at around 100 basis points in March. For non-financial corporations, the upward trend in long-term lending rates has recently flattened, also resulting in a narrowing of the spread vis-à-vis long-term government bond yields.

Weighted by new business volumes, average bank lending rates declined somewhat in March, while average rates on deposits increased slightly, causing loan-deposit margins on new loans to tighten a little. The margins remain just above historically low levels. As was the case in recent months, average loan-deposit margins on outstanding amounts again remained broadly unchanged in March. Unchanged margins contribute positively to the net interest income and profitability of euro area banks.

2.6 EQUITY MARKETS

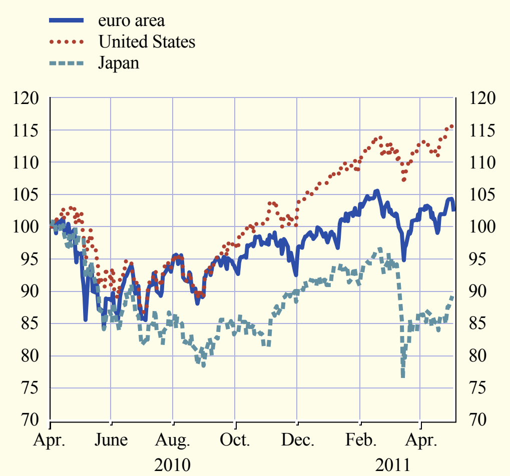
In the course of April and early May, stock prices rose in both the euro area and the United States. While developments in stock prices continue to benefit from the generally positive economic momentum, better than expected corporate earnings announcements were the main drivers behind stock price increases on both sides of the Atlantic in April. Stock market uncertainty, as measured by implied volatility, declined slightly.

Euro area and US stock prices increased in the course of April and early May. Overall, between 31 March and 4 May, euro area stock prices, as measured by the broad-based Dow Jones EURO STOXX index, increased by 1.3%, while the Standard and Poor's 500 index in the United States rose by 1.6% (see Chart 20). Over the same period, stock prices in Japan, as measured by the Nikkei 225 index, increased by 2.6%.

The increase in stock prices in April marks a return to the trend that started in mid-2010. This trend was only temporarily blurred in March, as a result of the safe-haven flows triggered by political developments in northern Africa and the Middle East, and by the uncertainties surrounding the economic impact of the devastating earthquake in Japan. Although the economic momentum remained a factor supporting stock prices, economic data releases, while favourable, were not to the upside of market expectations. In the euro area, retail sales data and industrial production data disappointed market participants slightly, while the prospects for growth in the United States in 2011 and 2012 were revised downwards by the Federal Reserve System. The re-intensification of tensions in euro area sovereign debt markets had a negative impact on euro area stock prices. It was thus primarily on account of the strength of corporate earnings announcements that a significant increase in stock prices was recorded both in the United States and in the euro area. In the United States, corporate earnings announcements surprised to the upside across all sectors, while in the euro area, it was mainly the earnings announcements of financial corporations that came as a very positive surprise.

Chart 20 Stock price indices

(index: 1 April 2010 = 100; daily data)

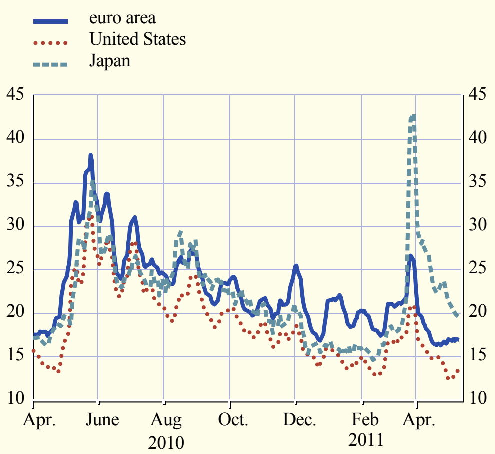


Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

In both the euro area and the United States, the level of stock market uncertainty, as measured by implied volatility, declined further over the period under review (see Chart 21). Stock market uncertainty in the euro area increased slightly in mid-April, following the re-intensification of tensions in euro area sovereign debt markets.

Chart 21 Implied stock market volatility

(percentages per annum; five-day moving average of daily data)



Source: Bloomberg.
Notes: The implied volatility series reflects the expected standard deviation of percentage changes in stock prices over a period of up to three months, as implied in the prices of options on stock price indices. The equity indices to which the implied volatilities refer are the Dow Jones EURO STOXX 50 for the euro area, the Standard & Poor's 500 for the United States and the Nikkei 225 for Japan.

In the United States, stock market uncertainty declined steadily in most of April, despite the downgrading of the outlook for US debt by a rating agency. Political tensions in northern Africa and the Middle East, however, continue to weigh on market sentiment.

Euro area non-financial stock prices increased by around 1.4% in April. Euro area financial stock prices initially fell as tensions in some euro area sovereign debt markets intensified in the first weeks of April, before gradually increasing upon the release of earnings announcements by financial corporations that were better than had been expected, thus offsetting the earlier decline. Developments in US stock prices were also mixed across sectors, with the non-financial sector once again performing better than the financial sector. Box 3 provides information on the financial situation and financial needs of small and medium-sized enterprises in the euro area from September 2010 to February 2011.

Box 3

THE RESULTS OF THE "SURVEY ON THE ACCESS TO FINANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN THE EURO AREA"

This box presents the results of the fourth wave of the "Survey on the access to finance of small and medium-sized enterprises in the euro area".[1] The survey was conducted between 21 February and 25 March 2011, and covered 7,532 firms in the euro area.[2] This box provides information on the financial situation, financing needs and the access to financing of SMEs in the euro area. These results are compared with those for large firms over the six preceding months (i.e. from September 2010 to February 2011).

The financial situation of SMEs remained more difficult than that of large firms

Overall, compared with the previous survey round[3], the financial situation of euro area SMEs remained broadly unchanged in the period from September 2010 to February 2011, while

1 For further details, see the ECB's "Survey on the access to finance of SMEs in the euro area", 27 April 2011, available on the ECB's website at http://www.ecb.europa.eu/stats/money/surveys/sme/html/index.en.html
2 In this round of the survey, the sample size was increased by around 1,200 firms. SMEs include micro firms (1-9 employees), small firms (10-49 employees) and medium-sized firms (50-249 employees). Large firms are defined as firms with 250 employees or more.
3 The previous survey referred to the period from March to September 2010.

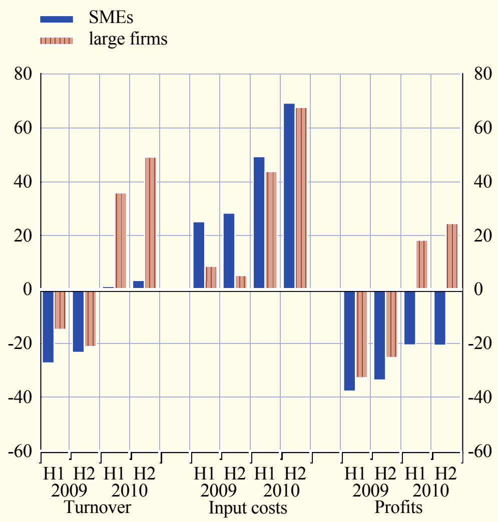
it continued to clearly improve for large firms. The net percentage of euro area SMEs reporting an increase in turnover during the six months preceding the interview was slightly positive, at 3% (see Chart A). At the same time, there were more SMEs reporting a deterioration in profits than SMEs reporting an improvement (21% in net terms as in the previous survey). Recent hikes in oil and commodity prices have heightened input cost pressures and may have held profits back. On balance, 69% of euro area SMEs reported an increase in input costs (up from 44% in the previous survey). A larger net percentage of SMEs reported an increase in labour costs as well. This general assessment of cost increases is also shared by large firms, but their overall situation appears to be mostly more favourable than that of SMEs. Large firms continued to register net increases in both turnover (49%) and profits (68%) and the situation has clearly improved since the previous survey round. For large firms, the recovery appears broadly based across all sectors of the economy. For SMEs, however, only those sectors with more cyclical, industrial operations reported a clear improvement. Instead, services and construction companies were still lagging behind over the survey sample.

External financing needs of euro area SMEs increased slightly

External financing needs were generally reported to have increased slightly. This is likely to reflect the positive underlying momentum of the economic recovery (see Chart B). A net percentage of 6% of SMEs saw their need for bank loans increase between September 2010 and February 2011, compared with 3% in the previous survey. Firms signalled, in particular, a net increase in needs for bank overdrafts and credit lines (up to 12%, from 9% in the previous survey). Although the need for trade credit changed little on balance since the last survey, the survey continued to indicate a slight increase in the need for inter-company financing. Compared with SMEs, a smaller

Chart A Indicators of the financial situation of euro area firms

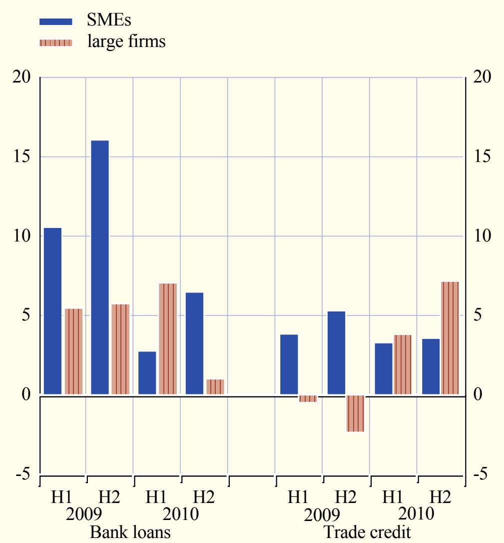
(in net percentage of respondents)



Source: ECB and European Commission survey on the access to finance of SMEs.
Notes: Change over the preceding six months. Net percentages are defined as the difference between the percentage of firms reporting an increase for a given factor and that reporting a decrease.

Chart B External financing needs of euro area firms

(in net percentage of respondents)



Source: ECB and European Commission survey on the access to finance of SMEs.
Notes: Change over the preceding six months. Net percentages are defined as the difference between the percentage of firms reporting an increase in needs and that reporting a decrease.

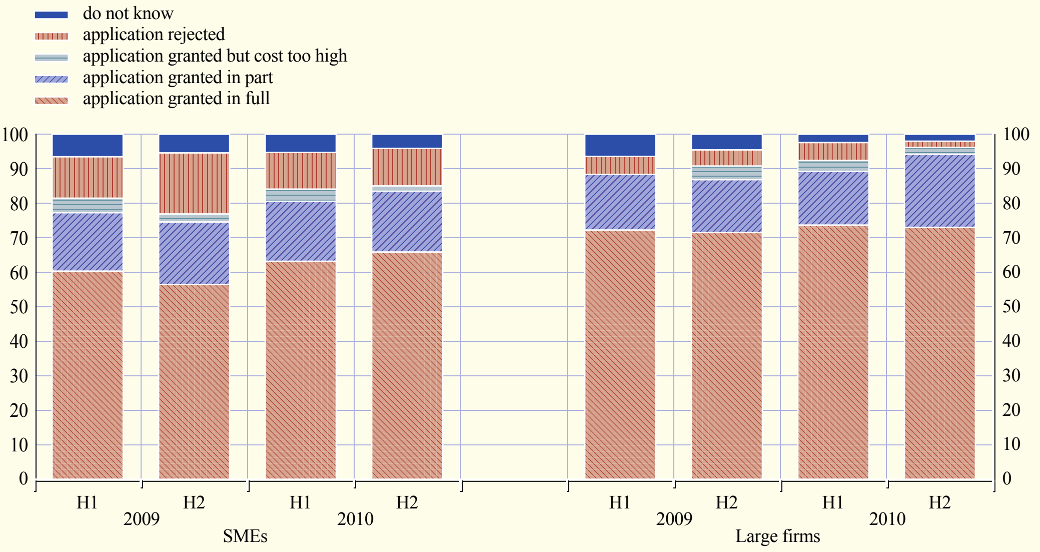
percentage of large firms reported increased needs for bank loans (1%, compared with 7% in the previous survey), while more large firms, on balance, signalled increased needs for trade credit. This is in line with the observed pro-cyclical pattern of trade credit, developments in which tend to be closely linked to the exchange of goods and services and, hence, to economic activity. Fixed investment and inventory, as well as working capital, contributed to this slight increase in financing needs, but their overall contribution remained broadly unchanged with respect to the previous survey. Compared with SMEs, however, large firms reported a much stronger increase in financing needs related to fixed investment and inventory and working capital.

Bank loan applications slightly more successful between September 2010 and February 2011

Between September 2010 and February 2011 around one-quarter of SMEs applied for a bank loan, a proportion broadly unchanged from the previous survey. As in the previous survey round, nearly half of SMEs did not apply because they had sufficient internal funds to cover their financing needs. In fact, euro area SMEs may have made some moderate deleveraging efforts in recent quarters, since their debt-to-asset ratio continued to decrease according to survey results. The percentage of firms not applying for a loan for fear of rejection remained broadly stable at 7%. As regards the outcome of bank loan applications, the rejection rate remained basically unchanged with respect to the previous survey round (at 11%; see Chart C). In addition, the number of euro area SMEs receiving the full amount they applied for continued to increase, reaching 66%. Compared with SMEs, the situation of larger firms improved even more, with 35% applying for a loan (as in the previous survey) and only 2% of them seeing their application rejected (compared with 5% in the previous survey). Alternative sources of financing, and especially trade credit, developed along similar lines between September 2010 and February 2011.

Chart C Outcome of loan applications by euro area firms

(over the preceding six months; percentage of firms that applied for bank loans)

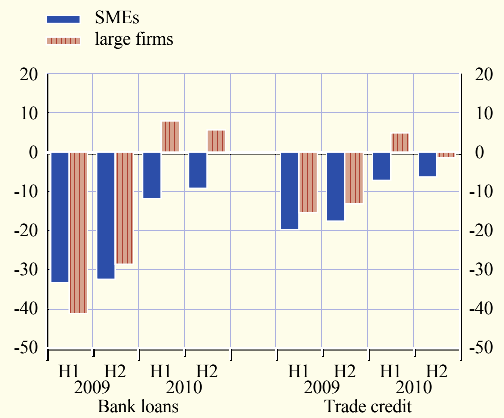


Source: ECB and European Commission survey on the access to finance of SMEs.

Availability of external financing for SMEs improved, albeit moderately

Chart D Availability of external financing for euro area firms

(in net percentage of firms that applied for external financing)



Sources: ECB and European Commission survey on the access to finance of SMEs.
Notes: Change over the preceding six months. Net percentages are defined as the difference between the percentage of firms reporting an increase in availability and that reporting a decrease.

For SMEs the survey results show that access to external financing sources, and in particular bank loans, continued to improve, albeit moderately. On balance, firms' opinion about the availability of bank loans improved by 3 percentage points in net terms, to -9% (compared with -12% in the previous survey round). A similar picture emerges for trade credit availability, where the perceived deterioration continued to decline during the same period. By contrast, for euro area large firms, the assessment was clearly positive and showed an increase in the availability of bank loans (as well as of debt securities and equity). Overall, issues related to "access to finance" were quoted as the most pressing problem by 16% of responding SMEs, a proportion broadly similar to that of the previous survey, while this percentage stood at 10% for large firms (also broadly unchanged from the previous survey). "Finding customers" remained by far the most pressing problem facing euro area SMEs (for 25% of them), while 14% of SMEs reported either "competitive pressure" or "costs of production" as the most pressing issues.

Box 4

INTEGRATED EURO AREA ACCOUNTS FOR THE FOURTH QUARTER OF 2010[1]

The integrated euro area accounts up to the fourth quarter of 2010 that were released on 3 May 2011 offer comprehensive information on the income, spending, financing and portfolio decisions of institutional sectors in the euro area. The latest data point to a continued recovery of the euro area economy. Private consumption has remained fairly resilient so far, while investment flows were less dynamic in the second half of 2010, after an initially stronger rebound in the wake of the financial crisis. The household saving rate has fallen to very low levels, while non-financial corporations (NFCs) are only gradually reverting to their traditional net borrowing. Disintermediation has remained a salient feature of this recovery, despite signs of a partial reversal of the earlier substitution of bank by market funding.

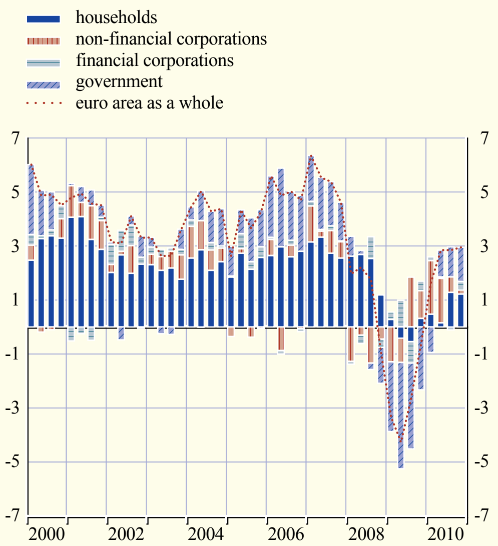
Euro area income and net lending/net borrowing

Nominal gross disposable income in the euro area continued to rise in the fourth quarter of 2010, at an annual growth rate of 3%, benefiting all sectors and, in particular, government (see Chart A).

1 Detailed data can be found on the ECB's website.

Chart A Gross disposable income in the euro area – contribution by sector

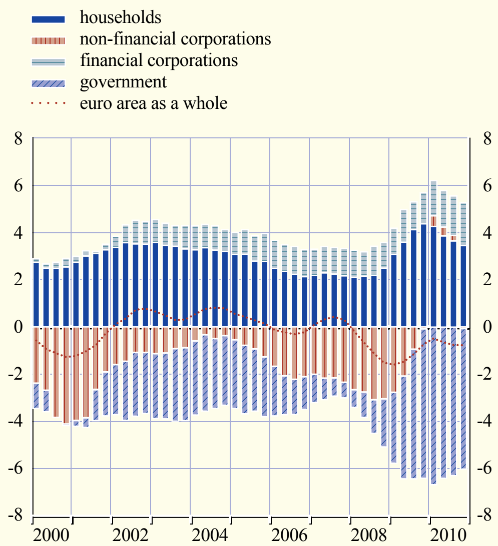
(annual percentage changes; percentage point contributions)



Sources: Eurostat and ECB.

Chart B Net lending/net borrowing of the euro area

(as a percent of GDP; four-quarter moving sum)



Sources: Eurostat and ECB.

Euro area saving increased significantly, year on year, on the back of an expansion in euro area income that was faster than that in total consumption (marked by noticeably lower government consumption growth), with government saving contributing the most, while household savings continued to decline. Gross capital formation continued to expand, year on year – helped by slower destocking – despite some moderation towards the end of the year.

With an increase in euro area saving commensurate to that of total investment, the net borrowing of the euro area stabilised (at 0.8% of GDP, expressed as a four-quarter sum). From a sectoral point of view, this stabilisation reflects some further rebalancing between sectors, with another reduction in government net borrowing (the government deficit fell to 6% of GDP in 2010) and a further decline in households' net lending, while the net lending position of NFCs turned into a small net borrowing position.[2] (see Chart B).

The mirror image of these developments can be seen in the external accounts, which showed a stable current account deficit. On the financing side, cross-border transactions expanded, with the episode of rapidly contracting interbank deposits (between euro area MFIs and foreign banks) coming to an end.

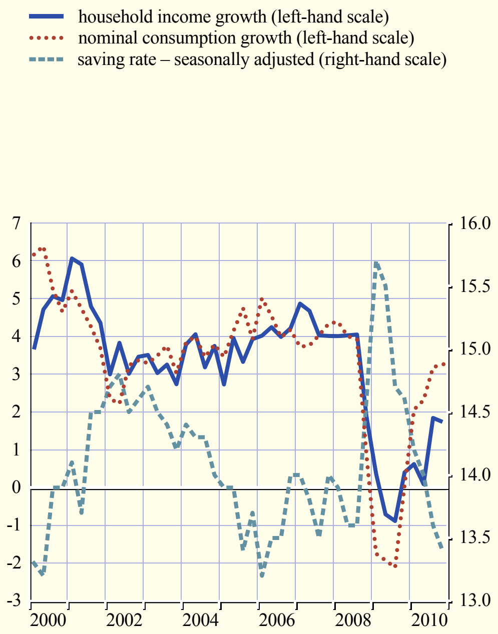
Behaviour of institutional sectors

Households' nominal income growth (+1.8%, year on year) was driven mainly by rising salaries and high property income earned in the fourth quarter of 2010, while income streams originating from government (e.g., net social transfers and tax payments) generally contributed

2 The net lending/net borrowing of a sector is the balance of its capital account, which measures the excess of saving and net capital transfers received over capital investments (net lending), or vice versa (net borrowing). It is also the balance of the financial accounts, which measure the difference between transactions in financial assets and transactions in liabilities.

Chart C Household income and consumption growth, and savings ratio

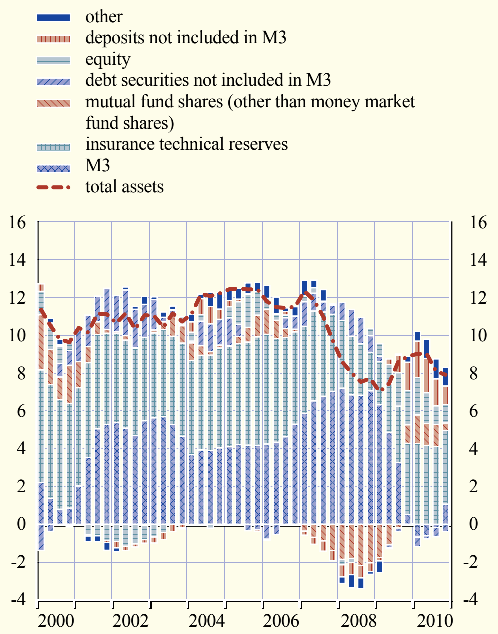
(annual percentage changes; percentage of gross disposable income; four-quarter moving sum)



Sources: Eurostat and ECB.

Chart D Households' financial investment

(four-quarter moving sum; percentage of gross disposable income)



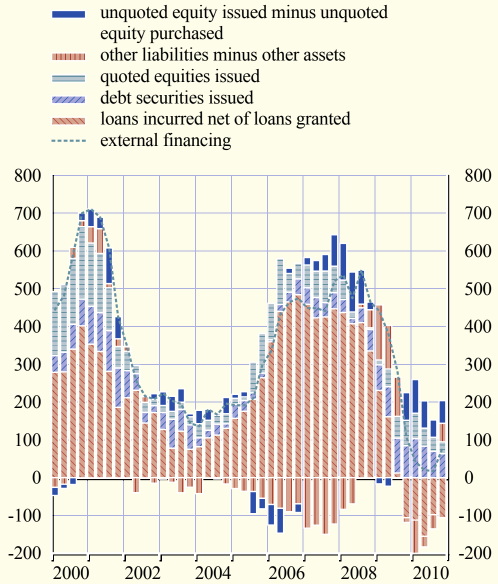
Sources: Eurostat and ECB.

negatively. Whereas household income continued to contract in real terms, on the back of high commodity prices, private consumption remained fairly resilient, as households chose to draw on precautionary savings (unlike the situation in the previous episode of commodity price shocks in 2008). Accordingly, their savings ratio declined to 13.4% on a seasonally adjusted basis, close to the lowest level recorded over the past decade, in a context of improving employment outlook, increasing household wealth and a rebound in some housing markets (see Chart C). With subdued investment, households' net lending fell markedly, and the growth of loans taken out remained at moderate levels. On the assets side, the pattern of portfolio allocation continued to reflect a search for yield and an increasing risk appetite, with very small flows into the low-yielding instruments included in M3 for several quarters (see Chart D).

The gross operating surplus of *NFCs* continued to recover on the back of solid value added growth and despite a notably faster increase in compensation of employees. However, the dynamic development of direct taxes paid and dividends distributed, as well as lower interest earned, caused NFC saving to be less dynamic (and to contract somewhat, quarter on quarter, albeit from a very high level). The net lending position of NFCs thus returned to a net borrowing position, despite subdued NFC investment (see Chart B). The growth rate of NFCs' external financing increased slightly, with still visible substitution effects, despite a certain slowdown in market financing (debt securities and quoted shares: +€26 billion in the second half of 2010) and less pronounced net redemptions in MFI loans than before (-€8 billion in the second half of 2010) (see Chart E). The ongoing deceleration of growth in market funding may partly reflect a certain normalisation in credit markets. At the same time, intrasector funding (trade credits, loans granted

Chart E External financing of non-financial corporations, by source of funds

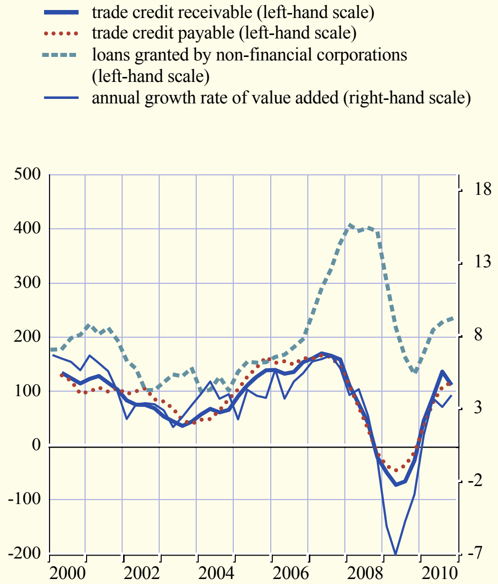
(four-quarter moving sum; EUR billions)



Source: Eurostat and ECB.
Note: For presentational purposes, some transactions in assets are netted from financing, as they are predominantly internal to the sector (loans granted by non-financial corporations, unquoted shares, other accounts receivable/payable).

Chart F Loans granted by non-financial corporations and their trade credit receivable and payable

(four-quarter moving sum in EUR billions; annual percentage changes)



Sources: Eurostat and ECB.
Note: trade credit receivable and payable are estimated by the ECB on the basis of partial information.

by NFCs, unquoted shares) still expanded rapidly, suggesting that customer-supplier relationships continued to play a buffering role, as some companies may still be credit-constrained. After the bankruptcy of Lehman Brothers, trade credit had contracted noticeably less than value added, mitigating the lack of bank credit (notably for small and medium-sized enterprises) and/or poor market access. During that period of funding stress, loans granted by NFCs (mostly intragroup funding) had even accelerated (see Chart F). In addition, NFCs increased their liquidity buffers substantially further (deposits but also debt securities) and stepped up their purchases of quoted equity.

General government accounts improved further (from a peak deficit of 6.7% in the first quarter of 2010), reflecting the economic recovery as well as the impact of consolidation measures. Taxes and social contributions grew year on year, while compensation of government employees contracted on a year-on-year basis, for the first time on record, and social benefits and interest expenditure growth remained contained. Debt issuance increased noticeably, in parallel with a sharp build-up of financial assets, primarily on account of the operation of a specific German bad bank. The defeasance structure set up for this operation in the fourth quarter of 2010 to carry the impaired assets is classified, in line with the rules of the ESA 95, as belonging to the government sector and is seen to have incurred large liabilities to fund the acquisition of the impaired assets.

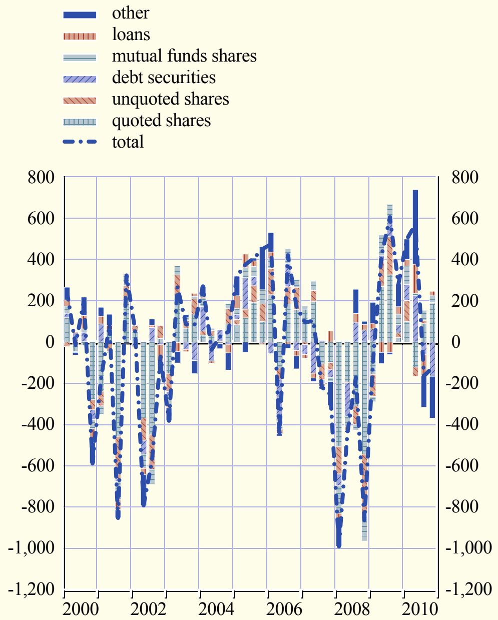
The sharp increase in *financial corporations'* disposable income resulted mainly from the fact that dividends earned were higher than dividends paid, while both their value added and their gross operating surplus contracted year on year. Sizeable net retained earnings (€165 billion, including net capital transfers, in 2010), together with holding gains on equity, compensated for valuation losses on debt securities held (stemming from a steepening yield curve and turmoil in some government debt markets) and on instruments denominated in US dollars (see Chart G). In a context of deleveraging pressures, additions to financial corporations' balance sheets (excluding interbank deposits) remained subdued, amounting to, on average, €200 billion per quarter, compared with up to €1.2 trillion during the preceding leverage boom. At the same time, the previous shift towards safer assets started to reverse. However, the pattern of pronounced financial disintermediation that emerged after the bankruptcy of Lehman Brothers has only partially receded so far: households' portfolio allocations still favour non-monetary assets and NFCs' external financing continues to draw heavily on inter-company funding and on still dynamic (although slowing) market funding.

Financial markets

On the debt securities market, the government sector stepped up its issuance, while NFCs reduced their recourse to the debt securities market and MFIs continued their significant net redemptions of such liabilities. Non-monetary financial intermediaries other than insurance corporations and pension funds (generally referred to as "OFIs"), insurers and NFCs added to their portfolios of debt securities held, while households and MFIs sold such assets. The rest of the world did not revert to the role of a significant net buyer it had played from mid-2008 to mid-2010. On the mutual funds market, issuance of non-money market mutual fund shares continued at elevated levels (in contrast to heavy redemptions in money market mutual fund shares), reflecting households' appetite for riskier and longer-term assets. On the market for quoted shares, net issuance moderated somewhat for both MFIs

Chart G Holding gains and losses in financial corporations' assets

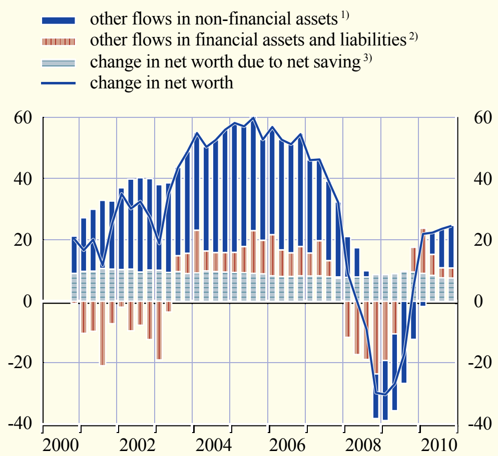
(quarterly flow; EUR billions)



Sources: Eurostat and ECB.
Note: Total refers to "other economic flows", which mainly relate to (realised or unrealised) holding gains and losses (including loan write-offs).

Chart H Change in net worth of households

(four-quarter moving sum; percentage of gross disposable income)



Sources: Eurostat and ECB.
Note: Data on non-financial assets are estimates by the ECB.
1) Mainly holding gains and losses on real estate and land.
2) Mainly holding gains and losses on shares and other equity.
3) This item comprises: net saving, net capital transfers received, and the discrepancy between the non-financial and the financial accounts.

and NFCs. All domestic sectors again became heavy buyers: investment funds in the OFI sector, but also MFIs, NFCs and households, while non-residents were heavy sellers. On the loan market, NFCs slowed their continued redemption of MFI loans, in particular in the short-term segment, while the growth of households' borrowing remained stable.

Balance sheet dynamics

In the fourth quarter of 2010, the net worth of households continued to grow at a significant annual rate that came down to 24.6% of their income. Aside from the positive influence of net saving (7.6% of income – gradually declining on the back of falling savings ratios), households benefited from holding gains (17% of income) on equity, reflecting a substantial recovery of equity prices, year on year, up to the end of 2010, and on property. Residential property prices have now been rising, year on year, for three quarters in a row, after six consecutive quarters of decline (see Chart H).

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation rose to 2.8% in April 2011, from 2.7% in March. The increase in inflation rates during the first four months of 2011 largely reflects higher commodity prices. Upward pressure on inflation, mainly from energy and commodity prices, is also discernible in the earlier stages of the production process. Risks to the medium-term outlook for price developments remain on the upside.

3.1 CONSUMER PRICES

According to Eurostat's flash estimate, euro area annual HICP inflation rose to 2.8% in April 2011, from 2.7% in March (see Table 5). This increase was somewhat higher than expected, owing mainly to developments in the non-energy industrial goods and unprocessed food components. As regards energy prices, which were the main driver behind the HICP inflation hikes in the first few months of 2011, the pass-through of the previous increases in oil prices was apparent in the energy component of the HICP in March and was also visible in the consumer prices for liquid fuels available from the European Commission's weekly Oil Bulletin data for April.

In March 2011, the last month for which an official breakdown is available, the annual growth rate of overall HICP inflation stood at 2.7%, up from 2.4% in February (see Chart 22). The increase in the headline HICP inflation rate in March reflected mainly a higher annual rate of increase in the non-energy industrial goods component. On a month-on-month seasonally adjusted basis, headline HICP inflation rose by 0.6% in March, compared with 0.1% in the previous month.

The annual rate of change in energy prices remained broadly unchanged at 13.0% in March, as a result of an almost exact offsetting of two counteracting influences: month-on-month price increases in all items and a strong downward base effect. The prices of liquid fuels and of fuels and lubricants for transportation were respectively more than 30% and 15% higher than in March 2010.

The annual rate of change in unprocessed food prices declined to 2.2%, from 2.7% in February, on account of a negative annual growth rate of prices for vegetables, whereas the annual rates

Table 5 Price developments

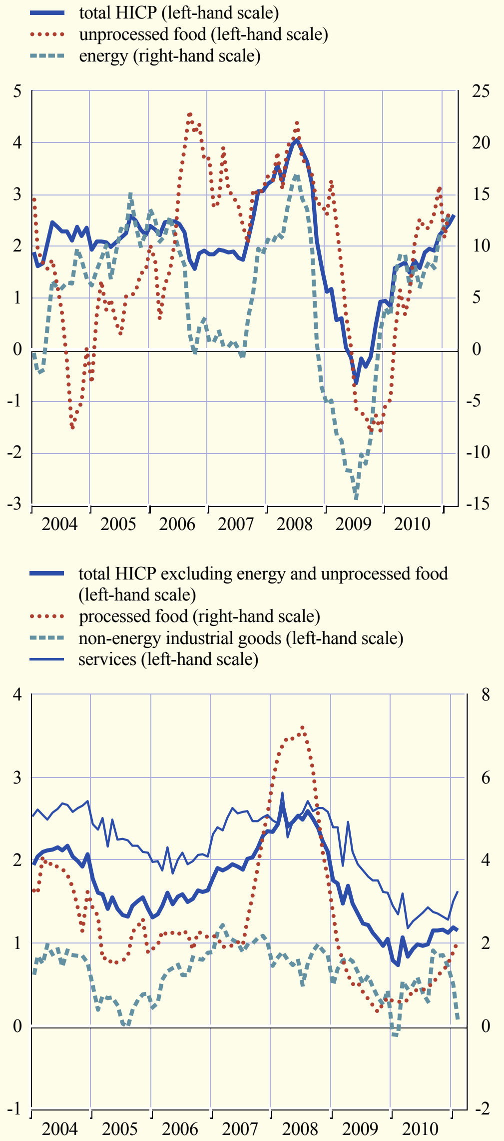
(annual percentage changes, unless otherwise indicated)

	2009	2010	2010 Nov.	2010 Dec.	2011 Jan.	2011 Feb.	2011 Mar.	2011 Apr.
HICP and its components								
Overall index [1]	0.3	1.6	1.9	2.2	2.3	2.4	2.7	*2.8*
Energy	-8.1	7.4	7.9	11.0	12.0	13.1	13.0	.
Unprocessed food	0.2	1.3	2.6	3.2	2.2	2.7	2.2	.
Processed food	1.1	0.9	1.3	1.5	1.8	2.0	2.5	.
Non-energy industrial goods	0.6	0.5	0.9	0.7	0.5	0.1	0.9	.
Services	2.0	1.4	1.3	1.3	1.5	1.6	1.6	.
Other price indicators								
Industrial producer prices	-5.1	2.9	4.5	5.4	6.0	6.6	6.7	.
Oil prices (EUR per barrel)	44.6	60.7	63.1	69.6	72.6	76.6	82.1	85.1
Non-energy commodity prices	-18.5	44.7	48.6	49.6	46.0	47.5	35.7	15.2

Sources: Eurostat, ECB and ECB calculations based on Thomson Reuters data.
1) HICP inflation in April 2011 refers to Eurostat's flash estimate.

Chart 22 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

of change in the prices of meat, fish and fruit increased compared with the previous month. The annual inflation rate of processed food increased further to 2.5%, pushed up by higher inflation rates for many items. Despite this rise, it appears that the pass-through of the recent surge in food commodity prices to the consumer level has remained limited thus far.

Excluding all food and energy items, which represent around 30% of the HICP basket, annual HICP inflation rose to 1.3% in March, from 1.0% in February. Of the two components of HICP inflation excluding food and energy, the rate of inflation in non-energy industrial goods rose from 0.1% in February to 0.9% in March. This increase was driven, inter alia, by a strong rebound in the price of garments and footwear, which is likely an effect of the end of the winter sales. Moreover, the introduction of the new Regulation on the treatment of seasonal products distorted upwards the annual rate of change of this component in March, after a sizeable downward distortion in January and February (see also Box 3 in the April 2011 Monthly Bulletin issue). Services price inflation remained unchanged at 1.6%, reflecting broadly stable annual rates of change in the prices of several items, including transport.

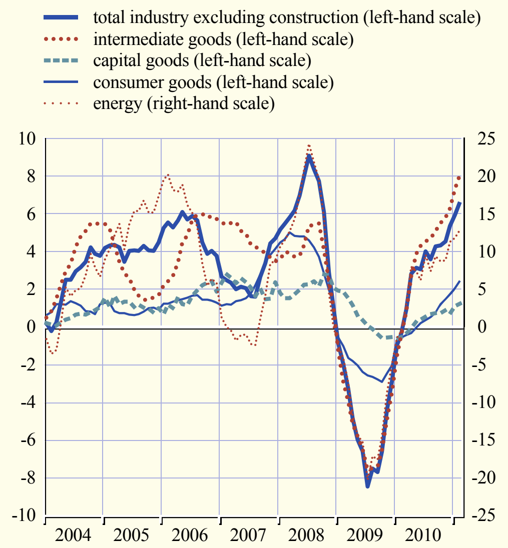
3.2 INDUSTRIAL PRODUCER PRICES

Industrial producer price inflation (excluding construction) rose further from 6.6% in February to 6.7 % in March (see Table 5 and Chart 23). The annual rate of growth in March was slightly above market expectations, and the highest level reached since September 2008. The increase in overall producer price inflation was determined mainly by the energy and the food components. Excluding energy, it remained at 4.5%, its highest level since the mid-1990s.

The annual rate of change in industrial producer prices for consumer goods rose to 2.8%, driven by higher food producer prices. These increased from 6.8% in February (year on year) to 7.4% in March. Despite this further rise, the rates remain well below those recorded in 2007 and thus continue to suggest a still incomplete pass-through of higher food commodity prices to producer and

Chart 23 Breakdown of industrial producer prices

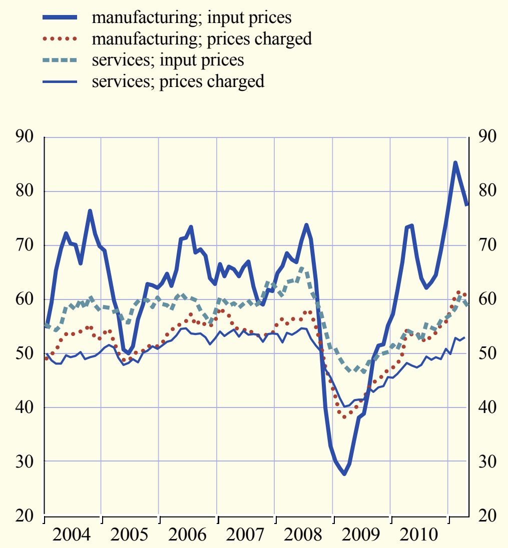
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 24 Producer input and output price surveys

(diffusion indices; monthly data)



Source: Markit.
Note: An index value above 50 indicates an increase in prices, whereas a value below 50 indicates a decrease.

consumer prices for food items. The annual rate of change in producer prices for consumer goods excluding food and tobacco, which has leading indicator properties for the non-energy industrial goods component of the HICP, increased further to 0.8% in March, after turning slightly positive in November. This gradual upward development signals increasing domestic pipeline pressures for underlying consumer price inflation, which are adding to the external pressures that have been rising steadily, as indicated by the import prices of consumer goods excluding food and tobacco.

Up to April, survey information, which is indicative of PPI developments, continues to signal very high price pressures in the production chain (see Chart 24). The Purchasing Managers' Index for April 2011 confirms the persistence of such pressures, despite some overall easing in the indices. These pressures are reported to be due to the combined effect of higher commodity prices and ongoing supply shortages. In the manufacturing sector, the input price index stood at 79.0 and the selling price index at 61.0. Both indices declined from their historical highs, reached in February and March 2011 respectively. The current levels of the indices continue to indicate that accumulated cost increases are still to be passed on to consumer prices. In the services sector the input price index decreased somewhat to 59.5, while the index for selling prices increased from 52.4 in March to 53.0 in April, the highest level since August 2008.

3.3 LABOUR COST INDICATORS

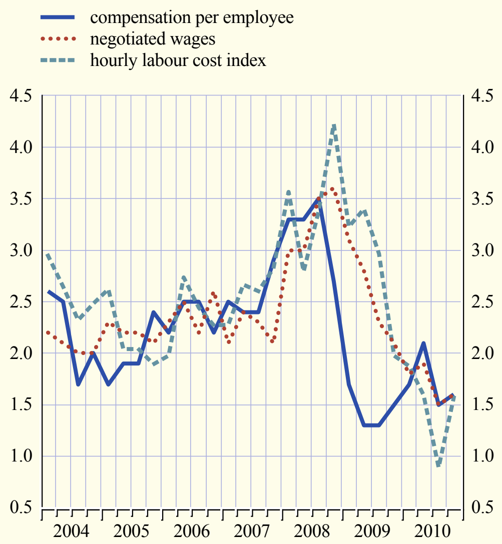
Developments in labour cost indicators for the fourth quarter of 2010 remained contained. Preliminary information on negotiated wages for January and February 2011 suggests that the pattern of higher but still moderate wage growth has by and large continued in early 2011, in line with slight improvements in labour market conditions. However, wage increases in 2010, and to a large extent also in 2011, were agreed before the recent surge in headline HICP owing to sharp commodity price increases.

Euro area negotiated wages grew at 1.6% year on year in the fourth quarter of 2010, after 1.5% in the third quarter (see Table 6, Chart 25 and Chart 26). The annual rate of growth of hourly labour costs in the euro area rose to 1.6% in the fourth quarter of 2010, from 0.9% in the third quarter. This increase was driven primarily by developments in the industrial sector, while hourly labour costs in other sectors such as market services grew at a less pronounced or even negative rate, as in the case of the construction sector.

The annual growth rate of labour productivity per person employed declined to 1.8%, from 2.1% in the third quarter. As this annual growth rate still exceeded that of compensation per employee, it resulted in a year-on-year decrease in unit labour costs of 0.2%. This decline was slightly less pronounced than that in the first three quarters, when it was on average around 0.6%.

Chart 25 Selected labour cost indicators

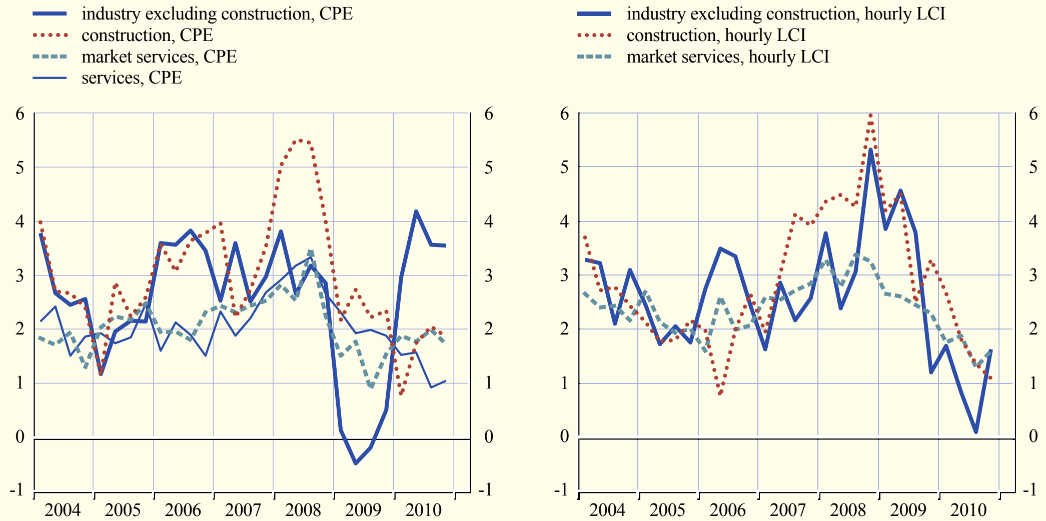
(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.
Note: Data refer to the Euro 17.

Chart 26 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.
Notes: Data refer to the Euro 17. CPE stands for “compensation per employee” and LCI stands for “labour cost index”.

Table 6 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2009	2010	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4
Negotiated wages	2.6	1.7	2.1	1.8	1.9	1.5	1.6
Hourly labour cost index	2.9	1.5	2.0	1.9	1.6	0.9	1.6
Compensation per employee	1.5	1.7	1.5	1.7	2.1	1.5	1.6
Memo items:							
Labour productivity	-2.3	2.2	0.1	2.2	2.6	2.1	1.8
Unit labour costs	3.8	-0.5	1.4	-0.5	-0.6	-0.6	-0.2

Sources: Eurostat, national data and ECB calculations.
Note: Data refer to the Euro 17.

3.4 THE OUTLOOK FOR INFLATION

Looking ahead, HICP inflation rates are likely to stay clearly above 2% over the coming months. Upward pressure on inflation, mainly from energy and commodity prices, is also discernible in the earlier stages of the production process. It is of paramount importance that the rise in HICP inflation does not translate into second-round effects in price and wage-setting behaviour and lead to broad-based inflationary pressures. Inflation expectations must remain firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2% over the medium term.

The latest ECB Survey of Professional Forecasters (see Box 5) shows that forecasters, compared with the previous round, have revised upwards their outlook for inflation in 2011 and 2012, with inflation expectations being within the ranges reported in the March 2011 ECB staff macroeconomic projections for the euro area. Longer-term inflation expectations (for 2015) remained unchanged at 2.0%.

Risks to the medium-term outlook for price developments remain on the upside. They relate, in particular, to higher than assumed increases in energy prices, not least on account of ongoing political tensions in North Africa and the Middle East. More generally, strong economic growth in emerging markets, supported by ample liquidity at the global level, may further fuel commodity price rises. Moreover, increases in indirect taxes and administered prices may be greater than currently assumed, owing to the need for fiscal consolidation in the coming years. Finally, risks also relate to stronger than expected domestic price pressures in the context of the ongoing recovery in activity.

Box 5

RESULTS OF THE ECB SURVEY OF PROFESSIONAL FORECASTERS FOR THE SECOND QUARTER OF 2011

This box reports the results of the ECB Survey of Professional Forecasters (SPF) for the second quarter of 2011. The survey was conducted between 15 and 19 April 2011 and received 55 responses. It collects information on expectations for euro area inflation, real GDP growth and unemployment from experts affiliated with financial or non-financial institutions that are based in the EU.[1]

1 Given the diversity of the panel of participants, aggregate SPF results can reflect a relatively heterogeneous set of subjective views and assumptions.

Inflation expectations for 2011 and 2012

On average, inflation is expected to be at 2.5% in 2011 and 1.9% in 2012. Compared with the previous SPF round, forecasters have revised upwards their inflation expectations by 0.6 percentage point for 2011 and by 0.1 percentage point for 2012 (see the table).[2] According to respondents' comments, the substantial upward revision for 2011 is almost entirely accounted for by the sharp rise in commodity prices, in particular energy prices. The overall upward pressure on prices is expected to ease in the second half of 2011 and in particular in 2012. Respondents see some upside risks in the short term through the impact of geopolitical tensions in Northern Africa and the Middle East on oil price developments.

These expectations are within the ranges reported in the March 2011 ECB staff macroeconomic projections. They are slightly higher for both years when compared with the corresponding forecasts published in the April 2011 issues of Consensus Economics and the Euro Zone Barometer.

The SPF participants were also asked to assess the probability of inflation falling within specific intervals. Compared with the previous SPF round, the aggregate probability distribution for 2011 shifted considerably towards higher outcomes (see Chart A). The highest probability (41%) is now assigned to the range between 2.5% and 2.9%, while the interval from 2.0% to 2.4% is assigned a 32% probability. The probability distribution for 2012 also shifted to higher outcomes compared with the previous SPF round. Based on the individual probability distributions, the balance of risks to the point forecasts is assessed by respondents as being on the downside for 2011 and broadly balanced for 2012.[3]

2 Additional data are available on the ECB's website at www.ecb.europa.eu/stats/prices/indic/forecast/html/index.en.html

3 The balance of risks is defined as being on the upside (downside) when fewer respondents report a point forecast above (below) the mean of their probability distribution than respondents reporting a point forecast below (above) the mean.

Results of the SPF, ECB staff macroeconomic projections, Consensus Economics and the Euro Zone Barometer

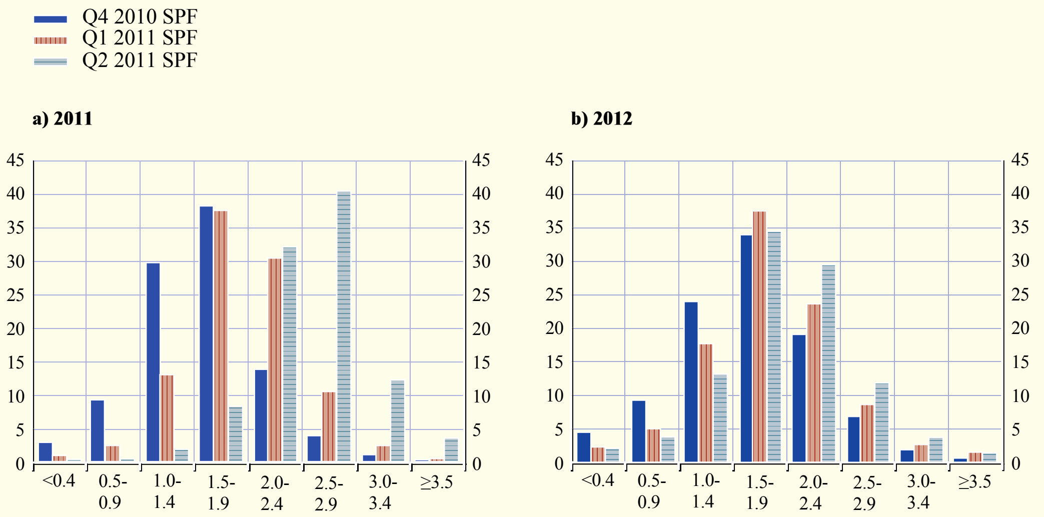
(annual percentage changes, unless otherwise indicated)

	Survey horizon		
HICP inflation	**2011**	**2012**	**Longer-term 2)**
SPF Q2 2011	2.5	1.9	2.0
Previous SPF (Q1 2011)	*1.9*	*1.8*	*2.0*
ECB staff macroeconomic projections (March 2011)	2.0-2.6	1.0-2.4	-
Consensus Economics (April 2011)	2.4	1.8	2.1
Euro Zone Barometer (April 2011)	2.4	1.8	2.1
Real GDP growth	**2011**	**2012**	**Longer-term 2)**
SPF Q2 2011	1.7	1.7	1.9
Previous SPF (Q1 2011)	*1.6*	*1.7*	*1.9*
ECB staff macroeconomic projections (March 2011)	1.3-2.1	0.8-2.8	-
Consensus Economics (April 2011)	1.7	1.7	1.7
Euro Zone Barometer (April 2011)	1.7	1.7	1.9
Unemployment rate 1)	**2011**	**2012**	**Longer-term 2)**
SPF Q2 2011	9.8	9.5	8.2
Previous SPF (Q1 2011)	*9.9*	*9.6*	*8.3*
Consensus Economics (April 2011)	9.8	9.5	-
Euro Zone Barometer (April 2011)	9.8	9.4	8.2

1) As a percentage of the labour force.
2) Longer-term expectations refer to 2015 in the Survey of Professional Forecasters, Consensus Economics and the Euro Zone Barometer.

Chart A Probability distribution for average annual inflation in 2011 and 2012 in the latest SPF rounds [1)]

(probability in percentages)



Source: ECB.
1) Corresponds to the average of individual probability distributions provided by SPF forecasters.

Longer-term inflation expectations

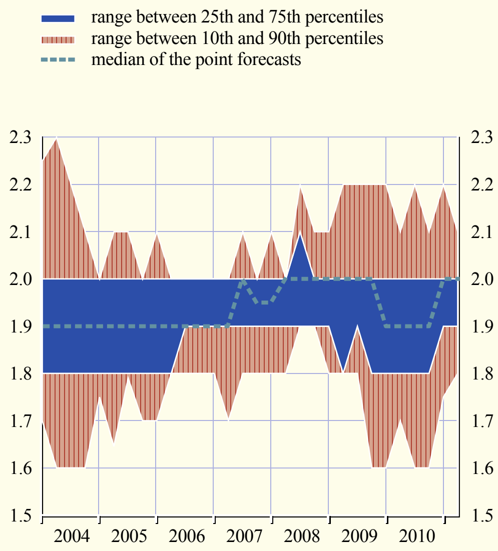
On average, longer-term inflation expectations (for 2015) are unchanged at 2.0% (1.96% to two decimal places, up from 1.95% in the previous SPF round). The median forecast is also unchanged at 2%, while the disagreement among forecasters in their longer-term inflation expectations, as measured by the standard deviation of their point forecasts, has fallen slightly (see Chart B). Looking at the probability distributions for longer-term inflation outcomes, the probability assigned to 2% or above has on aggregate increased to 50% from 48% in the previous round. At the same time, the standard deviation of the aggregate probability distribution, a measure of aggregate uncertainty, has increased to an all-time high since the beginning of the survey in 1999.[4]

The SPF longer-term inflation expectations are 0.1 percentage point below the longer-term forecasts published in the April 2011 issues of Consensus Economics and the Euro Zone Barometer (both for 2015). Measures of inflation expectations derived from financial markets have remained somewhat higher. However, these measures incorporate not just the level of expected inflation, but also an additional premium to compensate bond investors for inflation risks. In general, they are also more volatile than survey-based measures, owing not only to the volatility of the inflation risk premium, but also to fluctuations in bond market liquidity conditions, particularly since the middle of 2008 (see Chart C).[5] For these reasons, the volatility observed in these measures should not be interpreted mechanically as reflecting revisions in market participants' long-term inflation expectations.[6]

4 For a discussion regarding uncertainty measures, see the box entitled "Measuring perceptions of macroeconomic uncertainty", *Monthly Bulletin*, ECB, January 2010.
5 See also the article entitled "Inflation expectations in the euro area: a review of recent developments", *Monthly Bulletin*, ECB, February 2011.
6 For further discussion on the impact of the financial market crisis on market-based measures of inflation expectations, see the box entitled "Recent increases in real yields and their implications for the analysis of inflation expectations", *Monthly Bulletin*, ECB, November 2008. Recent developments in financial market indicators of inflation expectations are discussed in Section 2.4 of the Monthly Bulletin.

Chart B Longer-term inflation point forecasts of the SPF respondents [1)]

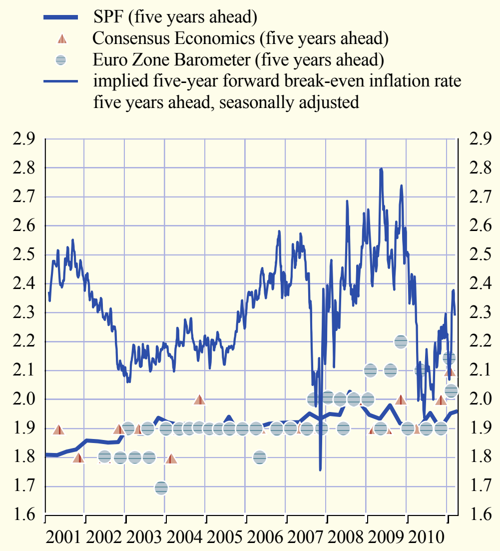
(annual percentage changes)



Source: ECB.
1) "Longer-term" refers to 2015 for the current round of the SPF.

Chart C Longer-term inflation expectations from surveys and break-even inflation rates

(average annual percentage changes; five-day moving averages of daily data)



Sources: Bloomberg, Consensus Economics, EuroMTS, Euro Zone Barometer, Thomson Reuters and ECB calculations.

Real GDP growth expectations

Real GDP growth expectations in the SPF for 2011 have been revised upwards by 0.1 percentage point and stand now at 1.7%. Growth expectations for 2012 remained unchanged at 1.7%. These expectations are within the ranges reported in the March 2011 ECB staff macroeconomic projections and are identical to the latest Consensus Economics and Euro Zone Barometer forecasts for 2011 and 2012 (see the table).

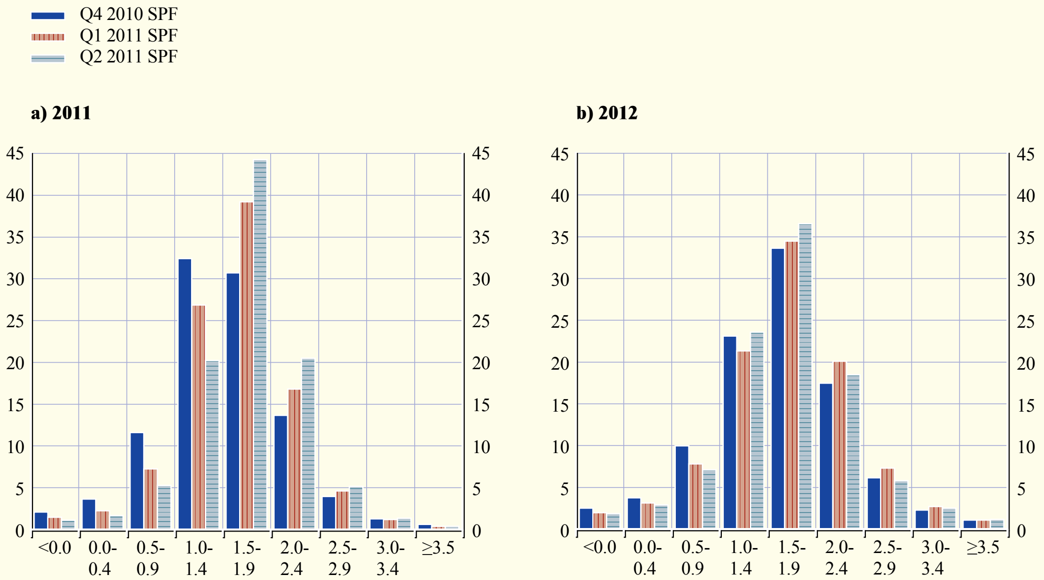
According to forecasters' comments, the upward revision in 2011 was supported mainly by higher domestic activity at the beginning of the year in some larger euro area economies, particularly in Germany.

In line with the upward revision of expected real GDP growth in 2011, the aggregate probability distribution for 2011 has shifted noticeably towards higher outcomes. Respondents now assign a 44% probability to the outcomes between 1.5% and 1.9%, while the probability assigned to the interval from 1.0% to 1.4% has decreased to 20%. With respect to 2012, the aggregate probability distribution has marginally shifted downwards, but is still concentrated in the interval between 1.5% and 1.9%, which is assigned a probability of 37% (see Chart D).

Based on the individual probability distributions, the balance of risks to the point forecasts is assessed to be on the downside for both 2011 and 2012. The key downside risks to the GDP growth outlook are reported to be a higher than expected impact of fiscal tightening, mostly in the fiscally distressed euro area countries, a continuing rise in energy prices eroding households' purchasing power, and a possible deceleration in global growth, particularly in the emerging economies.

Chart D Probability distribution for average annual real GDP growth in 2011 and 2012 in the latest SPF rounds [1)]

(probability in percentages)



Source: ECB.
1) Corresponds to the average of individual probability distributions provided by SPF forecasters.

The SPF longer-term growth expectations (for 2015) remain stable at 1.9%. The SPF assessment is in line with that of the latest issue of the Euro Zone Barometer and 0.2 percentage point higher than that of the latest Consensus Economics forecasts. The balance of risks to longer-term growth forecasts obtained by comparing the individual probability distributions and point forecasts is on the downside.

Expectations for the euro area unemployment rate

Unemployment rate expectations have been slightly revised downwards by 0.1 percentage point for both 2011 and 2012, to 9.8% and 9.5% respectively. Based on the individual probability distributions, the balance of risks to these forecasts is assessed to be on the downside for 2011 and on the upside for 2012. Longer-term unemployment rate expectations (for 2015) have been slightly revised downwards by 0.1 percentage point to 8.2% compared with the previous round and the balance of risks to the longer-term outlook is assessed to be on the upside.

Other variables and conditioning assumptions

According to other information provided by the respondents, they generally expect: (i) oil prices to stand at around USD 115 per barrel in the second quarter of 2011 and then slightly decrease to an average of USD 110 per barrel in 2012; (ii) average annual wage growth to be at 1.8% in 2011, rising gradually to 2.4% in 2015; (iii) the euro/dollar exchange rate to reach 1.39 in the second quarter of 2011 and then to slightly depreciate to 1.37 in the first quarter of 2012; and (iv) the ECB main refinancing rate to increase gradually from around 1.3% in the second quarter of 2011 to around 1.9% in the first quarter of 2012, and then to 2.2% on average in 2012.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Output in the euro area has continued to rise since the third quarter of 2009. Following the 0.3% quarter-on-quarter increase in euro area real GDP in the fourth quarter of 2010, recent statistical releases and survey-based indicators point towards a continued positive underlying momentum of economic activity in the euro area during the first quarter of 2011 and at the beginning of the second quarter.

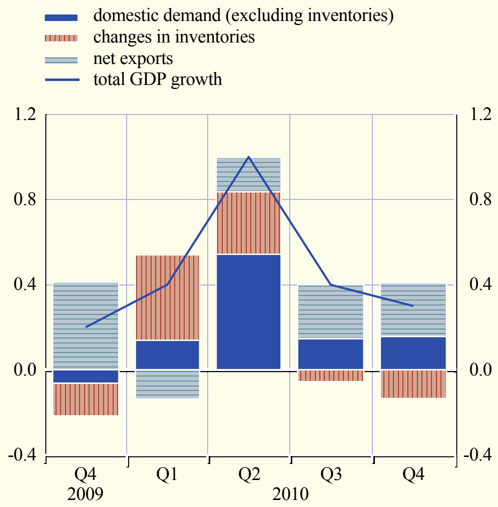
Looking ahead, euro area exports should be supported by the ongoing expansion in the world economy. At the same time, taking into account the high level of business confidence in the euro area, private sector domestic demand should contribute increasingly to economic growth, benefiting from the accommodative monetary policy stance and the measures adopted to improve the functioning of the financial system. However, activity is expected to continue to be dampened somewhat by the process of balance sheet adjustment in various sectors. The risks to this economic outlook remain broadly balanced in an environment of elevated uncertainty.

4.1 REAL GDP AND DEMAND COMPONENTS

Real GDP in the euro area rose by 0.3% in the fourth quarter of 2010, following an increase of 0.4% in the third quarter (see Chart 27). Meanwhile the annual rate of change in the fourth quarter stood at 2.0%. This is the same rate as in the two previous quarters and higher than the average increase since 1996, which is 1.7%.[1] In 2010 as a whole euro area real GDP increased by 1.8%. In this context, Box 6 presents indicators with the aim of describing and forecasting the euro area business cycle from a qualitative perspective, which point to ongoing positive cyclical developments in the euro area.

Chart 27 Real GDP growth and contributions

(quarter-on-quarter growth rate and quarterly percentage point contributions; seasonally adjusted)



Sources: Eurostat and ECB calculations.
Note: Data refer to the Euro 17.

Private consumption increased by 0.4% quarter on quarter in the fourth quarter of 2010. With regard to the first quarter of 2011, available information points towards positive but muted quarter-on-quarter growth in consumer spending. Retail sales declined by 1.0% month on month in March, leading to a quarterly decline of 0.1% for the first quarter as a whole (see Chart 28). Despite the quarterly contraction, this is still an improvement compared with the last quarter of 2010 when retail sales declined by 0.3%. At the same time new passenger car registrations rose by 1.8% in the first quarter of 2011, following a strong increase in the previous quarter of 6.8%. Retail sector survey data for April 2011 are consistent with positive, albeit limited, growth in retail sales at the beginning of the second quarter. Furthermore, the indicators on consumer confidence and expected major purchases, published by the European Commission, remained broadly stable in the first quarter of 2011, before displaying a small decline in April. The latter indicator remains at low levels, which suggests that consumers remain cautious.

1 Euro area quarterly national accounts, as published by Eurostat, are only available from the first quarter of 1995.

Box 6

THE MEASUREMENT AND PREDICTION OF THE EURO AREA BUSINESS CYCLE

Accurate information on the current and future state of the business cycle is a valuable input into the decision-making process of policy-makers and businesses. For this reason various academic, commercial, government and policy institutions use coincident and leading business cycle indicators as instruments to measure and predict business cycle developments. These indicators all aim at describing and forecasting the business cycle, but differ in terms of the methodology applied and the choices made regarding the concept used for the identification of the cyclical pattern; the variables selected and their lead times; and the weighting of the series used to compile a single index. For example, the Conference Board and the Organisation for Economic Co-operation and Development (OECD) calculate business cycle indicators for the euro area.[1] Based on coincident and leading business cycle indicators recently developed by ECB staff, this box illustrates how such indicators can be used to measure and predict the euro area business cycle.[2]

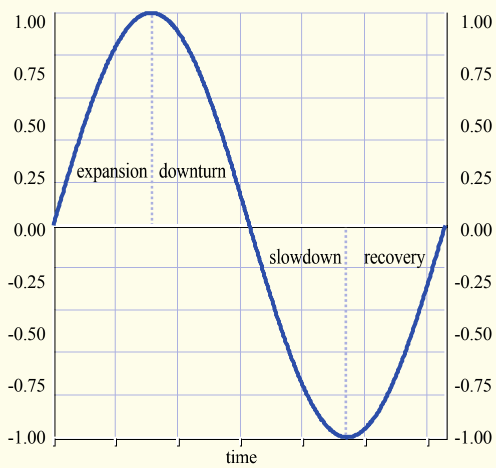
Measurement

A common way to measure the business cycle is by using the concept of the deviation or growth cycle. This approach defines the business cycle as cyclical fluctuations in overall economic activity around its long-term trend. Using the OECD terminology, four phases of the deviation cycle can be distinguished: i) expansion: economic activity is above the trend level and the cycle is upward sloping, i.e. the level of economic activity is growing faster than the trend; ii) downturn: economic activity is above the trend, but deteriorating; iii) slowdown: economic activity is below the trend and the cycle is downward sloping, which ends in a business cycle trough; iv) recovery: economic activity is below the trend, but improving (see Chart A).

Chart B plots deviation cycles in the euro area derived from real GDP and industrial production excluding construction by applying a one-sided band pass filter. It shows the percentage deviation of these two cyclical components from their corresponding trends. In this representation developments in the cyclical deviation from trend may arise from changes in the strength of growth in both the cyclical component and the trend component. For instance, rises in such indicators represent a strengthening of growth in the cyclical component relative to the trend component and could be due to a strengthening of growth in the cyclical

Chart A Stylised business cycle phases

(percentage deviation from trend)

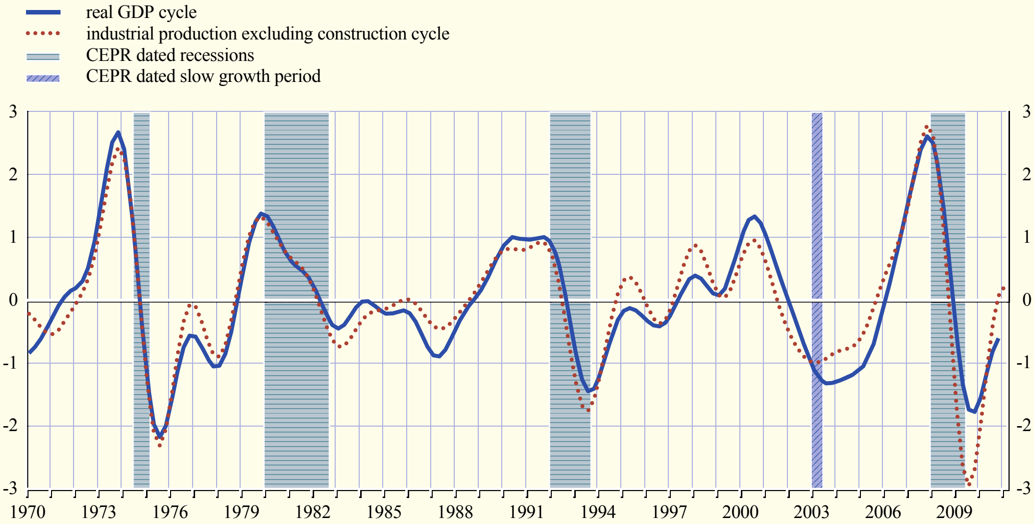


Source: ECB calculations.

1 For more information on the Conference Board indicators and the OECD indicators, see http://www.conference-board.org/data/bci.cfm and http://www.oecd.org/dataoecd/22/47/44728410.pdf respectively.
2 For more details, see de Bondt, G. and Hahn, E., "Predicting recessions and recoveries in real time: the euro area-wide leading indicator (ALI)", *Working Paper Series*, No 1246, ECB, Frankfurt am Main, September 2010.

Chart B Euro area business cycle indicators derived from industrial production (excluding construction) and real GDP

(percentage deviation from trend; standardised, quarterly data)



Sources: ECB, Eurostat, the euro area-wide model database and ECB calculations.
Notes: The horizon of the indicator based on real GDP extends to the fourth quarter of 2010 and that of the indicator based on industrial production excluding construction extends to the first quarter of 2011. For the first quarter of 2011 the latter indicator is based on data for January and February only. The indicators are derived by applying a one-sided band pass filter.

component or to a weakening of trend growth. The chart shows that the business cycle indicator based on industrial production excluding construction is very similar to the cycle derived from real GDP. This suggests that the first indicator, for which data are available on a monthly and more timely basis (production data are released with a 1½-month delay, whereas real GDP data are only available at a quarterly frequency and are released 1½ months after the end of the quarter to which they relate), is able to track developments in overall economic activity well and can therefore be used as a coincident business cycle indicator for the euro area. Chart B also highlights the fact that these two business cycle indicators typically peak before the start of recessions in the euro area, as dated by the Centre for Economic Policy Research (CEPR), and reach a trough around the end of these periods.[3] These features underline the relevance of these deviation cycle indicators.

Prediction

Using the monthly business cycle indicator derived from industrial production excluding construction as a reference for the euro area business cycle, a euro area-wide leading indicator (ALI) that aims to predict movements in this business cycle indicator well in advance has been developed. The ALI is derived as a composite index of a number of leading series, which are carefully selected from a large pool of data that have shown a comparatively strong and stable lead with respect to the indicator derived from industrial production excluding construction. Moreover, emphasis is put on ensuring that a broad economic mixture of leading series is used to derive the ALI in order

3 The CEPR business cycle dating refers, in contrast to the derived business cycle indicators, to the concept of the classical business cycle, which defines the business cycle in terms of the level of economic activity. A comparison of the results is nevertheless useful, as the CEPR dating is probably the most widely used business cycle dating for the euro area and there is a close link between the classical and deviation cycle developments (see Marcellino, M. (2006), "Leading indicators", in Elliott, G., Granger, C.W.G. and Timmerman, A. (eds.), *Handbook of Economic Forecasting*, Elsevier, Vol. 1, Chapter 16, pp. 879-960).

to guarantee that information on different parts of the economy and from different data sources is exploited, which should also help to enhance the robustness of the ALI. It is calculated as the unweighted average of nine leading series, all of which are measured as the percentage deviation from trend and are shifted when included in the composite index according to their respective lead times. These series are the ten-year government bond yield, the stock price index, real M1, building permits granted, consumer confidence, the economic sentiment indicator, the manufacturing new orders/stocks ratio obtained from the Purchasing Managers' Survey, the US unemployment rate and the Institute for Economic Research (Ifo) business expectations indicator for Germany.[4] The ALI projects the development of the business cycle indicator derived from industrial production excluding construction five months ahead and, since the series included in the index have earlier release times than data on industrial production, it effectively leads the industrial production-based business cycle indicator by six months.[5]

Chart C plots the development of the monthly business cycle indicator derived from industrial production excluding construction together with that of the ALI.[6] The chart underlines the fact that the ALI generally accurately leads the industrial production cycle and signals cyclical turning points before and after euro area recessions.[7] With regard to the latest cyclical developments, the

4 The leading properties of the expectations reported in a survey of around 7,000 businesses in Germany for the euro area business cycle are probably largely due to Germany's considerable importance as a motor for the euro area economy given its size and the high share of the manufacturing sector in total value added in Germany compared with other euro area countries. The article entitled "Predictive power of leading indicators for euro area GDP growth" in the June 2008 Quarterly Bulletin of De Nederlandsche Bank shows that the Ifo business expectations indicator for Germany appears to be the best predictor for euro area real GDP growth out of a set of 130 series.

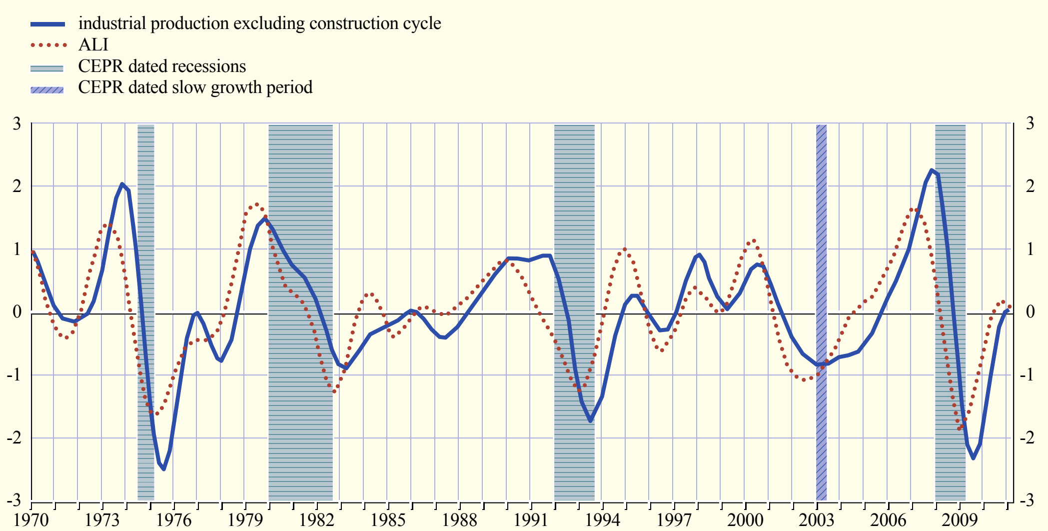
5 By successively dropping series with the shortest lead times from the overall composite index, indicators with even longer lead times can be derived, but at the cost of declining reliability.

6 The industrial production cycle shown in Chart C may deviate from that plotted in Chart B, because Chart B is based on monthly rather than quarterly data and uses data as of January 1960.

7 An analysis for the period 2007 to 2009 shows that the indicators signalled the latest trough and upturn well in real time (see the reference cited in footnote 2).

Chart C Euro area business cycle indicator derived from industrial production (excluding construction) and the euro area-wide leading indicator (ALI)

(percentage deviation from trend; standardised, monthly data)



Sources: Thomson Reuters, ECB, European Commission, Eurostat, Ifo Institute for Economic Research, Markit, US Department of Labor and ECB calculations.
Note: The latest observation for the industrial production cycle refers to February 2011 and the latest observation for the ALI refers to March 2011.

business cycle indicator derived from industrial production excluding construction returned to an expansion phase around the turn of this year, a move that had been consistently predicted by the ALI. This movement to an expansion phase is also consistent with the latest developments in the capacity utilisation rate in the euro area, which returned to its long-term average in April. Looking ahead, the ALI projects ongoing positive cyclical developments in the euro area at a stabilising or slightly declining rate over the lead horizon of the index (until August 2011). A similar business cycle outlook for the near term emerges from the latest Conference Board and OECD composite leading indicators. In this context, it is important to note that the ALI is designed to predict the direction of and, in particular, turning points in the euro area business cycle. The ALI is, hence, a qualitative indicator for the euro area business cycle which is one of the main differences from short-term GDP forecasting tools,[8] which are quantitative in nature.

All in all, the business cycle indicator derived from industrial production excluding construction provides useful information on a monthly basis for identifying cyclical developments in euro area real GDP at an early stage, and the ALI is useful for signalling the future direction of and turning points in the euro area business cycle six months ahead. Such qualitative business cycle indicators are used in the internal analysis of ECB staff with a view to providing information which complements data from other sources, including quantitative short-term GDP forecasting tools. It must also be kept in mind that the focus of the deviation cycle approach is on developments in the cyclical component vis-à-vis those in the trend, both of which are measured with considerable uncertainty. In addition, some of the underlying series used in this approach are subject to revisions over time, and historical relationships and average lead times could change, for instance owing to structural changes in the economy.

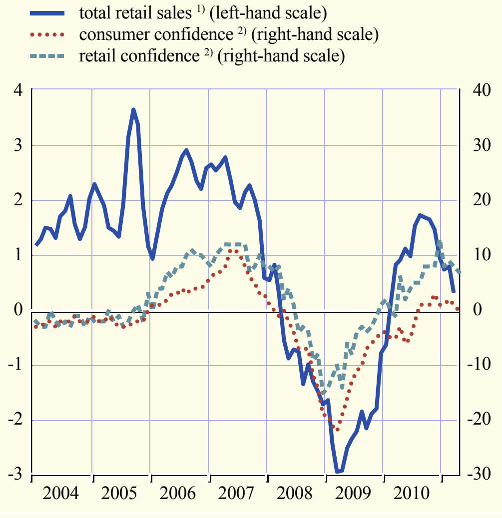
8 See e.g. the article entitled "Short-term forecasts of economic activity in the euro area", *Monthly Bulletin*, ECB, April 2008.

Gross fixed capital formation decreased by 0.5% quarter on quarter in the fourth quarter of 2010, following a fall of 0.2% in the previous quarter. This decline is entirely due to weak developments in construction investment (in part owing to the cold weather in December), as non-construction investment increased in the fourth quarter.

Available indicators provide positive signals for investment growth in the euro area in early 2011. While construction production declined by 0.9% in February, the strong rise of 4.0% in January implies that it nonetheless stood above the average level recorded in the fourth quarter of 2010. Furthermore, the Purchasing Managers' Index (PMI) for construction in the euro area rose above 50 in the first quarter of 2011, the highest level recorded since the beginning of 2007. At the same time the indicator on construction confidence, published by the European Commission, increased slightly in the first quarter of 2011. Industrial production of capital

Chart 28 Retail sales and confidence in the retail trade and household sectors

(monthly data)



Sources: European Commission Business and Consumer Surveys and Eurostat.
1) Annual percentage changes; three-month moving averages; working day-adjusted. Excludes fuel.
2) Percentage balances; seasonally and mean-adjusted.

goods, an indicator of future non-construction investment, grew by 1.0% in February to stand 2.4% above the average level recorded in the fourth quarter of 2010. Survey data on the industrial sector excluding construction (both the PMI output index and the industrial confidence indicator published by the European Commission), which improved in the first quarter of 2011, remained strong in April. In addition, capacity utilisation has been rising since mid-2009, according to European Commission surveys, and in April it stood at a level only slightly below its long-term average. The number of respondents reporting insufficient demand as a factor limiting production has declined noticeably over this period, while the influence of supply-side constraints resulting from a lack of equipment or labour shortages has grown. Finally, the spring 2011 European Commission investment survey, which is conducted on a biannual basis, shows an improvement in investment plans for 2011, revealing that firms plan to invest almost 10% more this year than they did in 2010.

With regard to trade flows, extra-euro area imports continued to expand strongly in February, while extra-euro area exports showed clear signs of improvement. In the first two months of 2011 the value of both extra-euro area imports and exports of goods grew at a faster pace, on average, than in the fourth quarter of 2010. According to balance of payments data available up to February, extra-euro area imports and exports of goods and services grew at faster rates in three-month-on-three-month terms (see Box 7 for more details on euro area trade in services). Recent data and surveys suggest that euro area trade continued to grow at the beginning of the second quarter of 2011. With global activity and foreign demand for euro area exports remaining strong, a further expansion in euro area exports is likely in the near term. The PMI for new export orders in the euro area manufacturing sector remained well above the expansion/contraction threshold of 50 in the first quarter of 2011. It rose slightly to 57.7 in April, pointing towards continued growth in euro area exports at the beginning of the second quarter.

Box 7

EURO AREA TRADE IN SERVICES: SPECIALISATION PATTERNS AND RECENT TRENDS

This box describes the main trends in euro area cross-border trade in services in terms of economic importance and patterns of specialisation. The euro area is the largest exporter of services worldwide, accounting for almost one-quarter of total world exports of services. Trade in services tends to play a greater role in small euro area countries with large deficits in trade in goods. During the latest economic downturn trade in services was more resilient than trade in goods. Nevertheless, the effects of the recession were highly heterogeneous across different services sub-sectors.

Extra-euro area trade in services

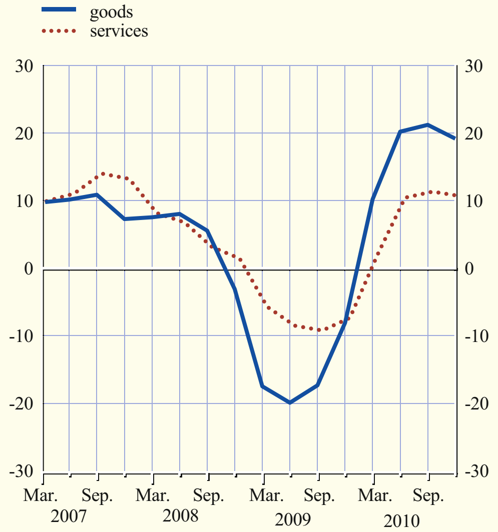
Services represent the bulk of economic activity in all advanced economies. In 2010 their shares of euro area GDP and employment were 66% and 73% respectively.[1] Owing in particular to the non-transportability of many services, the importance of services in the domestic economy is not reflected in international trade flows. In 2010 services represented only 25% of total extra-euro area exports and 24% of total extra-euro area imports, with a positive services trade balance of 0.4% of GDP. Compared with demand for manufactured goods, and in particular

1 Unless otherwise specified, all data refer to the 16-country composition of the euro area.

for durables, the demand for a range of traded services appears to be less cyclical; services trade and production seem to be less dependent on external finance, as suggested by developments during the recent recession episode (see Chart A). In the second quarter of 2009 total trade in goods contracted by 20% compared with the level recorded in the second quarter of 2008, while total trade in services declined by 8.7% in the same period. The developments in early 2010 when the recovery in trade in goods was much stronger than that in trade in services can be seen as unwinding those that took place in 2009.

Chart A Extra-euro area trade in goods and services

(year-on-year percentage growth rates)



Sources: ECB data and calculations.

In nominal terms, the euro area is the largest exporter of services worldwide. In 2009 extra-euro area exports accounted for 23% of global trade in services. The United States was the second largest exporter (16%), followed by the United Kingdom (8.1%), Japan (4.4%), China (4.4%) and India (3.1%). Looking at the last decade, the euro area export share increased from 20% in 2000 to 23% in 2004 and stabilised thereafter. By contrast, the United States experienced a sizeable decline in its market share. This could reflect in part valuation effects derived from the weakening of the US dollar, as well as the increasing role of emerging economies, such as China and India. Market size and cultural and linguistic ties are the main determinants of the direction of services trade flows. The euro area's main trading partners are the United Kingdom and the United States (see Table A). Both markets have become less important in the last few years, to the advantage of other European countries and the emerging economies.

Table A Geographical breakdown of extra-euro area trade in services in 2010

(percentages)

Trading partner	Exports	Imports
United Kingdom	20.3	16.5
United States	14.7	19.2
Other EU countries	10.4	10.1
Switzerland	10.1	8.5
China	3.0	2.4
Japan	2.4	1.9
Other countries	39.1	33.5

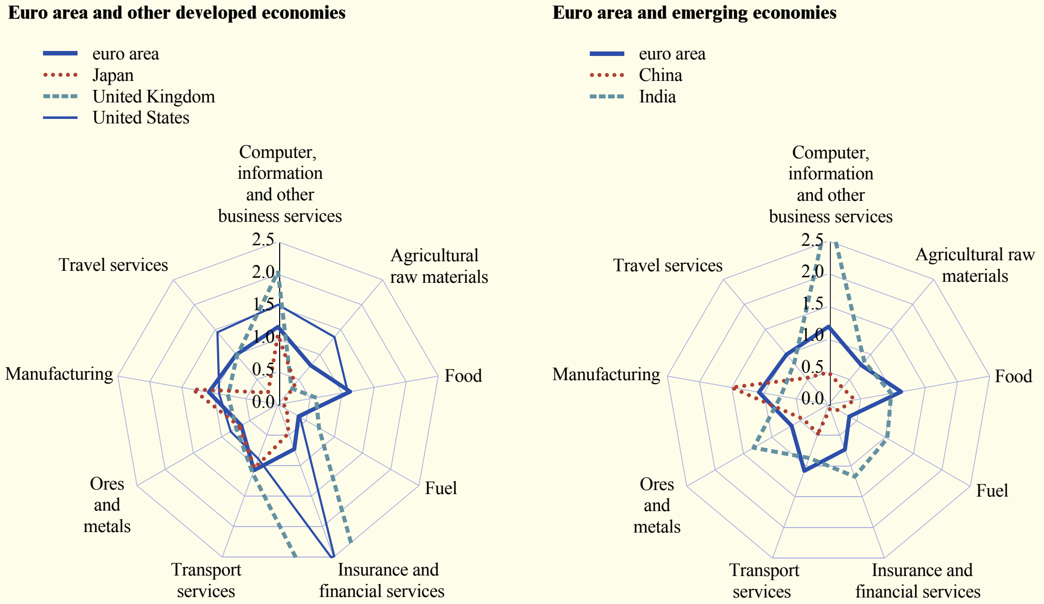
Source: ECB.

The export specialisation of the euro area is quite balanced across services and manufacturing (see Chart B).[2] This is in sharp contrast to the specialisation patterns of the euro area's main trading partners. For instance, both the United Kingdom and the United States appear to specialise in insurance and financial services, and India exhibits a specialisation in computer, information and

2 Chart B is based on the Balassa index, which is a measure of revealed comparative advantage. For country *c* and sector *i*, the index value is computed as: $\frac{x_{ci}/X_c}{X_i/X}$, where the numerator represents the share of sector *i* in the total exports of country *c*, and the denominator represents the sector's share in world exports. A value greater than 1 indicates that a country specialises in exports in a given sector, as it implies that the share of the sector in the country's exports is higher than the share of the same sector in world exports. Conversely, an index value of less than 1 indicates that a country lacks a specialisation in the given sector.

Chart B Export specialisation in goods and services sectors in 2007-09

(Balassa index of revealed comparative advantage; relative to the rest of the world)



Sources: Eurostat, World Development Indicators database and ECB calculations.
Notes: Data are averages for the period 2007-09. The United Kingdom and United States Balassa index values for insurance and financial services are 6.7 and 2.6 respectively. The India Balassa index value for computer, information and other business services is 2.9.

other business services, while China has a marked specialisation in manufacturing.[3] A closer look at the services sector trade balance reveals that the euro area surplus is mainly driven by computer, information and other business services, financial services and transport services. By contrast, the euro area is a net importer of royalties and licence fees and of personal, cultural and recreational services. Over the period 2004-09 only imports of insurance services fell. Conversely, during the same period exports of travel, personal and cultural services contracted slightly. These declines were in part driven by the effects of the crisis; over the period 2008-09 imports and exports of travel, transport and financial services recorded the sharpest contractions.

Euro area countries' trade in services

The patterns of specialisation within the services sector are quite heterogeneous across euro area countries. Some exhibit a clear specialisation in one or a few sectors: Cyprus and Luxembourg in financial services; Finland in computer and information services; Greece in transport services; and Ireland in insurance services and computer and information services. Other countries have a more balanced pattern of trade in services, with a slight dominance in one sub-sector: travel services in Austria, France, Italy, Portugal, Slovenia and Spain; communication services in Belgium and the Netherlands; construction services in Germany; and personal and cultural services in Slovakia.

3 Other business services include merchanting and trade-related services, operational leasing services and miscellaneous business, professional and technical services, for instance legal, accounting, research and development, and advertising services.

Table B Euro area trade in goods and services in 2009

(percentages of GDP)

	Goods			Services		
	Exports	Imports	Net	Exports	Imports	Net
Belgium	78.9	74.8	4.1	16.9	15.7	1.2
Germany	33.4	27.8	5.6	6.8	7.6	-0.8
Ireland	50.7	27.3	23.4	42.6	45.4	-2.8
Greece	6.0	18.0	-12.0	11.4	5.9	5.5
Spain	14.9	19.9	-4.9	8.4	5.9	2.4
France	17.9	20.8	-2.9	5.4	4.8	0.6
Italy	19.2	19.4	-0.2	4.8	5.5	-0.7
Cyprus [1]	6.6	42.7	-36.2	47.3	19.5	27.8
Luxembourg	39.8	46.3	-6.5	115.9	68.7	47.2
Malta [2]	43.7	67.4	-23.6	41.2	27.4	13.8
Netherlands	63.0	56.3	6.7	11.5	10.7	0.8
Austria	35.6	37.4	-1.8	13.7	9.6	4.0
Portugal	18.9	30.4	-11.4	9.9	6.2	3.7
Slovenia	54.1	54.2	-0.2	12.4	9.3	3.2
Finland	26.3	25.2	1.1	10.8	9.9	0.9
Euro area [3]	28.6	27.9	0.6	9.0	8.2	0.8

Sources: World Development Indicators database and ECB calculations.
1) The latest available data are for 2008.
2) The latest available data are for 2007.
3) The euro area data have been calculated on the basis of total euro area imports and exports (the sum of intra and extra-euro area trade for the countries listed in the table).

Trade in services plays a greater role in small economies, such as Cyprus, Luxembourg and Malta, owing possibly to the tendency of small economies to specialise in financial services or tourism (see Table B). Looking at net trade, big surpluses in trade in services tend to counterbalance large deficits in the goods balance. This is the case for Greece, Cyprus, Luxembourg, Malta and Portugal.

The importance of services in the domestic economy is only partially reflected in international trade flows. Nevertheless, over the last decade the relative importance of services trade with respect to total trade has increased for the euro area as a whole and for all the euro area countries except the Netherlands. This is also reflected in the increasing weight of services trade in GDP. The contribution of trade in services to GDP is particularly important for small economies with large negative deficits in trade in goods. This underlines the importance of taking into account the role of trade in services when assessing international competitiveness.

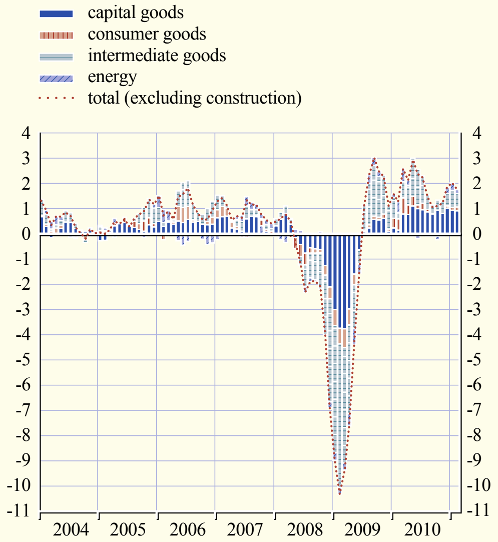
4.2 OUTPUT, SUPPLY AND LABOUR MARKET DEVELOPMENTS

Real value added increased by 0.3% quarter on quarter in the third and fourth quarters of 2010. Real value added in industry (excluding construction) and services grew by 1.1% and 0.3% respectively, while construction value added contracted by 1.2%, the latter sector being influenced by the unusually cold weather conditions in December.

With regard to developments in the first quarter of 2011, industrial production excluding construction increased by 0.5% in February, following a rise of 0.2% in January (see Chart 29). The average level during the first two months of the first quarter was 1.1% above the average level recorded in the fourth quarter of 2010. Industrial new orders (excluding heavy transport equipment) rose by 0.8% month on month in February, following a rise of 2.6% in January, to stand some 5% higher than in the fourth quarter of 2010. More timely information from surveys also suggests favourable

Chart 29 Industrial production growth and contributions

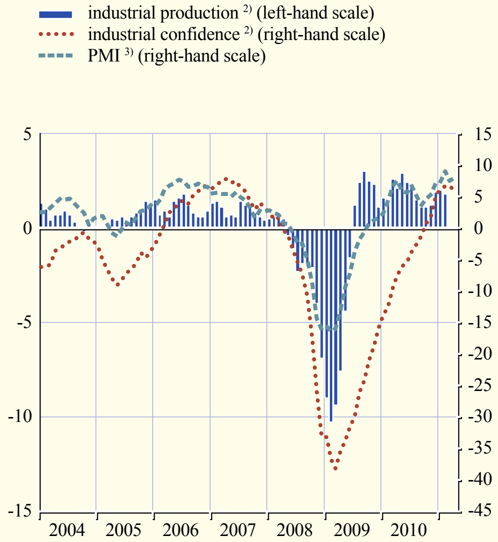
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



Sources: Eurostat and ECB calculations.
Notes: Data shown are calculated as three-month moving averages against the corresponding average three months earlier.

Chart 30 Industrial production, industrial confidence and the PMI

(monthly data; seasonally adjusted)



Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
Notes: Survey data refer to manufacturing.
1) Three-month-on-three-month percentage changes.
2) Percentage balances.
3) Purchasing Managers' Index; deviations from an index value of 50.

developments in activity in the first quarter of 2011 and at the beginning of the second quarter. The PMI output index for the manufacturing sector and the PMI for business activity in services both rose in the first quarter of 2011, remaining at levels well above the expansion/contraction threshold of 50. The results of the PMI surveys remained strong in April, which bodes well for developments in activity in the second quarter of 2011. Other business surveys, such as those of the European Commission, are broadly in line with developments in the PMI (see Chart 30).

LABOUR MARKET

Conditions in the euro area labour markets have shown signs of improvement. Employment rose by 0.2% in the last quarter of 2010, following zero growth in the previous quarter. At the sectoral level, employment in services and agriculture increased in the fourth quarter of 2010, while employment in industry including construction declined (see Table 7 and Chart 31). Growth in hours worked was more subdued than employment growth in the fourth quarter.

Growth in euro area output, together with the cyclically lagged labour market developments, contributed to positive growth in productivity throughout 2010. In year-on-year terms, aggregate euro area productivity per person employed grew by 1.8% in the fourth quarter of 2010,

Table 7 Employment growth

(percentage changes compared with the previous period; seasonally adjusted)

	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2009	2010	2010 Q2	2010 Q3	2010 Q4	2009	2010	2010 Q2	2010 Q3	2010 Q4
Whole economy	-1.9	-0.5	0.1	0.0	0.2	-3.3	0.4	0.4	0.2	0.0
of which:										
Agriculture and fishing	-2.4	-0.6	-1.0	0.1	0.4	-2.7	-1.0	0.1	-0.1	-0.1
Industry	-5.7	-3.3	-0.2	-0.5	-0.3	-8.8	-1.3	0.6	0.2	-0.5
Excluding construction	-5.3	-3.1	-0.1	-0.3	0.0	-9.0	-0.3	0.8	0.7	0.1
Construction	-6.7	-3.7	-0.3	-1.1	-0.9	-8.3	-3.2	0.0	-0.9	-1.6
Services	-0.5	0.5	0.3	0.1	0.3	-1.3	1.0	0.4	0.3	0.2
Trade and transport	-1.8	-0.7	0.0	0.1	0.3	-2.7	0.2	0.3	0.0	-0.1
Finance and business	-2.1	1.0	0.9	0.2	0.3	-3.2	1.5	0.7	0.5	0.3
Public administration [1]	1.4	1.2	0.2	0.2	0.3	1.2	1.5	0.2	0.4	0.3

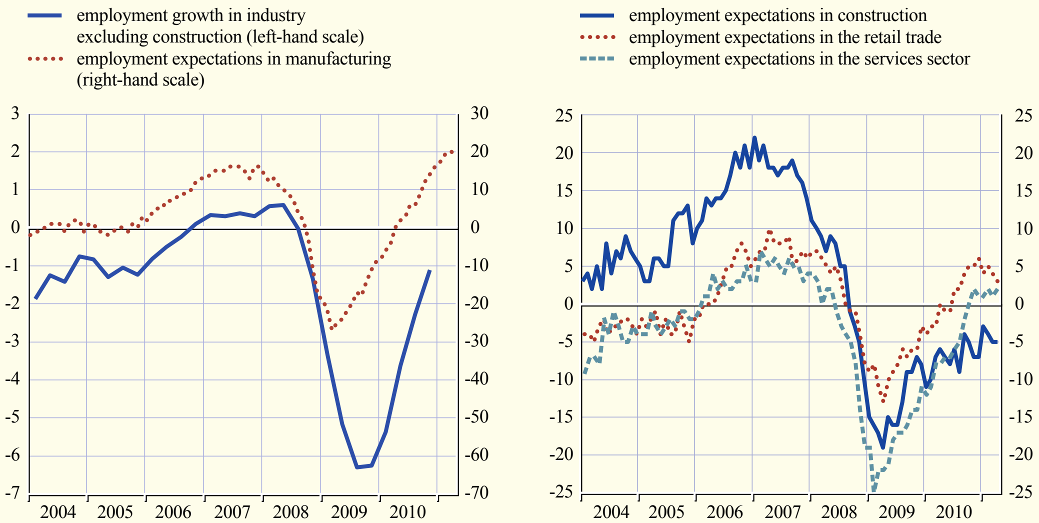
Sources: Eurostat and ECB calculations.
Note: Data refer to the Euro 17.
1) Also includes education, health and other services.

while productivity per hour worked rose by 1.3% (see Chart 32). Regarding sectoral developments, productivity increased strongly in industry excluding construction, while rising more gradually in the services sector.

More recent data on the labour market show that the unemployment rate stood at 9.9% in March, unchanged from the previous month, despite a small decline in the number of unemployed people compared with February (see Chart 33). Survey indicators point towards continued positive employment growth in the first quarter of 2011 and at the beginning of the second quarter, in industry as well as in services.

Chart 31 Employment growth and employment expectations

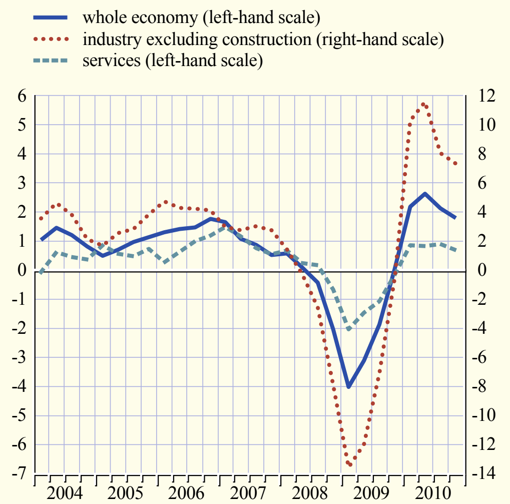
(annual percentage changes; percentage balances; seasonally adjusted)



Sources: Eurostat and European Commission Business and Consumer Surveys.
Notes: Data refer to the Euro 17. Percentage balances are mean-adjusted.

Chart 32 Labour productivity

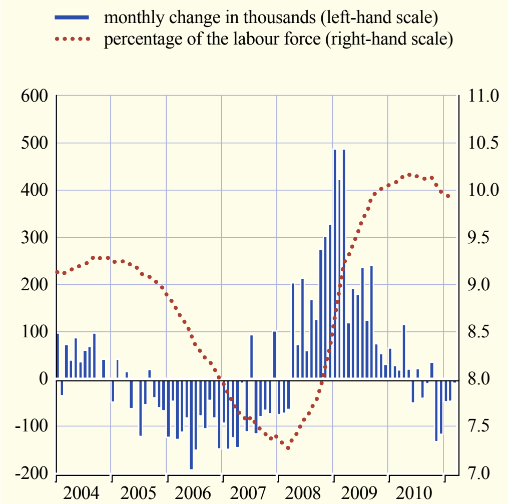
(annual percentage changes)



Sources: Eurostat and ECB calculations.
Note: Data refer to the Euro 17.

Chart 33 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

4.3 THE OUTLOOK FOR ECONOMIC ACTIVITY

Looking ahead, euro area exports should be supported by the ongoing expansion in the world economy. At the same time, taking into account the high level of business confidence in the euro area, private sector domestic demand should contribute increasingly to economic growth, benefiting from the accommodative monetary policy stance and the measures adopted to improve the functioning of the financial system. However, activity is expected to continue to be dampened somewhat by the process of balance sheet adjustment in various sectors. Box 5 in Section 3 entitled "Results of the ECB Survey of Professional Forecasters for the second quarter of 2011" shows that real GDP growth expectations have been revised slightly upwards for 2011, while remaining unchanged for 2012.

The risks to this economic outlook remain broadly balanced in an environment of elevated uncertainty. On the one hand, global trade may continue to grow more rapidly than expected, thereby supporting euro area exports. Moreover, strong business confidence could provide more support to domestic economic activity in the euro area than currently expected. On the other hand, downside risks relate to the ongoing tensions in some segments of the financial markets that may potentially spill over to the euro area real economy. Downside risks also relate to further increases in energy prices, particularly in view of ongoing geopolitical tensions in North Africa and the Middle East, and to protectionist pressures and the possibility of a disorderly correction of global imbalances. Finally, there are still potential risks stemming from the economic impact on the euro area and elsewhere of the natural and nuclear disasters in Japan.

PATTERNS OF EURO AREA AND US MACROECONOMIC CYCLES – WHAT HAS BEEN DIFFERENT THIS TIME?

Economic activity in the euro area and the United States is now slowly recovering, following a recession that was deep and highly synchronised across countries around the globe. This article describes the likely reasons for the differences in the downturn in the euro area in comparison with the United States and provides some reflections regarding the prospects for recovery in both regions. The main findings are that the degree of synchronisation of economic activity in the euro area and the United States during the current cycle is largely consistent with historical evidence. That said, there have been some differences in euro area and US activity during this cycle compared with the past, and these appear to be largely explained by the nature of the current downturn, the fundamentals prior to the crisis and the way in which the private sector and policies adjusted in the two economies.

1 INTRODUCTION

The recent global financial crisis and ensuing recession have had major repercussions for the euro area and US economies. The crisis was initially triggered by a precipitous decline in the US housing market that knocked down the value of large volumes of assets linked to it that were widely held across the world.[1] However, diverse vulnerabilities were present on a global scale, allowing the crisis to spill over rapidly to the euro area and the rest of the global economy. Global industrial production and trade contracted sharply and synchronously, with financial market turbulence quickly spreading across borders and continents. This article aims to address three main questions: what sets this cycle apart from past recessions and recoveries, and what were the similarities? Why was the euro area so deeply affected by a shock that began in the US housing market and at first appeared to be contained? And what are the key factors influencing the recovery in economic activity in both the euro area and the United States?[2]

The article is organised as follows. Section 2 describes some stylised facts about the relationship between US and euro area business cycles as derived from historical experience, as well as from previous recessions associated with financial crises. In Section 3 the article turns to the current cycle by providing a description of the downturn and the recovery in economic activity in the euro area and the United States against the background of past cycles. The following sections then seek some explanations for recent developments, with Section 4 focusing on the nature of the shock and its transmission, and Section 5 looking at the private sector and policy adjustments made in each economy. The article concludes with some reflections regarding the evolution of the economic recovery in both areas and by highlighting the possible factors that might set this recovery phase apart from past cycles.

2 STYLISED FACTS FROM PAST CYCLES

Four main stylised facts based on historical relationships may be relevant for understanding the dynamics of this recession and the subsequent recovery in the euro area and the United States and in detecting how this cycle differs from the past. These stylised facts are derived partly from looking at the characteristics of past business cycle dynamics in the United States and the euro area and partly from a historical analysis of the nature of recessions.

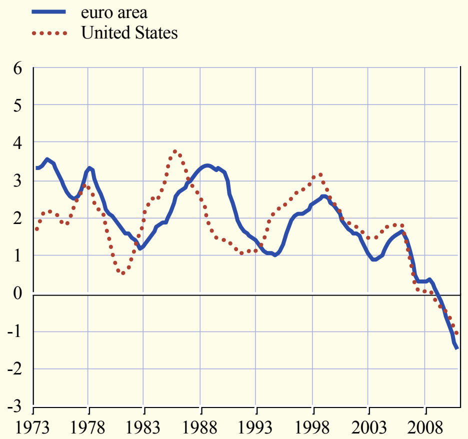
A first fact is that there is strong co-movement between real GDP per capita in the United States and the euro area over low frequencies (see Chart 1), with euro area growth

1 In particular, it has been argued that an increase in mortgage delinquencies due to a decline in US housing prices was the trigger for the full-blown liquidity crisis that emerged in 2007. See, for instance, Brunnermeier, M.K., "Deciphering the Liquidity and Credit Crunch 2007-2008", *Journal of Economic Perspectives*, Volume 23, No 1, winter 2009, pp. 77-100.

2 Note that this article focuses primarily on developments in the euro area as a whole, which encompass a range of developments across euro area countries.

Chart 1 GDP per capita

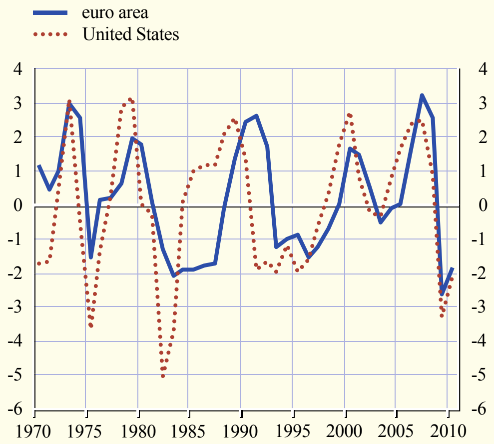
(year-on-year percentage changes; five-year centred moving averages)



Sources: Eurostat and Bureau of Economic Analysis.

Chart 2 Output gaps

(as a percentage of estimated potential)



Source: European Commission.

tending to lag that of the United States by several quarters.[3] Further research has shown that there tends to be an asymmetry within cycles, in that US downturns are transmitted faster to the euro area (and the rest of the world) than upturns: it takes around two quarters for downturns to be transmitted from the United States to the euro area, while it takes around six quarters for upturns.[4]

Second, taking into account estimates of potential output and output gaps (using those provided by the European Commission), the euro area as a whole tends to exhibit milder downturns, but also slower rebounds compared with the United States (see Chart 2). This could be a reflection of the fact that the euro area is well known to be a more socially protected, but less flexible, economy than the United States.[5]

Third, there is historically a high degree of correlation between US recessions and global downturns/recessions; hence, US shocks are often a good proxy for global shocks. As an indication of this, Chart 3 depicts the percentage of advanced economies (out of a sample of 19 countries) that have been in recession over time. Most of the spikes in this chart coincide with US recessions as defined by the National Bureau of Economic Research (NBER). The latest recession stands out as having been particularly widespread across countries: although the United States entered recession first, in the final quarter of 2007, it was swiftly followed by most advanced economies, with the euro area entering recession in the second quarter of 2008.

A fourth important stylised fact is that recessions associated with financial crises, as well as those associated with credit crunches and house price busts, have typically been particularly severe and protracted.[6] The length and depth of

3 See Giannone, D., Lenza, M. and Reichlin, L., "Business cycles in the euro area", *Working Paper Series*, No 1010, ECB, Frankfurt am Main, February 2009.

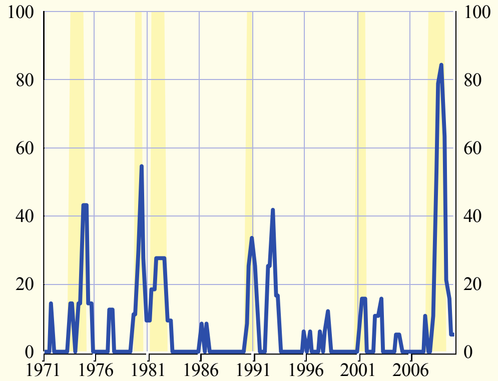
4 See Dées, S. and Vansteenkiste, I., "The transmission of US cyclical developments to the rest of the world", *Working Paper Series*, No 798, ECB, Frankfurt am Main, August 2007.

5 See Duval, R., Elmeskov, J. and Vogel, L., "Structural Policies and Economic Resilience to Shocks", *Economics Department Working Papers*, No 567, OECD, Paris, July 2007.

6 See: "The latest euro area recession in a historical context", *Monthly Bulletin*, ECB, Frankfurt am Main, November 2009; "From recession to recovery: how soon and how strong?", *World Economic Outlook*, Chapter 3, IMF, Washington, DC, April 2009; and Claessens, S., Kose, M.A. and Terrones, M., "What happens during recessions, crunches, and busts?", *Working Paper Series*, No 08/274, IMF, Washington, DC, December 2008.

Chart 3 Synchronisation of recessions across countries

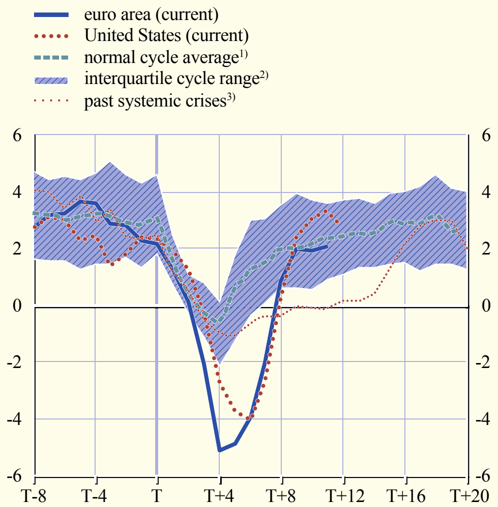
(percentage of countries in recession; shaded areas denote US recessions)



Sources: IMF, ECB and NBER.
Note: The sample comprises 19 advanced economies (Australia, Austria, Belgium, Canada, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, South Korea, Spain, Switzerland and the United Kingdom).

Chart 4 Real GDP growth in the euro area and the United States compared with past recessions and crises in OECD economies

(annual percentage changes; quarterly data)



Sources: ECB and ECB calculations, Eurostat and OECD.
Notes: "T" represents the peak GDP level prior to the recession. For the current euro area and US cycles, "T" represents the first quarter of 2008 and the fourth quarter of 2007 respectively.
1) Average real GDP growth during all recessions in OECD countries not categorised as crises.
2) The cycle range for OECD recessions is derived as the upper quartile less the lower quartile for all OECD recessions since 1970.
3) Average real GDP growth during five severe financial crises since 1970 in Spain, Finland, Sweden, Norway and Japan.

such recessions stems from the fact that, in the aftermath of financial crises, demand tends to be restrained by the need for extensive balance sheet repairs and deleveraging, while severe disruption within the banking sector also entails more prolonged credit constraints. Moreover, as financial intermediation affects all sectors of an economy and easily spills over to other countries, shocks are rapidly amplified by the financial system. As shown in Chart 4, the current downturn has been particularly severe even when compared with other systemic crises in OECD countries.

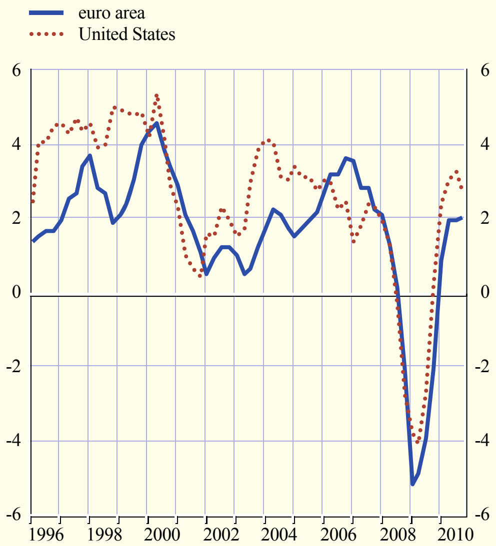
3 MACROECONOMIC DEVELOPMENTS DURING THE CURRENT CYCLE

In line with the above stylised facts, the economic slowdown during the current cycle started earlier in the United States than in the euro area, with US GDP growth already slowing in early 2007, at a time when growth in the euro area was still accelerating (see Chart 5). At the time, a widely held view was that the euro area – and the global economy more generally – could "decouple" from the United States in its downturn, given the apparently contained nature of US domestic problems and the growing importance of emerging markets in the global economy.[7] However, as the financial crisis widened and deepened with the failure of some major financial institutions in the autumn of 2008, the recession became very deep, consistent with previous evidence on systemic financial crises.[8]

7 Contributions to the "decoupling debate" can be found, for example, in: "Decoupling the Train? Spillovers and Cycles in the Global Economy", *World Economic Outlook*, Chapter 4, IMF, Washington, DC, April 2007; "Test of stamina", *The Economist*, 12 April 2007; and "Global Economic Integration and Decoupling", a speech given by D.L. Kohn at the International Research Forum on Monetary Policy, Frankfurt am Main, 26 June 2008.
8 See Reinhart, C.M. and Rogoff, K.S., *This Time Is Different: Eight Centuries of Financial Folly*, Princeton University Press, Princeton, 2009.

Chart 5 Real GDP

(year-on-year percentage changes)



Sources: Eurostat and Bureau of Economic Analysis.

Overall, it appears that euro area activity has been hit quite severely, although the precise extent relative to the United States depends on the time span and metric used. In particular, while the contraction in actual GDP was deeper in the euro area than in the United States (see Chart 5), if one takes into account the fact that the United States typically has higher growth potential (see box), the downturn was slightly more severe in the United States (see Chart 2).

Looking at the recovery phase so far, this is somewhat at odds with past regularities identified in Section 2 of this article, as the upturn in the euro area started at the same time as that in the United States, although it has been somewhat more muted. In part, the relatively synchronised upturn appears to have been driven by the strong rebound in global trade, which has helped to boost growth in both economies.

Box

A COMPARISON OF DRIVERS OF POTENTIAL OUTPUT FOR THE EURO AREA AND THE UNITED STATES

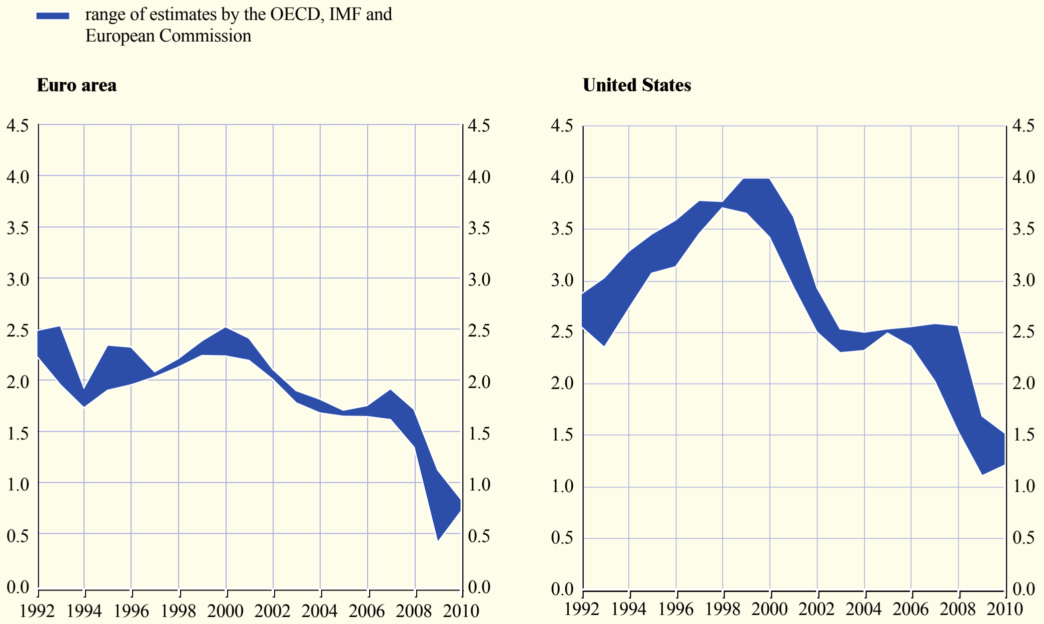
Potential output is generally understood to provide an indication of the level of sustainable real output in the economy in the medium to long term and its rate of growth. It is also referred to as the level of output which can be achieved using available production factors without creating inflationary pressures.[1] The evolution of potential output depends on a number of underlying factors, foremost among them being supply conditions, such as the endowments of the economy relating to the key production inputs of capital and labour. The productivity of these inputs is linked to various factors, such as the efficiency with which they are combined and used, demographic trends and human capital, investment in research and development, and the institutional framework in which the economy operates, as well as structural economic policies. The rate of potential growth can change substantially over time owing to these factors.

Empirical estimates of potential output are surrounded by considerable uncertainty. This is particularly the case in the current environment, as the long-term economic implications of the financial crisis are still unclear. Recent estimates of potential output indicate that potential growth in both the euro area and the United States is estimated to have fallen significantly during the recent economic downturn (see Chart A). The average rate of

1 For a more detailed discussion of the role played by measures of potential output in macroeconomic analysis and the uncertainty surrounding its measurement, see: the article entitled "Potential output growth and output gaps: concept, uses and estimates", *Monthly Bulletin*, ECB, Frankfurt am Main, October 2000; and the box entitled "Potential output estimates for the euro area", *Monthly Bulletin*, ECB, Frankfurt am Main, July 2009.

Chart A Range of estimates of potential output growth in the euro area and the United States

(annual percentage changes)



Sources: OECD, IMF and European Commission.

annual potential growth was estimated to be around 2.0% in the euro area in the period 2000-07, compared with 2.7% in the United States, with a relatively narrow range of estimates over this period. This compares with average estimates of 1.0% for the euro area and 1.6% for the United States in the years 2008-10, with wider ranges of estimates. All in all, the rate of potential growth is estimated to have deteriorated by similar amounts in the two economies.[2]

The approaches of international institutions to the estimation of potential output allow potential growth to be broken down into contributions from changes in the usage of capital and labour in the economy and contributions from changes in productivity (i.e. "total factor productivity" or "TFP"). The contributions from the labour input can be disentangled further, distinguishing between the impact of population growth, the labour market participation rate, changes in the structural rate of unemployment (the NAIRU) and changes in average hours worked.

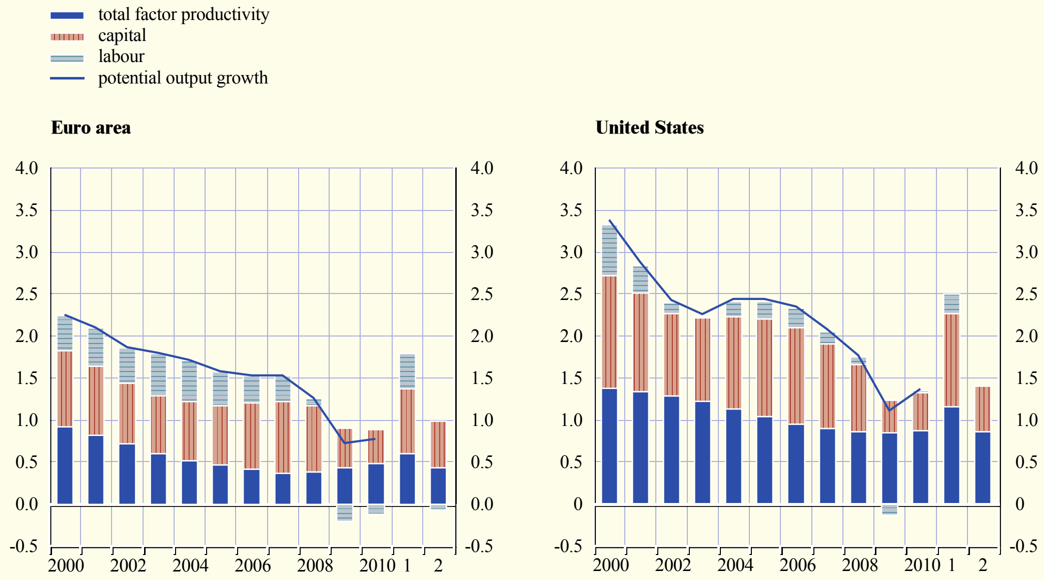
Chart B provides breakdowns of potential output growth estimates according to the contributions of labour, capital and TFP, as well as a breakdown of the labour input for the euro area and the United States, on the basis of estimates made by the European Commission[3]. These charts reveal a number of interesting trends and stylised facts relating to potential growth in the years before the financial crisis: first, potential growth in both the euro area and the United States shows a downward trend in the period 2000-07. In both regions, this is mostly

2 For a more detailed discussion of the factors which could explain the deterioration of potential growth in the context of the recent financial crisis, see: the article entitled "Trends in potential output", *Monthly Bulletin*, ECB, Frankfurt am Main, January 2011; and "Impact of the current economic and financial crisis on potential output", *European Economy Occasional Papers*, No 49, European Commission Directorate-General for Economic and Financial Affairs, June 2009.

3 European Commission, June 2009.

Chart B Contributions to potential output growth in the euro area and the United States 2000-10

(annual percentage changes; contributions in percentage points)

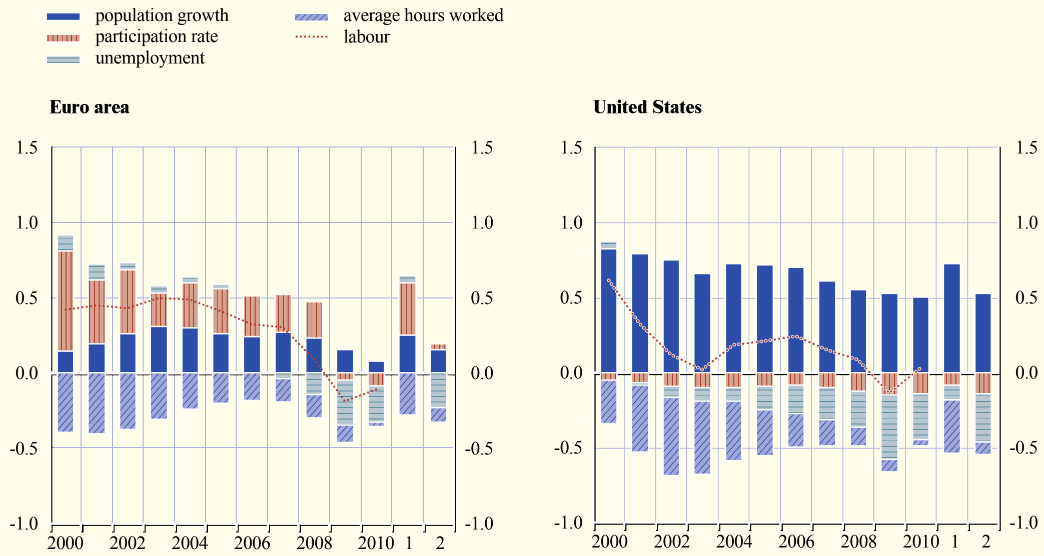


1 Average 2000-07.
2 Average 2008-10.

Source: European Commission.

Chart C Breakdown of the contribution made by labour to potential output growth in the euro area and the United States 2000-10

(annual percentage changes; contributions in percentage points)



1 Average 2000-07.
2 Average 2008-10.

Source: European Commission.

explained by the contributions from TFP, which halved from around 1% in 2000 to less than 0.5% in 2007 in the euro area, while TFP contributions fell from 1.4% to below 1% over the same period in the United States. By contrast, the contributions from the accumulation of the capital stock and from the labour input remained relatively stable in both regions. Second, while population growth was lower in the euro area than in the United States, this was more than compensated for by developments in the trend participation rate, which increased in the euro area but declined somewhat in the United States (see Chart C). Furthermore, the structural rate of unemployment is estimated to have remained broadly stable in the euro area, compared with an increase in the United States. These factors gave rise to larger growth contributions from the labour input in the euro area during the period 2000-07. However, once the potential from higher levels of participation in the euro area has been mostly exhausted, the impact of population ageing can be expected to lead to a decline in the contribution made by labour to potential growth relative to the United States. Finally, the fact that the rate of potential growth is consistently higher in the United States than in the euro area is primarily a result of more sizeable TFP growth and, to a lesser extent, a stronger contribution from the accumulation of capital in the United States.

The latest economic downturn has affected factors in potential growth in different ways: while the estimates of the contribution from TFP changed only marginally, the decline in potential growth in the context of the financial crisis is generally explained by lower contributions from the labour and capital inputs in both the euro area and the United States. Regarding the labour input, an increase in estimates of the structural rate of unemployment contributed significantly to the decline observed in labour's contribution to growth in both regions. On top of that, significantly lower increases in trend labour market participation rates added to the decline in labour's contribution in the euro area, whereas trend participation growth rates are estimated to have remained broadly stable over the crisis period in the United States. Lower contributions from the capital stock reflect the decline in investment in the context of the recent economic downturn. This effect was more sizeable in the United States than in the euro area. All in all, the lower potential growth over the years 2008-10 stems primarily from declines in the contributions from labour and capital. In the euro area, the former was more important, whereas the latter dominated in the United States.

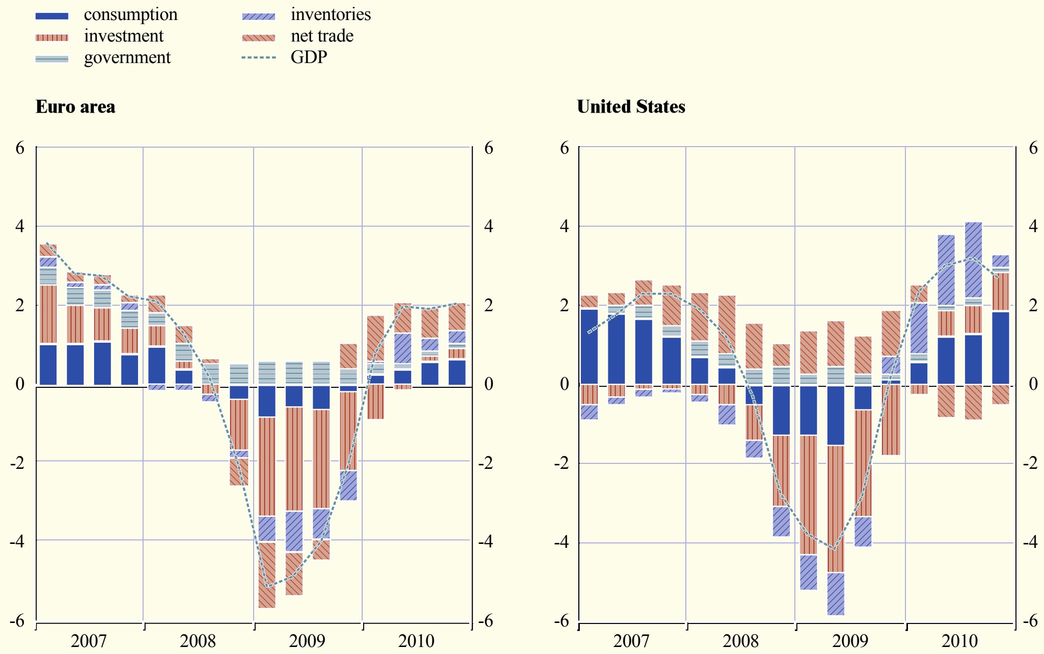
There have been two key differences in the composition of GDP growth during this cycle across the two economies (see Chart 6). The contraction in consumption was much more pronounced in the United States than in the euro area, particularly in relation to historical evidence, as will be discussed further in Section 5. On the other hand, net trade played a substantial role in the downturn in the euro area, but until recently contributed positively to GDP growth in the United States. The difference in the contributions of net trade stems partly from a sharper decline in imports in the United States during the recession, in line with the stronger decline in consumption.[9] Meanwhile, the behaviour of inventories, government consumption and, to a lesser extent, investment (where the decline started earlier in the United States, largely stemming from the contraction in residential investment) has been broadly similar in the two regions.

A final feature of the recent crisis has been the longer-term implications for potential output. Although the uncertainty surrounding those estimates is considerable, as outlined in the box, the estimated impact of the crisis on potential growth has, on average, been similar in the two areas, with estimates of potential output growth being revised downwards. Moreover, in line with past patterns, potential output growth is

9 See Baldwin, R. and Taglioni, D., *The great trade collapse and trade imbalances*, November 2009, available at http://www.voxeu.org

Chart 6 Composition of GDP growth in the euro area and the United States

(year-on-year growth in percentages; contributions in percentage points)



Sources: Eurostat and Bureau of Economic Analysis.

estimated to remain higher in the United States than in the euro area – an important factor determining the outlook.

Overall, historical regularities appear, for the most part, to have held during this cycle, in that: (i) the euro area has lagged the United States (at least in the downturn); (ii) the downturn in the United States was larger than that in the euro area (at least relative to potential growth); (iii) the US downturn was matched, with a small lag, by widespread downturns in other countries around the world; and (iv) the recession was particularly deep, as it coincided with a financial crisis. Nevertheless, it is useful to look deeper at the questions raised initially relating to the strong degree of synchronisation in the cycle, the depth of the recession in the euro area and whether one can gain some insights regarding the economic outlook by looking at the main underlying fundamentals and adjustments in the euro area compared with the United States.

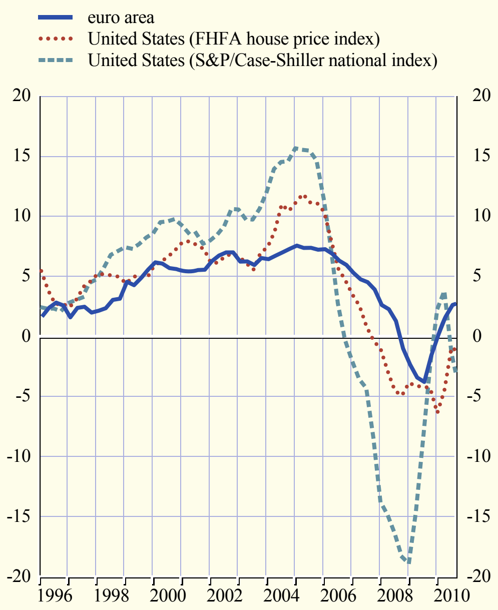
4 THE NATURE OF THE SHOCK AND ITS TRANSMISSION TO THE REAL ECONOMY AND ACROSS BORDERS

Starting with the issue of synchronisation, this section looks at the nature of the shock and its transmission. The global recession was triggered by the downturn in the US housing market, most notably the problems related to the sub-prime segment of the US mortgage market. Comparing the underlying housing market situation in the euro area and the United States, the adjustment started earlier and was much more pronounced in the United States (see Chart 7). While some signs of a stabilisation in euro area house prices have recently appeared, there are signs, from the S&P/Case-Shiller house price index, of further contraction in the United States, following a period of improvement driven largely by temporary policy stimuli.[10] These differences in

10 For more details on the impact of US housing support initiatives on recent housing market developments, see Box 1, *Monthly Bulletin*, ECB, Frankfurt am Main, September 2010.

Chart 7 House prices

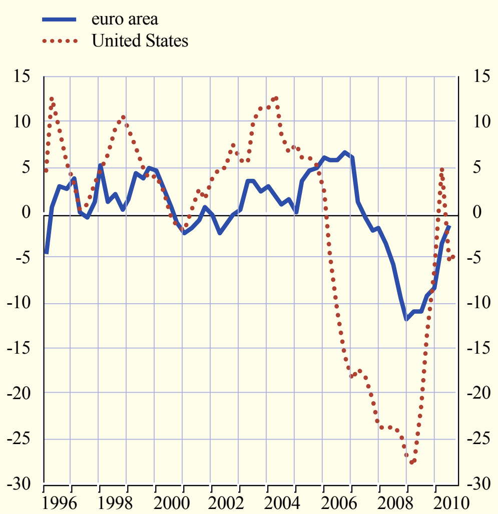
(year-on-year percentage changes)



Sources: ECB, Federal Housing Finance Agency and S&P/Case-Shiller.

Chart 8 Residential investment

(year-on-year percentage changes)



Sources: Eurostat and Bureau of Economic Analysis.

house prices across the two regions are broadly mirrored by developments in residential investment (see Chart 8).[11]

Despite the US housing sector having been the main trigger of the crisis, the global financial system – the euro area included – was vulnerable more broadly owing to an underpricing of risk that had resulted in the compression of credit spreads and high levels of leverage. The implications for the euro area were thus more severe, owing to the global reassessment of risk premia, than they might have been if the shock had been truly US-specific.[12] The crisis eventually resulted in a deep fall in values across all asset classes. It also hit the banking systems of both economies, where the transmission was both direct via European banks' large losses on US mortgage-backed securities and indirect through the generalised increase in risk aversion and the impact of the crisis on financial market and interbank liquidity.

The rapid amplification of the shock across financial systems led to widespread uncertainty across advanced economies.[13] Amid heightened uncertainty, global demand suffered an unusually synchronised decline, prompting sharp retrenchment in purchases of durables and investment, which led to a collapse in world

11 The strong declines in residential investment may relate to a more flexible housing supply in the United States compared with the euro area, one potential explanation for divergent regional house price paths, as outlined in Hiebert, P. and Roma, M., "Relative house price dynamics across euro area and US cities: convergence or divergence?", *Working Paper Series*, No 1206, ECB, Frankfurt am Main, June 2010.

12 Verick, S. and Islam, I., "The Great Recession of 2008-2009: Causes, Consequences and Policy Responses", *Discussion Paper Series*, No 4934, IZA, Bonn, May 2010. The authors also argue that the US sub-prime crisis was at the centre of the crisis, but by no means the cause. Four main factors caused the crisis: global current account imbalances; loose monetary policy; the search for yield and misperception of risk; and lax financial regulation.

13 In addition, the crisis exacerbated pre-existing macroeconomic imbalances in some euro area countries. Indeed, two countries are implementing an adjustment programme, while the economic governance of the euro area as a whole is being overhauled.

trade.[14] Thus, the crisis was also transmitted to the global economy via confidence and trade channels. The sudden collapse in confidence around the globe, together with the combination of housing market corrections, household balance sheet adjustments and difficulties in short-term financing, all contributed to a marked decline in the consumption of durables and investment goods. This, in turn, caused a sharp contraction in global industrial production and triggered an adjustment in inventories, both of which had a strong impact on world trade (see Chart 9).

The euro area – alongside other economies with a relatively large manufacturing sector and a high degree of openness to trade – has tended to be harder hit by the slowdown in industry and trade than the United States. Industrial output excluding construction accounts for around 18% of total output in the euro area, compared with 15% in the United States. Within the industrial sector, the euro area has been affected particularly strongly (in comparison with the United States) by the sharp downturn in global passenger car sales in 2008 and its subsequent rebound, the latter being supported by vehicle scrappage schemes in a number of countries.[15] This is because the euro area has a more dominant role in the global car industry, accounting for around 22% of global passenger car production in 2009, while US production represented less than 5%.[16]

Export developments in the euro area and the United States have been relatively similar in this cycle (see Chart 10). However, the euro

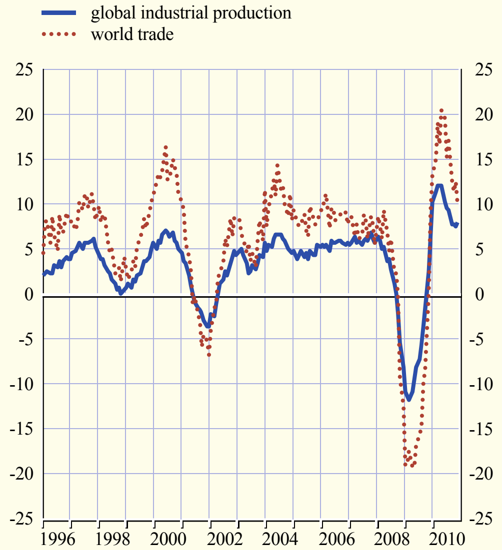
14 In the case of the United States, Robert Hall has argued that the large decline in real GDP in the latest recession reflected a decline in investment, defined broadly as including businesses' fixed capital investment, as well as housing and households' purchases of durables. Since all such components of investment rely on financial markets for funds, growth suffered particularly strongly during the downturn. See Hall, R.E., "Why Does the Economy Fall to Pieces after a Financial Crisis?", *Journal of Economic Perspectives*, Volume 24, No 4, autumn 2010, pp. 3-20.

15 Further analysis of developments in the euro area and global car industries can be found in Box 5, *Monthly Bulletin*, ECB, Frankfurt am Main, December 2010.

16 These data are based on statistics published by the International Organization of Motor Vehicle Manufacturers.

Chart 9 Global industrial production and trade

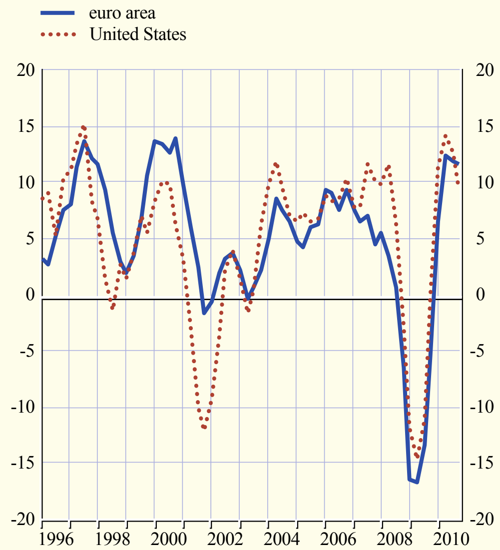
(year-on-year percentage changes)



Sources: Eurostat and Federal Reserve System.

Chart 10 Exports

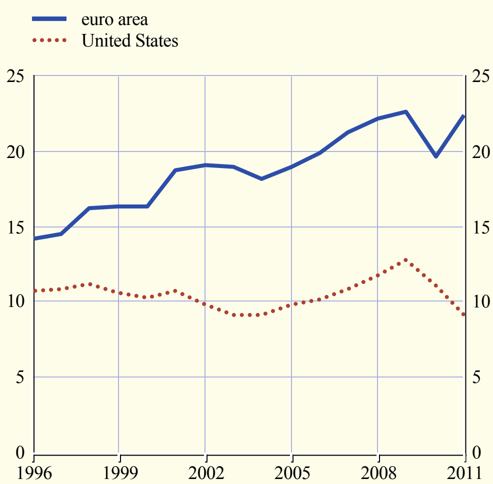
(year-on-year percentage changes)



Sources: Eurostat and Bureau of Economic Analysis.

Chart 11 Export openness

(exports of goods and services as a percentage of nominal GDP)



Sources: IMF, ECB and Eurostat.

area, being more open to trade, with exports of goods and services accounting for almost 20% of nominal GDP in 2009, compared with 11% in the United States (see Chart 11), was more negatively affected than the United States by the contraction in global trade in terms of GDP growth. Moreover, the composition of exports by geographical destination may also have proved more beneficial to US export performance in this cycle compared with the euro area. As shown in Table 1, a larger share of US exports go to developing Asia and the western hemisphere, which have been less affected by the crisis, whereas most euro area exports are destined for other advanced economies and non-industrialised Europe, i.e. regions that have been affected more strongly by the crisis.

Table 1 Export destinations by region in 2009

(percentages of total exports)

	Euro area	United States
Advanced economies	76.0	58.1
Developing Asia	4.7	11.6
Middle East	3.1	3.8
Western hemisphere	2.2	22.5
Non-industrialised Europe	10.0	2.1
Africa	2.9	1.7
Other	1.0	0.1

Source: IMF.
Note: The regional aggregates are defined in the IMF's World Economic Outlook.

Overall, several factors explain the high degree of synchronisation during both the downturn and the upturn. The strong collapse in growth during the recession is accounted for by the global scope of vulnerabilities, together with the financial nature of the crisis and the decline in the global industrial sector, which resulted in the sharp contraction in global trade. Global trade dynamics also appear to explain why euro area activity has recovered faster than historical patterns would have suggested. The declines appear partly to have been the impact of a confidence shock, so as business and consumer confidence has rebounded across the world, the recovery has been faster, as uncertainty has declined and previously postponed investments and purchases have been renewed and trade has picked up quickly, which has benefited the euro area's recovery.

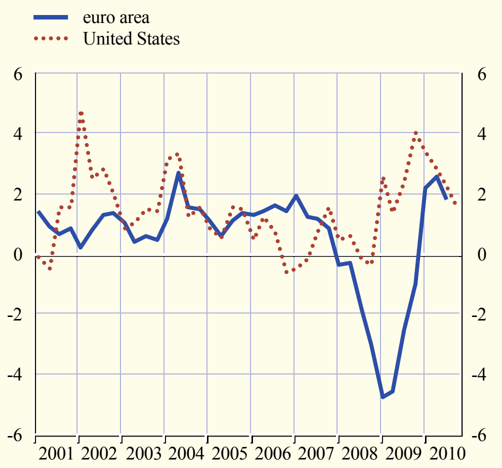
5 PRIVATE SECTOR ADJUSTMENT DURING THE RECESSION AND MACROECONOMIC POLICY REACTIONS

A notable feature of the most recent cycle has been the difference in the adjustment to the shocks in the two economies. This section explores the reaction of the corporate and household sectors to the sharp decline in activity during the recession. It also assesses how firms restored profitability by cutting employment, reviews the changes in labour market performance in the two economies compared with the past and analyses how this affected household spending. Finally, this section briefly looks at the monetary and fiscal policy adjustments made since the recession began.

Although the declines in activity in the United States and the euro area during the recession were of a broadly similar degree, the adjustments made by firms in the two economies in order to maintain or restore profitability

Chart 12 Profit margins (business sector)

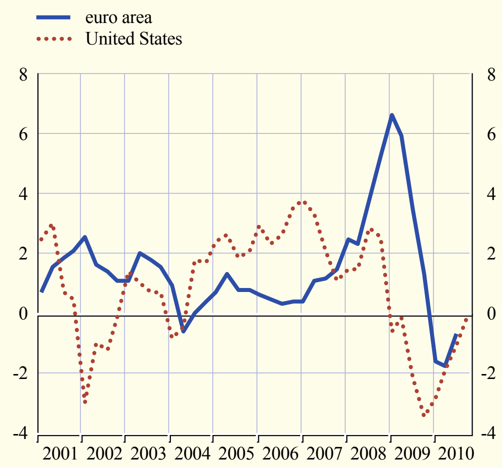
(GDP deflator divided by unit labour costs; annual changes)



Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.
Note: Business sector excludes health, education and public administration services.

Chart 13 Unit labour costs (business sector)

(annual percentage changes)



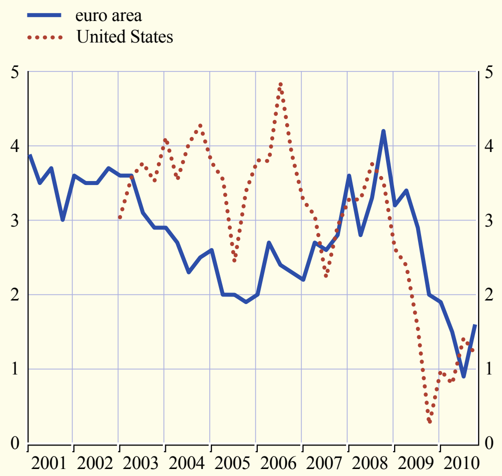
Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.
Note: Business sector excludes health, education and public administration services.

differed significantly. The dip in activity put pressure on profits in both economies, but in the United States firms were better able to protect profit margins (see Chart 12). Profit margins in the United States fell modestly during the early stages of the recession, but subsequently rebounded strongly. By contrast, euro area firms suffered a large contraction in profit margins during the recession. Those differences were primarily reflected in developments in unit labour costs during and after the recession. In the United States, firms adjusted swiftly to the recession, cutting costs sharply, such that unit labour costs fell during the recession. By contrast, in the euro area, unit labour costs increased during the recession and only started to fall back as of early 2010 (see Chart 13).

One facet of the more favourable developments in unit labour costs in the United States was greater wage restraint. When the United States entered recession in December 2007, initial wage inertia meant that the growth rate of average hourly costs continued to increase until mid-2008, but it declined sharply thereafter. In the euro area, by contrast, higher wage rigidities meant that wage growth maintained a stronger pace: growth in hourly labour costs remained more robust, and actually rose as high as 4% year on year in the last quarter of 2008 (see Chart 14). Hourly wage growth was also boosted by extensive use of flexible working time arrangements,

Chart 14 Hourly labour costs

(annual percentage changes)



Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.

particularly in Germany, whereby employees were allowed to work for fewer hours at times of lower demand without this impacting their overall annual compensation. In addition, government-subsidised short-time work schemes also allowed firms to reduce the hours worked by their employees, while national governments supplemented employees' overall pay. Both policies mechanically boosted hourly labour costs by reducing hours worked, but cushioning the impact on compensation. In contrast, short-time compensation programmes in the United States have had only a marginal impact on hourly wages. First, the use of the equivalent "work-share programs" in the United States was more limited: participation peaked at only 0.5% of the labour force – compared, for instance, with 3.4% of the labour force at the peak in Germany and more than 4% in Italy.[17] Second, the reduction in working hours under these programmes also entailed a proportional reduction in weekly pay in the United States, which was only partly offset by partial unemployment compensation benefits.

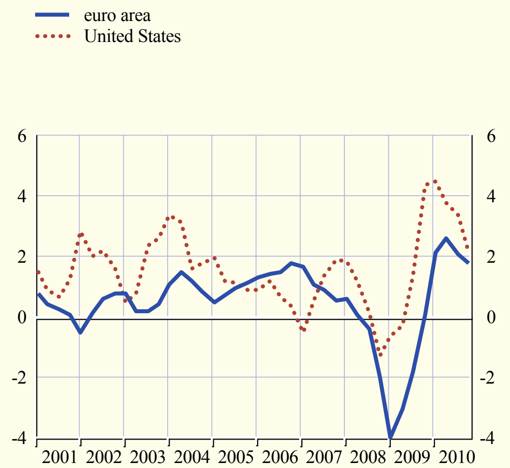
The other key element of the sharp reduction in unit labour costs in the United States during the recession was the strong rebound in productivity (see Chart 15). By contrast, in the euro area, productivity fell significantly during the recession. The boost to productivity in the United States came at the cost of a marked decline in employment. The United States saw a larger reduction in the total labour input during the recession in terms of total hours worked (see Chart 16). The bulk of that came through a decline in persons employed, although there was also some reduction in average hours worked. In the euro area, although hours per head fell by a similar amount, the employment response was much more muted.

An important reason for the differences in the employment adjustment in the euro area and the United States appears to reflect the very extensive use of shorter working hour schemes employed in a number of euro area countries to safeguard employment, partly motivated by companies' desire to avoid losses in firm-specific human capital during a crisis that was seen as temporary. This is reflected by the

17 See "Unemployment dynamics during recessions and recoveries: Okun's law and beyond", *World Economic Outlook*, Chapter 3, IMF, Washington, DC, April 2010.

Chart 15 Productivity

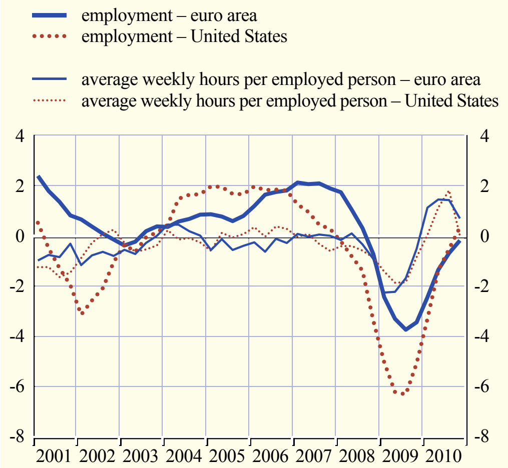
(output per person employed; year-on-year percentage changes)



Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.

Chart 16 Employment and hours worked

(year-on-year percentage changes)



Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.

differences in the behaviour of euro area and US employment and total hours worked for a given change in GDP (or the elasticity of labour input to output) relative to past cycles. In the United States, this elasticity appears to have been broadly in line with historical standards, while in the euro area, it was broadly comparable to previous recessions for total hours worked, but much lower for employment, suggesting that euro area employment held up unusually well in this recession.

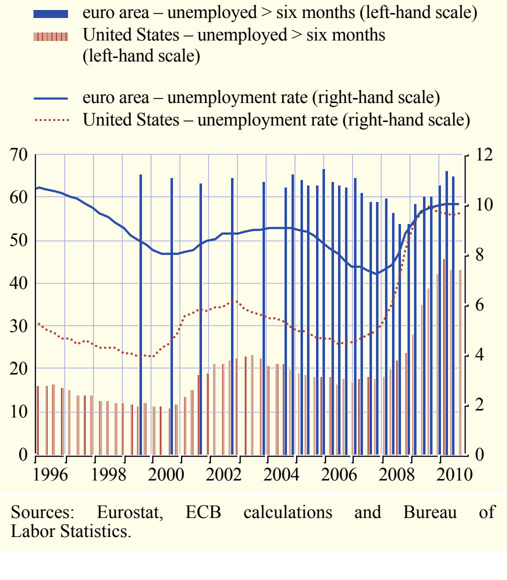
The different responses in the euro area and the United States may, in part, have reflected differences in the nature of the shocks in the two economies. The United States experienced a pronounced housing bust, combined with a systemic financial crisis. Firms appear to have viewed the downturn as a structural shock and adjusted the labour input sharply. By contrast, in the euro area as a whole – situations in some specific countries notwithstanding – the housing market was less affected and household balance sheets were less stretched: the recession reflected more a decline in external demand and a sharp, perhaps excessive, decline in global confidence, which was more likely to lead to only a temporary fall in demand.[18]

The result of these changes has been marked increases in unemployment in both economies (see Chart 17). However, the steep rise in the US unemployment rate stands out compared with past cycles. Moreover, this recession has seen an exceptionally sharp increase in long-term unemployment in the United States (shown in Chart 17 by the proportion of the unemployed that have been without a job for more than six months). The rise in unemployment in the United States partly reflects the features of this cycle – the length and depth of the recession and the relatively modest recovery so far. However, it is also possible that structural factors have played a role.[19] First, sectoral shifts, driven by the downsizing of some sectors, such as construction, car production and financial services, may have produced a skills mismatch that has made it harder for some sections of the jobless to find employment.[20] Second, the high instance of negative housing equity may have reduced labour mobility.[21] Finally, the increase in the duration of unemployment benefits may also have contributed to the rise in long-term unemployment.[22]

Turning to the household sector, the weak situation in the labour market affected household spending in both economies. Private consumption has been relatively modest during this cycle compared with

Chart 17 Unemployment and long-term unemployment

(right-hand scale: percentages of labour force; left-hand scale: percentages of unemployed persons)



Sources: Eurostat, ECB calculations and Bureau of Labor Statistics.

18 The IMF notes that the response of unemployment to changes in output is stronger following recessions associated with financial crises, large housing busts and other sectoral shocks. See "Unemployment dynamics during recessions and recoveries: Okun's law and beyond", *World Economic Outlook*, Chapter 3, IMF, Washington, DC, April 2010.

19 See also Weidner, J. and Williams, J.C., "What is the new normal unemployment rate?", *Economic Letter 2011-05*, Federal Reserve Bank of San Francisco, 14 February 2011.

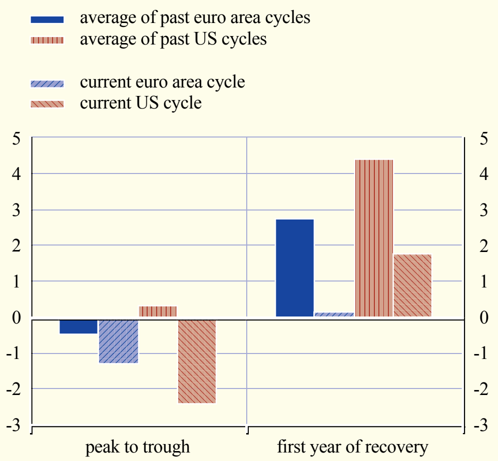
20 Some support for this view can be found in Chehal, P., Loungani, P. and Trehan, B., "Stock-market-based measures of sectoral shocks and the unemployment rate", *Economic Letter 2010-23*, Federal Reserve Bank of San Francisco, 2 August 2010.

21 According to Ferreira, F., Gyourko, J. and Tracy, J., "Housing busts and household mobility", *Working Paper Series*, No 14310, NBER, September 2008, US household mobility is almost 50% lower for owners with negative equity on their homes.

22 See, for example, Valletta, R. and Kuang, K., "Extended unemployment and UI benefits", *Economic Letter 2010-12*, Federal Reserve Bank of San Francisco, 19 April 2010.

Chart 18 Private consumption during recessions and recoveries

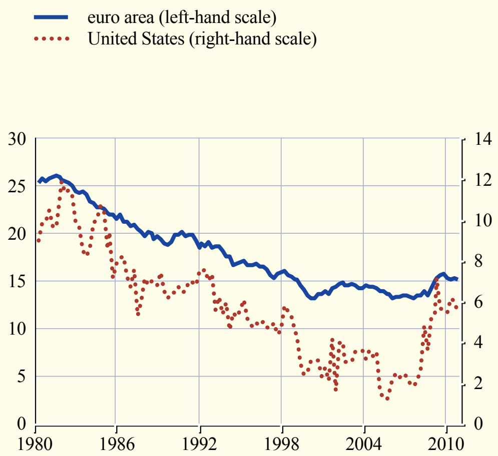
(year-on-year percentage changes)



Sources: Eurostat, ECB and ECB calculations, and Bureau of Economic Analysis.

Chart 19 Household saving ratios

(percentages of households' disposable income)



Sources: Eurostat, ECB and ECB calculations, and Bureau of Economic Analysis.

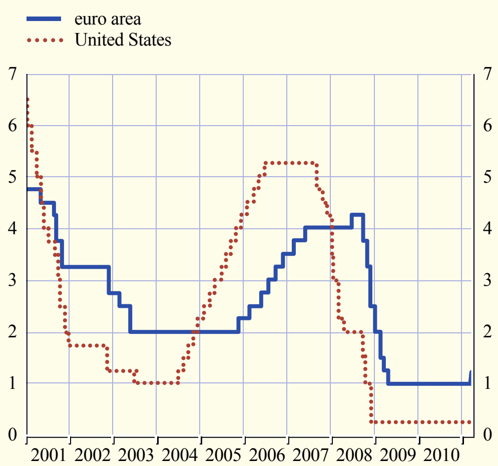
the past. Chart 18, which compares consumption developments during the recent recession and recovery with average developments in past cycles, suggests a particularly stark difference in the United States. Consumption fell during the recession by much more than in past cycles. Moreover, so far during the recovery phase, US household spending has been fairly muted.

The other main factor that has characterised the US household sector during this cycle has been the need for greater balance sheet adjustment. Prior to the recession, household debt levels were at historical highs in both economies, although the increase in debt was especially marked in the United States in the years prior to 2007. High debt levels, combined with large falls in asset prices – both housing and financial assets – have generated large declines in net worth in the United States. Those declines, coupled with the increased uncertainty regarding the economic outlook, appear to be an important factor contributing to higher savings by US households (see Chart 19), reflecting a need for households to repair their balance sheets. This has resulted in an upswing of roughly 4 percentage points in the US saving ratio since the start of the recession, a larger increase than in the euro area.

Finally, the policy responses to the recession have also differed somewhat in the euro area and the United States, partly elicited by the timing and nature of the slowdown in the two areas. The recession saw significant monetary stimulus from both the Federal Reserve System and the ECB. Interest rates were reduced (see Chart 20)

Chart 20 Central bank policy rates

(percentages)



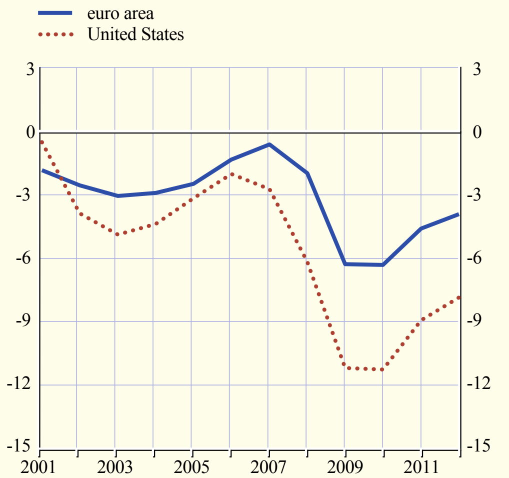
Source: Bloomberg.

and both central banks rapidly expanded their balance sheets. Further quantitative easing is ongoing in the United States, while the ECB, although continuing its policy of full allotment in open market operations and some other non-standard policy measures, has recently increased interest rates.

Turning to fiscal policies, both governments ran larger deficits during the recession (see Chart 21). However, general government deficits in the United States have been larger than the euro area aggregate, even though there has been considerable heterogeneity in fiscal positions across euro area countries. During the recession, the increase in the overall deficit ratio between 2007 and 2009 was 8.4 percentage points in the United States, compared with 5.6 percentage points in the euro area.[23] This has meant a sharp increase in government debt levels, with US gross general government debt as a proportion of GDP surpassing that of the euro area in 2008. Since the end of the recession, governments in both economies have begun some fiscal consolidation. However, consolidation plans have been more advanced in the euro area, with the sovereign debt crisis prompting particularly strong consolidation plans in some euro area countries. According to the European Commission, the euro area's aggregate deficit is projected to be just under 4% in 2011, while the US deficit is projected to be close to 8%. The fact that US deficits remain high highlights the more favourable debt path dynamics of the aggregate euro area position compared with the United States and points to a significant need for consolidation in the United States in the future.

Chart 21 General government balance

(as a percentage of GDP)



Source: European Commission, November 2010.
Note: Figures for 2011 and 2012 are forecasts.

6 CONCLUSIONS

Overall, a number of factors appear to have driven the high degree of synchronisation and the depth of the recession on both sides of the Atlantic. Although the global recession was triggered by the downturn in the US housing market, there was vulnerability in the global financial system more broadly owing to an underpricing of risk that had resulted in the compression of credit spreads and the accumulation of high levels of leverage. The crisis had a common starting point in global financial markets owing to deeper inter-linkages and a simultaneous, widespread and acute general repricing of risk. This was then combined with a sharp deceleration in trade and retrenchment in investment and consumption globally. These factors, combined with the euro area's greater openness and higher share of manufacturing production, also help to explain why the euro area was so strongly affected by a shock that had originated in the US housing market.

However, although the depth and severity of this recession stands out to some extent compared with past recessions, the co-movement observed during this cycle for

23 The expansionary fiscal policies at the federal level in the United States were somewhat offset by policies at the state and local government level, which were contractionary during the recession, reflecting the pro-cyclical response induced by balanced budget requirements. According to Follette, G. and Lutz, B., "Fiscal policy in the United States: automatic stabilizers, discretionary fiscal policy actions, and the economy", *Finance and Economics Discussion Series*, Federal Reserve Board, 2010-43, the combined effects of federal, state and local budgets on aggregate demand were expansionary in 2008 and 2009.

the United States and the euro area has been relatively close to historical experience. For the most part, historical regularities appear to have held during this cycle, in that: (i) the euro area has lagged the United States (at least in the downturn); (ii) the downturn in the United States was deeper than that in the euro area (at least relative to average growth); (iii) the US downturn was matched, with a small lag, by widespread downturns across advanced countries; and (iv) the recession was particularly deep, as it coincided with a financial crisis and associated balance sheet deleveraging.

A key question, then, is: are historical patterns expected to continue in the recovery phase? Will the US rebound be as strong as in past cycles, with the euro area lagging behind? So far, both economies have seen relatively modest recoveries – at least compared with past cycles. While signs of a cyclical pick-up have now become stronger, key determinants for the outlook are also the underlying fundamentals in the two economies and the extent to which structural factors may hold back the recovery in GDP growth.

As discussed earlier, the similar headline GDP figures have masked somewhat different adjustments and fundamentals in the two economies. The United States saw a faster and sharper recovery in corporate profitability driven by cost-cutting and improved productivity. But that has been at the expense of much higher unemployment, part of which could turn out to be structural. Meanwhile, the US household sector has also undergone significant adjustment via deleveraging and rising saving rates. In this respect, a key factor for the outlook lies in the extent to which households in the United States will undertake further deleveraging and adjustments to savings in the near term. A particular pressure in that regard may come from the housing market. The latest house price data in the United States point to signs of renewed deterioration, which may be linked to the withdrawal of some of the government measures put in place to support the housing market. The recent increases in private consumption notwithstanding, the combined pressure of continued deterioration in the housing market and continued weakness in the labour market may put further downward pressure on US household spending in the near term.

On the other hand, there may also be developments that weigh against the euro area recovery relative to the United States. The United States is estimated to have a higher potential growth rate than the euro area, owing to more favourable demographic developments and higher productivity growth. This will sustain US GDP growth rates relative to the euro area. Furthermore, there remain imbalances in some parts of the euro area. These imbalances need to be resolved, which might imply the dampening of growth prospects in some countries in the transition phase.

Finally, it should be recalled that both economies face challenging fiscal situations, which – if left unaddressed – have the potential to create feedback effects with an impact on the real economy. While the fiscal consolidation process in the euro area has started, the process of balancing budgets is expected to take several years. On the other hand, the continued fiscal expansion in the United States implies an even larger burden on the US economy looking ahead.

THE EXTERNAL REPRESENTATION OF THE EU AND EMU

Recent developments, such as the agreement on IMF governance reform, the emergence of the G20 as the prime informal grouping to coordinate the global crisis response and the adoption of the Lisbon Treaty, make it appropriate to pay closer attention to the evolution of the external representation of the EU and EMU during the first twelve years of the euro. This article looks into the rationale for European coordination on issues of interest to the EU and of particular relevance to EMU that are addressed in international financial institutions and fora, and explores the benefits of a coherent external representation on such issues. The article explains why the ECB is interested in efficient coordination and representation on European issues and how it contributes to this objective. Against this background, the article reviews and assesses the current arrangements in particular for representing EMU externally and looks at the challenges ahead.

1 THE RATIONALE FOR EUROPEAN COORDINATION AND INTERNATIONAL COOPERATION ON EMU ISSUES

EU Member States and euro area countries are undergoing two simultaneous integration processes. Like all advanced economies, they are integrating into the international economy as part of the overall process of globalisation. Uniquely, they have also been integrating increasingly among themselves via the process of European integration. The combination of these two processes puts EU Member States in a special position when it comes to international cooperation.

Globalisation in general creates structural economic shifts that constrain the possibilities of EU Member States – like all countries – to take economic and financial decisions without exerting an influence on each other. Cooperation at the international level is a tool for better internalising the external effects of such economic and financial decisions, as well as for mitigating the risks of negative spillovers arising from unsustainable domestic policies and developments.[1] The EU, which is the largest economic area in the world as well as the world's largest exporter of goods and services, and the euro area, which issues the second most important reserve currency, are key partners in this process.

European integration has fostered economic interdependence between EU Member States, which together form an internal market, and are thereby becoming increasingly aligned in their economic interests. Even when the interests of individual EU Member States diverge, the distance between their positions is likely to be smaller than those between non-EU countries. This means that there is a strong incentive for EU Member States not only to actively engage in international fora, but also to do so in a coordinated manner. This rationale is even stronger for the euro area countries, which share a common currency.

EUROPEAN INTEGRATION AND COORDINATION ON EMU ISSUES

Beyond the economic rationale for coordination, the creation of the Single Market and the single currency, and the requirement for EU Member States to coordinate their economic policies within a European framework, imply a transfer of economic policy competences from the national to the European level. This transfer of competences, which can be partial or even complete in specific instances, also has implications for the representation of these policy areas in international fora.

In particular, in line with European Court of Justice (ECJ) case law, where the EU has an exclusive internal competence, the EU alone is responsible for the external representation of that competence. Looking specifically at

1 The positive aspects of globalisation were highlighted in an article entitled "Globalisation, trade and the euro area macroeconomy", *Monthly Bulletin*, ECB, January 2008. See also the article on the benefits of global cooperation entitled "The financial crisis and the strengthening of global policy cooperation", *Monthly Bulletin*, ECB, January 2011.

competences relevant for EMU, this principle applies for the single monetary policy and exchange rate policy, and at the EU level for competition policy and the common commercial policy. In all of these areas, the relevant EU institutions represent their policy competence in international fora.

In areas where both the EU and the Member States are competent, representation is typically more complex. Economic and financial policies are a case in point. While some competences (such as the Single Market, including financial regulation, as well as energy and the environment) are shared between the EU and the Member States, other policy areas, in particular fiscal and structural policies, have remained largely a national competence, albeit subject to coordination and surveillance tools at the European level. The ECJ stipulated in an opinion that,

"… when it appears that the subject-matter of an international convention falls in part within the competence of the [Union] and in part within that of the Member States, it is important to ensure that there is a close association between the institutions of the [Union] and the Member States both in the process of negotiation and conclusion and in the fulfilment of the obligations entered into. This duty of cooperation … results from the requirement of unity in the international representation of the [Union]."[2]

The most relevant shared competences from the EMU perspective are those related to the internal market. Here, there is both an economic incentive for EU Member States to coordinate their positions in international fora in view of the mutual interconnectedness of their economies, and also a legal obligation to do so, owing to the wide-ranging EU initiatives in this area, which result in a high degree of harmonisation of their national legislation. EU Member States also share a common interest in ensuring consistency between EU and international regulations so as to avoid regulatory arbitrage.

There is also a rationale for EU Member States and euro area countries to coordinate their representation on issues or policies, such as fiscal and structural policies, that are largely national competences. This is because these policies are guided by EU policy frameworks and are, at the same time, increasingly subject to international cooperation. Thus the institutional policy set-up of the EU and the euro area needs to be adequately respected and represented.

In view of their more stringent governance framework, the rationale for coordination is particularly relevant for euro area countries. For example, within the context of the G20 Framework for Strong, Sustainable and Balanced Growth, as far as assessments of external imbalances are concerned, the European dimension needs to be duly taken into account. Also at the time of the IMF-led multilateral consultations on global imbalances in 2006, the euro area participated together with other systemically important countries, i.e. China, Japan, Saudi Arabia and the United States. Another illustration of the perception of the euro area as an entity in its own right are the spillover reports that the IMF will conduct in 2011 for the euro area, as well as for China, Japan, the United Kingdom and the United States. Moreover, the EU is a member in its own right in the G20, which has emerged as the prime informal grouping to coordinate the policy response to the current crisis at the global level.

Finally, it should also be noted that, according to a recent Eurobarometer survey[3], most EU citizens do not feel that their countries are best placed to represent their interests on EU and EMU-related issues by acting alone in international fora. Indeed, less than one in ten EU citizens consider their national government to be the right agent when it comes to the regulation and reform of global financial markets, and instead put more trust in the international and European organisations to address these tasks. Many citizens favour a stronger role for the EU as an actor on the

2 Opinion No 2/91 of the European Court of Justice of 19 March 1993, ECR I-01061.
3 Economic Governance in the European Union, Standard Eurobarometer 74, January 2011.

international stage, with over eight in ten supporting a greater role for the EU in the process of developing new rules to govern the global financial sector. These findings suggest strong public support in EU Member States for international cooperation on European issues.

2 COMPLEXITIES IN THE EXTERNAL REPRESENTATION OF EMU

While there is a clear rationale for the EU Member States to coordinate their participation in international cooperation, their representation in international institutions and fora is characterised by a certain degree of complexity.

The representation of the "monetary leg" of EMU is unified and consistent. The single monetary policy is represented through the ECB in all relevant institutions and fora. This clarity derives from the fact that monetary policy is an exclusive EU competence, which implies that the EU has sole responsibility to represent it externally. The ECB is given a clear role under the Treaty to decide on this representation (see the box below). A similar clarity applies to exchange rate matters, which are also an exclusive EU competence. However, in contrast to monetary policy, both the ECB and the ECOFIN Council (de facto the Eurogroup[4]) are involved in this competence. Eurogroup participants regularly review exchange rate developments and both the President of the Eurogroup and the President of the ECB participate in informal gatherings during which exchange rate matters are discussed. This specific set-up for the external representation of monetary and exchange rate issues has required some adjustments to be made to the existing rules and procedures of international institutions and fora – as will be described in the following section. The long-standing framework for international cooperation, where membership is as a rule country-based, was not tailored to the involvement of a monetary union that is not at the same time a fully fledged political union, i.e. a currency with a central bank, but without a "government".

4 The Eurogroup was created to meet the need for enhanced economic policy coordination amongst EU Member States sharing the single currency. At its informal monthly meetings, the Eurogroup brings together, under the chairmanship of its elected President, the finance ministers of the euro area countries, the European Commissioner for Economic and Monetary Affairs and the President of the ECB.

Box

RELEVANT EU PROVISIONS GOVERNING COORDINATION AND REPRESENTATION ON EMU ISSUES

The EU framework for coordination and representation of EMU is based on European Council conclusions, Article 138 of the Treaty on the Functioning of the European Union (TFEU) and the Statute of the European System of Central Banks and of the European Central Bank (Statute of the ESCB). These provisions aim to ensure the coherence and effectiveness of the EU, so as to enable it "to speak with one voice on issues of particular relevance to economic and monetary union."[1]

Legal basis

While Article 138 of the TFEU confirms in substance the provisions of the Nice Treaty regarding EMU external representation, it clearly strengthens its wording by adding an explicit reference to a "unified representation within the international financial institutions and conferences."[2]

1 Paragraph 15 of the Presidency conclusions of the Vienna European Council of 11 and 12 December 1998.
2 Article 138(2) of the TFEU.

This adds to the existing provisions regarding the establishment of common positions on "matters of particular interest for economic and monetary union".[3] Such positions have to be adopted by the Council (in euro area composition) after consulting the ECB, on a proposal from the European Commission. The same institutional framework prevails for the adoption of measures to ensure a unified representation.

The Statute of the ESCB charges the ECB with the task of deciding how the ESCB shall be represented. In order to prevent any conflict with Council decisions, Article 6.3 of the Statute specifies that these decisions "shall be without prejudice to Article 138 of the TFEU."[4]

Key policy steps

The December 1997 and December 1998 European Council conclusions launched the external representation policy for EMU. In December 1997 the Luxembourg European Council agreed on a basic framework for the implementation of an external coordination and representation of EMU: "The Council and the European Central Bank will fulfil their tasks in representing the [Union] at international level in an efficient manner and in compliance with the distribution of powers laid down in the Treaty. The Commission will be associated with external representation insofar as necessary to enable it to fulfil the role assigned to it by the Treaty."[5]

In December 1998 the Vienna European Council conclusions further specified practical arrangements for the external representation of EMU in order to strengthen coordination on EMU issues in international fora, such as the IMF and the G7: "The introduction of the euro will be a major event for the international monetary system. It is imperative that the [Union] should play its full role in international monetary and economic policy cooperation within fora like the G7 and the International Monetary Fund."[6] Moreover, the European Council reiterated its call for cooperation between EU institutions and Member States by encouraging them to "take the necessary action to ensure a timely and effective preparation of common positions and common understandings which can be presented to third parties in international fora."[7]

3 Article 138(1) of the TFEU.
4 Article 6.1 of the Statute of the ESCB.
5 Paragraph 46 of the Presidency conclusions of the Luxembourg European Council of 12 and 13 December 1997.
6 Paragraph 14 of the Presidency conclusions of the Vienna European Council of 11 and 12 December 1998.
7 Paragraph 15 of the Presidency conclusions of the Vienna European Council of 11 and 12 December 1998.

Representation of the "economic leg" of EMU is less uniform. This is the result of the EU's multi-level governance framework, where competences for economic and financial policies are shared, to varying degrees, between the EU and its Member States. Economic policies are largely a national competence. In these areas, EU Member States can decide on their own representation, although this needs to take into account that economic and financial policies are subject to EU-level coordination frameworks. Financial policies constitute another example of where both the European Commission and national authorities may exercise regulatory competences. Beyond that, there are several other factors that make the coordination of external representation on issues of relevance to EMU more complex.

First, some issues are relevant for the EU as a whole (e.g. single market and financial sector issues), while others pertain only to the euro area (e.g. euro monetary and exchange rate policies), which implies that different coordination processes are required. This is particularly evident in the G20 where, for example, the euro area dimension is relevant for discussions on global imbalances, but the EU dimension is relevant for discussions on the implementation of financial sector regulation.

A second complication is that not all EU Member States are members of all international institutions and fora. While all EU Member States are members of the IMF, only a sub-set of them is represented in the OECD, G7, G20 or FSB.

Third, the fact that competences are spread over several EU institutions may also complicate the external representation of EMU. Whereas there is only one institution – the ECB – that decides on and speaks for the single monetary policy, a number of EU institutions and bodies have a stake in economic and financial issues. For example, representation of a common EU position on financial sector regulation at the G20 may involve the European Commission, the ECOFIN Council, the ECB and the newly established European System of Financial Supervision.

Fourth, the external representation of the "economic leg" of EMU is complicated by the fact that the established framework for international cooperation is mostly country-based and therefore not tailored to the involvement of regional integration groups. As a consequence, national representatives may find themselves in situations where they need to represent EU competences on behalf of the EU. This is, for instance, the case for the IMF Executive Board, where neither the European Commission nor the EU Council Presidency are members, and the ECB only has an observer status (see below).

3 REVIEW OF CURRENT ARRANGEMENTS

Looking at a selected set of current arrangements in international institutions and fora reveals the complexities of the external representation on EU and EMU issues discussed above. Over time, the EU and the euro area have developed procedures to help prepare international policy discussions. For instance, the various topics on the agenda of international meetings at the level of finance ministers – such as international economic policy cooperation, financial regulation and reform of the international monetary system – are discussed and prepared at euro area/EU level by the Eurogroup and the ECOFIN Council and their respective sub-groups, such as the Eurogroup Working Group (EWG) or the Economic and Financial Committee (EFC). Within the Eurosystem/ESCB, the International Relations Committee of the ECB assists the ECB's decision-making bodies in developing common views on international policy issues of relevance to central banks and serves as a forum for discussion and exchange of views.

INTERNATIONAL MONETARY FUND

On the IMF Executive Board, which is the decision-making body for the Fund's day-to-day business, euro area countries are currently spread over eight out of a total of 24 constituencies, and the EU Member States over ten constituencies (see table below). Of these, France, Germany and the United Kingdom each appoint their own Executive Director, while the other countries belong to mixed constituencies that also involve non-EU countries. The composition of these mixed constituencies is a result of voluntary decisions when countries joined the Fund and/or of later moves to take up more influential positions in another constituency.

The IMF's Articles of Agreement restrict membership of the Fund to countries. To enable the ECB to be represented at the IMF without changing this rule, the ECB was granted observer status at the end of 1998. This pragmatic solution enables an ECB observer to participate in meetings of the IMF Executive Board that deal with issues of direct relevance to the ECB. Moreover, the President of the ECB and the European Commissioner for Economic and Monetary Affairs attend the meetings of the International Monetary and Financial Committee (IMFC) twice a year in the context of the IMF's Spring and Annual Meetings.

Current dispersion of EU Member States over ten constituencies in the IMF

Germany
France
United Kingdom
Belgian constituency
Belgium
Austria
Hungary
Czech Republic
Slovak Republic
Luxembourg
Slovenia
Other 3 countries
Dutch constituency
Netherlands
Romania
Bulgaria
Cyprus
Other 10 countries
Mexican – Spanish – Venezuelan constituency
Spain
Other 7 countries
Italian constituency
Italy
Greece
Portugal
Malta
Other 3 countries
Canadian constituency
Ireland
Other 11 countries
Nordic constituency
Sweden
Denmark
Finland
Lithuania
Latvia
Estonia
Other 2 countries
Swiss constituency
Poland
Other 7 countries

Since 1997 EU Member States have stepped up their coordination on IMF issues. Coordination takes place either in Brussels-based meetings, in particular in the EFC sub-committee on IMF-related issues (SCIMF), as well as directly in Washington in the EURIMF group, which brings together the representatives of the EU Member States at the IMF. It depends on the topic under discussion whether it is the euro area that develops common views or whether all EU Member States are involved. For instance, the discussion on the IMF's flagship report, the World Economic Outlook, which involves a discussion on global economic, financial and exchange rate developments, is usually prepared among euro area countries. Moreover, for the euro area Article IV discussions[5] in the IMF Executive Board, the euro area speaks with one voice and issues a written statement, which includes a distinct section on monetary policy prepared by the ECB.

Common views on the Global Financial Stability Report, which focuses on financial market issues and developments, are prepared among the EU Member States in view of the existence of the single financial market. An example of the application of the single voice principle among EU Member States is the written statement which is delivered at the biannual meetings of the IMFC on behalf of the EU by the EU Member State that holds the rotating EU Presidency. On other issues, common terms of reference provide a set of messages to be integrated into the individual statements of Executive Directors from euro area or EU countries.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

As in the case of the IMF, membership of the OECD is restricted to countries. However, contrary to the IMF, only a sub-set of 21 EU Member States are members of the OECD, namely Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. Moreover, the ECB and the European Commission also attend certain meetings of the OECD.

5 Article IV consultations are regular reviews of member countries' policies and developments by the IMF under its surveillance mandate. The Fund also conducts a regular review of the monetary, financial and economic policies of the euro area as a complement to its Article IV consultations with individual euro area countries.

Among the OECD committees and working parties that are attended by EU representatives, the Economic and Development Review Committee (EDRC) is of particular relevance. The EDRC has primary responsibility for conducting reviews of the economic situation and policies of each OECD member country. It also conducts regular economic reviews of the euro area and the EU, with a view to identifying the main economic developments in the area and analysing policy options to address them. These reviews complement the reviews of individual euro area countries and EU Member States. For these reviews of the euro area and the EU, common terms of reference are prepared by the EFC, in liaison with the ECB for the section on monetary policy.

INFORMAL FORA FOR FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

The complexities involved in the external representation of EMU can also be observed in the framework of cooperation within the G20, which was designated by G20 leaders at the Pittsburgh Summit in September 2009 as the premier forum for economic cooperation.

France, Germany, Italy and the United Kingdom are members of the forum of G20 finance ministers and central bank governors, while Spain has a permanent invitation. The EU is also a member of this forum, represented by the ECB, the rotating EU Council Presidency and the European Commission. At the meetings of the G20 leaders, which have taken place since 2008, the EU is represented by the President of the European Council and the President of the European Commission. For the meetings of G20 finance ministers and central bank governors, EU Member States prepare common terms of reference. Moreover, a letter setting out the key EU policy priorities is circulated to G20 members.

G7 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

Finance ministers and central bank governors of the G7 mainly discuss economic and financial developments and prospects in their respective countries/economic area, including exchange rate issues. France, Germany, Italy and the United Kingdom are members of the G7. Moreover, both the President of the ECB and the President of the Eurogroup are invited to all parts of the meetings of the G7 finance ministers and central bank governors, whereas the European Commissioner for Economic and Monetary Affairs only participates in certain parts of the meetings (as do the central bank governors of France, Germany, Italy and the United Kingdom).

FINANCIAL STABILITY BOARD

The Financial Stability Board (FSB), which was established in April 2009 as the successor to the Financial Stability Forum, is a key body in addressing vulnerabilities, as well as developing and implementing strong regulatory, supervisory and other policies to safeguard financial stability. The authorities of a number of EU Member States – Germany, Spain, France, Italy, the Netherlands and the United Kingdom – are represented in the FSB. Moreover, both the ECB and the European Commission are members. At the EU level, common grounds on different issues of the agenda of the FSB are developed by the EU Financial Services Committee, which contributes to the preparations of the meetings of the EFC on financial policy issues.

BANK FOR INTERNATIONAL SETTLEMENTS AND RELATED CENTRAL BANK FORA

The BIS fosters international monetary and financial cooperation and serves as a bank for central banks. It fulfils its mandate by acting, among other things, as a forum for discussion and decision-making among central banks and within the international financial and supervisory community.

As a shareholder of the BIS, the ECB and most euro area central banks participate in the Annual General Meeting of the BIS. The President of the ECB is also an elected member of the BIS Board of Directors.

Hosted by the BIS, the bi-monthly Global Economy Meeting (GEM) is the main forum for discussion among central bank governors at the global level. Governors assess global economic and financial conditions and analyse the global financial system. The central bank governors of several EU Member States are members of the GEM, namely those of Belgium, Germany, Spain, France, Italy, the Netherlands, Poland, Sweden and the United Kingdom. Moreover, the governors from the Czech Republic, Denmark, Ireland, Greece, Hungary, Austria, Portugal, Romania and Finland attend meetings on a revolving basis as observers. The President of the ECB is a member of the GEM and also its current chairperson.

The BIS also acts as hub for a number of permanent committees, of which the following are of particular relevance:

- the Basel Committee on Banking Supervision (BCBS);
- the Committee on the Global Financial System (CGFS);
- the Committee on Payment and Settlement Systems (CPSS);
- the Markets Committee.

The BCBS provides a forum for regular cooperation on banking supervisory matters with the objective of enhancing understanding of key supervisory issues and improving the quality of banking supervision worldwide. Supervisory authorities from a number of EU Member States are members of the BCBS, i.e. Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Sweden and the United Kingdom. The ECB has observer status at the meetings of the BCBS.

The CGFS is mandated to identify and assess potential sources of stress in global financial markets, further the understanding of the structural underpinnings of financial markets, and promote improvements to the functioning and stability of these markets. Authorities from Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Sweden and the United Kingdom, as well as the ECB, are members of the CGFS.

The CPSS contributes to strengthening the financial market infrastructure through promoting sound and efficient payment and settlement systems. The CPSS is a standard-setting body for payment systems and, in cooperation with IOSCO, for securities and derivatives clearing and settlement systems. It also serves as a forum for central banks to monitor and analyse developments in domestic payment, settlement and clearing systems as well as in cross-border and multi-currency settlement schemes. The central banks of Belgium, Germany, France, Italy, the Netherlands, Sweden and the United Kingdom, as well as the ECB, are members of the CPSS.

The Markets Committee acts as a forum for open and informal exchanges of views on recent developments in financial markets and the possible short-term implications of particular current events for the functioning of these markets and central bank operations. As regards European representation, the Markets Committee comprises officials from the NCBs of Belgium, Germany, Spain, France, Italy, the Netherlands, Sweden and the United Kingdom, as well as the ECB.

4 CHALLENGES AND OPPORTUNITIES AHEAD

While all EU Member States have a strong economic incentive, as well as a legal obligation, to coordinate their positions at the international level, this incentive is, as argued before, particularly strong for euro area countries by virtue of their closer integration through sharing a single currency. The following observations on the challenges and opportunities ahead will therefore take primarily a euro area perspective.

Many of the complications described above could be overcome if the euro area countries were to avail themselves of Article 138 of the TFEU (see box) and mandate a single representative for EMU. This raises the question as to why, if the incentives for enhanced coordination are clear, they have not done so. One explanation for this draws on political economy models, which predict that, where a potential policy change provides marginal benefits to a larger group, but imposes concentrated losses on a smaller group, the views of the latter group may prevail, as it has a greater incentive and capacity to organise.

Applied to the external representation of EMU, one could thus assert that the benefits of more unified representation accrue to a diffuse group – the citizens of Europe – whose interests would be more effectively represented on the international stage. The losses are concentrated on a smaller group – some euro area governments – that would stand to lose their seat at the table in international fora. However, there are a number of new dynamics that may change the cost-benefit analysis applied by national governments to more unified representation.

NEW DYNAMICS IN EUROPEAN INTEGRATION

First, European integration is an ongoing process. The Lisbon Treaty is very ambitious and calls for important changes in the context in which the EU conducts its external relations. In particular, despite all obvious difficulties, the Treaty aims at strengthening Europe's voice on the world stage by enhancing the overall consistency of and coherence between the common foreign and security policy and the external EU policies, particularly those related to trade, development cooperation and enlargement. To this end, a number of important institutional changes have taken place. The new position of High Representative of the Union for Foreign Affairs and Security Policy (the holder of which is, at the same time, the Vice-President of the European Commission responsible for external relations) aims at unifying the EU's external representation on foreign and security policy issues with that on external EU competences. The establishment of the European External Action Service, supported by a global network of EU delegations, aims at setting up an EU diplomatic service that is intended to progressively coordinate the EU's bilateral relationships with third countries, as well as its multilateral relations. The position of an elected President of the European Council, also created by the Lisbon Treaty, provides an external representative for foreign and security policy issues at the level of the Heads of State or Government.

These developments imply that, for issues of global relevance, the EU is called upon to become progressively the appropriate level at which to coordinate action. This overall development may also create favourable dynamics for the external representation of EMU, all the more so as the importance of economic cooperation at the international level has increased since the onset of the crisis. Indeed, the aspiration for a more unified EU foreign policy may eventually need also to be supported by a more coherent external stance on EMU matters or, by the EMU members particularly, on global economic and financial matters more generally.

Moreover, the frameworks that govern economic and financial policies in the EU have been reinforced, or are currently being enhanced. Measures aimed at making economic governance more comprehensive and stringent reflect a key lesson drawn from the crisis, namely that national discretion in the exercise of fiscal and broader macroeconomic policies must be geared towards supporting the stability of EMU as a whole.[6] The same logic informs the substantial strengthening of the framework for coordinating supervisory policies at the EU level through the establishment of the European System of

6 More information on this issue is provided in the article entitled "The reform of economic governance in the euro area: essential elements", *Monthly Bulletin*, ECB, March 2011.

Financial Supervision.[7] The crisis is also leading to a reinforcement in EU financial regulation and has been setting the stage for greater European cooperation in the area of financial crisis management and resolution. These developments impose tighter boundaries on national discretion over economic and financial policies than previously and reinforce the need and incentive to cooperate in their external representation. In addition, the establishment of the European Stability Mechanism (ESM) from 2013 onwards will provide a permanent framework for euro area authorities to provide financial assistance to euro area countries in financial difficulties. This will further reinforce the incentive for a single euro area voice. To the extent that financial assistance is provided together with the IMF, it may also lead to a stronger voice for the euro area in the IMF.

NEW DYNAMICS IN INTERNATIONAL COOPERATION

There are also important developments taking place at the international level that may affect how EU and euro area governments weigh the benefits of more unified representation. The recent crisis has led to an increased recognition of the economic importance and systemic relevance of emerging market economies and thus the need to better integrate these countries into global governance. Emerging markets represent about one-third of world GDP at market exchange rates and close to a half in purchasing power parity (PPP). Current IMF projections show that the weight of emerging market economies in world GDP will increase further to 39% at market exchange rates and 53% in PPP in 2015. While the increased role of emerging countries was a trend that was acknowledged before the global financial crisis, the crisis has accelerated the need for changes to global governance and to strengthen its legitimacy.

A first visible adjustment was – as mentioned above – the increased role of the G20 finance ministers and central bank governors and the organisation of regular meetings at the level of the Heads of State or Government. The Financial Stability Forum was expanded into the Financial Stability Board, with its broader membership now largely overlapping that of the G20. As regards the IMF, even before the crisis there had been extensive discussions on the need to reform its governance framework in order to increase its legitimacy and efficiency. In this context, significant attention has been devoted to the weight of emerging markets in terms of quotas in the institution and the size and composition of the IMF Executive Board. In November 2010, as part of a comprehensive reform package, the Board agreed – following a political agreement achieved in the G20 – first, to shift quota and voting shares from advanced to emerging markets, and second, to reduce the number of Executive Directors representing advanced European countries in an all-elected Board by two in favour of emerging markets.[8]

The EU and the euro area, together with the non-EU European countries, will now have to decide how to meet this commitment by the end of 2012. The increasing economic weight of emerging markets will translate over time into them accounting for even larger weights in the IMF and corresponding lower weights for advanced economies, including European countries. Given that Europe is bound to see its relative economic weight somewhat diminishing and has to free up space in the IMF's decision-making bodies, it would seem advisable for the euro area to take a proactive approach.

The changing international environment and the new dynamics in the European integration process provide a strong rationale for the EU and euro area to reassess the external representation of EU and EMU issues. In addition to the growing interlinkages between economies, the current crisis has illustrated how different policy areas are intertwined. This requires comprehensive

7 For more information, in particular on the European Systemic Risk Board, please refer to Chapter 6 of the ECB's Annual Report 2010.

8 The agreement refers to Executive Directors representing *advanced* European countries, which implies that a solution will also have to take into account advanced non-EU countries, in particular Switzerland and Norway.

policy responses, covering macroeconomic, regulatory and supervisory as well as governance aspects. To effectively influence the global debate on all of these issues, Europe is well advised to reinforce its efforts to speak with a single voice.

This requires that EU Member States, as a minimum, step up internal coordination processes and adhere to jointly agreed policy lines when the relevant issues are discussed in international fora. However, more efforts will be needed to make Europe's voice on the international stage commensurate with its economic weight. The current dispersion of European representation is not only suboptimal from an effectiveness and efficiency perspective when trying to pursue EU and EMU interests, but it is also increasingly at odds with the expectations of international partners. Pursuing efforts towards a consolidation of European representation will remain a useful policy instrument for promoting the articulation of Europe's voice in international policy debates in the coming years.

EURO AREA STATISTICS

CONTENTS [1]

1 For further information, please contact us at: statistics@ecb.europa.eu. See the ECB's Statistical Data Warehouse in the "Statistics" section of the ECB's website (http://sdw.ecb.europa.eu) for longer runs and more detailed data.

ENLARGEMENT OF THE EURO AREA ON 1 JANUARY 2011 TO INCLUDE ESTONIA

In January 2011 Estonia joined the euro area, bringing the number of euro area countries to 17.

Unless otherwise indicated, all data series including observations for 2011 relate to the "Euro 17" (i.e. the euro area including Estonia) for the whole time series. For interest rates, monetary statistics, the HICP and reserve assets (and, for consistency reasons, the components and counterparts of M3 and the components of the HICP), euro area statistical series take into account the changing composition of the euro area.

Detailed information on the current and past compositions of the euro area can be found in the General Notes.

Conventions used in the tables

"-"	data do not exist/data are not applicable
"."	data are not yet available
"…"	nil or negligible
"billion"	10^9
(p)	provisional
s.a.	seasonally adjusted
n.s.a.	non-seasonally adjusted

EURO AREA OVERVIEW

Summary of economic indicators for the euro area
(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates [1]

	M1 [2]	M2 [2]	M3 [2], [3]	M3 [2], [3] 3-month moving average (centred)	MFI loans to euro area residents excluding MFIs and general government [2]	Securities other than shares issued in euro by non-MFI corporations [2]	3-month interest rate (EURIBOR; % per annum; period averages)	10-year spot rate (% per annum; end of period) [4]
	1	2	3	4	5	6	7	8
2009	9.5	4.8	3.3	-	1.6	23.4	1.22	3.76
2010	8.5	1.8	0.5	-	0.6	4.1	0.81	3.36
2010 Q2	10.3	1.5	-0.1	-	0.2	4.2	0.69	3.03
Q3	7.8	1.7	0.7	-	0.9	2.1	0.87	2.67
Q4	4.9	2.2	1.5	-	1.7	2.3	1.02	3.36
2011 Q1	3.2	2.4	1.9	-	2.4	.	1.10	3.66
2010 Nov.	4.6	2.3	2.1	1.6	2.0	3.0	1.04	3.11
Dec.	4.3	2.2	1.7	1.8	1.9	2.2	1.02	3.36
2011 Jan.	3.2	2.3	1.5	1.8	2.4	2.4	1.02	3.49
Feb.	2.9	2.4	2.1	2.0	2.6	2.7	1.09	3.49
Mar.	3.0	2.6	2.3	.	2.5	.	1.18	3.66
Apr.	.	.	.	.	.	.	1.32	3.55

2. Prices, output, demand and labour markets [5]

	HICP [1]	Industrial producer prices	Hourly labour costs	Real GDP (s.a.)	Industrial production excluding construction	Capacity utilisation in manufacturing (%)	Employment (s.a.)	Unemployment (% of labour force; s.a.)
	1	2	3	4	5	6	7	8
2009	0.3	-5.1	2.9	-4.1	-14.7	70.9	-1.9	9.6
2010	1.6	2.9	1.5	1.8	7.5	77.0	-0.5	10.1
2010 Q3	1.7	4.0	0.9	2.0	7.2	77.8	-0.2	10.1
Q4	2.0	4.7	1.6	2.0	8.1	79.3	0.2	10.1
2011 Q1	2.5	6.4	.	.	.	80.8	.	9.9
2010 Nov.	1.9	4.5	-	-	8.2	-	-	10.1
Dec.	2.2	5.4	-	-	8.9	-	-	10.0
2011 Jan.	2.3	6.0	-	-	6.3	80.3	-	10.0
Feb.	2.4	6.6	-	-	7.5	-	-	9.9
Mar.	2.7	6.7	-	-	.	-	-	9.9
Apr.	2.8	.	-	-	.	81.3	-	.

3. External statistics
(EUR billions, unless otherwise indicated)

	Balance of payments (net transactions)			Reserve assets (end-of-period positions)	Net international investment position (as a % of GDP)	Gross external debt (as a % of GDP)	Effective exchange rate of the euro: EER-20 [6] (index: 1999 Q1 = 100)		USD/EUR exchange rate
	Current and capital accounts	Goods	Combined direct and portfolio investment				Nominal	Real (CPI)	
	1	2	3	4	5	6	7	8	9
2009	-19.1	37.5	13.4	462.4	-16.4	116.1	111.7	110.6	1.3948
2010	-28.9	20.7	5.4	591.2	-12.9	117.8	104.6	103.0	1.3257
2010 Q2	-16.9	3.3	21.3	583.3	-13.5	123.4	103.1	101.8	1.2708
Q3	-5.1	8.2	-15.9	552.2	-15.1	120.3	102.3	100.8	1.2910
Q4	8.5	7.6	23.0	591.2	-12.9	117.8	104.4	102.4	1.3583
2011 Q1	.	.	.	572.8	.	.	103.7	101.5	1.3680
2010 Nov.	-2.9	-0.1	59.3	597.5	.	.	104.7	102.7	1.3661
Dec.	7.6	1.3	23.3	591.2	.	.	102.6	100.5	1.3220
2011 Jan.	-20.4	-14.1	-11.6	562.3	.	.	102.4	100.3	1.3360
Feb.	-7.3	-1.0	71.3	577.5	.	.	103.4	101.1	1.3649
Mar.	.	.	.	572.8	.	.	105.2	103.0	1.3999
Apr.	.	.	.	.	.	.	107.0	104.9	1.4442

Sources: ECB, European Commission (Eurostat and Economic and Financial Affairs DG) and Thomson Reuters.
Note: For more information on the data, see the relevant tables later in this section.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.
3) M3 and its components exclude holdings by non-euro area residents of money market fund shares/units and debt securities with a maturity of up to two years.
4) Based on AAA-rated euro area central government bond yield curves. For further information, see Section 4.7.
5) Data refer to the Euro 17, unless otherwise indicated.
6) For a definition of the trading partner groups and other information, please refer to the General Notes.

MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem

(EUR millions)

1. Assets

	8 April 2011	15 April 2011	22 April 2011	29 April 2011
Gold and gold receivables	350,668	350,672	350,668	350,668
Claims on non-euro area residents in foreign currency	219,625	219,274	218,059	216,815
Claims on euro area residents in foreign currency	24,204	23,603	23,510	23,267
Claims on non-euro area residents in euro	23,094	24,895	23,157	22,371
Lending to euro area credit institutions in euro	407,660	418,409	421,478	434,259
Main refinancing operations	84,533	94,134	97,372	117,883
Longer-term refinancing operations	322,855	324,042	324,042	316,310
Fine-tuning reverse operations	0	0	0	0
Structural reverse operations	0	0	0	0
Marginal lending facility	249	201	31	3
Credits related to margin calls	23	33	33	63
Other claims on euro area credit institutions in euro	44,631	43,458	44,871	49,583
Securities of euro area residents in euro	471,626	470,422	471,916	472,059
Securities held for monetary policy purposes	137,513	136,598	136,595	136,520
Other securities	334,113	333,823	335,321	335,539
General government debt in euro	35,085	35,085	35,085	34,548
Other assets	296,517	299,200	299,138	290,533
Total assets	1,873,111	1,885,017	1,887,882	1,894,101

2. Liabilities

	8 April 2011	15 April 2011	22 April 2011	29 April 2011
Banknotes in circulation	828,523	830,940	837,626	834,430
Liabilities to euro area credit institutions in euro	296,183	309,573	293,715	286,506
Current accounts (covering the minimum reserve system)	188,577	222,427	204,468	187,655
Deposit facility	30,522	9,999	13,104	27,338
Fixed-term deposits	77,000	77,000	76,000	71,403
Fine-tuning reverse operations	0	0	0	0
Deposits related to margin calls	84	147	143	110
Other liabilities to euro area credit institutions in euro	5,232	5,148	5,253	5,050
Debt certificates issued	0	0	0	0
Liabilities to other euro area residents in euro	68,378	65,556	74,645	92,249
Liabilities to non-euro area residents in euro	41,735	41,466	42,312	41,158
Liabilities to euro area residents in foreign currency	1,139	950	959	927
Liabilities to non-euro area residents in foreign currency	14,041	12,687	13,044	11,830
Counterpart of special drawing rights allocated by the IMF	52,613	52,613	52,613	52,612
Other liabilities	177,997	178,814	180,444	182,263
Revaluation accounts	305,890	305,890	305,890	305,890
Capital and reserves	81,379	81,379	81,379	81,185
Total liabilities	1,873,111	1,885,017	1,887,882	1,894,101

Source: ECB.

1.2 Key ECB interest rates

(levels in percentages per annum; changes in percentage points)

With effect from: [1]	Deposit facility		Main refinancing operations			Marginal lending facility	
			Fixed rate tenders	Variable rate tenders			
			Fixed rate	Minimum bid rate			
	Level	Change	Level	Level	Change	Level	Change
	1	2	3	4	5	6	7
1999 1 Jan.	2.00	-	3.00	-	-	4.50	-
4 [2]	2.75	0.75	3.00	-	...	3.25	-1.25
22	2.00	-0.75	3.00	-	...	4.50	1.25
9 Apr.	1.50	-0.50	2.50	-	-0.50	3.50	-1.00
5 Nov.	2.00	0.50	3.00	-	0.50	4.00	0.50
2000 4 Feb.	2.25	0.25	3.25	-	0.25	4.25	0.25
17 Mar.	2.50	0.25	3.50	-	0.25	4.50	0.25
28 Apr.	2.75	0.25	3.75	-	0.25	4.75	0.25
9 June	3.25	0.50	4.25	-	0.50	5.25	0.50
28 [3]	3.25	...	-	4.25	...	5.25	...
1 Sep.	3.50	0.25	-	4.50	0.25	5.50	0.25
6 Oct.	3.75	0.25	-	4.75	0.25	5.75	0.25
2001 11 May	3.50	-0.25	-	4.50	-0.25	5.50	-0.25
31 Aug.	3.25	-0.25	-	4.25	-0.25	5.25	-0.25
18 Sep.	2.75	-0.50	-	3.75	-0.50	4.75	-0.50
9 Nov.	2.25	-0.50	-	3.25	-0.50	4.25	-0.50
2002 6 Dec.	1.75	-0.50	-	2.75	-0.50	3.75	-0.50
2003 7 Mar.	1.50	-0.25	-	2.50	-0.25	3.50	-0.25
6 June	1.00	-0.50	-	2.00	-0.50	3.00	-0.50
2005 6 Dec.	1.25	0.25	-	2.25	0.25	3.25	0.25
2006 8 Mar.	1.50	0.25	-	2.50	0.25	3.50	0.25
15 June	1.75	0.25	-	2.75	0.25	3.75	0.25
9 Aug.	2.00	0.25	-	3.00	0.25	4.00	0.25
11 Oct.	2.25	0.25	-	3.25	0.25	4.25	0.25
13 Dec.	2.50	0.25	-	3.50	0.25	4.50	0.25
2007 14 Mar.	2.75	0.25	-	3.75	0.25	4.75	0.25
13 June	3.00	0.25	-	4.00	0.25	5.00	0.25
2008 9 July	3.25	0.25	-	4.25	0.25	5.25	0.25
8 Oct.	2.75	-0.50	-	-	-	4.75	-0.50
9 [4]	3.25	0.50	-	-	-	4.25	-0.50
15 [5]	3.25	...	3.75	-	-0.50	4.25	...
12 Nov.	2.75	-0.50	3.25	-	-0.50	3.75	-0.50
10 Dec.	2.00	-0.75	2.50	-	-0.75	3.00	-0.75
2009 21 Jan.	1.00	-1.00	2.00	-	-0.50	3.00	...
11 Mar.	0.50	-0.50	1.50	-	-0.50	2.50	-0.50
8 Apr.	0.25	-0.25	1.25	-	-0.25	2.25	-0.25
13 May	0.25	...	1.00	-	-0.25	1.75	-0.50
2011 13 Apr.	0.50	0.25	1.25	-	0.25	2.00	0.25

Source: ECB.

1) From 1 January 1999 to 9 March 2004, the date refers to the deposit and marginal lending facilities. For main refinancing operations, changes in the rate are effective from the first operation following the date indicated. The change on 18 September 2001 was effective on that same day. From 10 March 2004 onwards, the date refers both to the deposit and marginal lending facilities and to the main refinancing operations (with changes effective from the first main refinancing operation following the Governing Council decision), unless otherwise indicated.
2) On 22 December 1998 the ECB announced that, as an exceptional measure between 4 and 21 January 1999, a narrow corridor of 50 basis points would be applied between the interest rates for the marginal lending facility and the deposit facility, aimed at facilitating the transition to the new monetary regime by market participants.
3) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tenders. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids.
4) As of 9 October 2008 the ECB reduced the standing facilities corridor from 200 basis points to 100 basis points around the interest rate on the main refinancing operations. The standing facilities corridor was restored to 200 basis points as of 21 January 2009.
5) On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October, the weekly main refinancing operations would be carried out through a fixed rate tender procedure with full allotment at the interest rate on the main refinancing operations. This change overrode the previous decision (made on the same day) to cut by 50 basis points the minimum bid rate on the main refinancing operations conducted as variable rate tenders.

1.3 Eurosystem monetary policy operations allotted through tender procedures [1), 2)]
(EUR millions; interest rates in percentages per annum)

1. Main and longer-term refinancing operations [3)]

Date of settlement	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures	Variable rate tender procedures			Running for (...) days
				Fixed rate	Minimum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8
	Main refinancing operations							
2011 19 Jan.	176,904	171	176,904	1.00	-	-	-	7
26	165,603	209	165,603	1.00	-	-	-	7
2 Feb.	213,725	371	213,725	1.00	-	-	-	7
9	156,710	220	156,710	1.00	-	-	-	7
16	137,015	253	137,015	1.00	-	-	-	7
23	119,455	189	119,455	1.00	-	-	-	7
2 Mar.	124,442	182	124,442	1.00	-	-	-	7
9	111,331	185	111,331	1.00	-	-	-	7
16	100,543	177	100,543	1.00	-	-	-	7
23	89,417	173	89,417	1.00	-	-	-	7
30	100,439	174	100,439	1.00	-	-	-	7
6 Apr.	84,533	161	84,533	1.00	-	-	-	7
13	94,134	161	94,134	1.25	-	-	-	7
20	97,372	181	97,372	1.25	-	-	-	7
27	117,883	241	117,883	1.25	-	-	-	7
4 May	127,538	326	127,538	1.25	-	-	-	7
	Longer-term refinancing operations							
2010 10 Nov.	63,618	44	63,618	1.00	-	-	-	28
25 [5)]	38,211	189	38,211	1.00	-	-	-	91
8 Dec.	68,066	56	68,066	1.00	-	-	-	42
23 [5)]	149,466	270	149,466	1.00	-	-	-	98
2011 19 Jan.	70,351	45	70,351	1.00	-	-	-	21
27 [5)]	71,143	165	71,143	1.04	-	-	-	91
9 Feb.	61,472	42	61,472	1.00	-	-	-	28
24 [5)]	39,755	192	39,755	.	-	-	-	91
9 Mar.	82,500	52	82,500	1.00	-	-	-	35
31 [5)]	129,458	290	129,458	.	-	-	-	91
13 Apr.	83,687	40	83,687	1.25	-	-	-	28
28 [5)]	63,411	177	63,411	.	-	-	-	91

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures	Variable rate tender procedures				Running for (...) days
					Fixed rate	Minimum bid rate	Maximum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8	9	10
2011 9 Feb.	Collection of fixed-term deposits	93,341	66	76,500	-	-	1.00	0.95	0.87	7
16	Collection of fixed-term deposits	102,784	73	76,500	-	-	1.00	0.80	0.71	7
23	Collection of fixed-term deposits	95,494	74	77,000	-	-	1.00	0.70	0.58	7
2 Mar.	Collection of fixed-term deposits	91,911	71	77,500	-	-	1.00	0.65	0.56	7
8	Collection of fixed-term deposits	96,572	141	95,812	-	-	1.00	0.80	0.79	1
9	Collection of fixed-term deposits	95,585	65	77,500	-	-	1.00	0.90	0.83	7
16	Collection of fixed-term deposits	119,307	74	77,500	-	-	1.00	0.69	0.66	7
23	Collection of fixed-term deposits	106,704	63	77,500	-	-	1.00	0.70	0.64	7
30	Collection of fixed-term deposits	77,320	58	76,500	-	-	1.00	1.00	0.72	7
6 Apr.	Collection of fixed-term deposits	121,130	76	77,000	-	-	1.00	0.64	0.59	7
12	Collection of fixed-term deposits	81,342	131	78,871	-	-	1.00	0.80	0.79	1
13	Collection of fixed-term deposits	102,562	71	77,000	-	-	1.25	1.12	1.05	7
20	Collection of fixed-term deposits	88,974	68	76,000	-	-	1.25	1.21	1.12	7
27	Collection of fixed-term deposits	71,403	49	71,403	-	-	1.25	1.25	1.17	7
4 May	Collection of fixed-term deposits	62,177	58	62,177	-	-	1.25	1.25	1.16	7

Source: ECB.

1) The amounts shown may differ slightly from those in Section 1.1 owing to operations that have been allotted but not settled.
2) With effect from April 2002, split tender operations (i.e. operations with a one-week maturity conducted as standard tender procedures in parallel with a main refinancing operation) are classified as main refinancing operations. For split tender operations conducted before this month, see Table 2 in Section 1.3.
3) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tender procedures. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids. On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October 2008, the weekly main refinancing operations would be carried out through a fixed rate tender procedure with full allotment at the interest rate on the main refinancing operations. On 4 March 2010 the ECB decided to return to variable rate tender procedures in the regular three-month longer-term refinancing operations, starting with the operation to be allotted on 28 April 2010 and settled on 29 April 2010.
4) In liquidity-providing (absorbing) operations, the marginal rate refers to the lowest (highest) rate at which bids were accepted.
5) In the longer-term refinancing operations settled on 17 December 2009, 1 April, 13 May, 28 October, 25 November and 23 December 2010, and 27 January, 24 February, 31 March and 28 April 2011, the rate at which all bids were satisfied was indexed to the average minimum bid rate in the main refinancing operations over the life of the operation.

1.4 Minimum reserve and liquidity statistics

(EUR billions; period averages of daily positions, unless otherwise indicated; interest rates as percentages per annum)

1. Reserve base of credit institutions subject to reserve requirements

Reserve base as at: [1]	Total	Liabilities to which a 2% reserve coefficient is applied: Overnight deposits and deposits with an agreed maturity or notice period of up to 2 years	Liabilities to which a 2% reserve coefficient is applied: Debt securities issued with a maturity of up to 2 years	Liabilities to which a 0% reserve coefficient is applied: Deposits with an agreed maturity or notice period of over 2 years	Liabilities to which a 0% reserve coefficient is applied: Repos	Liabilities to which a 0% reserve coefficient is applied: Debt securities issued with a maturity of over 2 years
	1	2	3	4	5	6
2008	18,169.6	10,056.8	848.7	2,376.9	1,243.5	3,643.7
2009	18,318.2	9,808.5	760.4	2,475.7	1,170.1	4,103.5
2010	18,948.1	9,962.6	644.3	2,683.3	1,335.4	4,322.5
2010 Oct. [2]	18,986.4	9,901.3	658.2	2,632.7	1,399.4	4,394.9
Nov. [2]	19,190.9	9,970.1	669.9	2,715.6	1,465.9	4,369.5
Dec. [2]	18,948.1	9,962.6	644.3	2,683.3	1,335.4	4,322.5
2011 Jan.	19,024.1	9,840.2	651.6	2,780.6	1,395.8	4,356.0
Feb.	19,035.9	9,768.6	670.3	2,727.5	1,490.3	4,379.2

2. Reserve maintenance

Maintenance period ending on:	Required reserves	Credit institutions' current accounts	Excess reserves	Deficiencies	Interest rate on minimum reserves
	1	2	3	4	5
2009	210.2	211.4	1.2	0.0	1.00
2010	211.8	212.5	0.7	0.5	1.00
2010 9 Nov.	214.0	215.2	1.2	0.0	1.00
7 Dec.	211.8	212.5	0.7	0.5	1.00
2011 18 Jan. [3]	210.5	212.4	1.9	0.0	1.00
8 Feb.	212.3	213.6	1.3	0.0	1.00
8 Mar.	211.6	212.9	1.3	0.0	1.00
12 Apr.	209.3	210.5	1.1	0.0	1.00

3. Liquidity

Maintenance period ending on:	Liquidity-providing factors: Eurosystem's net assets in gold and foreign currency	Liquidity-providing factors: Monetary policy operations of the Eurosystem: Main refinancing operations	Liquidity-providing factors: Monetary policy operations of the Eurosystem: Longer-term refinancing operations	Liquidity-providing factors: Monetary policy operations of the Eurosystem: Marginal lending facility	Liquidity-providing factors: Monetary policy operations of the Eurosystem: Other liquidity-providing operations [4]	Liquidity-absorbing factors: Monetary policy operations of the Eurosystem: Deposit facility	Liquidity-absorbing factors: Monetary policy operations of the Eurosystem: Other liquidity-absorbing operations [5]	Liquidity-absorbing factors: Banknotes in circulation	Liquidity-absorbing factors: Central government deposits with the Eurosystem	Liquidity-absorbing factors: Other factors (net)	Credit institutions' current accounts	Base money
	1	2	3	4	5	6	7	8	9	10	11	12
2009	407.6	55.8	593.4	0.7	24.6	65.7	9.9	775.2	150.1	-130.2	211.4	1,052.3
2010	511.1	179.5	336.3	1.9	130.4	44.7	70.8	815.9	94.4	-79.1	212.5	1,073.1
2010 9 Nov.	511.3	183.0	340.0	0.8	124.5	41.9	68.8	813.5	92.1	-72.0	215.2	1,070.7
7 Dec.	511.1	179.5	336.3	1.9	130.4	44.7	70.8	815.9	94.4	-79.1	212.5	1,073.1
2011 18 Jan.	527.5	197.0	316.6	0.5	140.9	66.5	73.5	833.8	81.3	-84.9	212.4	1,112.7
8 Feb.	549.7	185.4	318.2	0.1	137.2	39.2	81.3	822.0	101.2	-66.7	213.6	1,074.8
8 Mar.	550.0	134.4	321.0	7.6	137.9	26.9	80.3	820.9	89.8	-79.9	212.9	1,060.7
12 Apr.	544.1	97.3	335.4	0.8	137.6	23.0	79.5	824.4	73.1	-95.2	210.5	1,057.9

Source: ECB.

1) End of period.
2) Includes the reserve bases of credit institutions in Estonia. On a transitional basis, credit institutions located in the euro area may have decided to deduct from their own reserve bases any liabilities owed to credit institutions located in Estonia. As of the reserve base as at end-January 2011, the standard treatment applies (see Decision ECB/2010/18 of the ECB of 26 October 2010 on transitional provisions for the application of minimum reserves by the ECB following the introduction of the euro in Estonia).
3) Owing to the adoption of the euro by Estonia on 1 January 2011, the reserve requirement is an average - weighted by the number of calendar days - of the reserve requirements for the then 16 countries of the euro area for the period 8-31 December 2010 and the reserve requirements for the 17 countries now in the euro area for the period 1-18 January 2011.
4) Includes liquidity provided under the Eurosystem's covered bond purchase programme and the Eurosystem's securities markets programme.
5) Includes liquidity absorbed as a result of the Eurosystem's foreign exchange swap operations.
For more information, please see: http://www.ecb.europa.eu/mopo/liq/html/index.en.html

2

MONEY, BANKING AND INVESTMENT FUNDS

2.1 Aggregated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Loans to euro area residents				Holdings of securities other than shares issued by euro area residents				Money market fund shares/ units [2]	Holdings of shares/ other equity issued by euro area residents	External assets	Fixed assets	Remaining assets [3]
		Total	General government	Other euro area residents	MFIs	Total	General government	Other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Eurosystem													
2009	2,829.9	1,475.6	19.5	0.7	1,455.4	451.7	368.3	7.5	75.9	-	16.5	556.7	8.5	321.0
2010	3,212.4	1,537.5	18.6	0.9	1,517.9	570.7	460.0	9.6	101.1	-	18.1	683.8	8.5	393.9
2010 Q4	3,212.4	1,537.5	18.6	0.9	1,517.9	570.7	460.0	9.6	101.1	-	18.1	683.8	8.5	393.9
2011 Q1 (p)	3,038.5	1,347.2	18.5	1.0	1,327.7	580.8	468.5	9.8	102.5	-	19.5	670.3	8.5	412.2
2010 Oct.	3,028.1	1,449.8	18.5	0.9	1,430.4	559.3	448.8	9.7	100.8	-	17.0	643.6	8.7	349.7
Nov.	3,117.8	1,467.0	18.5	0.9	1,447.5	561.8	451.0	9.7	101.2	-	16.6	689.3	8.7	374.3
Dec.	3,212.4	1,537.5	18.6	0.9	1,517.9	570.7	460.0	9.6	101.1	-	18.1	683.8	8.5	393.9
2011 Jan.	3,101.7	1,446.1	18.6	1.0	1,426.6	577.4	466.4	9.7	101.3	-	18.5	657.4	8.5	393.8
Feb.	3,113.7	1,418.1	18.6	0.9	1,398.5	581.6	469.4	9.9	102.3	-	19.5	674.6	8.5	411.5
Mar. (p)	3,038.5	1,347.2	18.5	1.0	1,327.7	580.8	468.5	9.8	102.5	-	19.5	670.3	8.5	412.2
	MFIs excluding the Eurosystem													
2009	31,144.9	17,702.4	1,001.7	10,783.3	5,917.5	5,060.6	1,483.2	1,497.2	2,080.2	85.1	1,235.1	4,251.7	220.7	2,589.2
2010	32,202.9	17,763.4	1,220.0	11,027.1	5,516.4	4,945.3	1,524.0	1,535.4	1,885.9	59.9	1,232.5	4,319.7	223.5	3,658.6
2010 Q4	32,202.9	17,763.4	1,220.0	11,027.1	5,516.4	4,945.3	1,524.0	1,535.4	1,885.9	59.9	1,232.5	4,319.7	223.5	3,658.6
2011 Q1 (p)	31,697.3	17,726.5	1,186.8	11,116.1	5,423.5	4,904.7	1,534.5	1,500.8	1,869.4	59.5	1,244.9	4,278.9	224.4	3,258.5
2010 Oct.	31,861.3	17,818.6	1,153.5	10,959.0	5,706.2	5,109.7	1,665.7	1,521.9	1,922.1	61.4	1,251.6	4,331.7	220.6	3,067.6
Nov.	31,966.0	17,847.9	1,209.1	11,068.7	5,570.1	5,100.1	1,610.4	1,554.0	1,935.7	61.5	1,251.0	4,457.5	222.4	3,025.6
Dec.	32,202.9	17,763.4	1,220.0	11,027.1	5,516.4	4,945.3	1,524.0	1,535.4	1,885.9	59.9	1,232.5	4,319.7	223.5	3,658.6
2011 Jan.	32,118.3	17,815.4	1,217.6	11,065.6	5,532.1	4,959.3	1,542.5	1,522.8	1,893.9	60.6	1,250.9	4,356.2	223.7	3,452.3
Feb.	32,108.6	17,817.3	1,198.1	11,112.9	5,506.3	4,975.7	1,547.5	1,530.4	1,897.8	61.9	1,243.4	4,376.6	223.6	3,410.0
Mar. (p)	31,697.3	17,726.5	1,186.8	11,116.1	5,423.5	4,904.7	1,534.5	1,500.8	1,869.4	59.5	1,244.9	4,278.9	224.4	3,258.5

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents				Money market fund shares/ units [4]	Debt securities issued [5]	Capital and reserves	External liabilities	Remaining liabilities [3]
			Total	Central government	Other general government/ other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11
	Eurosystem										
2009	2,829.9	829.3	1,192.3	102.6	22.1	1,067.6	-	0.1	320.9	140.0	347.4
2010	3,212.4	863.7	1,394.6	68.0	8.7	1,318.0	-	0.0	429.8	153.5	370.8
2010 Q4	3,212.4	863.7	1,394.6	68.0	8.7	1,318.0	-	0.0	429.8	153.5	370.8
2011 Q1 (p)	3,038.5	848.4	1,264.8	60.8	8.9	1,195.2	-	0.0	403.9	154.7	366.8
2010 Oct.	3,028.1	838.7	1,294.6	100.6	12.6	1,181.3	-	0.0	406.2	130.7	357.9
Nov.	3,117.8	840.5	1,331.1	98.5	16.5	1,216.2	-	0.0	436.2	139.6	370.4
Dec.	3,212.4	863.7	1,394.6	68.0	8.7	1,318.0	-	0.0	429.8	153.5	370.8
2011 Jan.	3,101.7	845.4	1,334.0	113.1	9.9	1,211.1	-	0.0	398.0	153.5	370.7
Feb.	3,113.7	844.4	1,327.5	96.7	10.1	1,220.6	-	0.0	416.7	158.1	367.1
Mar. (p)	3,038.5	848.4	1,264.8	60.8	8.9	1,195.2	-	0.0	403.9	154.7	366.8
	MFIs excluding the Eurosystem										
2009	31,144.9	-	16,470.9	144.1	10,044.8	6,282.0	732.6	4,908.5	1,921.2	4,097.7	3,013.9
2010	32,202.9	-	16,504.0	196.2	10,532.4	5,775.4	612.3	4,844.6	2,044.8	4,219.2	3,977.9
2010 Q4	32,202.9	-	16,504.0	196.2	10,532.4	5,775.4	612.3	4,844.6	2,044.8	4,219.2	3,977.9
2011 Q1 (p)	31,697.3	-	16,411.6	238.5	10,537.4	5,635.7	630.4	4,887.6	2,076.3	4,031.5	3,659.9
2010 Oct.	31,861.3	-	16,570.2	243.1	10,343.0	5,984.1	635.7	4,853.5	2,026.3	4,325.1	3,450.5
Nov.	31,966.0	-	16,542.1	262.4	10,452.8	5,826.9	648.1	4,903.0	2,018.0	4,443.9	3,410.8
Dec.	32,202.9	-	16,504.0	196.2	10,532.4	5,775.4	612.3	4,844.6	2,044.8	4,219.2	3,977.9
2011 Jan.	32,118.3	-	16,480.5	203.4	10,476.8	5,800.3	603.2	4,878.2	2,061.3	4,260.9	3,834.2
Feb.	32,108.6	-	16,494.2	233.1	10,511.7	5,749.4	611.7	4,900.3	2,074.0	4,251.6	3,776.7
Mar. (p)	31,697.3	-	16,411.6	238.5	10,537.4	5,635.7	630.4	4,887.6	2,076.3	4,031.5	3,659.9

Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Amounts issued by euro area residents. Amounts issued by non-euro area residents are included in external assets.
3) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
4) Amounts held by euro area residents.
5) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.2 Consolidated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Assets

	Total	Loans to euro area residents			Holdings of securities other than shares issued by euro area residents			Holdings of shares/ other equity issued by other euro area residents	External assets	Fixed assets	Remaining assets [2]
		Total	General government	Other euro area residents	Total	General government	Other euro area residents				
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2009	23,861.8	11,805.0	1,021.1	10,783.9	3,356.2	1,851.5	1,504.6	812.1	4,808.4	229.2	2,850.8
2010	25,827.6	12,266.6	1,238.6	11,028.0	3,529.0	1,984.0	1,545.0	799.2	5,003.5	232.0	3,997.3
2010 Q4	25,827.6	12,266.6	1,238.6	11,028.0	3,529.0	1,984.0	1,545.0	799.2	5,003.5	232.0	3,997.3
2011 Q1 (p)	25,449.1	12,322.4	1,205.4	11,117.1	3,513.6	2,003.0	1,510.7	809.7	4,949.2	232.8	3,621.3
2010 Oct.	25,154.9	12,131.9	1,172.0	10,959.9	3,646.1	2,114.4	1,531.6	804.7	4,975.3	229.4	3,367.6
Nov.	25,466.2	12,297.3	1,227.6	11,069.7	3,625.1	2,061.4	1,563.7	816.3	5,146.8	231.2	3,349.6
Dec.	25,827.6	12,266.6	1,238.6	11,028.0	3,529.0	1,984.0	1,545.0	799.2	5,003.5	232.0	3,997.3
2011 Jan.	25,702.0	12,302.8	1,236.3	11,066.6	3,541.5	2,008.9	1,532.5	815.0	5,013.6	232.2	3,796.9
Feb.	25,752.0	12,330.6	1,216.7	11,113.9	3,557.2	2,016.9	1,540.3	807.5	5,051.2	232.1	3,773.4
Mar. (p)	25,449.1	12,322.4	1,205.4	11,117.1	3,513.6	2,003.0	1,510.7	809.7	4,949.2	232.8	3,621.3
	Transactions										
2009	-644.9	15.2	29.4	-14.2	365.1	269.8	95.3	12.6	-465.4	7.8	-581.0
2010	606.7	408.7	205.5	203.1	134.6	132.5	2.2	6.9	-109.1	2.4	153.8
2010 Q4	-377.2	193.6	138.0	55.6	-11.5	-6.1	-5.4	11.7	-111.8	3.6	-462.8
2011 Q1 (p)	-271.3	40.8	-26.9	67.7	-8.5	22.3	-30.8	8.1	84.8	0.8	-397.2
2010 Oct.	-2.6	62.7	79.5	-16.8	82.2	107.6	-25.3	5.5	-38.3	0.7	-115.4
Nov.	149.9	146.8	54.7	92.1	-3.2	-37.7	34.5	17.1	15.4	1.8	-28.1
Dec.	-524.5	-15.9	3.8	-19.7	-90.5	-75.9	-14.6	-10.9	-88.9	1.1	-319.4
2011 Jan.	-75.9	22.8	-2.4	25.2	11.8	23.4	-11.6	13.7	86.2	0.1	-210.5
Feb.	19.5	10.8	-13.4	24.2	18.5	10.4	8.1	-8.5	31.6	-0.1	-32.8
Mar. (p)	-214.9	7.2	-11.1	18.2	-38.8	-11.5	-27.3	2.9	-33.0	0.8	-153.9

2. Liabilities

	Total	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Money market fund shares/ units [3]	Debt securities issued [4]	Capital and reserves	External liabilities	Remaining liabilities [2]	Excess of inter-MFI liabilities over inter-MFI assets
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2009	23,861.8	769.9	246.7	10,066.9	647.5	2,752.5	1,802.6	4,237.7	3,361.3	-23.3
2010	25,827.6	808.6	264.2	10,541.1	552.4	2,857.7	2,023.2	4,372.7	4,348.7	59.1
2010 Q4	25,827.6	808.6	264.2	10,541.1	552.4	2,857.7	2,023.2	4,372.7	4,348.7	59.1
2011 Q1 (p)	25,449.1	798.9	299.3	10,546.2	571.0	2,915.8	2,025.5	4,186.2	4,026.7	79.6
2010 Oct.	25,154.9	789.0	343.7	10,355.6	574.3	2,830.5	1,968.5	4,455.9	3,808.4	28.8
Nov.	25,466.2	790.2	360.8	10,469.3	586.5	2,866.2	2,002.9	4,583.5	3,781.2	25.5
Dec.	25,827.6	808.6	264.2	10,541.1	552.4	2,857.7	2,023.2	4,372.7	4,348.7	59.1
2011 Jan.	25,702.0	796.2	316.4	10,486.7	542.6	2,883.0	2,005.0	4,414.4	4,204.9	52.7
Feb.	25,752.0	796.2	329.9	10,521.8	549.9	2,900.2	2,035.3	4,409.6	4,143.8	65.3
Mar. (p)	25,449.1	798.9	299.3	10,546.2	571.0	2,915.8	2,025.5	4,186.2	4,026.7	79.6
	Transactions									
2009	-644.9	45.8	-4.4	289.4	-12.5	-56.4	143.2	-591.1	-505.6	46.6
2010	606.7	38.6	16.7	327.2	-97.0	39.3	112.2	-27.6	138.9	58.3
2010 Q4	-377.2	21.7	-1.9	151.8	-34.8	2.2	45.2	-88.0	-523.8	50.3
2011 Q1 (p)	-271.3	-9.9	34.6	-12.0	-6.7	83.6	13.1	-49.5	-340.1	15.6
2010 Oct.	-2.6	2.2	78.1	-0.8	-14.9	6.6	6.8	44.2	-142.1	17.4
Nov.	149.9	1.2	17.1	73.9	12.9	-1.6	21.8	7.2	20.5	-3.1
Dec.	-524.5	18.4	-97.1	78.7	-32.8	-2.8	16.7	-139.3	-402.3	36.1
2011 Jan.	-75.9	-12.6	51.8	-57.5	-9.8	29.5	-2.6	81.3	-151.4	-4.6
Feb.	19.5	0.0	13.4	16.6	4.7	21.1	15.9	10.0	-68.2	6.0
Mar. (p)	-214.9	2.7	-30.6	29.0	-1.7	33.1	-0.2	-140.9	-120.5	14.2

Source: ECB.

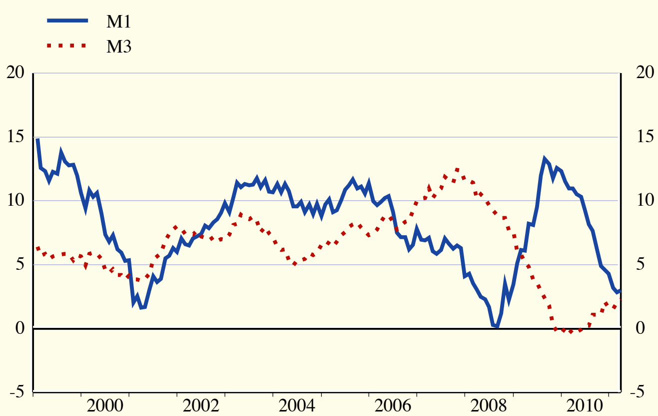
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
3) Amounts held by euro area residents.
4) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.3 Monetary statistics [1]
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

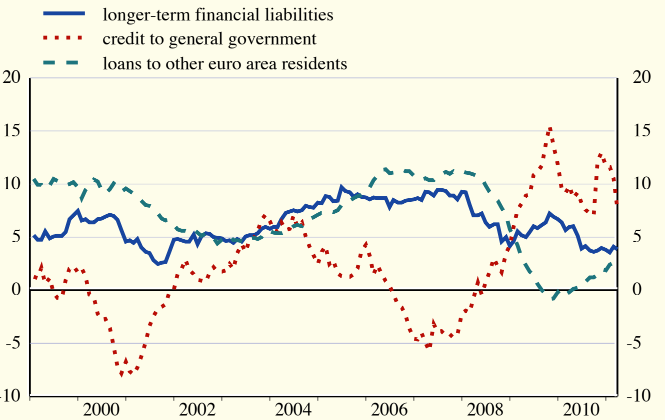
1. Monetary aggregates [2] and counterparts

	M3					M3 3-month moving average (centred)	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents			Net external assets [3]
	M2			M3-M2						Loans	Memo item: Loans adjusted for sales and securitisation [4]	
	M1	M2-M1										
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2009	4,502.1	3,701.6	8,203.7	1,134.3	9,338.0	-	6,764.0	2,910.8	13,104.0	10,792.3	-	552.4
2010	4,706.0	3,694.0	8,400.1	1,124.8	9,524.9	-	7,319.2	3,264.6	13,372.1	11,034.5	-	612.5
2010 Q4	4,706.0	3,694.0	8,400.1	1,124.8	9,524.9	-	7,319.2	3,264.6	13,372.1	11,034.5	-	612.5
2011 Q1 (p)	4,715.7	3,740.3	8,456.0	1,147.5	9,603.5	-	7,379.2	3,211.2	13,461.3	11,129.2	-	773.5
2010 Nov.	4,695.4	3,707.4	8,402.8	1,136.3	9,539.1	-	7,304.9	3,293.3	13,417.1	11,051.1	-	554.1
Dec.	4,706.0	3,694.0	8,400.1	1,124.8	9,524.9	-	7,319.2	3,264.6	13,372.1	11,034.5	-	612.5
2011 Jan.	4,696.5	3,717.8	8,414.3	1,080.7	9,495.0	-	7,326.4	3,258.1	13,427.5	11,078.5	-	586.2
Feb.	4,697.5	3,734.1	8,431.6	1,113.2	9,544.7	-	7,397.9	3,244.6	13,500.7	11,142.0	-	625.1
Mar. (p)	4,715.7	3,740.3	8,456.0	1,147.5	9,603.5	-	7,379.2	3,211.2	13,461.3	11,129.2	-	773.5
	Transactions											
2009	493.8	-368.0	125.8	-160.0	-34.2	-	422.4	307.2	90.0	-15.3	24.7	125.3
2010	193.1	-14.2	178.8	-23.2	155.7	-	262.4	342.1	208.8	201.4	247.3	-81.5
2010 Q4	17.1	4.9	22.0	-0.2	21.8	-	82.4	176.4	59.9	78.5	104.2	-36.2
2011 Q1 (p)	15.6	40.3	55.8	-5.8	50.0	-	82.1	-43.8	69.0	73.2	47.8	163.0
2010 Nov.	-1.4	-6.8	-8.2	59.4	51.2	-	44.6	22.7	85.2	60.0	72.2	10.9
Dec.	13.9	-10.7	3.2	-10.7	-7.5	-	17.9	-34.4	-12.7	5.4	7.8	41.3
2011 Jan.	-12.1	21.8	9.7	-44.2	-34.5	-	28.2	-8.1	40.8	30.6	19.4	10.1
Feb.	6.3	10.1	16.4	29.4	45.8	-	43.8	-5.0	49.4	40.3	44.8	18.1
Mar. (p)	21.4	8.3	29.8	8.9	38.7	-	10.2	-30.7	-21.2	2.3	-16.4	134.8
	Growth rates											
2009	12.3	-9.0	1.6	-11.8	-0.4	-0.2	6.7	11.8	0.7	-0.1	0.2	125.3
2010	4.3	-0.4	2.2	-2.1	1.7	1.8	3.8	11.7	1.6	1.9	2.3	-81.5
2010 Q4	4.3	-0.4	2.2	-2.1	1.7	1.8	3.8	11.7	1.6	1.9	2.3	-81.5
2011 Q1 (p)	3.0	2.2	2.6	-0.2	2.3	2.0	3.9	7.7	2.2	2.5	2.8	79.5
2010 Nov.	4.6	-0.5	2.3	0.4	2.1	1.6	4.0	12.9	1.9	2.0	2.3	-83.5
Dec.	4.3	-0.4	2.2	-2.1	1.7	1.8	3.8	11.7	1.6	1.9	2.3	-81.5
2011 Jan.	3.2	1.1	2.3	-3.9	1.5	1.8	3.5	11.6	2.1	2.4	2.7	-82.5
Feb.	2.9	1.8	2.4	-0.3	2.1	2.0	4.1	10.5	2.3	2.6	3.0	-45.6
Mar. (p)	3.0	2.2	2.6	-0.2	2.3	.	3.9	7.7	2.2	2.5	2.8	79.5

C1 Monetary aggregates [1]
(annual growth rates; seasonally adjusted)



C2 Counterparts [1]
(annual growth rates; seasonally adjusted)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
Monthly and other shorter-term growth rates for selected items are available at: http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html
2) Monetary liabilities of MFIs and central government (post office, treasury, etc.) vis-à-vis non-MFI euro area residents excluding central government.
For definitions of M1, M2 and M3, see glossary.
3) Values in the section "growth rates" are sums of the transactions during the 12 months ending in the period indicated.
4) Adjustment for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.3 Monetary statistics [1)]

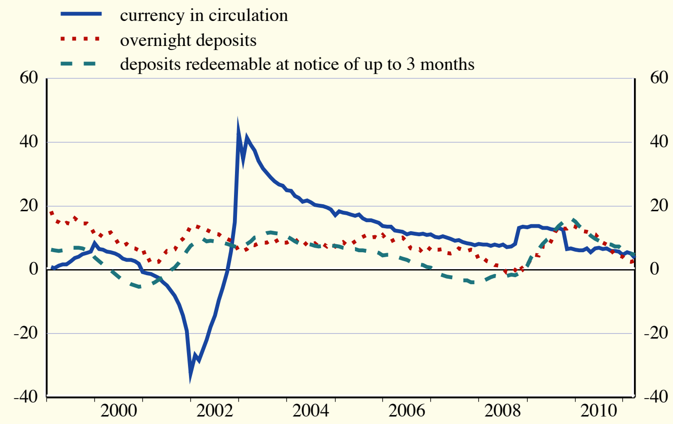
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

2. Components of monetary aggregates and longer-term financial liabilities

	Currency in circulation	Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits redeemable at notice of up to 3 months	Repos	Money market fund shares/units	Debt securities with a maturity of up to 2 years	Debt securities with a maturity of over 2 years	Deposits redeemable at notice of over 3 months	Deposits with an agreed maturity of over 2 years	Capital and reserves
	1	2	3	4	5	6	7	8	9	10	11
						Outstanding amounts					
2009	757.5	3,744.6	1,896.8	1,804.8	334.3	668.1	131.9	2,634.9	132.5	2,207.9	1,788.8
2010	793.6	3,912.4	1,783.8	1,910.3	433.1	570.2	121.5	2,752.6	118.4	2,441.9	2,006.3
2010 Q4	793.6	3,912.4	1,783.8	1,910.3	433.1	570.2	121.5	2,752.6	118.4	2,441.9	2,006.3
2011 Q1 (p)	803.3	3,912.5	1,819.6	1,920.6	431.4	571.2	144.8	2,768.0	119.6	2,463.5	2,028.1
2010 Nov.	795.9	3,899.4	1,794.2	1,913.2	430.8	585.4	120.1	2,751.2	119.0	2,439.9	1,994.9
Dec.	793.6	3,912.4	1,783.8	1,910.3	433.1	570.2	121.5	2,752.6	118.4	2,441.9	2,006.3
2011 Jan.	802.6	3,894.0	1,807.7	1,910.1	407.2	547.2	126.3	2,763.3	118.6	2,446.2	1,998.2
Feb.	804.8	3,892.7	1,815.8	1,918.2	440.2	548.1	124.9	2,782.8	119.4	2,459.2	2,036.6
Mar. (p)	803.3	3,912.5	1,819.6	1,920.6	431.4	571.2	144.8	2,768.0	119.6	2,463.5	2,028.1
						Transactions					
2009	44.3	449.4	-605.2	237.2	-12.6	-13.1	-134.3	78.2	9.0	194.0	141.2
2010	36.0	157.0	-127.5	113.2	94.5	-100.0	-17.7	58.3	-14.1	109.3	108.9
2010 Q4	2.9	14.2	-12.7	17.6	28.7	-21.0	-7.9	26.7	-3.9	29.2	30.5
2011 Q1 (p)	9.4	6.2	35.3	5.0	-4.2	-24.3	22.6	41.6	1.2	6.7	32.5
2010 Nov.	4.2	-5.6	-15.8	9.1	55.4	6.6	-2.6	8.6	-1.0	19.7	17.2
Dec.	-2.3	16.2	-8.2	-2.6	2.4	-13.8	0.7	7.8	-0.6	2.9	7.9
2011 Jan.	8.7	-20.8	22.8	-1.0	-25.9	-23.0	4.6	15.1	0.2	5.4	7.5
Feb.	2.3	4.0	6.7	3.5	33.0	-1.7	-1.9	23.9	0.7	-4.7	23.9
Mar. (p)	-1.6	23.0	5.9	2.5	-11.3	0.4	19.9	2.7	0.3	6.0	1.2
						Growth rates					
2009	6.2	13.6	-24.2	15.1	-3.5	-1.9	-50.2	3.0	7.3	9.7	8.7
2010	4.8	4.2	-6.7	6.3	28.1	-14.9	-13.1	2.2	-10.7	4.8	5.9
2010 Q4	4.8	4.2	-6.7	6.3	28.1	-14.9	-13.1	2.2	-10.7	4.8	5.9
2011 Q1 (p)	3.7	2.8	-0.3	4.8	22.8	-13.3	0.9	2.6	-9.4	3.9	6.7
2010 Nov.	5.6	4.4	-7.7	7.3	36.3	-13.2	-13.7	1.8	-11.0	4.9	7.2
Dec.	4.8	4.2	-6.7	6.3	28.1	-14.9	-13.1	2.2	-10.7	4.8	5.9
2011 Jan.	5.4	2.7	-3.2	5.6	25.4	-17.0	-10.0	1.8	-10.3	4.2	6.3
Feb.	5.1	2.4	-1.6	5.2	31.3	-15.3	-6.6	3.0	-9.3	3.6	7.2
Mar. (p)	3.7	2.8	-0.3	4.8	22.8	-13.3	0.9	2.6	-9.4	3.9	6.7

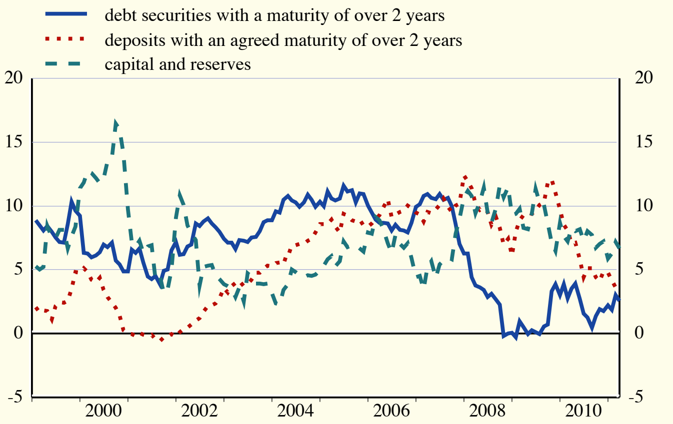
C3 Components of monetary aggregates [1)]

(annual growth rates; seasonally adjusted)



C4 Components of longer-term financial liabilities [1)]

(annual growth rates; seasonally adjusted)



Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

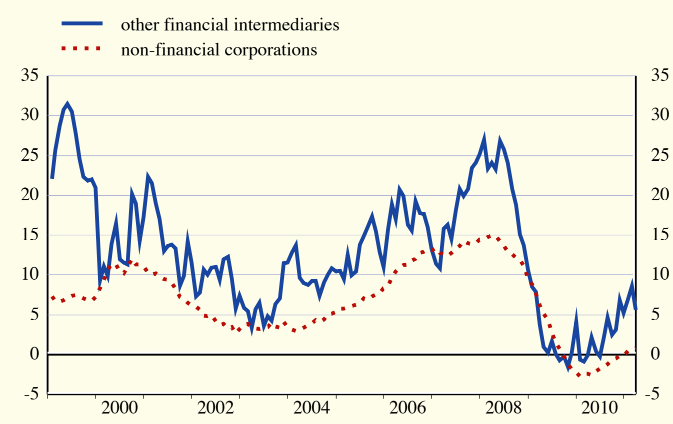
2.4 MFI loans: breakdown [1), 2)]

(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

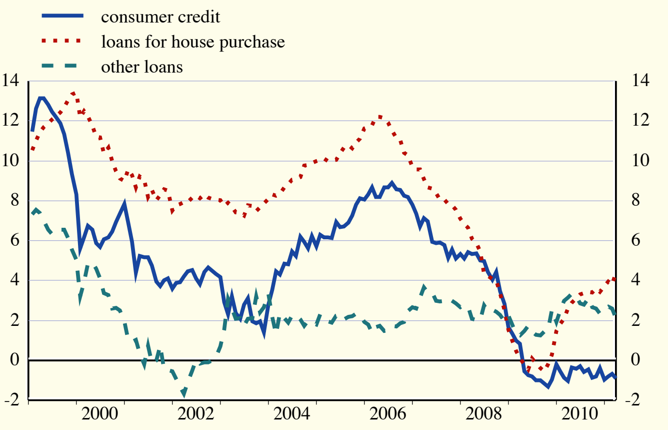
1. Loans to financial intermediaries, non-financial corporations and households

	Insurance corporations and pension funds	Other financial intermediaries [3)]	Non-financial corporations				Households [4)]			
	Total	Total	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Consumer credit	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8	9	10
				Outstanding amounts						
2009	88.9	1,060.4	4,690.9	1,187.7	937.6	2,565.5	4,952.0	631.1	3,546.6	774.3
2010	94.8	1,112.8	4,668.0	1,127.0	898.6	2,642.5	5,158.9	639.4	3,701.2	818.3
2010 Q4	94.8	1,112.8	4,668.0	1,127.0	898.6	2,642.5	5,158.9	639.4	3,701.2	818.3
2011 Q1 (p)	91.5	1,113.6	4,702.8	1,149.2	893.0	2,660.6	5,221.2	633.7	3,761.9	825.6
2010 Nov.	96.3	1,112.3	4,696.2	1,136.0	907.2	2,653.0	5,146.3	641.8	3,684.9	819.7
Dec.	94.8	1,112.8	4,668.0	1,127.0	898.6	2,642.5	5,158.9	639.4	3,701.2	818.3
2011 Jan.	93.2	1,104.7	4,694.2	1,148.0	898.0	2,648.2	5,186.5	636.7	3,723.1	826.8
Feb.	97.0	1,144.9	4,706.9	1,153.5	897.5	2,655.9	5,193.2	635.7	3,727.1	830.4
Mar. (p)	91.5	1,113.6	4,702.8	1,149.2	893.0	2,660.6	5,221.2	633.7	3,761.9	825.6
				Transactions						
2009	-13.7	40.6	-107.0	-181.3	-18.9	93.2	64.9	-1.2	51.4	14.7
2010	7.0	54.6	-7.2	-42.1	-22.1	57.0	147.0	-6.1	132.6	20.5
2010 Q4	2.6	40.1	-15.6	-5.0	-15.3	4.8	51.4	-0.6	45.7	6.3
2011 Q1 (p)	-3.2	-21.0	38.0	20.6	-2.7	20.2	59.4	-2.5	58.5	3.5
2010 Nov.	3.3	35.2	6.5	3.0	-4.0	7.5	15.0	2.2	8.0	4.8
Dec.	-1.1	2.2	-16.8	-6.3	-6.4	-4.0	21.1	-1.9	23.0	0.0
2011 Jan.	-1.6	-7.0	18.6	17.1	-1.6	3.1	20.7	-0.7	18.0	3.4
Feb.	3.8	13.8	16.8	4.5	1.9	10.4	6.0	-0.6	4.3	2.2
Mar. (p)	-5.4	-27.8	2.7	-1.0	-3.0	6.7	32.8	-1.2	36.1	-2.1
				Growth rates						
2009	-13.3	4.1	-2.2	-13.1	-2.0	3.7	1.3	-0.2	1.5	1.9
2010	7.9	5.0	-0.2	-3.6	-2.4	2.2	2.9	-1.0	3.7	2.6
2010 Q4	7.9	5.0	-0.2	-3.6	-2.4	2.2	2.9	-1.0	3.7	2.6
2011 Q1 (p)	5.6	5.7	0.8	-0.4	-1.8	2.3	3.4	-0.9	4.4	2.1
2010 Nov.	14.0	6.7	-0.2	-4.4	-1.9	2.4	2.8	-0.4	3.5	2.3
Dec.	7.9	5.0	-0.2	-3.6	-2.4	2.2	2.9	-1.0	3.7	2.6
2011 Jan.	7.2	7.1	0.5	-1.6	-1.9	2.3	3.1	-0.8	3.9	2.7
Feb.	8.6	8.7	0.6	-1.0	-1.8	2.2	3.0	-0.7	3.8	2.6
Mar. (p)	5.6	5.7	0.8	-0.4	-1.8	2.3	3.4	-0.9	4.4	2.1

C5 Loans to other financial intermediaries and non-financial corporations [2)]
(annual growth rates; not seasonally adjusted)



C6 Loans to households [2)]
(annual growth rates; not seasonally adjusted)



Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Including investment funds.
4) Including non-profit institutions serving households.

2.4 MFI loans: breakdown [1), 2)]

(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

2. Loans to financial intermediaries and non-financial corporations

	Insurance corporations and pension funds				Other financial intermediaries [3)]				Non-financial corporations			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2010	86.0	66.6	5.2	14.3	1,105.4	587.5	206.6	311.3	4,668.0	1,120.2	898.2	2,649.6
2010 Q4	86.0	66.6	5.2	14.3	1,105.4	587.5	206.6	311.3	4,668.0	1,120.2	898.2	2,649.6
2011 Q1 (p)	90.5	71.4	5.8	13.3	1,112.5	586.7	210.0	315.7	4,701.9	1,150.1	893.1	2,658.7
2011 Jan.	90.7	71.3	5.1	14.3	1,093.1	583.7	199.2	310.2	4,699.5	1,151.4	896.4	2,651.7
Feb.	94.5	74.3	5.8	14.3	1,128.3	599.7	214.6	314.0	4,705.7	1,153.8	895.8	2,656.1
Mar. (p)	90.5	71.4	5.8	13.3	1,112.5	586.7	210.0	315.7	4,701.9	1,150.1	893.1	2,658.7
	Transactions											
2010	6.8	10.1	-1.8	-1.5	56.1	17.5	8.5	30.1	-7.5	-42.3	-22.1	56.9
2010 Q4	-7.4	-6.9	-0.6	0.1	17.6	1.0	5.5	11.2	-9.3	-9.8	-15.9	16.4
2011 Q1 (p)	4.6	4.9	0.6	-0.9	-14.8	-5.3	-11.2	1.8	37.1	28.2	-2.2	11.1
2011 Jan.	4.7	4.8	-0.1	0.0	-11.2	-2.7	-7.7	-0.7	23.9	27.2	-2.9	-0.5
Feb.	3.8	3.0	0.7	0.0	8.8	8.6	0.5	-0.3	10.3	1.4	1.8	7.1
Mar. (p)	-3.9	-2.9	0.0	-1.0	-12.4	-11.3	-4.0	2.8	2.9	-0.4	-1.1	4.5
	Growth rates											
2010	8.4	17.5	-25.2	-9.4	5.2	2.8	4.0	10.6	-0.2	-3.6	-2.4	2.2
2010 Q4	8.4	17.5	-25.2	-9.4	5.2	2.8	4.0	10.6	-0.2	-3.6	-2.4	2.2
2011 Q1 (p)	5.6	11.2	0.6	-15.2	5.6	4.6	1.6	10.0	0.8	-0.4	-1.8	2.2
2011 Jan.	6.8	15.9	-29.1	-11.6	7.0	7.2	2.1	9.5	0.5	-1.6	-1.9	2.3
Feb.	8.6	13.5	3.2	-9.7	8.6	10.2	2.6	9.1	0.6	-0.9	-1.8	2.2
Mar. (p)	5.6	11.2	0.6	-15.2	5.6	4.6	1.6	10.0	0.8	-0.4	-1.8	2.2

3. Loans to households [4)]

	Total	Consumer credit				Loans for house purchase				Other loans			
		Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2010	5,167.6	641.8	147.1	186.5	308.3	3,706.8	14.7	54.9	3,637.1	819.0	146.2	85.7	587.1
2010 Q4	5,167.6	641.8	147.1	186.5	308.3	3,706.8	14.7	54.9	3,637.1	819.0	146.2	85.7	587.1
2011 Q1 (p)	5,211.2	630.4	138.8	184.5	307.1	3,756.4	14.0	55.2	3,687.2	824.4	149.4	85.1	589.9
2011 Jan.	5,182.3	633.8	142.5	184.8	306.6	3,722.7	14.4	54.8	3,653.5	825.8	148.9	85.5	591.3
Feb.	5,184.4	630.4	140.5	184.0	305.9	3,725.2	14.0	55.0	3,656.1	828.9	148.6	85.6	594.6
Mar. (p)	5,211.2	630.4	138.8	184.5	307.1	3,756.4	14.0	55.2	3,687.2	824.4	149.4	85.1	589.9
	Transactions												
2010	147.4	-6.2	-3.3	-8.8	5.9	133.2	-0.6	-3.7	137.5	20.4	-8.7	-4.4	33.4
2010 Q4	54.5	-0.2	3.2	-2.5	-0.9	47.5	0.1	-2.1	49.5	7.2	0.7	-1.0	7.5
2011 Q1 (p)	40.7	-8.2	-6.2	-1.9	-0.1	47.3	-0.8	0.2	47.9	1.6	0.1	-1.4	2.9
2011 Jan.	7.8	-6.0	-2.9	-1.8	-1.3	12.1	-0.4	-0.2	12.6	1.6	-0.6	-0.7	2.9
Feb.	1.4	-3.0	-2.0	-0.9	-0.2	2.8	-0.4	0.3	2.9	1.6	-0.3	-0.5	2.4
Mar. (p)	31.6	0.8	-1.3	0.7	1.5	32.5	0.0	0.1	32.4	-1.7	1.0	-0.3	-2.4
	Growth rates												
2010	3.0	-1.0	-2.4	-4.5	2.0	3.7	-4.2	-6.2	3.9	2.6	-5.7	-5.0	6.1
2010 Q4	3.0	-1.0	-2.4	-4.5	2.0	3.7	-4.2	-6.2	3.9	2.6	-5.7	-5.0	6.1
2011 Q1 (p)	3.4	-0.9	-2.8	-4.3	2.2	4.4	-7.6	-3.3	4.6	2.1	-5.7	-5.6	5.5
2011 Jan.	3.1	-0.8	-3.2	-4.0	2.4	3.9	-6.1	-6.6	4.2	2.7	-6.2	-4.8	6.3
Feb.	3.0	-0.7	-2.4	-4.2	2.4	3.8	-7.9	-5.9	4.0	2.6	-6.4	-5.2	6.3
Mar. (p)	3.4	-0.9	-2.8	-4.3	2.2	4.4	-7.6	-3.3	4.6	2.1	-5.7	-5.6	5.5

Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Including investment funds.
4) Including non-profit institutions serving households.

2.4 MFI loans: breakdown [1), 2)]

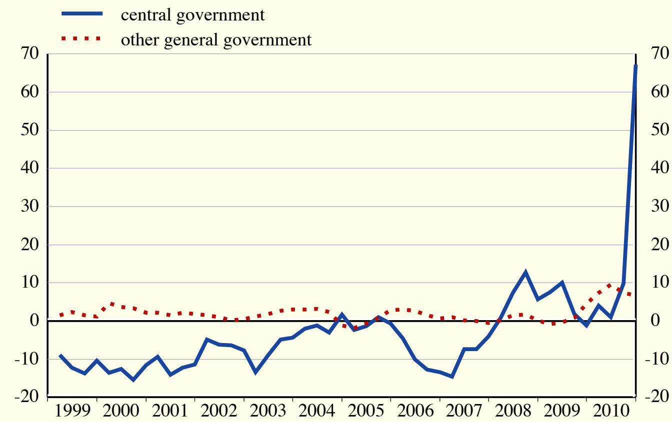
(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

4. Loans to government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2008	973.3	232.0	209.8	509.3	22.2	3,242.4	2,278.8	963.6	57.5	906.1
2009	1,001.7	229.3	209.8	528.8	33.8	2,821.7	1,914.9	906.8	46.1	860.7
2010 Q1	1,032.5	242.3	209.0	538.9	42.2	2,949.9	1,985.1	964.8	46.8	918.0
Q2	1,072.9	255.2	225.0	547.9	44.8	3,076.4	2,074.4	1,001.6	50.9	950.7
Q3	1,073.9	262.1	223.2	544.1	44.5	2,952.1	1,995.7	956.0	51.8	904.2
Q4 (p)	1,220.0	393.2	225.2	552.9	45.8	2,962.1	2,009.3	952.2	49.5	902.7
	Transactions									
2008	13.7	12.5	-8.1	16.5	-7.2	-59.8	-86.0	26.1	0.3	25.8
2009	30.5	-2.7	0.1	21.6	11.5	-384.7	-345.5	-38.9	-1.5	-37.5
2010 Q1	30.4	12.6	-0.8	10.1	8.5	53.9	24.1	29.6	-0.6	30.2
Q2	36.5	9.2	15.9	9.0	2.6	-20.1	1.3	-22.7	-0.7	-22.0
Q3	1.6	7.7	-1.9	-3.8	-0.3	-11.0	-13.1	2.1	3.8	-1.7
Q4 (p)	137.9	126.2	2.0	8.8	1.3	-18.5	-3.6	-15.5	-2.0	-13.5
	Growth rates									
2008	1.4	5.7	-3.7	3.3	-24.4	-1.5	-3.6	2.8	0.5	3.0
2009	3.1	-1.2	0.1	4.2	51.9	-11.7	-15.1	-4.1	-3.0	-4.2
2010 Q1	6.6	4.0	1.8	5.8	101.2	-3.2	-5.4	1.7	-4.7	2.1
Q2	7.3	1.0	9.1	7.0	56.8	-1.3	-1.6	-1.4	-4.3	-1.2
Q3	7.9	9.9	6.5	5.4	45.1	0.9	1.3	-0.6	1.5	-0.8
Q4 (p)	20.6	67.1	7.3	4.6	35.7	0.5	0.5	-0.6	0.4	-0.7

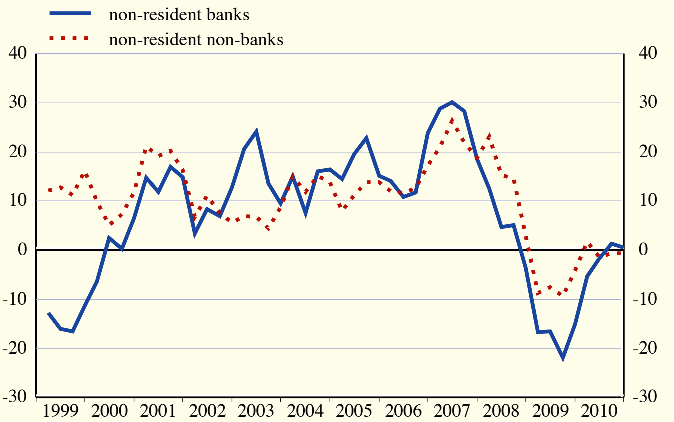
C7 Loans to government [2)]

(annual growth rates; not seasonally adjusted)



C8 Loans to non-euro area residents [2)]

(annual growth rates; not seasonally adjusted)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) The term "banks" is used in this table to indicate institutions similar to MFIs which are resident outside the euro area.

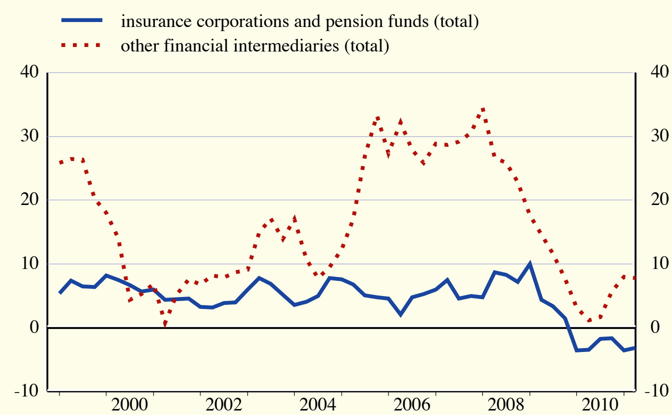
2.5 Deposits held with MFIs: breakdown [1], [2]

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

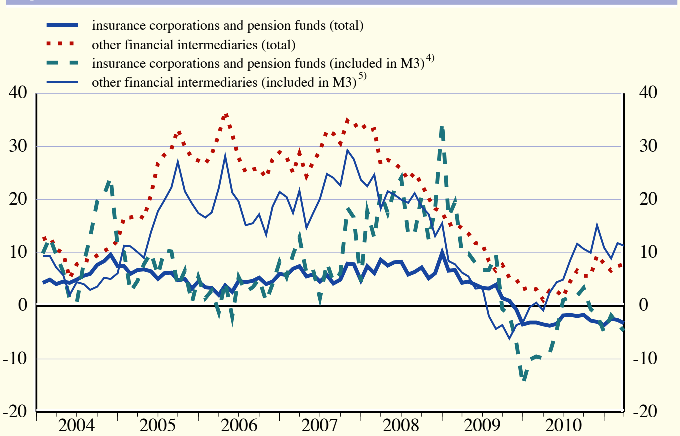
1. Deposits by financial intermediaries

	Insurance corporations and pension funds							Other financial intermediaries [3]						
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2009	738.5	84.1	86.9	543.7	2.2	1.4	20.2	1,872.5	313.1	335.1	957.5	15.9	0.0	250.9
2010	716.8	84.9	79.0	528.3	2.4	0.3	21.9	2,171.1	359.9	305.3	1,137.1	8.7	0.5	359.5
2010 Q4	716.8	84.9	79.0	528.3	2.4	0.3	21.9	2,171.1	359.9	305.3	1,137.1	8.7	0.5	359.5
2011 Q1 (p)	715.9	88.1	78.5	527.0	2.9	0.2	19.1	2,176.3	371.6	297.6	1,137.3	11.8	0.5	357.5
2010 Nov.	719.4	89.5	79.5	527.6	2.5	0.3	20.0	2,206.5	384.7	316.3	1,129.0	8.7	0.5	367.3
Dec.	716.8	84.9	79.0	528.3	2.4	0.3	21.9	2,171.1	359.9	305.3	1,137.1	8.7	0.5	359.5
2011 Jan.	730.9	97.7	80.0	527.9	2.6	0.2	22.5	2,139.9	381.6	293.5	1,129.3	8.9	0.5	326.1
Feb.	721.6	90.6	78.9	528.2	2.8	0.2	20.8	2,186.0	376.6	298.0	1,133.6	11.1	0.5	366.2
Mar. (p)	715.9	88.1	78.5	527.0	2.9	0.2	19.1	2,176.3	371.6	297.6	1,137.3	11.8	0.5	357.5
	Transactions													
2009	-26.8	-1.0	-30.4	6.3	1.1	-0.1	-2.7	56.8	6.8	-93.6	85.8	3.7	0.0	54.0
2010	-26.5	-3.2	-8.6	-16.6	0.2	0.0	1.6	153.9	43.3	-38.7	52.4	-7.8	0.4	104.3
2010 Q4	-18.0	-4.7	-10.3	-4.6	-0.2	0.0	1.8	24.2	-19.7	2.4	30.3	-0.3	-0.3	11.7
2011 Q1 (p)	-0.8	3.6	-0.7	-1.2	0.3	0.0	-2.8	-6.3	15.7	-6.6	-14.7	1.0	0.1	-1.8
2010 Nov.	-10.2	-0.2	-6.3	-2.2	0.0	0.0	-1.5	84.8	9.9	-3.2	29.6	-0.6	-0.1	49.3
Dec.	-2.3	-4.5	-0.4	0.8	-0.1	0.0	1.9	-34.9	-23.4	-11.8	7.9	0.1	-0.1	-7.6
2011 Jan.	13.8	12.8	0.6	-0.4	0.1	0.0	0.6	-26.9	22.5	-9.5	-6.6	0.1	0.0	-33.4
Feb.	-9.3	-6.9	-1.1	0.4	0.1	0.0	-1.7	26.7	-3.0	2.6	-13.4	0.2	0.0	40.1
Mar. (p)	-5.3	-2.3	-0.2	-1.2	0.1	0.0	-1.7	-6.1	-3.8	0.2	5.3	0.7	0.0	-8.5
	Growth rates													
2009	-3.5	-1.1	-26.4	1.2	96.8	-	-11.8	3.1	2.0	-22.0	10.0	30.0	-	27.4
2010	-3.6	-3.2	-9.8	-3.0	10.1	-	7.8	7.9	13.8	-11.4	4.8	-48.1	-	41.3
2010 Q4	-3.6	-3.2	-9.8	-3.0	10.1	-	7.8	7.9	13.8	-11.4	4.8	-48.1	-	41.3
2011 Q1 (p)	-3.2	-2.2	-7.2	-2.6	6.5	-	-5.9	7.8	13.8	-4.9	4.2	-46.7	-	30.4
2010 Nov.	-3.0	0.6	-2.9	-3.5	23.7	-	-7.5	9.5	16.2	-8.6	4.1	-49.6	-	52.2
Dec.	-3.6	-3.2	-9.8	-3.0	10.1	-	7.8	7.9	13.8	-11.4	4.8	-48.1	-	41.3
2011 Jan.	-2.4	-0.1	-4.7	-2.6	7.1	-	0.7	6.6	11.0	-10.7	4.1	-51.0	-	37.8
Feb.	-2.7	-3.3	-8.6	-2.4	9.8	-	20.3	7.4	13.1	-9.7	3.2	-49.8	-	41.5
Mar. (p)	-3.2	-2.2	-7.2	-2.6	6.5	-	-5.9	7.8	13.8	-4.9	4.2	-46.7	-	30.4

C9 Total deposits by sector [2]
(annual growth rates)



C10 Total deposits and deposits included in M3 by sector [2]
(annual growth rates)



Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Includes investment funds.
4) Covers deposits in columns 2, 3, 5 and 7.
5) Covers deposits in columns 9, 10, 12 and 14.

2.5 Deposits held with MFIs: breakdown [1], [2]

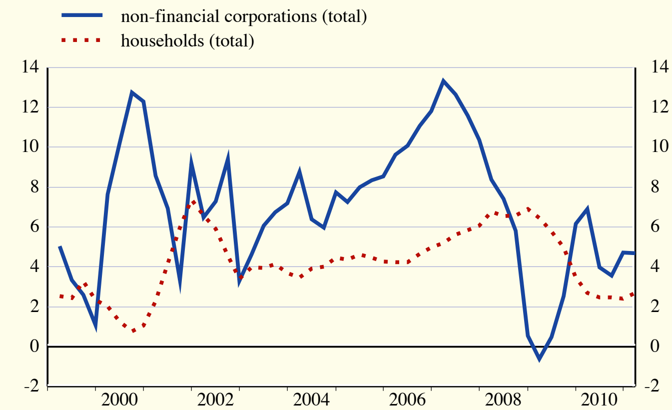
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

2. Deposits by non-financial corporations and households

	Non-financial corporations							Households [3]						
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2009	1,603.1	1,001.1	434.5	80.7	68.7	1.7	16.3	5,601.8	2,157.0	996.5	607.1	1,680.2	123.7	37.3
2010	1,671.8	1,038.2	457.4	87.2	73.3	1.5	14.2	5,741.2	2,244.5	901.6	666.5	1,788.5	110.3	29.8
2010 Q4	1,671.8	1,038.2	457.4	87.2	73.3	1.5	14.2	5,741.2	2,244.5	901.6	666.5	1,788.5	110.3	29.8
2011 Q1 (p)	1,643.4	998.7	458.7	90.4	77.0	2.0	16.6	5,759.8	2,221.5	904.9	680.7	1,810.9	110.2	31.6
2010 Nov.	1,627.2	998.6	449.2	86.9	76.6	2.0	14.0	5,659.1	2,202.1	896.8	656.2	1,764.0	110.1	29.9
Dec.	1,671.8	1,038.2	457.4	87.2	73.3	1.5	14.2	5,741.2	2,244.5	901.6	666.5	1,788.5	110.3	29.8
2011 Jan.	1,614.9	988.9	448.8	88.2	76.5	1.5	11.0	5,754.2	2,233.9	905.6	670.5	1,804.0	110.0	30.1
Feb.	1,608.4	977.5	450.9	89.8	76.9	2.1	11.2	5,758.4	2,225.1	907.4	676.4	1,808.4	110.1	30.9
Mar. (p)	1,643.4	998.7	458.7	90.4	77.0	2.0	16.6	5,759.8	2,221.5	904.9	680.7	1,810.9	110.2	31.6
	Transactions													
2009	93.0	114.3	-70.1	15.1	40.8	0.4	-7.4	187.8	320.6	-371.5	85.9	190.5	8.6	-46.3
2010	75.5	38.9	22.1	8.9	7.9	-0.2	-2.1	135.0	82.3	-98.9	60.2	113.5	-14.6	-7.5
2010 Q4	71.8	46.0	22.8	2.4	-1.2	-0.6	2.4	89.6	41.8	4.9	13.9	31.1	-0.5	-1.6
2011 Q1 (p)	-30.5	-36.8	1.8	3.3	1.0	0.6	-0.3	16.8	-24.0	2.9	14.1	22.0	-0.1	1.9
2010 Nov.	9.1	6.4	-3.2	0.8	2.5	-0.1	2.7	-15.4	-17.0	-1.1	0.8	2.2	0.6	-0.9
Dec.	50.0	41.0	10.9	1.5	-3.2	-0.5	0.2	82.9	42.9	5.1	10.1	24.8	0.2	-0.1
2011 Jan.	-59.2	-50.9	-9.1	1.0	3.0	0.0	-3.2	9.8	-12.1	3.0	3.9	15.0	-0.3	0.3
Feb.	-5.9	-8.5	2.3	1.6	-2.1	0.6	0.2	4.4	-8.7	2.0	5.9	4.5	0.1	0.8
Mar. (p)	34.6	22.6	8.5	0.7	0.1	0.0	2.7	2.5	-3.1	-2.1	4.3	2.5	0.1	0.8
	Growth rates													
2009	6.2	12.9	-13.9	23.1	146.6	28.3	-31.2	3.5	17.5	-27.1	16.5	12.8	7.5	-55.4
2010	4.7	3.9	5.0	11.1	11.6	-10.5	-12.8	2.4	3.8	-9.9	9.9	6.8	-11.7	-20.2
2010 Q4	4.7	3.9	5.0	11.1	11.6	-10.5	-12.8	2.4	3.8	-9.9	9.9	6.8	-11.7	-20.2
2011 Q1 (p)	4.7	2.3	8.1	12.5	6.5	12.7	10.8	2.7	2.6	-3.3	7.6	5.5	-10.4	-12.3
2010 Nov.	4.0	2.8	2.2	10.6	30.9	27.5	-5.8	2.4	4.6	-12.4	12.2	7.2	-12.6	-22.2
Dec.	4.7	3.9	5.0	11.1	11.6	-10.5	-12.8	2.4	3.8	-9.9	9.9	6.8	-11.7	-20.2
2011 Jan.	4.8	2.7	7.2	11.1	16.1	-13.8	-16.2	2.2	2.4	-6.3	8.8	5.9	-10.9	-18.7
Feb.	5.3	3.0	8.8	12.8	9.7	19.6	-4.0	2.3	1.9	-4.2	8.1	5.7	-10.4	-16.6
Mar. (p)	4.7	2.3	8.1	12.5	6.5	12.7	10.8	2.7	2.6	-3.3	7.6	5.5	-10.4	-12.3

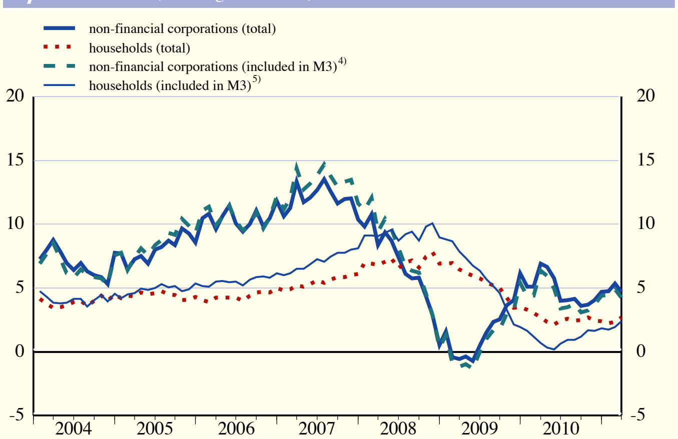
C11 Total deposits by sector [2]

(annual growth rates)



C12 Total deposits and deposits included in M3 by sector [2]

(annual growth rates)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) Including non-profit institutions serving households.
4) Covers deposits in columns 2, 3, 5 and 7.
5) Covers deposits in columns 9, 10, 12 and 14.

2.5 Deposits held with MFIs: breakdown [1], [2]

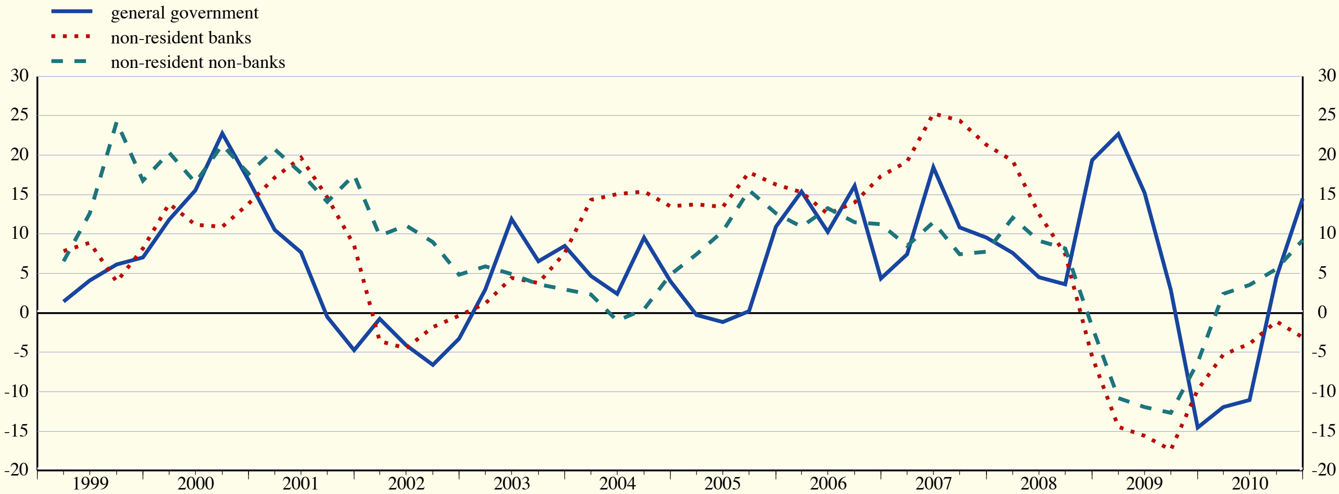
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Deposits by government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2008	444.7	190.8	52.1	116.1	85.8	3,713.3	2,816.2	897.1	65.6	831.5
2009	373.0	144.1	43.4	114.3	71.2	3,368.7	2,532.7	836.0	56.7	779.3
2010 Q1	397.6	166.2	50.4	108.4	72.6	3,543.7	2,639.0	904.7	66.8	837.9
Q2	412.6	167.6	54.5	113.7	76.8	3,700.4	2,693.4	1,007.0	46.7	960.4
Q3	421.4	176.2	58.7	111.9	74.5	3,580.5	2,597.1	983.4	47.8	935.5
Q4 (p)	427.6	196.2	47.7	109.6	74.1	3,487.6	2,490.7	996.9	45.9	951.0
	Transactions									
2008	72.7	63.4	-6.5	8.7	7.1	-183.3	-165.8	-17.5	-36.8	19.3
2009	-64.7	-38.1	-8.7	-2.5	-15.0	-331.2	-275.4	-55.8	-4.5	-51.3
2010 (p)	53.9	51.3	4.3	-4.9	2.9	-0.2	-80.3	79.3	7.4	71.8
2010 Q1	24.6	22.1	7.0	-5.9	1.0	95.3	49.6	45.7	9.1	36.6
Q2	14.6	1.3	4.1	5.1	4.2	-9.5	-26.3	16.8	-2.3	19.1
Q3	9.2	8.5	4.3	-1.8	-1.8	17.3	5.5	11.5	3.2	8.3
Q4 (p)	5.4	19.3	-11.0	-2.2	-0.5	-103.3	-109.2	5.3	-2.5	7.8
	Growth rates									
2008	19.4	49.9	-11.0	8.1	8.8	-4.4	-5.6	-1.7	-25.6	2.7
2009	-14.6	-19.9	-16.7	-2.1	-17.4	-8.8	-9.8	-6.2	-7.0	-6.2
2010 Q1	-12.0	-17.2	-0.1	-5.4	-13.2	-3.5	-5.3	2.4	12.0	1.7
Q2	-11.0	-20.6	11.6	-4.7	-6.0	-2.0	-4.0	3.6	6.9	3.3
Q3	4.5	12.3	15.0	-9.3	4.2	0.7	-1.1	5.6	14.5	5.1
Q4 (p)	14.5	35.6	9.8	-4.3	4.1	0.3	-3.1	9.2	13.4	8.9

C13 Deposits by government and non-euro area residents [2]

(annual growth rates)



Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) The term "banks" is used in this table to indicate institutions similar to MFIs which are resident outside the euro area.

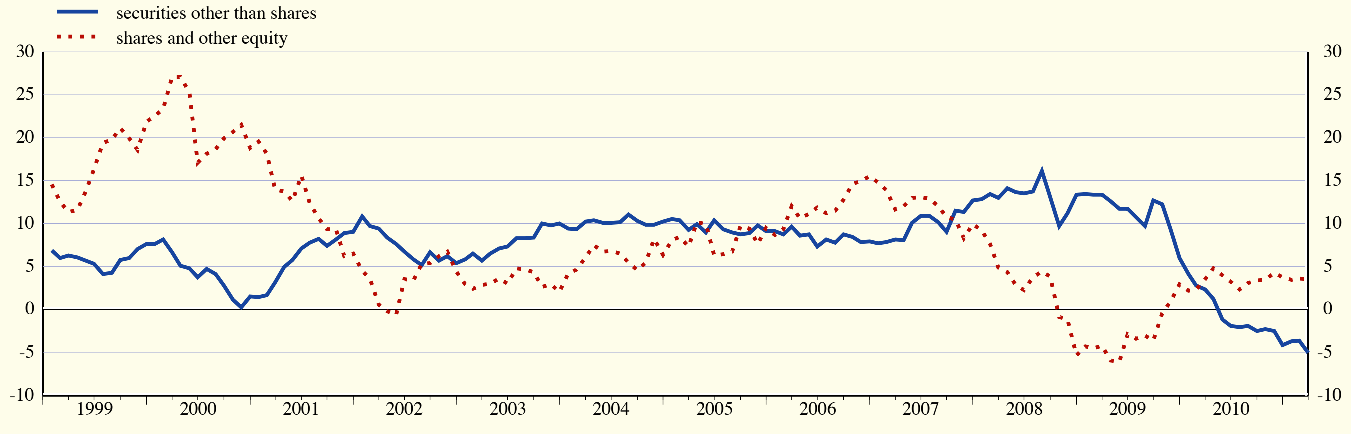
2.6 MFI holdings of securities: breakdown [1], [2]

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

	Securities other than shares								Shares and other equity			
	Total	MFIs		General government		Other euro area residents		Non-euro area residents	Total	MFIs	Non-MFIs	Non-euro area residents
		Euro	Non-euro	Euro	Non-euro	Euro	Non-euro					
	1	2	3	4	5	6	7	8	9	10	11	12
Outstanding amounts												
2009	6,207.7	1,971.1	109.1	1,467.2	16.0	1,457.8	39.4	1,147.1	1,515.3	434.6	800.5	280.2
2010	5,996.9	1,778.5	107.4	1,507.5	16.4	1,507.6	27.8	1,051.7	1,535.2	445.4	787.2	302.7
2010 Q4	5,996.9	1,778.5	107.4	1,507.5	16.4	1,507.6	27.8	1,051.7	1,535.2	445.4	787.2	302.7
2011 Q1 (p)	5,941.5	1,766.7	102.6	1,514.7	19.8	1,472.5	28.3	1,036.8	1,545.5	448.6	796.3	300.6
2010 Nov.	6,189.3	1,820.0	115.7	1,593.3	17.1	1,526.5	27.5	1,089.2	1,554.2	446.4	804.6	303.2
Dec.	5,996.9	1,778.5	107.4	1,507.5	16.4	1,507.6	27.8	1,051.7	1,535.2	445.4	787.2	302.7
2011 Jan.	6,028.5	1,787.1	106.8	1,524.9	17.7	1,496.4	26.4	1,069.2	1,552.5	448.2	802.7	301.6
Feb.	6,033.7	1,794.4	103.4	1,528.9	18.6	1,502.9	27.5	1,058.0	1,541.7	449.3	794.1	298.2
Mar. (p)	5,941.5	1,766.7	102.6	1,514.7	19.8	1,472.5	28.3	1,036.8	1,545.5	448.6	796.3	300.6
Transactions												
2009	354.4	83.5	16.6	230.6	-3.2	103.3	-12.0	-64.5	43.2	29.1	11.8	2.3
2010	-262.4	-164.5	-7.3	42.3	-2.1	14.5	-14.6	-130.8	57.0	29.8	6.4	20.8
2010 Q4	-200.8	-69.8	0.5	-28.5	-1.4	-2.6	-2.9	-96.1	21.1	3.9	11.6	5.6
2011 Q1 (p)	-9.4	-5.9	1.1	8.0	4.4	-33.4	2.3	14.1	6.7	2.8	7.2	-3.3
2010 Nov.	-22.4	18.4	2.3	-47.4	1.7	35.5	-1.0	-31.9	27.6	4.2	17.0	6.4
Dec.	-167.8	-39.4	-5.7	-85.3	-0.3	-15.4	0.8	-22.4	-13.5	-1.3	-10.9	-1.2
2011 Jan.	45.6	10.0	1.5	16.3	1.6	-10.8	-0.8	27.8	14.0	2.3	13.7	-2.0
Feb.	10.7	8.0	-2.8	5.4	1.0	6.3	1.6	-8.8	-12.6	0.6	-9.3	-4.0
Mar. (p)	-65.6	-23.9	2.4	-13.7	1.8	-28.8	1.5	-4.9	5.4	-0.1	2.8	2.7
Growth rates												
2009	6.0	4.4	17.6	18.7	-15.8	7.6	-23.2	-5.3	2.9	7.0	1.5	0.8
2010	-4.2	-8.4	-5.8	2.8	-11.2	0.9	-35.0	-11.1	3.8	6.8	0.8	7.5
2010 Q4	-4.2	-8.4	-5.8	2.8	-11.2	0.9	-35.0	-11.1	3.8	6.8	0.8	7.5
2011 Q1 (p)	-5.0	-9.0	-4.5	-1.0	14.4	-0.1	-25.7	-9.5	3.5	4.4	3.4	2.6
2010 Nov.	-2.5	-7.4	2.0	6.2	-9.4	2.9	-42.3	-10.9	4.3	6.5	1.4	9.3
Dec.	-4.2	-8.4	-5.8	2.8	-11.2	0.9	-35.0	-11.1	3.8	6.8	0.8	7.5
2011 Jan.	-3.7	-8.1	-3.4	3.3	-15.5	0.7	-37.7	-9.1	3.4	4.4	1.9	6.3
Feb.	-3.6	-7.0	-3.6	1.8	6.6	0.9	-31.7	-9.9	3.6	5.5	2.3	4.5
Mar. (p)	-5.0	-9.0	-4.5	-1.0	14.4	-0.1	-25.7	-9.5	3.5	4.4	3.4	2.6

C14 MFI holdings of securities [2]

(annual growth rates)



Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.

2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

2.7 Revaluation of selected MFI balance sheet items [1), 2)]

(EUR billions)

1. Write-offs/write-downs of loans to households [3)]

	Consumer credit				Lending for house purchase				Other lending			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-4.6	-1.1	-1.5	-1.9	-2.7	0.0	-0.2	-2.5	-6.7	-1.2	-2.3	-3.2
2009	-7.5	-1.8	-2.3	-3.4	-4.0	-0.1	-0.2	-3.7	-7.4	-1.6	-1.3	-4.5
2010	-7.3	-2.7	-1.9	-2.6	-4.7	-0.2	-0.2	-4.3	-8.6	-1.1	-1.6	-6.0
2010 Q3	-1.9	-0.5	-0.5	-0.9	-0.7	0.0	0.0	-0.7	-1.2	-0.1	-0.2	-0.8
Q4	-1.8	-0.7	-0.4	-0.7	-1.8	-0.1	-0.1	-1.6	-3.2	-0.1	-0.6	-2.5
2011 Q1 (p)	-1.3	-0.6	-0.2	-0.5	-0.8	0.0	0.0	-0.8	-1.5	-0.1	-0.2	-1.1
2011 Jan.	-0.4	-0.3	0.0	-0.1	-0.3	0.0	0.0	-0.3	-0.7	-0.1	-0.1	-0.5
Feb.	-0.4	-0.2	-0.1	-0.2	-0.2	0.0	0.0	-0.2	-0.5	0.0	-0.1	-0.4
Mar. (p)	-0.6	-0.2	-0.2	-0.2	-0.4	0.0	0.0	-0.3	-0.4	0.0	-0.1	-0.3

2. Write-offs/write-downs of loans to non-financial corporations and non-euro area residents

	Non-financial corporations				Non-euro area residents		
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 year
	1	2	3	4	5	6	7
2008	-17.8	-4.1	-9.1	-4.6	-6.6	-3.4	-3.2
2009	-35.4	-12.7	-12.5	-10.2	-6.9	-2.6	-4.2
2010	-60.2	-24.6	-20.4	-15.2	-3.7	-1.1	-2.6
2010 Q3	-10.3	-4.0	-2.8	-3.6	-0.4	-0.3	-0.2
Q4	-20.6	-8.0	-7.3	-5.3	-1.2	0.1	-1.3
2011 Q1 (p)	-6.3	-1.9	-1.9	-2.5	-0.3	0.1	-0.4
2011 Jan.	-1.6	-0.7	-0.4	-0.5	-0.2	0.0	-0.2
Feb.	-1.0	-0.3	-0.3	-0.4	0.0	0.0	0.0
Mar. (p)	-3.6	-1.0	-1.1	-1.5	-0.1	0.1	-0.2

3. Revaluation of securities held by MFIs

	Securities other than shares								Shares and other equity			
	Total	MFIs		General government		Other euro area residents		Non-euro area residents	Total	MFIs	Non-MFIs	Non-euro area residents
		Euro	Non-euro	Euro	Non-euro	Euro	Non-euro					
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-60.4	-12.0	0.0	4.5	0.0	-19.0	-2.2	-31.7	-63.6	-9.2	-46.2	-8.2
2009	4.4	8.2	0.2	-0.8	-0.1	-0.8	0.8	-3.0	1.0	-5.9	3.4	3.5
2010	-9.2	-1.8	0.0	-13.1	0.8	-0.8	-1.2	6.9	-19.8	-6.8	-9.4	-3.6
2010 Q3	17.9	3.7	-0.2	6.0	0.3	5.5	-1.4	3.9	1.7	0.1	4.1	-2.5
Q4	-28.7	-6.1	-0.5	-14.9	-0.1	-4.4	0.0	-2.8	-7.4	-2.6	-6.0	1.2
2011 Q1 (p)	-6.5	-2.1	-0.3	-1.2	0.0	-1.4	-0.5	-1.0	2.7	0.5	2.1	0.1
2011 Jan.	-2.4	-1.5	-0.3	0.4	0.0	-0.4	0.0	-0.5	2.3	0.8	1.7	-0.3
Feb.	0.0	0.0	0.0	-0.9	0.0	1.7	-0.4	-0.3	1.8	0.2	1.0	0.6
Mar. (p)	-4.1	-0.6	0.0	-0.7	0.0	-2.6	0.0	-0.2	-1.4	-0.6	-0.6	-0.3

Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.

2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

3) Including non-profit institutions serving households.

2.8 Currency breakdown of selected MFI balance sheet items [1), 2)]

(percentages of total; outstanding amounts in EUR billions; end of period)

1. Deposits

	MFIs [3)]							Non-MFIs						
	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies					All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total	USD	JPY	CHF	GBP			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	By euro area residents													
2008	6,852.0	89.7	10.3	7.3	0.4	1.3	0.8	9,890.2	96.9	3.1	1.9	0.5	0.1	0.4
2009	6,282.0	92.9	7.1	4.4	0.3	1.2	0.7	10,188.9	97.0	3.0	1.9	0.2	0.1	0.4
2010 Q1	6,222.1	93.0	7.0	4.1	0.3	1.2	0.8	10,201.5	97.0	3.0	2.0	0.2	0.1	0.4
Q2	6,544.4	92.4	7.6	4.5	0.3	1.3	0.9	10,468.0	97.0	3.0	2.0	0.2	0.1	0.4
Q3	6,096.7	92.5	7.5	4.5	0.3	1.2	0.8	10,520.7	97.1	2.9	1.9	0.2	0.1	0.4
Q4 (p)	5,775.4	92.9	7.1	4.1	0.3	1.3	0.8	10,728.6	97.1	2.9	1.9	0.2	0.1	0.4
	By non-euro area residents													
2008	2,816.2	48.3	51.7	33.4	2.8	2.6	10.2	897.1	54.9	45.1	28.7	1.4	1.9	9.4
2009	2,532.7	49.2	50.8	34.2	1.8	2.2	9.6	836.0	53.5	46.5	31.4	1.1	1.7	7.5
2010 Q1	2,639.0	50.1	49.9	32.9	2.2	2.2	9.4	904.7	54.9	45.1	31.9	1.1	1.3	6.1
Q2	2,693.4	52.9	47.1	30.8	2.1	1.6	9.5	1,007.0	55.1	44.9	31.8	1.1	1.4	6.5
Q3	2,597.1	51.4	48.6	32.4	2.2	1.6	9.2	983.4	57.1	42.9	30.4	1.2	1.3	5.8
Q4 (p)	2,490.7	52.1	47.9	31.8	2.2	1.8	8.6	996.9	58.6	41.4	29.5	1.2	1.4	5.1

2. Debt securities issued by euro area MFIs

	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7
2008	5,101.8	83.3	16.7	8.4	2.0	1.9	2.5
2009	5,168.3	83.3	16.7	8.8	1.6	1.9	2.5
2010 Q1	5,284.2	82.5	17.5	9.5	1.6	1.8	2.5
Q2	5,244.3	81.6	18.4	10.0	1.8	2.0	2.5
Q3	5,143.2	82.3	17.7	9.4	1.7	2.0	2.4
Q4 (p)	5,082.1	81.6	18.4	9.7	1.8	2.1	2.5

Source: ECB.

1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) For non-euro area residents, the term "MFIs" refers to institutions similar to euro area MFIs.
4) Including items expressed in the national denominations of the euro.

2.8 Currency breakdown of selected MFI balance sheet items 1), 2)

(percentages of total; outstanding amounts in EUR billions; end of period)

3. Loans

	MFIs 3)							Non-MFIs						
	All currencies (outstanding amount)	Euro 4)	Non-euro currencies					All currencies (outstanding amount)	Euro 4)	Non-euro currencies				
			Total	USD	JPY	CHF	GBP			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	To euro area residents													
2008	6,307.7	-	-	-	-	-	-	11,748.1	95.9	4.1	2.1	0.3	1.1	0.4
2009	5,917.5	-	-	-	-	-	-	11,784.9	96.2	3.8	1.9	0.2	1.0	0.4
2010 Q1	5,916.7	-	-	-	-	-	-	11,832.5	96.1	3.9	2.0	0.2	1.0	0.4
Q2	6,208.2	-	-	-	-	-	-	12,060.1	95.8	4.2	2.2	0.3	1.1	0.4
Q3	5,841.1	-	-	-	-	-	-	12,056.1	96.0	4.0	2.0	0.2	1.1	0.4
Q4 (p)	5,516.4	-	-	-	-	-	-	12,247.0	96.0	4.0	2.1	0.2	1.1	0.4
	To non-euro area residents													
2008	2,278.8	45.8	54.2	31.8	3.0	2.6	11.3	963.6	40.4	59.6	42.0	1.4	4.3	7.5
2009	1,914.9	45.8	54.2	29.4	2.7	2.9	12.6	906.8	40.0	60.0	42.1	1.2	3.7	8.0
2010 Q1	1,985.1	46.6	53.4	29.8	2.6	3.0	11.2	964.8	40.2	59.8	42.5	1.3	3.4	7.5
Q2	2,074.4	46.5	53.5	29.9	2.7	3.0	11.9	1,001.6	39.2	60.8	43.4	1.4	3.5	7.7
Q3	1,995.7	45.9	54.1	29.6	3.3	3.0	12.0	956.0	40.6	59.4	41.7	1.4	3.6	7.3
Q4 (p)	2,009.3	44.8	55.2	30.7	2.9	3.2	11.6	952.2	39.9	60.1	42.8	1.4	3.7	6.7

4. Holdings of securities other than shares

	Issued by MFIs 3)							Issued by non-MFIs						
	All currencies (outstanding amount)	Euro 4)	Non-euro currencies					All currencies (outstanding amount)	Euro 4)	Non-euro currencies				
			Total	USD	JPY	CHF	GBP			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Issued by euro area residents													
2008	1,976.3	95.3	4.7	2.6	0.4	0.2	1.2	2,651.8	97.3	2.7	1.7	0.3	0.1	0.4
2009	2,080.2	94.8	5.2	3.1	0.2	0.3	1.4	2,980.4	98.1	1.9	1.2	0.2	0.1	0.3
2010 Q1	2,092.7	94.6	5.4	3.2	0.2	0.3	1.4	3,033.9	98.1	1.9	1.2	0.2	0.1	0.3
Q2	2,024.8	94.2	5.8	3.5	0.2	0.3	1.5	3,081.7	98.5	1.5	0.8	0.2	0.1	0.4
Q3	1,968.4	94.6	5.4	3.0	0.2	0.3	1.6	3,114.3	98.5	1.5	0.9	0.2	0.1	0.4
Q4 (p)	1,885.9	94.3	5.7	3.3	0.1	0.3	1.7	3,059.4	98.6	1.4	0.8	0.1	0.1	0.4
	Issued by non-euro area residents													
2008	580.3	54.1	45.9	28.6	0.9	0.5	13.3	646.2	39.0	61.0	37.1	6.4	0.8	11.1
2009	546.6	55.8	44.2	26.3	0.4	0.5	14.8	600.5	34.9	65.1	38.5	4.2	0.9	15.2
2010 Q1	561.8	55.3	44.7	28.0	0.4	0.5	14.8	611.4	32.9	67.1	39.9	4.2	0.9	14.9
Q2	559.0	53.4	46.6	27.4	0.4	0.9	15.2	640.8	28.8	71.2	43.8	4.5	0.6	15.1
Q3	535.8	52.2	47.8	27.7	0.4	0.9	16.1	606.0	29.8	70.2	42.5	4.6	0.6	15.0
Q4 (p)	535.9	51.0	49.0	26.1	0.3	0.5	17.1	515.7	32.4	67.6	41.9	3.8	0.9	13.3

Source: ECB.
1) MFI sector excluding the Eurosystem; sectoral classification is based on the ESA 95.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.
3) For non-euro area residents, the term “MFIs” refers to institutions similar to euro area MFIs.
4) Including items expressed in the national denominations of the euro.

2.9 Aggregated balance sheet of euro area investment funds [1]

(EUR billions; outstanding amounts at end of period; transactions during period)

1. Assets

	Total	Deposits and loan claims	Securities other than shares	Shares and other equity (excl. investment fund/ money market fund shares)	Investment fund/ money market fund shares	Non-financial assets	Other assets (incl. financial derivatives)
	1	2	3	4	5	6	7
	Outstanding amounts						
2010 Aug.	6,039.7	386.6	2,360.9	1,741.4	807.7	249.9	493.2
Sep.	6,097.5	374.9	2,342.8	1,793.1	823.8	246.3	516.6
Oct.	6,162.1	375.5	2,356.3	1,842.6	835.2	247.7	504.7
Nov.	6,191.1	373.7	2,366.5	1,882.2	844.9	249.0	474.8
Dec.	6,254.4	365.7	2,363.5	1,982.6	863.9	213.8	464.9
2011 Jan.	6,255.2	377.7	2,342.9	1,976.5	861.3	213.2	483.5
Feb. (p)	6,313.4	383.0	2,356.4	2,005.4	866.5	213.7	488.3
	Transactions						
2010 Q2	15.4	21.5	12.6	-35.0	8.0	1.8	6.5
Q3	141.3	-14.0	65.1	15.0	17.7	-0.2	57.8
Q4	6.8	-3.7	45.9	48.9	15.3	-2.8	-96.7

2. Liabilities

	Total	Loans and deposits received	Investment fund shares issued				Other liabilities (incl. financial derivatives)
			Total	Held by euro area residents		Held by non-euro area residents	
					Investment funds		
	1	2	3	4	5	6	7
	Outstanding amounts						
2010 Aug.	6,039.7	128.7	5,466.8	4,305.9	602.0	1,160.9	444.2
Sep.	6,097.5	126.4	5,514.9	4,346.3	624.3	1,168.6	456.1
Oct.	6,162.1	122.2	5,592.4	4,396.9	636.7	1,195.5	447.5
Nov.	6,191.1	119.6	5,640.8	4,396.6	640.3	1,244.2	430.7
Dec.	6,254.4	111.5	5,745.7	4,467.1	657.2	1,278.6	397.2
2011 Jan.	6,255.2	111.9	5,734.7	4,461.8	658.1	1,272.9	408.6
Feb. (p)	6,313.4	113.0	5,788.8	4,502.2	661.8	1,286.6	411.6
	Transactions						
2010 Q2	15.4	8.1	37.6	9.8	-0.3	27.7	-30.3
Q3	141.3	-6.1	80.9	49.7	21.2	31.3	66.5
Q4	6.8	-4.1	79.3	43.4	15.5	35.9	-68.5

3. Investment fund shares issued broken down by investment policy and type of fund

	Total	Funds by investment policy						Funds by type		Memo item: Money market funds
		Bond funds	Equity funds	Mixed funds	Real estate funds	Hedge funds	Other funds	Open-end funds	Closed-end funds	
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2010 July	5,396.6	1,766.4	1,521.3	1,308.1	259.0	104.9	436.8	5,316.2	80.3	1,143.6
Aug.	5,466.8	1,821.5	1,510.5	1,333.1	259.6	105.3	436.8	5,386.4	80.4	1,180.6
Sep.	5,514.9	1,813.2	1,554.7	1,345.5	259.9	101.7	440.0	5,434.6	80.4	1,137.7
Oct.	5,592.4	1,825.1	1,600.9	1,362.4	260.8	102.1	441.1	5,512.4	80.0	1,125.6
Nov.	5,640.8	1,828.6	1,641.2	1,366.6	258.9	106.4	439.1	5,560.4	80.4	1,152.5
Dec.	5,745.7	1,811.9	1,717.3	1,397.1	263.2	108.2	448.0	5,663.5	82.2	1,106.5
2011 Jan.	5,734.7	1,801.4	1,710.5	1,399.8	261.9	107.8	453.3	5,650.4	84.2	1,090.4
Feb. (p)	5,788.8	1,812.7	1,732.5	1,415.3	262.9	108.5	457.0	5,704.5	84.3	1,097.7
	Transactions									
2010 Aug.	32.5	19.4	3.0	10.8	0.0	-1.3	0.7	32.8	-0.3	28.1
Sep.	19.9	12.9	0.7	7.7	0.5	-1.2	-0.8	19.6	0.3	-17.8
Oct.	32.3	12.3	16.5	3.6	0.6	0.1	-0.8	33.1	-0.8	-6.5
Nov.	17.7	5.9	8.7	5.4	0.0	-0.6	-1.8	17.8	-0.2	6.0
Dec.	29.4	-4.8	13.0	13.4	2.7	2.3	2.8	28.1	1.3	-33.9
2011 Jan.	16.6	-0.6	9.1	6.2	0.4	0.2	1.4	16.2	0.5	-9.5
Feb. (p)	18.5	10.2	3.3	4.7	-0.1	0.0	0.4	18.7	-0.2	8.6

Source: ECB.

1) Other than money market funds (which are shown as a memo item in column 10 in Table 3 of this section). For further details, see the General Notes.

2.10 Securities held by investment funds [1] broken down by issuer of securities
(EUR billions; outstanding amounts at end of period; transactions during period)

1. Securities other than shares

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2010 Q1	2,218.3	1,456.6	391.7	704.1	199.0	5.9	155.9	761.7	217.7	291.4	15.4
Q2	2,273.1	1,436.7	379.9	706.7	192.4	6.0	151.6	836.4	229.0	326.0	16.0
Q3	2,342.8	1,469.6	384.7	721.0	193.5	6.4	164.0	873.2	242.4	330.7	16.3
Q4 (p)	2,363.5	1,428.6	375.1	690.6	192.5	6.1	164.3	934.9	246.8	365.3	16.1
					Transactions						
2010 Q2	12.6	-23.0	-11.8	-3.3	-3.5	0.5	-4.9	35.6	7.4	12.8	-1.4
Q3	65.1	16.4	2.9	2.9	2.0	0.0	8.7	48.6	9.7	20.3	0.4
Q4 (p)	45.9	-7.9	-3.1	-8.8	0.3	-0.2	3.9	53.7	6.2	29.6	-2.0

2. Shares and other equity (other than investment fund and money market fund shares)

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2010 Q1	1,819.8	752.8	95.0	-	36.6	28.4	592.9	1,066.9	148.2	329.5	75.5
Q2	1,714.0	671.2	74.0	-	34.0	23.9	539.2	1,042.8	140.8	316.0	78.1
Q3	1,793.1	712.4	79.7	-	37.4	24.2	571.0	1,080.7	153.9	314.5	67.2
Q4 (p)	1,982.6	747.3	76.7	-	39.7	25.1	605.7	1,235.3	171.5	354.3	83.7
					Transactions						
2010 Q2	-35.0	-25.4	-8.0	-	-1.0	-1.3	-15.2	-9.6	-1.9	-6.4	3.5
Q3	15.0	9.7	-0.8	-	2.1	0.3	8.1	5.3	2.0	0.4	-8.5
Q4 (p)	48.9	4.0	4.3	-	1.9	-0.6	-1.6	45.0	5.1	3.3	6.6

3. Investment fund/money market fund shares

	Total	Euro area						Rest of the world			
		Total	MFIs [2]	General government	Other financial intermediaries [2]	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2010 Q1	782.4	661.8	71.2	-	590.6	-	-	120.5	18.3	34.7	0.4
Q2	792.6	662.3	77.0	-	585.2	-	-	130.4	19.3	36.4	0.4
Q3	823.8	701.4	77.0	-	624.3	-	-	122.5	20.7	34.1	0.4
Q4 (p)	863.9	732.6	75.3	-	657.2	-	-	131.3	23.8	38.0	0.6
					Transactions						
2010 Q2	8.0	4.6	4.9	-	-0.3	-	-	3.3	1.0	-0.4	-0.1
Q3	17.7	22.3	1.1	-	21.2	-	-	-4.6	1.0	-0.8	0.0
Q4 (p)	15.3	13.4	-2.1	-	15.5	-	-	1.9	0.5	1.4	0.1

Source: ECB.
1) Other than money market funds. For further details, see the General Notes.
2) Investment fund shares (other than money market fund shares) are issued by other financial intermediaries. Money market fund shares are issued by MFIs.

3 EURO AREA ACCOUNTS

3.1 Integrated economic and financial accounts by institutional sector
(EUR billions)

Uses 2010 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						557
Trade balance [1]						-20
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,218	124	766	62	266	
Other taxes less subsidies on production	35	8	17	5	5	
Consumption of fixed capital	356	98	199	12	48	
Net operating surplus and mixed income [1]	532	272	238	25	-3	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						6
Taxes less subsidies on production						
Property income	659	36	262	300	61	96
Interest	357	33	61	201	61	48
Other property income	303	3	200	99	0	48
Net national income [1]	2,043	1,677	78	34	255	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	304	246	50	8	0	1
Social contributions	461	461				1
Social benefits other than social transfers in kind	481	2	17	34	429	1
Other current transfers	206	80	28	48	50	9
Net non-life insurance premiums	46	33	11	1	1	1
Non-life insurance claims	46			46		1
Other	113	46	16	1	50	7
Net disposable income [1]	2,014	1,468	14	41	492	
Use of income account						
Net disposable income						
Final consumption expenditure	1,916	1,365			551	
Individual consumption expenditure	1,696	1,365			331	
Collective consumption expenditure	220				220	
Adjustment for the change in the net equity of households in pension fund reserves	16	0	1	15	0	0
Net saving/current external account [1]	99	118	13	27	-59	-4
Capital account						
Net saving/current external account						
Gross capital formation	451	141	223	13	74	
Gross fixed capital formation	470	141	242	13	74	
Changes in inventories and acquisitions less disposals of valuables	-18	0	-19	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	1	-2	3	0	0	-1
Capital transfers	73	10	5	7	51	7
Capital taxes	6	6	0	0		0
Other capital transfers	67	4	5	6	51	7
Net lending (+)/net borrowing (-) (from capital account) [1]	7	83	10	33	-119	-7
Statistical discrepancy	0	20	-20	0	0	0

Sources: ECB and Eurostat.
1) For details of the calculation of the balancing items, see the Technical Notes.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)
(EUR billions)

Resources 2010 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						537
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,141	502	1,219	104	316	
Taxes less subsidies on products	246					
Gross domestic product (market prices)[2]	2,387					
Compensation of employees						
Other taxes less subsidies on production						
Consumption of fixed capital						
Net operating surplus and mixed income						
Allocation of primary income account						
Net operating surplus and mixed income	532	272	238	25	-3	
Compensation of employees	1,219	1,219				4
Taxes less subsidies on production	296				296	-15
Property income	656	221	102	308	24	100
Interest	343	54	31	248	10	61
Other property income	312	167	71	60	14	39
Net national income						
Secondary distribution of income account						
Net national income	2,043	1,677	78	34	255	
Current taxes on income, wealth, etc.	305				305	1
Social contributions	461	1	18	51	391	1
Social benefits other than social transfers in kind	479	479				3
Other current transfers	179	99	12	48	20	36
Net non-life insurance premiums	46			46		1
Non-life insurance claims	46	36	9	1	0	1
Other	87	64	3	0	20	34
Net disposable income						
Use of income account						
Net disposable income	2,014	1,468	14	41	492	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	16	16				0
Net saving/current external account						
Capital account						
Net saving/current external account	99	118	13	27	-59	-4
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	356	98	199	12	48	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	77	15	30	13	18	3
Capital taxes	6				6	0
Other capital transfers	71	15	30	13	12	3
Net lending (+)/net borrowing (-) (from capital account)						
Statistical discrepancy						

Sources: ECB and Eurostat.
2) Gross domestic product is equal to the gross value added of all domestic sectors plus net taxes (i.e. taxes less subsidies) on products.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)

(EUR billions)

Assets 2010 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, financial assets								
Total financial assets		18,609	17,015	32,830	14,663	6,712	3,541	16,253
Monetary gold and special drawing rights (SDRs)				386				
Currency and deposits		6,508	1,744	9,438	2,395	851	688	3,841
Short-term debt securities		46	120	617	301	49	32	653
Long-term debt securities		1,442	277	6,369	2,453	2,546	349	3,554
Loans		69	3,266	13,075	3,642	480	482	1,808
of which: Long-term		52	1,747	10,160	2,589	351	404	.
Shares and other equity		4,362	7,533	1,902	5,641	2,353	1,341	5,712
Quoted shares		769	1,454	381	1,897	437	267	.
Unquoted shares and other equity		2,178	5,712	1,194	2,943	423	873	.
Mutual fund shares		1,415	367	327	801	1,493	202	.
Insurance technical reserves		5,669	178	3	0	280	4	199
Other accounts receivable and financial derivatives		514	3,898	1,040	231	153	645	487
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		147	154	-40	55	11	235	63
Monetary gold and SDRs				0				0
Currency and deposits		115	50	-3	5	-18	13	-84
Short-term debt securities		-12	-41	-36	-6	-5	19	-21
Long-term debt securities		-4	57	-148	43	24	149	29
Loans		1	41	177	19	16	39	59
of which: Long-term		1	13	112	-30	2	36	.
Shares and other equity		-7	40	32	6	-4	-3	69
Quoted shares		9	16	19	36	1	-7	.
Unquoted shares and other equity		-1	26	15	-24	5	4	.
Mutual fund shares		-16	-2	-2	-6	-10	0	.
Insurance technical reserves		50	-2	0	0	-2	0	2
Other accounts receivable and financial derivatives		3	10	-62	-12	1	19	9
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		108	128	-258	187	-53	1	61
Monetary gold and SDRs				35				
Currency and deposits		1	1	-216	31	1	0	11
Short-term debt securities		-1	1	0	3	0	0	-2
Long-term debt securities		-65	-12	-46	-42	-81	-5	-101
Loans		0	8	15	5	0	0	37
of which: Long-term		0	5	3	5	0	0	.
Shares and other equity		180	284	-6	204	28	12	132
Quoted shares		33	127	33	149	5	3	.
Unquoted shares and other equity		106	165	-24	21	7	2	.
Mutual fund shares		41	-8	-14	34	16	8	.
Insurance technical reserves		-12	0	0	0	-1	0	4
Other accounts receivable and financial derivatives		6	-153	-40	-12	0	-6	-20
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		18,864	17,298	32,532	14,905	6,670	3,777	16,378
Monetary gold and SDRs				420				
Currency and deposits		6,624	1,794	9,220	2,430	833	700	3,768
Short-term debt securities		33	79	581	298	44	51	630
Long-term debt securities		1,372	322	6,175	2,453	2,489	493	3,483
Loans		71	3,316	13,267	3,665	496	521	1,903
of which: Long-term		52	1,765	10,276	2,565	354	440	.
Shares and other equity		4,535	7,857	1,929	5,851	2,378	1,350	5,913
Quoted shares		811	1,596	433	2,082	443	262	.
Unquoted shares and other equity		2,283	5,904	1,185	2,940	435	879	.
Mutual fund shares		1,441	357	311	828	1,500	209	.
Insurance technical reserves		5,706	175	3	0	277	4	205
Other accounts receivable and financial derivatives		523	3,755	937	207	153	657	475
Net financial worth								

Source: ECB.

3.1 Integrated economic and financial accounts by institutional sector (cont'd)
(EUR billions)

Liabilities 2010 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, liabilities								
Total liabilities		6,588	26,163	32,088	14,129	6,773	8,824	14,673
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			29	22,519	25	0	262	2,629
Short-term debt securities			77	685	80	0	735	241
Long-term debt securities			819	4,614	2,740	38	5,876	2,903
Loans		5,999	8,612		3,329	280	1,499	3,104
of which: Long-term		5,642	6,020		1,821	103	1,289	.
Shares and other equity		7	12,554	2,764	7,736	450	8	5,326
Quoted shares			3,542	487	211	123	0	.
Unquoted shares and other equity		7	9,012	1,139	2,195	326	8	.
Mutual fund shares				1,138	5,331			.
Insurance technical reserves		34	337	62	1	5,897	1	
Other accounts payable and financial derivatives		548	3,735	1,443	219	107	444	470
Net financial worth [1]	-1,195	12,021	-9,148	743	534	-61	-5,283	
Financial account, transactions in liabilities								
Total transactions in liabilities		43	164	-77	45	26	355	70
Monetary gold and SDRs								
Currency and deposits			0	83	1	0	-9	1
Short-term debt securities			-6	-55	-3	0	-31	-6
Long-term debt securities			10	-19	9	1	143	7
Loans		45	15		42	-22	220	52
of which: Long-term		41	10		20	1	70	.
Shares and other equity		0	75	-16	54	1	0	19
Quoted shares			5	17	1	0	0	.
Unquoted shares and other equity		0	70	2	-34	1	0	.
Mutual fund shares				-34	87			.
Insurance technical reserves		0	4	2	0	42	0	
Other accounts payable and financial derivatives		-2	66	-72	-58	5	31	-2
Changes in net financial worth due to transactions [1]	7	103	-10	38	10	-15	-119	-7
Other changes account, liabilities								
Total other changes in liabilities		-4	328	-381	230	36	-222	153
Monetary gold and SDRs								
Currency and deposits			0	-189	0	0	0	17
Short-term debt securities			-1	2	0	0	0	0
Long-term debt securities			-20	-69	-8	1	-221	-36
Loans		5	-2		35	4	1	21
of which: Long-term		5	-1		34	4	1	.
Shares and other equity		0	396	56	164	7	-1	212
Quoted shares			266	-47	7	4	0	.
Unquoted shares and other equity		0	129	100	19	3	-1	.
Mutual fund shares				3	138			.
Insurance technical reserves		0	-3	0	0	-7	0	
Other accounts payable and financial derivatives		-9	-42	-181	39	30	-2	-60
Other changes in net financial worth [1]	126	112	-200	123	-43	-89	223	-91
Closing balance sheet, liabilities								
Total liabilities		6,627	26,655	31,629	14,404	6,835	8,957	14,895
Monetary gold and SDRs								
Currency and deposits			30	22,413	26	0	253	2,647
Short-term debt securities			70	633	76	0	703	235
Long-term debt securities			809	4,526	2,741	41	5,799	2,873
Loans		6,049	8,625		3,406	263	1,720	3,176
of which: Long-term		5,689	6,029		1,875	108	1,360	.
Shares and other equity		7	13,024	2,805	7,954	458	7	5,557
Quoted shares			3,813	457	218	127	0	.
Unquoted shares and other equity		7	9,211	1,241	2,180	330	7	.
Mutual fund shares				1,107	5,556			.
Insurance technical reserves		34	338	64	1	5,932	1	
Other accounts payable and financial derivatives		537	3,759	1,190	200	142	473	407
Net financial worth [1]	-1,062	12,237	-9,358	903	501	-166	-5,180	

Source: ECB.

3.2 Euro area non-financial accounts
(EUR billions; four-quarter cumulated flows)

Uses	2006	2007	2008	2009 Q1-2009 Q4	2009 Q2-2010 Q1	2009 Q3-2010 Q2	2009 Q4-2010 Q3	2010 Q1-2010 Q4
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,075	4,261	4,440	4,424	4,428	4,445	4,460	4,483
Other taxes less subsidies on production	127	136	132	113	109	109	113	115
Consumption of fixed capital	1,253	1,320	1,383	1,399	1,399	1,403	1,409	1,416
Net operating surplus and mixed income [1]	2,191	2,344	2,327	2,124	2,144	2,177	2,196	2,218
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	3,034	3,636	3,882	2,941	2,811	2,748	2,744	2,779
Interest	1,657	2,085	2,325	1,603	1,485	1,424	1,404	1,406
Other property income	1,377	1,551	1,557	1,338	1,326	1,324	1,340	1,373
Net national income [1]	7,329	7,727	7,784	7,527	7,566	7,625	7,685	7,744
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,028	1,113	1,122	1,013	1,013	1,021	1,027	1,037
Social contributions	1,542	1,598	1,668	1,673	1,678	1,684	1,691	1,703
Social benefits other than social transfers in kind	1,555	1,602	1,672	1,786	1,805	1,816	1,824	1,833
Other current transfers	723	753	787	786	790	788	791	785
Net non-life insurance premiums	180	184	188	183	183	181	180	180
Non-life insurance claims	180	184	189	183	183	181	181	180
Other	363	385	410	419	424	425	429	425
Net disposable income [1]	7,237	7,633	7,679	7,418	7,452	7,511	7,567	7,628
Use of income account								
Net disposable income								
Final consumption expenditure	6,646	6,910	7,167	7,178	7,213	7,253	7,301	7,348
Individual consumption expenditure	5,956	6,197	6,419	6,395	6,428	6,466	6,513	6,559
Collective consumption expenditure	689	712	748	783	785	787	788	788
Adjustment for the change in the net equity of households in pension fund reserves	64	65	71	66	65	63	62	61
Net saving [1]	592	724	513	240	239	258	266	280
Capital account								
Net saving								
Gross capital formation	1,879	2,033	2,045	1,712	1,691	1,727	1,752	1,777
Gross fixed capital formation	1,857	1,991	2,018	1,782	1,759	1,765	1,774	1,787
Changes in inventories and acquisitions less disposals of valuables	22	42	27	-70	-68	-38	-22	-10
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	0	-1	0	1	2	1	1	1
Capital transfers	170	153	152	185	194	188	201	211
Capital taxes	23	24	24	34	34	30	30	25
Other capital transfers	148	128	128	151	159	158	172	186
Net lending (+)/net borrowing (-) (from capital account) [1]	-20	27	-140	-66	-44	-59	-70	-71

Sources: ECB and Eurostat.
1) For details of the calculation of the balancing items, see the Technical Notes.

3.2 Euro area non-financial accounts (cont'd)

(EUR billions; four-quarter cumulated flows)

Resources	2006	2007	2008	2009 Q1-2009 Q4	2009 Q2-2010 Q1	2009 Q3-2010 Q2	2009 Q4-2010 Q3	2010 Q1-2010 Q4
Generation of income account								
Gross value added (basic prices)	7,647	8,061	8,282	8,060	8,080	8,132	8,178	8,232
Taxes less subsidies on products	915	961	947	892	894	910	930	938
Gross domestic product (market prices)[2]	8,562	9,022	9,228	8,952	8,975	9,042	9,107	9,170
Compensation of employees								
Other taxes less subsidies on production								
Consumption of fixed capital								
Net operating surplus and mixed income								
Allocation of primary income account								
Net operating surplus and mixed income	2,191	2,344	2,327	2,124	2,144	2,177	2,196	2,218
Compensation of employees	4,083	4,269	4,446	4,430	4,434	4,451	4,467	4,489
Taxes less subsidies on production	1,055	1,105	1,085	1,022	1,021	1,035	1,058	1,068
Property income	3,035	3,646	3,808	2,892	2,777	2,710	2,710	2,747
Interest	1,628	2,048	2,264	1,544	1,431	1,375	1,355	1,354
Other property income	1,407	1,598	1,544	1,348	1,346	1,335	1,355	1,393
Net national income								
Secondary distribution of income account								
Net national income	7,329	7,727	7,784	7,527	7,566	7,625	7,685	7,744
Current taxes on income, wealth, etc.	1,033	1,120	1,130	1,019	1,018	1,025	1,032	1,041
Social contributions	1,541	1,597	1,668	1,673	1,678	1,684	1,691	1,703
Social benefits other than social transfers in kind	1,547	1,593	1,664	1,779	1,798	1,808	1,816	1,825
Other current transfers	634	662	683	679	679	678	676	672
Net non-life insurance premiums	180	184	189	183	183	181	181	180
Non-life insurance claims	177	182	186	180	180	178	177	176
Other	278	296	308	316	317	318	318	316
Net disposable income								
Use of income account								
Net disposable income	7,237	7,633	7,679	7,418	7,452	7,511	7,567	7,628
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	64	65	71	66	65	63	62	62
Net saving								
Capital account								
Net saving	592	724	513	240	239	258	266	280
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,253	1,320	1,383	1,399	1,399	1,403	1,409	1,416
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	185	168	162	194	204	197	210	222
Capital taxes	23	24	24	34	34	30	30	25
Other capital transfers	162	143	138	160	169	167	181	197
Net lending (+)/net borrowing (-) (from capital account)								

Sources: ECB and Eurostat.

2) Gross domestic product is equal to the gross value added of all domestic sectors plus net taxes (i.e. taxes less subsidies) on products.

3.3 Households

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2006	2007	2008	2009 Q1-2009 Q4	2009 Q2-2010 Q1	2009 Q3-2010 Q2	2009 Q4-2010 Q3	2010 Q1-2010 Q4
Income, saving and changes in net worth								
Compensation of employees (+)	4,083	4,269	4,446	4,430	4,434	4,451	4,467	4,489
Gross operating surplus and mixed income (+)	1,421	1,492	1,536	1,485	1,484	1,487	1,493	1,500
Interest receivable (+)	264	313	347	241	223	215	212	212
Interest payable (-)	167	217	245	146	135	129	127	127
Other property income receivable (+)	748	807	818	735	732	715	725	732
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	794	853	892	861	859	860	864	868
Net social contributions (-)	1,537	1,594	1,663	1,669	1,673	1,679	1,686	1,698
Net social benefits (+)	1,542	1,587	1,658	1,773	1,791	1,802	1,809	1,818
Net current transfers receivable (+)	67	71	72	80	81	81	80	78
= Gross disposable income	5,617	5,866	6,066	6,058	6,068	6,071	6,099	6,127
Final consumption expenditure (-)	4,909	5,104	5,271	5,195	5,221	5,251	5,293	5,336
Changes in net worth in pension funds (+)	64	64	70	66	65	63	62	61
= Gross saving	772	826	866	928	911	883	869	853
Consumption of fixed capital (-)	342	365	381	383	383	385	387	389
Net capital transfers receivable (+)	19	13	2	14	11	9	9	14
Other changes in net worth (+)	2,612	1,416	-2,294	-251	793	853	950	1,027
= Changes in net worth	3,061	1,891	-1,807	309	1,332	1,361	1,441	1,505
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	608	645	637	551	541	543	546	550
Consumption of fixed capital (-)	342	365	381	383	383	385	387	389
Main items of financial investment (+)								
Short-term assets	318	420	452	-17	-97	-83	-33	53
Currency and deposits	285	350	438	120	64	63	89	119
Money market fund shares	1	39	-10	-48	-84	-84	-95	-54
Debt securities [1]	32	31	24	-90	-77	-62	-27	-12
Long-term assets	296	119	31	534	609	564	456	365
Deposits	1	-31	-28	90	118	110	87	60
Debt securities	17	21	30	48	26	36	-7	-11
Shares and other equity	8	-79	-101	169	211	170	131	84
Quoted and unquoted shares and other equity	0	2	23	110	120	99	60	60
Mutual fund shares	8	-82	-124	59	92	71	71	24
Life insurance and pension fund reserves	269	209	130	227	254	247	244	232
Main items of financing (-)								
Loans	404	373	212	114	128	136	140	137
of which: From euro area MFIs	350	283	82	65	108	136	135	148
Other changes in assets (+)								
Non-financial assets	2,061	1,426	-898	-758	-111	434	777	842
Financial assets	555	17	-1,469	480	885	430	200	210
Shares and other equity	458	9	-1,245	234	510	169	50	184
Life insurance and pension fund reserves	66	8	-244	177	266	172	114	70
Remaining net flows (+)	-30	2	34	15	17	-5	22	10
= Changes in net worth	3,061	1,891	-1,807	309	1,332	1,361	1,441	1,505
Balance sheet								
Non-financial assets (+)	25,652	27,358	26,716	26,127	26,164	26,625	26,989	27,130
Financial assets (+)								
Short-term assets	4,809	5,264	5,800	5,768	5,725	5,767	5,753	5,828
Currency and deposits	4,462	4,852	5,322	5,475	5,447	5,507	5,499	5,598
Money market fund shares	255	293	324	244	233	216	201	190
Debt securities [1]	91	120	154	50	45	44	52	39
Long-term assets	11,926	12,026	10,521	11,549	11,817	11,702	11,942	12,114
Deposits	1,018	953	894	964	991	1,002	1,009	1,025
Debt securities	1,242	1,260	1,314	1,433	1,447	1,444	1,435	1,367
Shares and other equity	5,097	5,028	3,641	4,078	4,174	4,018	4,161	4,345
Quoted and unquoted shares and other equity	3,622	3,680	2,663	2,929	2,984	2,853	2,947	3,094
Mutual fund shares	1,475	1,348	979	1,149	1,190	1,166	1,214	1,251
Life insurance and pension fund reserves	4,569	4,786	4,672	5,075	5,205	5,238	5,337	5,377
Remaining net assets (+)	309	303	315	318	296	310	325	344
Liabilities (-)								
Loans	5,228	5,591	5,799	5,900	5,907	5,972	5,999	6,049
of which: From euro area MFIs	4,560	4,831	4,906	4,961	4,979	5,132	5,151	5,206
= Net worth	37,470	39,360	37,553	37,862	38,095	38,432	39,010	39,367

Sources: ECB and Eurostat.

1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

3.4 Non-financial corporations

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2006	2007	2008	2009 Q1-2009 Q4	2009 Q2-2010 Q1	2009 Q3-2010 Q2	2009 Q4-2010 Q3	2010 Q1-2010 Q4
Income and saving								
Gross value added (basic prices) (+)	4,375	4,647	4,762	4,525	4,537	4,578	4,613	4,658
Compensation of employees (-)	2,589	2,719	2,840	2,787	2,785	2,796	2,808	2,828
Other taxes less subsidies on production (-)	74	80	76	62	58	56	60	60
= Gross operating surplus (+)	1,712	1,848	1,846	1,676	1,695	1,726	1,746	1,770
Consumption of fixed capital (-)	706	740	777	787	786	786	789	792
= Net operating surplus (+)	1,006	1,108	1,069	888	909	940	957	978
Property income receivable (+)	504	596	587	482	477	484	485	495
Interest receivable	172	204	218	147	136	130	127	125
Other property income receivable	332	393	369	334	340	354	358	370
Interest and rents payable (-)	288	354	404	287	268	257	252	253
= Net entrepreneurial income (+)	1,222	1,351	1,253	1,083	1,118	1,167	1,190	1,221
Distributed income (-)	926	988	1,012	908	899	903	913	938
Taxes on income and wealth payable (-)	190	211	197	125	126	134	136	142
Social contributions receivable (+)	75	64	67	69	69	69	69	70
Social benefits payable (-)	61	62	65	67	67	68	68	68
Other net transfers (-)	65	57	61	62	63	64	64	64
= Net saving	54	96	-16	-11	33	68	79	79
Investment, financing and saving								
Net acquisition of non-financial assets (+)	307	376	340	77	71	115	137	160
Gross fixed capital formation (+)	989	1,076	1,094	936	927	939	948	963
Consumption of fixed capital (-)	706	740	777	787	786	786	789	792
Net acquisition of other non-financial assets (+)	24	40	22	-72	-69	-38	-23	-11
Main items of financial investment (+)								
Short-term assets	165	162	62	49	76	33	30	-8
Currency and deposits	146	154	15	90	98	58	49	66
Money market fund shares	2	-19	30	38	4	-21	-27	-32
Debt securities [1]	18	27	17	-79	-27	-4	8	-42
Long-term assets	485	743	660	312	264	346	434	538
Deposits	23	-26	26	0	-10	-9	-7	-12
Debt securities	2	8	-45	11	-13	40	50	85
Shares and other equity	307	458	337	117	99	69	110	189
Other (mainly intercompany loans)	153	303	341	183	188	246	281	277
Remaining net assets (+)	74	158	-15	40	126	38	19	-54
Main items of financing (-)								
Debt	658	882	708	165	181	178	255	241
of which: Loans from euro area MFIs	444	538	393	-116	-98	-90	-33	-15
of which: Debt securities	36	33	52	84	103	83	69	63
Shares and other equity	246	392	278	240	241	204	207	239
Quoted shares	32	55	6	67	67	47	37	31
Unquoted shares and other equity	214	338	271	173	173	157	169	208
Net capital transfers receivable (-)	72	69	74	81	80	80	79	75
= Net saving	54	96	-16	-11	33	68	79	79
Financial balance sheet								
Financial assets								
Short-term assets	1,665	1,815	1,893	1,971	1,941	1,932	1,946	1,964
Currency and deposits	1,367	1,507	1,537	1,634	1,604	1,610	1,625	1,695
Money market fund shares	183	159	185	206	198	181	181	175
Debt securities [1]	116	150	171	131	140	142	140	94
Long-term assets	9,995	10,941	9,308	10,369	10,698	10,624	10,993	11,403
Deposits	102	105	127	109	111	116	118	99
Debt securities	280	288	251	220	232	259	257	307
Shares and other equity	7,479	8,096	6,126	7,033	7,249	7,026	7,351	7,681
Other (mainly intercompany loans)	2,134	2,451	2,803	3,008	3,105	3,224	3,266	3,316
Remaining net assets	262	306	342	339	382	358	370	202
Liabilities								
Debt	7,849	8,708	9,441	9,627	9,715	9,801	9,845	9,843
of which: Loans from euro area MFIs	3,947	4,472	4,864	4,700	4,705	4,723	4,703	4,684
of which: Debt securities	644	654	710	821	871	880	896	879
Shares and other equity	13,156	14,336	10,791	12,215	12,445	11,910	12,554	13,024
Quoted shares	4,554	5,056	2,933	3,515	3,590	3,316	3,542	3,813
Unquoted shares and other equity	8,601	9,281	7,858	8,700	8,855	8,595	9,012	9,211

Sources: ECB and Eurostat.
1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

3.5 Insurance corporations and pension funds

(EUR billions; four-quarter cumulated flows; outstanding amounts at end of period)

	2006	2007	2008	2009 Q1-2009 Q4	2009 Q2-2010 Q1	2009 Q3-2010 Q2	2009 Q4-2010 Q3	2010 Q1-2010 Q4
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	22	30	91	-39	-46	-10	12	-15
Currency and deposits	12	7	57	-33	-21	2	6	-10
Money market fund shares	3	2	20	9	1	12	11	-6
Debt securities [1]	7	22	14	-15	-26	-24	-6	0
Long-term assets	325	198	93	287	314	271	251	221
Deposits	62	46	-10	19	1	-6	-6	-9
Debt securities	156	87	43	91	105	137	152	149
Loans	1	-14	38	14	15	15	15	29
Quoted shares	-7	0	3	-68	-75	-73	3	0
Unquoted shares and other equity	19	17	17	-2	2	4	3	5
Mutual fund shares	95	63	2	234	266	195	84	45
Remaining net assets (+)	15	4	27	8	24	13	14	9
Main items of financing (-)								
Debt securities	5	4	6	5	3	4	1	0
Loans	50	-2	24	-26	-17	-9	11	7
Shares and other equity	9	3	6	3	2	3	3	3
Insurance technical reserves	297	259	112	252	292	282	274	249
Net equity of households in life insurance and pension fund reserves	277	214	121	240	273	266	260	233
Prepayments of insurance premiums and reserves for outstanding claims	21	45	-9	12	19	16	14	16
= Changes in net financial worth due to transactions	0	-32	63	23	12	-5	-13	-44
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	166	19	-544	197	315	151	92	86
Other net assets	-6	-25	51	40	89	112	102	-5
Other changes in liabilities (-)								
Shares and other equity	25	-4	-170	15	75	31	-6	2
Insurance technical reserves	123	17	-249	183	267	177	118	81
Net equity of households in life insurance and pension fund reserves	64	17	-250	184	269	177	120	84
Prepayments of insurance premiums and reserves for outstanding claims	59	1	1	0	-3	-1	-2	-3
= Other changes in net financial worth	12	-19	-74	39	62	55	82	-2
Financial balance sheet								
Financial assets (+)								
Short-term assets	296	322	416	372	383	397	394	365
Currency and deposits	157	163	224	195	196	206	203	190
Money market fund shares	80	80	98	99	103	108	107	94
Debt securities [1]	59	79	94	78	84	82	84	81
Long-term assets	5,279	5,482	5,034	5,586	5,775	5,764	5,885	5,875
Deposits	598	646	634	651	650	645	648	643
Debt securities	2,054	2,123	2,170	2,321	2,406	2,443	2,511	2,452
Loans	430	416	451	466	474	479	480	496
Quoted shares	709	698	411	424	441	414	437	443
Unquoted shares and other equity	403	444	412	424	426	427	423	435
Mutual fund shares	1,085	1,156	955	1,299	1,378	1,356	1,386	1,406
Remaining net assets (+)	210	204	280	269	291	307	325	288
Liabilities (-)								
Debt securities	20	23	31	39	40	40	39	41
Loans	256	252	278	251	262	268	280	263
Shares and other equity	600	599	435	453	471	444	450	458
Insurance technical reserves	5,028	5,305	5,168	5,602	5,755	5,798	5,897	5,932
Net equity of households in life insurance and pension fund reserves	4,252	4,482	4,353	4,777	4,912	4,951	5,053	5,093
Prepayments of insurance premiums and reserves for outstanding claims	777	822	814	826	843	847	844	839
= Net financial wealth	-119	-170	-181	-119	-79	-83	-61	-166

Source: ECB.
1) Securities issued by MFIs with a maturity of less than two years and securities issued by other sectors with a maturity of less than one year.

FINANCIAL MARKETS

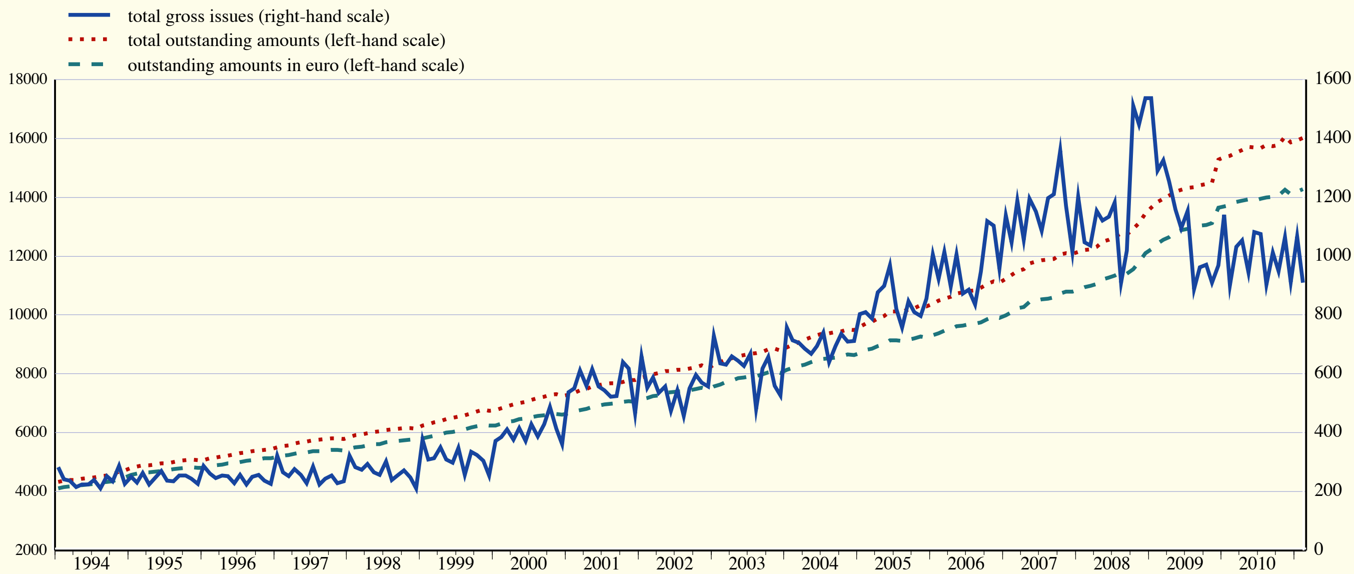
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(EUR billions and period growth rates; seasonally adjusted; transactions during the month and end-of-period outstanding amounts; nominal values)

	Total in euro [1]			By euro area residents								
				In euro			In all currencies					
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Seasonally adjusted [2]	
											Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
						Total						
2010 Feb.	15,975.4	860.1	38.1	13,729.6	811.1	39.8	15,414.8	900.4	37.1	5.9	-9.8	3.1
Mar.	16,119.7	1,027.9	143.4	13,832.0	923.6	101.4	15,529.7	1,031.3	109.6	5.5	94.6	2.7
Apr.	16,163.0	1,003.9	45.6	13,883.5	947.9	53.5	15,613.1	1,054.4	77.1	5.2	50.1	3.1
May	16,170.5	867.5	9.1	13,920.5	839.6	38.5	15,722.0	944.1	58.6	4.3	-6.2	2.5
June	16,155.3	1,049.7	7.8	13,895.9	984.3	-1.4	15,702.9	1,081.6	-12.5	3.7	7.7	2.6
July	16,176.7	1,008.6	22.4	13,943.4	969.9	48.5	15,677.2	1,075.6	15.5	3.3	48.1	2.4
Aug.	16,241.6	840.9	65.1	14,005.5	800.6	62.4	15,783.4	902.8	82.2	3.7	143.6	4.4
Sep.	16,260.8	984.8	19.6	14,023.6	908.2	18.5	15,737.6	1,013.0	4.9	3.1	48.1	3.8
Oct.	16,268.6	887.8	10.5	14,061.4	843.0	40.4	15,775.8	949.5	52.6	3.2	24.6	3.4
Nov.	16,444.9	991.1	177.5	14,256.8	952.2	196.5	16,056.2	1,065.1	235.4	4.3	208.1	6.2
Dec.	16,279.7	873.1	-165.6	14,108.9	840.4	-148.3	15,863.1	912.4	-187.0	3.5	-137.2	4.3
2011 Jan.	.	.	.	14,186.1	953.1	76.4	15,938.3	1,067.6	93.7	3.7	102.5	5.0
Feb.	.	.	.	14,280.4	807.8	95.1	16,030.4	909.7	97.7	4.1	49.4	3.8
						Long-term						
2010 Feb.	14,443.8	212.2	56.8	12,309.3	193.7	63.4	13,785.4	211.7	62.1	7.5	13.3	4.8
Mar.	14,577.3	310.4	132.7	12,417.8	250.1	107.7	13,902.6	281.5	113.5	7.2	108.5	4.8
Apr.	14,623.6	246.8	47.3	12,464.9	223.5	47.8	13,978.3	255.3	68.4	7.1	54.5	4.6
May	14,634.8	154.4	11.7	12,498.1	148.4	33.6	14,085.2	181.7	59.5	6.0	-4.9	3.6
June	14,639.3	273.0	29.0	12,503.3	245.7	29.9	14,098.9	265.6	23.5	5.1	5.6	4.2
July	14,673.0	260.6	34.9	12,538.9	241.2	36.8	14,076.5	268.6	14.9	4.8	57.7	3.4
Aug.	14,704.4	140.8	32.1	12,570.1	127.4	32.0	14,142.2	152.8	43.7	4.7	104.6	4.8
Sep.	14,708.7	268.3	4.6	12,584.3	228.1	14.5	14,099.6	258.5	4.7	4.2	37.3	3.7
Oct.	14,746.2	222.2	37.7	12,633.8	195.5	49.6	14,155.2	232.7	65.6	4.1	58.7	3.7
Nov.	14,887.9	335.8	142.8	12,790.5	319.3	157.7	14,384.8	357.8	188.8	4.8	157.3	6.1
Dec.	14,849.1	185.6	-38.1	12,769.5	178.5	-20.3	14,331.5	192.4	-47.8	4.8	-45.5	5.4
2011 Jan.	.	.	.	12,823.5	278.9	55.4	14,382.3	320.9	70.8	4.9	125.5	6.3
Feb.	.	.	.	12,922.1	252.8	98.8	14,473.1	284.7	95.0	5.1	42.7	5.4

C15 Total outstanding amounts and gross issues of securities other than shares issued by euro area residents

(EUR billions)



Sources: ECB and BIS (for issues by non-euro area residents).

1) Total euro-denominated securities other than shares issued by euro area residents and non-euro area residents.

2) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

4.2 Securities other than shares issued by euro area residents, by sector of the issuer and instrument type

(EUR billions ; transactions during the month and end-of-period outstanding amounts; nominal values)

1. Outstanding amounts and gross issues

	Outstanding amounts						Gross issues [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2009	15,277	5,376	3,213	805	5,508	374	1,126	734	62	86	221	22
2010	15,863	5,255	3,276	855	6,022	454	1,006	625	77	71	208	25
2010 Q1	15,530	5,469	3,173	844	5,654	389	1,024	642	61	74	227	20
Q2	15,703	5,454	3,211	849	5,770	418	1,027	661	62	80	198	26
Q3	15,738	5,427	3,203	849	5,822	437	997	631	75	67	197	27
Q4	15,863	5,255	3,276	855	6,022	454	976	566	109	64	208	29
2010 Nov.	16,056	5,299	3,304	865	6,142	447	1,065	552	152	66	270	25
Dec.	15,863	5,255	3,276	855	6,022	454	912	586	100	56	137	32
2011 Jan.	15,938	5,303	3,292	829	6,074	440	1,068	629	81	64	255	39
Feb.	16,030	5,361	3,282	833	6,013	542	910	558	72	51	194	35
	Short-term											
2009	1,638	733	88	72	724	21	876	635	19	69	137	15
2010	1,532	572	116	67	732	45	758	534	31	60	117	17
2010 Q1	1,627	747	80	77	706	17	754	536	28	61	120	10
Q2	1,604	734	95	73	681	21	793	570	31	67	110	16
Q3	1,638	743	94	72	692	37	770	545	29	58	118	20
Q4	1,532	572	116	67	732	45	715	484	37	53	119	22
2010 Nov.	1,671	611	102	73	845	40	707	476	33	53	129	16
Dec.	1,532	572	116	67	732	45	720	504	41	52	97	27
2011 Jan.	1,556	593	118	71	739	35	747	496	29	54	136	32
Feb.	1,557	615	106	72	725	41	625	427	26	46	105	21
	Long-term [2]											
2009	13,639	4,643	3,125	733	4,784	353	251	99	44	17	84	7
2010	14,331	4,683	3,160	789	5,291	409	248	91	46	12	91	9
2010 Q1	13,903	4,722	3,093	767	4,948	372	270	106	33	13	107	10
Q2	14,099	4,720	3,116	775	5,089	398	234	91	31	13	89	10
Q3	14,100	4,684	3,110	776	5,130	400	227	86	46	9	79	6
Q4	14,331	4,683	3,160	789	5,291	409	261	82	73	11	89	7
2010 Nov.	14,385	4,688	3,201	792	5,297	407	358	76	119	13	141	9
Dec.	14,331	4,683	3,160	789	5,291	409	192	82	59	5	41	5
2011 Jan.	14,382	4,710	3,174	759	5,336	405	321	133	52	10	120	6
Feb.	14,473	4,746	3,176	761	5,288	501	285	131	46	5	88	14
	of which: Long-term fixed rate											
2009	8,829	2,586	1,034	599	4,338	271	173	60	18	16	74	4
2010	9,501	2,659	1,101	673	4,777	292	156	50	13	10	78	5
2010 Q1	9,097	2,658	1,053	627	4,482	278	186	61	10	12	95	7
Q2	9,312	2,663	1,083	655	4,625	286	156	47	12	11	81	5
Q3	9,335	2,649	1,070	659	4,670	286	141	48	12	8	70	4
Q4	9,501	2,659	1,101	673	4,777	292	142	42	20	10	65	5
2010 Nov.	9,524	2,679	1,107	674	4,773	290	182	49	20	12	96	6
Dec.	9,501	2,659	1,101	673	4,777	292	94	30	21	4	35	3
2011 Jan.	9,529	2,685	1,102	655	4,798	289	196	84	6	9	95	3
Feb.	9,612	2,723	1,101	658	4,751	379	190	80	16	5	79	10
	of which: Long-term variable rate											
2009	4,372	1,770	2,024	123	374	81	62	28	25	1	6	2
2010	4,359	1,746	1,955	108	435	116	77	34	29	1	10	4
2010 Q1	4,341	1,775	1,961	130	382	93	70	38	20	1	7	3
Q2	4,320	1,768	1,948	110	383	110	65	37	17	1	5	6
Q3	4,322	1,755	1,961	109	386	112	73	29	33	1	6	3
Q4	4,359	1,746	1,955	108	435	116	102	33	44	1	22	2
2010 Nov.	4,406	1,730	2,006	110	445	115	159	21	92	1	43	3
Dec.	4,359	1,746	1,955	108	435	116	72	46	18	0	6	2
2011 Jan.	4,366	1,744	1,960	96	451	114	99	38	40	1	18	3
Feb.	4,363	1,736	1,962	96	448	121	75	40	24	0	7	3

Source: ECB.

1) Monthly data on gross issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

2) The residual difference between total long-term debt securities and fixed and variable rate long-term debt securities consists of zero coupon bonds and revaluation effects.

4.2 Securities other than shares issued by euro area residents, by sector of the issuer and instrument type

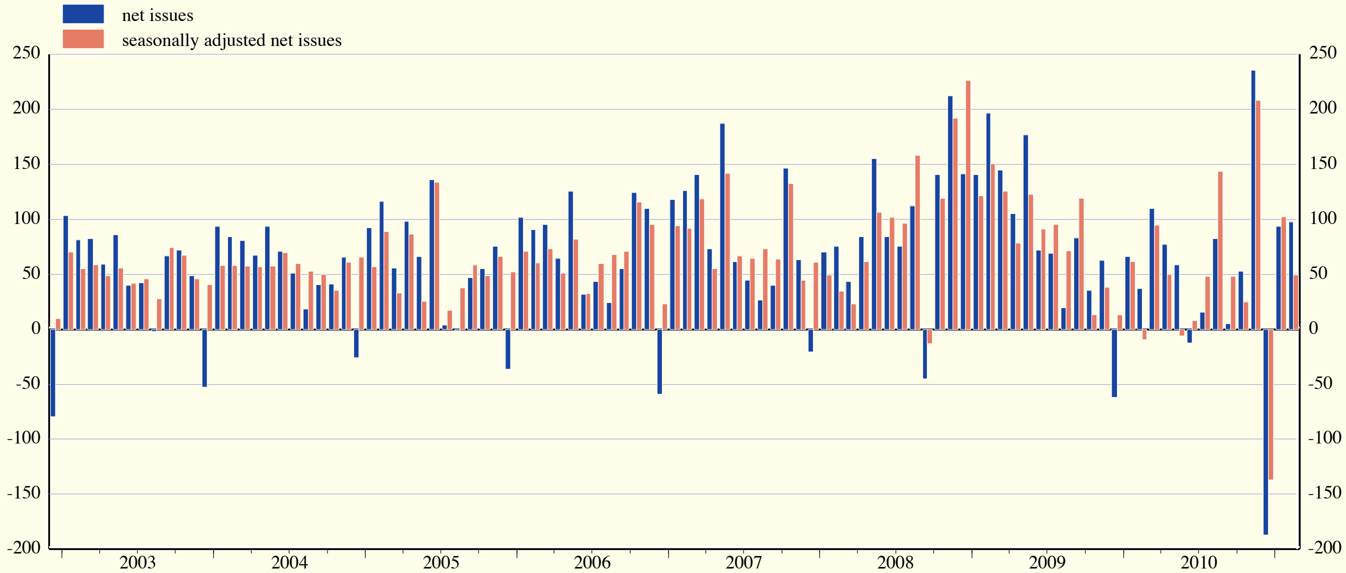
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

2. Net issues

	Non-seasonally adjusted [1]						Seasonally adjusted [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2009	87.0	10.2	19.2	8.5	46.2	2.8	86.7	10.1	18.8	8.2	46.7	2.9
2010	45.0	-1.1	4.4	5.1	31.4	5.1	44.5	-1.3	4.3	5.1	31.6	4.7
2010 Q1	71.0	25.7	-15.7	11.5	46.4	3.1	48.8	7.4	2.0	10.4	24.6	4.5
Q2	41.0	-12.5	8.1	5.0	34.9	5.6	17.2	-15.0	2.7	0.7	23.0	5.7
Q3	34.2	2.7	1.8	2.8	20.5	6.4	79.9	12.1	25.5	5.1	29.5	7.7
Q4	33.7	-20.1	23.2	1.2	24.0	5.4	31.8	-9.8	-12.9	4.1	49.4	1.1
2010 Nov.	235.4	10.8	75.3	4.2	140.3	4.9	208.1	9.2	68.3	4.0	123.6	3.0
Dec.	-187.0	-44.4	-23.9	-8.2	-117.1	6.8	-137.2	-1.1	-97.9	0.8	-37.2	-1.7
2011 Jan.	93.7	58.1	-8.8	4.1	54.2	-13.8	102.5	49.1	23.4	1.1	32.3	-3.4
Feb.	97.7	61.4	-9.4	4.0	43.5	-1.8	49.4	33.6	1.5	2.4	13.3	-1.4
	Long-term											
2009	87.6	15.0	22.3	12.6	34.5	3.2	87.5	15.1	22.0	12.7	34.6	3.2
2010	54.2	2.0	2.1	5.5	41.4	3.1	54.3	2.0	2.0	5.6	41.6	3.1
2010 Q1	76.4	22.4	-13.0	10.0	52.8	4.3	75.6	12.6	5.2	10.7	43.0	4.2
Q2	50.4	-7.5	3.4	6.1	43.9	4.6	18.4	-17.4	-1.6	2.1	30.8	4.4
Q3	21.1	-1.4	2.1	3.1	16.3	0.9	66.5	6.3	24.3	5.0	28.6	2.3
Q4	68.8	-5.5	15.8	3.0	52.7	2.8	56.8	6.5	-19.7	4.5	63.9	1.6
2010 Nov.	188.8	-6.2	74.3	4.0	113.9	2.8	157.3	-5.4	65.8	3.5	92.2	1.2
Dec.	-47.8	-5.4	-37.7	-1.9	-4.9	2.1	-45.5	28.8	-113.2	1.7	35.1	2.0
2011 Jan.	70.8	38.5	-9.3	-1.8	47.4	-3.9	125.5	45.9	25.6	-0.7	58.3	-3.6
Feb.	95.0	39.0	3.3	2.9	45.1	4.7	42.7	13.3	11.3	1.9	10.1	6.0

C16 Net issues of securities other than shares: seasonally adjusted and non-seasonally adjusted

(EUR billions; transactions during the month; nominal values)

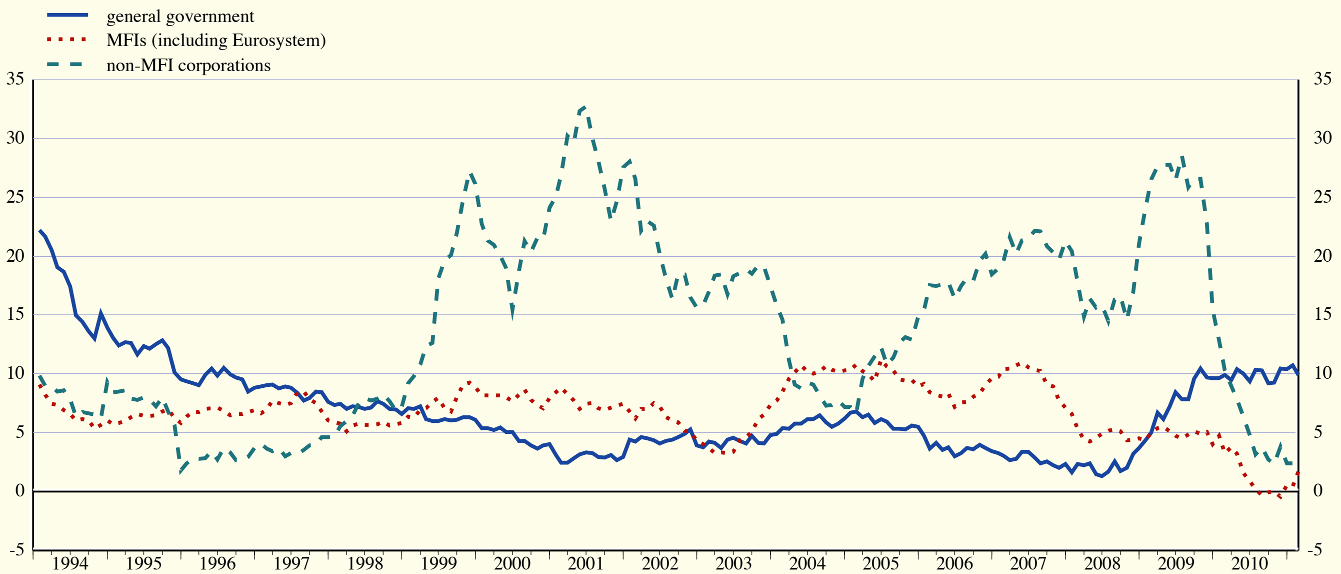


Source: ECB.
1) Monthly data on net issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

4.3 Growth rates of securities other than shares issued by euro area residents [1)]
(percentage changes)

	Annual growth rates (non-seasonally adjusted)						6-month seasonally adjusted growth rates					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2010 Feb.	5.9	0.7	6.2	15.0	9.7	11.0	3.1	-1.3	-1.9	15.4	8.1	11.6
Mar.	5.5	1.5	4.6	16.1	8.5	11.8	2.7	-0.4	-3.2	13.1	6.9	12.4
Apr.	5.2	1.3	3.6	16.1	8.4	11.2	3.1	2.2	-3.0	13.2	5.3	12.9
May	4.3	-0.2	2.9	14.9	8.0	10.4	2.5	0.1	-2.0	12.5	5.4	11.3
June	3.7	-0.4	1.8	12.3	7.2	13.7	2.6	-0.8	0.9	8.3	5.2	16.7
July	3.3	-0.9	0.6	10.1	7.4	15.2	2.4	-2.4	0.7	8.1	6.0	22.4
Aug.	3.7	-0.3	1.7	10.2	7.2	15.4	4.4	0.6	5.4	5.4	6.4	19.9
Sep.	3.1	-0.3	1.0	8.6	6.2	16.6	3.8	-0.3	5.4	4.2	5.6	21.1
Oct.	3.2	0.1	0.6	8.4	6.2	16.0	3.4	-2.0	4.3	3.9	7.1	19.0
Nov.	4.3	0.1	2.7	8.4	7.9	16.4	6.2	0.1	7.8	4.4	10.4	21.7
Dec.	3.5	-0.2	1.6	7.6	6.8	15.9	4.3	0.2	2.4	6.8	8.3	13.0
2011 Jan.	3.7	0.1	1.8	7.3	7.1	14.0	5.0	2.6	2.8	6.5	8.2	6.6
Feb.	4.1	1.6	2.3	5.6	6.7	11.6	3.8	2.7	-0.6	5.7	6.9	4.1
	Long-term											
2010 Feb.	7.5	3.3	7.1	22.4	9.7	12.5	4.8	0.3	-1.6	19.3	10.7	11.9
Mar.	7.2	3.8	5.5	22.6	9.2	12.8	4.8	1.3	-3.0	17.0	10.6	13.8
Apr.	7.1	3.2	4.4	21.5	10.4	11.1	4.6	1.7	-2.6	15.7	9.7	12.7
May	6.0	1.6	3.3	18.5	10.1	9.0	3.6	-0.8	-2.0	12.6	9.9	9.9
June	5.1	0.9	2.0	15.9	9.1	12.9	4.2	-0.6	0.7	10.7	9.4	14.7
July	4.8	0.2	0.7	12.7	10.2	12.1	3.4	-3.0	0.8	9.0	10.1	13.1
Aug.	4.7	-0.3	1.4	13.0	10.2	11.8	4.8	-1.0	4.6	7.0	9.7	11.7
Sep.	4.2	0.0	0.7	11.2	8.9	12.3	3.7	-1.4	4.4	5.7	7.3	10.8
Oct.	4.1	0.0	0.4	10.5	9.1	11.4	3.7	-1.7	3.4	5.6	8.5	10.0
Nov.	4.8	-0.4	2.4	9.7	10.4	11.3	6.1	-0.1	7.2	6.9	10.8	12.9
Dec.	4.8	0.5	0.8	9.1	10.4	10.3	5.4	1.7	0.9	7.6	11.3	6.1
2011 Jan.	4.9	0.4	1.0	8.3	10.9	8.6	6.3	4.1	1.1	7.6	11.7	4.3
Feb.	5.1	1.7	1.6	6.7	10.0	8.9	5.4	4.4	-1.3	6.4	10.3	6.2

C17 Annual growth rates of long-term debt securities, by sector of the issuer, in all currencies combined
(annual percentage changes)



Source: ECB.
1) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

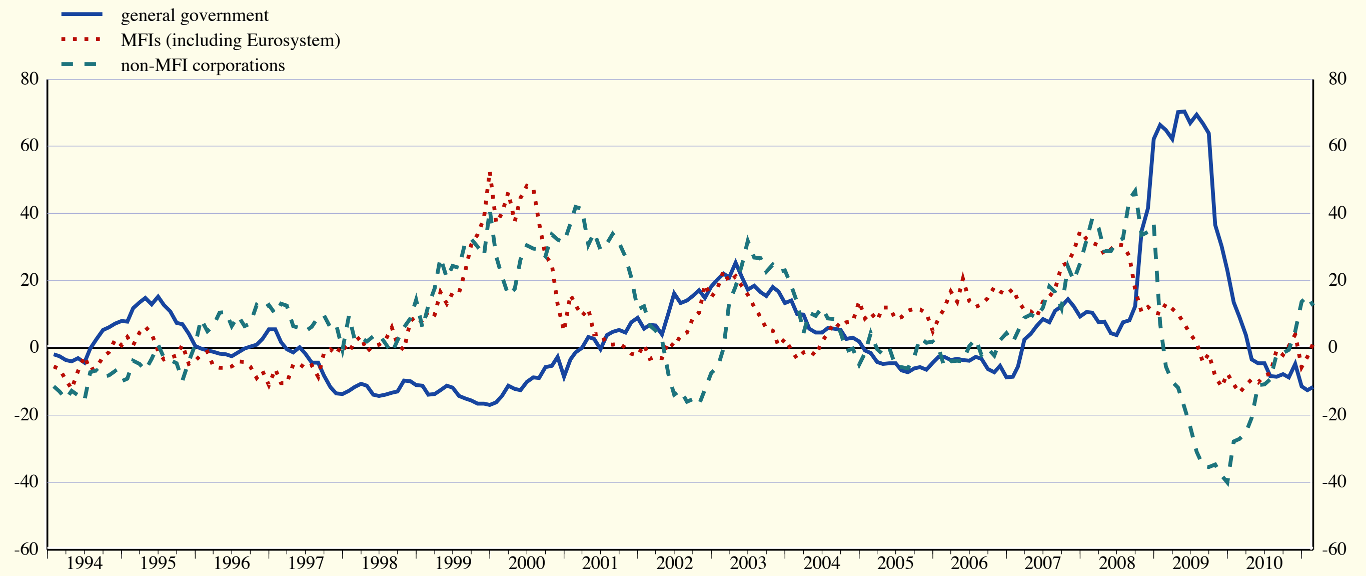
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(percentage changes)

	Long-term fixed rate						Long-term variable rate					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	13	14	15	16	17	18	19	20	21	22	23	24
	In all currencies combined											
2009	9.5	7.1	18.0	25.0	8.1	4.3	12.0	1.8	35.7	-1.9	0.1	20.8
2010	8.8	5.6	6.7	19.5	9.9	7.4	-0.3	-3.7	1.1	-1.3	6.8	26.1
2010 Q1	11.1	9.8	13.5	28.8	9.6	8.3	1.2	-3.9	5.8	-2.1	4.6	26.9
Q2	9.7	7.3	7.3	23.0	10.2	7.5	-1.0	-4.2	0.3	-0.4	5.5	23.4
Q3	7.5	3.1	3.4	16.1	10.1	7.2	-1.3	-3.7	-1.2	-1.8	4.8	28.5
Q4	7.0	2.7	3.3	12.3	9.7	6.8	0.0	-3.1	-0.5	-0.8	12.3	25.7
2010 Sep.	7.0	2.8	2.2	13.7	9.7	7.8	-1.0	-3.2	-0.7	-1.2	3.3	26.3
Oct.	6.9	2.9	3.0	12.7	9.4	7.1	-0.5	-3.2	-0.9	-1.1	8.7	25.4
Nov.	7.1	2.5	3.7	11.8	10.0	6.8	0.9	-3.8	0.8	-0.4	18.6	25.3
Dec.	7.0	2.6	4.2	11.0	9.9	5.2	0.3	-1.5	-2.2	-0.3	15.8	26.7
2011 Jan.	7.0	2.5	3.3	10.1	10.3	5.1	0.6	-1.6	-1.5	-0.2	17.8	19.1
Feb.	6.8	4.2	3.5	8.5	9.1	5.3	1.3	-1.2	-0.8	-2.2	20.8	19.5
	In euro											
2009	10.1	9.0	21.4	23.3	8.2	3.7	14.3	3.9	38.2	-2.4	-0.4	21.9
2010	9.0	5.5	7.8	19.9	10.0	7.3	-0.1	-3.2	0.9	-1.7	5.9	26.4
2010 Q1	11.4	10.8	14.9	29.2	9.7	8.0	1.6	-3.5	6.3	-2.4	3.2	26.9
Q2	9.9	7.4	8.3	23.5	10.2	7.2	-1.1	-3.9	-0.2	-0.6	4.1	23.4
Q3	7.9	2.7	4.5	16.4	10.3	7.2	-1.0	-3.0	-1.4	-2.5	4.1	28.6
Q4	7.2	1.6	4.4	12.8	9.9	6.9	0.4	-2.3	-0.9	-1.2	12.3	26.5
2010 Sep.	7.3	2.0	3.5	14.4	9.9	7.9	-0.6	-2.5	-0.6	-1.7	2.9	26.1
Oct.	7.1	1.9	4.2	13.2	9.5	7.2	-0.2	-2.5	-1.0	-1.5	8.6	26.1
Nov.	7.2	1.2	4.5	12.2	10.1	6.9	1.2	-2.9	0.1	-0.9	18.8	26.4
Dec.	7.2	1.3	5.2	11.6	10.1	5.5	0.7	-0.2	-2.8	-0.7	16.1	27.7
2011 Jan.	7.1	1.2	3.6	10.7	10.5	5.3	1.1	0.0	-2.5	-0.4	18.1	19.6
Feb.	6.9	3.1	3.8	8.9	9.2	5.8	2.0	0.8	-1.5	-2.5	21.0	19.9

C18 Annual growth rates of short-term debt securities, by sector of the issuer, in all currencies combined

(annual percentage changes)



Source: ECB.

1) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.

4.4 Quoted shares issued by euro area residents [1]

(EUR billions, unless otherwise indicated; market values)

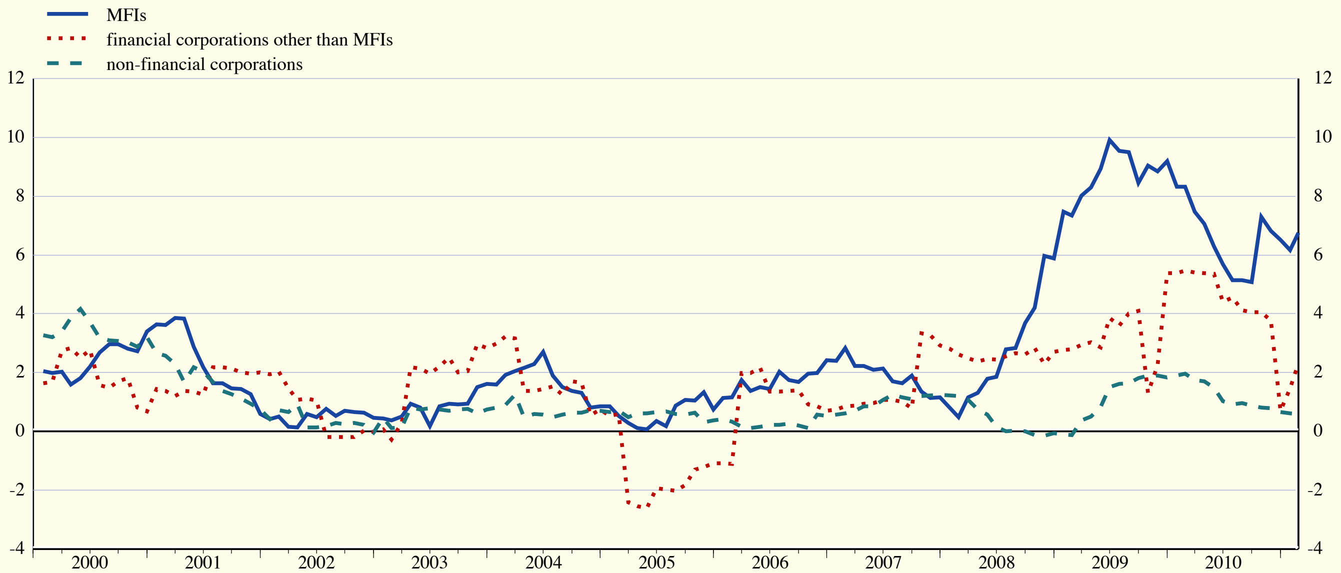
1. Outstanding amounts and annual growth rates

(outstanding amounts as at end of period)

	Total			MFIs		Financial corporations other than MFIs		Non-financial corporations	
	Total	Index: Dec. 2008 = 100	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)
	1	2	3	4	5	6	7	8	9
2009 Feb.	2,942.9	100.1	1.1	273.8	7.4	206.3	2.8	2,462.7	-0.1
Mar.	3,027.0	100.6	1.5	313.7	8.0	223.9	2.9	2,489.4	0.4
Apr.	3,459.1	100.7	1.6	410.4	8.3	274.6	3.0	2,774.0	0.5
May	3,605.5	101.0	1.9	448.8	8.9	283.3	2.9	2,873.4	0.8
June	3,557.5	101.8	2.7	445.3	9.9	279.4	3.9	2,832.7	1.5
July	3,842.8	102.0	2.7	505.7	9.6	301.1	3.6	3,036.0	1.6
Aug.	4,041.3	102.0	2.7	568.4	9.5	321.7	4.0	3,151.1	1.6
Sep.	4,210.4	102.1	2.8	588.4	8.4	352.3	4.1	3,269.7	1.8
Oct.	4,065.1	102.3	2.7	563.3	9.0	327.0	1.3	3,174.8	1.9
Nov.	4,079.4	102.6	2.7	563.8	8.8	318.5	2.2	3,197.2	1.9
Dec.	4,411.1	103.0	3.0	566.0	9.2	349.4	5.4	3,495.7	1.8
2010 Jan.	4,243.3	103.1	2.9	516.7	8.3	339.3	5.4	3,387.4	1.9
Feb.	4,162.0	103.2	3.0	499.3	8.3	337.8	5.5	3,324.9	2.0
Mar.	4,474.9	103.4	2.8	543.6	7.5	363.8	5.4	3,567.4	1.8
Apr.	4,409.6	103.4	2.7	508.4	7.1	344.3	5.4	3,557.0	1.7
May	4,093.9	103.5	2.4	445.9	6.3	321.4	5.4	3,326.6	1.5
June	4,055.1	103.7	1.9	446.4	5.7	314.3	4.4	3,294.4	1.0
July	4,256.6	103.7	1.7	519.8	5.1	336.8	4.6	3,399.9	0.9
Aug.	4,121.7	103.8	1.7	479.3	5.1	313.2	4.1	3,329.2	1.0
Sep.	4,345.8	103.8	1.7	487.0	5.1	325.3	4.0	3,533.4	0.9
Oct.	4,531.5	104.1	1.8	514.4	7.3	332.4	4.0	3,684.7	0.8
Nov.	4,409.7	104.3	1.7	437.8	6.8	311.3	3.8	3,660.6	0.8
Dec.	4,593.9	104.3	1.3	458.4	6.5	329.9	0.7	3,805.5	0.7
2011 Jan.	4,757.8	104.4	1.3	514.3	6.2	362.1	1.5	3,881.4	0.6
Feb.	4,843.7	104.6	1.4	534.6	6.8	376.3	2.3	3,932.7	0.6

C19 Annual growth rates for quoted shares issued by euro area residents

(annual percentage changes)



Source: ECB.
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

4.4 Quoted shares issued by euro area residents

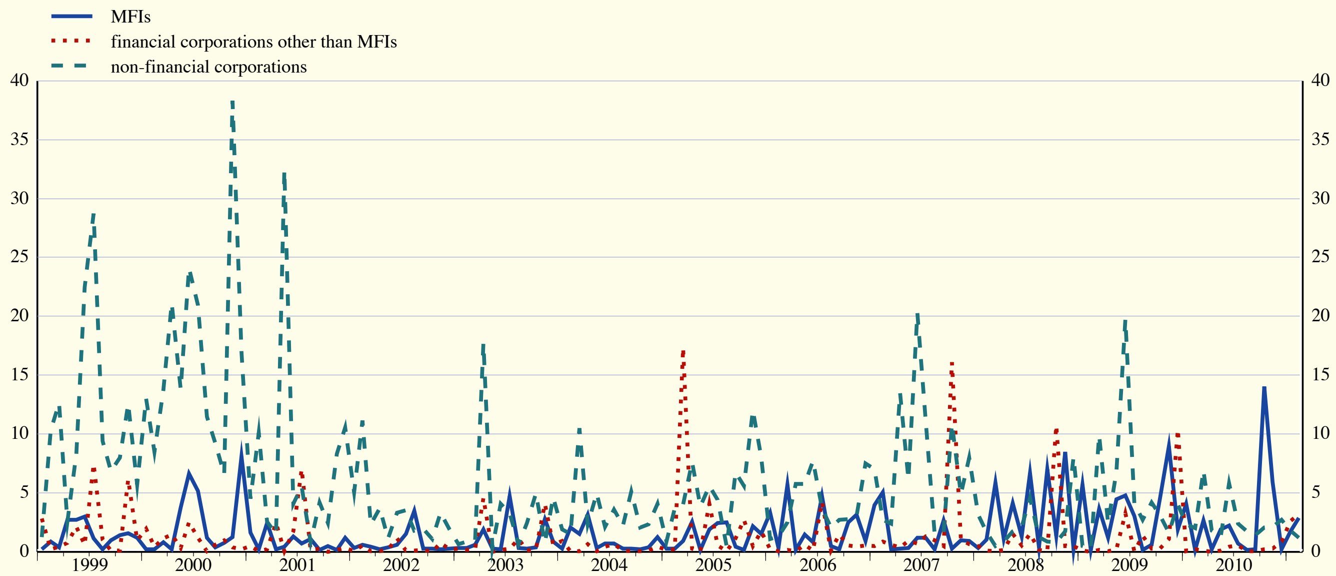
(EUR billions; market values)

2. Transactions during the month

	Total			MFIs			Financial corporations other than MFIs			Non-financial corporations		
	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues
	1	2	3	4	5	6	7	8	9	10	11	12
2009 Feb.	0.2	0.9	-0.7	0.0	0.0	0.0	0.0	0.1	-0.1	0.2	0.8	-0.6
Mar.	13.7	0.2	13.4	3.6	0.0	3.6	0.2	0.0	0.1	9.9	0.2	9.7
Apr.	3.7	0.3	3.4	1.2	0.0	1.2	0.1	0.0	0.0	2.4	0.3	2.1
May	11.4	0.3	11.1	4.4	0.0	4.4	0.2	0.0	0.1	6.8	0.3	6.5
June	27.8	2.0	25.8	4.8	0.0	4.8	3.3	0.3	3.0	19.7	1.8	18.0
July	7.2	0.2	7.0	3.0	0.0	3.0	0.0	0.0	0.0	4.1	0.1	4.0
Aug.	4.0	3.3	0.7	0.0	0.0	0.0	1.3	0.0	1.3	2.7	3.3	-0.6
Sep.	5.0	0.3	4.7	0.6	0.0	0.6	0.2	0.0	0.2	4.2	0.2	3.9
Oct.	7.8	0.3	7.5	4.5	0.0	4.5	0.2	0.0	0.2	3.1	0.2	2.8
Nov.	11.6	0.2	11.4	9.0	0.0	9.0	1.0	0.0	1.0	1.6	0.2	1.4
Dec.	16.2	0.2	16.1	1.9	0.0	1.9	10.4	0.1	10.3	4.0	0.1	3.9
2010 Jan.	6.4	0.0	6.4	4.1	0.0	4.1	0.1	0.0	0.1	2.3	0.0	2.3
Feb.	2.2	0.3	1.9	0.0	0.0	0.0	0.2	0.0	0.2	2.0	0.3	1.7
Mar.	9.6	0.6	9.0	2.6	0.0	2.6	0.1	0.0	0.1	6.9	0.6	6.3
Apr.	1.8	0.4	1.5	0.1	0.0	0.0	0.0	0.0	0.0	1.8	0.3	1.5
May	3.2	0.8	2.4	1.9	0.0	1.9	0.1	0.0	0.1	1.3	0.8	0.4
June	8.4	0.4	8.0	2.2	0.0	2.2	0.4	0.0	0.4	5.8	0.4	5.4
July	3.6	0.8	2.7	0.7	0.0	0.7	0.5	0.0	0.5	2.4	0.8	1.6
Aug.	1.8	1.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.2	0.6
Sep.	1.6	0.2	1.4	0.2	0.0	0.2	0.0	0.0	0.0	1.4	0.2	1.2
Oct.	16.3	1.1	15.2	14.0	0.0	14.0	0.2	0.0	0.2	2.0	1.1	1.0
Nov.	8.2	1.2	7.0	5.9	0.0	5.9	0.2	0.1	0.2	2.1	1.2	0.9
Dec.	3.7	3.4	0.3	0.2	0.0	0.2	0.8	0.3	0.5	2.7	3.1	-0.4
2011 Jan.	6.1	1.3	4.8	1.7	0.0	1.7	2.6	0.0	2.6	1.8	1.3	0.5
Feb.	7.3	0.2	7.0	2.9	0.0	2.9	3.2	0.0	3.2	1.2	0.2	0.9

C20 Gross issues of quoted shares by sector of the issuer

(EUR billions; transactions during the month; market values)



Source: ECB.

4.5 MFI interest rates on euro-denominated deposits from and loans to euro area residents [1]
(percentages per annum; outstanding amounts as at end of period, new business as period average, unless otherwise indicated)

1. Interest rates on deposits (new business)

	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight [2]	With an agreed maturity of:			Redeemable at notice of: [2), 3)]		Overnight [2]	With an agreed maturity of:			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9	10	11
2010 Apr.	0.41	2.02	2.64	2.14	1.42	2.01	0.43	0.78	2.78	2.30	0.58
May	0.40	2.04	2.73	2.24	1.40	1.98	0.43	0.77	2.78	2.26	0.52
June	0.43	2.16	2.26	2.47	1.41	1.96	0.43	0.89	1.85	2.29	0.66
July	0.43	2.31	2.59	2.36	1.40	1.93	0.45	1.06	2.11	2.23	0.74
Aug.	0.43	2.21	2.54	2.36	1.50	1.91	0.45	1.01	2.01	2.22	0.70
Sep.	0.43	2.25	2.76	2.28	1.55	1.85	0.46	1.11	2.18	2.81	0.71
Oct.	0.43	2.35	2.75	2.80	1.54	1.82	0.50	1.18	2.36	2.53	0.94
Nov.	0.44	2.33	2.65	2.67	1.54	1.83	0.50	1.16	2.45	2.41	0.90
Dec.	0.43	2.27	2.77	2.59	1.55	1.84	0.51	1.19	2.56	2.60	1.07
2011 Jan.	0.43	2.38	2.61	2.77	1.53	1.85	0.54	1.29	2.42	2.52	1.02
Feb.	0.44	2.36	2.74	2.80	1.60	1.86	0.52	1.32	2.37	2.69	1.04
Mar.	0.45	2.34	2.78	2.89	1.61	1.88	0.54	1.37	2.53	2.80	1.09

2. Interest rates on loans to households (new business)

	Revolving loans and overdrafts, convenience and extended credit card debt [2]	Consumer credit				Lending for house purchase					Other lending by initial rate fixation		
		By initial rate fixation			Annual percentage rate of charge [4]	By initial rate fixation				Annual percentage rate of charge [4]			
		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010 Apr.	8.77	6.78	6.12	7.92	7.67	2.62	3.71	4.18	4.12	3.68	3.06	4.32	4.53
May	8.77	6.69	6.14	7.84	7.62	2.58	3.64	4.14	4.01	3.58	3.09	4.45	4.50
June	8.86	5.18	6.13	7.74	7.12	2.56	3.59	4.06	3.90	3.54	3.01	4.22	4.27
July	8.78	5.48	6.22	7.77	7.32	2.66	3.60	3.94	3.84	3.64	3.15	4.29	4.27
Aug.	8.78	5.38	6.26	7.87	7.37	2.83	3.62	3.95	3.81	3.76	3.35	4.52	4.14
Sep.	8.81	5.52	6.18	7.87	7.33	2.75	3.56	3.84	3.74	3.62	3.33	4.35	4.07
Oct.	8.73	5.36	6.03	7.71	7.17	2.76	3.55	3.78	3.69	3.61	3.37	4.43	4.21
Nov.	8.67	5.39	6.08	7.64	7.17	2.80	3.53	3.76	3.70	3.65	3.55	4.37	4.17
Dec.	8.64	5.16	5.95	7.23	6.89	2.78	3.52	3.80	3.71	3.68	3.39	4.31	4.15
2011 Jan.	8.70	5.05	6.13	7.83	7.18	2.94	3.69	3.91	3.84	3.83	3.37	4.32	4.30
Feb.	8.85	5.38	6.13	7.83	7.31	2.96	3.83	4.06	3.92	3.90	3.51	4.71	4.47
Mar.	8.84	5.44	6.23	7.83	7.33	3.01	3.82	4.15	4.03	3.96	3.57	4.77	4.61

3. Interest rates on loans to non-financial corporations (new business)

	Revolving loans and overdrafts, convenience and extended credit card debt [2]	Other loans of up to EUR 1 million by initial rate fixation			Other loans of over EUR 1 million by initial rate fixation		
		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years	Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7
2010 Apr.	3.98	3.19	4.17	3.90	2.00	2.72	3.45
May	3.97	3.25	4.12	3.86	1.96	2.84	3.41
June	3.70	3.25	4.09	3.80	2.17	2.86	3.37
July	3.70	3.30	4.23	3.95	2.25	2.85	3.20
Aug.	3.75	3.39	4.14	3.84	2.28	2.91	3.65
Sep.	3.80	3.35	4.10	3.78	2.26	2.72	3.51
Oct.	3.83	3.45	4.16	3.82	2.32	2.94	3.46
Nov.	3.85	3.56	4.26	3.82	2.42	3.05	3.53
Dec.	3.86	3.50	4.18	3.86	2.59	2.82	3.51
2011 Jan.	4.00	3.46	4.15	3.86	2.45	2.95	3.74
Feb.	4.01	3.60	4.37	4.03	2.62	3.29	3.81
Mar.	4.02	3.70	4.49	4.19	2.62	2.90	3.84

Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) For this instrument category, new business and outstanding amounts coincide. End of period. Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18).
3) For this instrument category, households and non-financial corporations are merged and allocated to the household sector, since the outstanding amounts of non-financial corporations are negligible compared with those of the household sector when all participating Member States are combined.
4) The annual percentage rate of charge covers the total cost of a loan. The total cost comprises both an interest rate component and a component incorporating other (related) charges, such as the cost of inquiries, administration, preparation of documents and guarantees.

4.5 MFI interest rates on euro-denominated deposits from and loans to euro area residents [1], *

(percentages per annum; outstanding amounts as at end of period, new business as period average, unless otherwise indicated)

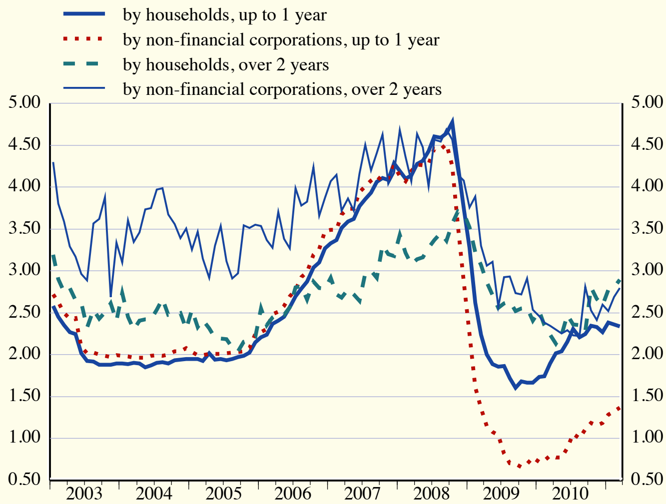
4. Interest rates on deposits (outstanding amounts)

	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight [2]	With an agreed maturity of:		Redeemable at notice of: [2],[3]		Overnight [2]	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2010 Apr.	0.41	2.12	2.74	1.42	2.01	0.43	1.37	3.24	1.16
May	0.40	2.12	2.71	1.40	1.98	0.43	1.42	3.22	1.14
June	0.43	2.13	2.72	1.41	1.96	0.43	1.47	3.11	1.24
July	0.43	2.15	2.73	1.40	1.93	0.45	1.55	3.14	1.24
Aug.	0.43	2.17	2.72	1.50	1.91	0.45	1.57	3.11	1.25
Sep.	0.43	2.19	2.74	1.55	1.85	0.46	1.62	3.07	1.26
Oct.	0.43	2.22	2.70	1.54	1.82	0.50	1.68	3.07	1.29
Nov.	0.44	2.25	2.72	1.54	1.83	0.50	1.70	3.11	1.33
Dec.	0.43	2.28	2.70	1.55	1.84	0.51	1.76	3.08	1.50
2011 Jan.	0.43	2.31	2.71	1.53	1.85	0.54	1.78	3.07	1.55
Feb.	0.44	2.34	2.73	1.60	1.86	0.52	1.80	3.09	1.59
Mar.	0.45	2.37	2.71	1.61	1.88	0.54	1.85	3.14	1.61

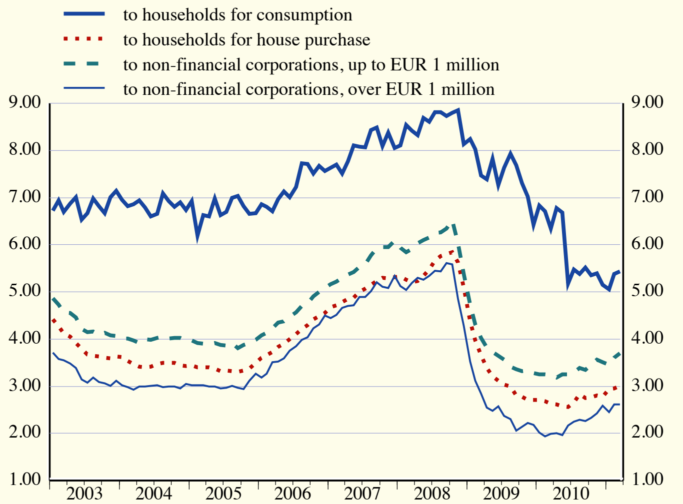
5. Interest rates on loans (outstanding amounts)

	Loans to households						Loans to non-financial corporations		
	Lending for house purchase with a maturity of:			Consumer credit and other loans with a maturity of:			With a maturity of:		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9
2010 Apr.	3.89	4.01	3.92	7.38	6.50	5.29	3.42	3.21	3.33
May	3.87	3.97	3.89	7.40	6.45	5.29	3.40	3.20	3.31
June	3.79	3.96	3.84	7.68	6.48	5.21	3.29	3.22	3.30
July	3.73	3.93	3.82	7.75	6.50	5.19	3.34	3.25	3.33
Aug.	3.79	3.89	3.81	7.79	6.46	5.20	3.37	3.29	3.34
Sep.	3.83	3.88	3.83	7.89	6.46	5.22	3.42	3.29	3.38
Oct.	3.80	3.86	3.83	7.86	6.45	5.20	3.48	3.34	3.38
Nov.	3.77	3.86	3.85	7.73	6.47	5.22	3.51	3.39	3.42
Dec.	3.73	3.83	3.81	7.70	6.41	5.19	3.49	3.41	3.42
2011 Jan.	3.71	3.80	3.80	7.82	6.40	5.17	3.60	3.44	3.42
Feb.	3.68	3.81	3.82	7.85	6.43	5.20	3.64	3.47	3.47
Mar.	3.71	3.80	3.84	7.89	6.39	5.19	3.68	3.51	3.50

C21 New deposits with an agreed maturity
(percentages per annum excluding charges; period averages)



C22 New loans with a floating rate and up to 1 year's initial rate fixation (percentages per annum excluding charges; period averages)



Source: ECB.
* For the source of the data in the table and the related footnotes, please see page S42.

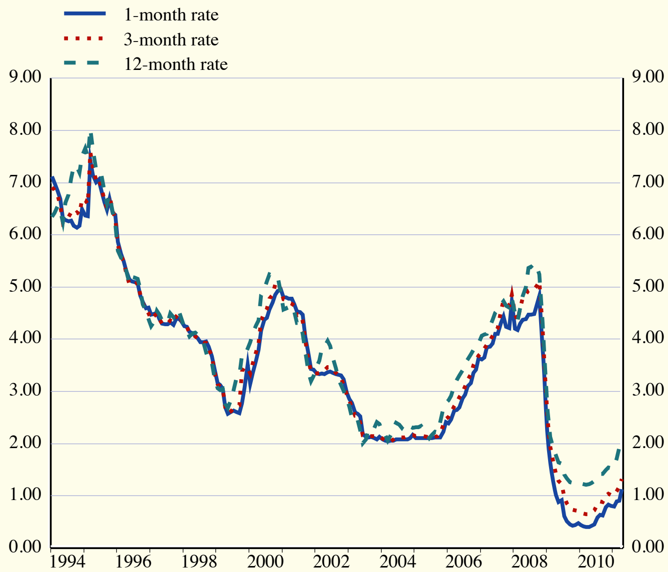
4.6 Money market interest rates

(percentages per annum; period averages)

	Euro area [1), 2)]					United States	Japan
	Overnight deposits (EONIA)	1-month deposits (EURIBOR)	3-month deposits (EURIBOR)	6-month deposits (EURIBOR)	12-month deposits (EURIBOR)	3-month deposits (LIBOR)	3-month deposits (LIBOR)
	1	2	3	4	5	6	7
2008	3.87	4.28	4.64	4.73	4.83	2.93	0.93
2009	0.71	0.89	1.22	1.43	1.61	0.69	0.47
2010	0.44	0.57	0.81	1.08	1.35	0.34	0.23
2010 Q1	0.34	0.42	0.66	0.96	1.22	0.26	0.25
Q2	0.35	0.43	0.69	0.98	1.25	0.44	0.24
Q3	0.45	0.61	0.87	1.13	1.40	0.39	0.24
Q4	0.59	0.81	1.02	1.25	1.52	0.29	0.19
2011 Q1	0.67	0.86	1.10	1.37	1.74	0.31	0.19
2010 Apr.	0.35	0.40	0.64	0.96	1.23	0.31	0.24
May	0.34	0.42	0.69	0.98	1.25	0.46	0.24
June	0.35	0.45	0.73	1.01	1.28	0.54	0.24
July	0.48	0.58	0.85	1.10	1.37	0.51	0.24
Aug.	0.43	0.64	0.90	1.15	1.42	0.36	0.24
Sep.	0.45	0.62	0.88	1.14	1.42	0.29	0.22
Oct.	0.70	0.78	1.00	1.22	1.50	0.29	0.20
Nov.	0.59	0.83	1.04	1.27	1.54	0.29	0.19
Dec.	0.50	0.81	1.02	1.25	1.53	0.30	0.18
2011 Jan.	0.66	0.79	1.02	1.25	1.55	0.30	0.19
Feb.	0.71	0.89	1.09	1.35	1.71	0.31	0.19
Mar.	0.66	0.90	1.18	1.48	1.92	0.31	0.20
Apr.	0.97	1.13	1.32	1.62	2.09	0.28	0.20

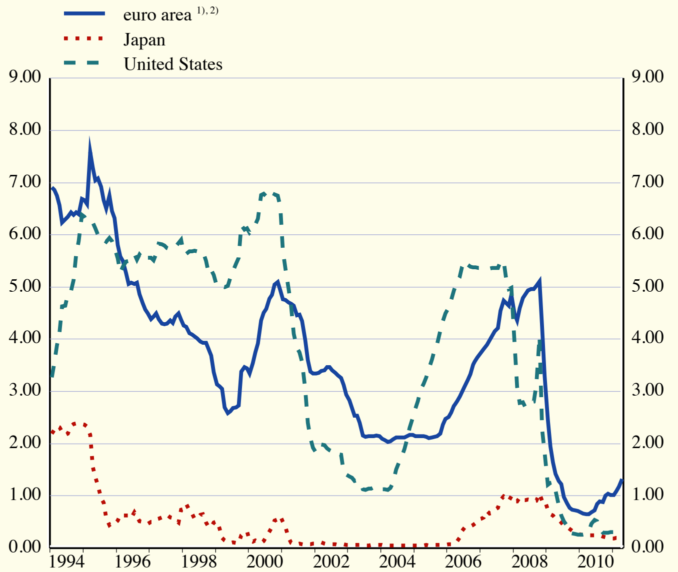
C23 Euro area money market rates [1), 2)]

(monthly averages; percentages per annum)



C24 3-month money market rates

(monthly averages; percentages per annum)



Source: ECB.
1) Before January 1999 synthetic euro area rates were calculated on the basis of national rates weighted by GDP. For further information, see the General Notes.
2) Data refer to the changing composition of the euro area. For further information, see the General Notes.

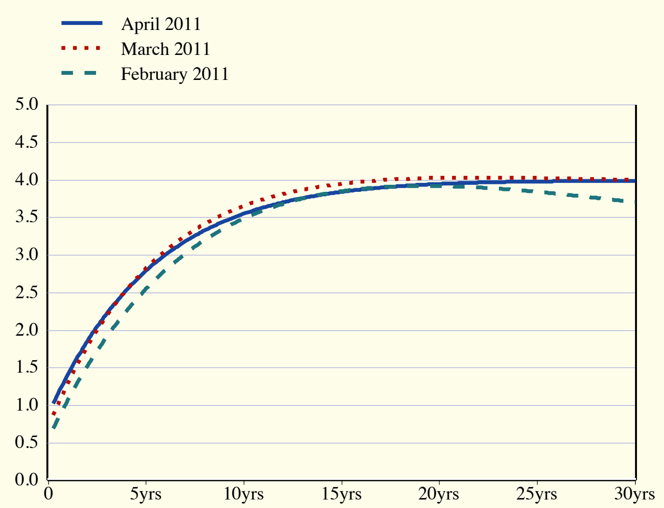
4.7 Euro area yield curves [1]

(AAA-rated euro area central government bonds; end of period; rates in percentages per annum; spreads in percentage points)

	Spot rates								Instantaneous forward rates			
	3 months	1 year	2 years	5 years	7 years	10 years	10 years - 3 months (spread)	10 years - 2 years (spread)	1 year	2 years	5 years	10 years
	1	2	3	4	5	6	7	8	9	10	11	12
2008	1.75	1.85	2.14	2.95	3.32	3.69	1.94	1.55	2.09	2.76	4.04	4.60
2009	0.38	0.81	1.38	2.64	3.20	3.76	3.38	2.38	1.41	2.44	4.27	5.20
2010	0.49	0.60	0.93	2.15	2.78	3.36	2.87	2.43	0.85	1.70	3.99	4.69
2010 Q1	0.33	0.60	1.05	2.28	2.86	3.46	3.13	2.41	1.02	1.98	3.96	5.02
Q2	0.34	0.42	0.69	1.79	2.41	3.03	2.68	2.33	0.62	1.35	3.54	4.52
Q3	0.57	0.68	0.90	1.71	2.18	2.67	2.10	1.77	0.86	1.41	3.01	3.91
Q4	0.49	0.60	0.93	2.15	2.78	3.36	2.87	2.43	0.85	1.70	3.99	4.69
2011 Q1	0.87	1.30	1.79	2.83	3.26	3.66	2.79	1.87	1.84	2.69	4.12	4.63
2010 Apr.	0.32	0.60	1.01	2.18	2.78	3.40	3.07	2.39	1.00	1.85	3.89	4.94
May	0.21	0.28	0.57	1.75	2.39	3.00	2.78	2.43	0.47	1.28	3.58	4.46
June	0.34	0.42	0.69	1.79	2.41	3.03	2.68	2.33	0.62	1.35	3.54	4.52
July	0.45	0.59	0.87	1.88	2.44	3.01	2.56	2.14	0.82	1.51	3.45	4.43
Aug.	0.43	0.45	0.62	1.47	1.97	2.48	2.05	1.85	0.55	1.09	2.87	3.70
Sep.	0.57	0.68	0.90	1.71	2.18	2.67	2.10	1.77	0.86	1.41	3.01	3.91
Oct.	0.75	0.84	1.06	1.89	2.36	2.86	2.11	1.80	1.02	1.57	3.21	4.09
Nov.	0.63	0.72	0.99	2.02	2.58	3.11	2.48	2.12	0.92	1.62	3.62	4.35
Dec.	0.49	0.60	0.93	2.15	2.78	3.36	2.87	2.43	0.85	1.70	3.99	4.69
2011 Jan.	0.65	1.03	1.48	2.55	3.03	3.49	2.84	2.01	1.51	2.34	3.96	4.62
Feb.	0.69	1.08	1.53	2.55	3.02	3.49	2.80	1.96	1.56	2.37	3.91	4.67
Mar.	0.87	1.30	1.79	2.83	3.26	3.66	2.79	1.87	1.84	2.69	4.12	4.63
Apr.	1.02	1.41	1.86	2.80	3.19	3.55	2.53	1.70	1.90	2.67	3.96	4.46

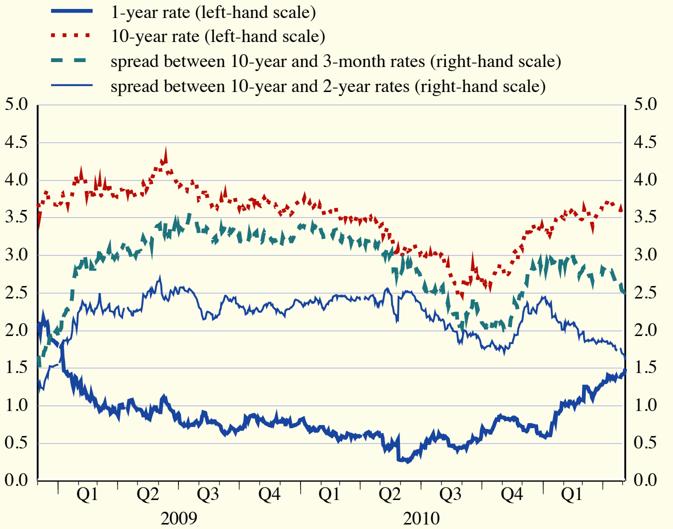
C25 Euro area spot yield curves [2]

(percentages per annum; end of period)



C26 Euro area spot rates and spreads [2]

(daily data; rates in percentages per annum; spreads in percentage points)

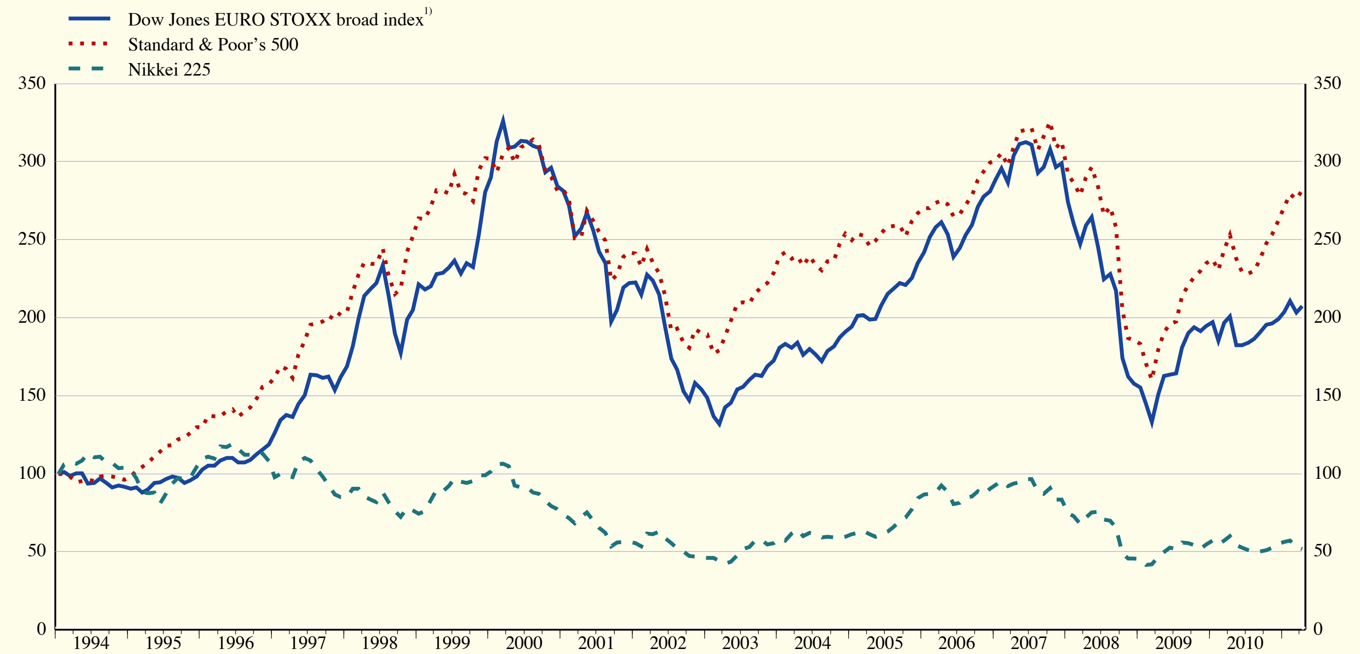


Sources: ECB calculations based on underlying data provided by EuroMTS and ratings provided by Fitch Ratings.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Data cover AAA-rated euro area central government bonds.

4.8 Stock market indices
(index levels in points; period averages)

	Dow Jones EURO STOXX indices [1]												United States	Japan
	Benchmark		Main industry indices											
	Broad index	50	Basic materials	Consumer services	Consumer goods	Oil and gas	Financials	Industrials	Technology	Utilities	Telecoms	Health care	Standard & Poor's 500	Nikkei 225
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2008	313.7	3,319.5	480.4	169.3	290.7	380.9	265.0	350.9	282.5	502.0	431.5	411.5	1,220.7	12,151.6
2009	234.2	2,521.0	353.2	140.5	244.5	293.5	172.1	269.7	200.7	353.7	380.4	363.5	946.2	9,321.6
2010	265.5	2,779.3	463.1	166.2	323.4	307.2	182.8	337.6	224.1	344.9	389.6	408.4	1,140.0	10,006.5
2010 Q1	268.0	2,849.0	445.0	159.3	294.9	320.0	195.5	326.7	229.9	372.4	398.8	426.3	1,123.6	10,511.2
Q2	261.1	2,735.7	446.3	163.7	312.9	305.0	178.8	334.3	229.1	349.6	372.2	412.0	1,134.6	10,345.9
Q3	259.5	2,715.9	445.8	165.2	323.0	294.5	181.6	327.0	210.7	325.9	387.6	391.4	1,096.2	9,356.0
Q4	273.4	2,817.8	513.8	176.1	361.3	309.9	175.7	361.9	227.0	333.0	399.2	405.0	1,204.6	9,842.4
2011 Q1	285.5	2,932.9	532.7	175.5	366.3	341.1	185.0	388.0	249.6	347.7	396.7	415.0	1,302.5	10,285.3
2010 Apr.	278.6	2,937.3	470.9	171.7	313.8	328.6	199.7	349.0	248.8	378.9	396.7	430.0	1,197.3	11,139.8
May	252.7	2,642.1	431.4	159.6	305.2	295.4	170.8	324.8	221.9	341.7	360.0	401.0	1,125.1	10,104.0
June	253.2	2,641.7	438.1	160.4	319.5	292.7	167.5	330.0	218.3	330.5	361.6	406.1	1,083.4	9,786.1
July	255.1	2,669.5	435.0	160.8	320.8	289.3	178.0	324.2	212.3	320.3	369.7	389.2	1,079.8	9,456.8
Aug.	258.9	2,712.2	441.5	163.2	315.6	296.0	183.7	324.9	206.8	328.5	392.2	383.1	1,087.3	9,268.2
Sep.	264.6	2,766.1	460.9	171.6	332.4	298.4	183.0	331.9	212.9	329.0	400.9	401.8	1,122.1	9,346.7
Oct.	271.3	2,817.7	489.1	175.1	346.1	304.9	183.2	346.0	223.7	331.4	410.5	405.4	1,171.6	9,455.1
Nov.	272.2	2,809.6	509.9	176.3	359.9	307.4	174.4	358.5	222.9	335.0	403.0	405.0	1,198.9	9,797.2
Dec.	276.5	2,825.6	540.1	176.8	376.5	316.7	170.0	379.7	234.1	332.6	385.3	404.6	1,241.5	10,254.5
2011 Jan.	282.8	2,900.7	531.1	178.1	375.3	335.1	178.0	385.8	246.1	346.2	390.7	411.8	1,282.6	10,449.5
Feb.	292.3	3,015.7	540.5	179.0	369.7	348.0	193.5	393.1	257.6	359.0	402.9	418.7	1,321.1	10,622.3
Mar.	281.9	2,890.4	527.4	170.1	355.0	340.5	184.1	385.7	245.9	339.1	396.8	414.6	1,304.5	9,852.4
Apr.	287.5	2,947.2	557.3	172.5	366.6	343.8	182.4	397.9	250.0	346.9	402.8	435.4	1,331.5	9,644.6

C27 Dow Jones EURO STOXX broad index, Standard & Poor's 500 and Nikkei 225
(January 1994 = 100; monthly averages)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

5

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

1. Harmonised Index of Consumer Prices [1]

	Total					Total (s.a.; percentage change vis-à-vis previous period)						Memo item: Administered prices [2]	
	Index: 2005 = 100	Total	Total excl. unprocessed food and energy	Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy (n.s.a.)	Services	Total HICP excluding administered prices	Administered prices
% of total in 2011	100.0	100.0	82.3	58.6	41.4	100.0	11.9	7.4	28.9	10.4	41.4	88.8	11.2
	1	2	3	4	5	6	7	8	9	10	11	12	13
2007	104.4	2.1	2.0	1.9	2.5	-	-	-	-	-	-	2.1	2.2
2008	107.8	3.3	2.4	3.8	2.6	-	-	-	-	-	-	3.4	2.7
2009	108.1	0.3	1.3	-0.9	2.0	-	-	-	-	-	-	0.1	1.8
2010	109.8	1.6	1.0	1.8	1.4	-	-	-	-	-	-	1.6	1.5
2010 Q1	108.6	1.1	0.9	0.9	1.5	0.5	0.0	0.9	0.1	3.0	0.2	1.2	0.4
Q2	110.1	1.6	0.9	1.9	1.2	0.7	0.3	0.7	0.3	3.9	0.3	1.6	1.3
Q3	109.9	1.7	1.0	2.0	1.4	0.3	0.5	0.5	0.1	0.0	0.5	1.7	2.0
Q4	110.8	2.0	1.1	2.5	1.3	0.5	0.5	0.6	0.2	2.0	0.3	2.0	2.3
2011 Q1	111.3	2.5	1.3	3.1	1.6	1.0	0.8	0.5	-0.1	6.3	0.5	2.4	3.4
2010 Nov.	110.6	1.9	1.2	2.3	1.3	0.2	0.2	0.4	0.1	0.8	0.1	1.9	2.4
Dec.	111.3	2.2	1.1	2.9	1.3	0.3	0.3	0.4	0.0	2.3	0.1	2.2	2.3
2011 Jan.	110.5	2.3	1.2	2.9	1.5	0.4	0.2	-0.4	0.0	3.0	0.2	2.2	3.2
Feb.	111.0	2.4	1.1	3.0	1.6	0.1	0.3	0.6	-0.5	0.9	0.2	2.3	3.4
Mar.	112.5	2.7	1.5	3.4	1.6	0.6	0.4	0.2	0.7	2.5	0.3	2.6	3.5
Apr. [3]	.	2.8	.	.	.	.	.	.	.	.	.	.	.

	Goods						Services					
	Food (incl. alcoholic beverages and tobacco)			Industrial goods			Housing		Transport	Communication	Recreation and personal	Miscellaneous
	Total	Processed food	Unprocessed food	Total	Non-energy industrial goods	Energy		Rents				
% of total in 2011	19.3	11.9	7.4	39.3	28.9	10.4	10.1	6.0	6.5	3.2	14.6	7.0
	14	15	16	17	18	19	20	21	22	23	24	25
2007	2.8	2.8	3.0	1.4	1.0	2.6	2.7	2.0	2.6	-1.9	2.9	3.2
2008	5.1	6.1	3.5	3.1	0.8	10.3	2.3	1.9	3.9	-2.2	3.2	2.5
2009	0.7	1.1	0.2	-1.7	0.6	-8.1	2.0	1.8	2.9	-1.0	2.1	2.1
2010	1.1	0.9	1.3	2.2	0.5	7.4	1.8	1.5	2.3	-0.8	1.0	1.5
2010 Q1	0.1	0.6	-0.6	1.3	0.1	4.8	1.9	1.6	2.5	-0.5	1.1	1.6
Q2	0.9	0.8	1.0	2.4	0.5	8.1	1.8	1.5	2.3	-0.9	0.8	1.5
Q3	1.5	0.9	2.3	2.2	0.5	7.3	1.8	1.6	2.5	-0.8	1.0	1.5
Q4	1.9	1.3	2.7	2.9	0.8	9.2	1.6	1.3	1.9	-0.8	1.2	1.5
2011 Q1	2.2	2.1	2.3	3.6	0.5	12.7	1.8	1.3	2.0	-0.4	1.5	1.9
2010 Oct.	1.6	1.2	2.3	2.7	0.8	8.5	1.6	1.3	1.9	-1.0	1.3	1.5
Nov.	1.8	1.3	2.6	2.6	0.9	7.9	1.6	1.2	2.0	-0.8	1.2	1.5
Dec.	2.1	1.5	3.2	3.2	0.7	11.0	1.7	1.3	1.7	-0.7	1.2	1.4
2011 Jan.	1.9	1.8	2.2	3.4	0.5	12.0	1.7	1.3	1.5	-0.2	1.6	1.7
Feb.	2.3	2.0	2.7	3.4	0.1	13.1	1.8	1.3	2.2	-0.4	1.6	1.9
Mar.	2.4	2.5	2.2	4.0	0.9	13.0	1.8	1.3	2.3	-0.6	1.5	2.2

Sources: Eurostat and ECB calculations.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

2) These experimental statistics can only provide an approximate measure of price administration, since changes in administered prices cannot be fully isolated from other influences. Please refer to Eurostat's website (http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction) for a note explaining the methodology used in the compilation of this indicator.

3) Estimate based on provisional national releases, which usually cover around 95% of the euro area, as well as on early information on energy prices.

2. Industry, construction and residential property prices

	Industrial producer prices excluding construction										Construct-ion 1)	Residential property prices 2)
	Total (index: 2005 = 100)	Total		Industry excluding construction and energy						Energy		
			Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods					
							Total	Durable	Non-durable			
% of total in 2005	100.0	100.0	82.8	75.6	30.0	22.0	23.7	2.7	21.0	24.4		
	1	2	3	4	5	6	7	8	9	10	11	12
2007	107.9	2.7	3.0	3.2	4.6	2.2	2.2	2.4	2.2	1.2	4.2	4.6
2008	114.4	6.1	4.8	3.4	3.9	2.1	3.9	2.8	4.1	14.2	3.9	1.3
2009	108.6	-5.1	-5.4	-2.9	-5.3	0.4	-2.1	1.2	-2.5	-11.8	0.1	-2.8
2010	111.7	2.9	3.4	1.6	3.5	0.3	0.4	0.9	0.3	6.4	1.9	1.8
2010 Q1	109.6	-0.1	1.7	-0.5	-0.4	-0.5	-0.6	0.3	-0.7	0.3	0.2	0.1
Q2	111.5	3.0	3.8	1.6	3.6	0.2	0.0	0.6	-0.1	7.2	2.4	1.6
Q3	112.3	4.0	3.7	2.3	4.8	0.7	0.6	1.1	0.5	8.8	2.4	2.6
Q4	113.5	4.7	4.5	3.1	5.9	0.8	1.5	1.4	1.5	9.6	2.8	2.9
2011 Q1	116.6	6.4	6.2	4.3	7.8	1.2	2.4	1.7	2.5	12.5	.	.
2010 Oct.	112.9	4.3	4.1	2.9	5.5	0.7	1.2	1.3	1.2	8.7	-	-
Nov.	113.3	4.5	4.3	3.1	5.8	0.9	1.5	1.5	1.4	8.8	-	-
Dec.	114.3	5.4	5.2	3.3	6.3	0.7	1.8	1.5	1.8	11.2	-	-
2011 Jan.	115.8	6.0	5.7	4.0	7.3	1.2	2.0	1.6	2.1	11.8	-	-
Feb.	116.7	6.6	6.4	4.5	8.2	1.3	2.5	1.8	2.6	12.7	-	-
Mar.	117.4	6.7	6.5	4.5	7.9	1.2	2.8	1.8	2.9	13.0	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices 3) (EUR per barrel)	Non-energy commodity prices						GDP deflators							
		Import-weighted 4)			Use-weighted 5)			Total (s.a.; index: 2000 = 100)	Total	Domestic demand				Exports 6)	Imports 6)
		Total	Food	Non-food	Total	Food	Non-food			Total	Private consump-tion	Government consump-tion	Gross fixed capital formation		
% of total		100.0	35.0	65.0	100.0	45.0	55.0								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2007	52.8	7.8	14.3	5.5	5.3	9.3	2.9	116.4	2.4	2.3	2.3	1.7	2.7	1.6	1.3
2008	65.9	2.0	18.4	-4.4	-1.7	9.7	-8.6	118.8	2.1	2.6	2.7	2.6	2.3	2.6	3.9
2009	44.6	-18.5	-8.9	-23.0	-18.0	-11.4	-22.8	120.0	1.0	0.0	-0.2	2.0	-0.7	-3.3	-5.9
2010	60.7	44.7	21.4	57.9	42.1	27.1	54.5	121.0	0.8	1.6	1.8	0.8	1.0	3.4	5.5
2009 Q4	51.2	3.1	5.7	1.8	2.4	-1.0	5.0	120.2	0.4	-0.1	0.1	1.2	-1.1	-2.3	-3.8
2010 Q1	56.0	29.0	7.4	42.6	27.4	7.5	46.5	120.4	0.5	1.0	1.0	1.1	-0.3	1.2	2.4
Q2	62.6	48.2	12.5	70.2	41.7	14.0	67.3	120.8	0.8	1.7	1.7	1.1	0.9	3.8	6.4
Q3	59.6	51.5	29.7	63.1	49.4	41.0	55.8	121.3	1.1	1.9	2.0	0.3	1.6	4.2	6.4
Q4	64.4	48.6	36.6	54.7	48.7	48.4	48.9	121.3	1.0	1.9	2.3	0.7	1.8	4.3	7.0
2010 Nov.	63.1	48.6	35.3	55.5	47.3	44.4	49.5	-	-	-	-	-	-	-	-
Dec.	69.6	49.6	39.5	54.9	48.5	48.9	48.2	-	-	-	-	-	-	-	-
2011 Jan.	72.6	46.0	42.9	47.5	43.9	46.5	42.0	-	-	-	-	-	-	-	-
Feb.	76.6	47.5	51.0	45.9	45.3	51.4	40.9	-	-	-	-	-	-	-	-
Mar.	82.1	35.7	44.4	31.8	34.1	43.8	27.6	-	-	-	-	-	-	-	-
Apr.	85.1	15.2	37.9	6.5	17.6	36.0	6.8	-	-	-	-	-	-	-	-

Sources: Eurostat, ECB calculations based on Eurostat data (column 7 in Table 2 in Section 5.1 and columns 8-15 in Table 3 in Section 5.1), ECB calculations based on Thomson Reuters data (column 1 in Table 3 in Section 5.1) and ECB calculations (column 12 in Table 2 in Section 5.1 and columns 2-7 in Table 3 in Section 5.1).

1) Input prices for residential buildings.
2) Experimental data based on non-harmonised national sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
3) Brent Blend (for one-month forward delivery).
4) Refers to prices expressed in euro. Weighted according to the structure of euro area imports in the period 2004-06.
5) Refers to prices expressed in euro. Weighted according to euro area domestic demand (domestic production plus imports minus exports) in the period 2004-06. Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for details).
6) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

4. Unit labour costs, compensation per labour input and labour productivity 1)

(seasonally adjusted)

	Total (index: 2000 = 100)	Total	By economic activity: Agriculture, hunting, forestry and fishing	Mining, manufacturing and energy	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business services	Public administration, education, health and other services
	1	2	3	4	5	6	7	8
	Unit labour costs 2)							
2009	120.1	3.8	-2.1	9.3	1.6	5.2	0.9	2.7
2010	119.5	-0.5	1.4	-5.4	2.3	-0.8	1.7	0.6
2010 Q1	119.9	-0.5	0.6	-6.6	2.6	-0.5	1.2	0.9
Q2	119.6	-0.6	1.3	-6.6	2.5	-1.1	1.9	1.3
Q3	119.3	-0.6	2.7	-4.1	2.5	-1.0	2.2	-0.3
Q4	119.8	-0.2	1.2	-3.5	1.3	-0.4	1.5	0.5
	Compensation per employee							
2009	123.5	1.5	2.5	0.0	2.3	1.6	1.4	2.6
2010	125.6	1.7	2.3	3.6	1.6	1.8	1.6	0.7
2010 Q1	124.8	1.7	1.7	3.0	0.8	1.7	1.9	1.1
Q2	125.6	2.1	2.4	4.2	1.7	1.9	1.4	1.4
Q3	125.7	1.5	2.6	3.6	2.0	1.9	1.7	-0.1
Q4	126.4	1.6	2.5	3.5	1.9	1.7	1.4	0.4
	Labour productivity per person employed 3)							
2009	102.8	-2.3	4.7	-8.5	0.7	-3.4	0.5	-0.2
2010	105.1	2.2	0.9	9.5	-0.6	2.6	-0.1	0.1
2010 Q1	104.1	2.2	1.1	10.3	-1.8	2.2	0.7	0.2
Q2	105.0	2.6	1.1	11.6	-0.7	3.0	-0.5	0.2
Q3	105.4	2.1	-0.1	8.0	-0.5	3.0	-0.5	0.2
Q4	105.5	1.8	1.3	7.3	0.5	2.1	-0.1	0.0
	Compensation per hour worked							
2009	127.9	3.1	3.8	4.4	4.7	2.7	2.6	2.8
2010	129.0	0.9	1.3	0.6	1.5	1.0	1.1	0.5
2010 Q1	128.5	0.9	2.1	0.9	0.4	0.6	1.3	0.8
Q2	129.0	1.0	0.7	0.4	1.5	0.7	1.0	1.2
Q3	128.8	0.5	-0.3	0.2	2.1	1.0	1.1	-0.4
Q4	129.8	1.1	2.6	0.8	2.0	1.7	1.1	0.3
	Hourly labour productivity 3)							
2009	107.1	-0.9	5.1	-4.7	2.4	-2.5	1.6	0.0
2010	108.6	1.4	1.2	6.4	-1.1	1.7	-0.6	-0.2
2010 Q1	107.8	1.4	2.2	8.1	-2.5	1.0	-0.1	-0.2
Q2	108.5	1.6	1.3	7.8	-1.4	1.7	-1.0	-0.1
Q3	108.6	1.1	-0.2	4.4	-1.0	1.8	-1.1	-0.1
Q4	109.0	1.3	1.6	4.6	0.6	1.8	-0.2	-0.4

5. Labour cost indices 1), 4)

	Total (s.a.; index: 2008 = 100)	Total	By component: Wages and salaries	Employers' social contributions	For selected economic activities: Mining, manufacturing and energy	Construction	Services	Memo item: Indicator of negotiated wages 5)
% of total in 2008	100.0	100.0	75.2	24.8	32.4	9.0	58.6	
	1	2	3	4	5	6	7	8
2009	102.8	2.9	2.7	3.4	3.4	3.6	2.5	2.6
2010	104.3	1.5	1.4	1.8	1.1	1.7	1.6	1.7
2010 Q1	103.8	1.9	1.8	2.1	1.7	2.7	1.8	1.8
Q2	104.2	1.6	1.5	1.8	0.8	1.8	1.9	1.9
Q3	104.3	0.9	0.8	1.3	0.1	1.4	1.3	1.5
Q4	105.0	1.6	1.4	1.9	1.6	1.1	1.6	1.6

Sources: Eurostat, ECB calculations based on Eurostat data (Table 4 in Section 5.1) and ECB calculations (column 8 in Table 5 in Section 5.1).

1) Data refer to the Euro 17.
2) Compensation (at current prices) per employee divided by labour productivity per person employed.
3) Total GDP and value added by economic activity (volumes) per labour input (persons employed and hours worked).
4) Hourly labour cost indices for the whole economy, excluding agriculture, public administration, education, health and services not classified elsewhere. Owing to differences in coverage, the estimates for the components may not be consistent with the total.
5) Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).

1. GDP and expenditure components [1]

	GDP								
	Total	Domestic demand					External balance [2]		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories [3]	Total	Exports [2]	Imports [2]
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions; seasonally adjusted)								
2007	9,039.0	8,906.1	5,082.6	1,808.9	1,975.1	39.6	132.9	3,745.9	3,613.0
2008	9,257.0	9,163.5	5,241.3	1,898.8	2,000.5	22.8	93.5	3,872.4	3,778.8
2009	8,967.1	8,850.2	5,173.7	1,986.3	1,762.9	-72.8	116.9	3,256.7	3,139.8
2010	9,194.6	9,073.2	5,307.8	2,016.5	1,763.2	-14.3	121.4	3,736.8	3,615.4
2009 Q4	2,251.6	2,209.0	1,299.8	498.1	430.9	-19.7	42.6	840.0	797.4
2010 Q1	2,265.5	2,236.9	1,310.2	502.0	431.7	-7.1	28.6	874.9	846.3
Q2	2,296.1	2,271.3	1,322.1	504.2	443.5	1.5	24.8	928.2	903.4
Q3	2,313.3	2,279.3	1,330.9	505.5	444.3	-1.5	34.1	955.3	921.2
Q4	2,319.6	2,285.7	1,344.6	504.8	443.6	-7.3	33.9	978.4	944.5
	percentage of GDP								
2010	100.0	98.7	57.7	21.9	19.2	-0.2	1.3	-	-
	Chain-linked volumes (prices for the previous year; seasonally adjusted [4])								
	quarter-on-quarter percentage changes								
2009 Q4	0.2	-0.2	0.3	0.0	-1.1	-	-	2.2	1.1
2010 Q1	0.4	0.6	0.3	-0.1	-0.2	-	-	3.1	3.6
Q2	1.0	0.9	0.2	0.2	2.1	-	-	4.5	4.2
Q3	0.4	0.1	0.2	0.4	-0.2	-	-	2.1	1.5
Q4	0.3	0.0	0.4	0.1	-0.5	-	-	1.6	1.0
	annual percentage changes								
2007	2.9	2.6	1.7	2.2	4.7	-	-	6.3	5.8
2008	0.4	0.4	0.4	2.3	-0.8	-	-	0.9	0.8
2009	-4.1	-3.5	-1.1	2.5	-11.4	-	-	-13.1	-11.9
2010	1.8	1.0	0.8	0.7	-0.8	-	-	11.2	9.3
2009 Q4	-2.1	-2.7	-0.4	1.9	-9.5	-	-	-5.3	-6.9
2010 Q1	0.8	-0.4	0.4	1.1	-4.8	-	-	7.0	3.6
Q2	2.0	1.2	0.6	0.6	-0.6	-	-	12.9	11.1
Q3	2.0	1.3	1.0	0.5	0.5	-	-	12.3	10.9
Q4	2.0	1.5	1.1	0.6	1.1	-	-	11.6	10.7
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2009 Q4	0.2	-0.2	0.2	0.0	-0.2	-0.2	0.4	-	-
2010 Q1	0.4	0.5	0.2	0.0	0.0	0.4	-0.1	-	-
Q2	1.0	0.8	0.1	0.0	0.4	0.3	0.2	-	-
Q3	0.4	0.1	0.1	0.1	0.0	-0.1	0.3	-	-
Q4	0.3	0.0	0.2	0.0	-0.1	-0.1	0.3	-	-
	contributions to annual percentage changes in GDP; percentage points								
2007	2.8	2.6	1.0	0.5	1.0	0.2	0.2	-	-
2008	0.4	0.4	0.2	0.5	-0.2	-0.2	0.1	-	-
2009	-4.1	-3.5	-0.6	0.5	-2.5	-0.9	-0.7	-	-
2010	1.8	1.0	0.5	0.2	-0.2	0.5	0.8	-	-
2009 Q4	-2.1	-2.7	-0.3	0.4	-2.0	-0.8	0.6	-	-
2010 Q1	0.8	-0.4	0.3	0.2	-1.0	0.1	1.2	-	-
Q2	2.0	1.2	0.4	0.1	-0.1	0.8	0.8	-	-
Q3	2.0	1.3	0.6	0.1	0.1	0.5	0.7	-	-
Q4	2.0	1.5	0.6	0.1	0.2	0.5	0.5	-	-

Sources: Eurostat and ECB calculations.

1) Data refer to the Euro 17.
2) Exports and imports cover goods and services and include cross-border intra-euro area trade. They are not fully consistent with: Section 3.1; Table 1 of Section 7.1; Table 3 of Section 7.2; or Tables 1 or 3 of Section 7.5.
3) Including acquisitions less disposals of valuables.
4) Annual data are not working day-adjusted.

5.2 Output and demand

2. Value added by economic activity [1]

	Gross value added (basic prices): Total	Agriculture, hunting, forestry and fishing activities	Mining, manufacturing and energy	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business activities	Public administration, education, health and other services	Taxes less subsidies on products
	1	2	3	4	5	6	7	8
	Current prices (EUR billions; seasonally adjusted)							
2007	8,078.2	152.6	1,653.6	512.9	1,678.3	2,277.1	1,803.7	960.8
2008	8,310.4	147.9	1,653.5	529.1	1,733.7	2,359.7	1,886.6	946.7
2009	8,074.4	133.4	1,442.6	507.0	1,670.4	2,357.9	1,963.1	892.6
2010	8,262.5	143.2	1,527.0	488.5	1,700.5	2,396.8	2,006.5	932.1
2009 Q4	2,026.3	32.9	365.7	123.7	417.9	591.7	494.2	225.4
2010 Q1	2,041.7	34.6	373.6	121.5	419.0	593.8	499.2	223.8
Q2	2,063.8	35.6	381.7	123.2	424.3	596.2	502.8	232.3
Q3	2,074.1	36.2	382.6	122.4	428.3	602.4	502.1	239.2
Q4	2,083.0	36.7	389.1	121.4	428.9	604.3	502.4	236.7
	percentage of value added							
2010	100.0	1.7	18.5	5.9	20.6	29.0	24.3	-
	Chain-linked volumes (prices for the previous year; seasonally adjusted [2])							
	quarter-on-quarter percentage changes							
2009 Q4	0.1	-0.2	0.6	-1.8	0.2	-0.1	0.5	1.1
2010 Q1	0.7	0.8	2.7	-1.6	0.6	0.3	0.3	-2.1
Q2	0.8	-0.5	1.9	1.0	1.1	0.4	0.2	2.8
Q3	0.3	-0.5	0.3	-1.0	0.5	0.6	0.3	0.7
Q4	0.3	1.1	1.1	-1.2	0.0	0.4	0.3	-0.3
	annual percentage changes							
2007	3.1	1.4	3.2	2.4	3.7	4.0	1.7	0.9
2008	0.7	1.0	-2.1	-1.3	1.2	1.7	1.9	-1.4
2009	-4.3	2.3	-13.3	-6.0	-5.1	-1.6	1.2	-3.0
2010	1.8	0.2	6.1	-4.3	1.9	1.0	1.3	1.4
2009 Q4	-2.3	2.0	-6.7	-5.7	-3.2	-1.2	1.3	-0.1
2010 Q1	1.0	0.4	4.4	-6.7	0.7	0.3	1.5	-0.4
Q2	2.0	0.3	7.5	-4.1	2.0	0.6	1.3	2.3
Q3	1.9	-0.5	5.6	-3.4	2.4	1.1	1.3	2.5
Q4	2.2	0.8	6.1	-2.9	2.2	1.7	1.1	1.1
	contributions to quarter-on-quarter percentage changes in value added; percentage points							
2009 Q4	0.1	0.0	0.1	-0.1	0.0	0.0	0.1	-
2010 Q1	0.7	0.0	0.5	-0.1	0.1	0.1	0.1	-
Q2	0.8	0.0	0.4	0.1	0.2	0.1	0.1	-
Q3	0.3	0.0	0.0	-0.1	0.1	0.2	0.1	-
Q4	0.3	0.0	0.2	-0.1	0.0	0.1	0.1	-
	contributions to annual percentage changes in value added; percentage points							
2007	3.1	0.0	0.7	0.2	0.8	1.1	0.4	-
2008	0.7	0.0	-0.4	-0.1	0.3	0.5	0.4	-
2009	-4.3	0.0	-2.7	-0.4	-1.1	-0.5	0.3	-
2010	1.8	0.0	1.1	-0.3	0.4	0.3	0.3	-
2009 Q4	-2.3	0.0	-1.3	-0.4	-0.7	-0.3	0.3	-
2010 Q1	1.0	0.0	0.8	-0.4	0.2	0.1	0.4	-
Q2	2.0	0.0	1.3	-0.3	0.4	0.2	0.3	-
Q3	1.9	0.0	1.0	-0.2	0.5	0.3	0.3	-
Q4	2.2	0.0	1.1	-0.2	0.5	0.5	0.3	-

Sources: Eurostat and ECB calculations.

1) Data refer to the Euro 17.
2) Annual data are not working day-adjusted.

3. Industrial production

	Total	Industry excluding construction										Construction
		Total (s.a.; index: 2005 = 100)	Total		Industry excluding construction and energy						Energy	
				Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods				
								Total	Durable	Non-durable		
% of total in 2005	100.0	77.8	77.8	69.2	68.7	28.1	22.3	18.3	2.6	15.7	9.1	22.2
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-2.5	106.5	-1.7	-1.8	-1.9	-3.4	0.0	-2.0	-5.3	-1.5	0.2	-5.5
2009	-13.7	90.8	-14.7	-15.8	-15.9	-19.0	-20.7	-4.9	-17.3	-2.9	-5.4	-8.3
2010	4.3	97.6	7.5	7.9	8.0	10.0	9.4	3.7	2.5	3.8	3.7	-7.7
2010 Q1	2.2	95.0	5.3	5.5	5.5	8.8	3.2	3.7	0.0	4.2	3.5	-10.0
Q2	6.5	97.2	9.5	9.7	9.9	14.3	9.6	4.3	4.9	4.2	5.5	-4.0
Q3	3.9	98.2	7.2	7.8	7.9	9.3	10.1	3.5	3.7	3.4	1.4	-8.1
Q4	4.6	100.1	8.1	8.6	8.6	7.8	14.2	3.3	1.7	3.4	4.5	-9.0
2010 Sep.	2.7	98.2	5.7	6.2	6.2	7.3	8.6	1.9	0.8	2.0	0.8	-7.9
Oct.	4.3	99.0	7.2	7.8	8.0	7.4	12.7	3.3	1.9	3.5	1.3	-6.4
Nov.	4.9	100.5	8.2	8.5	8.5	8.0	13.0	3.9	0.9	4.2	5.6	-7.3
Dec.	4.6	100.7	8.9	9.5	9.5	8.0	17.0	2.5	2.4	2.5	6.1	-13.9
2011 Jan.	4.2	100.9	6.3	8.2	8.2	10.2	12.6	0.8	2.6	0.5	-2.5	-3.9
Feb.	6.6	101.4	7.5	9.3	9.3	10.1	14.1	2.8	4.2	2.5	-2.7	3.8
	month-on-month percentage changes (s.a.)											
2010 Sep.	-0.4	-	-0.7	-1.0	-0.3	-1.1	-1.0	-0.8	-2.3	-0.5	-1.3	-1.5
Oct.	0.7	-	0.8	1.1	1.1	0.3	1.8	0.4	0.1	0.4	1.2	0.5
Nov.	1.0	-	1.5	1.5	0.7	2.0	1.7	0.7	0.8	0.7	1.9	-1.1
Dec.	-0.3	-	0.2	1.0	1.3	-1.0	1.5	-0.2	-0.7	-0.3	2.6	-3.0
2011 Jan.	0.7	-	0.2	0.7	0.2	2.7	-0.2	-0.3	1.8	-0.4	-3.7	4.0
Feb.	0.9	-	0.5	1.1	1.1	0.4	1.0	1.0	0.3	1.0	-0.1	-0.9

4. Industrial new orders and turnover, retail sales and new passenger car registrations

	Industrial new orders		Industrial turnover		Retail sales (excluding automotive fuel)							New passenger car registrations	
	Manufacturing [1] (current prices)		Manufacturing (current prices)		Current prices	Constant prices							
	Total (s.a.; index: 2005 = 100)	Total	Total (s.a.; index: 2005 = 100)	Total	Total	Total (s.a.; index: 2005 = 100)	Total	Food, beverages, tobacco	Non-food			Total (s.a.; thousands) [2]	Total
										Textiles, clothing, footwear	Household equipment		
% of total in 2005	100.0	100.0	100.0	100.0	100.0	100.0	100.0	43.0	57.0	10.1	14.3		
	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	113.0	-5.4	116.7	1.8	1.7	103.4	-0.8	-1.8	-0.1	-1.8	-1.6	891	-7.8
2009	87.5	-22.8	95.4	-18.4	-2.9	101.4	-2.0	-1.7	-2.2	-1.8	-3.9	925	3.3
2010	102.9	17.5	105.1	10.2	1.4	102.5	1.1	0.5	1.7	2.6	0.6	843	-8.6
2010 Q2	102.4	22.5	104.2	12.2	1.3	102.4	1.0	0.2	1.6	-0.3	2.0	836	-13.1
Q3	105.8	15.9	106.2	10.1	2.1	102.8	1.7	0.4	2.9	5.5	1.1	797	-16.4
Q4	108.5	17.9	109.5	12.2	1.5	102.6	1.0	0.2	1.5	1.7	-0.3	851	-11.1
2011 Q1	.	.	.	.	1.1	102.7	0.3	-1.2	1.3	.	.	867	-3.1
2010 Oct.	106.1	14.7	108.0	8.4	2.0	102.9	1.6	0.4	2.3	2.3	1.1	829	-15.3
Nov.	108.3	19.9	109.0	14.0	1.8	102.6	1.3	0.8	1.9	3.6	0.3	876	-10.0
Dec.	111.1	19.0	111.6	14.2	0.7	102.4	0.2	-0.4	0.6	-0.3	-1.9	849	-6.9
2011 Jan.	112.3	21.9	114.2	15.9	1.4	102.8	0.9	-1.0	1.9	-0.9	4.4	850	-4.3
Feb.	113.4	21.5	115.6	16.0	2.1	103.1	1.6	-0.3	2.9	4.4	4.1	875	0.1
Mar.	.	.	.	.	-0.2	102.2	-1.3	-2.1	-0.8	.	.	875	-4.5
	month-on-month percentage changes (s.a.)												
2010 Nov.	-	2.1	-	1.0	-0.3	-	-0.2	-0.1	-0.3	-0.6	-0.3	-	5.6
Dec.	-	2.6	-	2.4	-0.2	-	-0.3	-0.3	-0.2	-0.7	-0.6	-	-3.0
2011 Jan.	-	1.1	-	2.4	0.6	-	0.4	-0.1	0.6	0.6	2.3	-	0.1
Feb.	-	1.0	-	1.2	0.3	-	0.3	0.1	0.5	2.1	0.1	-	2.9
Mar.	-	.	-	.	-0.5	-	-0.9	-0.6	-1.1	.	.	-	0.0

Sources: Eurostat, except columns 12 and 13 in Table 4 in Section 5.2 (which comprise ECB calculations based on data from the European Automobile Manufacturers' Association).
1) Includes manufacturing industries working mainly on the basis of orders, which represented 61.2% of total manufacturing in 2005.
2) Annual and quarterly figures are averages of monthly figures in the period concerned.

5.2 Output and demand

(percentage balances, 1) unless otherwise indicated; seasonally adjusted)

5. Business and Consumer Surveys

	Economic sentiment indicator 2) (long-term average = 100)	Manufacturing industry						Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation 3) (%)		Total 4)	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total 4)	Order books	Stocks of finished products	Production expectations							
	1	2	3	4	5	6		7	8	9	10	11
2007	109.4	5.8	7.2	4.4	14.6	84.8		-4.9	-2.3	-4.3	5.0	-8.0
2008	93.7	-8.4	-13.3	10.8	-1.0	82.1		-18.1	-9.9	-25.3	23.5	-13.6
2009	80.7	-28.7	-56.8	14.6	-14.8	70.9		-24.8	-7.0	-26.3	55.5	-10.3
2010	100.9	-4.6	-24.4	0.6	11.3	77.0		-14.0	-5.2	-12.2	31.0	-7.6
2010 Q1	96.4	-12.0	-41.5	2.4	8.1	74.2		-16.8	-3.7	-10.9	45.9	-6.8
Q2	99.1	-6.4	-28.6	0.5	10.1	76.7		-16.7	-6.2	-17.8	33.8	-8.9
Q3	102.3	-2.5	-18.0	0.3	10.9	77.8		-12.1	-5.5	-11.3	23.4	-8.2
Q4	105.6	2.5	-9.4	-0.8	16.2	79.3		-10.4	-5.4	-8.7	20.9	-6.6
2011 Q1	107.3	6.5	-1.3	-1.9	18.8	80.8		-10.6	-6.0	-9.6	19.7	-7.0
2010 Nov.	105.6	1.8	-10.6	-0.8	15.2	-		-9.4	-5.0	-6.7	19.8	-6.1
Dec.	106.9	5.1	-5.3	-2.0	18.7	-		-11.0	-5.8	-9.2	21.3	-7.7
2011 Jan.	106.8	6.1	-2.7	-1.9	18.9	80.3		-11.2	-6.6	-10.1	19.9	-8.2
Feb.	107.9	6.6	-1.3	-1.5	19.7	-		-10.0	-5.2	-8.6	20.2	-5.8
Mar.	107.3	6.7	0.0	-2.3	17.9	-		-10.6	-6.3	-10.2	19.0	-7.1
Apr.	106.2	5.8	0.2	-1.4	15.7	81.3		-11.6	-7.3	-14.4	16.6	-8.1

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator			
	Total 4)	Order books	Employment expectations	Total 4)	Present business situation	Volume of stocks	Expected business situation	Total 4)	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
2007	0.1	-7.6	7.8	1.1	5.1	13.2	11.4	16.1	13.3	14.6	20.4
2008	-13.4	-20.7	-6.1	-10.0	-10.6	16.0	-3.5	0.6	-3.7	0.7	4.7
2009	-32.7	-42.2	-23.2	-15.5	-21.0	9.9	-15.7	-15.5	-20.4	-17.9	-8.3
2010	-28.4	-39.6	-17.2	-4.0	-6.1	7.4	1.5	5.0	2.5	4.2	8.3
2010 Q1	-30.2	-41.3	-19.2	-8.9	-13.4	7.8	-5.5	0.0	-3.3	-3.0	6.3
Q2	-29.2	-41.3	-17.1	-5.1	-7.5	7.5	-0.5	3.9	1.6	2.8	7.3
Q3	-28.1	-39.8	-16.4	-2.8	-4.7	7.0	3.4	6.9	4.8	8.3	7.6
Q4	-26.2	-36.0	-16.3	0.8	1.3	7.4	8.5	9.0	6.8	8.4	11.9
2011 Q1	-25.2	-36.1	-14.3	-0.7	0.1	8.2	6.0	10.6	8.3	10.5	13.2
2010 Nov.	-26.5	-36.2	-16.7	-1.1	-3.2	7.6	7.6	9.3	6.8	9.4	11.6
Dec.	-26.7	-36.7	-16.8	4.3	7.3	5.9	11.4	9.8	8.2	9.1	12.1
2011 Jan.	-26.0	-38.9	-13.1	-0.6	0.4	6.7	4.6	9.9	8.4	9.1	12.1
Feb.	-24.2	-34.0	-14.4	-0.2	0.7	7.2	6.0	11.2	8.8	12.1	12.9
Mar.	-25.4	-35.4	-15.3	-1.4	-0.8	10.6	7.3	10.8	7.6	10.2	14.7
Apr.	-24.2	-33.3	-15.2	-1.8	-1.8	9.0	5.4	10.4	7.9	10.0	13.4

Source: European Commission (Economic and Financial Affairs DG).

1) Difference between the percentages of respondents giving positive and negative replies.
2) The economic sentiment indicator is composed of the industrial, services, consumer, construction and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20% and the two other indicators a weight of 5% each. Values for the economic sentiment indicator of above (below) 100 indicate above-average (below-average) economic sentiment, calculated for the period 1990 to 2010.
3) Data are collected in January, April, July and October each year. The quarterly figures shown are averages of two successive surveys. Annual data are derived from quarterly averages.
4) The confidence indicators are calculated as simple averages of the components shown; the assessments of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

5.3 Labour markets [1), 2)]

(annual percentage changes, unless otherwise indicated; seasonally adjusted)

1. Employment in terms of persons employed

	Whole economy		By employment status		By economic activity					
	Total (millions)	Total	Employees	Self-employed	Agriculture, hunting, forestry and fishing	Mining, manufacturing and energy	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business services	Public administration, education, health and other services
% of total in 2010	100.0	100.0	85.5	14.5	3.8	16.0	6.9	25.5	16.3	31.5
	1	2	3	4	5	6	7	8	9	10
2008	148.606	0.8	1.0	-0.3	-1.8	-0.1	-2.0	1.2	2.2	1.2
2009	145.809	-1.9	-1.8	-2.4	-2.4	-5.3	-6.7	-1.8	-2.1	1.4
2010	145.131	-0.5	-0.4	-0.7	-0.6	-3.1	-3.7	-0.7	1.0	1.2
2010 Q1	144.957	-1.3	-1.4	-0.6	-0.8	-5.4	-5.0	-1.5	-0.4	1.3
Q2	145.128	-0.6	-0.6	-0.9	-0.8	-3.6	-3.4	-1.0	1.1	1.1
Q3	145.102	-0.2	0.0	-0.9	-0.4	-2.3	-2.9	-0.6	1.6	1.1
Q4	145.336	0.2	0.4	-0.6	-0.6	-1.1	-3.4	0.2	1.8	1.1
	quarter-on-quarter percentage changes									
2010 Q1	-0.023	0.0	-0.1	0.2	0.0	-0.7	-1.1	-0.1	0.4	0.5
Q2	0.170	0.1	0.3	-0.7	-1.0	-0.1	-0.3	0.0	0.9	0.2
Q3	-0.025	0.0	0.0	-0.4	0.1	-0.3	-1.1	0.1	0.2	0.2
Q4	0.233	0.2	0.1	0.3	0.4	0.0	-0.9	0.3	0.3	0.3

2. Employment in terms of hours worked

	Whole economy		By employment status		By economic activity					
	Total (millions)	Total	Employees	Self-employed	Agriculture, hunting, forestry and fishing	Mining, manufacturing and energy	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business services	Public administration, education, health and other services
% of total in 2010	100.0	100.0	80.5	19.5	4.9	16.0	7.8	27.0	15.9	28.5
	1	2	3	4	5	6	7	8	9	10
2008	239,799.3	0.6	0.9	-1.0	-2.3	-0.7	-1.7	0.7	2.3	1.4
2009	231,891.6	-3.3	-3.4	-2.9	-2.7	-9.0	-8.3	-2.7	-3.2	1.2
2010	232,731.8	0.4	0.4	0.2	-1.0	-0.3	-3.2	0.2	1.5	1.5
2010 Q1	57,954.4	-0.5	-0.7	0.1	-1.8	-3.4	-4.3	-0.3	0.4	1.7
Q2	58,177.8	0.4	0.5	0.0	-1.0	-0.2	-2.8	0.2	1.6	1.3
Q3	58,303.2	0.8	1.0	0.3	-0.3	1.2	-2.4	0.5	2.2	1.3
Q4	58,296.3	0.8	0.9	0.2	-0.8	1.5	-3.4	0.4	1.9	1.5
	quarter-on-quarter percentage changes									
2010 Q1	99.7	0.2	0.2	0.2	-0.7	-0.1	-0.9	0.2	0.4	0.6
Q2	223.4	0.4	0.5	-0.1	0.1	0.8	0.0	0.3	0.7	0.2
Q3	125.4	0.2	0.3	-0.2	-0.1	0.7	-0.9	0.0	0.5	0.4
Q4	-7.0	0.0	-0.1	0.2	-0.1	0.1	-1.6	-0.1	0.3	0.3

3. Hours worked per person employed

	Whole economy		By employment status		By economic activity					
	Total (thousands)	Total	Employees	Self-employed	Agriculture, hunting, forestry and fishing	Mining, manufacturing and energy	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business services	Public administration, education, health and other services
	1	2	3	4	5	6	7	8	9	10
2008	1.614	-0.2	0.0	-0.7	-0.5	-0.6	0.4	-0.4	0.1	0.2
2009	1.590	-1.4	-1.6	-0.5	-0.4	-4.0	-1.7	-1.0	-1.1	-0.2
2010	1.604	0.8	0.8	0.9	-0.3	2.9	0.5	0.9	0.5	0.3
2010 Q1	0.400	0.8	0.8	0.7	-1.0	2.1	0.8	1.2	0.8	0.4
Q2	0.401	1.0	1.0	0.9	-0.2	3.5	0.7	1.2	0.5	0.2
Q3	0.402	1.0	1.0	1.2	0.1	3.5	0.5	1.1	0.6	0.3
Q4	0.401	0.5	0.5	0.8	-0.2	2.6	-0.1	0.3	0.1	0.3

Source: ECB calculations based on Eurostat data.
1) Data for employment are based on the ESA 95.
2) Data refer to the Euro 17.

5.3 Labour markets

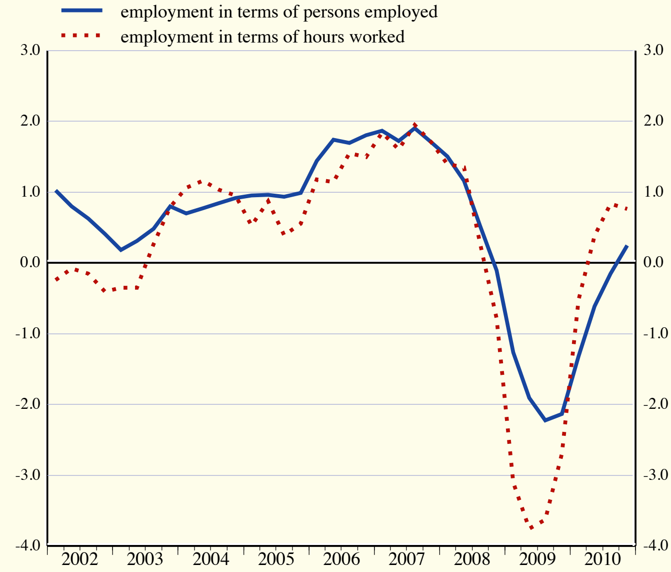
(seasonally adjusted, unless otherwise indicated)

4. Unemployment and job vacancies [1]

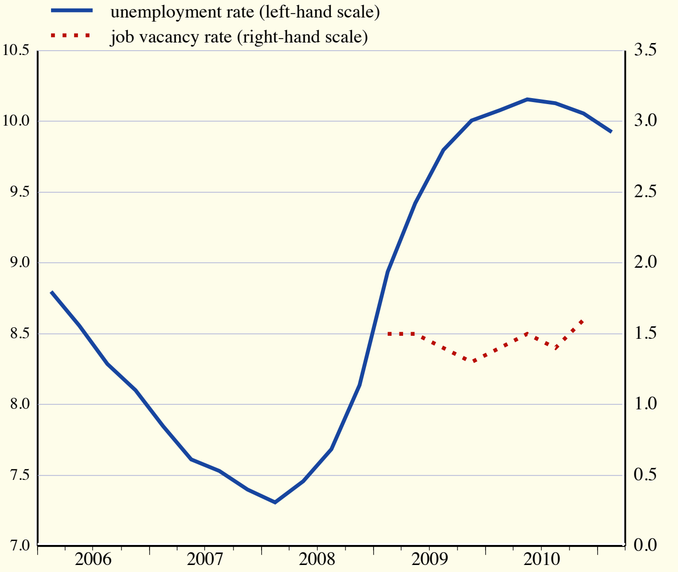
	Unemployment										Job vacancy rate [2), 3)]
	Total		By age [4)]				By gender [5)]				
			Adult		Youth		Male		Female		
	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.6		20.4		53.8		46.2		
	1	2	3	4	5	6	7	8	9	10	11
2007	11.765	7.6	9.193	6.7	2.572	15.4	5.794	6.7	5.972	8.7	.
2008	11.977	7.6	9.313	6.7	2.664	16.0	6.043	7.0	5.934	8.5	.
2009	14.977	9.5	11.730	8.3	3.247	20.0	8.070	9.3	6.908	9.8	1.4
2010	15.890	10.1	12.647	8.9	3.243	20.7	8.554	9.9	7.335	10.3	1.5
2010 Q1	15.834	10.1	12.516	8.9	3.318	20.9	8.585	10.0	7.249	10.2	1.4
Q2	15.969	10.2	12.677	9.0	3.292	20.9	8.633	10.0	7.336	10.3	1.5
Q3	15.933	10.1	12.726	9.0	3.207	20.6	8.548	9.9	7.385	10.4	1.4
Q4	15.822	10.1	12.669	8.9	3.154	20.4	8.451	9.8	7.371	10.4	1.6
2011 Q1	15.618	9.9	12.555	8.8	3.062	19.9	8.307	9.7	7.311	10.3	.
2010 Oct.	15.949	10.1	12.767	9.0	3.182	20.5	8.541	9.9	7.408	10.4	-
Nov.	15.817	10.1	12.654	8.9	3.164	20.4	8.440	9.8	7.377	10.4	-
Dec.	15.700	10.0	12.585	8.9	3.115	20.2	8.372	9.7	7.329	10.3	-
2011 Jan.	15.652	10.0	12.563	8.9	3.089	20.1	8.325	9.7	7.327	10.3	-
Feb.	15.605	9.9	12.549	8.8	3.056	19.9	8.304	9.7	7.301	10.2	-
Mar.	15.596	9.9	12.554	8.8	3.042	19.8	8.291	9.6	7.305	10.2	-

C28 Employment - persons employed and hours worked [2)]

(annual percentage changes)



C29 Unemployment and job vacancy [2), 3)] rates



Source: Eurostat.
1) Data for unemployment refer to persons and follow ILO recommendations.
2) Data refer to the Euro 17.
3) Industry, construction and services (excluding households as employers and extra-territorial organisations and bodies); non-seasonally adjusted.
4) Adult: 25 years of age and over; youth: below 25 years of age; rates are expressed as a percentage of the labour force for the relevant age group.
5) Rates are expressed as a percentage of the labour force for the relevant gender.

6 GOVERNMENT FINANCE

6.1 Revenue, expenditure and deficit/surplus [1)]

(as a percentage of GDP)

1. Euro area − revenue

	Total	Current revenue										Capital revenue		Memo item: Fiscal burden [2)]
			Direct taxes	Households	Corporations	Indirect taxes	Received by EU institutions	Social contributions	Employers	Employees	Sales		Capital taxes	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2002	45.1	44.8	11.8	9.2	2.5	13.5	0.4	15.6	8.1	4.6	2.1	0.3	0.3	41.1
2003	45.0	44.3	11.4	9.0	2.3	13.5	0.4	15.7	8.2	4.6	2.1	0.6	0.5	41.1
2004	44.5	44.0	11.3	8.7	2.5	13.5	0.3	15.5	8.1	4.5	2.1	0.5	0.4	40.7
2005	44.8	44.3	11.5	8.7	2.7	13.7	0.3	15.4	8.1	4.5	2.2	0.5	0.3	40.9
2006	45.3	45.0	12.1	8.9	3.0	13.8	0.3	15.3	8.0	4.4	2.1	0.3	0.3	41.4
2007	45.4	45.1	12.4	9.1	3.2	13.8	0.3	15.1	8.0	4.4	2.1	0.3	0.3	41.5
2008	45.0	44.8	12.2	9.3	2.8	13.3	0.3	15.3	8.1	4.5	2.2	0.2	0.2	41.0
2009	44.6	44.2	11.4	9.3	1.9	13.1	0.3	15.7	8.2	4.5	2.3	0.3	0.4	40.5
2010	44.5	44.2	11.3	9.1	2.1	13.2	0.2	15.6	8.1	4.5	2.3	0.3	0.3	40.4

2. Euro area − expenditure

	Total	Current expenditure								Capital expenditure				Memo item: Primary expenditure [3)]
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments	Subsidies	Paid by EU institutions		Investment	Capital transfers	Paid by EU institutions	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2002	47.7	43.9	10.4	4.9	3.5	25.1	22.2	1.9	0.5	3.8	2.4	1.4	0.1	44.2
2003	48.0	44.1	10.5	5.0	3.3	25.3	22.5	1.9	0.5	3.9	2.5	1.4	0.1	44.7
2004	47.4	43.5	10.4	5.0	3.1	25.0	22.3	1.7	0.5	3.9	2.5	1.5	0.1	44.3
2005	47.3	43.4	10.4	5.1	3.0	25.0	22.2	1.7	0.5	3.9	2.5	1.4	0.0	44.3
2006	46.7	42.8	10.2	5.0	2.9	24.7	22.0	1.7	0.5	3.8	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.0	5.0	3.0	24.3	21.5	1.6	0.4	3.8	2.6	1.2	0.0	43.1
2008	47.0	43.2	10.1	5.2	3.0	24.9	22.0	1.6	0.4	3.9	2.6	1.3	0.0	44.0
2009	50.9	46.6	10.8	5.6	2.8	27.4	24.2	1.8	0.5	4.2	2.8	1.4	0.0	48.1
2010	50.5	46.3	10.6	5.6	2.8	27.4	24.2	1.8	0.4	4.1	2.5	1.7	0.0	47.7

3. Euro area − deficit/surplus, primary deficit/surplus and government consumption

	Deficit (-)/surplus (+)					Primary deficit (-)/ surplus (+)	Government consumption [4)]							
	Total	Central gov.	State gov.	Local gov.	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Collective consumption	Individual consumption
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2002	-2.6	-2.1	-0.5	-0.2	0.2	0.9	20.2	10.4	4.9	5.1	1.8	2.1	8.3	12.0
2003	-3.1	-2.4	-0.5	-0.2	0.0	0.2	20.5	10.5	5.0	5.2	1.9	2.1	8.3	12.2
2004	-3.0	-2.5	-0.4	-0.3	0.1	0.2	20.4	10.4	5.0	5.1	1.9	2.1	8.3	12.1
2005	-2.5	-2.2	-0.3	-0.2	0.2	0.4	20.4	10.4	5.1	5.1	1.9	2.2	8.2	12.2
2006	-1.4	-1.5	-0.1	-0.2	0.4	1.5	20.3	10.2	5.0	5.2	1.9	2.1	8.1	12.2
2007	-0.7	-1.2	0.0	-0.1	0.6	2.3	20.0	10.0	5.0	5.1	1.9	2.1	7.9	12.1
2008	-2.0	-2.1	-0.2	-0.2	0.5	1.0	20.5	10.1	5.2	5.3	2.0	2.2	8.1	12.4
2009	-6.3	-5.2	-0.5	-0.3	-0.4	-3.5	22.1	10.8	5.6	5.8	2.1	2.3	8.7	13.3
2010	-6.0	-4.9	-0.6	-0.4	-0.1	-3.2	21.9	10.6	5.6	5.8	2.0	2.3	8.6	13.2

4. Euro area countries − deficit (-)/surplus (+) [5)]

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2007	-0.3	0.3	2.5	0.1	-6.4	1.9	-2.7	-1.5	3.4	3.7	-2.4	0.2	-0.9	-3.1	-0.1	-1.8	5.2
2008	-1.3	0.1	-2.8	-7.3	-9.8	-4.2	-3.3	-2.7	0.9	3.0	-4.5	0.6	-0.9	-3.5	-1.8	-2.1	4.2
2009	-5.9	-3.0	-1.7	-14.3	-15.4	-11.1	-7.5	-5.4	-6.0	-0.9	-3.7	-5.5	-4.1	-10.1	-6.0	-8.0	-2.6
2010	-4.1	-3.3	0.1	-32.4	-10.5	-9.2	-7.0	-4.6	-5.3	-1.7	-3.6	-5.4	-4.6	-9.1	-5.6	-7.9	-2.5

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' deficit/surplus.

1) Data refer to the Euro 17. The concepts "revenue", "expenditure" and "deficit/surplus" are based on the ESA 95. Transactions involving the EU budget are included and consolidated. Transactions among Member States' governments are not consolidated.
2) The fiscal burden comprises taxes and social contributions.
3) Comprises total expenditure minus interest expenditure.
4) Corresponds to final consumption expenditure (P.3) of general government in the ESA 95.
5) Includes proceeds from the sale of UMTS licences and settlements under swaps and forward rate agreements.

6.2 Debt [1]
(as a percentage of GDP)

1. Euro area – by financial instrument and sector of the holder

	Total	Financial instruments				Holders				
		Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [2]				Other creditors [3]
						Total	MFIs	Other financial corporations	Other sectors	
	1	2	3	4	5	6	7	8	9	10
2001	68.1	2.8	12.4	4.0	48.9	42.4	20.8	11.2	10.4	25.7
2002	67.9	2.7	11.8	4.6	48.8	41.0	19.6	10.8	10.6	26.9
2003	69.0	2.0	12.4	5.0	49.5	40.2	19.8	11.2	9.1	28.8
2004	69.4	2.2	12.0	5.0	50.3	39.0	18.9	11.1	9.1	30.4
2005	70.2	2.4	12.1	4.7	51.0	37.3	18.1	11.2	8.0	32.9
2006	68.5	2.4	11.8	4.1	50.1	35.4	18.4	9.3	7.7	33.1
2007	66.2	2.2	11.2	4.2	48.7	33.1	17.1	8.6	7.4	33.1
2008	69.9	2.3	11.4	6.7	49.5	33.0	17.8	7.8	7.4	36.8
2009	79.3	2.4	12.4	8.5	55.9	37.0	20.5	8.9	7.6	42.3
2010	85.2	2.4	15.4	7.7	59.6	40.8	24.0	10.1	6.7	44.3

2. Euro area – by issuer, maturity and currency denomination

	Total	Issued by: [4]				Original maturity			Residual maturity			Currencies	
		Central gov.	State gov.	Local gov.	Social security funds	Up to 1 year	Over 1 year	Variable interest rate	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currencies	Other currencies
	1	2	3	4	5	6	7	8	9	10	11	12	13
2001	68.1	57.0	6.0	4.7	0.4	7.0	61.1	5.3	13.7	26.5	27.9	66.7	1.4
2002	67.9	56.6	6.2	4.7	0.4	7.6	60.3	5.2	15.5	25.2	27.2	66.7	1.2
2003	69.0	56.9	6.5	5.1	0.6	7.8	61.2	5.0	14.8	26.0	28.2	68.1	0.9
2004	69.4	57.3	6.6	5.1	0.4	7.8	61.6	4.6	14.8	26.2	28.4	68.6	0.8
2005	70.2	57.8	6.7	5.2	0.5	7.9	62.3	4.6	14.8	25.6	29.7	69.2	1.0
2006	68.5	56.1	6.5	5.3	0.5	7.4	61.0	4.3	14.4	24.1	30.0	67.9	0.5
2007	66.2	53.5	6.2	5.2	1.3	7.1	59.1	4.3	15.0	23.4	27.8	65.8	0.4
2008	69.9	56.8	6.6	5.2	1.3	9.9	60.0	4.9	18.6	23.0	28.2	69.2	0.7
2009	79.3	64.4	7.6	5.7	1.7	11.7	67.6	5.0	20.9	26.6	31.8	78.5	0.8
2010	85.2	69.3	8.2	5.7	1.9	12.8	72.3	5.4	22.2	28.6	34.3	84.4	0.8

3. Euro area countries

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2007	84.2	64.9	3.7	25.0	105.4	36.1	63.9	103.6	58.3	6.7	62.0	45.3	60.7	68.3	23.1	29.6	35.2
2008	89.6	66.3	4.6	44.4	110.7	39.8	67.7	106.3	48.3	13.6	61.5	58.2	63.8	71.6	21.9	27.8	34.1
2009	96.2	73.5	7.2	65.6	127.1	53.3	78.3	116.1	58.0	14.6	67.6	60.8	69.6	83.0	35.2	35.4	43.8
2010	96.8	83.2	6.6	96.2	142.8	60.1	81.7	119.0	60.8	18.4	68.0	62.7	72.3	93.0	38.0	41.0	48.4

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' debt.
1) Data refer to the Euro 17. Gross general government debt at nominal value and consolidated between sub-sectors of government. Holdings by non-resident governments are not consolidated. Intergovernmental lending in the context of the financial crisis is consolidated. Data are partially estimated.
2) Holders resident in the country whose government has issued the debt.
3) Includes residents of euro area countries other than the country whose government has issued the debt.
4) Excludes debt held by general government in the country whose government has issued it.

6.3 Change in debt [1]
(as a percentage of GDP)

1. Euro area – by source, financial instrument and sector of the holder

	Total	Source of change			Financial instruments				Holders			
		Borrowing requirement [2]	Valuation effects [3]	Other changes in volume [4]	Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [5]	MFIs	Other financial corporations	Other creditors [6]
	1	2	3	4	5	6	7	8	9	10	11	12
2002	2.1	2.7	-0.5	-0.1	0.0	-0.2	0.7	1.6	0.0	-0.5	0.0	2.1
2003	3.1	3.3	-0.2	0.0	-0.6	0.9	0.6	2.1	0.4	0.8	0.8	2.7
2004	3.1	3.2	-0.1	0.0	0.2	0.1	0.1	2.7	0.4	-0.2	0.3	2.7
2005	3.3	3.0	0.2	0.0	0.3	0.5	-0.1	2.6	-0.3	-0.1	0.5	3.6
2006	1.7	1.4	0.1	0.1	0.2	0.3	-0.3	1.5	-0.1	1.1	-1.3	1.8
2007	1.2	1.1	0.0	0.0	-0.1	0.0	0.3	1.1	-0.5	-0.3	-0.2	1.7
2008	5.2	5.1	0.1	0.0	0.1	0.5	2.6	2.0	0.7	1.1	-0.5	4.5
2009	7.2	7.4	-0.2	0.0	0.1	0.7	1.6	4.8	2.9	2.2	0.8	4.3
2010	7.8	7.9	-0.1	0.0	0.0	3.3	-0.6	5.1	4.7	4.0	1.5	3.1

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+) [7]	Deficit-debt adjustment [8]											
			Total	Transactions in main financial assets held by general government							Valuation effects		Other changes in volume	Other [9]
				Total	Currency and deposits	Loans	Securities [10]	Shares and other equity				Exchange rate effects		
									Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2002	2.1	-2.6	-0.5	0.1	0.1	0.0	0.1	-0.1	-0.4	0.1	-0.5	-0.1	-0.1	0.0
2003	3.1	-3.1	0.0	0.1	0.1	0.0	0.0	0.1	-0.2	0.1	-0.2	-0.1	0.0	0.1
2004	3.1	-3.0	0.2	0.2	0.2	0.0	0.1	0.0	-0.5	0.2	-0.1	0.0	0.0	0.1
2005	3.3	-2.5	0.7	0.6	0.3	0.1	0.1	0.1	-0.3	0.2	0.2	0.0	0.0	-0.1
2006	1.7	-1.4	0.3	0.3	0.3	-0.1	0.3	-0.2	-0.4	0.1	0.1	0.0	0.1	-0.3
2007	1.2	-0.7	0.5	0.6	0.2	0.0	0.2	0.1	-0.3	0.2	0.0	0.0	0.0	-0.1
2008	5.2	-2.0	3.2	3.0	0.8	0.7	0.7	0.9	-0.1	0.6	0.1	0.0	0.0	0.0
2009	7.2	-6.3	0.9	1.1	0.4	0.0	0.3	0.5	-0.3	0.5	-0.2	0.0	0.0	0.0
2010	7.8	-6.0	1.9	2.4	0.3	0.5	1.3	0.2	0.0	0.1	-0.1	0.0	0.0	-0.4

Source: ECB.
1) Data refer to the Euro 17 and are partially estimated. Annual change in gross nominal consolidated debt is expressed as a percentage of GDP, i.e. [debt(t) - debt(t-1)] ÷ GDP(t). Intergovernmental lending in the context of the financial crisis is consolidated.
2) The borrowing requirement is by definition equal to transactions in debt.
3) Includes, in addition to the impact of foreign exchange movements, effects arising from measurement at nominal value (e.g. premia or discounts on securities issued).
4) Includes, in particular, the impact of the reclassification of units and certain types of debt assumption.
5) Holders resident in the country whose government has issued the debt.
6) Includes residents of euro area countries other than the country whose government has issued the debt.
7) Including proceeds from sales of UMTS licences.
8) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
9) Mainly composed of transactions in other assets and liabilities (trade credits, other receivables/payables and financial derivatives).
10) Excluding financial derivatives.

6.4 Quarterly revenue, expenditure and deficit/surplus [1)]

(as a percentage of GDP)

1. Euro area – quarterly revenue

	Total	Current revenue						Capital revenue		Memo item: Fiscal burden [2)]
			Direct taxes	Indirect taxes	Social contributions	Sales	Property income		Capital taxes	
	1	2	3	4	5	6	7	8	9	10
2004 Q4	48.9	48.0	12.9	14.2	16.2	2.9	0.7	1.0	0.4	43.7
2005 Q1	42.0	41.5	10.0	13.0	15.2	1.7	0.6	0.5	0.3	38.5
Q2	44.3	43.7	11.5	13.2	15.1	2.0	1.1	0.6	0.3	40.1
Q3	43.4	42.7	11.1	13.0	15.1	1.9	0.7	0.7	0.3	39.6
Q4	49.0	48.3	13.3	14.2	16.1	3.0	0.8	0.8	0.3	43.9
2006 Q1	42.4	42.0	10.3	13.4	15.1	1.7	0.8	0.4	0.3	38.9
Q2	45.3	44.9	12.2	13.5	15.1	1.9	1.3	0.5	0.3	41.0
Q3	43.7	43.2	11.6	12.9	15.1	2.0	0.8	0.5	0.3	39.9
Q4	49.3	48.7	14.0	14.2	15.8	2.9	0.9	0.6	0.3	44.3
2007 Q1	42.2	41.8	10.2	13.5	14.7	1.7	0.9	0.4	0.3	38.7
Q2	45.5	45.1	12.7	13.5	14.9	1.9	1.4	0.4	0.3	41.3
Q3	43.5	43.1	12.1	12.8	14.8	1.9	0.8	0.5	0.3	39.9
Q4	49.6	49.1	14.4	14.1	15.7	3.0	1.0	0.6	0.3	44.5
2008 Q1	42.3	42.0	10.7	12.9	14.8	1.7	1.1	0.3	0.2	38.6
Q2	44.9	44.5	12.6	12.8	15.0	1.9	1.5	0.4	0.3	40.7
Q3	43.2	42.8	11.9	12.4	15.0	1.9	0.8	0.4	0.3	39.6
Q4	49.0	48.5	13.6	13.6	16.3	3.0	1.1	0.5	0.3	43.8
2009 Q1	42.0	41.8	10.2	12.5	15.4	1.8	1.1	0.1	0.2	38.4
Q2	44.3	43.8	11.5	12.6	15.5	2.0	1.4	0.6	0.5	40.1
Q3	42.5	42.1	10.9	12.2	15.4	2.0	0.7	0.3	0.3	38.9
Q4	48.8	48.1	12.7	13.8	16.4	3.2	0.9	0.7	0.5	43.4
2010 Q1	41.8	41.6	10.1	12.4	15.4	1.9	0.9	0.2	0.3	38.2
Q2	44.3	43.8	11.5	12.8	15.3	2.0	1.3	0.5	0.3	39.9
Q3	42.9	42.6	10.9	12.9	15.2	2.1	0.7	0.3	0.3	39.2
Q4	48.7	48.0	12.7	13.9	16.4	3.0	1.0	0.8	0.3	43.3

2. Euro area – quarterly expenditure and deficit/surplus

	Total	Current expenditure							Capital expenditure			Deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers				Investment	Capital transfers		
							Social benefits	Subsidies					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2004 Q4	50.8	45.6	11.0	5.7	2.9	26.0	22.6	1.4	5.2	3.1	2.1	-1.9	1.0
2005 Q1	46.8	43.1	10.2	4.7	3.1	25.1	21.3	1.2	3.7	1.9	1.8	-4.8	-1.7
Q2	46.2	42.8	10.2	4.9	3.2	24.5	21.3	1.1	3.4	2.3	1.1	-1.9	1.3
Q3	45.6	42.2	9.9	4.8	3.0	24.5	21.2	1.2	3.4	2.5	1.0	-2.2	0.8
Q4	50.5	45.7	11.1	5.8	2.7	26.1	22.5	1.3	4.8	3.1	1.7	-1.5	1.2
2006 Q1	45.3	42.2	10.0	4.6	3.0	24.6	21.1	1.2	3.1	1.9	1.2	-2.9	0.1
Q2	45.5	42.2	10.2	4.9	3.1	24.0	21.0	1.1	3.2	2.3	1.0	-0.1	2.9
Q3	45.2	41.8	9.8	4.7	2.9	24.4	21.0	1.2	3.4	2.5	1.0	-1.5	1.4
Q4	50.4	45.0	10.7	5.8	2.7	25.9	22.2	1.4	5.4	3.2	2.2	-1.1	1.6
2007 Q1	44.3	41.1	9.8	4.5	2.9	23.8	20.4	1.1	3.2	2.0	1.2	-2.1	0.8
Q2	44.6	41.4	9.9	4.8	3.2	23.4	20.5	1.1	3.2	2.3	0.9	0.9	4.1
Q3	44.4	40.9	9.5	4.7	2.9	23.8	20.6	1.2	3.4	2.5	0.9	-0.9	2.1
Q4	50.3	45.2	10.6	5.8	2.8	26.0	22.2	1.5	5.1	3.4	1.7	-0.7	2.1
2008 Q1	44.7	41.5	9.7	4.6	3.0	24.1	20.5	1.2	3.2	2.0	1.2	-2.4	0.6
Q2	45.3	42.0	10.1	5.0	3.2	23.7	20.6	1.1	3.4	2.4	1.0	-0.4	2.8
Q3	45.5	41.9	9.6	4.8	3.1	24.4	21.2	1.2	3.6	2.5	1.0	-2.3	0.8
Q4	52.1	47.0	11.0	6.1	2.8	27.1	23.1	1.4	5.1	3.5	1.7	-3.1	-0.3
2009 Q1	48.5	45.0	10.5	5.3	2.9	26.4	22.5	1.3	3.4	2.2	1.2	-6.5	-3.6
Q2	50.1	46.0	10.9	5.5	3.0	26.7	23.1	1.3	4.1	2.7	1.3	-5.8	-2.8
Q3	49.3	45.4	10.3	5.2	2.9	26.9	23.3	1.4	3.9	2.7	1.2	-6.8	-4.0
Q4	55.1	49.7	11.5	6.4	2.6	29.2	24.9	1.5	5.4	3.5	1.9	-6.3	-3.7
2010 Q1	49.7	46.1	10.6	5.2	2.8	27.6	23.3	1.4	3.6	2.1	1.5	-7.9	-5.2
Q2	49.0	45.5	10.7	5.5	2.9	26.4	23.0	1.3	3.5	2.5	1.2	-4.7	-1.8
Q3	49.3	45.0	10.1	5.2	2.9	26.8	23.2	1.3	4.3	2.5	1.8	-6.3	-3.5
Q4	53.7	48.5	11.1	6.3	2.6	28.5	24.6	1.6	5.3	3.1	2.2	-5.0	-2.4

Sources: ECB calculations based on Eurostat and national data.

1) Data refer to the Euro 17. The concepts "revenue", "expenditure" and "deficit/surplus" are based on the ESA 95. Transactions between the EU budget and entities outside the government sector are not included. Otherwise, except for different data transmission deadlines, the quarterly data are consistent with the annual data. The data are not seasonally adjusted.

2) The fiscal burden comprises taxes and social contributions.

6.5 Quarterly debt and change in debt [1]

(as a percentage of GDP)

1. Euro area − Maastricht debt by financial instrument [2]

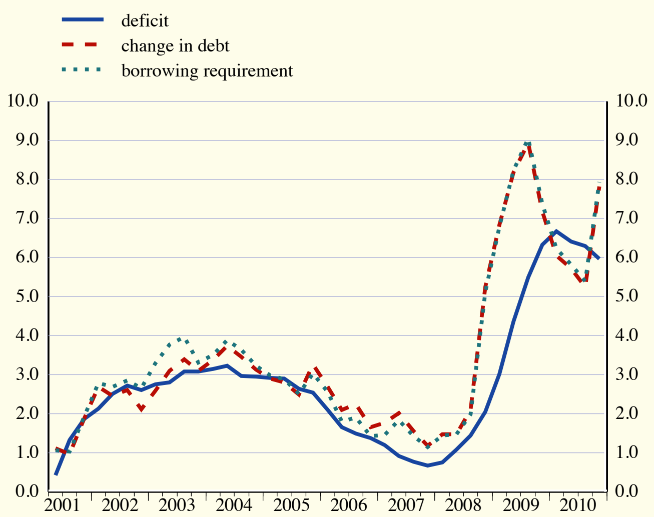
	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2008 Q1	67.1	2.2	11.4	4.9	48.6
Q2	67.5	2.2	11.4	4.9	49.0
Q3	67.5	2.1	11.3	5.5	48.6
Q4	69.9	2.3	11.4	6.7	49.5
2009 Q1	73.5	2.3	11.7	7.9	51.7
Q2	76.6	2.4	12.0	8.4	53.8
Q3	78.4	2.3	12.2	9.2	54.7
Q4	79.3	2.4	12.4	8.5	55.9
2010 Q1	81.1	2.4	12.7	8.4	57.7
Q2	82.4	2.4	13.2	8.0	58.8
Q3	82.5	2.4	13.1	8.2	58.8
Q4	85.2	2.4	15.4	7.7	59.6

2. Euro area − deficit-debt adjustment

	Change in debt	Deficit (-)/ surplus (+)	Deficit-debt adjustment								Memo item: Borrowing requirement
			Total	Transactions in main financial assets held by general government					Valuation effects and other changes in volume	Other	
				Total	Currency and deposits	Loans	Securities	Shares and other equity			
	1	2	3	4	5	6	7	8	9	10	11
2008 Q1	6.1	-2.4	3.7	3.3	2.0	0.0	0.9	0.3	-0.2	0.6	6.2
Q2	3.8	-0.4	3.3	3.9	1.9	0.3	1.3	0.5	0.1	-0.7	3.7
Q3	2.0	-2.3	-0.3	-0.7	-1.5	0.0	0.3	0.5	0.4	0.0	1.6
Q4	9.1	-3.1	6.0	5.5	0.6	2.5	0.4	2.1	0.1	0.3	8.9
2009 Q1	12.8	-6.5	6.3	6.8	5.2	-0.1	1.0	0.8	-0.5	0.0	13.3
Q2	9.0	-5.8	3.3	3.2	2.3	-0.6	0.3	1.2	-0.4	0.5	9.4
Q3	4.9	-6.8	-2.0	-2.8	-3.2	0.6	0.0	-0.2	0.2	0.6	4.6
Q4	2.3	-6.3	-3.9	-2.5	-2.7	-0.1	0.1	0.2	-0.2	-1.2	2.6
2010 Q1	8.2	-7.9	0.3	0.8	0.8	0.0	-0.3	0.3	-0.3	-0.3	8.5
Q2	7.6	-4.7	2.9	3.4	2.0	1.2	-0.2	0.4	-0.1	-0.4	7.7
Q3	3.0	-6.3	-3.4	-2.9	-2.3	-0.6	-0.1	0.1	0.0	-0.4	3.0
Q4	12.3	-5.0	7.3	7.9	0.8	1.5	5.7	-0.2	0.0	-0.5	12.4

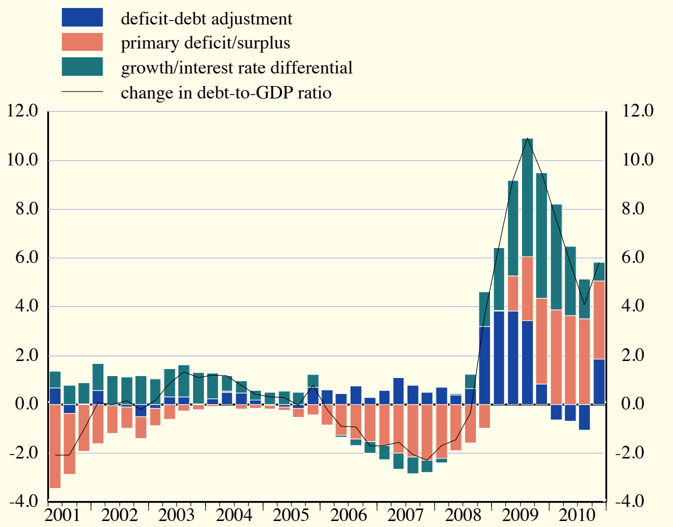
C30 Deficit, borrowing requirement and change in debt

(four-quarter moving sum as a percentage of GDP)



C31 Maastricht debt

(annual change in the debt-to-GDP ratio and underlying factors)



Sources: ECB calculations based on Eurostat and national data.

1) Data refer to the Euro 17. Intergovernmental lending in the context of the financial crisis is consolidated.

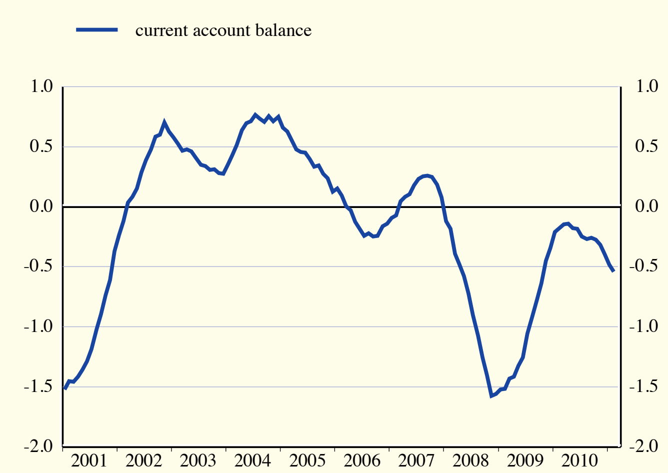
2) The stock data in quarter t are expressed as a percentage of the sum of GDP in t and the previous three quarters.

7 EXTERNAL TRANSACTIONS AND POSITIONS

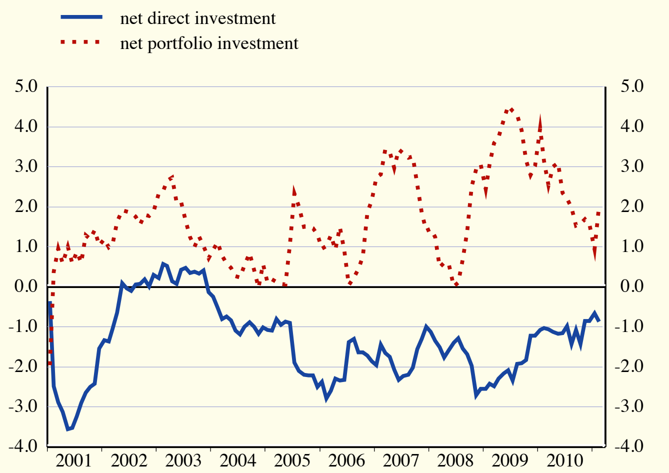
7.1 Summary balance of payments [1]
(EUR billions; net transactions)

	Current account					Capital account	Net lending/ borrowing to/from rest of the world (columns 1+6)	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers			Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2008	-142.4	-22.5	41.1	-63.3	-97.7	9.2	-133.2	141.5	-236.0	283.3	-82.9	180.5	-3.4	-8.3
2009	-25.7	37.5	33.8	-6.4	-90.6	6.6	-19.1	10.0	-109.4	270.7	37.2	-193.1	4.6	9.2
2010	-36.7	20.7	41.0	1.8	-100.2	7.7	-28.9	34.4	-78.6	143.2	8.0	-28.1	-10.2	-5.4
2009 Q4	13.9	16.3	10.8	5.5	-18.7	1.1	15.0	-14.2	7.3	38.4	4.9	-64.7	0.0	-0.8
2010 Q1	-17.9	1.6	4.4	11.1	-35.1	2.5	-15.5	16.0	-45.2	24.9	2.7	38.2	-4.6	-0.6
Q2	-18.6	3.3	11.7	-14.8	-18.8	1.7	-16.9	25.4	-29.8	93.7	1.9	-41.4	1.0	-8.5
Q3	-6.2	8.2	14.6	1.4	-30.4	1.0	-5.1	3.9	-30.8	-17.1	2.4	54.3	-5.0	1.3
Q4	6.0	7.6	10.3	4.0	-15.9	2.5	8.5	-10.9	27.2	41.6	1.0	-79.2	-1.6	2.4
2010 Feb.	-5.6	4.1	1.8	5.2	-16.7	0.8	-4.8	2.3	-1.7	-8.9	-1.6	18.2	-3.6	2.5
Mar.	0.0	5.6	1.6	2.8	-10.1	0.2	0.2	2.7	-32.7	-4.3	0.0	42.2	-2.5	-2.8
Apr.	-4.2	1.4	3.0	-1.1	-7.5	-0.6	-4.8	5.1	-18.4	41.5	-4.2	-13.7	-0.1	-0.3
May	-16.0	-1.5	3.7	-12.8	-5.4	1.8	-14.2	20.3	-3.8	51.6	-0.2	-27.2	-0.1	-6.2
June	1.7	3.3	5.0	-0.8	-5.9	0.5	2.1	-0.1	-7.6	0.6	6.3	-0.5	1.1	-2.0
July	5.5	7.2	5.4	2.3	-9.4	1.4	6.9	0.4	-0.6	-25.1	-1.4	30.7	-3.1	-7.4
Aug.	-7.1	-3.8	4.0	2.5	-9.8	0.3	-6.8	2.3	-26.9	0.3	4.7	25.8	-1.6	4.6
Sep.	-4.6	4.8	5.2	-3.4	-11.2	-0.7	-5.2	1.2	-3.2	7.8	-1.0	-2.2	-0.2	4.1
Oct.	4.0	6.4	2.9	3.3	-8.6	-0.2	3.8	-3.1	-27.7	14.0	-5.2	16.0	-0.2	-0.7
Nov.	-3.6	-0.1	3.5	-1.0	-6.0	0.6	-2.9	15.8	45.2	14.2	1.6	-45.2	0.0	-12.9
Dec.	5.6	1.3	3.9	1.6	-1.3	2.1	7.6	-23.6	9.8	13.5	4.6	-50.1	-1.3	15.9
2011 Jan.	-20.8	-14.1	1.5	0.1	-8.2	0.4	-20.4	18.3	6.5	-18.1	-2.7	38.3	-5.7	2.1
Feb.	-9.5	-1.0	2.1	2.9	-13.5	2.2	-7.3	3.3	-19.6	90.9	-2.1	-67.0	1.0	4.1
	12-month cumulated transactions													
2011 Feb.	-49.1	9.6	41.8	-3.5	-97.0	8.0	-41.1	42.6	-79.2	186.8	0.5	-52.7	-12.8	-1.5
	12-month cumulated transactions as a percentage of GDP													
2011 Feb.	-0.5	0.1	0.5	0.0	-1.1	0.1	-0.4	0.5	-0.9	2.0	0.0	-0.6	-0.1	0.0

C32 Euro area b.o.p.: current account
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C33 Euro area b.o.p.: direct and portfolio investment
(12-month cumulated transactions as a percentage of GDP)



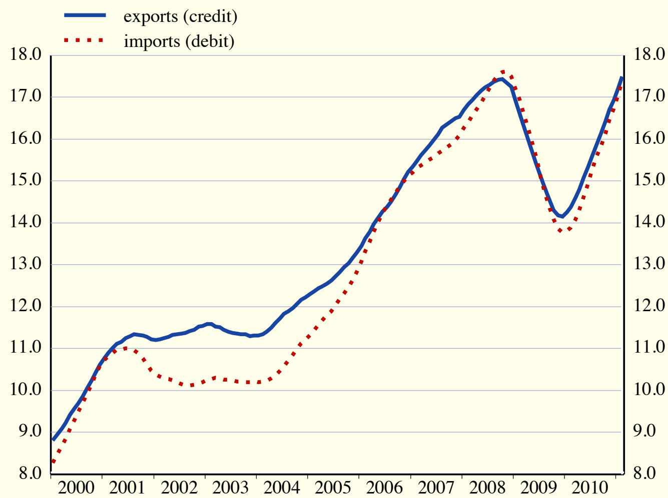
Source: ECB.
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

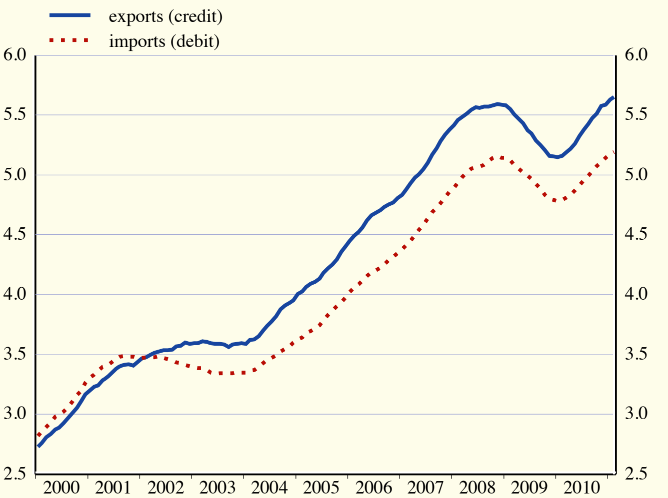
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remit-tances		Workers' remit-tances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2008	2,720.2	2,862.6	-142.4	1,590.2	1,612.8	514.4	473.3	524.3	587.6	91.2	6.9	188.9	21.5	24.5	15.2
2009	2,292.9	2,318.6	-25.7	1,303.6	1,266.0	473.9	440.2	421.5	427.9	93.9	6.4	184.5	22.5	20.6	14.0
2010	2,593.3	2,630.0	-36.7	1,564.3	1,543.6	515.1	474.0	426.3	424.5	87.7	6.3	187.9	22.0	22.2	14.5
2009 Q4	608.1	594.2	13.9	348.2	331.9	124.1	113.3	103.3	97.8	32.5	1.6	51.2	5.8	6.4	5.3
2010 Q1	588.6	606.5	-17.9	350.1	348.5	113.2	108.9	103.4	92.3	21.7	1.5	56.8	5.1	5.5	3.0
Q2	647.3	665.8	-18.6	388.7	385.4	128.9	117.2	110.8	125.5	18.9	1.7	37.7	5.2	4.8	3.1
Q3	661.2	667.3	-6.2	403.2	395.0	138.5	123.9	103.9	102.5	15.6	1.7	46.0	5.8	4.8	3.8
Q4	696.3	690.3	6.0	422.3	414.7	134.4	124.1	108.2	104.2	31.4	1.6	47.3	6.0	7.1	4.5
2010 Dec.	241.8	236.3	5.6	137.0	135.7	47.5	43.6	41.2	39.6	16.1	.	17.4	.	4.2	2.2
2011 Jan.	209.1	229.9	-20.8	127.5	141.6	40.8	39.3	32.1	32.0	8.7	.	17.0	.	1.3	0.9
Feb.	220.0	229.5	-9.5	137.2	138.2	37.5	35.4	32.9	30.0	12.4	.	26.0	.	2.9	0.8
	Seasonally adjusted														
2010 Q2	643.3	654.5	-11.2	388.1	384.8	128.8	119.1	105.8	104.8	20.7	.	45.8	.	.	.
Q3	657.1	665.2	-8.2	395.6	390.3	129.7	118.7	108.0	108.6	23.8	.	47.6	.	.	.
Q4	669.5	685.6	-16.0	408.8	408.8	130.8	120.4	105.6	109.7	24.4	.	46.7	.	.	.
2010 Dec.	222.2	230.1	-8.0	136.0	137.0	42.9	40.3	35.4	37.1	8.0	.	15.8	.	.	.
2011 Jan.	231.6	237.2	-5.6	143.5	145.3	44.8	40.6	35.1	35.7	8.3	.	15.6	.	.	.
Feb.	232.7	239.9	-7.2	146.3	148.5	43.0	39.7	35.4	35.6	8.0	.	16.0	.	.	.
	12-month cumulated transactions														
2011 Feb.	2,643.8	2,693.4	-49.6	1,608.0	1,600.2	519.4	477.3	425.2	428.8	91.1	.	187.0	.	.	.
	12-month cumulated transactions as a percentage of GDP														
2011 Feb.	28.8	29.3	-0.5	17.5	17.4	5.6	5.2	4.6	4.7	1.0	.	2.0	.	.	.

C34 Euro area b.o.p.: goods
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C35 Euro area b.o.p.: services
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



Source: ECB.

7.2 Current and capital accounts
(EUR billions)

2. Income account
(transactions)

	Compensation of employees		Investment income													
	Credit	Debit	Total		Direct investment						Portfolio investment				Other investment	
			Credit	Debit	Equity				Debt		Equity		Debt		Credit	Debit
					Credit		Debit		Credit	Debit	Credit	Debit	Credit	Debit		
						Reinv. earnings		Reinv. earnings								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2008	21.1	13.1	503.2	574.5	141.1	-5.2	115.8	17.8	31.3	26.7	39.3	111.1	119.1	128.5	172.4	192.3
2009	21.9	13.8	399.6	414.1	145.6	16.2	98.6	12.0	24.9	24.2	27.4	77.2	98.7	120.8	102.9	93.4
2010	23.1	13.8	403.2	410.7	170.4	0.4	111.4	16.6	22.4	20.1	29.9	85.8	97.6	122.7	82.9	70.7
2009 Q4	5.9	4.1	97.4	93.7	40.2	1.6	27.0	-0.1	6.5	5.6	6.1	13.9	22.8	28.5	21.9	18.8
2010 Q1	5.8	2.7	97.6	89.6	42.6	2.7	25.9	5.8	5.5	4.4	6.0	12.3	23.1	30.2	20.5	16.8
Q2	5.5	3.3	105.3	122.3	44.9	-8.9	28.7	-3.5	5.8	5.2	9.8	39.5	24.3	31.7	20.5	17.2
Q3	5.5	3.9	98.4	98.5	40.8	9.5	28.8	7.9	5.3	4.7	7.6	17.0	24.9	31.3	19.8	16.7
Q4	6.3	3.9	101.9	100.4	42.1	-2.9	28.0	6.5	5.9	5.8	6.6	17.1	25.3	29.5	22.1	19.9

3. Geographical breakdown
(cumulated transactions)

2010 Q1 to 2010 Q4	Total	EU Member States outside the euro area						Brazil	Canada	China	India	Japan	Russia	Switzer-land	United States	Other
		Total	Den-mark	Sweden	United Kingdom	Other EU countries	EU insti-tutions									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	2,593.3	862.1	48.7	79.4	407.9	268.3	57.8	46.8	34.1	117.5	36.7	54.8	93.1	196.4	346.2	805.7
Goods	1,564.3	500.2	30.6	52.7	207.4	209.3	0.2	26.7	18.2	96.0	27.2	34.8	68.2	101.4	183.9	507.7
Services	515.1	164.1	10.7	13.6	104.3	29.2	6.2	8.2	7.7	15.4	7.3	12.3	16.3	52.1	75.6	156.1
Income	426.3	138.8	6.8	11.6	85.7	26.4	8.3	11.6	7.3	5.7	2.0	6.7	8.0	34.6	81.1	130.6
Investment income	403.2	132.0	6.7	11.5	84.1	25.7	4.0	11.6	7.2	5.7	1.9	6.6	8.0	24.0	79.3	126.9
Current transfers	87.7	59.1	0.6	1.5	10.4	3.5	43.0	0.3	0.9	0.4	0.3	1.0	0.6	8.3	5.5	11.3
Capital account	22.2	19.1	0.0	0.0	1.1	0.4	17.5	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.4	2.1
	Debits															
Current account	2,630.0	814.5	42.2	75.0	355.1	243.0	99.2	-	29.8	-	-	92.4	-	173.3	338.2	-
Goods	1,543.6	431.0	27.6	46.5	162.1	194.8	0.0	26.0	12.7	202.1	23.4	50.1	105.0	86.2	130.9	476.3
Services	474.0	136.6	7.8	11.2	84.9	32.4	0.2	4.8	6.5	12.5	5.1	9.7	10.3	44.0	98.9	145.7
Income	424.5	134.6	6.3	15.8	96.0	11.3	5.2	-	8.6	-	-	31.9	-	34.8	101.4	-
Investment income	410.7	126.6	6.2	15.7	94.6	4.9	5.2	-	8.4	-	-	31.8	-	34.4	100.5	-
Current transfers	187.9	112.3	0.5	1.5	12.1	4.5	93.8	1.4	2.1	3.1	0.8	0.6	0.8	8.3	7.1	51.4
Capital account	14.5	2.5	0.0	0.1	1.2	0.3	0.9	0.2	0.1	0.1	0.2	0.1	0.1	0.5	1.4	9.2
	Net															
Current account	-36.7	47.7	6.5	4.4	52.8	25.3	-41.4	-	4.3	-	-	-37.6	-	23.1	8.0	-
Goods	20.7	69.2	3.1	6.1	45.3	14.5	0.2	0.7	5.5	-106.1	3.8	-15.2	-36.8	15.2	52.9	31.4
Services	41.0	27.5	2.9	2.5	19.4	-3.2	6.0	3.4	1.3	3.0	2.2	2.5	6.0	8.1	-23.3	10.4
Income	1.8	4.3	0.5	-4.2	-10.2	15.1	3.1	-	-1.3	-	-	-25.2	-	-0.3	-20.2	-
Investment income	-7.5	5.4	0.5	-4.3	-10.5	20.8	-1.2	-	-1.3	-	-	-25.1	-	-10.5	-21.1	-
Current transfers	-100.2	-53.3	0.1	0.0	-1.6	-1.0	-50.7	-1.1	-1.2	-2.7	-0.5	0.4	-0.2	0.0	-1.5	-40.0
Capital account	7.7	16.6	0.0	-0.1	-0.1	0.1	16.6	-0.2	-0.1	-0.1	-0.2	-0.1	0.0	-0.1	-1.0	-7.1

Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions and other changes during period)

1. Summary financial account

	Total [1]			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outstanding amounts (international investment position)														
2007	13,992.8	15,266.8	-1,274.0	154.9	169.0	-14.1	3,726.7	3,221.9	4,631.1	6,538.1	-28.9	5,316.7	5,506.8	347.2
2008	13,331.7	14,983.0	-1,651.3	143.9	161.7	-17.8	3,889.7	3,320.2	3,727.6	5,938.3	-29.8	5,370.1	5,724.4	374.2
2009	13,733.3	15,203.2	-1,469.9	153.1	169.5	-16.4	4,262.0	3,478.6	4,226.3	6,737.2	-45.4	4,830.9	4,987.5	459.6
2010 Q2	14,925.7	16,152.1	-1,226.4	164.6	178.1	-13.5	4,583.5	3,604.6	4,627.9	7,137.6	-46.1	5,177.2	5,409.9	583.3
Q3	14,747.4	16,124.8	-1,377.4	161.4	176.5	-15.1	4,556.9	3,573.6	4,641.8	7,277.0	-55.4	5,051.8	5,274.3	552.2
Q4	15,001.4	16,191.9	-1,190.6	163.0	175.9	-12.9	4,615.0	3,609.1	4,809.7	7,358.2	-75.2	5,060.8	5,224.7	591.2
Changes to outstanding amounts														
2006	1,545.9	1,845.3	-299.4	18.0	21.5	-3.5	363.3	284.6	485.1	889.8	0.6	691.2	670.9	5.7
2007	1,608.0	1,858.8	-250.9	17.8	20.6	-2.8	572.8	486.8	258.7	591.3	-8.1	763.3	780.7	21.4
2008	-661.1	-283.8	-377.3	-7.1	-3.1	-4.1	163.0	98.3	-903.5	-599.7	-0.9	53.3	217.6	27.0
2009	401.6	220.2	181.4	4.5	2.5	2.0	372.4	158.3	498.7	798.8	-15.6	-539.2	-737.0	85.4
2010 Q3	-178.3	-27.3	-151.0	-7.8	-1.2	-6.6	-26.6	-31.0	13.9	139.4	-9.3	-125.3	-135.6	-31.0
Q4	254.0	67.1	186.9	10.6	2.8	7.8	58.1	35.5	167.9	81.2	-19.8	8.9	-49.6	39.0
Transactions														
2007	1,940.3	1,943.2	-3.0	21.5	21.5	0.0	512.9	422.5	439.5	566.3	66.9	915.8	954.4	5.1
2008	406.6	548.1	-141.5	4.4	5.9	-1.5	328.8	92.8	-7.2	276.1	82.9	-1.2	179.3	3.4
2009	-166.8	-156.8	-10.0	-1.9	-1.7	-0.1	325.3	215.9	84.3	355.0	-37.2	-534.6	-727.7	-4.6
2010	439.4	473.8	-34.4	4.8	5.1	-0.4	166.5	87.9	140.7	283.9	-8.0	130.0	101.9	10.2
2010 Q2	113.2	138.6	-25.4	4.9	6.0	-1.1	83.7	53.8	-19.6	74.1	-1.9	52.0	10.6	-1.0
Q3	81.1	84.9	-3.9	3.5	3.7	-0.2	28.1	-2.6	53.2	36.1	-2.4	-2.8	51.5	5.0
Q4	49.8	38.9	10.9	2.1	1.6	0.5	7.1	34.3	42.9	84.5	-1.0	-0.8	-80.0	1.6
2010 Oct.	101.6	98.5	3.1	.	.	.	9.0	-18.7	59.3	73.3	5.2	27.8	43.8	0.2
Nov.	57.7	73.5	-15.8	.	.	.	-1.9	43.2	3.1	17.3	-1.6	58.1	12.9	0.0
Dec.	-109.5	-133.0	23.6	.	.	.	0.0	9.8	-19.6	-6.1	-4.6	-86.7	-136.7	1.3
2011 Jan.	140.4	158.7	-18.3	.	.	.	26.3	32.8	39.5	21.4	2.7	66.2	104.6	5.7
Feb.	36.6	39.8	-3.3	.	.	.	5.9	-13.7	-1.8	89.0	2.1	31.5	-35.5	-1.0
Other changes														
2006	-182.3	123.3	-305.6	-2.1	1.4	-3.6	-54.7	26.2	-35.2	183.4	0.0	-96.9	-86.3	4.4
2007	-332.3	-84.4	-247.9	-3.7	-0.9	-2.7	59.9	64.3	-180.8	25.1	-75.1	-152.6	-173.8	16.3
2008	-1,067.7	-831.9	-235.8	-11.5	-9.0	-2.5	-165.8	5.5	-896.3	-875.8	-83.8	54.5	38.3	23.7
2009	568.4	377.0	191.4	6.3	4.2	2.1	47.1	-57.6	414.4	443.9	21.6	-4.6	-9.3	89.9
Other changes due to exchange rate changes														
2006	-343.3	-228.5	-114.8	-4.0	-2.7	-1.3	-72.1	-4.2	-151.6	-101.1	.	-105.7	-123.2	-13.9
2007	-521.9	-339.5	-182.4	-5.8	-3.8	-2.0	-104.1	-17.1	-217.4	-146.9	.	-186.7	-175.5	-13.7
2008	-39.4	55.1	-94.5	-0.4	0.6	-1.0	-20.1	-9.6	6.8	47.4	.	-35.4	17.3	9.2
2009	-45.8	-49.7	3.9	-0.5	-0.6	0.0	-4.8	1.7	-28.4	-27.5	.	-10.1	-23.9	-2.5
Other changes due to price changes														
2006	288.6	298.4	-9.8	3.4	3.5	-0.1	45.4	33.5	226.0	264.9	0.0	.	.	17.1
2007	78.7	113.4	-34.7	0.9	1.3	-0.4	45.2	5.8	77.3	107.6	-75.1	.	.	31.3
2008	-1,021.5	-1,018.4	-3.1	-11.0	-11.0	0.0	-154.5	-94.8	-812.8	-923.6	-75.8	.	.	21.5
2009	622.1	494.0	128.1	6.9	5.5	1.4	137.9	44.5	402.2	449.5	35.9	.	.	46.1
Other changes due to other adjustments														
2006	-128.1	56.7	-184.7	-1.5	0.7	-2.2	-28.3	-1.6	-109.6	19.8	.	8.7	38.4	1.2
2007	110.8	155.1	-44.3	1.2	1.7	-0.5	119.2	76.0	-40.8	64.4	.	33.7	14.7	-1.3
2008	3.5	155.5	-152.0	0.0	1.7	-1.6	3.8	109.0	-81.8	-12.3	.	88.7	58.8	-7.1
2009	52.3	-39.6	91.9	0.6	-0.4	1.0	-48.5	-100.9	46.0	34.3	.	5.6	27.0	49.2
Growth rates of outstanding amounts														
2006	16.1	14.8	-	.	.	.	15.1	10.6	13.6	13.7	.	20.5	18.8	0.3
2007	15.6	14.3	-	.	.	.	15.8	15.1	10.0	9.4	.	20.2	20.2	1.6
2008	2.9	3.6	-	.	.	.	8.9	2.9	-0.5	4.4	.	-0.1	3.3	1.0
2009	-1.3	-1.1	-	.	.	.	8.4	6.6	2.2	5.9	.	-10.0	-12.6	-1.2
2010 Q2	2.9	2.6	-	.	.	.	6.7	5.1	3.5	5.4	.	-0.4	-2.3	0.7
Q3	3.3	3.2	-	.	.	.	5.3	3.7	3.0	4.0	.	2.1	1.7	1.7
Q4	3.1	3.1	-	.	.	.	3.8	2.5	3.2	4.1	.	2.7	2.0	2.0

Source: ECB.

1) Net financial derivatives are included in assets.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period, transactions during period)

2. Direct investment

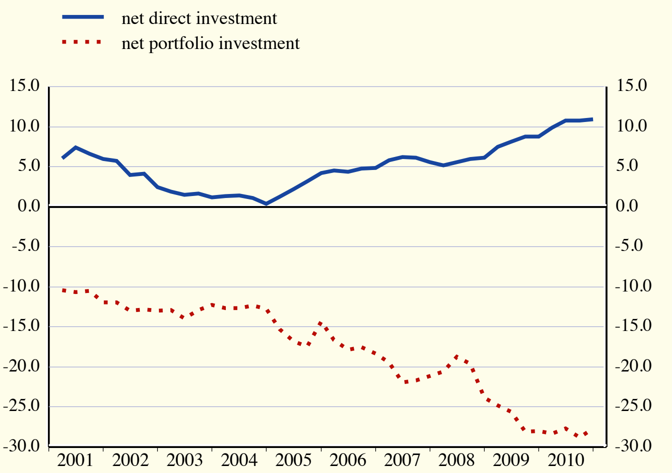
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	Into MFIs	Into non-MFIs	Total	To MFIs	To non-MFIs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Oustanding amounts (international investment position)													
2008	3,889.7	3,016.6	214.5	2,802.2	873.0	13.1	859.9	3,320.2	2,360.4	67.1	2,293.2	959.8	19.0	940.8
2009	4,262.0	3,291.0	228.5	3,062.4	971.1	14.7	956.4	3,478.6	2,531.3	78.2	2,453.1	947.3	18.5	928.8
2010 Q3	4,556.9	3,497.5	243.2	3,254.3	1,059.4	15.7	1,043.7	3,573.6	2,721.9	82.9	2,639.0	851.7	16.1	835.6
Q4	4,615.0	3,522.0	247.6	3,274.4	1,093.0	16.0	1,077.0	3,609.1	2,721.8	86.4	2,635.4	887.3	10.9	876.3
	Transactions													
2008	328.8	195.4	9.3	186.1	133.4	-0.3	133.7	92.8	57.7	-8.2	65.9	35.0	1.6	33.5
2009	325.3	234.1	18.2	215.9	91.1	2.4	88.8	215.9	216.4	8.6	207.8	-0.5	-0.6	0.1
2010	166.5	51.6	7.6	44.0	114.9	1.3	113.6	87.9	136.8	8.0	128.8	-48.9	-7.5	-41.3
2010 Q2	83.7	29.4	-0.5	29.9	54.3	0.5	53.8	53.8	46.8	2.3	44.6	7.0	-2.5	9.5
Q3	28.1	34.3	0.9	33.4	-6.2	0.2	-6.4	-2.6	32.5	2.4	30.1	-35.2	-0.1	-35.1
Q4	7.1	-28.0	0.9	-28.9	35.1	0.3	34.8	34.3	-8.6	2.0	-10.5	42.9	-4.9	47.9
2010 Oct.	9.0	-7.9	-2.3	-5.5	16.9	0.1	16.8	-18.7	-28.0	0.3	-28.3	9.3	-0.3	9.7
Nov.	-1.9	-4.8	2.3	-7.1	2.9	0.1	2.8	43.2	8.3	1.5	6.9	34.9	1.9	33.0
Dec.	0.0	-15.3	0.9	-16.3	15.3	0.1	15.2	9.8	11.1	0.2	10.9	-1.3	-6.5	5.2
2011 Jan.	26.3	32.4	0.5	32.0	-6.2	0.2	-6.4	32.8	6.3	0.3	6.0	26.4	2.8	23.6
Feb.	5.9	-3.5	0.3	-3.9	9.5	-0.3	9.7	-13.7	2.9	0.2	2.7	-16.6	-0.5	-16.1
	Growth rates													
2008	8.9	6.6	4.1	6.9	17.9	-1.2	18.2	2.9	2.4	-13.1	2.8	4.3	8.5	4.2
2009	8.4	7.7	8.5	7.7	10.5	18.3	10.3	6.6	9.3	12.8	9.2	-0.1	-3.1	0.0
2010 Q2	6.7	4.9	3.4	5.0	13.0	10.8	13.0	5.1	9.4	12.5	9.3	-5.9	-18.6	-5.6
Q3	5.3	4.3	4.0	4.4	8.6	10.7	8.6	3.7	9.2	12.2	9.1	-10.3	-14.3	-10.2
Q4	3.8	1.5	3.3	1.4	11.7	8.6	11.8	2.5	5.4	10.1	5.2	-5.1	-40.4	-4.4

C36 Euro area international investment position

(outstanding amounts at end of period; as a percentage of GDP)

C37 Euro area direct and portfolio investment position

(outstanding amounts at end of period; as a percentage of GDP)



Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Portfolio investment assets

	Total	Equity					Debt instruments									
							Bonds and notes					Money market instruments				
		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs	
				Euro-system		General government			Euro-system		General government			Euro-system		General government
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Outstanding amounts (international investment position)															
2008	3,727.6	1,128.6	68.4	3.0	1,060.2	27.1	2,164.2	964.8	20.3	1,199.4	18.6	434.8	358.1	61.7	76.7	1.3
2009	4,226.3	1,488.7	76.2	3.4	1,412.5	34.4	2,339.5	917.5	17.1	1,422.0	36.5	398.1	327.3	44.9	70.8	2.0
2010 Q3	4,641.8	1,699.8	88.8	3.4	1,611.0	42.0	2,551.6	893.7	17.0	1,657.8	40.4	390.5	316.8	49.0	73.7	0.5
Q4	4,809.7	1,900.9	96.9	3.6	1,804.0	45.3	2,510.8	800.7	15.6	1,710.1	77.1	398.0	312.9	41.7	85.1	0.2
	Transactions															
2008	-7.2	-98.0	-35.7	0.6	-62.3	0.0	80.7	41.0	3.2	39.7	2.6	10.1	34.9	14.9	-24.8	0.4
2009	84.3	46.8	-3.2	0.0	50.0	1.5	30.2	-98.3	-3.8	128.5	17.5	7.2	11.8	-12.8	-4.5	0.9
2010	140.7	81.0	8.4	-0.2	72.6	1.9	103.7	-123.6	-1.2	227.3	51.4	-44.0	-56.5	-10.8	12.5	-1.9
2010 Q2	-19.6	-8.1	-5.8	-0.2	-2.3	2.8	-5.7	-35.4	-0.7	29.7	0.5	-5.8	-17.2	-2.6	11.3	-0.3
Q3	53.2	10.6	1.8	0.0	8.8	-1.3	59.7	6.0	-0.1	53.7	-2.1	-17.1	-7.5	7.2	-9.6	0.3
Q4	42.9	42.7	2.8	0.0	39.9	-0.7	0.1	-97.3	-0.5	97.4	53.4	0.1	-13.2	-9.5	13.3	-0.3
2010 Oct.	59.3	17.6	1.3	0.0	16.3	.	30.0	-49.6	-0.4	79.6	.	11.8	5.4	-3.4	6.4	.
Nov.	3.1	15.9	4.2	0.0	11.7	.	-15.1	-35.5	0.2	20.4	.	2.3	-2.1	1.1	4.4	.
Dec.	-19.6	9.3	-2.7	0.1	11.9	.	-14.8	-12.3	-0.4	-2.5	.	-14.0	-16.5	-7.2	2.5	.
2011 Jan.	39.5	-6.1	-4.1	0.0	-2.1	.	37.5	31.2	0.1	6.2	.	8.1	1.7	3.1	6.5	.
Feb.	-1.8	4.7	-3.2	0.1	7.9	.	2.7	-4.5	0.4	7.2	.	-9.2	-9.8	-0.8	0.5	.
	Growth rates															
2008	-0.5	-5.9	-27.6	24.6	-4.2	-0.1	3.6	4.2	20.1	3.1	15.4	2.7	11.9	41.1	-27.7	65.9
2009	2.2	3.4	-5.1	-0.7	3.9	5.4	1.3	-10.0	-18.9	10.5	93.7	1.1	2.6	-22.1	-6.0	68.4
2010 Q2	3.5	8.2	11.8	-6.4	8.0	12.3	4.4	-5.9	-10.8	11.7	-5.7	-14.7	-17.3	-34.2	-2.2	-87.2
Q3	3.0	5.2	7.8	-7.5	5.1	8.5	5.0	-4.7	-7.1	11.6	-7.8	-14.9	-17.3	-2.6	-2.4	-67.9
Q4	3.2	5.1	10.9	-5.2	4.8	5.2	4.3	-13.4	-6.8	15.2	121.3	-10.4	-16.1	-23.6	18.4	-91.3

4. Portfolio investment liabilities

	Total	Equity			Debt instruments							
					Bonds and notes				Money market instruments			
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	MFIs	Non-MFIs	
								General government				General government
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts (international investment position)											
2008	5,938.3	2,185.3	616.9	1,568.4	3,372.6	1,198.8	2,173.8	1,426.8	380.4	62.0	318.4	269.9
2009	6,737.2	2,751.8	686.6	2,065.1	3,460.8	1,132.1	2,328.7	1,477.1	524.6	67.7	456.9	422.3
2010 Q3	7,277.0	2,942.9	670.5	2,272.4	3,810.1	1,173.9	2,636.2	1,740.7	523.9	99.5	424.4	377.8
Q4	7,358.2	3,147.1	654.2	2,492.9	3,735.6	1,160.8	2,574.8	1,704.3	475.5	81.1	394.4	358.2
	Transactions											
2008	276.1	-84.6	84.5	-169.1	177.8	6.8	171.0	154.3	182.9	-33.1	216.0	192.8
2009	355.0	111.8	2.2	109.6	123.3	7.7	115.5	93.4	119.9	-13.5	133.3	155.5
2010	283.9	147.5	-5.8	153.2	134.4	45.7	88.7	187.1	2.1	45.1	-43.0	-33.4
2010 Q2	74.1	18.7	2.5	16.1	70.2	-8.5	78.7	97.7	-14.7	-12.6	-2.1	-8.6
Q3	36.1	39.7	15.8	23.9	-37.4	16.1	-53.5	-28.5	33.8	23.5	10.3	11.7
Q4	84.5	77.0	-9.3	86.3	33.2	26.6	6.6	36.4	-25.7	-3.5	-22.2	-16.7
2010 Oct.	73.3	60.3	4.2	56.1	-1.6	8.5	-10.1	.	14.6	-0.5	15.1	.
Nov.	17.3	-11.9	0.8	-12.7	17.0	0.5	16.5	.	12.2	2.4	9.8	.
Dec.	-6.1	28.6	-14.3	42.9	17.8	17.6	0.2	.	-52.5	-5.4	-47.1	.
2011 Jan.	21.4	9.0	-0.2	9.2	0.9	33.0	-32.1	.	11.5	13.4	-2.0	.
Feb.	89.0	31.9	4.4	27.5	28.8	10.4	18.4	.	28.3	24.3	4.0	.
	Growth rates											
2008	4.4	-3.7	14.9	-8.1	5.9	0.7	9.2	13.8	78.0	-24.7	218.2	269.4
2009	5.9	4.8	0.4	6.6	3.6	0.7	5.3	6.6	31.8	-28.6	41.8	58.1
2010 Q2	5.4	6.2	-1.6	9.1	4.3	1.4	5.6	11.7	11.6	75.5	3.0	7.2
Q3	4.0	4.1	-0.7	5.7	3.3	2.0	3.9	10.4	8.9	148.4	-4.7	-3.8
Q4	4.1	5.2	-0.9	7.1	3.8	3.9	3.8	12.4	0.4	70.5	-9.5	-8.1

Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

5. Other investment assets

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other assets	Total	Loans/ currency and deposits	Other assets		Trade credits	Loans/currency and deposits			Trade credits	Loans/currency and deposits	
											Currency and deposits				Currency and deposits
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2008	5,370.1	28.8	27.8	1.0	3,272.5	3,213.2	59.2	90.8	12.3	42.6	8.8	1,977.9	188.9	1,595.6	431.7
2009	4,830.9	30.2	29.8	0.4	2,835.9	2,805.4	30.5	109.2	8.4	63.6	11.4	1,855.6	192.4	1,478.8	398.1
2010 Q3	5,051.8	25.0	24.4	0.6	2,963.2	2,930.7	32.5	115.9	8.3	69.1	11.0	1,947.7	207.9	1,528.3	438.0
Q4	5,060.8	32.6	32.0	0.7	2,970.4	2,937.9	32.5	152.9	8.4	104.7	15.9	1,904.9	213.3	1,505.0	428.1
	Transactions														
2008	-1.2	-9.4	-9.5	0.0	-42.6	-59.2	16.6	-5.7	-1.1	-5.9	-4.7	56.6	-0.3	48.3	-21.9
2009	-534.6	0.1	0.0	0.1	-421.7	-401.2	-20.5	10.7	-0.4	9.3	1.2	-123.7	1.0	-129.3	-50.8
2010	130.0	-2.9	-2.9	0.0	8.4	-0.5	9.0	39.6	-0.2	38.8	4.8	84.9	11.8	63.1	29.1
2010 Q2	52.0	-3.4	-3.3	0.0	-3.4	-10.9	7.4	15.1	0.0	14.8	6.1	43.7	9.5	37.1	17.4
Q3	-2.8	1.5	1.6	-0.1	-15.8	-14.6	-1.2	-4.0	-0.1	-4.1	-2.4	15.5	2.3	17.1	11.2
Q4	-0.8	6.1	6.0	0.1	-28.0	-27.6	-0.4	34.6	0.0	34.6	4.8	-13.5	2.2	-20.4	-6.7
2010 Oct.	27.8	-2.7	.	.	18.0	.	.	25.8	.	.	-0.6	-13.3	.	.	9.7
Nov.	58.1	2.0	.	.	39.8	.	.	5.0	.	.	3.6	11.4	.	.	-6.6
Dec.	-86.7	6.9	.	.	-85.8	.	.	3.8	.	.	1.7	-11.6	.	.	-9.8
2011 Jan.	66.2	-0.5	.	.	59.4	.	.	-5.9	.	.	-4.3	13.3	.	.	18.1
Feb.	31.5	3.0	.	.	41.6	.	.	1.2	.	.	1.0	-14.4	.	.	-5.5
	Growth rates														
2007	20.2	153.5	169.3	-1.6	18.3	18.4	11.4	-6.6	-9.7	-12.6	-28.6	24.9	7.6	29.3	16.3
2008	-0.1	-26.2	-26.9	1.0	-1.3	-1.8	23.6	-6.0	-8.8	-12.3	-35.8	3.1	-0.2	3.2	-5.9
2010 Q2	-0.4	-36.4	-36.9	11.4	-1.2	-1.4	17.6	16.4	-4.1	28.9	-8.0	0.5	3.6	-0.2	-5.9
Q3	2.1	-13.4	-13.1	-22.0	1.0	0.8	21.4	11.1	-3.2	17.9	9.1	3.5	5.3	3.3	-0.8
Q4	2.7	-13.1	-12.9	-9.9	0.4	0.1	28.2	35.4	-2.7	59.2	41.5	4.5	5.9	4.3	7.4

6. Other investment liabilities

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other liabilities	Total	Loans/ currency and deposits	Other liabilities	Total	Trade credits	Loans	Other liabilities	Total	Trade credits	Loans	Other liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2008	5,724.4	482.9	482.6	0.3	3,762.9	3,708.8	54.1	62.3	0.0	58.0	4.3	1,416.3	178.2	1,059.7	178.4
2009	4,987.5	252.0	251.6	0.4	3,398.9	3,360.4	38.6	71.6	0.0	67.3	4.4	1,264.9	175.1	911.3	178.5
2010 Q3	5,274.3	249.2	247.5	1.8	3,606.5	3,559.3	47.3	92.0	0.0	86.4	5.6	1,326.5	185.5	948.4	192.7
Q4	5,224.7	268.9	265.8	3.0	3,507.2	3,456.0	51.3	138.8	0.0	133.3	5.4	1,309.7	191.1	955.6	163.0
	Transactions														
2008	179.3	281.0	280.9	0.1	-174.7	-186.0	11.3	9.3	0.0	10.6	-1.3	63.7	9.0	46.7	8.0
2009	-727.7	-233.1	-233.3	0.2	-353.2	-341.9	-11.4	12.5	0.0	12.4	0.1	-153.8	-5.5	-125.7	-22.6
2010	101.9	8.9	6.3	2.6	-3.0	-9.6	6.6	64.4	0.0	63.7	0.7	31.6	10.2	4.5	16.9
2010 Q2	10.6	-0.6	-0.5	0.0	-3.5	-5.7	2.2	8.8	0.0	7.9	1.0	5.9	6.1	-2.2	2.0
Q3	51.5	-2.6	-3.6	1.0	1.9	6.0	-4.1	5.3	0.0	5.4	-0.1	46.9	1.0	34.9	11.0
Q4	-80.0	17.3	16.0	1.3	-105.1	-108.5	3.5	45.8	0.0	45.5	0.3	-38.1	2.4	-34.8	-5.7
2010 Oct.	43.8	0.2	.	.	37.5	.	.	7.0	.	.	.	-0.9	.	.	.
Nov.	12.9	4.2	.	.	9.4	.	.	15.9	.	.	.	-16.6	.	.	.
Dec.	-136.7	12.9	.	.	-152.0	.	.	22.9	.	.	.	-20.5	.	.	.
2011 Jan.	104.6	7.1	.	.	64.0	.	.	13.6	.	.	.	19.9	.	.	.
Feb.	-35.5	4.6	.	.	-17.1	.	.	7.2	.	.	.	-30.2	.	.	.
	Growth rates														
2008	3.3	141.1	141.2	.	-4.4	-4.7	18.2	17.7	.	22.5	-23.2	4.8	5.3	4.6	5.9
2009	-12.6	-48.0	-48.1	.	-9.4	-9.2	-20.3	19.8	.	21.0	1.9	-10.8	-3.4	-11.8	-11.8
2010 Q2	-2.3	-20.7	-20.9	.	-1.6	-1.9	22.0	12.3	.	12.1	12.8	-0.5	-2.3	0.6	-4.4
Q3	1.7	-8.2	-8.6	.	0.5	0.4	11.3	18.2	.	17.8	26.9	6.2	4.5	5.4	11.8
Q4	2.0	3.4	2.4	.	0.0	-0.2	17.2	87.9	.	93.5	10.8	2.4	5.7	0.3	9.4

Source: ECB.

7.3 Financial account

(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

7. Reserve assets [1)]

	Reserve assets														Memo items		
	Total	Monetary gold		SDR holdings	Reserve position in the IMF	Foreign exchange								Other claims	Other foreign currency assets	Pre-determined short-term net drains on foreign currency	SDR allo-cations
		In EUR billions	In fine troy ounces (millions)			Total	Currency and deposits		Securities				Financial derivatives				
							With monetary authorities and the BIS	With banks	Total	Equity	Bonds and notes	Money market instruments					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Outstanding amounts (international investment position)																
2007	347.2	201.0	353.688	4.6	3.6	138.0	7.2	22.0	108.5	0.4	87.8	20.3	0.3	0.0	44.3	-38.5	5.3
2008	374.2	217.0	349.207	4.7	7.3	145.1	7.6	8.1	129.5	0.6	111.3	17.6	0.0	0.0	262.8	-245.7	5.5
2009	462.4	266.1	347.180	50.8	10.5	134.9	11.7	8.1	115.2	0.5	92.0	22.7	-0.1	0.0	32.1	-24.2	51.2
2010 Q2	583.3	351.9	347.156	56.3	16.3	158.8	9.2	13.0	136.8	0.6	110.8	25.5	-0.3	0.0	32.7	-24.2	56.7
Q3	552.2	332.3	346.994	53.3	15.3	151.3	7.9	15.7	127.2	0.5	106.9	19.8	0.4	0.0	26.2	-22.6	53.7
Q4	591.2	366.2	346.962	54.2	15.8	155.0	7.7	16.1	131.3	0.5	111.2	19.5	0.0	0.0	26.3	-24.4	54.5
2011 Feb.	577.5	353.9	346.986	53.2	16.6	153.8	7.6	14.0	131.9	-	-	-	0.2	0.0	23.2	-24.3	53.6
Mar.	572.8	351.5	346.988	51.1	21.6	148.6	5.6	18.2	124.4	-	-	-	0.4	0.0	21.3	-32.5	52.5
	Transactions																
2007	5.1	-3.2	-	0.3	-0.9	8.8	1.0	1.6	6.2	0.0	14.5	-8.3	0.0	0.0	-	-	-
2008	3.4	-2.7	-	-0.1	3.8	2.4	5.0	-15.7	11.8	0.1	15.8	-4.1	1.3	0.0	-	-	-
2009	-4.6	-2.0	-	0.5	3.4	-6.4	3.1	-1.2	-9.5	0.0	-14.1	4.6	1.2	0.0	-	-	-
2010 Q2	-1.0	0.0	-	0.1	3.0	-4.0	-2.0	1.3	-3.2	0.0	0.0	-3.1	-0.1	0.0	-	-	-
Q3	5.0	0.0	-	0.0	-0.1	5.1	-0.5	3.9	1.6	0.0	5.6	-4.0	0.1	0.0	-	-	-
Q4	1.6	0.0	-	0.1	0.1	1.3	-0.4	-0.5	2.1	0.0	3.2	-1.1	0.1	0.0	-	-	-
	Growth rates																
2008	1.0	-1.3	-	-2.5	105.6	1.7	67.7	-68.9	10.8	28.0	17.9	-20.6	-	-	-	-	-
2009	-1.2	-0.9	-	-2.6	45.5	-4.4	41.1	-21.3	-7.3	1.0	-12.8	25.3	-	-	-	-	-
2010	2.0	0.0	-	-0.1	45.4	3.6	-43.3	76.2	3.4	-5.2	10.3	-25.5	-	-	-	-	-
2010 Q2	0.7	-0.1	-	8.1	34.9	-0.7	-28.0	56.1	-1.6	-5.2	-3.6	8.1	-	-	-	-	-
Q3	1.7	0.0	-	1.0	27.8	3.2	-45.3	93.8	2.8	-5.2	9.0	-22.0	-	-	-	-	-
Q4	2.0	0.0	-	-0.1	45.4	3.6	-43.3	76.2	3.4	-5.2	10.3	-25.5	-	-	-	-	-

8. Gross external debt

	Total	By instrument						By sector (excluding direct investment)			
		Loans, currency and deposits	Money market instruments	Bonds and notes	Trade credits	Other debt liabilities	Direct investment: inter-company lending	General government	Eurosystem	MFIs (excluding Eurosystem)	Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2007	9,991.0	5,144.6	240.5	2,996.3	172.6	189.6	1,247.3	1,235.4	202.1	5,228.6	2,077.6
2008	10,916.9	5,309.2	380.4	3,372.6	178.2	237.0	1,439.4	1,759.0	482.9	5,023.7	2,211.8
2009	10,413.3	4,590.5	524.6	3,460.8	175.1	221.8	1,440.4	1,971.0	252.0	4,598.7	2,151.1
2010 Q2	11,176.9	4,979.5	495.6	3,823.4	183.8	246.7	1,447.9	2,197.4	260.1	4,991.5	2,279.9
Q3	10,982.6	4,841.4	523.9	3,810.1	185.5	247.4	1,374.3	2,210.6	249.2	4,880.0	2,268.6
Q4	10,832.6	4,810.8	475.5	3,735.6	191.2	222.7	1,396.8	2,201.3	268.9	4,749.1	2,216.5
	Outstanding amounts as a percentage of GDP										
2007	110.5	56.9	2.7	33.1	1.9	2.1	13.8	13.7	2.2	57.8	23.0
2008	117.9	57.4	4.1	36.4	1.9	2.6	15.5	19.0	5.2	54.3	23.9
2009	116.1	51.2	5.9	38.6	2.0	2.5	16.1	22.0	2.8	51.3	24.0
2010 Q2	123.4	55.0	5.5	42.2	2.0	2.7	16.0	24.3	2.9	55.1	25.2
Q3	120.3	53.0	5.7	41.7	2.0	2.7	15.1	24.2	2.7	53.5	24.9
Q4	117.8	52.3	5.2	40.6	2.1	2.4	15.2	23.9	2.9	51.7	24.1

Source: ECB.

1) Data refer to the changing composition of the euro area, in line with the approach adopted for the reserve assets of the Eurosystem. For further information, see the General Notes.

7.3 Financial account

(EUR billions; outstanding amounts at end of period; transactions during period)

9. Geographical breakdown

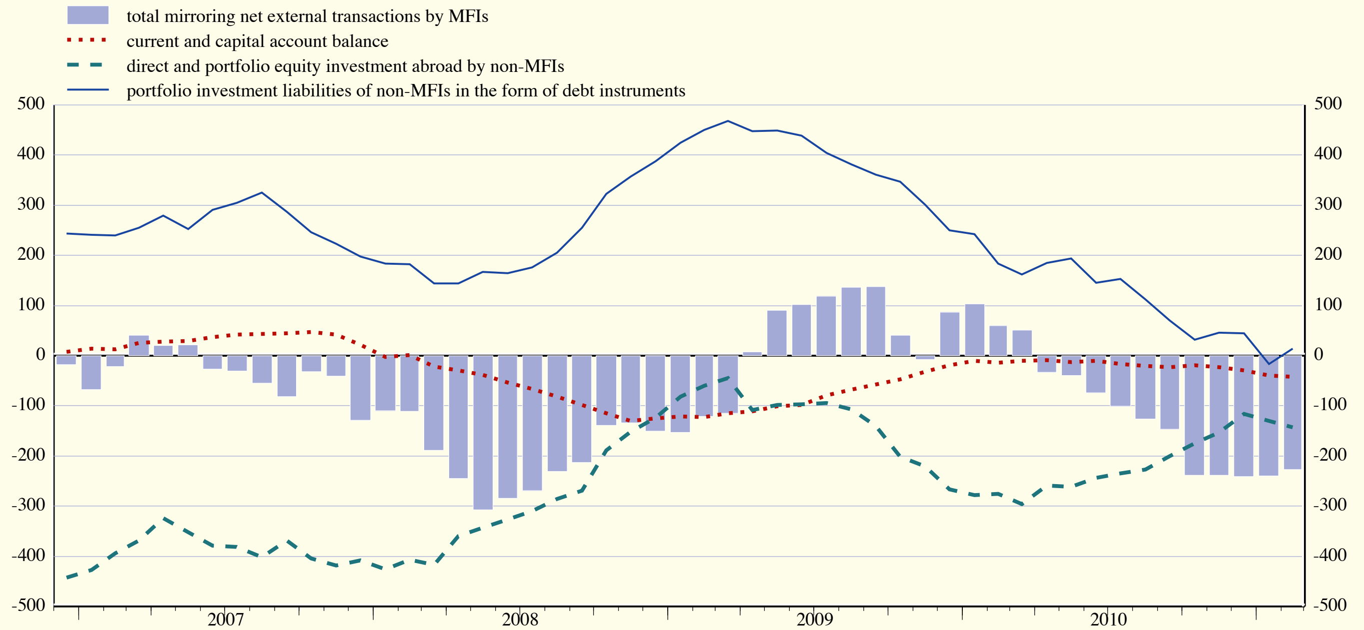
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2009	Outstanding amounts (international investment position)														
Direct investment	783.5	116.5	2.3	-17.4	-125.6	257.6	-0.3	45.6	44.2	-28.9	129.7	-42.2	77.4	-0.3	441.4
Abroad	4,262.0	1,428.3	34.5	123.7	988.9	281.1	0.0	119.6	48.3	77.7	423.5	784.3	540.9	0.0	839.4
Equity/reinvested earnings	3,291.0	1,073.8	29.1	79.8	735.3	229.5	0.0	95.2	39.1	58.9	349.5	559.7	484.7	0.0	630.1
Other capital	971.1	354.5	5.3	43.9	253.7	51.6	0.0	24.4	9.1	18.8	74.1	224.6	56.2	0.0	209.3
In the euro area	3,478.6	1,311.8	32.2	141.1	1,114.5	23.6	0.3	73.9	4.1	106.6	293.9	826.4	463.5	0.4	398.0
Equity/reinvested earnings	2,531.3	1,077.5	22.7	124.7	922.7	7.2	0.3	61.0	1.1	85.5	201.0	613.4	245.4	0.2	246.4
Other capital	947.3	234.3	9.5	16.5	191.9	16.4	0.1	13.0	3.0	21.1	92.9	213.0	218.1	0.2	151.6
Portfolio investment assets	4,226.3	1,424.7	79.0	156.5	1,000.9	89.1	99.2	95.4	47.5	182.0	107.0	1,349.2	434.2	29.3	557.0
Equity	1,488.7	296.8	8.8	28.8	245.3	13.2	0.6	28.6	45.3	85.7	92.4	469.0	193.3	1.5	275.9
Debt instruments	2,737.6	1,127.9	70.2	127.7	755.6	75.9	98.5	66.8	2.2	96.2	14.6	880.2	240.8	27.8	281.1
Bonds and notes	2,339.5	979.1	62.9	108.0	635.5	74.2	98.4	63.3	1.5	38.1	10.6	739.6	225.5	27.2	254.7
Money market instruments	398.1	148.8	7.3	19.6	120.0	1.7	0.1	3.5	0.7	58.1	4.0	140.7	15.4	0.6	26.3
Other investment	-156.6	-107.3	49.4	6.8	-96.5	92.2	-159.3	0.3	-8.7	17.0	-118.6	-106.5	-12.4	14.1	165.6
Assets	4,830.9	2,246.0	108.6	85.4	1,847.6	187.9	16.5	26.8	31.6	95.0	238.8	687.3	591.7	61.3	852.4
General government	109.2	23.3	0.1	5.4	6.8	0.2	10.6	0.0	3.1	0.2	0.2	3.5	1.9	27.3	49.7
MFIs	2,866.1	1,539.2	91.0	51.0	1,240.6	154.0	2.6	15.2	9.3	64.4	125.5	353.0	329.8	20.4	409.4
Other sectors	1,855.6	683.6	17.5	28.9	600.2	33.7	3.3	11.6	19.1	30.4	113.2	330.8	260.0	13.6	393.3
Liabilities	4,987.5	2,353.3	59.2	78.5	1,944.1	95.6	175.8	26.6	40.3	78.0	357.4	793.8	604.1	47.2	686.8
General government	71.6	29.4	0.1	0.4	4.4	0.0	24.5	0.1	0.1	0.5	0.2	22.1	0.3	16.9	2.2
MFIs	3,650.9	1,746.4	47.7	44.2	1,486.4	71.6	96.6	19.4	19.1	45.6	270.3	500.3	499.4	27.6	522.9
Other sectors	1,264.9	577.5	11.4	34.0	453.3	24.0	54.8	7.1	21.2	32.0	86.9	271.4	104.5	2.6	161.8
2010 Q1 to 2010 Q4	Cumulated transactions														
Direct investment	78.6	28.8	-0.6	0.6	6.9	22.0	-0.1	-16.4	3.2	-3.0	-12.8	18.8	15.2	-0.1	44.8
Abroad	166.5	75.1	2.4	2.4	38.8	31.4	0.0	4.9	3.0	-4.4	-2.6	27.3	1.6	0.0	61.4
Equity/reinvested earnings	51.6	49.9	2.4	-1.1	21.2	27.4	0.0	3.5	0.2	-3.0	-15.2	-6.2	-19.3	0.0	41.7
Other capital	114.9	25.2	0.0	3.5	17.6	4.0	0.0	1.5	2.8	-1.3	12.6	33.5	20.9	0.0	19.7
In the euro area	87.9	46.3	3.0	1.9	31.9	9.4	0.1	21.3	-0.2	-1.3	10.2	8.5	-13.5	0.1	16.6
Equity/reinvested earnings	136.8	30.6	1.6	4.4	21.7	2.9	0.1	23.2	1.0	1.6	-1.9	15.4	61.0	0.0	6.1
Other capital	-48.9	15.7	1.5	-2.6	10.3	6.5	0.0	-1.8	-1.2	-2.9	12.1	-6.8	-74.5	0.1	10.6
Portfolio investment assets	140.7	27.9	1.2	18.6	-11.1	9.5	9.6	-0.8	8.0	-13.2	6.1	25.6	-30.8	-0.4	118.3
Equity	81.0	23.3	1.7	6.1	14.1	1.4	0.1	3.2	7.9	0.0	3.8	11.1	0.5	0.1	31.2
Debt instruments	59.7	4.7	-0.4	12.5	-25.1	8.1	9.6	-4.0	0.1	-13.3	2.3	14.5	-31.2	-0.5	87.1
Bonds and notes	103.7	30.6	0.1	11.9	1.0	8.2	9.4	-5.6	0.1	-0.1	1.2	23.6	-21.9	-0.5	76.3
Money market instruments	-44.0	-25.9	-0.5	0.6	-26.1	-0.1	0.1	1.6	0.0	-13.1	1.2	-9.1	-9.4	0.0	10.8
Other investment	28.1	-23.2	2.2	-15.2	13.4	-8.8	-14.8	-3.8	2.3	-1.8	49.2	-7.7	66.5	-25.3	-28.0
Assets	130.0	39.7	2.5	3.9	25.6	5.8	1.9	0.8	8.4	6.4	10.1	16.5	51.4	-7.0	3.5
General government	39.6	17.3	0.6	1.1	13.2	1.8	0.5	1.6	0.0	2.4	0.8	10.7	1.6	0.6	4.7
MFIs	5.5	-19.1	-1.2	-1.4	-21.0	3.8	0.7	-1.1	5.3	-0.5	4.4	-8.6	33.9	-7.6	-1.2
Other sectors	84.9	41.6	3.1	4.2	33.3	0.2	0.8	0.3	3.1	4.5	4.9	14.5	16.0	0.0	0.1
Liabilities	101.9	63.0	0.3	19.2	12.2	14.6	16.8	4.6	6.1	8.2	-39.1	24.2	-15.0	18.3	31.5
General government	64.4	49.9	0.1	0.1	45.4	0.1	4.3	0.1	0.0	-0.3	-0.1	4.9	0.2	9.6	0.1
MFIs	6.0	17.3	0.8	17.1	-18.7	10.6	7.5	4.6	2.9	7.7	-34.6	-12.9	-16.1	8.6	28.5
Other sectors	31.6	-4.2	-0.6	2.0	-14.5	3.9	5.0	0.0	3.2	0.8	-4.4	32.3	0.9	0.2	2.8

Source: ECB.

7.4 Monetary presentation of the balance of payments [1]
(EUR billions; transactions)

	B.o.p. items mirroring net transactions by MFIs											
	Total	Current and capital account balance	Transactions by non-MFIs								Financial derivatives	Errors and omissions
			Direct investment		Portfolio investment				Other investment			
			By resident units abroad	By non-resident units in euro area	Assets		Liabilities		Assets	Liabilities		
					Equity	Debt instruments	Equity	Debt instruments				
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-150.2	-124.8	-320.1	99.3	62.1	-14.5	-169.3	387.7	-51.3	73.3	-82.8	-9.9
2009	86.1	-19.5	-304.6	207.9	-50.0	-124.0	109.7	249.3	113.1	-141.1	37.2	8.1
2010	-240.4	-29.5	-157.6	87.3	-72.4	-239.9	153.3	44.9	-123.7	95.9	7.9	-6.5
2009 Q4	43.6	14.7	-63.0	69.9	-35.1	-32.0	47.8	8.9	23.3	5.2	4.9	-0.9
2010 Q1	-80.9	-15.5	-41.0	1.1	-26.0	-44.0	26.7	27.6	-32.9	21.3	2.7	-0.9
Q2	-43.2	-16.9	-83.7	54.0	2.3	-41.0	16.3	76.9	-58.8	14.7	1.9	-8.9
Q3	-65.7	-5.3	-26.9	-5.1	-8.8	-44.1	24.0	-43.6	-11.4	52.1	2.3	1.0
Q4	-50.6	8.1	-6.0	37.3	-39.9	-110.7	86.4	-16.1	-20.6	7.7	1.0	2.2
2010 Feb.	-13.5	-4.9	0.3	-2.4	-2.2	-6.5	13.1	-7.9	-7.4	3.6	-1.6	2.5
Mar.	-40.8	0.2	-28.2	-0.7	-12.5	-27.1	2.3	8.3	-8.2	28.3	0.0	-3.2
Apr.	-41.4	-4.8	-22.8	3.5	-4.4	-13.5	0.2	37.0	-26.5	-5.6	-4.2	-0.4
May	8.9	-14.2	-37.7	33.4	9.3	-20.6	-1.6	53.7	-46.2	39.3	-0.2	-6.3
June	-10.7	2.1	-23.3	17.1	-2.6	-6.9	17.6	-13.8	13.9	-18.9	6.3	-2.1
July	-27.9	6.9	-11.7	11.1	3.3	-28.7	-6.1	-17.4	-4.1	27.6	-1.4	-7.5
Aug.	-9.1	-6.9	-8.7	-18.9	-4.2	0.4	23.3	-25.3	15.0	6.9	4.7	4.5
Sep.	-28.7	-5.3	-6.5	2.7	-7.9	-15.7	6.7	-0.9	-22.3	17.5	-1.0	4.1
Oct.	-80.0	3.7	-11.3	-18.6	-16.3	-85.9	56.1	4.7	-12.5	6.2	-5.2	-0.9
Nov.	-10.1	-3.0	4.2	39.9	-11.7	-24.8	-12.7	26.6	-16.2	-1.0	1.6	-12.9
Dec.	39.4	7.4	1.1	16.1	-11.9	0.0	43.0	-47.3	8.1	2.5	4.5	16.0
2011 Jan.	-26.3	-20.4	-25.6	29.6	2.1	-12.7	9.2	-34.0	-7.3	33.5	-2.7	2.1
Feb.	-0.2	-7.3	-5.9	-13.5	-7.9	-7.7	27.5	22.4	13.2	-23.0	-2.1	4.1
	12-month cumulated transactions											
2011 Feb.	-226.8	-41.6	-176.3	101.6	-64.7	-243.3	165.6	13.9	-93.2	113.3	0.4	-2.6

C38 Main b.o.p. items mirroring developments in MFI net external transactions [1]
(EUR billions; 12-month cumulated transactions)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.

7.5 Trade in goods

1. Values and volumes by product group [1]

(seasonally adjusted, unless otherwise indicated)

	Total (n.s.a.)		Exports (f.o.b.)					Imports (c.i.f.)					
			Total				Memo item:	Total				Memo items:	
	Exports	Imports		Intermediate	Capital	Consumption	Manufacturing		Intermediate	Capital	Consumption	Manufacturing	Oil
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Values (EUR billions; annual percentage changes for columns 1 and 2)												
2009	-18.1	-21.8	1,279.8	628.0	264.4	355.5	1,063.2	1,264.7	732.8	193.7	316.7	840.9	180.9
2010	20.2	22.4	1,535.0	765.8	309.1	420.2	1,271.7	1,542.6	944.5	226.5	345.3	1,014.7	245.3
2010 Q1	12.9	9.8	353.2	176.5	69.4	98.3	292.1	352.1	211.0	52.3	82.0	232.0	55.6
Q2	22.4	27.6	380.4	190.2	76.2	103.9	316.2	385.2	236.2	56.4	85.7	252.9	62.2
Q3	22.8	26.7	397.5	197.6	80.3	108.2	329.9	399.5	244.3	59.6	88.8	264.9	62.3
Q4	22.2	25.9	403.9	201.6	83.2	109.8	333.5	405.9	253.0	58.2	88.8	264.8	65.3
2010 Sep.	22.6	21.9	133.0	66.1	27.4	36.4	110.9	131.9	80.8	19.2	29.6	87.9	19.5
Oct.	21.1	22.4	134.3	66.7	27.8	36.2	111.5	131.4	80.9	19.3	29.5	87.0	20.4
Nov.	24.5	29.4	134.9	67.7	28.0	36.7	111.8	137.8	85.3	19.8	30.2	89.7	22.2
Dec.	21.1	25.8	134.7	67.1	27.4	36.9	110.2	136.7	86.8	19.1	29.1	88.2	22.6
2011 Jan.	27.1	29.3	140.0	69.8	27.2	38.4	114.0	143.1	90.1	20.3	29.8	90.9	24.5
Feb.	23.1	26.0	142.2	.	.	.	117.2	144.6	.	.	.	91.7	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2009	-16.6	-13.8	119.6	114.8	119.0	128.0	116.0	109.6	100.9	115.7	136.4	111.0	101.5
2010	16.1	12.6	136.9	132.5	137.3	143.5	134.1	120.6	113.0	129.2	142.2	127.5	100.2
2010 Q1	12.9	7.1	129.5	126.3	124.6	138.4	126.1	116.8	108.5	123.6	140.5	121.4	99.4
Q2	17.8	16.6	135.8	131.9	134.9	142.0	133.5	120.6	113.2	128.8	141.7	127.2	99.7
Q3	17.3	14.3	139.9	134.8	142.3	145.3	137.4	121.7	113.9	132.5	142.4	129.8	100.3
Q4	16.3	12.6	142.2	137.1	147.5	148.3	139.5	123.5	116.4	132.0	144.2	131.4	101.4
2010 Aug.	24.5	21.4	140.7	135.2	140.6	146.8	137.8	124.0	116.0	135.6	144.2	132.5	104.0
Sep.	17.0	9.9	140.4	135.3	145.9	146.2	138.5	120.5	112.6	128.0	143.0	129.2	94.7
Oct.	15.2	9.0	142.3	136.6	148.6	146.6	140.1	120.5	112.9	130.6	143.4	129.1	98.5
Nov.	18.6	16.9	143.0	138.3	149.7	150.1	140.9	127.4	119.8	137.1	147.3	134.4	105.6
Dec.	15.0	11.9	141.2	136.3	144.1	148.3	137.5	122.5	116.5	128.4	141.8	130.7	100.1
2011 Jan.	18.2	12.5	144.4	139.0	142.3	150.9	140.2	124.5	117.4	133.6	140.8	131.5	101.2

2. Prices [2]

(annual percentage changes, unless otherwise indicated)

	Industrial producer export prices (f.o.b.) [3]							Industrial import prices (c.i.f.)						
	Total (index: 2005 = 100)	Total					Memo item:	Total (index: 2005 = 100)	Total					Memo item:
			Intermediate goods	Capital goods	Consumer goods	Energy	Manufacturing			Intermediate goods	Capital goods	Consumer goods	Energy	Manufacturing
% of total	100.0	100.0	33.1	44.5	17.9	4.5	99.2	100.0	100.0	28.4	27.9	22.1	21.6	81.1
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2009	101.5	-2.7	-4.0	0.5	0.5	-23.7	-2.6	100.2	-8.5	-4.8	2.3	0.9	-28.3	-2.4
2010	105.4	3.9	4.8	1.1	2.2	26.3	3.8	110.0	9.8	9.8	1.5	2.7	27.5	6.0
2010 Q3	106.3	4.6	6.7	1.6	2.8	19.6	4.5	111.1	10.8	11.9	2.9	4.0	25.8	7.3
Q4	106.6	5.1	7.1	2.0	2.9	21.5	5.0	112.6	11.6	13.4	2.3	5.3	25.8	8.0
2011 Q1	108.8	5.6	8.3	1.9	2.8	25.4	5.5	.	.	.	0.1	.	.	6.7
2010 Oct.	106.0	4.7	6.9	1.6	2.8	18.9	4.6	110.7	10.2	12.4	1.9	4.5	21.7	7.0
Nov.	106.4	4.8	7.0	1.9	2.8	18.1	4.7	111.9	10.9	13.1	2.5	5.5	22.6	7.9
Dec.	107.4	5.8	7.5	2.3	3.1	27.4	5.6	115.2	13.7	14.8	2.6	5.9	32.9	9.1
2011 Jan.	108.4	6.0	8.6	2.3	3.1	25.1	5.9	117.1	12.2	12.2	1.5	6.1	31.7	7.3
Feb.	109.0	5.8	8.7	1.8	2.8	25.9	5.7	118.3	12.3	12.0	0.9	5.9	31.2	7.0
Mar.	108.9	4.9	7.7	1.5	2.5	25.1	4.8	.	.	.	-2.1	.	.	5.8

Source: Eurostat.

1) Product groups as classified in the Broad Economic Categories. Unlike the product groups shown in Table 2, intermediate and consumption product groups include agricultural and energy products.

2) Product groups as classified in the Main Industrial Groupings. Unlike the product groups shown in Table 1, intermediate and consumer goods do not include energy products, and agricultural goods are not covered. Manufacturing has a different composition compared with the data shown in columns 7 and 12 of Table 1. Data shown are price indices which follow the pure price change for a basket of products and are not simple ratios of the value and volume data shown in Table 1, which are affected by changes in the composition and quality of traded goods. These indices differ from the GDP deflators for imports and exports (shown in Table 3 in Section 5.1), mainly because those deflators include all goods and services and cover cross-border trade within the euro area.

3) Industrial producer export prices refer to direct transactions between domestic producers and non-domestic customers. Contrary to the data shown for values and volumes in Table 1, exports from wholesalers and re-exports are not covered.

(EUR billions, unless otherwise indicated; seasonally adjusted)

3. Geographical breakdown

	Total	EU Member States outside the euro area				Russia	Switzer-land	Turkey	United States	Asia			Africa	Latin America	Other countries
		Denmark	Sweden	United Kingdom	Other EU countries						China	Japan			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Exports (f.o.b.)														
2009	1,279.8	27.3	41.6	175.3	174.6	50.1	78.9	34.8	152.4	284.4	69.0	28.6	92.0	54.3	29.5
2010	1,535.0	30.2	52.7	195.4	209.4	63.7	93.1	47.4	180.4	354.8	94.7	34.5	104.8	73.2	18.7
2009 Q3	322.4	6.8	10.6	44.5	44.2	12.1	19.9	9.3	36.6	72.0	17.9	7.2	22.8	14.4	7.8
Q4	329.6	6.7	10.8	45.0	45.3	12.9	19.8	9.3	37.9	75.0	19.0	7.3	23.0	14.4	7.3
2010 Q1	353.2	7.0	11.9	46.5	47.8	13.7	21.4	10.7	41.4	81.7	22.1	7.9	24.9	16.8	5.0
Q2	380.4	7.4	13.3	48.0	51.4	15.4	22.9	11.4	45.1	88.2	23.3	8.7	25.6	18.6	6.4
Q3	397.5	7.6	13.5	50.3	54.2	17.2	24.1	12.1	47.6	91.7	23.8	8.9	26.7	18.9	4.3
Q4	403.9	8.2	14.0	50.6	56.0	17.4	24.7	13.2	46.3	93.3	25.5	9.0	27.5	19.0	3.0
2010 Sep.	133.0	2.6	4.6	17.0	18.3	5.7	8.0	4.2	16.0	31.0	8.1	3.0	9.0	6.3	0.5
Oct.	134.3	2.6	4.6	16.8	18.4	5.8	7.9	4.3	15.7	31.0	8.4	3.1	9.0	6.2	1.9
Nov.	134.9	2.6	4.6	17.0	18.6	6.0	8.2	4.5	15.5	31.6	8.7	3.0	9.2	6.6	0.1
Dec.	134.7	3.0	4.8	16.7	19.1	5.7	8.6	4.4	15.1	30.7	8.4	2.9	9.3	6.2	1.0
2011 Jan.	140.0	2.6	4.9	17.5	19.2	6.1	8.3	4.8	16.5	32.1	9.4	3.1	9.4	6.3	1.4
Feb.	142.2	.	.	.	.	6.5	8.4	5.1	16.8	33.5	9.7	3.1	9.2	7.0	.
	Percentage share of total exports														
2010	100.0	2.0	3.4	12.7	13.6	4.1	6.1	3.1	11.7	23.1	6.2	2.2	6.8	4.8	1.2
	Imports (c.i.f.)														
2009	1,264.7	27.1	38.3	127.1	161.8	83.8	65.2	26.5	116.1	379.7	157.7	44.0	94.6	59.5	-25.2
2010	1,542.6	27.6	47.6	148.2	197.3	111.0	74.1	30.7	128.8	491.3	208.1	50.7	118.4	74.8	-48.9
2009 Q3	314.6	6.8	9.8	31.9	41.1	22.4	16.2	6.8	27.1	93.4	38.0	11.1	22.8	14.8	-7.6
Q4	323.5	6.8	9.9	32.5	42.9	24.1	16.1	6.9	27.9	95.2	38.6	11.0	24.5	15.3	-9.7
2010 Q1	352.1	6.6	10.4	34.9	45.1	25.7	17.1	7.3	29.3	110.3	45.9	11.7	27.0	16.6	-11.1
Q2	385.2	6.9	11.9	36.6	48.8	28.3	19.5	7.6	31.7	125.0	53.4	12.6	29.6	18.1	-14.8
Q3	399.5	7.0	12.6	37.9	50.6	27.5	19.1	7.6	33.9	129.4	55.3	13.4	29.4	19.4	-10.2
Q4	405.9	7.0	12.8	38.8	52.8	29.4	18.4	8.2	34.0	126.6	53.4	13.0	32.3	20.8	-12.9
2010 Sep.	131.9	2.4	4.1	12.2	17.1	8.9	6.2	2.6	11.2	42.6	18.3	4.6	9.6	6.5	-3.0
Oct.	131.4	2.4	4.2	12.8	17.4	9.4	6.1	2.6	11.1	41.8	18.2	4.2	9.3	7.0	-4.6
Nov.	137.8	2.3	4.3	13.2	17.7	9.7	6.2	2.7	11.4	42.8	17.6	4.6	11.7	6.9	-3.4
Dec.	136.7	2.4	4.3	12.8	17.7	10.4	6.2	2.8	11.5	42.0	17.6	4.2	11.3	6.8	-4.9
2011 Jan.	143.1	2.2	4.2	13.5	18.2	11.1	6.3	3.0	11.9	43.5	17.6	4.4	12.2	7.1	-4.0
Feb.	144.6	.	.	.	.	10.3	6.3	3.0	11.9	44.1	17.8	4.5	12.4	6.9	.
	Percentage share of total imports														
2010	100.0	1.8	3.1	9.6	12.8	7.2	4.8	2.0	8.4	31.8	13.5	3.3	7.7	4.8	-3.2
	Balance														
2009	15.1	0.2	3.3	48.2	12.7	-33.7	13.7	8.3	36.3	-95.3	-88.7	-15.3	-2.6	-5.2	54.7
2010	-7.6	2.6	5.0	47.3	12.1	-47.2	18.9	16.7	51.6	-136.4	-113.4	-16.2	-13.6	-1.6	67.6
2009 Q3	7.8	-0.1	0.8	12.6	3.1	-10.3	3.7	2.6	9.5	-21.4	-20.1	-4.0	0.0	-0.4	15.4
Q4	6.1	0.0	0.9	12.4	2.4	-11.2	3.7	2.4	10.0	-20.3	-19.6	-3.7	-1.5	-0.9	17.0
2010 Q1	1.1	0.4	1.5	11.6	2.7	-12.0	4.3	3.4	12.1	-28.6	-23.8	-3.8	-2.1	0.2	16.1
Q2	-4.8	0.5	1.3	11.5	2.6	-12.9	3.4	3.8	13.4	-36.8	-30.1	-4.0	-4.1	0.4	21.1
Q3	-1.9	0.6	0.9	12.4	3.6	-10.3	5.0	4.4	13.7	-37.7	-31.5	-4.5	-2.7	-0.5	14.5
Q4	-2.0	1.1	1.2	11.8	3.2	-12.0	6.3	5.0	12.3	-33.3	-27.9	-4.0	-4.8	-1.7	15.9
2010 Sep.	1.2	0.2	0.5	4.8	1.3	-3.3	1.9	1.6	4.8	-11.5	-10.3	-1.6	-0.6	-0.2	3.5
Oct.	2.9	0.2	0.4	4.0	1.0	-3.6	1.8	1.7	4.7	-10.8	-9.8	-1.1	-0.3	-0.8	6.5
Nov.	-2.9	0.3	0.3	3.8	0.9	-3.7	2.1	1.7	4.1	-11.3	-8.9	-1.6	-2.5	-0.3	3.5
Dec.	-2.0	0.6	0.5	3.9	1.3	-4.7	2.4	1.5	3.5	-11.2	-9.2	-1.3	-2.0	-0.7	5.9
2011 Jan.	-3.1	0.4	0.7	4.0	1.0	-4.9	2.0	1.9	4.6	-11.4	-8.2	-1.4	-2.8	-0.9	5.4
Feb.	-2.4	.	.	.	.	-3.9	2.1	2.2	4.9	-10.6	-8.1	-1.3	-3.2	0.1	.

Source: Eurostat.

EXCHANGE RATES

8

8.1 Effective exchange rates [1]

(period averages; index: 1999 Q1=100)

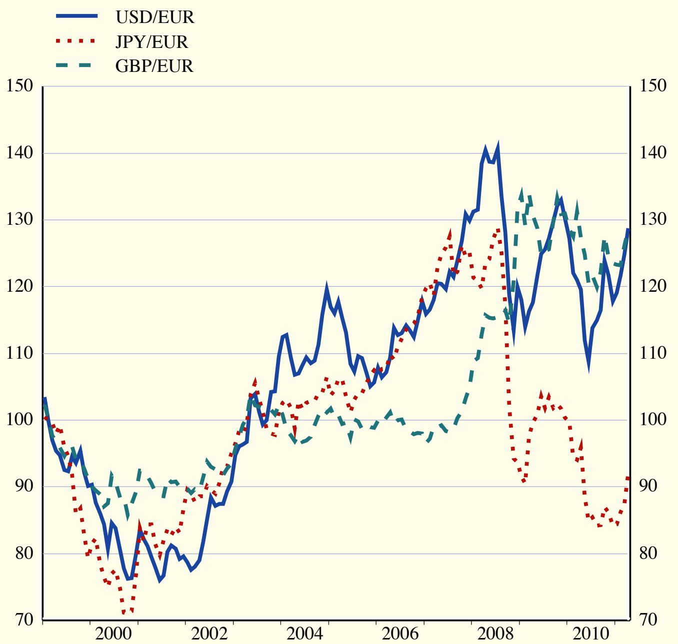
	EER-20						EER-40	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2008	110.4	109.9	107.6	105.0	115.2	104.3	117.9	107.1
2009	111.7	110.6	104.9	106.0	120.6	105.9	120.6	108.0
2010	104.6	103.0	98.8	98.4	109.8	98.2	112.3	99.3
2010 Q1	108.7	107.0	102.2	102.2	114.5	102.5	116.9	103.5
Q2	103.1	101.8	97.4	97.2	108.7	97.0	110.4	97.9
Q3	102.3	100.8	96.9	96.4	107.1	95.7	109.8	97.2
Q4	104.4	102.4	98.7	97.8	108.8	97.6	112.1	98.7
2011 Q1	103.7	101.5	97.7	.	.	.	111.6	97.9
2010 Apr.	106.1	104.6	100.0	-	-	-	113.5	100.6
May	102.8	101.4	97.0	-	-	-	109.9	97.5
June	100.6	99.4	95.2	-	-	-	107.7	95.6
July	102.5	101.1	97.0	-	-	-	109.9	97.5
Aug.	102.1	100.6	96.6	-	-	-	109.5	97.0
Sep.	102.5	100.8	97.2	-	-	-	110.0	97.2
Oct.	106.0	104.1	100.4	-	-	-	113.8	100.3
Nov.	104.7	102.7	98.9	-	-	-	112.5	99.0
Dec.	102.6	100.5	96.7	-	-	-	110.1	96.8
2011 Jan.	102.4	100.3	96.7	-	-	-	110.1	96.6
Feb.	103.4	101.1	97.6	-	-	-	111.4	97.6
Mar.	105.2	103.0	98.9	-	-	-	113.2	99.4
Apr.	107.0	104.9	100.6	-	-	-	115.0	101.0
	Percentage change versus previous month							
2011 Apr.	1.7	1.8	1.7	-	-	-	1.6	1.6
	Percentage change versus previous year							
2011 Apr.	0.9	0.3	0.5	-	-	-	1.3	0.3

C39 Effective exchange rates

(monthly averages; index: 1999 Q1=100)

C40 Bilateral exchange rates

(monthly averages; index: 1999 Q1=100)



Source: ECB.

1) For a definition of the trading partner groups and other information, please refer to the General Notes.

8.2 Bilateral exchange rates

(period averages; units of national currency per euro)

	Bulgarian lev	Czech koruna	Danish krone	Latvian lats	Lithuanian litas	Hungarian forint	Polish zloty	New Romanian leu	Swedish krona	Pound sterling	Croatian kuna	New Turkish lira
	1	2	3	4	5	6	7	8	9	10	11	12
2008	1.9558	24.946	7.4560	0.7027	3.4528	251.51	3.5121	3.6826	9.6152	0.79628	7.2239	1.9064
2009	1.9558	26.435	7.4462	0.7057	3.4528	280.33	4.3276	4.2399	10.6191	0.89094	7.3400	2.1631
2010	1.9558	25.284	7.4473	0.7087	3.4528	275.48	3.9947	4.2122	9.5373	0.85784	7.2891	1.9965
2010 Q3	1.9558	24.928	7.4498	0.7089	3.4528	282.44	4.0087	4.2553	9.3804	0.83305	7.2532	1.9560
Q4	1.9558	24.789	7.4547	0.7095	3.4528	275.77	3.9666	4.2888	9.2139	0.85944	7.3683	1.9897
2011 Q1	1.9558	24.375	7.4550	0.7049	3.4528	272.43	3.9460	4.2212	8.8642	0.85386	7.4018	2.1591
2010 Oct.	1.9558	24.531	7.4567	0.7094	3.4528	274.01	3.9496	4.2787	9.2794	0.87638	7.3277	1.9800
Nov.	1.9558	24.633	7.4547	0.7094	3.4528	275.51	3.9520	4.2940	9.3166	0.85510	7.3830	1.9717
Dec.	1.9558	25.174	7.4528	0.7096	3.4528	277.62	3.9962	4.2929	9.0559	0.84813	7.3913	2.0159
2011 Jan.	1.9558	24.449	7.4518	0.7034	3.4528	275.33	3.8896	4.2624	8.9122	0.84712	7.4008	2.0919
Feb.	1.9558	24.277	7.4555	0.7037	3.4528	271.15	3.9264	4.2457	8.7882	0.84635	7.4149	2.1702
Mar.	1.9558	24.393	7.4574	0.7072	3.4528	270.89	4.0145	4.1621	8.8864	0.86653	7.3915	2.2108
Apr.	1.9558	24.301	7.4574	0.7092	3.4528	265.29	3.9694	4.1004	8.9702	0.88291	7.3639	2.1975
	Percentage change versus previous month											
2011 Apr.	0.0	-0.4	0.0	0.3	0.0	-2.1	-1.1	-1.5	0.9	1.9	-0.4	-0.6
	Percentage change versus previous year											
2011 Apr.	0.0	-4.0	0.2	0.2	0.0	-0.1	2.4	-0.7	-7.2	1.0	1.4	10.0

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Icelandic krona [1]	Indian rupee [2]	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	13	14	15	16	17	18	19	20	21	22	23
2008	1.7416	2.6737	1.5594	10.2236	11.4541	143.83	63.6143	14,165.16	5.2561	152.45	4.8893
2009	1.7727	2.7674	1.5850	9.5277	10.8114	-	67.3611	14,443.74	5.4668	130.34	4.9079
2010	1.4423	2.3314	1.3651	8.9712	10.2994	-	60.5878	12,041.70	4.9457	116.24	4.2668
2010 Q3	1.4289	2.2589	1.3416	8.7388	10.0324	-	59.9818	11,612.07	4.8978	110.68	4.0716
Q4	1.3747	2.3037	1.3757	9.0405	10.5441	-	60.9153	12,178.16	4.9154	112.10	4.2304
2011 Q1	1.3614	2.2799	1.3484	9.0028	10.6535	-	61.9255	12,171.85	4.9247	112.57	4.1668
2010 Oct.	1.4164	2.3378	1.4152	9.2665	10.7835	-	61.7399	12,407.16	5.0192	113.67	4.3092
Nov.	1.3813	2.3391	1.3831	9.0895	10.5941	-	61.4539	12,224.00	4.9770	112.69	4.2588
Dec.	1.3304	2.2387	1.3327	8.7873	10.2776	-	59.6472	11,925.21	4.7618	110.11	4.1313
2011 Jan.	1.3417	2.2371	1.3277	8.8154	10.3945	-	60.7161	12,077.47	4.7909	110.38	4.0895
Feb.	1.3543	2.2765	1.3484	8.9842	10.6312	-	62.0142	12,165.92	4.9939	112.77	4.1541
Mar.	1.3854	2.3220	1.3672	9.1902	10.9093	-	62.9526	12,263.18	4.9867	114.40	4.2483
Apr.	1.3662	2.2889	1.3834	9.4274	11.2269	-	64.1128	12,493.48	4.9573	120.42	4.3502
	Percentage change versus previous month										
2011 Apr.	-1.4	-1.4	1.2	2.6	2.9	-	1.8	1.9	-0.6	5.3	2.4
	Percentage change versus previous year										
2011 Apr.	-5.5	-2.8	2.7	3.0	7.9	-	7.5	3.2	-0.4	-3.9	1.3

	Mexican peso	New Zealand dollar	Norwegian krone	Philippine peso	Russian rouble	Singapore dollar	South African rand	South Korean won	Swiss franc	Thai baht	US dollar
	24	25	26	27	28	29	30	31	32	33	34
2008	16.2911	2.0770	8.2237	65.172	36.4207	2.0762	12.0590	1,606.09	1.5874	48.475	1.4708
2009	18.7989	2.2121	8.7278	66.338	44.1376	2.0241	11.6737	1,772.90	1.5100	47.804	1.3948
2010	16.7373	1.8377	8.0043	59.739	40.2629	1.8055	9.6984	1,531.82	1.3803	42.014	1.3257
2010 Q3	16.5210	1.7979	7.9561	58.363	39.5260	1.7503	9.4593	1,526.12	1.3321	40.825	1.2910
Q4	16.8206	1.7915	8.0499	59.240	41.7192	1.7693	9.3785	1,538.70	1.3225	40.728	1.3583
2011 Q1	16.5007	1.8107	7.8236	59.876	39.9976	1.7467	9.5875	1,530.79	1.2871	41.771	1.3680
2010 Oct.	17.2845	1.8498	8.1110	60.285	42.1471	1.8116	9.6165	1,560.30	1.3452	41.636	1.3898
Nov.	16.8386	1.7703	8.1463	59.485	42.3360	1.7739	9.5320	1,544.16	1.3442	40.826	1.3661
Dec.	16.3797	1.7587	7.9020	58.050	40.7385	1.7262	9.0143	1,513.74	1.2811	39.805	1.3220
2011 Jan.	16.1926	1.7435	7.8199	59.089	40.2557	1.7193	9.2652	1,495.50	1.2779	40.827	1.3360
Feb.	16.4727	1.7925	7.8206	59.558	39.9469	1.7421	9.8126	1,524.99	1.2974	41.918	1.3649
Mar.	16.8063	1.8877	7.8295	60.870	39.8061	1.7757	9.6862	1,568.05	1.2867	42.506	1.3999
Apr.	16.9211	1.8331	7.8065	62.361	40.5363	1.8024	9.7200	1,567.52	1.2977	43.434	1.4442
	Percentage change versus previous month										
2011 Apr.	0.7	-2.9	-0.3	2.4	1.8	1.5	0.3	0.0	0.9	2.2	3.2
	Percentage change versus previous year										
2011 Apr.	3.2	-2.6	-1.6	4.3	3.6	-2.6	-1.5	4.9	-9.5	0.4	7.7

Source: ECB.

1) The most recent rate for the Icelandic krona refers to 3 December 2008.

2) For this currency the ECB computes and publishes euro reference exchange rates as from 1 January 2009. Previous data are indicative.

DEVELOPMENTS OUTSIDE THE EURO AREA

9

9.1 Economic and financial developments in other EU Member States

(annual percentage changes, unless otherwise indicated)

	Bulgaria	Czech Republic	Denmark	Latvia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10
	HICP									
2009	2.5	0.6	1.1	3.3	4.2	4.0	4.0	5.6	1.9	2.2
2010	3.0	1.2	2.2	-1.2	1.2	4.7	2.7	6.1	1.9	3.3
2010 Q4	4.0	2.0	2.5	1.7	2.9	4.3	2.7	7.8	1.8	3.4
2011 Q1	4.5	1.9	2.6	3.8	3.2	4.3	3.6	7.5	1.3	4.1
2011 Jan.	4.3	1.9	2.6	3.5	2.8	4.0	3.5	7.0	1.4	4.0
Feb.	4.6	1.9	2.6	3.8	3.0	4.2	3.3	7.6	1.2	4.4
Mar.	4.6	1.9	2.5	4.1	3.7	4.6	4.0	8.0	1.4	4.0
	General government deficit (-)/surplus (+) as a percentage of GDP									
2008	1.7	-2.7	3.2	-4.2	-3.3	-3.7	-3.7	-5.7	2.2	-5.0
2009	-4.7	-5.9	-2.7	-9.7	-9.5	-4.5	-7.3	-8.5	-0.7	-11.4
2010	-3.2	-4.7	-2.7	-7.7	-7.1	-4.2	-7.9	-6.4	0.0	-10.4
	General government gross debt as a percentage of GDP									
2008	13.7	30.0	34.5	19.7	15.6	72.3	47.1	13.4	38.8	54.4
2009	14.6	35.3	41.8	36.7	29.5	78.4	50.9	23.6	42.8	69.6
2010	16.2	38.5	43.6	44.7	38.2	80.2	55.0	30.8	39.8	80.0
	Long-term government bond yield as a percentage per annum; period average									
2010 Oct.	5.82	3.43	2.46	9.24	5.15	6.87	5.53	7.02	2.64	2.80
Nov.	5.74	3.59	2.65	8.99	5.15	7.38	5.82	7.04	2.86	3.03
Dec.	5.76	3.89	3.01	7.55	5.15	7.92	5.98	7.09	3.21	3.34
2011 Jan.	5.56	3.98	3.05	5.38	5.15	7.70	6.26	6.66	3.28	3.82
Feb.	5.48	4.05	3.23	6.17	5.15	7.39	6.26	7.03	3.41	4.00
Mar.	5.38	4.05	3.29	6.49	5.15	7.29	6.27	7.31	3.35	3.78
	3-month interest rate as a percentage per annum; period average									
2010 Oct.	3.99	1.20	1.19	1.22	1.61	5.90	3.83	6.44	1.37	0.74
Nov.	3.99	1.22	1.24	0.95	1.59	5.87	3.86	6.35	1.59	0.74
Dec.	3.93	1.22	1.21	0.83	1.56	6.17	3.92	6.00	1.86	0.75
2011 Jan.	3.91	1.20	1.22	0.85	1.36	6.13	4.01	5.03	2.02	0.77
Feb.	3.88	1.21	1.24	0.89	1.40	6.93	4.11	5.49	2.20	0.80
Mar.	3.90	1.21	1.31	0.85	1.40	6.64	4.18	5.85	2.38	0.81
	Real GDP									
2009	-5.5	-4.1	-5.2	-18.0	-14.7	-6.7	1.7	-7.1	-5.3	-4.9
2010	0.2	2.3	2.1	-0.3	1.3	1.2	3.8	-1.3	5.5	1.3
2010 Q3	0.5	2.7	3.7	2.6	1.6	2.2	4.6	-2.2	6.8	2.5
Q4	2.8	2.6	2.9	3.6	4.6	2.3	3.9	-0.6	7.2	1.5
2011 Q1	.	.	.	.	.	.	.	.	.	1.8
	Current and capital account balance as a percentage of GDP									
2009	-7.6	-2.0	3.5	11.0	7.7	1.5	-0.5	-3.6	7.4	-1.5
2010	-0.2	-2.9	5.4	5.5	4.5	3.9	-1.6	-3.9	6.2	-2.3
2010 Q2	-4.6	-2.6	5.0	7.3	7.6	4.2	-0.9	-7.3	6.2	-1.7
Q3	15.4	-8.2	7.0	3.2	0.0	3.6	-2.8	-1.3	5.9	-2.3
Q4	-6.8	-1.4	6.3	0.8	7.1	3.2	-2.4	-2.1	5.8	-2.4
	Gross external debt as a percentage of GDP									
2008	104.9	.	177.7	129.2	71.3	122.3	57.0	56.0	203.2	441.4
2009	107.9	53.2	189.8	156.3	87.2	141.5	59.6	69.0	204.8	416.6
2010 Q2	107.2	55.1	202.1	164.9	90.2	152.8	63.2	76.4	213.2	427.4
Q3	103.6	55.7	200.9	162.5	89.4	141.9	66.2	74.8	198.6	430.4
Q4	101.8	57.4	191.8	165.2	86.0	140.7	65.4	75.8	191.9	420.8
	Unit labour costs									
2009	12.7	3.5	4.7	-7.0	-2.8	1.9	1.6	-1.3	4.8	6.1
2010	0.8	-0.2	-1.5	-10.6	-7.6	-1.1	6.1	0.8	-1.6	2.1
2010 Q2	-0.7	-0.3	-2.1	-13.1	-9.5	-2.6	5.9	6.6	-1.7	1.6
Q3	-2.0	1.4	-2.6	-7.2	-5.6	-0.7	4.8	-2.7	-2.6	1.3
Q4	-1.9	1.0	-1.2	1.4	-3.1	-1.9	6.6	-3.9	-1.6	0.9
	Standardised unemployment rate as a percentage of labour force (s.a.)									
2009	6.9	6.7	6.0	17.2	13.7	10.0	8.2	6.9	8.3	7.6
2010	10.3	7.3	7.4	18.7	17.8	11.1	9.6	7.3	8.4	7.8
2010 Q4	11.3	7.1	7.7	17.2	17.3	11.1	9.7	7.4	7.9	7.8
2011 Q1	11.5	7.0	.	.	.	12.1	9.8	.	7.7	.
2011 Jan.	11.6	7.1	7.9	.	.	12.3	9.7	.	7.9	7.7
Feb.	11.5	7.0	7.9	.	.	12.1	9.8	.	7.6	.
Mar.	11.4	6.9	.	.	.	11.9	9.8	.	7.7	.

Sources: ECB, European Commission (Economic and Financial Affairs DG and Eurostat), national data, Thomson Reuters and ECB calculations.

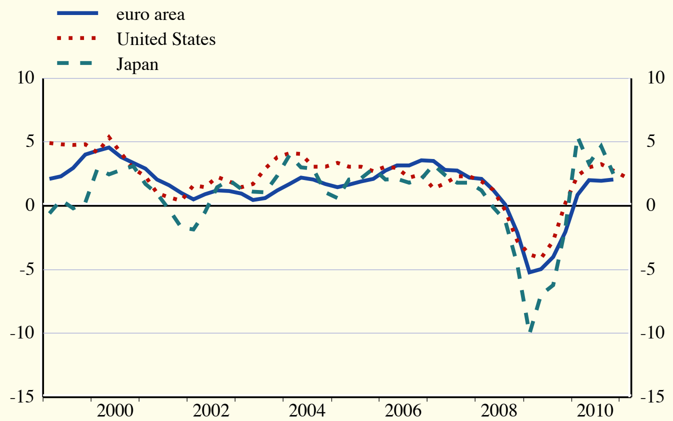
9.2 Economic and financial developments in the United States and Japan

(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs [1]	Real GDP	Industrial production index (manufacturing)	Unemployment rate as a % of labour force (s.a.)	Broad money [2]	3-month interbank deposit rate [3]	10-year zero coupon government bond yield; [3] end of period	Exchange rate [4] as national currency per euro	Fiscal deficit (-)/ surplus (+) as a % of GDP	Gross public debt [5] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2007	2.9	2.4	1.9	3.1	4.6	6.3	5.30	4.81	1.3705	-2.9	48.4
2008	3.8	2.2	0.0	-4.7	5.8	7.1	2.93	2.70	1.4708	-6.3	56.7
2009	-0.4	-1.6	-2.6	-13.5	9.3	7.9	0.69	4.17	1.3948	-11.3	68.6
2010	1.6	-1.5	2.9	5.9	9.6	2.3	0.34	3.57	1.3257	-10.6	77.4
2010 Q1	2.4	-2.8	2.4	2.2	9.7	1.9	0.26	4.01	1.3829	-10.7	71.7
Q2	1.8	-1.9	3.0	7.5	9.6	1.7	0.44	3.13	1.2708	-11.1	73.3
Q3	1.2	-1.0	3.2	7.2	9.6	2.6	0.39	2.69	1.2910	-10.4	75.3
Q4	1.3	-0.1	2.8	6.6	9.6	3.2	0.29	3.57	1.3583	-10.3	77.4
2011 Q1	2.1	.	2.3	7.1	8.9	4.4	0.31	3.76	1.3680	.	.
2010 Dec.	1.5	-	-	7.0	9.4	3.4	0.30	3.57	1.3220	-	-
2011 Jan.	1.6	-	-	6.8	9.0	4.3	0.30	3.68	1.3360	-	-
Feb.	2.1	-	-	7.3	8.9	4.1	0.31	3.73	1.3649	-	-
Mar.	2.7	-	-	7.1	8.8	4.6	0.31	3.76	1.3999	-	-
Apr.	.	-	-	.	.	.	0.28	3.55	1.4442	-	-
					Japan						
2007	0.1	-2.3	2.3	2.8	3.8	1.6	0.79	1.70	161.25	-2.4	156.2
2008	1.4	1.7	-1.2	-3.4	4.0	2.1	0.93	1.21	152.45	-2.2	162.0
2009	-1.4	1.3	-6.3	-21.9	5.1	2.7	0.47	1.42	130.34	-8.7	180.4
2010	-0.7	.	4.0	16.6	5.1	2.8	0.23	1.18	116.24	.	.
2010 Q1	-1.2	-4.5	5.4	28.2	5.0	2.8	0.25	1.48	125.48	.	.
Q2	-0.9	-2.1	3.3	21.2	5.1	2.9	0.24	1.18	117.15	.	.
Q3	-0.8	-3.3	4.7	14.0	5.0	2.8	0.24	1.03	110.68	.	.
Q4	0.1	.	2.5	6.0	5.0	2.6	0.19	1.18	112.10	.	.
2011 Q1	0.0	.	.	-2.5	.	2.5	0.19	1.33	112.57	.	.
2010 Dec.	0.0	-	-	5.9	4.9	2.4	0.18	1.18	110.11	-	-
2011 Jan.	0.0	-	-	4.6	4.9	2.3	0.19	1.29	110.38	-	-
Feb.	0.0	-	-	2.9	4.6	2.4	0.19	1.35	112.77	-	-
Mar.	0.0	-	-	-12.9	.	2.7	0.20	1.33	114.40	-	-
Apr.	.	-	-	.	.	.	0.20	1.26	120.42	-	-

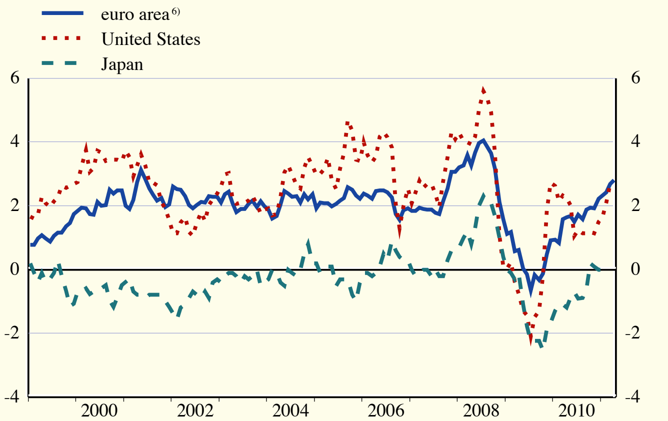
C41 Real gross domestic product

(annual percentage changes; quarterly data)



C42 Consumer price indices

(annual percentage changes; monthly data)



Sources: National data (columns 1, 2 (United States), 3, 4, 5 (United States), 6, 9 and 10); OECD (column 2 (Japan)); Eurostat (column 5 (Japan), euro area chart data); Thomson Reuters (columns 7 and 8); ECB calculations (column 11).

1) Seasonally adjusted. The data for the United States refer to the private non-agricultural business sector.
2) Period averages; M2 for the United States, M2+CDs for Japan.
3) Percentages per annum. For further information on the three-month interbank deposit rate, see Section 4.6.
4) For more information, see Section 8.2.
5) Gross consolidated general government debt (end of period).
6) Data refer to the changing composition of the euro area. For further information, see the General Notes.

LIST OF CHARTS

TECHNICAL NOTES

EURO AREA OVERVIEW

CALCULATION OF GROWTH RATES FOR MONETARY DEVELOPMENTS

The average growth rate for the quarter ending in month t is calculated as:

a) $$\left(\frac{0.5I_t + \sum_{i=1}^{2} I_{t-i} + 0.5I_{t-3}}{0.5I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5I_{t-15}} - 1\right) \times 100$$

where I_t is the index of adjusted outstanding amounts as at month t (see also below). Likewise, for the year ending in month t, the average growth rate is calculated as:

b) $$\left(\frac{0.5I_t + \sum_{i=1}^{11} I_{t-i} + 0.5I_{t-12}}{0.5I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5I_{t-24}} - 1\right) \times 100$$

SECTIONS 2.1 TO 2.6

CALCULATION OF TRANSACTIONS

Monthly transactions are calculated from monthly differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

If L_t represents the outstanding amount at the end of month t, C^M_t the reclassification adjustment in month t, E^M_t the exchange rate adjustment and V^M_t the other revaluation adjustments, the transactions F^M_t in month t are defined as:

c) $$F^M_t = (L_t - L_{t-1}) - C^M_t - E^M_t - V^M_t$$

Similarly, the quarterly transactions F^Q_t for the quarter ending in month t are defined as:

d) $$F^Q_t = (L_t - L_{t-3}) - C^Q_t - E^Q_t - V^Q_t$$

where L_{t-3} is the amount outstanding at the end of month t-3 (the end of the previous quarter) and, for example, C^Q_t is the reclassification adjustment in the quarter ending in month t.

For those quarterly series for which monthly observations are now available (see below), the quarterly transactions can be derived as the sum of the three monthly transactions in the quarter.

CALCULATION OF GROWTH RATES FOR MONTHLY SERIES

Growth rates can be calculated from transactions or from the index of adjusted outstanding amounts. If F^M_t and L_t are defined as above, the index I_t of adjusted outstanding amounts in month t is defined as:

e) $$I_t = I_{t-1} \times \left(1 + \frac{F^M_t}{L_{t-1}}\right)$$

The base of the index (for the non-seasonally adjusted series) is currently set as December 2006 = 100. Time series for the index of adjusted outstanding amounts are available on the ECB's website (www.ecb.europa.eu) in the "Monetary and financial statistics" sub-section of the "Statistics" section.

The annual growth rate a_t for month t – i.e. the change in the 12 months ending in month t – can be calculated using either of the following two formulae:

f) $$a_t = \left[\prod_{i=0}^{11}\left(1 + F^M_{t-i} \big/ L_{t-1-i}\right) - 1\right] \times 100$$

g) $$a_t = \left(I_t \big/ I_{t-12} - 1\right) \times 100$$

Unless otherwise indicated, the annual growth rates refer to the end of the indicated period. For example, the annual percentage change for the year 2002 is calculated in g) by dividing the index for December 2002 by the index for December 2001.

Growth rates for intra-annual periods can be derived by adapting formula g). For example, the month-on-month growth rate a_t^M can be calculated as:

h) $$a_t^M = \left(\frac{I_t}{I_{t-1}} - 1 \right) \times 100$$

Finally, the three-month moving average (centred) for the annual growth rate of M3 is obtained as $(a_{t+1} + a_t + a_{t-1})/3$, where a_t is defined as in f) or g) above.

CALCULATION OF GROWTH RATES FOR QUARTERLY SERIES

If F_t^Q and L_{t-3} are defined as above, the index I_t of adjusted outstanding amounts for the quarter ending in month t is defined as:

i) $$I_t = I_{t-3} \times \left(1 + \frac{F_t^Q}{L_{t-3}} \right)$$

The annual growth rate in the four quarters ending in month t (i.e. a_t) can be calculated using formula g).

SEASONAL ADJUSTMENT OF THE EURO AREA MONETARY STATISTICS [1]

The approach used is based on multiplicative decomposition using X-12-ARIMA.[2] The seasonal adjustment may include a day-of-the-week adjustment, and for some series it is carried out indirectly by means of a linear combination of components. This is the case for M3, which is derived by aggregating the seasonally adjusted series for M1, M2 less M1, and M3 less M2.

The seasonal adjustment procedures are first applied to the index of adjusted outstanding amounts.[3] The resulting estimates of seasonal factors are then applied to the levels and to the adjustments arising from reclassifications and revaluations, in turn yielding seasonally adjusted transactions. Seasonal (and trading day) factors are revised at annual intervals or as required.

SECTIONS 3.1 TO 3.5

EQUALITY OF USES AND RESOURCES

In Section 3.1 the data conform to a basic accounting identity. For non-financial transactions, total uses equal total resources for each transaction category. This accounting identity is also reflected in the financial account – i.e. for each financial instrument category, total transactions in financial assets equal total transactions in liabilities. In the other changes in assets account and the financial balance sheets, total financial assets equal total liabilities for each financial instrument category, with the exception of monetary gold and special drawing rights, which are by definition not a liability of any sector.

CALCULATION OF BALANCING ITEMS

The balancing items at the end of each account in Sections 3.1, 3.2 and 3.3 are computed as follows.

The trade balance equals euro area imports minus exports vis-à-vis the rest of the world for goods and services.

1 For details, see “Seasonal adjustment of monetary aggregates and HICP for the euro area”, ECB (August 2000) and the “Monetary and financial statistics” sub-section of the “Statistics” section of the ECB’s website (www.ecb.europa.eu).

2 For details, see Findley, D., Monsell, B., Bell, W., Otto, M. and Chen, B. C. (1998), “New Capabilities and Methods of the X-12-ARIMA Seasonal Adjustment Program”, Journal of Business and Economic Statistics, 16, 2, pp.127-152, or “X-12-ARIMA Reference Manual”, Time Series Staff, Bureau of the Census, Washington, D.C.
For internal purposes, the model-based approach of TRAMO-SEATS is also used. For details of TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), “Programs TRAMO and SEATS: Instructions for the User”, Banco de España, Working Paper No 9628, Madrid.

3 It follows that for the seasonally adjusted series, the level of the index for the base period (i.e. December 2001) generally differs from 100, reflecting the seasonality of that month.

Net operating surplus and mixed income is defined for resident sectors only and is calculated as gross value added (gross domestic product at market prices for the euro area) minus compensation of employees (uses) minus other taxes less subsidies on production (uses) minus consumption of fixed capital (uses).

Net national income is defined for resident sectors only and is computed as net operating surplus and mixed income plus compensation of employees (resources) plus taxes less subsidies on production (resources) plus net property income (resources minus uses).

Net disposable income is also defined only for resident sectors and equals net national income plus net current taxes on income and wealth (resources minus uses) plus net social contributions (resources minus uses) plus net social benefits other than social transfers in kind (resources minus uses) plus net other current transfers (resources minus uses).

Net saving is defined for resident sectors and is calculated as net disposable income plus the net adjustment for the change in the net equity of households in pension fund reserves (resources minus uses) minus final consumption expenditure (uses). For the rest of the world, the current external account is compiled as the trade balance plus all net income (resources minus uses).

Net lending/net borrowing is computed from the capital account as net saving plus net capital transfers (resources minus uses) minus gross capital formation (uses) minus acquisitions less disposals of non-produced non-financial assets (uses) plus consumption of fixed capital (resources). It can also be calculated in the financial account as total transactions in financial assets minus total transactions in liabilities (also known as changes in net financial worth (wealth) due to transactions). For the household and non-financial corporation sectors, there is a statistical discrepancy between the balancing items computed from the capital account and the financial account.

Changes in net financial worth (wealth) due to transactions are computed as total transactions in financial assets minus total transactions in liabilities, whereas other changes in net financial worth (wealth) are calculated as (total) other changes in financial assets minus (total) other changes in liabilities.

Net financial worth (wealth) is calculated as total financial assets minus total liabilities, whereas changes in net financial worth (wealth) are equal to the sum of changes in net financial worth (wealth) due to transactions (lending/net borrowing from the financial account) and other changes in net financial worth (wealth).

Changes in net worth (wealth) are calculated as changes in net worth (wealth) due to savings and capital transfers plus other changes in net financial worth (wealth) and other changes in non-financial assets.

The net worth (wealth) of households is calculated as the sum of the non-financial assets and net financial worth (wealth) of households.

SECTIONS 4.3 AND 4.4

CALCULATION OF GROWTH RATES FOR DEBT SECURITIES AND QUOTED SHARES

Growth rates are calculated on the basis of financial transactions and therefore exclude reclassifications, revaluations, exchange rate variations and any other changes which do not arise from transactions. They can be calculated from transactions or from the index of notional stocks. If N_t^M represents the transactions (net issues) in month t and L_t the level outstanding at the end of month t, the index I_t of notional stocks in month t is defined as:

j) $$I_t = I_{t-1} \times \left(1 + \frac{N_t}{L_{t-1}}\right)$$

As a base, the index is set equal to 100 in December 2008. The growth rate a_t for month t, corresponding to the change in the 12 months ending in month t, can be calculated using either of the following two formulae:

k) $$a_t = \left[\prod_{i=0}^{11} \left(1 + \frac{N^M_{t-i}}{L_{t-1-i}} \right) - 1 \right] \times 100$$

l) $$a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

The method used to calculate the growth rates for securities other than shares is the same as that used for the monetary aggregates, the only difference being that an “N” is used instead of an “F”. This is to show that the method used to obtain “net issues” for securities issues statistics differs from that used to calculate equivalent “transactions” for the monetary aggregates.

The average growth rate for the quarter ending in month t is calculated as:

m) $$\left(\frac{0.5 I_t + \sum_{i=1}^{2} I_{t-i} + 0.5 I_{t-3}}{0.5 I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5 I_{t-15}} - 1 \right) \times 100$$

where I_t is the index of notional stocks as at month t. Likewise, for the year ending in month t, the average growth rate is calculated as:

n) $$\left(\frac{0.5 I_t + \sum_{i=1}^{11} I_{t-i} + 0.5 I_{t-12}}{0.5 I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5 I_{t-24}} - 1 \right) \times 100$$

The calculation formula used for Section 4.3 is also used for Section 4.4 and is likewise based on that used for the monetary aggregates. Section 4.4 is based on market values, and the calculations are based on financial transactions, which exclude reclassifications, revaluations and any other changes that do not arise from transactions. Exchange rate variations are not included, as all quoted shares covered are denominated in euro.

SEASONAL ADJUSTMENT OF SECURITIES ISSUES STATISTICS [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA. The seasonal adjustment of total securities issues is carried out indirectly by means of a linear combination of sector and maturity component breakdowns.

The seasonal adjustment procedures are applied to the index of notional stocks. The resulting estimates of seasonal factors are then applied to the outstanding amounts, from which seasonally adjusted net issues are derived. Seasonal factors are revised at annual intervals or as required.

As in formulae k) and l), the growth rate a_t for month t, corresponding to the change in the six months ending in month t, can be calculated using either of the following two formulae:

o) $$a_t = \left[\prod_{i=0}^{5} \left(1 + \frac{N^M_{t-i}}{L_{t-1-i}} \right) - 1 \right] \times 100$$

p) $$a_t = \left(\frac{I_t}{I_{t-6}} - 1 \right) \times 100$$

TABLE 1 IN SECTION 5.1

SEASONAL ADJUSTMENT OF THE HICP [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA (see footnote 2 on page S78). The seasonal adjustment of the overall HICP for the euro area is carried out indirectly by aggregating the seasonally adjusted euro area series for processed food, unprocessed food, industrial

4 For details, see “Seasonal adjustment of monetary aggregates and HICP for the euro area”, ECB (August 2000) and the “Monetary and financial statistics” sub-section of the “Statistics” section of the ECB’s website (www.ecb.europa.eu).

goods excluding energy, and services. Energy is added without adjustment, since there is no statistical evidence of seasonality. Seasonal factors are revised at annual intervals or as required.

TABLE 2 IN SECTION 7.1

SEASONAL ADJUSTMENT OF THE BALANCE OF PAYMENTS CURRENT ACCOUNT

The approach used is based on multiplicative decomposition, using X-12-ARIMA or TRAMO-SEATS depending on the item. The raw data for goods, services, income and current transfers are pre-adjusted in order to take into account significant working day effects. The working day adjustment for goods and services takes account of national public holidays. The seasonal adjustment of these items is carried out using these pre-adjusted series. The seasonal adjustment of the total current account is carried out by aggregating the seasonally adjusted euro area series for goods, services, income and current transfers. Seasonal (and trading day) factors are revised at biannual intervals or as required.

SECTION 7.3

CALCULATION OF GROWTH RATES FOR THE QUARTERLY AND ANNUAL SERIES

The annual growth rate for quarter t is calculated on the basis of quarterly transactions (F_t) and positions (L_t) as follows:

$$a_t = \left(\prod_{i=t-3}^{t} \left(1 + \frac{F_i}{L_{i-1}} \right) - 1 \right) \times 100$$

The growth rate for the annual series is equal to the growth rate in the last quarter of the year.

GENERAL NOTES

The "Euro area statistics" section of the Monthly Bulletin focuses on statistics for the euro area as a whole. More detailed and longer runs of data, with further explanatory notes, are available in the "Statistics" section of the ECB's website (www.ecb.europa.eu). This allows user-friendly access to data via the ECB's Statistical Data Warehouse (http://sdw.ecb.europa.eu), which includes search and download facilities. Further services available in the "Data services" sub-section include subscriptions to different datasets and a repository of compressed Comma Separated Value (CSV) files. For further information, please contact us at: statistics@ecb.europa.eu.

In general, the cut-off date for the statistics included in the Monthly Bulletin is the day preceding the Governing Council of the ECB's first meeting of the month. For this issue, the cut-off date was 4 May 2011.

Unless otherwise indicated, all data series including observations for 2011 relate to the "Euro 17" (i.e. the euro area including Estonia) for the whole time series. For interest rates, monetary statistics, the HICP and reserve assets (and, for consistency reasons, the components and counterparts of M3 and the components of the HICP), euro area statistical series take into account the changing composition of the euro area.

The composition of the euro area has changed a number of times over the years. When the euro was introduced in 1999, the euro area comprised the following 11 countries (the Euro 11): Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Greece then joined in 2001, forming the Euro 12. Slovenia joined in 2007, forming the Euro 13; Cyprus and Malta joined in 2008, forming the Euro 15; and Slovakia joined in 2009, forming the Euro 16. Finally, Estonia joined in 2011, bringing the number of euro area countries to 17.

EURO AREA SERIES WITH A FIXED COMPOSITION

Aggregated statistical series for fixed compositions of the euro area relate to a given fixed composition for the whole time series, regardless of the composition at the time to which the statistics relate. For example, aggregated series are calculated for the Euro 17 (i.e. aggregating the data of all 17 countries currently in the euro area) for all years, despite the fact that the euro area has only had this composition since 1 January 2011. Unless otherwise indicated, the ECB's Monthly Bulletin provides statistical series for the current composition.

EURO AREA SERIES WITH A CHANGING COMPOSITION

Aggregated statistical series with a changing composition take into account the composition of the euro area at the time to which the statistics relate. For example, euro area statistical series with a changing composition aggregate the data of the Euro 11 for the period up to the end of 2000, the Euro 12 for the period from 2001 to the end of 2006, and so on. With this approach, each individual statistical series covers all of the various compositions of the euro area.

For the HICP, as well as monetary aggregates and their counterparts, annual rates of change are compiled from chain-linked indices, with joining countries' series linked to the euro area series in the December index. Thus, if a country joins the euro area in January of a given year, annual rates of change relate to the previous composition of the euro area up to and including December of the previous year, and the enlarged composition of the euro area thereafter. Percentage changes are calculated on the basis of a chain-linked index, taking account of the changing composition of the euro area. Absolute changes for monetary aggregates and their counterparts (transactions) refer to the composition of the euro area at the time to which the statistics relate.

Given that the composition of the European currency unit (ECU) does not coincide with the former currencies of the countries that have adopted the single currency, pre-1999 amounts originally expressed in the participating currencies and converted into ECU at current ECU exchange rates are affected by movements in the currencies of EU Member States that have not adopted the euro. To avoid this effect on the monetary statistics, pre-1999 data[1] are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless otherwise indicated, price and cost statistics before 1999 are based on data expressed in national currency terms.

Methods of aggregation and/or consolidation (including cross-country consolidation) have been used where appropriate.

Recent data are often provisional and may be revised. Discrepancies between totals and their components may arise from rounding.

The group "Other EU Member States" comprises Bulgaria, the Czech Republic, Denmark, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom.

In most cases, the terminology used within the tables follows international standards, such as those contained in the European System of Accounts 1995 and the IMF Balance of Payments Manual. Transactions refer to voluntary exchanges (measured directly or derived), while flows also encompass changes in outstanding amounts owing to price and exchange rate changes, write-offs and other changes.

In the tables, the wording "up to (x) years" means "up to and including (x) years".

OVERVIEW

Developments in key indicators for the euro area are summarised in an overview table.

MONETARY POLICY STATISTICS

Section 1.4 shows statistics on minimum reserve and liquidity factors. Maintenance periods for minimum reserve requirements start every month on the settlement day of the main refinancing operation (MRO) following the Governing Council meeting for which the monthly assessment of the monetary policy stance is scheduled. They end on the day preceding the corresponding settlement day in the following month. Annual/quarterly observations refer to averages for the last reserve maintenance period of the year/quarter.

Table 1 in Section 1.4 shows the components of the reserve base of credit institutions subject to reserve requirements. Liabilities vis-à-vis other credit institutions subject to the ESCB's minimum reserve system, the ECB and participating national central banks are excluded from the reserve base. When a credit institution cannot provide evidence of the amount of its issues of debt securities with a maturity of up to two years which are held by the institutions mentioned above, it may deduct a certain percentage of these liabilities from its reserve base. The percentage used to calculate the reserve base was 10% until November 1999 and has been 30% since that date.

Table 2 in Section 1.4 contains average data for completed maintenance periods. First, the reserve requirement of each individual

1 Data on monetary statistics in Sections 2.1 to 2.8 are available for periods prior to January 1999 on the ECB's website (http://www.ecb.europa.eu/stats/services/downloads/html/index.en.html) and in the SDW (http://sdw.ecb.europa.eu/browse.do?node=2018811).

credit institution is calculated by applying the reserve ratios for the corresponding categories of liability to the eligible liabilities, using the balance sheet data from the end of each calendar month. Subsequently, each credit institution deducts from this figure a lump-sum allowance of €100,000. The resulting required reserves are then aggregated at the euro area level (column 1). Current account holdings (column 2) are the aggregate average daily current account holdings of credit institutions, including those that serve to fulfil reserve requirements. Excess reserves (column 3) are the average current account holdings over the maintenance period in excess of the required reserves. Deficiencies (column 4) are defined as the average shortfalls of current account holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled their reserve requirements. The interest rate on minimum reserves (column 5) is equal to the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's MROs (see Section 1.3).

Table 3 in Section 1.4 shows the banking system's liquidity position, which is defined as euro area credit institutions' current account holdings with the Eurosystem in euro. All amounts are derived from the consolidated financial statement of the Eurosystem. Other liquidity-absorbing operations (column 7) exclude the issuance of debt certificates initiated by NCBs in Stage Two of EMU. Net other factors (column 10) represent the netted remaining items in the consolidated financial statement of the Eurosystem. Credit institutions' current accounts (column 11) are equal to the difference between the sum of liquidity-providing factors (columns 1 to 5) and the sum of liquidity-absorbing factors (columns 6 to 10). Base money (column 12) is calculated as the sum of the deposit facility (column 6), banknotes in circulation (column 8) and credit institutions' current account holdings (column 11).

MONEY, BANKING AND INVESTMENT FUNDS

Section 2.1 shows the aggregated balance sheet of the monetary financial institution sector, i.e. the sum of the harmonised balance sheets of all MFIs resident in the euro area. MFIs comprise central banks, credit institutions as defined under Community law, money market funds and other institutions whose business it is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or make investments in securities. A complete list of MFIs is published on the ECB's website.

Section 2.2 shows the consolidated balance sheet of the MFI sector, which is obtained by netting the aggregated balance sheet positions of MFIs in the euro area. Owing to a small amount of heterogeneity in recording practices, the sum of the inter-MFI positions is not necessarily zero; the balance is shown in column 10 of the liabilities side of Section 2.2. Section 2.3 sets out the euro area monetary aggregates and counterparts. These are derived from the consolidated MFI balance sheet and include positions of non-MFIs resident in the euro area held with MFIs resident in the euro area; they also take account of some monetary assets/liabilities of central government. Statistics on monetary aggregates and counterparts are adjusted for seasonal and trading day effects. The external liabilities item in Sections 2.1 and 2.2 shows the holdings by non-euro area residents of: (i) shares/units issued by money market funds located in the euro area; and (ii) debt securities issued with a maturity of up to two years by MFIs located in the euro area. In Section 2.3, however, these holdings are excluded from the monetary aggregates and contribute to the item "net external assets".

Section 2.4 provides analysis, broken down by sector, type and original maturity, of loans granted by MFIs other than the Eurosystem (i.e. the banking system) resident in the euro area. Section 2.5 provides analysis, broken down by sector and instrument, of deposits held with the euro area banking system. Section 2.6 shows the securities held by the euro area banking system, broken down by type of issuer.

Sections 2.2 to 2.6 include data on transactions, which are derived as differences in outstanding amounts adjusted for reclassifications, revaluations, exchange rate variations and any other changes that do not arise from transactions. Section 2.7 shows selected revaluations that are used in the derivation of transactions. Sections 2.2 to 2.6 also provide growth rates based on those transactions in the form of annual percentage changes. Section 2.8 shows a quarterly currency breakdown of selected MFI balance sheet items.

Details of sector definitions are set out in the third edition of the "Monetary financial institutions and markets statistics sector manual – Guidance for the statistical classification of customers" (ECB, March 2007). The publication "Guidance Notes to the Regulation ECB/2001/13 on the MFI Balance Sheet Statistics" (ECB, November 2002) explains practices that NCBs are recommended to follow. Since 1 January 1999 statistical information has been collected and compiled on the basis of various ECB regulations concerning the balance sheet of the monetary financial institution sector. Since July 2010 this has been carried out on the basis of Regulation ECB/2008/32[2].

In line with this Regulation, the balance sheet item "money market paper" has been merged with the item "debt securities" on both the assets and liabilities sides of the MFI balance sheet.

Section 2.9 shows outstanding amounts and transactions on the balance sheet of euro area investment funds (other than money market funds, which are included in the MFI balance sheet statistics). An investment fund is a collective investment undertaking that invests capital raised from the public in financial and/or non-financial assets. A complete list of euro area investment funds is published on the ECB's website. The balance sheet is aggregated, so investment funds' assets include their holdings of shares/units issued by other investment funds. Shares/units issued by investment funds are also broken down by investment policy (i.e. into bond funds, equity funds, mixed funds, real estate funds, hedge funds and other funds) and by type (i.e. into open-end funds and closed-end funds). Section 2.10 provides further details on the main types of asset held by euro area investment funds. This Section contains a geographical breakdown of the issuers of securities held by investment funds, as well as breaking issuers down by economic sector where they are resident in the euro area.

Further information on these investment fund statistics can be found in the "Manual on investment fund statistics". Since December 2008 harmonised statistical information has been collected and compiled on the basis of Regulation ECB/2007/8 concerning statistics on the assets and liabilities of investment funds.

EURO AREA ACCOUNTS

Section 3.1 shows quarterly integrated euro area accounts data, which provide comprehensive information on the economic activities of households (including non-profit institutions serving households), non-financial corporations, financial corporations and general government, as well as on the interaction between these sectors and both the euro area and the rest of the world. Non-seasonally adjusted data at current prices are displayed for the last available quarter, following a simplified sequence of accounts in accordance with the methodological framework of the European System of Accounts 1995.

In short, the sequence of accounts (transactions) comprises: (1) the generation of income account, which shows how production activity translates

2 OJ L 15, 20.01.2009, p.14.

into various categories of income; (2) the allocation of primary income account, which records receipts and expenses relating to various forms of property income (for the economy as a whole; the balancing item of the primary income account is national income); (3) the secondary distribution of income account, which shows how the national income of an institutional sector changes because of current transfers; (4) the use of income account, which shows how disposable income is spent on consumption or saved; (5) the capital account, which shows how savings and net capital transfers are spent in the acquisition of non-financial assets (the balancing item of the capital account is net lending/ net borrowing); and (6) the financial account, which records the net acquisitions of financial assets and the net incurrence of liabilities. As each non-financial transaction is mirrored by a financial transaction, the balancing item of the financial account conceptually also equals net lending/net borrowing as calculated from the capital account.

In addition, opening and closing financial balance sheets are presented, which provide a picture of the financial wealth of each individual sector at a given point in time. Finally, other changes in financial assets and liabilities (e.g. those resulting from the impact of changes in asset prices) are also shown.

The sectoral coverage of the financial account and the financial balance sheets is more detailed for the financial corporation sector, which is broken down into MFIs, other financial intermediaries (including financial auxiliaries), and insurance corporations and pension funds.

Section 3.2 shows four-quarter cumulated flows (transactions) for the “non-financial accounts” of the euro area (i.e. accounts (1) to (5) above), also following the simplified sequence of accounts.

Section 3.3 shows four-quarter cumulated flows (transactions and other changes) for households’ income, expenditure and accumulation accounts, as well as outstanding amounts in the financial and non-financial balance sheet accounts, presenting data in a more analytical manner. Sector-specific transactions and balancing items are arranged in a way that more clearly depicts the financing and investment decisions of households, while respecting the accounting identities presented in Sections 3.1 and 3.2.

Section 3.4 displays four-quarter cumulated flows (transactions) for non-financial corporations’ income and accumulation accounts, as well as outstanding amounts for the financial balance sheet accounts, presenting data in a more analytical manner.

Section 3.5 shows four-quarter cumulated financial flows (transactions and other changes) and outstanding amounts for the financial balance sheets of insurance corporations and pension funds.

FINANCIAL MARKETS

The series on financial market statistics for the euro area cover those EU Member States that had adopted the euro at the time to which the statistics relate (i.e. a changing composition), with the exception of statistics on securities issues (Sections 4.1 to 4.4), which relate to the Euro 16 for the whole time series (i.e. a fixed composition).

Statistics on securities other than shares and statistics on quoted shares (Sections 4.1 to 4.4) are produced by the ECB using data from the ESCB and the BIS. Section 4.5 presents MFI interest rates on euro-denominated deposits from and loans to euro area residents. Statistics on money market interest rates, long-term government bond yields and stock market indices (Sections 4.6 to 4.8) are produced by the ECB using data from wire services.

Statistics on securities issues cover: (i) securities other than shares, excluding financial derivatives; and (ii) quoted shares. The former are presented in Sections 4.1, 4.2 and 4.3, while the latter are presented in Section 4.4. Debt securities are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in exceptional cases, two years or less). Securities with (i) a longer maturity, (ii) optional maturity dates, the latest of which is more than one year away, or (iii) indefinite maturity dates are classified as "long-term". Long-term debt securities issued by euro area residents are broken down further into fixed and variable rate issues. Fixed rate issues consist of issues where the coupon rate does not change during the life of the issue. Variable rate issues comprise all issues where the coupon is periodically refixed with reference to an independent interest rate or index. The euro-denominated securities indicated in Sections 4.1, 4.2 and 4.3 also include items expressed in national denominations of the euro.

Section 4.1 shows securities other than shares, broken down by original maturity, residency of the issuer and currency. It presents outstanding amounts, gross issues and net issues of securities other than shares, broken down into: (i) issues denominated in euro and issues in all currencies; (ii) issues by euro area residents and total issues; and (iii) total and long-term maturities. Net issues differ from the changes in outstanding amounts owing to valuation changes, reclassifications and other adjustments. This section also presents seasonally adjusted statistics, including six-month annualised seasonally adjusted growth rates for total and long-term debt securities. Seasonally adjusted data are derived from the index of notional stocks, from which the seasonal effects have been removed. See the Technical Notes for details.

Section 4.2 contains a sectoral breakdown of outstanding amounts, gross issues and net issues for issuers resident in the euro area in line with the ESA 95. The ECB is included in the Eurosystem.

The total outstanding amounts for total and long-term debt securities in column 1 of Table 1 in Section 4.2 correspond to the data on outstanding amounts for total and long-term debt securities issued by euro area residents in column 7 of Section 4.1. The outstanding amounts for total and long-term debt securities issued by MFIs in column 2 of Table 1 in Section 4.2 are broadly comparable with the data on debt securities issued on the liabilities side of the aggregated MFI balance sheet in column 8 of Table 2 in Section 2.1. The total net issues for total debt securities in column 1 of Table 2 in Section 4.2 correspond to the data on total net issues by euro area residents in column 9 of Section 4.1. The residual difference between long-term debt securities and total fixed and variable rate long-term debt securities in Table 1 of Section 4.2 consists of zero coupon bonds and revaluation effects.

Section 4.3 shows seasonally adjusted and non-seasonally adjusted growth rates for debt securities issued by euro area residents (broken down by maturity, type of instrument, sector of the issuer and currency), which are based on financial transactions that occur when an institutional unit incurs or redeems liabilities. The growth rates therefore exclude reclassifications, revaluations, exchange rate variations and any other changes that do not arise from transactions. The seasonally adjusted growth rates have been annualised for presentational purposes. See the Technical Notes for details.

Columns 1, 4, 6 and 8 in Table 1 of Section 4.4 show the outstanding amounts of quoted shares issued by euro area residents broken down by issuing sector. The monthly data for quoted shares issued by non-financial corporations correspond to the quarterly series shown in Section 3.4 (financial balance sheet; quoted shares).

Columns 3, 5, 7 and 9 in Table 1 of Section 4.4 show annual growth rates for quoted shares issued by euro area residents (broken down by the sector of the issuer), which are based on financial transactions that occur when an issuer issues or redeems shares for cash, excluding investments in the issuer's own shares. The calculation of annual growth rates excludes reclassifications, revaluations and any other changes that do not arise from transactions.

Section 4.5 presents statistics on all the interest rates that MFIs resident in the euro area apply to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area. Euro area MFI interest rates are calculated as a weighted average (by corresponding business volume) of the euro area countries' interest rates for each category.

MFI interest rate statistics are broken down by type of business coverage, sector, instrument category and maturity, period of notice or initial period of interest rate fixation. These MFI interest rate statistics replaced the ten transitional statistical series on euro area retail interest rates that had been published in the Monthly Bulletin as of January 1999.

Section 4.6 presents money market interest rates for the euro area, the United States and Japan. For the euro area, a broad spectrum of money market interest rates is covered, ranging from interest rates on overnight deposits to those on twelve-month deposits. Before January 1999, synthetic euro area interest rates were calculated on the basis of national rates weighted by GDP. With the exception of the overnight rate prior to January 1999, monthly, quarterly and yearly values are period averages. Overnight deposits are represented by end-of-period interbank deposit bid rates up to and including December 1998 and period averages for the euro overnight index average (EONIA) thereafter. As of January 1999, euro area interest rates on one, three, six and twelve-month deposits are euro interbank offered rates (EURIBOR); prior to that date, they are London interbank offered rates (LIBOR) where available. For the United States and Japan, interest rates on three-month deposits are represented by LIBOR.

Section 4.7 shows end-of-period rates estimated from nominal spot yield curves based on AAA-rated euro-denominated bonds issued by euro area central governments. The yield curves are estimated using the Svensson model[3]. Spreads between the ten-year rates and the three-month and two-year rates are also released. Additional yield curves (daily releases, including charts and tables) and the corresponding methodological information are available at: http://www.ecb.europa.eu/stats/money/yc/html/index.en.html. Daily data can also be downloaded.

Section 4.8 shows stock market indices for the euro area, the United States and Japan.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

Most of the data described in this section are produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating data for individual countries. As far as possible, the data are harmonised and comparable. Statistics on labour costs indices, GDP and expenditure components, value added by economic activity, industrial production, retail sales passenger car registrations and employment in terms of hours worked are working day-adjusted.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 1 in Section 5.1) is available from 1995 onwards. It is based on national HICPs, which follow the same methodology in all euro area countries. The breakdown into goods and services components is derived from the classification of individual consumption by purpose (Coicop/HICP). The HICP covers monetary expenditure by households on final consumption in the economic territory of the euro area. The table includes seasonally adjusted HICP data and experimental HICP-based estimates of administered prices, which are compiled by the ECB.

3 Svensson, L. E., "Estimating and Interpreting Forward Interest Rates: Sweden 1992-1994", Centre for Economic Policy Research, Discussion Paper No 1051, 1994.

Industrial producer prices (Table 2 in Section 5.1), industrial production, industrial new orders, industrial turnover and retail sales (Section 5.2) are covered by Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics[4]. Since January 2009 the revised classification of economic activities (NACE Revision 2), as covered by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90, as well as certain EC Regulations on specific statistical domains,[5] has been applied in the production of short-term statistics. The breakdown by end-use of product for industrial producer prices and industrial production is the harmonised sub-division of industry excluding construction (NACE Revision 2, sections B to E) into Main Industrial Groupings (MIGs) as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007[6]. Industrial producer prices reflect the ex-factory gate prices of producers. They include indirect taxes except VAT and other deductible taxes. Industrial production reflects the value added of the industries concerned.

The two non-energy commodity price indices shown in Table 3 in Section 5.1 are compiled with the same commodity coverage, but using two different weighting schemes: one based on the respective commodity imports of the euro area (columns 2-4), and the other (columns 5-7) based on estimated euro area domestic demand, or "use", taking into account information on imports, exports and the domestic production of each commodity (ignoring, for the sake of simplicity, inventories, which are assumed to be relatively stable over the observed period). The import-weighted commodity price index is appropriate for analysing external developments, while the use-weighted index is suitable for the specific purpose of analysing international commodity price pressures on euro area inflation. The use-weighted commodity price indices are experimental data. For more details as regards the compilation of the ECB commodity price indices, see Box 1 in the December 2008 issue of the Monthly Bulletin.

The labour cost indices (Table 5 in Section 5.1) measure the changes in labour costs per hour worked in industry (including construction) and market services. Their methodology is laid down in Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index[7] and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003[8]. A breakdown of the labour cost indices for the euro area is available by labour cost component (wages and salaries, and employers' social contributions plus employment-related taxes paid by the employer less subsidies received by the employer) and by economic activity. The ECB calculates the indicator of negotiated wages (memo item in Table 3 of Section 5.1) on the basis of non-harmonised, national-definition data.

Unit labour cost components (Table 4 in Section 5.1), GDP and its components (Tables 1 and 2 in Section 5.2), GDP deflators (Table 3 in Section 5.1) and employment statistics (Tables 1, 2 and 3 in Section 5.3) are derived from the ESA 95 quarterly national accounts.

Industrial new orders (Table 4 in Section 5.2) measure the orders received during the reference period and cover industries working mainly on the basis of orders – in particular the textile, pulp and paper, chemical, metal, capital goods and durable consumer goods industries. The data are calculated on the basis of current prices.

Indices for turnover in industry and for the retail trade (Table 4 in Section 5.2) measure the turnover, including all duties and taxes (with the exception of VAT), invoiced during the reference period. Retail trade turnover covers all retail trade (excluding sales of motor

4 OJ L 162, 5.6.1998, p. 1.
5 OJ L 393, 30.12.2006, p. 1.
6 OJ L 155, 15.6.2007, p. 3.
7 OJ L 69, 13.3.2003, p. 1.
8 OJ L 169, 8.7.2003, p. 37.

vehicles and motorcycles), except automotive fuel. New passenger car registrations cover registrations of both private and commercial passenger cars.

Qualitative business and consumer survey data (Table 5 in Section 5.2) draw on the European Commission Business and Consumer Surveys.

Unemployment rates (Table 4 in Section 5.3) conform to International Labour Organization guidelines. They refer to persons actively seeking work as a share of the labour force, using harmonised criteria and definitions. The labour force estimates underlying the unemployment rate are different from the sum of the employment and unemployment levels published in Section 5.3.

GOVERNMENT FINANCE

Sections 6.1 to 6.5 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The annual euro area aggregates in Sections 6.1 to 6.3 are compiled by the ECB on the basis of harmonised data provided by the NCBs, which are regularly updated. The deficit and debt data for the euro area countries may therefore differ from those used by the European Commission within the excessive deficit procedure. The quarterly euro area aggregates in Sections 6.4 and 6.5 are compiled by the ECB on the basis of Eurostat and national data.

Section 6.1 presents annual figures on general government revenue and expenditure on the basis of definitions laid down in Commission Regulation (EC) No 1500/2000 of 10 July 2000[9] amending the ESA 95. Section 6.2 shows details of general government gross consolidated debt at nominal value in line with the Treaty provisions on the excessive deficit procedure. Sections 6.1 and 6.2 include summary data for the individual euro area countries owing to their importance within the framework of the Stability and Growth Pact. The deficits/surpluses presented for the individual euro area countries correspond to excessive deficit procedure B.9, as defined by Council Regulation (EC) No 479/2009 as regards references to the ESA 95. Section 6.3 presents changes in general government debt. The difference between the change in the government debt and the government deficit – the deficit-debt adjustment – is mainly explained by government transactions in financial assets and by foreign exchange valuation effects. Section 6.4 presents quarterly figures on general government revenue and expenditure on the basis of definitions laid down in Regulation (EC) No 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government[10]. Section 6.5 presents quarterly figures on gross consolidated government debt, the deficit-debt adjustment and the government borrowing requirement. These figures are compiled using data provided by the Member States under Regulation (EC) No 501/2004 and Regulation (EC) No 222/2004 and data provided by the NCBs.

EXTERNAL TRANSACTIONS AND POSITIONS

The concepts and definitions used in balance of payments and international investment position (i.i.p.) statistics (Sections 7.1 to 7.4) are generally in line with the IMF Balance of Payments Manual (fifth edition, October 1993), the ECB Guideline of 16 July 2004 on the statistical reporting requirements of the ECB (ECB/2004/15)[11] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[12]. Additional information regarding the methodologies and sources used in the euro area b.o.p. and i.i.p. statistics can be found in the ECB publication entitled "European Union balance of payments/international investment position statistical methods" (May 2007) and in the reports of the Task Force on Portfolio Investment Collection Systems (June 2002),

9 OJ L 172, 12.7.2000, p. 3.
10 OJ L 179, 9.7.2002, p. 1.
11 OJ L 354, 30.11.2004, p. 34.
12 OJ L 159, 20.6.2007, p. 48.

the Task Force on Portfolio Investment Income (August 2003) and the Task Force on Foreign Direct Investment (March 2004), all of which can be downloaded from the ECB's website. In addition, a report by the ECB/European Commission (Eurostat) Task Force on Quality looking at balance of payments and international investment position statistics (June 2004) is available on the website of the Committee on Monetary, Financial and Balance of Payments Statistics (www.cmfb.org). The annual quality report on the euro area b.o.p./i.i.p., which is based on the Task Force's recommendations and follows the basic principles of the ECB Statistics Quality Framework published in April 2008, is available on the ECB's website.

The tables in Sections 7.1 and 7.4 follow the sign convention in the IMF Balance of Payments Manual – i.e. surpluses in the current account and the capital account have a plus sign, while in the financial account a plus sign denotes an increase in liabilities or a decrease in assets. In the tables in Section 7.2, both credit and debit transactions are presented with a plus sign. Furthermore, as of the February 2008 issue of the Monthly Bulletin, the tables in Section 7.3 have been restructured in order to allow the data on the balance of payments, the international investment position and related growth rates to be presented together; in the new tables, transactions in assets and liabilities that correspond to increases in positions are shown with a plus sign.

The euro area b.o.p. is compiled by the ECB. Recent monthly figures should be regarded as provisional. Data are revised when figures for the following month and/or the detailed quarterly b.o.p. are published. Earlier data are revised periodically or as a result of methodological changes in the compilation of the source data.

Table 1 in Section 7.2 also contains seasonally adjusted data for the current account. Where appropriate, the adjustment also covers working day, leap year and/or Easter-related effects. Table 3 in Section 7.2 and Table 9 in Section 7.3 present a breakdown of the euro area b.o.p. and i.i.p. vis-à-vis major partner countries, both individually and as a group, distinguishing between EU Member States outside the euro area and countries or areas outside the European Union. The breakdown also shows transactions and positions vis-à-vis EU institutions (which, with the exception of the ECB, are considered to be outside the euro area for statistical purposes, regardless of their physical location) and, for some purposes, offshore centres and international organisations. The breakdown does not cover transactions or positions in portfolio investment liabilities, financial derivatives or international reserves. In addition, separate data are not provided for investment income payable to Brazil, mainland China, India or Russia. The geographical breakdown is described in the article entitled "Euro area balance of payments and international investment position vis-à-vis main counterparts" in the February 2005 issue of the Monthly Bulletin.

The data on the euro area b.o.p. financial account and i.i.p. in Section 7.3 are based on transactions and positions vis-à-vis non-residents of the euro area, regarding the euro area as a single economic entity (see also Box 9 in the December 2002 issue of the Monthly Bulletin, Box 5 in the January 2007 issue of the Monthly Bulletin and Box 6 in the January 2008 issue of the Monthly Bulletin). The i.i.p. is valued at current market prices, with the exception of direct investment, where book values are used for unquoted shares, and other investments (e.g. loans and deposits). The quarterly i.i.p. is compiled on the basis of the same methodological framework as the annual i.i.p. As some data sources are not available on a quarterly basis (or are available with a delay), the quarterly i.i.p. is partly estimated on the basis of financial transactions, asset prices and foreign exchange developments.

Table 1 in Section 7.3 summarises the i.i.p. and financial transactions in the euro area b.o.p. The breakdown of the change in the annual i.i.p. is obtained by applying a statistical model to i.i.p. changes other than transactions, using information from the geographical breakdown and currency composition of assets and liabilities, as well as price indices for different financial assets. In this table, columns 5 and 6 refer to direct investment by resident units abroad and direct investment by non-resident units in the euro area.

In Table 5 in Section 7.3, the breakdown into "loans" and "currency and deposits" is based on the sector of the non-resident counterpart – i.e. assets vis-à-vis non-resident banks are classified as deposits, whereas assets vis-à-vis other non-resident sectors are classified as loans. This breakdown follows the distinction made in other statistics, such as the MFI consolidated balance sheet, and conforms to the IMF Balance of Payments Manual.

The outstanding amounts for the Eurosystem's international reserves and related assets and liabilities are shown in Table 7 of Section 7.3. These figures are not fully comparable with those in the Eurosystem's weekly financial statement owing to differences in coverage and valuation. The data in Table 7 are in line with the recommendations for the template on international reserves and foreign currency liquidity. By definition, the assets included in the Eurosystem's international reserves take account of the changing composition of the euro area. Before countries join the euro area, the assets of their national central banks are included in portfolio investment (in the case of securities) or other investment (in the case of other assets). Changes in the gold holdings of the Eurosystem (column 3) are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999, which was updated on 27 September 2009. More information on the statistical treatment of the Eurosystem's international reserves can be found in a publication entitled "Statistical treatment of the Eurosystem's international reserves" (October 2000), which can be downloaded from the ECB's website. The website also contains more comprehensive data in accordance with the template on international reserves and foreign currency liquidity.

The euro area's gross external debt statistics in Table 8 of Section 7.3 represent outstanding actual (rather than contingent) liabilities vis-à-vis non-euro area residents that require the payment of principal and/or interest by the debtor at one or more points in the future. Table 8 shows a breakdown of gross external debt by instrument and institutional sector.

Section 7.4 contains a monetary presentation of the euro area balance of payments, showing the transactions by non-MFIs that mirror the net external transactions by MFIs. Included in the transactions by non-MFIs are b.o.p. transactions for which a sectoral breakdown is not available. These concern the current and capital accounts (column 2) and financial derivatives (column 11). An up-to-date methodological note on the monetary presentation of the euro area balance of payments is available in the "Statistics" section of the ECB's website. See also Box 1 in the June 2003 issue of the Monthly Bulletin.

Section 7.5 shows data on euro area external trade in goods. The source is Eurostat. Value data and volume indices are seasonally and working day-adjusted. The breakdown by product group in columns 4 to 6 and 9 to 11 of Table 1 in Section 7.5 is in line with the classification contained in the Broad Economic Categories and corresponds to the basic classes of goods in the System of National Accounts. Manufactured goods (columns 7 and 12) and oil (column 13) are in line with the SITC Rev. 4 definition. The geographical breakdown (Table 3 in Section 7.5) shows major trading partners both individually and in regional groups. China excludes Hong Kong. On account of differences in definitions, classification, coverage and time of recording, external trade data, in particular for imports, are not fully comparable with the goods item in the b.o.p. statistics (Sections 7.1 and 7.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of imported goods in external trade data.

Industrial import prices and industrial producer export prices (or industrial output prices for the non-domestic market) shown in Table 2 in Section 7.5 were introduced by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98, which is the principal legal basis for short-term statistics. The industrial import price index covers industrial products imported from outside the euro area under sections B to E of the Statistical Classification of Products by Activity in the European Economic Community (CPA) and all institutional import sectors except households, governments and non-profit institutions. It reflects the cost, insurance and freight price excluding import duties and taxes, and refers to actual transactions in euro recorded at the point when ownership of the goods is transferred. The industrial producer export prices cover all industrial products exported directly by euro area producers to the extra-euro area market under sections B to E of NACE Revision 2. Exports from wholesalers and re-exports are not covered. The indices reflect the free on board price expressed in euro and calculated at the euro area frontier, including any indirect taxes except VAT and other deductible taxes. Industrial import prices and industrial producer export prices are available by Main Industrial Grouping as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007. For more details, see Box 11 in the December 2008 issue of the Monthly Bulletin.

EXCHANGE RATES

Section 8.1 shows nominal and real effective exchange rate indices for the euro, which are calculated by the ECB on the basis of weighted averages of the euro's bilateral exchange rates against the currencies of the selected trading partners of the euro area. A positive change denotes an appreciation of the euro. Weights are based on trade in manufactured goods with those trading partners in the periods 1995-1997, 1998-2000, 2001-2003 and 2004-2006, and are calculated to account for third-market effects. The EER indices are obtained by chain-linking the indicators based on each of these four sets of trade weights at the end of each three-year period. The base period of the resulting EER index is the first quarter of 1999. The EER-20 group of trading partners is composed of the 10 non-euro area EU Member States plus Australia, Canada, China, Hong Kong, Japan, Norway, Singapore, South Korea, Switzerland and the United States. The EER-40 group comprises the EER-20 plus the following countries: Algeria, Argentina, Brazil, Chile, Croatia, Iceland, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela. Real EERs are calculated using consumer price indices, producer price indices, gross domestic product deflators and unit labour costs, both for the manufacturing sector and for the total economy.

For more detailed information on the calculation of the EERs, see the relevant methodological note and ECB Occasional Paper No 2 ("The effective exchange rates of the euro" by Luca Buldorini, Stelios Makrydakis and Christian Thimann, February 2002), which can be downloaded from the ECB's website.

The bilateral rates shown in Section 8.2 are monthly averages of those published daily as reference rates for these currencies.

DEVELOPMENTS OUTSIDE THE EURO AREA

Statistics on other EU Member States (Section 9.1) follow the same principles as data relating to the euro area. As a result, data on current and capital accounts and gross external debt include special-purpose vehicles. The data for the United States and Japan contained in Section 9.2 are obtained from national sources.

ANNEXES

CHRONOLOGY OF MONETARY POLICY MEASURES OF THE EUROSYSTEM[1]

15 JANUARY 2009

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 50 basis points to 2.00%, starting from the operations to be settled on 21 January 2009. In addition, it decides that the interest rates on the marginal lending and the deposit facility will be 3.00% and 1.00% respectively, with effect from 21 January 2009, in line with the decision of 18 December 2008.

5 FEBRUARY 2009

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 2.00%, 3.00% and 1.00% respectively.

5 MARCH 2009

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 50 basis points to 1.50%, starting from the operations to be settled on 11 March 2009. In addition, it decides that the interest rates on the marginal lending and the deposit facility will be 2.50% and 0.50% respectively, with effect from 11 March 2009.

Moreover, the Governing Council decides to continue the fixed rate tender procedure with full allotment for all main refinancing operations, special-term refinancing operations and supplementary and regular longer-term refinancing operations for as long as needed, and in any case beyond the end of 2009. In addition, the Governing Council decides to continue with the current frequency and maturity profile of supplementary longer-term refinancing operations and special-term refinancing operations for as long as needed, and in any case beyond the end of 2009.

2 APRIL 2009

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operations to be settled on 8 April 2009. In addition, it decides that the interest rates on the marginal lending and the deposit facility will be 2.25% and 0.25% respectively, with effect from 8 April 2009.

7 MAY 2009

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.00%, starting from the operation to be settled on 13 May 2009. In addition, it decides to decrease the interest rate on the marginal lending facility by 50 basis points to 1.75% with effect from 13 May 2009, and to leave the interest rate on the deposit facility unchanged at 0.25%. In addition, the Governing Council of the ECB decides to proceed with its enhanced credit support approach. In particular, it decides that the Eurosystem will conduct liquidity-providing longer-term refinancing operations with a maturity of one year as fixed rate tender procedure with full allotment. In addition, it decides in principle that the Eurosystem will purchase euro-denominated covered bonds issued in the euro area.

4 JUNE 2009

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. In addition, the Governing Council of the ECB decides upon the technical modalities related to the purchase of euro-denominated covered bonds issued in the euro area decided on 7 May 2009.

1 The chronology of monetary policy measures taken by the Eurosystem between 1999 and 2008 can be found in the ECB's Annual Report for the respective years.

2 JULY, 6 AUGUST, 3 SEPTEMBER, 8 OCTOBER AND 5 NOVEMBER 2009

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

3 DECEMBER 2009

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 13 April 2010.

14 JANUARY AND 4 FEBRUARY 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

4 MARCH 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 12 October 2010, including a return to variable rate tender procedures in the regular three-month longer-term refinancing operations, starting with the operation to be allotted on 28 April 2010.

8 APRIL AND 6 MAY 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

10 MAY 2010

The Governing Council of the ECB decides on several measures to address severe tensions in financial markets. In particular, it decides to conduct interventions in the euro area public and private debt securities markets (Securities Markets Programme) and to adopt a fixed rate tender procedure with full allotment in the regular three-month longer-term refinancing operations in May and June 2010.

10 JUNE 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. In addition, it decides to adopt a fixed rate tender procedure with full allotment in the regular three-month longer-term refinancing operations to be allotted during the third quarter of 2010.

8 JULY AND 5 AUGUST 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

2 SEPTEMBER 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 11 January 2011, notably the adoption of a fixed rate tender procedure with full allotment in the three-month longer-term refinancing operations.

7 OCTOBER AND 4 NOVEMBER 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

2 DECEMBER 2010

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 12 April 2011, notably to continue its fixed rate tender procedures with full allotment.

13 JANUARY AND 3 FEBRUARY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

3 MARCH 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 12 July 2011, notably to continue its fixed rate tender procedures with full allotment.

7 APRIL 2011

The Governing Council of the ECB decides to increase the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operation to be settled on 13 April 2011. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.00% and 0.50% respectively, both with effect from 13 April 2011.

5 MAY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.25%, 2.00% and 0.50% respectively.

PUBLICATIONS PRODUCED BY THE EUROPEAN CENTRAL BANK

The ECB produces a number of publications which provide information about its core activities: monetary policy, statistics, payment and securities settlement systems, financial stability and supervision, international and European cooperation, and legal matters. These include the following:

STATUTORY PUBLICATIONS

- Annual Report
- Convergence Report
- Monthly Bulletin

RESEARCH PAPERS

- Legal Working Paper Series
- Occasional Paper Series
- Research Bulletin
- Working Paper Series

OTHER/TASK-RELATED PUBLICATIONS

- Enhancing monetary analysis
- Financial integration in Europe
- Financial Stability Review
- Statistics Pocket Book
- The European Central Bank: history, role and functions
- The international role of the euro
- The implementation of monetary policy in the euro area (“General Documentation”)
- The monetary policy of the ECB
- The payment system

The ECB also publishes brochures and information materials on a variety of topics, such as the euro banknotes and coins, as well as seminar and conference proceedings.

For a complete list of documents (in PDF format) published by the ECB and the European Monetary Institute, the ECB’s forerunner from 1994 to 1998, please visit the ECB’s website at http://www.ecb.europa.eu/pub/. Language codes indicate the languages in which each publication is available.

Unless otherwise indicated, hard copies can be obtained or subscribed to free of charge, stock permitting, by contacting info@ecb.europa.eu

GLOSSARY

This glossary contains selected items that are frequently used in the Monthly Bulletin. A more comprehensive and detailed glossary can be found on the ECB's website (www.ecb.europa.eu/home/glossary/html/index.en.html).

Autonomous liquidity factors: liquidity factors that do not normally stem from the use of monetary policy instruments. Such factors are, for example, banknotes in circulation, government deposits with the central bank and the net foreign assets of the central bank.

Balance of payments (b.o.p.): a statistical statement that summarises, for a specific period of time, the economic transactions of an economy with the rest of the world.

Bank lending survey (BLS): a quarterly survey on lending policies that has been conducted by the Eurosystem since January 2003. It addresses qualitative questions on developments in credit standards, terms and conditions of loans and loan demand for both enterprises and households to a predefined sample group of banks in the euro area.

Borrowing requirement (general government): net incurrence of debt by the general government.

Break-even inflation rate: the spread between the yield on a nominal bond and that on an inflation-linked bond of the same (or as similar as possible) maturity.

Capital account: a b.o.p. account that covers all capital transfers and acquisitions/disposals of non-produced, non-financial assets between residents and non-residents.

Capital accounts: part of the system of national (or euro area) accounts consisting of the change in net worth that is due to net saving, net capital transfers and net acquisitions of non-financial assets.

Central parity (or central rate): the exchange rate of each ERM II member currency vis-à-vis the euro, around which the ERM II fluctuation margins are defined.

Compensation per employee or per hour worked: the total remuneration, in cash or in kind, that is payable by employers to employees, i.e. gross wages and salaries, as well as bonuses, overtime payments and employers' social security contributions, divided by the total number of employees or by the total number of employees' hours worked.

Consolidated balance sheet of the MFI sector: a balance sheet obtained by netting out inter-MFI positions (e.g. inter-MFI loans and deposits) in the aggregated MFI balance sheet. It provides statistical information on the MFI sector's assets and liabilities vis-à-vis residents of the euro area not belonging to this sector (i.e. the general government and other euro area residents) and vis-à-vis non-euro area residents. It is the main statistical source for the calculation of monetary aggregates, and it provides the basis for the regular analysis of the counterparts of M3.

Collateral: assets pledged or transferred in some form as a guarantee for the repayment of loans, as well as assets sold under repurchase agreements. Collateral used in Eurosystem reverse transactions must fulfil certain eligibility criteria.

Current account: a b.o.p. account that covers all transactions in goods and services, income and current transfers between residents and non-residents.

Debt (financial accounts): loans taken out by households, as well as the loans, debt securities and pension fund reserves (resulting from employers' direct pension commitments on behalf of their employees) of non-financial corporations, valued at market prices at the end of the period.

Debt (general government): the gross debt (currency and deposits, loans and debt securities) at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government.

Debt security: a promise on the part of the issuer (i.e. the borrower) to make one or more payment(s) to the holder (the lender) on a specified future date or dates. Such securities usually carry a specific rate of interest (the coupon) and/or are sold at a discount to the amount that will be repaid at maturity. Debt securities issued with an original maturity of more than one year are classified as long-term.

Debt-to-GDP ratio (general government): the ratio of general government debt to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit.

Deficit (general government): the general government's net borrowing, i.e. the difference between total government revenue and total government expenditure.

Deficit-debt adjustment (general government): the difference between the general government deficit and the change in general government debt.

Deficit ratio (general government): the ratio of the general government deficit to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit. It is also referred to as the budget deficit ratio or the fiscal deficit ratio.

Deflation: a generalised, persistent and self-reinforcing decline in a broad set of prices that results from a drop in aggregate demand and becomes entrenched in expectations.

Deposit facility: a standing facility of the Eurosystem enabling eligible counterparties to make, on their own initiative, overnight deposits with the NCB in their respective jurisdiction. Deposits are remunerated at a pre-specified rate that normally provides a floor for overnight market interest rates.

Disinflation: a process of decelerating inflation that may lead to negative inflation rates of a temporary nature.

Direct investment: cross-border investment for the purpose of obtaining a lasting interest in an enterprise resident in another economy (assumed, in practice, for ownership of at least 10% of the ordinary shares or voting power). Included are equity capital, reinvested earnings and other capital associated with inter-company operations. The direct investment account records net transactions/positions in assets abroad by euro area residents (as "direct investment abroad") and net transactions/positions in euro area assets by non-residents (as "direct investment in the euro area").

Effective exchange rates (EERs) of the euro (nominal/real): weighted averages of bilateral euro exchange rates against the currencies of the euro area's main trading partners. The EER indices of the euro are calculated against different groups of trading partners: the EER-20 comprises the 10 non-euro area EU Member States and 10 trading partners outside the EU, and the EER-40 encompasses the EER-20 and 20 additional countries. The weights used reflect the share of each partner country in the euro area's trade in manufactured goods and account for competition in third markets. Real EERs are nominal EERs deflated by a weighted average of foreign, relative to domestic, prices or costs. They are thus measures of price and cost competitiveness.

Enhanced credit support: the non-standard measures taken by the ECB/Eurosystem during the financial crisis with a view to supporting financing conditions and credit flows above and beyond what could be achieved through reductions in key ECB interest rates alone.

EONIA (euro overnight index average): a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.

Equities: securities representing ownership of a stake in a corporation, e.g. shares traded on stock exchanges (quoted shares), unquoted shares and other forms of equity. Equities usually produce income in the form of dividends.

ERM II (exchange rate mechanism II): the exchange rate arrangement that provides the framework for exchange rate policy cooperation between the euro area countries and the EU Member States not participating in Stage Three of EMU.

EURIBOR (euro interbank offered rate): the rate at which what is known as a prime bank is willing to lend funds (denominated in euro) to another prime bank. The EURIBOR is computed daily, based on the rates of a sample of selected banks, for different maturities of up to 12 months.

Euro area: the area formed by those EU Member States in which the euro has been adopted as the single currency in accordance with the Treaty on the Functioning of the European Union.

European Commission surveys: harmonised surveys of business and/or consumer sentiment conducted on behalf of the European Commission in each of the EU Member States. Such questionnaire-based surveys are addressed to managers in the manufacturing, construction, retail and services industries, as well as to consumers. From each monthly survey, composite indicators are calculated that summarise the replies to a number of different questions in a single indicator (confidence indicators).

Eurosystem: the central banking system made up of the ECB and the NCBs of those EU Member States whose currency is the euro.

Eurozone Purchasing Managers' Surveys: surveys of business conditions in manufacturing and in services industries conducted for a number of countries in the euro area and used to compile indices. The Eurozone Manufacturing Purchasing Managers' Index (PMI) is a weighted indicator calculated from indices of output, new orders, employment, suppliers' delivery times and stocks of purchases. The services sector survey asks questions on business activity, expectations of future business activity, the amount of business outstanding, incoming new business, employment, input prices and prices charged. The Eurozone Composite Index is calculated by combining the results from the manufacturing and services sector surveys.

External trade in goods: exports and imports of goods with countries outside the euro area, measured in terms of value and as indices of volume and unit value. External trade statistics are not comparable with the exports and imports recorded in the national accounts, as the latter include both intra-euro area and extra-euro area transactions, and also combine goods and services. Nor are they fully comparable with the goods item in b.o.p. statistics. Besides methodological adjustments, the main difference is that imports in external trade statistics are recorded including insurance and freight services, whereas they are recorded free on board in the goods item in the b.o.p. statistics.

Financial account: a b.o.p. account that covers transactions between residents and non-residents in direct investment, portfolio investment, other investment, financial derivatives and reserve assets.

Financial accounts: part of the system of national (or euro area) accounts showing the financial positions (stocks or balance sheets), financial transactions and other changes of the different institutional sectors of an economy by type of financial asset.

Financial vehicle corporation (FVC): an entity whose principal activity is to carry out securitisation transactions. An FVC typically issues marketable securities that are offered for sale to the general public, or sold in the form of private placements. In some cases, an FVC simply holds the securitised assets and issues the securities through another entity, often an FVC itself.

Fixed rate tender: a tender procedure in which the interest rate is specified in advance by the central bank and in which participating counterparties bid the amount of money they wish to transact at the fixed interest rate.

Fixed rate full-allotment tender procedure: a tender procedure in which the interest rate is pre-specified by the central bank (fixed rate) and in which counterparties bid the amount of money they want to transact at that rate, knowing in advance that all their bids will be satisfied (full allotment).

General government: a sector defined in the ESA 95 as comprising resident entities that are engaged primarily in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. Included are central, regional and local government authorities as well as social security funds. Excluded are government-owned entities that conduct commercial operations, such as public enterprises.

Gross domestic product (GDP): the value of an economy's total output of goods and services less intermediate consumption, plus net taxes on products and imports. GDP can be broken down by output, expenditure or income components. The main expenditure aggregates that make up GDP are household final consumption, government final consumption, gross fixed capital formation, changes in inventories, and imports and exports of goods and services (including intra-euro area trade).

Gross external debt: the outstanding amount of an economy's actual (i.e. non-contingent) current liabilities that require payment of principal and/or interest to non-residents at some point in the future.

Harmonised Index of Consumer Prices (HICP): a measure of the development of consumer prices that is compiled by Eurostat and harmonised for all EU Member States.

Hourly labour cost index: a measure of labour costs, including gross wages and salaries (in cash and in kind, including bonuses) and other labour costs (employers' social contributions plus employment-related taxes paid by the employer minus subsidies received by the employer), per hour actually worked (including overtime).

Implied volatility: the expected volatility (i.e. standard deviation) in the rates of change of the price of an asset (e.g. a share or a bond). It can be derived from the asset's price, maturity date and exercise price of its options, as well as from a riskless rate of return, using an option pricing model such as the Black-Scholes model.

Index of negotiated wages: a measure of the direct outcome of collective bargaining in terms of basic pay (i.e. excluding bonuses) at the euro area level. It refers to the implied average change in monthly wages and salaries.

Industrial producer prices: factory-gate prices (transportation costs are not included) of all products sold by industry, excluding construction, on the domestic markets of the euro area countries, excluding imports.

Industrial production: the gross value added created by industry at constant prices.

Inflation: an increase in the general price level, e.g. in the consumer price index.

Inflation-indexed government bonds: debt securities issued by the general government, the coupon payments and principal of which are linked to a specific consumer price index.

Insurance corporations and pension funds: a sector defined in the ESA 95 as comprising all financial corporations and quasi-corporations that are engaged primarily in financial intermediation as the consequence of the pooling of risks.

International investment position (i.i.p.): the value and composition of an economy's outstanding net financial claims on (or financial liabilities to) the rest of the world.

International reserves: external assets readily available to and controlled by monetary authorities for directly financing or regulating the magnitude of payment imbalances through intervention in exchange markets. The international reserves of the euro area comprise non-euro-denominated claims on non-euro area residents, gold, special drawing rights and the reserve positions in the IMF which are held by the Eurosystem.

Investment funds (except money market funds): financial institutions that pool capital raised from the public and invest it in financial and non-financial assets. See also MFIs.

Job vacancies: a collective term covering newly created jobs, unoccupied jobs or jobs about to become vacant in the near future, for which the employer has recently taken active steps to find a suitable candidate.

Key ECB interest rates: the interest rates, set by the Governing Council, which reflect the monetary policy stance of the ECB. They are the rates at the main refinancing operations, on the marginal lending facility and on the deposit facility.

Labour force: the sum total of persons in employment and the number of unemployed.

Labour productivity: the output that can be produced with a given input of labour. It can be measured in several ways, but is commonly measured as GDP (volume) divided by either total employment or total hours worked.

Liquidity-absorbing operation: an operation through which the Eurosystem absorbs liquidity in order to reduce excess liquidity, or to create a shortage of liquidity. Such operations can be conducted by issuing debt certificates or fixed-term deposits.

Longer-term refinancing operation (LTRO): an open market operation with a maturity of more than one week that is executed by the Eurosystem in the form of a reverse transaction. The regular monthly operations have a maturity of three months. During the financial market turmoil that started in August 2007, supplementary operations with maturities ranging from one maintenance period to one year were conducted, the frequency of which varied.

M1: a narrow monetary aggregate that comprises currency in circulation plus overnight deposits held with MFIs and central government (e.g. at the post office or treasury).

M2: an intermediate monetary aggregate that comprises M1 plus deposits redeemable at a period of notice of up to and including three months (i.e. short-term savings deposits) and deposits with an agreed maturity of up to and including two years (i.e. short-term time deposits) held with MFIs and central government.

M3: a broad monetary aggregate that comprises M2 plus marketable instruments, in particular repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs.

Main refinancing operation (MRO): a regular open market operation executed by the Eurosystem in the form of reverse transactions. Such operations are carried out through a weekly standard tender and normally have a maturity of one week.

Marginal lending facility: a standing facility of the Eurosystem enabling eligible counterparties, on their own initiative, to receive overnight credit from the NCB in their jurisdiction at a pre-specified rate in the form of a reverse transaction. The rate on loans extended within the scope of the marginal lending facility normally provides an upper bound for overnight market interest rates.

MFI credit to euro area residents: MFI loans granted to non-MFI euro area residents (including general government and the private sector) and MFI holdings of securities (shares, other equity and debt securities) issued by non-MFI euro area residents.

MFI interest rates: the interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area.

MFI longer-term financial liabilities: deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued by euro area MFIs with an original maturity of more than two years and the capital and reserves of the euro area MFI sector.

MFI net external assets: the external assets of the euro area MFI sector (such as gold, foreign currency banknotes and coins, securities issued by non-euro area residents and loans granted to non-euro area residents) minus the external liabilities of the euro area MFI sector (such as non-euro area residents' deposits and repurchase agreements, as well as their holdings of money market fund shares/units and debt securities issued by MFIs with a maturity of up to and including two years).

MFIs (monetary financial institutions): financial institutions which together form the money-issuing sector of the euro area. These include the Eurosystem, resident credit institutions (as defined in Community law) and all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities. The latter group consists predominantly of money market funds, i.e. funds that invest in short-term and low-risk instruments usually with a maturity of one year or less.

Minimum bid rate: the lower limit to the interest rates at which counterparties may submit bids in the variable tenders.

Open market operation: a financial market operation executed on the initiative of the central bank. These operations include reverse transactions, outright transactions as well as the issuance of fixed-term deposits or debt certificates or foreign exchange swaps. The open market operations can be liquidity providing or liquidity absorbing.

Other investment: an item in the b.o.p. and the i.i.p. that covers the financial transactions/positions with non-residents in trade credits, deposits and loans, and other accounts receivable and payable.

Portfolio investment: euro area residents' net transactions and/or positions in securities issued by non-residents of the euro area ("assets") and non-residents' net transactions and/or positions in securities issued by euro area residents ("liabilities"). Included are equity securities and debt securities (bonds and notes, and money market instruments). Transactions are recorded at the effective price paid or received, less commissions and expenses. To be regarded as a portfolio asset, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.

Price stability: as defined by the Governing Council, a year-on-year increase in the HICP for the euro area of below 2%. The Governing Council has also made it clear that, in the pursuit of price stability, it aims to maintain inflation rates below, but close to, 2% over the medium term.

Purchasing power parity (PPP): the rate at which one currency is converted into another so as to equalise the purchasing power of the two currencies by eliminating the differences in the price levels prevailing in the countries concerned. In their simplest form, PPPs show the ratio of the prices in national currency of the same good or service in different countries.

Reference value for M3 growth: the annual growth rate of M3 that is deemed to be compatible with price stability over the medium term.

Reserve requirement: the requirement for institutions to hold minimum reserves with the central bank over a maintenance period. Compliance with the requirement is determined on the basis of the average of the daily balances in the reserve accounts over the maintenance period.

Reverse transaction: an operation whereby the NCB buys or sells assets under a repurchase agreement or conducts credit operations against collateral.

Securitisation: a transaction or scheme whereby an asset or a pool of cash flow-producing assets, often consisting of loans (mortgages, consumer loans, etc.), is transferred from an originator (usually a credit institution) to a financial vehicle corporation (FVC). The FVC effectively converts these assets into marketable securities by issuing debt instruments with principal and interest serviced through the cash flows produced by the asset pool.

Survey of Professional Forecasters (SPF): a quarterly survey that has been conducted by the ECB since 1999 to collect macroeconomic forecasts on euro area inflation, real GDP growth and unemployment from a panel of experts affiliated to financial and non-financial organisations based in the EU.

Unit labour costs: a measure of total labour costs per unit of output calculated for the euro area as the ratio of total compensation per employee to labour productivity (defined as GDP (volume) per person employed).

Variable rate tender: a tender procedure where the counterparties bid both the amount of money they wish to transact with the central bank and the interest rate at which they wish to enter into the transaction.

Volatility: the degree of fluctuation in a given variable.

Write-down: a downward adjustment to the value of loans recorded in the balance sheets of MFIs when it is recognised that the loans have become partly unrecoverable.

Write-off: the removal of the value of loans from the balance sheets of MFIs when the loans are considered to be totally unrecoverable.

Yield curve: a graphical representation of the relationship between the interest rate or yield and the residual maturity at a given point in time for sufficiently homogenous debt securities with different maturity dates. The slope of the yield curve can be measured as the difference between the interest rates or yield at two selected maturities.

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